

PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL

For the Regular Meeting of MONDAY, MARCH 15, 2010.

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

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

Absent: None.

Also Present: City Manager Dave Pasquale, City Clerk Betty Morlock, Director of Public Works Dan DesJarden, 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 Board Chair, Historic District Commissioner and Downtown Development Authority Boardmember Greg Canfield.

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

IT WAS MOVED BY ELLISON and supported by LAPONSIE to approve the agenda as submitted.

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

Item #2. **APPROVAL OF THE MINUTES OF THE MARCH 1, 2010 REGULAR MEETING.**

IT WAS MOVED BY LAPONSIE and supported by ALTOFT to approve the minutes of the March 1, 2010 regular meeting as corrected.

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

Item #3. **APPROVAL OF THE ACCOUNTS PAYABLE.** Mayor Pro Tem Ellison requested a brief explanation of what legal fees are for with the list of payables.

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

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

BILLS AND ACCOUNTS PAYABLE (03/15/2010)

GENERAL FUND	\$37,707.54
MAJOR STREET	4,136.64
LOCAL STREET	110.20
DDA FUND	5,409.04
AIRPORT FUND	179.11
WASTEWATER FUND	6,389.87
WATER FUND	6,800.43
DATA PROCESSING FUND	1,059.14
EQUIPMENT FUND	606.51
CURRENT TAX FUND	471,568.86

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

Item #5. **STREET SWEEPING BIDS.** DPW Director Dan DesJarden received four bids for street sweeping this year. DesJarden recommended the Council award contract to Sanisweep, Inc., for a total cost of \$22,780 providing six sweeps, who was the second lowest bid. Sanisweep will be utilizing two to three trucks as compared to one truck which the lowest bid have. In the specifications, it was asked how many trucks would be used to sweep. This was done because of Council's concern of truck traffic as well as time saved.

Mayor Hodges asked what company was used last year. DesJarden responded Street Sweep, Inc., who is the low bid, was used. Their bid did not state how many trucks would be used so DesJarden contacted them. He was told one truck would be used.

Councilmember Schrauben asked how much time would be saved. DesJarden responded two to three trucks could get the street sweeping done in a day. While it would take at least 40 hours with one truck.

Councilmember Altoft inquired if more water be used this year to keep the dust down. DesJarden stated they are supposed to use water. If they do not, the complaints will come and contacts will be made.

Mayor Hodges questioned if this would be a one year contract. DesJarden responded it is a one year contract with a one year option.

IT WAS MOVED BY ELLISON and seconded by ALTOFT to contract Sanisweep, Inc. of Grand Rapids providing six street sweeps for the 2010 season at a cost of \$22,780.

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

Item #6. **PRESENTATION OF THE LIGHT AND POWER 2010-2011 ANNUAL BUDGET AND CAPITAL PLAN.** Light and Power General Manager Greg Pierce stated the Board has been working on the second year of their strategic plan which includes a long range financial plan. This is the foundation that the Board uses in developing their budget.

The projected kilo watt hours sold has decreased over the years, which is a function of the economy. In 2007 the projected kwh's sold was 66,381. In 2010, it will most likely be 59,500, which is a substantial drop. This had an impact on the operating revenues, which also decreased over that time. But significantly, the operating expenses have decreased too.

The operating income was in the red for 2007-2008. But through this budget process and long range planning, it is getting to be a positive number. The last rate analysis, the consultant provided an operative income number of \$400,000 to \$425,000 a year to maintain and sustain the system.

The operating cash, by Charter must be 20% of the actual undepreciated value of the utility in cash reserve, which is approximately \$3,200,000. By 2012, the amount should be reached.

The budget itself should not change too much from last year. Revenues and operating expenses should increase slightly with operating income decreasing slightly. As noted last year, it is difficult to budget with six (6) months worth of data in the current year to estimate the end results.

Councilmember Schrauben wondered what the impact would be in not meeting the target operating income until 2012. Pierce said it is necessary to maintain the system. Fortunately the last few years due to the economy being down, the amount Light and Power pays for the power that is purchased is also down. This creates a positive impact and a better cash flow for capital improvements. Light and Power is not at the \$400,000 to \$420,000 yet, but are making strides. Pierce also noted this years Capital Improvements totaled \$370,000 and is increasing to \$400,000 next year.

Mayor Hodges commended Pierce and the Board on the direction they are taking for Light and Power.

Mayor Pro Tem Ellison asked when the proposed 3 to 3 ½ % rate adjustment would be implemented. Pierce stated most likely in September, depending on the data received. Ellison noted Light and Power's increase is quite a bit less than other electric providers.

