



**CITY OF JONESVILLE
LOCAL DEVELOPMENT FINANCE AUTHORITY
MEETING AGENDA
MAY 15, 2019 - 7:45 A.M.
CITY HALL**

1. CALL TO ORDER

2. PRESENTATIONS AND RECOGNITIONS

A. None

3. APPROVAL OF AGENDA

4. APPROVAL OF MINUTES

A. April 17, 2019

5. PUBLIC COMMENT

6. NEW BUSINESS

A. Fiscal Year 2019-20 Budget Recommendation

B. Resolution 2019-12 – Water Infrastructure Contribution

[Action Item]

[ROLL CALL][Action Item]

7. ONGOING BUSINESS

A. Economic Development Partnership Report

B. Staff Updates

8. ROUNDTABLE DISCUSSION

A. LDFA Board Member Organization Updates

9. OTHER BUSINESS

10. ADJOURNMENT – Next Meeting: August 21, 2019, 7:45 a.m.

City of Jonesville
Local Development Finance Authority
Minutes of April 17, 2019

Present: Rick Schaerer, Gerry Arno, Alyssa Binkowski, Julie Games, Jim Parker, Kathy Schmitt and Manager Jeff Gray

Absent: Chellie Broesamle, Steve Harding, and one vacancy

Guests: Sue Smith (EDP)

Rick Schaerer called the meeting to order at 7:45 a.m.

A motion was made by Kathy Schmitt and supported by Julie Games to approve the agenda as presented. All in favor. Absent: Chellie Broesamle and Steve Harding. Motion carried.

A motion was made by Gerry Arno and supported by Jim Parker to approve the February 20, 2019 meeting minutes. All in favor. Absent: Chellie Broesamle and Steve Harding. Motion carried.

After a brief discussion, a motion was made by Julie Games and supported by Jim Parker to appoint Loretta Blank of K & K Tannery to fill the vacant LDFA board position. All in favor. Absent: Chellie Broesamle and Steve Harding. Motion carried.

Sue Smith, Executive Director of Economic Development Partnership, provided an EDP Report for April 2019. She summarized recent activities and services provided to the area.

Manager Gray provided an update regarding the Water Improvement Project, which includes an upgrade to the Iron Removal Plant and a "smart meter" water meter reading system. He also updated members on the street light upgrade project, and an upcoming meeting regarding the Reading and Gage Street intersection. Members of the LDFA indicated that they would consider a contribution to the Water Improvement Project.

Manager Gray also mentioned the timing of the 2019/20 budget preparation, and stated that it may be necessary to hold a special meeting on Wednesday, May 15th and cancel the June meeting.

LDFA members provided updates to the LDFA.


The next meeting is scheduled for Wednesday, June 19, 2019 at 7:45 a.m.

The meeting was adjourned by Chairperson Schaerer at 8:14 a.m.

Submitted by,

Lenore M. Spahr
Deputy Clerk



To: Jonesville LDFA Board
From: Jeffrey M. Gray, City Manager 
Date: May 10, 2019
Re: Manager Report and Recommendations – May 15, 2019 LDFA Meeting

6. A. Fiscal Year 2019-20 Budget Recommendation [Action]

Chair Rick Schaerer, Mayor Gerry Arno and I met and prepared the enclosed recommendations for the 2019-20 fiscal year budget that begins on July 1st. The budget includes reserve funding for future expansion of the industrial park, for development incentives proposed in the LDFA plan, and future maintenance and expansion of infrastructure. The budget committee has identified some discussion items that will be addressed at the meeting, as well. It will be necessary to consider a motion to recommend that the City Council approve the proposed budget. *Please refer to the enclosed copy of the draft budget, capital projects summary, and projected year end fund balance.*

6. B. Resolution 2019-12 – Water Infrastructure Contribution [Action]

At the April meeting, the LDFA had some discussion on making a contribution to the City water fund to offset operational costs during the planned improvements to the Iron Removal Plant and upgrades to meter infrastructure. Staff met with our financial advisor to identify a contribution level that would have an impact on water rates. The budget committee reviewed his recommendations and is recommending that the LDFA agree to contribute \$25,000 per year for 10 years to support waterline and water tower improvements and maintenance. This contribution is consistent with the State enabling act, the LDFA development plan, and would minimize water rate increases to promote economic growth in the LDFA district.

