

**GLADSTONE**



# **GLADSTONE CITY COMMISSION REGULAR MEETING**

City Hall Chambers – 1100 Delta Avenue

March 24, 2025

6:00 PM

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## **MINUTES**

Mayor Thompson called the meeting to order Commission Mantela gave the Invocation followed by the Pledge of Allegiance.

Clerk Berry called the roll:

### **PRESENT**

Mayor Joe Thompson

Commissioner Judy Akkala

Mayor Pro-Tem Brad Mantela

Commissioner Robert Pontius

Commissioner Steve O'Driscoll

Manager Buckman gave the following presentation on Public Act 33:

# **City of Gladstone PA 33 Public Safety Special Assessment**

**Why our Community is using this State Public Act to help fund  
Gladstone Public Safety**

# Michigan Public Act 33 of 1951

- Municipalities can levy special assessments for police services, fire services or both, police and fire vehicles, apparatus, equipment and housing .
- Townships, Villages and Cities with population less than 15,500 can establish the special assessment district pursuant to special assessment procedures and public hearings on the governing bodies own initiative, or a petition process by property owners, or by an election.
- Special assessment based on taxable value of the property
- Requires annual public hearing on estimated costs and expenses of police and fire services and that years estimated levy.

## How are the 4.5 MILs used?

PA 33 Funds			
Budget Year	2024-25	Budget Year	2025-26
Special Assessment	4.5 Mils	Special Assessment	4.5 Mils
Total Revenue	\$538,405	Total Revenue (Estimated)	\$538,405
<b>Expenses</b>		<b>Expenses</b>	
Fire Truck CIP Fund	\$155,000	Fire Truck CIP Fund	\$100,000
Patrol Car CIP Fund	\$53,000	Patrol Car CIP Fund	\$53,000
Building Fund	\$50,000	Building Fund	\$0
Equipment Fund	\$44,000	Equipment Fund	\$50,000
School Resource Officer (50%)	\$60,000	School Resource Officer (50%)	\$60,000
Public Safety Operations	\$176,405	Public Safety Operations	\$275,405
Total Expenses/Fund Reserve	\$538,405	Total Expenses/Fund Reserve	\$538,405
Total Public Safety Fund Reserve	\$302,000	Total Public Safety Fund Reserve	\$203,000
Total Operations Expense	\$236,405	Total Operations Expense	\$335,405
Total Expenses/CIP/Fund Reserve	\$538,405	Total Expenses/CIP/Fund Reserve	\$538,405

## How much are we saving for future Public Safety Vehicles/Equipment?

CIP/Fund Reserves			
Fiscal Year ending 3/31/25		Fiscal Year ending 3/31/26	
Fire Truck CIP Fund (16/17)	\$260,843	Fire Truck CIP Fund	\$360,843
Patrol Car CIP Fund (12/13)	\$43,660	Patrol Car CIP Fund	\$96,660
Building Fund (24/25)	\$50,000	Building Fund	\$0
Equipment Fund (24/25)	\$44,000	Equipment Fund	\$94,000
	<b>\$398,503</b>		<b>\$551,503</b>
Patrol Car Accidents - Ins.	\$18,700	New Roof	-100,000
New Patrol Car, Upfitted	-51,557	= -50,000 from Building Fund & -50,000 from Operations	
Tentative Target Dates:			
New Fire Truck - 2029/30			
Next New Patrol Car - 2026/27			
Building/Roof - 2025/26			
Equipment -			
-Turnout Gear - 2028/29			
-SCBA - 2029/30			
		* Must plan for about \$1 Million in next 5 years	

## Why did the City choose PA 33 and not go for a millage election?

- Timing : we could start building the dedicated Public Safety funds a year earlier and spread the cost over more budget years.
- Cost : millage elections are expensive
- Flexible : the rate goes according to where we sit financially on our dedicated funds and capital expenditures. When we catch up on the Police and Fire capital purchases the rate could drop.
- Public Process: the determination of the special assessment rate is a big part of the annual budget process each year. There are 2-3 public workshops, 2 City Commission Meetings and a Public Hearing.

