

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

For the Regular Meeting of MONDAY, **JUNE 5, 2006**

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

Present: Councilmembers Hodges, Pfaller, Shores, Mayor Pro Tem Mathews and Mayor Myers.

Absent: None.

Also Present: City Manager David Pasquale, City Clerk Betty Morlock, DPW Director Dan DesJarden, Police Chief Jim Valentine, Lowell Light and Power/Cable TV General Manager Tom Richards, City Treasurer Suzanne Olin, DPW employees Ralph Brecken, Scott Fosburg, Joe Baker, Todd Phillips, Don DeJong, Planning Commissioner Mark Mundt and Chamber of Commerce Director Liz Baker.

IT WAS MOVED BY PFALLER and seconded by HODGES to approve the minutes of the May 15, 2006 regular meeting as corrected.

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

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

YEA: Councilmember Hodges, Pfaller, Shores, Mayor Pro Tem Mathews and Mayor Myers.

NAY: None. ABSENT: 0. MOTION CARRIED.

<u>BILLS AND ACCOUNTS PAYABLE (06/05/06)</u>	
GENERAL FUND	\$132,290.15
MAJOR STREET FUND	3,407.22
DDA FUND	21,513.01
BUILDING & SITE	114,142.50
AIRPORT FUND	9,349.99
WASTEWATER FUND	5,351.59
WATER FUND	27,837.33
DATA PROCESSING FUND	672.76
EQUIPMENT FUND	3,022.25
CURRENT TAX FUND	5,071.86
LEE FUND	1,402.00
LOOK FUND	50.00

Councilmember Pfaller suggested the issue regarding the 2006 – 2007 operating budget be discussed at the end of the meeting, due to the length of the discussion. Councilmember Shores did not agree. Individuals present may be interested in hearing the discussion. Mayor

Myers agreed with Pfaller as this would be courteous to those who are here with other matters. Councilmember Hodges suggested moving the issue after citizen comments. After discussion, the Council agreed to leave the issue as placed in the agenda.

Item #1. **AMENDMENTS TO THE DEVELOPMENT AND TAX INCREMENT FINANCING PLANS OF THE DOWNTOWN DEVELOPMENT AUTHORITY TO INCLUDE MARKETING – PUBLIC HEARING.** The Downtown Development Authority was approached by the Lowell Area Chamber of Commerce to provide \$25,000 a year for three years for marketing. At its March 16, 2006, the DDA voted to approve the issue. Upon reviewing this with City Attorney Richard Wendt, he mentioned it is necessary to formally amend the Development and Tax Increment Financing Plans.

On April 20, 2006 the DDA formally reviewed and recommended the amendments. A 45 day notice has been provided to comply with the State statues.

Marketing Committee member Cliff Yankovich of 208 E. Main explained the committee requested funds from the DDA. The money will be spent to advertise what a great place Lowell is.

Councilmember Pfaller questioned if the plan was geared toward downtown. Yankovich explained this is a community wide marketing plan. The mission statement is to promote Lowell as a great place to live. The committee has received support and participation from the school system and financial assistance from Vergennes Township. The Lowell Area Community Fund will match the \$25,000 received from the DDA as well as any other donated funds. The Committee has received participation from approximately 17 businesses and has raised an additional \$3,200, which in turn becomes \$6,400.

Delores Alexander, 401 N. Hudson asked if specific projects were planned. Yankovich stated the first project involves billboard advertisement. A mass mailing was recently completed to promote the free concerts. The targeted areas include Kentwood, East Grand Rapids, Ada, Cascade, Caledonia and Ionia. There has also been discussion regarding a “Parade of Homes” next year in Lowell.

Councilmember Shores stated the flier is a very good idea. Marketing Lowell is very important.

IT WAS MOVED BY SHORES and seconded by HODGES to approve the amendment to the development and tax increment financing plans of the Downtown Development Authority to include marketing.

Councilmember Pfaller was concerned with the amendment because the budget is already so tight.

