



CITY OF ALBION CITY COUNCIL MEETING AGENDA

Meetings: First and Third Mondays – 7:00 p.m.

City Council Chambers ♦ Second Floor ♦ 112 West Cass Street ♦ Albion, MI 49224

AGENDA

COUNCIL MEETING Monday, November 6, 2017

7:00 P.M.

COUNCIL-MANAGER
GOVERNMENT

Council members and other officials normally in attendance.

Garrett Brown
Mayor

Maurice Barnes, Jr.
Council Member
1st Precinct

Lenn Reid
Council Member
2nd Precinct

Sonya Brown
Mayor Pro-Tem
Council Member
3rd Precinct

Marcola Lawler
Council Member
4th Precinct

Jeanette Spicer
Council Member
5th Precinct

Andrew French
Council Member
6th Precinct

Sheryl L. Mitchell
City Manager

The Harkness Law Firm
Atty Cullen Harkness

Jill Domingo
City Clerk

NOTICE FOR PERSONS WITH HEARING IMPAIRMENTS WHO REQUIRE THE USE OF A PORTABLE LISTENING DEVICE

Please contact the City Clerk's office at 517.629.5535 and a listening device will be provided upon notification. If you require a signer, please notify City Hall at least five (5) days prior to the posted meeting time.

PLEASE TURN OFF CELL PHONES DURING MEETING

- I. CALL TO ORDER
- II. MOMENT OF SILENCE TO BE OBSERVED
- III. PLEDGE OF ALLEGIANCE
- IV. ROLL CALL
- V. MAYOR AND COUNCIL MEMBER'S COMMENTS
- VI. PUBLIC HEARING
 - A. Public Comments on the Future Land Use & Zoning Plan
- VII. PRESENTATIONS
 - A. Supply Chain Projects-Albion College Students
 - B. Introduction of Eric Worley, President of the Greater Albion Chamber of Commerce and Visitors Bureau
- VIII. 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.)
- IX. CONSENT CALENDAR (VV) (Items on Consent Calendar are voted on as one unit)
 - A. Approval Regular Session Minutes, October 16, 2017
 - B. Approval Budget Study Session Minutes, October 23, 2017
 - C. Approval Special Session Minutes, October 30, 2017
 - D. Approval Study Session Minutes, October 31, 2017
- X. ITEMS FOR INDIVIDUAL DISCUSSION
 - A. Request Approval Resolution # 2017-44, A Resolution to Approve Expenditure for Repairs to Starr #2 Well (RCV)



CITY OF ALBION

CITY COUNCIL MEETING AGENDA

Meetings: First and Third Mondays – 7:00 p.m.

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- B. Request Approval City Attorney Retainer Agreement (RCV)
- C. Request Approval Memorandum of Understanding Archival Consultant (RCV)
- D. Discussion-Council Training Dates with MML
- E. Request Approval Resolution # 2017-45, Resolution for Approval Contract with Abraham & Gaffney, P.C. for Fiscal Year 2017 Auditing Services (RCV)

- XI. City Manager Report
- XII. Future Agenda Items
- XIII. Motion to Excuse Absent Council Member(s)
- XIV. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required.)
- XV. ADJOURN

FUTURE LAND USE AND ZONING PLAN (DRAFT)

City of Albion

Adopted by Albion Planning Commission: Adopted by Albion City Council:

INTRODUCTION

In 2016, the City of Albion, the Albion Planning Commission, and the Albion City Council rewrote the City's Comprehensive Plan under the guidance of consultant, Rosalyn Jones. The Comprehensive Plan was divided into two phases, the first being the goals and objectives of the city and the second being this plan, the Future Land Use and Zoning Plan. The first phase was finished in December of 2016 and the second phase was started in June of 2017. Throughout 2016, the City of Albion worked extensively to gather as much public input as possible on the goals and objectives of the comprehensive plans as well as future land use.

The intent of a Future Land Use and Zoning Plan is to give a graphic representation of how land *should* be used to best serve the public good in the coming years. Land use categories tend to be more general than zoning classifications. For example, all of the zoning classifications for residential properties (Albion has 5 separate zoning classifications for residential properties) would all fit under the future land use category of "residential."

The Michigan Zoning Enabling Act and the Michigan Planning Enabling Act

Albion is required by the State of Michigan to have Comprehensive Plan that is updated every 5 years. The Michigan Zoning Enabling Act requires in Sec. 203 (1) that zoning be based on a plan. The Michigan Planning Enabling Act outlines the purposes for which a comprehensive or master plan must be developed. The Comprehensive Plan must include a Future Land Use and Zoning Plan. Section 33 (2)(b) states, "For a local unit of government that has adopted a zoning ordinance, a zoning plan for various zoning districts controlling the height, area, bulk, location, and use of buildings and premises. The zoning plan shall include an explanation of how the land use categories on the future land use map relate to the districts on the zoning map."

Public Input

The City of Albion was responsible for gathering public input on the future land use plan and redevelopment sites for this document. This document reflects the desires of the nearly 150 residents that participated in the Community Visioning Celebration held on June 28th 2017. The City's public engagement efforts are directed by its Public Participation Statement which was adopted by the Planning Commission on August 15, 2017.

Zoning Ordinance Update

The City of Albion is in a unique position to rewrite its current zoning ordinance with technical assistance funding from the Michigan Economic Development Corporation. The "wish list" or outcomes for the zoning ordinance rewrite are described in more detail in the Zoning Plan section of this document on page (insert page number). The zoning rewrite will be done by a professional firm and will determine the specifics of the new zoning classifications. The City of Albion does not currently have the staffing capacity to do this coding work in-house. The City will issue an RFP in the fall of 2017 and from there, select a firm to rewrite the City's zoning ordinance based on what is outlined in this plan.

Updating the Future Land Use and Zoning Plan

This document shall be reviewed annually with the Comprehensive Plan by Planning Commission to track progress and make any necessary edits to the document. Given that the zoning ordinance will be rewritten within the next year, the Future Land Use and Zoning Plan should be revisited in 2018 and updated to reflect the new zoning classifications and zoning map. Revisiting this document in 2018 will be critical to shaping Albion’s future land use with a zoning code that is much easier to use and understand for both professionals and laymen than the current code.

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Existing Land Use Categories

Current Zoning Classifications

R-1 Single Family Residence District

This district is composed of low- to medium-density residential areas plus certain open areas where similar residential development should be encouraged. The regulations are intended to stabilize, protect and encourage the residential character of the district and prohibit all activities of a commercial nature. The R-1 district zoning is further subdivided into R-1A zones, R-1B zones, and R-1C zones. Such zones are based upon lot sizes, minimum square footage of dwelling structure, maximum height and minimum setbacks from parcel lines.

R-2 One- and Two-Family Residence District

This district is composed of certain medium-density areas representing a compatible co-mingling of one- and two-family dwellings, plus certain open areas where similar residential development appears likely to occur. The regulations are intended to stabilize and protect the essential characteristics of the district and to prohibit all activities of a commercial nature. The R-2 district zoning is further subdivided into R-2A and R-2B zones. Such zones are based upon lot sizes, minimum square footage of dwelling structure, maximum height and minimum setbacks from parcel lines.

R-3 Multiple-Family Residence and Office District

This district is composed of certain high density residential areas and within which are certain neighborhoods where rehabilitation for similar development should be encouraged. The regulations are designed to protect the essential characteristics of the district and encourage, insofar as compatible with the intensity of land use, a good environment for family life, composed predominantly of an adult population and to prohibit all activities of a commercial nature except certain enumerated and controlled "Home Occupations." The R-3 district zoning is further subdivided into R-3A, R-3B and R-3C zones. Such zones are based on lot sizes, minimum square footage of dwelling structure, maximum height and minimum setbacks from parcel lines.

R-4 Mobile Homes Residence District

The mobile home park district is intended to encourage the appropriate location and suitable development of mobile home parks. In keeping with the occupancy characteristics of contemporary mobile homes, this Division establishes density standards and permitted uses that reflect the basic needs of potential residents.

O-1 Transitional Office District

The O-1 Transitional Office District is established in order to buffer commercial and industrial zones from less intensive residential areas by allowing limited professional office and institutional uses in existing structures, when located on or near major streets.

B-1 Neighborhood Business District

This district is composed of certain land and structures used primarily to provide the retailing of commodities classed by merchants "convenience goods," such as groceries and drugs, and the

furnishing of certain personal services, such as beauty shops, barber shops, and "pick-up" stations for laundry or dry cleaning, thus satisfying the daily and weekly household or personal needs of abutting residential neighborhoods. This district is small, usually located at the intersection of two (2) streets or highways, and almost always entirely surrounded by residential districts.

B-2 Central Business District

The B-2 Central Business District is intended to provide for a variety of retail and office services which serve the needs of a consumer trade area. This district is characterized by intense pedestrian activity and a unified architectural scale. Existing apartment units and/or multiple-family residences are allowed on upper story floors, but are not allowed on the first floor or basement. Conversion of existing space on the second or third floors for the new residential use shall be subject to special use approval.

B-3 Highway Service Business District

This district is intended to provide for retail business and services in areas which abut federal and state highways, and major arterial streets designated as such on the "street plan" of the City of Albion of current adoption.

B-4 Central Fringe Business District

The B-4 Central Fringe Business District is designed to provide sites for more diversified business types which would often be incompatible with the pedestrian movement in the Central Business District. The intent is to provide services which are more dependent upon direct automobile access to establishments within this district, which are in close proximity to the pedestrian scale services of the Central Business District. Residential uses are permitted provided: The unit is a single family or two-family dwelling and used exclusively for that purpose, or the unit is secondary to a principle permitted use in the district and that permitted use is located on the main floor of the building.

M-1 Light Industrial District

This district is composed of certain land so situated as to be suitable for light industrial development, but where the modes of operations of the industry may directly affect nearby nonindustrial development. The regulations are so designed as to permit the normal operations of almost all light industries, subject only to those needed for their mutual protection and the equitable preservation of nearby nonindustrial uses of land.

M-1 (P) Light Industrial Park District

Light industrial parks shall conform to all the requirements of the light industrial district. The difference between M-1 and M-1-P primarily is that a great distance is required for setbacks in the M-1-P district.

