

**MINUTES****I. Call to Order Public Hearing No. 1 & Roll Call**

*The purpose and comment period of the public hearing is to receive comments from the general public on the consideration of the proposed City Budget for the fiscal year 2024-2025 (July 1, 2024 - June 30, 2025).*

Roll Call: Denison, Weedon, Vigansky, Money, Swem

Motion made by Weedon, supported by Money to open the public hearing at 7:00 PM. The motion carries unanimously.

No public comment was made for this public hearing.

**II. Close of Public Hearing No. 1**

Motion made by Swem, supported by Vigansky, to close the public hearing at 7:01 PM. Roll call vote carries unanimously.

**III. Call to Order Public Hearing No. 2 & Roll Call**

*The purpose of the comment period and the public hearing is to receive comments from the general public on the consideration for approval of an Obsolete Property Rehabilitation (OPRA) Tax Exemption for Longbranch Livery LLC, 206 Days Ave, Buchanan, MI 49107.*

Roll Call: Vigansky, Money, Swem, Denison, Weedon

Motion made by Weedon, supported by Vigansky, to open Public Hearing #2 and public comment on consideration of the OPRA Tax Exemption for 206 Days Ave at 7:02 PM.

Yea: Money, Vigansky, Denison, Weedon

Abstain: Swem, business interest

Motion carries to open public hearing No.2.

*Rich Murphy – This is a critical step forward in the redevelopment project for the historic livery. In August we requested the creation of an OPRA district for 206 Days Ave. Since then, the developer Michael Reed and his team have been building their pro forma, forming a construction team, and meeting biweekly with MEDC. The Planning Commission approved the site plan. The developer has purchased and closed on the building, they are now here for the second step of OPRA to apply for the actual exemption certificates. This is a \$3.5 million project, of which \$1.25 million will be leveraged with a revitalization and placemaking grant. This is the grant that every historic town in MI goes after.*

*Zachary Vaughn, Director of Community Improvement at Cornerstone Alliance – We have worked with Buchanan on a few OPRA's in town. We make sure everything is good to go and answer questions. Make sure we are clear on what this tool is used for and the impact it can have.*

*Michael Reed – Just wanted to thank Rich and the city, this entire project has just been super comfortable with Rich and Zach helping out. The OPRA abatement is not just important, it's required. We have \$1.8 million in just the permits and acquisition brings us well over \$2 million. We had this project vetted by a ton of organizations and industry experts like Western Michigan College's*

*development center. In construction alone we are looking at 50 short-term jobs and over 20 long-term jobs. We are excited to keep money local with local investors, contractors, and a future local business.*

*Michael Rowland, 4793 Tulip Tree Ln – Here to support the OPRA Tax Exemption, as an investor of the only other OPRA property downtown to my knowledge, that’s also on Days Ave, I can attest to how vital this economic development tool is for getting a project like this done. On my building at 101 Days Ave, when we looked at this we had a roof that was caved in, floor in the basement, water damage throughout the building, and had to replace almost every structural beam in the building. By the time we got to the finished project if I had to open my tax base to the \$1 million plus we put into the building it would have been a devastating situation. This project is no different, we have local investors who have a lot of experience with construction, and they are hitting a need that is vital to the growth of Buchanan. It’s saving obsolescence within our community. I hope you can approve the exemption.*

*Arthur Havlicek, President & CEO of the Southwest Michigan Regional Chamber of Commerce – We are also here to speak in support of the OPRA exemption for this property. We think it’s an incredible development that’s coming together, it’s gotten the attention of the MEDC to the tune of a pretty significant investment in our community. The local investment, the job creation, the boom to our hospitality industry, and it will replace something that is functionally obsolete is great for not only Buchanan but the region. You have our full support.*

#### **IV. Close of Public Hearing No.2**

Motion made by Money, supported by Weedon, to close the public hearing and public comment for the OPRA Tax exemption for 206 Days Ave at 7:14 PM.

