SPECIAL MEETING OF THE WEST BRANCH CITY COUNCIL HELD IN THE COUNCIL CHAMBER OF CITY HALL, 121 NORTH FOURTH STREET, TUESDAY, JUNE 30, 2015.

Mayor William Ehinger called the meeting to order at 12:05 p.m.

Present: Mayor William Ehinger, Council Members Jim Hasty, Denise Lawrence, David Lucas, and Rusty Showalter.

Absent: Kim Ervans, and Tim Schaiberger

Other officers present: City Manager Heather Grace, Clerk/Treasurer John Dantzer, Deputy Clerk/Treasurer Michelle Frechette, and Police Chief Ken Walters.

All stood for the Pledge of Allegiance.

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An addition to the agenda was brought forward by Manager Grace regarding the hiring of an officer for the vacated opening on the police department. Manager Grace and Police Chief Ken Walters introduced Blake Beehler as the newest hire to the City Police Department. Chief Walters also noted that he is filling out paperwork to get him certified in the State of Michigan, as his last job was in Nevada, and is hoping to have it done in time to have him working the 4th of July weekend.

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Mayor Ehinger reminded everyone about the work session scheduled for Thursday, July 2, 2015 in which Bob McGrail from the Hospital will be there to talk to Council about the affiliation process. Manger Grace and Mayor Ehinger updated Council on the last meeting that they had with Mr. McGrail.

Member Lawrence shared that she has received several complaints of fireworks going off in the City. She also noted that she has notified Chief Walters and he is looking into it.

Member Lawrence noted that she will be attending the next EMS meeting.

Member Lawrence noted that Mayor Ehinger has been chosen as the Grand Marshall for the 4th of July parade.

Member Lawrence also noted that the first Fabulous Fridays event was very well attended and that the Fabulous Fridays group will be planning a kazoo band for the 4th of July parade.

Member Hasty noted that he was at the most recent Fabulous Fridays event and wanted to know how to verify that a solicitor had received a license from the Health Department, as well as the license to sell in the City and who enforced it. Manager Grace noted that they are supposed to show their Health Department approval to the holder of the Special Event Peddler License in order to receive the corresponding City license. Grace also noted that they are required to show the approved license in some manner so that is visible from the street. She also noted that during special events like that, the coordinator of the special event applies for the permit and then they are responsible for choosing which

vendors are allowed in their event. She further noted that part of their special event license is to verify that the vendors they allow have the necessary approvals through the Health Department. She noted that she will contact the Fabulous Fridays group and remind them that they need to be doing that in case they were not. Office Walters noted that they are the ones that will be checking to see if the licenses are properly displayed.

Member Hasty also brought up some questions he had regarding bridges within the City and asked about our bridge inspections. Manager Grace noted that we passed all of the bridge inspections, including the bridge safety audit.

Member Showalter updated the Council that all of the security cameras are up and running at the pocket park and that the DDA will be requesting to have Council adopt some ordinances that will allow them to be able to address and enforce theft or damage to the park.

Member Showalter noted that he has resigned from the Fireworks Committee and that he wished the best to Committee and hopes it would remain an important part of the community.

Member Showalter also addressed some questions he had received on flowers in the downtown area and noted that there were some issues with the order of the flowers this year and that the DDA had addressed the issues so that they would not have them again in the future.

Manager Grace noted that because of having two harsh winters in a row, the DDA has spent a considerable amount of their budget to keep the sidewalks clean and that the City did kick in money this year to help out with the flower expense.

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MOTION BY SHOWALTER, SECOND BY LAWRENCE, TO APPROVE BILLS IN THE AMOUNT OF $37,353.15.

Yes – Ehinger, Hasty, Lawrence, Lucas, Showalter

No – None

Absent – Ervans, Schaiberger

Motion carried

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Manager Grace read resolution 15-14 which was budget amendment adjustments needed for the end of their current fiscal year.

MOTION BY SHOWALTER, SECOND BY LUCAS, TO ADOPT THE FOLLOWING RESOLUTION

RESOLUTION 15-14

WHEREAS, in reviewing the revenues and expenditures the Sewer Debt Fund, the Cemetery Fund, the DDA Fund, and the Sewer Collection Fund has exceeded its projected expenditures, and

WHEREAS, it is also recognized that the Sewer Debt Fund has exceeded its projected revenue, and

WHEREAS, the expenditures in the Sewer Debt Fund will be exceeded due to an underestimation of bond payments, and

WHEREAS, the expenditures in the Sewer Collection Fund will be exceeded due to an underestimation of equipment rental, and

WHEREAS, the Cemetery Fund will be exceeded due to an underestimation of labor and an underestimation of equipment rental, and

WHEREAS, the DDA Fund will be exceeded due to the recognition of expenses for cameras for the pocket park without receiving the grant funds, and

WHEREAS, the budget needs to be amended to cover the increase in expenditures and revenues,

