

CALL TO ORDER:

Mayor Rundborg called the Regular City Council Meeting to order at 7:00 p.m. He led the Pledge of Allegiance.

ROLL CALL:

Council Members Present: Dave Hunsaker, Sue Leeming, Maria Ostrander, Tony Stoker and Trevor VanDyke

Excused: Matt Cooper

STAFF:

Lisa Grysen, Police Chief Bruce Ferguson, Daniel Coss, and Brian Goodenough

AUDIENCE:

County Commissioner Bob Showers, Gail Watkins, Judy Watkins, Sarah Stoltzfus, Maddie Stoltzfus, Dave Less, Bob Hill, Gina Feguer, Anna Shafer, Janice Smith, Jack Shafer, Clay Coey, Paul Brown, Stella Gallaher and Wendy Foster

AGENDA:

Motion by Stoker, seconded by Ostrander and carried by unanimous vote of the Council that **the agenda be approved with the addition of Special Agenda #1 Logan Street Sidewalk.**

APPROVAL OF MINUTES:

Motion by Stoker, seconded by Leeming and carried by unanimous vote of the Council to **approve the minutes from the June 14, 2016 Regular City Council Meeting as presented.**

SPECIAL AGENDA ITEMS:

1. Logan Street Sidewalk:
City Administrator, Daniel Coss reported that the sidewalk project on Logan Street will be re-staked Wednesday, June 29th. This moves the sidewalk closer to the road and further away from the resident's homes.

PUBLIC COMMENTS:

Anna Shafer, 402 E. Main Street, still believes the sidewalk is unnecessary, but is looking forward to the proposed changes. Ms. Schafer felt the meeting went well and is hopeful they'll be satisfied with the new sidewalk.

Gina Feguer, 115 N. Logan Street, asked a few questions regarding the curb cut already done on her property.

Stella Gallagher, 110 N. Logan Street, thanked Council Member Hunsaker for stopping by to hear the resident's concerns. Ms. Gallagher felt residents should have received a letter asking for input, versus a letter telling them what is going to be done.

Paul Brown, 7 Laura Lane, Introduced himself and gave a brief overview of his qualifications and that he is running for Mayor.

County Commissioner Bob Showers reported that Clinton County has signed a memorandum of understanding with Ingham and Eaton County with the intent to foster economic growth.

CITY ADMINISTRATORS REPORT:

SCHAVEY ROAD AND LOCAL STREET WORK

Both projects are underway and moving along smoothly. We have scheduled on-site meetings every two (2) weeks in order for the Contractor to keep the City apprised of their progress and the project.

AUDIT FOR FY15-16

With the fiscal year ending on June 30, 2016 our auditors, Abraham and Gaffney will be coming to City to start the audit process. An Engagement Letter was provided in your June 14 Council Packet.

MML FALL CONFERENCE

The fall MML Convention will be held September 14-16. Registration is now available. We will be forwarding the registration materials via email. If you are interested in attending, please fill out the registration form and return it to City Hall.

| JUNE 2016 | |
|----------------------|--|
| 28 | City Council Meeting – 7:30 PM |
| 28 | Farmers Market 4-7 PM |
| 30 | Planning Commission – 7:00 PM |
| JULY 2016 | |
| 4 | Independence Day – City Hall Closed |
| 5 | Last Day to Register to Vote for August Election by 4:00 PM |
| 5, 12, 19, 26 | Farmers Market 4-7 PM |
| 7 | Granger Trash Service – Thursday, July 7 |
| 12 | DDA Meeting – 7:30 AM |
| 12 | City Council Meeting – 7:00 PM |
| 13 | City Charter Meeting – 6:00 PM |
| 26 | City Council Meeting – 7:00 PM |
| 27 | City Charter Meeting – 6:00 PM |
| 28 | Planning Commission – 7:00 PM |
| 30 | City Hall Open - Saturday, July 30 To obtain an absentee ballot 8-2 PM |

OLD BUSINESS:

None

NEW BUSINESS:

1. Budget Amendments:

The City typically amends its operational fund budgets twice per year to account for changing circumstances, emergencies and priorities over the course of the fiscal year.

