

City of Albion
Study Session
November 19, 2018 Minutes

I. CALL TO ORDER

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

II. ROLL CALL

PRESENT:

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

ABSENT: Maurice Barnes (1)

STAFF PRESENT:

LaTonya Rufus, City Manager; Scott Kipp, Chief Public Safety; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Haley Snyder, Deputy Clerk/Treasurer; Tom Mead, Finance Director and Kent Phillips, Interim Director Public Services.

III. ITEMS FOR INDIVIDUAL DISCUSSION

A. 2019 Budget

Finance Director Mead gave an overview of the following funds:

- ***Component Units 248 & 275***

Fund 248-DDA

- The capture for 2017 was negative so no tax revenue reflected. For 2018 and 2019, a positive capture will occur, however, most of this capture must be paid to the Hotel Brownfield.
- Account 248-000-402.10 represents reimbursement from the State as a result of the new personal property tax reform law. The State is now requesting that these reimbursements be reflected in account 248-000-573.00
- Dept 693-Peabody Building Project is a federal grant which will be a pass through the DDA Fund. The grant money will come in to the City and will be passed on to the contractor. The total grant amount is \$828,800. \$800,000 is for building renovation and the \$28,800 is for fees.
- Dept 735-Appropriations/Administrative Fees- 2017 represents a 3% increase over preceding year; 2018 represents a 4% increase over preceding year and

2019-the increase reflects the additional time required for the administration of the Brownfield hotel property.

- Account 248-735-880-00 covers the annual summer car show
- Account 248-735-999-00 the transfer out in 2018 & 2019 represents the DDA tax capture that must be paid/transferred to the Downtown Hotel Brownfield.
- Dept 806-Ismon House Renovation-no activity for 2017, 2018 or 2019
- 2018 will end will a projected \$8,354 profit and a projected \$10,250 profit in 2019.
- The ending fund balance in 2018 will be \$62,879 and \$73,129 in 2019.

Comments were received from Council Member Brown.

Fund 275-ABA

- Account 275-000-591 is for loan from ABA to EDC to purchase property. Loan matures 1-10-2021
- Account 275-000-671 revenue received from Adams Sign Company for billboard rental at the train station-\$2800.00/year
- Administrative fees reflect a 2% increase over preceding year
- Dept 264/EDC Buildings-reflects \$135,000 for sale of EDC Building
- Dept 265/201 N. Clinton St-receive \$1.00 per month rent revenue from A.G. Edwards. A.G. Edwards also pays \$125.00 per month in lieu of property taxes and all utilities for the building. Note: The City may need to increase the amount of in lieu property taxes that are being paid as the amount of the taxes have increased beyond the \$125.00 per month.
- Dept 270-101 Gale St-An agreement with Albion Department of Public Safety to cover expenses for this building in lieu of rent. However, the ABA did replace the roof on the building in 2018.
- Dept 271-Fire/Ambulance Building-Rent is received from A.D.P.S. and Huron Valley Ambulance for the building. Per an agreement with Huron Valley Ambulance, 40% of the excess of revenue over expenses from the previous year is to be paid back to Huron Valley Ambulance.
- Dept 273-Food Hub-ABA does not include many expenses for the Food Hub although they did pay for a structural expense in 2018.

Comments were received from Council Member Brown.

- ***Debt Service Funds 363,364,369 & 374***

Fund 363-Generator Bonds

- This bond was for energy study and subsequent energy improvements around the City including a generator. Departments that benefited from these improvements pay into the fund and the annual payment is made. Bond matures 10-1-2024

Fund 364-General Obligation Bond for Water Project

- This bond matured on 10-1-2017 so no tax levy or debt service required for 2018. Bond payments made to Capital One Bank. This is a general obligation tax bond. Received revenue in 2018 from 2017 taxes. The misc. expense will be to close out the fund as it is no longer needed.

Fund 369-Albion Building Authority Bond

- This bond was used for the construction of the ambulance/fire station and for the renovation and expansion at Maple Grove Apartments. Bond matures on 10-1-2028.

Fund 374-DPW Building Debt

- The loan was for the purchase of the Street Dept/Equipment Pool Garage. Payments are made to Calhoun County and the bond matures on 7-1-2023.

Trust Funds 732,735 & 737

Fund 732-Public Safety Pension

- Public Safety Trust is money invested that will be used to cover Public Safety Officers pensions. This is 158-160% funded which is almost unheard of. Our funding of this pension fund is discussed around the State.

Comments were received from Council Member Brown.

Fund 735-Albion Trust

- Revenue for the Albion Trust is from interest from investments and gains and losses. This fund has provided for gifts to the City and the Ismon House in previous years.

Fund 737-Retiree Health Care

- This retiree health plan was first offered by the City around 2003 and was discontinued around 2010. When discontinued, an offer was extended to all members to get their money back or have it rolled to the City's current retiree health plan. Almost all elected to get their money back. However, 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.

Misc. Funds 208 & 250

Fund 208-Recreation Fund

- Account 208-780-590 Local Grants-Initially in 2018 we budgeted \$20,000 for the Cronin Foundation Grant but since the new recreation millage was passed, we will not be receiving the grant. Additionally, we had to return the \$3,700 to the Community Foundation since a particular program didn't get initiated in the proper timeframe. However, we will be re-applying for the grant.

- Account 208-780-941-00 \$25,000 represents the rental of the school from Marshall Public Schools.
- There is a projected \$11,000 loss in 2018 with a projected profit of just under \$500.00 for 2019.
- The recreation fund received an additional \$30,000 from the increased millage which was used for program expenses and a \$1575.00 increase in the amount given to the Senior Forks Center.
- The 2018 Recreation fund balance is projected to be \$94,008 and projected fund balance of \$95,348 in 2019.

Comments were received from Council Member Brown who asked what additional programs would the increased millage provide.

Additional comments were received from Council Member Spicer.

Fund 250-CDBG Fund

- No grants currently
- Earns a small amount of interest
- If a home sells, depending on the agreement, they may be required to pay back the grant amount
- There are approximately 30 properties that received grants from this fund.

Comments were received from Council Member Brown.

IV. 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.

V. ADJOURNMENT

Brown moved, French supported, CARRIED, to ADJOURN Study Session. (6-0, vv).

Mayor Brown adjourned the Study Session at 6:50 p.m.

Date

Jill Domingo
City Clerk