

CITY OF LUNA PIER

Annual Disclosure Document

CITY OF LUNA PIER

County of Monroe, State of Michigan

Lakeside Drain and Branches Drainage District, 2011 Drainage District Bonds

Dated: 09/14/11 - Original Amount: \$1,850,000

BASE CUSIP #: 51215S

DUE: DECEMBER 27th ANNUALLY

Under state law the City is not required to have annual audited financial statements and is instead required to have biannual audited financial statements. The City has provided audited financial statements for its fiscal year ended June 30, 2019.

PROPERTY VALUATIONS – HISTORICAL VALUATIONS:

<u>Property Value as of 12/31</u>	<u>Levy/ Valuation Year</u>	<u>State Equalized Value</u>	<u>Change</u>	<u>Total Taxable Value</u>	<u>Change</u>
2018	2019	\$50,752,474	3.68%	\$42,673,109	-0.94%
2017	2018	48,952,680	-9.00%	43,079,436	-6.40%
2016	2017	53,792,265	-1.82%	46,025,114	-6.48%
2015	2016	54,791,073	5.33%	49,213,420	0.76%
2014	2015	52,020,600	6.72%	48,841,362	3.86%

Source: Monroe County Equalization Department

VALUATION COMPOSITION:

	<u>2019 Taxable Value</u>	<u>Percent of Total</u>
<u>By Class:</u>		
Real Property	\$37,137,035	87.03%
Personal Property	5,536,074	12.97%
TOTAL	<u>\$42,673,109</u>	<u>100.00%</u>
<u>By Use:</u>		
Commercial	\$3,315,539	7.77%
Industrial	1,487,089	3.48%
Residential	32,334,407	75.77%
Personal	5,536,074	12.97%
TOTAL	<u>\$42,673,109</u>	<u>100.00%</u>

Source: Monroe County Equalization Department

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MAJOR TAXPAYERS:

<u>Taxpayer</u>	<u>Product / Service</u>	2019 Taxable <u>Value</u>
METC Property Tax Dept.	Utility	\$4,449,452
Monroe Investments I, LLC	Industrial Property Mgmt.	1,150,000
Gayar Holdings, LLC	Gas Station	729,719
Luna Pier Harbour Club	Marina/Party Store	468,963
Shri Lakshmi Holdings, Inc.	Real Estate	329,800
Richard Russell, Jr.	Trust	346,043
Consumers Energy Company*	Utility	698,039
Robert & Bonnie Boes	Personal Property	253,725
Harborside Investments, LLC	Marina	303,733
Harris, Lance & Ladonna	Personal Property	240,723
TOTAL		<u>\$8,970,197</u>
2019 Taxable Value		\$42,673,109
Top 10 Taxpayers as a % of Total Taxable Value		21.02%

*On December 2, 2011, Consumers Energy announced that its J.R. Whiting generating plant located in the City of Luna Pier will cease operations by April 1, 2016. Although, the ultimate impact on the City and its finances is not yet known, the impact on the Water Supply System Bonds and the Wastewater Treatment Bonds is negligible.

Source: City of Luna Pier

TAX RATES:

<i>City of Luna Pier</i>	Levy Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating	9.8245	9.8245	9.8245	9.8304	9.8304
Flood Control	0.4997	0.4997	0.4997	0.5000	0.5000
Police	2.0000	2.0000	2.0000	0.0000	0.0000
Total	<u>12.3242</u>	<u>12.3242</u>	<u>12.3242</u>	<u>10.3304</u>	<u>10.3304</u>

Source: City of Luna Pier

TAX RATE LIMITATIONS:

<u>Purpose</u>	<u>Millage Authorized</u>	2019		<u>2019 Rate Levied</u>	<u>2019 Rate Margin</u>	<u>Expiration Date of Levy</u>
		<u>Maximum Allowable Millage after Rollback</u>				
Operating	10.0000	9.8245		9.8245	0.0000	N/A
Flood Control	0.5000	0.4997		0.4997	0.0000	Dec. 2020
Police	2.0000	2.0000		2.0000	0.0000	Dec. 2020

Source: City of Luna Pier

CITY OF LUNA PIER
TAX LEVIES AND COLLECTIONS:

