

FRANKENMUTH CITY COUNCIL
SPECIAL MEETING MINUTES
Tuesday, April 25, 2017
5:00 P.M.

PRESENT: Ackerman, Cramer, Grossi, Reindel, Rupprecht, Schmitzer & Schoenow.

ABSENT: NONE.

ALSO PRESENT: City Manager Smith, City Treasurer Deterding, City Clerk Kerns, DDA Director Stamiris, DPW Superintendent Braeutigam, and Wastewater Treatment Plant Superintendent McKendree.

The meeting was called to order at 5:00 P.M. by the Mayor. He opened the meeting with the pledge of allegiance.

PUBLIC COMMENTS

There being no public comments, the Mayor proceeded with the agenda.

APPROVAL OF AGENDA

Moved by Cramer, seconded by Reindel, to approve the agenda as reviewed by the Mayor. Unanimously carried.

REVIEW OF OPTIONS REGARDING THE PROPOSED 2017-2018 CITY BUDGET

City Manager Smith presented the Council with three budget options as discussed at the April 11, 2017 meetings as follows: Adopt the Budget as she originally recommended. Increase the millage by .25 mills and transfer \$20,000 from the fund balance. Increase the millage by .25 mills and make no transfer from the fund balance.

Discussion took place that a .25 mill increase will generate approximately \$57,000, the current General Fund debt service schedule and debts that were recently retired or will be in the next five years, the levee improvement project and debt service estimates for that project, finalizing a capital improvement plan that will outline needed projects that must be funded, adopting fiscal management policies to coincide with needed projects, the upcoming transmission water main project and the cost, a potential future .375 millage increase to fund the levee improvement project, use of extra bond proceeds for essential projects should extra funds be borrowed at that time, an upcoming meeting with the MDEQ on the rock ramp status and 2019 construction start being one scenario, time to prepare and tell the City's story regarding funding and projects, bond obligations, timing of a millage increase, and the need for a clear City communication plan.

Further discussion took place on a budget with deficit spending underscoring the need for a millage increase especially when cost savings measures have been reviewed and implemented for several

years, a millage increase going onto the July 2017 summer tax bill, the comparison of a small incremental increase versus a large one time increase as has been experienced with water and sewer rates, and more revenue will be needed via a millage increase between now and 2023.

It was a consensus that the City Manager be prepared at the Monday May 1, 2017 public hearing to increase the millage by .25 mills, include the City & Township Government Center's lower level HVAC system improvements, LED lighting upgrades, and new telephone system in the proposed 2018-19 budget and plan to place any remaining dollars in revenues into the fund balance.

PALMER ARCH UPDATE

DDA Director Stamiris reviewed a memorandum dated April 24, 2017 she prepared detailing findings and action required by the contractor who was awarded the Palmer Arch project. A sign subcontractor for the Palmer Arch contractor had fabricated signs which did not pass the listed specifications as detailed by the project designer/engineer and have yet to be installed.

ADJOURNMENT

Being that the meeting was extending beyond the time allotted, the meeting was adjourned at 6:16 P.M.

Phillip W. Kerns
City Clerk