Examples of representative water bills are attached showing the impact of the LDFA contribution on water bills in the first year. The contribution would reduce the minimum charge and the commodity charge for each user from about 18% to about 10%. In subsequent years, the annual increase would be reduced from about 3% to about 2.5%. A motion and roll call vote are necessary to approve the resolution. *Please refer to the study of sample bills and Resolution 2019-12.*

7. A. Economic Development Partnership Report

This item is reserved for and additional updates from Executive Director Sue Smith.

7. B. Staff Updates

This item is reserved for updates by staff regarding LDFA projects.

8. A. LDFA Board Member Organization Updates

This item reserved for updates from members of the Board to provide updates regarding their organizations and other activities of interest to the LDFA.

FY 2020 BUDGET WORKSHEET FOR CITY OF JONESVILLE

GL NUMBER	DESCRIPTION	ACTIVITY 15-16	ACTIVITY 16-17	ACTIVITY 17-18	BUDGET 16-19	ACTIVITY THRU 12/31/2018	REQUESTED BUDGET	COMMENTS
Fund 247 - LOCAL DEVELOPMENT FINANCE AUTHORITY								
REVENUES								
247-000-403.000	REAL PROPERTY TAX	270,909.46	98,082.91	89,315.02	90,780.00	0.00	92,000.00	
247-000-403.050	PERSONAL PROPERTY TAX		0.00	0.00	0.00	0.00	0.00	
247-000-403.075	PERSONAL PROPERTY TAX REIMBURSEMENT	52,986.92	184,272.39	198,052.97	150,000.00	248,889.33	200,000.00	
247-000-403.100	REAL WINTER TAX	0.00	0.00	0.00	0.00	0.00	0.00	
247-000-403.200	PERSONAL PROPERTY TAX	0.00	0.00	0.00	0.00	0.00	0.00	
247-000-403.300	CURR/DEL PROP TAX FM COUNTY	0.00	0.00	0.00	0.00	0.00	0.00	
247-000-407.000	DELINQUENT TAX	0.00	0.00	0.00	0.00	0.00	0.00	
247-000-664.000	LEASE/IND. PARK RADIO TOWER	12,729.37	13,784.61	14,464.54	14,000.00	7,382.99	14,000.00	
247-000-665.000	INTEREST EARNINGS	2,667.81	8,700.84	18,730.25	10,000.00	16,497.78	20,000.00	
247-000-676.000	CONTRIBUTIONS FROM OTHER FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	
247-000-678.000	REIMBURSEMENTS - MISC	0.00	0.00	0.00	0.00	0.00	0.00	
247-000-694.000	OTHER INCOME	0.00	0.00	0.00	0.00	0.00	0.00	
247-000-694.100	OTHER INCOME - FARM LAND	2,178.40	2,178.40	2,178.40	2,175.00	0.00	2,175.00	Land lease
247-000-694.200	OTHER INCOME - SALE OF LAND	13,353.34	0.00	0.00	0.00	0.00	0.00	
247-000-698.000	BOND PROCEEDS	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL ESTIMATED REVENUES		354,825.30	307,019.15	322,741.18	266,955.00	272,770.10	328,175.00	
APPROPRIATIONS								
Dept 729-DEVELOPMENT ACTIVITIES								
247-729-702.000	SALARIES AND WAGES	5,646.48	914.52	686.38	3,500.00	890.88	4,000.00	
247-729-702.100	SALARIES AND WAGES - OVERTIME	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-715.000	EMPLOYERS SHARE - FICA & MEDICARE	426.64	68.92	51.54	300.00	66.81	300.00	
