City Of Albion

City Council Meeting

December 5, 2016

I. SINE DIE PROCEDURE

A. CALL TO ORDER

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

 B. MOMENT OF SILENCE WAS OBSERVED

 C. PLEDGE OF ALLEGIANCE

 D. ROLL CALL

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

 Administration: Sheryl L. Mitchell, City Manager; Cullen Harkness, City Attorney ; Jill Domingo, City Clerk, Scott Kipp, Chief of Public Safety, Tom Mead, Finance Director, Danielle Nelson, Special Projects Manager; John Tracy, Director, Building, Planning & Code Enforcement and Jim Lenardson, Director of Public Services.

E. MAYOR AND COUNCIL MEMBERS' COMMENTS

 Comments were received from Council Members Reid, Decker, Krause and French and Mayor Domingo.

F. CONSENT CALENDAR (VV)

 A. Approval of Regular Session Minutes – Nov. 30, 2016

 French moved, Krause supported, CARRIED, to Approve Consent Calendar as

 presented. (7-0, vv).

G. ADJOURNMENT SINE DIE

 French moved, Krause supported, CARRIED, to Adjourn Sine Die. (7-0, vv)

H. REORGANIZATION OF THE COUNCIL

1. Oath of Office

 City Clerk Domingo administered the Oath of Office to incoming Council

 Members Sonya Brown, Marcola Lawler and Jeanette Spicer and Mayor Brown

 and then presented the new Council to Mayor Brown.

I. CALL TO ORDER

Mayor Brown called the regular meeting to order at 7:10 p.m.

J. ROLL CALL

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

 Administration: Sheryl L. Mitchell, City Manager; Cullen Harkness, City Attorney ; Jill Domingo, City Clerk, Scott Kipp, Chief of Public Safety, Tom Mead, Finance Director, Danielle Nelson, Special Projects Manager; John Tracy, Director, Building, Planning & Code Enforcement and Jim Lenardson, Director of Public Services.

K. NOMINATION OF MAYOR PRO TEMPORE

 Council Member Barnes nominated Council Member French.

 Council Member Reid nominated Council Member Brown.

 Comments were received from Council Member Barnes.

L. ELECTION OF MAYOR PRO TEMPORE

Barnes moved, **FAILED**, to Elect Council Member French as Mayor

Pro Tempore. (1-6, rcv, Reid, Brown, Lawler, Spicer, French and Mayor Brown dissenting).

Reid moved, CARRIED, to Elect Council Member Brown as Mayor Pro Tempore.

 (7-0, rcv)

II. MAYOR AND COUNCIL MEMBER’S COMMENTS

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

III. PRESENTATIONS

 A. Mayor & Council Member Proclamations

Mayor Brown read aloud the Proclamation for former Council Member Beckie Decker-Precinct # 4 and former Council Member Cheryl Krause-Precinct #5 and presented the proclamations to the former Council Members. Each received a standing ovation from the Council.

Akaiia Ridley and Shi’Terriona Straham read aloud the Proclamation for former Mayor Joe Domingo and presented to him.

Harry Bonner and the Mayor’s Youth Leadership presented a portrait by Jerome Washington of Mayor Domingo. Mayor Domingo asked the new Mayor and Council to designate the east wall of the Mayor’s office for the Mayor’s Youth Leadership Council and hang the portrait there.

Former Mayor Domingo received a standing ovation from the Council.

Comments were received from Harry Bonner and Joe Domingo.

 B. Peabody Project

Bruce Johnston, Community Consultant updated the Council on the Peabody Project with the following information:

**Owners and background of Project:**

* ACE Investment Properties, LLC
* Bill and Karen Dobbins
* Acquired building in 2015 with idea of renovation to help downtown
* New retail opportunities
* New rental opportunities
* Bring back true mixed use building – Residential and Commercial
* Be a part of the renovation of the downtown
* Intentions are to help

**Meet the Team:**

* Architect – Randy Case, Architecture + design, Inc.
* Historical Consultant – Jessica Flores, Preservation Forward, LLC
* Project Consultant – Bruce Johnston, Revitalize, LLC
* Environmental Consultant – JP Buckingham, Tri Terra Environmental

