

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

For the Regular Meeting of **MONDAY, MAY 19, 2008.**

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

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

Absent: None.

Also Present: City Manager David Pasquale, City Clerk Betty Morlock, DPW Director Dan DesJarden, Police Sergeant James Hinton, City Treasurer Suzanne Olin, Light and Power General Manager Tom Richards and Arbor Board and Light & Power Boardmember Jim Hall and Lowell Light and Power Boardmembers Perry Beachum and Greg Canfield.

IT WAS MOVED BY PFALLER and seconded by HODGES to approve the minutes of the May 5, 2008 regular meeting as written.

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

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

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

<u>BILLS AND ACCOUNTS PAYABLE (05/19/08)</u>	
GENERAL FUND	\$80,228.64
MAJOR STREET FUND	183.88
LOCAL STREET FUND	2.90
DDA FUND	26,787.66
CITY HALL CONSTRUCTION FUND	173,167.50
AIRPORT FUND	9,287.00
WASTEWATER FUND	29,499.77
WATER FUND	17,948.25
DATA PROCESSING FUND	395.00
EQUIPMENT FUND	1,927.85
CURRENT TAX FUND	931.95
LOOK FUND	5,000.00
CARR FUND	300.00

Item #1. **2008 – 2009 BUDGET PRESENTATION AND PUBLIC HEARING.** City Manager Pasquale noted the City was just informed of a State Tax Tribunal settlement lowering the taxable value of Schneider Manor from \$2,710,813. to \$1,679,459, which creates a loss of value amounting to \$16,584.

The General Fund balance would then be lowered from \$159,684.14 to \$143,100.04. Further, the budget does not account for any revenue for parks usage by the various recreational organizations. Thus, the City could still attain the \$155,000 fund balance.

A second public hearing will be held on June 2, 2008 at which time adoption of the budget could be considered.

City Manager Pasquale read the following into record:

2008-2009 BUDGET SUMMARY

TO: Mayor Jeanne Shores and Members of the City Council

The establishment of an operating budget for the fiscal year 2008-2009 provides a schedule of proposed revenues and expenditures. Priorities are confirmed through this process. This document represents many staff hours of work compiling needed equipment and facility requests. These requests were carefully reviewed in terms of limitations of available funds.

The following narrative provides an outline of key elements comprising the City budget for this year:

GENERAL FUND

- **Revenues:** The 2008-2009 General Fund Budget has proposed the rate of \$16.08 (mills) per \$1,000 of Taxable Value. This includes 0.25 mills voted on November, 2002 for operating the Lowell Area Historical Museum. The projected revenues are to increase from 2.513 to 2.600 million dollars or a 3.46% gain.

It was noted that the Taxable Value would increase 3.4% (from 110.243 to 113.989 million dollars). Also, State Shared Revenues are projected to remain the same \$397,143.

The fund balance is planned to be 6.44% of expected expenditures. The unreserved fund balance has been projected at \$159,638.14 due to the taxable value decrease for Schneider Manor this will be charged. This is after a mill transfer of \$96,000 to the Local Street Construction Fund.

- **Expenditures:** The General Fund has a total of 2.476 million dollars in expenditures. This represents approximately 6.14% decrease from the FY 2007-2008 estimated budget.

This reflects a tightening of expenses because of lessened revenues. The primary points in reviewing these accounts are:

1. A 2.0 percent cost-of-living increase has been calculated into the budget for employees' salaries. No merit increases are planned.

2. The Police Department budget provides \$13,186 for the second year of lease payment involving two new police cruisers. Complete technology upgrades including a video recorder for the interrogation room and a laser radar unit will have \$4,200 as a match from the Lowell Area Community Fund grant.
3. Fire fighter turnout gear and three pagers are planned expenditures for the Fire Department (\$4,800).
4. The City will continue its refuse collection program whereby residents pay \$1.00 per bag. Also, the City provides the cost of residential recycling. Yard waste is provided with the residents paying \$1.00 per bag.

PARKS

A total of \$5,000 is being allocated from the Lee Fund for park maintenance. The Parks and Recreation Commission have set aside ten thousand dollars (\$10,000) for future projects. Agreements have been signed with the YMCA, Lowell Little League, Lowell Xtreme Softball, Kent County Youth Fair, Lowell Rugby and Lowell Lacrosse providing a pay per participant (\$5) for park usage.

EQUIPMENT FUND

For the fiscal year, \$8,500 has been budgeted for the first year lease involving the pickup cemetery truck. A new dump truck is being proposed replacing the 1989 C-10 Chevrolet (estimated \$20,000 lease payment).

