



**SPECIAL BUDGET WORKSHOP
CEDAR SPRINGS CITY COUNCIL
MINUTES**

Thursday, May 4, 2017

6:00 p.m. Workshop

**Cedar Springs City Hall
66 S. Main St.
Cedar Springs, Michigan**

1. **Hall** called the meeting to Order at 6:05 pm and Pledge of Allegiance was recited.

2. <u>ROLL CALL:</u>	Mr. Daniel Clark	<u>Present</u>
	Mrs. Pamela Conley, Mayor Pro Tem	<u>Present</u>
	Mr. Jerry Gross Sr.	<u>Present</u>
	Mr. Gerald Hall, Mayor	<u>Present</u>
	Mr. Perry Hopkins	<u>6:15pm</u>
	Mrs. Molly Nixon	<u>Present</u>
	Ms. Rose Powell	<u>Present</u>

3. DISCUSSION ITEMS:

A. 2017-2018 Budget

Falcon discussed the budget and the departments.

General Fund

The proposed General Fund budget is currently out of balance by \$36,062.

The unrestricted fund balance is at \$705,485.20 and the total fund balance is \$997,234.47 Revenues are up 3%. We are proposing the same operating millage rate as last year at 15.0642.

Computer Department has a small increase due to technology needs.

Cemetery Department has increase; only covers people and equipment.

Police Department has a small increase due to Kent county police contract.

Fire Department has a substantial increase due to Capital Outlay items. Ie Jaws purchase, turnout gear and allocation to county fire truck replacement.

Code Enforcement Department has an increase due to possibly adding an additional day per week.

Major Street Fund has a bridge project coming up with an estimated 1.3 million dollar total cost and an estimated 40% city match. It was told to the DPW director from the previous Finance Director that \$50,000 was set aside for the bridge project for 4 years. The current Finance Director does not know where the revenue for the bridge

is coming from. Clerk and Finance Director will search past budgets/minutes for a designation of funds for the bridge. Street Fund budgets are pretty much maintenance budgets due to lack of funds for street projects.

Refuse Pickup and Disposal Fund Department does not have enough revenue to fund all the services. Falcon presented two options: cut services or raise refuse millage. Hall suggested to raise the refuse millage to .40 (four tenths of a mill) to just cover current services.

Downtown Development Authority Fund Finance Director suggested the removal of the DDA Fund because it has a very low budget and would be easier to track in the General Fund. Hall suggested waiting until next year and revisiting the possibility of removing if necessary.

Library Fund-Some of the library funds were estimated due to the new building. After the first year the future library costs should be closer to actual costs.

Sidewalk Improvement Fund still has \$23,737 from a grant issued several years ago. The finance director will call the county to determine how long the city has to use it and what it can be spent on.

Library Gift Fund Finance Director suggested closing the Library Gift fund because there will not be a use for it.

There is not a proposed budget for fund sewer Equipment Replacement Fund (475), Water System Equipment Replacement Fund (480), and the Water Capital Improvements Fund (481). These funds were created when there was an excess in funds and can be used for replacements in the future if needed.

Sewer Fund is negative \$160,000. Capital expense is \$80,000 and is needed for ongoing maintenance. Falcon is under the impression that the 2016-2017 revenue numbers were not amended to reflect the changes to the water rates back in July. The fund has already brought in \$35,000 in revenue over budget and there is 2 months to go before the end of the fiscal year. Womack reported that they are not suggesting a rate increase for this fiscal year, but there will likely be an increase for the 2018-2019 Fiscal Year. Temporally balance the 590 fund with a transfer from fund balance and let it likely balance in the wash. Nixon reported that the city hired professionals for the water rate study and that they need to trust that the funds will make a wash in the next year. Stressman reported that costs are only going to go up. The \$160,000 will be covered by fund balance.

Water fund is negative \$20,000 and is mainly because of the new meters. This year and the next one should bring all of the meters to radio reads. Stressman recommends the \$20,000 be covered by fund balance and that rates be raised.

Motor Vehicle Equipment fund is currently \$45,000 out of balance. This is because of the need for a new plow truck. Staff is currently exploring the option of getting a loan for a new plow truck. Stressman reported that we currently have a 2005 Sterling, and 1991 International, and 1981 International. He states that it is a gamble to expect that the two main trucks do not break down. Nixon would like to see a 7 year option and know if there is a penalty for paying it off early. It is suggested that transfer the remaining balance from fund balance. Powell asked what sidewalks would be plowed for the winter. Stressman reported that money would need to be transferred from general fund to the DDA fund to make sidewalk plowing possible. Womack suggested using \$10,000 from the general fund to the DDA fund for snowplowing/removal.

Capital Outlay Projects

Jaws for Fire Department \$15,000 this year and \$15,000 next year

County Fire Truck Replacement for \$20,000 in full

Turn out gear for \$8,000 in full

Carpeting for City Hall \$5,000 this year and \$5,000 next year.

Downtown Banners, brackets, and poles \$5,000 this year and \$5,000 next year.

4. ADJOURNMENT.

Meeting adjourned at 8:43 p.m.

Rebecca Newland, City Clerk

Gerald Hall, Mayor