

**IRON RIVER CITY COUNCIL
PUBLIC HEARING – BUDGET
WEDNESDAY, MAY 28, 2003
6:00 P.M.**

The meeting was called to order at 6:00 p.m. in the Legion Room of the Iron River City Hall, with Mayor Charlotte Soderbloom presiding.

Members present included Tom Beber, Ray Coates, Klint Safford (6:05pm) Virgil Thompson, Mayor Charlotte Soderbloom, City Manager Rick Commenator and City Clerk Peggy Shamion.

No one else attended the meeting.

The purpose of the Public Hearing was to receive public comment and adopt the 2003 –2004 city budget.

Commenator noted that the DDA budget committee met and has recommended that their Community Promotion line item be reduced by \$1,000. They would like to increase the TIF'S Fees & Services line item from \$0 to \$10,000 in case the "MacPherson" project gets fast tracked this year. These funds would be used if we establish a "Local Development Finance District" as part of the over all project. This would only pertain to the 40 acre parcel located at MacPherson's.

The Local Development Finance District would act as a tax increment financing district and any of those improvements from tax base dollars, would be captured and would be used for infrastructure improvements.

Also pointed out by Commenator, was the idea that the DDA has discussed the idea of expanding their boundaries again. This would include going up Stambaugh Hill and also include Selden Road.

One stipulation with expanding boundaries is if you have 100 residents in the expanded area, one of those residence who is not a business person, has to be a member of the DDA. One way to bypass this, would be to cut the boundary curb to curb and when you get to the top of Stambaugh Hill go wider. The same process could be done out on Selden Road.

Safford wanted to caution the board about the consequences of another expansion in the DDA District. He stated that he is not in favor of another expansion. The reason being is that the money is taken out of the general fund and put into the DDA fund, hence losing our tax base.

The above changes have already been put into this year's budget.

Safford was concerned that the city doesn't have a large area where new building is taking place, however the DDA District is where things are going on.

Beber moved with Coates supporting to adopt the 2003 – 2004 city budget as an appropriation budget, by activity.

Roll Call: Ayes: 5 Nays: 0 Motion carried.

Safford moved with Beber supporting that the operational mills of 19.8363 and the DDA mills of 2.0000 be established as the rate used for the fiscal year 2003 – 2004.

Roll Call: Ayes: 5 Nays: 0 Motion passed.

Beber moved with Coates supporting to adjourn the meeting at 6:45 p.m. All were in favor. Motion carried.

Peggy Shamion, CMC
City Clerk