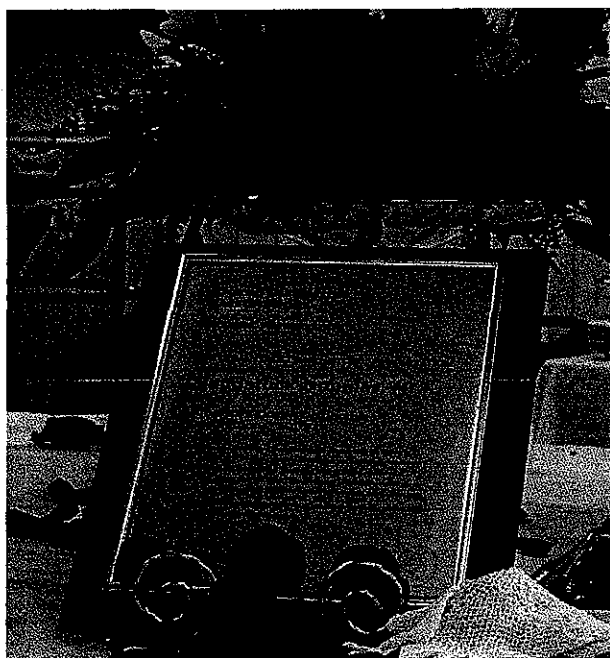


CITY OF DOUGLAS NEWSLETTER

Spring 2009
Volume 5, Edition 1

National Trust for Historic Preservation Names Douglas to its 2009 list of America's Dozen Distinctive Destinations

In 1949, President Harry Truman signed legislation creating The National Trust for Historic Preservation. Since 2000, the National Trust has annually selected a dozen historically significant destinations that offer more than the typical vacation location. On January 13, 2009, National Trust Representative Nan Taylor was at the Saugatuck-Douglas Convention and Visitors Bureau to present Douglas' Mayor Matt Balmer with a plaque in recognition of this prestigious award. The presentation ceremony was attended by Senator Patty Birkholz, Mayor Balmer and several Douglas council members. The Greater Douglas area joins only four other Michigan cities named as "Distinctive Destinations". Douglas held an afternoon tea reception for the entire community on January 19th to celebrate the occasion. To view more pictures of the presentation and reception go to the Convention and Visitors Bureau website at www.saugatuck.com.



What the National Trust for Historic Preservation says about Douglas

For more than 100 years, visitors have sought refuge from the stress of everyday life in the resort community of Douglas. The harbor town of Douglas, nestled near the shore of Lake Michigan, is defined by steep, rolling dunes to the west and lush orchard country to the east. Today, the 19th century architecture forms the basis for the area's old world charm, but Douglas's scenic beauty and singular collection of art galleries, shops and restaurants made it a perfect getaway for a day, a weekend or even a season. The Greater Douglas area is commonly referred to as the "Art Coast of Michigan" and is one of the top 25 art destinations in the United States. The Greater Douglas area is celebrated throughout the Midwest for its exceptional lodging, diverse dining and one-of-a-kind shops. Douglas offers visitors a chance to enjoy history, art, outdoor recreation and spectacular natural resources. Few vacation destinations provide such an extraordinary combination of tourism opportunities all in one location.

HOURS AND SCHEDULES

CITY HALL (269) 857-1438
Monday-Friday 8:00am - 4:30pm

COUNCIL MEETINGS
First and third Mondays 7:00pm

PLANNING COMMISSION
Second Wednesday 7:00pm

ZONING BOARD OF APPEALS
Fourth Tuesday 7:00pm (As needed)

DOWNTOWN DEVELOPMENT AUTHORITY
Second Tuesday 6:00pm

All City meetings are held in Dutcher Lodge City Hall unless otherwise noticed.

