

**PROCEEDINGS  
OF  
CITY COUNCIL  
OF THE  
CITY OF LOWELL  
MONDAY, DECEMBER 1, 2014, 7:00 P.M.**

1. **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.**

The Meeting was called to order at 7:00 p.m. by Mayor Hodges and roll was called by Deputy City Clerk Susan Ullery.

Present: Councilmembers Jeff Altoft, Sharon Ellison, Jim Hall, Matt Mayer and Mayor Jim Hodges.

Absent: None.

Also Present: City Manager Mark Howe, Deputy City Clerk Susan Ullery, Police Chief Steve Bukala, Light and Power Board Chairman Greg Canfield and Light and Power General Manager Greg Pierce.

2. **APPROVAL OF THE AGENDA.**

IT WAS MOVED BY HALL and seconded by MAYER to approve the agenda as amended.

YES: 5. NO: 0. ABSENT: 0. MOTION CARRIED

3. **APPROVAL OF MINUTES OF THE PREVIOUS MEETING(S).**

IT WAS MOVED BY HALL and seconded by ELLISON to approve the regular minutes of the November 17, 2014 meeting as corrected.

YES: 5. NO: 0. ABSENT: 0. MOTION CARRIED.

IT WAS MOVED BY HALL and seconded by ELLISON to approve the closed session minutes of the November 17, 2014 meeting as written.

YES: 5. NO: 0. ABSENT: 0. MOTION CARRIED.

4. **APPROVAL OF THE ACCOUNTS PAYABLE.**

Councilmember Ellison questioned the bill to DataPath Card Services? City Manager Howe stated this relates to a new program that has been implemented to employees in order to access their medical reimbursement account.

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

YES: Councilmembers Altoft, Ellison, Hall, Mayer and Mayor Hodges.

NO: None. ABSENT: None. MOTION CARRIED.

BILLS AND ACCOUNTS PAYABLE (12/01/2014)

General Fund	\$28,644.13
Major Street Fund	2,869.54
Local Street Fund	12.60
Downtown Development	36,772.94
Designated Contr.	46.59
Airport Fund	49.99
Wastewater Fund	21,777.90
Water Fund	13,433.05
Data Processing Fund	248.28
Equipment Fund	697.09
Current Tax Collection	6,906.64

5. **CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.**

No comments were received.

6. **OLD BUSINESS.**

A. Strategic Plan Update. An updated report was provided. City Manager Mark Howe stated a public open house was held regarding the Downtown Development Plan. Final plans and estimates should be presented to the DDA in January.

B. Pending Council Projects Report. No further updates at this time.

C. Purchase and Funding of Purchase of Fire Truck. Councilmember Altoft confirmed grant money was received for this purchase. City Manager Howe responded yes, from the Lowell Area Community Fund. Approximately \$190,000 was received for the truck. This is divided three ways between the City and Lowell and Vergennes Township.

Altoft questioned the dates the money was received. Howe would look into the exact dates.

D. Sidewalks. Councilmember Altoft wanted to know if the sidewalks were completely inspected this year. He questioned where the report is. Howe noted the report was distributed at the November 24 work session meeting. This report refers to all the sidewalks that were labeled either yellow or red throughout 2014.

Don Schneider of 521 Elizabeth stated he lives close to Bushnell and Lowell Middle School. There is a section where there is no sidewalk. He asked if this was going to be taken care of. Schneider was concerned regarding the safety of children walking to and from school. Mayor Hodges noted City Manager Howe would give this information to DPW Director Dan DesJarden.

Perry Beachum of 924 Riverside questioned the meaning of a sidewalk being labeled red versus yellow. He also asked if the City was paying for these sidewalk repairs. Hodges stated the City did some repairs to sidewalks that were designated red (high priority for repair).

Schneider questioned if the homeowner would be responsible for the installation of a sidewalk. Hodges stated maintaining a sidewalk is the responsibility of the homeowner.

- E. Waste Water Plant. Councilmember Altoft did not believe it was appropriate for City Manager Howe to be discussing the Waste Water contract with Waste Water Superintendent Mark Mundt. Mayor Hodges noted this was already discussed during the work session.

IT WAS MOVED BY ALTOFT and seconded by MAYER to have further discussion regarding the Waste Water Treatment Plant at the December 15, 2014 meeting.

Councilmember Ellison stated this was already discussed during the work session.

Councilmember Mayer wanted to see if it was at all possible for the City to run the facility cheaper rather than subcontracting it. Hodges stated Howe is looking at other communities and what their costs are. He is putting together a study.

