



Brighton City Council Meeting

Contact Information: City Hall • 200 N First St. • Brighton, Michigan 48116
(810) 227-1911 • www.brightoncity.org • info@brightoncity.org

This meeting will be conducted electronically.
Please visit the City website or the notice posted at City Hall for Zoom Meeting login instructions.

Regular Business Meeting August 20, 2020 – 7:30 p.m.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Consider Approval of the Agenda
5. Consider Approval of Consent Agenda Items

Consent Agenda Items

- a. Approval of Minutes: [Study Session Meeting of August 6, 2020](#)
- b. Approval of Minutes: [Regular Meeting of August 6, 2020](#)
- c. [Approval of Graphic Sciences, Inc. Document Imaging Scope of Work in the Amount of \\$11,498.38](#)
- d. [Acceptance of Quarterly Financial Reports](#)

Correspondence

6. Call to the Public
7. Staff Updates
8. Updates from Councilmember Liaisons to Various Boards and Commissions

New Business

9. Consider Amendments to Resolution #20-12 To Promote Our Community and Healthy Public Socialization

Other Business

10. Call to the Public
11. Consider Entering Closed Session to Consider the Periodic Personnel Evaluation of the City Manager Pursuant to MCL 15.268(a)
12. Adjournment



City Council Study Session

200 N First St • City Hall Council Chambers • Brighton, Michigan 48116
(810) 227-1911 • www.brightoncity.org

This meeting will be conducted electronically.

MINUTES OF THE STUDY SESSION OF THE BRIGHTON CITY COUNCIL HELD ON AUGUST 6, 2020

Call to Order

Mayor Pipoly called the Study Session to order at 6:30 p.m.

Roll Call

Present were Mayor Pipoly and Mayor Pro Tem Gardner, Councilmembers: Bohn, Emaus, Muzzin, and Pettengill. Councilmember Tobbe arrived at 6:48 p.m. City Manager Nate Geinzer, City Clerk Tara Brown, Community Development Manager Mike Caruso, Finance Director Gretchen Gomolka, DPS Director Marcel Goch, Management Assistant Henry Outlaw, Police Chief Rob Bradford, Deputy Police Chief Craig Flood, Attorney Paul Burns, and Attorney Jeff Alber. There were nineteen people in the audience.

Call to the Public

Mayor Pipoly opened the Call to the Public at 6:32 p.m. Hearing and seeing no comment, Mayor Pipoly closed the Call to the Public at 6:32 p.m.

Discussion of Social Districts

City Council and staff discussed new House Bill 5781 signed on July 1, 2020 by Governor Whitmer as well as detailed plans prepared by staff, based on the feedback from the social districts work group, to evaluate the necessity and practical use of social districts should City Council consider implementation for approval. Maps, boundaries, and mandated particulars were discussed with input from the police department and City attorneys. Areas of concern were size of the social district, common areas, defined areas, input from local establishments, and proximity of social district to the Millpond.

~~Discussion on City Liability Insurance Proposals~~

Discussion on City Liability Insurance Proposals to be discussed during the regular meeting due to time constraints.

CALL TO THE PUBLIC

Mayor Pipoly opened the Call to the Public at 7:25 p.m. Hearing and seeing no comment, Mayor Pipoly closed the Call to the Public at 7:25 p.m.

ADJOURNMENT

Motion by Councilmember Pettengill, seconded by Councilmember Emaus to adjourn the Study Session at 7:25 p.m. **The motion carried without objection by roll call vote.**

Tara Brown, City Clerk

Shawn Pipoly, Mayor



Brighton City Council Meeting

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This meeting was conducted electronically.

MINUTES OF THE REGULAR MEETING OF THE BRIGHTON CITY COUNCIL HELD ON AUGUST 6, 2020

1. Call to Order

Mayor Pipoly called the meeting to order at 7:30 p.m.

2. Pledge of Allegiance

3. Roll Call

Present were Mayor Pipoly and Mayor Pro Tem Gardner, Councilmembers: Bohn, Emaus, Muzzin, Pettengill, and Tobbe. City Manager Nate Geinzer, City Clerk Tara Brown, Community Development Manager Mike Caruso, Human Resources Manager Michelle Miller, Finance Director Gretchen Gomolka, DPS Director Marcel Goch, Management Assistant Henry Outlaw, Police Chief Rob Bradford, Deputy Police Chief Craig Flood, Attorney Paul Burns, and Attorney Jeff Alber. There were nineteen people in the audience.

