

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

For the Regular Meeting of **TUESDAY, JANUARY 19, 2010.**

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

Present: Councilmembers Jeffery Altoft, Maryalene LaPonsie, Andrew Schrauben, Mayor Pro Tem Sharon Ellison and Mayor James Hodges.

Absent: None.

Also Present: City Manager David Pasquale, City Clerk Betty Morlock, Public Works Director Dan DesJarden, City Treasurer Suzanne Olin, Chief of Police James Hinton, Arbor Boardmember, Lowell Light and Power Boardmember and Planning Commissioner Jim Hall, Lowell Light and Power General Manager Greg Pierce, Lowell Light and Power Boardmember and Parks and Recreation Commission Chair Perry Beachum, Waste Water Treatment Plant Superintendent Mark Mundt and Lowell Light and Power Boardmember and Historic District Commissioner Greg Canfield.

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

IT WAS MOVED BY ELLISON and seconded by LAPONSIE to approve the agenda as presented.

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

Item #2. **APPROVAL OF THE MINUTES OF THE JANUARY 4, 2010 REGULAR MEETING.**

IT WAS MOVED BY LAPONSIE and seconded by SCHRAUBEN to approve the minutes of the January 4, 2010 meeting as corrected.

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

Item #3. **APPROVAL OF THE ACCOUNTS PAYABLE.** Councilmember Schrauben noted Lee's Trenching Services and Williams and Works were both paid \$30,456.00 from the Major Street Fund. City Treasurer Sue Olin responded the payment to Williams and Works was a duplicate and has been voided.

Mayor Pro Tem Ellison questioned the two gas bills for the Museum. City Treasurer Olin responded the building has two furnaces with separate meters.

Ellison also questioned the invoice for the repair to the police cruiser, was it not covered by insurance? Olin mentioned the City did receive insurance proceeds for this claim.

Mayor Pro Tem Ellison asked if the pay phone in the Library paid for out of the Parks and Recreation Fund. Treasurer Olin said no, the Library pay phone is taken out of the Library Fund and the Parks and Recreation Fund, who also have pay phones, pay for theirs.

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

YEA: Councilmember Altoft, LaPonsie, Schrauben, Mayor Pro Tem Ellison and Mayor Hodges.

NAY: None. ABSENT: None. MOTION CARRIED.

<u>BILLS AND ACCOUNTS PAYABLE (1/19/10)</u>	
GENERAL FUND	\$25,825.53
MAJOR STREET FUND	66,166.19
LOCAL STREET FUND	14,928.91
DDA FUND	3,790.50
AIRPORT FUND	116.83
WASTEWATER FUND	183,839.18
WATER FUND	8,078.51
EQUIPMENT FUND	733.11
CURRENT TAX FUND	616.18
LEE FUND	338.52

Item #4. **CITIZENS COMMENTS FOR ITEMS NOT ON THE AGENDA.** Perry Beachum (924 Riverside) stated as the Chair of the Parks and Recreation Commission, because Stoney Lakeside Park is near water, it was decided that a pay phone is needed.

Director of Public Works Dan DesJarden wanted direction from the Council on the following:

- It is time to solicit bids for street sweeping for 2010. This past year the Council wanted five (5) sweeps through the City. Does the Council want more, the same or less?

Consensus of the Council was to solicit bids for street sweeping five (5) times.

- Creekside Kingdom's mulch has been removed. Does the Council want to replace it with wood or rubber mulch? Wood mulch would cost approximately \$11,000, but would have to be removed and replaced in approximately eight (8) years. This year's removal cost was \$19,366.00. Rubber mulch would cost approximately \$23,000 to \$37,000 and would not have to be replaced indefinitely.

The Council will further review this.

- Regarding Deer Hunting, DesJarden suggested a survey be provided to the 13 land owners to collect data regarding deer harvesting. This would be helpful for the end of the three year trial.

Consensus of the Council was to have Chief of Police Hinton and DPW Director DesJarden compile a survey for the property owners.

Item #5. **STRIKING OF 2004 DELINQUENT TAXES**. City Treasurer Sue Olin is requesting the striking of IPCS Wireless from the 2004 tax roll. IPCS Wireless was on the agenda last year because they filed bankruptcy for 2003 and 2004. Personal Property is the responsibility of the City Treasurer to collect, real property is turned over to the County for collection. At the end of 2004, the claim was settled and the City will not receive any additional monies. Thus, it is requested these taxes in the amount of \$686.25 be struck from the City rolls.