YES: 2. (Councilmembers Altoft and Mayer)

NO: 3. (Councilmembers Ellison, Hall and Mayor Hodges)

ABSENT: 0. MOTION FAILED.

- F. Union Contract Negotiations. Councilmember Altoft did not know what was going on with union negotiations. He did not want to give up his authority as a councilmember. He stated he has the right to be the final grievance in any grievance procedure. He did not want something put in front of him for him to vote on in a rush. This is his opinion, which is the grievance procedure. He did not believe any councilmember should sign a contract that gives up their rights as a councilmember. He was upset that he is being told he can't talk to his friends.

Councilmember Ellison commented on Altoft's statement about being rushed to make a decision regarding union negotiations. After three years of negotiations, it would be wonderful to make a decision. As a Councilmember there are rules that one must follow as it states in the Charter.

Councilmember Mayer stated as of now, the Councilmembers do not know much about the final negotiation. He believed the Council would be rushed as well.

- G. Inaccuracies of the minutes of previous meetings published online for the public to view. Councilmember Mayer was concerned about some discrepancies of the minutes that are approved and the minutes that are put online.

## 7. NEW BUSINESS

- A. Lift Station Upgrade. Brian Vilmont of Prein & Newhof was present to discuss the report that was presented earlier in the year comparing upgrades to the existing sanitary sewer lift station to installing a new pump station and converting the existing force main between the current lift station and the wastewater treatment plant to gravity feed. A copy of the report was attached for review.

The existing lift station will need extensive upgrading in the very near future. It is the primary lift station on the system handling 100 percent of the waste that is collected in the city and township. In addition, the force main between the lift station and the wastewater treatment plant is at the end of its service life and will need to be replaced at some point in time.

During a workshop the Council asked what the impact could be on sewer rates if the City proceeded with this project. A thorough financial analysis cannot be completed without proceeding with design and construction estimates. The following information may be helpful as the Council considers whether or not to proceed to the next stage.

Prein & Newhof's initial estimate is \$1.2 million for the project. Assuming a 30-year depreciation, that estimate would add \$40,000 per year to operational expenses which potentially equates to \$1.74 per month to the readiness-to-serve charge. Assuming the project is financed over a 20-year period at 4.00% interest, the City would incur first-year interest charges of \$48,000 which could add \$0.88 per month to the readiness-to-serve charge and \$0.24 per 1,000 gallons to the consumption fee. With these assumptions, the project would cost the average user a total of \$3.82 per month.

However, the City currently budgets \$200,000 per year for pay-as-you-go capital improvements. If the annual capital improvement budget is reduced to \$150,000 per year the total readiness-to-serve monthly increase would be reduced to \$0.44 per month resulting in a cost to the average user of \$1.64 per month.

In addition, when an estimated power savings of \$10,000 per year is factored in, the readiness-to-serve increase is reduced to \$0.26 per month and the consumption fee increase is reduced to \$0.18 per 1,000 gallons. This results in a cost to the average user of \$1.16 per month.

It is important to reiterate that this does not represent a thorough financial analysis but should provide a benchmark for discussion and consideration. In addition, the Council has previously discussed the SAW grant from the DEQ and the asset management process that will expect to be undertaken in two years. A component of that process is evaluating rates based on future needs to maintain the system over the long-term, which could have a positive or negative impact.

The City will need to upgrade the existing lift station and replace the force main in the coming years. Prein & Newhof has estimated that the difference between upgrading the current system or installing a new lift station and gravity feed line will be about \$300,000. The estimated power savings of \$10,000 per year will provide a 30-year payback.

Vilmont believed this is really an issue of deciding what is best in the long run. The existing station has already been rehabilitated once. The part of the system that could be reusable would be the shell. He noted there are also many benefits to moving the station.

Councilmember Altoft asked if this would tie into the King Milling project. Vilmont responded yes and this would also satisfy concerns raised with the DEQ regarding capacity of the station.

IT WAS MOVED BY ELLISON and seconded by HALL to authorize the City Manager to proceed with design, construction estimates and a bid package for a new pump station and gravity feed line to replace the existing lift station and force main.

YES: 5. NO: 0. ABSENT: 0. MOTION CARRIED.

- B. GR Forward. Managing Director of Design and Development with the City of Grand Rapids, Suzanne Schulz presented information regarding GR Forward. This is a comprehensive planning process to create a holistic vision for downtown Grand Rapids and the Grand River corridor.
- C. Grand Rapids Foundation: Look Memorial Fund Agreement. The Look Memorial Committee is recommending an agreement with the Grand Rapids Foundation to deposit a portion (\$250,000) of the Look Memorial Funds with the Grand Rapids Foundation for investment and grant purposes.