IT WAS MOVED BY ELLISON and supported by ALTOFT to approve the 2010-2011 annual Light and Power budget and capital plan as presented.

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

Item #7. **RESOLUTION AUTHORIZING SIGNATURES FOR A CONTRACT BETWEEN THE CITY AND MICHIGAN DEPARTMENT OF TRANSPORTATION INVOLVING THE BOWES ROAD RECONSTRUCTION PROJECT.** This Spring, Bowes Road from West Street to 1950 feet west of Valley Vista Drive will undergo reconstruction work. The estimated cost of the project is \$559,000. Funding will be from the Federal American Recovery and Reinvestment Act (stimulus) funds of \$120,000, Federal Surface Transportation Small Urban Grant of \$341,600 and City Major Street Funds of \$97,400.

City Manager Pasquale said Michigan Department of Transportation is the Controlling Agent of the Federal Funds and thus it is necessary to enter into a contract with MDOT which requires a resolution must be adopted naming the Mayor and the City Clerk as authorized officials to sign the contact as well as accepting all federal requirements of the program.

IT WAS MOVED BY LAPONSIE and supported by ELLISON to approve contract with the Michigan Department of Transportation and resolution authorizing signatures for a contract between the City (Mayor and City Clerk) and Michigan Department of Transportation involving the Bowes Road reconstruction project.

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

NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #8. **REVIEW OF LETTER FROM POLICE CHIEF HINTON REGARDING DISPATCHING SERVICES.** Police Chief Hinton informed the Council that emergency 911 call centers in Kent County will be reduced from 5 facilities to 2 facilities by January, 2011. Walker Dispatch will be one of the facilities closing. The dispatch change was necessary to make the 911 call process cleaner and more efficient for its users plus an added bonus of being more cost effective eventually for municipalities.

On October 4, 2010, the 911 calls for the Lowell Police Department and regular 7 digit after hours calls will be answered by the Kent County Sheriff's Department. The Lowell Area Fire Department will also be dispatched by the Sheriff's Department. The Lowell Police Department office will remain open as it is now Monday through Friday from 6 a.m. to 5 p.m.

This change will eventually reduce the cost for 911 calls which the Lowell Police Department is currently paying. In the future, those costs will be paid for by the Kent County Dispatch Authority through revenues obtained by the user fee which all pay on their telephone bills.

There will be some additional out of pocket expenses for new radio and computer equipment. Hinton is hoping some grant monies will be approved for this. But overall, the Lowell community will be better served with the City and County Police units in contact with one another by radio channels and by utilizing the same dispatch center.

Item #9. **MONTHLY REPORTS.** No comments from materials presented.

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

1. The following boards and commissions meetings minutes were provided:
 - Downtown Development Authority meeting of January 21, 2010
 - Arbor Board meeting of February 8, 2010
 - Chamber of Commerce meeting of February 9, 2010
2. A work session will be held on Monday, March 29 at 7 p.m. to provide a presentation from Dave Austin of Williams & Works regarding street improvements.
3. City Offices will be closed on Friday, April 2, 2010 in observance of Good Friday.
4. The MDOT notice regarding the downtown M-21 bridge project was attached.

5. It is the intent to have a preliminary General Fund budget for Council review at the April 5, 2010 meeting.

Item #11. **COUNCIL COMMENTS**. Councilmember Schrauben stated there is an opening on the Lowell Area Recreation Authority for a citizen representative at large from the community.

Mayor Pro Tem Ellison commended the Department of Public Works for patching the roads as best as can be done.

Councilmember LaPonsie wished everyone a happy St. Patrick's Day.

Mayor Hodges mentioned the Lowell Expo is on Saturday, March 27th from 9 a.m. to 3 p.m. at the Lowell High School as well as the Fire Fighters Breakfast at the Look Memorial Fire Station from 7 a.m. to 11 a.m. Also on Friday, March 26th, he will be walking on a Lowell YMCA tread mill from 2 – 3 p.m. in effort to raise monies for Investment in Youth campaign.

Item #12. **APPOINTMENTS**. No appointments were made at this time. There is a vacancy on the City Planning Commission. If anyone is interested please contact City Clerk Morlock, City Manager Pasquale or Mayor Hodges.

IT WAS MOVED BY ELLISON to adjourn at 8:03 p.m.

DATE:

James W. Hodges, Mayor

APPROVED:

Betty R. Morlock, City Clerk