City Manager David Kowal

City Clerk Jean Neve

City Treasurer Bob Drexler

City Assessor Kelley
Ziesemer
Office Hours: Tuesday 12:30-4:30pm
Or by appointment

Planning/Zoning Ryan Kilpatrick
Office Hours:
Tuesdays 8:00am - 4:30 pm
Thursdays 8:00am - 4:30 pm

Police Department Chief Ken Giles
47 W. Center Street
Douglas (269)857-4339
Dial (616) 836-2038 or 911 after hours to speak to an officer.

Department of Public Works Max Rodgers
(269)857-2763 Superintendent

Building Permits 1 800 626-5964
Michigan Township Services
111 Grand Street
Allegan MI 49010

E-Mail Addresses for City Hall

General e-mail
douglas@douglasmichigan.com

Manager David Kowal
dkowal@douglasmichigan.com

Clerk Jean Neve
jneve@douglasmichigan.com

Zoning Consultant Ryan Kilpatrick
rkilpatrick@douglasmichigan.com

Treasurer Robert (Bob) Drexler
rdrexler@douglasmichigan.com

Assessor Kelley Ziesemer
assessor@douglasmichigan.com

Did you know?????

You may look up tax and assessing information on the City website. Log into: www.douglasmichigan.com, then click into the civic information section. On "Our City" page you will see a link to "Tax and Assessing" information. City Council meeting minutes, agendas and financial statements are available at the City offices, the Library, or on the City website.

The City of Douglas now offers the convenience of accepting credit cards for municipal payments. A third-party convenience fee will apply to cardholders who wish to pay via credit card.

The City of Douglas Code of Ordinances is now online at: www.amlegal.com/douglas_mi/
The proposed draft of the new zoning ordinance is available on the city website at douglasmichigan.com.

Recycle bags are available, free of charge, at the City Hall. Used batteries are now being collected curbside. Homes within the City of Douglas are serviced every other Tuesday. Stop in and pick up bags and a schedule.

Generous Hearts

City Hall staff, council members, police and department of public works employees gave generously to two families in need this holiday season. Christian Neighbors provided information on the two families who received gifts and groceries from Douglas employees. Toys, games, Barbie dolls, mittens, diapers and clothing items as well as non-perishable food items were collected.

Christian Neighbors accepts donations all year at St. Peters Church, 163 St. Peters Drive, Douglas. Phone (269) 857-1050.

BOARDS, COMMISSIONS AND COMMITTEES

City Council

Diane Bailey
Matt Balmer, Mayor
Greg Harvath
Martha Hoexter
Bob Sapita
Dan Urquhart
Renee Waddell, Mayor Pro
Tem

Planning Commission

David Burdick
Ron Dellartino
Christopher Nern, Chair
Alexa Urquhart
Karen Van Pelt
Renee Waddell

Zoning Board of Appeals

Jeff Greenwood
Kenneth Kutzel
Taru Pullen
Bill Schumacher, Chair
Alexa Urquhart

DDA

Nancy Ayers
Matt Balmer
Jeffrey Blandford
Helen DeGeatano
Sam Kendall
John Slater
William Smith, Chair

Assessment Board of Review

Linda Anderson
Herb Conlon
Maria Droz

Community Relations

Alan McPhail
Carol A. Peterson

LEAF AND BRUSH PICK UP SCHEDULE

Leaf Pick Up **April 1 to May 29**
 Oct. 1 to Nov. 30

Deposit leaves roadside in large piles, not in ditches. No garbage, pet waste, bricks, sticks, grass clippings or construction materials. Please place leaves in piles separate from brush or flower clippings.

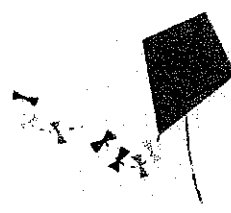
Brush Pick Up **April 1 to Nov. 30**

Deposit brush neatly on roadside, not in ditches. Please place cut ends in one direction. No tree limbs larger than 6-inches in diameter or tree stumps. Please place brush in piles separate from leaves or flower clippings.

Flower Clippings **April 1 to May 29**
Yard Waste

Deposit flower clippings/yard waste neatly in piles on roadside, not in ditches. **(No grass clippings)** Please place clippings in piles separate from leaves or brush.