IT WAS MOVED BY ELLISON and seconded by HALL to approve and authorize appropriate signatures on the agreement with the Grand Rapids Foundation for the Look Memorial Fund.

YES: 5. NO: 0. ABSENT: 0. MOTION CARRIED.

- D. MDOT Annual Application for State Highway Right of Way Permits. MDOT is requesting local governing body approval on a resolution naming individuals who may access their right of way permit application system.

IT WAS MOVED BY ELLISON and seconded by HALL to approve the Performance Resolution for Governmental Agencies.

YES: Councilmember Altoft, Ellison, Hall, Mayer and Mayor Hodges.

NO: None. ABSENT: None. MOTION CARRIED.

- E. 2015 City Council Meeting Dates.

IT WAS MOVED BY HALL and seconded by MAYER to adopt the regular meeting dates for 2015.

YES: 5. NO: 0. ABSENT: 0. MOTION CARRIED.

- F. Possible Changes to Council Rules and Procedures. Councilmember Altoft questioned if email requests should be added to the Council Rules and Procedures. Mayor Hodges thought this may be a misunderstanding. There was discussion at the work session where by City Manager Howe had requested that the Council provide questions to him in writing. Altoft asked if phone calls could also be made. Hodges responded yes and backing it up in writing would be helpful.

8. **COUNCIL COMMENTS**.

Councilmember Altoft commented on the LCTV Fund and the statement made in the Ledger indicating he was the one who suggested the entire amount of money go toward city street improvements. He did not make this motion to take all the money for the streets but rather he made the motion to be up front and honest with everyone about taking the money. If it were to ever come up again before disbursing the funds, he would make the motion that we don't take the money and use it for the streets. He believed it was wrong to have taken it all.

Altoft apologized to Greg Canfield. He did not realize that anyone had promised him a parking lot. Altoft also apologized to the Lowell Light and Power Board regarding the underground wiring. He should have come to their meeting and stated he did not believe the wires were buried properly. He also referred to the Union. Part of this contract is who has the final say on a grievance. The City Charter states the Lowell

City Council has the final say on any grievance. He did not want to relinquish this part of his job. The Council is supposed to follow the Charter.

Altoft referred to the fire truck. He felt he was lied to and believed City Manager Howe knew a fire truck was going to be purchased.

Councilmember Ellison stated the Arbor Board and Downtown Historic Commission had no meetings. Ellison noted she will be attending the DDA meetings until Councilmember Altoft is able to attend these. The LCTV Endowment Board met to discuss the action the City Council took when they decided to use the interest from the LCTV fund to repair local streets within the City. The board was upset regarding the process and what happened. This is a year to year decision. There was no vote to dissolve the board. The LCTV fund is not a community fund. It was money that the City received from the sale of a utility.

Mayor Hodges stated the Santa Claus parade will be on December 6. The Look Memorial Fund met and a resolution with the Grand Rapids Foundation has been accepted.

#### 9. **MANAGER'S REPORT**

1. Four candidates were interviewed for the Water Distribution Supervisor position and have narrowed the field to two candidates for second interviews. The City is still on schedule to have a person in place by December 22.
2. The City will begin the process of posting and hiring a new Director of Public Works in order to have someone in place before Dan DesJarden retires next year.
3. With the passage of the library millage the Englehardt Library will be open on Saturday from 9:30 to 5 p.m. instead of closing at 1:30 p.m. The Kent District Library is looking for acknowledgement or approval from the City of Lowell for the library to be open during this additional time since we incur the expense of utilities and building operations. Formal action by the council is not required, but Howe wanted to know there was a consensus from the council before submitting a letter recognizing and supporting the additional library hours. The Council agreed the new hours would be beneficial to the community.

#### 10. **APPOINTMENTS.**

Mayor Hodges stated two positions are open on the Board of Review.

#### 11. **CLOSED SESSION**

- A. Union Negotiations
- B. Performance of the City Manager

IT WAS MOVED BY ELLISON and seconded by HALL to move to closed session at 8:26 p.m. as allowed under the Open Meetings Act MCL 15.268(c) to discuss union negotiations and personnel issues.

YES: Councilmembers Altoft, Ellison, Hall, Mayer and Mayor Hodges.

NO: 0. ABSENT: 0. MOTION CARRIED.

Council returned to open session at 9:20 p.m.

IT WAS MOVED BY ELLISON to adjourn at 9:21 p.m.

DATE:

APPROVED:

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James W. Hodges, Mayor

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Susan S. Ullery, Deputy City Clerk