YEA: 4. (Councilmember’s Hodges, Shores, Mayor Pro Tem Mathews and Mayor Myers)

NAY: 1. (Councilmember Pfaller) ABSENT: 0. MOTION CARRIED.

Item #2. **ADOPTION OF THE 2005 – 2006 BUDGET AMENDMENTS**. As required by State Law, the City Council must review and approve final adjustment to the City's operating funds.

Councilmember Pfaller questioned the amount of \$32,000 in Capital Outlay within the Major Street Fund. City Treasurer Suzanne Olin explained this involves invoices from Williams and Works.

IT WAS MOVED BY PFALLER and seconded by MATHEWS to approve the 2005 – 2006 budget amendments as submitted.

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

Mayor Myers had difficulty following the footnotes. He suggested numbering the items being explained. Myers requested all funds be totaled together. Olin stated she would provide this at a later date.

Item #3. **PRESENTATION BY HONEYWELL MUNICIPAL SERVICES – REGARDING GUARANTEED ENERGY SAVINGS PROGRAM**. DPW Director Dan DesJarden explained several months ago, a study was done on energy saving cost guaranteed. Dick Williams from Honeywell Municipal Services requested the Council set a worksession in order to provide a presentation of his findings.

Williams stated he has been with Honeywell Municipal Services for 25 years. After being approached by Wastewater Treatment Plant Superintendent Mark Mundt, the company performed a feasibility study from January through April. Three issues were identified as follows; (1) ways for the City to save money, energy and operating costs (2) recommendations for facilities operations and improvements (3) provide a no risk way for the City to fund the improvements without increasing the budget.

Williams notes Honeywell has performed such services for several other municipalities throughout Michigan.

Shores stated she would be in favor of a worksession meeting.

No further information was provided.

Item #4. **REPORT ON RESULTS OF THE GARLIC MUSTARD PROJECT**. Melanie Good of 271 Countryview and Peggy Covert of 982 N. Washington Street were present to discuss the results of the garlic mustard project.

Covert noted Good is a naturalist from Blanford Nature Center.

Good stated approximately 70 volunteers from different organizations were involved with the

removal of garlic mustard. However, this is a long term project and will take at least five years before a significant difference is seen.

Next year, the group will continue their efforts at the Boy Scout Cabin, Stoney Lakeside Park and begin on City North Washington property under pine stand.

Mayor Myers questioned the disposal of the weeds. DPW Director DesJarden stated the weeds are placed in black plastic bags. Once the weeds die, the bags are placed in dumpsters and go to the landfill.

Covert stated the committee is working on educating people within the community.

Item #5. **CONSIDERATION AND ADOPTION OF THE 2006 – 2007 OPERATING BUDGET, SET MILLAGE RATE AND HOLD PUBLIC HEARING.** City Manager Pasquale thanked City Treasurer Suzanne Olin for all of her efforts on the budget. He also thanked City employees who have spent time in terms of providing numbers and justifying their needs for the various departments. Each and every employee at the City cares a great deal about the community as well as the financial health of the City.

The budget is composed of a number of different budgets. Department heads and City employees have reviewed the budget over the last several weeks and are seeking ways to raise the General Fund balance. He noted the balance started at \$11,000 and has now grown to \$60,000. The primary reason for increasing to \$60,000 is due the change within the employees' health care coverage. The City is reviewing a series of co-pays and coinsurance which will lower the premiums. The police department will not be leasing two new police vehicles as originally planned. This saved the department \$12,000.

Pasquale said when one begins to limit expenditures in certain areas, it also limits the amount of service being provided to the community.

Mayor Myers noted the budget has been placed on the City's web site. He questioned if any public comments have been received. Pasquale responded no.

Councilmember Pfaller commented on the cost of living increase of 2.5 percent for staff. He questioned the 7.1 percent increase for the assessor this year. Pasquale did not believe this was correct.

