City of Albion

Special City Council Meeting

June 29, 2015

I. CALL TO ORDER

Mayor Joseph Domingo opened the regular session at 6:00 p.m.

II. MOMENT OF SILENCE TO BE OBSERVED

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

Maurice Barnes (1), Rebecca Decker (4), Cheryl Krause (5), Andrew French (6) and Mayor Joseph Domingo. Lenn Reid (2) and Garrett Brown (3) were absent.

STAFF PRESENT:

Sheryl Mitchell, City Manager; Jill Domingo, City Clerk; Cullen Harkness, City Attorney; Tom Mead, Finance Director and Jim Lenardson, Director of Public Works.

V. MAYOR AND COUNCIL MEMBER’S COMMENTS

Comments were received from Council Member French.

VI. CITIZENS COMMENTS

 Mary Slater introduced twelve (12) French students and one chaperone (1) that are here attending the Summer Dreams camp provided by the Albion Recreation department.

Scott Marvin introduced Mr. & Mrs. Atchison, the new owners of the B & B located

at 108 W. Erie Street.

VII. PRESENTATIONS

 A. Annual Audit Presentation-Abraham & Gaffney

Bill Tucker from Abraham & Gaffney presented the 2014 audit highlighting the following points:

* A single audit report was completed for the federal awards that exceeded $500,000.00
* Fund balance is $837,306.00 assigned and unassigned, which is approximately 18.4%
* We had a 21% increase in overall revenues but a decrease in tax revenues of approximately $177,000.00 which can be attributed to $134,000.00 decrease in property taxes and $43,000 in income taxes.
* Expenses increased 25% due in part to the purchase of the fire truck and federal grants.
* There is a decrease in fund balance of $19,056.00.
* Accounting principles are being changed and pensions are now being included in audits.
* MERS plan is overfunded by $1,832,067.00 and the Public Safety Pension Fund has net assets of $8,834,052.00 for a total of approximately $10

million dollars in assets.

The following are the financial statement findings:

2014-001- Journal entries proposed by auditors. It was emphasized that management is responsible for establishing, maintaining and monitoring internal controls.

2014-002 -Payroll Process-Payroll is processed and checks are signed automatically without an independent review.

**Corrective Action:** The City will establish a process of review where an employee independent of the payroll process will review the payroll register and a check log will be maintained and monitored as a part of each payroll run.

2014-003 -Policies and Procedures-City has not formally adopted written policies and procedures for capitalizing asset s.

**Corrective Action:** The City will establish and adopt a policy for capitalizing assets.

2014-004 – Expenditures exceeded the amounts appropriated in the recreation, revolving loan and drug forfeiture accounts.

**Corrective Action:** The City will perform periodic reviews of the expenditures and monitor them against the adopted budgets in all applicable funds to appropriate budget adjustments can be made as needed.

Finance Director Mead stated he felt 2014 overall was a good year but we are having problems with our taxable values as they are still decreasing.

Comments were received from Council Members French, Barnes and Krause, Mayor Domingo and City Manager Mitchell.

VIII. ITEMS FOR INDIVIDUAL DISCUSSION

 A. Request Approval for MML Liability & Property Insurance Renewal for

 $171,717.00 (RCV)

 Comments were received from Council Member Barnes who requested a formula on how the insurance rates were calculated. Additional comments were received from Council Member Krause, Mayor Domingo, City Manager Mitchell and City Attorney Harkness.

Krause moved, French supported, to Approve the MML Liability & Property Insurance Renewal for $171,717.00 as presented. (5-0, rcv)

IX. CITIZEN’S COMMENTS (Persons addressing the City Council shall limit their

comments to agenda items and to no more than five (5) minutes. Proper decorum is required.)

Comments were received from Mr. & Mrs. Atchison, 108 W. Erie Street.

X. ADJOURNMENT

French moved, Krause supported, CARRIED, to Adjourn the Regular Session

(5-0, vv)

Mayor Domingo adjourned Regular Session at 6:45 p.m.

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Date Jill Domingo City Clerk