

**PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL**

For the Regular Meeting of **MONDAY, MAY 4, 2009.**

The Meeting was called to order at 7:30 p.m. by Mayor Hodges and City Clerk Betty Morlock called Roll.

Present: Councilmembers Altoft, Ellison, LaPonsie, Mayor Pro Tem Pfaller and Mayor Hodges.

Absent: None.

Also Present: City Manager David Pasquale, City Clerk Betty Morlock, DPW Director Dan DesJarden, Police Chief James Hinton, City Treasurer Suzanne Olin, Planning Commissioner Andrew Schrauben, Lowell Light and Power General Manager Greg Pierce and Lowell Airport Manager Jim Sowle.

Item #1. **APPROVAL OF AGENDA.**

IT WAS MOVED BY PFALLER and seconded by LAPONSIE to approve the agenda as presented.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #2. **APPROVAL OF THE MINUTES OF THE APRIL 20, 2009 REGULAR MEETING.**

IT WAS MOVED BY ELLISON and seconded by LAPONSIE to approve the minutes of the April 20, 2009 regular meeting as corrected.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #3. **APPROVAL OF THE ACCOUNTS PAYABLE.**

IT WAS MOVED BY ELLISON and seconded by PFALLER that the bills and accounts payable be allowed and the warrants issued.

YEA: Councilmembers Altoft, Ellison, LaPonsie, Mayor Pro Tem Pfaller and Mayor Hodges.

NAY: 0. ABSENT: 0. MOTION CARRIED.

<u>BILLS AND ACCOUNTS PAYABLE (05/04/09)</u>	
GENERAL FUND	\$96,920.44
MAJOR STREET FUND	8,542.43
LOCAL STREET FUND	1,415.45
DDA FUND	1,253.06
AIRPORT FUND	19.51
WASTEWATER FUND	5,812.50
WATER FUND	6,443.52
DATA PROCESSING FUND	252.00
EQUIPMENT FUND	4,190.66
CURRENT TAX FUND	676.46

Item #4. **CITIZENS COMMENTS FOR ITEMS NOT ON THE AGENDA.** Paul Barron of 432 Lincoln Lake commented on the issue of the airport easement. He was approached by Jim Sowle in April, 2002, who stated for safety reasons the State of Michigan and MDOT would offer to pay him in order to cut trees down. Several months went by and Rick Osborn was hired to negotiate a deal for the State. Barron declined the offer, which would have rendered his property useless. On February 2, 2009 the City of Lowell adopted a resolution giving his development rights back. However, Barron said a black cloud continues to hang over his head pertaining to MDOT and FAA. His trust in government is very poor.

Dale Fegel of 12752 Vergennes was also present and involved with the airport easement. He and Barron came before the City Council 17 months ago expressing their frustration in dealing with the City and the air easement on his property.

His purpose of being present was to inform the citizens of Lowell of what is happening. There has been nothing reported in the Ledger. On December 17, 2007 he and Barron attended a City Council meeting. After the meeting, Jason Clark from URS approached each of them and indicated he believed the issue could be settled. Three days later, he and Barron met at City Hall and were instructed to get bids from excavators, landscapers and an arborist in order to submit a counter offer to the City. This took many months and it cost \$650 to have an arborist come and value the trees which were to be removed. It was in April, 2008 that a counter offer was submitted to the City. In May or June, 2008 his attorney received a one sentence letter rejecting the proposal. In June, the City reinstated the law suit in circuit court. The following month, the Court granted eminent domain of their property. In August, 2008 monies of the original offer from the City were paid and suit for the final compensation continues. New appraisals also had to be ordered.

No matter what compensation he and his wife receive, they lose. It will not replace the natural beauty they have had to enjoy and certainly the market value of their vacant land will be next to zero.

Item #5. **REQUEST FROM THE LOWELL AREA ARTS COUNCIL – HOST “RIVER REVELRY” FUNDRAISER ON THE RIVERWALK - JULY 25 – TABLED FROM PREVIOUS MEETING.** Barb Pierce of the Lowell Area Arts Council requested to have a fundraising party on the Riverwalk in July and utilize the Showboat for the evening. It will be a fun night of food and entertainment. There will also be an auction to raise money for the Arts Council.

Chamber of Commerce Executive Director Liz Baker sent a letter to the Council regarding their agreement with the City of Lowell. In 2006, the Lowell Area Chamber of Commerce became the manager of the Lowell Showboat, while the City of Lowell owns the Showboat. An agreement was established for individuals to rent the Showboat. Baker handles the contracts and then turns these over to City Treasurer Sue Olin, when it is rented.

Mayor Pro Tem Pfaller questioned the detail of the agreement. He wanted to ensure the City is not allowing a “for profit business” to use public property without having a fee charged. Baker noted in both cases for the summer concerts, Riverwalk and their party, the Chamber asks them to provide a service. In return, they receive 15% of their gross profits.