Yea: Money, Denison, Weedon, Vigansky

Abstain: Swem – business interest

Motion carries.

#### **V. Call to Order of the Regular Meeting**

Denison called the Regular Meeting to order at 7:15 PM.

#### **VI. Recognition**

#### **VII. Pledge of Allegiance**

Mayor Denison led in the Pledge of Allegiance.

#### **VIII. Roll Call**

Present: Mayor Sean Denison, Mayor Pro Temp Mark Weedon, Commissioner Dan Vigansky  
Commissioner Patrick Swem, Commissioner Larry Money

City Staff: City Clerk, Kalla Langston; Community Development Director, Rich Murphy

#### **IX. Approve Agenda**

Motion made by Weedon, supported by Swem, to approve the agenda as presented. Roll call vote carries unanimously.

#### **X. Public Comment - Agenda Items Only (3-minute limit)**

*James Kennedy, 419 W Front St – Came to speak on delinquent utility bills being applied to taxes. I would be opposed to this just due to my experience this last week in trying to deal with LRS. I’ve paid every bill, I’ve attempted for over a week to get a hold of somebody there. They say we will connect you with someone and I’ve sat on hold for an hour to be disconnected. I put in four hours today sitting on*

*the phone. If we are unable to deal with these people, I would be opposed to the city trying to collect money that people have possibly already paid. I would suggest we look into another supplier.*

**XI. Consent Agenda** *(can be approved all in one motion, for general housekeeping items)*

**A. Minutes-** *Consider approving the Regular Meeting Minutes from May 13th, 2024.*

**B. Buchanan Scarecrow Charities-** *Consider approving the Buchanan Scarecrow Charities, Scarecrow install and takedown calendar.*

**C. Excuse of absence-** *Consider excusing Mayor Pro Tem Weedon from the Regular Meeting on May 13th, 2024.*

Motion made by Vigansky, supported by Money, to approve the consent agenda as presented. Roll call vote carries unanimously.

**XII. Scheduled Matters from the Floor** *(if any)*

**XIII. Reports by: Departments, Committees, Boards**

**A. Community Development Report - Director Rich Murphy**

**1) Permit Renewal-** *Consider Microbusiness Annual Permit Renewal for Walpole Enterprises, LLC, 303 Carroll St.*

Murphy: Licensing for our only microbusiness lifted and they applied for renewal. I received the fees, Buchanan PD ran background checks, they submitted their application to our satisfaction.

Motion made by Weedon, supported by Vigansky, to approve the microbusiness annual permit renewal for Walpole Enterprises LLC, 303 Carroll St. Roll call vote carries unanimously.

**2) Resolution 2024.05/13-** *Consider the resolution to Authorize the Conveyance of Ross-Sanders House, 107 W. Front St.*

Murphy: We report significant progress on the Ross Sanders sale. The purchase agreement is drafted, and the preservation easement was developed by the state with Preservation Society and developer Michael Rowland. Very close to signing the contract and closing but are being proactive because we anticipate the title company will require a resolution authorizing an individual to convey the property on behalf of the municipality.

Motion made by Swem, supported by Money, to approve Resolution 2024.05/13 as presented. Roll call vote carries unanimously.

**3) Resolution 2024.05/14-** *Resolution to approve an Obsolete Property Rehabilitation (OPRA) exemption certificate application for 206 Days Ave Holdings LLC, 206 Days Ave Buchanan, MI 49107.*

Vigansky motions that an appraisal be done by United Federal Credit Union before approval and that it be paid for by 206 Days Ave Holdings LLC. Hearing no support, the motion dies.

Motion made by Money, supported by Weedon, to approve Resolution 2024.05/14 as presented.

Yea: Denison, Weedon, Vigansky, Money

Abstain: Swem – business interest

Motion carries.

**XIV. Unfinished Business**

**XV. New Business**

**A. Finance Department- City Manager, Tim Lynch**

**1) Delinquent Utility Bills Applied to Summer Taxes**- Consider authorizing City Administration to take the necessary actions to add delinquent utility bills to the responsible parties' summer taxes.