IT WAS MOVED BY ELLISON and seconded by ALTOFT to strike the 2004 delinquent taxes of IPCS Wireless in the amount of \$686.25.

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

Item #6. **2008-2009 AUDIT PRESENTATIONS**.

A. City of Lowell. Stephen Blann of Rehmann Robson noted the audit is marked preliminary filing copy because the City's financial statements were due to the State of Michigan by December 31, 2009. In the interest of meeting that deadline, the financial statement and audit were finalized and submitted but waited because there were issues that Management wanted to bring before the Council for consideration. Thus, the final version will be completed after this meeting.

Included with the audit is what is called the Management Letter, which covers comments and recommendations raised during the audit.

Blann explained the various sections of the audit in terms of what and how the information is being recorded. He noted approximately \$2.3 million in revenues were budgeted with slight amendments through the year and a final figure of approximately \$2.4 million, which is approximately \$30,000 higher than anticipated. Expenditures were budgeted just under \$2.1 million, which was also amended up slightly. The actual expenditure is slightly over budget but by less than the revenues were. So, overall the net income was actually a favorable variance. It was budgeted to make a very small increase to the General Fund of about \$2,200 and actual results was very close to that being approximately \$7,400.

The Water and Wastewater Funds both had increases of approximately \$100,000, which is a positive year for both funds.

Blann reviewed the final section where the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards. It is now required that recommendations must be in written format as part of the audit.

City Manager Pasquale stated there is confusion regarding the Fund balances of the reserved and unreserved amounts in the General Fund. Pasquale and City Treasurer Sue Olin questioned if the inter-fund loan for a dump truck be moved to an undesignated account such as the Water

Fund. Blann explained the General Fund Balance is \$129,254 and when the Council approved the loan from the General Fund, it then tied up the monies for the loan. The monies will be repaid to the General Fund. But until these are, the money is not available to spend on anything else. Because of this, it is a long term receivable and the General Fund is identified as reserved for long term advances. It does not affect total fund balance, but it does affect the liquidity and how spendable those resources are. Management wishes to place the loan in a fund that has more latitude to make the loan. This would be the Water Fund Which has a larger net asset and is not subject to the same restrictions as the General Fund. So without changing total City resources, the proposed change, if approved, would shift the loan to the Water Fund. Thus leaving the General Fund unreserved and undesignated and available to appropriate if the Council so chooses.

Councilmember Altoft questioned if the City had spent the monies on streets, what would be the effect on the General Fund balance. City Manager Pasquale responded the fund balance would remain the same. Councilmember Ellison mentioned she wanted to see the interest payments on the loan be paid to the Local Street Construction Fund in the resolution.

Councilmember Schrauben noted under page 13 Recreation and Cultural amount does not seem to match that portion on the chart on page 7. Blann stated he would check into this. These should match. It appeared the Highways and Streets were swapped with the Recreation and Cultural, but he will check to make sure. Schrauben also pointed out page 5 the Long Term Liability and Other liabilities amounts in totals for 2009 appear to be switched too. Blann responded this will be corrected before the final print.

- B. Lowell Light and Power. Peter Haefner of Vredeveld Haefner, LLC presented a historical view of Light and Power. In the past three years there were losses, but 2009 had a net income. Historically most of the expenses were for the purchase of power. With the economy down, the commercial and industrial use is down, but the residential remains approximately the same. The administrative costs have increased slightly due to the implication of the new standard that requires the recording of post employment benefits that are provided for the employees.

Mayor Hodges thanked Haefner for his presentation and stated Light and Power is improving and going very well.

Item #7. **RESOLUTION APPROVING THE FINANCING OF THE ACQUISITION OF A DUMP TRUCK THROUGH AN INTER-FUND LOAN (TRANSFERRING FROM THE GENERAL FUND TO THE WATER Fund)**. Stephen Blann of Rehmann Robson asked the Council if they want to formally approve the shifting of the inter-fund loan from General Fund to the Water Fund. City Manager Pasquale stated by doing this the General Fund undesignated balance would be \$111,255.

