

**OFFICIAL PROCEEDINGS  
CITY COUNCIL  
CITY OF ESCANABA, MICHIGAN  
Special Council Meeting  
Wednesday, February 15, 2012**

Pursuit to a special meeting notice posted February 7, 2012, the meeting was called to order by the Honorable Mayor Leo J. Evans at 7:34 a.m. in room C101 of City Hall located at 410 Ludington Street.

Present: Mayor Leo J. Evans, Council Members Walter A. "Pete" Baker, Patricia A. Baribeau, Ronald J. Beauchamp, and Brady L. Nelson.

Absent: None

Also Present: City Department Heads and Media

**ADJUSTMENTS TO THE AGENDA**

Baker moved, Nelson seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as submitted.

**CONFLICT OF INTEREST** - None

**BRIEF PUBLIC COMMENT** - None

**UNFINISHED BUSINESS** - None

**PUBLIC HEARING(S)** - None

**NEW BUSINESS**

**Discussion – General Fund Budget – Deficit Reduction Options/Impacts.**

City Manager O'Toole reviewed various deficit reduction options with the City Council for the upcoming Fiscal Year 2012/13. The following was discussed:

- Administration was looking for policy, core function recommendations, and course of action from Council;
- Council discussed recent Audit and pension contributions with City Administration;
- Reviewed General Fund FY 12/13 Budget, and State Revenue Sharing and EVIP Program. City was still anticipating the same Revenue Sharing from the State in the amount of approximately \$300,000:
  - First Raw General Fund Budget figures look to be 2% down from Previous Fiscal Year;
  - Reviewed costs to provide service for various events that occur in the community. Based on bottom line costs versus value to community, City may stop subsidizing the events and have event organizers pay for those additional costs;

- Reviewed implementation of one percent Property Tax Administrative Fee. City did seek legal opinion and anticipated assessing the Property Tax Administrative Fee in the upcoming fiscal year.
- Personnel reductions would have greatest impact to help budget deficit. It was emphasized General Fund Departments were already under staffed. Further reduction of employees would impair departmental functions and services to the public;
- Discussed how to work more effectively and efficiently without raising taxes while trying to raise revenues.
- It was suggested an outside consultant be brought in to review City operations;
- Reviewed how adjustments were made to reduce employee benefits by switching health insurance policies and requiring employee contributions;
- There were many funds in the City and all were separate, but they do not affect nor relate to the General Fund;
- Reviewed the proposed County-wide Library Millage Proposal;
- Discussed the City millage rate which had not been raised since the 80's;
- Reviewed encouraging recycling to reduce City tipping fee charge at the Delta County Landfill;
- Further reductions would affect employees, services, and quality of life of the community;
- Reviewed possibility of moving Downtown Development Authority into the City Hall operations;
- Discussed increasing revenues not only raising internal fees, but also by increasing the City tax base.

Manager O'Toole advised he would bring in a balanced budget for Council Approval, but it was emphasized it would be using some of the General Fund balance.

**GENERAL PUBLIC COMMENT - None**

Hearing no further business or public comment, the meeting adjourned at 9:33 a.m.

Respectfully submitted,

Robert S. Richards, CMC  
City Clerk

Approved: \_\_\_\_\_

Leo J. Evans, Mayor