

**City of Marine City
City Commission ~ Budget Workshop
April 29, 2013**

A Budget Workshop of the Marine City Commission was held on Monday, April 29, 2013, in the Fire Hall, 200 South Parker Street, Marine City, Michigan, and was called to order by Mayor Charles R. Browne at 6:00 PM.

After observing a moment of silence, the Pledge of Allegiance was led by Mayor Browne.

Present: Mayor Browne; Commissioners Hendrick, Meli (arrived 6:05 PM), Skotarczyk and Turner; City Manager Gabor; and, City Clerk Kade.

Absent: Commissioners Lovett and Phelan

Also Present: Mary Ellen McDonald, Finance Director/Treasurer

Motion by Commissioner Skotarczyk, seconded by Commissioner Turner, to excuse Commissioners Lovett, Meli and Phelan from the meeting. All Ayes. Motion Carried.

Commissioner Meli arrived at the meeting after the members of the Commission had voted on the Motion to excuse him from the budget workshop.

Communications

The following Communications were presented:

- Sidewalk Inspection and Repair Program
- Discover the Blue Regional Tourism Campaign

Commissioner Hendrick inquired as to the number of slip and fall claims and status of each claim.

Commissioner Turner proposed that the City look into a sidewalk repair program.

Motion by Commissioner Turner, seconded by Commissioner Skotarczyk, to accept the Communications and place them on file. All Ayes. Motion Carried.

Public Comment

No residents addressed the Commission.

Approve Agenda

Motion by Commissioner Skotarczyk, seconded by Commissioner Turner, to approve the Agenda, as presented. All Ayes. Motion Carried.

New Business

Budget Workshop ~ 2013/2014

City Manager Gabor provided an update for the proposed 2013/2014 Budget, and spoke of the continued decrease in property tax revenues, which dropped \$105,225.00 from the current fiscal year. City Manager Gabor noted that he was not presenting a balanced budget, and said that they would be going to the General Fund for an estimated \$28,000.00. He reported changes to the General Fund, as follows:

- No pay raises for all employees (full and part-time)
- Layoff of full-time DPW employee from October 1, 2013 thru January 31, 2014
- Leave hours payout for Justin McCartney upon retirement ~ estimated \$28,100.00 from Fund Balance
- Reduce General Fund Pension Contribution by \$80,000.00 ~ total contribution for fiscal year 2013/2014 is \$111,870.00
- Employer contribution for medical insurance only is reduced to EVIP Guidelines:
 - ✓ Family Maximum Contribution - \$15,525.00
 - ✓ 2 Person - \$11,385.00
 - ✓ Single - \$5,692.50
- Removed truck purchase from DPW ~ \$15,000.00 (General Fund Portion)

City Manager Gabor explained that beginning July 1st all employees and retirees would be paying approximately \$100.00 monthly towards their medical insurance. Further, they would be responsible for a \$6,000.00 deductible on their medical insurance. In the past, City Manager Gabor noted that the City funded \$4,500.00 of the employees' \$6,000.00 deductible; however, the City would no longer provide any funding towards their deductible.

Finance Director/Treasurer Mary Ellen McDonald recapped the General Fund Revenues, and detailed the proposed budgets.

General Fund Revenues

- Ending Fund Balance ~ \$587,250.00
- Removal of Administration Services – MC Area Fire Authority ~ \$17,000.00

Finance Director/Treasurer McDonald suggested off-setting the loss of revenue from the MC Area Fire Authority by adding a one percent (1%) administrative fee to the tax bills, which would generate approximately \$14,500.00. She noted that there were no more debt obligations on the tax bills, which have been paid off.

2013/2014 Recommended Budget ~ \$2,809,310.00

General Fund Expenditures

City Commission

City Commission Budget ~ \$16,940.00

City Manager

- \$1,500 for Capital Outlay – no designation noted for expenditure

Commissioner Turner questioned all telephone expenses, and suggested that this item be reviewed in order to save costs.

