

**MINUTES  
CITY OF ANNA MARIA  
COMMISSION MEETING  
FINAL MILLAGE/FINAL BUDGET 2011/2012  
SEPTEMBER 21, 2011– 6:00 P.M.**

**Pledge of Conduct. We may disagree, but we will be respectful of one another. We will direct all comments to the issues. We will avoid personal attacks.**

**CALL TO ORDER**

Vice-Chair Jo Ann Mattick called the meeting to order a 6:00 P.M.

**PLEDGE TO THE FLAG**


**ROLL CALL** 

**Present:** Mayor Selby, Vice-Chair Mattick, Commissioner Woodland, Commissioner Quam, Commissioner Aubry.

**Absent/Excused:** Chair Webb.

**Staff Present:** Finance Director/Deputy City Clerk Diane Percycoe, Building Administrative Assistant/Code Enforcement II Diane Sacca, Public Works Director George McKay, and Minutes Clerk Stacey Johnston.

**1. OPEN 2011/2012 BUDGET PUBLIC HEARING.**

*Vice-Chair Mattick* opened the Public Hearing. 

**2. DISCUSS PROPOSED FINAL BUDGET'S PERCENTAGE INCREASE IN MILLAGE OVER ROLLED-BACK RATE TO FUND BUDGET (IF ANY), AND SPECIFIC PURPOSES FOR WHICH AD VALOREM TAXES ARE BEING INCREASED/DECREASED.**

*Vice-Chair Mattick* announced that the Final proposed Millage Rate is 2.05 mills. The percentage increase over the rolled-back rate is 8.57% with the rolled-back rate being 1.8881. The rolled-back rate is the tax rate that would bring in the same amount of dollars from the previous year. The specific purpose for which ad valorem taxes are being increased is decreased revenues, increased operating expenses, and to replenish the City's reserves.

*Commissioner Woodland* stated he had not been pleased with the process since the beginning and it was the first time he'd experienced starting with an 11.8% increase in the millage at the first workshop. He felt looking out for the City's money was the most important job he had as a Commissioner. He noted that the increase to 2.05 mills is now a 14.6% increase from the millage rate.

Commissioner Woodland said he would support adopting the rolled-back rate – which would result in only a 6% increase.



*Commissioner Quam* acknowledged that the ad valorem tax revenues could not pay the loan for the six lots, however, without the purchase of those lots, the City would have been closer to adopting the current millage rate. He felt due to that, there was no way the City could meet its needs without raising the millage. He did not believe the millage would need to be increased next year - and if still Commissioner, he would not vote for any additional increase at that time.



*Vice-Chair Mattick* said she felt it was important to increase the reserves and supported the millage increase for the 12-month period.

*Finance Director Percycoe* stated that four Budget Work Sessions were held and no changes were made. She reminded that the City's Reserves had been depleted by paying off the loan. The Reserves now need to be replenished – 35% as recommended by the City's Auditor. Non ad-valorem revenues have been pledged to pay towards the loan for the six lots. She noted there have been declined assessed values since 2006 – which would have been the ideal time to adopt the rolled-back rate.



*Commissioner Woodland* responded and again said he would agree with going to the rolled-back rate. Comments relating to the ad-valorem taxes being increased, use of the Contingency Fund in order to reduce the millage, loan pay-off, etc. followed by Commissioner Woodland. Commissioner Woodland then provided examples of how he felt the Contingency Fund could be reduced in order to reduce the millage rate.

*Finance Director Percycoe* commented relating to Commissioner Woodland's concerns in the past relating to the City's Contingency Fund, Reserve Fund, and loan pay-off. Discussion followed.

*Vice-Chair Mattick* asked for clarification relating to taking reserves and placing into the Contingency Fund.



*Finance Director Percycoe* explained noting that a Resolution / Budget amendment would be needed. Explanation followed relating to the need for funds to be placed in the Reserve Fund especially in the event of a storm.



