

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

For the Regular Meeting of MONDAY, **FEBRUARY 6, 2006**

The Meeting was called to order at 7:30 p.m. by Mayor Myers and City Treasurer Suzanne Olin called Roll.

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

Absent: Councilmember Shores.

Also Present: City Manager David Pasquale, City Treasurer Suzanne Olin, Public Works Director Dan DesJarden, Police Chief Jim Valentine, Planning Commissioner Mark Mundt, Lowell Light and Power/Cable TV General Manager Tom Richards.

IT WAS MOVED BY HODGES and seconded by MATHEWS to excuse the absence of Councilmember Shores.

YEA: 4. NAY: 0. ABSENT: 1. MOTION CARRIED.

IT WAS MOVED BY PFALLER and seconded by HODGES to approve the minutes of the January 17, 2006 regular meeting as written.

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

NAY: None. ABSENT: 1. MOTION CARRIED.

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

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

NAY: None. ABSENT: 1. MOTION CARRIED.

Mayor Myers questioned the payment of \$3,280.00 to Grand Rapids Press. City Treasurer Suzanne Olin explained this was for a Lowell Area Chamber of Commerce ad in the Kent County Visitors Guide which had been paid by the Downtown Development Authority.

<u>BILLS AND ACCOUNTS PAYABLE (02/06/06)</u>	
GENERAL FUND	\$170,892.91
MAJOR STREET FUND	1,706.46
LOCAL STREET FUND	16,428.48
HISTORIC DISTRICT FUND	381.60
DDA FUND	4,164.63
CITY HALL CONSTRUCTION FUND	300.00
AIRPORT FUND	1,537.09

WASTEWATER FUND	167,273.36
WATER FUND	8,346.13
DATA PROCESSING FUND	163.29
EQUIPMENT FUND	5,449.83
CURRENT TAX FUND	145,046.21
LOOK FUND	2,030.00

Item #1. **PROMOTION OF JAMES HINTON AS POLICE SERGEANT.** Police Chief Jim Valentine explained Officer James Hinton was promoted to Police Sergeant on January 20, 2006. Hinton is a 14 year veteran of the department. He recently transferred back into patrol after a three year assignment as Officer Investigator. This is a temporary assignment in which Hinton has set a very high mark for other officers coming into investigator position. In addition, he is also one of three field training officers in which new police officers (full/part time) are placed into a training regiment.

Hinton also has supervisory responsibility within the department, which includes overseeing the part time police officers. He is in charge of scheduling and coordinating the in service training of the part time officers.

Since 1995, Hinton has served as one of the crime scene technicians and property custodian for the department. He has developed the property evidence procedures and ensures the safe keeping and disposition of evidence and property, which has been recovered.

Hinton has an associate's degree from Kalamazoo Community College and graduated from the Police Academy. He also attended Northwestern University School for Police Staff and Command. This is a ten week program through Northwestern. He is currently working on his bachelor's degree. He is married to Debra and they have one daughter, Alley.

Hinton is involved locally in the community serving on the Board of Directors and is a coach for the Lowell Extreme Girls Softball Club.

Valentine explained the department had three very outstanding officers from the department qualified to serve as Sergeant, James Hinton, Steve Bukula and Chris Hurst. All have at least ten years experience, which include varied police work. Twelve outside individuals were involved in the interviewing and testing process. On Friday, January 13, 2006, the officers started the morning with written exercises, responding to four different scenarios. The first involved a disaster within the Lowell area. This was scored by the Emergency Management Coordinator for Kent County. The second issue involved a budget crisis, which included a response testing their written communication skills. Lowell High School Principal Scott Vashaw was involved with this test as well as the individual who is in charge of the high school English Department plus two of his colleges. An assignment was also provided in which the candidates had to create a press release. Allegan County Sheriff Blaine Koops was responsible for scoring this test. Koops is involved in teaching and service for public information officer schools. The last exercise encompassed a recommendation in which the officers had to discipline a subordinate officer. They had run a follow up of rules and also created a written response to the original citizen who complained. This was scored by the Chiefs of Police from Roosevelt Park, Department of Public Safety in Ionia as well as

from Portland. During the afternoon, the three officers were subjected to one hour and 45 minutes of oral board interview. This board consisted of Chiefs from Huron, Lansing Township, and Kalamazoo Townships. Sixty percent of the score was based on oral testing while 40 percent involved the written portion.