NOW, THEREFORE, BE IT RESOLVED, that the West Branch City Council hereby amends the budget in Fund 318 Sewer Debt Fund as follows:

REVENUE	Budget	Amended
625.400 Billings	335,000	335,000
626.400 Penalties	2,000	3183.31
664.400 Interest Income	0	20
TOTAL REVENUE	337,000	338,203.31
EXPENDITURES		
994.700 Bond	136,000	140,286
995.700 Interest Due on Bonds	201,000	196,979.25
TOTAL SEWER DEBT FUND EXPENDITURES	337,000	337,265.25
Excess Receipts (Expenditures)	0	(265.25)
Carry Over	573,086.38	573,086.38

NOW, THEREFORE, FURTHER BE IT RESOLVED, that the West Branch City Council hereby amends the budget in Fund 593 Sewer Collection Fund as follows:

REVENUE	Budget	Amended
625.400 Billings	45,000	45,000
626.400 Penalties	500	600
648.401 Service Fees	12,000	10,000

664.400 Interest income	500	50
TOTAL REVENUE	58,000	55,650
EXPENDITURES		
703.700 Salaries and Wages	11,000	11,000
710.700 Overtime	500	500
714.700 Manditory Medicare	200	200
715.700 Social Security (Employer)	500	700
720.700 Workers Compensation Premium	200	300
727.700 Operating Supplies	2,000	6,000
782.700 Administration	32,000	32,001
801.700 Contractual Services	500	2,384
922.700 Public Utilities	500	600
941.700 Equipment Rental	10,000	11,000
956.700 Expenses	600	800
TOTAL EXPENDITURES	58,000	65,485
Excess Receipts (Expenditures)	0	(7,485)
Carry Over	60,954.94	53,469.94

NOW, THEREFORE, FURTHER BE IT RESOLVED, that the West Branch City Council hereby amends the budget in Fund 209 Cemetery Fund as follows:

REVENUE	Budget	Amended
610.400 Trans from Econ Adv. 204	18,000	18,000
628.400 Foundations	2,500	2,500
629.400 Grave Openings	6,000	6,000
642.400 Sales of Lots	3,000	2,000
664.400 Interest Income	100	50
695.400 Miscellaneous	400	400
696.400 Transfer from Cem. P.C.	500	500
TOTAL REVENUE	30,500	29,750
EXPENDITURES		
703.700 Salaries and Wages	10,800	14,000
710.700 Overtime	300	375
714.700 Mandatory Medicare	200	200
715.700 Social Security (Employer)	700	850
720.700 Worker Compensation Premium	600	450
727.700 Operating Supplies	1,000	405
782.700 Administration	1,000	1,000
801.700 Contractual Services	5,500	900
922.700 Public Utilities	400	400
941.700 Equipment Rental	10,000	15,000
956.700 Expenses	0	150

TOTAL EXPENDITURES	**30,500**	**33,730**
Excess Receipts (Expenditures)	**0**	**(3,980)**
Carry Over	**(25,711.88)**	**(29,691.88)**

NOW, THEREFORE, FURTHER BE IT RESOLVED, that the West Branch City Council hereby amends the budget in Fund 248 DDA Fund as follows:

REVENUE	**Budget**	**Amended**
400.400 Tax Increment Financing	**42,000**	**42,000**
403.400 Current Property Tax Gen OP	**11,000**	**10,238**
405.400 Rent Revenue – 5120	**500**	**1,000**
634.400 Grant	**244,000**	**242,317**
664.400 Interest Income	**0**	**20**
695.400 Miscellaneous	**500**	**500**
TOTAL REVENUE	**298,000**	**296,075**
EXPENDITURES		
703.700 Salaries and Wages	**11,000**	**6,644**
703.702 Wages Showmobile	**0**	**500**
710.700 Overtime	**2,000**	**1,612**
714.700 Mandatory Medicare	**250**	**150**
714.702 Mandatory Medicare Showmobile	**0**	**10**
715.700 Social Security (Employer)	**1,000**	**600**
715.702 Social Security Showmobile	**0**	**40**
720.700 Workers Comp. Premium	**250**	**50**
729.700 Flowers	**3,000**	**0**
750.700 Retail Merchant Contract	**7,500**	**0**
782.700 Administration	**5,000**	**3,065**
801.700 Contractual Services	**274,000**	**0**
922.700 Public Utilities	**0**	**1,318**
935.700 Improvement	**0**	**70**
935.702 Pocket Park	**0**	**264,500**
935.703 Showmobile Expenses	**0**	**30**
938.700 General Improvement	**11,000**	**5,660**
940.700 Gen. Maint/Repairs	**2,000**	**1,770**
941.700 Equipment Rental	**10,000**	**9,200**
941.703 Showmobile Equip Rental	**0**	**100**
956.700 Expenses	**500**	**5,000**
956.701 Food Expense	**500**	**550**
TOTAL EXPENDITURES	**328,000**	**300,869**
Excess Receipts	**(30,000)**	**(4,794)**

Carry Over	**(1,237.13)**	**(6,031.13)**

Yes – Ehinger, Hasty, Lawrence, Lucas, Showalter

No – None

Absent – Ervans, Schaiberger

Motion carried

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Manager Grace updated Council that during a meeting with the Auditors, they noted that our budget policy is fine but they recommended having a formal Statement of Budget Policy in writing. Manager Grace noted that the only major change she recommended making to the previous policy was to be able to do budget amendment adjustments administratively and then share them with Council. She noted that this would eliminate the need for Special Meetings like this one and ones they have had to have in the past.

