

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

For the Regular Meeting of **MONDAY, MARCH 17, 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 Chief Jim Valentine, City Treasurer Suzanne Olin, Water Treatment Plant Superintendent George Regan and Lowell Light and Power Boardmembers Greg Canfield and Jim Hall.

IT WAS MOVED BY PFALLER and seconded by HODGES to approve the minutes of the March 3, 2008 regular meeting as corrected.

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

IT WAS MOVED BY HODGES 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 (03/17/08)</u>	
GENERAL FUND	\$90,887.88
MAJOR STREET FUND	960.83
LOCAL STREET FUND	741.77
DDA FUND	17.22
WASTEWATER FUND	2099.56
WATER FUND	3,558.72
EQUIPMENT FUND	8,922.64
CURRENT TAX FUND	572,837.88
LOOK FUND	6,284.00

Mayor Shores requested the Girl Scouts be able to make their presentation prior to continuing with the remainder of the agenda.

Item #1. **GIRLS SCOUTS PRESENTATION**. The Girl Scouts made their pledge to the Council. Troop 2991 Girl Scout Leader Judy Thompson explained they were present to say thank you to the City of Lowell for its continued support of Girl Scouts. This week has been named "Make the World a Better Place" and girl scouts will visit local businesses lending a helping hand.

Troop 2991 presented the Councilmembers with Girl Scout cookies. Mayor Shores thanked the girls for coming. Girl Scouts is a very important organization.

Item #2. **CITY ATTORNEY OPINION DETERMINATION OF THE LOCAL ELECTED OFFICERS COMPENSATION COMMISSION**. At the March 3, 2008 City Council meeting, members of the Local Elected Officers Compensation Commission determined an increase in the salary of Mayor and Councilmembers by \$3 per meeting and from maximum of 25 to 35 meetings. A question arose whether the Council could accept only the maximum meetings increase and not the salary adjustment.

It was City Attorney Richard Wendt's opinion the Council may not accept or reject part of the Compensation Commission's determination. Thus, the Councilmembers must reject all of the adjustments within 30 days (two-thirds vote) or else it becomes effective.

Mayor Shores explained the last two times the Compensation Commission recommended the Council receive a pay increase, Shores chose to turn it down and the Council agreed. The Compensation Commission has placed much effort into this and it appears unfair to keep turning it down after all their work and research were completed.

Councilmember Ellison agreed. There are other boards which provide recommendations to the City Council. This board is no exception as far as the work being placed into making such a recommendation. It is the principle and she did not believe it should be rejected.

Councilmember Pfaller stated his opinion has not changed. He is uncomfortable taking the increase.

Mayor Pro Tem Hodges supported Ellison. Almost all recommendations from other boards and committees are accepted.

Councilmember Altoft agreed. The Commission spend much time on the recommendation and it should be accepted.

No further action was necessary.

Item #3. **APPROVAL OF LIGHT AND POWER PROCUREMENT POLICY**. Lowell Light and Power Chairman Greg Canfield explained he and the new members of the board have been educating themselves regarding the City Charter. If a dollar limit is to be placed on certain items, City Charter Section 16.04 reads "subject to the approval to the Council the Board may provide the dollar limit within which purchases of personal property may be made without the necessity for secure and competitive bids and the dollar limit within such purchases may be made by the superintendent without the necessity for board approval". Previously, there was no dollar amount. Canfield noted there are many specialty items which need to be procured, sometimes immediately when responding to an emergency. The Board discussed the issue and believed a dollar amount of \$10,000 should be set requiring board approval. A 10% higher price increase for local businesses should also be allowed.

Mayor Shores asked if in a non emergency situation, would the Board go out for bid on all other items. Canfield responded some are bid, but many items are specialty suppliers.

According to the Charter, it is up to the Board of Light and Power. However, the City Council has input regarding the dollar amount.

Councilmember Altoft noted Light and Power does not place their tree trimming out of bid. Canfield responded the Board did several years ago. Medco has done a great job and their prices have been well below what other bids were. The company is honoring their bid from four years ago.

