

PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL

For the Regular Meeting of June 6, 2011.

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

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

Absent: None.

Also Present: City Manager David Pasquale, City Clerk Betty Morlock, City Treasurer Suzanne Olin, DPW Director Dan DesJarden, Planning Commission Chair and Lowell Light and Power Boardmember Jim Hall, Lowell Light and Power General Manager Greg Pierce, Lowell Cable TV Endowment Fund Boardmembers Dennis Kent and Barb Barber and Police Chief Barry Getzen.

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

IT WAS MOVED BY ELLISON and supported by SCHRAUBEN to approve the agenda as written.

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

Item #2. **APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MAY 16, 2011.**

IT WAS MOVED BY ELLISON and supported by LAPONSIE to approve the regular meeting minutes of May 16, 2011 as written.

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

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

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

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

NAY: None. ABSENT: None. MOTION CARRIED.

<u>BILLS AND ACCOUNTS PAYABLE (06/06/11)</u>	
GENERAL FUND	\$78,735.21
MAJOR STREET FUND	2,314.88

LOCAL STREET FUND	2,283.29
DOWNTOWN DEVELOPMENT FUND	1,533.42
AIRPORT FUND	1,001.54
WASTEWATER FUND	42,592.99
WATER FUND	8,510.16
CABLE TV FUND	7,134.00
DATA PROCESSING FUND	268.00
EQUIPMENT FUND	1,711.27

Item #4. **CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.** Dave Austin, representing the Lowell Area Recreation Authority, noted the construction for Phase 1 of the Lowell Area Recreation Trail has begun. The project should be completed by Labor Day.

City Manager Pasquale stated the Council approved a request for a temporary liquor license for a West Michigan Environmental Council event held on June 25th. A request has been made to extend the temporary license until June 26th, 2011. Mayor Hodges suggested deferring the item until a representative is present.

Item #5. **OLD BUSINESS.**

- a. Streets, sidewalks plan – The Council adopted the sidewalks improvements ordinance upon sale of property at the May 2 meeting. Also Council lifted the moratorium requirement sidewalk improvements at their March 21 meeting.
- b. Wastewater Treatment update – A full report will be provided by the engineering firm of Hubbell Roth and Clark, Inc.
- c. East Riverfront renovations – A Parks and Recreation Master Plan update was completed and approved by the State to qualify for grant assistance. A survey delineating ownership has also been finished. A design charette (getting citizen input) for riverbank improvements was successfully carried out by Design Plus, Inc. on Thursday, January 13. At the Downtown Development Authority meeting of February 17, the Boardmembers recommended purchase of the amphitheater property from Lowell Area Schools for \$25,000. Also, the amphitheater riverfront design was approved along with an allocation of \$50,000 toward the project. At its January 11, 2011 meeting, the Lowell Area Community Fund provided \$50,000 in addition to this task. The Council, at its February 22 meeting approved the purchase of Lowell Area Schools property within the amphitheater area at a cost of \$25,000 as recommended by the DDA.

An application for the Michigan Department of Natural Resources Trust Fund grant of \$300,000 has been submitted to the State. A LCTV Endowment Fund grant application of \$50,000 was completed.

- d. Consumers Energy – sidewalk report – DPW Director DesJarden has contacted Consumers involving necessary sidewalk repairs and is awaiting a response.

- e. Video coverage of public meetings – The Council proposed a video camera purchase at the May 9 work session which is to be acted upon at this meeting. Meetings to be videoed are the Planning Commission, Downtown Development Authority and Lowell Light and Power meeting will also be videoed.

Mayor Pro Tem Ellison asked when the meetings would be taped using the new camera. Brandon Hall believed the camera would be purchased by the end of July.

Ellison asked when the report would be received from the engineering firm of Hubbell, Roth and Clark. DPW Director Dan DesJarden thought the report may be received sometime in July.

Councilmember LaPonsie questioned when the Trust Fund applications would be made. Dave Austin believed the board would provide preliminary questions by July. The board recommendations will come out in November with final approval being made in December.

