

City of Albion
Study Session Minutes
November 16, 2019

I. CALL TO ORDER

Mayor Atchison opened the study session at 9:00 a.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

PRESENT: Vicky Clark (1), Lenn Reid (2), Al Smith (3), Marcola Lawler (4), Shane Williamson (6) and Mayor Atchison.

ABSENT: Jeanette Spicer (5) was absent

STAFF PRESENT:

Darwin McClary, City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Tom Mead, Finance Director; Scott Kipp, Chief Public Safety; Kent Phillips, Interim Public Services Director and John Tracy, Director of Planning, Building & Code Enforcement.

IV. ITEMS FOR INDIVIDUAL DISCUSSION

A. FY 2020 Budget

City Manager McClary provided an overview of the FY 2020 budget stating he was presenting a balanced budget in accordance with Chapter 9 of the City Charter and using the State chart of accounts. The expenses do not exceed the revenues. The two items that will be taken from fund balance by Council approval are \$100,000 for 1st payment to Calhoun County for the demolition of the Union Steel building and \$4,500.00 for the Holland Park irrigation system. The millage decreased for three (3) of the tax levies while the millage for recreation increased. There was a .3601 increase overall.

Finance Director Mead also noted that the \$5,000 increase for the City Attorney's contract was not reflected in the budget and will also be taken from fund balance.

General Fund:

- No significant changes in revenues
- No significant changes to City Council budget

- Approximately \$350.00 is allocated per Council Member for conferences

City Manager's Office:

- Overview of City Manager duties, goals & strategies
- Staffing: City Manager and Assistant City Manager/HR Director
- Retirement: City Manager-ICMA 457
Assistant City Manager-MERS
- Hospitalization-City Manager Opt-Out
- Retiree Health Care-2% of wages
- Vehicle Allowance-Monthly allowance for City Manager for use of personal vehicle
- Will be doing wage study for all employees. May be able to provide non-monetary options for employees such as a 4-day work week depending on study
- The 2020 budget allocates for the Assistant City Manager position

Assessing:

- The assessing services are contracted out for a part-time assessor at \$42,000

City Clerk's Office:

- Wages and Salaries are City Clerk's and 50% of the Deputy Clerk/Treasurer
- Election workers are now being paid through payroll so part-time wages will reflect election inspector pay for working the election and the two-year certification training required by the State
- Increase in election costs-3 elections in 2020:
 - March Presidential Primary
 - August Primary
 - November General
- Additional \$5500.00 was added to the election line for an additional tabulator to maintain an AVCB for an increase in AV ballots due to Proposal 18-3 (no-reason absentee voting and same day registration). For the November Special Election, the City was able to use the City of Battle Creek's high-speed scanner which cost approximately \$35,000, however there is a smaller scanner that would work for the City of Albion that costs about \$12,000

Council Member Williamson stated if the scanner would be a better benefit for AV processing, he would like to see that amount put in the budget and Council can make the determination.

Human Resources:

- Currently has wages for a part-time HR Coordinator. Funding for a full-time HR position has been allocated in the City Manager's budget.
- **Finance Department:**
- Current positions are Finance Director; Deputy Treasurer; Income Tax; AP/AR/Utility Billing; Payroll/General Ledger and Counter Person
- Income Tax person is retiring at the end of the year. Finance Director and City Manager are in discussions on how to fill that role. We currently have a third-party administrator doing some of the income tax work. Additional data entry of the returns would be given to the third-party administrator which would allow the in-house employee availability to take payments and answer questions and will allow that person to help with reconciliations and additional finance duties.

Mayor Atchison asked why we have local income tax and what would be the impact of no longer having it? Also, what would the procedure be to remove it?

Currently city income tax is approximately 1/3 of the City's revenue which is about one million dollars. It is implemented through the Income Tax Ordinance and to remove it, the Council would need to rescind the ordinance.

Municipal Building-No significant changes

Cemetery-Budget is the same as last year. City Manager McClary said there is an option for a 1% cemetery millage that would raise about \$93,000 per year.

Public Safety:

- No major changes
- Training budget has been increased to \$29,000 as we are three (3) public safety officers short. This will allow two (2) public safety officers to go to the Police Academy
- New Public Safety vehicle
- Will be applying for a firefighter grant for a new pumper truck. The City will need to match 5% of the grant amount. New radios (\$150,000-\$180,000) will also be included as part of the grant. Total amount of the grant would be \$500,00-\$600,000 with an approximate match amount of \$25,000. Would also like to apply for a grant for air packs as the ones we are using currently are 18 years old. The cost is approximately \$200,000. This would also be a 5% match amount.

