

**City of Escanaba
Special Council Meeting
Monday, April 8, 2024**

Pursuant to a meeting notice posted April 1, 2024, the Council of the City of Escanaba convened in special session in Room 101 of City Hall at 9:00 a.m., to begin the review and discussion of the proposed 2024/25 City Budget.

Present: Mayor Mark Ammel, Council Members, Ronald J. Beauchamp, Tyler DuBord, Todd Flath, and Karen Moore

Absent: None

Also Present: City Manager James R. McNeil, City Controller Melissa Becotte, City Clerk Phil DeMay, Department Heads, media, and members of the public

GENERAL PUBLIC COMMENT

- Lynn Soderberg – discussed library budget.
- Amy Reddinger – discussed library budget.

City Manager James McNeil and City Controller Melissa Becotte presented Council the following Budget information:

CITY MANAGER’S FINAL BUDGET OVERVIEW – FY 2024-25

Pursuant to the Escanaba City Charter and relevant state laws, I hereby submit to the City Council and the community, the FY 2024-2025 recommended budget. A copy of this document has been placed on file with the City Clerk and at the Escanaba Public Library, where the public may review it during normal hours of operation. An electronic version is also available on the City of Escanaba website: www.escanaba.org. The presented budget is guided by the City of Escanaba mission statement, “Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.”

The City of Escanaba operates in the fiscal year beginning July 1 and ending June 30. The city operates in several segments. The budget is comprised of a large number of major and non-major funds. For major funds, the General Fund serves as the primary operations fund for general governmental functions. Major Enterprise Funds represent the utilities of Electric, Water, and Wastewater.

A Brief Review: Budget Trends and June 30, 2023 Financials

Recent General Fund budgeted surplus (deficit) numbers are presented in the table below:

GENERAL FUND				
Budget Period	2021-2022	2022-2023	2023-2024	2024-2025
Recommended	(478,489)	(1,022,241)	144,405	(283,781)
Adopted	(550,641)	(366,800)	137,405	TBD
Actual	(247,235)	120,089	TBD	TBD

The 2021-2022 and 2022-2023 adopted budgets featured budget deficits. The 2022-2023 recommended budget included a General Fund deficit of approximately \$1 million, and the adopted budget reduced the deficit to \$366,800. This was accomplished by making \$267,000 in budget cuts to the requests of departments, increasing the millage rate by 0.442 to generate \$143,000 of added tax revenue, and a receipt of \$273,000 in one-time federal revenue. The 2023-2024 budget included a \$144,405 surplus with no increase to the millage rate. Looking ahead to 2024-2025, the recommended budget includes over \$800,000 of budget cuts to General Fund department requests, and a 50% reduction in the use of the pension surplus fund. It is noteworthy that the budget cuts in the 2024-2025 budget resulted in a balanced budget, but the strategy to preserve pension surplus funds has resulted in a deficit.

As of June 30, 2023, the General Fund carried an unassigned fund balance of \$5,599,626, equal to 60% of annual expenditures and transfers out. A fund balance greater than six months of annual expenditures provides the city financial strength. It is critical that financial strength be maintained for the mitigation of revenue shortfalls and unexpected expenditures, the provision of working capital, and to bolster the city bond rating.

