

**To:** Mayor Pat Humphrey and the Clare City Commission  
**From:** Steven J. Kingsbury, MBA, CPFA, MiCPT  
Treasurer, Finance and Technology Director  
**Date:** April 28, 2021  
**Reference:** Treasurer's Report for May 3, 2021

**Fiscal Year 2021/22 Budget:** At the time of this writing Michelle and myself are working almost exclusively on the FY2021/22 in preparation for the Commission's first budget workshop to be held on Monday, May 3, 2021. The requested/recommended capital improvement schedule for the upcoming fiscal year along with the capital improvements projected for the next five years (19 for both the water and sewer plants) has been assembled and presented to the Planning Commission during their normal meeting held on Wednesday, April 14<sup>th</sup>.

We have at this point accumulated all of the requests and recommendations of all department heads; completed the personnel costing update; finalized the updating of the debt repayment schedule; as well as several other significant parts of the budget process. As with previous years the requested/recommended budget will not be completed until late this week, possibly this weekend. We will be assembling the budget books for the Commission's use and will distribute them during the meeting Monday evening.

**Property Tax Collections and Settlement:** We have received the final settlement checks from both the Clare and Isabella County Treasurers and officially completed the collection of the 2020 property tax roll. Work had already started a couple of months ago on the creation of the 2021 property tax roll so that the summer tax bills can be mailed to all property owners on July 1<sup>st</sup>.

**Little Tobacco River Intercounty Drain:** During the April 5<sup>th</sup> City Commission meeting I verbally presented information regarding the Little Tobacco River Intercounty Drain, specifically the costs and benefits of the project to the City of Clare. As the Commission is aware, the total cost of the drain improvement project is \$11.1 million with those costs being spread to all property owners and entities who receive a benefit. The breakdown between the two counties was determined by the Drain Board to be: Clare County 70% and Isabella County 30% and then further delineation of benefits were also determined by the Drain Board a complete itemization of which is enclosed.

The total assessment for the City of Clare (not individual property owners but the City as an entity) is \$1,396,317.97 of which \$1,114,461.09 is on the Clare County side of the City and the remaining \$281,850.88 is assessed from the Isabella County side of the City. The \$1,396,317.97 total assessment is comprised of bridge replacements \$876,624.58 paid by the City's Major and Local Street Funds; sewer and water main relocations of \$106,904.86 and \$226,235.00 respectfully paid for from the City's sewer and water funds; and the City's at-large assessment of \$186,547.53 which will be paid from the City's General Fund over the 20-year life of the drain improvement bonds.

The total project cost of the bridge replacements within the City is \$3,033,719.39. The five City of Clare owned bridges that are being replaced and the associated project costs are:

Second Street	\$ 394,198.00 - Local Street
Fourth Street	751,570.50 - Major Street
Sixth Street	537,127.52 - Local Street
Maple Street	521,751.00 - Local Street
Duncan Road	556,285.00 - Local Street
Third Street	9,800.00 - Removal of the abandoned bridge structure

The Fifth Street and McEwan Street bridges are owned and operated by MDOT so the costs of those two bridges being replaced will be paid by the State (\$731,338.00 and 833,458.50 respectfully). Also, the cost of replacing the railroad bridge by the City's Second Street bridge is being paid Great Lakes Central Railroad at a cost of \$428,154.00

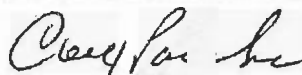
STATE OF MICHIGAN  
DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT  
Environmental Stewardship Division  
**Computation of Cost**  
LITTLE TOBACCO RIVER INTERCOUNTY DRAIN  
(Clare and Isabella Counties)