M-2 Heavy Industrial District

This district is composed of certain land so situated as to be suitable for industrial development, but where the modes of operation of the industry may directly affect nearby nonindustrial development. The regulations are so designed as to permit the normal operations of almost all industries, subject only to those needed for their mutual protection and the equitable preservation of nearby nonindustrial uses of land.

M-2 (P) Heavy Industrial Park District

Heavy industrial parks shall permit all uses allowed in light industrial districts, light industrial parks and heavy industrial districts. Difference between M-2 and M-2-P primarily is that a great distance is required for setbacks in the M-2-P district.

CD Campus Development District

Campus development district is comprised of academic buildings, administrative buildings, student housing and athletic facilities. The Campus Development District encompasses a specific territory owned by Albion College and excludes other properties within the territory owned by others.

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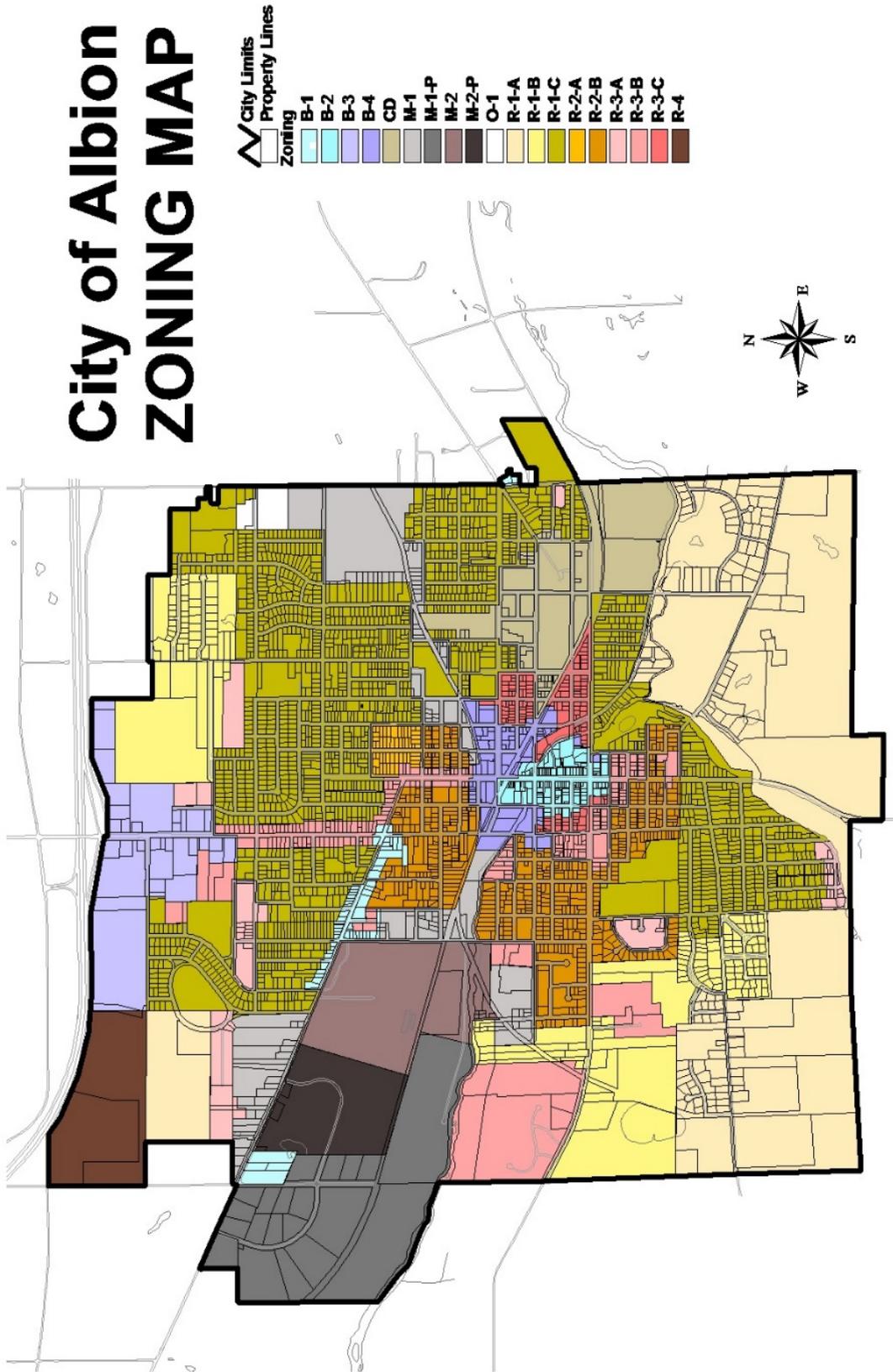
Zoning Plan

As mentioned in the introduction, the zoning ordinance will be rewritten and updated within the next year. The City will leverage funding from the MEDC to cover the cost of this project. Through workshops and recommendations from the City's previous consultant for the first phase of the Comprehensive Plan, a number of changes to the zoning have been identified. It has been recommended that Albion not pursue form-based code at this time. A few of the high priority areas include: parking management, "missing middle" housing designs, collapsing zoning classifications, and evaluating the possibility of an RFQ (Request for Quote) instead of an RFP (Request for Proposal) process. Other, more specific changes that need to be made to the zoning ordinance that have been identified so far include but are not limited to:

- **Format**
 - Generally cleaning up the language of the zoning ordinance
 - Adding graphics and diagrams
 - Using tables instead of lists to show uses allowed in each zoning district
 - Create a separate chapter for nonconformities and clean up the language describing nonconformities
- **Zoning Classifications**
 - Collapsing zoning districts into fewer categories
 - Create GIS zoning map to reflect new zoning classifications
 - Combine the specific use standards that are repeated in each zoning district (this will be made easier by collapsing the number of zoning districts)
- **Parking**
 - Allow for shared parking among businesses and include parking maximums instead of minimums for businesses
 - Bike parking standards
- **Commercial**
 - Allow for mixed use developments
 - Outdoor seating standards
- **Residential**
 - Increase residential opportunities by allowing for denser housing developments and "Missing Middle" housing and other "nontraditional" housing types
- Update language for Planned Unit Development Districts
- Landscaping and native plant regulations
- Determine if RFP and/or RFQ process is more suitable to the City's needs
- Removing and clarifying sign regulations to match the sign ordinance

Current Zoning Map

City of Albion ZONING MAP



Zoning and the Future Land Use Plan

The Future Land Use Map is not a Zoning Map in its purpose or in a legal sense. A land use map is more general in nature but specifies which types of zoning will be allowed in each area. A zoning map is a visual representation of the boundaries for which zoning regulations have been adopted by the City of Albion. The Future Land Use Plan and Map is intended to guide the decisions of the Planning Commission and direct developments into the appropriate areas.

Future Land Use Categories

Albion is currently zoned under 19 different zoning classifications. For a city this size, it was recommended during the comprehensive planning process and by professionals at a Congress for New Urbanism Workshop that the zoning classifications be condensed. Condensing the zoning classifications would help to create for a more user-friendly zoning ordinance. The 5 main future land use categories that the new zoning classifications will fall under after the zoning update are:

Mixed Use District

“Mixed use” refers to a type of development that harmoniously places different types of uses close to one another. For example, a mixed use property in a downtown could have apartments on the upper floors while the ground floor is occupied by retail or commercial space. The blending of residential, commercial, cultural, industrial, and institutional uses should not create conflict but instead create for liveliness and foot traffic at all times of day and is useful for those that live and work in the area.

Albion residents, City staff, and elected and appointed officials have identified a few key areas that could benefit from mixed use zoning classifications. These key areas include: Eaton Street, Austin Avenue/West Michigan Avenue, Superior Street/M-99, and near these major corridors.

Residential District

The Residential District is established and maintained to accommodate and regulate dense residential properties where setbacks and other restrictions will help to promote safety and preserve quality of life for Albion’s residents. Residential zoning classifications will specify the proper setbacks, size requirements, and regulations for all residential units. After the zoning rewrite, there will likely be 2 to 3 residential categories instead of the 9 that the City has now. Albion is in need of a diversified and improved housing stock to meet the needs of existing and future residents and improve the quality of life. Improving and simplifying the zoning for residential properties will help to spur development and reinvestment.

Missing Middle Housing

The “missing middle” housing mentioned in this plan refers to a category of housing that accommodates the needs of the “middle” of the housing market that would like to see denser, easier to maintain, urban residential developments. Missingmiddlehousing.com defines the “missing middle” as, “[...] a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.” Missing middle housing can be very appealing to senior populations that want to “age in place,” young urban professionals, couples without kids, and families that do not want large homes to

maintain. Albion is an ideal location for this missing middle housing. Concept drawings of missing middle housing can be found at www.missingmiddlehousing.com.

Commercial District

Commercial zoning classifications will specify the proper setbacks, build-to lines, and other regulations where the primary land use is for commercial activity. Specific commercial uses that cannot be included in the Mixed Use District will be outlined in the zoning rewrite such as commercial strip malls.

Manufacturing District

The Manufacturing District is established for industrial and compatible commercial development that may require larger parcels, larger setbacks, and buffers from other uses. This district is in the 425 Property, the Albion Industrial Park, and some of the surrounding areas. The zoning classifications for the zoning district will need to be rewritten and condensed so that they are clear and flexible. Currently in several cases, M-1-P and M-2-P setbacks are too large, severely restricting the size of new industrial development and expansion of existing industry and structures. The existing industrial/manufacturing classifications are very repetitive and text heavy. Given the relatively small amount of heavy industrial facilities in Albion, this zoning classification can be tightened up and if allowed, condensed from four to possibly two zoning categories.

College District

The College District is an existing zoning classification that denotes the properties that Albion College owns and allows for more uses within the district (such as student housing) and prohibits some other uses (such as heavy industrial). In the zoning ordinance update, this zoning classification will become an overlay district meaning that the district “lays over” the zoning classifications underneath. For example, a residential property may be owned by Albion College and this will be denoted by the College Overlay District while the residential zoning classification restrictions apply to that property. Some specific uses may be allowed under the College District that would not be allowed in others such as dormitory buildings.