DATA PROCESSING FUND

No new purchases, except for software maintenance agreements, are planned.

AIRPORT FUND

The Airport Fund has a current balance of \$15,622 on the loan from the General Fund, which was utilized to carry out improvements. With assistance from the State, the Airport Board is seeking to upgrade the facility to General Utility status enabling the airport to qualify for State grant funds. A \$70,000 loan from the Michigan Aeronautics Commission has assisted in securing air easements enabling tree removals at the ends of the main runway. Through a contract with the engineering firm of URS, work has commenced. During this past year, easements have been secured and trees cut through a 95% grant from the State of Michigan.

The School of Missionary Aviation Technology has announced its intentions to move to the Ionia County Airport. The Board is currently reviewing a proposal for a new Fixed Base Operator to manage the airport.

DOWNTOWN DEVELOPMENT AUTHORITY

The DDA has set aside \$120,000 for downtown projects.

CITY HALL CONSTRUCTION BOND FUND

With the sale of \$4,725,000 Building Authority Bonds in July 2002, the City Hall Renovation-Police Station Construction Project commenced. The project was completed and dedicated on July 12, 2003. Payments of \$322,735 for the seventh year of a 30 year bond will be issued.

STREET FUNDS

No new projects through the Major Street Fund are planned. Bowes Road from Valley Vista Drive to 1,950 feet west will be reconstructed under a Federal Surface Transportation-Small Urban Grant to be initiated during the 2009-2010 budget year.

A total of \$96,000 has been allocated to the Local Street Fund. Decisions on projects will be made shortly.

WASTEWATER FUND

The following rates are proposed for consideration:

- User rate increase from \$3.26 to \$3.38 per 1,000 gallons per month
- Readiness to serve charge increase from \$19.91 to \$20.10 per residential unit per month

The sewer main upgrading program will be continued allocating \$30,000, assigned to the Department of Public Works. A total of \$40,000 is allocated for sewer maintenance. Several new manholes will be rebuilt (\$3,000). Two HVAC replacement make-up units will be installed at the plant (\$16,980).

WATER FUND

The readiness to serve rate is recommended for approval by City Council to be increased from \$23.12 to \$23.68 per month and consumption charge would increase from \$1.43 to \$1.45 per thousand gallons.

The following capital improvement projects include (1) ground reservoir (Water Plant) interior and exterior repaint (\$50,000), (2) replace main line valves (\$30,000), (3) Water Distribution map (\$14,000), and (4) truck lease, second year (\$9,000).

After two public hearings, the City Council will adopt the budget.

I wish to thank the members of the city staff for their work on the budget. In particular, I also thank City Treasurer Suzanne Olin, who spent numerous hours compiling budget funds data and assisting in evaluation of departmental request. Betty Morlock providing the typing for this document. The budget is truly a team effort and would not be possible without it.

Respectfully submitted,

David M. Pasquale
City Manager

Mayor Pro Tem Hodges confirmed another public hearing would be held in two weeks as well as the City budget being available for public review. City Treasurer Suzanne Olin noted the budget is available for review at City Hall, the Englehardt Public Library and on the City's website.

Councilmember Pfaller stated he reviewed the various funds. He noticed the Parks budget was increased by 14.5 percent. Olin explained this was due to the way the salaries were allocated. Pfaller also noted the library budget increased by 11 percent. Pasquale explained there have been maintenance issues at the library. He stated the City is responsible for the maintenance of the building, upkeep of the grounds and the utilities. Kent District Library is responsible for the personnel, books and technology (including computers). This is also true for every other library within the Kent District system.

Pfaller questioned when the final bond payment was on the Wastewater Fund. Pasquale believed it was a 30 year bond. He estimated it to be done in 2017. Pfaller also inquired regarding the bond expiration for the Water Fund.

Pfaller asked why a new mower is still shown in the budget for the Water Fund. Pasquale stated Water Treatment Plant Superintendent George Regan placed the mower in the Capital Improvements Fund. This will be deleted.

No further information was provided.

Item #2. **RESOLUTION REQUESTING THE MICHIGAN STATE TAX COMMISSION TO REVOKE THE INDUSTRIAL EXEMPTION CERTIFICATES ISSUED TO NEWELL MANUFACTURING AND ATTWOOD CORPORATION.** Several years ago, the City Council provided Industrial Tax Abatements for Newell Manufacturing and Attwood Corporation. Since then, Newell has moved and Attwood is under new ownership. The abatement request by Attwood Corporation was under Steelcase but is now owned by Brunswick. Therefore, neither one is applicable. The State is requesting a resolution be passed by the Council which revokes the certificates.