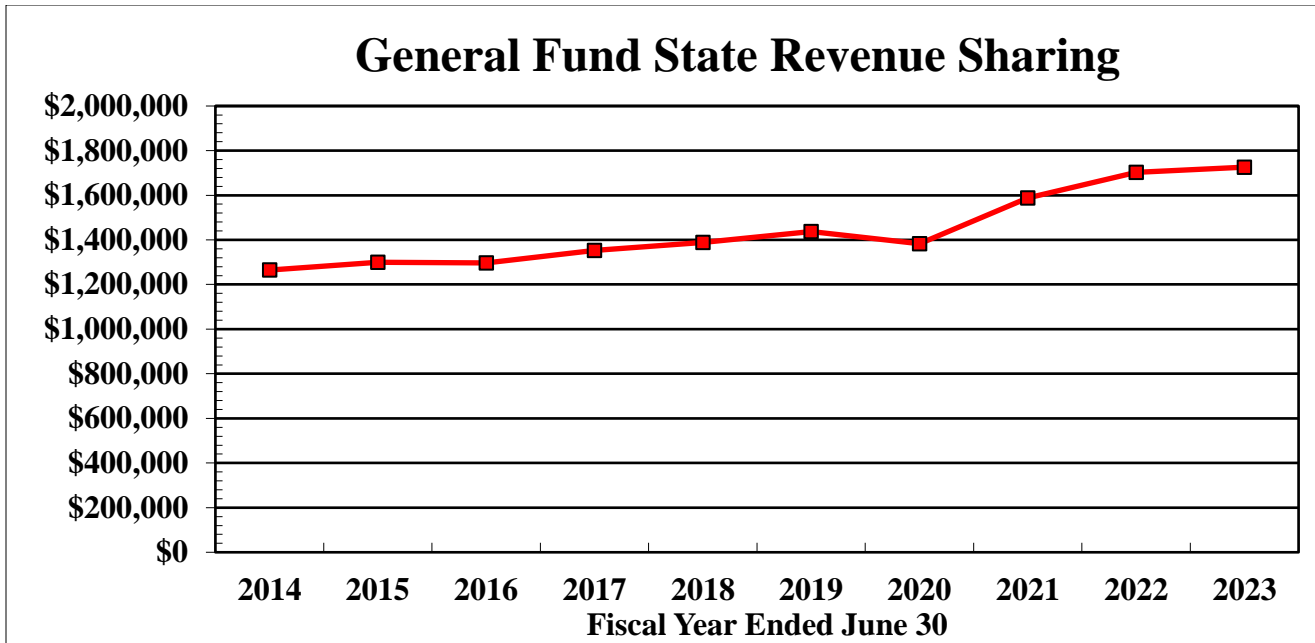
Property Taxes

Property tax revenue provides approximately 50% of revenue for all governmental activities. While a stable source of revenue, growth in property tax revenue is restricted. Proposal A limits the growth of existing taxable values to the lesser of inflation or 5%, plus new construction. Also, taxable values cannot be higher than the assessed value. As a result, episodes of real estate decline, such as the Great Recession, reduce both assessed and taxable values. While market values may recover at a pace higher than inflation, taxable values remain impaired by Michigan law.

The City of Escanaba has experienced reductions in taxable value because of the Dark Store Theory and various property tax exemptions. In addition to property tax loss, legal fees for the related commercial appeals have exceeded \$1 million since 2012. The handling of property tax appeals by the office of the City Assessor has reduced legal fees in recent years.

State Revenue Sharing

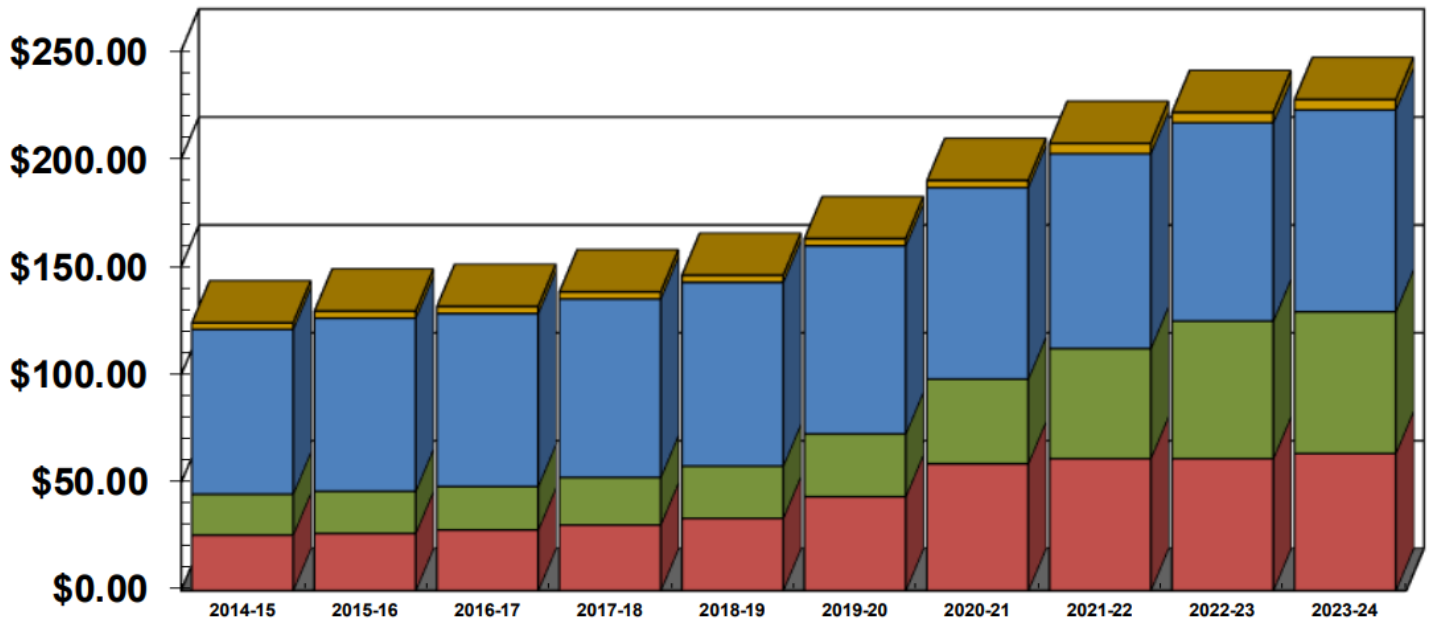
State revenue has accelerated as a result of recent economic growth and increases in government spending. The most recent Governor's Budget includes a 5% increase in ongoing revenue sharing in addition to a one-time increase to the new public safety revenue sharing. The decade beginning in 2001-2002 saw revenue sharing decline from \$1.8 million to \$1.2 million. Revenue sharing has been mostly flat since 2012 and indicated signs of weakness in 2020. There was an acceleration in 2021 and 2022 from two nonrecurring extra payments. Expect revenue sharing to correlate with economic activity, which may suffer from more restrictive monetary and fiscal policy.



