

City of Albion
Study Session Minutes
October 31, 2017

I. CALL TO ORDER

Mayor Brown called the meeting to order at 7:00 p.m.

II. ROLL CALL

PRESENT: Council Members Sonya Brown (3), Jeanette Spicer (5) and Andrew French (6) and Mayor Brown. Council Member Lawler arrived at 7:05 p.m. Council Members Maurice Barnes (1) and Lenn Reid (2) were absent.

ABSENT: Council Members Maurice Barnes (1) and Lenn Reid (2).

STAFF PRESENT:

Sheryl Mitchell, City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Tom Mead, Finance Director; Jim Lenardson, Director Public Services and Scott Kipp, Chief Public Safety.

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

No public comments were received.

IV. ITEMS FOR INDIVIDUAL DISCUSSION

Finance Director Tom Mead gave the following budget update:

A. Fund 226-Solid Waste

- \$15,000 needs to be added to account 226-000-441 Local Community Stabilization. This fund is a reimbursement from the State for loss of personal property tax. Total revenue will then be \$221,400.00 Previously these funds were placed in account # 226-000-573
- Fund 523 Leaf Pickup has some money budgeted as it is unsure of what costs may be incurred by the City as we transition to the new leaf removal practice.
- Fund 524 Tree Dump fund has projected a slight increase in 2017 as the City plans to have the tree dump open the entire month of November to accept residential leaves. It may or may not be staffed depending on how many issues are encountered as residents dump leaves.

- Contractual Services- A \$10,000 bill has been paid to the County for demolitions after reports were prepared, therefore, account # 226-528-802 has a year to date balance of \$37,486.00
- Fund 528 is used for solid waste disposal. Items included are:
 - \$7,000 to County for annual recycling center cost
 - \$10,000 to match the general fund for tree trimming (clean-up)
 - \$10,500 for the annual summer clean up/recycling day
 - \$10,000 in 2017 to the county for the City share of the cost to demo houses (and a similar amount budgeted in 2018 in case future demolition grants are acquired.
 - \$7,500 for emergency removal of fire damaged structures and/or other solid waste health & safety concerns
 - There has been a savings in leaf pickup by using the single hauler service

B. Fund 590 Sewer Fund

- No revenue changes at this time for 2018. A rate increase will need to take place at some point
- Dept. 536 is status quo
- Account # 590-536-802 is \$100,000 for De-Watering as part of the digester project that was previously approved by Council
- Account # 590-536-808 Sludge treatment is used to pay a company twice a year to remove sludge
- Account # 590-542-802 is for Honeywell Monitoring Services
- The Saw Grant which is an asset management study will be complete in 2017. The study will create a report that tells us where the equipment is at and what needs to be fixed; a rate study of water/sewer rates and a GIS mapping system.
- If the project is not complete until 2018, the grant income and expenses will be transferred to the 2018 budget.
- An increase in sewer rates will only affect the sewer fund

C. Fund 591 Water Fund

- No changes in revenues or expenses for the water fund. It is status quo
- No rate increases have been budgeted for 2018
- \$100,000 was transferred to the MDOT Street Improvement fund to cover new water lines installed under the new Superior Street bricks
- Fund is doing well and building up a fund balance

D. Fund 661 Equipment Pool

- This fund is used to purchase equipment and rent out to departments
- This fund has a positive cash flow
- Equipment rent is lower due to leaf pickup
- Fund stayed status quo

E. Fund 248 DDA

- A DDA district is first established and if the taxable value of the entire district is more than the base value of the district, taxes are captured for the DDA fund. Unfortunately a negative tax capture is also possible which is what has happened for the past five (5) years.
- For 2018, the only income the DDA fund will receive is reimbursement from the State as a result of the new personal property tax reform law
- Not many expenses other than the annual summer car show
- Some funding is available if the DDA Board chooses to use money for façade grants as they have in the past
- Dept. 693 represents the grant pas through for the Peabody Bldg., Project. The grant money will come into the City and will be passed on to the contractor. Not certain of the exact split in funds received and pass on is each fiscal year, but the total grant amount is \$828,800. \$800,000 is for the building renovation and \$28,800 is for fees.

F. Fund 250 Community Development Block Grant

- Back in the 70's, 80's and 90's, the City received community development block grant funding to help upgrade homes in the City. There were many types of loans with varying terms. One type didn't have to be paid until the homes were sold while others were "forgiven" after a length of time. It is therefore, difficult to predict revenue for this account.

G. Fund 265-Drug Law Enforcement

- The forfeiture fund is not a consistent fund with a set revenue.
- The frequency and amounts are unknown and unpredictable.
- This fund helps to cover expenses for Public Safety as they can be used for items that pertain to drug enforcement. This in turn helps the general fund as well.
- We do receive funding from the state for a portion of two employees' wages and benefits.
- Dept 400 is a federal reimbursement for detective vehicles, gas and maintenance. This is for providing services on the IRS task force.
- Account # 265-333-802 was used for shipped costs for the military equipment we received.
- Account # 265-333-780 was used for military equipment repair
- Account # 265-333-827 is used for informants to make drug buys off the street
- Account # 265-400-981 2018 amounts will need to be added for this account
- Account # 265-333-778 2018 amounts will need to be added for this account

H. Fund 732 Public Safety Pension Fund

- This fund is used to administer Public Safety's retirement

- Our pension funds is one of the top in the State for having an over funded pension account. This is rare
- Currently this fund is about 143 to 144% over funded
- The market rate for this fund is unpredictable so you may see larges losses/gains throughout the year

Comments were received from Council Members Brown, Lawler, Spicer and French; Mayor Brown; City Manager Mitchell; City Attorney Harkness; Director of Public Services Lenardson and Chief Scott Kipp.

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

No public comments were received.

- VI. ADJOURNMENT

French moved, Lawler supported, CARRIED, to ADJOURN Study Session. (5-0, vv).

Mayor Brown adjourned the Study Session at 8:11 p.m.

Date

Jill Domingo
City Clerk