

City of Albion  
Special Session Minutes  
November 27, 2017

I. CALL TO ORDER

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

II. MOMENT OF SILENCE

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

PRESENT: Council Members 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; Tom Mead, Finance Director; Scott Kipp, Chief Public Safety; Jim Lenardson, Director Public Services and John Tracy, Director Planning, Building & Code Enforcement.

V. MAYOR & COUNCIL MEMBER'S COMMENTS

Comments were received from Council Members Barnes and French and Mayor Brown.

VI. PRESENTATIONS

A. Saw Grant-Fleis & Vandenbrink

Jeff Wingard, Fleis & Vandenbrink gave the following update on the SAW Grant:

**OVERVIEW**

Public Act 562 of 2012 authorized money for Stormwater, Asset Management, and Wastewater (SAW) Grant Program. In 2014, The City of Albion received a SAW Grant from the Michigan Department of Environmental Quality (MDEQ) to provide financial assistance for the development of this Asset Management Plan (AMP). This report provides the Asset Management Plan (AMP) for the Cities stormwater collection system. Working with City staff, Fleis and VandenBrink (F&V) provided technical assistance for asset identification, condition assessment, and capital improvement planning of the stormwater collection system. This AMP is intended to be a living document that is updated as assets continue to wear and age, and

as additional inspection/condition results are found and incorporated into the plan.

## **ASSET INVENTORY AND CONDITION ASSESSMENT**

The stormwater collection system assets consist of approximately 215,196 feet (40.76 miles) of storm sewers and 2107 stormwater structures connecting the gravity pipe. These assets are located in existing street rights-of-way or in easements dedicated for the assets use and maintenance.

## **ASSET IDENTIFICATION AND LOCATION**

A comprehensive stormwater system asset inventory was developed from available record drawings, field notes, staff knowledge, and site visits; supplemented with field survey work. Asset material, size and age were identified through the review of available historical record documents. Spatial orientation (pipe location), pipe depth and invert elevations were determined through GPS field survey and a comprehensive evaluation of the gravity system. This information was organized into a new (GIS) database and piping network for archiving, mapping and further evaluation purposes.

## **CONDITION ASSESSMENT AND EXPECTED USEFUL LIFE**

For the City of Albion, a comprehensive evaluation of the collection system was performed. NASSCOMACP structure field based assessments were completed on 1,916 of the total 2,107 structures. Pipeline cleaning and NASSCO-PACP CCTV field based inspections were conducted on 1% of the gravity pipe. Recommendations for short-term (1-5 year) and long term (6-20 year) identifies the need for maintenance of the system, 0.6% was tagged for inspection and/or cleaning. Rehabilitation accounted for 6% of the system identifying the need for point repairs and lining. The remaining assets (93.4%) were placed in the beyond 20 year planning category.

## **LEVEL OF SERVICE**

### **DEFINING THE EXPECTED LEVEL OF SERVICE (LOS)**

The overall objective is to provide appropriate stormwater collection, diversion, and conveyance at a minimal cost, consistent with applicable environmental regulation.

## **CRITICAL ASSETS**

### **DETERMINING CRITICALITY**

Business Risk is the determination of criticality of each asset in the wastewater system. Criticality is based on two factors: 1) Likelihood (Probability) of Failure and 2) Consequence of Failure. Defining an asset's Business Risk allows for management of risk and aids in decision making for where to allocate operation and maintenance and capital improvement funds.

Likelihood of Failure (LoF) is a measure of how likely an asset is to fail. The following categories have been developed to quantify how likely an asset is to fail:

- Condition of the asset
- Remaining useful life (Age)
- Service History
- Operational status

Consequence of Failure (CoF) is a measure of the social, economic or environmental impact of failure of an asset and on the utility's ability to convey stormwater. CoF categories of the stormwater collection system include:

- Location of asset
- Facilities served by asset
- Size

## **CAPITAL IMPROVEMENT PLAN**

A Capital Improvement Plan with recommendations was prepared for the Cities assets based on the Business Risk evaluation. Data-driven information from the business risk assessment and condition assessment was used to identify and prioritize the capital improvement projects. The information was also used to schedule inspections to evaluate the condition of high business risk assets. Short-Term 1-5 year and Long-Term 6-20 year Capital Improvement Plan (CIP) was prepared to address the projected needs for each asset in the system. The 5-year CIP rehabilitation total is \$523,062.