247-729-716.000	HEALTH INSURANCE	202.00	41.27	36.50	400.00	70.80	400.00	
247-729-718.000	DISABILITY	32.58	6.71	2.37	35.00	10.11	35.00	
247-729-719.000	EMPLOYERS SHARE - 401	336.57	49.59	28.77	350.00	65.19	350.00	
247-729-721.000	LIFE INSURANCE	24.77	4.28	1.61	25.00	5.94	25.00	
247-729-722.000	EMPLOYEE ASSISTANCE PROGRAM	3.67	0.58	0.22	5.00	0.88	5.00	
247-729-723.000	DENTAL INSURANCE	84.35	20.22	4.92	75.00	17.82	75.00	
247-729-724.000	OPTICAL INSURANCE	15.89	4.23	1.30	15.00	4.06	15.00	
247-729-727.000	OFFICE SUPPLIES	172.92	159.98	39.37	75.00	71.79	75.00	
247-729-740.000	OPERATING SUPPLIES	539.01	45.85	19.00	1,000.00	0.00	1,000.00	
247-729-801.000	PROFESSIONAL SERVICES	1,015.45	2,284.30	335.00	0.00	0.00	0.00	
247-729-801.100	PROFESSIONAL SERVICES - EDP FEE	15,000.00	15,000.00	15,000.00	15,000.00	0.00	15,000.00	
247-729-801.300	PROFESSIONAL SERVICES-OTHER	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-801.400	PROFESSIONAL SERVICES-FIBER OPTICS	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-801.500	PROFESSIONAL SERVICES-ENGINEERING	0.00	0.00	0.00	45,000.00	0.00	45,000.00	Engineering - Reading Ave Extension
247-729-818.000	CONTRACTUAL	3,465.48	3,557.72	11,368.48	18,000.00	2,318.96	5,000.00	Mowing, Paint Gaige St
247-729-818.300	CONTRACTUAL - LANDSCAPING	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-818.301	CONTRACTUAL - DPW SEASONAL	0.00	132.66	257.95	0.00	0.00	0.00	
247-729-818.700	CONTRACTUAL - K & K TANNERY LOT IMPROVEM	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-818.800	CONTRACTUAL - RELOCATE POWER LINES	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-820.000	MEMBERSHIPS/DUES/SUBSCRIPTIONS	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-865.000	MILEAGE/TRANS/MEAL/SLODGING	66.86	0.00	0.00	0.00	0.00	0.00	
247-729-900.000	PRINTING & PUBLISHING	18.25	0.00	0.00	10,000.00	65.25	0.00	Marketing and signs
247-729-921.000	ELECTRICITY	1,098.51	1,024.34	983.38	1,100.00	482.10	900.00	
247-729-924.000	WATER AND SEWER	(1,337.10)	1,962.55	1.87	2,000.00	0.00	2,000.00	
247-729-930.000	REPAIRS & MAINTENANCE	7,813.70	211.77	971.00	1,500.00	0.00	1,500.00	
247-729-940.000	EQUIPMENT RENTAL	2,530.50	492.73	429.84	2,000.00	455.50	2,000.00	
247-729-956.000	MISCELLANEOUS	0.00	11,861.09	0.00	0.00	0.00	0.00	
247-729-956.200	MISCELLANEOUS - PROPERTY TAX	0.00	0.00	691.73	0.00	0.00	0.00	
247-729-960.000	TRAINING & CONFERENCES	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-965.000	CONTRIB TO GEN FUND-ADMIN WAGES/BENE	24,549.00	24,663.00	26,403.00	26,403.00	13,200.00	28,021.00	
247-729-965.100	CONTRIB TO GEN FUND - ST LIGHT ELEC	5,304.00	5,304.00	5,304.00	5,304.00	0.00	5,304.00	
247-729-965.101	CONTRIB TO GEN FUND - PURCH/IMPR	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-965.300	CONTRIB TO MAJOR STS - GAIGE	0.00	0.00	0.00	0.00	0.00	51,475.00	Gaige St

