

New Rates, Taxes Needed To Fix DPW Deficit

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appeal for the funding. Council also reviewed a written request not to raise taxes from the Solid Waste Handling Facility Manager Paul Wandrie, Jr., who did not attend the meeting.

The new rate and tax increases come on the heels of a three-year rate hike approved last May that the BPW now says is not adequate and will leave the department with a \$600,000 deficit.

The new rates will take effect May 1, 2006, and the property tax millage will be seen on summer tax bills issued in July.

The millage is expected to generate about \$170,000 in revenue and will be used to operate the city's solid waste facility.

The 87 percent increase in the commodity rate for sewer equates to a rise from \$3.38 per 1,000 gallons to \$6.33. The water rate will jump from \$1.88 per 1,000 gallons to \$3.52. This cost will continue to rise at a rate of 10 percent annually through 2011. Thereafter, the annual increase will be five percent.

The readiness-to-serve five percent rate hike is based on meter size and will continue annually.

Based on 4,000 gallons usage per month, the average monthly rate for a household from 1995 to 1999 was \$61.35. Last year, that rate was approx-

imately \$45. With the proposed rate increase, that average monthly rate per household will be \$95.88.

For businesses, the projected rate increase is staggering. Grand Hotel, of which Mr. Musser is chairman, averages combined water and sewer of 3,116,000 gallons per month. This year, the hotel's bill averaged just under \$19,000 a month. By 2012 at the same usage rate, Grand Hotel will pay just under \$53,000 per month.

Disposal of mixed debris also will rise with a one time, 50 percent increase in brush (from \$200 to \$300 per load) and construction debris (from \$375 to \$560).

Mr. Musser explained to Council and about 15 audience members why the increases were needed.

"I think it would be good to remember that we had very high rates in 1995," he said. "We established what became a pretty substantial surplus. As we lowered rates and millage over the next years, with Council approval, many of you will recall you were advised that, one day, this could go back up. It was our plan to reduce that surplus and we sure did it, said Mr. Musser. "We reduced it too far. We now don't have money to pay the help."

The cost of blue bags that residents fill with rubbish for landfill disposal will continue

to be \$3 per bag.

Island resident Joan Slater questioned why the price for these won't be increased, suggesting that if the blue bag price went up, Islanders would spend more time sorting their trash for recycling.

Rubbish that can be recycled can be put in a less expensive beige bag.

Mr. Zimmerman said it was his experience a price change would not have that effect.

"I can tell you that watching it for 13 years, it really didn't make a difference when we lowered it or raised it," he said. "What makes a difference in how often or how much people sort is if they want to."

Sale of the blue bags raises approximately \$186,000 each year, but to eliminate the one-mill assessment, the cost of blue bags would have to double, explained the city accountant, Michael Konicki of Rehmann Robson in Cheboygan, who attended the meeting.

Mr. Konicki tried to impress Council with the complexity of determining how much funding is needed.

"Who knows what construction is going to be on the Island?" asked Mr. Konicki. "That's the hardest part we have in this equation. What's going to be your landfill fee? You don't know. How much water are you going to sell? How much sewage are you going to sell? It's all based on tourism," he said. If tourism increased, he explained, the board could find revenue increasing faster than expected and they could cut back on the rates.

Traditionally, the landfill has operated at a deficit, Mr. Musser argued. "For years," he said, "Council gave us a donation to cover some of that deficit - in the beginning, all of it. Then that stopped and it got to a lesser donation, then it got

to nothing and we still operated with a deficit. One mill for the landfill, in our minds, is somewhat like the commodity or standby rate for water and sewer. It spreads all the way across the community, whether or not they use it. We think it's more successful and more fair than raising blue bag rates."

Of the landfill waste, Mayor Margaret Doud noted, "Living on an island, we're forced to transport it off and take it up to Dafter. It's not a cheap operation."

Mr. Wandrie said in his letter he did not think a rate increase is necessary and that the needed money could be raised through increased recycling, better management, and by Island crews hauling waste to the Eastern Upper Peninsula landfill in Dafter, rather than to hire a contractor to do it.

To keep trash from Canada and nearby states out of Michigan landfills, Mr. Wandrie said, the Legislature is proposing landfill rate increases that could raise the Island's disposal from 21¢ a ton to \$7.50 a ton.

Increasing taxes may bring in more money, he said, but it does not address issues like efficiency, recycling, and the rising costs of living on Mackinac that young families cannot afford.

"We have to be realistic and must be aware that these costs we currently pay are not going to decrease," he wrote. "If we don't implement plans now, we are going to be paying more later."

Mr. Wandrie asked Council to delay the tax increase.

"I don't want to see the taxpayers burdened by additional taxes because we didn't do everything possible to prevent this," he wrote.

Mr. Musser said the BPW disagrees with Mr. Wandrie's assessments and believes the rate hikes are needed.

Furthermore, he told Council, the BPW already has been researching the possibility of transporting landfill products to Dafter.

"We have the auditors looking at it, and that's something we're going to address relatively soon," Mr. Musser said. "It has been under consideration. It's not a new idea to us," he added.

With no further comments from the audience and with the BPW's request on the table, Council turned to its own members for remarks on the matter.

"I think it's one of those moments," said Alderman Mike Hart. "We're not alone in this. Our neighbors are going through it. We're a kind of microcosm for the world. We're all facing these kinds of questions and increases."

Alderman Jason St. Onge agreed with Mr. Hart and said he, too, is not happy with the needed increases. "However, I'm pleased that the board would come and tell us that this increase is for operations and not to build a new water/sewer plant, which is one of the biggest concerns out there. As long as the board tells us that is the case, then, as Mike said, what can we do, not raise the rates and then go bankrupt?"

Mayor Doud suggested Council and the Board of Public Works hold joint annual meetings to review the department's budget. It was decided the meeting would take place each fall when the effects of the tourist season on water and sewer usage would be known.

DPW board members, in addition to Mr. Musser, are Ron Dufina, Barry BeDour, Vic Callewaert, and Jim Pettit.

City Council members in addition to Mayor Doud are Armand "Smi" Horn, Mike Hart, Jason St. Onge, Dan Wightman, Armin Porter, and Frank Bloswick.

Case Moves to High Court

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equal protection.

The Circuit Court found that Shepler failed to show the restrictions were unreasonable and the Court of Appeals agreed with the decision.

"All our client wants is to be treated the same as other businesses," said Mr. Gauthier.

The city allows Shepler's to make freight deliveries from 8 a.m. to 10:30 a.m. and from 8 p.m. to 12 a.m., a decision that was made in 1994, when Shepler's sought a business license to deliver freight on Mackinac Island. At issue then

was Shepler's lack of room to load and unload horse-drawn drays on its dock. Shepler needed to rely on the use of public streets for the process and the time restrictions were to help elevate congestion during peak visitor hours, the city council said.

Mackinac Island City Attorney Tom Evashevski said he will be filing a brief in response to Shepler's application by January 10.

Mr. Gauthier said he expects it could be four months before the Supreme Court decides whether it will hear the case.

Red Hacker Team Places Second at CMU Tournament



Cedarville students teamed up with Mackinac Islander Michael Gamble (far right) to place second at the Central Michigan University Red Hacker tournament, for youth 14 and under, in November. Cedarville students are (from left) Taylor Smith, C.J. Paquin, and James Mitchell.

At CHRISTMAS

May your holiday be filled to overflowing with peace, love and joy. Thank you, all.

from...

JOANN'S FUDGE
of Mackinac Island