

PROCEEDINGS  
OF  
CITY COUNCIL  
OF THE  
CITY OF LOWELL

For the Regular Meeting of September 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 Mark Howe, City Clerk Betty Morlock, DPW Director Dan DesJarden, Police Chief Barry Getzen, Lowell Light and Power Boardmember and Planning Commission Chair Jim Hall and Lowell Light and Power General Manager Greg Pierce.

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

IT WAS MOVED BY ELLISON and supported by LAPONSIE 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 SEPTEMBER 6, 2011.**

IT WAS MOVED BY LAPONSIE and supported by SCHRAUBEN to approve the regular meeting minutes of September 6, 2011 as written.

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

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

Mayor Pro Tem Ellison questioned the mowing of the parking lot behind Little Caesars. She confirmed the mowing expense was billed back to the owner. Ellison also mentioned a breakdown of legal services should be provided for anything over \$2,000.

IT WAS MOVED BY ELLISON and supported by SCHRAUBEN 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.

BILLS AND ACCOUNTS PAYABLE (09/06/11)

GENERAL FUND	\$62,092.77
MAJOR STREET FUND	2,667.10
LOCAL STREET FUND	2,263.58
DOWNTOWN DEVELOPMENT FUND	7,768.97
AIRPORT FUND	1,406.71
WASTEWATER FUND	45,381.94
WATER FUND	28,403.79
CABLE TV FUND	12,214.00
DATA PROCESSING FUND	5,034.82
EQUIPMENT FUND	8,510.92
CURRENT TAX FUND	4,586.10
TRAILWAY FUND	262,362.21

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

Item #5. PENDING COUNCIL PROJECTS UPDATE. City Manager Mark Howe stated there are no further updates since the last City Council meeting.

- a. Consumers Energy Sidewalk Report – Mayor Pro Tem Ellison questioned the status of the sidewalk issue. DPW Director DesJarden did not believe it was a safety issue but rather an appearance issue. The areas of concern involve the handicap ramp near Springrove and the curb section on Chatham near Lincoln Lake.

Item #6. RESOLUTION TO PROVIDE FOR THE DESIGNATION OF SEPTEMBER 16, 2011 AS “PRISONER OF WAR/MISSING IN ACTION RECOGNITION DAY”. The Michael J. Bost Chapter 18 of the Vietnam Veterans of America will observe “Prisoner of War/Missing in Action Recognition Day” on Friday, September 16, 2011. A brief ceremony will be held at 2:00 p.m. in the chapel of the Michigan Home for Veterans in Grand Rapids. Mayor Hodges will be attending.

Mayor Hodges read the resolution into record.

IT WAS MOVED BY ELLISON and seconded by ALTOFT to adopt the resolution proclaiming Friday, September 16, 2011 as “Prisoner of War/Missing in Action Recognition Day”.

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

NAY: NONE. ABSENT: NONE. MOTION CARRIED.

Item #7. REQUEST FROM LARKIN’S RESTAURANT TO CLOSE BROADWAY ON SATURDAY, OCTOBER 8, 2011 FOR THE CHILI COOK OFF. Mike Larkin of Larkins Restaurant stated the restaurant will hold its tenth annual chili cook off. The money raised will be going to Flat River Outreach Ministries (FROM).

Broadway will be closed from 8 a.m. to 8 p.m.

IT WAS MOVED BY LAPONSIE and seconded by ELLISON to approve the closure of Broadway Street on Saturday, October 8, 2011 from 8 a.m. to 8 p.m. for the annual chili cook off.

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

Item #8. **JICE PHARMACEUTICALS (218 S. WASHINGTON AND 320 KENT STREET) – APPLICATION FOR AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE (P.A. 198) – PUBLIC HEARING.** City Manager Mark Howe stated Jice Pharmaceuticals is planning an expansion to their business. The expansion would qualify them for a 0.50% tax abatement under Public Act 198 for two years under the current City policy. Because the property is entirely within the Downtown Development Authority District any deferred tax revenue would impact only the DDA.

After conducting a public hearing, the Council may consider a recommendation for approval to the State Tax Commission involving the Jice Pharmaceuticals IFT certificate.