We have identified delinquent utility bills being water, sewer, and mowing bills. That are delinquent out more than 6 months. It is the practice of the commission to authorize adding those bills to the responsible parties' summer taxes.

Swem – Mr. Kennedy, the LRS contract doesn't renew until 2026 I think, but this is for utilities we run ourselves, so it is not a part of this.

Motion made by Swem, supported by Vigansky, to authorize City Administration to apply delinquent utility bills to the responsible parties' summer taxes. Roll call vote carries unanimously.

**2) 2023/2024 Budget Amendments**- Consider approving amendments to the 2023/2024 fiscal budget (July 1, 2023- June 30, 2024).

Motion made by Swem, supported by Vigansky, to approve the amended 2023/2024 fiscal budget as presented. Roll call vote carries unanimously.

**3) Expenditures**- Consider the expenditures for May 28th, 2024, in the amount of \$70,069.84

Motion made by Swem, supported by Vigansky, to approve the expenditures for May 28th, 2024 as presented. Roll call vote carries unanimously.

**4) FY 2024/2025 Budget Presentation**

Overview: Several categories and department expenses are under budget, the proposed expenses for 2024-25 are less than the current fiscal year in many categories, and each of the major funds project a surplus when comparing the revenues versus expenses.

Summary of Major Funds: With these surpluses we will be addressing our bond and loan payments totaling \$1,084,834. A couple bonds are falling off in 2029-2030 which will free up funds for additional loans we will take on. Those do not take into account the USDA loan payments for the upcoming water and sewer infrastructure project which we anticipate acceptance of this year.

General Fund Revenues: Proposing a 4.5% increase in anticipated revenues

General Fund Expenses: Proposing a 2.1% increase (\$70,000) in anticipated expenses. We budgeted \$3,326,050 and are coming in at \$2,860,446 which is \$465,604 under budget.

Major Street Budget: 11.7 miles of major streets – Came in \$107,352 under budget for expenses this year. Both this year's projected budget and next year's proposed budget are in surplus when you compare revenues and expenses.

Local Street Budget: 16.5mi of local streets – Came in \$61,589 under budget for expenses. Projecting surplus this year and budgeting for a surplus again next year.

Street Repair & Maintenance Fund: Proposed Street Repair & Maintenance budget will be approximately equal to this year's budget. The Brownfield TIF account is somewhat inactive, next year we only anticipate investment interest income, there are no associated expenses.

Small Capital Replacements: Proposing \$202,000 budgeted for replacement equipment expenses such as a city hall building inspector vehicle, PD patrol car, DPW street sweeper, well 1A overhaul, and cemetery concrete floor work. The majority are funded by reserves from appropriate funds.

10 Year Capital Improvement Plan: Expenses include completion of DPW building, McCoy Creek culvert repair at Days Ave, Front Street retaining wall replacement project, water & sewer capital projects addressing 29 miles of lines, a new Police/Fire complex, funding for the sidewalk and demolition fund, initial construction for the downtown improvement project (this undertaking will include significant investment in city road/water/sewer infrastructure), and more.

*Vigansky – Where are we at with the Front Street project?*

*Lynch – The MDOT portion was bid out a month or two ago and came in just under \$5 million. The remaining water and sewer infrastructure work bid came in last Thursday for \$10.5 million.*

*Denison – Some work starts this fall, the majority will be from Spring 2025 to August 2026.*

*Swem – Will reinvestment into our parks be on the radar?*

*Lynch – Yes, in the fall the commission will determine if they want to allocate funds to that.*

Water & Sewer Budget: Presented and approved by JWSB and Buchanan Township Board 5/6/24.

Budget anticipates revenue of \$3,299,386 this year, proposing \$3,317,000 next year.

Budget anticipates expenses of \$2,344,145 this year, proposing \$2,669,287 next year.

