

**REGULAR MEETING OF THE BUCHANAN CITY COMMISSION**  
**MONDAY, MAY 09, 2022 – 7:00 PM**  
**CHAMBER OF BUCHANAN CITY HALL - 302 N REDBUD TRAIL, BUCHANAN MI**

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**MINUTES**

THE COMMISSION OF THE CITY OF BUCHANAN, in compliance with Michigan's Open Meetings Act, hereby gives notice of a regular meeting of the Buchanan City Commission to be held in the Chamber of City Hall.

\* Requests to be added to the agenda as a "Scheduled Matter from the Floor" should be submitted in writing to the City Clerk at least 5 business days prior to the scheduled meeting during which the speaker wishes to appear, and the approval of such requests remain within the discretion of the Mayor. If denied, the speaker may nonetheless speak during the "non-agenda items only" public comments section of the agenda.

\* Those who are unable to appear during a meeting but who still wish to share public comment may submit such comments in written form to the City Clerk at least 4 hours in advance of the meeting.

\* Individuals with disabilities may request necessary reasonable accommodations by submitting requests to the City Clerk, preferably at least 24 hours in advance.

\* Written requests and comments may be submitted to the City Clerk either in person or via mail to Buchanan City Hall, 302 N. Redbud Trail, Buchanan, MI 49107, or via email to [clerk@cityofbuchanan.com](mailto:clerk@cityofbuchanan.com)

**I. Call to Order**

Meeting called to order by Mayor Denison at 7:00 P.M.

**II. Pledge of Allegiance**

Mayor Denison led in the Pledge of Allegiance.

**III. Roll Call**

Present: Mayor Sean Denison, Mayor Pro Tem Mark Weedon, Commissioner Cameron Downey, Commissioner Larry Money, Commissioner Patrick Swem

Absent: None

City Staff: City Manager, Heather Grace; City Clerk, Kalla Langston; Community Development Director, Rich Murphy; Clerk Cashier, Jill Mondshein; Bookkeeper; Courtney Baham, Director of Public Works, Mike Baker; Sargent Harvey Burnett

**IV. Approve Agenda**

Motion made by Weedon, seconded by Money to amend the agenda at VIII. C. section i. Leland Payne restaurant façade grant application. Roll call vote carries unanimously.

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

Dan Vigasky did not agree with item A. 1

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

A. Consider approving Regular Meeting Minutes for April 25, 2022.

B. Consider approving expenditures for May 8, 2022, in the amount of \$55,981.05

Motion made by Weedon, seconded by Downey to approve the consent agenda. Roll call vote carried unanimously.

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

A. Financial Advisor Andy Campbell of Baker Tilly- will share preliminary numbers regarding the new DPW building project's municipal building authority funding mechanism, along with USDA project preliminary figures.

Andy Campbell updated the Commission about preliminary numbers with bonding. See attachment A.

The next steps are figuring out how to pay the bond payments.

Interest rate market is not good now and are rising. Payments will be higher because of the interest rate. It comes down to how much is in the budget to make the payments. If the water and sewer fund continue with the 8 percent increases every year, they can both withstand approximately \$80,000 dollars of debt payments outside of the USDA project. Totaling \$160,000 there is still a big gap there. Where the other funds come from is the ultimate question.

We are not getting the USDA grant, but we are getting a great interest rate. If we went for a 20 percent grant, we would be breaking even with a higher interest rate. Campbell wanted to go through all the possible options.

The non-eligible portion is where the city would have to come up with the payments for the USDA. Campbell tried to make sure the commission understands where the numbers are coming from and different options they can go with.

Grace gave some numbers of where the other part of the payments would come from. The deadline would be the next meeting if they want to move forward with the bonds. It depends on if they want to stay on the timeline.

## **VIII. Reports by: Departments, Committees, Boards**

A. Water Department Report- Jill Mondshcein

**1) Water/Sewer Payments Window-** Consider the proposed modification of hours open to the public.

Mondschein presented 2 options. Option 1, Monday thru Friday from 9 AM to 4 PM. Option 2 Monday thru Thursday 9 AM to 4 PM and Friday from 9 AM to 1 PM. Mondschein believes it would help efficiency between taxes, water/sewer utility bills, elections, permits. The front window is constant and would be helpful to have uninterrupted time to work.

Weedon expressed that he feels this would be an administrative decision. This type of request would not normally be brought to the Commission.

*Motion made by Weedon, seconded by Money for City Manger Grace to make the decision operationally for what's best for her team.*

*Yes: Money, Denison, Weedon*

*No: Downey, Swem*

*Motion carries.*

**2) Water/Sewer Landlord Policy Proposal-** Consider proposed modifications to the City's policies regarding water/sewer billing for rental properties.

In the proposal any rental unit will stay in the homeowner's name and or landlord with the bill going to both landlord and tenant. The tenant will be "in care of".

*Motion made by Weedon, seconded by Downey to approve the Water/Sewer Landlord Policy Proposal as presented. Roll call vote carries unanimously.*

**3) 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

*Motion made by Swem, seconded by Downey to authorize the City Administrator to take necessary actions to add delinquent utility bills to the responsible parties' summer taxes. Roll call vote carries unanimously.*

- B. 1) 3rd Street Project Update - Public Services Director Mike Baker will discuss Selge's updated quote.

Baker let the Commission know that Scott Riley from Slege was supposed to be here at the meeting but was held up at work and could not be present. The updated estimate was given to the Commission with an increase of \$44,146 from the quote in August 2021. Baker ran through the increases. The job has been put delayed because of weather. Commission would like a meeting set up with Slege to answer some questions they have about delays and the cost increases, to see what they can do to help us.

C. Community Development Report

1) **Facade Grant** - Consider Front Street Glassworks' application.