IT WAS MOVED BY ELLISON and seconded by ALTOFT to support the application for an Industrial Facilities Exemption for Jice Pharmaceuticals at 218 S. Washington and 320 Kent Street.

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

Hodges. NAY: NONE. ABSENT: NONE. MOTION CARRIED.

Item #9. **APPROVAL OF CONTRACT TO WILLIAMS & WORKS FOR ENGINEERING SERVICES OF THE HILLSIDE COURT PAVEMENT REHABILITATION PROJECT.** Mark Howe explained this will be the first of several items relating to street projects. The City needs to contract with Williams and Works to provide design services and construction supervision for the Hillside Court project. This is for a contract amount not to exceed \$9,875.

City Manager Mark Howe requested Council approval.

IT WAS MOVED BY ELLISON and seconded by SCHRAUBEN to approve the contract with Williams and Works for engineering services of the Hillside Court pavement rehabilitation project.

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

Howe anticipated bids will be presented to the City Council by October 17, 2011.

Item #10. **AWARD OF CONTRACT FOR CRACK SEALING OF VARIOUS STREETS IN THE CITY.** The City of Lowell received bids from five contractors for crack sealing work on various streets within the City. Only three of the five contractors were able to meet the specifications which were obtained from Williams and Works.

Howe recommended the Council approve the lowest bid from A-1 Asphalt for \$9,849.

IT WAS MOVED BY SCHRAUBEN and seconded by ELLISON to approve the bid from A-1 Asphalt in the amount of \$9,849.

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

Item #11. **AWARD OF CONTRACT FOR REPAIR TO OTTAWA AND BROOK STREETS AND CONSIDERATION OF AN ADDITIONAL CONTRACT FOR MAPLE AND GRAND STREETS.** The City received only one bid for the repair of Ottawa and Brook Streets. It seems most contractors are getting out of the chip sealing business. Snyder Asphalt Inc. submitted a bid in the amount of \$26,440 for this project.

City Manager Howe recommended the Council approve the bid from Snyder Asphalt Inc. in the amount of \$26,440 for repair and chip sealing to Ottawa and Brook Streets.

DPW Director DesJarden noted crack sealing and chip sealing are entirely two different processes.

Councilmember LaPonsie asked how long chip sealing would extend the life of a road. DesJarden estimated three to five years.

IT WAS MOVED BY ELLISON and seconded by SCHRAUBEN to approve the bid from Snyder Asphalt Inc. in the amount of \$26,440 for repair in chip sealing to Ottawa and Brook Streets.

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

In addition, City DPW crews were able to repair portions of Maple and Grand Streets. Snyder Asphalt submitted a bid to chip seal these two streets so the entire area can be completed. Howe provided an update of the previous budget breakdown showing if the project is approved the City is still under the original estimate by \$17,900.

Howe recommended the Council approve the bid from Snyder Asphalt Inc. for \$11,000 for chip sealing Maple and Grand Streets.

IT WAS MOVED BY LAPONSIE and seconded by SCHRAUBEN to approve the bid from Snyder Asphalt Inc. for \$11,000 for chip sealing on Maple and Grand Streets.

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

Item #12. **RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF QUIT CLAIM DEED IN FAVOR OF CITIMORTGAGE, INC. OF A PARCEL OF PROPERTY APPROXIMATELY 35' X 135" ON NORTH HUDSON.** City Manager Howe explained the City deeded property several years ago which contained an error in the legal description. Therefore, a complete legal description has been redrafted.

A resolution was provided to approve the execution of a Quit Claim Deed in favor of CitiMortgage, Inc.

IT WAS MOVED BY ELLISON and seconded by LAPONSIE to adopt the resolution approving and authorizing the execution of a quit claim deed.

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

NAY: NONE. ABSENT: NONE. MOTION CARRIED.

Item #13. **CONSIDERATION OF AMENDING THE CEMETERY RULES AND REGULATIONS.** During a workshop on August 29, discussion involved a change in the cemetery rules which would allow a combination of urns and Shepard's hooks, but not to exceed a total of two items. City Manager Mark Howe provided proposed changes to reflect this discussion.

IT WAS MOVED BY LAPONSIE and seconded by ELLISON to approve the cemetery rules amendment as presented.