## What does our City Taxes pay for?

- **City Administration**
  - City Commission, City Manager, City Clerk, City Treasurer, City Assessor, Elections, City Hall, and Community Development
- **DPW Administration**
  - Fernwood Cemetery, Forestry, Alley Maint., Grounds Maint. and Equipment Pool.
- **Recreation**
  - Beautification, Parks, Beach, Rec. Facilities, Campground, Sports Park and Rec. Programs.
- **Public Safety**
  - Police Department, Fire Department and K9 Program
  - Also funded by PA 33 Public Safety Special Assessment

The City cannot continue to operate at the same level of service at the existing City millage rate.

### History

Gladstone City Millage 1975 = 17.00 Mils

Gladstone City Millage 2025 = **15.48 Mils**

### Average UP City's

Avg. UP City Millage = 19.24 Mils

Avg. UP City Millage - our size with Public Safety Dept. = 20.69 Mils

- our Tax Base with Public Safety Dept. = 20.36 Mils

Gladstone City Taxes 2025 = 15.48 Mils + 4.50 Mils (PA33) = **19.98 Mils**

# UP Cities Sorted by Total Millage

2023 UP Cities Sorted by Total Millage

City	Taxable Value (Million \$)	City Millage	County Millage	Authority Millage	School Millage	Total Millage	2020 Pop.
Ironwood	108.1	29.64	9.37	0.12	19.27	58.40	5,045
Houghton	173.1	15.00	9.95	1.86	22.55	49.36	8,386
Ishpeming	139.9	20.94	7.57	0.39	19.57	48.47	6,140
Iron River	60.6	19.52	12.04	2.55	13.28	47.39	3,007
Sault St. Marie	312.3	23.63	8.90	0.50	14.11	47.14	13,337
Iron Mountain	268.4	21.24	9.95	0.17	15.14	46.50	7,518
Menominee	230.4	22.03	10.29	0.12	13.51	45.95	8,488
Munising	75.6	20.00	9.19	0.74	15.88	45.81	1,986
Hancock	134.1	15.67	9.95	0.00	19.69	45.31	4,501
St. Ignace	98.0	18.93	6.27	2.49	17.03	44.72	2,306
Negaunee	153.8	21.04	7.57	0.39	15.56	44.56	4,627
Crystal Falls	37.2	18.80	12.04	0.98	12.58	44.40	1,598
Escanaba	333.8	17.44	8.90	0.60	17.40	44.34	12,450
*Wakefield	30.1	20.37	9.37	0.00	14.20	43.94	1,702
*Bessemer	37.4	18.27	9.37	0.00	16.19	43.83	1,805
*Caspian	13.8	19.27	12.04	1.74	10.45	43.50	805
Gladstone	125.8	15.48	8.90	0.60	17.89	42.87	5,257
Manistique	58.5	18.66	8.54	0.00	15.53	42.73	2,828
Marquette	819.4	19.67	7.57	0.65	13.73	41.62	20,629
Kingsford	141.1	20.80	9.95	0.00	10.50	41.25	5,139
*Gaastra	5.1	17.83	12.04	1.74	8.38	39.99	316
Norway	63.4	16.89	9.95	0.50	11.60	38.94	2,840
*Stephenson	18.7	11.50	10.29	0.00	10.39	32.18	816
Average	149.5	19.24	9.57	0.70	14.98	44.49	5,284
Median	108.1	19.27	9.37	0.50	15.14	44.40	4,501