Residents utilizing a professional landscaping company should require material disposal as part of the contracted services.



DOUGLAS EVENTS

Pancake Breakfasts
St. Peter's Church
8:00 a.m. on the second Sunday
of every month all year round.

Mardi Gras Parade
February 24th, 7:00 p.m.
Downtown Center Street

Movie Nights
The Old Schoolhouse
7:00 p.m.
Feb. 26, March 12 and 26, April 9
and 23.

Easter Sunday April 12th
Sunrise Services
Wades Bayou 7:00 a.m.
Parade and Candy Hunt
Beery Field 1:00 p.m.

Downtown Douglas Merchants
Spring Preview, May 2nd

Douglas Police Department Hires Full-Time Officer

Lori L. Warsen has been named the newest addition to the Douglas Police Force. Ms. Warsen has been employed with the department as a part-time officer since 2006. She is a graduate of Grand Valley State University (GVSU) with a degree in Criminal Justice, a graduate of the GVSU Police Academy and a certified Emergency Medical Technician. Lori was previously employed with GVSU Department of Public Safety and an intern with the Allegan County Sheriff's Department. Lori joins Chief Ken Giles, Sergeant Steve Kent, four other full-time officers and several part-time officers in keeping Douglas a safe place to live, vacation and work. Great to have you on the force, Lori!

2009 ASSESSMENT INFORMATION UNDERSTANDING PROPOSAL "A" IN A DECLINING MARKET

Proposal A

On March 15, 1994, Michigan voters approved the constitutional amendment known as Proposal A. Proposal A was designed to limit the growth in property taxes by the Consumer Price Index (CPI) until ownership in the property was transferred.

How It Works

Prior to Proposal A, property taxes were based upon State Equalized Value (SEV). With the implementation of Proposal A, property taxes are now based upon Taxable Value. Each year, the Assessing Office must calculate the SEV for every property based upon the period as outlined by the State Tax Commission. A property's taxable status is determined as of December 31, which is called Tax Day.

Additionally, each property has a Capped Value. Capped Value is calculated by multiplying the prior year's Taxable Value, with adjustments for additions and losses, by the CPI as calculated by the State of Michigan and cannot increase by more than 5%. **For 2009, the CPI has been calculated at 4.4%.** Taxable Value (TV), which property taxes are based on, is defined as the lower of the SEV or Capped Value.

SEV = 50% of True Cash Value

Capped Value = (Prior TV-Losses) x (1 + CPI*) + Additions

* Percent of change in the rate of inflation or 5%, whichever is less, expressed as a multiplier

Taxable Value = The lesser of State Equalized Value or Capped Value unless there is a transfer of ownership.

Actual Sale Price is not True Cash Value

The law defines True Cash Value as the **usual** selling price of a property. The Legislature and the Courts have very clearly stated that **the actual selling price of a property is not a controlling factor in the True Cash Value or State Equalized Value** as calculated by the Assessor. For this reason, when analyzing sales for determining assessment changes, the Assessing Office will review all sales but exclude non-representative sales from the assessment analysis.

How can I expect my assessment to change in 2009?

Using current sales data means that many SEV's in the area may be reduced in 2009. Some assessment adjustments will be based on market activity in the surrounding neighborhoods, general market trends or be frozen until market levels can be determined.

How can my Taxable Value go up when my SEV goes down?

Remember that the definition of Taxable Value is the lesser of SEV or last year's Taxable Value (adjusted for physical changes) times the CPI. (4.4% for 2009). Since the beginning of Proposal A in 1994, overall increases in SEV have generally been greater than the increase in Taxable Value capped at the CPI. The longer a property has been owned and capped, the greater the gap between SEV and Taxable Value. Even with a decrease in SEV for 2009, if there is still a gap between SEV and Taxable Value and the 2009 SEV is greater than the Taxable Value in the previous year, the Taxable Value will increase to the limit of the CPI cap. If, however the 2009 SEV is lower than the calculation of last year's Taxable Value multiplied by the CPI, then the 2009 Taxable Value will be the same as the 2009 SEV.