<u>Levy Year</u>	<u>Total Tax Levy</u>	<u>Collections to March 1st Following</u>	
		<u>Dollar Amt.</u>	<u>Percent</u>
2018	\$432,477	\$408,870	94.54%
2017	451,290	433,794	96.12%
2016	563,218	537,742	95.48%
2015	629,135	591,570	94.03%
2014	608,538	567,297	93.22%

Source: County of Monroe

REVENUES FROM THE STATE OF MICHIGAN

<u>Fiscal Year End</u>	<u>Revenue Sharing</u>
<u>30-Sep</u>	<u>Payments</u>
2019	\$134,558
2018	129,153
2017	124,933
2016	118,633
2015	118,738

Source: Department of Treasury website

PENSION FUND

<u>Fiscal Year</u>	<u>Employer Contribution</u>
2019	\$98,724
2018	130,319
2017	159,688
2016	143,494
2015	176,102

Source: City of Luna Pier & Audited Financial Statements

OTHER POST-EMPLOYMENT BENEFITS

The City provides retiree healthcare benefits to eligible employees upon retirement. Benefits are provided to employees covered under the municipal Employees Retirement System. The plan has 12 members, including employees in active service and retired employees and beneficiaries currently receiving benefits. Currently, 8 retirees are eligible. Retiree healthcare costs are recognized when paid by the City on a "pay-as-you-go" basis.

For the year ended June 30, 2013, the City has estimated the cost of providing retiree healthcare benefits using an alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than 100 total plan members. The annual required contribution for the fiscal year ended June 30, 2019 was \$25,293.

Source: City of Luna & Audited Financial Statements

CITY OF LUNA PIER

DEBT STATEMENT

As of November 2, 2019

DIRECT DEBT:

<u>Dated</u> <u>Date</u>	<u>Type / Purpose</u>	<u>Final</u> <u>Maturity</u>	<u>Principal</u> <u>Outstanding</u>
	<i>General Obligation Bonds</i>		
06/18/13	General Obligation Bonds	08/01/28	\$485,000
	<i>Wastewater Revenue Bonds</i>		
07/03/12	Rural Development, Wastewater, A	06/01/52	2,680,000
07/03/12	Rural Development, Wastewater, B	06/01/52	91,000
08/19/19	Rural Development, Wastewater	06/01/59	440,000
	<i>Share of County Issued Bonds</i>		
09/14/11	Lakeside Drain	05/01/31	413,760
08/30/16	South County Water, Refunding	06/01/25	212,349
TOTAL DIRECT DEBT			\$4,322,109
	Less: Revenue Bonds	(3,211,000)	
	Less: Self-Supporting Bonds	(626,109)	(\$3,837,109)
NET DIRECT DEBT			\$485,000

OVERLAPPING DEBT:

<u>Percent</u> <u>Share</u>	<u>Municipality</u>	<u>Net</u> <u>Debt</u>	<u>City's</u> <u>Share</u>
14.60%	Mason School District	\$0	\$0
0.68%	Monroe County	20,240,702	137,637
0.70%	Monroe ISD	0	0
0.68%	Monroe Community College	0	0
TOTAL OVERLAPPING DEBT			\$137,637
NET DIRECT AND OVERLAPPING DEBT			\$622,637

OTHER LONG-TERM DEBT OBLIGATIONS:

In addition to the long-term debt bonded debt referenced above, the City has the following long-term debt obligations outstanding:

<u>Issuance</u> <u>Date</u>	<u>Description</u>	<u>Final Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u> <u>Outstanding</u>
9/1/2015	Michigan Dept. of Transp. State Infrastructure Loan	9/1/2030	\$316,455

Source: Municipal Advisory Council of Michigan

CITY OF LUNA PIER

LEGAL DEBT MARGIN:

2019 State Equalized Value (SEV)		\$48,952,680
Legal Debt Limit - 10% of Total Equivalent Valuation		\$4,895,268
Total Direct Debt Outstanding	\$4,322,109	
Less: Revenue Bonds	(3,211,000)	\$1,111,109
LEGAL DEBT MARGIN AVAILABLE		<u>\$3,784,159</u>

GENERAL FUND - FUND BALANCE

City of Luna Pier Fiscal Year Ended <u>June 30th</u>	Fund <u>Balance</u>
2019	\$1,201,072
2018	917,395
2017	917,404
2016	766,867
2015	611,043

Source: City of Luna Pier & Audited Financial Statements