**City of Marine City**

 **City Commission – Budget Workshop**

 **May 19, 2020**

A budget workshop meeting of the Marine City Commission was held on Tuesday, May 19, 2020 by virtual telephone conference, and was called to order by Mayor Pro Tem Elizabeth Hendrick at 6:00 pm.

Present: Commissioners Jacob Bryson, Elizabeth Hendrick, Wendy Kellehan, William Klaassen, Paul Merchant, Cheryl Vercammen; City Manager Elaine Leven, City Clerk Kristen Baxter

Motion by Commissioner Kellehan, seconded by Commissioner Merchant, to excuse Mayor Vandenbossche from the meeting. **Roll Call Vote.** Ayes: Bryson, Hendrick, Kellehan, Klaassen, Merchant, Vercammen. Nays: None. Motion Carried.

**APPROVE AGENDA**

Motion by Commissioner Kellehan, seconded by Commissioner Klaassen, to approve the Agenda. **Roll Call Vote.** Ayes: Bryson, Hendrick, Kellehan, Klaassen, Merchant, Vercammen. Nays: None. Motion Carried.

**PUBLIC COMMENT**

None.

**UNFINISHED BUSINESS**

2020-2021 Budget

Cemetery

Highlighted items included: City Manager Leven reported that lot sales were down due to a decrease in full burials. She reported that the columbarium would be in place soon and that the sales and proceeds from it would fund an expansion for another columbarium.

DPW Superintendent reported that he had budgeted for repairs to the chapel doors and the roof on the shed.

Water/Sewer Revenues

Highlighted items included: Treasurer/Finance Director Megan Pearce spoke about the metered sales being the largest revenue source and recommended an increase of 2%, which would raise the water rates from $7.20 to $7.34 per thousand gallons, and the sewer rates from $5.70 to $5.81 per thousand gallons. She reported that administrative fees had not been raised for over five years.

Treasurer/Finance Director Pearce also discussed her concerns over the City’s current Leak Adjustment Policy and reported that leak adjustments had cost the City $28,300 in 2019 and close to $29,000 in 2018. She explained that her concern was in the way we were computing the adjustments with no description on who should get an adjustment and who did not and said there was nothing in place for charging a base rate to accounts that were turned off for a period of time. She reported that she, the City Clerk, and the DPW Superintendent would research the leak adjustment policies utilized by neighboring communities and bring back a revised Leak Adjustment Policy to the Board for consideration at a future meeting.

Water/Sewer Expenditures

Highlighted items included: bond pay off, property and vehicle liability insurance 3-5% increase, system maintenance on sewer – TV sanitary sewer lines.

Wastewater Treatment Plant

Highlighted items included: bio-solids removal, repairs using ready-to-serve fees.

Pump-Lift Station

Highlighted item included: replacing one of four aging pumps at a cost of $15,000. One pump will be replaced each year until all four have been updated.

General Administration – Water

Highlighted item included: defined benefit Pension Plan. Nyhart increased the required employer contribution for retirees in the amount of approximately $75,000 across multiple funds. Treasurer/Finance Director Pearce stated that she was going to speak with City Auditor McBride, who is a GASB Director, in regards to statutory changes. Commissioner Hendrick stated she would like to avoid the City having to obtain a bond to fund their requirements.

System Maintenance – Water

Highlighted item included: continue to move forward with infrastructure and paving for Bell and St. Clair Streets.

Health Insurance

Treasurer/Finance Director Pearce reported that Blue Cross/Blue Shield and Blue Care Network was increasing their rates by 10%. She advised that she had been reaching out to other municipalities to possibly pool together in an effort to obtain a lower group rate.

Fee Schedule

Department Heads provided revisions which are reflected in the proposed Fee Schedule.

City Manager Leven reported that Building Official Kallek implemented a systematic fee structure that neighboring communities are also going to be using.

Wage Reimbursement Table

The maximum amount for non-contractual wages was modified to reflect costs of living adjustments and wage increases in the years to come.

Employee Wage & Benefit Schedule

City Manager Leven explained that the proposed budget reflected an approximate 2% increase across the board with the POAM receiving a 2% increase and a proposed one-year extension for the Teamsters.

Commissioners Klaassen and Hendrick commented that increases needed to be looked at long-term based on what was going to happen with the economy.

Because of the economy and because of the renovations of 260 South Parker, and the local street projects, Treasurer/Finance Director then asked how they planned to recoup the costs of 260 South Parker. Commissioner Vercammen stated that they intended to sell 303 South Water Street and said that the sale would generate revenue. Commissioner Hendrick responded and said they could sell the building, but they couldn’t sell the adjoining land.

Motion by Commissioner Kellehan, seconded by Commissioner Klaassen, to move forward with the 2020-2021 budget with adjustments made, based on discussion. **Roll Call Vote**. Ayes: Bryson, Hendrick, Kellehan, Klaassen, Merchant, Vercammen. Nays: None. Motion Carried.

**NEW BUSINESS**

None.

**ADJOURNMENT**

Motion by Commissioner Klaassen, seconded by Commissioner Kellehan, to adjourn at 7:16 pm. **Roll Call Vote**. Ayes: Bryson, Hendrick, Kellehan, Klaassen, Merchant, Vercammen. Nays: None. Motion Carried.

 Respectfully submitted,

 Kristen Baxter

 City Clerk