

Mackinaw City

Newsletter

WINTER, 2010

CONTACT THE VILLAGE

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President's Message – Winter 2010

I am enjoying serving our community as Village President! Over the past three months I have gained an even deeper understanding of the responsibilities and challenges our Village faces. Completing these tasks must be accomplished with quality and should not be addressed with a rushed time line.

We are blessed to have many fine employees on our Village staff and wonderful volunteers within our community. Both are an integral part of making our Village work! Joining together as a team allows us to complete our tasks much more easily and with better results.

Volunteerism is crucial to the amount and quality of work accomplished in our Village! So I ask our citizens to remember how much we appreciate the work of our volunteers and, also, that we need people to keep stepping forward to continue serving our community. This productive work goes far beyond government boards and commissions! Volunteer work covers many different needs in our Village. A few examples, showing the diversity of efforts are:

- Sunday School teachers
- Chamber of Commerce Ambassadors
- Woman's Club members
- Recreation Center volunteers
- Fire fighters and ambulance drivers

More of our volunteer groups will be mentioned in future Messages.

Since taking office on October 1, 2009 my colleagues on the Village Council and I have been committed to filling the vacant seats on our many boards and commissions. We are happy to report the seats are all filled and the members are hard at work fulfilling their responsibilities. I am pleased we are now working with a full team.

This President's Message coincides with the Village Municipal Budget review time. I want to assure the community that your Village staff, council trustees, and I are focusing serious time and thought on how we can best use your tax dollars. Compared to some other municipalities, we are in a good financial position. Our conservative financial planning has paid off.

There are some goals I would like to mention to you. First, I have supported and feel very positive about the plans we have for improving our "biking and hiking" trails in the Village. Biking and hiking are activities that not only benefit our residents, but also attract the kind of people to our town that will bring economic support for our businesses. You will be hearing more good news about this goal in the future.

A second goal is my keen interest in seeking alternative avenues to raise revenues for our Village. If you have an idea that we could discuss regarding this matter I would be very anxious to hear about it.

Thirdly, I am very sensitive to the fact that a clean, attractive community makes the lives of the residents more enjoyable and the businesses more inviting! Our Village employees, residents, and business owners – working as a team to keep improving the appearance of our Village - will bring very positive results for all of us!

Thank you for taking the time to read our winter Newsletter. To keep our residents and business owners more informed about Village developments, our goal is to publish the Newsletter quarterly.

I look forward to continuing the work you elected me to do!
Best Regards, Jeff Hingston

I-75 Road Work

MDOT says that fixing the failed 10-mile segment of I-75 just south of Mackinaw City is a top priority. They had a meeting last week to discuss the repair options with their engineers. One option is to totally reconstruct the 50-year-old base. If this option is chosen it will cost approximately \$18 million dollars and take many months to complete. However, even in this case they will have all four lanes open for the holiday weekend.

SAVE THE DATE

Annual Chamber Breakfast

April 29th at St. Anthony's from 9am-11am. Make your reservation at the Chamber office.

Mackinaw Maritime Festival - A new 2-day festival, May 7-8th, will honor the maritime heritage of Mackinaw. It will include a Cedarville Memorial Ceremony, Blessing of the Fleet, free tour of Old Mackinac Point Lighthouse, and a fish boil.

www.MackinawMaritimeFestival.org

Mackinaw City Budget 2010-2011

In January and February of every year Mackinaw City's Village Manager integrates Village Council's goals, state and federal government mandates, and the tax assessor's projected tax revenues to create the coming year's Village Budget. The Village Council studies the proposed budget, reviews priorities and makes changes to approve the final budget. This document guides all of the work done by the Village for the next fiscal year.

We have all heard the news about tight budgets; well Mackinaw City's budget is also tight this year. For the first time in decades there is no projected increase in the tax base in Mackinaw City. Declining property values are projected to be just offset by new investments.

How does the budget work?

Mackinaw's budget is made up of Funds. These are equivalent to checking accounts. The General Fund is the main fund. Property tax payments are deposited into this account. But there are several other funds which collect user fees and are invested for the benefit of the users. For example, there is a Marina Fund. Boaters pay to use the marina and the money is spent back on marina projects. There is a Water and Sewer Fund. Water bill payments are put into this fund to pay for improvements to the water and sewer system. There are several other funds. At the end of the year if more money is collected than spent from any of these Funds the money is recorded as a Fund Balance, the equivalent of a savings account. If we overspend, the money comes out of the savings.

Where does the General Fund money come from?

Property taxes account for 74% of the General Fund. Fortunately for property owners, the Village is able to supplement this by renting out some of its facilities. For example, the wind turbine owners rent land from the Village, Shepler's Ferry rents land, cell phone providers rent space on top of the water tower. This rental income is large for Mackinaw and amounts to about 13% of the General Fund. We get a little income from State Revenue Sharing and other miscellaneous sources.

Where does the General Fund money go?

Public safety, i.e., police, fire, etc. accounts for 40% of the Village's budget. General government, i.e., administration, buildings and grounds, general village property, promotion, and community development, accounts for another 40%. Recreation and miscellaneous items absorb the rest.

What specifically is planned for this year?

The budget goes into effect on March 1st. Inside this newsletter are the projects you can expect to see and hear about this year. A complete copy is available at Village Hall or at the village website:

www.mackinawcity.org

Future Capital Projects

The Village Council has a long-range plan to build a new fire/ambulance station, then move the fire and ambulance trucks out of Village Hall, and finally rebuild the back of Village Hall as an improved council meeting room.

In the meantime the roof on Village Hall leaks and so does the roof on the two metal buildings we call Fire Station #2, behind the school. This year's budget includes money to replace the roof on Fire Station #2 and repair the roof on Village Hall.