Pfaller confirmed insurance certificates were being required. City Manager Pasquale responded yes. Pfaller believed as long as a “for profit business” should be charged a fee when using a City asset.

Baker noted the Chamber takes care of all the maintenance as far as clean up after an event. She noted the dumpsters are emptied and the plaza is cleaned.

The event will take place on Saturday, July 25, 2009.

Police Chief James Hinton wanted the Council to be aware of the site plan and how the area will be fenced off. According to the Flat River Grill and the application submitted, the Liquor Control Commission allows for 12 separate dates. Therefore, one of the dates for July 25 needs to be modified.

IT WAS MOVED BY PFALLER and seconded by ALTOFT to remove July 2, 2009 from the previous approved dates with the Liquor Control Commission and add July 25, 2009.

YEA: 5. NAY: 0. ABSENT: 0.

IT WAS MOVED BY LAPONSIE and seconded by ELLISON to allow the Lowell Area Arts Council to use the Riverwalk and Showboat on Saturday, July 25, 2009 until 11:00 p.m.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #6. **STATUS REPORT ON 115, 117 AND 119 WEST MAIN, CONSIDERATION OF DONATION FROM THE REEDY TRUST TO THE CITY FOR 115 AND 119 WEST MAIN.** City Manager Pasquale said when the agenda was written Don and Connie Reedy had expressed an interest in donating 115 and 119 West Main to the City with the understanding these will be

demolished. Since this time, Greg Canfield has approached and acquired the properties. He is proposing assistance from the city where rehabilitating these structures could be provided. The addresses have been in disrepair for some time. These buildings must be brought to code or else they will be taken down. Canfield is making an effort to try and take care of this.

Greg Canfield of 403 N. Washington explained the buildings have been for sale. With any substantial investment to purchase these and the cost of making the repairs, it is economically not feasible to accomplish. However, with the sale of the fixtures from the building and the tax benefit of the donations, Canfield was able to purchase the two buildings for \$8,500. The cost to remove both buildings for the City would have probably exceeded over \$100,000. The preliminary bid of just taking the buildings down was \$30,000. The adjacent Springrove Variety also has some problems. Canfield noted the sheet piling will be needed along the bridge. He encouraged the City examine what these costs will be. He hoped 25 to 33 percent of the funds the City would spend to remove these structures could be contributed resulting in a 66 to 75 percent savings to the City.

City Manager Pasquale noted the DDA is a source, but there are limitations to their spending. He believed it would be a priority to have a meeting in the near future.

Canfield hoped to have engineering and DEQ permits complete within 60 days.

Mayor Hodges stated the City has a time line in regard to the bridge construction.

Canfield noted King Milling needs a 60 day notice to the DEQ to let the river down. There is a cost for doing this.

Hodges stated the City has a time line in regard to the bridge construction which will begin in March or April of next year. Pasquale stated the engineer that Canfield utilizes needs to be in coordination with MDOT and the other engineers as this will be extremely important. A DEQ permit will also be necessary. Canfield hoped the buildings could be saved and preserved.

Item #7. **FILING OF REVISED ELECTRICAL RATES**. Greg Pierce of Lowell Light and Power presented information regarding the rate adjustment approved by Lowell Light and Power Board on the April 1, 2009. By Charter, a 30 days notice needs to be provided.

Approximately one year ago, a rate adjustment analysis was completed by Lowell Light and Power which indicated the need for a 6 percent increase annually for the next three years. A six percent increase was implemented last year in the Spring. There has been some discussion as to the need for another increase this year. Pierce believed a 5.5 percent increase would be appropriate.

Mayor Hodges pointed out the increase of 11 percent from Consumers Energy. Pierce noted Consumers had indicated they will possibly go for this amount. Consumers Energy have filed for this amount with Michigan Public Service Commission. It appears the company will automatically implement five percent and wait to see if the MPSC responds on the 11 percent.

When comparing these rates, Lowell Light and Power is still 10 to 12 percent less than Consumers Energy.

Mayor Pro Tem Pfaller asked if the City had the capability for demand meters. Pierce responded yes, there are commercial demand meters.

City Manager Pasquale explained under the City Charter, the Board of Lowell Light and Power has the responsibility of adjusting rates. City Council action is not necessary. This is a matter of information only.

Item #8. **2009 – 2010 BUDGET – SET PUBLIC HEARING DATES (5/18 AND 6/1)**. A copy of the proposed 2009 – 2010 budget was presented to Council. City Manager Pasquale recommended the Council conduct two public hearings on May 18 and June 1 before adoption.

There was additional information presented on the General Fund, the Utility Fund including both Water and Sewer, Downtown Development Authority Fund and a brief conversation about street improvements. Since the last presentation of this budget, there has been a review of the expenditures and revenues and now there is a projected fund balance of \$180,844.05. This is after \$99,190 (equivalent one mill) has been allocated to the Local Street Construction Fund.

