

City of Corunna
Regular Council Meeting
Monday, May 16, 2011

Present: Kerridge, Mehig, Jessen, Sarrazin, Johnson, Haskins, Reichert.

Absent: None.

The meeting was called to order in the council chambers of Corunna City Hall by Mayor Kerridge at 7:00 p.m.

MINUTES OF THE PREVIOUS REGULAR MEETING: Johnson moved, Jessen seconded to approve the previous regular meeting minutes dated May 2, 2011 as presented.

Roll call vote:

Yes: Jessen, Sarrazin, Johnson, Haskins, Reichert, Mehig.

No: None.

Motion CARRIED

AGENDA APPROVAL: Johnson moved, Jessen seconded to approve the agenda with the addition of Check Presentation From the Committee to Save the Community Center after Vendor Disbursements and Item No. 6) Consider Appointment of Steve Miller to the Corunna Downtown Development Authority.

Roll call vote:

Yes: Sarrazin, Johnson, Haskins, Reichert, Mehig, Jessen.

No: None.

Motion CARRIED

RESOLUTION APPROVING VENDOR DISBURSEMENTS: Sarrazin moved, Reichert seconded to approve the vendor disbursements for 05-12-11 as presented.

Roll call vote:

Yes: Johnson, Haskins, Reichert, Mehig, Jessen, Sarrazin.

No: None.

Motion CARRIED

CONSIDER USDA-RD WATER/SEWER PROJECT INVOICES: Johnson moved, Reichert seconded to approve RD Water Invoices No. 52611 in the amount of \$558.89 and 52808 in the amount of \$14,184.01 and RD Sewer Invoices No. 52610 in the amount of \$1,334.27 and 52807 in the amount of \$16,106.53.

Roll call vote:

Yes: Haskins, Reichert, Mehig, Jessen, Sarrazin, Johnson.

No: None.

Motion CARRIED

PUBLIC HEARING – 2011/2012 BUDGET: Sarrazin moved, Jessen seconded to leave the regular session and enter a public hearing for 2011/2012 Budget.

Roll call vote:

Yes: Reichert, Mehigh, Jessen, Sarrazin, Johnson, Haskins.

No: None.

Motion CARRIED Time was 7:15 p.m.

Mr. Sawyer advised it has been a difficult budget process. The budget recognizes the loss of one-third of state revenue sharing, which is about \$30,000. The budget maintains the current service levels up until October 1, which will see a reduction in police coverage if a budget amendment is not in place by that time.

Bill Lulham asked how much more money will be put into the casino. The city has put a lot of money into it because it has gone through the DDA, which is an entity of the city so the money is being moved back and forth. He thought the city was investing in a lost cause because it will never pay the city back. The money should be spent on sidewalk or road repairs as it should be instead of the casino. He does not see how the city is going to benefit so if the DDA has a lot of money to play around with in the casino then he thought it has too much money. He asked the city council to review this and put the money back into the city. Councilperson Haskins stated it is very clear to him that the argument is not against the DDA; it is against the community center. By taking away the ability of the community center to make decisions for itself, it would satisfy what Mr. Lulham actually wants which is to stop putting money into the community center. Mr. Lulham stated it looks like a lot of money is going into the community center that could be used elsewhere. The DDA was set up to help the downtown merchants improve their businesses or buildings. Apparently, they do not need any more money. He questioned if the DDA is going to do anything more downtown or invest to make the downtown better. Councilperson Haskins asked Mr. Lulham when the last time he was inside the community center. Mr. Lulham advised six or eight months ago. Councilperson Haskins suggested to Mr. Lulham that he take a look at the building. Mr. Lulham asked Councilperson Haskins if the building will pay for itself. Councilperson Haskins advised yes. Mr. Lulham questioned how the building will pay for itself. Councilperson Haskins advised by fixing it to make it usable. He asked Mr. Lulham to take a look at the building with an open mind. Mr. Lulham advised it has been a white elephant for years and it will take a lot of convincing otherwise. Councilperson Haskins stated there is a group of people in this town who have been volunteering so much. When he looks out his window in the morning, he has seen two people in this room donate over \$100,000 in labor. He asked Mr. Lulham again to take a look at the building to see the valiant effort being put in the building. Mr. Lulham asked if any marketing has been done to make it pay for itself. Councilperson Haskins advised the building is not ready for that yet. Mr. Lulham asked how much has been put into the building now. Councilperson Haskins asked Mr. Sawyer for that figure. Mr. Sawyer advised between the volunteer labor, concessions and gifts by contractors about \$150,000 to \$200,000 has been put into the building. The money spent includes two \$50,000 advances to the committee that was created and \$75,000 has been paid back. Mr. Lulham asked who is paying the money back. Mr. Sawyer advised the community center committee from their fundraising efforts. The \$100,000 has nothing to do with the DDA. The DDA has put in \$40,000 and the city has put in about \$20,000 over the past three years. Councilperson Sarrazin stated the council made a commitment to either raze it or fix it. There were some big