In an effort to take action on the long-range plan the Village Manager has researched a new fire station and found it will cost around \$1.3 million. This would be financed with a 30-year loan. The payments would be \$66,000 a year for 30 years at 4.5% interest repaid out of the General Fund.

The argument for starting a new fire station now is that interest rates are very low. The project is more affordable now than it will be in the future. The argument against constructing a new fire station at this time is that tax revenues are projected to be flat this year followed by two years of decline. Such large loan payments could use a large portion of the discretionary money the Village has until real estate values and hence tax payment increase.

There are several other significant competing needs for Village funding. For example, there is a significant need for road repairs. Using the MDOT system of evaluating the quality of roads, many of Mackinaw City's local roads are rated as being in fair to poor condition. In addition N. Huron Ave., from the downtown stop sign north and around to Ducharme St., is rated in poor condition. This road segment will cost \$1.2 million to repair and be split up into five phases over many future years. Portions of W. Central Ave. are rated fair to poor and will cost \$1.3 million. The Village has applied for State funding for a portion of Central but it will be several years before work begins.

The Village Council will be discussing these issues during the year and welcomes your thoughts.

Roads

Two road projects are planned for construction this year. The repaving of E. Central Ave. from Nicolet St. to S. Huron Ave. will begin as soon as weather breaks in the spring. This project is a \$285,000 project paid for by a federal grant through the American Recovery and Reinvestment Act (ARRA). The project will consist of grinding two inches of the existing asphalt and replacing it with new asphalt. There will also be sidewalk ramps replacement and minor curb repairs.

The second project will occur on Nicolet St. from the Exit 338 ramp south to the 337 entrance ramp. This is a \$1.7 million project paid for by State and Federal funds. The project will consist of complete road replacement along much of the corridor as well as resurfacing of a portion of the road. This project will also begin in the spring.

WATER SEWER

Water - State Regulations

The State of Michigan regulates the water quality and quantity of communities in the State. This year they created a new formula to calculate the quantity of water a community needs to supply. Their formula, which has no special consideration for seasonal communities, says that Mackinaw City needs a second water tower. Such a water tower would cost around \$800,000 and sit unused at least half of the year.

The Village manager plans a hydraulic study this year to see if we can provide sufficient additional water capacity by drilling a fifth well rather than building an expensive water tower. The study will cost \$15,000.

Sewer

Equipment replacement will be the focus of upgrades to the sewer treatment plant this year.

Longer-term sewer needs

We have a lagoon sewer system for processing our waste water. This works by pumping our sewage into lagoon ponds where bacteria eat up the sewage. However, the bacteria die and over many years they fill up the ponds with sludge. In 2011 we will have to clean the sludge from our two ponds. In the good old days we scooped it out and sprayed on the field around the wind turbines. We are no longer allowed to do that. We have to have it hauled away to a place certified to receive sewage sludge. The cost of cleaning our two ponds is expected to be \$370,000.

Another expensive long-term project is the continuation of replacing portions of the force main with larger pipe. If you don't know, all of the sewage generated in Mackinaw City flows to the pumping station at Wawatam Park. From there it is pumped up the hill to the sewer plant. As town has grown the volume of sewage has grown and larger pipes are needed in certain areas to increase capacity. Two years ago we replaced a segment of pipe from Wawatam Park to the state marina. In 2013 the Village will replace more of it, from the state marina to Barbara St. at a cost of \$150,000.

Where will the money come from?

These three big projects will cost Mackinaw City \$1.32 million in the next few years. In the past we had a steady growth in the number of new motel rooms in town. Each new motel room paid a hook-up fee into the Water and Sewer Fund. That provided the money for the expensive improvements we have seen in the sewer system in the past. But now, with the sluggish economy, the Fund is not growing as quickly.

Where will the \$1.32 million come from? There are only three places:

1. usage revenues
2. hook-up fees
3. bonding



LIVE IN MACKINAW? - REPORT IN MACKINAW!

In March of 2010 census forms will be delivered to every residence. When you receive yours, just answer the short questions and then mail the form back in the postage-paid envelope provided.

Being counted as part of the census is extremely important to the community. Population counts are used to calculate a portion of the State and Federal funds that will be received by the community over the next 10 years.

Many residents who live in Mackinaw City the majority of the year may be staying in winter homes outside the Village when the census is mailed. The census questionnaire may not be forwarded to you. Please **DO NOT** fill out the form from your winter home address.

Please fill out the form from your Mackinaw City

Address. This will ensure that you are counted as part of Mackinaw City's population.

All citizens of the Village should either receive a questionnaire form or receive a visit from a census worker by the end of June 2010. If you do not receive a form or a visit by the end of June please call the Village Hall at 231-436-5351 so we can help you get into contact with a census worker

The Census Bureau is also looking for workers to conduct the home interviews discussed above. It is very important to the community to have someone from Mackinaw City help collect the information so important to us. The Census Bureau pays \$11.25 per hour for enumerators. For more information go to www.2010census.gov or call 1-866-861-2010 today.

Trailhead Project

This summer the State is scheduled to construct a restroom and pavilion facility to anchor the north end of the North Central State Trail, part of a statewide trail network. The building will be at the trailhead located behind the Burger King. Final approval for the use of American Recovery and Reinvestment Act (ARRA) funds is pending for this project. The project would also pave the existing portion of the trail system within the Village. The cost of the project is estimated at \$900,000.

What is the Planning Commission working on?

- the Master Plan
- Wind Turbine Ordinance
- Ferry overflow parking Ordinance
- Outdoor Burner Ordinance

To learn more attend the meetings on the 2nd and 4th Thursday at 7pm at Village Hall or check their web site at

www.mackinawcity.org/planning-commission-5

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