Utility Rates

City of Escanaba utility customers have experienced utility rate increases as a result of mandatory investment in infrastructure. This situation is not unique to Escanaba, and Escanaba utility rates remain competitive. Utility rate comparisons can be viewed online in the City of Escanaba EVIP report.

Combined Utility Billing History



Residential Monthly Usage of 5,000 Gallons & 750 KWh

■ Water
 ■ Wastewater
 ■ Electric
 ■ Garbage

Financials

City of Escanaba audited financials are available online:

<https://www.escanaba.org/controller/page/annual-city-comprehensive-audits>

A summary of government-wide net position and change in net position is provided on the next page. Net position displays the residual of assets and liabilities, and long-term net position trends are indicative of the direction of the financial health of the city.

Annual 2024/25 Budget Work Session

NET POSITION

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	19,069,814	18,401,279	21,889,693	22,683,388	40,959,507	41,084,667
Capital assets, net	23,948,659	24,343,122	56,640,219	46,880,123	80,588,878	71,223,245
	43,018,473	42,744,401	78,529,912	69,563,511	121,548,385	112,307,912
Deferred outflows of resources	4,260,111	3,133,211	1,494,812	437,094	5,754,923	3,570,305
LIABILITIES						
Long-term debt	1,363,307	1,273,394	4,078,498	3,207,405	5,441,805	4,480,799
Current and other liabilities	16,097,771	13,571,010	24,261,035	22,063,675	40,358,806	35,634,685
	17,461,078	14,844,404	28,339,533	25,271,080	45,800,611	40,115,484
Deferred inflows of resources	-	1,276,496	183,165	1,001,058	183,165	2,277,554
NET POSITION						
Net investment in capital assets	23,948,659	24,343,122	36,735,113	28,690,847	60,683,772	53,033,969
Restricted	7,710,674	7,623,176	317,555	377,291	8,028,229	8,000,467
Unrestricted (deficit)	(1,841,827)	(2,209,586)	14,449,358	14,660,329	12,607,531	12,450,743
TOTAL NET POSITION	29,817,506	29,756,712	51,502,026	43,728,467	81,319,532	73,485,179

CHANGE IN NET POSITION

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
PROGRAM REVENUES						
Charges for services	906,670	1,127,329	23,165,145	22,926,098	24,071,815	24,053,427
Operating grants and contributions	2,490,073	2,049,858	-	-	2,490,073	2,049,858
Capital grants and contributions	4,820	939,988	6,454,437	670,867	6,459,257	1,610,855
GENERAL REVENUES						
Property taxes	6,332,498	5,704,331			6,332,498	5,704,331
State shared revenue	1,725,882	1,703,115			1,725,882	1,703,115
Unrestricted grants and contributions	207,370	192,492			207,370	192,492
Unrestricted investment earnings	(4,810)	(438,997)	1,867	(677,806)	(2,943)	(1,116,803)
Gain on sale of capital assets	-	6,200			-	6,200
TOTAL REVENUES	11,662,503	11,284,316	29,621,449	22,919,159	41,283,952	34,203,475
EXPENSES						
General government	655,100	850,643			655,100	850,643
Public safety	5,816,509	5,193,483			5,816,509	5,193,483
Highways, streets, and public works	2,585,727	2,672,821			2,585,727	2,672,821
Sanitation	831,079	821,101			831,079	821,101
community services	91,909	120,554			91,909	120,554
Recreation and culture	1,869,556	1,717,055			1,869,556	1,717,055
Community and economic development	504,643	456,699			504,643	456,699
Other functions	3,938	6,024			3,938	6,024
Interest on long-term debt	8,038	11,685			8,038	11,685
Electric utility			14,232,441	13,004,786	14,232,441	13,004,786
Waste water utility			3,082,644	1,961,099	3,082,644	1,961,099
Water utility			3,447,765	2,511,644	3,447,765	2,511,644
Marina			320,250	284,874	320,250	284,874
TOTAL EXPENSES	12,366,499	11,850,065	21,083,100	17,762,403	33,449,599	29,612,468
Change in net position before transfers	(703,996)	(565,749)	8,538,349	5,156,756	7,834,353	4,591,007
Transfers	764,790	764,790	(764,790)	(764,790)	-	-
CHANGE IN NET POSITION	60,794	199,041	7,773,559	4,391,966	7,834,353	4,591,007
NET POSITION BEGINNING OF YEAR	29,756,712	29,557,671	43,728,467	39,336,501	73,485,179	68,894,172
NET POSITION END OF YEAR	29,817,506	29,557,671	51,502,026	43,728,467	81,319,532	73,286,138

