

Budget Worksession  
April 14, 2010  
6:00 p.m. to 8:00 p.m.

DRAFT

Present: Councilors Gemignani, McKenzie (late), Freeman, Laitila, Belej, Slivon and Hainault.

Absent: None

Also present: City Clerk Karen Haischer, Manager Anderson,

Posted Agenda:

Scheduled Budget Worksessions:

Wednesday, April 14, 2010 6:00 p.m.

Wednesday, April 28, 2010 6:00 p.m.

Wednesday, May 5, 2010 6:00 p.m.

Agenda, April 14th session (immediately following special meeting)

**1. Special Meeting 4-14-2010**

**6:00 p.m. City Hall**

**Item: Consideration to purchase 29.64 acre parcel of land from Tonne Construction for \$135,000.00**

Agenda, April 28th session

- A. Fire Dept. Budget
- B. Police Dept. Budget
- C. DPW Budget
- D. Parks and Recreation Budget
- E. Review Preliminary Budget
- F.

Also present: Mark Dennis, John Gedda, Mike Beaudoin, Doug Hayrynen and Michelle Anderson (Keweenaw NOW).

Fire Department Presentation: Mark Dennis and John Gedda

Request: \$17,950.00 for tournament allowance, insurance and apparatus and equipment. (copy on file)

Note: Department hopes the City can increase it's monthly allowance by \$200 to \$1,190.23 which would increase each members allowance by \$10 to \$50/month. Also would the Council consider some reorganization for members retiring. The Department give a plaque but a monetary would be nice.

Police Department Presentation: Chief Mike Beaudoin

Don't need any thing this year. Equipment is OK, gradually updating computers and no new vehicle requested this year. Only request is not to cut budget from last year.

DPW Presentation: Director Doug Hayrynen.

Presented a list of projects for the Water Department, Sewer Department, Major Streets, Local Streets, Beach, Campground, Parks & Recreation, and DPW Projects. (copy on file)

Sewer - Purchase a video inspection camera for about \$12,000

DPW Projects - Purchase a propane tank storage unit for about \$600 to \$800

No other cost estimates were presented at this time.

City Manager Report: Glenn Anderson

Bid results for the Transit Garage:

Tentative low bidder MJO Contracting, Inc. for \$690,994.00

-looking for an additional \$20,000 to \$60,000 funding for this project.

Bid results for house demolition:

Tentative low bidder MJO Contracting, Inc. for \$95,916.00

-(8 homes) Grant was for \$150,000

-environmental bids due next Tuesday.

Citizens Bank has sold 424 Hancock Street to Mike Lahti

FYI there is a Hancock School Public Library - Public Patron Statistic for January 2009 through March 18, 2010.

Budget FYE 6-30-2011

Project need for another water and sewer rate increase to cover the additional water and sewer work this year. Rate would have to become effective in the next 6-9 months.

water - additional \$2.25

sewer - additional \$3.88

Taxable Value is down this year

State Shared Revenues may have a 1% increase

Presented the Council with a copy of our outstanding long-term debt for the General and Motor Vehicle Funds. (copy on file)

Need to budget routine street repaving on local and major streets throughout the City

DDA agreed to pay for a section of road on the old DPW Property on Birch Street.

Will budget \$10, 000 for paving

7:27 p.m.

Special Meeting

On 2/27/10 the Planning Commission recommended to proceed with the acquisition of the Tonne Property for \$135,000.

Moved by Councilor Belej and seconded by Councilor Gemignani to authorize the City Manager to proceed with the purchase of the Tonne Property (29.64 acres +/-) for \$135,000.00 along with 2010 property taxes, transfer tax, deed preparation, legal fees, installment contract and title insurance not to exceed \$145,000.00.

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej and Hainault.

No: Councilor Slivon

Motion Carried.

Total cost of property with financing is about \$175,000.00

Cost to develop one lot is \$15,000.00.

Est. total cost for complete development \$450,000.00.

City will receive about \$2000 for taxes per year. This is the City share not the full tax bill.

Moved by Councilor Hainault and seconded by Councilor Belej that this special meeting of the Hancock Council be adjourned. All Councilors were properly notified and meeting posted.

Next budget worksession is Wednesday, April 28th, 2010, 6 p.m. to 8 p.m.

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William Laitila, Mayor

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Karen Haischer, CMC City Clerk