Item #6. **ADOPTION OF THE 2010 – 2011 BUDGET AMENDMENTS.** As required by State Law, the City Council must review and approve final adjustments to the City's operating funds. A list of each affected fund prepared by City Treasurer Sue Olin was provided.

Councilmember LaPonsie questioned the new DVD account coming from the Lowell Police Department. Olin explained this is a new revenue account.

IT WAS MOVED BY LAPONSIE and supported by SCHRAUBEN to approve the 2011 budget amendments as provided.

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

NAY: None. ABSENT: None. MOTION CARRIED.

Item #7. **CONSIDERATION AND ADOPTION OF THE 2011 – 2012 OPERATING BUDGET, SET MILLAGE RATE AND HOLDING PUBLIC HEARING.**

The following actions are needed after holding a public hearing:

- Adoption of the budget. As discussed at the May 16 meeting, Councilmember Altoft questioned the proposed Police Budget costs. A comprehensive report from Police Chief Barry Getzen detailing the justification of the budget was provided.

Under Street Funds, the total of \$89,886.42 allocated for the Local Street Construction Account is now provided for reconstructing Hillside Court. Upgrades to Brook Street will utilize Federal Community Development Block Grant Funds. Also, a milling and repaving of Ottawa will be considered a Downtown Development Authority project.

The General Fund balance remains at \$208,200, but is expected to increase with lesser liability insurance costs and the opportunity to capture statutory state revenue sharing dollars (approximately \$40,000).

Outside of minor grammatical corrections, there are no changes from any of the proposed budgets.

After receiving public comments, the Council may consider adoption of the 2011-2012 City Budget.

- Set Millage Rate. The same 15.83 mills as last year's for operations will be retained. A 0.25 mill in addition is included for the Lowell Area Historical Museum voted November, 2002.

Dennis Kent, of 1700 Faith questioned the Street Fund. Sibley Street is beyond filling pot holes and needs to be repaired. He suggested a larger asphalt patch. City Manager Pasquale noted Sibley is a priority.

Dave Austin, of 908 Lincoln Lake stated the Council has done much street work over the last few years and has done a great job repairing streets with the money available. A recommendation has been made in the past that approximately \$20,000 be provided for cracks and sealing. Austin hoped such funds could remain in the budget, noting if small cracks are not repaired, these quickly become larger and fall apart. Pasquale noted the City is anticipating a savings on insurance. He anticipated there will be some additional revenue sharing monies. Pasquale recommended this be considered in the budget upon those monies being received. Mayor Pro Tem Ellison felt the same way as mentioned by Austin. It is important any extra money received should be designated toward such repairs.

Councilmember LaPonsie questioned the need for improvements to Hillside. DPW Director Dan DesJarden believed Hillside should be a higher priority than Sibley as it does not have curb and gutter. Sibley should have been repaired prior to North Center Street. However, North Center Street had a water main issue. Therefore, it was decided to cover the two issues at the same time.

Councilmember Schrauben agreed with Ellison, LaPonsie and Austin. He believed the maintenance issue was more of a priority rather than Hillside.

Councilmember Altoft stated he has been reviewing Lowell Police Department. The budget is \$11,000 more than it was last year. Altoft believed it was important to determine if the City really needs a police force this large and questioned if the City could afford it. Altoft requested a report regarding the number of calls the department has received this year as well as the amount of calls the department responded to outside the City limits. He felt the department was responding to way too many mutual aid calls. Altoft believed the City should start charging for these services. In his eyes, he felt the LPD budget is \$150,000 more than needed. This would place much money back into the streets of Lowell.

Altoft commented on the Equipment Fund. In the budget, it stated no new purchases are necessary. However, the worksheets provided by the DPW states the desire to replace a 14 year old plow truck. It is time to start replacing these. He noted the arguments in recent years regarding police cars more than four years old not being on the road.

Altoft suggested placing a millage on the police department and let the voters of the City of Lowell decide if they would like to keep the department this large.

