

**MINUTES OF THE EAST JORDAN CITY COMMISSION SPECIAL MEETING HELD  
TUESDAY, APRIL 17, 2007 AT 6:32 P.M. IN CITY HALL RE: BUDGET DISCUSSION**

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

Absent: Commissioner Symonds

Mayor Postma called the meeting to order at 6:32 p.m.

Postma reviewed the dollar amount the Commission felt needed to be cut.

Administrator White informed the Commission that he had the Department Heads review their budgets for further cuts. He stated the Department Heads cut \$29,349. White stated he then went through each department's budget and he cut another \$29,482.

White felt the sidewalk program could be cut which would leave \$106,000 to be cut. The General Fund contribution to Major Streets had been discussed with the City Treasurer and they both felt the Major Streets fund would not require the transfer. Another \$500 could be subtracted from the Community Promotion from the Administrator's budget.

White stated the City Clerk and City Treasurer are reviewing a way to save on our health insurance. The City would save about \$10,000-\$12,000 in the General Fund. Any additional cuts would be cutting personnel.

White informed the Commissioners that Commissioner Bennett asked at a previous meeting about the possibility of early retirement to those employees that qualify. The eligible employees have not been approached nor has an offer been finalized at this time. If one of the personnel eligible for early retirement agreed to retire, it would remove about \$40,000 from the General Fund budget.

White noted that an early retirement offer with incentive to retire would have to be discussed.

Commissioner McNitt questioned the need to cut another \$40,204.

White stated that it would be a layoff or another personnel related way to save in the General fund.

Commissioner Klooster suggested a rotation layoff.

White stated he would look at many options before layoffs such as cutting back to 32 hours per week.

Commissioner McNitt verified that none of the personnel eligible for early retirement had been approached at this time.

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White stated he wanted feedback from the Commission on whether they would like to pursue this option.

Consensus of the Commission was to pursue the early retirement option prior to cutting hours or lay-offs.

White also informed the Commission he received a notice from the City Assessor regarding the City's assessment and the taxable value reduction for 2007; the total reduction for real and personal properties would be about \$574,025.00. This is due to some changes in allowable exemptions and businesses removed from the tax roll.

White stated he spoke with the City Treasurer prior to the meeting and this is approximately the same as when DURA closed, which took the City about 2 years to recover from. It would be approximately a \$10,000 loss to the city.

Discussion was held regarding where other cuts could be made.

White felt the Commission could adopt the budget as presented and conduct a review and amend the budget in 3-6 months when we know our financial situation at that time.

Consensus of the Commission was to adopt the budget as proposed and do a quarterly review.

Mayor Postma adjourned the meeting at 7:21 p.m.

Respectfully,

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Mark Postma  
Mayor

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Lori M. Campbell, CMC  
City Clerk