Are my taxes lower than they would have been without Proposal A?

Using a property located in the City of Douglas that was worth \$40,000 true cash value in 1994; current true cash value now, \$100,000, and is still owned by the same person:

Without Proposal A the taxes on this property would be calculated at:
2009 State Equalized Value (\$50,000) x total tax rate (.0545131) = \$2,725.65 annually.

With Proposal A (assuming annual increases to Taxable Value for the rate of inflation):
Using the 1994 taxable value above (\$40,000 TCV x 50%) adjusted by the CPI.
2009 Capped Taxable Value (\$29,841) x millage rate (.0545131, assuming no millage changes) = \$1626.73 annually.

Annual Non-principal residence savings from Proposal A = \$1098.92

If the property qualified for 100% Homeowner's Principal Residence Exemption, there would be an additional tax reduction of \$501.81.

Total Annual Principal Residence savings under Proposal A = \$1600.73

Flyer entitled *Understanding Proposal "A" in a Declining Market* is being distributed in your 2009 Assessment Change Notice and available online at www.douglasmichigan.com, from Allegan County Equalization Department or Douglas City Assessor's Office.



From the Assessor..... The 2009 Assessment Change Notices will be mailed during the last week of February. Your assessment change notice will contain information on how to appeal your assessed value. The Board of Review will meet, on an appointment basis, March 11 and 13, 2009 to hear appeals. If you feel the assessed valuation on your property does not accurately reflect market value, please call to schedule an appointment. These dates are the only time you may appeal your 2009 value. All sales data is open and available in the assessor's office or online at www.douglasmichigan.com

New City Attorney

We are pleased to announce Attorney Scott Dienes has been named as the City of Douglas attorney of record. Attorney Dienes is a partner in the firm of DeFrancesco and Dienes P.C. of Stevensville, Michigan. Scott graduated from Thomas M. Cooley Law School in 1995 and joined the Berrien County Prosecutor's office. Following a short period in private practice, Scott joined the Grand Rapids office of Dickinson Wright as a member of its Municipal Law and Public Finance Group. Since then Scott has focused his entire practice exclusively on municipal law, public finance and real estate. Recognized as an expert in the areas of municipal law and zoning he is asked to speak frequently on related topics such as the Open Meeting Act, the Freedom of Information Act and intergovernmental relationships.

Scott and his wife live in the Stevensville area with their son.

Welcome to Douglas, Attorney Dienes.

City Receives “Clean” Opinion from Auditors on Financial Statements

The City in November 2008 received a “clean” opinion from its independent auditors, Abraham & Gaffney, P.C., regarding the City’s financial statements for the fiscal year ended June 30, 2008. Before explaining what is meant by a “clean” opinion, some background information about the City’s financial reporting and auditing requirements may be useful and is presented below.

What is an Audit?



An audit is the systematic examination of the assertions or actions of a third party (the City, for example) to evaluate conformance to some norm or benchmark. In this broad sense, many different types of audits are commonly encountered in the public sector. The focus of this article, however, concentrates more narrowly on one category of audit - the financial statement audit - conducted in accordance with nationally recognized standards.

What is a Financial Statement Audit?

A financial statement audit is designed to provide users of financial reports with a level of assurance concerning their reliability. The goal of the financial statement audit is to assure users of a government’s financial statements that these statements are fairly presented. In most cases, the fairness of the presentation of a set of financial statements is determined using a set of criteria known as generally accepted accounting principles (“GAAP”). The most important source of GAAP for local governments is the Governmental Accounting Standards Board (“GASB”).

What is the Independent Auditor’s Report on the Financial Statements?

The independent auditor’s report on the financial statements provides the auditor’s opinion on whether the financial statements are fairly presented.

What is an “Unqualified Opinion” or “Clean Opinion”?

An “unqualified opinion” or “clean opinion” is one which the independent auditor can state without reservation, that the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles. In other words, the opinion contains no qualifications or qualifiers. The City received an “unqualified opinion” or “clean opinion” from its independent auditors on the City’s financial statements for the fiscal year ended June 30, 2008.