The Recommended Budget and Administration Discussion

Restricted, Opportunistic, and Prodigious

Municipalities across Michigan are facing similar budgetary challenges. As shown in the figures above, large forces continue to stress several funds. Unfunded liabilities, fully depreciated infrastructure, and revenue challenges are most troubling. The issue today is less of an issue of inadequate revenue, but rather the comeuppance for severe underinvestment in previous decades. Actions to address this situation are presented in this budget.

Budget actions can be financially analyzed in terms of their effect on the size, timing, and riskiness of cash flows. Additional considerations of budget actions are the impacts to services today and in the future. Our goal is to provide reliable services at the best value today and for generations to come.

General Fund

The recommended budget includes over \$800,000 in General Fund budget cuts to the departmental requested budget, action that balanced the budget. In light of long-term pension obligations, City Administration decided to reduce the use of pension surplus funds by 50% from the previous budget. This reintroduced a budget deficit. However, this additional expense is payment to the City Pension Fund, more resembling a balance sheet transaction.

2024-2025 General Fund Deficit: \$283,781.

The General Fund has many necessary expenditures. Personnel has been reduced over many years, and substantial further reductions would inhibit the ability to provide services, especially when the demand for services continues to increase in multiple segments. This budget includes the continuation of personnel consolidation with additional budget cuts.

Notable actions and considerations for the General Fund budget:

- No change in the tax levy.
- Continued consolidation of Manager and Assessor positions.
- Public Safety count at 31, with several higher compensated positions left open.
- In addition to last year's Library hours of operation reduction, this budget includes a \$25,000 reduction in the General Fund transfer to the Library Fund.
- Pension – 50% reduction of the application of the surplus division.
- Various reductions in Department of Public Works budget.
- Reduction of lifeguard hours at the beach by 50%.
- Elimination of ice rink budget.
- Maintenance of various City Recreational facilities to be completed with City labor.

The Escanaba Public Library is a heavily utilized city service. A more efficient library schedule was introduced in the previous budget. The recommended budget includes a higher pension cost as a result of the reduction in the use of surplus funds, and a \$25,000 reduction in the General Fund transfer to the Library Fund. Collectively, this requires over \$50,000 of expenditure reductions.

General Fund Capital Spending

The General Fund makes several capital investments. This includes a carryover from the previous budget for the replacement of generators at Public Safety. Approximately \$130,000 is requested to replace the air handler at Public Safety, utilizing \$80,000 from the Gas Retirement Fund. The City has historically contracted tennis and basketball court replacement at a high cost. The proposed budget includes City labor for replacement of various courts, including the Ludington Park

basketball court. The City has received a RAP 2.0 50% match grant for the Ludington Street streetscape and new restroom near the Municipal Dock. The recommended budget includes the grant match and is scheduled with City labor for the construction of the restroom.

Pension

The City Pension situation has changed for better and worse since the previous budget. Looking back, required pension contributions have doubled from 2011 to 2021, even with the City making a \$2.5 million lump-sum contribution in 2018.

The most recent (2022) MERS Actuarial Valuation reflects a worsening of funding status. On the surface, the improvement to 69% funded is an improvement to the 67% funded ratio from the 2021 report. Due to MERS actuarial methods, the 2022 actuarial value of assets is 116% of the market value of assets, resulting in a true funding ratio of only 60%. This has meaningfully shifted contributions higher and suggests that full funding will take longer.