Schrauben believed these were good topics, but can't be resolved in the amount of time the budget needs to be done. He believed Chief Getzen explained the budget very well. LaPonsie questioned where Altoft would suggest police cuts. Altoft suggested reducing hours or possibly doing away with the dispatchers and contracting the department out. Ellison believed each department should be allowed to figure out where their budget can be cut. LaPonsie felt the City would be shooting themselves in the foot if the police department is handicapped. Altoft believed the Council owed it to the citizens to make sure the streets are maintained. We have let a department get too big. Altoft did not understand why there was no equipment included in the budget when it is listed. Schrauben believed it was up to the Council to determine what the priorities are. These are big questions which can not be solved within a month. Schrauben was not 100% satisfied with everything, but the City is working toward it. His questions are answered for this year's budget and it can be improved when next year's budget is done. This is a process not just a one time problem.

Hodges believed the City was providing good services to its citizens. He is very proud of the staff and what they have been able to do with what has been provided.

IT WAS MOVED BY ELLISON and seconded by ALTOFT to set the millage rate at 15.83 for the 2011 – 2012 year.

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

NAY: None. ABSENT: None. MOTION CARRIED.

IT WAS MOVED BY ELLISON and seconded by SCHRAUBEN to adopt the 2011 – 2012 Operating Budget with the amendment of \$20,000 for the street maintenance allocated from insurance savings and potential statutory state revenue sharing.

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

NAY: Councilmember Altoft. ABSENT: None. MOTION CARRIED.

Winnifred Onan of 725 Bowes Road Apt., L3 questioned the definition of a cemetery. Ellison responded it is a sacred place where people are laid to rest. Onan asked who owns the cemetery. City Clerk Morlock noted the City owns Oakwood Cemetery. Onan questioned why people have to pay for the lots. Morlock stated individuals are purchasing burial rights, not a piece of property. Onan noted she received a letter from the City stating she can not have two poles on the lot. She also said the person running the cemetery has a big pile of dirt which is about 20 feet from her grandson's grave. Also, there are other lots which do have double poles. Onan stated the cemetery is a place to rest the loved ones. It is not a park, but a place for the dead and the mourners. The City needs to have more compassion for the mourners. She asked the Council to have heart and compassion for the people who have laid their loved ones to rest. There has been harassment and irritation. She is here to help the City and help the budget. Onan suggested individuals maintain their own graves, including mowing.

Rachel Hood representing the West Michigan Environmental Action Council was present regarding the request to add additional time for beer and wine sales at the Grand River Water Festival on June 25 and 26th. The group wished to add Sunday between noon and 5:00 p.m. They have professional security and would continue to ensure people are being responsible. Chief Barry Getzen had no problem with the additional day.

IT WAS MOVED BY ALTOFT and seconded by ELLISON to allow an additional day, June 26, 2011 to sell beer and wine during the Grand River Water Festival.

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

Item #8. **RESOLUTION TO RETAIN WATER AND SANITARY SEWER RATES.** Based upon the newly adopted budget the water and sanitary sewer rates which are currently in effect would be continued for the next year based upon Council approval.

IT WAS MOVED BY ELLISON and seconded by LAPONSIE to approve the resolution to retain water and sanitary sewer rates.

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

NAY: None. ABSENT: None. MOTION CARRIED.

Item #9. **KING MILLING COMPANY (115 S. BROADWAY) – APPLICATION FOR AN INDUSTRIAL FACILITES EXEMPTION CERTIFICATE – SET PUBLIC HEARING (6/20).** Mayor Hodges noted his wife is employed with King Milling. Therefore, he would be abstaining from discussion and turn the matter over to Mayor Pro Tem Ellison.

King Milling is planning three large capital projects. This totals \$2,700,000 in building improvements and \$8,673,000 in machinery and equipment providing \$11,373,000. This would qualify King Milling a .50% tax abatement under Public Act 198 for 12 years under the current City policy.

King Milling Representative Jim Doyle stated the company is growing and is seeing more business. The expansion will create more space as well as additional jobs.

Councilmember Schrauben questioned if the building is in the floodplain. Doyle responded yes.

IT WAS MOVED BY LAPONSIE and seconded by SCHRAUBEN to set a public hearing for June 20th, 2011 to consider tax abatement for King Milling expansion project.

