

**CITY OF REED CITY
JOINT MEETING OF THE CITY COUNCIL
AND D.D.A.
February 24, 2015**

Mayor McKinney called the meeting to order at 6:00 P.M. at the Depot, 200 N. Chestnut, Reed City, Michigan.

Present: City Council Members: Mayor, Karen Lea McKinney, David Bisbee, Marlene Fatum arrived at 6:04 P.M., Roger Meinert, Dave Scharlow and Carol Tillotson. Bonnie Danzeisen was absent. City Manager, Ron Howell and City Treasurer, Barb Westerburg were also present.

Present: D.D.A. Members: Executive Director, Suzie Williams, Deb Ahlich-Remus, Barb Graham, Peter Mekas, Brad Taylor, Ron Neal and Roger Deno. Michelle Pennington, John McDowell, Karen Wright and Bob Roggow were absent.

There was one citizen in the audience.

The meeting was opened with the pledge to the flag.

Discussion of the current 2014-2015 Budget:

D.D.A. Chairperson Deno opened the discussion on the current budget 2014-2015. City Treasurer, Barb Westerburg went over the current budget and the additional revenue which was not included in the budget. Additional revenues were generated from tax roll collections, a reimbursement from the State for loss of Personal Property Tax and from the sale of the NABCO building.

Property tax this year for D.D.A.

Real:	Budgeted	\$178,300
	Actual	\$208,000
Personal:	Budgeted	\$123,000
	Actual	\$136,000
IFT's:	Budgeted	\$ 86,500
	Actual	\$ 83,000

There has been no amendments to change the current budget. Barb also advised everyone of a big tax appeal in process. Howell stated that it is for years 2013 and 2014. Should it happen that they are successful, it would mean D.D.A.'s portion to repay would be about \$115,000 per year or \$230,000 for the two years. If the tax appeal is not settled, the tribunal hearing is set for the first part of May in Lansing.

Bisbee inquired how much would be lost if DDA goes away. Barb confirmed if the DDA goes away, they will lose roughly \$156,000 captured from County millages. DDA should have approximately \$40,000 additional revenue from captured taxes and \$30,110 from the State of Michigan for loss of Personal Property Tax. Barb advised the Expenditures portion of the budget, there are no budget areas of concern. She went on to explain the D.D.A. has three major funds. Fund 235 is Revenue, Fund 394 is Debt Service Fund and Fund 494 is Project Fund.

There was discussion on allowable expenses. Going forward, the budget will not include equipment.

Ahlich-Remus inquired of the Council, "what is the wish list?"