4. Consider Approval of the Agenda

Motion by Mayor Pro Tem Gardner, seconded by Councilmember Pettengill to approve the agenda as amended adding item 12a. **The motion carried without objection by roll call vote.**

5. Consider Approval of Consent Agenda Items

Motion by Councilmember Muzzin, seconded by Mayor Pro Tem Gardner to approve the consent agenda as presented. **The motion carried without objection by roll call vote.**

Consent Agenda Items

- a. Approval of Minutes: Study Session Meeting of July 16, 2020
- b. Approval of Minutes: Regular Meeting of July 16, 2020
- c. Resolution #20-16: Reallocation of MERS Assets Between Linked Divisions
- d. Appointments to Various Boards and Commissions

Correspondence

6. Call to the Public

Mayor Pipoly opened the Call to the Public at 7:38 p.m.

Business owners Ken Larscheid, Barb Binkley, Karen Hummer, Al Hummer, Collin Miller, Amy McCauley, Mac Hawes, Keith Karp, and Mark Binkley spoke during the Call to the Public in opposition of the continued closure of Main Street on Fridays and Saturdays.

Mayor Pipoly closed the Call to the Public at 8:07 p.m.

7. Staff Updates

Chief Bradford reported new officer Brendan Bauer was recently sworn in as a full time officer and is currently on field training and is completing daily observation reports.

Director Goch relayed the spray patching throughout the City is wrapping up.

Director Gomolka stated the summer taxes are due August 17, 2020, after which a fine will be assessed.

Human resources manager Miller congratulated Police Chief Rob Bradford on his twenty-three years of service to the City of Brighton.

Management assistant Outlaw happily reported the Farmers Market was a great success, hosting approximately 6,000 attendees.

Clerk Brown thanked the hard working election workers on all of their efforts during the August 4, 2020 Primary election. The absent voter counting board experienced a very high turnout but powered through to complete the count. Many precautions were in place to ensure a safe working environment such as large barriers between voters and election workers, sanitizing on a continuous basis, pens to take after voting, and hand sanitizer after voting.

Manager Geinzer reported favorable reductions in OPEB (other post employee benefits) liabilities. He reported an apparent overall 20% reduction in unfunded pension/OPEB liabilities based on the actuarial reports. Staff will be further analyzing results.

Councilmember Bohn asked how these reductions impact the benchmarks. Director Gomolka stated she will be compiling data and present a report but did note how the benchmarks are calculated.

Councilmember Pettengill stated her concern that communication and concern relayed to staff by business owners has not been forwarded to her. Further Councilmember Pettengill asked about the gas line repairs throughout the City in the Northwest Neighborhoods asking if there is plans for yard restoration.

Director Goch informed DTE is making upgrades within the Northwest Neighborhoods prior to the road construction planned for next year and once the work is completed a DTEs restoration contractor will be on site to restore yards.

8. Updates from Councilmember Liaisons to Various Boards and Commissions

Mayor Pipoly stated City staff always addresses issues when contacted and felt that Council did not need to be bothered with the concerns since staff was handling it. Mayor Pipoly thanked staff for their efforts.

Councilmember Bohn asked that residents and businesses that have concerns feel free to email City Council.

Councilmember Muzzin remarked to a prior stated concern that complaints about the Main Street closure has not been communicated to City Council by noting Councilmembers contact information on the City website. He further thanked Management Assistant Henry Outlaw for his work to get the Farmers Market on Main Street and noted a large turn out during the weekend of August 1-2, 2020 during the street closure.

Councilmember Emaus thanked fellow Councilmembers for all their work and noted the large turn around the City has seen over the last three or four years due to the efforts by the City Manager and his staff and the sacrifices City employees have made to their retirement have made to ensure fiscally responsibility.

Councilmember Emaus then gave a brief timeline of various efforts and committees that were assembled as the COVID-19 virus reached the state to protect residents, feed children, and to keep businesses a float. Many stakeholders from all sectors of City government and businesses were involved to ensure all areas were represented during these talks. Mr. Emaus stated he disagreed with Councilmember Pettengill, all emails and complaints/concerns were received by the appointed subcommittee through the proper channels and were overwhelmingly positive.