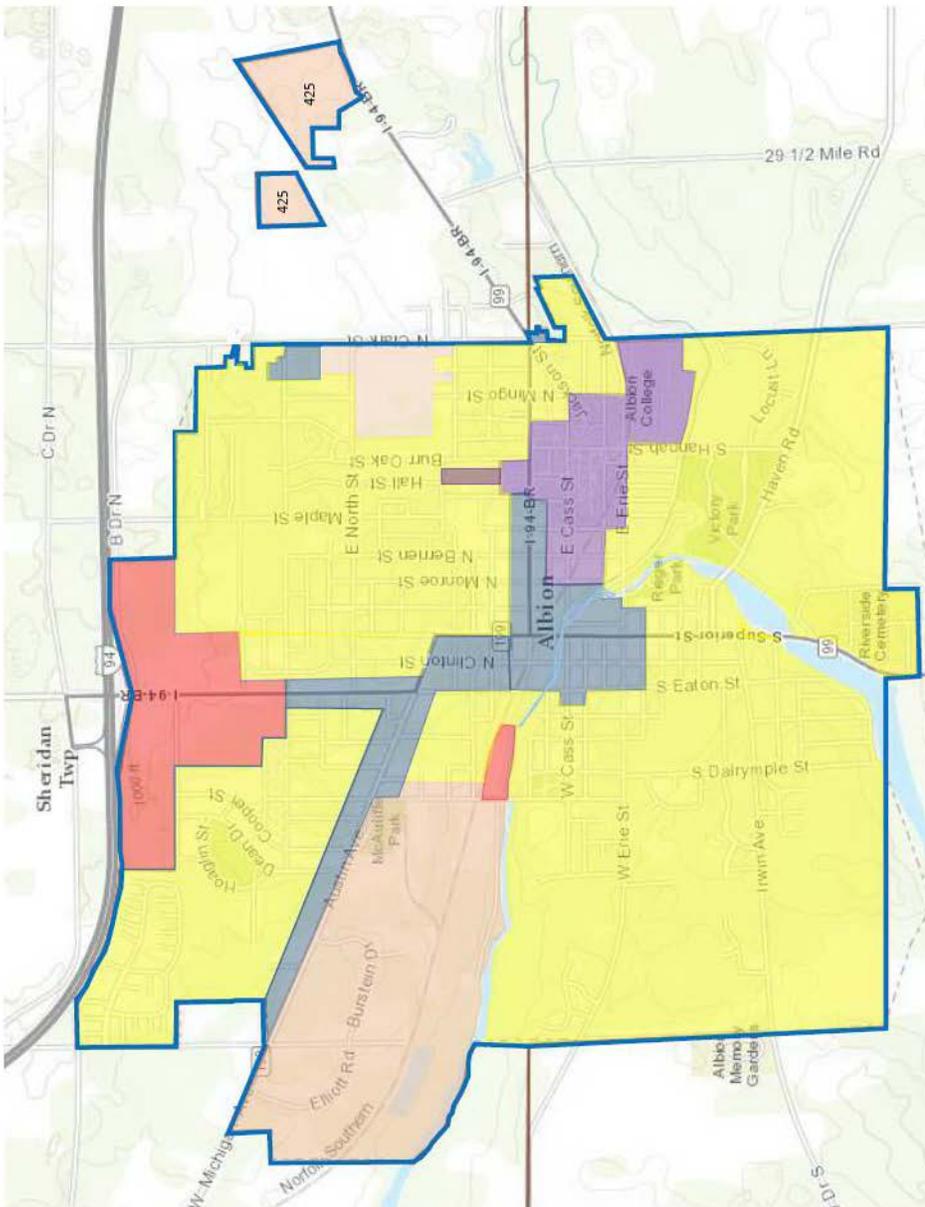
Future Land Use Category	Corresponding Existing Zoning Classifications
Mixed Use District	B-2, B-4
Residential District	R-1 (R1A, R1B, R1C); R-2 (R2A, R2B); R-3 (R3A, R3C, R3B); R-4
Commercial District	B-1, B-3, O-1
Manufacturing District	M-1, M-1-P, M-2, M-2-P
College District	CD

Future Land Use Map

CITY OF ALBION FUTURE LAND USE



- DISTRICT CATEGORIES**
- COMMERCIAL DISTRICT
 - COLLEGE DISTRICT
 - MANUFACTURING DISTRICT
 - MIXED USE DISTRICT
 - RESIDENTIAL DISTRICT
 - CITY LIMIT



Rev. 8-15-17

Development in Albion

Residential Development

Albion was ranked 16th best city in the state for first-time homebuyers. Albion has many large, affordable homes. At the same time, Albion has an inadequate housing stock for today's population. More people would like to see residences located closer to walkable urban areas, apartments, townhomes, duplexes, and barrier-free homes. Albion's aging housing stock can be expensive, time-consuming, and difficult to renovate. In the neighborhood between the Albion College campus and downtown, significant renovations are being made to college-owned houses and others are being demolished through the "Harrington Gift" – a donation from Albion College alum that is funding the project. Other areas of the city and county are having homes that are beyond repair demolished by the Calhoun County Land Bank Authority through a grant from the Michigan Homeowners Assistance Nonprofit Housing Corporation and the Michigan State Housing Development Authority.

Nearly every neighborhood in Albion has vacant, blighted, and demolished residential properties that could benefit from new housing developments and renovations to existing structures. Albion's brownfield sites that are located in neighborhoods such as the Dalrymple School property, Union Steel, and the Caldwell School property were all identified by residents as places where they would like to see new housing developments. With the zoning rewrite, the requirements for renovating or building new homes will be much clearer for homeowners and developers.

Utilities

Albion maintains its own wastewater treatment and water treatment facility. A Capital Improvements Plan was adopted on April 3, 2017 and is available on the City's website. Trash hauling services are provided by Granger. The local internet and cable provider is WOW! Cable. Electricity and gas are provided by Consumers Energy. The City is exploring the option of bringing fiber optic cable internet.

Commercial Development

Albion's downtown and Eaton Street Corridor are seeing investment and interest from developers and current business owners. Residents have expressed their demand for retail stores, restaurants, and other commercial developments along Eaton Street, Austin Avenue, and Superior Street. The City of Albion and the Albion Economic Development Corporation are working to better accommodate new commercial developments through streamlining their processes and meeting the requirements of the Redevelopment Ready Communities Program through the Michigan Economic Development Corporation. Through meeting this requirement, Albion's redevelopment ready sites will be marketed nationally through the MEDC so that Albion can see a quick but sustainable economic revitalization. Several new businesses have been opened in Albion's downtown and along the Eaton Street Corridor such as: O'Reilly's Auto Parts, Taco Bell, Label Shopper, Sterling Books and Brew, Brown's Home Furnishings, and others. The AEDC, the City of Albion, the DDA, and the Chamber of Commerce will work to retain these businesses and attract more to create vibrant and successful commercial nodes in Albion.

Mixed Use Development

Mixed use developments have been referred to as “recession proof” by professional planners. These properties tend to be easier to redevelop than most. Mixed use properties are most commonly recognized as buildings with both apartments and retail/commercial spaces inside them. They create for a sense of life and vibrancy by generating foot traffic at all times of day.

Albion is now accommodating more mixed use developments. The first building to be renovated is the “Dickerson Building” which is home to Sterling Books and Brew, the Barbell Club, and second-floor apartments. The “Peabody Project” secured a Community Development Block Grant (CDBG) from the MEDC in **month** 2017. This will also be a mixed use development in the Downtown Development District that will have apartments on the upper floors and commercial space on the ground floor.

Through the public input that was gathered, mixed use developments should be pursued along Eaton Street, Austin Avenue, and of course the downtown. This will help to strengthen, revitalize, and beautify these areas of Albion.

Industrial Development

Albion’s Industrial Park which is maintained by the Albion Economic Development Corporation (AEDC), the City’s lead economic development organization, is home to 30 businesses that range from plastic injection molding to bee keeping supplies. The AEDC works to retain and grow existing businesses, support new businesses and entrepreneurs, and attract new companies to the greater Albion area. The zoning update with clear and simplified language regarding manufacturing and industrial properties will be attractive to new businesses and hopefully incentivize existing businesses to improve and expand.

Recreational Development

The City’s recreational development is guided by the Parks and Recreation Master Plan. The 2016 – 2020 Recreation Master Plan was adopted in the fall of 2015. It focuses on: maintenance and improvement of the current parks and recreation system; ensuring that there are sufficient recreational opportunities within walking distance of low-income neighborhoods; enhancing recreational opportunities associated with the Kalamazoo River and the parks along the river and associated with the Albion River Trail; addressing access to and safety within the park system; and ensuring that all applicable policies and environments promote physical activity.

The intersection of three major state-wide and national trails – the Great Lake-to-Lake Trail, the Iron Belle Trail, and the North Country National Scenic Trail – is located in Albion’s Victory Park. Construction on a DNR-funded project to expand Albion’s River Trail and make upgrades to Victory Park began in summer 2017 to capitalize on this unique aspect of the City. The City will continue to leverage funding to become a “trail town” which will further promote physical activity and spark tourism.

Transportation

The 2017-2021 Comprehensive Plan defines the City’s goal for transportation as improving Albion’s transportation network to accommodate and promote various modes, including walking, biking, automobiles, passenger rail, and public transportation. Transportation within and outside of Albion is a challenge for those without personal vehicles, differently-abled persons, and those under the legal

driving age. Calhoun County is pursuing a study to implement a county-wide transportation system. In order to be a part of this system, Albion needs to find a solution for the short term that could connect within Albion to the potential future county-wide system.

Major Corridors

Albion has important gateways that lead into the community – the Downtown Commercial District, Michigan Avenue, Austin Avenue, M-99, and the I-94 Business Corridor/Eaton Street. Enhancing these gateways will require collaboration among the City’s elected and appointed officials and community partners. Stabilizing these corridors by removing blight, rehabilitating existing buildings, redesigning/improving the streetscape, adding wayfinding signage, and adding attractive landscaping will help to improve access for walking and biking, draw business towards commercial nodes, and attract new residents and businesses.