Attached are the details for each fund, including line items. The current approved budget, the Proposed Additional Amendments, and Final Amended Budget are all shown for your review and consideration. Summarized by fund, the budget amendments are as follows:

| <u>Fund</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Surplus(Deficit)</u> |
|---------------------|-----------------|---------------------|-------------------------|
| General | \$2,895,082 | \$2,829,380 | \$65,701.00 |
| Cemetery Perp. Care | \$12,540.00 | \$350.00 | \$12,190.00 |
| Pub. Improv/Bldg | \$11,935.00 | \$22,050.00 | (\$10,115.00) |
| Major Street | \$251,250.00 | \$180,107.00 | \$71,143.00 |
| Local Street | \$197,185.00 | \$369,225.00 | (\$172,040.00) |
| DDA | \$113,070.00 | \$125,360.00 | (\$12,290.00) |
| Building Dept. | \$65,110.00 | \$71,280.00 | (\$6,170.00) |
| Drug Law Enf. | \$1.00 | \$3.00 | (\$2.00) |
| Water & Sewer | \$859,936.00 | \$752,544.00 | \$107,392.00 |
| Motor Pool | \$193,961.00 | \$258,823.00 | (\$64,862.00) |
| Special Donations | \$332.00 | \$0.00 | \$332.00 |

Commentary

General Fund Revenues: The overall anticipated year-end revenues are projected to be \$81,921.00 higher than the original budget, which is largely due to higher property tax collection. Interest earnings, interest on savings, dividends and reimbursements from other funds are down.

General Fund Expenses in the following departments were adjusted. Not all line-items are commented upon, but the major changes are summarized as follows:

Increases:

- **Retiree Benefits** – Increase of \$2,000.00 due to increase of healthcare premium for retirees
- **Fire Department** – Increase of \$5,400 for the City share of the digital sign
- **DPS Department** – Increase of \$9,850.00 mainly for salary payments and temporary staff during leaf collection in the Fall.
- **Local Streets** – Increase of \$100,000.00 from the resurfacing project on Waxwing, Larkwood and Sandhill Drive. This was an on-going obligation carried over from FY 14-15.
- **Building** – Increase in professional services for building inspections. This increase is an off-set by the increase in building permit issuance.
- **Water/Sewer** – both revenues and expenditures increased due to the SAW Grant. Overall the department added \$107,392.00 to Retained Earnings.

Decreases:

- **City Hall/Grounds** – Decrease of \$209,000 due to re-evaluating City Hall needs

- **Police Department** – Decrease of \$48,200.00 due to vacant position and new hire
- **Park Facilities** – Decrease of \$4,000.00 for Professional Services for the creation of the Riverside/Memorial Park Master Plan
- **Motor Pool** – Decrease of \$29,100.00 in Equipment Purchases by the DPW

The other funds are proposed for adjustment for the following reasons:

Cemetery Perpetual Care – revenue was higher than budgeted for, \$6,400.00, and is based on lot sales in the Cemetery. The perpetual care fund receives \$250.00 from each lot sold to a resident and \$325.00 from non-resident lot sales. The fund is intended to cover long-term maintenance expenses of the cemetery.

Major and Local Streets Revenues – Major and Local Streets revenue increased \$66,485.00, with the majority of the increase coming from the Gas and Registration Taxes received and a one-time payment from the State of \$33,700. The June payment is not due to be received until August and is approximately \$25,000.00 for both Major and Local Streets.

Major and Local Street Expenses – FY 2014-15 was another heavy year for Routine Winter Maintenance. The expenses for construction in Local Streets is increased \$100,000.00 from the amount budgeted, due to the 2015 Road Resurfacing Project being carried over as reported in the Continuing Obligations Report.

Downtown Development Authority – The DDA Board previously approved their budget amendments (summarized above) at their June 14, 2016 meeting.

Public Improvements/Public Buildings – Expenses are for sidewalk installation as approved at our Goal Setting Session in 2015.

Building Department – Permit revenues were up due to unanticipated (but welcome) building permits. Inspection expenses were increased accordingly.

Water & Sewer Fund – The increases in both the revenues and expenses are directly tied to the SAW Grant that the City received in October 2015. This will be a multi fiscal year project.

Motor Pool – Revenues decreased to fewer funds being transferred in from Major and Local Street. Expenses for vehicle replacements often fluctuate depending on the types of equipment being purchased. The fund balance remains healthy in the Motor Pool Account, \$221,906.00.

Special Donations Fund – Minor revenue and expense adjustment.

Motion by Hunsaker, seconded by Leeming and carried by unanimous vote of the Council **to approve the proposed amendments to the FY 2016-17 Budget and authorize the Treasurer to make the necessary adjustments to the financial statements, commit \$60,000.00 of the Fund Balance to the Schavey Road Bridge Maintenance Fund and commit \$60,000 of the Fund Balance to the Bridge Street Bridge Maintenance Fund.**

2. On-Going Obligations Report:

As required by the City Charter attached is the On-Going Obligation report for FY 2015-16.

REPORT OF OBLIGATIONS AT COMPLETION
OF FISCAL YEAR 2015-2016

This Report is being submitted to Council per section 12.4, Budget Control, of the City Charter. This Section requires the City Administrator to inform the City Council of outstanding obligations due to the expiration of a fiscal year and offer recommendations for paying these obligations.