hearted people in this town that came forward and stated they were going to fight for the building. These people have made a gallant effort to make it happen. If Mr. Sawyer and Mr. Kerridge give up because they have been banged in the head 50 times this month and don't give a damn anymore to tear it down, the city has blown over \$300,000 it has spent on that building over the last 20 years. Buildings cost money and are cash cows that need money to fix them when they fall apart. We made a commitment and shame on us all, but it was a yes or no decision. Councilperson Jessen stated there was no commitment. The council voted not to put a dime into it. Mayor Kerridge advised no. Councilperson Jessen stated the council has bent over backwards to loan the committee the money, but the council said they were not putting a dime into it. Mayor Kerridge advised he was not going to argue that. Councilperson Jessen asked if he remembered the vote. Councilperson Sarrazin stated it was when the advance was offered. Mr. Sawyer advised there might have been a statement by an individual councilmember but there was never a motion. Councilperson Sarrazin stated he feels bad that cuts are going to have to be made. Mr. Lulham stated he was asking for the city council to cut it back a little and put more money into the city. Councilperson Sarrazin stated there has been discussion about setting a limit and it is very close to that. Councilperson Jessen asked why the city would give the DDA \$10,000. There was \$10,000 taken out of the city improvement fund and given to the DDA. It might not be connected but that is what he is asking. Mr. Sawyer asked what page Councilperson Jessen was on. Councilperson Jessen advised page 5 funds 245 and 248. The city improvement fund went down from \$202,000 to \$192,000 whereas the DDA fund went up from \$187,000 to \$197,000. The city improvement fund lost \$10,000 and the DDA fund gained \$10,000. Mr. Sawyer stated there is no correlation between the two funds and would have nothing to do with Councilperson Jessen's question. Councilperson Jessen advised he supposes that is one explanation. Mr. Sawyer stated he was unsure of what he was looking at. Councilperson Jessen advised it looks like \$10,000 is coming from the city, is going to the DDA and the DDA then gives it to the community center. Mr. Sawyer advised the DDA captures a certain amount of city taxes, county taxes and school taxes, but the city does not fund the DDA. The city has the ability to dissolve the DDA and there is no requirement to have a DDA. If there was no DDA, the city would get an additional \$19,000 in the general fund. There is no direct money appropriated from the general fund to the DDA.

Dawn Rodriguez, 411 S. Shiawassee Street, stated she heard the council approve almost \$9,000 out of the general fund for the casino so her question is how much more money is going to come out of the general fund to go into the casino because she believes most of the city services come out of the general fund which takes care of the cemetery, parks, etc. She is concerned about taking money out of the general fund especially if the city is going to take a big cut from the state. Councilperson Sarrazin stated the council approved \$9,000 worth of expenditures. Mr. Sawyer advised the expenditures approved were from all the funds and not just the general fund. Ms. Rodriguez stated she is concerned about what is covered by the general fund and asked if anyone could explain that. Mr. Sawyer advised the general fund is comprised of several departments such as the city council, city manager's office, internal services, city clerk/treasurer, assessor, elections, municipal building, police department, fire department, public works department which includes all areas that are not in other funds such as leaf & brush pickup, planning commission, zoning board of appeals and property and liability insurance. City services is a

department and it transfers various allocations to the various funds for support. Parks and recreation and cemetery are supported by the general fund or they would not exist because they do not generate enough revenue. The parks improvement fund is where the money being donated is going into including the DDA contributions. The city has budgeted \$2,500 going into the parks improvement fund next budget year. The municipal building fund is where the \$9,000 came out of for the community center tuck-pointing. The dam fund has general monies going into it for legal bills. The largest transfer from the general fund is into the retiree benefit fund which is paying for existing and future retiree related benefits. Ms. Rodriguez stated as a resident she would be cautious that there are no hidden line items for the casino in the general fund.

