

CITY OF BRIGHTON  
CITY COUNCIL MEETING  
CITY HALL  
February 2, 2012

**Regular Blue Sky - 7:00 pm:** Review of Agenda Items for this evening's meeting

**REGULAR SESSION - 7:30 P.M.**

1. Call to order
2. Pledge of Allegiance
3. Roll Call
4. Consider approval of the Agenda
5. Approval of [minutes: Regular Meeting](#) and Closed Session of [January 19, 2012](#)
6. Mayor's Reading of Citizen Inquiries received since the last City Council Meeting
7. Call to the Public

**Consent Agenda**

8. Consider approval of the Finance Director's [Quarterly Investment Report](#)
9. Review of quarterly expenditure report from staff

**Policy Development & Customer Communications' action item**

10. Receive informational presentation from the Brighton Area Fire Authority Fire Chief
11. Receive informational presentation regarding 2011 and 2012 DDA projects and activity from the DDA Executive Director/Community Development Director
12. Consider approval of a [group of comparable city governments to be used for the upcoming Administrative Non-Union employees Pay and Benefits' market study](#) conducted by the Michigan Municipal League
13. Consider actions as may be recommended by the City Attorneys regarding the recently-established Veterans Memorial Improvement Project Reserve Fund
14. Consider authorization of Legislative Communications to and with State Legislators about pending legislative proposals

**Other Business**

15. Information for City Customers
16. Receive updates from Council Member Liaisons to other Boards and Commissions
17. Call to the Public
18. Conduct a closed session at the request of the City Attorney to receive an attorney-client privilege opinion
19. Consider possible actions as may be recommended by the City Attorney
20. Consider a closed session at the request of the City Attorney regarding pending litigation
21. Adjournment

**MINUTES OF THE MEETING OF THE CITY COUNCIL OF BRIGHTON**  
**HELD ON JANUARY 19, 2012 AT THE BRIGHTON CITY HALL**  
**200 N. 1ST STREET, BRIGHTON, MICHIGAN**

**BLUE SKY SESSION**

The Council conducted a Blue Sky Session at 7:00 p.m. Present were Mayor Muzzin, Mayor Pro-Tem Cooper, Councilmembers Schillinger, Bandkau, Bohn, Pipoly and Roblee. The Council reviewed the agenda items.

**REGULAR SESSION**

Mayor Muzzin called the regular meeting to order at 7:32 p.m. Following the Pledge of Allegiance, the roll was called, there being present were Mayor Muzzin, Mayor Pro-Tem Cooper, Councilmembers Schillinger, Bandkau, Pipoly, Roblee and Bohn. Also in attendance were Attorney Paul Burns and Staff members Dana Foster, Jennifer Burke, Diana Lowe, Amy Cyphert, Dave Blackmar, Tom Wightman, Kelly Hanna an audience of 9. Press and Media included Nicole Krawcke from The Patch and Tom Tolen from WHMI.

**AGENDA APPROVAL**

It was moved by Councilmember Bandkau, seconded by Roblee to approve the Agenda as amended. Delete item #20, Closed Session and item #21, Closed Session Possible Action. Motion passed 7-0.

**MINUTES APPROVAL**

It was moved by Councilmember Schillinger, seconded by Pipoly to approve the Regular Meeting minutes of January 5, 2012 as presented. Motion passed 7-0.

It was moved by Councilmember Roblee, seconded by Bohn to approve the Closed Session Meeting minutes of January 5, 2012 as presented. Motion passed 7-0.

**EAGLE SCOUT PROCLAMATION**

Mayor Muzzin read and presented an Eagle Scout Proclamation to Thomas Price.

Thomas Price stated his Eagle Scout project was to build a gazebo at the Howell Nature Center.

**MINUTE APPROVAL**

It was moved by Councilmember Schillinger, seconded by Cooper to approve the Closed Session Meeting minutes of December 15, 2011 as presented. Motion passed 7-0.

**CITIZEN INQUIRIES**

Susan Walters-Steinacker - Under what authority is the City of Brighton giving tax deductible receipts for donations to the Veterans Memorial Improvement Project Fund?