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

Item #14. **APPOINTMENT OF OFFICER DELEGATE FROM THE CITY FOR THE MUNICIPAL EMPLOYEES RETIREMENT SYSTEM (MERS) ANNUAL MEETING.** The 2011 Municipal Employees' Retirement (MERS) Annual Meeting is being held September 27-29 at Grand Traverse Resort. Ballots were distributed to the employees to vote for who would represent the City of Lowell as the Employee delegate and alternate. Results of ballots were as follows:

Bob Robinson – Employee Delegate  
Tom Russo – Employee Alternate

Also, an employer delegate and alternate needs to be appointed. It is recommended the Council appoint City Manager Mark Howe as the employer delegate and DPW Director Dan DesJarden as the employer alternate.

IT WAS MOVED BY ELLISON and seconded by LAPONSIE to appoint City Manager Mark Howe as the Employer Delegate and DPW Director Dan DesJarden as the Employer Alternate.

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

Item #15. **UPDATE ON THE BIO-DIGESTION PROJECT.** Lowell Light and Power General Manager Greg Pierce provided a presentation on the proposed bio-digestion project. The facility will produce bio gas which will provide renewable energy for Lowell Light and Power to meet its renewable portfolio standard which is a State mandate under Public Act 295. Light and Power is currently buying renewable energy which is almost twice as much as the other energy being bought. Pierce believed such a facility will be more cost effective.

Light and Power is looking for a private partner in the project. A private partner would make the federal 1603, 30% grant available to the project.

Light and Power received five proposals as follows:

- Novi Energy – Novi Michigan
- UTS Residual Processes – Eaton Rapids
- Fishbeck/Siemens – Grand Rapids
- Eisenmens – California
- SPART – Grand Rapids

After reviewing the combination of credentials, cost estimates, and partnership characteristics, the Lowell Light and Power Board selected SPART to partner in this project.

The estimated cost of the project is \$2.5 million. SPART would own the project for the first 5 years in order to qualify for the Federal 1603 Grant (30% = \$750,000, lowering the total cost to \$1.75 million). Also, a USDA grant request for \$500,000 would be submitted, which if approved would lower the total cost to \$1.25 million.

There would be a negotiated partnering agreement developed between Lowell Light and Power and SPART that would include things like; final purchase price of the facility for Lowell Light and Power after the five years; Lowell Light and Power would own the property and SPART would lease it from Lowell Light and Power; Lowell Light and Power would purchase the gas produced at the facility from SPART for the first 5 years; SPART would pay Lowell Light and Power to operate the facility.

The first choice for site selection is the Lowell Light and Power Chatham property.

Council approval is requested.

Councilmember LaPonsie asked if the federal grant was guaranteed if the project is completed. Pierce stated there is criteria that needs to be met by December 31, 2011. The other is to also show that the project has begun and the ground has been broken. LaPonsie asked if Lowell Light and Power fronts the money to build the facility. Pierce stated SPART pays for the entire project. The only part Lowell Light and Power is responsible for is the building and any improvements or changes.

Councilmember Schrauben questioned why the Chatham property is desired. Pierce stated the main thing is the potential for wastewater disposal there. The facility at Chatham has a 12 inch drain and goes into the main for the wastewater. It has the best capacity potential of all the sites.

Schrauben questioned the benefit of using SPART. Pierce stated they have a bio-digestion system that has been shown to be 15 to 20% more efficient than some of the other manufacturers. Also, they are local and using locally manufactured components.

Schrauben questioned how soon the City would be able to recoup the investments versus continuing to buy the 10% renewable energy. How much cheaper will this energy be? Pierce stated the return on investments for this project is approximately 5 ½ years.

LaPonsie confirmed there would be no odor. Pierce responded no. This is a completely closed system.

Mayor Hodges stated he was not aware Pierce was looking for Council approval at this time and questioned if Howe was ready to make a recommendation. Howe questioned this as well. There are many steps within the process. The Council needs to be careful of approving a project without seeing a site plan. The site plan could even involve some sort of a zoning variance. A consensus to move forward with further consideration can be made, but not approval of the project.

