



## Notice City Commission Special Meeting

7:00 p.m.

Monday, May 23, 2016

Commission Chambers, Second Floor, Governmental Center  
400 Boardman Avenue, Traverse City, Michigan 49684

Posted and Published: 05-20-2016

Meeting informational packet is available for public inspection at the Traverse Area District Library, City Police Station, City Manager's Office and City Clerk's Office. The City of Traverse City does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Penny Hill, Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan, 49684, 922-4440, TDD: 922-4412, has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act and the rights provided thereunder are available from the ADA Coordinator. If you are planning to attend and you have a disability requiring any special assistance at the meeting and/or if you have any concerns, please immediately notify the ADA Coordinator.

At the request of City Manager Marty Colburn, City Clerk Benjamin Marentette has called this special meeting.

City Commission:

c/o Benjamin C. Marentette, MMC, City Clerk  
(231) 922-4480

Email: [tcclerk@traversecitymi.gov](mailto:tcclerk@traversecitymi.gov)

Web: [www.traversecitymi.gov](http://www.traversecitymi.gov)

400 Boardman Avenue  
Traverse City, MI 49684

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*The mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the city's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.*

**Welcome to the Traverse City Commission meeting!**

Any interested person or group may address the City Commission on any agenda item when recognized by the presiding officer or upon request of any Commissioner. Also, any interested person or group may address the City Commission on any matter of City concern not on the Agenda during the agenda item designated Public Comment. The comment of any member of the public or any special interest group may be limited in time. Such limitation shall not be less than five minutes unless otherwise explained by the presiding officer, subject to appeal by the Commission.

**Agenda**

Pledge of Allegiance

Roll Call.

1. Presentation by Mayor Carruthers of a Proclamation declaring May 16-20, 2016, as School Garden Week to Sarah Eichberger, of Michigan State University Extension. (Mayor Jim Carruthers)
2. Continued discussion regarding the City Manager's Proposed Budget for Fiscal Year 2016/2017. (Marty Colburn, William Twietmeyer)
3. Announcements from the City Clerk. (Benjamin Marentette)
4. Public Comment.
5. Adjournment.



The City of Traverse City

# Communication to the City Commission

FOR THE CITY COMMISSION MEETING OF MAY 23, 2016

DATE: MAY 20, 2016

FROM:  MARTY COLBURN, CITY MANAGER

SUBJECT: MAY 23 SPECIAL MEETING

At the beginning of the meeting on Monday, Mayor Carruthers will present a proclamation declaring May 16-20, 2016, as School Garden Week to Sarah Eichberger with the Michigan State University Extension.

Monday evening will be our second study session to discuss the budget. To ensure a focused discussion, I will focus on the following key areas:

- The status of the City's funds
- An overview of our capital needs – and my proposal that the City Commission consider bonding to accelerate our investments toward infrastructure for future budgets
- The staffing proposals
- Other issues

Attached is a communication from me regarding the proposed budget, which focuses on two priorities: (1) Providing critical local government services; and (2) Making critical capital investments. As outlined in my attached communication – to follow-through on the City Commission's commitment to capital infrastructure, I will be urging the City Commission to consider bonding to accelerate investment into our infrastructure for future budgets. I will speak more to this issue Monday evening. Of course, there are a variety of funding sources in addition to bonding to ensure we make great progress on infrastructure investments – those sources include grants, the Water Fund, General Fund, etc.

Additionally, as a follow-up to the discussion regarding fund balances at the May 9<sup>th</sup> Study Session, attached is a communication from City Treasurer/Finance Director William Twietmeyer.

As requested, Monday evening's meeting will be a Special Meeting so that the City Commission can take action regarding the budget if so desired following discussion.



**CITY OF TRAVERSE CITY  
PROCLAMATION DECLARING  
THE WEEK OF MAY 16-20, 2016, AS  
SCHOOL GARDEN WEEK**

Traverse City Area Public Schools are home to over 10 school gardens of varying sizes and shapes. These gardens are living laboratories where students engage in hands-on learning, and they provide opportunities for moderate physical activity and positive social interactions.

The Traverse City Area Public Schools district wellness policy promotes the integration of school gardens into academic curriculum across all grades whenever possible, and we are fortunate enough to have numerous educators who lend their skills and time to educate students in the school garden.

School Gardens have been shown to increase knowledge and awareness about gardening, agriculture, healthy eating, local foods and seasonality, as well as positively impact children's attitudes and consumption of fruit and vegetables.

These Gardens offer educators the chance to incorporate experiential nutrition and agriculture education into school curriculum, and the produce can be used in the school cafeteria.