After a day of testing, the officials, who interviewed the officers, concluded the community was blessed to have a small police department with three outstanding candidates for this particular position.

Mayor Myers stated the recent press release mentions the Lowell Police FTO training manual, which was developed by James Hinton, has been adopted by numerous other police departments throughout the State. Myers noted Hinton was a great choice.

Item #2. **ORDINANCE REGULATING CANOPIES AND AWNINGS IN THE BUSINESS AND PUBLIC FACILITIES DISTRICTS – ADOPT OR SET PUBLIC HEARING DATE (2/21).** At its January 23, 2006 meeting, the Commission recommended approval of the ordinance regulating canopies and awnings after a public hearing was held. The Council may adopt this ordinance or establish a public hearing at its February 21, 2006 meeting.

IT WAS MOVED BY PFALLER and seconded by HODGES to set a public hearing date for February 21, 2006 to receive comments on the ordinance regulating canopies and awnings.

YEA: 4. NAY: 0. ABSENT: 1. MOTION CARRIED.

Commissioner Hodges stated the Planning Commission has done much work, especially concerning definitions.

Downtown Historic District Commission Chairman Steve Doyle believed the ordinance would conflict with Historic District which is zoned C1 and C2. He suggested excluding the district from the ordinance. Doyle explained the Downtown Historic District has its own chapter, which accounts for canopies and awnings. The Commission follows the United States Secretary of Interior Standards for Rehabilitation with Design guidelines. The ordinance has been approved by the State of Michigan – Historic Preservation Office.

Item #3. **CONSIDERATION OF CONSULTANT FOR MASTER PLAN UPDATE – RECOMMENDATION FROM THE PLANNING COMMISSION.** Over the past year, the Planning Commission has reviewed the need to update the City's Master Plan, which was last completed in 1995. By State law, master plans require a determination of updating every five years. Last fall, the Commission believed an update was necessary and provided a Request for Proposal (RFP), which was sent to area planning consultant firms.

As noted in the RFP, the update would include a community analysis, vision and goals (providing a town meeting) and emphasis areas.

On January 16, three firms were interviewed by the Commissioners which included McKenna Associates, Inc. Gove Associates, Inc. and Williams & Works. After these interviews were conducted, the Planning Commission selected McKenna Associates at its January 23, 2006 meeting. The selection was based on the legal expertise of the lead planning consultant, experience in urban growth boundaries and having a fresh set of eyes approach to the City's future planning issues.

A budget of \$20,000 has been proposed covering the following time frame:

March – June 2006	\$5,000.
July, 2006 – June, 2007	\$10,000.
July, 2007 – September, 2007	\$5,000.

Commissioner Maryalene LaPonsie, 717 E Main Street stated the Commission believed all three firms would do a very good job. However, McKenna Associates, Inc. presented the strongest presentation with Catherine Kaufman working on the plan. Her legal expertise would benefit the City as well as her extensive experience with urban growth boundaries. Kaufman has recently been working with Eaton Township.

Mayor Myers questioned why the lowest bid was not chosen. LaPonsie explained Gove was slightly less. However, there were fewer meetings listed to attend.

Myers questioned the amount spent updating the master plan ten years ago. City Manager Pasquale estimated between 30 and 40 thousand dollars. The master plan was updated as well as the zoning ordinance and the Capital Improvements Plan.

Pasquale explained this is a good exercise for the Commission to review a document which is ten years old in terms of future growth considerations for the community. He believed this to be the Planning Commission's main responsibility involving the maintenance and update of the master plan for the community.

IT WAS MOVED BY HODGES and seconded by MATHEWS to approve the services from McKenna and Associates, Inc. as the consultant for the master plan update in the amount of \$20,000.

YEA: 4. NAY: 0. ABSENT: 1. MOTION CARRIED.

