

City of Albion
Special Council Session Minutes
November 27, 2018

I. CALL TO ORDER

Mayor Brown called the special meeting to order at 6:00 p.m.

II. MOMENT OF SILENCE TO BE OBSERVED

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

PRESENT: Lenn Reid, (2), Sonya Brown (3), Marcola Lawler (4), Jeanette Spicer (5), Andrew French (6) and Mayor Brown.

ABSENT: Maurice Barnes (1)

STAFF PRESENT:

LaTonya Rufus, City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Scott Kipp, Chief Public Safety; Tom Mead, Finance Director; Kent Phillips, Interim Director of Public Works; John Tracy, Director of Planning, Building & Code Enforcement, and Haley Snyder, Deputy Clerk/Treasurer.

V. Presentations-None

VI. Public Hearing-None

VII. PUBLIC Comments (Persons addressing the City Council shall limit their comments to agenda items and to no more than three (3) minutes. Proper decorum is required.)

Comments were received from LaVada Weeks, 917 Luther Dr; Amy Deprez, EDC President, 1002 N. Eaton St.; Dave Atchison, Mayor Elect, 108 W. Erie St and Scott Evans, President Homestead Savings Bank, 415 S. Superior St.

VIII. CONSENT CALENDAR (VV) Items on the Consent Calendar are voted on as one unit)

A. November 14, 2018 Special Session Minutes

B. November 19, 208 Study Session Minutes

C. November 19, 2018 Regular Session Minutes

French moved, Lawler supported, CARRIED, to Approve Consent Calendar as presented. (5-1, vv). (French dissenting)

IX. ITEMS FOR INDIVIDUAL DISCUSSION

A. Request Approval Boards & Commissions Appointments & Reappointments

- EDC, Initial Appointment, Term to Expire 7-1-2024
- EDC, Initial Appointment, Term to Expire 7-1-2024
- Albion Trust, Initial Appointment, Term to Expire 11-7-2022
- Albion Trust, Reappointment, Term to Expire 11-7-2023

Mayor Brown recommended the following Board selections:

- LaTonya Rufus, EDC, Initial Appointment, Term to Expire 7-1-2024
- Sonya Brown, EDC, Initial Appointment, Term to Expire 7-1-2024
- Nathaniel Bogan, Albion Trust, Initial Appointment, Term to Expire 11-7-2022
- Jessica Thomas, Albion Trust, Reappointment, Term to Expire 11-7-2023

Comments were received from Council Members Reid, French and Brown; Mayor Brown and City Attorney Harkness.

Mayor Brown called Point of Order for discussion of ethnicity.

Brown moved, Lawler supported, CARRIED to Approve the Boards & Commissions Appointments & Reappointments per the Mayor's recommendation listed above. (4-2, rcv) Reid and French dissenting).

B. Request Approval 1st Reading Amended Council Rules of Procedures

Comments were received from Council Members French and Brown; Mayor Brown and City Manager Rufus.

Council Member French made a motion to change police officers on page 9 to public safety officers.

French moved, no second, **FAILS** to change police officers on page 9 to public safety officers.

Brown moved, Lawler supported, CARRIED, To Approve 1st Reading Amended Council Rules of Procedures as presented. (6-0, rcv)

C. 2019 Budget

- Component Units – 243 Brownfield; 244 EDC; 246 Business Incubator/Food Hub; 247 TIFA; 296 Revolving Loan; 277 Maple Grove

Fund 243-Brownfield-this is a brand-new account and will be used as the Brownfield capture for the downtown hotel.

Fund 244-EDC-No significant changes. Some grant funding has changed/fluctuated. The fund balance remains unchanged. There is a transfer in from TIFA of \$33,000 to help balance the budget.

Fund 246-Incubator-The incubator building sold in 2018. No projected income/expenses for 2019. A portion of the sale proceeds paid off the roof repair loan from the Cemetery Trust.

Dept 731-Food Hub-The Food Hub is actively seeking grants. They have applied for approximately \$533,000 in grants and most have been unsuccessful. Very few grants provide funding for the operation of Food Hubs. A \$12,000 transfer in from TIFA will be used to balance the budget. The Food Hub is also researching partnerships as a source of income.

Fund 247-TIFA-Fund receives income from the tax capture. \$45,000 from the TIFA fund is being transferred out to the EDC Fund (\$33,000) and Food Hub fund (\$12,000) to balance the budget.

Fund 296-Revolving Loan Fund-Small amount of interest that goes back to the federal government.

Fund 277-Maple Grove-Fund is generating decent revenues. May receive additional funding from HUD. This fund will have a \$27,500 profit. Some capital improvement projects have been planned that are not reflected in the budget.

- Streets-202 Major Streets; 203 Local Streets; 450 Street Improvement; 452 MDOT Street Improvement

Fund 202-Major Streets-The reimbursement from the State is increasing. We need to spend money for non-motorized uses. The non-motorized monies were supposed to be spent in 2018 but if the State approves the plan the City has submitted, we can spend the money in 2019 and still be in compliance with the State.

Dept 465-traffic lights

Dept 467-this amount varies depending on the severity of weather

Dept 486-no large expenditures for this fund

Dept 487-no large expenditures for this fund

Dept 488-no large expenditures for this fund

MDOT does allow major street funds to be transferred to local street fund as needed.