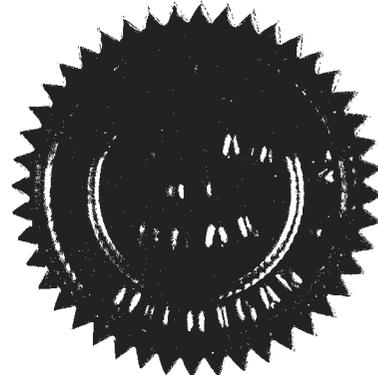
Now, therefore, I, Jim Carruthers, Mayor of the City of Traverse City, do hereby proclaim:

**The Week of May 16-20 as School Garden Week.**

A handwritten signature in black ink, appearing to read "Jim Carruthers".

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Jim Carruthers, Mayor  
City of Traverse City



## **BUDGET FY 2016/2017 AND BEYOND**

We are presenting a two-tiered budgeting approach. The first component for FY 2016-17 is focusing on meeting the annual services needs. These are the public services that local government is currently charged with. This year's budget hones in on addressing these critical services as well as investment of critical capital investment addressing the City Commission's Goals and Objectives.

The second component is focusing on following through with planning elements, prioritizing investment into capital infrastructure. These are significant planning elements that may have significant implementations to future funding requirements. Funding sources vary, dependent on which services are being addressed. Sources vary from General Fund, Water Fund, Grants, and utilizing bonding authority upon need. It is this second part of the plan that we now focus.

### **Sidewalk Improvements**

The current sidewalk improvements plan demonstrates building the majority of the sidewalks that are currently non-existent in a ten (10) year plan. The goal is to accelerate these improvements to allow an "active living" lifestyle, and making our citizens safer with having a dedicated pedestrian walkway. Sidewalks also demonstrate placing a higher value on adjacent properties and walkable neighborhoods within a community. This investment addressed focus areas of the Commission's Goals and Objectives within all six of the Commission's focus categories of: Environment, Health/Welfare, Infrastructure, Public Safety, Community Development, and Economic Development.

### **8<sup>th</sup> Street**

The City Commission has pursued an in-depth planning process directed towards the 8<sup>th</sup> Street corridor. This street and corridor have been identified as a key transportation route as well as an area ripe for future development for both commercial and residential investment. We are currently engaged in a community charrette, an in-depth process with the community, framing and defining the priorities of our needs and future investment. The project is predicated with the need since much of the section between Union & Barlow has not been replaced for over thirty (30) years. This project is also inclusive of replacing underground utilities and upgrading the current water main of 6" and 10" lines. This project focuses on City Commission goals of Environment, Health/Welfare, Infrastructure, Public Safety, Community Development, and Economic Development.

### **West Boardman Lake Trail**

The City is working cooperatively with Garfield Township and Grand Traverse County Community Development Department on completing a loop of the Boardman Trail around Boardman Lake. This last section covers approximately 40% of the trail that would be along the south and western sides of the lake. The County has contracted with Prein & Newhof design firm who is tasked with identifying the most appropriate route for trail development. The concept is to include potential funding mechanisms and future operational and maintenance costs

for Garfield Township and the City of Traverse City. The Commissions Goals and Objectives included in this project are: Environment, Health/Welfare, Infrastructure, Community Development, and Economic Development.

#### West Boardman Lake District

The future development of this area, which is inclusive of the Boardman Neighborhood, as well as the area adjacent of the northwest side of Boardman Lake, has had an ongoing dialogue regarding movement of traffic circulation as well as land use. The City hired the consulting firm LSL to assist with a planning process inclusive of meeting with stakeholders on methods of addressing these concerns of neighborhood development. This area is also influenced by the other active planning projects, 8<sup>th</sup> Street corridor and the West Boardman Lake Trail. The current status is that the process is ongoing. Formal outcomes have not been developed but potential outcomes have significant development and financial ramifications. The Commission goals and objectives include: Community Development, Economic Development, Health/Welfare, and Infrastructure.

#### Barlow Street Water Storage Tank

The City contracted with Prein & Newhof to conduct a *Water System Reliability Study*, dated April 4, 2014. This is required by the Michigan Department of Environmental Quality to periodically evaluate the City's water system as well as make recommendations improving the system, inclusive of the plant transmission system and fire protection. The City was planning on significant maintenance and repairs to our primary water storage reservoir (4 million gallons). This work has yet to be conducted due to concerns about reduced storage volume during the rehabilitation that is estimated to take approximately half a year to conduct.

Prein & Newhof identified other conditional factors: existing system transmission from between the east and west portion of the system is less than desirable, as identified in the 2014 *Water System Reliability Study*. When Wayne Hill is the single storage tank available, there is significantly less storage to meet water demand in the Barlow area using high service pumps and the Wayne Hill storage while maintaining satisfactory system-wide pressure. The well-calibrated model indicates that much of the distribution main in the system is relatively rough, showing significant energy loss.