MOTION BY SHOWALTER, SECOND BY EHINGER TO ADOPT THE FOLLOWING STATEMENT OF BUDGET POLICY

CITY OF WEST BRANCH

STATEMENT OF BUDGET POLICY

Purpose

In managing our funds, it is critical that we plan the income and expenditure we are expecting and assess the effect that this will have on our financial position. Setting an annual budget provides us with a way of planning our finances for the year ahead and then monitoring what happens. This enables us to adjust our activities, operate within available funds, and ensure that we remain financially healthy.

Scope

This Policy applies to all City funds.

Policy Statement

The City of West Branch is committed to effective management and monitoring of the organization's funds.

Procedures

An annual budget for the City of West Branch shall be reviewed and approved by City Council by May 25th of each year. The budget is approved by a majority vote of the West Branch City Council. The City Manager, along with the Clerk/Treasurer and Deputy Clerk/Treasurer, shall be responsible for developing the draft budget, with input from the various Department Heads. After the initial budget is approved by May 25th, subsequent budget adjustments that may need to be done to reflect actual end-of-year expenses and revenues may be made by either the City Council or the City Manager, up until the last day of the fiscal year, which is June 30th of each year. Additional adjustments, including journal entries, may be made by the Clerk/Treasurer or Deputy Clerk/Treasurer up to 60 days following the end of the fiscal year, depending on actions recommended by the City's Auditors. Administrative Budget Adjustments may also be made as needed on an ongoing basis throughout the fiscal year by the City Manager, provided that any such administratively approved budget adjustments are reported to the City Council at the next City Council Meeting.

Budget Review

The budget will be reviewed on an ongoing basis, by the City Manager, the Clerk/Treasurer, the Deputy Clerk/Treasurer, and the various Department Heads. In addition, Treasurer Reports will also be submitted either quarterly or monthly to the City Council for review.

Related Policies and Procedures

The basis of accounting for the City of West Branch shall be as follows:

Government-wide, proprietary and fiduciary funds financial statements shall be prepared using the accrual basis of accounting.

Government funds shall use the modified accrual basis of accounting.

Revenues resulting from exchange transactions, in which each party receives essentially equal value, shall be recorded on the accrual basis when the exchange takes place.

For funds utilizing a modified accrual basis, revenues shall be recorded in the fiscal year in which the resources are measureable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, this means that resources are generally considered available if they are expected to be received within 60 days of the fiscal year-end. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax, charges for services, fines and forfeitures, state-levied locally shared taxes (including sales tax), grants, interest and rent.

For funds utilizing the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the

accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciations and amortization, are not generally recognized in governmental funds.

For bills payable, the City Council authorizes the City Administration (City Manager, Clerk/Treasurer, and Deputy Clerk/Treasurer) to pay the bills as they come due, and submit such "paid but not approved" bills to the City Council for subsequent approval at the next City Council meeting.

Accounting Principles

At all times, the City shall strive to implement all accounting principles required by law, as well as those recommended by the City's Auditors, including any applicable Governmental Accounting Standards Board (GASB) standards.

Effective Date

This "City of West Branch Statement of Budget Policy" shall be effective for the fiscal year 2014/2015, and all subsequent fiscal years, unless amended or rejected by a majority vote of the City Council.

Yes – Ehinger, Hasty, Lawrence, Lucas, Showalter

No – None

Absent – Ervans, Schaiberger

Motion carried

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Member Showalter noted that in the policy it calls for the budget to be submitted and approved by May 25th of each year. He noted that the City Charter calls for that date but it may not be the best date because most of the time tax information is not available and a lot of guessing and extra work is needed and that they should consider changing that date the next time any changes to the Charter occur.

Member Hasty inquired about having maximum amounts allowed for purchase without Council authorization. Manager Grace noted that she believes our Charter does already address that but would look into what that amount was.

Member Lawrence noted that she has been asked by someone about having chickens within the City limits. Manager Grace noted that there are ordinances within the City to deal with this issue but also there are several recent courts cases that deal with this issue because of the Michigan Right to Farm Laws and that both she and our City attorney will be looking into it.

Mayor Ehinger adjourned the meeting at 1:15 pm.