Mayor Atchison stated that if air packs are needed, he would like to see that amount put in the budget and Council can make the determination.

Code Enforcement:

- \$10,000 is for the outsourcing of building, electrical and plumbing inspections
- Increase in abatements
- \$70,000 for building inspections-we collect the funds and then pay Safebuilt with the exception of the 10% administrative fee

Mayor Atchison asked if the \$70,000 used for building inspections could be done in-house?

Director Planning, Building & Code Enforcement Tracy stated the cost for a building inspector would be approximately \$60,000 - \$90,000 plus benefits and it would cost approximately \$35,000 to do paperwork in-house.

City Maintenance: This is used for projects or parking lots owned by the City. Grant funding has not come in for Ash St. parking lot project.

Tree Trimming: This was increased by \$5,000 to help remove many of the dead trees in the City

Engineering Misc.-This is used for miscellaneous engineering costs not related to a specific project

Street Lighting-Cost is less from previous years due to replacement of inefficient lights

EPA Landfill: Monitoring costs by contract

River Trail: Received \$50,000 from state grant-\$15,000 for engineering costs-\$10,000 from Marshall Community Foundation and \$10,000 is due from the City

Parks-no significant change

Holland Park-will be doing the pavilion in Holland Park in 2020

General Appropriations: These include any expenses that can't be tied to a specific department and benefits all departments in the general fund. In 2020, we will be purchasing the Purchase Order System through BS & A and also legislative management software for agenda's and minutes and Boards & Commissions.

2019 we will have a shortfall in the general fund of \$163,878.00
2020 we will have a shortfall in the general fund of \$109,374.00
Our ending fund balance in 2020 will be \$1,236,632.00

Smith moved, Reid supported, CARRIED, to take a short recess. (6-0, vv)

Mayor Atchison adjourned the Study Session at 11:40 a.m.

Mayor Atchison resumed the Study Session at 12:10 p.m.

ROLL CALL

PRESENT: Vicky Clark (1), Lenn Reid (2), Al Smith (3), Marcola Lawler (4) and Mayor Atchison.

ABSENT: Jeanette Spicer (5) was absent and Shane Williamson (6) left at 11:40 a.m.

Major Streets-this is reimbursement from MDOT. No significant changes

Local Streets-Act 51 money. No significant changes. It was also noted that 1% of Act 51 funds must be used for non-motorized spending. The State has been increasing the amount of money we are receiving over the years.

Mayor Atchison asked if there was money in the 2020 budget for street sweeping and also improving snow removal in 2020.

Interim Director Phillips stated they are currently researching whether a street sweeper could be funded through the solid waste fund. The plow equipment from two of the trucks that have transmission issues have been removed and placed in the military trucks. This year, plows will remove the snow on the entire street and then go back and do additional work on intersections.

It was encouraged by the Mayor and Council to include these types of items in the budget and let Council make determination.

Recreation: There was a 1% increase in millage and a small increase in the amount allocated to the Senior Center.

Mayor Atchison stated there may be additional changes to recreation so additional recreation activities can be provided to the Community.

Solid Waste:

- Funded by a three (3) mill tax levy
- Includes tree-dump and leaf pick-up
- The solid waste contractual fund has been increased to \$50,000 to incorporate clean-up of the tree-dump and transfer of yard waste to a mulching facility
- The single-hauler contract ends in April 2020

Economic Development Corporation:

- Fund 243 is the Brownfield capture for the Downtown Hotel
- Fund 244 is the Economic Development Corporation fund
- Fund 246 incorporates the Albion Food Hub and Farmers Market
- Fund 247-TIFA fund which captures funding from property taxes

Downtown Development Authority:

- The DDA captures taxes on properties located in the Downtown Development District. Currently, almost all of the capture goes back to the Brownfield through an inter-governmental agreement. The DDA has an approximate \$10,000 operating budget

- **CDBG Fund** is not being used much

- **Drug Law Enforcement:**

- There have been many changes on law pertaining to drug forfeiture. The monies captured in this fund must be used for drug forfeiture related items/equipment and drug education.
- \$60,000 was proposed for a new canine
- Hope to receive \$452,000 from a federal forfeiture case that has been closed
- Fund 265-Federal Drug Law Enforcement is reimbursement from Task Force Officers

- **Albion Building Authority, Dept 275:** Revenue is derived from interest and administrative fees are the only expenses

- **EDC Building-Fund 264:** This building has been sold

- **201 N. Clinton St-Fund 265:** This building is leased to Edward Jones for \$1.00 per month. Additional fees are paid to cover the property taxes, although the fees paid are not covering the full amount of the property taxes.