*Motion made by Weedon, seconded by Downey to table Item C. 1 Façade grant. Roll call vote carried unanimously.*

i.) Consider Leland Payne's Restaurant Incentive Grant application

Murphy recommends approval of the application for the restaurant incentive grant for the full amount of \$10,000.

*Motion made by Downey, seconded by Weedon to approve Leland Payne' restaurant incentive grant. Roll call vote carries unanimously.*

2) **Legislative Update-** Manager Grace will provide a brief update regarding recent activity within the Michigan Legislature relating to economic development opportunities.

Grace attended meetings hosted by the lobbyists of Michigan Municipal League and the lobbyists for CEDAM there are currently 2 house bills. They are trying to create economic development and community development programing. Where they are trying to get local businesses an up to 80% tax credit for eligible donations made to 501C3 organizations whose sole purpose is economic development or community development or other community development projects such as housing. Grace successfully convinced both lobbyists to ensure those bills have provisions to include the cannabis industry to be able to participate.

D. Finance Department- Manager Grace

1) **2021/2022 Budget Amendments-** Consider approving amendments to the 2021/2022 fiscal budget (July 1, 2021 – June 30, 2022) [in packet]

*Motion made by Money, seconded by Weedon to approve the amendments to the 2021/2022 fiscal budget as presented. Roll call carries unanimously.*

2) **2022/2023 Budget Proposal-** Consider a preliminary review of the 2022/2023 fiscal budget (July 1, 2022 – June 30, 2023) [to be presented at meeting, with public copy available in Clerk's office for viewing]. Public Hearing on Budget scheduled for 7:00 p.m. on Monday, May 23, 2022, after

which the Commission will be asked to consider approving the FY 2022/2023 Budget. No millage rate increases are anticipated.

A few members will be unable to attend. Grace will be scheduling through emails to decide when the workshop will be held to discuss 2022/2023 budget.

**IX. Unfinished Business**

**X. New Business**

- A. 1) Closed Session- consider entering Closed Session pursuant to MCL 15.268 Sec. 8(1)(d) & (h) to consider the purchase or lease of real property and to discuss matters subject to attorney-client privilege.

*Motion made by Weedon, seconded by Downey to enter Closed Session at 8:21 PM. Roll call vote carried unanimously.*

- 2) Open Session- Consider re-entering Open Session

*Motion made by Weedon, seconded by Downey to re-enter Open Session at 9:01 PM. Roll call vote carried unanimously.*

- 3) Action- Consider action based on Closed Session discussions

No action take.

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

**A. Annual Spring Clean-Up Recap**

Grace shared Clean-up was a success.

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

Don Ryman shared his concern over the updating the zoning code.

Norma Ferris shared that any money left over from Thrill on the Hill should be put towards street repair in the residential community.

**XIII. Executive Comments**

**A. City Manager Comments**

Happy Birthday to Commissioner Swem.

**B. Commissioner Comments**

Weedon, no comment

Swem, no comment

Downey, no comment

Money, Happy Birthday to Commissioner Swem.

**C. Mayor Comments**

Happy Birthday to Commissioner Swem.

**XIV. Adjourn**

*Motion made by Weedon, seconded by Money to adjourn the meeting at 9:11 PM. Roll call vote carried unanimously.*

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Kalla Langston, City Clerk

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Mayor Sean Denison



**City of Buchanan**

Estimated DPW Building and USDA Project Scenarios

DPW Building Project	20 Years		25 Years		30 Years	
	Current Market	Conservative	Current Market	Conservative	Current Market	Conservative
Interest Rate Estimate	3.750%	4.750%	4.000%	5.000%	4.250%	5.250%
Borrowing Estimate	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00
Annual Debt Payments	\$360,000.00	\$395,000.00	\$320,000.00	\$355,000.00	\$300,000.00	\$335,000.00
Total Principal & Interest Paid	\$7,200,000.00	\$7,900,000.00	\$8,000,000.00	\$8,875,000.00	\$9,000,000.00	\$10,050,000.00

Estimated Bond Costs of Issuance (applies to all the above options):

Bond Attorney	\$29,750.00
Financial Advisor	29,750.00
Underwriter (not-to-exceed)	50,000.00
Other (rating, Treasury, etc.)	22,800.00
<b>Total</b>	<b>\$132,300.00</b>

Note: Does not include architect, construction manager or other fees unrelated to bond issuance.

**USDA Project (Water, Sewer and Streets)**

	40 Years		Non-Eligible Streets and Lead Services	
	Water	Sewer	15 Years Conservative	20 Years Conservative
Interest Rate (locked for stated loan amount)	1.375%	1.375%	N/A	N/A
Interest Rate Estimate			4.500%	4.750%
Borrowing Estimate	\$10,738,000.00	\$7,459,000.00	\$2,510,000.00	\$2,510,000.00
Annual Debt Payments	\$350,800.00	\$243,500.00	\$235,000.00	\$200,000.00
Total Principal & Interest Paid	\$14,032,000.00	\$9,740,000.00	\$3,525,000.00	\$4,000,000.00
Estimated Bond Costs of Issuance:				
Bond Attorney	\$50,000.00	\$45,000.00	\$15,000.00	\$15,000.00
Financial Advisor (includes bond and rate fees)	25,750.00	28,750.00	13,500.00	13,500.00
Other (newspaper, Treasury, etc.)	5,000.00	5,000.00	5,000.00	5,000.00
<b>Total</b>	<b>\$80,750.00</b>	<b>\$78,750.00</b>	<b>\$33,500.00</b>	<b>\$33,500.00</b>

Note: Does not include architect, construction manager or other fees unrelated to bond issuance.



**bakertilly**  
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