Keith Johnson, 211 Hastings Street, stated he has no doubts that the casino looks nice but has not been down to see it. He came before this body a year ago and asked for one thing as an investor in this corporation; he wanted to see a check and balance paper which shows how much the building has taken in over the past several years and how much was paid out, and he was told there were no figures. As an investor, that shook him as it should have the council. This information would have told the council how it would pay for things in the future. The second thing that bothers him is the DDA was extended down to the park. The downtown area has 11 vacant buildings that the DDA cannot see because they are spending too much time at the casino. The city needs people in the buildings because it looks awful. The city centre has one renter and it should be bothering people especially the DDA. The last thing he would like to say is he hopes the city's essential services are not going to be cut. The city does not have enough people to maintain it and if council does not believe it they should take a walk around the city. It is beginning to look pretty bad because of that. He also wants a police officer when he needs one whether it is day or night, and if the city has to hire another one, he does not care. If he needs the department of public works, he wants one available. That is what small towns are all about. If he was running the budget, he would start cutting the non-essential services and there are a lot of them in the budget to make sure the people in this community have the services they are paying for. There was an ad in the paper tonight that the city wants people to take care of the sled hill which is another project on the list that cannot be taken care of. He asked the city council not to slash the police department and fire department. He asked the council to give Mr. Crawford an extra man because there are only four people to take care of the town and it does not add up. People are complaining because there are not enough people to do the work. He asked council to take a look where people can be added instead of getting rid of them. Councilperson Reichert stated he had a procedural question. There was talk at the last meeting about how to handle the police department contract concessions. He felt the city needs a budget based on department of public work concessions that may or may not be offered. He asked what the procedures will be on July 1 if there are no concessions. He asked if there would be immediate layoffs or if it would come to the council. Mr. Sawyer advised very little of the long term saving plan will be affected July 1. There will be no economic impacts for the first six months which will allow time to research cheaper health insurance plans and contract concessions. Councilperson Johnson stated at the last budget workshop she thought the department of public works was included when the council gave the police department concessions until October 1 and asked if that was part of Councilperson Reichert's motion. Councilperson Reichert advised it was only the

police department. He further advised he felt the whole council should be kept up to speed on the negotiations and give management direction on them. The whole council should have a say in those decisions. Sarrazin moved, Jessen seconded to leave the public hearing and return to regular session.

Roll call vote:

Yes: Jessen, Johnson, Reichert, Mehigh, Sarrazin, Haskins.

No: None.

Motion CARRIED Time was 8:06 p.m.

CONSIDER 2011/2012 BUDGET ADOPTION: Sarrazin moved, Mehigh seconded to adopt the Following 2011/2012 general fund budget in the amount of \$1,648,934 as presented:

RESOLUTION 051611-01 TO ADOPT THE BUDGET

WHEREAS, The City Charter of the City of Corunna states that “Not later than the third Monday in May the Council shall, by resolution, adopt the budget for the next fiscal year and shall in such resolution appropriate the money required for such budget and provide for a levy of the amount necessary to be raised by taxes upon real and personal property for municipal purposes....”

NOW THEREFORE BE IT RESOLVED, that the budget appropriations for the City fiscal year beginning July 1, 2011 after recommendation by the City Manager and as adopted by the City Council as follows:

General Fund		REVENUES	EXPENDITURES
		\$1,648,934	
<u>Dept. #</u>	<u>Dept. Name</u>		
101	City Council		\$30,118
172	City Manager’s Office		\$124,081
203	Internal Services		\$91,672
255	City Clerk/Treasurer’s Office		\$104,796
257	Assessment/Planning & Review		\$86,583
262	Elections		\$2,500
265	Municipal Building		\$45,862
301	Police		\$377,677
302	Crossing Guard		\$1,772
336	Fire		\$63,372
441	Public Works		\$287,479
721	Planning Commission		\$750
731	ZBA		\$250
851	Insurance and Risk Management		\$18,883
967	City Services		\$413,139
	TOTAL	\$1,648,934	\$1,648,934

BE IT, the same is hereby adopted, and the amount therein provided as recommended; appropriations are hereby appropriated according to the departmental totals.

BE IT FURTHER RESOLVED, that in order to carry out the provisions of the above described budget, the following tax rate shall be applied to the completed assessment roll with a taxable valuation of 56 million, 423 thousand, 174 dollars as approved by the City of Corunna Board of Review, and as required by Michigan Constitution, and be applied to all properties subject to the Industrial Facilities Taxes which have a complete assessment roll valuation of 3 Million, 760 thousand, 800 dollars at one half the tax rate.

Total City Tax Levy for General Fund Purposes July 1, 2011 = 13.3044 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment.

Total City Debt Tax Levy for City Improvements July 1, 2011 = 4.8342 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment.

Total City Debt Tax Levy for the Community District Library July 1, 2011 = 0.5000 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment, subject to all related provisions of the Truth in Taxation and Headlee Amendment.

Total City Debt Tax Levy for the Public Transportation July 1, 2011 = 0.2500 per \$1,000 of Taxable Valuations, subject to all related provisions of the Truth in Taxation and Headlee Amendment, subject to all related provisions of the Truth in Taxation and Headlee Amendment.