The good news is that the City has now terminated MERS administration of the plan and maintains funding autonomy. Due to the timing of this endeavor, the proposed budget includes the high level of pension contributions from the MERS valuation. City Administration has been working with consulting actuaries to form a new funding plan that is not reflected in this budget.

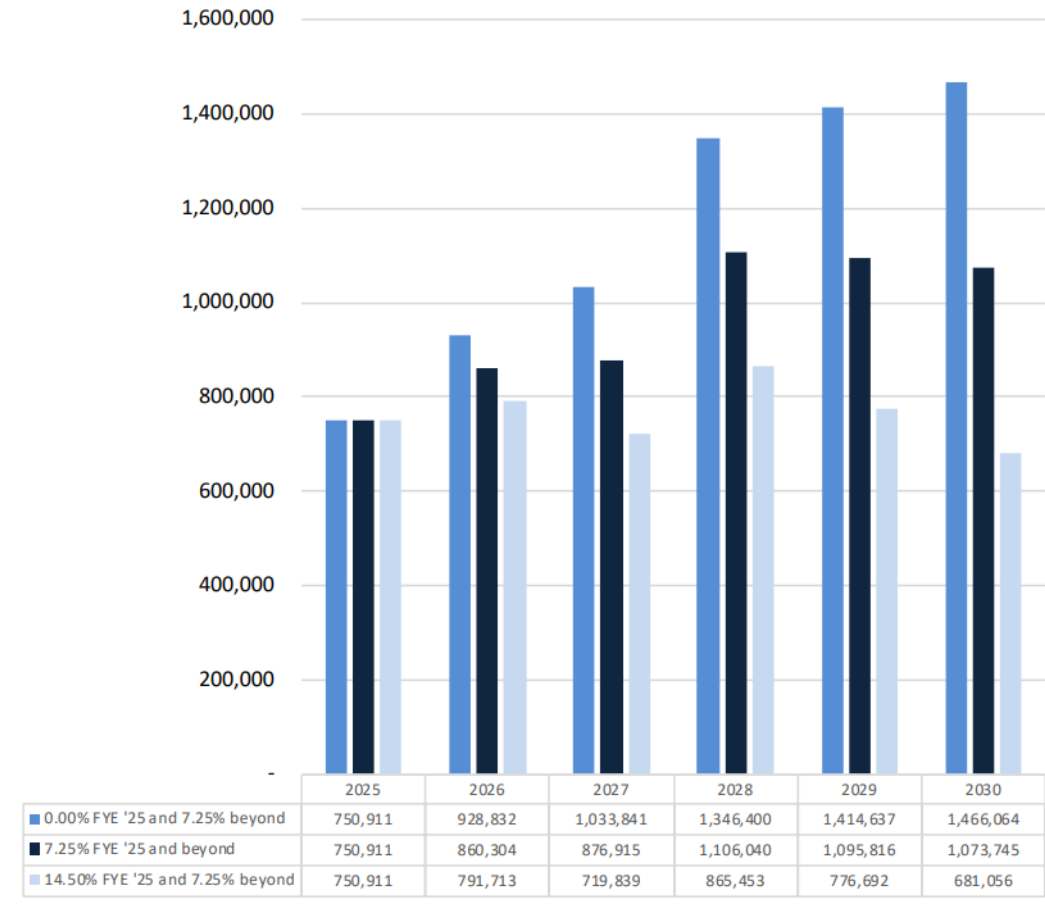
Since 2022, market performance has been strong and the City made an additional \$500,000 contribution in the 2023-2024 budget, which should deliver a more favorable projection in the next valuation. There is plenty of reason for optimism, but we need to be mindful that additional funding, in the form of lump-sum or regular contributions, may be required to reach full funding within a decade.

The Act 345 (Public Safety) pension fund is better funded than the other City of Escanaba Pension Fund. The table below, summarizes recent funding ratios:

	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23
Actuarial Value of Assets (\$M)	\$31.1	\$32.2	\$34.2	\$34.8	\$34.8
Actuarial Accrued Liability (\$M)	\$35.0	\$35.3	\$37.1	\$38.0	\$38.6
Funded Ratio (Actuarial Assets/AAL)	88.9%	91.0%	92.1%	91.4%	90.2%
Market Value of Assets (\$M)	\$31.3	\$30.6	\$38.3	\$32.3	\$32.6
Actuarial Accrued Liability (\$M)	\$35.0	\$35.3	\$37.1	\$38.0	\$38.6
Funded Ratio (MVA/AAL)	89.5%	86.6%	103.3%	84.9%	84.5%

Despite a stable funding status, the normal cost and amortization of unfunded liability will contribute to increasing contributions. The required contribution increased \$102,592 from the 2022 to the 2023 valuation. The chart below displays the scheduled contributions, including scenario analysis if returns exceed or underperform the benchmark in the first year.