Councilmember Pfaller believed the City policy of \$2,000 in today's world is a little low. For what the City pays staff, they should be able to make those decisions rather than coming before the boards.

IT WAS MOVED BY PFALLER and seconded by HODGES to accept the Light and Power Procurement Policy as presented.

YEA: 3. Councilmember Pfaller, Mayor Pro Tem Hodges and Mayor Shores.

NAY: 2. (Councilmembers Altoft and Ellison)

ABSENT: 0. MOTION CARRIED.

Item #4. **APPLICATIONS FOR TEMPORARY AUTHORIZATION TO THE LIQUOR CONTROL COMMISSION – FLAT RIVER GRILL – LOWELL HIGH SCHOOL CLASS of 1988 REUNION AND SUMMER CONCERT SERIES AND RIVERWALK FESTIVAL.** Kevin Vos from the Flat River Grill was present to ask for temporary authorization of a liquor license for two different events involving the Summer Concert Series/Riverwalk Festival and the 1988 Lowell High School class reunion.

Councilmember Pfaller abstained from discussion.

Police Chief Jim Valentine stated the Flat River Grill has adhered well to the rules which were established by the Liquor Control Commission. Alcoholic beverages must be restricted to a specific area. There is also security on duty. The class reunion will have some seating off of the boat, but no alcoholic beverages served in this area. Valentine noted he has already signed his approval on the application.

IT WAS MOVED BY HODGES and seconded by ELLISON to approve the applications for temporary authorization to the Liquor Control Commission for the Flat River Grill regarding the Lowell High School Class of 1988 Reunion as well as Summer Concert Series and the Riverwalk Festival.

YEA: 4. NAY: 0. ABSTAIN: 1. (Pfaller) ABSENT: 0. MOTION CARRIED.

Item #5. **WATER TREATMENT PLANT – WELL AND PUMP #2 OVERHAUL.** Water Treatment Plant Superintendent George Regan explained he was responding to EPA and DEQ directives that all of the wells be pulled, examined and cleaned. Well #2 was completed in 2002 while #1 was completed in 1999. However, the casings were not cleaned and is now being required, including the screens below. Regan, also noted based upon the last review in 2005, #2 was the least efficient of the four wells.

Regan recommended Peerless Midwest rather than Layne Northern is because Layne Northern is the company he used the last time on the rebuild of Well #2.

The bid from Peerless Midwest is as follows:

• Pump Overhaul	\$9,995	(not to exceed)
• Well Cleaning	<u>\$16,000</u>	(not to exceed)
	\$25,995	

IT WAS MOVED BY HODGES and seconded by ELLISON to accept the bid from Peerless Midwest for the well and Pump #2 overhaul.

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

Item #6. **REVIEW OF THE 2008 – 2009 PRELIMINARY GENERAL FUND BUDGET.** City Manager Pasquale stated over the past several weeks, City staff has been working on the upcoming budget. The purpose is to solicit comments so that a final proposal may be given in May.

City Manager Pasquale reviewed all of the different funds within the City. He noted the General Fund draws the most amount of attention. It is funded primarily through property tax and Stated Shared Revenues.

Pasquale said there were 46 residential building permits given in 2007 amounting to 1.182 million dollars, 20 commercial permits, which was approximately 1.3 million dollars, as well as one industrial permit in the amount of \$16,000. All together, there were 67 permits which had been valued to \$2,547,720. The biggest change from last year involved commercial permits. This is primarily due to the ambulance building and Auto Zone construction.

As mentioned, one of the prime revenues from the General Fund is property taxes. There was an increase from \$1,741,603 to \$1,794,200 with a little over a 3% increase. However, from the Board of Review and the appeals process this number will change.

A mill is currently worth \$96,748 which is up from \$93,558 last year. It was important to understand the over all amount value rose from \$110 million to \$114 million. Of this, over \$17 million goes to the Downtown Development Authority. The DDA collects money on a tax increment financing basis. Since 1992, the tax collections from the district properties for the General Fund have been frozen. All the increases whether it is through new construction or

through appreciation goes to the DDA. Councilmember Pfaller questioned when this expires. Pasquale responded five more years.