Fund 203-Local Streets

Dept 465-traffic lights

Dept 467-this amount varies depending on the severity of weather

Dept 486-no large expenditures for this fund

Dept 487-no large expenditures for this fund

Dept 488-no large expenditures for this fund

MDOT does allow major street funds to be transferred to local street fund as needed.

Council Member French suggested transferring the \$25,000 overage to the local street fund to coverage the shortage and not use fund balance.

Fund 450-Street Improvement Fund-This is revenue from the street millage. We budgeted \$227,000 or 2018.

Dept 500-Used for engineering fees that are incurred for projects.

Transfer Out-\$565,000 will be transferred to MDOT Reconstruction Fund for the North St project and \$122,650 will be transferred for the Irwin Avenue St. project. These amounts represent the City's grant match for the projects.

Fund 452-MDOT Reconstruction Fund-We received a \$2 million-dollar grant for the Irwin Avenue Street project so the City's match will be \$223,000. Grant for North Street is \$375,000. Only the amount that is being spent on a project is transferred into this account. Fund balance remains unchanged.

- Public Service-226 Solid Waste; 590 Sewer Fund; 591 Water Fund; 661 Equipment Pool

Fund 226-Solid Waste:

Dept 523 Leaf Pickup-For 2018 & 2019 some money was budgeted for leaf pickup since we are still uncertain at this time what costs may be incurred by the City as we transition to the new leaf removal practice.

Dept 524-Tree Dump-no significant changes for this account.

Dept 528-Appropriations-Salaries & wages are down as we change the practice in which salaries are allocated and administrative costs are increased.

Fund 590-Sewer Fund-No revenue increases have been projected in this budget. No significant changes in expenses.

Fund 542-WWTP Energy Improvements-Payment to Honeywell for on-going energy monitoring services.

Fund 544-SAW Project-no activity for 2019

Fund 546-MEDC Grant, Digester, Pump, ETC-Received a \$950,000 grant for digester, pumps, etc. This was anticipated to be completed by year end of 2017, but bad weather and excessive water caused it to be pushed into spring 2018.

Account 590-546-801 Professional Services-There were significant cost overruns due to the high-water table at the plant that required extensive de-watering. Council was asked for approval for these overruns. Note that the expenditures reflected above do not indicate a project overrun that is because much of the expense was for new equipment, and unlike a governmental fund, the sewer fund is an enterprise fund which operates similar to a private business in that equipment is recorded on the balance sheet and depreciated over its useful life and not expensed at the time of purchase. The \$400,000 in contractual in the 2018 column represents about \$155,000 currently in dispute. If the invoice is reduced, this amount will decrease accordingly.

Fund 591-Water Fund-no significant changes. Water rates will need to be raised as the fund is not self-supporting and we are therefore not in compliance with the State.

Fund 661-Equipment Pool-this fund is used to purchase all equipment and vehicles for the Department of Public Services. All equipment is purchased through the equipment pool and departments are then billed for use. The 2016 Recreation passenger van loan matured 9-14-18.

**Council Member Brown asked for Privilege.

- Trusts-711 Cemetery Trust

Fund 711-Cemetery Trust Fund-Previously transferred funds to Cemetery for operations. Beginning with the 2019 budget year, no transfers will be made as only investment revenues should be used for perpetual care and the City will work on building up the fund balance of the trust once again.

- Misc. Funds- 265 Drug Enforcement; 367 Sidewalk Program

Fund 265-Drug Enforcement Fund-This fund is unpredictable as the funds come from forfeiture. We are expecting a sizeable forfeiture from the federal government.

Fund 367-Sidewalk Program-2017 was the last year for the sidewalk program. However, we received money from the county in 2018 from the settlement of the 2017 taxes. No major sidewalk projects were made

in 2018. Some expense is incurred as part of the street repair projects. Anticipate doing more in 2019.

- Misc. Other-Personnel, Salaries & Wages

Items were discussed throughout the budget discussion.

- Fee Schedules

City Manger Rufus stated the staff is currently working on updating and increasing the fee schedules. Public Safety's fees are extremely low.

- Budget Wrap-Up

Items were discussed throughout the budget discussion.

X. Future Agenda Items

Council Member Lawler asked if we can look into using non-motorized monies for sidewalks on 1st, 2nd and 3rd Streets to provide handicap compliance.

XI. Motion to Excuse Absent Council Member (s)

French moved, Reid supported to excuse Council Member Barnes. (5-1, vv) (Brown dissenting).

XII. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required).

Comments were received from Stacy Stuart, 205 W. Oak St and LaVada Weeks, 907 Luther Drive.

XIII. City Manager Report

City Manager Rufus stated she will be asking the labor attorney to review City contracts and she is working on correcting things that were out of place before she came and to get things back on track.

XIV. MAYOR AND COUNCIL MEMBER COMMENTS

Comments were received from Council Members Brown and Spicer and Mayor Brown.

XV. ADJOURNMENT

Brown moved, Spicer supported, CARRIED, to ADJOURN Special Council Session. (6-0, vv).

Mayor Brown adjourned the Special Session at 8:41 p.m.

Date

Jill Domingo
City Clerk