As a result, we further investigated what would ensure the proper infrastructure and operation is in place during the Barlow tank maintenance work. For the long term, investment into additional storage provides the ability to maintain pressure during a power failure and allows adequate water supply for the operation of the two nearby booster stations and would still allow for 3,500 gpm fire flow for three hours. This would allow for more capacity and reliability for both the City and Garfield Township. I've initiated a discussion with Garfield Township, engaging them on a discussion of their participation, as they have a significant interest on the reliability of the system. This issue focuses on City Commission goals and objectives inclusive of Environment, Health/Welfare, Infrastructure, Public Safety, Community Development, and Economic Development.

### Advanced Metering Infrastructure (AMI)

Traverse City operates a water utility providing water services City-wide and inclusive to parts of three adjacent Townships (Garfield, Elmwood & Peninsula). Staff has identified that the average water meter is approximately twenty (20) years old. It is recommended to consider replacement after ten (10) years, due to the internal mechanisms wearing and allows for water loss.

Traverse City Light & Power, as well as the City, have had discussions on updating our respective meters with updated equipment. For the City, it would allow for updating equipment that is becoming obsolete as well as being more accurate, reducing loss. The automated component is intelligent, infrastructure that can monitor, analyze, and assist both the City and customers with actual time information. It can assist with understanding peak usage, and assist customers on use, potential conservation, as well as cueing on potential water breaks and losses. The smart devices allow electronic meter reading which can be conducted using telemetry direct to the Finance Department. This reduces required manpower, as well as risk as most reading is conducted meter to meter. AMI expenses would be spread over a couple of years to implement and be funded from the Water Fund. This issue focuses on City Commission goals and objectives inclusive of Environment and Infrastructure.

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# Memorandum

The City of Traverse City



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To: Marty Colburn, City Manager  
From: William E. Twietmeyer, City Treasurer/Finance Director *W.E.T.*  
Subject: Fund Balance  
Date: May 12, 2016

At Monday's study session on the budget, there was some discussion about the City's fund balance and what actually comprised the total fund balance. I have attached a spreadsheet that may help with that understanding.

When we refer to the City's general fund, we are referring primarily to the fund which records the city tax dollars as revenue and records the operational expenses of all the main operational departments of the city such as police, fire, parks & recreation, clerk, assessor, treasurer, engineering, planning, manager, cemetery, commission, etc. and the fund balance for the operational fund balance as of June 30, 2015 was \$2,886,320. However, the audit requires for presentation purposes that we include a number of other funds that we treat as special revenue funds into a broader category of General Fund which ended last fiscal year with an unassigned fund balance of \$5,174,397.

The City Commission has complete authority and discretion over each of the funds that are listed and can eliminate any of these funds, transfer any of those funds to the "general" operation fund, or can use the funds for a different purpose. However, if the City Commission has committed any of the funds for a specific purpose, then the expectation is that those funds will be used for that specific purpose.

The attached sheet identifies each of the funds as presented in the broader reporting category of General Fund with their fund balance at the end of last fiscal year, what we project the fund balance would be for each fund at the end of the current fiscal year, and what the fund balance will be from a budget perspective at the end of the next fiscal year.

Please provide this to the City Commission for the next study session regarding the budget.

**City of Traverse City  
Gasb 54 "General Fund"  
Fund Balance Analysis**

Individual fund name	Fund #	FUND BALANCE (DEFICIT)		
		6/30/15 Actual	6/30/16 projected	6/30/17 Budgeted
General Fund	101	\$ 2,886,320	\$ 2,112,220	\$ 1,717,620
Budget Stabilization	102	757,334	757,334	757,334
Hazmat	206	50,420	47,620	42,620
Heritage Center Museum	250	(33,388)	612	2,812
Cherry Capital Cable	260	4,741	-	-
Coast Guard Committee	283	425	425	525
County Senior Center	278	66,800	69,700	69,700
Brown Bridge Maintenance	279	19,543	24,043	24,043
Opera House	296	60,970	59,270	71,570
Banner Program	292	21,140	12,140	3,140
Economic Development	565	2,039,740	2,035,740	2,042,740
Stormwater	298	250,000	250,000	250,000
<b>TOTAL GASB 54 "GENERAL FUND" Fund Balance</b>		<b>6,124,045</b>	<b>5,369,104</b>	<b>4,982,104</b>
Nonspendable - Inventory		113,645	113,645 *	113,645 *
Nonspendable - Prepaid items		78,669	78,669 *	78,669 *
Committed - Budget Stabilization		757,334	757,334	757,334
<b>TOTAL GASB 54 "GENERAL FUND" Unassigned Fund Balance</b>		<b>\$ 5,174,397</b>	<b>\$ 4,419,456</b>	<b>\$ 4,032,456</b>
<b>Unassigned Fund Balance % of Total Expenditures &amp; Transfers</b>		<b>32%</b>	<b>28%</b>	<b>25%</b>
<b>Fund 101 - general operating only - % of total expenditures &amp; transfers</b>		<b>18%</b>	<b>14%</b>	<b>11%</b>

\* - Nonspendable inventory and prepaid items estimated to remain consistent