Alternative Energy Sources

Albion hopes to foster the growth of new businesses by providing renewable and affordable energy sources. Through working with Consumers Energy and private developers, Albion could redevelop large brownfield sites with alternative energy sources such as solar or wind fields.

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City of Albion
City Council Meeting
October 16, 2017

I. Call To Order

Mayor Brown opened the regular session at 7:00 p.m.

II. Moment of Silence To Be Observed

III. Pledge of Allegiance

IV. Roll Call

PRESENT: Maurice Barnes (1), Lenn Reid (2), Sonya Brown (3), Marcola Lawler (4), Jeanette Spicer (5) and Andrew French (6) and Mayor Brown.

Staff Present: Sheryl Mitchell, City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk ; Scott Kipp, Chief Public Safety; Stacey Levin, Assistant City Manager; Tom Mead, Finance Director; Harry Longon, Deputy Director Public Services and John Tracy, Director Planning, Building & Code Enforcement.

V. Mayor and Council Member Comments

Mayor Brown asked for a motion on the following items pertaining to public comments at tonight's meeting:

1. Keep public comments to three (3) minutes
2. Keep comments concise
3. Please sign the form with your name and address for minutes
4. Council refrain from answering questions received at public comment
5. No personal attacks on Mayor, Council Members and Staff.

Brown moved, French supported, CARRIED, for the above items pertaining to public comments at tonight's meeting. (7-0, vv)

Additional comments were received from Council Members Barnes, Lawler, Spicer and French.

VI. PRESENTATIONS

A. EDC Update-Amy Deprez

Amy Deprez, EDC Director have the following 3rd quarter report for the EDC:

- Currently working on three (3) prospects.
- Incentive Plan for local business

- There is a 75% chance that Project Auto Blue will come to Albion. They have received a hard letter of support from the State and a soft letter from the EDC. The business would create and one hundred twenty (120) entry level and unskilled jobs. They are currently looking at three (3) locations in Michigan.
- Working with five (5) solar projects that are different sizes and stages. These businesses would create very few jobs.
- Submitted CDBG Application for Peabody Block Grant. The ground breaking for this project will be in November.
- Worked with anchor retail store for downtown redevelopment.
- Continued work on the RRC process, including the EDSP, Property Information Packets, Development Guide, Zoning and Future Land Use.
- Worked with Sheridan Township and City for development of the 425 Property.
- Submitted for three (3) grant opportunities to expand capacity at the Albion Food Hub.
- First restaurant incubator, Cooper's Dish was launched in August for four (4) days.
- Drafted Advancing Albion Action Plan-a strategic plan for the redevelopment of downtown Albion
- Developed a large transformational project and pitched to the State for support
- Continue working on a branding strategy to share

Comments were received from Mayor Brown.

B. SAW Grant Update-Jeff Wingard, Fleis & Vandenbrink

This presentation has been postponed to a future Council meeting.

C. The Amazing Rake-Andrew Texel & Lauren Freeman, AmeriCorps Vista Members

Andrew Texel & Lauren Freeman, AmeriCorps Vista members discussed "The Amazing Rake" which is an event to help citizens with limited mobility rake and bag their leaves. The event will be held on Sunday, November 5, 2017 from 2:00 p.m. to 4:00 p.m. Albion residents with limited mobility may contact Lauren Freeman and request volunteer assistance with raking and bagging their leaves. Residents asking for assistance must be present at the time of cleanup and must provide their own bags for leaves. There will be a cap on the number of households that may be served based on the number of volunteers.

Comments were received from Council Member French and Mayor Brown.

D. Klean the Kazoo Certificates of Appreciation

Presenters: David Green, Director of Albion College Whitehouse Nature Center; Stacey Levin, Assistant City Manager

On Saturday, September 30, 2017, approximately 40 volunteers participated in the *Klean the Kazoo* event, collecting trash in the Kalamazoo River and along the river banks, by boat, waders, and land. To begin the day, volunteers were provided a breakfast prepared by Council Member Lenn Reid and pancakes cooked by Chief Scott Kipp in the mobile kitchen. The event was sponsored by the City of Albion, Albion College Whitehouse Nature Center, Albion College Canoe and Kayak Club, and the Enbridge Foundation.

Several local businesses made generous donations that helped make the event a success. We'd like to recognize the following sponsors with certificates of appreciation. Please feel free to come up to accept your award:

- The first certificate goes to Granger. Thank you for your donation of a roll off dumpster allowing for a central location to place the river trash.
- Biggby Coffee – thank you for your coffee donation.
- McDonald's – thank you for the yogurt parfaits.
- Family Fare – thank you for the gift card donation that supplied juice and water for volunteers.
- Enbridge Foundation – thank you for the grant that made this event possible.

A tremendous thank you to all of the volunteers, partners, and sponsors for their commitment to this important community clean-up effort.

VII. 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.)

Comments were received from Karen Todd, Representative from State Representative Bizon's office; Mike Bearman, 11016 29 Mile Rd; Keena Williams, 414 N. Huron St; Wesley Dick, 700 E. Michigan Avenue; Tom Hunsdorfer, 803 S. Superior St; Diane Guenin-Lelle, 422 Elizabeth St; Evelyn Union, 208 N. Ann St; Chad Baase, 1021 Burr Oak St; Joyce Spicer; Sandra Florence, 1500 E. Michigan Avenue; Hazel Lias, 12939 28 Mile Rd; Art Kale; Sylvia Dulaney, 803 Sheridan Ct; Gail Reed, 414 Allen Place and Dennis Reid, 609 Cherry St who all spoke in favor of retaining Dr. Sheryl Mitchell as the Albion City Manager.

Additional comments were received from Nidia Wolf, 409 Irwin Avenue; Dennis Tomblin, 313 Irwin Avenue and Peter Behncke, Comco LLC who all spoke on the medical marijuana facilities.

VIII. Consent Calendar (VV)

- A. Approval Regular Session Minutes – October 2, 2017
- B. Approval Special Session Minutes-October 5, 2017

- C. Approval for Trick or Treat on Tuesday, October 31, 2017 from 6:00 p.m. to 8:00 p.m.

French moved, Lawler supported, CARRIED, to remove Approval Special Session Minutes, October 5, 2017 from the Consent Agenda and place under Items for Individual Discussion as Item H. (7-0, vv)

Comments were received from Council Member Reid.

French moved, Brown supported, CARRIED, to approve Regular Session Minutes, October 2, 2017 and Trick or Treat on Tuesday, October 31, 2017 from 6:00 p.m. to 8:00 p.m. as presented. (7-0, vv)

IX. Items for Individual Discussion

- A. Request Approval 2nd Reading & Adoption of Ordinance # 2017-07, An Ordinance to Amend Ordinance 58-226 Minor in Possession of Alcohol (RCV)

Comments were received from City Attorney Harkness.

French moved, Reid supported, CARRIED, to Approve 2nd Reading & Adoption of Ordinance # 2017-07, An Ordinance to Amend Ordinance 58-226 Minor in Possession of Alcohol as requested. (7-0, rcv)

- B. Request Approval 2nd Reading & Adoption of Ordinance # 2017-08, An Ordinance to Add Section (s) 82-129. 82-130 and 82-131 (RCV)

Comments were received from City Attorney Harkness.

French moved, Brown supported, CARRIED, To Approve 2nd Reading & Adoption of Ordinance # 2017-08, An Ordinance to Add Section (s) 82-129. 82-130 and 82-131 as presented. (7-0, rcv)

- C. Discussion/Approval Council Rules and Procedures (RCV)

Council Member French asked to have Discussion/Approval Council Rules and Procedures postponed to the next agenda to allow Mayor and Council time to review.

French moved, Barnes supported, CARRIED, to Postpone Council Rules and Procedures to the next agenda for Mayor and Council time to review. (7-0, vv)

- D. Request Approval Invoice for MML Dues for \$5,652.00 (RCV)

Comments were received from Council Members French and City Manager Mitchell.

Barnes moved, French supported, CARRIED, To Approve Invoice for MML Dues for \$5,652.00 as presented. (7-0, rcv)

- E. Request Approval Resolution # 2017-39, A Resolution to Approve Expenditures for Repairs to Front End Loader (RCV)

Comments were received from Council Member French, City Manager Mitchell and Mayor Brown.

Barnes moved, French supported, CARRIED, To Approve Resolution # 2017-39, A Resolution to Approve Expenditures for Repairs to Front End Loader as presented. (7-0, rcv)

F. Request Approval Resolution # 2017-40, A Resolution of Censure of the Albion City Mayor (RCV)

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

Council Member Brown moved to call the question.

Brown moved, Spicer supported, CARRIED, to Call the Question. (5-2, rcv) (Barnes and French dissenting).

Lawler moved, Brown supported, CARRIED, To postpone Resolution # 2017-40, A Resolution of Censure of the Albion City Mayor indefinitely. (5-2, rcv) (Barnes and French dissenting).

G. Discussion-Marijuana Facilities

City Manager Mitchell stated she would like direction from the Council on whether they choose to move forward with the medical marijuana facilities.

Questions/Comments from the Council were as follows:

- Where would the facilities be located if the Council chooses to move forward? *If manufacturing were involved, it would have to be located in an industrial area such as the Harvard property, the 425 property or the industrial park.*
- What are the five categories of licenses for medical marijuana? *Growers; Processors; Secure Transporters; Safety Compliance Facilities; Provisioning Centers.*
- May want to reach out to local businesses for feedback
- Provide survey to the Council to indicate if Members are interested in: 1. Moving forward with medical marijuana licensing and 2. What type of licenses and how many would the City be interested in providing.
- How many medical marijuana cards have been issued in Calhoun County?

Comments were received from Council Members French and Spicer; City Attorney Harkness; City Manager Mitchell and Mayor Brown.

H. Correction to October 5, 2017 Special Council Session Minutes.

Correction is as follows:

Page 2: First paragraph-Change flawed to hired.