Pfaller suggested the idea of cost recovery for the police department, when they are providing support for special events or school functions. Chief Valentine explained a number of years ago, there was a school resource officer. This was a grant position and was funded by the Lowell Area Community Fund for two years with the intention of splitting the cost between the department and the school district. As the funding for this position ran out, both entities came upon difficult financial times and the officer was removed from the schools. Valentine stated the department's largest expenses include the Riverwalk Festival, Harvest Festival and the Kent County Youth Fair. The department does not charge for these services. Myers inquired

regarding policies of other communities. Valentine believed this varied from community to community. Myers indicated he would be in favor of the organization holding the event, sharing in the cost of officers present.

Pasquale noted the City has begun to process passports. City Clerk Morlock stated the City receives \$30 per passport.

Pfaller believed the Council should review the fire agreement to determine if Lowell and Vergennes Townships should share expenses, such as maintenance of the vehicles and building as well as cost of the utilities.

Pfaller questioned if bids were sought to clean City Hall/Police Department. Morlock stated the City has a contract with Jeff Walker. However, consideration is being given to seek bids.

Pfaller stated at the next Parks and Recreation Commission meeting he will propose a fee for non resident use of the parks. There is an expenditure of \$78,000 to the City for the parks, while many of those enjoying the parks are non city residents. He suggested a \$25 non resident fee for anyone using the parks.

Pfaller commented on the .25 mill the City collects for the Historical Museum, which generates approximately \$20,000. The citizens also pay .88 mills for the library millage, yet the City only receives \$7,200 for maintenance. Pasquale stated Kent District Library (KDL) provides every library within district \$1 a square foot per year. He noted the community room was not originally included in the square footage, because it was used for City meetings. This could be reevaluated. Pfaller questioned if the library pays the salary for the librarians. Myers explained the only item the City provides for the facility is the building itself, maintenance and cleaning. All else is provided by the District Library. Pfaller questioned the \$10,000 budgeted for parking lot lighting. Olin stated this is part of the repair and maintenance. Pasquale added this includes everything such as cleaning, pest control, heating and air conditioning maintenance and parking lot lighting.

Pfaller referred to the Major and Local Streets. He noted the City has been very fortunate this past year. He questioned the policy of snow removal and when the policy was established. When do the snow plow trucks go out? DPW Director DesJarden explained the snow removal policy was approved by the Council several years ago. Councilmember Mathews noted the area where he lives should be plowed soon, otherwise the hills are very slippery. DesJarden explained hills, main streets, and school runs are all priorities.

Pfaller commented on the City Hall Construction Fund and a payment of \$340,000 for the year. Olin stated this is the first year where there is a \$60,000 principal payment. It was structured this way coordinated with the library bond completion. Pfaller questioned if it will stay at this level or will it float. Olin believed it would stay at this level. Pasquale stated there is also the assumption that there will be an increase in the assessed evaluation. Therefore, over the years, it will be a little easier to accommodate these payments.

Myers questioned how many years are reviewed when determining the amount of funds

needed to budget for snow removal. DesJarden stated he averages 10 years (five prior years). The rental rate for equipment is set by the State.

Pfaller commented on the Wastewater Fund. The footnotes indicate there was an equipment reserve fund of \$250,000 in 1991 and 1992. How much is in the fund now? Olin responded approximately \$155,000 at the end of this year. Pasquale noted a five year plan had been approved by Council. The rates have been calculated to build the fund.

Pfaller questioned the "Other Services and Charges" of \$190,000 from the Water Fund. Olin explained \$7,500 is for professional services, \$3,300 for contractual, \$1,000 for communications, \$2,000 for travel, \$800 for conferences, \$43,260 for utilities of the plant, \$15,000 for repair and maintenance, \$1,000 for miscellaneous expenses.

Pfaller inquired if Light and Power offers reduced electrical rates for off peak hours to industrial users. Lowell Light and Power and Cable TV General Manager Tom Richards responded no. The purchase power coming into Lowell is not priced on an off peak rate. Therefore, reduced rates can not be provided.