THESE ITEMS WERE BUDGETED IN THE FY15-16 AND PAYMENT IS
RECOMMENDED TO COME FROM FUND BALANCE WITH BUDGET
ADJUSTMENTS

The following consist of the outstanding obligations:

1. Major and Local Road Resurfacing: Major and Local Road resurfacing design was started in FY 2015-16 and will be completed in FY 2016-17. The City is under contract with C2AE to perform Design and Construction Engineering Services. The on-going obligations for the project(s) are as follows:
 - Professional Services Local Streets (203-000-801-000) \$22,050.00 once the project is finalized an additional budget amendment may be necessary.
 - Local Road Construction (203-000-931-001 & 592-000-977-000) The City awarded a contract to Michigan Paving and Materials in the amount of \$174,352.80 for street construction and \$211,272.00 for sanitary sewer replacement.
 - Schavey Road Construction: (202-000-931-001) The City has contracted with the Clinton County Road Commission to administer the MDOT Local Agency Project on Schavey Road. Construction costs through competitive bidding are \$349,131.00, with a City of DeWitt Local Match in the amount of 69,829.00. The Professional Services (202-000-801-000) will be a combination with C2AE, \$15,000, and Clinton County Road Commission, \$4,000.00.
2. Motor Pool Purchase (661-000-981-003) The DPW is replacing the dump box on a large Snow Plow Truck, the contract was awarded in FY15-16 and the work is expected to be complete in the first half of FY16-17 in an amount of \$8,758.00.

There are no other significant outstanding obligations. There are invoices of smaller dollar amounts that are outstanding as we move from one fiscal year to the next. These invoices are of an amount that can be covered by funds in the current fiscal year budget.

Motion by Leeming, seconded by Ostrander and carried by unanimous vote of the Council **to receive and place on file the On-Going Obligations Report as presented by the City Administrator for Fiscal Year 2015-16 in accordance with the DeWitt City Charter, Section 12.4 Budget Control.**

3. General Employees' MERS Pension Contribution Increase to 5.75% from 5.0%

The MERS General Employee Group contribution is currently 5.0% and will be increased to 5.75%, effective July 1, 2016. This increase is keeping in line with the increase in the Police Department Union Contract and the increase in City costs to fund pension obligations. The employee contribution is one of three mechanisms to help improve the City's unfunded pension position. The other two (2) efforts that have been implemented to help off-set the unfunded obligation are moving new employees to a Hybrid Pension Plan and budgeting for an additional \$75,000 per year payment to MERS.

Motion by Ostrander, seconded by VanDyke and carried by unanimous vote of the Council **to approve increasing the MERS General Employee group pension contribution rate from 5.0% to 5.75%.**

4. Property Option – 115 North Bridge Street:

The property option presented is an amendment to the original option between the City of DeWitt and LGBC, LLC (see attached). The option is for the property located at 115 North Bridge Street (former Mt. Hope Church). The original option was based on the project receiving Community Development Block Grant Funds (CDBG). While the project was awarded CDBG Funds (\$160,000) the amount was not sufficient to cover the renovation costs.

The amended option integrates language predicated on LGBC, LLC receiving a Small Business Administration (SBA) backed loan in an amount not less than \$500,000.00. The loan will be in addition to the personal funds being invested by the owner, Joel Dillingham. The option stipulates that the Loan Commitment must be issued by August 1 and the closing of the loan would be no later than September 1.

All other components of the Option will remain unchanged. Joel Dillingham, owner of LGBC, LLC will be in attendance to answer any questions about the project.

The option amendments were drafted and reviewed by City Attorney, Brian Goodenough and Brent Titus, Foster Swift.

Motion by Hunsaker, seconded by Stoker and carried by unanimous vote of the Council **to approve the amended Option to Purchase Real Estate between the City of DeWitt and LGBC, LLC and authorize the Mayor and Clerk to sign on behalf of the City of DeWitt.**

COUNCIL STAFF REPORTS

Mayor Rundborg presented Assessor Gail Watkins with Certificate of Public Recognition for his 30 years of service to the City of DeWitt.

Chief Ferguson reported that the mobile speed limit sign continues to move about the City, Faith Fest went well and the Memorial Board has started Ox Roast meetings.

Mayor Pro-Tem Leeming reported that Planning Commission is continuing to work on the sign ordinance.

Council Member Stoker reported that DAESA had a firefighter injured assisting on a fire in DeWitt Township.

City Administrator, Daniel Coss reported that the DDA had approximately 270 cars at this year's car show.

ADJOURNMENT:

Motion by Stoker, seconded by VanDyke, carried by unanimous vote of the Council that **the meeting be adjourned at 7:40 p.m.**

Respectfully submitted,

Lisa M. Grysen
City Clerk-Treasurer

James F. Rundborg
Mayor