In the Water Fund, the following projects have been proposed:

- Clean tank and replace drain valves and manholes
NE Reservoir \$65,000.00
- Install VFD's, clean tank, replace valves and meter,
Paint tank and piping.
NE Pump Station – Shepard Drive \$85,000.00
- Replace valves and meter, paint tank and piping
NW pump Station Upgrades \$28,000.00
- Relocate Water Services
(Frozen in the winter) \$10,000.00
- Valve Turning Machine \$50,000.00
- TOTAL CAPITAL OUTLAY
WATER DISTRIBUTION: \$238,000.00
- Repaint Ground Reservoir \$50,000.00
- Cathodic Protection
(Ground Reservoir) \$15,000.00
- TOTAL CAPITAL OUTLAY
WATER TREATMENT: \$65,000.00

In the Wastewater Fund, replacing the roof at the main lift station (\$5,500) is planned.

The customer rates for both the Water and Wastewater Funds are currently under study and will be presented as part of the final budget proposal.

The Downtown Development Authority budget was approved by the DDA Board at its April 30 meeting.

With \$99,000 being allocated for Local Streets Construction, Dan DesJarden and Pasquale have proposed to mill and repave North Center Street during the budget year. Any additional allocations to complete the street would come from the Federal Community Development Block Grant.

Pasquale provided a completed street improvements projects. (Riverside Drive as part of a DDA project last year should be included)

Councilmember Pfaller understood the importance of the Michigan Municipal League Conference. However, he suggested the Council limit the number of members who go to curb the expenses.

Pfaller commented on the Police Labor Budget being down, while other services and charges are increasing. Police Chief Hinton explained there is the addition of two new police cars into this budget to replace the older police cars which would need a great amount of repair if these vehicles continue to be used. City Treasurer Sue Olin noted the retiring of two full time employees has also reduced the amount. A COPS Grant has also been applied for which would result in a savings of \$191,000.00 over the next three years if approved.

Councilmember Altoft questioned the amount projected for the library. He asked if the roof had been repaired to the point where it no longer leaks. DPW Director DesJarden responded it has been repaired a couple times. Altoft believed the City needs to maintain what it already has. Altoft suggested adding another mill for repair of the streets.

Councilmember LaPonsie was not afraid to cut expenses regarding conferences.

Councilmember Ellison understood another mill would be difficult, but it would be nice to tackle a couple more projects if any additional funds could be received.

IT WAS MOVED BY PFALLER and seconded by LAPONSIE to set public hearing for May 18, 2009 and June 1, 2009 regarding the 2009 – 2010 Budget.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Hodges noted copies of the budget are available at the library and City Hall as well as on line in the near future.

Item #9. **COUNCIL COMMENTS**. LaPonsie commented on the idea of having questions on the website for citizens to give input. It would be great to have a place online for people to say what is important to them. This had been discussed in the past and could this be followed up on and what would be involved.

Mayor Pro Tem Pfaller stated St. Mary's Catholic Church will hold a benefit for the niece of Father Eugene Okoli. She is in desperate need of heart surgery. The benefit will be held at the church from 7:00 to 8:30 p.m. on Friday, May 15. Contemporary artist Noelle Garcia will be performing. She won the 2008 Unity Award for best contemporary album of the year and best contemporary song. Everyone is invited to attend.

Councilmember Ellison commented on the pot holes along Mercer

Mayor Hodges noted Mayor Exchange will occur with the City of Mason this year. On Thursday, May 14, 2009 the City of Mason will be visiting the City of Lowell and on May 19, 2009 the City of Lowell will visit the City of Mason.

Item #10. **MANAGER'S REPORT.** City Manager Pasquale reported on the following:

1. The following boards and commissions meetings minutes are enclosed:
 - Parks and Recreation Commission meeting of March 21, 2009
 - Planning Commission meeting of March 23, 2009
 - Downtown Development Authority meeting of March 12, 2009
2. Mayor's Exchange dates with the City of Mason:

Thursday, May 14th – here
Tuesday, May 19th in Mason
3. A presentation of the RV Park Feasibility Study will be given by Michigan State University Urban Planning students on Tuesday, May 5 at 8:00 p.m. in small Conference Room on the Second Floor of City Hall.

Item #11. **APPOINTMENTS.** Currently there is one opening on the Planning Commission with a second opening coming soon.

IT WAS MOVED BY PFALLER and seconded by ELLISON to adjourn at 8:32 p.m. to closed session pursuant to the open meetings act to discuss property acquisition.

YEA: Councilmember Altoft, Ellison, LaPonsie, Mayor Tem Pfaller and Mayor Hodges.

NAY: 0. ABSENT: 0. MOTION CARRIED.

IT WAS MOVED BY PFALLER and seconded by LAPONSIE to return to open session at 9:13 p.m.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

IT WAS MOVED BY LAPONSIE to adjourn at 9:14 p.m.

DATE:

APPROVED:

James W. Hodges, Mayor

Betty R. Morlock, Clerk