Councilmember Pettengill congratulated Eagle Scout Andrew Hanna who installed a permanent trail head at a park in the City of Brighton on Karl Greimel Road.

Councilmember Bohn and the Planning Commission met to discuss three times. He encouraged all concerned residents and businesses to contact City Councilmembers directly if they feel they are not being heard.

Mayor Pro Tem Gardner wished to welcome Nathan Burd as the new County Commissioner, he comes from the City of Adrian with many years of experience. Livingston County has a Census response rate of 80.3% which is number one in the state and number twelve in the Country. Census enumerators will be making home visits

starting August 11, 2020. To avoid an enumerator from coming to your home, please visit the County website or Census site to respond. Ms. Gardner noted her concern over some Farmers Market vendors that were not wearing masks and asked that those vendors participating to please wear a mask. Mayor Pro Tem noted that she voted in person and felt very safe, further she thanked the election workers for all their hard work and dedication.

New Business

9. Conduct First Reading and Set Public Hearing of Proposed Ordinance Amendments to the City of Brighton Ordinance Chapter 54 "Fireworks"

Motion by Councilmember Emaus, seconded by Councilmember Pettengill to set a public hearing of proposed ordinance amendments to the City of Brighton Ordinance Chapter 54 "Fireworks". **The motion carried without objection by roll call vote.**

10. Consider Approval of Genoa Township Wastewater Treatment and Water Service Agreement

Councilmember Tobbe asked if there were any monies from tap fees within the lump sum that will be transferred over by MHOG. Superintendent Brooks noted the lump sum consists of service and debt fees.

Motion by Councilmember Tobbe, seconded by Councilmember Emaus to approve the Genoa Township Wastewater Treatment and Water Service Agreement. **The motion carried without objection by roll call vote.**

11. Review and Consider Approval of the City Council Task Force's Recommendation Concerning the City's Liability Insurance Coverage and Possible Change in Carrier

Councilmember Tobbe asked as to the precipitating event that prompted Attorney Burns to ask for an evaluation of the City insurance coverage. Attorney Burns noted a previous carnival incident from years ago as well as the new Genoa Township waste water treatment agreement made it necessary to evaluate the sewer backup coverage.

Motion by Councilmember Tobbe, seconded by Councilmember Emaus to approve of the City Council Task Force's recommendation concerning the City's liability insurance Coverage to PAR for the \$10,000,000/\$13,000,000 sewer backup limit. **The motion carried without objection by roll call vote.**

12. Consider Approval of Resolution to Establish a "Social District," "Common Area," and "Management and Maintenance Plan"

Mr. Outlaw began discussions noting a work group made of staff, attorneys, and Councilmembers met to discuss the legal requirements and practical implementation of a social district within the City. They relayed their findings and presented a plan should City Council wish to proceed. It was the consensus of Council to slow down and let the State sort out the laws associated with the social district. Attorney Alber noted his concern over the language in the new legislation and asks that further investigation continue.

Motion by Councilmember Muzzin, seconded by Councilmember Tobbe to table the consideration to establish a social district for further discussion in early spring. **The motion carried by roll call vote with Councilmember Emaus voting no.**

12a. Evaluation of Main Street Closure

Based on feedback and concerns City Council discussed alterations to the Main Street closure and merits of allowing the Farmers Market to remain on Main Street on Saturday. It was proposed that the Farmers Market remain but then directly after, reopen to traffic but closing West and St. Paul Street for those businesses who take advantage of the extra space for social distancing.

Motion by Councilmember Bohn, seconded by Councilmember Emaus to revise the Main Street closure to allow the Farmer's Market to remain on Main Street on Saturday until concluded then reopen and to traffic but extend

the closure to West and St. Paul Streets for Fridays and Saturdays. **The motion carried by roll call vote with Councilmember Muzzin voting no.**

Other Business

13. Call to the Public

Mayor Pipoly opened the Call to the Public at 9:32 p.m.

Susan Bakhaus would like clarification on the utility bill.

Barb Binkley thanked City Council for listening to the businesses and asked for clarification on when the Farmers Market will end.