In addition, the City is showing \$393,000 in revenue sharing. Primarily, these are sales taxes which are returned to the City from the State of Michigan. However, this has been declining over the past number of years. The State has its budget problems. In addition, there has been less sales tax revenues collected over the years. The revenue sharing is divided into two parts. The first is Constitutional, which is guaranteed by the State Constitution. The second involves Statutory which requires action of the State Legislature. There is an effort to see if there can be a 4% increase.

At this point in terms of budgeting, the City is keeping it as is.

The values of taxable value has been increasing over the past several years.

Currently, a projected General Fund of 2.5 million dollars is shown. This is a decrease over what was shown for the current year.

Pasquale noted Fire/Rescue shows a \$136,000 decrease. The Ambulance Construction Fund was placed in the current budget.

The Parks budget showed a significant increase, while the DPW has a decrease due to salaries being allocated more toward parks rather than Public Works.

Pasquale stated it is important to understand the largest portion of expenditures in the amount of \$848,000 is for the Police.

There has been much discussion over the fund balance the last several years. At one time, the City traditionally had over \$300,000 on fund balance. About five years ago, the City suffered in terms of property tax revenues, in particular when Attwood closed down its plastic injection molding operation. The City lost over \$100,000 a year in personal property tax revenues. Coupled with decreases in revenue sharing, there has also been a significant decrease in revenues. Currently, the current year is projected at \$91,000 while the projected fund balances is shown of \$155,000, which is significantly better. There are also additional revenues on tower rentals and the property tax revenue increase is projected to be \$49,000.

The City has been trying to keep salaries and fringe benefits as conservative as possible. Currently, there is a 1 ½ percent increase for employee's salaries. There has been significant changes in medical and liability insurance which has greatly helped in keeping expenditures down.

The Council requested staff consider a millage reduction.

Pasquale referred to the Police Officer vacancy. The City is considering keeping this as a vacancy. Additionally, the possibility of eliminating all seasonal workers in parks and cemetery has been considered.

Mayor Shores questioned if the department has been running smoothly with the vacancy. Police Chief Valentine responded yes. The department is using many part time individuals. The overtime has not been bad.

Councilmember Pfaller proposed the General Fund budget be set based on a one mill reallocation toward local streets. The local streets have been neglected since 1976 when the sanitary and storm sewer separation took place. There has been no fund set aside for maintenance repair replacement of local streets. He believed it is to the point where this needs to be moved up on the priority level. Councilmember Ellison agreed with Pfaller. This is an excellent approach.

Pfaller asked if the fees from the parks were taken into account when considering the budget. Olin stated she has not at this time. Pfaller believed it would be approximately \$10,000.

No further comments were given.

Item #7. **MONTHLY REPORTS**. No comments were received.

Item #8. **CITIZEN COMMENTS**. No comments were received.

Item #9. **COUNCIL COMMENTS**. Councilmember Altoft commented on the snow melting. He questioned when the streets would be swept. DPW Director DesJarden stated bids are being sought.

Councilmember Ellison referred to the lease which is being negotiated with the Methodist Church on behalf of the Boy Scouts. The terms on this proposed lease include leasing the North Washington property for 10 years. She believed the intent of this lease is to secure the property, but she did not feel this was what the citizens want. She believed the property needs to be preserved. It does not fulfill the public sentiment wanting the property preserved. It is a lease and there are no intentions on the Council to break a lease but it can be broken. This does not have to be renewed, but can be renegotiated. The lease is limited to 10 years, which is the maximum by the charter. But then, what happens after that? Are we talking about this property all over again? The proposed lease is for the entire property. Do the Scouts really need or want the entire property? Maybe they could lease the cabin and some surrounding acreage. Any lease approved will not satisfy the demand for preservation. Ellison attended the February 16 and March 15, 2008 meetings of the Parks and Recreation Commission and the North Washington property was discussed at these meetings. At both meetings, the majority of the Parks and Recreation Commission had no objection to adding the North Washington Street to the parks inventory as long as there were no expenses involved. By adding the North Washington Street to the Master Plan and Parks Plan as a designated park, it would help insure protection of the natural condition as well as provide a checks and balances step for any future intention with development. It would send a clear message to the City residents that the City is

not interested in development. Further, the Council are listening and responding to its constituents. This issue has been dragging on and needs to be settled.