- Operations: Water system produces half a million gallons per day of clean drinking water that is chlorinated and fluoridated for public health. The WWTP has an advanced secondary treatment process, developed in Netherlands, that treats just under a million gallons per day to exceptional standards that discharges into the St. Joseph River.
- Challenges: Managing ever-increasing costs such as payroll, pension, insurance, utilities, and raw materials. Increasing regulatory mandates with associated costs like lead service line replacement, PFAS testing, and storm water pollution management also require us to budget and plan well.
- Positives: Systematic rate adjustments, including the 8% in tonight’s resolution, have provided a sustainable financial environment to improve our aging infrastructure. The water & sewer fund has nearly \$3.5 million in investments, earning over \$150,000 a year in interest.

**5) Consider Resolution No. 2024.05/15-** *A Resolution for the City of Buchanan to adopt a budget for Fiscal Year 2024-2025*

Motion made by Vigansky, supported by Money, to approve Resolution No. 2024.05/15 for the city to adopt the Fiscal Year 2024-2025 budget as presented. Roll call vote carries unanimously.

**XVI. Communications** *(informational only, formal board action is not necessary for these items, unless so desired)*

None.

**XVII. Public Comment - Non-Agenda Items Only** *(3-minute limit)*

*Lora Freehling, Berrien County Register of Deeds – For the commission and attendees, as an elected official it’s my responsibility to bring awareness to the public of services that are provided by our office. To that end I wanted to talk about the new property alert email notification service. This free service will alert subscribers each time a new document is recorded, you can customize your criteria.*

*Michael Rowland, 4793 Tulip Tree Ln – This Saturday will be the first concert of the concert series.*

**XVIII. Executive Comments**

**A. City Manager Comments**

Update on Front Street retaining wall, Mike and I had an initial meeting with the engineering firm working on this project. We’re anxious to get started on a proposed solution in the next week or

so. For the McCoy Creek culvert, a joint permit application has been submitted to EGLE for inland lakes and streams, the permit is 15 pgs. Moving forward, we plan to come back in a couple weeks with an engineering proposal and next steps through construction including design, bidding, and securing a contract. We have a good handle on our finances, and I am confident that we'll continue to improve our costs to the benefit of the city. We are already preparing for the audit.

**B. Commissioner Comments**

Weedon – It has more to do with Mr. Lynch and the leadership he's shown has had a significant impact on the results we see in the budget so thank you.

Swem – Kudos to the team again on the budget, excellent work. Tried to come by monthly and sit down with them and I can tell we are making significant progress. Hands down the most insight we've been able to gather out of the commission. Want the public to know that outside standard inflation, we did not raise taxes this year. When do we estimate our union negotiations potentially wrapping up?

Lynch – We are just in the initial stages, and due to some conflicts we will be meeting with both union in mid-June. We're looking at alternative health insurance plans. I can't really give a date yet but it is in progress.

Sounds like we can have our next strategic planning session once those wrap up.

Vigansky – I get the alerts from the county and I see they were going to bid out a job for the 911 center. I thought that's what this building in Buchanan was for, do you know anything about that? There are putting bids out for the building in St. Joe.

Swem – They are keeping both buildings.

Money – I want to thank Tim and the staff that worked on this budget. It sounds really promising for Buchanan. I hope that can hit the social media and newspapers that we aren't a failing city. Mr. Reed and associates, congratulations on the OPRA Exemption. It's really going to be nice to see that building taken care of. I do want to make a couple statements, on behalf of the American Legion on everything that happened this past Memorial Day weekend. I know it was pretty hectic here in the city, there were complaints about the cemetery but I want to thank Mike Baker, his crew, and the cemetery for the great job that they did. Thank you also to the PD on the parade.

**C. Mayor Comments**

Thank you to Tim and the city staff for putting together a great budget and all the hard work they put into it. I want to Michael Reed and his group for investing in Buchanan, we are really excited.

**XIX. Adjourn**

Motion by Weedon, supported by Money, to adjourn the meeting at 8:22 PM. Roll call vote carries unanimously.

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Kalla Langston, City Clerk

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Mayor Sean Denison