Pam McConeghy stated that she has been on the committee since the beginning and the sole goal was always to benefit the downtown merchants and keep people safe. The committee constantly asked how can we help. How can we generate growth in these economic times? Manager Geinzer' s heart was always in the right place but it is sad to see he is taking a beating for trying to help and be innovative. Ms. McConeghy also thanked Mr. Outlaw for his wisdom and commitment to Fridays and Saturdays on Main Street.

Collin Miller thanked City Council and staff for the adjustment and appreciates being part of the conversation.

Ken Larscheid thanked City Council and staff for listening.

Mayor Pipoly closed the Call to the Public at 9:42 p.m.

14. Adjournment

Motion by Councilmember Tobbe, seconded by Mayor Pro Tem Gardner to adjourn the meeting at 9:43 p.m. **The motion carried without objection by roll call vote.**

Tara Brown, City Clerk

Shawn Pipoly, Mayor



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

August 20, 2020

SUBJECT: CONSIDER APPROVAL OF GRAPHIC SCIENCES, INC. DOCUMENT IMAGING SCOPE OF WORK IN THE AMOUNT OF \$11,498.38

ADMINISTRATIVE SUMMARY

- Since the approval of Laserfische Enterprise Content Management, plans have been underway to convert our vast paper files held at City Hall and the Police Department to digital. After careful evaluation it was agreed the logical place to begin would be with address files as they make up a majority of the files within the City Hall building.
- An initial budget of \$20,000 was proposed during the Fiscal 2020/2021 budgetary retreats, however due to COVID-19 and a potential economic downturn, City Council asked staff to reduce the overall budget. Budgeted funds for document scanning were reduced to \$12,000 and will be enough to get our first 10% scanned and cataloged.
- Through a state bid dated June 1, 2018 and extended to local municipalities, Graphic Sciences, Inc. evaluated the City's files and have proposed to begin scanning within the approved budgeted amount. However, scanning services will be an ongoing yearly process until completed.
- If approved, Graphic Sciences, Inc. will retrieve designated files to be scanned, those files will be cataloged, and available throughout the process should access to said files be needed.
- Scanning these files will allow many departments within City Hall to access data efficiently and easily through simple keyword searches at their desktop computer and transfer requests easily in little time.
- The contractor holds all required certifications and liability insurance as required under the state contract as well as the obligation of confidentiality.
- The contractor will provide microfilm, imaging, documents preparation, and storage services on an as-needed basis as described within the contract.

RECOMMENDATION

Motion to approve of Graphic Sciences, Inc. document imaging scope of work in the amount of \$11,498.38.

Prepared by: Tara Brown, City Clerk
Approved by: Nate Geinzer, City Manager

Attachments: 1. Scope of work overview by Graphic Sciences, Inc.
2. State of Michigan Bid

Overview of the Brighton City of Community Deployment Address Files

A review of the Brighton City of Community Deployment Address Files collection was performed for the purpose of determining the volume, condition and structure of the files that are under consideration for a digital conversion. As a result of the overview an estimate of the conversion costs is also provided.

The files and the content of the files are in good to fair condition. There is little evidence of damaged documents or documents that will be difficult to scan. The files are identified as Community Deployment Address Files. The file naming is by PID number and address. Client will supply a list that contains the PID number and address. We will use this data file in the file naming process. We will data enter the PID number and pull the address from the data file. The content of the files is up to 8 ½ X 11 inch documents and 24" X 36" drawings.

The files are arranged by street name and then street number.

We will create a numbered bar code sheets by box for the pages and for the drawings that will be inserted as the first page of each file. The pages will be scanned on our paper scanners and the drawing on our large format scanner. After scanning and the file naming are complete the drawings are merged behind the scanned pages in the file and a multi page PDF file is created. The PDF file is named PID number_Address.PDF The files are currently in file drawers.

Volume Estimate:

Based shelving measurements we estimate that there are a total of:

Item 10 Drawers	Estimate pages	Estimated Drawings	Estimated files	File Naming
Community Deployment Address Files	45,000	5,250	1,050	PID# & Address

Conversion Cost Estimate:

Community Deployment Address Files				
Item 10 Drawers	Volume	Unit	Unit Price	Total Estimated Prices
Document Prep	72	Per Hour	\$ 22.6895	\$ 1,633.64
Page Scanning	45,000	Per Page	\$ 0.0706	\$ 3,177.00
Drawing Prep	26.25	Per Hour	\$ 22.6895	\$ 595.60
Drawing Scanning	5,250	Per Drawing	\$ 1.1040	\$ 5,796.00
File Naming (PID# & Address)	22,050	Per Character	\$ 0.0127	\$ 280.04
USB Media	1	Each	\$ 16.10	\$ 16.10
Pickup & Delivery Charge	2	Trips	No Charge	
Document Destruction If Required	1	Lot	No Charge	
			Totals:	\$ 11,498.38

Next Step:

The next step is to perform a production level test that fully demonstrates the deliverable product. The test should be performed using “typical” files across the collection. The selection of the files should include a number of files from different time periods. From the test we will be able to refine the volume and cost estimates if necessary and you will be able to verify that the processes used to perform the test execute produces the results you need.



**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**
Department of Technology, Management & Budget
525 W. Allegan, Lansing, MI 48913
P.O. Box 30026, Lansing, MI 48909

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **171 18000000749**
between
THE STATE OF MICHIGAN
and

CONTRACTOR	Graphic Sciences, Inc.
	1511 E. Lincoln Ave.
	Madison Heights, MI 48071
	Greg Colton, President
	248.549.6600
	GregC@gsiinc.com
	CV0032057

STATE	Jessie Weston	DTMB RMS
	517.335.9145	
	WestonJ2@michigan.gov	
	Brian Fairbrother	DTMB
	517.249.0457	
	FairbrotherB@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: Statewide Digital Imaging and Microfilm Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
6/1/2018	5/30/2023	2	N/A
PAYMENT TERMS		DELIVERY TIMEFRAME	
1% / 15 Net 45		See Section 2.1, Delivery	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
N/A			

FOR THE CONTRACTOR:

Graphic Sciences, Inc
Company Name

Gregory P. Colton
Authorized Agent Signature

Gregory P. Colton
Authorized Agent (Print or Type)

5/11/2018.
Date

FOR THE STATE:

JLai
Signature

Jared Ambrosler, Director of Enterprise Sourcing

DTMB Procurement

5-22-18
Date



City of Brighton

REPORT FROM THE CITY MANAGER TO CITY COUNCIL
August 20, 2020

SUBJECT: QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDING June 30, 2020

ADMINISTRATIVE SUMMARY

- This report is for the fourth quarter of the fiscal year and while we still waiting on some final year end invoices, cash receipts and accounting accruals, we have a general idea that the fiscal year will close out better than the amended budget. Due to COVID-19 we had been monitoring State Shared revenue and are happy to say that it came in higher than we anticipated when making the year end budget amendments.
- Throughout the next fiscal year, we will continue to monitor the budget and make City Council aware of any significant budget variances if they should arrive prior to next quarter's report.

Prepared by: Gretchen Gomolka, Finance Director

Approved by: Nate Geinzer, City Manager

FINANCIAL REPORT FOR CITY OF BRIGHTON - GENERAL FUND
 PERIOD ENDING 6/30/2020

Favorable compared to Budget
 Materially In line with Budget
 Monitoring
 Unfavorable compared Budget

	2019-20 ORIGINAL BUDGET	2019-20 AMENDED BUDGET	YTD BALANCE 6/30/2020	OVER/ (UNDER) BUDGET	NOTES
REVENUE					
PROPERTY TAXES	6,498,879.00	6,483,879.00	6,452,690.00	(31,189.00)	We are not made whole by the County on delinquent personal property tax. The City will continue collection on delinquent personal property tax over the next several years. The audit accrual for MTT settlements caused an unfavorable variance with the amended budget. Other favorable revenue accounts will offset this.
TAX PENALTIES, INTEREST & FEES	243,700.00	243,700.00	257,674.54	13,974.54	Increased delinquency fees have made us favorable to the year end budget.
LICENSES & PERMITS	426,850.00	378,509.00	403,378.14	24,869.14	Franchise fees came in about \$8,800 higher than budgeted. Building Permit fees, came in about \$5,000 higher than amended budget, which had been reduced from the original budget due to COVID-19 slow downs. General business and liquor licenses have increased and are higher than budget.
STATE SHARED REVENUE	780,000.00	825,000.00	864,280.18	39,280.18	The budget was amend to by \$95k for the annual PPT reimbursement that was originally budgeted at \$75k, however we received \$170K. We amended down the State Shared revenue budget due to the drop off in sales tax revenue resulting from COVID-19. We came in about \$40K higher than our amended budget and onlu \$11K less than our original budget.
INVESTMENT EARNINGS	68,000.00	108,000.00	107,268.65	(731.35)	A combination of increasing interest rates and investing in higher yield products have us exceeding budgeted revenue only halfway through the year. The budget was amended to reflect this increase. We are about \$50K higher than the original budget.
RENTS & ROYALTIES	72,620.00	72,620.00	73,200.00	580.00	This majority of this line item represents charges to Major and Local streets for employees working on street projects.