IT WAS MOVED BY ELLISON and seconded ALTOFT that the City owned property, located on North Washington, minus the rental property, and three surrounding acres be designated as a City Park, forwarding this to the Planning Commission and Parks and Recreation Commission.

Pasquale explained the Parks and Recreation Commission and Planning Commission would have to amend their plans. Ultimately, it would come back to the Council. If there is a positive motion, it would be necessary to have these boards have this direction. These Commissioners would need to adopt this on their own and the Council would have to so authorize and concur.

Mayor Shores confirmed Councilmember Hodges and Pfaller were talking with the Boy Scouts at this time and they have offered the entire area as a possibility. Shores questioned if the City should wait until the negotiations are finalized. Shores asked if the City could lease the park.

Pfaller asked if the City was required to change the Master Plan. Pasquale stated the Council could state its opinion and direct both the Parks and Recreation Commission and the Planning Commission to make adjustments.

Pfaller said he received the proposed draft of 2000 Recreation Plan as well as open space standards and guidelines from the National Recreation Park Association states that the total park acreage by their standards that the City needs is 40 acres. We currently have 127 acres of parks property. He questioned if the City needs to add another 27 acres. Ellison believed the City does. It is a plus to the area.

Shores stated she would rather wait until the City finalizes with the Boy Scouts on what their intentions are as well as having the insurance issues settled.

Ellison moved to give them the direction to amend their plans. Altoft agreed. Pasquale stated this can be a direction. They still have to go through the process. Pasquale stated both boards will be notified.

YEA: 4. NAY: 1. (Councilmember Pfaller) ABSENT: 0. MOTION CARRIED.

Councilmember Pfaller stated the City just received the recreation plan from the engineers which is all part of the Wege property proposal. He did find some errors in it which will be given to Pasquale and the engineering firm. He hoped to present this to Council toward the end of April for approval.

Pfaller noted at the last Parks meeting it was found that Burch Field at Recreation Park was used by Lowell Youth Football much of the time. The Lowell Rugby is also interested in a parks agreement as well as the Lacrosse Club.

Councilmember Hodges reminded everyone regarding the "Coffee with Council" which will be held on Saturday, April 5th, 2008.

Hodges thanked the Police Department for helping with the situation on North Jefferson Street. The neighborhood is getting better.

Mayor Shores noted the water is being drained from the skating rink.

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

1. The following boards and commissions meetings minutes are provided:
 - Grand Valley Metro Council meeting of February 7, 2008
 - Airport Board meetings of January 10 and February 7, 2008
 - Light and Power Board meeting of February 7, 2008
 - Chamber of Commerce meeting of February 12, 2008
2. A memo from Jim Pfaller on the progress toward a renewed agreement with the Boy Scouts was provided.
3. At its worksession March 10, the Council discussed the LCTV Endowment Fund in terms of how it would be organized for decisions and what types of projects are envisioned.

It was decided to have each Councilmember submit their ideas at the April 7 meeting and hold another worksession on Monday, April 14 to come to a consensus on this.
4. A copy of the 2008-2009 Light and Power Operating Budget and listing of proposed Capital Improvements which were adopted by the Board at its March 6 meeting.
5. In observance of Good Friday, City offices will be closed on Friday, March 21.

Item #8. **APPOINTMENTS.** Mayor Shores recommended Jim Hall be appointed to the Parks and Recreation Commission with a term expiring January 1, 2011. By general consensus, the City Council agreed.

City Manager Pasquale also made note of the Lowell Expo which will be held on Saturday, March 22, 2008.

IT WAS MOVED BY HODGES to adjourn at 8:44 p.m.

DATE:

APPROVED:

C. Jeanne Shores, Mayor

Betty R. Morlock, Clerk