

CITY OF AU GRES
SPECIAL CITY COUNCIL MEETING
TUESDAY, APRIL 11, 2023
7:00 P.M.

PRESENT: Mayor Jon Sanford, Dan Heinrich, Jane Barbour, Joe Warr, John Popovich

ABSENT: None

ALSO PRESENT: City Manager Dale Wiltse

1.) CALL TO ORDER

Mayor Jon Sanford called meeting to order at 7:00 p.m.

2). ROLL CALL

Roll call noted all members present.

3). NEW BUSINESS

3.1 Budget Workshop Meeting

City Clerk went through proposed budget for fiscal year 2023/24 year.

General Fund: City is seeing taxable values going up in waterfront and due to the sales market. Thinking City will have to hold public hearing again to maintain current millage rates otherwise millage rates would be forced to rollback with Proposal A/headlee; waiting on final figures from County Equalization. Budget has been prepared maintaining same millage rates as last year; with this increase, City will see a increase in tax revenues of approximately \$7,000. This year's general fund shows appropriated fund balance of \$206,745 being used. This is due to the loan to the Arenac County Drain Office of \$125,000 and hoping to use all ARPA money received in the 21/22 year of \$80,000.

Major/Local Streets: Only big project scheduled for the next fiscal year is Cherry/Fannie/W Saginaw Street to pave at a cost of \$60,000. Joe Warr would like to see going forward, money budgeted annually for sidewalk repairs. Might need to start checking out condition of sidewalks with every road project. Jon Sanford would also like to mention when doing road paving projects, should check condition of curb and gutter (where applicable) and repair, when necessary, as part of that project as well.

Police Fund: Police millage is through 2028. Budget is set for part-time officer with 20 hours per week. Retirement fluctuates yearly with the market conditions and have included \$7500 annual payment in the budget. Need to keep at 100% funded since this is a closed plan and no longer paying in. City receives our MERS actuary annually in June and this report shows if a yearly payment will be needed on an annual basis. Had to pay in for the 2021/22 year but did not for the 2022/23 year.

Mosquito Fund: Millage just renewed through 2026 and City is locked in a fixed price contract thru 2026 at \$29,400 with Advanced Pest Management (APM). Starting to build a fund balance and this new contract does include 2 new jersey fly traps and backpack applications.

Library Operations/Building Fund: The 271 account is strictly for operations which include payroll, utilities, etc. with revenue coming in from library millage (passed last year) money. The 471 account is for any additional capital projects.

TIFA Fund: Fund balance is sitting at estimated \$834,383 after 22/23 year. TIFA loaned the water fund \$250,000 to help pay off water loan; will be paid back with interest in another 3 yearly installments. Estimated \$103,500 in capital projects this year to include contribution to harbor and equipment, harbor improvements including bathhouse and sidewalk, Christmas decorations, final park electrical upgrade and city hall interior/exterior improvements.

Capital Projects: This is bond money and included a list of projects to be done with it. Once money is spent, account will be closed down. This year's projects include purchasing a new F-550 truck with plow and power gate at WWTP (ordered over a year ago and still not in).

Park Fund: Park fund is doing great! Very conservative budget with \$244,950 in total revenues. Park fund includes contribution to harbor fund of \$17,500 and final park electrical upgrades. City

Manager is still pursuing City Park expansion and if rejected grant application again, seriously looking at doing ourselves.

Sewer Fund: Projecting using \$43,800 from fund balance this year. Have in the budget liquid alum to use at the sewer plant again at yearly cost of \$25,000. City quit using liquid alum since our discharge levels were good but after the flooding and the fish cleaning station dumping into sewer, had to recently start using again.

Water Fund: Projecting a decrease of \$12,000 in revenues from Au Gres Township with the marijuana facilities closing up. City has in the budget \$15,000 for our share on the cost for master meter for Au Gres Township. Will be doing an exploratory dig on the corner of West Street and US-23 to see if feasible in putting master meter at that location. Water contract with Au Gres Township expires this year.

Harbor Fund: Very conservative budget at \$60,400 with majority of revenues coming from contribution from park at \$17,500 and contribution from TIFA at \$17,500. No real revenue source at this location; some revenue is brought in by with the fish cleaning station and pavilion rental. Most harbor projects this year will be funded through TIFA fund. Projecting only operations out of this account.

Equipment Fund: This fund makes revenue from charging all departments the state's equipment rental rate of equipment. Revenue builds up and then in turn, this fund buys another piece of equipment with revenue. This year, a new DPW riding lawn mower is in budget.

Couple suggestions for the capital project listing for future years were:

- Look into purchasing property on N Main Street across from City Park/Pavilion for additional parking for events like Car Cruise Weekend, Halloween in the Park, etc. City Manager thinks the one property is in the Farmland Prevention Program (PA116) and cannot be touched.
- Add sidewalks from US-23 to Pavilion driveway entrance on N Main Street or even continue down to Riverside Apartments. Fill in ditches on N Main Street.
- Would like to see all sidewalks connecting in the City. Add to future years on the capital project listing to connect the proposed Midshipman Drive sidewalks to Court Street sidewalks via bridge/boardwalk over Sagar Creek. Cost estimates??
- Fill in ditch that separates City Park from Pavilion or put-up split rail fence to distinguish the transition with openings every so often.
- Fish station grinder blades put on the list; suppose to replace every 5 years or so.
- Continue with property acquisition program set up with TIF funds on the US-23 corridor to purchase, clean up/demo and make marketable for future growth and development

City Council is comfortable with the budget being presented and City Clerk will post public hearing notice and have on the June City Council agenda to adopt budget for 2023/24 year.

4). ADJOURNMENT

MOTION (Warr) to adjourn meeting at 8:40 p.m.; support (Heinrich). Motion carried.

Jon Sanford, Mayor

LaVonne Pritchard, City Clerk