

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

For the Regular Meeting of **MONDAY, MAY 18, 2009.**

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

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

Absent: None.

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

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

IT WAS MOVED BY PFALLER and seconded by ELLISON to amend the agenda adding Item #8.5 Update from Greg Canfield regarding the progress of the Main Street properties.

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

Item #2. **APPROVAL OF THE MINUTES OF THE MAY 4, 2009 REGULAR MEETING.**

IT WAS MOVED BY PFALLER and seconded by LAPONSIE to approve the minutes of the May 4, 2009 regular meeting as corrected.

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

APPROVAL OF THE MINUTES OF THE MAY 4, 2009 CLOSED SESSION MEETING.

IT WAS MOVED BY ELLISON and seconded by PFALLER to approve the minutes of the May 4, 2009 closed session meeting.

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

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

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

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

<u>BILLS AND ACCOUNTS PAYABLE (05/18/09)</u>	
GENERAL FUND	\$88,625.25
MAJOR STREET FUND	29,765.30
LOCAL STREET FUND	579.48
DDA FUND	13,052.08
CITY HALL CONSTRUCTION FUND	250.00
BUILDING & SITE	172,117.50
AIRPORT FUND	206.61
WASTEWATER FUND	988.69
WATER FUND	17,320.41
DATA PROCESSING FUND	1,590.64
EQUIPMENT FUND	307.82
CURRENT TAX FUND	1,228.12

Item #4. **CITIZENS COMMENTS FOR ITEMS NOT ON THE AGENDA.** No comments were received.

Item #5. **2009 – 2010 BUDGET PRESENTATION AND PUBLIC HEARING.**

TO: Mayor Jim Hodges and Members of the City Council

The establishment of an operating budget for the fiscal year 2009-2010 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 2009-2010 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 decrease from 2.642 to 2.563 million dollars or a 2.99% decrease.

It was noted that the Taxable Value would increase 1.2% (from 113.080 to 115.392 million dollars). Also, State Shared Revenues are projected to decrease to \$379,611 because of legislative order.

The fund balance is planned to be 5.67% of expected expenditures. The unreserved fund balance has been projected at \$142,944.05. This is after a mill transfer of \$99,230 to the Local Street Construction Fund.

- Expenditures: The General Fund has a total of 2.521 million dollars in expenditures. This represents approximately 4.17% decrease from the FY 2008-2009 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 third year of lease payment involving two new police cruisers. Also, \$15,000 is allocated for the first year of a three year lease to purchase two cruisers replacing the 2005 Impalas.

With the adoption of the Lowell Area Fire and Emergency Services Authority, a total of \$75,000 is allocated toward fire department operations out of \$258,000 budgeted.

3. The City will continue its refuse collection program whereby residents pay \$1.50 per bag. Also, the City provides the cost of residential recycling. Yard waste is provided with the residents paying \$2.00 per bag. The City will explore an exclusive trash pickup contract as well as alternatives for yard waste collection.

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

No new purchases are planned. The second year lease on the cemetery pickup truck is \$8,426.65. The plow truck has a payment (second year) of \$22,015.

LIBRARY

Projects for the Englehardt Public Library include purchase and installation of hand dryers and roof repairs.

DATA PROCESSING FUND

A total of \$50,000 is planned for the purchase of new computer software to handle the General Ledger, payroll, accounts payable and joint billing with Light and Power.

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 City has entered into a five year agreement with Williams Air Power to act as the Fixed Base Operator.

DOWNTOWN DEVELOPMENT AUTHORITY

The DDA has set aside \$120,000 for downtown projects. The renovation of the amphitheater is a planned future project.

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 \$318,735 for the eighth year of a 30 year bond will be issued.

STREET FUNDS

Bowes Road from Valley Vista Drive to 1,950 feet west will be reconstructed under a Federal Surface Transportation-Small Urban Grant. An additional \$42,000 from Stimulus funds (ARRA) will be provided for engineering and construction local match. Under the Federal Stimulus Program (ARRA) Bowes from South Hudson to Valley Vista is to be milled and repaved.

The City has applied for Small Urban Funding to reconstruct Bowes from 1950 feet to 2900 feet of Valley Vista.

A total of \$99,230 has been allocated to the Local Street Fund. A milling and repaving project of North Center or Sibley is proposed.

WASTEWATER FUND

The following rates are proposed to remain:

- User rate of \$3.38 per 1,000 gallons per month
- Readiness to serve charge of \$20.10 per residential unit per month

The sewer main upgrading will be continued allocating \$30,000 to the Department of Public Works. A total of \$40,000 is allocated for sewer maintenance. One pump and check valve will be rebuilt at the main lift station (\$12,000).

WATER FUND

The readiness to serve rate is recommended for approval by City Council to remain at \$23.68 per month and consumption charge would remain at \$1.45 per thousand gallons.

The following capital improvement projects include (1) clean tank and replace drain valves and manholes (\$65,000), (2) replace valves and meter, paint tank and piping at northeast pump station (\$65,000) and northwest pump station (\$28,000), (3) relocate water services (\$10,000), (4) valve turning machine (\$50,000), (5) repaint ground reservoir (\$50,000), (6) cathodic protection for ground reservoir (\$15,000).