Al Gelderloos, Fleis Vandenbrink gave the following WWTP overview:

- Initial portion constructed in 1957.
- Secondary constructed in 1978
- Biosolids storage added in 1990's
- Capacity is 4 mgd; current flows are 2 mgd
- The primary digester has aluminum sheeting covering two locations where the brick façade has fallen off
- 90 plus barrels of debris caused sludge pumping problems. Cleaned out using grant money prior to internal inspection
- WWTP flows as follows:
  1. Pump station lifts water to treatment plant
  2. Primary clarifiers
  3. Aeration tanks
  4. Secondary clarifiers
  5. Chlorine contact tanks
  6. Digesters
  7. Biosolids storage tanks
  8. Tanks are then cleaned out

The final step is working with the Financial Advisor and then meeting with City Manager, Finance Director and Director of Public Services to discuss recommendations.

Fleis and Vandenbrink plan to return in 4 weeks to present findings to Council.

Comments were received from Council Members French and Brown and Mayor Brown.

- 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).

Public comments were received from Renee Miller, 205 E. Watson St. Apt. # 27, Marcus Trammel, 707 N. Berrien St. and Esther McGear, 805 Huntington Blvd.

VIII. **ITEMS FOR INDIVIDUAL DISCUSSION**

A. EDC Budget

- Fund 244-Economic Development
- Fund 247-TIFA
- Fund 296 Revolving Loan
- Fund 246 Business Incubator

City Manager Mitchell gave the following EDC Budget update:

**2017 Revised & 2018 Proposed Budget**

TIFA – 247 account

- Revenue
  - It is important to note the dramatic drop in tax increment revenue over prior years. The total collection and state reimbursement for 2017, is estimated to be approximately \$100k less than what was received in 2016. For 2018, it will be almost \$125,500 less than what was received in 2016.
    - Part of the drop is caused by the change in legislation to allow libraries to opt out of tax increment plans, such as the TIFA. The library mills is no longer collected as part of the TIFA agreement.
    - Another part of the change is due to a problem with one of the local company's tax exemption on personal property and missing a deadline to file for the exemption.
    - We anticipate in 2018 spending staff time on auditing the parcels in the TIFA and the tax capture for a period of years to help us understand where else the problem could be. If that is not successful, the TIFA will hire a third party to audit the district and will contract with someone that is an expert on the new tax system.
- Appropriations

- Pretty standard. Only thing worth mentioning is that the TIFA loan will be repaid in 2017 so there will be no 2018 principal or interest estimated.
- Income/Loss
  - For 2017 and 2018 – both years will end in the red due to the drop in tax collection. The loss will be taken from the fund balance.

#### EDC – 244 account

- Revenue
  - You will see in 2017 a reduction in the line item for local grant. The grant was for the 2<sup>nd</sup> staff person for the EDC, which we hired in July. So the original grant was shared over 2017 and 2018.
  - The Rents line item is for the rents we receive from Ossur in the industrial park. The EDC owns that building.
  - As for Other Revenues – the 2017 was for reimbursement of part of the CEO salary by ARC. For 2018, we have moved this to the "Reimbursements" line item to more accurately reflect the reimbursement that ARC provides the EDC for this position.
  - The Other Revenue for 2018 is the balance needed to supplement the 2<sup>nd</sup> position. We have written a grant for this. We will adjust the budget at year end to reflect the appropriate line item based on what funds the position.
- Appropriations
  - The EDC expenses are as lean as we can make them.
  - One item to note, is the salaries – you will see salaries paid in 2017 reduced, and for 2018 the estimated amount is actually less than what was approved for 2017 originally. The change in 2017 is mostly due to not filling the 2<sup>nd</sup> position for the EDC until July.
- Income/Loss
  - For both years, the EDC fund will end in the black with additions to the fund balance.