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City Manager, Dana Foster stated City Council approved a Resolution to create a Veteran's Memorial Fund for the purpose of being able to receive donations and it is under further review by the City Attorney's office to see if the Council needs to make any additional actions for donations to be tax-deductable.

Susan Walters-Steinacker - please state the total amount of tax dollars, or captured tax dollars, paid to purchase sculptures for or within the city.

### **CALL TO THE PUBLIC**

Mayor Muzzin opened the Call to the Public at 7:41 p.m. The following comments were heard:

Pat Cole, Brighton City, request Resolution 11-24 be dissolved.

Hearing no further comments, Mayor Muzzin closed the Call to the Public at 8:46 p.m.

### **CONSENT AGENDA**

It was moved by Councilmember Bandkau, seconded by Schillinger to approve the Consent Agenda. Motion passed 7-0.

The following items were approved on the Consent Agenda

1. Reappointed Christopher Tobbe and Mary Jo Takagi to the Arts & Culture Advisory Commission.
2. Adopted Resolution 12-01, Granting Officer Mike Mitchell the purchase of generic retirement service credits at his expense and Resolution 12-02, Granting Officer Robert Bradford the purchase of generic retirement service credits at his expense.
3. Adopted Resolution, 12-03, Establishing a MERS-related Health Care Savings Program account, pursuant to recently approved collective bargaining agreements.

### **FINANCIAL FORECAST**

City Manager, Dana Foster briefed the Council on the updated 6-year Financial Forecast on the General Fund and the DDA Fund. He discussed how the Personal Property Tax affects these two Funds.

Finance Director, Kelly Hanna discussed General Fund Summary Key Highlights, General Funds Forecast Staff Assumptions, General Fund Forecast Summary Spreadsheet, General Fund Forecast Unreserved Fund Balance, Ad Valorem Taxable Value, DDA Fund Financial Forecast Revenue, DDA Fund Financial Forecast Summary, New Building in the DDA District-Where does the New Property Tax Dollar go?, A hypothetical Tax Bill of Building Valued at \$3 million in the DDA District.

City Manager, Dana Foster discussed all of the entities that benefit when new projects are developed in the DDA District and the Debt Management Policy. He thanked Kelly Hanna, Mayor Pro-Tem Cooper and Councilmember Bohn for their time with this Forecast.

### **PAY AND BENEFITS STUDY**

It was moved by Councilmember Schillinger, seconded by Bandkau to approve \$5,850 for professional fees for a pay and benefits study contract proposal from the Michigan Municipal League's Staff for 13 classifications of administrative non-union employees to include the City Manager, with the complete study including market study of pay and benefits (using up to 12 comparable municipal government employers), job description review/update and point factor job evaluation. Motion passed 6-1 with Mayor Pro-Tem Cooper voting "no".

### **CHIP AND SEAL PAVEMENT MAINTENANCE**

It was moved by Councilmember Bohn, seconded by Pipoly to direct Staff to put up for bid both Chip and Seal Pavement proposals that were presented at the January 5, 2012 City Council meeting. Motion passed 7-0.

### **CITY CUSTOMER INFORMATION**

City Manager, Dana Foster there is an upcoming Worksession on January 26, 2012 at 6:30 p.m. on Debt Management Policy. The next focus group meeting will be conducted Wednesday at 6:30 at the Library. We are implementing the new payroll contract, which will result in cost reductions. He conducted information meetings with the affected employees and he gave credit to the City employees for going through the process.

Mayor Pro-Tem Cooper stated SELCRA changed their uniforms and their old uniforms were sent to the children in the Philippines.

Councilmember Bohn stated the Budget & Finance Subcommittee met and got a first view on the draft Debt Management Financial Policy.

Councilmember Pipoly stated the DDA Subcommittee approved a \$7,400 allocation for the ATV for snow plowing, further environmental studies on the lot for the potential parking structure and authorized an agreement with the Chamber of Commerce to facilitate and coordinate marketing for downtown events.

Mayor Muzzin read a letter he received from James Siford regarding the Siford award suggesting it is time to recognize someone else for this award and thanked Council for consideration of this request. The Brighton Area Fire Authority elected officers: Muzzin is Chairman, Mortensen is Vice-Chair, Schillinger is Treasurer and Corrigan is Secretary. The Brighton Area Fire Authority township leases were approved, the annual Awards will be at the Brighton Center for Performing Arts on February 3, 2012 at 7:00 p.m. and Chief O'Brien will be scheduling an appointment with staff for the 2011 review. The City of Brighton and Matt Modrack received awards at the State of the Chamber event.