What are Funds?

Unlike most private commercial enterprises, governments both large and small typically report a number of separate columns or "funds". Each of these funds is considered to function as a separate fiscal and accounting entity. Funds normally are used by governments to segregate resources related to specific activities. For most governments, including the City of Douglas, the principal operating fund is known as the "general fund".

What is "Fund Balance"?

Most simply, fund balance is the difference between assets and liabilities in a governmental fund - such as the City's General Fund.

Fund balance is required to be reported in two components - reserved and unreserved. When fund balance is *reserved*, it either means that the resources are in a form that cannot be appropriated and spent or that the resources are legally limited to being used for a particular purpose.

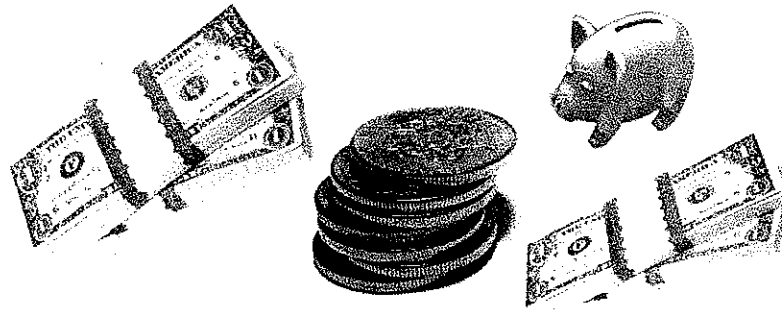
The portion of fund balance that is not reserved is called *unreserved* fund balance. It represents resources that can be used for any purpose of the fund they are reported in. Governments may report *designations* of their unreserved fund balance. Although unreserved fund balance is not legally limited to any specific purpose, a government may designate some unreserved fund balance to express its *intention* to use available resources in a particular manner. A designation is not legally binding but does convey a government's plan for using its available resources. For example, the City has designated approximately \$360,000 of its unreserved fund balance in the General Fund for future capital improvements associated with the Blue Star Highway Bridge Rehabilitation Project.

How Do Auditors Obtain the Information They Need?

