

*(A. Myers, T. Corrigan, R. Chambers, Margaret Doud)  
(Allen Burt, Rick Linn Audience)*

**Discussion of KMG budget/funds allocations** – The committee was presented with the KMG December 2024 budget Balance Sheet. KMG is the Management company that manages Forest Way Townhomes for the City of Mackinac Island. Each year at Budget time the City looks at the unrestricted cash amounts on the Balance sheet and directs KMG as to what the city will withdrawal. After conversations with KMG the committee talked about other areas that needed some focus and attention. The committee landed on moving over the current nonrefundable pet fees into the replacement escrow funds to double that long-term fund. The Committee also decided to move over an additional \$25,000 from the operating account. Going forward KMG will additionally budget 5% more for the replacement escrow account each year. At this time the committee choose to leave the additional funds in the Operating checking account, those funds can be looked into, sooner rather than later to be moved to an interest-bearing account.

**Discussion of Phase 3 bond payments** – Phase 3 of FWTH was started last budget cycle, the City was able to budget the first interest payment. Moving forward the City will have to budget not only for the interest payment but also the bond payments. This was a general discussion to inform the Finance committee where we stand with payments and what is being looked at for the new budget cycle.

**Discussion of FWTH Landscaping/Fall grant cycle MIFC** – The Committee discussed the FWTH landscaping, immediate clean up needs, the possibility of a small committee to help come up with ideas, time frames, quotes, budgets, local landscapers, etc. The Committee would like to have all of the information collected by September 2025 so the Mayor's assistant can fill out a fall grant with Mackinac Island Community Foundation by October 1<sup>st</sup> to help offset of the costs.

**Discussion of Road Repairs, increase the Capital fund allotment** – The Committee's Finance Chair Anneke Myers had a conversation with department heads about the current road repair needs and what they foresee in the future. Last year the City of Mackinac Island did some extensive road repairs, each year there are multiple projects needing completion. The Committee talked about the Mill. Allocation being at .2000 Mills to the road capital fund and think that we need to at least double that to .4000 Mills for future projects and demands. For the upcoming budgets we will budget accordingly.

**Discussion of 5-year capital plan** – The Committee had another discussion about a 5-year capital plan and setting this into motion with the help of our accounting firm Rehmann. When S & P gave us our rating for the FWTH Phase 3 bond, they suggested we complete a 5-year capital plan. The Committee believes we need to get future capital projects mapped out and get an idea of a need's assessment. The City will budget funds for Rehmann in the current budget cycle. The committee would like to have this completed by November 1<sup>st</sup> 2025 at the latest. This is an ongoing discussion.

**Discussion to begin working on raising the Headlee Cap** – The Committee has had prior discussions about the Millage and how close we are coming to the cap of our 20 Mill allocation. The Board of Review did speak about this last year and will have another discussion this year. This is an item that will have to go to an election and be on a ballot. City Clerk Danielle Leach will work with Mackinac County to assist us with the election portion. Headlee allows us to ask for a reset back to the 20 Mills. The Committee would like to get this on the May 2026 election ballot. The Committee will need to get Danielle all of the information by February 2026.

**Discussion of MMR Wages** – The Committee met with Allen Burt of MMR, he proposed a new wage structure for the MMR Commander, Coxswain and Engineers (MMR Officers). The letter highlighted all of the extra commitments and committed time for these positions within MMR. MMR is asking the Committee to establish a base pay for the MMR officers, plus their hourly wages that are in the current salary's ordinance. The Committee would also like to have written into the ordinance an MMR Shift differential (Someone who fills in for the Commander when he/she is unavailable). There was a lengthy discussion on the letter, the Committee agreed that MMR should have a pay structure. The Committee has asked me to add this into the ordinance for councils review at our budget workshop.

**Discussion of Clear Impressions Quotes 2025** – The Committee looked over the quotes, the only changes were one's the City had asked for (pressure washing the Library and St. Martins) the Committee is on board with using these quotes in the upcoming budget.

**Discussion of Wages 2025-2026 Budget** – The Committee had a conversation around the current CPI-U, Contracts, Caps on certain contracts, raises and upcoming conversations with certain departments that will impact the bottom line of the wages. The Committee meets every year for this discussion, it is a starting point to continue to structure the budget. The Committee would like to look at 3% at this time. This is an ongoing discussion that will be presented in the budget work session to Council.

**Additional Agenda Items** – There was a short discussion about the current franchise agreement, franchise fees, how they are structured and the fact that in 2027 that contract will need to be renewed, reviewed and restructured. There was a short discussion on the exit of current employees and the entrance of the new employees occupying those positions, all pertaining to the upcoming budget cycle. There was a discussion about Phase 1 FWTH, there are two units that were left in the drawings with an option to add a third bedroom. This is a conversation that is forming between the Building Department and the current construction company completing Phase 3 at FWTH. This will be a discussion that will be brought to Council and presented by Dennis Dombroski and Dave Lipovsky if it will be deemed to be in the best interest of the City to move forward with the project.