**CALL TO THE PUBLIC**

Mayor Muzzin gave a Call to the Public at 9:11 p.m. Hearing no comment, Mayor Muzzin closed the Call to the Public.

**ATTORNEY/CLIENT WRITTEN COMMUNICATION CLOSED SESSION**

It was moved by Mayor Pro-Tem Cooper, seconded by Bandkau to go into Closed Session to discuss written Attorney/Client privilege communication pursuant to MCL 15.268(h) at 9:13 p.m. A roll call vote was taken. Yes: Schillinger, Bohn, Cooper, Muzzin, Bandkau, Roblee, Pipoly. No: none. Motion passed 7-0.

The Council convened into Closed Session at 9:14 p.m.

The Council reconvened the Regular Session at 9:17 p.m.

It was moved by Councilmember Roblee, seconded by Pipoly to authorize the settlement of Bank of American as authorized by the Attorney General.

Motion passed 7-0.

**ADJOURNMENT**

It was moved by Councilmember Pipoly, seconded by Cooper to adjourn the meeting at 9:18 p.m. Motion passed 7-0.

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Diana Lowe, City Clerk

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Jim Muzzin, Mayor

## MEMORANDUM

To: Dana Foster, City Manager

From: Kelly Hanna, Finance Director

Date: January 25, 2012

**Subject: The City's Quarterly Investment Report as of December 31, 2011**

Attached you will find the City's Quarterly Investment Report as of December 31 2011.

In comparison to the quarter ended September 30, 2011, the City's total investment/bank balance has decreased by \$424,452 or 6% to \$6,943,220, which is generally indicative of the fact that the majority of the City's tax revenue levied is collected in the first quarter of the fiscal year, while expenditures are relatively more constant throughout the year. In comparison to the same quarter a year ago, i.e., the quarter ended December 31 2010, the City's total investment/bank balance has decreased by \$429,363 or 6%. This is reflective of less revenue's in FY 11/12 compared to FY 10/11.

In comparison to the quarter ended September 30, 2011, the City's average rate of return on investments decreased from 0.42% to 0.39%. The decrease is reflective of recent market changes in interest rates. The City continues to earn more than the benchmark 3-month Treasury Bill Rate and Fed Funds Rate.

Since September 30, 2011, the City's investment in FDIC insured CD's decreased by \$251,026. The City's collateralized deposits/investments with JP Morgan Chase Bank totaled approximately \$2,212,466 or approximately 32% of the City's overall portfolio.

Attached you will find a quarterly investment report prepared by the City Treasurer, per the Adopted Investment Policy. We continue to work within the primary objectives of the City's Investment Policy, which, in priority order, are; safety, liquidity and return on investment.

Let me know if you have any questions.

## MEMO

To: City Council  
From: Fern Jackson, Treasurer   
Subject: 4th Quarter investment report  
Date: January 25, 2012

The City of Brighton currently has 16 certificates of deposits with various Michigan banks within a 1-year maturity or less. This spreads the risk of FDIC insurance to \$250,000 per institution and provides better coverage in case of any bank default. There were 3 maturities this quarter with TCF Bank and Talmer Bank and Trust.

The interest rates of these outstanding certificates range from .40% to a maximum of .80% and will vary in amounts from \$100,000 to \$250,000. Laddering the investments out provides on going steady interest income, which is an additional revenue to the City budget. This also protects the interest revenue from market declines in the money market accounts. Most of the certificates were purchased from the general fund, \$3,250,316.67, which is from the tax revenue received from the tax bills due August 15 of each year. One \$100,000 certificate of deposit was purchased for the sewer fund and one for \$250,000 was purchased for the DDA Fund to maximize earnings. All the local jurisdictions have been paid from the collections received every 2 weeks as required by State law.

Our current financial institutions which we have money market accounts with are providing .22% to .498% interest rates on 21.49% of our total investments. These funds are completely liquid in nature and are available to use on demand. Certificates of Deposit require a penalty in interest; normally one month is forfeited, if they are needed prior to their maturity.