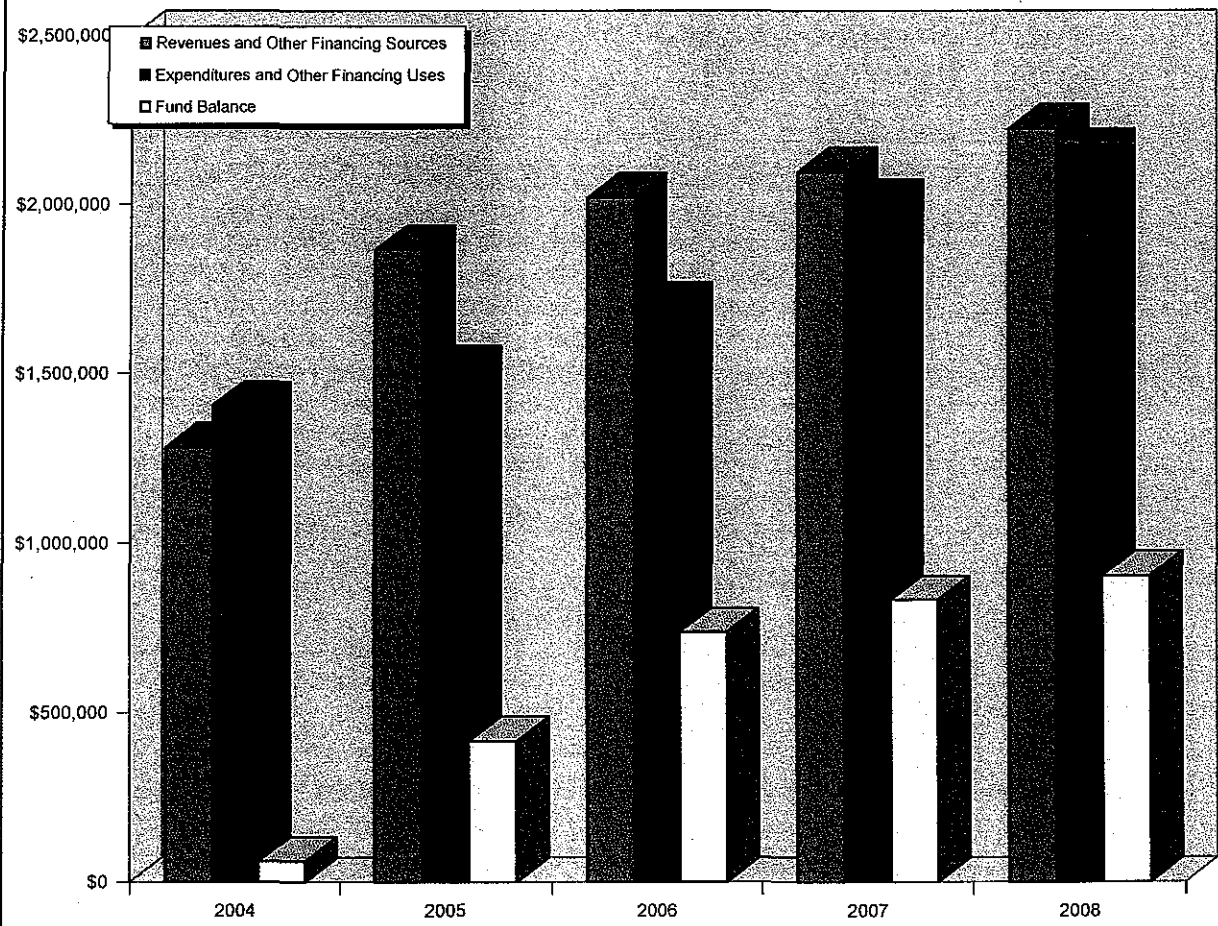
Auditors use a variety of methods to obtain the evidence they need to determine whether a government's financial statements are fairly presented. Auditors inspect relevant documentation; observe employee performance; inquire concerning policies, procedures, transactions and events; confirm balances and transactions with outside parties; and perform analytical procedures to determine the reasonableness of transactions and balances. Auditors typically do not attempt to examine individually every transaction or event affecting a government's financial statements. Instead, auditors perform their work on a "test basis".

To view the fiscal year 2007/2008 audit and financial statements go to www.douglasmichigan.com



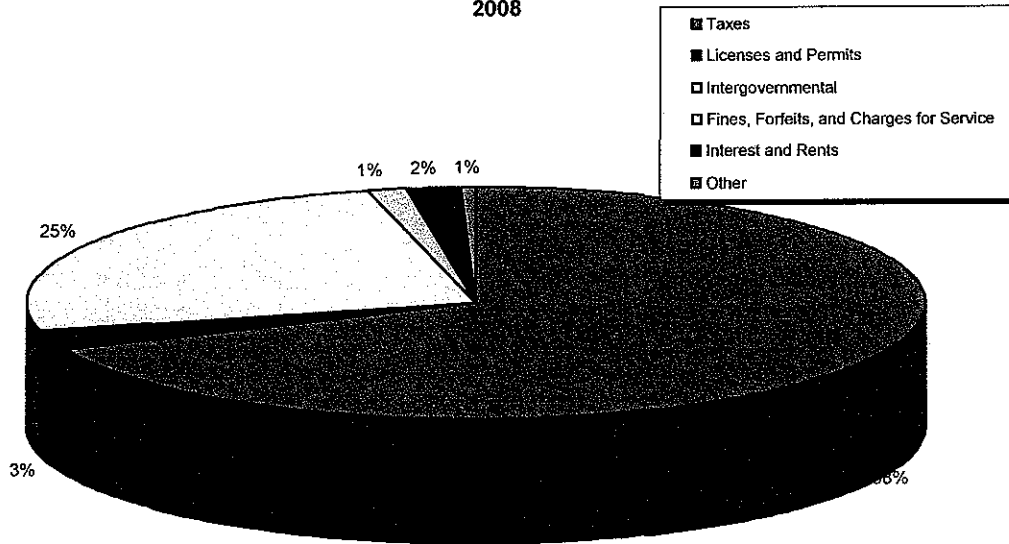


CITY OF THE VILLAGE OF DOUGLAS
General Fund Revenues, Expenditures, and Fund Balance
2004-2008