Item #4. **APPROVAL OF PROPERTY PURCHASE – BOARD OF LIGHT AND POWER** . Lowell Light and Power/Cable TV General Manager Tom Richards provided an update on property the board wishes to purchase. In 2002, Lowell Light and Power began their search to provide improvements in order to accommodate their increasing need for additional storage at the warehouse facility on N. Washington Street. This would accommodate their growing inventory of poles, transformers, conductor reels, vehicles, tools and materials which are currently being stored in the garage next to Lowell Light and Power/Cable TV.

Lowell Light and Power budgeted for the anticipated improvements through the 2002 system improvement bond issue. This also funded the substation and transmission lines constructed in 2002. Since then, the EPA announced and implemented the Spill Prevention Control and Counter Measures which require the prevention of any potential spilled oil seeping into the ground or ground water.

After extensive research of several properties within the City and surrounding townships, the board determined the property on Chatham Street would provide the best growth opportunities for Lowell Light and Power and Cable TV. The property is just over six acres with existing buildings and facilities greater than current needs. The indoor storage would provide for added security and protection. The additional storage, beyond the needs of the City, could be offered for commercial lease.

Based upon appraisal of the property, the board approved a purchase offer of \$975,000. The board believes the site is appropriate, centrally located and would also be responsive to the neighbors and citizens who reside near the current facility on N. Washington Street. Richards indicated the offer was accepted by the seller and the purchase agreement is being considered by the seller at this time.

The existing building on the property will allow Light and Power to quickly move from N. Washington Street and enable them to meet the EPA deadlines for containment much more rapidly than developing another site. The property on N. Washington will be available for other City uses which may be more compatible with the neighborhood.

Councilmember Pfaller raised concerns regarding the Lowell Light and Power Board telling a group of citizens who live on Bowes Road that as the utility company, Light and Power could not afford to invest an extra million dollars into a transmission line for underground installation. Yet, the board has now come before the Council requesting a million dollars to buy a commercial building which would come out of the tax base for the City, turning it into a public piece of property.

Pfaller was also concerned regarding occupying a facility which exceeds the needs of the City. He questioned what necessary improvements would need to be made to the building. Richards believed the board indicated they could not justify the cost associated with underground installation rather than afford the cost. Spending one million dollars for underground lines would not provide any additional benefit to the electric customers. Richards went on to explain the property taxes which are currently being paid on the property are roughly ten percent of what Light and Power contributes to the City every year in payment in lieu of taxes. The amount has increased approximately \$20,000 every year over the past several years.

In terms of the space being more than adequate, Richards explained, though Light and Power would be happy to find the "perfect space", it has taken them approximately 2 ½ years to get to this point. It would cost considerably more to build on a green space.

Mayor Myers questioned the state equalized value of the property. City Treasurer Suzanne Olin indicated the taxable value is \$522,400. Pasquale noted this is 50 percent of the true cash value.

Myers inquired about the zoning of the property. Richards responded Industrial.

Councilmember Mathews asked what cost is necessary to bring the property on N. Washington Street up to EPA code. Richards indicated it would have been considerably less because there is already a 6,000 square foot building. However, the neighborhood provided a petition which indicated they would not support any improvements, including the removal of several trees in order to allow for proper storage of the transformers.

Myers inquired regarding the prospects for the property, if Light and Power relocates. Richards explained one option would be for the potential of selling the 20 acre parcel for the construction of residential homes. Pasquale stated the City could consider selling the frontage and review a residential development, which would be very compatible with the surrounding area. Pasquale believed the City should recover a portion of the tax base through this.

Light and Power Boardmember Bill Thompson stated the facility on N. Washington is an eyesore and not a good neighbor. The Board believes now is a good time to be relocated. The neighbors have also shown their concern. The area is very beautiful and should belong to the residents or for public use, not for Light and Power to expand. The new location would provide adequate access for semi trucks as well as providing a good storage facility which would meet the new law requirements for transformers. Thompson noted the Board has reviewed the issue closely and believes this is the best decision for the community.

