

**CITY OF AU GRES**  
**SPECIAL CITY COUNCIL MEETING**  
**TUESDAY, APRIL 2, 2024**  
**5:00 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 5:05 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 2024/25 year.

General Fund: City is seeing taxable values going up in waterfront and Sleepy Oaks mostly due to recent sales. 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 an increase in tax revenues of approximately \$13,000. This year's general fund shows appropriated fund balance of \$66,910 being used. City has 22,757 more to spend from General Fund to use all ARPA money received in the 21/22 year of \$86,944. Arenac County is planning on putting the County Road millage back on the August 2024 ballot for renewal (expired 2023). This budget includes this millage passing and is estimated around 20,000 in General Fund and \$11,000 in TIFA. Make sure to vote on renewal on August primary ballot; city gets 100% of this millage money since we maintain all of our roads.

Major/Local Streets: Only big project scheduled for the next fiscal year in Major Streets is N Court Street mill and overlay at estimated cost of \$130,000 and Local Streets is Detroit Street/Au Gres River Drive overlay at estimated cost of \$120,000. Still have in budget to repair street signs which have not been done yet and to annually evaluate and start repairing sidewalks where needed. Revenue for both funds is mainly from State of Michigan Act 51 money with estimated budget of \$107,000 in Major Street and \$60,000 in Local streets. City can transfer 25% (est \$28,000) of Major Street money to Local Streets yearly. City also puts all of our General Fund County Road millage money into Local Streets 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 this fiscal year nothing is budgeted for this line item. In years past, annual cost would be upwards of \$7500 and nice to have a fund balance building in case of these expenses later on. 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.

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 \$918,696 after 23/24 year. TIFA loaned the water fund \$250,000 to help pay off water loan; will be paid back with interest in 2 yearly installments of roughly \$53,000 annually. Estimated to spend \$677,500 in capital projects this year to include contribution to harbor, local streets and equipment; improvements to harbor, chapel, city hall and pavilion along with 1<sup>st</sup> stage of campground expansion. After this budgeted year, fund balance is estimated to be down to 453,486.

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 grant match for back-up pump for lift stations.

Park Fund: Very conservative budget with \$241,500 in total revenues. Park fund includes contribution to harbor fund of \$17,500 and first payment back to TIFA fund of \$25,000 annually; might have to put this off for 1 year depending on construction. City Manager is still pursuing grants for Park expansion and will be doing it in stages.

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 \$27,000. 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 slight decrease again in revenues of \$45,000 from Au Gres Township with the marijuana facilities closing up (21/22 year was \$59,125). City is no longer pursuing putting in master meter at Au Gres Township waterline due to costs and space. Water contract with Au Gres Township has expired and will need to be renewed thru Saginaw-Midland water contract expiring in 2045.

Harbor Fund: Very conservative budget at \$42,700 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, no planned purchases.

City Council is comfortable with the budget being presented and no changes need to be made. City Clerk will post public hearing notice and have on the June City Council agenda to adopt budget for 2024/25 year.

**4). ADJOURNMENT**

**MOTION** (Warr) to adjourn meeting at 6:33 p.m.; support (Popovich). Motion carried.

---

Jon Sanford, Mayor

---

LaVonne Pritchard, City Clerk