

**CITY OF AU GRES**  
**SPECIAL CITY COUNCIL MEETING**  
**MONDAY, APRIL 28, 2025**  
**5:30 P.M.**

PRESENT: Mayor Jon Sanford, Dan Heinrich, Jane Barbour, Joe Warr, John Popovich

ABSENT: None

ALSO PRESENT: City Manager Dale Wiltse

**1.) CALL TO ORDER**

Mayor Jon Sanford called meeting to order at 6:02 p.m.

**2.) ROLL CALL**

Roll call noted all members present.

**3.) NEW BUSINESS**

3.1 Budget Workshop Meeting

Reviewed list of capital project items. City Manager informed Council that MSHDA Housing Project of \$900,000 budgeted out of TIF funds is to bring in 4-5 modular housing in the Southcourt Subdivision. These are modulars meeting BOCA building codes; not manufactured homes.

Riverside Park bathhouse is not listed on the capital projects since the city will need to decide what to do with building; remodel and re-purpose, or tear it down. Building is in decent shape and we are currently using the handicap accessible bathrooms with the rest of building being locked up.

Tee pads/signage for disc golf course: might need to add this project to the list once disc golfer Nate Bladecki gets quotes. Need to find out what size tee pads 3x6 or 4x8; maybe can do up forms ahead of time instead of trying to get cement truck back there or hauling in cement at each hole. City would be willing to put some money in for improvements but group would need to commit some sweat equity into project as well.

Joe Warr: would like to see all city easements have corners marked with posts or something. Might cost a little money with engineering but well worth it. Start off by doing the major ones first.

City Clerk went through proposed budget for fiscal year 2025/26 year.

General Fund: City is seeing taxable values going up this year with the rate of inflation at 3.1%. Budget set with last year's millage rates and waiting on final figures from County Equalization. If millage rates are forced to rollback substantially with Proposal A/Headlee, City Council will have to hold a public hearing again to maintain current millage rates. Very conservative budget showing increase of approximately \$5,000 in tax revenues. This year, the general fund shows appropriated fund balance of \$377,940 being used; majority of this is from general fund loaning \$340,000 to the park fund for the expansion. County Road millage passed and is good through 2028. Only election this fiscal year is the school special election to be held August 5, 2025. This special election will be paid entirely by the school.

Major/Local Streets: Have N Court Street and Detroit St/AuGres River Drive still scheduled to be complete this spring 2025. If it does not get done by June 30, the project will have to roll over into the next budget year. For this upcoming budget year, we have E Saginaw Street/Water Street/Albert Street down for resurfacing. Check and make sure all storm sewers are working proper or get fixed before any road paving project. We are now putting in the budget annually to evaluate and start repairing sidewalks where needed. Revenue for both funds is mainly from State of Michigan Act 51 money with estimated budget of \$108,000 in Major Street and \$62,000 in Local streets. City can transfer 25% (est \$28,000) of Major Street money to Local Streets yearly. City also puts all of our General Fund County Road millage money into Local Streets as well.

Police Fund: Police millage is through 2028. Budget is set for part-time officer with 20 hours per week. Speaking with Chuck, he is happy with 20 hours per week and not looking for any more hours even if budget can afford it. Retirement fluctuates yearly with the market conditions and this fiscal year nothing is budgeted for this line item. City will receive our MERS actuary annually in June and this will show if a yearly payment will be needed next fiscal year.

Mosquito Fund: Millage just renewed through 2026 and City is locked in a fixed price contract thru 2026 at \$29,400 with Advanced Pest Management (APM). Starting to build a fund balance (currently at \$21,700) and this contract with APM includes 2 new jersey fly traps and backpack applications.

Library Operations/Building Fund: The 271 account is strictly for operations which include payroll, utilities, etc. with revenue coming in from library millage (expires 2033). The 471 account is for any additional capital projects. City Manager is working with District Library Director for a way to split the library from City and have the district take over. The City would still have the 471-building fund after the split. Every library is handled differently but City of Standish is also working on turning library over to District.

TIFA Fund: Fund balance is sitting at estimated \$984,326 after 24/25 year. TIFA loaned the water fund \$250,000 to help pay off loan; last payment this 25/26 year of roughly \$53,000. Estimated to spend \$954,500 in capital projects this year to include contribution to harbor and equipment; improvements to harbor, chapel, KinderPlatz park and MSHDA housing project. After this budgeted year, fund balance is estimated to be down to 256,086.

Capital Projects: This account was set up when we re-issued our bond money. The City had a list of projects to be done with this money including painting the water tower, buying equipment, cleaning sewer ponds, etc. This bond is set to be paid off in 2030. Once money is spent, account will be closed down. No projects scheduled for this year but we do have money in this account so when the time comes to clean the sewer ponds, we have money put away for this expensive project.

Park Fund: Very conservative budget with \$241,500 in total revenues. Park fund includes contribution to harbor fund of \$17,500 and campground expansion costs of \$290,000. General Fund is also contributing \$340,000 towards park expansion costs. Campground expansion probably won't start now until after Car Show 2025 and will give the Cruisers one more year of parking. This will allow the City and Cruisers a chance to work on obtaining parking from Saginaw-Midland Water on their right-of-way.

Sewer Fund: Projecting using \$63,300 from fund balance this year. Have in the budget liquid alum to use at the sewer plant again at yearly cost of \$28,000. City quit using liquid alum since our discharge levels were good but after the flooding and the fish cleaning station dumping into sewer, had to recently start using again. Will need to raise rates probably in next year or two; haven't raised rates since 1/1/2021 and we are very cheap compared to surrounding municipalities. With the cost of everything going up: electricity costs, liquid alum, wages, etc. good idea to build fund balance up.

Water Fund: Projecting using 25,000 from fund balance this year. Also estimating another decrease in revenues from Au Gres Township of \$36,000 with the marijuana facilities closing up (21/22 year was at a high of \$59,125). Water contract with Au Gres Township has expired and will need to be renewed thru Saginaw-Midland water contract expiring in 2045. Will also need to raise rates; haven't been raised since 1/1/2021 and we are very cheap compared to surrounding municipalities.

Harbor Fund: Very conservative budget at \$45,250 with majority of revenues coming from contribution from park at \$17,500 and contribution from TIFA at \$17,500. No real revenue source at this location; some revenue is brought in by with the fish cleaning station and pavilion rental.

Equipment Fund: This fund makes revenue from charging all departments the state's equipment rental rate of equipment. Revenue builds up and then in turn, this fund buys another piece of equipment with revenue. This year, no planned purchases.

City Council is comfortable with the budget being presented and no changes need to be made. City Clerk will post public hearing notice and have on the June City Council agenda to adopt budget for 2025/26 year.

#### **4). ADJOURNMENT**

**MOTION** (Warr) to adjourn meeting at 8:10 p.m.; support (Popovich). Motion carried.

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Jon Sanford, Mayor

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LaVonne Pritchard, City Clerk