

**City of Marine City**  
**City Commission – Budget Workshop**  
**April 19, 2021**

A Budget Workshop meeting of the Marine City Commission was held on Monday, April 19, 2021 by virtual telephone conference, and was called to order by Mayor Vercammen at 6:00 pm.

Present: Mayor Cheryl Vercammen; Commissioners Jacob Bryson (joined meeting at 6:14 pm), Elizabeth Hendrick, Wendy Kellehan, William Klaassen, John Kreidler (joined meeting at 6:18 pm), Brian Ross; City Manager Elaine Leven, City Clerk Kristen Baxter

**APPROVE AGENDA**

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

**PUBLIC COMMENT**

No Public Comments were made.

**UNFINISHED BUSINESS**

None.

**NEW BUSINESS**

2021-2022 Fiscal Year Budget

City Manager Leven explained that she had hoped that the Board could have met in person, but the COVID numbers were too high in St. Clair County. She stated that although it had been an interesting year with ups and downs, the City continued to function with all the departments up and running. She announced that a lot has been accomplished throughout the year which included several road paving projects, progress at the new City Hall, great things happening in our parks, and development of projects taking place around town. She advised that we would be utilizing our fund balance due to working on significant projects, but would not be dipping below what was the recommended amount by the auditor.

Treasurer/Finance Director Pearce made a Power Point presentation at this time which highlighted the following items:

New City Hall (260 South Parker Street)

Treasurer/Finance Director Pearce outlined where the project was as a whole. She showed a chart of expenditures of what the City had already paid for costs that were unrelated to the current renovation costs, totaling \$379,444.12.

She next showed a list of items related to the current renovation costs, which are expected to be in the neighborhood of \$632,500. This would bring the total estimated project cost to \$1,011,944.12.

Union/Main Street Improvement Project:

Treasurer/Finance Director Pearce stated that the total estimated project cost for the Union/Main Street Improvement Project was estimated at \$789,300, which included Project Control Engineering costs in the amount of \$49,300. She said that costs would be spread amongst several general ledger accounts and ready-to serve restricted funds.

Kayak Launch

\$28,000 potential grant (has been applied for)

\$30,000 St. Clair County Parks & Recreation

\$66,000 in expenditures split amongst fiscal year 2021 and fiscal year 2022; will come out of Park restricted funds

Mariner Park

\$24,706 Christopher Reeve Grant (already received)

\$41,000 entire cost

\$16,304 City's portion; will utilize Park restricted funds.

Marina

\$30,000 potential grant

Expenditures include:

\$35,000 house demolition

\$16,500 grant, legal, appraisal

\$144,500 property acquisition costs

Also additional costs to consider on top of expenditures:

Liability insurance

Lost real property tax

Capital plan for future

Work force shift

City Manager Leven added that the property acquisition for 2021-2022 was just for the parcel the building was on. She said it did not include Phase 2 which was acquiring the vacant parcel and potentially receiving the grant that we have been working on.

### Pension

Treasurer/Finance Director Pearce outlined a four-year overview of where our Pension contributions were:

2018 contributed \$209,930.16

2019 contributed \$247,245.00

2020 contributed \$322,237.08

2021 contributed \$404,000.00

She provided rationale on how have we gotten to the amount of \$404,000 in 2021. By the City decreasing the interest rate assumption from 6.5% to 6% it, in turn, increased the City's liability. This reduced our funding percentage and increased the recommended contribution. She explained that the City worked with Nyhart on options if they did not want to come up with the \$404,000. The options included:

- A) Change our investment allocation to have higher percentage of allocation in stock
- B) Extend the current amount of years to pay back Pension to get to a funded status

Ultimately, she stated that they decided pay the full amount and put money into the Pension Fund while they still had it.

