

CITY OF NORTON SHORES
CITY COUNCIL WORK SESSION
April 25, 2023

A regular work session of the Norton Shores City Council was held at the Norton Branch Library Community Room, 705 Seminole Road, on Tuesday, April 25, 2023 at 5:30 p.m.

Present: Mayor Nelund, Council Members Hylland, Kasher, Morgenstern, Moulatsiotis, Olson and Sowa; also, Mark Meyers, Shelly Stibitz, Anthony Chandler, Jim Murphy, Chris Lyonnais, Jon Gale, and Bob Gagnon

1. Fiscal Year 2024 Proposed Budget

City Administrator Mark Meyers gave a high-level overview of the proposed Fiscal Year 2024 Operating Budget starting with appreciation to all staff for their work toward proposing a balanced budget. Mr. Meyers mentioned some of the areas highlighted in his budget message including increased taxable values, \$59 million in new construction, challenges with inflation coupled with supply chain delays and labor shortages. On the positive side, there are plans to resurface a large part of Sternberg Road, connect 170 homes to city water services, complete maintenance and enhancements to city buildings in the TIFA District, construct the Lake Harbor Trail and pickle ball courts, and add staff at minimal cost with grant funding or budget neutral solutions. Bigger picture items include focusing on increasing housing options based on a county-wide needs assessment and locating property suitable for manufacturing facilities.

Finance Director Chris Lyonnais provided more detailed information related to each fund in the budget beginning with the breakdown of revenues and expenditures on included pie charts and stated that revenue is expected to be comparable to the current fiscal year. Mr. Lyonnais feels that the City will experience a small loss in investment income this year but is optimistic that there will be positive returns by next year. He explained that, after some time in tracking actual retiree health care costs, he felt it appropriate to adjust the document accordingly and split active employee and retiree benefits in all departments. The adjustment period may be misleading as those line items appear to experience major changes but will smooth out in the future. Council Member Hylland stated that he finds the change helpful in understanding those expenses. Some areas of proposed increases in FY2024 are personnel, based on pending retirements and additional staff; elections, due to new legislation; tuition reimbursement, as interest in furthering education has grown; and, following presentation of the proposed Capital Improvement Program budget, a notice from the City's IT contractor of the need to purchase \$100,000 of new computer servers.

Council Member Hylland asked if, as expected, additional annual contributions over the pension ARC and discontinuance of defined benefit pensions for new hires would bring unfunded liabilities to a neutral position was still accurate. Anthony Chandler, Assistant to the City Administrator, confirmed that the City is still expecting to be 100% funded by 2037. Council Member Moulatsiotis inquired about levying the

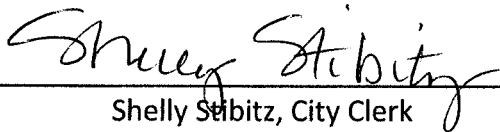
entire Public Safety Millage amount and Mr. Meyers replied that it may be necessary if SAFER grants are not awarded for the three proposed additional fire fighter positions in FY2024. Council Member Olson asked if the offer to add playground equipment at Lake Harbor Park is being considered and Mr. Chandler said the Parks Superintendent is scouting areas for placement.

A public hearing will be held to received comments and adopt the proposed Fiscal Year 2024 Budget at the May 1, 2023 City Council meeting.

General Comments

Mr. Meyers reminded Council members that the next meeting is on Monday, May 1, 2023 due to the special election on Tuesday. He reported that letters had been sent to businesses near the former Kmart and other sites addressing Council Member Hylland's trash and litter complaint. Mr. Meyers, also, shared that the Michigan Municipal League Capital Conference he and the Mayor recently attended was informative and a presentation by Governor Whitmer made him feel that support for local municipalities is high relative to past years.

Meeting adjourned at 7:33 p.m.


Shelly Stibitz, City Clerk