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

Item #10. **REQUEST FROM PATRICIA DIETZ TO OPERATE MOBILE CART SELLING SMOOTHIES/COFFEE DOWNTOWN.** Patricia Dietz wishes to sell smoothies and coffee using a mobile cart to be located either in front of the Moose building downtown or the old Modern Photo graphics site.

Chief Getzen provided information regarding liability insurance and other such issues. Mayor Hodges asked if Dietz was endorsed by the Chamber of Commerce. He noted there have been few such requests in the past. Dietz noted she will be involved with the Riverwalk Festival.

Chief Getzen stated the request qualifies as a transient merchant which is under the Code of Ordinances for the City. This is allowed through a process which needs to be followed. There are some general restrictions which also need to be followed in order for the permit to be issued. First involves a liability waiver of insurance covering the City as well as a noncompetition with established building based businesses, which requires her to be a certain distance away.

The City's insurance advisor Judi Miljon concurred with the City Attorney, noting a waiver is necessary. Dietz is not in the business of running a smoothie shop. Therefore, it would be difficult to sell to an adjuster should there be a food poisoning claim. Hodges said the City requires a 2 million dollar policy. The City will need a specific location and dates of operation.

Hodges also wanted it included in the next agenda as a resolution to adjust such insurance policy rates.

Item #11. **LIABILITY INSURANCE PROPOSALS.** The City last considered liability insurance proposals during June, 2007. Several months ago, request for proposals were sent to four companies as follows:

<u>Agent</u>	<u>Company</u>	<u>Overall Quote</u>
Berends, Hendricks, Stuit	Michigan Township Participating Plan	\$75,991.00
Pinnacle Ins. Partners	Trident	\$76,667.00
AIC	Travelers	\$79,592.00
Michigan Municipal League	Meadowbrook	\$100,125.00

After reviewing the quotes, Sue Olin and City Manager Pasquale recommend Berends, Hendricks, Stuit for the following reasons:

- Lowest quote (three year guarantee)
- Current carrier, good experience in handling claims, responsive
- Occurrence made rather than claims made – referable
- Extensive municipal experience

Councilmember LaPonsie commented on the local provider who also provided a bid. Dave Emmett with AIC Insurance of 219 E. Main Street explained he has a direct interest in the City and wanted to provide the best service and price for the insurance. There were two components to the insurance which includes the liability proposal and workers compensation. The current proposal for 2010 – 2011 was \$98,101.00 with the current insurance provider. When he asked to bid on the proposal, Emmett also took the initiative to bid on the workers compensation, which gives the City a multi discount. After the bids came in and speaking with City officials, he highlighted the current carriers new package premium was \$75,991.00 and his price came in \$3,601 higher. However, his workers compensation proposal came in \$36,191.00 which the

current premium is at \$44,638.00. This is a savings of \$8,447.00. Therefore, his entire proposal provides a net savings of almost \$5,000.00. The company he uses is Travelers Insurance.

In summary, his overall proposal offers a savings to the Lowell tax payers of approximately \$5,000.00. Everything would be with the same agency and he is just 21 steps away from City Hall.

Judi Milgon from Berends, Hendricks Stuit and the Michigan Township Participating Plan was present. She explained they are a pool like MML owned by their members and serve 1,500 municipalities in Michigan. She noted their coverage is the broadest. They offer no aggregates. There is no annual cap on the insurance. Also, they offer a three year rate guarantee and do not come in and buy business. Every year the rates have been negotiated down.

Greg Canfield of 403 N. Washington and also a local business owner believed the City and the Council have a huge responsibility and an obligation to support local businesses, whenever possible.

Mayor Hodges stated he has his own personal insurance with Emmett. However, he believed the City should go with the lowest bid.

Mayor Pro Tem Ellison believed the recommendation should be followed.

Councilmember Schrauben trusted the recommendation. However, he requested a break down of what was provided.

IT WAS MOVED BY ELLISON and seconded by SCHRAUBEN to approve the quote from Berends, Hendricks, Stuit for Liability Insurance in the amount of \$75,991.00.

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

NAY: Councilmember LaPonsie. ABSENT: None. MOTION CARRIED.

