

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Ken Hibl, City Manager
Date: May 31, 2018
Regarding: Adoption of the Fiscal Year 2018/19 Budget

For the Agenda of June 4, 2018

Background The Charter of the City of Clare stipulates that the City Commission shall adopt a budget for the upcoming fiscal year at the first scheduled City Commission meeting in June. In preparation for the approval of the Fiscal Year 2018/19 Budget the City Staff presented the proposed FY2018/19 Capital Improvement Program Schedule to the Planning Commission on April 11th to review and discuss their requested/proposed capital improvement budgets. Following this presentations the full City Commission held budget workshops during the month of May during which selected department heads, the city manager, and the city treasurer/finance director presented the proposed Fiscal Year 2018/19 budget.

The City Commission is asked to bring their budget presentation binders with them to the meeting for the final review and approval of the FY2018/19 Budget (an electronic copy can be sent to you if you desire). Following an overview presentation to the City Commission of the Budget for each Fund and Activity the City Manager and the City Treasurer/Finance Director will collectively answer any questions the Commission or the public may have regarding the proposed budget.

Prior to adopting/approving the budget the City Commission is required to hold a public hearing to receive comment regarding the proposed budget and the proposed tax millage to be collected for the new fiscal year commencing July 1st. Notice of the hearing (*copy attached*) has been completed as required.

Issues & Questions Specified Should the City Commission hold the requisite public hearing and adopt the proposed budget and tax millage rates?

Alternatives

1. Hold the public hearing and adopt the proposed budget.
2. Do not hold the public hearing, thereby delaying the adoption of the budget.
3. Hold the public hearing and modify or amend the proposed budget.
4. Defer the matter for further consideration and/or deliberation at a subsequent meeting.

Financial Impact Conducting the hearing and adopting the proposed budget will allow the City to continue functioning/providing necessary public services during the upcoming fiscal year.

Recommendations The City Manager and Treasurer/Finance Director both recommend that the City Commission approve by motion and then conduct a public hearing to receive comments concerning the proposed budget. Subsequent to the public hearing we recommend that the City Commission approve the Fiscal Year 2018/19 Budget by

adoption of Resolution 2018-062. We also recommend that the 2018 property tax millage rates, administration fees, interest, penalties and tax due dates be approved by the adoption of Resolution 2018-063.

Attachments

1. Proposed Fiscal Year 2018/19 Budget (provided during the meeting).
2. Public Notice.
3. Tax Millage Request Form.
4. Resolution 2018-062.
5. Resolution 2018-063.



CITY OF CLARE

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CITY HALL

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Manager x102

Assessor x103

Clerk x106

Treasurer x107

DEPARTMENT OF PUBLIC WORKS

Ph 989.386.2182 or

989.386.7541 x202

Fx 989.386.4508

UTILITY BILLING

Ph 989.386.7541 x201

W/WWT PLANT

Ph 989.386.2321

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POLICE DEPT. NON-EMERGENCY

Ph 989.386.2121

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FIRE DEPT. NON-EMERGENCY

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PARKS & RECREATION

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AIRPORT

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CITY OF CLARE SCHEDULE OF BUDGET WORKSHOPS AND NOTICE OF PUBLIC HEARING ON PROPOSED 2018-2019 BUDGET

The City will be conducting budget workshops for the Fiscal Year 2018-19 at the regularly scheduled May 7th and May 21st, 2018 City Commission meetings. Department heads will review their various departmental needs, provide recommendations for capital improvement projects, and offer suggestions for fee & rate schedule amendments; the City Commission will offer guidance and provide recommendations to city staff during the workshops. The public is encouraged to attend, however if you are unable to attend the meetings and have input you would wish to be considered, you may submit written comment to the City Clerk at 202 W. Fifth St., Clare, MI 48617 or provide verbal comment by calling (989) 386-7541 ext. 106.

PLEASE TAKE NOTICE that on June 4th, 2018, the Clare City Commission will hold a public hearing to consider adoption of the City's Fiscal Year 2018-2019 budget at 6:00 p.m., Clare City Hall Commission Chambers, 202 W. Fifth Street, Clare, Michigan. A copy of the proposed budget is available for public inspection during normal business hours in the Office of the City Treasurer, 202 W. Fifth St., Clare, Michigan.

The City of Clare is an equal opportunity provider and employer.