Olin stated other services and charges for transmission, which is considered the water main for the distribution system, include \$3,312 for customer installation expense, \$15,285 for contractual services, \$3,500 for communications, \$1,700 for conferences, \$17,000 for public utilities (utilities on the booster pump stations) \$31,000 for repair and maintenance, \$16,000 for rentals and \$1,625 for miscellaneous expense.

Pfaller stated the Equipment Fund runs at a \$38,000 to \$45,000 deficit. At this rate, the City will never be able to replace equipment. Pasquale mentioned the Equipment Fund is provided by other accounts through rentals. When the rental income is taken away from the other funds, it becomes a no win situation. The Equipment Fund has to receive monies from other funds in order to exist. Pasquale stated the City could review various funds to assist with the lease purchase on equipment and the City could make yearly payments for new equipment. Pfaller noted the water and sewer funds are both revenue funds and the rates are set to help build the fund.

Mayor Pro Tem Mathews stated the Water Treatment Fund is making money. There is an actual truck which is designated for the water. He believed money should be taken from the water fund to upgrade the trucks or equipment as necessary. Pfaller agreed. He believed most of the truck usage is done with snowplow and street repair. Part of the budget should go toward insuring there is equipment for staff to use. Olin explained the Street Fund is charged rental rates which are set by the State. This is what the City uses.

Myers questioned the salaries and benefits which are paid from the equipment fund. City Mechanic Ralph Brecken's salary, social security, life and health insurance and pension are charged to the equipment fund. DesJarden explained as staff assists Brecken, their time is also charged to the Equipment Fund.

Myers inquired if Lowell Light and Power employees and DPW employees assist one another.

DesJarden responded yes.

Myers was concerned that the Equipment Fund was operating at a loss.

Myers inquired regarding the age of the street sweeper. DesJarden responded the sweeper is a 1989 model. He is investigating the cost of having a service come into the City once a month to sweep the roads. Myers was concerned with outsourcing and what it does to City staff. DesJarden stated the preliminary estimate for a new sweeper is approximately \$200,000. It still has to be maintained and takes an employee 3 to 4 days to complete.

Mathews questioned if the purchase of the refuse bags by individuals covers the full cost of the bag. Olin stated the City pays Allied Waste \$1.01 per bag, while the City charges \$1.00 per bag. Recycling is a great cost to the City.

Mathews referred to the power used at fairgrounds. Pfaller explained the power used the week prior and the week of fair is paid for by the Kent County Youth Fair. The City pays the bill the rest of the year. Mathews questioned what happens when RVs are camping at the fairgrounds and use the electricity. Fair Ground Manager Ron Wenger stated there is a \$10 per night charge for one to camp at the fairgrounds and a \$15 charge per night, if an individual wishes to hook up to electricity. The City receives 10 percent of all revenue.

Myers questioned if the Kent County Youth Fair was making payments to the City. Olin stated she has not received a payment since October. Wenger stated he would check into this.

Councilmember Shores believed the Lowell Light and Power/Cable TV budget should also be reviewed in detail.

Councilmember Hodges suggested a worksession meeting be held every fall, prior to efforts of developing the budget in January.

Myers did not recall any other budget adjustments being made throughout the year. Olin responded this was correct. He suggested quarterly reviews of the budget.

Pfaller stated he was not prepared to approve the budget. He suggested a worksession be held on Monday, June 12, 2006.

Shores was in favor of approving the budget. However, the City needs to keep a close eye on the budget for the future.

IT WAS MOVED BY SHORES and seconded by HODGES to approve the 2006 -2007 budget as presented.

YEA: 2. (Councilmembers Hodges and Shores)

NAY: 3. (Councilmember Pfaller, Mayor Pro Tem Mathews and Mayor Myers)

ABSENT: 0. MOTION DEFEATED.

Myers was uncomfortable approving the budget. There are many unanswered questions. Under Section 8.5 (b) of the City Charter, should the Council fail to adopt a budget for the next fiscal year on or before the first Monday in June, the budget proposal as recommended to the Council by the City Manager should be deemed to have finally adopted by the Council. Thus, under Section 8.5 (b), the 2006 – 2007 budget was adopted.