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

City Treasurer Sue Olin noted the budget is on the City's website.

Councilmember Ellison referred to page 8 of the budget. She questioned why the North Washington property income was not listed. Olin noted the income is included in the Water Fund. Pasquale explained the property was an old well site.

Mayor Pro Tem Pfaller was not in favor of installing cheap hand dryers in the bathrooms at the library. City Clerk Morlock hoped to apply for a grant for the dryers. There is a problem with paper towels getting placed in the toilets.

Pfaller requested the bond balances for the Wastewater and Water Plants be provided at the next meeting.

Pfaller questioned why the Dog Park was not included as part of the Parks and Recreation budget. Olin explained the Dog Park is self supporting. It operates out of the income it generates.

Pfaller commented on the \$1,000 available for the repair and maintenance of the Showboat. At the last meeting, the Council was told the Chamber of Commerce does the maintenance and repair of the boat. Olin explained these funds are used for lights, utilities and insurance on the boat. Pfaller mentioned this was the point he was making at the last two Council meetings. If the City has expenditures, then the City should receive some of the revenues that the boat creates. Mayor Hodges noted the City receives a small percentage when the boat is rented.

Pfaller also referred to prior Wastewater Treatment Plant reports showing the plant was above capacity due to storm water going into the plant. This needs to be fixed. Pasquale explained this has been a problem for some time. Pasquale stated he would have Wastewater Treatment Plant Superintendent Mark Mundt and DPW Director DesJarden respond to this problem.

Councilmember LaPonsie questioned the funds spent repainting the ground reservoir. Pasquale stated this is a maintenance item. A list of priorities can be presented at the next meeting to discuss delaying issues. Pfaller noted the Water Fund is an Enterprise Fund and does not come out of taxpayer funds. It can not be transferred. Councilmember Altoft added some of this maintenance work is mandated and must be done. LaPonsie understood and would not request further information be provided.

Councilmember Altoft commented on the revenue sharing being less than it was as well as the fund balance being less. Items need to be cut out. The City can not keep moving backwards and at least \$30,000 should be trimmed. Pasquale stated it is unsure if there will be another reduction in revenue sharing or not. LaPonsie believed the City needed to plan for a worse case scenario. Much of the money in Lansing is protected, especially now with the stimulus funds.

Councilmember Ellison questioned what the recommended fund balance would be. Pasquale responded it is 10%. He reminded the Council approximately \$100,000 is being moved into the Street Fund. Ellison suggested trying to shoot for 7%. LaPonsie and Altoft agreed. Pfaller and Hodges stated they were satisfied staying at 5.65%.

No public comments were received.

Item #6. **RESOLUTION TO APPROVE CONTRACT WITH THE MICHIGAN DEPARTMENT OF TRANSPORTATION FOR THE CONSTRUCTION OF THE GEE DRIVE WALKING PATH.**

In conjunction with the Lowell Area Schools, there have been funds received from the safe routes to school federal program which will provide a walking path along Gee Drive from Alden Nash to Cherry Creek Elementary School. The federal funds being received is over \$260,000. Also, the City will receive a grant from the Lowell Area Community Fund of over \$72,000. Since it is a federal program, a contract needs to be signed between the City and MDOT.

City Manager Pasquale recommended this be approved.

IT WAS MOVED BY PFALLER and seconded by LAPONSIE to adopt the resolution authorizing signatures for a contract between the City and the Michigan Department of Transportation involving the Gee Drive safe routes to school program.

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

NAY: 0. MOTION CARRIED.

Item #7. **WATER STORAGE TANK INSPECTIONS.** As part of on going maintenance of the water supply system, bids were received for inspecting the Shepard Drive (500,000 gallon) and Gee Drive (800,000 gallon) storage tanks. The following were:

Nelson Tank Engineering & Consulting, Inc. (Lansing) \$4,500.

Dixon Engineering, Inc. (Lake Odessa) \$5,250.

*may be reduced \$800 if both tank inspections are scheduled at the same time.

Water Distribution Supervisor Bob Robinson and Water Treatment Plant Superintendent George Regan have recommended Nelson tank Engineer and Consulting to perform the work.

IT WAS MOVED BY PFALLER and seconded by ALTOFT to approve the bid from Nelson Tank Engineering & Consulting, Inc. in the amount of \$4,500, which may be reduced if both tank inspections can be done at the same time.

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

Item #8 (8.5) **UPDATE ON 115, 117 AND 119 W. MAIN.** Greg Canfield of Canfield Plumbing updated the Council regarding the properties. Currently, there are two engineering firms undertaking their second site visit and compiling data to provide accurate bids for both engineering and structural repairs. Both companies are very optimistic the buildings can be saved and the project is not as daunting as it has been painted by others. He hopes to have the bids within 7 to 10 days.