Finance Director Percycoe then reviewed the projected Reserve calculations as prepared in July 2011 by the City's Auditor. Auditor Leonard's projection is 25.17% and at the end of September, 2012 is projected at 29.3%. It is hoped that the reserves will be at 35% within the next two years.

Discussion followed relating to the increase in the designated funds.

**3. OPEN PUBLIC COMMENT.**

*Paul VanZytveld*, 226 Oak Ave. said he was opposed to the increase, felt it was too high, and did not feel it was justified.

**4. CLOSE PUBLIC COMMENT.**

Closed by *Vice-Chair Mattick*.

**5. AMEND FINAL BUDGET, IF NECESSARY.**

**6. RECOMPUTE FINAL MILLAGE – ANNOUNCE PERCENT MILLAGE EXCEEDS (IF ANY) THE ROLLED-BACK RATE. IF MILLAGE EXCEEDS THE ROLLED BACK RATE, THIS IS CHARACTERIZED AS THE PERCENTAGE INCREASE IN PROPERTY TAXES.**

**7. CONSIDER RESOLUTION R11-677 ADOPTING 2011/2012 MILLAGE RATE.**

*Finance Director/Deputy City Clerk Percycoe* read the Resolution by title.



**Motion:** Moved that Resolution R11-677 be approved for adoption.

**Action:** Moved by Commissioner Quam, Seconded by Commissioner Aubry.

**Vote:** Approve, Motion passed (summary: Yes = 3, No = 1, Abstain = 0).

**Yes:** Commissioner Aubry, Commissioner Quam, Vice-Chair Mattick.

**No:** Commissioner Woodland.

**Absent:** Chair Webb.

**8. CONSIDER RESOLUTION R11-678-ADOPTING 2011/2012 BUDGET.**

*Finance Director/Deputy City Clerk Percycoe* read the Resolution by title.



**Motion:** Moved that Resolution R11-678 be approved for adoption.

**Action:** Moved by Commissioner Quam, Seconded by Commissioner Aubry.

**Vote:** Approve, Motion passed (summary: Yes = 3, No = 1, Abstain = 0).

**Yes:** Commissioner Aubry, Commissioner Quam, Vice-Chair Mattick.

**No:** Commissioner Woodland.

**Absent:** Chair Webb.

**9. SECOND READING AND PUBLIC HEARING ORDINANCE 11-724, ADOPTING THE BUDGET FOR FY 2011/2012 AND RECEIPT AND COLLECTION OF AD VALOREM TAXES.**

*Finance Director/Deputy City Clerk Percycoe* read the Ordinance by title.



**Motion:** That Ordinance 11-724 be approved for Second Reading and adoption.

**Action:** Approve, Moved by Commissioner Quam, Seconded by Commissioner Aubry.

**Vote:** Motion passed (summary: Yes = 3, No = 1, Abstain = 0).

**Yes:** Commissioner Aubry, Commissioner Quam, Vice-Chair Mattick.

**No:** Commissioner Woodland.

**Absent:** Chair Webb.



*Commissioner Quam* commented regarding the Stormwater Maintenance reserve amount. He felt the amount assessed should be reviewed and that discussion should be placed on a future WS agenda since the public has been told if there are additional reserves that are not needed then the amount to be paid by them would be reviewed and reduced.

*Finance Director Percycoe* explained. She noted the City receives approximately \$70,000 per year.



*Commissioner Woodland* stated that the Stormwater reserve account user fee was to be utilized as a dedicated funding source in perpetuity for providing maintenance for the Stormwater utility system. The fund would not continue to grow due to the funds now being used for the maintenance. He informed they were not looking at reducing the amount being collected.

**10. ADJOURNMENT.**



**Motion: Moved to adjourn at 6:36 p.m.**

**Action: Adjourn, Moved by Commissioner Quam, Seconded by Vice-Chair Mattick.**

**Motion passed unanimously.**



Alice Baird, CMC, City Clerk

Minutes Approved: 10-31-11