\* = No Local Police

Revised 5/6/2024

## Sorted by City Millage

2023 UP Cities Sorted by City Millage

City	Taxable Value (Million \$)	City Millage	County Millage	Authority Millage	School Millage	Total Millage	2020 Pop.
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Sault St. Marie	312.3	23.63	8.90	0.50	14.11	47.14	13,337
Menominee	230.4	22.03	10.29	0.12	13.51	45.95	8,488
Iron Mountain	268.4	21.24	9.95	0.17	15.14	46.50	7,518
Kingsford	141.1	20.80	9.95	0.00	10.50	41.25	5,139
Negaunee	153.8	21.04	7.57	0.39	15.56	44.56	4,627
Ishpeming	139.9	20.94	7.57	0.39	19.57	48.47	6,140
*Wakefield	30.1	20.37	9.37	0.00	14.20	43.94	1,702
Marquette	819.4	19.67	7.57	0.65	13.73	41.62	20,629
Iron River	60.6	19.52	12.04	2.55	13.28	47.39	3,007
Munising	75.6	20.00	9.19	0.74	15.88	45.81	1,986
*Caspian	13.8	19.27	12.04	1.74	10.45	43.50	805
St. Ignace	98.0	18.93	6.27	2.49	17.03	44.72	2,306
Crystal Falls	37.2	18.80	12.04	0.98	12.58	44.40	1,598
Manistique	58.5	18.66	8.54	0.00	15.53	42.73	2,828
*Bessemer	37.4	18.27	9.37	0.00	16.19	43.83	1,805
*Gaastra	5.1	17.83	12.04	1.74	8.38	39.99	316
Escanaba	333.8	17.44	8.90	0.60	17.40	44.34	12,450
Norway	63.4	16.89	9.95	0.50	11.60	38.94	2,840
Hancock	134.1	15.67	9.95	0.00	19.69	45.31	4,501
Gladstone	125.8	15.48	8.90	0.60	17.89	42.87	5,257
Houghton	173.1	15.00	9.95	1.86	22.55	49.36	8,386
*Stephenson	18.7	11.50	10.29	0.00	10.39	32.18	816
Average	149.5	19.24	9.57	0.70	14.98	44.49	5,284
Median	108.1	19.27	9.37	0.50	15.14	44.40	4,501

\* = No Local Police

Revised 5/6/2024



## Population 4000-8000 with Public Safety

**2023 UP Cities Sorted by City Millage : Population 4,000-8,000 & with Public Safety**

City	Taxable Value (Million \$)	City Millage	County Millage	Authority Millage	School Millage	Total Millage	2020 Pop.
Ironwood	108.1	29.64	9.37	0.12	19.27	58.40	5,045
Iron Mountain	268.4	21.24	9.95	0.17	15.14	46.50	7,518
Kingsford	141.1	20.80	9.95	0.00	10.50	41.25	5,139
Negaunee	153.8	21.04	7.57	0.39	15.56	44.56	4,627
Ishpeming	139.9	20.94	7.57	0.39	19.57	48.47	6,140
Hancock	134.1	15.67	9.95	0.00	19.69	45.31	4,501
Gladstone	125.8	15.48	8.90	0.60	17.89	42.87	5,257
<b>Average</b>	153.0	20.69	9.04	0.24	16.80	46.77	5,461
<b>Median</b>	139.9	20.94	9.37	0.17	17.89	45.31	5,139

Revised 5/6/2024

## Taxable Value 90-160 Million with Public Safety

**2023 UP Cities with Taxable Values of 90-160 Million- Sorted by City Millage**

City	Taxable Value (Million \$)	City Millage	County Millage	Authority Millage	School Millage	Total Millage	2020 Pop.
Ironwood	108.1	29.64	9.37	0.12	19.27	58.40	5,045
Negaunee	153.8	21.04	7.57	0.39	15.56	44.56	4,627
Ishpeming	139.9	20.94	7.57	0.39	19.57	48.47	6,140
Kingsford	141.1	20.80	9.95	0.00	10.50	41.25	5,139
St. Ignace	98.0	18.93	6.27	2.49	17.03	44.72	2,306
Hancock	134.1	15.67	9.95	0.00	19.69	45.31	4,501
Gladstone	125.8	15.48	8.90	0.60	17.89	42.87	5,257
<b>Average</b>	128.7	20.36	8.51	0.57	17.07	46.51	4,716
<b>Median</b>	134.1	20.80	8.90	0.39	17.89	44.72	5,045

\*= No Local Police

Revised 5/6/2024

# Population 4000-8000 with Public Safety

2023 UP Cities Sorted by City Millage : Population 4,000-8,000 & with Public Safety (With PA 33 = 4.5 mills)

City	Taxable Value (Million \$)	City Millage	County Millage	Authority Millage	School Millage	Total Millage	2020 Pop.
Ironwood	108.1	29.64	9.37	0.12	19.27	58.40	5,045
Iron Mountain	268.4	21.24	9.95	0.17	15.14	46.50	7,518
Negaunee	153.8	21.04	7.57	0.39	15.56	44.56	4,627
Ishpeming	139.9	20.94	7.57	0.39	19.57	48.47	6,140
Kingsford	141.1	20.80	9.95	0.00	10.50	41.25	5,139
<b>Gladstone</b>	<b>125.8</b>	<b>19.98</b>	<b>8.90</b>	<b>0.60</b>	<b>17.89</b>	<b>47.37</b>	<b>5,257</b>
Hancock	134.1	15.67	9.95	0.00	19.69	45.31	4,501
<b>Average</b>	<b>153.0</b>	<b>21.33</b>	<b>9.04</b>	<b>0.24</b>	<b>16.80</b>	<b>47.41</b>	<b>5,461</b>
<b>Median</b>	<b>139.9</b>	<b>20.94</b>	<b>9.37</b>	<b>0.17</b>	<b>17.89</b>	<b>46.50</b>	<b>5,139</b>