IT WAS MOVED BY PFALLER and seconded by HODGES to pass a resolution to cancel Certificates #98-234 for Newell and #02-032 for Attwood for their tax abatements.

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

Pfaller questioned if there was a way to collect from the company if they do not fulfill their requirements or promises. City Manager Pasquale explained the State has much tighter

regulations now. There is a very strict reporting system. Pasquale stated he would check into this further.

Item #3. **RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A PERMITTING, INSPECTION AND ENFORCEMENT SERVICES AGREEMENT WITH IMPERIAL MUNICIPAL SERVICES**. At its April 21, 2008 meeting, the City Council selected Imperial Municipal Services (IMS) to continue to perform code inspection and enforcement services.

The provided agreement outlines the following:

- Remitting 10% of permit fees to the City of Lowell zoning contracted services at \$45 an hour
- Office hours provided
- Liability insurance (\$2,000,000) maintained
- Any increases in fees for building permits and related trades must be approved by Council
- Expires June 30, 2013 with early termination upon thirty days notice

City Manager Pasquale recommended the Council adopt the resolution approving the contract with IMS.

IT WAS MOVED BY HODGES and seconded by ALTOFT to adopt the resolution approving the agreement with Imperial Municipal Services providing permitting, inspection and enforcement services.

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #4. **RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A RESIDENTIAL LEASE AGREEMENT WITH GARY C. DIETZEL AND SANDRA BARTLETT RELATED TO CITY – OWNED PROPERTY LOCATED AT 990 N. WASHINGTON**. The resolution provides a residential lease agreement between the City and Gary Dietzel and Sandy Bartlett for property located at 990 N. Washington. The lease has been prepared by City Attorney Richard Wendt and reviewed by attorney Timothy Orlebeke on behalf of Dietzel and Bartlett.

Specifically, the lease runs to June 30, 2009 at a rent of \$350 per month. The document provides standard language required between a landlord and tenant.

City Manager Pasquale recommended the Council approve the resolution. The tenants have signed the lease.

IT WAS MOVED BY PFALLER and seconded by ELLISON to approve and authorize the resolution regarding the residential lease agreement with Gary C. Dietzel and Sandra Bartlett at 990 N. Washington Street.

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #5. **PRESENTATION AND CONSIDERATION OF THE REGIS COMPUTERIZED MAPPING PROGRAM.** City Manager Pasquale mentioned Water Distribution Supervisor Bob Robinson has expressed a need and an interest for computerized mapping of the water system. This precipitated discussions with Dharmesh Jain, Director the REGIS program. There has been discussions on and off over the past number of years. Not only looking at the water system, but there are also many other applications which can be provided through the REGIS program. Monies have been set aside in the Water Fund for this program.

The cost is \$5,281 per year for three years as a buy in to the system. Also, annual dues of \$9,639 for the first year, then lowered to \$8,766 would be required (total \$14,920). The Water Department has included this cost in its budget.

Mayor Pro Tem Hodges stated the City is 2.8 square miles. Would the map tract the utilities which go outside the City limits at these prices? Jain stated these would need to stay within the boundaries of the City limits. Pasquale explained the controlling factor is the number of parcels and the size of the City itself.

Pasquale stated there are also other applications which can be provided as follows:

- Zoning – maps will be provided showing parcels allowing easier access for zoning notifications
- Parcel – detail related to assessing
- Cemetery – mapping
- Public Works – streets, sidewalks

Councilmember Pfaller questioned who is responsible for compiling the information. Jain responded REGIS staff. Pfaller asked if there was a limit to training. Jain responded no. Pfaller inquired if the upgrades were automatic as part of the annual fee or are there additional charges. Jain responded automatic. Pfaller questioned the annual dues. Jain explained the dues will increase based upon the consumer price index.

City Treasurer Suzanne Olin asked if the general public would have access to the system. Jain responded everything except the utilities and sensitive information.

Lowell Light and Power Manager Tom Richards asked if there would be an additional cost to add another utility. Jain responded no.

Pfaller questioned if City Attorney Richard Wendt had an opportunity to review the by laws. Pasquale noted Wendt is also the City Attorney for Rockford which has been a member of Regis for some time.

Councilmember Altoft questioned how soon the water department needed to comply. DPW Director DesJarden stated that can be implemented right away.