### Staffing Wages

Rock and Reichle separation agreements ending September, 2021

### Police Department

Transition from one part-time Police Officer position to full time

Reduce Sergeant positions from two to one

Contractually under a 2% contract raise

### Police Department Staffing

Commissioner Hendrick asked Police Chief Heaslip if he had any statistics on why the Department needed to increase to another officer.

Chief Heaslip responded and said that although he had no statistics, part-timers were hard to find and the department was losing employees to full time positions.

Commissioner Hendrick noted that calls were down quite a bit and asked if they could contract officers out.

Chief Heaslip responded and said that St. Clair recently got rid of part-timers, and said other area departments in the County were in the same boat trying to find qualified people for part-time.

City Manager Leven explained that she had been working with Chief Heaslip to go to a complete full-time department but unfortunately couldn't get the numbers to work. She added that full-time officers would provide consistency and would benefit the community with safety issues, as well as protect the City from a liability perspective due to having properly trained officers who would hopefully stay in Marine City for a longer period of time. She said she had been going to the Fire Authority meetings and saw the struggle that they have had trying to get paid on-call workers to go to fire calls.

#### Fire Department

New full time Fire Chief position

Increase in overall budget of nearly \$47,000

#### Inspections/Code Enforcement

Administrative Assistant vacancy

Building Inspections/Rental Program

#### Inspections/Code Enforcement Staffing

Commissioner Hendrick asked what were we doing with the Building Official and said she didn't see the current program working saying it was difficult getting ahold of anyone in that department. She pointed out that the Building Official was making less per hour at other jurisdictions and said a lot of communities don't pay permit fees. Commissioner Hendrick said she didn't see how we could continue with the department as it is with a lot of projects coming up and no inspector in town.

A discussion took place on using permit fees to pay the wages.

Treasurer/Finance Pearce offered the following options:

- 1) Replace the Administrative Assistant
- 2) Go back to a full-time Building Official/Code employee
- 3) Get rid of Rental Inspection Program

City Manager Leven explained that the Administrative Assistant left while this budget was moving forward, but said we could go back and look at the position as a full-time position as it was previously with one person handling building/code/rental program and the

administrative duties associated with the job. She said the challenge was to find qualified applicants willing to do the job and come to Marine City -- the pool of eligible people was very narrow or non-existent. She advised that former Building Official Susan Wilburn was available and said she could try to go in that direction.

Commissioner Klaassen agreed and said there were many municipalities looking to hire Building Officials. He suggested calling Safebuilt or McKenna.

Commissioner Hendrick said that the City couldn't let the Rental Inspection Program go because it was a serious issue in our community and we needed to keep on top of it.

The Board directed City Manager Leven to come back to them with a recommendation for this Department prior to the Public Hearing to approve the 2021-2022 fiscal year budget on May 6, 2021.

#### DPW

Transition from one part-time Equipment Operator to a full-time Equipment Operator  
Under current contract negotiations with Teamsters Union

#### General Administrative

Request of 2% wage increase  
Greater focus on grant writing

#### American Rescue Plan Act

As part of a COVID Relief Bill, the City was notified that they could receive an estimated amount of \$400,681. After much discussion, Treasurer/Finance Director Pearce said it was decided that the most beneficial use would be for water, sewer, and broadband infrastructure. As a result, this would offset an increase in water/sewer rates which would help everyone out in the City.

#### Moving Forward with the Budget

Motion by Commissioner Bryson, seconded by Commissioner Klaassen, to move forward with the 2021-2022 Fiscal Year Budget, as recommended. **Roll Call Vote.** Ayes: Bryson, Kellehan, Kreidler, Ross, Vercammen. Nays: Hendrick, Klaassen. Motion Carried.

### **ADJOURNMENT**

Motion by Commissioner Hendrick, seconded by Commissioner Ross, to adjourn at 7:48 pm. **Roll Call Vote.** Ayes: Bryson, Hendrick, Kellehan, Klaassen, Kreidler, Ross, Vercammen. Nays: None. Motion Carried.

Respectfully submitted,

Kristen Baxter  
City Clerk