Item #12. **RESOLUTON RETAINING COMPENSATION FOR THE BOARD OF LIGHT AND POWER BOARDMEMBERS**. The City Charter requires the Council to establish compensation each year for Light and Power Boardmembers. At its February 16, 2010 meeting, the Council provided \$25 per meeting remain but increasing the maximum per year from \$325 (13 meetings) to \$400 (16 meetings).

Mayor Hodges recommended the current compensation stay as is. A resolution was provided.

IT WAS MOVED BY ELLISON and seconded by ALTOFT to adopt the resolution retaining the compensation for the Board of Lowell Light and Power Boardmembers.

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

NAY: None. ABSENT: None. MOTION CARRIED.

Item #13. **DOWNTOWN BRIDGE HANDRAILS.** Several residents approached the City regarding the safety of the downtown bridge railing. The concern involved small children getting through the existing rails. After the Michigan Department of Transportation reviewed and in consultation with the Downtown Historic District Commission, a one half inch diameter stainless steel unpainted rod was recommended.

The Council is requested to provide a final decision. This project is at MDOT cost.

IT WAS MOVED BY LAPONSIE and seconded by ALTOFT to approve the rod design for the downtown bridge handrails.

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

Item #14. **COUNCIL REPORTS AND COMMENTS.** Councilmember Schrauben stated the Lowell Airport Board will meet on June 7, 2011. The Parks and Recreation Commission and LARA will be reapplying to the LCTV Endowment Board for grants. Community support is needed to satisfy the Community Fund. LARA held a public information meeting. Also, construction has begun. Individuals can visit the LARA website for further information.

Schrauben referred to local bidders and asked if criteria regarding when a higher bid can be accepted over a local bid. Also, what defines a local business? Mayor Hodges was unsure if the City should be backed into the corner by stating exact criteria. This is the Council's responsibility to decide which company may be best. Schrauben believed there should be some guidelines at least so the Council is not always questioned.

Schrauben thanked everyone who has answered all of his questions regarding the budget, especially City Treasurer Sue Olin.

Councilmember LaPonsie stated a joint Planning Commission meeting is being held with Vergennes and Lowell Townships.

LaPonsie reported nothing from the Zoning Board of Appeals as well as the Lowell Area of Fire and Emergency Services Authority.

LaPonsie questioned why only one shepard hook per grave site is allowed in the cemetery when the ordinance states up to three non glass objects are permitted. A worksession of August 29th, 2011 was set to discuss cemetery rules as well as setting criteria when seeking bids. Councilmember Altoft agreed with LaPonsie regarding the cemetery rules. Individuals should be allowed to do a little more than what is allowed.

Mayor Pro Tem Ellison commented on the article in the Ledger regarding Chief Getzen's clean up and enforcing ordinances. Also, Ellison received a complaint from a citizen regarding long grass. The resident was frustrated because they had reported it but it had not been mowed yet. Getzen responded the property has been mowed. He noted it was in foreclosure and it took time to track down the owner.

Mayor Hodges stated Lowell Light and Power will meet June 9, 2011. The Chamber of Commerce will meet next week on June 14, 2011. They have been busy with many activities. The Look Memorial Fund Committee will meet this week.

Hodges also stated the cemetery rules were passed by the Council about 6 years ago on a 4 to 1 vote. He noted he was the one voting against the rules.

A great Mayor Exchange was held with the City of Belding. The City of Lowell received a plaque which will be displayed at City Hall.

Item #15. **CITY MANAGER'S REPORT.** City Manager Pasquale reported on the following:

1. The following boards and commissions meetings minutes are provided:
 - Parks and Recreation Commission meeting of April 16, 2011
 - Planning Commission meeting of March 28, 2011
2. The City of Lowell received an ISO report. This gives the City a status report on how our fire services are performing and related to that with our water services. The City received a rating of a 5, which improves one grade. A number of insurance companies use this in terms of how they base their insurance rates.
3. The City of Lowell had a terrific Mayor's Exchange with the City of Belding. Many thanks for all who participated.

Item #16. **APPOINTMENTS.** None.

IT WAS MOVED BY ELLISON to adjourn at 9:10 p.m.

DATE:

APPROVED:

James W. Hodges, Mayor

Betty R. Morlock, City Clerk