**Project Description:**

* Historical Renovation of 400 S. Superior St – Peabody Block Building
* Complete Exterior Brick and Commercial Facade Renovation
* Bring back exterior façade to 1920 design
* “Gut” interior rehabilitation of all three (3) floors
* Approximately 3000 sq. ft. of new commercial space upon completion
* 4 – two bedroom, historical, market rate apartments upon completion
* Elevator
* Parking
* Storage
* Fire Suppression throughout
* General Contractor – Coming soon!
* City of Albion

**Impact:**

* Estimated $1.2 Million investment in Downtown Albion
* Creation of 4 residential rental units
* Renovated commercial space – serve the residents of Albion for years
* Jobs – commercial space should create 8-12 new jobs to serve community
* Historical renovation of 165 year old building
* Increase tax base for decades to come
* Anchor building along with Malleable Brewing for South Superior street
* Creating foot traffic and vitality
* First mixed use renovation project of historical building
* Spur more investment and provide opportunities

**Intangibles:**

* Construction process will include the following:
* Seek Albion Public Housing residents for construction jobs
* Contractor recruitment process that will offer opportunities for local sub-contractors
* Combined effort with City Administrator and Grant Administrator to provide opportunities to local workforce
* Show Opportunities to other building owners
* Often, as the process of historical renovation takes place, other building owners will research and consider their options.
* Long term tax base
* Once building is complete the tax base will become secure for decades to come. A complete, quality renovation cannot be “undone”.

**Needs of Project:**

* City Support – MEDC requires City to support and apply for grant on behalf of owners/developers
* Incentive – MEDC requires Cities that apply for funding to provide incentive.
* Examples
* Tax abatement
* Tax sharing
* Infrastructure
* City and Property Owner/developer form partnership that benefits all
* No existing funds will be requested as an incentive

**Timeline for Application to MEDC:**

* Phase I environmental review – COMPLETE
* Initial Architectural plans – COMPLETE
* Project Cost Estimating – By 12-12-2016
* Financial Proforma Complete – By 12-17-2016
* Bank Letter of intent to fund – By 12-18-2016
* Owner Letter of intent to fund – By 12-18-2016
* City Support of Project -
* Respectfully requested by 12-31-2016
* Project pitch to MEDC – Early January 2017

**Potential Project Timeline:**

* City applies to MEDC for funding January 2017
* Grant awarded and all MEDC processes complete April 2017
* Construction begins May 2017
* Construction complete November 2017
* Apartments and Commercial space rented Christmas 2017

**Next Steps:**

* Meet with DDA and discuss tax abatement/sharing support
* Meet with City Administrator to coordinate request for December 19th meeting
* Ask for approval to move forward with project that includes incentives and presentation to MEDC for project submission/grant consideration

Comments were received from Mayor Brown.

IV. PUBLIC HEARING

 A. FY 2017 Budget

Mayor Brown opened the Public Hearing at 7:45 p.m.

City Manager Mitchell gave the following update on the FY 2017 Budget:

**Property Taxes:**

* Property Tax Revenues between 2013 and 2014 decreased by $88,108 (8%)
* Property Tax Revenues between 2014 and 2015

decreased by $76,752 (7.5%).

* Property Tax Revenues between 2015 and 2016

decreased by $90,316 (9.3%).

* Property Tax Revenues between 2016 and 2017 are

projected to decrease by $45, 000 (5.1%)

* Total General Fund Revenues for 2017 are projected $3,650,752. Relatively flat from 2016 Revenues of $3,649, 411
* City Operating Millage rate 11.973600 is unchanged

**General Fund-Fund 101:**

* Total Revenues $ 3,650,752
* Total Expenditures $ 3,659,119
* Fund Balance Impact $ (8,367)
* Ending Fund Balance $ 1,131,855

**2017 General Fund Balance:**

* FY 2017 $ 1,131,855
* 31% General Fund Balance Projected
* Issues Impacting Fund Balance
* Labor Contract negotiations
* Development Plans
* Infrastructure Projects
* Income Tax Collection-Increase of $110,000

