

PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL

For the Regular Meeting of Monday, December 19, 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, City Treasurer Suzanne Olin, Chief of Police Barry Getzen, DPW Director Dan DesJarden, Light and Power Boardmember and Planning Commissioners Jim Hall and Light and Power General Manager Greg Pierce.

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

IT WAS MOVED BY ELLISON and seconded 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 DECEMBER 5, 2011.**

IT WAS MOVED BY ELLISON and seconded by LAPONSIE to approve the minutes of the December 5, 2011 meeting as written.

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

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

IT WAS MOVED BY ELLISON and seconded 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 (12/19/11)</u> | |
|--|-------------|
| GENERAL FUND | \$53,923.48 |
| MAJOR STREET FUND | 2,627.84 |
| LOCAL STREET FUND | 2,733.63 |
| DOWNTOWN DEVELOPMENT FUND | 27,087.74 |
| AIRPORT FUND | 992.76 |
| WASTEWATER FUND | 46,198.74 |
| WATER FUND | 11,089.81 |

| | |
|----------------------|-----------|
| DATA PROCESSING FUND | 269.30 |
| EQUIPMENT FUND | 1,315.80 |
| CURRENT TAX FUND | 47,838.77 |
| LOOK FUND | 3,894.00 |
| TRAILWAY FUND | 53,311.35 |

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

Item #5. **PENDING COUNCIL PROJECTS UPDATE.** City Manager Howe stated the official notification from the Department of Natural Resources has been received regarding the East Riverbank Renovation. The project has been recommended and it will go to the legislature for funding in January.

Item #6. **ZONING BOARD OF APPEALS.** Mayor Hodges explained his wife works for King Milling and he would abstain from discussion. The meeting was turned over to Zoning Board of Appeals (ZBA) Chair LaPonsie.

A. **139 S. Broadway Street – King Milling Company – Variances related to new buildings.** A number of variances have been requested from King Milling Company. Williams and Works provided a report. They are looking for variances for their side yard setback, lot area, lot width and landscaping.

The ZBA reviewed the six variance criteria necessary to grant the variances. By general consensus, they agreed all had been met.

King Milling Representative Jim Doyle noted the property is very irregular in shape.

IT WAS MOVED BY ELLISON and seconded by ATLFOT to approve the variances at 139 S. Broadway Street, King Milling Company related to the new buildings.

YEA: 4. ABSTAIN: 1. (Mayor Hodges) ABSENT: 0.

NAY: 0. MOTION CARRIED.

The meeting was turned back over to Mayor Hodges.

Item #7. **RESOLUTION APPROVING AND AUTHORIZING THE RENEWAL AGREEMENT FOR LEGAL SERVICES WITH DICKINSON WRIGHT.** Richard A. Wendt of the Dickinson-Wright law firm has served as the City Attorney for the City of Lowell for a number of years. City Manager Howe's experience during the past six months with Wendt has been very positive. Howe has found Wendt to be updated on current statutes which may have recently changed. He is very responsive to questions.

Howe recommended the Council adopt the resolution authorizing a one-year agreement with Dickinson-Wright and Mr. Wendt.

IT WAS MOVED BY ELLISON and seconded by SCHRAUBEN to approve the resolution for the renewal agreement for legal services with Dickinson Wright.

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

NAY: None. ABSENT: None. MOTION CARRIED.

Item #8. **2010-2011 AUDIT PRESENTATION.** Stephen Blann of Rehmann-Robson presented the Fiscal Year 2010-11 Audit. Several of the items that were presented one year ago in terms of the results of the audit were remarkably improved this year. The firm has given the City a clean and unqualified opinion.

Blann noted their primary objective was to design tests to verify the reliability or the accuracy of the numbers. In the process of doing this, the firm not only reviewed the numbers themselves but reviewed the system in place regarding how the City accounts for the operations each day such as the kinds of internal controls you have in place to safe guard the City's assets. As part of this process, anything that comes to their attention in which they believe represents a control matter, is reported.

The two issues to report relates to the process of preparing financial statements at year end. In general, the firm has found the City has appropriate controls for the day to day bookkeeping. There are certain kinds of adjustments which are only required at year end in order to comply with generally accepted accounting principles for external financial reporting. As the City's auditors, they have been involved in the process of converting the City's internal books into this formatted year end. The adjustments have been reviewed with management and these have been approved and accepted. The other issues involve segregation of incompatible duties. This involves staffing limitations of not having enough independent employees to be reviewing and approving. However, the firm understands staffing constraints and the cost factor. He suggested the City do as much as possible to provide this independent review and oversight. These are the only high level issues to be reported.

Blann noted the firm identified some smaller comments and recommendations.

A few financial highlights include non-spendable fund balance which refers to money that is the City's but is not intended to be expended. The next involves restricted fund balance. This balance is the City's and can be spent. But has to be used for specific purposes and there is an outside party that governs the use of it. The next category involves committed monies. This is money that has been earmarked internally by the City board. This money has been set aside with the intent to use it for a particular purpose. The final category involves unassigned funds with no strings attached and can be used in any way.