Pfaller questioned the amount of square footage needed. Thompson believed the building could be split in half. Richards stated the design for a green field space was estimated at approximately 7,000 to 10,000 square feet of interior space. However, this did not include the inside storage of vehicles. The proposed building would allow the storage of all vehicles, equipment, trailers, conductors and transformers. Richards noted one half of the building would require heat due to the sprinkling system. Pfaller questioned the expenses to heat the building. Richards estimated an average additional cost per month of \$1,000. This would include maintenance on the building, paving repairs, and everything else which can be anticipated.

Pfaller questioned the budget for making the property usable for Light and Power's needs. Richards responded very little. There are some interior modifications as well as work to protect the grounds from potential oil leaks between the cracks in the floor. Also, Light and Power may need a lifting device for the transformers. Thompson noted any repairs which need to be done will be completed before they move into the building.

Pfaller asked what efforts would be made as far as screening for the neighborhood. Thompson stated the buildings are on the far side and are already buffered from the residential homes.

Councilmember Hodges stated the old truck route to Newell was on Chatham Street. What route would Richards propose to use? He questioned if it would make sense to come through Elm Street. Richards stated Elm Street is possible, but there is a right angle turn which semis could never make. He noted there would be much less traffic from Light and Power than a factory would create. Semis may make a delivery once every few weeks. Richards stated Chatham Street would be the proposed route.

Pfaller questioned if there was an easement provided to access the property. Richards stated the survey indicates all of the necessary easements were provided. The easement on the east side is actually for the use of PURforms, which owns the other part of the building.

Myers questioned where the outdoor storage of the poles would be. Richards said they are considering the north side of the building at the back end.

Richards believed the lease revenue from renting the other half of the building would provide for \$50,000 to \$75,000 per year.

Councilmember Mathews believed the move made sense. The building is close as well as being able to store items inside out of the elements. He was impressed with the plans. Lowell Light and Power spent a great deal of time reviewing every option.

Myers opened comments to public comment for anyone opposing the project. No comments were received.

Myers opened comments to those wanting to voice their opinion.

Peggy Covert, 982 N. Washington of Vergennes Township, stated the road is in terrible condition due to trucks traveling back and forth. She believed the roads within the City limits are maintained differently. The property along N. Washington is natural with the woods and cemetery. The current facility is an eyesore. Covert was concerned about additional lighting and added security. She believed now was the time to move the facility, if it is to be done. Covert stated she has spoke with all the neighbors who oppose the continued use of the area as well as any type of expansion. She appreciated all of the efforts that Lowell Light and Power has invested.

IT WAS MOVED BY HODGES and seconded by MATHEWS to establish a public hearing on February 21, 2006 to discuss and consider the property purchase proposed by Light and Power.

YEA: 4. NAY: 0. ABSENT: 1. MOTION CARRIED.

Myers questioned if the timing would infringe on the offer. Richards stated no. The offer is contingent upon approval.

Pfaller asked what type of access there was if one wanted to view the site. Richards stated this could be arranged.

Pasquale asked if the Council wanted this to be a public hearing as well as allowing for consideration. The Council wanted both.

Richards noted the process started 2 ½ years ago. Their requirement to meet the SPCC requirements is August, 2006.

Item #5. **2004 – 2005 CITY, LIGHT AND POWER AND CABLE TELEVISION AUDIT**

PRESENTATION. Steve Thompson of Biggs, Hausserman, Thompson & Dickinson (BHT&D) presented the firm's findings on last year's accounts and records. He noted the audit is presented under GASB 34. The audit is in accordance with auditing standards generally accepted in accounting principals for governmental units. In the opinion of BHT&D the financial statements referred to are presented fairly, in all material respects, the respective financial position of the City of Lowell. This includes all funds of the City. This is a clean opinion with no exceptions to the financial statements.

Thompson referred to the government wide financial statements which are intended to show the entire City as a whole on a business type basis. The net assets are shown in the amount of 1.4 million dollars in all of the governmental funds, most of which is composed of fixed assets in the amount of 1.1 million dollars. There is approximately \$300,000 of usable equity in the City's governmental funds, most of which is in the cemetery fund. The business type activities show approximately \$12 million dollars in net assets, which more than half is fixed assets.

There were positive increases in net assets for the year within the governmental and business activities. Last year showed a negative amount. This increase was based on fixed assets which was purchased or constructed.