**Collaboration of Services:**

* Cost Saving Initiatives:
* Assessing Services with the City of Marshall
* Calhoun County for Recycling Program ($7,000)
* Calhoun County for Purchase/Storage of Road Salt
* Continuation of Shared City/County Dispatch Services

**City Manager-Dept 172**

* Salaries and Wages-Restructuring of Positions

**2016 Salary Total Cost**

HR Dir/Administrative

Assistant to City Manager $ 44,172 $ 61,285

Public Safety Records Clerk $ 18,458 $ 20,093

 $ 62,630 $ 81,378

**2017 Salary Total Cost**

Assistant City Manager $ 44,532 $60,096

Public Safety Records/HR $ 30,332 $ 43,376

 $ 74,864 $ 103,472

**City Clerk-Dept 215**

* There were 4 elections in 2016
* FY 2017 reflects decreases in contractual services and elections
* Salary adjusted to maintain overtime exempt status

**Human Resources-Dept 226**

* Salaries and Wages-decrease of $11,649
* 2017 $ 11,225
* 2016 $ 22,874
* 2015 $ 21,871
* Restructuring of Position
* Cost of position is shared 80/20 between Public Safety and Human Resources Departments

**Finance-Dept 260**

* Contractual Services-Increase from $ 5,000 to $ 50,000 for Income Tax Collection Assistance
* Projected 12% increase in Income Tax revenues ($ 110,000)

**Public Safety-Dept 345**

* Salaries & Wages: Filling vacant officer positions and ADPS/HR Clerk position restructure
* Category 2016 2017

Salaries & Wages $ 875,060 $ 930,350

Part Time Wages $ 18,779 $ 0

* Vehicles-Received USDA grant towards purchase of new vehicle.

(Balance is paid in annual payments of $ 12,818 in 2017 & 2018)

**Code Enforcement-Dept 422**

* Total Expenditures $ 174,870
* Transfer in from Solid Waste to cover approximately ½ of contractual costs for code violation properties
* Cornerstone-Conducts permit inspections. Recent merger, no changes expected to impact Albion

**Special Revenue Funds**

* Albion Building Authority $ 53,737
* Drug Law Enforcement $ 53,929
* CDBG $ 75
* Solid Waste $ 213,000
* Recreation $ 118,970
* Major Street $ 677,495
* Local Street $ 326,125
* Street Improvement $ 202,250
* Sidewalk Program $ 128,250
* MDOT Reconstruction Fund $ 1, 443,300
* Maple Grove $ 431,208
* **Total 2017 Special Revenue Funds:**

**Revenues-$ 3,648,339 Expenditures $ 3,553,682**

**Major Streets-Fund 202**

* Total Revenues $ 677,495
* Total Expenditures $ 574,900

 (This includes Transfer to local streets $123,000)

* Fund Balance Impact $ 102,595
* Ending Fund Balance $ 452,257

**Local Streets-Fund 203**

* Total Revenues $ 326,125
* Total Expenditures $ 317,743
* Fund Balance Impact $ 8,382
* Ending Fund Balance $ 90,297

**Street Improvements-Fund 450**

* 3.0 Mill approved in May 2015 for 5 years
* Total Revenues $ 202,250
* Total Expenditures $ 202,250
* Fund Balance Impact $ 0
* Ending Fund Balance $ 334,490

**Sidewalk Program- Fund 367**

* 10 year $50/parcel assessment-final year is 2017
* Total Revenues $ 128,250
* Total Expenditures $ 128,250
* Fund Balance Impact $ 0
* Ending Fund Balance $ 267,314

**Recreation- Fund 208**

* 1.5 millage rate approved in 2015 for 3 years
* Declining revenues requires reduction in staff hours
* Total Revenues $ 118,970
* Total Expenditures $ 123,411
* Fund Balance Impact $ (4,441)
* Ending Fund Balance $ 29,698

**Solid Waste-Fund 226**

* Total Revenues $ 213,000
* Total Expenditures $ 215,775
* Fund Balance Impact $ (2,775)
* Ending Fund Balance $ 49,298