Mayor Shores inquired regarding the amount of time to get the system operating. Jain responded as early as July.

IT WAS MOVED BY HODGES and seconded by ALTOFT to approve the City joining REGIS computerized mapping program with a three year payback for cost recovery.

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

Item #6. **MONTHLY REPORTS**. No comments were received.

Item #7. **CITIZEN COMMENTS**. Christine Grove, owner of Christine's K9 Service requested approval to teach obedience classes at the City Dog Park. Grove provided a copy of her insurance policy.

City Manager Pasquale stated the Parks and Recreation Commission has reviewed the request. Councilmember Pfaller explained the issue was brought to the Commission by the dog park committee last month. The classes are scheduled to begin in June.

IT WAS MOVED BY PFALLER and seconded by HODGES to approve the Parks usage agreement for dog obedience classes being held at the Lowell City Dog Park.

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

Manager of the Kent County Youth Fair Ron Wenger was upset that the newly planted trees at the fairgrounds needed to be moved due to the power lines. Mayor Shores stated this was discussed during the last Arbor Board meeting. Light and Power does not know when the wires will be moved. Therefore, the Board believed it would be best to move the trees now rather than later. Shores noted there is no blame at all toward Wenger regarding the trees.

Lowell Light and Power Manager Tom Richards stated the construction on Bowes Road was for both current and necessary projects and also to build on those poles at the same time. Richards was unable to tell Wenger when those lines would be energized. These have been energized on most of Bowes Road. He wished there had been more communication on this.

Item #8. **COUNCIL COMMENTS.** Councilmember Altoft questioned the status of the information he requested at the last meeting regarding the "Payment in Lieu of Taxes" from Lowell Light and Power. Morlock was hopeful to have the information by the end of the week.

Altoft also commented there are a couple broken rafters in the Foreman Building. These should be addressed.

Altoft noted the streets are being cleaned by the sweeper.

Mayor Pro Tem Hodges stated the Mayor Exchange Day with Hastings went very well. The group was the most congenial and wonderful he has had the privilege of meeting during a Mayor Exchange.

Councilmember Pfaller questioned when the speed monitor would be set up. Police Sergeant Hinton explained the speed monitor has been placed throughout the City. It can be provided on Bowes Road.

Pfaller commented on the foul language being used by our youth at Richards Park. There is an ordinance against such language. He questioned if the police should start ticketing individuals to eliminate the problem. Hinton stated he and Police Chief Valentine will put a plan together.

IT WAS MOVED BY PFALLER and seconded by HODGES to set a public hearing to review the Recreation Plan for July 7, 2008.

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

Mayor Shores stated the benches placed at Richards Park are very attractive.

Shores also commented on the Memorial Day Parade. Councilmembers are invited to her house prior to the parade for coffee and doughnuts.

Shores noted the 100 miles in 100 days walk has begun.

Item #9. **MANAGER'S REPORT.** City Manager Pasquale reported on the following:

1. The following boards and commissions meetings minutes are provided:
 - West Michigan Trails and Greenways Coalition (Rails to Trails) meeting of April 3, 2008
2. In observance of Memorial Day, City offices will be closed on Monday, May 26. The Memorial Day Parade will begin at 10 a.m.
3. Many thanks for all who were involved in Mayor's Exchange Day with the City of Hastings last Thursday.

Item #10. **APPOINTMENTS.**

By general consensus, the City Council reappointed Clark Jahnke to the Planning Commission with an expiration date of June 30, 2011.

By general consensus, the City Council appointed Doug Folstrom to the Planning Commission with a term expiring June 30, 2011.

By general consensus, the City Council reappointed Perry Beachum to the Board of Light and Power with a term expiring June 30, 2011.

By general consensus, the City Council reappointed Dave Clark to the Board of Review with a term expiring June 30, 2011.

By general consensus, the City Council reappointed Barb Zandstra to the Local Officers Compensation Commission with a term expiring June 30, 2012.

IT WAS MOVED BY PFALLER and seconded by ALTOFT to move into closed session at 8:53 p.m. to review pending litigation.

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

IT WAS MOVED BY PFALLER and seconded by ELLISON to return to open session at 9:29 p.m.

IT WAS MOVED BY HODGES and seconded by ALTOFT to amend the declaration of taking for the Barron and Fegal properties involving the Lowell City Airport to limiting this to acquisition of air easement.

IT WAS MOVED BY HODGES to adjourn at 9:32 p.m.

DATE:

APPROVED:

C. Jeanne Shores, Mayor

Betty R. Morlock, Clerk