

**MARCH 11, 2021  
BUDGET OVERVIEW  
WORK SESSION**

RECORD OF THE PROCEEDINGS OF THE BOYNE CITY COMMISSION BUDGET OVERVIEW WORK SESSION DULY CALLED AND HELD VIA ZOOM, ON THURSDAY MARCH 11, 2020

**CALL TO ORDER**

Mayor Neidhamer called the meeting to order at 12:00 noon, followed by the Pledge of Allegiance. Mayor Neidhamer also discussed the rules of the Zoom meeting.

Present: Mayor Tom Neidhamer. Mayor Pro-Tem Ron Grunch, Commissioners Hugh Conklin, Sally Page and Dean Solomon all reporting from separate locations within the City of Boyne City.

Absent: None

Staff: Michael Cain, Caroline Kennedy, Barbara Brooks and Patrick Kilkenny

Others: There were no citizens in attendance via the Zoom meeting

**CITIZENS COMMENTS**

None

**PRELIMINARY  
OVERVIEW OF FYE  
2022 BUDGET**

City Manager Cain presented the big picture review of this budget, addressing questions and discussion from the Commission.

Highlights of the review included the following:

- By the end of both fiscal years 2021 and 2022, the general fund balance should be approximately 25%.
- Shoreline erosion was an unexpected expense with an impact on FY 2021 of \$694,000m causing a corresponding FYE 2021 budget deficit. To keep the deficit at that number, required cutting other planned projects, or we would have been between \$1-1.4 million.
- Examples of projects now on hold include Lincoln Street (sitting on design phase), and recreation projects. Recommend moving forward with signed contract projects. May wish to reprioritize other projects that may get awarded matching grant monies.
- Major approved contracts include storm sewer for Franklin and Park Streets, Litzenburger Street and Pine Street.
- The estimated impact of shoreline erosion on FY 2022 is \$658,000. Nevertheless, the fund balances for FYE 2021 and 2022 should be okay.
- For the MERS defined benefit pension program, we are budgeting high, at least temporarily. Until this debt drops off, we must budget projects judiciously. This should drop from \$200,000 to \$100,000 by 2024.
- The \$241,000 for the Open Space has been moved into revenue for FY 2022. The DNR Commission approved the conservation easement which provides relief when applying for grants.
- Conklin asked if it would make sense to bond for the shoreline erosion. Cain responded we have the capacity; we would need to analyze the bond rate compared with estimated increases in project costs. Levying a millage is also an option.

- The ambulance fund is solid; we make look at our agreement with Boyne Valley.
- Marina bonded projects can generate enough revenue to cover principle and interest bond payment.
- The following funds are all doing well: Marina, Airport, Debt Service, Water, Wastewater, Motor Pool, DDA and LDFA. Of note, fuel sales have doubled at the airport. Also, the Jervis Webb property will go to Boyne City and all other taxing jurisdictions, but not to the LDFA; it is not part of the TIF district.
- Regarding City Facilities, we are looking into glass similar to the police side for the admin side (rather than plexi-glass). Solomon emphasized reducing the perception of separation from the public; perhaps in how we greet people.
- Conklin inquired if we had put any money aside for housing development. Cain responded just to help pay for Steve Schnell's work. The "Christmas" house and a gray house being considered by Northern Homes were mentioned. Should we be taking the lead on anything?

By unanimous consent the Commission stood in recess at 2:08 p.m. The Commission reconvened at 2:36 p.m.

In summary, the City is in strong financial health and there is a light at the end of the tunnel.

Noted clerical changes to the budget book will be updated and provided to the Commission prior to the next work session on Wednesday, March 17, 2021 at 8:00 a.m.

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### Announcements

All day budget review work session, Wednesday, March 17, 2021 at 8:00 a.m. via Zoom.


Optional continued budget review work session, Thursday, March 18, 2021 at 10 a.m. via Zoom.

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### Adjournment

Motion by Mayor Neidhamer, second by Mayor Pro-tem Grunch to adjourn the Budget Overview Work Session at 2:36 p.m.

  
 Tom Neidhamer  
 Mayor

  
 Caroline Kennedy  
 Clerk / Treasurer