Projected Employer Contributions for FYE June 30,



Economy

The economic environment and financial conditions must be considered when preparing our city budget. During this process, we assess the local and macroeconomy as it relates to city revenues, expenditures, and demand for services.

Our country is experiencing an inflationary episode as a result of the COVID-19 response. The M2 measure of the money supply increased 40.2% from February 2020 to February 2022. Inflation in goods increased due to supply chain disruptions by shutdowns while aggregate demand was fueled by stimulus. Inflation became embedded and continues to remain elevated, and it is becoming apparent that the last part of this effort to return to targeted 2% inflation will be the most difficult. History suggests the actions required to restore price stability also result in a recession, and recessions impair city revenues with immediate and lasting effects. Debate remains regarding the forecast for short-term interest rates. Meanwhile, the long end of the yield curve could remain elevated due in part to high levels of government debt.

As a result of inflation, city revenues and expenditures increase. Property tax revenues are increasing with the combination of large gains in the residential real estate market. We have seen the second consecutive 5% inflation rate multiplier, the only two occurrences since the onset of Proposal A. It is possible that revenue sharing could sustain higher levels if consumer spending remains strong. Lastly, there are increased grant opportunities as a result of stimulus. City Administration continues to monitor and apply for grant funding opportunities.

Expenditures continue to face extreme inflationary pressure, especially related to materials and labor. The impact of higher interest rates will be a consideration for future borrowing.

Water and Wastewater

The proposed budgets include 8% and 3% rate increases for water and wastewater respectively.

The \$11.6 million upgrade to the water plant will be closing this summer, and we recently closed-out the \$14 million upgrade to the wastewater treatment plant. The completion of these projects ensures the reliable production and treatment of water for the City of Escanaba for years to come. As discussed at the July 2022 work session, several years of 8% rate increases will be required to service loan payments for the water treatment plant.

As mandated by the State of Michigan, the city is pursuing the replacements of lead impacted services. Currently, there are approximately 4,000 lead impacted services that require replacement. EGLE mandates that these services be replaced within a 20-year period. Since 2020, the City has replaced 599 of the impacted services. The estimated cost for lead service line replacements could exceed \$50 million. Another \$50 million is needed for the replacement of old and undersized watermain.

The City has received substantial grant funds to complete water and wastewater work. The \$11.6 million water treatment plant renovation project received approximately \$5 million in grants. From 2021-2023, the City utilized \$3 million of grant funds to complete \$5.7 million of lead service line replacement related work. Nearly \$40 million in DWSRF ARP funds have been awarded primarily for the replacement of lead service lines and old and undersized water main. This phase of grant work will be completed by fall of 2026. Despite receiving large grant awards, the City still faces high costs and a need to replace additional service lines and water main.

The Michigan Department of Transportation (MDOT) will be reconstructing two miles of US2. In an effort to save costs by replacing underground utilities as part of the project, the City has been working to procure funding for this \$8 million project. \$1.75 million has been awarded as part of the FY2024 Federal Congressional Directed Spending. This will work alongside other sources to complete the proposed work.

The city wastewater collection system experiences high levels of inflow and infiltration. (I&I) We are obligated to make repairs that will bring the system into compliance, at a cost of tens of millions.

Several efforts have been made to take steps toward compliance. The wastewater treatment plant project has been completed, and the City has been awarded \$20 million in grant funds for the replacement of the Ludington Street lift station, replacement of Ludington Street sanitary sewer, and removal of roof drains. Additional phases of work will be required to reduce I&I, including additional sewer and manhole replacement, roof drain removal, and sump pump removal.

The City continues to aggressively apply for grant and loan opportunities, including the State of Michigan DWSRF/CWSRF. It is expected that grant opportunities will be reduced, but low-interest loans provide long-term savings by reduced interest expense and as an inflation hedge. We are hopeful that this opportunity remains available as it will reduce the size of future utility rate increases.

Electric

The proposed budget includes a 2.75% increase to electric rates. The City has managed stable electric rates for several years, and this trend is expected to continue. This budget includes regular upgrades such as the replacement of electric poles, streetlights, and the replacement of meters with advanced metering infrastructure. Major distribution system improvements are part of multiyear projects including the replacement of underground cable, additional substation cross

connections, improvements to the west side substation, and an improved SCADA system.