Hodges believed the Council could agree to the thought or idea of the project. However, we need to work through the process.

Pierce stated he is looking for a motion to approve the concept of a bio-digestion facility and move forward recognizing there will be steps along the way.

Without the city attorney's advice, Howe was reluctant to recommend the Council move in this direction. He questioned the purpose of the actual approval. Pierce stated he needs to show commitment to SPART for them to be able to start investing the money in order to fulfill the project and meet the deadline of 12/31/2011. Howe believed this could be put together within the next couple weeks, causing no problems with the deadline. He wished there had been clearer communication, explaining he understood the agenda item would be an update on the project, not necessarily the Council would be asked to take action.

Pierce also referred to the generation piece of the project. There are some generation units which are decommissioning and looking for a replacement. Lowell Light and Power has found a Combustion Turbine generator to meet the immediate 3.5 MW and has the capacity of adding another 3-4 MW to it which would meet the board's strategic goal of ultimately having enough generation to keep the lights on in Lowell if there was an emergency.

The Bio-digestion facility requires heat to maximize the process. They would use the heat of the Combustion Turbine to provide the heat necessary for the bio-digestion facility. This would also be located at the Chatham facility.

No further information was provided.

Item #16. **COUNCIL REPORTS AND COMMENTS.** Councilmember Schrauben stated the Airport Board will meet September 13, 2011 at 7:00 p.m. The Parks and Recreation Commission have rescheduled their meetings to the third Tuesday at 6:30 p.m. as opposed to Saturday mornings. LARA will be meeting on September 14, 2011 at 6:00 p.m.

Councilmember LaPonsie had no meeting information to report. She commented on children heading back to school and hoped everyone had a good day.

Councilmember Altoft hoped to see everyone at the Pink Arrow Game.

Mayor Pro Tem Ellison heard from Jim Hall who serves on the Arbor Board. The trees at the Cemetery have been removed and new landscaping will replace the old ones.

Ellison also commented on her retro pink arrow shirt in memory of Jeanne Shores. She encouraged everyone to buy a shirt and attend the game. National coverage will be there.

Mayor Hodges stated everything continues to go well with Lowell Light and Power. The Chamber of Commerce will meet on September 13, 2011. The Riverwalk Festival is coming soon and they are beginning to plan for Christmas.

Hodges wished the community well as we celebrate Pink Arrow Project Day and all it does toward uniting this community as one.

Item #17. **CITY MANAGER'S REPORT.** City Manager Howe commented on the following:

- The goals and benchmarks as discussed at the August 29 workshop have been updated. Perhaps there can be some additional discussion and have this as an agenda item for adoption at the September 19 meeting.
- The vertical steel rods for the Main Street Bridge that was discussed are being installed. MDOT expects a crew from Aniaan Corp. to be here for about two weeks.
- City Treasurer Sue Olin is taking the lead in working on our citizen's guide and dashboard that are required to be completed for the City to receive Economic Vitality Incentive Program (EVIP) payments (formerly statutory revenue sharing).
- Howe was sworn in as the newest member of the Grand Valley Metro Council representing the City of Lowell. The GVMC will be searching for a new executive Director as Don Stipula has announced his retirement.
- The new email address for the Lowell Police Department is lowellpolice@ci.lowell.mi.us. Police Chief Getzon stated the email address will be monitored by himself and Sergeant Bukala.
- Howe complimented Greg Pierce on the work he has done with the bio-digestion project. There is a short period of time in order to meet Federal 1603 grant. There has also been good discussion regarding such issues relating to the Charter and Ordinances relating to Lowell Light and Power as well as having much discussion regarding the different roles we all play.
- The Planning Commission wanted to put together training for them as well as the Zoning Board of Appeals. Howe noted emails have been sent out regarding meeting dates.
- This week Howe will complete the individual meetings with City employees. It is evident that the City has a dedicated and caring staff serving the residents of the City of Lowell. Howe was honored to join such a fine group of professionals.

Item #18. **APPOINTMENTS**. None.

IT WAS MOVED BY ELLISON to adjourn at 8:43 p.m.

DATE:

APPROVED:

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James W. Hodges, Mayor

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Betty R. Morlock, City Clerk