FY 2020 BUDGET WORKSHEET FOR CITY OF JONESVILLE

GL NUMBER	DESCRIPTION	ACTIVITY	15-16	ACTIVITY	16-17	ACTIVITY	17-18	BUDGET	ACTIVITY THRU	REQUESTED	COMMENTS
								18-19	12/31/2018	BUDGET	
247-729-965.400	CONTRIB TO WATER STORAGE/DIST SYSTEM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	
247-729-965.401	CONTRIBUTION TO WATER-UST12 EXTENSIO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-965.500	CONTRIB TO LOCAL ST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-965.590	CONTRIBUTION TO SEWER FUND - DEBT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-965.600	CONTRIB TO GEN FUND	0.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	0.00	1,205.00	Rail trail cost reimbursement (20%)
247-729-965.700	CONTRIBUTION TO LOCAL ST - ST REPAIR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-965.800	CONTRIBUTIONS TO MAJOR ST - REPAIRS	0.00	0.00	0.00	0.00	0.00	0.00	45,000.00	0.00	45,000.00	
247-729-966.000	RESERVE FOR FUTURE EXPANSION	0.00	0.00	0.00	0.00	0.00	0.00	35,000.00	0.00	35,000.00	
247-729-967.000	RESERVE FOR SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	35,000.00	0.00	35,000.00	
247-729-967.500	RESERVE FOR INFRASTRUCTURE IMPROVE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-968.000	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-971.000	LAND ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-974.000	CONSTRUCTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-975.000	ADDITIONS & IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-975.100	LAND IMPROVEMENTS - PROP OWNER REBATES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
247-729-975.200	CAPITAL IMPROVEMENT PROJECT	0.00	0.00	0.00	0.00	0.00	0.00	17,000.00	0.00	0.00	
Totals for dept 729-DEVELOPMENT ACTIVITIES		66,809.53	68,810.31	64,618.23	266,087.00	17,726.09	303,685.00				
Dept 731-INDUSTRIAL PARK - PHASE II											
247-731-801.000	PROFESSIONAL SERVICES										
247-731-818.000	CONTRACTUAL										
247-731-800.000	PRINTING & PUBLISHING										
247-731-921.000	ELECTRICITY										
247-731-924.000	WATER AND SEWER										
247-731-930.000	REPAIRS & MAINTENANCE										
247-731-956.000	MISCELLANEOUS										
Totals for dept 731-INDUSTRIAL PARK - PHASE II		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL APPROPRIATIONS		66,809.53	68,810.31	64,618.23	266,087.00	17,726.09	303,685.00				
NET OF REVENUES/APPROPRIATIONS - LDFA		288,015.77	238,208.84	258,122.95	868.00	255,044.01	24,490.00				

DRAFT

**City of Jonesville
Capital Improvement Plan
PROJECT DESCRIPTION**

Project Title	Gaige St./Reading Ln. Traffic Circulation		
Department	Local Dev. Finance Auth.	Funding Source	LDFA/FG/SG

Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Est. Cost	\$45,000	TBD	TBD	-	-	-

Project Description and Location

This project would address short-term traffic congestion issues that take place in the vicinity of Gaige Street and M-99 (Olds St.). City staff has been working with representatives of the Michigan Department of Transportation (MDOT), the Michigan Economic Development Corporation (MEDC) the Hillsdale County EDP, and business interests to explore options. A preliminary design and cost estimate for an extension of Reading Ln. was completed in 2017, with right-of-way secured as well. Anticipating additional engineering and study, the LDFA has budgeted \$45,000 to be used toward additional engineering and needed traffic studies.

The final design and construction schedule have not been determined at this time. Extension of Reading Ln. was estimated to cost approximately \$400,000 in 2017.

Project Need and Impact

The project is needed to address traffic congestion and to improve traffic circulation in the vicinity of M-99 and Gaige Street. The improvements are intended to assure the long-term viability of businesses in the vicinity. State and Federal grant opportunities will be explored to offset project costs.

Related Costs and Future Funding Needs

The completed street will have ongoing winter and preventative maintenance costs following construction.

**CITY OF JONESVILLE
2019/20 ESTIMATED YEAR END FUND BALANCES**

	GEN FD	MAJOR	LOCAL	STATE	L.D.F.A.	D.D.A.	DEBT SVC	SEWER	WATER	M.V.P.
Est 18/19 EOY Fund Balance	\$1,544,927	\$202,391	\$459,548	\$11,356	\$1,514,556	\$179,808	\$0	\$1,110,494	\$719,948	\$333,306
Budgeted 19/20 Revenue	\$1,485,435	\$319,265	\$351,160	\$25,851	\$328,175	\$149,500	\$161,118	\$803,300	\$2,957,745	\$211,000
Budgeted 19/20 Expenses	(\$1,487,676)	(\$254,860)	(\$382,456)	(\$25,850)	(\$303,685)	(\$207,950)	(\$161,118)	(\$1,017,635)	(\$2,977,718)	(\$331,877)
	\$1,542,686	\$266,797	\$428,252	\$11,357	\$1,539,046	\$121,358	\$0	\$896,159	\$699,975	\$212,429
Plus Depreciation								\$269,000	\$73,000	\$69,000
Amendments										
Fund Bal Before Res	\$1,542,686	\$266,797	\$428,252	\$11,357	\$1,539,046	\$121,358	\$0	\$1,165,159	\$772,975	\$281,429
Park Reserve	(\$54,700)									
Expansion Reserve					(\$240,000)					
Special Projects Reserve					(\$200,000)					
Infrastructure Impr. Reserve					(\$240,000)					
Revolving Loan Fund						(\$25,000)				
Est 18/19 EOY Fund Balance	\$1,487,986	\$266,797	\$428,252	\$11,357	\$859,046	\$96,358	\$0	\$1,165,159	\$772,975	\$281,429