City Administration considered the 2023 energy legislation in preparation of this budget. It is expected the Renewable Energy Credits (RECs) will reach a high cost in future budgets. Since the City is a purchaser of power, it is possible that costs could escalate as a result of regulatory requirements. The dust has not settled on the impact of this legislation, but it is our hope that planning for requirements today will soften the budgetary implications in years ahead.

Streets

The City faces nearly \$60 million in grant awards for water and wastewater with an opportunity to complete large-scale street work. In order to achieve a meaningful amount of work, the City will be required to seek financing for street work.

In addition to the pragmatism of project coordination, there are components of the SRF projects that necessitate additional street funding. On the DWSRF side, open-trench water main replacement is best executed with full-width reconstruction. The city intends to pave streets impacted by LSL work to the greatest extent possible, focusing on specific conditions such as the compaction issues on 5th Avenue South.

Ludington Street has been discussed for years, and the CWSRF project has provided a means to a project by funding a large portion of restoration costs. MEDC RAP 2.0 funding will be another source of funding used to complete this project, with DDA participation. Multiple sources of funding, including use of fund balance, grants and loans will provide for the remainder of the street to be reconstructed, including curb and gutter. In addition to restoration, the city intends to construct two 48” storm sewers on Ludington Street and upsize one outfall. Additional storm sewer phases will be required to meet a recommended design standard.

City streets, funded by Act 51 revenue, provide approximately \$600,000 per year of construction type work after maintenance and plowing. Not only does the overall cost of the projects create a need for financing, but timing is another problem solved by financing. For example, we may see a need for \$2.5 million in just the first year, mostly attributable to the timing of water main replacement.

Below is a preliminary estimate of non-grant funding requirements for the proposed work:

NON-PARTICIPATING PROJECT COSTS (CITY STREET)

Project	Start	End	Description	Overall Cost	FY 24-25 Cost
DWSRF ARPA 1.0	2024	2026	Watermain & LSL replacement. Full-width street reconstruction in watermain areas.	1,676,627	1,676,627
DWSRF ARPA 2.0	2024	2026	Watermain & LSL replacement. Full-width street reconstruction in watermain areas.	1,188,742	308,880
CWSRF ARPA 1.0	2024	2026	Ludington Street Lift Sation, Sanitary, Storm, and Street Reconstruction	2,250,000	500,000
				<u>5,115,369</u>	<u>2,485,507</u>

The City can utilize Act 51 revenues and General Fund balance to repay debt. However, we are also seeking additional sources of funding to offset costs or to provide a separate revenue source for repayment. Some of these sources include Congressional Directed Spending (CDS), STORM Act, and Brownfield tax increment financing.

The condition of City streets is not desirable, and they will only worsen without an aggressive work schedule. The efforts described above, along with our new patching methods, will meaningfully move the needle in the right direction.

Motor Vehicle Fund

The Motor Vehicle Fund, an internal service fund, is recovering from decades of losses. As of June 30, 2021, the cash balance was -\$309,357. Since, the MVF has climbed to a positive cash balance by producing a positive operating cash flow. This is part of a multiyear effort of increases to vehicle and equipment rental rates, which has negatively affected other funds. Other efforts are being made to reduce the size of our liabilities through the sale of unused equipment, consolidation, and replacement of equipment that required high levels of maintenance.

The cash challenged fund has resulted in a long period of old and failing equipment. The 2023-2024 fiscal year saw investment made with purchases of two patrol vehicles, street sweeper, pickup truck, paint grinder, forestry truck, and total patcher. The 2024-2025 budget includes a carryover of a tandem deicing truck, and recommendations for an automated garbage truck, fuel station replacement, police pickup truck, loader, used pickup truck, lawn mower, and trailer. With the fund not having cash to fund large purchases, it is proposed that an internal loan be used for the fuel station, loader, and garbage truck.

Closing

Doubling Down on Optimism

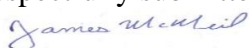
The means of comparing infrastructure investment in Escanaba relative to other communities are not available. However, it is our expectation that City of Escanaba infrastructure grant awards per capita may be one of the most sizable in the country. Looking back to 2017, the City has received or been allocated approximately \$70 million in grant funds and nearly \$20 million in low-interest loans. The coming work is a megaproject.

We are clear-eyed in viewing the needs of the City, resulting in dozens of additional grant and loan applications. It has been our experience that funding is awarded to those who embrace the opportunity, and more projects beget additional funding opportunities. In addition to City investment, we are excited about the private investment being made in our community. Sizable real estate investment requires years of investigation, planning, and due diligence before construction begins. Efforts on our north shore redevelopment will finally reach the construction phase this year, and other developments are finding their footing.