Favorable compared to Budget
 Materially In line with Budget
 Monitoring
 Unfavorable compared Budget

	2019-20 ORIGINAL BUDGET	2019-20 AMENDED BUDGET	YTD BALANCE 6/30/2020	OVER/ (UNDER) BUDGET	NOTES
OTHER REVENUE	57,550.00	91,550.00	110,907.00	19,357.00	Includes our dividend payment from MML for our general liability insurance for the 19-20 renewal, as well as claims proceeds. Also includes reimbursements to the City for retiree health savings account pre-funding. This account was amended and is about \$50K over the original budget.
OTHER FINANCING SOURCES	247,500.00	252,500.00	251,575.80	(924.20)	The variance represents appropriation from DDA, Drug Forfeiture, and Utility Funds. The Drug Forfeiture transfer is based on actual K-9 unit costs which were below budget.
SERVICE CHARGES	679,850.00	640,510.00	651,108.57	10,598.57	This is primarily refuse collection user fees, and revenue is higher than the amended budget which was reduced due to a slow down in cemetery plot sales due to the COVID-19 shutdown.
FINES & FORFEITS	39,830.00	39,830.00	41,696.62	1,866.62	Primarily police related fines, that come in sporadically throughout the year.
FEDERAL GRANTS	2,000.00	2,000.00	1,446.50	(553.50)	These grants when awarded will have a corresponding expense. If no revenue is received, no expense is incurred.
LOCAL UNIT CONTRIBUTION	91,948.00	91,948.00	92,283.71	335.71	Liaison officer payments and security at athletic events.
STATE GRANTS	2,400.00	2,400.00	2,508.65	108.65	Act 302 payments are received in October and May
TOTAL REVENUES	9,211,127.00	9,232,446.00	9,310,018.36	77,572.36	

EXPENDITURES

CITY COUNCIL	30,562.00	30,562.00	21,362.39	(9,199.61)	Primary expense is Per Diems, which were below budget along with savings in the training/conference budget.
CITY MANAGER	253,834.00	173,834.00	162,394.00	(11,440.00)	Includes Assistant to the City Manager budgeted at full time with benefits. The position was filled as part-time with no benefits
LEGAL SERVICES	208,112.00	237,312.00	231,038.03	(6,273.97)	General and Labor attorney retainers and other expenses. A budget amendment was made to account for higher than budgeted originally budgeted costs related to MTT appraisals in the amount of \$30K.
CITY CLERK	139,378.00	129,378.00	120,748.36	(8,629.64)	Election costs and per diems for May as well as general operating exp.
HUMAN RESOURCES	121,574.00	127,574.00	126,548.82	(1,025.18)	General operations.
FINANCE	670,008.00	657,166.61	644,026.50	(13,140.11)	General operations, staff layoffs and FMLA time will result in a favorable outcome.
INFORMATION SYSTEMS	116,393.00	116,393.00	114,643.00	(1,750.00)	General operations
POLICE	2,838,974.00	2,901,056.00	2,894,845.47	(6,210.53)	Budget amendments were made for the retirement payouts of accrued sick and vacation.

Favorable compared to Budget
 Materially In line with Budget
 Monitoring
 Unfavorable compared Budget