CITY OF JONESVILLE
WATER/SEWER BILLS

SAMPLE COMPANY 1		INCREASE	INCREASE
AVG USAGE	14,452		
5/8" METER			
	<u>CURRENT</u>	<u>18%</u>	<u>10%</u>
SEWER BASE CHARGE	28.95	28.95	28.95
WATER BASE CHARGE	12.14	14.33	13.35
SEWER COMMODITY CHARGE	109.95	109.95	109.95
WATER COMMODITY CHARGE	26.40	31.15	29.04
TOWER CHARGE	2.85	2.85	2.85
METER/MAINT CHARGE	1.66	1.66	1.66
TOTAL	<u>181.95</u>	<u>188.89</u>	<u>185.80</u>

SAMPLE COMPANY 2			
AVG USAGE	26,993		
2" METER			
	<u>CURRENT</u>	<u>18%</u>	<u>10%</u>
SEWER BASE CHARGE	204.78	204.78	204.78
WATER BASE CHARGE	96.39	113.74	106.03
SEWER COMMODITY CHARGE	220.69	220.69	220.69
WATER COMMODITY CHARGE	52.99	62.53	58.29
TOWER CHARGE	2.85	2.85	2.85
METER/MAINT CHARGE	5.40	5.40	5.40
TOTAL	<u>583.10</u>	<u>609.99</u>	<u>598.04</u>

SAMPLE COMPANY 3			
AVG USAGE	35,665		
3" METER			
	<u>CURRENT</u>	<u>18%</u>	<u>10%</u>
SEWER BASE CHARGE	405.86	405.86	405.86
WATER BASE CHARGE	194.32	229.30	213.75
SEWER COMMODITY CHARGE	220.69	220.69	220.69
WATER COMMODITY CHARGE	52.99	62.53	58.29
TOWER CHARGE	2.85	2.85	2.85
METER/MAINT CHARGE	18.56	5.40	5.40
TOTAL	<u>895.27</u>	<u>926.63</u>	<u>906.84</u>

* NOTE: ABOVE NUMBERS DO NOT REFLECT A SEWER RATE INCREASE.

CITY OF JONESVILLE
COUNTY OF HILLSDALE
STATE OF MICHIGAN

RESOLUTION – WATER INFRASTRUCTURE CONTRIBUTION

At a Regular Meeting of the Local Development Finance Authority of the City of Jonesville, County of Hillsdale, State of Michigan, held in the City Hall in said City on the 15th day of May, 2019, at 7:45 a.m.

PRESENT:

ABSENT:

The following resolution was offered by Member _____ and supported by Member _____.

WHEREAS, Public Act 57 of 2018 allows the Local Development Finance Authority to participate in costs associated with the improvement and maintenance of certain public facilities, including waterlines and water storage facilities; and

WHEREAS, the 2010 Development and Tax Increment Financing Plan identifies infrastructure maintenance and improvements, and water tower funding as projects to be funded with tax increment revenues; and

WHEREAS, the Local Development Finance Authority finds that an annual contribution to the City of Jonesville water fund for the maintenance and improvement of waterlines and the water tower will minimize water rate increases and promote economic growth in the LDFA district.

NOW THEREFORE, IT IS RESOLVED that the Local Development Finance Authority commits to an annual contribution of \$25,000 to the City of Jonesville water fund for a period of 10 years, for Fiscal Year 2019-20 through 2028-29.

AYES: Members: _____

NAYS: Members: _____

ABSENT: Members: _____

Cynthia D. Means, Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Local Development Finance Authority of the City of Jonesville, County of Hillsdale, Michigan at a Regular Meeting held on the 15th day of May, 2019, and that public notice was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, including in the case of a special or rescheduled meeting notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

Cynthia D. Means, Clerk