The General Fund indicates a fund balance of approximately \$29,000 which is minimal. The expenditures and budget need to be watched closely throughout the year. The General Fund had excess expenditures this year of \$86,000. The beginning of the year showed a fund balance of approximately \$115,000 with \$86,000 in consumption. The end fund balance is approximately \$29,000. The previous year the City consumed approximately \$265,000. Therefore, last year the City consumed approximately \$350,000 of the fund balance within the General Fund. Much of this was in capital expenditures. The General Fund had almost 2.5 million dollars in revenue with expenditures of almost 2.3 million dollars in operating revenues with some transfers. This provided a net of \$250,000 of transfers out.

The comments and recommendations letter refer to a slight problem in the General Fund. The original budget shows a fund balance of approximately \$24,000 whereas the amended budget shows a deficit situation. This is in violation of the State budget act. City Manager Pasquale noted this was not done consciously. City Treasurer Suzanne Olin stated her figures show a positive amount. Pasquale stated this budget year indicates a fund balance planned of approximately \$45,000. Thompson noted the same situation occurred in the Local Street Fund. This too, needs to be watched closely. It was noted there were significant projects this year.

Thompson referred to the Enterprise Funds of the City including the Water, Wastewater, Airport, Cable TV and Light and Power. The Wastewater Fund showed a negative operating results of almost \$136,000. With the non operating revenues and expenditures, there was a loss of approximately \$197,000. This fund has been diminishing into its net assets. Thompson was hopeful this would be corrected with the rate study. The Water Fund showed a positive net increase of approximately \$124,000, the Airport Fund showed a positive net increase of approximately \$10,000, while the Cable TV Fund net increased approximately \$26,000 while Light and Power had a positive net increase of approximately \$80,000. Thompson stated all of the enterprise funds showed a better performance than last year. The revenues increased and most

of the expenditures stayed in line or increased very little.

It was also noted Lowell Light and Power and Cable TV also received a clean opinion on the audit report. There were no exceptions.

Thompson referred to the Major and Local Street Funds which showed significant projects occurring over the past year. The Major and Local Street Fund show the fund balance being down to \$4,000 at the end of June 30, 2005. The Major Street Fund had excess expenditures of approximately \$110,000. The fund balance is down to approximately \$42,000.

Thompson noted the computer error in the Water and Sewer billings this past year. This has been discussed with the accounting process and includes another step in the reconciliation process to prevent such occurrences in the future.

No comments were received.

Item #6. **COUNCIL COMMENTS**. Councilmember Hodges noted he moved to the City of Lowell 24 years ago. He was a city child raised in Lansing while his wife was raised a farmers daughter on the east side of the State. Both enjoy living in the City of Lowell and enjoy the cast of characters the small town provides. One notable character is George Blocher who will turn 90 years old on February 16, 2006. He encouraged all to send him a Birthday card.

Item #7. **MANAGER'S REPORT**. City Manager Pasquale reported on the following:

1. The following boards and commissions meetings minutes were provided:

- Grand Valley Metro Council – Transportation Policy and Technical Committees meetings of November 16, 2005
- Downtown Development Authority meeting of December 1, 2005
- Planning Commission meetings of November 28 and December 12, 2005
- Airport Board meeting of January 5, 2006
- Lowell Light and Power and Cable TV meetings of December 1, 2005 and January 12, 2006

2. Due to observance of Presidents Day on Monday, February 20th, the next City Council meeting will be held on Tuesday, February 21, 2006.

3. Remember the following dates:

- Annual meeting of the Lowell Area Chamber of Commerce will be held on Thursday, February 16, 2006 at Deer Run (6:00 p.m)
- Community Expo on Saturday, March 25, 2006, Lowell High School.

Item #8. **APPOINTMENTS**. Mayor Myers proposed the following reappointments for the respective boards and commissions:

By general consensus, the Council reappointed Susan Pomper to the Parks and Recreation Commission to a term expiring January 1, 2009.

Myers noted an opening to serve on the Downtown Historic District Commission.

IT WAS MOVED BY MATHEWS to adjourn at 9:01 p.m.

DATE:

APPROVED:

Charles R. Myers, Mayor

Betty R. Morlock, Clerk