The City budgeted an increase in fund balance before the year began of approximately \$20,000. This was amended to \$90,000 throughout the year. The ultimate results came out at a favorable increase in fund balance of approximately \$40,000. It was a positive year for the general fund overall.

Councilmember Schrauben questioned the most significant improvement made. Blann responded the most improvement involves there being only one third worth of adjustments giving it a sixty-seven percent improvement in terms of the number of issues being adjusted.

No further information was provided.

Item #9. **STRIKING OF 2006 DELINQUENT TAXES.** City Treasurer Suzanne Olin explained the City of Lowell collects real and personal property taxes. At the end of the year, the City is paid off by the County for real property taxes. However, personal property is the City's responsibility to collect. Given the small amount of \$154.78 owed, Olin recommended this be stricken from the 2006 tax roll.

Mayor Hodges noted the request relates to Faro's Pizza, Lowell Auto Body and Gold Works.

IT WAS MOVED BY LAPONSIE and seconded by SCHRAUBEN to strike \$154.78 from the 2006 personal property tax roll.

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

Item #10. **MONTHLY REPORTS.** No comments were received.

Item #11. **COUNCIL REPORTS AND COMMENTS.** Mayor Hodges stated Lowell Light and Power met. The meeting went very well. There was more discussion concerning the bio digester. The Chamber of Commerce held a great Santa Clause parade. The LOOK Memorial Fund met a month ago and will meet again in January. Hodges wished everyone a Merry Christmas. He also thanked Altoft and LaPonsie for their years of service with Lowell City Council.

Mayor Pro Tem Ellison met with the Arbor Board. They are currently discussing the tree plan. They are also applying for grants to receive funding. One concern involves a tree at the library and the age of it. The tree continues to be treated. Ellison thanked both Altoft and LaPonsie for their years of service. It has been a pleasure working together. Ellison wished everyone a Merry Christmas and Happy New Year.

Councilmember Schrauben stated the Airport Board will meet in February. The LARA Board is reviewing possible funding for planning issues. He also thanked Altoft and LaPonsie for all their work. He commented on LaPonsie's ability to recognize the simple questions that no one else seems to think of. He also thanked Altoft. He appreciated his ability to challenge people and provide new ideas. He wished everyone a Happy Holiday.

Councilmember Altoft thanked everyone. He has learned a lot. He also thanked the citizens of Lowell and his wife for support. Altoft wished everyone a Merry Christmas.

Altoft commented on Ron Wenger and hoped the City realizes what it's lost. He hoped many people would step up and take over what he used to do with the fairgrounds.

Councilmember LaPonsie stated the Lowell Area Fire and Emergency Services Authority met last week. There was discussion regarding a fund balance. They are going to meet with other municipalities to decide what would be the appropriate balance and what should be done for equipment. LaPonsie sent condolences to Wenger family. The fair will not be the same without him.

Item #12. **CITY MANAGER'S REPORT.**

1. A group of community leaders representing Lowell and Vergennes Townships, the Lowell School District, the Lowell Area Chamber of Commerce and the City of Lowell met to discuss the idea of working together to create a long-term vision for the community. The process would involve intensive public input that would help the community define its identity and chart a course for the future. This is an exciting positive step toward taking the next step in building collaboration among the key public entities who serve the community.

2. We are preparing the collaboration report that is required to receive the next round of revenue sharing payments from the state. The report is due by January 1, 2012.
3. City offices will be closed on Friday, December 23 and Monday, December 26, in observance of Christmas Eve and Christmas Day. In addition, offices will be closed on Monday, January 2, 1012, in observance of New Year's Day.
4. Howe thanked LaPonsie and Altoft for hiring him. He is happy to be part of the team. He thanked them for their assistance they have given him during his first 6 months. LaPonsie's expertise in Planning has been a benefit to the City. Howe commented on the knowledge and history Altoft has of the City and thanked him for what he has done to help him as City Manager.
5. Howe wished everyone a Merry Christmas and Happy New Year.
6. The City has been exploring the possibility of obtaining additional liquor licenses through a process that has been identified by Police Chief Barry Getzen. Getzen stated there have been a number of inquiries from current and perspective business owners as to the availability of liquor licenses within the City of Lowell. There are currently none available. Mayor Hodges believed this would be a positive step for the community. Mayor Pro Tem Ellison agreed this should be pursued. Councilmember Schrauben agreed. However, he wanted to see more information. Councilmember LaPonsie asked if there was enough consumer demand. Getzen explained there are very strict guidelines on the use of the license. The actual business has to have more than 50 percent of its business come from non-liquor. Altoft believed it was a good idea and should be pursued.

Item #13. **APPOINTMENTS**. No appointments were made.

IT WAS MOVED BY ELLISON to adjourn at 8:26 p.m.

DATE:

APPROVED:

James W. Hodges, Mayor

Betty R. Morlock, City Clerk