Councilmember Ellison mentioned she would like to review the resolution having the interest payments on the loan be paid to the Local Street Construction Fund.

The consensus of the Council was to have the resolution amended stating the interest of the loan will be paid to the Local Street Construction Fund. The amended resolution will be on the February 1, 2010 agenda for adoption. City Treasurer Olin noted there is a revenue account strictly for interest received financing plow trucks in the budget.

Item #8. **RESOLUTION TO THE MICHIGAN DEPARTMENT OF TRANSPORTATION ENTERING INTO A CONTRACT PROVIDING COST SHARES FOR THE LOWELL CITY AIRPORT LAND ACQUISITION (AIR EASEMENTS) PROJECT.** City Manager Pasquale noted the issues involving the acquisition of air easements for the Fegel and Barron parcels have been resolved. The acquisition cost totals \$234,000 which includes legal, expert witnesses and related court costs. The Airport Fund is responsible for 10% of this cost, which amounts to \$23,400.

A resolution to the Michigan Department of Transportation entering into a contract providing cost shares for the Lowell City Airport land acquisition/air easements project needs to be adopted. Thus, it is recommended the Council adopt this resolution.

IT WAS MOVED BY LAPONSIE and seconded by SCHRAUBEN to adopt the resolution to the Michigan Department of Transportation entering into a contract providing cost shares for the Lowell City Airport land acquisition/air easements project.

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #9. **ENGINEERING SERVICES FOR SANTIARY SEWER SYSTEM FLOW MONITORING.** DPW Director DesJarden stated the City has been concerned about high flows of ground water and infiltration in the sanitary sewer system. In order to determine the nature and magnitude of the flows, monitoring of the system by an engineering firm has been proposed. DesJarden contacted three engineering firms that perform monitoring of sanitary sewer with ground water infiltration and they are as follows:

Hubbell, Roth and Clark, Inc.	\$10,800
Fishbeck, Thompson, Carr and Huber, Inc.	\$24,250
Williams and Works	\$26,789

DesJarden noted all three firms met the established proposal criteria and thus recommended the low bid of Hubbell, Roth and Clark, Inc.

Mayor Hodges questioned DesJarden if we had worked with Hubbell, Roth and Clark. DesJarden responded this company no, but engineers that work there yes. Hubbell met all the specifications the City staff has asked for. Most of the cost is in the meter cost and upkeep of the meters.

Mayor Pro Tem Ellison noted quite a difference in the cost. DesJarden responded in discussion, some own the meters while others rent, which is a reason for the difference.

Ellison asked if this will pinpoint what the problems are. DesJarden stated this will not pinpoint what the problem is, but it should narrow down what section of system the actual flow is coming.

IT WAS MOVED BY ELLISON and supported by ALTOFT to award contract to the low bid of \$10,800 from Hubbell, Roth and Clark to perform the engineering services for the sanitary sewer system flow monitoring.

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

Item #10. **ORDINANCE AMENDMENT PROVIDING FOR THE SELECTION AND USE OF A SINGLE RESIDENTIAL SOLID WASTE HAULER – PUBLIC HEARING AND CONSIDERATION OF DIRECTION.** At the December 7th Council meeting, it was determined to hold a second public hearing on an ordinance amendment providing for a single residential solid waste hauler within the City of Lowell. The Council has struggled with this for some time and had a work session on January 11th as well as continued to receive and look for additional input from the public.

Mayor Hodges opened the public hearing for comments.

Matt Grof (4489 Springmont in Kentwood) one of the owners of Flat River Waste located in Lowell Township, requested the Council leave it as a free market and let the people have their choice. The people always have the option to change haulers if they are not satisfied. He also noted his company uses local businesses such as Hooper Printing, Digital Images, Noon Equipment and Showboat Automotive. Grof feels the bag system is the fairest way to go and recycling system has problems.

Dale Latva (904 Riverside Drive) has no problem with the current hauler nor the traffic and noise. The people should have a choice of hauler and bags or carts.

Greg Canfield (403 N. Washington) asked the Council not to take away the people's choice. The City should encourage business development, not deny it by putting a monopoly in place for trash hauling. Leave things as they are. If it is not broke, do not fix it.