	2019-20 ORIGINAL BUDGET	2019-20 AMENDED BUDGET	YTD BALANCE 6/30/2020	OVER/ (UNDER) BUDGET	NOTES
PUBLIC WORKS	2,253,448.00	2,180,027.97	2,074,047.20	(105,980.77)	General operations covering all city buildings and public spaces. Savings partially due to retirement of 2 long term employees replaced with staff under the new benefit structure.
COMMUNITY DEVELOPMENT	462,095.00	386,542.00	361,459.14	(25,082.86)	General operations. Savings over the budget as a result of an unfilled vacancy, a layoff, and a budgeted FT position being PT most of the year.
POST EMPLOYMENT BENEFITS	513,929.00	483,929.00	477,311.07	(6,617.93)	Healthcare for retirees, lower than anticipated renewal rates for January 2020, coupled with plan changes through the 2019 employee negotiations resulted in a budget amendment reducing the expense.
TRANSFERS-OUT AGENCIES	151,200.00	147,000.00	146,965.00	(35.00)	425 Agreement payment to Genoa Township based on the Taxable Value for the parcels in the agreement, appropriation to SPARK, and the Historical Society. This payout is complete and was favorable to budget.
TRANSFERS-OUT OTHER FUNDS	2,391,139.00	2,579,050.00	2,553,799.00	(25,251.00)	Appropriations to certain funds are made as expenditures in those funds as they occur. Capital Reserve fund did not need to full budgeted transfer.
TOTAL EXPENDITURES	10,150,646.00	10,149,824.58	9,929,187.98	(220,636.60)	

There are still some invoices and accruals that were estimated to come up with the June numbers. We are preparing for audit and will determine the final results for the year in the coming months. The preliminary projections shows overall revenues and expenditures are coming in favorable to the amended budget. Note the budgeted use of fund balance is due to the transfer of fund balance to the new capital reserve fund.

Net of Revenues VS Expenditures (939,519.00) (917,378.58) (619,169.62)



CITY OF BRIGHTON

REPORT FROM THE CITY MANAGER TO CITY COUNCIL

August 20, 2020

SUBJECT: QUARTERLY INVESTMENT REPORT AT OF JUNE 30, 2020

ADMINISTRATIVE SUMMARY

- The City's total investment/bank balance has decreased by \$507 thousand or 5.2% over last quarter to \$9,303,269.
- This decrease follows the normal cash flow of the City as the majority of tax revenue is collected in the first quarter of the fiscal year, while expenditures tend to be constant throughout the year. The decrease in cash for the 4th quarter this year is significantly lower than in prior years. This is primarily due to the timing of work and invoices due to the Corona Virus related shutdowns. The accounts payable at year end are significantly higher than prior years as well. Overall 4th quarter expenditures are on par with prior years, we just haven't paid the invoices as of June 30, 2020 due to the delay of work and invoicing.
- Compared to the same quarter a year ago, the City's total investment/bank balance has increased by \$1.4 million or 18.2%. This increase is the result of the timing of June accounts payable coupled with increased cash flow from the new streets millage.
- The City's average rate of return on investments has decreased from 0.93% to 0.47% over the last quarter, primarily due to decreasing interest rates that started falling in March due to the impacts of COVID-19.
- The City continues for the time being to earn above the benchmark 3-month Treasury Bill Rate and the Fed Funds Rate. This is primarily due to the three certificates of deposit that were locked in at higher rates. Additionally, several of our bank accounts are still paying higher than the benchmarks. We expect these to drop in the coming months. As a general rule the city earns slightly below the benchmarks due to the need to properly diversify City funds in order to obtain the most FDIC insurance coverage at possible. We achieve this through a single lower interest bearing investment that spreads our money across several different banks. This relieves the burden of the City tracking 40 or more different financial institutions.
- The City's deposits/investments with Flagstar Bank, The State Bank, Independent Bank, and Michigan Class total 12.5%, 16.8%, 24.0%, and 27.9%, respectively, of the City's overall portfolio.
- We continue to work within the primary objectives of the City's Investment Policy, which, in priority are; safety, liquidity, and return on investment.

Prepared by: Gretchen M. Gomolka, Finance Director

Approved by: Nate Geinzer, City Manager

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MEMORANDUM

To: City Council
From: Laura Hoshaw, Treasurer 
Subject: Quarterly Investment Report
Date: August 6, 2020

The City of Brighton currently has 8% of all investments held in 3 Certificates of Deposit (CDs) with various Michigan banks maturing in 2-months or less. The interest rates of these outstanding CDs range from 1.59% to a maximum of 2% and vary in amounts from \$250,000 to \$264,857. Investment in CDs protects interest revenue from market declines in the money market accounts. The general fund currently holds 3 CDs in the amount of \$771,484. Staggering investment maturities provides an on-going steady interest income and also helps fund future accounts payable and payroll.