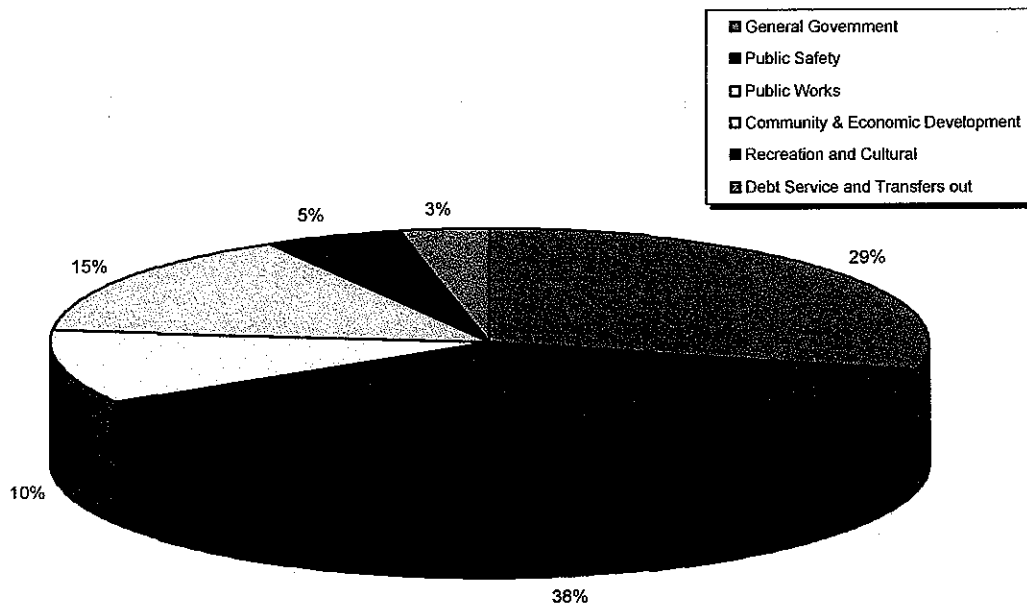
2008 General Fund Revenues and Other Funding Sources

City of the Village of Douglas
General Fund Revenues and Other Financing Sources
2008



2008 General Fund Expenditures and Other Financing Uses

City of the Village of Douglas
General Fund Expenditures and Other Financing Uses
2008



Composting Made Simple

Composting is a lot easier than you may think. Organic material breaks down around us in nature all the time. Composting is just a method of speeding up the process! Once you gather your yard waste and form it into a pile, the only time you'll spend is for occasional turning and watering the pile. Sit back and let nature do the rest.



Three simple ways to make compost bins.

Snow Fence: Buy a length of prefabricated snow fence and fasten two-by-fours

to each corner to form a square.

Woven Wire: Purchase a length of woven wire and fasten the ends with several small chain snaps to make a circle.

Block or Brick: Pile up bricks, cement blocks, or rocks to form three sides of a square container. Lay bricks without mortar, leaving spaces between to let air circulate.

Uses for finished compost.

Compost is ready to harvest when it is reduced to a crumbly, sweet smelling material called humus. Mix compost into the soil of exposed sloping areas to help fight erosion.

Mix 3-6 inches of compost into lawn soil before seeding for grass.

Mix 3-6 inches of compost into garden soil before planting.

Use it as a mulch around flowers, shrubs, and trees to discourage weeds, help soil retain moisture, and protect roots from freezing during winter months.

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