Perry Beachum (924 Riverside) stated the work session held on Monday, January 11th had good discussion. By having the City do the billing, it will place an additional burden on an already very tight budget. An administrative fee would have to be assessed, which would make the cost even higher, not to mention the headache it will create. It will be hard for haulers to bid if the City stays with the bag program as well as it is against free enterprise. The City should get totally out of the refuse business.

Al Mathews (822 Grindle) stated his concern with limiting of small businesses. He is also against limiting it to only one business. Mathews concurs with Canfield, if it is not broke do not fix it. The City should also do some type of audit on the recycle bins to get an accurate count. Why pay for something which is not being used. But as for the proposed ordinance, throw it out and start over.

Robin Briggs (1004 Riverside) stated she is against single residential solid waste hauler also. It costs her between \$1.50 to \$3.00 per week for trash, if it was imposed that she have a trash cart, it could go up to \$300 a year. If it is not broke, do not fix it and she wants to keep her opportunity for choice. Briggs stated she recycles and if anyone has a bin they do not want, she will take it.

Dave Austin (908 Lincoln Lake) said there was some good things in the ordinance. He would like an annual one day pick up for large items. As a civil engineer, truck traffic does add to wear and tear to the local streets at about the same level as school buses and such do. But that in itself is not the problem with our local streets. He does recycle a lot and puts a garbage bag out every two weeks with a family of four. One of the unique things we have in Lowell is a good cost for our garbage service which helps to offset some of the other cost that is higher than other communities. The ordinance as it is written right now he is opposed to but if you could pick some of the good things out of it and add those services to what we have now it would be the best of both worlds.

Jim Wood (875 Hillside Ct.) would like to see it stay as it is. He is a small business man and if you take 25% of his business away, he would be upset. Take 25% of your income and donate it to the City.

City Clerk Betty Morlock read the following letters:

Dear Mayor and Council,

I never have a full bag of trash and sometimes not enough to waste a bag on so I save it for the next pick up. I really would hope I will not need a giant container. I have been very happy with our hauler and would be very disappointed in our fair city if recycling was not done.

Jan Johnson
810 Riverside

City Council,

Once again the City Council thinks it knows what's best for my family.

You haven't even asked if we like bags or binds – you don't know how much trash we have a week. How can you even think you know what's best for my family.

If the number of bags being sold is going down, its very clear the people of Lowell area already taking care of their trash all on their own – without your help.

We picked a hauler that fit my family's needs just fine. I don't know how you think you can do better.

Why don't you worry about the best price for the city trash and leave us alone.

Maybe you should consider the peoples feelings on this – after all – we will be the one paying for it.

Thank you,
Katie Alderink
1252 Fun Street

Mayor Hodges closed the public hearing. A decision will not be made tonight. The Council will continue to work on this and a decision should be made within the next month or so.

Councilmember Altoft apologized to the public, this ordinance was not written as requested. Also, the recycling cost the City approximately \$16,000 a year. The Council is trying to save money. Those wanting to use recycling should pay for it. The main objective was to save everyone money, not take their rights away, he too is a small businessman. Many communities around Lowell have done it and in talking with them, it works.

Mayor Pro Tem Ellison addressed Robin Briggs' comment regarding wanting additional recycling bins. The City pays for each bin, so if you have two bins, we are paying twice for you. You should use only one bin and if you have additional recycling, put it in a clear bag so the hauler can see it is recycle or use a paper bag for newspaper. If you have more than one bin that you have for recycling or just sitting around your home, please return it to City Hall because everyone's tax dollars are

paying for just the people who recycle. Recycling is a good thing and if I had to pay for it, I would.

Councilmen Schrauben feels recycling is an important issue and it is nice the City can offer it at no cost to the resident.

Councilmember LaPonsie appreciates everyone's comments tonight and was nice to have so many here and speaking so respectfully. At this point, I am not in favor of a single hauler and would support going back to weekly recycling, even if it would be an additional fee.

City Manager Pasquale asked if the Council wants the issues, not the ordinance brought back for the next meeting? Mayor Hodges responded yes, that would move the Council along.