**Debt Service Funds**

* GO Bonds $ 110,400
* ABA-Maple Grove/Amb.-Fire Bond $ 132,147
* DPW Building Dept $ 15,000
* Energy Bond $ 180,600

**Water/Sewer Fund**

* Steadily declining revenues
* Proposed 30% increase in water rates
* SAW grant will include a rate study for Sewer Rates
* 2017 submitting USDA grant for water tower upgrades and/or replacement
* $ 950,000 MEDC grant for improvements
* Adding Waste Water/Water Management position

**Sewer Fund- Dept 590**

* Total Revenues $ 2,667,750
* Total Expenditures $ 3,029,450
* Fund Balance Impact $ (361,700)
* Ending Fund Balance $ 4,070,854

**Water Fund-Dept 591**

* Total Revenues $ 918,300
* Total Expenditures $ 1,093,800
* Fund Balance Impact $ (175,500)
* Ending Fund Balance $ 5,237,287

No public comments were received.

Mayor Brown closed the Public Hearing at 8:00 p.m.

No Council comments were received.

V. CITIZEN'S COMMENTS (Persons addressing the City Council shall limit their comments to no more than five (5) minutes. Proper decorum is required.)

No comments were received.

VI. ITEMS FOR INDIVIDUAL DISCUSSION

 A. Request Approval Resolution # 2016-69, A Resolution to Approve Michigan

 Economic Development Corporation Grant Agreement (RCV)

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

French moved, Barnes supported, CARRIED, to add an addendum to modify the Michigan Economic Development Corporation Grant Agreement to include language allowing for the City of Albion to receive monthly reimbursements. (7-0, rcv)

French moved, Barnes supported, CARRIED, to Approve Resolution # 2016-69, A Resolution to Approve Michigan Economic Development Corporation Grant Agreement with the above addendum. (7-0, rcv)

B. Request Approval Resolution # 2016-70, A Resolution for 90-10 Health Insurance

 Opt-Out (RCV)

Comments were received from Mayor Brown and City Manager Mitchell.

Barnes moved, French supported, CARRIED, to Approve Resolution # 2016-70, A Resolution for 90-10 Health Insurance Opt-Out as presented. (7-0, rcv)

C. Request Authorization to Close City Hall on Friday, December 16th from 1pm-3pm

 for the Employee Holiday Party (VV)

Comments were received from City Manager Mitchell.

French moved, Reid supported, CARRIED, to Approve authorization to close City Hall on Friday, December 16th from 1pm-3pm for the employee holiday party as presented. (7-0, vv)

D. City Manager Report

City Manager welcomed the new Mayor and Council Members. She updated the Council with the following information:

* The Economic Development Corporation at their December 1, 2016 meeting voted to approve a Memorandum of Cooperative Agreement with the Albion Reinvestment Corporation. Albion College/ARC agreed to contribute $60,000 to EDC to support staffing and economic & community development. The Agreement remains active until June 30, 2017, at which point it can be reviewed, revised and/or extended.
* The Economic Development Corporation approved the strategic direction presented by CEO Amy Deprez. The priorities and objectives include: business development & attraction, community development, leveraging resources & education and structure, policies and procedures.
* The Albion Building Authority has moved forward with options on several of their properties.

E. Future Agenda Items

Council Member Barnes would like Austin Avenue and the Albion Malleable Iron site added to the next agenda.

F. Motion to Excuse Absent Council Member (s)

No action was necessary as all Council Members were present.

VII. CITIZEN'S COMMENTS (Persons addressing the City Council shall limit their comments to no more than five (5) minutes. Proper decorum is required.)

Comments were received from Lonnie Brewer, 200 N. Clinton St; Sheryl Price, Concord High School Principal; Danielle Nelson, 400 E. Cass St.; Council Members Spicer and Barnes and Mayor Brown.

VIII. ADJOURNMENT

Spicer moved, Lawler supported, CARRIED, to Adjourn the Regular Session. (7-0,

vv)

Mayor Brown adjourned Regular Session at 8:25 p.m.

\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date Jill Domingo

 City Clerk