#### Business Incubator – 246 account

- Revenue
  - This account actually has both the Business Incubator (246-729) included as well as the Albion Food Hub (246-731).
  - Business Incubator
    - Rents account for the tenant at the Business Incubator.
  - Albion Food Hub
    - You will notice the revenues for the Farmer's Market have steadily risen and we are seeing more growth in vendors and participation in the market in thanks to a very dedicated team working to promote it.
    - Rents for the Albion Food Hub continue to struggle as the Hub is still in early formative years.

- As such, for 2017 you will see a “transfer in” of \$25,000. That equates to the originally estimated amount of \$6,000 for the Business Incubator from the TIFA and an additional \$19,000 for the Albion Food Hub. The \$19,000 will be a loan from the TIFA fund balance to the Albion Food Hub. An agreement is included in the packet for your information.
- For 2018, you will see a large “other revenue” of \$53,000. A revenue plan has been submitted for your review that outlines the various grants that the Food Hub will be submitting to help increase capacity and offerings and cover overhead costs while the Albion Food Hub continues to grow and build a steady base of clients.
  - The Revenue plan consists of grant opportunities and projected growth with new clients.
- Appropriations
  - The expenses of the Business Incubator are mostly reimbursed or covered by the tenant through their lease payments and agreements.
  - For the Food Hub, all expenses are as slim as possible without causing a negative impact for the growth of the operation.
  - Salaries are included under part-time wages – this is a change from years prior when they were salaried.
- Income/Loss
  - For 2017, the fund will result in a loss. The loss shown (-\$24,423.72) will come from the fund balance. It is important to remember, that additionally there was a loan from TIFA for \$19,000. The actual loss for the fund was the sum of the two. Which puts the \$58,000 revenue plan for 2018 into perspective.

RLF – 296 account

- Revenue
  - Interest only.
- Appropriations
  - Staff time and a processing fee are the only expenses for this fund.
- Income/Loss
  - Both 2017 and 2018 are expected to end with a positive addition to the fund balance.

Comments were received from Council Members Brown, Spicer, Barnes, French and Reid; Mayor Brown and Finance Director Med.

B. Request Approval City Manager Compensation (RCV)

French moved, Barnes supported to Approve City Manager Compensation.

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

French moved, Reid, supported to modify the motion to Approval to Increase the City Manager Compensation by \$12,000 per year to her contract.

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

French moved, Barnes supported, CARRIED, To Call the Question. (7-0, rcv)

French moved, Barnes supported, **FAILED**, to Increase the City Manager's Compensation by \$12,000 per year to her contract. (3-4, rcv) (Brown, Lawler, Spicer and Mayor Brown dissenting).

#### C. Discussion/Approval Changes/Additions to the 2018 Budget (RCV)

Comments were received from Council Members Brown and French and Mayor Brown.

French moved, Brown supported, CARRIED, to Approve Changes/Additions to the 2018 Budget as presented. (7-0, rcv)

#### D. Request Approval Contract with Scott Smith (RCV)

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

French moved, Reid supported, CARRIED, to Approve Contract with Scott Smith as presented. (7-0, rcv)

#### IX. Motion to Excuse Absent Council Member (s) (VV)

No action was necessary as all members were present.

#### X. 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 Mark Lelle, 422 Elizabeth St; Renee Miller, 205 E. Watson St Apt. # 27; Brenda Davis, 1229 Highland; Tesha Showers, 404 W. Broadwell #4 and Temple Stovall, 507 Burr Oak St.

#### XI. ADJOURNMENT

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

Mayor Brown adjourned the Special Session at 8:50 p.m.

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Date

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Jill Domingo  
City Clerk