Revised 9/3/2024

Include PA 33 = 4.5 Mills

## Taxable Value 90-160 Million with Public Safety

2023 UP Cities with Taxable Values of 90-160 Million- Sorted by City Millage & with Public Safety

(With PA 33 = 4.5 mills)

City	Taxable Value (Million \$)	City Millage	County Millage	Authority Millage	School Millage	Total Millage	2020 Pop.
Ironwood	108.1	29.64	9.37	0.12	19.27	58.40	5,045
Negaunee	153.8	21.04	7.57	0.39	15.56	44.56	4,627
Ishpeming	139.9	20.94	7.57	0.39	19.57	48.47	6,140
Kingsford	141.1	20.80	9.95	0.00	10.50	41.25	5,139
<b>Gladstone</b>	<b>125.8</b>	<b>19.98</b>	<b>8.90</b>	<b>0.60</b>	<b>17.89</b>	<b>47.37</b>	<b>5,257</b>
St. Ignace	98.0	18.93	6.27	2.49	17.03	44.72	2,306
Hancock	134.1	15.67	9.95	0.00	19.69	45.31	4,501
<b>Average</b>	<b>128.7</b>	<b>21.00</b>	<b>8.51</b>	<b>0.57</b>	<b>17.07</b>	<b>47.15</b>	<b>4,716</b>
<b>Median</b>	<b>134.1</b>	<b>20.80</b>	<b>8.90</b>	<b>0.39</b>	<b>17.89</b>	<b>45.31</b>	<b>5,045</b>

Revised 9/4/2024

Include PA 33 = 4.5 Mills

Last November 5<sup>th</sup> voters passed a Charter Amendment to remove the City's Power to Levy and Collect Special Assessments. This had **absolutely no effect** on Public Act 33 Public Safety Special Assessments, current or future.

- Many people who signed the referendum were told incorrect information.
- The political campaign adds in the Action Paper had incorrect and inaccurate information.
- Public Act 33 Special Assessment is an Ad Valorem Special Assessment. It is derived from a millage rate and the property's taxable value. It can only be used for operation and capital outlay in Police and Fire Departments (Public Safety).
- Historically our Charter had authorized special assessments for public improvements, ie roadways, sidewalks, water, sanitary sewer and storm sewer. Because of the election this can no longer be done, leaving us with some very important questions :
  - **how do we fund roads and other public improvements in the future?**
  - **How do we pay off the 5 road projects we still have on the books?**
  - **How do we fund an alley paving petition?**
  - **Should the taxpayers fund snow and grass noncompliance of negligent property owners?**

## Special Assessments that ended on November 5, 2024

### City of Gladstone Paving/Utility Projects

Year	Project	Total Project Cost	City Share	Grant	DDA	Special Assessment	parcels	Years	Remaining SA
2020	9th Street Project	\$5,683,402	\$1,605,000	\$0	\$3,405,000	\$673,402	190	15	\$365,893
2020	4th Street Project	\$490,000	\$45,000	\$320,000	\$0	\$125,000	47	15	\$38,953
2021	N. 15th Street Project	\$471,000	\$172,000	\$0	\$89,000	\$210,000	113	8	\$65,327
2022	North Bluff	\$378,650	\$128,740	\$0	\$0	\$249,910	102	8	\$89,360
2023	SW Glad.-Lowrie/Mpls./18th	\$270,580	\$157,420	\$0	\$0	\$113,160	23	8	\$19,979
<b>Total =</b>		<b>\$7,293,632</b>	<b>\$2,108,160</b>	<b>\$320,000</b>	<b>\$3,494,000</b>	<b>\$1,371,472</b>	<b>475</b>		<b>\$579,512</b>
		% Cost	29%	4%	48%	19%			

Where is the \$579,512 going to come from?



