Mayor Osborn called the meeting to order at 7:32 PM.

ROLL CALL:
Present: Bottecelli, Jacob, Lockwood, McDermott, Osborn, Sage.
Absent: Grossmeyer (excused).
Others Present: Lynn Markland, City Manager; Jon Satkowiak, Treasurer; Mike Reilly, Building/Zoning Official; Jason Payne, Deputy Building/Zoning Official; Bob Cairnduff, Fire Chief.

PUBLIC COMMENTS – Allen Rickman and Stephanie Pytlowanyj requested to speak regarding the Clothing Collection Receptacles.

FY-2019 AUDIT REVIEW – Alan Panter stated the city was well prepared and organized for the audit. There were no major changes and there was nothing to report regarding internal controls. Panter reviewed the Statement of Revenue, Expenditures and Changes in Fund Balances for the Year Ended June 30, 2019. Panter pointed out the net change in fund balance was up $461,035.

Panter reviewed Graph #1 General Fund Total Revenue, Expenditures, and Fund Balance showed the total fund balance increase. Total revenue and expenditures remained about the same as 2018. Graph #2, General fund Revenues Detail was reviewed showing: 61% comes from taxes; 21% from intergovernmental; 8% from licenses and permits; 6% from charges for services; and 4% from other. Graph #3 General Fund Expenditures Detail was reviewed showing: 59% to public safety; 19% general government; 12% other, which is the parking lot expenditure; 6% transfers; and 4% public works.

Graph #4 Water Fund Total Revenues, Expenses, and Net Position was reviewed showing net investment in capital assets increased slightly. The total revenues and expenses remained steady. The unrestricted cost went down due to GASB75.

Graph #5 Sewer Fund total Revenues, Expenses, and Net Position was reviewed showing net investments in capital assets and unrestricted remaining steady. Revenue exceeds the expenses. There is no bond reserve.

Markland reviewed historical trends on page 7-7 regarding taxable value vs actual value. Currently the city levies 38.07% on actual value. Page 7-8 showed the general operating has gone down over the last ten years. The County, Community College and Intermediate School District property tax rates increased. On page 7-10 showed Property Tax Levies and Collections Levy total for 2009 was $4,789,846. Total Levy for 2018 was $4,184,147 which was down $605,699 from 2009. Page 7-12 Ratios of General Bonded Debt Outstanding showed Debit Per Capita in 2010 was 652, in 2019 was 33.

Osborn thanked Panter, Satkowiak and Schmuker for their hard work on the audit.
RETIREE HEALTHCARE – Markland advised an employee hired after June 2018 requires prefunding for their retiree healthcare. The city currently has a pay as you go program. The retirees are aware the council has the right to stop healthcare for the retirees at any time, per resolution. Employees hired after June of 2018 have been made aware the city will not pay for retiree healthcare for them. Markland stated there are several issues to prefunding healthcare for some employees and not for all.

Satkowiak stated to prefund would cost approximately $40,000 per year, however that number is a guess. Rising costs of healthcare will increase the number and that increase is the unknown. There are three ways to handle retiree healthcare, there be no benefit; pay into a health care savings account; or deposit a larger amount of funds into a HSA account for their retirement healthcare. Panter advised PA202 language is not specific on depositing funds for some instead of for all.

After discussion, Markland will contact the City Attorney regarding this issue for direction as it would possibly be a bargaining unit issue.

CLOTHING COLLECTION RECEPTACLES – Markland advised of the complaints regarding the clothing collection receptacles. Reilly shared pictures of several violations reference the receptacles. Payne advised he called the contact numbers on the receptacles and received no responses. When Payne contacted Walmart, they were unaware the receptacles were there. Michael’s had no idea when the receptacles were placed or by whom. Payne stated the ones on school property would be exempt from the ordinance as they are “free zones”. Markland stated he would like to check with the City Attorney as he is not sure “free zone” would apply in this case as it is not a school function.

Lockwood stated the Solid Waste Committee would be willing to add this to their agenda for review. Justin Sprague stated the bins are considered accessory structures and have specific rules regarding placement on the property, setbacks, and building materials. These issues should be brought before the Zoning Commission.

Allen Rickman from Community Threads spoke regarding his concerns reference removal of his bins from their locations. He stated two-thirds of his product comes from bin donations and it would be detrimental to his business if he was not allowed to have them at their current locations.

Stephanie Pytlowanyj asked if the drop off could be at the back of the business as it is at Goodwill. She also stated the loading dock at Goodwill is full of trash and should be looked into by code enforcement.

After discussion, Osborn referred the issue to the Solid Waste Committee for further discussion and recommendation.

INFRASTRUCTURE UPGRADE PROPOSAL - Leonard Green with Comprehensive Computing Solutions of Michigan, LLC reviewed his proposal and objectives for the infrastructure upgrade. Green stated the city server is six years old, running Windows Server 2008 Operating System and needs to be upgraded before there is a critical issue. There is a need to provide the city with real-time redundancy and failover capability along with remote monitoring and network management software. This will give the ability to manage computers without disrupting users; enable integration of antivirus which would eliminate the need to renew the existing product; and would extend the support and coverage during physical absences. Green stated currently the city’s disaster recovery design is network backup to cloud and hard drive which is stored off premises. The upgrade would have two servers running back and forth between the servers, if one goes down,
the other can run independently. The data is still backed up to the cloud and hard drive which is stored off premises. Green advised the system is stable now, however, it should be upgraded within the next four to six months.

McDermott inquired about using a data center. Green advised the more data, the more cost charged and the access to software is limited and is very expensive right now. Sage asked how long the new system would last. Green stated, the same as the current system, five to six years. Cairnduff advised Homeland Security has issued an alert regarding cyber attacks. Bottecelli asked if the upgrade timeline could be moved up. Green stated yes, he could move it up to six-weeks. Markland advised the funds will come from the surplus fund balance.

A motion was made by Lockwood and seconded by Sage to move forward with the Infrastructure Upgrade Proposal as presented. **Motion was carried by unanimous voice vote.**

### COUNCIL MEMBER COMMENTS

Sage would like to discuss the road issue on the 25th at the Visioning Session.

Lockwood advised the Fenton Expo in on March 7th & 8th. Lockwood asked Chief Cairnduff to address the comments regarding STAT EMS and the incident on Owen Rd. Cairnduff reviewed how the STAT contract works and stated we have a different contract than anywhere in the county. He gave a brief overview of the incident on Owen Road in question.

### CALL TO THE AUDIENCE – Stephany Pytlowanyj voiced concern regarding STAT response time to the Owen Rd. incident.

Meeting adjourned at 9:51 PM.

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Mayor Sue Osborn  City Clerk, Sue Walsh

Date Approved: February 10, 2020