

**MINUTES OF THE EAST JORDAN CITY COMMISSION SPECIAL MEETING HELD  
MONDAY, MARCH 27, 2006 AT 7:33 P.M. IN CITY HALL RE: BUDGET DISCUSSION**

Present: Mayor Postma  
Commissioners Klooster, Timmons, Bennett, McNitt and Symonds

Absent: Commissioner Vollbach

Mayor Postma called the meeting to order at 7:33 p.m. and led the pledge of allegiance.

Enter Commissioner Bennett.

EMS Director Peck addressed the Commission regarding the Ambulance Fund. He discussed the Township contract negotiations and noted that the increase in the Township contract fees would be used to cover the cost of a new ambulance, stryker cots and a defibrillator.

Treasurer Moreau noted that the entire expenditure would be from the 2006/2007 budget with repayment to the fund balance over the next five years.

Commissioner Bennett felt the part time labor should decrease due to the hiring of a third paramedic.

Peck stated that the part time labor is for the billing person and the remainder is for paying the crew for maintenance. He noted that the third paramedic is not replacing any of the part time labor, this position was necessary to provide paramedic coverage without over extending the personnel. He stated that the savings should appear in the reduction of after hours run pay and not from the attendants as that line was increased to cover a pay increase for the ambulance attendants.

Commission recommended increasing the water and sewer rates as follows:

Sewer OM & R	\$ 3.78/100 cu. ft.
Sewer Debt	\$ .72/100 cu. ft.
Sewer Flat Rate	\$17.00/quarter
Sewer Flat Additional Unit	\$10.00/quarter

Water OM & R	\$ 2.77/100 cu. ft.
Water Debt	\$ 1.58/100 cu. ft.
Water Flat Rate	\$23.00/quarter
Water Flat Additional Unit	\$12.00/quarter

On/Off Charge during DPW working hours to no charge while business hours.

Speaker Request #1-

Tom Durecki questioned the water and sewer rate increases.

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Commissioner Bennett stated that the water and sewer increases were figured separately and he showed Mr. Durecki how much his bill would increase.

Durecki questioned how much the increased rates would gross for the year.

Mayor Postma stated the amount the water and sewer billing would gross for the fiscal year.

Speaker Request #2-

Bob Draves thanked Mayor Postma and Commissioner Bennett for spending the last 72 hours reconsidering the double digit increase to the water and sewer rates.

Mayor Postma informed Mr. Draves that the increase he was referring to was only the proposed water and sewer rates. This meeting was the first time the Commission has discussed the rates.

Draves stated the city should consider a high volume usage rate if the city intends to attract industry to East Jordan.

Draves also asked the Commission, when they look at the expenses, to be sure that there is no intermingling between the funds. He thanked the Commission for reviewing the water and sewer rates and for proposing a lower increase.

Commissioner McNitt stated he had contacted Boyne City and Charlevoix and spoke with them on their water and sewer rates; they did not have high volume usage rates in effect.

Mr. Draves stated their rates are lower than East Jordan's rates.

Speaker #3-

Dan McKinnon stated he did not like to see rate increases to build reserve. He felt the Commission should make changes to the rates at anytime necessary and not just at budget time.

McKinnon also felt the Commission made a good decision in not making a large increase.

Speaker #4-

Frank Hasseld questioned the water and sewer debts and when they would be paid off.

Commissioners Bennett and McNitt informed Mr. Hasseld that there is more than one debt with different retirement dates.

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Commission asked Treasurer Moreau to complete a list of all bond debts and their retirement dates.

Hasseld also inquired about how the debt is paid by each person.

Mayor Postma stated it is figured by your usage.

Hasseld questioned if non-profit organizations pay for water and sewer.

Administrator White stated everyone pays for water and sewer.

Commissioner Bennett thanked everyone for taking their time to speak and for being concerned about the rates. As part of the Commission, he felt they are doing their best to look out for the citizens.

Mayor Postma stated that the department heads were in attendance to answer any questions the Commission had on their budgets.

Administrator White stated that a question was raised about the Equipment Fund budget and the purchase of a dump/plow truck.

DPW Superintendent Breakey stated they have reviewed specs on a dump/plow truck and that the current truck is getting old and worn down. He reviewed the details of the proposed truck and its capabilities.

Mayor Postma asked how many years the lease purchase would be for.

Breakey stated it is planned for five years. He noted that he likes to stagger the purchases of large equipment items so the fund is not financing them all at the same time.

Commissioner Bennett questioned what the resale value of the current truck would be.

Breakey felt that at this time it was hard to say but that it could possibly be sold for around \$10,000-\$12,000.

Commissioner Bennett also questioned what the current truck is used for.

Breakey stated that the current truck is used for sanding, plowing and hauling.

Commissioner Bennett felt the equipment maintenance fees in this budget did not warrant purchasing a new truck. He felt the purchase of this truck could be held off for another year or so.

Commission discussed the loader and how much replacement would cost and how long before it would need to be replaced.

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Breakey figured the cost would be around \$200,000 and the current loader would need to be replaced in three to four years.

Mayor Postma stated they are trying to work with a tight budget and decreased revenue sharing and so they are trying to conserve the fund balance as much as possible.

Commission also discussed the Mill Street culvert repairs.

Breakey stated that the repairs need to be done as soon as possible. He noted that if the culvert collapses the cost will significantly increase.

Commissioner McNitt questioned how long it would take to fix the culvert.

Breakey felt it would take about three days. He felt the construction detour should not increase the situation and noted that truck traffic will be using a different route.

Mayor Postma questioned Parks Director Cannon whether he felt there was anything in his budget that could be removed.

Parks Director Cannon stated he could look closer at his budgets.

Commissioner Bennett questioned what the time frame was for the M-32 Bike Path.

Administrator White stated there was no time frame set for this project.

Mayor Postma questioned the condition of the current parks truck.

Cannon stated that it was purchased from the DPW and is 12 years old and has 70,000 miles on it. Last year about \$2,700.00 was spent in repairs for the current truck.

Cannon felt the Travel and School could be reduced with the purchase of a new truck as he would no longer be using his personal vehicle for travel. He felt that it could be reduced by \$1,000.

Commission reduced the travel and school by \$500 in Civic Center and \$500 in Skate/Community Park.

Cannon also felt the Civic Center Equipment Other could be reduced by \$1,000 as well.

Commissioner Bennett questioned whether this proposed budget included money for the dredging project.

Cannon stated the amount of money needed for the dredging project is not available at this time.

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Administrator White stated he had met with representatives from the DNR and that he was informed that the city needs to test the sediment to ensure that there are no contaminants in the sand. He also stated that from May 15<sup>th</sup> until July 15<sup>th</sup> there is a State dredging ban on Lake Charlevoix due to spawning season.

White informed the Commission that we have a dredging permit for the boat launch which is valid until 2008. It will cost about \$2,000 to dredge the boat launch.

Cannon stated that a new line item was added to the Tourist Park for attendant's payroll. This would include 6-7 employees including a caretaker for the season, who will be living on site 1.

Commission will discuss the budget further at the meeting on March 28, 2006.

Mayor Postma adjourned the meeting at 9:53 p.m.

Respectfully,

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Mark Postma  
Mayor

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Lori M. Campbell, CMC  
City Clerk