BE IT FURTHER RESOLVED, to adopt the following budget appropriations:

INDEPENDENT REVENUE FUNDS

Pine Tree Perpetual	150	\$9,000
Major Street Fund	202	\$176,241
Local Street Fund	203	\$100,232
Fire Equipment Capital Fund	206	\$72,250
Fire Operations Fund	207	\$110,764
Parks & Recreation Fund	208	\$183,730
Cemetery Fund	209	\$36,775
Parks Improvement Fund	211	\$25,940
Municipal Building Fund	213	\$136,069
Forest Management Fund	215	\$1,000
Centennial Fund	219	\$500
Fourth of July Commission	220	\$29,050
Softball Commission	223	\$33,300
Historical Commission	224	\$18,000
Economic Development	244	\$60,131
City Improvements Fund	245	\$290,534
DDA Operating	248	\$238,584
Building/Zoning Fund	249	\$28,700
DDA Parking	251	\$5,025

DDA/County Parking	252	\$10,075
1996 Equalization Facility Bonds Payable Fund	365	\$50,080
1998 MTF Bonds Payable	368	\$21,813
2000 G.O. Limited Tax Bonds	370	\$88,790
2001 G.O. Limited Tax Bonds	372	\$10
2005 G.O. Limited Tax Bonds	374	\$81,218
'06 G.O. Limited Tax Bonds	375	\$83,011
'10 G.O. Limited Tax Bonds	376	\$39,958
'11 Water Supply System Revenue Bond	377	\$72,663
'11 Sewer Collection System Revenue Bond #1	378	\$55,875
'11 SWQIF Revenue Bond	379	\$46,125
'11 Sewer Collection System Revenue Bond #2	381	\$3,975
North Shiawassee Street Construction	415	\$0
East Corunna Avenue	416	\$38,000
West Corunna Avenue Enhancement	419	\$0
Storm Sewer Rehabilitation Fund	420	\$25,000
Industrial Development Fund	422	\$27,500
Dam Construction	423	\$15,000
DDA Custodial	424	\$47,500
'11 Water Supply Construction	426	\$1,000,000
'11 Sewer Collection Construction	427	\$1,200,000
'11 SWQIF Construction	428	\$600,000
Waste Water Repair/Replace/Imp Fund	490	\$453,084
Water Repair/Replace/Imp Fund	491	\$215,946
Transportation Fund	588	\$14,229
Waste Water Collection Fund	590	\$486,666
Water Fund	591	\$491,194
Rubbish Collection	596	\$83,525
Motor Vehicle Pool Fund	661	\$152,281
Tax Collections Fund	703	\$2,873,031
Retiree Benefits Fund	731	\$215,104
OPEB Trust Fund	736	\$5,100

BE IT FURTHER RESOLVED, that the City Manager as Chief Administrative Officer be allowed to exceed any line item within any specific department or fund including both revenues and expenditures providing that the total end of the year expenditures titled "Total" or "Grand Total" for the department or fund at issue does not exceed the original appropriation, and if the total department or fund appropriation should exceed either of the above prior to such exceeding, the City Council must make a supplemental adjustment to the appropriation.

Roll call vote:

Yes: Reichert, Sarrazin, Haskins, Mehigh.

No: Jessen, Johnson.

Motion CARRIED

CONSIDER 2011/2012 FEE SCHEDULE: Johnson moved, Reichert seconded to approve the 2011/2012 Fee Schedule as presented.

Roll call vote:

Yes: Johnson, Reichert, Mehig, Jessen, Haskins, Sarrazin.

No: None.

Motion CARRIED

CONSIDER RESIGNATION OF COUNCILPERSON DON MEHIGH: Johnson moved, Jessen seconded to accept the resignation of Councilperson Don Mehig effective June 1, 2011 with regret.

Roll call vote:

Yes: Haskins, Jessen, Mehig, Sarrazin, Johnson. Reichert.

No: None.

Motion CARRIED

CONSIDER APPOINTMENT OF STEVE MILLER TO THE CORUNNA DOWNTOWN

DEVELOPMENT AUTHORITY: Johnson moved, Sarrazin seconded to appoint Steve Miller to the Corunna Downtown Development Authority serving at the pleasure of the council with term to expire December 31, 2013.

Roll call vote:

Yes: Sarrazin, Mehig, Jessen, Johnson, Reichert, Haskins.

No: None.

Motion CARRIED

ADJOURN: Mehig moved, Jessen seconded to adjourn.

Roll call vote:

Yes: Reichert, Mehig, Sarrazin, Haskins, Johnson, Jessen.

No: None.

Motion CARRIED Time was 8:55 p.m.

Charles Kerridge, Mayor

Merilee Lawson, Recording Secretary