French moved, Brown supported, CARRIED, To approve the October 5, 2017 Special Session minutes with the above correction. (7-0, vv)

X. City Manager Report

A. Notice of Resignation

City Manager Mitchell reported the following:

- She thanked everyone for the support and the tremendous opportunity
- Consumers Energy has gone through the building and replaced all the lighting to LED lights
- Stacey Levin received first place in her age group and Scott Kipp came in 14th overall in the Run for the Badge race in Washington.
- Tuesday, October 31st, Albion Department of Public Safety will be providing candy checks at the fire station from 6:30 p.m. to 8:30 p.m.
- Verizon has approached the City with a proposal to erect a cell tower on City property. The details of the proposal are being worked out and will be presented to Council.
- To offer clarity on the Albion College parking lot. First and foremost, at no time did I ever give an instruction to repair the pot holes in all of the colleges parking lots. It was not an intentional act, but an unfortunate miscommunication with my staff. Once I became aware that City labor was involved in the project, I immediately brought the entire situation to council's attention and advised that the situation would not reoccur.
- In March 2017, Council approved Resolution # 2017-06 to request that budget reports be provided on a monthly instead of a quarterly basis. The conversion to providing monthly reports began in February 2017, prior to Council's adoption of the resolution. The only month that a report has not been provided in a council packet was July 2017. This is also the time in which the Finance Department is extremely busy with processing property taxes.
- Letter of Resignation-In accordance with my Agreement, I am hereby providing you with the requested 4 weeks' notice that my last day of employment will be November 8, 2017. It would be my recommendation that Chief Scott Kipp be appointed Acting City Manager. He has served in this role previously and is most familiar with current projects and operations. Further, Tom Mead is very much occupied with the preparation of the 2018 budget. It has truly been an honor and privilege to serve as Albion's City Manager for 3 years.

City Manager Mitchell read aloud her resignation letter.

Council Member Barnes called privilege and left the meeting at 8:55 p.m.

XI. Future Agenda Items

Mayor Brown asked about a resolution for recent Legislative changes on nominating petition deadlines.

City Harkness stated a charter amendment is needed to make the legislative changes on nominating petitions. If the Council choose to move forward with the charter revision, this would be part of the proposed changes. The legislative changes supersedes charter provisions. Until such time as the charter revision is approved, the City will follow the new legislative changes for petition deadlines.

Council Member French asked for the portion of Resolution # 2017-40, A Resolution of Censure of the Albion City Mayor, that the Albion City Council asks the City Manager to allow the City Council thirty (30) days to come together with the Mayor, the City Attorney, to come to an agreement with all parties in regards to the defining of the working relationship between the City Manager and the Mayor, prior to her tending her resignation. Regardless of the outcome, this clarification of the rightful authority of the Mayor, as outlined in the City's Charter.

XII. Motion to Excuse Absent Council Member (s) (VV)

No action was necessary as all members were present.

XIII. 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 Janice Best, 710 S. Eaton St.

XIV. Adjournment

Brown moved, Spicer supported, CARRIED, to adjourn council session. (6-0 vv)

Mayor Brown adjourned the meeting at 9:00 p.m.

Date

Jill Domingo
City Clerk

City of Albion
Study Session Minutes
October 23, 2017

I. CALL TO ORDER

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

II. ROLL CALL

PRESENT: Council Members Lenn Reid (2), Sonya Brown (3), Marcola Lawler (4) and Andrew French (6). Council Members Maurice Barnes (1) and Jeanette Spicer (5) were absent. Mayor Brown arrived at 7:05 p.m.

ABSENT: Council Members Maurice Barnes (1) and Jeanette Spicer (5).

STAFF PRESENT:

Sheryl Mitchell, City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Tom Mead, Finance Director; Stacey Levin, Assistant City Manager; Scott Kipp, Chief Public Safety and John Tracy, Director Planning, Building & Code Enforcement.

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

A. Budget Overview

City Manager Mitchell stated the proposed 2018 budget proposal being presented to Council.

B. Fund 101-General Fund

Finance Director Tom Mead gave the following 2018 Budget Information:

- This is the first year that property values did not decline.
- There was a 5.5% increase for health care.
- Built in costs for union negotiation wage increases.
- Fund 101-000-438-Income Taxes-Had some issues with the new company and banking information, however once the issues have been worked out there should be a substantial increase in revenue collections.
- Fund 101-000-573 is the new reimbursement from the State to offset some of the revenue decline from the personal property reform law. Beginning in 2017 the State recommends posting payments into the 101-000-441 fund.

- Fund 101-000-676 was used to reflect reimbursement from Retiree's for the cost of their health insurance paid by the City. The cost was reflected in expense account 101-895-716. In 2018, both the reimbursement and the payments will be reflected in a balance sheet account since they have no net impact on revenue and expense.
- Fund 101-000-693 reflects \$47,500 for military equipment obtained through Public Safety that will be sold.
- Dept 101-City Council is status quo. No significant changes.
- Dept 172-City Manager has an increase in wages to reelect the new position for the Assistant City Manager and increase in City Manager salary. Account 101-172-702.01 is funding for leave bank payouts/bonuses.
- Dept 209-Assessing-Small change in revenue. This was previously received for residents not filing property exemptions which has decreased significantly.
- Dept. 210 City Attorney-Slight increase for professional services
- Dept. 215 Clerk-Increase in election costs as 2018 is an election year
- Dept 226 Human Resources-No significant changes
- Dept 260 Finance-Increase in contractual services for assistance with income tax collections.
- Dept 265-No significant changes. Account 101-265-785 was increased in 2017 for elevator repair.
- Dept 276-Cemetery-Increase from cemetery trust for cemetery perpetual care. 2017 includes \$5,000 reallocation of estimated wage & benefits for City property leaf pickup that was historically charged to solid waste. An ordinance will be coming forth pertaining to add perpetual care for the cemetery.
- Dept 345-Public Safety- Changes to Account 101-345-981 are as follows:
 - 2017 will increase from \$20,139 to \$32,898 as one additional payment needs to be made in 2017. This will be an increase of \$12,758.00.
 - 2018, the amount will decrease from \$47,138 to \$39,485 for a decrease of (\$7,653.00)
 - Account 101-345-477 Liquor licenses is funding provided by the State for various sting operations throughout the County
 - The COPS grant that was applied for was for two new officers, however due to the size of the department, the City would only receive funding for one officer. We have not received notification of whether the City received the grant or not. If the grant is received, the City will be responsible for 20% of employee's benefits and wages and would be approximately \$13,000.
 - What account has the repairs to the military equipment been charged to? The forfeiture account has taken care of the repairs to the military equipment.
- Dept 422 Code Enforcement-No significant changes
- Dept 442 City Maintenance-this fund incorporates properties owned by the City other than City Hall. Account 101-442-922 Electricity which are for street lights. This has been changed to its own new department.

- Dept 444 Tree Trimming- This fund is bare bones. 2018 budget is tight and this is typically one of the funds that is cut.
- Dept 447 Engineering-This fund is used for miscellaneous engineering services not related to a specific project.
- Dept 448 Street Lighting-This department was created on recommendation from the State so the significant costs would be easier to track.
- Dept 526 EPA Landfill-This is monitoring done by Hull & Associates. No significant changes.
- Dept 758 Albion River/Bike Trail-New department that will capture revenue and expenses for the Albion River Trail. *The trail will not be plowed in the winter as grant funding did not cover this. Need to make public aware.*
- Dept 775 Parks-Includes \$5,000 reallocation of estimated wage & benefits for City Property leaf pickup, historically charged to solid waste. *Do we know what will be done with all the leaves in the streets and on public property?*
- Dept 778 Holland Park-This will cover grant dollars/donations for Holland Park projects. The revenues and expenses will be the same. \$25,000 is an estimated cost of what may come in from grant funding. It is assumed that what will come in will be spent the same year.
- Dept 895 General Appropriation:
 - Account 101-895-716-00 Hospitalization Insurance This was historically used to reflect the cost of the retiree's health insurance paid by the City, then the revenue account 101-000-676.01 reflected the offsetting reimbursement from the retiree's. Beginning in 2018, both the payments & reimbursements will be reflected in a balance sheet account since they have no net impact on revenue and expense.
 - Account 101-895-719.01 is paid to MERS for the old hospital nurses DB Pension Plan.
 - Account 101-895-955 Most of this was used for the \$50 sidewalk assessment on City owned properties. 2017 is the last year of the program so these costs go away in 2018 which explains the decline.

Overview 2018 General Fund Budget:

- Conservative numbers were used for the 2018 budget.
- We anticipate a \$159,000 shortfall for 2017.
- Currently showing a \$10,000 shortfall for 2018, however with the correction to Public Safety vehicles (approx. \$7800) this leaves an approximate \$2400.00 shortfall that can be trimmed from the current budget.
- Very close to revenue and expenses balancing
- We currently have a 34.95% Fund Balance
- The Library will be transitioning their accounting services to their own accounting system early in 2018.
- The State considers a balance budget to be adequate revenue and fund balance to cover expenses.

- A summary revenue & expense budget report was also given to Council.

City Manager Mitchell stated some items to consider that may be used from Fund Balance are:

- Need to consider priorities of the community and how fund balance should be allocated
- Additional staffing for Code Enforcement/Funding would need to be identified
- Sidewalks
- Cemetery Perpetual Care
- Medical Marijuana licensing
- Training for Council Members
- Tree trimming

Questions/Comments from the Council were as follows:

- Great looking budget
- Would like a listing of roles & salary in the next budget packet
- Would like to see fund balance used to help increase Code Enforcement
- If the Council chooses to move forward with Medical Marijuana licensing, depending on the location this may be additional funds for the General Fund.
- Council would like to set up a study session for code enforcement.