It is our belief that the City of Escanaba will be well positioned over the long term. Our strategy of conservative budget practices and the aggressive alignment of our needs with grant and loan sources will provide improved infrastructure and affordability. Conservative management and successful execution of current strategies will produce better access to capital markets and provide resources for future services and facilities.

I am grateful to serve our city and work with a dedicated team. The preparation of the budget is a large group effort. The office of the City Controller deserves special mention for the continuous support to the city budget process. We look forward to presenting this budget and another year of service to our residents and customers.

Respectfully submitted,



James R. McNeil
City Manager

Electric Superintendent, Jerry Pirkola 9:21 a.m.

Mr. Pirkola reviewed the 2024/25 proposed City Electric Budget with Council. The following was discussed:

- Gave a quick update on the Electrical department;
- Income, Capital Expenditures, and Operating Statements;
- Discussed Advanced Metering Infrastructure (AMI);
- Electric Rates;
- Capacity Purchases, Energy used;
- Pole replacements;
- Discussed bidding out projects;
- Rate Study;
- Discussed Meter Replacement and Charges;
- Transmission and Distribution Statements;
- Discussed education and training;
- Discussed underground conduit / conductors;
- Equipment purchases;
- Replacement of streetlights;
- Discussed.

Public Works, Assistant Superintendent Alex Wolak – 10:21 a.m.

Ms. Wolak reviewed the 2024/25 proposed City Department of Public Works and Engineering Budget with Council. The following was discussed:

- Discussed General Budget;
- Crosswalks, engineering budget, trees and shrubs, landfill and road, solid waste collection, mulching, ally paving, and park maintenance, recycling;
- Discussed resurfacing projects;
- Discussed upcoming projects;
- Discussed motor vehicle fund;
- Local Street Fund, Snow Plowing and Removal, Storm and Sewer, and Traffic Services;
- Increase in tree work and stump grinding;
- Roof repair to the building.

City Clerk, Phil DeMay – 11:20 a.m.

Mr. DeMay reviewed the 2024/25 proposed City Clerk and IT Budget with Council. The following was discussed:

- Request for increase in postage;
- Updated Council on Elections;
- Request for Annual Code of Ordinances Supplement Code of Ordinances on the Internet;
- Request for Travel Expenses, Education and Training;
- Updated Council on CMC certification;

- CityClerk IT Admin Computer purchase;
- Meraki license renewal;
- Copier replacement;
- Switches upgrades.

Mayor Ammel moved to recess, the time being 11:41 a.m.

Beauchamp moved to come back in session at 11:50 a.m.

Recreation/Marina Fund – Kim Peterson – 11:50 a.m.

Ms. Peterson reviewed the 2024/25 proposed Recreation/Marina Budget with Council and discussed the following items:

- Reviewed Marina Fund-Income Statement, dock fees, services;
- Dock repairs and maintenance;
- Discussed condition of docks;
- Discussed staffing;
- Discussed how to make the Harbor more attractive to boaters;
- Recreational General Fund discussion;
- Winter Sports purchases;
- Beach General Fund update;
- Boat Launches general fund;
- Splash Park Update;
- Civic Center Fund update;
- Harbor Fee schedule.

Library Director, Carolyn Stacey – 12:48 p.m.

Library Director Carolyn Stacey reviewed the 2024/25 proposed Library Budget with Council. The following was reviewed:

- Overview of the Department, Library Strategic Planning process, daily programs, services, and technologies, and strategies the library provides the community and Delta County;
- Discussed Library Fees;
- Discussed Penal Fines;
- Library Revenues and Fund Balance;
- State of Michigan Library Funding;
- Discussed Staff positions;
- Outreach Vehicle update;
- Discussed Public outreach and what the City Library can offer to others;
- Discussed General Fund reduction.

Planning/Zoning Administrator, Tyler Anthony – 1:05 p.m.

Planning/Zoning Administrator Tyler Anthony reviewed the 2024/25 proposed Planning/Zoning budgets with Council. The following was reviewed:

- Master Fee Schedule Changes;
- Discussed Capital Improvement Plan;
- General Fund;
- Training and Education;
- Discussed Planning Commission and Applications;
- New Laptop purchase.

GENERAL PUBLIC COMMENT – None

Hearing no further public comment and the time being 1:34 p.m., Flath moved, the Council recessed until 9:00 a.m., Tuesday, April 9, 2024.

Respectfully submitted

Phil DeMay
City Clerk

Approved: _____
Mark Ammel, Mayor