While employers added 200,000 jobs in December, twice the previous month's pace, and the unemployment rate dropped to 8.5% from 8.7% the month before. Today the Federal Reserve met and their benchmark interest rate will stay low until at least late 2014 in anticipation that the unemployment will remain high and inflation "subdued." Some Federal officials have indicated that they remain open to more bond purchases to keep interest rates low and support growth. Yesterday the International Monetary Fund reduced its forecast for global growth this year as the euro crisis threatens to derail the world economy. This in turn produces very low CD interest rates for our income revenue.

CITY OF BRIGHTON  
 QUARTERLY INVESTMENT REPORT  
 AS OF DEC 31, 2011\*

<u>Investment Account</u>	<u>Account Balance</u>	<u>Maturity Date</u>	<u>Current % Interest Rate</u>	<u>Average R.O.R.</u>
JP Morgan Chase & Co. - A/P	1,165,638.31	Immediate	0.00%	0.00%
JP Morgan Chase & Co. - Payroll	15,237.17	Immediate	0.00%	0.00%
JP Morgan Chase & Co. - MSHDA	10,000.00	Immediate	0.00%	0.00%
JP Morgan Chase & Co. - Escrow	-	Immediate	0.00%	0.00%
JP Morgan Chase & Co. - Tax	99,656.33	Immediate	0.00%	0.00%
JP Morgan Chase & Co. - Payroll MM	383,859.39	Immediate	0.22%	0.01%
JP Morgan Chase & Co. - Money Market	538,075.14	Immediate	0.22%	0.02%
<b>Total Chase Bank</b>	<b>2,212,466.34</b>			
Michigan Commerce - Police Forfeiture	17,772.90	Immediate	0.15%	0.00%
Michigan Commerce - Juvenile	746.72	Immediate	0.00%	0.00%
Michigan Commerce - Tax account	10,958.29	Immediate	0.15%	0.00%
<b>Total Michigan Commerce Bank</b>	<b>29,477.91</b>			
First National Bank-tax account	26,319.89	Immediate	0.23%	0.00%
<b>Total 1st Natl Bank</b>	<b>26,319.89</b>			
Level 1-Money Market	569,928.11	Immediate	0.498%	0.04%
Level 1-U/B checking	3,461.21	Immediate	0.00%	0.00%
<b>Total Level 1</b>	<b>573,389.32</b>			
LOTUS BANK	200,919.10	Immediate	0.65%	0.02%
<b>Total Lotus Bank</b>	<b>200,919.10</b>			
FIRST NATIONAL BANK OF AMERICA	300,330.51	Immediate	0.60%	0.03%
<b>Total First National Bank of America</b>	<b>300,330.51</b>			
CD-United Bank	250,000.00	1/15/12	0.40%	0.01%
CD-United Bank	250,000.00	1/28/12	0.40%	0.01%
CD-Bank of Ann Arbor	250,316.67	1/30/12	0.80%	0.03%
CD-Bank of Holland	250,000.00	2/27/12	0.40%	0.01%
CD-Flagstar Bank	250,000.00	3/15/12	0.60%	0.02%
CD-Bank of Ann Arbor	250,000.00	3/28/12	0.45%	0.02%
CD-Michigan Commerce	250,000.00	4/15/12	0.50%	0.02%
CD-Mercantile Bank of MI	250,000.00	4/27/12	0.49%	0.02%
CD-Huron Valley State Bank	250,000.00	4/28/12	0.45%	0.02%
CD-Macatawa Bank	250,000.00	5/11/12	0.58%	0.02%
CD-Ann Arbor State Bank-CD	100,000.00	5/15/12	0.50%	0.01%
CD-Flagstar	250,000.00	5/29/12	0.70%	0.03%
CD-Mercantile Bank of MI	250,000.00	6/15/12	0.80%	0.03%
CD-the PrivateBank	100,000.00	6/29/12	0.50%	0.01%
CD-Independent Bank	200,000.00	9/8/12	0.56%	0.02%
CD-PNC Bank	200,000.00	10/9/12	0.40%	0.01%
<b>Total Certificate of Deposits</b>	<b>3,600,316.67</b>			
<b>TOTAL</b>	<b>6,943,219.74</b>		<b>11.25%</b>	<b>0.39%</b>