- C. Fund 363-Energy Bond-This bond was originally for an energy study and subsequent energy improvements around the City. Departments that received these improvements pay into the fund and those funds are then used to make the annual bond payment. This bond matures in 2024.
- D. Fund 364-GO Water Bond- This bond matures on 10-1-2017 so no tax levy or debt service required for 2018.
- E. Fund 367-Sidewalk Program-The last year for the sidewalk program was 2017. Estimating using approximately half of the amount in the fund in 2018 and the balance in 2019. Account 367-000-408.01 is chargebacks for sidewalk assessments of properties not sold at auction.
- F. Fund 369-ABA Bond-This fund covers two bond payments:
- Renovation and expansion at Maple Grove Apartments. This bond matures in 2019.
 - The construction of the Ambulance/ Fire Station. The Ambulance/Fire Station fund receives funds from Albion Public Safety and Huron Valley Ambulance, those funds are then used for the annual bond payment. This bond matures in 2028.
 - The fund balance for the ABA Bond has increased a small amount.

- G. Fund 374-DPW Bldg. Debt-This is also a debt service fund. Loan was for the purchase of the Street Department/Equipment Pool Garage. Funds are transferred in from the Departments using the garage and then used to make the loan payments. This loan matures in 2023.
- H. Fund 711-Cemetery Trust-\$30,000 will be transferred to the Cemetery Fund to be used for operations and perpetual care.
- I. Fund 735-Albion Trust-The Albion Trust holds bonds for the ambulance/fire station and Maple Grove. No expenses for 2018. The City has previously used money from this fund for purchases.
- J. Fund 737-Retiree Health Care-The Retiree Health Plan was first offered by the City around 2002 or 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.

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

IV. 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 Elaine Rice, 910 Irwin Avenue; Lauren Freeman, AmeriCorps Vista Intern; Janice Best, 710 S. Eaton St; Mayor Brown; Council Members Reid and French.

V. ADJOURNMENT

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

Mayor Brown adjourned the Study Session at 8:17 p.m.

Date

Jill Domingo
City Clerk

City of Albion
Special Session Minutes
October 30, 2017

I. CALL TO ORDER

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

II. ROLL CALL

PRESENT: Council Members Maurice Brown (1), Lenn Reid (2), Sonya Brown (3), Marcola Lawler (4) Jeanette Spicer (5), and Andrew French and Mayor Brown.

STAFF PRESENT:

Sheryl Mitchell, City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Stacey Levin, Assistant City Manager; Scott Kipp, Chief Public Safety; John Tracy, Director Planning, Building & Code Enforcement; Tom Mead, Finance Director; Jim Lenardson, Director Public Services and Larry Williams, Recreation Director.

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).

Public comments were received from Ed Kernish, 903 Cram Lane; Wes Dick, 700 E. Michigan Avenue; Mary Slater, 517 E. Michigan Avenue; John Face, 812 N. Eaton St; Dianne Guenin-Lelle, 422 Elizabeth St; Bob Dunklin, 707 Huntington Blvd; Nels Christensen, 915 S. Superior St; Lonnie Brewer, 1200 Hillside Dr; Keena Williams, 414 N. Huron St; Mike Bearman, 11016 2 Mile Rd; Sheila Lyons-Sobroski, 1433 E. Michigan Avenue; Shawna Gamble, 618 N. Ann St and Chad Baase, 1021 Burr Oak St who all spoke in favor of reaffirming Albion's City government and retaining Dr. Sheryl Mitchell as Albion City Manager.

IV. Request Approval Resolution # 2017-41, A Resolution to Reaffirm Faith in Albion's Government (RCV)

Comments were received from Council Members Reid, Lawler and Mayor Brown.

Council Member Barnes called for point of order.

City Manager Mitchell asked for personal privilege and read the following;

Thank you...**EVERYONE** for your tremendous outpouring of love, prayers, and support!
I have never experienced such An immense demonstration of voices united

together. I am truly humbled and deeply moved by everyone who has taken the time to share your fears and your hopes.

Let us take a moment to reflect on what we find upon us in our City right now. We are divided. We are frustrated. Many of us are angry.

But **as your Public leaders** we have a duty. We have a duty to listen to the voices of the people who are speaking out -- as so many Albion residents, organizations, and businesses have been doing these past few weeks.

I praise you for your courage and I want to tell you that **I hear your voices**.

I hear your concerns that my leaving the City Manager position would derail the forward momentum that we have all **worked so hard for -- to positively transform our community**.

Since high school, I have known that I wanted to be in government – although at that time my focus was **to** become the President of the United States.

But there have also been detractors – such as my high school counselor - people who have tried to stand in the way of what I truly believe is my calling.

Yet, I have been fortunate to have people encouraging me to pursue my dreams to be a public servant. **And, Young people are indeed watching what happens today. How can we lead by example?**

According to Dr. Martin Luther King, Jr., “true leadership” is not bestowed, but rather...

“You must earn it. True greatness comes not by favoritism but by fitness...If you want to be important—wonderful. If you want to be recognized—wonderful. If you want to be great—wonderful. But recognize that he who is greatest among you shall be your servant. That’s your new definition of greatness...You only need a heart full of grace. A soul generated by love. And you can be that servant.”

I did not come to Albion because I needed a job. I did not come to Albion because I considered the City Manager position a stepping-stone to something else.

I came to Albion because I wanted to serve.

And I am proud to be not only Albion's City Manager, but also the first African American Woman to hold the City Manager position in Albion...**and one of the few in this State.**

I have remained in Albion because I care deeply about the people. Our Albion.
Our community.

But we are at a crossroads in our community.

We need leadership that will step forward to instill confidence that we can move in a positive direction **and rise above this bitter climate.**

Our stability inside City Hall, **and particularly within this chamber,** is critical to the stability outside of it.

Yet we must also understand what lies ahead. There is much work to be done. **We must heal.** We must recover from the wounds that have affected healthy operations at City Hall and build anew.

Despite the pain, we must RISE UP! We must all **RISE UP AND** make a promise to **work together openly** and **respectfully.** We must all make this promise—every one of us.

We must not give up on the idea that we can be a thriving City with healthy leadership. Anger only fuels more anger. Let's get back to what is most important – the people of Albion and the City business that needs our most urgent attention. **Our City deserves this. The people of Albion deserve this.**

And so, **the** Mayor and each Council's approval of the **Resolution to Reaffirm Faith in Albion's Government,** and, the Mayor and each Council's approval of the

Resolution to Reject the Resignation of the City Manager, means that they commit to this promise.

In good faith, I too commit to this promise by hereby officially rescinding my letter of resignation, effective immediately.

A standing ovation was received for City Manager Mitchell.

Barnes moved, French supported, CARRIED, To Approve Resolution # 2017-41, A Resolution to Reaffirm Faith in Albion's Government as presented. (7-0, rcv)

- V. Request Approval Resolution # 2017-42, A Resolution to Reject the Resignation of the City Manager (RCV)

Comments were received from Council Members Lawler, Spicer, Barnes, French and Brown; Mayor Brown; City Manager Mitchell and City Attorney Harkness.

Council Member Spicer asked for the following amendment to Resolution # 2017-42, A Resolution to Reject the Resignation of the City Manager to the following:

- 1) Put measures in place to create a healthy working environment, including governance training, information sessions and pathways to healing,
- 2) At a date determined by the City Manager, Mayor, and City Council, as part of the Manager's regular performance review, enter into contract negotiations, and put into her contract plans to create a healthy work environment,
- 3) Work diligently to meet the needs of our City Manager as outlined in our City Charter.

French moved, Brown supported, CARRIED, To accept the above amendments to Resolution # 2017-42, A Resolution to Reject the Resignation of the City Manager. (7-0, vv)

Barnes moved, Reid supported, CARRIED, to Approve Resolution # 2017-42, A Resolution to Reject the Resignation of the City Manager with the above amendments. (7-0, rcv)

- VI. Approve/Discuss Plan for Acting City Manager and Transition

French moved, Barnes supported, CARRIED, to Remove Approve/Discuss Plan for Acting City Manager and Transition from the agenda. (7-0, vv)

- VII. Request Approval Resolution # 2017-43, Requesting Corroboration of Alleged Harassment and a Hostile Work Environment (RCV)

Comments were received from Council Members Lawler and Barnes, Mayor Brown and City Attorney Harkness.

Council Member Barnes asked for Point of Order.

Lawler moved, Brown supported, CARRIED, to **TABLE INDEFINATELY** Approval of Resolution # 2017-43, A Resolution Requesting Corroboration of Alleged Harassment and a Hostile Work Environment as presented. (7-0, rcv)

French moved, Brown supported, CARRIED, To move the Discussion of Corroboration and Alleged Harassment and a Hostile Work Environment to a Closed Session with the City Manager and Council. (7-0, vv)

VIII. Motion to Excuse Absent Council Member (s) (VV)

No action was necessary as all members were present.

IX. 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 Lonnie Brewer, 1200 Hillside Rd; Marva Powell, 116 W. Pine St; Chad Baase, 1021 Burr Oak St; Alfredia Dysart-Drake, 1016 S. Superior St and Council Member Barnes.

X. ADJOURNMENT

Brown moved, Lawler supported, CARRIED, to ADJOURN Special Council Session. (7-0, vv).

Mayor Brown adjourned the Special Session at 8:40 p.m.