- **201 Market Place-Dept 267:** the parking lot around the medical building
- **101 N. Gale St-Dept 270-**property has been sold
- **Fire Ambulance Building-Dept 271:** Fire/Ambulance Building- Public Safety and Huron Valley Ambulance pay rent into this fund and expenses are then taken from the rent
- **112 E. Erie St-Dept 273:** Albion Food Hub. May have some changes as the ABA is looking to renovate the upstairs apartments
- **Maple Grove-Dept 701:** in 2019, the boiler system has been upgraded. The final bond debt bond payment will be in 2019
- **Revolving Loan Fund:** This is a federal program which helps businesses borrow funds and to make payments
- **Funds 363 & 364** are debt service funds which is money transferred in and back out
- **Sidewalk Assessment Fund:** This program/assessment has ended so there is no revenue coming in. There are still funds in the account which need to be addressed as the best way to disburse these funds

Mayor Atchison suggested the Kent Phillips, Interim Director Public Services, City Manager McClary and City Attorney Harkness work together to determine how to disburse these funds. He would like to see expenses added for this fund in the 2020 budget.

- **Fund 369** is a debt service fund
- **Fund 374** is a debt service fund for the Department of Public Services building
- **Street Improvement Fund-Fund 450:** The three mill (3) street millage funding is revenue for this fund and is generally used for local streets. Funds can be transferred to Fund 452 for a specific project/street.
- **MDOT Street Improvement Fund-Fund 452:** This fund is used for MDOT street projects. The only project for 2020 is the completion of Irwin Avenue.

- **Sewer Fund-Fund 590:** There is a 5% increase in revenue due to a rate increase. The sewer fund would end with a (\$225,000) loss which is not an actual cash loss but is not covering future infrastructure improvements.
- **Water Fund-Fund 591:** The water study which is needed to increase rates has not yet been completed. The water fund would end with a (\$219,000) loss which is not an actual cash loss but is not covering future infrastructure improvements.
- **Equipment Pool-Fund 661:** This fund is used for the majority of the DPW equipment to be purchased and maintained. Departments using the equipment are charged rent.
- **Cemetery Trust Fund-Fund 711:** This fund is used for perpetual care at the Cemetery

Mayor Atchison asked if monies from this fund could be used to repair mausoleums at the Cemetery?

- **Public Safety Pension Trust-Fund 732:** Public Safety Officers contribute a percentage of their wages to this fund which is then used to paid Retiree's Pension.
- **Albion Trust-Fund 735:** This trust was originally the Maple Grove Trust Fund. Money has been gifted from this fund to City departments for computers, phones, etc. and also to the Ismon House.
- **Retiree Health Care-Fund 737:** This plan was first offered by the City in 2002 or 2003 and was discontinued in 2010. An offer was extended to all members to get their money back or have it rolled into the City's current retiree health care plan. Almost all elected to get their money back. However, five (5) who were retired or close to retirement elected to stay in the plan. They each receive a monthly benefit paid out from this fund ranging from \$24 to \$48 per month.
- City staff will be working on the CIP programs over the next several months and working to move the Community toward being more sustainable.
- Mayor and Council would like to see each department add one item (wish list) to their budgets and re-present to Council.

Comments were received from Council Members Clark, Reid, Smith, Lawler and Williamson; Mayor Atchison; City Manager McClary; City Attorney Harkness; Finance Director Mead; Interim Public Services Director Phillips; Chief Kipp; City Clerk Domingo and Director of Planning, Building & Code Enforcement Tracy.

- V. 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 Linda LaNoue, 1102 E. Michigan Avenue

- VI. CITY MANAGER REPORT-None

- VII. MAYOR AND COUNCIL MEMBER COMMENTS

Comments were received from Council Members Clark and Lawler, Mayor Atchison and Director of Planning, Building & Code Enforcement Tracy.

- VIII. ADJOURNMENT

Reid moved, Clark supported, CARRIED, to adjourn the study session. (5-0, vv)

Mayor Atchison adjourned the Study Session at 1:50 p.m.

Date

Jill Domingo
City Clerk