The Drainage Board for the Little Tobacco River Intercounty Drain made the following computation of the entire cost of maintaining and improving said drain on August 6, 2020:		
Surveying, Laying Out Drainage District, Preliminary Engineering	<i>Sam Ber Engineering</i>	\$130,392.46
Hydrology, Bridge Design, Permitting, Plans and Specifications	<i>Spicer Group</i>	\$709,213.01
City of Clare Utility Relocation Design	<i>Gourdie-Frasier</i>	\$41,770.00
FEMA Grant Administration and Design	<i>Wade Trim</i>	\$32,500.00
Inspection and Engineering Expenses for Construction (estimated)		\$650,000.00
	<b>Total Engineering Expenses</b>	<b>\$1,563,875.47</b>
Construction Contracts	<i>Vasher's Excavating</i>	\$560.00
	<i>Bouchey and Sons Inc.</i>	\$15,611.46
Division I - Drainage Facilities Construction	<i>Fisher Contracting</i>	\$6,464,637.14
Division II - Utility Relocations	<i>Fisher Contracting</i>	\$333,139.86
Division III - Hazard Mitigation Grant Program	<i>Bolle Contracting</i>	\$530,450.00
Balance of HMGP match (appraisals, acquisition, engineering, legal)	<i>FEMA</i>	\$19,698.33
	<b>Total Construction Contracts</b>	<b>\$7,344,398.48</b>
Material Contracts	<i>Superior Tile</i>	\$1,694.00
	<b>Total Material Contracts</b>	<b>\$1,694.00</b>
	<b>Total of All Contracts</b>	<b>\$7,346,092.46</b>
Mailing, Publication and Administrative Costs (including maintenance Supv payments)		\$4,499.26
Land Rights, Landowner Compensation, Appraisal Fees & Title Searches		\$171,779.24
Attorney Fees		\$146,651.70
Estimated Cost of Appeal		\$40,000.00
Note Interest		\$70,353.14
Bond Interest (capitalized interest) - estimated 4% for 360 days		\$444,000.00
	<b>Total Interest</b>	<b>\$514,353.14</b>
Bond Counsel Fees	<i>Dickinson Wright PLLC</i>	\$61,550.00
Registered Municipal Advisor Fees	<i>Bendzinski &amp; Company</i>	\$44,400.00
Official Statement		\$4,000.00
Rating Fees		\$20,000.00
MAC Fee		\$400.00
Bond Discount		\$111,000.00
Printing and Publishing		\$2,500.00
Michigan Treasury Fee		\$1,100.00
	<b>Total Bond Issuance Costs</b>	<b>\$244,950.00</b>
	<b>Subtotal</b>	<b>\$10,032,201.27</b>
Percent Contingency (10-15%):	10.6%	\$1,067,798.73
	<b>Total Computed Cost for Constructing Drain</b>	<b>\$11,100,000.00</b>
Clare County: 70% (7,770,000); Isabella County: 30% (\$3,330,000) - 20 year spread		

\*Represents HMGP match minus Division III. FEMA contributing \$1,650,445.00 to acquisition/demolition

**LITTLE TOBACCO INTERCOUNTY DRAIN DRAINAGE BOARD**

*Carl Parks, Treasurer*  
Clare County Drain Commissioner



*Robert J. Willoughby*  
Isabella County Drain Commissioner



**Brady Harrington, Chairman**  
For Gary McDowell, Director  
Michigan Department of Agriculture and Rural Development

Computation of the total project cost	\$	11,100,000.00
MDOT supplemental benefit amount + Remaining 14A (Agreement to be made)	\$	1,564,796.50
<b>Cost to be apportioned between counties:</b>	\$	<b>9,535,203.50</b>

Clare County assessment roll amount (70% of cost to be apportioned)	\$	6,674,642.45
Clare County prepayments (currently shows anticipated 100% MDOT 14A prepay)	\$	336,401.98
Clare County bond amount:	\$	6,338,240.47
Isabella County assessment roll amount (30% of cost to be apportioned)	\$	2,860,561.05
Isabella County prepayments (currently shows anticipated 100% MDOT 14A prepay)	\$	144,172.28
Isabella County bond amount	\$	2,716,388.77
<b>Total amount to be bonded (assuming MDOT prepays 100% 14A and supplemental)</b>	\$	<b>9,054,629.24</b>

Total MDOT Prepayment as of 8/6/2020	\$	341,132.60
Total MDOT 14A	\$	480,574.26
Remaining 14A unpaid	\$	139,441.66