IT WAS MOVED BY MATHEWS and seconded by PFALLER to approve the current millage rate of 15.83 plus 0.25 mills for the Lowell Area Historical Museum.

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

IT WAS MOVED BY PFALLER and seconded by MATHEWS to establish a worksession on Monday, June 12, 2006 at 7:00 p.m. for further review of the budget.

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

Item #6. **POLICE CONTRACT – WAGE RE-OPENER AND LETTER OF UNDERSTANDING REGARDING HEALTH INSURANCE.** After discussion, an agreement has been reached whereby a 2.5% wage increase for Police Officer (each pay increment) and Sergeant positions would be given.

Also, a letter of understanding regarding the employee health insurance program is proposed. The officers have agreed unanimously and have signed the contract.

IT WAS MOVED BY HODGES and seconded by MATHEWS to ratify the wage re-opener agreement and the letter of understanding regarding the adjustment to employee health insurance program.

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

Item #7. **CITY CHARTER REVISIONS.** Councilmember Pfaller stated he and Councilmember Hodges have had discussions with City Attorney Richard Wendt. Minor changes to the Charter can be made by amendment. Major changes need to be provided by Charter Commission, which is a two year process. Pfaller stated a Charter Commission is a nine member board which is required by the State. The State requires one to rewrite the Charter.

Pfaller questioned if the Council wanted to go to a Charter Commission or should the Council determine what changes need to be made and prioritize these changes. He questioned at what point a change becomes a major change. The process needs to keep moving forward, if it will be placed on the November ballot.

Mayor Pro Tem Mathews wanted to continue the process. City Manager Pasquale stated any

changes must go to the Attorney General's office for review before it can be brought to an election. City Clerk Morlock stated it would be very difficult to get the issue on the November ballot.

Pfaller stated he would provide the Council with a list of the proposed changes for prioritizing.

Item #8. **REVIEW OF PROPOSED AGREEMENT BETWEEN THE CITY, LOWELL CHARTER TOWNSHIP AND VERGENNES TOWNSHIP INVOLVING THE COOK PROPERTY.** The Councilmembers received a report regarding a negotiated agreement involving the City, Lowell Charter Township and Vergennes Township. Councilmember's Shores and Pfaller, City Manager Pasquale, representatives from Vergennes including Tim Wittenbach and Township Clerk Mari Stone, Lowell Township Supervisor John Timpson and Trustee Leonard DenHouter were present. The group was aided by facilitator Joe VanderMeulen from the Land Access Information Association. The process went very well.

The committee reviewed the idea of recommending the approval of a Public Act 425, called a Conditional Land Transfer for the proposed area, commonly called the Cook property. This involved 177 acres near the intersection of Alden Nash and Vergennes. The committee reviewed the idea of the City providing all the urban services for the property, assessor responsibilities and to provide a City millage. Vergennes Township would provide the land use and zoning regulations as well as handling elections and qualified voters. The agreement would be in place for ten years with a formal review every five years. There would be an allocation of two mills to Vergennes. The committee also considered a second agreement with Lowell Township to have a provision of water and sewer services. Pfaller stated Lowell Township is involved because the City is using their main to avoid building another line.

Shores did not believe the three entities would have accomplished as much without a facilitator. This is a good agreement with Vergennes Township.

Pasquale stated this is the framework. Two formal contracts still need to be created.

Myers questioned if it would be more appropriate to pay the township for the infrastructure or have the township provide water and sewer at a greatly reduced rate. Pfaller believed the City should maintain the billing and provide the service and rent the main from them.

By general consensus, the Council agreed upon the proposed agreement. Pfaller stated VanderMeulen recommended a joint attorney be hired when drafting a formal agreement.

Item #9. **ESTABLISH THE FEE FOR PERFORMING A MARRIAGE CEREMONY.** The City Council is required to set a fee by statute. The fees collected are to be deposited to the City's General Fund. The Mayor collects the fee at the time of marriage. This is Michigan Case Law #551.7(3). Mayor Myers also presented a survey of other municipality fees and the establishment of the \$50 fee.