The remaining 92% of our total investments are earning interest rates ranging from 0% to .60% on our money market, savings, and checking accounts held at various financial institutions. We have two accounts that are earning 0% interest at Old National Bank. One is a small balance account which allows our Police officers no fee money orders for out of county court warrants. The other is a tax account which gives our citizens another location to pay their property taxes. These funds are completely liquid in nature and are available to use on demand. CDs require a penalty in interest; normally one month is forfeited, if they are needed prior to their maturity. Municipalities are allowed to only use Michigan banks for investment purposes.

Sales of existing homes jumped nearly 21% in June compared with May, according to the National Association of Realtors. It was the largest monthly gain since the Realtors began tracking the data in 1968 and came after the sharp declines over the previous three months due to the coronavirus pandemic. Sales were still 11.3% lower annually. The housing market is red hot with a prevalence of multiple offers. Mortgage rates are hovering near record lows giving buyers more purchasing power but also helping to keep home prices elevated.

The U.S. economy suffered its sharpest downturn since at least the 1940's in the second quarter, highlighting how the pandemic has ravaged businesses across the country and left millions of Americans out of work. Gross domestic product shrank 9.5% in the second quarter from the first, a drop that equals an annualized pace of 32.9%. That is the steepest annualized decline in quarterly records dating back to 1947 and compares with analyst estimates for a 34.5% contraction. Personal spending, which makes up about two thirds of GDP, slumped an annualized 34.6%, also the most on record.

The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term. In the light of these developments, the Federal Reserve decided to maintain the target range for the federal funds rate at 0 to ¼%. The Committee expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.

CITY OF BRIGHTON
 QUARTERLY INVESTMENT REPORT
 AS OF JUNE 30, 2020

<u>Investment Account</u>	<u>Account Balance</u>	<u>Maturity Date</u>	<u>Current % Interest Rate</u>	<u>Average R.O.R.</u>
OLD NATIONAL BANK-Checking	14,235	Immediate	0.00%	0.00%
OLD NATIONAL BANK-Juvenile	1,526	Immediate	0.00%	0.00%
Total Old National Bank	<u>15,761</u>			
1ST NATIONAL BANK	194,663	Immediate	0.15%	0.00%
Total 1st National Bank	<u>194,663</u>			
FIRST NATIONAL BANK OF AMERICA	239,956	Immediate	0.35%	0.01%
Total First National Bank of America	<u>239,956</u>			
HORIZON BANK-MM	256,593	Immediate	0.07%	0.00%
Total Horizon Bank	<u>256,593</u>			
FLAGSTAR BANK-Refundable Deposit	310,687	Immediate	0.40%	0.01%
FLAGSTAR BANK-Combined Savings	157,073	Immediate	0.40%	0.01%
FLAGSTAR BANK-Flexible Spending	11,260	Immediate	0.25%	0.00%
FLAGSTAR BANK-A/P Checking	686,346	Immediate	0.25%	0.02%
Total Flagstar Bank	<u>1,165,366</u>			
CHIEF FINANCIAL CREDIT UNION-Platinum Sav	262,021	Immediate	0.55%	0.02%
Total Chief Financial Credit Union	<u>262,021</u>			
THE STATE BANK-Savings Account	1,563,002	Immediate	0.60%	0.10%
Total The State Bank	<u>1,563,002</u>			
INDEPENDENT BANK UTILITY LB-Checking/Sweep	2,234,457	Immediate	0.10%	0.02%
Total Independent Bank	<u>2,234,457</u>			
MICHIGAN CLASS	2,599,966	Immediate	0.45%	0.13%
Total Michigan Class	<u>2,599,966</u>			
CD-CIBC BANK	256,626	09/28/20	1.90%	0.05%
CD-OLD NATIONAL	250,000	08/29/20	1.59%	0.04%
CD-LEVEL ONE	264,857	09/01/20	2.00%	0.06%
Total Certificate of Deposits	<u>771,484</u>			
TOTAL	<u><u>9,303,269</u></u>		9.06%	0.47%
Three Month Treasury Bill Rate*				0.16%
Average Fed Funds Rate**				0.08%
City's Avg. R.O.R. over/(under) the 3-month T-Bill Rate				0.31%
City's Avg. R.O.R. over/(under) the Avg. Fed Funds Rate				0.39%