Avg. three Month Treasury Bill Rate  
 Average Fed Funds Rate

**0.0151%**  
**0.0757%**

City's Avg. R.O.R. over/(under) the 3-month T-Bill Rate  
 City's Avg. R.O.R. over/(under) the Avg. Fed Funds Rate

0.38%  
 0.32%

\* From the website below

<http://bonds.yahoo.com/>

\*\* From the website below

<http://app.ny.frb.org/markets/omo/dmm/fedfundsdata.cfm>

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\*Amounts match the bank statement balance and there may be reconciling items between the General Ledger and the bank.



michigan municipal league

Better Communities.  
Better Michigan.

1675 Green Road  
Ann Arbor, MI 48105

TEL 734.662.3246 800.653.2483  
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January 24, 2012

Mr. Dana Foster  
City Manager  
City of Brighton  
200 N. First Street  
Brighton, MI 48116

RE: COMPARABLES FOR STUDY OF PAY & BENEFITS

Dear Mr. Foster:

Attached is a table with data and information on twelve comparable communities I propose to use as for the pay and benefits study. You'll see this group of comparables averages closely to Brighton with regard to population, staffing and organization, with taxable value and TV per capita varying more substantially. Many of the proposed comparables are within the same geographic region, while others are further away but remain desirable as comparables.

I believe this set of twelve comparables provides a balanced set of communities likely to yield data on comparable positions, and I look forward to attending the City Council meeting on February 2<sup>nd</sup> to discuss them in more detail.

Sincerely,

*Sent via email*

Heather H. Van Poucker  
Director, Information and Policy Research

**CITY OF BRIGHTON**

**PROPOSED COMPARABLES FOR USE IN PAY AND BENEFITS SURVEY**

<b>Municipality</b>	<b>County</b>	<b>Population</b>	<b># Employees</b>	<b>2011 Taxable Valuation*</b>	<b>2011 TV Per Capita*</b>	<b>DDA</b>	<b>Wastewater treatment plant?</b>	<b>Water treatment plant?</b>	<b>Police or Public Safety</b>
<b>Brighton</b>	<b>Livingston</b>	<b>7,444</b>	<b>52</b>	<b>\$ 400,417,980</b>	<b>\$ 53,791</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>P</b>
<b>Average of Comps</b>		<b>8,723</b>	<b>57</b>	<b>\$ 339,348,349</b>	<b>\$ 39,797</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>11</b>
1. Grosse Pointe	Wayne	5,421	53	\$ 323,439,204	\$ 59,664	Y	N	N	PS
2. Northville	Wayne, Oakland	5,970	41	\$ 325,575,014	\$ 54,535	Y	N	N	P
3. Milford (Village)	Oakland	6,175	46	\$ 232,565,490	\$ 37,662	Y	Y	Y	P
4. Marshall	Calhoun	7,088	85	\$ 221,280,966	\$ 31,219	Y	Y	Y	P
5. Grand Blanc	Genesee	8,276	35	\$ 217,614,538	\$ 26,295	Y	N	Y	P
6. Tecumseh	Lenawee	8,521	56	\$ 244,558,732	\$ 28,701	Y	Y	N	P
7. Saline	Washtenaw	8,810	65	\$ 402,080,015	\$ 45,639	N	Y	Y	P
8. Plymouth	Wayne	9,132	100	\$ 456,323,609	\$ 49,970	Y	N	N	P
9. Howell	Livingston	9,489	55	\$ 329,195,923	\$ 34,692	Y	Y	Y	P
10. South Lyon	Oakland	11,327	41	\$ 311,296,730	\$ 27,483	Y	Y	Y	P
11. Fenton	Genesee, Livingston, Oakland	11,756	54	\$ 373,211,371	\$ 31,746	Y	N	Y	P
12. Rochester	Oakland	12,711	55	\$ 635,038,600	\$ 49,960	Y	N	N	P

Source: League's membership database and State Department of Treasury

Preliminary operational information from city websites and water quality reports; corrections may be necessary when more research is completed through the study.

\*Milford TV data is from 2010