City Manager Budget ~ \$76,010.00

City Assessor

City Assessor Budget ~ \$41,335.00

Legal and Professional

Legal and Professional Budget ~ \$60,000.00

City Clerk

City Clerk Budget ~ \$93,580.00

Finance Director

- \$1,200 for new computer purchase

Finance Department Budget ~ \$65,830.00

Building & Grounds

- 300 Broadway / City Offices – Guy Center / Pride & Heritage Museum

Building & Grounds Budget ~ \$134,025.00

Water Shed Council

- Part-time clerical employee at DPW is handling all Watershed Meetings and Reports

Water Shed Council Budget ~ \$3,650.00

Police Department

- \$14,150 for annual lease payment for two new patrol vehicles purchased in fiscal year 2012/2013
- \$1,855 for interest expense related to annual lease payment for two new patrol vehicles purchased in fiscal year 2012/2013
- Fuel costs increased to \$35,000

City Manager Gabor reported that the Police Department currently had two full-time employees, and ten part-time employees. He said a third full-time position would be filled after the contract negotiations were opened up.

Motion by Commissioner Meli, seconded by Commissioner Hendrick, to remove the Chief of Police's personal fuel usage, and reduce the fuel costs by \$6,600. Ayes: Hendrick, Meli. Nays: Browne, Skotarczyk, Turner. Motion Failed.

Police Department Budget ~ \$891,715.00

Fire Department

Fire Department Budget ~ \$235,270.00

Inspection Department

- Building Inspector will handle Code Enforcement instead of the Police Department resulting in additional costs for wages

Inspection Department Budget ~ \$43,660.00

General Maintenance

- Removed Capital Outlay in the amount of \$15,000 for pick-up with plow and accessories (cost to be split with Water and Wastewater)
- Justin McCartney has indicated intention to retire in 2013/2014 fiscal year
- Lay-off of one DPW employee between October 1, 2013 and January 31, 2014
 - ✓ Employee will not receive health care benefits for this four-month period
- Michael Itrich submitted letter requesting full retirement in February 2014
 - ✓ Employee would have 30 years of service, but does not satisfy age requirement
 - ✓ Full early retirement of five years would cost the City \$100,000 in health care, and \$100,000 - \$150,000 in retirement

Commissioner Turner suggested that Mr. Itrich's request be made a separate agenda item for discussion.

General Maintenance Budget ~ \$291,620.00

Street Lighting

Street Lighting Budget ~ \$91,000.00

Refuse

- Fuel surcharge estimated at \$1,800 per month
- Michigan Landfill Fee estimated at \$75 per month

Refuse Budget ~ \$277,650.00

Community Economic Development

Community Economic Development Budget ~ \$1,750.00

Recreation

The Recreation Director had provided a Project Review with estimated revenues and expenditures.

- Kiddie Art, Playground, and Senior Olympics programs eliminated

Recreation Budget ~ \$51,205.00

Parks and Beach

- \$1,300 for BR wall divider and electricity to shed (Recreation Millage Funds)
- \$15,000 for Lighthouse Improvements (Recreation Millage Funds)

Parks and Beach Budget ~ \$104,325.00

Safety Program

Safety Program Budget ~ \$500.00

Library

Library Budget ~ \$17,705.00

Insurance

- Retirement - \$60,000
 - ✓ No longer split by department because it is not based on wages, but the actual amount required per Actuarial Report as of June 30, 2012.
 - ✓ Actual cost is \$139,480
- Employer Retiree Health Insurance Contribution - \$102,925
 - ✓ Actual costs for 2012/2013 was \$119,750
 - ✓ City is only paying the employer portion per EVIP Guidelines.

Insurance Budget ~ \$241,025.00

Special Projects

- Loan for South Water Street property was paid off April 9, 2013
- Transfer to Cemetery Fund to subsidize shortfall - \$25,515

Special Projects Budget ~ \$70,515.00

The Commission took a short recess at 7:52 PM, and returned to open session at 8:00 PM.

Major Street and Local Street Funds

- Transferred \$63,000 from Capital Improvement Fund for decorative lighting for LaBuhn Bridge
- Resurfacing Bridge Street and South Water Street - \$40,000
- LaBuhn Bridge Project - \$133,000

Discussed ensued with regards to sidewalk programs. City Manager Gabor reported that the City would look at options for a city-wide sidewalk program, and commented that he had already begun looking at policies in other communities.

Mayor Browne inquired if a property owner could remove a sidewalk in front of their residence instead of replacing the sidewalk.

Major Street Budget ~ \$419,370.00

Local Street Budget ~ \$132,210.00

Debt Funds

Debt Fund ~ Issue A Paid Off April 1, 2013

Adjournment

Motion by Mayor Browne, seconded by Commissioner Turner, to adjourn the Budget Workshop at 8:25 PM until April 30, 2013 at 6:00 PM. All Ayes. Motion Carried.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Diana S. Kade". The signature is fluid and cursive, with a large initial "D".

Diana S. Kade
City Clerk