

April 19, 2017

IMLAY CITY COMMISSION
150 N. Main Street
IMLAY CITY, MI 48444
SPECIAL MEETING
April 19, 2017

1. CALL TO ORDER

Mayor Barga called the meeting to order at 7:05 p.m.

2. ROLL CALL

Present:

Mayor Walt Barga

Mayor Pro Tem Marty Rankin

Commissioner Joi Kempf

Commissioner Amy Planck

Commissioner Mike Romine (at 7:15 p.m.)

Absent: Commissioner Al Ramirez and Commissioner Robert Tanis

Also Present: City Manager Tom Youatt

3. NEW BUSINESS

A. FY2017-18 Budget Workshop

City Manager Tom Youatt presented his recommendations for the FY2017-2018 Budget, stressing that his proposal represents an operations and maintenance budget whereby improvement projects that have been included in the past were omitted due to a decrease in revenues. Youatt stated that the Commission will have to prioritize the projects that had to be cut from the budget and determine the financing vehicle for each. Youatt noted that the Water/Sewer Fund includes a recommendation for a 3% increase in sewer rates, but no change in water rates for the upcoming fiscal year. Some discussion took place regarding the recent announcement that the City of Flint intends to stay with GLWA for its drinking water through a 30 year contract and the potential impact on GLWA rates.

Youatt reported the fund balance of the Water/Sewer Fund at approximately \$1,000,000 and of the General Fund at over \$2,000,000, noting the healthy state of the funds. Youatt took note of the increase in the administrative transfer to the General Fund budgeted from the Water/Sewer Fund due to an increase in planning efforts for projects within the coming year, and noted that the contributions to other funds from the General Fund had been greatly decreased in the proposed budget. Youatt announced that most General Fund department expenditures were holding the line and have requested minor increases.

Youatt guided the Commission through his recommendations for the departmental budgets of the General Fund noting two additional part-time employees will be added. One part-time employee will be added to help staff the Police Department as they increase office hours to five days per week. The other new part-time employee is a new Laborer position

April 19, 2017

in the Public Works Department. Youatt noted the decreased revenues within the General Fund and presented a handout regarding State Revenue Sharing which detailed over \$1,600,000 in lost Imlay City revenues since 2002. Youatt reviewed the Debt Service Schedules with the Commission, noting that a meeting with Financial Advisor Tom Traciak would be forthcoming to determine funding mechanisms for major projects such as the Fourth Street Improvements, M-53 Improvements, a new fire hall, and the Borland Road Intersection Turning Lane Project. Youatt noted that the City's total taxable value had decreased slightly, no Headlee Rollback would be necessary, and the City operating tax levy is recommended to remain at 17.7213 mills. Youatt discussed Personal Property Tax reform and the resulting Local Community Stabilization Authority reimbursement, cautioning the Commission that the reimbursement will not be as large in FY2017/2018. Youatt detailed other projects that could not be incorporated into the budget including: the Old Sign Shop, City Hall renovations, Polly Ann Trail lighting and landscaping, new Farmers' Market facility, and a boulevard on M-53 at I-69.

Youatt then guided the Commission through his recommendations for budgets within the other funds, recognizing that several funds had budgets similar to the current year, and pointed out the following: the Major Street Fund has \$53,000 budgeted in engineering fees to begin the planning on the 4th Street Improvements; the goal of the Local Street Fund is to perform upgrades on sections of road each year; the DDA had budgeted \$29,800.00 for capital improvements; the 445 Fund (previously N. Almont Avenue Construction Fund) was renamed to the Street & Sidewalk Construction Fund and the Capac Road resurfacing project is budgeted for FY2017/2018; the Water/Sewer Fund has budgeted for slightly lower water purchase expense due to the meter pit improvements; and the Equipment Fund includes \$68,000 for a lease payment on a new dump truck for the DPW.

Youatt presented additional information pertaining to the FY2017-2018 Budget including recommended pay increases for City staff. Youatt detailed the previously negotiated terms for wages and employee contributions to pension and healthcare benefits. Youatt then explained the need to continue additional payments to the City's MERS Defined Benefit pension plans and noted that the FY2017/2018 recommended budget includes an additional \$50,000 payment to MERS, above the annual required contribution.

Youatt noted the need to hold a public hearing before final adoption of the budget, which will be scheduled for the May 16, 2017 regular meeting of the Commission.

4. ADJOURNMENT

Mayor Barga adjourned the meeting at 9:04 p.m.

Respectfully submitted by: Nicole F. Frost: _____
City Clerk/Treasurer

Approved: May 2, 2017