## What are our options :

- We cannot use money from the enterprise funds(Solid Waste, Electric, Water, or Wastewater). This would be a Bolt Violation of the Headlee Amendment (State Law).
  - Enterprise Fund money can only be used on roads when they are a part of the project.  
Example: Digging up a road to install new sewer.
- We can only use DDA funds for roads when it is approved by the DDA Board and the project is in the DDA District.
- Act 51 road funding for the Street Funds is barely enough for snow plowing and maintenance let alone road and storm sewer replacement.
  - The State started cutting local road funding in the late 1980's and it's at about 50%-60% of what it was with inflation.
- Next year we have 2 large road projects in the works:
  - South Bluff Hill and the Gladstone WWTP sewer replacement project (17 blocks of new road).
- The City of Gladstone Charter Chapter VIII, Section 22 – Transfer of income, surplus moneys or other assets between funds.

## City Charter Chapter VIII, General Finance, Section 22 states:

- Notwithstanding any other provision of this Charter, the City Commission may transfer income, surplus moneys, or other assets from one City Fund to another City Fund for the purpose of allowing the various funds to operate efficiently and minimize the need for additional taxes or revenues.
- Conclusion : Without the option of special assessments for public improvement projects:
  - We may have to support the Road Funds with General Fund moneys.
  - We may have to increase support of Public Safety Operations with PA 33 moneys.
  - We are open to suggestions?

Mayor Thompson opened the public hearing on PA 33 Police & Fire Special Assessment at 6:30 PM.

Clerk Berry stated that the following individuals submitted a protest letter by 6:00 PM today:

- Carol Swanson 052-102-011-00
- Joann Novak, another signature I couldn't read, and no address or parcel number was listed
- Wayne Robitaille 1514 Michigan Avenue
- Patrick Hess 1402 2<sup>nd</sup> Avenue North
- Jared Johnson 411 Loueda Avenue
- Angie Micheau 408 South 7<sup>th</sup> Street
- Gary Micheau 120 Cliffs Avenue
- John Lewandowski 604 Minnesota Avenue
- Justin & Johanna Butler 10 North Bluff Drive

The following individuals commented during the public hearing:

- Jim Rian 14 North 9<sup>th</sup> Street – Jerry's Service Center
- Jim Locander 746 N 15<sup>th</sup> Street
- Kenneth Evans 1021 Minnesota Avenue
- Mike Maskart 513 Superior Avenue
- Leona Ritter 7 Parkway Drive
- Lenita Scholer, 534 25<sup>th</sup> Street, Gladstone
- Bonnie Hakkola 1707 17<sup>th</sup> Avenue South Escanaba

There being no further comments Mayor Thompson closed the public hearing at 6:42 PM.

Manager Buckman introduced a balanced budget to the public and City Commission on March 10, 2025; Mayor Thompson opened the public hearing on this proposed Fiscal Year 2025-2026 budget at 6:45 PM.

The following individuals commented during public hearing:

- Bonnie Hakkola, 1707 17<sup>th</sup> Avenue South Escanaba

There being no further public comments Mayor Thompson closed the public hearing at 6:56 PM.

Motion made by Commissioner Akkala, Seconded by Mayor Pro-Tem Mantela to approve Fiscal Year 2025-2026 as presented.

**MOTION CARRIED UNANIMOUSLY**

Regular Public Comment - No comments were offered by the public.

Motion made by Commissioner O'Driscoll, Seconded by Mayor Pro-Tem Mantela to approve the consent agenda as presented.

MOTION CARRIED UNANIMOUSLY

Motion made by Mayor Pro-Tem Mantela, Seconded by Mayor Thompson to approve Fiscal Year 2024-2025 budget amendments as presented.

MOTION CARRIED UNANIMOUSLY

Motion made by Mayor Thompson, Seconded by Commissioner Akkala to approve committed fund balances in the total amount of \$422,799.05 as follows:

Public Safety Care Reserve Fund: \$43,191.67

Public Safety Fire Reserve Fund: \$260,842.94

Public Safety Equipment Reserve Fund: \$44,000.00

Public Safety Building Reserve Fund: \$50,000.00

DPW Reserve Fund: \$24,764.44

MOTION CARRIED UNANIMOUSLY

There being no further business before the City Commission Mayor Thompson adjourned the meeting at 7:32 PM.

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Mayor Joe Thompson

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Clerk Kimberly Berry