Councilmember Hodges questioned if the participants needed to be citizens. Councilmember Shores stated no. The individuals need a valid marriage license and two witnesses.

IT WAS MOVED BY HODGES and seconded by PFALLER to establish a \$50 fee for performing marriage ceremonies.

YEA: 4. NAY: 1. (Councilmember Shores)

ABSENT: 0. MOTION CARRIED.

Item #10. **ESTABLISH FARMER'S MARKET.** Ron Wenger of the Kent County Youth Fair and Liz Baker of the Lowell Area Chamber of Commerce wish to establish a farmer's market. There are many individuals interested. They have proposed to have the market on the corner of Bowes Road and S. Hudson. Wenger stated the suggested time would be every Thursday from 3 p.m. to 7 p.m.

City Manager Pasquale stated the prepared resolution establishes the farmer's market in the Foreman Building. Wenger stated the vendors have indicated they would rather be outside.

Mayor Pro Tem Mathews was in favor the market.

Wenger questioned if the Council wanted to allow crafts. He was in favor allowing crafts but not a flea market.

Councilmember Shores loved the idea.

Mayor Myers supported the idea. He noted Ionia has a farmer's market on Wednesday. He requested a copy of the agreements signed by the farmers.

Chamber of Commerce Director Liz Baker stated the lease agreement states the association in the past, has leased and used its desires in the future, to lease and use certain real property owned by the City for agricultural and related activities. Pasquale stated the agreement can be amended.

Baker noted a target date of Thursday, July 6 is scheduled for the farmer's market to begin.

The amended resolution will be presented at the next meeting.

Pfaller requested the fee schedule, rules and regulations be included in the next agenda.

Item #11. **CITIZEN COMMENTS**. Delores Alexander of 406 Foreman questioned why the Council meetings dates and times are not posted in the Ledger. City Clerk Morlock stated she would call the Ledger.

Alexander questioned why individuals can not vote at City Hall. Morlock stated at some point she wished to have both precincts at City Hall.

Item #12. **COUNCIL COMMENTS.** Councilmember Shores was happy to see City employees present at the meeting.

Councilmember Mathews referred to a quote in the Grand Rapids Press from Vergennes Township Supervisor Tim Wittenbach regarding the N. Washington Street property. He stated he was not going to turn the property over and questioned why the City would turn their property over to Vergennes Township.

Councilmember Hodges noted he had a nice meeting with the DPW employees.

Hodges also commented on how nice the stairs look in City Hall.

Hodges stated the Memorial Day Parade was a wonderful event. He appreciated the effort of the VFW and the veterans as they remember their own.

Pfaller requested the Lowell Area Recreational Authority meeting be placed on the City's monthly calendar.

Pfaller questioned why there has been no internet service since last Wednesday morning. Lowell Light and Power and Cable TV General Manager Tom Richards believed there were only a few customers having internet problems. Pfaller stated these issues have not yet been resolved.

Pfaller also questioned when the utility poles, which had been placed on his lawn, would be placed. Richards estimated a few days. The typical utility construction process is to place the poles where they will be placed when they are being delivered.

Item #13. **MANAGER'S REPORT.** City Manager Pasquale reported on the following:

1. The following boards and commissions meetings minutes were provided:
 - Planning Commission meeting of April 24, 2006
 - Look memorial Committee of December 21, 2005
 - Airport Board meeting of April 6, 2006
2. The Mayor's Exchange activities with the City of Coldwater went well. Thanks to everyone who was involved.

Item #14. **APPOINTMENTS.** Mayor Myers suggested Perry Beachum serve on Light and Power and Cable TV Board with a term expiring 6/30/2008. By general consensus, the Council agreed.

Myers requested a letter be sent.

DesJarden questioned when the Honeywell Energy Savings would be discussed. Myers suggested the schedules will be checked.

IT WAS MOVED BY MATHEWS to adjourn at 9:53 p.m.

DATE:

APPROVED:

Charles R. Myers, Mayor

Betty R. Morlock, Clerk