Item #11. **DIRECTION OF THE NORTH WASHINGTON PARK PROPERTY IMPROVEMENTS.** Mayor Pro Tem Ellison requested the Council discuss the direction of the North Washington Park property. The Park is to remain a passive park with minimal clean up. Perry Beachum, Chairman of the Parks and Recreation Commission stated the Commission feels it should be a natural park with some clean up and possible parking at the old Light and Power building.

Item #12. **MONTHLY REPORTS.** No comments were received from materials presented.

Item #13. **CITY MANAGER'S REPORT.**

Pat Allchin, Museum Director of the Lowell Area Historical Museum requested this letter be read at this meeting

Dear Dave and Councilmembers,

On behalf of the Lowell Area Historical Museum I am writing in response to the questions that were raised during the January 4, 2010 Council meeting. The Council raised concerns about the amount of money that the Lowell Area Historical Museum received from the Townships (tax allocations) relative to monies received from City taxes. After further thought on this matter and discussion with the President of our board, James Doyle, I have listed some rationalization for this difference.

- The millage was voted by the citizens of Lowell to support the Museum.
- The vast majority of Lowell area history is that of the City and is evidenced by exhibits in the Graham building.
- The Graham building is owned by the people of Lowell.
- Vergennes Township has its own historical society and would likely choose to support Fallasburg Historical Society in a millage.
- Lowell Township supports the Museum, with both an allocations from its annual budget as well as provided the use of their building free of charge for our historic programs. While not providing as much value as City tax revenues their allocation and in-kind benefits assist the Museum greatly.

In addition, we feel that the Museum has become a true asset to this community and the economic benefits of bringing people to our town cannot be overlooked. The Museum can be seen as cultural attraction with our beautiful Victorian rooms and interesting exhibits that provide an educational

experience for all that visit. We also would like to emphasize that the Graham building was at one time a somewhat dilapidated structure in need of repair and in need of much interior upgrade. The city was saddled with a property of questionable commercial value when the Lowell Area Historical Museum requested the use of the building. Since that time in the late 1990's we have created, through many volunteer hours, persistent fund raising and just plain hard work, a true community gem. The citizens of Lowell had the foresight to pass the millage for the purpose of supporting our Museum and we think they can be proud of the outcome.

Very truly yours,
Pat Allchin, Executive Director

Cc: Lowell & Vergennes Townships

City Manager Pasquale reported on the following:

1. For your information, the following boards and commissions meetings minutes were provided:
 - Grand Valley Metro Council meeting of December 3, 2009
 - Chamber of Commerce meeting of December 8, 2009
2. Police Chief James Hinton and I had an opportunity to meet with the merchants last week to discuss the bridge project and looking for opportunities for marketing. DPW Director DesJarden will also be part of future meeting. This has been a very positive step and proactive.

Item #14. **COUNCIL COMMENTS**. Councilmember Altoft stated his notes did not match anything on the proposed ordinance and upset a lot of people. He also suggested the City start the budget process early as many other communities are doing. City Manager Pasquale responded he and City Treasurer Olin have been working with the assessor in terms of getting final numbers prior to Board of Review in terms of property tax revenues.

Mayor Hodges stated he received thank you notes from Sgt. Shane Scherer and his fiancée, Jacqueline Bennett regarding their welcome home over the holidays. Also, a big thank you to Dave Thompson for all the hard work he put in to organizing this event.

Hodges also noted Chief Hinton is working with the Military regarding the funeral arrangements for the Lowell soldier, Army Sgt. Lucas Beachnaw, who was killed in Afghanistan.

Item #15. **APPOINTMENTS**. Mayor Hodges noted there is an opening to serve on the Planning Commission and if you are interested, send a letter of interest to City Clerk Betty Morlock.

The Downtown Development Authority has a vacancy and letters of interest were received from Jon Jacobs, Bif Altoft, Dale Triplett, Cliff Yankovich and Greg Canfield. Mayor Hodges would like to appoint Greg Canfield to the Downtown Development Board. The Council agreed.

IT WAS MOVED BY ELLISON and supported by ALTOFT to go into Closed Session at 9:05 p.m. to discuss property acquisition.

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

NAY: 0. Absent: 0. MOTION CARRIED.

IT WAS MOVED BY ALTOFT to adjourn at 9:46 p.m.

DATE:

APPROVED:

James W. Hodges, Mayor

Betty R. Morlock, Clerk