Diane Lyon
City Clerk



EQUAL HOUSING
OPPORTUNITY



2018 Tax Rate Request (This form must be completed and submitted on or before September 30, 2018)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes Clar and Isabella	2018 Taxable Value of ALL Properties in the Unit as of 5-29-18 87,265,729
Local Government Unit Requesting Millage Levy City of Clare	For LOCAL School Districts: 2018 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2018 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2017 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2018 Current Year "Headlee" Millage Reduction Fraction	(7) 2018 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Charter	Allocation Op	11-5-74	20.0000	18.7690	1.0000	18.7690	1.0000	18.7690	17.5000		N/A
Ex Voted	Parks	08-07-12	.7500	.7500	1.0000	.7500	1.0000	.7500	.7500		2022
Ex Voted	Streets	11-08-16	3.0000	3.0000	1.0000	3.0000	1.0000	3.0000	3.0000		2021

Prepared by Edith K. Hunter	Telephone Number 989-386-7541	Title of Preparer Assessor	Date 6-4-18
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CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2018 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	

<input checked="" type="checkbox"/> Clerk	Signature	Print Name	Date
<input type="checkbox"/> Secretary		Diane Lyon	6-4-18
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President		Pat Humphrey	6-4-18

* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

** **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

RESOLUTION 2018-062

A RESOLUTION OF THE CLARE CITY COMMISSION ADOPTING THE FISCAL YEAR 2018/19 BUDGET.

WHEREAS, the Clare City Commission has reviewed and discussed the proposed Fiscal Year 2018/19 millage rates, fee and rate schedules for City services to include any rate changes and recommended appropriations during budget workshops held during the month of May 2018 pursuant to State Statutes and the City Charter and discussed and reviewed the final proposed 2018/19 City Budget during the course of a regularly scheduled meeting of the Clare City Commission on the 4th day of June 2018; and

WHEREAS, the City Commission held an appropriately noticed public hearing to receive public comment prior to the adoption of this resolution pertaining to the Fiscal Year 2018/19 Budget; and

NOW, THEREFORE BE IT RESOLVED THAT the Clare City Commission hereby approves the Fiscal Year 2018/2019 Budget Appropriations for the City of Clare as stipulated herein and itemized as Attachment A to this Resolution:

	Operating Expenditures	Non-Operating/Capital/ Transfers Out
General Fund	\$ 2,270,353.43	\$ 581,760.03
Cemetery Perpetual Care	-0-	5,000.00
Major Street Fund	124,287.32	147,600.00
Local Street Fund	151,198.82	-0-
Municipal Street Fund	-0-	243,967.79
Fire Department Fund	287,756.16	51,852.33
Parks & Recreation Fund	340,998.27	70,700.00
Downtown Development Authority	59,439.65	-0-
Sidewalk Replacement Fund	341.00	-0-
Brownfield Redevelopment	-0-	-0-
Drug Forfeiture Fund	2,000.00	-0-
Law Enforcement 302 Training	1,500.00	-0-
Debt Service – Public Safety Fund	51,630.82	-0-
Sewer Fund	708,931.05	197,300.00
Water Fund	597,373.16	1,313,318.00
Data Processing Fund	48,850.00	95,000.00
Mobile Equipment Fund	336,551.43	269,665.00

BE IT FURTHER RESOLVED THAT the Clare City Commission hereby approves the millage rates as outlined on the attached Michigan Department of Treasury Form 614, a copy of which is attached to this Resolution as Attachment B.

BE IT FURTHER RESOLVED THAT the City Manager is hereby authorized to make budgetary transfers within the appropriation for each specifically identified fund within the City’s adopted 2018/19 budget. However, increasing the total fund appropriation shall require the specific approval of the Clare City Commission by properly introduced and approved resolution during a publicly held meeting.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCICNDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 4th day of June 2018.

Diane Lyon, City Clerk

RESOLUTION 2018-063

A RESOLUTION OF THE CLARE CITY COMMISSION ADOPTING THE 2018/19 MILLAGE, ADMINISTRATION FEES, PENALTIES AND TAX DUE DATES.

WHEREAS, the Clare City Commission has reviewed and discussed the proposed Fiscal Year 2018/19 budgets based on proposed millage rates at workshops during the month of May 2018 pursuant to State Statutes and the City Charter; and

WHEREAS, the City Commission held a requisite public hearing to receive comment prior to the adoption of this resolution pertaining to Fiscal Year 2018/19 Property Tax Millages.

NOW, THEREFORE BE IT RESOLVED that the millage rates listed herein are hereby adopted for Fiscal Year 2018/19:

Operating	17.5000
Parks (Voted)	.7500
Streets (Voted)	3.0000

BE IT FURTHER RESOLVED that the City of Clare shall add a 1% penalty to the 2018 Unpaid Summer Taxes on September 1, 2018 and 1/2% interest on the first of each month thereafter until paid or turned over to the county as delinquent with a total of 6% interest due in February 2019; and

BE IT FURTHER RESOLVED that the Clare City Commission approved an administrative fee of 1% for both Summer and Winter Property Taxes; and

BE IT FURTHER RESOLVED that said administrative fee of 1% shall continue to be levied; and

BE IT FURTHER RESOLVED that the Clare City Commission hereby confirms the 1% penalty on the Summer Taxes and the 3% penalty on the Winter Taxes with a minimum fee of \$1.00 to be assessed on all unpaid property tax as of September 1, 2018 for Summer Taxes and February 15, 2019 for Winter Taxes; and

BE IT FURTHER RESOLVED that the Clare City Commission hereby sets the due date for 2018 Summer Taxes as August 31, 2018.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 4th day of June 2018.

Diane Lyon, City Clerk