Date

Jill Domingo
City Clerk

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



CITY OF ALBION
Office of the City Manager
Sheryl L. Mitchell

112 West Cass Street ♦ Albion, MI 49224
517.629.7172 ♦ smitchell@cityofalbionmi.gov

MEMO

TO: Honorable Mayor and City Council
FR: Sheryl L. Mitchell, City Manager
DA: November 6, 2017 slander
RE: **Agenda Summary**

ITEMS FOR INDIVIDUAL DISCUSSION

- A. Request Approval Resolution #2017-44, A Resolution to Approve Expenditures for Repairs to Starr #2 Well.** Albion's water comes from two main groundwater wells and three back-up wells, each over 250 feet deep, drawing water from the Marshall-Sandstone formation: Starr 1; Starr 2; Clark 1; Clark 2; Clark 3. The Starr #2 Well, which is a primary well, is in need of emergency repairs. The repairs will total approximately \$15,000.00 (\$13,445.00 plus \$1,555.00 contingency). Given that this expenditure exceeds \$5,000.00, council approval is required pursuant to Ordinance 2-384. The funds will be drawn from the Water Fund the repairs. City Manager recommends approval.
- B. Request Approval – Request Approval City Attorney Retainer Agreement.** The proposed annual retainer for The Harkness Law Firm reflects a most increase of \$2,500.00 –from \$85,000 to \$87,500. Agreement shall be effective January 1, 2018 and shall continue until its amendment by mutual consent of both parties or until terminated by either party with ninety (90) days written notification. This agreement may not extend beyond ten (10) years without mutual consent of both parties. City Manager recommends approval
- c. Request Approval Memorandum of Understanding Archival Consultant.** The MOU allows Mr. Justin Seidler to serve as the City's Archival consultant. Mr. Seidler has volunteered to produce an Archival Preservation Assessment Report and make future recommendations for the preservation of pictures and artifacts. City Manager recommends approval
- D. Discussion – Council Training Dates.** This item was requested by Mayor Brown.
- E. Request Approval Resolution #2017-45, Audit Proposal for 2017 Audit by Abraham & Gaffney.** The resolution approves the contract with Abraham & Gaffney, P.C. to provide auditing services for the Fiscal Year ending 2017. The auditing contract services include conducting the Financial Audit for the year ending 2017, Single Audit, Preparation of F-65 and Act 51, for a total not to exceed \$29,500 (2016: \$28,250). City Manager recommends approval

Resolution #2017-44

A RESOLUTION TO APPROVE EXPENDITURE FOR REPAIRS TO STARR #2 WELL

Purpose and Finding: Albion’s water comes from two main groundwater wells and three back-up wells, each over 250 feet deep, drawing water from the Marshall-Sandstone formation:: Starr 1; Starr 2; Clark 1; Clark 2; Clark 3. The Starr #2 Well, which is a primary well, is in need of emergency repairs. The repairs will total approximately \$15,000.00 (\$13,445.00 plus \$1,555.00 contingency). Given that this expenditure exceeds \$5,000.00, council approval is required pursuant to Ordinance 2-384. The funds will be drawn from the Water Fund the repairs.

Council Member _____ moved, supported by Council Member _____, to approve the following resolution.

RESOLVED, that the City Council authorizes the expenditure of not more than \$15,000.00 for the repairs to Starr #2 Well.

Date: November 6, 2017

Ayes: _____

Nays: _____

Absent:_____

I certify that this resolution was adopted by the City Council of the City of Albion on November 6, 2017.

Jill Domingo
City Clerk



6837 West Grand River Ave
Lansing, Michigan 48906

City of Albion
Attn: Jim Lenardson
Dept. of Public Utilities
112 W. Cass Street
Albion MI 49224

Proposal

Date	Proposal #
10/16/2017	17-Q1370

Description	Qty	Rate	Total
Thank you for the opportunity to present you with this proposal for the pump work and chemical cleaning of your Starr #2 well.			
Labor, Mobilization, Demobilization, Pull Pump, Set Pump, Run a post efficiency well and pump test	24	180.00	4,320.00
Labor - Shop, tear down pump, wash and inspect pump, reassemble and paint pump	1	650.00	650.00
Video Log before cleaning	1	875.00	875.00
Well Cleaning: Chemical Cleaning	1	7,600.00	7,600.00
Mix a solution of 2000 gallons water, Acid and NPW enhancer, inject in at top of well on a Friday, let set over weekend, Set pump the following Monday and pump to waste for at least 2 days.			
NOTE: Should conditions change and/or any additional work be required, beyond the original scope of this project, our standard hourly rates will apply. Northern Pump & Well will consult with you prior to the additional work being performed.			
Signature: _____ Date: _____			
Purchase Order No. (if required): _____ * If this proposal meets your approval, please sign / date and return to fax number...1-517-322-0135			
If you have any question please feel free to call 877-477-1757 or 517-322-0219		Total	\$13,445.00

CITY OF ALBION
CITY ATTORNEY RETAINER AGREEMENT

This agreement made this day of _____, November 2017, by and between the City of Albion, 112 W. Cass St., Albion, MI; herein referred to as "City" and The Harkness Law Firm, PLLC, 4121 Okemos Rd., Suite 17, Okemos, MI 48864, herein referred to as "Attorney", delineates the terms, requirements and compensation for the provision of City Attorney services to the City.

1. In accordance with Sections 8.1(a) and 8.2(a) of the City Charter, the Attorney is an administrative officer of the City who is appointed by and serves at the pleasure of the City Council. Under the terms of this Agreement the City Council retains the Attorney to act as general counsel for the City in all legal matters as prescribed by the City Charter. In instances where the City Council decides to retain outside special counsel, the Attorney agrees to cooperate with said counsel as necessary and appropriate.
2. In matters where the Attorney has a conflict of interest, the Attorney shall obtain the services of an independent attorney firm (designated by City Council to act as City Attorney) to handle such matters at the City's expense. In all other cases where the Attorney wishes the City to retain outside counsel to assist in any City matter, he shall first obtain City Council approval.
3. The City shall pay to the attorney an annual retainer (which shall be paid on a monthly basis, in advance) of (\$87,500.00). In exchange for the payment of the annual retainer, the Attorney shall perform the services required by the City Charter:
 - a. Act as legal advisor to the Council, Manager, Clerk, Finance Director, Assessor, Chief of Public Safety, other department heads and other City Boards or Committees.
 - b. Prepare and file written legal opinions with the City Clerk when requested by the City Council and/or the City Manager.
 - c. Prosecute all ordinance violations and represent the City in cases before the State and Federal courts and other tribunals, including the Tax Commission. These matters include code violation enforcement actions, drug forfeitures, income prosecution and all civil suits filed by or against the City.
 - d. Prepare or review all ordinances, regulations, contracts, bonds and other instruments as may be required by the City Charter or the Council and provide a legal opinion thereon.

- e. Review police reports, issue praecipes, prepare complaints and warrants, prosecute ordinance violations and pursue victim rights remedies, including the collection of restitution.
 - f. Attend all meetings of the City Council (two regular meetings per month plus special meetings, study sessions, council retreats, etc.).
 - g. Advise the Council relative to hiring outside attorneys.
 - h. Serve as a member of the Election Commission, which may entail working election night and accompanying the City Clerk to the County Clerk's Office and comparing the number of voters in each ward after each census.
 - i. Confer in office and over the phone with citizens, witnesses, or other parties to proceedings involving the City.
 - j. Perform such other duties as may be prescribed by Charter or Council.
4. As part of the annual retainer, the Attorney shall provide all the administrative services and support necessary to manage the workload in order to complete all assignments. This includes office facilities, support staff and supplies and equipment.
5. The City shall reimburse the Attorney on a monthly basis for any and all out of pocket expenses incurred in the representation of the City including, but not limited to:
 - a. Filing Fees;
 - b. Recording Fees;
 - c. Transcript Fees;
 - d. Motion Fees;
 - e. Service of Process Fees;
6. The Attorney for record keeping and analysis purposes shall keep detailed records of hours spent by category of work, i.e. general counsel, prosecution, court time, special litigations, etc. The categories and process shall be mutually agreed upon between the Attorney and the City Council.
7. The Attorney shall maintain professional liability insurance of at least \$1,000,000.00 per incident and \$1,000,000.00 aggregate for the duration of this agreement and provide proof of said insurance to the City Clerk.
8. This Agreement shall be effective January 1, 2018 and shall continue until its amendment by mutual consent of both parties or until terminated by either party with ninety (90) days written notification. This agreement may not extend beyond ten (10) years without mutual consent of both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date stated above.

City of Albion

The Harkness Law Firm, PLLC

Garrett Brown, Mayor

Cullen C. Harkness, Managing Member

Jill. Domingo, Clerk

Date

Date

MEMORANDUM OF UNDERSTANDING
ARCHIVAL CONSULTANT

The City of Albion (“the City”), located at 112 W. Cass St., Albion, MI 49224, and Justin Seidler, whose address is 602 E Cass St., Albion, MI 49224, desire to enter into an agreement to allow for Mr. Seidler to serve as the City’s Archival consultant. In furtherance of that goal, the parties herein hereby enter into the following agreement regarding the same with the following terms:

1. Mr. Seidler has volunteered to serve the City as Archival Consultant;
2. The role of Archival Consultant requires preservation of City archives;
3. Mr. Seidler has visited City Hall and produced an Archival Preservation Assessment Report dated October 20, 2017;
4. Mr. Seidler produced the report described in (3) above with the understanding that he would be working as a volunteer, and without expectation of being paid for the same;
5. Mr. Seidler will not be compensated by the City for his role acting in a volunteer capacity as Archival Consultant under this agreement, and nothing in this agreement shall be deemed to create an employment relationship;
6. The duties for the role of Archival Consultant may be further described in an addendum to this memorandum of understanding, drafted by the City Manager;
7. This Agreement shall be construed under the laws of the State of Michigan. Any and all claims, disputes, lawsuits, controversies, actions, or litigation arising out of this agreement shall be brought in either the 10th District Court or the 37th Circuit Court for Calhoun County, Michigan;
8. Mr. Seidler agrees to indemnify, release and hold harmless the City of Albion together with its elected and appointed board members, officials, employees, agents, representatives, from any responsibility or liability for personal injury, including death, and damage to or loss of property whatsoever, that may occur while Mr. Seidler is performing under this agreement. Mr. Seidler further releases and holds harmless the City, together with its elected and appointed board members, officials, employees, agents, representatives from any and all liability or responsibility, including but not limited to that which may be due to the actions or inactions of the City, while Mr. Seidler is engaging in activities pursuant to this agreement;

9. This agreement contains the complete expression of the agreement between the parties, on the subjects contained herein and there are no other oral or written agreements or understandings between the entities herein concerning these subjects. Any prior agreements or understandings on the matters addressed in this Agreement are hereby rescinded, revoked or terminated. This Agreement may be modified or amended only by subsequent written agreement approved by the authorized representatives of the parties;

10. If any part of this agreement is determined to be invalid, the rest of the agreement remains in full effect;

11. This agreement takes effect upon the signature of both parties.

IN WITNESS WHEREOF, the parties have executed this memorandum of understanding as of the date below.

