

**City of Escanaba
Special Council Meeting
Monday, April 9, 2012**

Pursuant to a meeting notice posted March 31, 2012, the Council of the City of Escanaba convened in special session in Room 101 of City Hall at 8:02 a.m., to begin the review and discussion of the proposed 2012/13 City Budget.

Present: Mayor Evans, Council Members Walter A. "Pete" Baker, Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: None.

Also Present: City Manager James V. O'Toole, City Controller Dewar, and various City Department Heads, media and public.

GENERAL PUBLIC COMMENT

City resident Ray Leach, briefly commented on the proposed 2012/13 budget stating the City of Escanaba was doing a lot with very little funds.

Introduction by City Manager O'Toole and City Controller Dewar

The following was reviewed with Council:

- Fund balances, and future projected fund balances;
- Activities proposed in budgets;
- Proposed Capital Improvements;
- City Controller Dewar reviewed the 2012/13 Budget Process;
- General Fund Revenue analysis;
- State Revenue Sharing;
- Allowable Millage calculations;
- General Fund Revenue Analysis – Property Taxes and State Shared Revenues;
- Comparison of Interest Earnings;
- Ten Year Fund Balance Comparison;
- Reviewed Motor Vehicle Fund;
- Outstanding Debt;
- City Employee Lists;
- Utility Sales summary.

Electric Superintendent, Mike Furmanski – 8:30 a.m.

Mr. Furmanski reviewed the 2012/13 proposed City Electric Budget with Council. The following was discussed:

- Electric Fund projected savings based on a number of variables which included

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MISO Attachment “Y”, and sale of the Power Plant;

- NextEra Power Purchase agreement;
- Early mid May expecting information on Electrical Rates;
- Employee status. Department Journeyman/Lineman;
- Reviewed major changes in Electric Budget;
- Reviewed scenario if the Power Plant was sold, and sale of excess coal;
- Upper Peninsula Power Company (UPPCO) settlement;
- American Transmission Company (ATC) costs;
- Electric Rate Discussion;
- MISO Attachment “Y” Update;
- Substation Project. Project needs to be completed regardless whether the City sells the Power Plant or not;

Water/Wastewater Superintendent, Jeff Lampi – 9:55 a.m.

Mr. Lampi reviewed the following 2012/13 proposed Water/Wastewater budget items with Council:

- Projected 6 percent increase in rates. Escanaba water rates were still one of the lowest in the Upper Peninsula;
- Proposed Water Plant Boiler and Geotube Projects, and other proposed capital projects;
- How the City would be addressing Water loss in the City System;
- Hydrate Rental and Industry practices. Decision of Transferring the costs to utility users;
- Discussion of Smart Meters and privacy/health issues. Administration would proceed with Council directive and secure a new policy which would be brought forwarded to Council;
- No proposed rate increase in Wastewater rates;
- Summarized capital projects;
- Summarized status of Sledge hauling program;
- Employee Cross training program.

Community Preservation – Blain DeGrave 11:00 a.m.

- Summarized Code Compliance inspection program;
- Historic District Commission duties;
- Discussed Enhanced Code Enforcement Area, illegal apartments, rehabilitation;
- Building Inspections, which included rentals and nuisance complaints
- Façade Improvement Program;
- Rental Rehabilitation Program;
- Summarized Lofts of Ludington Program.

During General discussion Administration reviewed the following:

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- Summarized Health Insurance Program;
- General Liability Insurance discussion;
- Summarized Motor Equipment Fund;
- Water/Wastewater cash flow;
- Workers Compensation Fund;
- Garbage Utility charges, and tipping fees;

The time being 11:55 p.m., Council recessed until 12:30 p.m.

12:32 p.m., After a working lunch with general discussion, the following was reviewed.

- Administration reviewed Other Funds:
 - Catherine Bonifas Trust Fund;
 - Brownfield Redevelopment Fund;
 - D.C. Central Dispatch Authority Fund;
 - Drug Law Enforcement Fund;
 - E.D.A. Revolving Loan Fund;
 - Farmers Home Grant Fund;
 - Gas Retirement Fund;
 - Health/Dental Insurance Fund. Fund will not appear in future budgets due to City not being self insured and obtaining Insurance from other sources;
 - Housing Rehabilitation Fund;
 - Land Development Fund;
 - M.S.C. Revolving Loan Fund;
 - Motor Vehicle Fund;
 - Office Equipment Fund;
 - Parking Maintenance Fund;
 - Risk Retention Fund;
 - Sanitary Landfill Fund;
 - U.D.A.G. Revolving Loan Fund.

Public Safety Department, Ken Vanderlinden – 1:05 p.m.

Public Safety Director Vanderlinden reviewed the following 2012/13 proposed budget items with Council:

- Central Dispatch;
- Reviewed Grants being sought;
- Public Citizen Assistance Academy, and Prescription Drug Take Back Program;
- Performance Dashboard update;
- Violate crime was down;
- Medical marijuana law. Many legislative issues were affecting local communities. Many communities, as well as others, were waiting for the State to update its laws;
- Pension Fund Discussion;

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- ADA Grant Officer;
- 302 Public Safety Training;
- Dispatcher Training.

Public Works/Engineer, Bill Farrell – 2:00 p.m.

Public Works Director/City Engineer Bill Farrell reviewed budgets he was responsible for, and the following 2012/13 proposed budget items with Council:

- Special Celebration-Flags;
- Request for Crosswalks;
- Request for Care of Trees and Shrubs;
- Request for sidewalks;
- Reviewed Motor Vehicle and Equipment Fund and how rental rates were established. Goal was to keep the funds in the Motor Vehicle Equipment Fund so there were money in place to make the next purchase and City Fleet maintained;
- General Fund Public Works and Engineering budgets. No seasonal help would be hired;
- Sanitary Landfill, and Landfill Clean-up;
- Solid Waste Collection;
- Composting Activities
- Request for Recycling;
- Snowplowing of Alleys;
- Request for Parks;
- Request for Historical Museum;
- Alley Paving/Maintenance;
- Major and Local Streets;
- Snow removal budget;
- Crack/Chip Seal road improvements.

City Clerk, Robert S. Richards – 3:25 p.m.

Clerk Richards reviewed the following 2012/13 proposed budgets. The following was discussed:

- Clerk Office Budget;
- Elections Budget.

Council Members aired their duties and responsibilities as Council Members. It was a Council consensus that it was Council Members obligation to treat each other with respect and to act responsibility. Speak as one voice and on a united friendly front.

Hearing no further public comment and the time being 4:16 p.m., the Council recessed until 8:00 a.m., Tuesday, April 10, 2012.

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Respectfully submitted,

Robert S. Richards, CMC
City Clerk

Approved: _____
Leo J. Evans, Mayor