

MINUTES OF BUDGET WORK SESSION OF EAST TAWAS CITY COUNCIL
MAY 17, 2010

Meeting called to order by Mayor Bruce Bolen at 6:35 p.m. in the Council Chambers of the East Tawas City Hall.

Present: B. Bolen, L. Bolen, Cano, Freel (arrived at 7:15 p.m.) Klenow, Look and McMurray
Staff Present: City Manager Leslie and Clerk/Treasurer Baker.

The purpose of the budget session was to review the draft budget for the General Fund for 2010-11 and answer questions on any of the other proposed budgets.

Clerk/Treasurer Baker explained the process she used to prepare the proposed General Fund budget. She noted that the millage rate proposed for 2010 is the same millage rate as 2009 but is allocated differently due to the sewer bond debt being paid off in 2009 and the additional costs for recycling included in the garbage collection millage. She also noted that the water bonds would be paid off in November 2010 so there would be no debt service millage required in the 2011-2012 budget so the Council could consider lowering the millage rate for 2011-12 unless something unexpected happens with assessments or state shared revenue that drastically affects revenues.

Councilman McMurray noted that they are seeing some increase in sales in the real estate market but that the price of the sales is not rising.

Clerk/Treasurer Baker noted that every effort was made to keep expenditures as low as possible. She also explained how she budgeted for the Health Reimbursement Arrangement that began in January 2010. There is no projection yet as to what the new health insurance rates may be for 2011 but a 10% increase has been included in the budget. She also noted that although no percentage increase was added to wages and salaries, due to the decrease in overtime hours and the necessity to budget for the Department of Public Works in several funds, there would probably be sufficient funds in the budget if the City Council decided to award merit pay increases for 2010-2011.

Freel arrived.

Discussion was held concerning the budget for the Police Department. The Tawas Police Authority budget for 2010-11 has not been finalized but the draft budget was used to project the City's 2010-11 figures. Since the 2010-11 Tawas Police Authority budget uses prior year funds to balance the budget, a higher figure was used to project the costs for the 2011-12 budget which affects the last three months of the City's 2010-11 budget.

It was the consensus of the Council to proceed to the public hearing at the June 7th meeting with the budgets as proposed.

Meeting adjourned at 7:30 p.m.

Blinda A. Baker
Clerk/Treasurer