Justin Seidler

The City of Albion

Signed: _____

Signed: _____

Date: _____

Date: _____

Resolution 2017-45

**Resolution for Approval Contract with Abraham & Gaffney, P.C.
For Fiscal Year 2017 Auditing Services**

WHEREAS, the Albion City Council adopted Resolution #2017-09 to extend the contract with Abraham & Gaffney, P.C. to provide auditing services for the Fiscal Year ending 2017; and

WHEREAS, additional auditing requirements under the latest GASB rules have significantly impact the financial statements for Fiscal Years 2017, respectively; and

WHEREAS, it is anticipated that the new GASB requirements will significantly increase the number of hours for the audit fieldwork and in the preparation of the financial statements, including note disclosures and the required supplementary information; and

WHEREAS, the auditing contract services include conducting the Financial Audit for the year ending 2017, Single Audit, Preparation of F-65 and Act 51, for a total not to exceed \$29,500 (2016: \$28,250); and

WHEREAS, it is the recommendation of the City Manager and Finance Director to enter into this agreement for an auditing contract with Abraham & Gaffney, P.C. for Fiscal Year 2017; and

NOW THEREFORE BE IT RESOLVED: The City of Albion finds it is the best interest of its citizens and for fiscal continuity to approve the contract with Abraham & Gaffney, P.C. for Fiscal Year 2017 auditing services.

Motion by Council Member _____, supported by Council Member _____, to approve the foregoing resolution.

I hereby certify that the above resolution was adopted on November 6, 2017 in a regular session of the Albion City Council and this is a true copy of that resolution.

Ayes _____

Nays _____

Absent _____

Jill Domingo, City Clerk

Principals

Dale J. Abraham, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

July 25, 2017

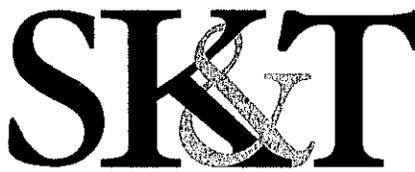
Mr. Tom Mead, Treasurer/Finance Director
City of Albion
112 West Cass Street
Albion, MI 49224

Dear Tom:

On July 31, 2017 Abraham & Gaffney, P.C. will complete the transition of the governmental and nonprofit clients to Stevens, Kirinovic & Tucker, P.C., subsequent to this date Abraham & Gaffney, P.C. will no longer have the qualifications and/or experience to provide quality services to these industries. Please allow this letter to serve as your release from your contract from Abraham & Gaffney, P.C. and allow you to smoothly transition to Stevens, Kirinovic & Tucker, P.C.

Sincerely,

STEVEN R. KIRINOVIC, CPA
President and Managing Partner
ABRAHAM & GAFFNEY, P.C.



STEVENS KIRINOVIC & TUCKER P.C.

July 25, 2017

Mr. Tom Mead, Treasurer/Finance Director
City of Albion
112 West Cass Street
Albion, MI 49224

Dear Tom:

We are excited to announce the creation of Stevens, Kirinovic & Tucker, P.C. (SKT). On July 31, 2017, the partners of SKT will complete the acquisition of the governmental and nonprofit clients from Abraham & Gaffney, P.C. (A&G).

At SKT, our focus will be to provide quality service to our governmental and nonprofit clients. The guiding principles of our firm will continue to be integrity and to provide *total client service*. To us, this means creatively advising and serving the needs of our clients on a timely basis. The vision of the SKT is "to be a leading contributor to the public and nonprofit sectors, providing top quality audit, financial, and operational services."

Our governmental and nonprofit industry growth since 1991 has been predominantly internal, stemming from the referrals of our client base and those of other professionals. The growth and development of our professional staff has evolved in a similar manner. We have attracted high-quality, committed professionals and invested in their training, development, and growth. As a result, we have experienced tremendous growth over the past several years. This has been in no small way also directly related to the success our clients.

There are several things we want to guarantee:

- You will continue to work with similar people in our firm you have in the past. All of our people are being retained in their current roles.
- Our fee structure will not change.
- The high quality services we have provided to you in the past will continue.

As we work through this transition, we will be providing you with a letter from A&G releasing clients to SKT. Accompanying this letter of release will be a new engagement letter with SKT, with the same fee structure as your previous engagement letter with A&G. In addition, any invoices from A&G dated prior to July 31, 2017, should continue to be paid to A&G. Subsequent invoices dated August 1, 2017 and after will be paid to SKT.

We are grateful to you not only for giving us the opportunity to provide you with accounting and auditing services, but for your loyalty and friendship. We look forward to our continued relationship. If at any time you have questions about our transition, please do not hesitate to contact any of us. We look forward to welcoming this new change and including you in our new company's vision.

The Partners and Associates of

Stevens Kirinovic & Tucker, P.C.

STEVENS, KIRINOVIC & TUCKER, P.C.



August 1, 2017

City of Albion
112 W. Cass Street
Albion, MI 49224

We are pleased to confirm our understanding of the services we are to provide the City of Albion for the year ending December 31, 2017. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of Albion as of and for the year ending December 31, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Albion's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Albion's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Budgetary comparison schedules.
3. Pension system schedules
4. Other post-employment benefit system schedules

We will also prepare the Michigan Department of Treasury form F-65 and Michigan Department of Transportation Act 51 report as part of our engagements.

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Albion's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1. Combining statements for nonmajor funds.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City of Albion and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Albion's financial statements. Our report will be addressed to the City Council of the City of Albion. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the city of Albion is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Albion's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing. We understand that we will draft the financial statements, related notes to the financial statements, and RSI.

We will provide copies of our reports to the Michigan Department of Treasury; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Stevens, Kirinovic & Tucker, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the U.S. Department of Agriculture or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Stevens, Kirinovic & Tucker, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by an Oversight Agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately March 27, 2018 and to issue our reports no later than June 30, 2018. William I. Tucker IV is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs such as report reproduction, word processing, postage, travel, copies, telephone, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

The fees are detailed as follows:

<u>Year Ending December 31,</u>	<u>Financial Audit</u>	<u>Preparation of F-65/Act 51</u>	<u>Total Not- to-Exceed</u>
2017	\$ 28,500	\$ 1,000	\$ 29,500

The terms of this engagement letter shall be subject to review by either party on an annual basis and will be subject to cancellation by either party with a 60 day advance notice. The cost schedule detailed above assumes that a Single Audit will not be required.

Our proposal is to provide the City with auditing services, rather than accounting services. The audit cost provided above assumes that extensive journal entries to adjust the accounting records (i.e., bookkeeping) will not be required as part of the audit process. If journal entries are required after we are provided with the initial trial balance at year end fieldwork that are necessary to be recorded in order for the financial statements to be fairly presented in accordance with generally accepted principles accounting principles, we propose a per entry fee of \$100. This fee will not be billed if there are less than ten (10) entries in a given year.

Because we are extremely interested in serving the City and the fact that our audit team members have a great deal of experience working with governmental entities, we are proposing a discount to our audit cost estimate. The price schedule detailed above is a firm price assuming the City records are in reasonable condition and that we are provided reasonable City staff assistance. If our team members spend more hours than the projected hours detailed above that are not due to certain circumstances (i.e., unrecorded or improperly recorded journal entries or activities, unbalanced records, inadequate staff assistance, circumstances different than what was communicated to us during the bid process, etc.) then we will not bill for any amounts over the audit cost estimate. During each year of the audit, we will evaluate the preparedness of the City for the audit and if there appears to be significant audit areas that are not ready for audit procedures we will discuss this situation well in advance with the City to determine an appropriate corrective action plan.

The fees quoted above are based on anticipated levels of client assistance and expertise. Should any of these levels of assistance or expertise change during the period of our engagement, we may need to arrive at a new fee arrangement for the remainder of the agreement.

If certain circumstances are encountered, such as significant areas not being ready for audit that delay or disrupt fieldwork or those issues listed above we will discuss them with you and negotiate additional billings. While we do not expect that there will be additional billings in any audit year, because of the discounted fee that is being proposed it is important that the City adhere to the agreed-upon audit schedule - allowing us to conduct the audit as efficiently as possible.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

If any dispute arises in connection with the performance of our services under this agreement, or any other services we may perform, either party may, upon written notice to the other party, request facilitated mediation. Such mediation shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute. Facilitated mediation shall conclude within 60 days from receipt of the written notice unless extended by mutual agreement.

In the event the aforementioned difference cannot be resolved by facilitated mediation (or the parties agree to waive that process) then such dispute shall be settled by arbitration. Arbitration shall be administered by and follow the rules of the American Arbitration Association (AAA) unless otherwise agreed upon by the parties.

Each party may disclose any facts to the other party, the facilitator, or the arbitrator, which it, in good faith, considers necessary to resolve the difference. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. The facilitator or the arbitrator shall not act as a witness for either party in any subsequent proceedings between the parties. Neither the facilitator nor arbitrator shall have authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. An award issued by arbitration may be confirmed by any federal or state court of competent jurisdiction. All costs of any facilitated proceedings shall be shared equally by both parties. If arbitration is required, all reasonable costs, of both parties, as determined by the arbitrator, shall be borne entirely by the non-prevailing party.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We appreciate the opportunity to be of service to the City of Albion and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copies and return one (1) copy to us.

Stevens Kirinovic & Tucker, P.C.

STEVENS, KIRINOVIC & TUCKER, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the City of Albion.

By: _____

Title: _____

Date: _____

City of Albion Audit Charges - Last 8 Years

<u>Year Paid</u>	<u>Year of Audit</u>	<u>Amount</u>
2018	2017 Proposed	\$29,500
2017	2016	\$29,000
2016	2015	\$28,250
2015	2014	\$30,250
2014	2013	\$30,250
2013	2012	\$27,300
2012	2011	\$26,900
2011	2010	\$26,500
2010	2009	\$27,900

The annual audit performed for the City of Albion not only includes the standard financial audit required by the State of Michigan, but also the Act 51 report and the F-65 Report which are filed with the State. In addition, when necessary (when Federal Grant revenues exceed an established threshold), a "Single Audit" is also performed and filed with the Federal Government. Generally, this is what drives the higher charges - for years when a Single Audit is required, we are charged more. The final cost is driven by the audit requirements in place at the time of the audit. These can change frequently due to on-going legislative and GASB changes.