Canfield clarified misinformation from the last Council meeting regarding funding requests. He stated a request is being made to the Downtown Development Authority would be to contribute 25 to 30 percent of the total cost of removing the buildings which results in a net savings of 70 to 75 percent for the City. The approximate cost could easily exceed \$100,000 to remove the buildings and install the sheet piling. Also, Springrove Variety's building will need to have some work done.

In addition to the estimated initial savings of \$75,000, property tax revenues from the three buildings would contribute to the City budget. Jobs generated by businesses occupying these spaces and spin off business from other downtown store fronts make this a good decision. In all reality, this is a loan which will be repaid in property tax revenue in five years.

These buildings have been here for approximately 100 years and provide continuity to historic downtown which has made huge improvements in streetscape, lighting and building restorations recently.

A building at 411 E. Main also was requested for demolition which was denied by the Historic District Commission and now is an attractive example of downtown Lowell's past. Let's keep

what the City already has. Once these buildings are gone, there will never be any buildings there again.

Canfield will be present at the DDA meeting on June 4, 2009 with a proposal to secure the future of all three buildings. He noted "look at the influence the Flat River Grill has had on downtown Lowell and the business that has been brought. Think of the possibilities for these three buildings. With jobs leaving the area, should the City spend \$100,000 to tear out part of the heart of downtown or should the City consider spending \$30,000 to stimulate an investment which may come as high as 1 million dollars similar to Greg Gilmore's investment".

Pasquale stated the DDA is limited as to what it can fund. However, it can fund barrier free requirements. The DDA can not directly pay for private improvements but rather public improvements such as installing replacement of a sidewalk, walls or bridge walls. Canfield should document and get estimates regarding any project item which may be considered public improvements.

Canfield also understood the DDA could purchase the property, make improvements to it and sell it at a loss. This would ensure the buildings are improved.

Pasquale noted MDOT is very concerned regarding the timing of this construction. It needs to be done this year. Canfield stated this will be completed by September. Pasquale noted the DEQ also needs to be involved.

Ellison asked if Canfield would drop the project if he does not get the funds. Canfield stated he is moving forward with the two buildings he owns. Unfortunately, there is close to \$70,000 in debt on the middle building. This pushes the price range of repairing it out of his reach. He will fix his two buildings and if funding can't be received to help with the middle structure then perhaps this would be bought to make the repairs which bring this down to the affordable range. If help is not received, discussion would have to be held regarding removal of the middle building. He believed it was in everyone's best interest to fix all three.

Canfield noted public support has been very good with the exception of Jim Howard.

Item #9. **MONTHLY REPORTS.** Mayor Pro Tem Pfaller questioned the Fire Report and questioned what "other" meant under the location of fire calls. Olin responded these could be mutual aid calls from nearby areas such as Grattan, Saranac or Ada.

Item #10. **COUNCIL COMMENTS.** Mayor Pro Tem Pfaller stated City Manager Pasquale, Police Chief Hinton and himself met with Sergeant Shaw who is the supervisor with the 6th District with the DNR on May 13, 2009. He will attend the June 1, 2009 Council meeting to discuss and encourage the Council to pass an ordinance to control the deer herd. Shaw indicated there are more injuries hunting from a tree stand and there has never been a hunting accident in the State of Michigan where an individual was shot with an arrow. With this being said, he recommended not requiring tree stands because of the injury factor.

Pfaller also commented on the light poles in the Grand Chrysler lot which are rusted through. He requested Building Inspector Doug Hopkins examine this.

Mayor Hodges stated the City had a successful Mayor Exchange Day with the City of Mason on Thursday, May 14, 2009. He thanked City staff for all their help and support. The City of Lowell will be visiting the City of Mason on Tuesday, May 19, 2009.

Hodges also noted a Memorial Day Parade will be held at 10: a.m. on May 25, 2009.

Item #11. **MANAGER'S REPORT**. City Manager Pasquale reported on the following:

1. The following boards and commissions meetings minutes are enclosed:
 - Fire and Emergency Services Authority Board meeting of March 30, 2009
 - Airport Board meeting of April 7, 2009
 - Grand Valley Metro Council meeting of April 1, 2009
 - Chamber of Commerce meeting of April 14, 2009
 - Arbor Board meeting of April 13, 2009
 - Lowell Area Recreation Authority meeting of April 8, 2009
2. In observance of Memorial Day, City offices will be closed on Monday, May 25.

The Memorial Day Parade will begin at 10 a.m.
3. City Manager Pasquale thanked all those who were involved with Mayors Exchange day activities held with the City of Mason last Thursday.

Mayor Pro Tem Pfaller questioned the Chamber of Commerce report. It was noted the Ada Bridge project has been put on hold. Pfaller was curious to know if they were planning on doing the Grand River and Flat River in the same summer. Pasquale stated the Ada bridge project got to be more complicated than what was initially thought. It was being moved to next year (2010).

Item #12. **APPOINTMENTS**. Currently there is one opening on the Planning Commission with a second opening coming soon.

Anyone interested should submit a letter of interest to City Clerk Betty Morlock.

IT WAS MOVED BY PFALLER to adjourn at 8:24 p.m.

DATE:

APPROVED:

James W. Hodges, Mayor

Betty R. Morlock, Clerk