

**CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE REGULAR COUNCIL MEETING
DATE 5/26/2015**

The meeting was called to order at 7:00 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance.

Councilmembers Present: Abrams, Gilbert, Hicks, Krueger, Pinkston, Porath, Shumaker.

Councilmembers Absent: None.

Staff Present: City Manager Adam Zettel, City Clerk Juanita Aguilar, DPS Director Tom Svrcek.

Others Present: Ron Schultz, Bob Plumb, Sharon Shumaker, Boots Abrams, Len Thomas, Dave Caudle.

APPROVAL OF MINUTES

Resolution No. 150526-01

(Carried)

Motion by Councilmember Porath
Second by Councilmember Hicks

I Move the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting held Monday, May 11, 2015 to be circulated and placed on file.

YES: Gilbert, Hicks, Krueger, Pinkston, Porath, Shumaker, Abrams.
NO: None. Motion Declared Carried.

APPROVAL OF AGENDA

Resolution No. 150526-02

(Carried)

Motion by Mayor Pro-Tem Abrams
Second by Councilmember Gilbert

I Move the Swartz Creek City Council approve the Agenda as amended, for the Regular Council Meeting of May 26, 2015, to be circulated and placed on file.

YES: Hicks, Krueger, Pinkston, Porath, Shumaker, Abrams, Gilbert.
NO: None. Motion Declared Carried.

City Manager's Report

Resolution No. 150526-03

(Carried)

Motion by Councilmember Shumaker
Second by Councilmember Gilbert

I Move the Swartz Creek City Council accept the City Manager's Report of May 26, 2015, to be circulated and placed on file.

YES: Krueger, Pinkston, Porath, Shumaker, Abrams, Gilbert, Hicks.
NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC

None.

COUNCIL BUSINESS

Civil War Service Recognition of Fisher Brothers

Mayor Krueger presented Len Thomas, Historical Society President, with a proclamation recognizing the Civil War Service of the Fisher Brothers.

2016 Fiscal Year Budget

Public Hearing Open:

Dave Caudle, 4015 Elms Road, stated that it was difficult to do research on the budget and analyze it. Mr. Caudle spoke about the department for Elms Park stating that two years ago \$27,000 was spent on Elms Park, that amount doubled last year and the proposed budget has it doubling again. Mr. Caudle wanted to know why the amounts are going so high.

City Manager Zettel stated that there is a project pending to redo the bathrooms with grant funds, and the match money is in the current budget. Mr. Zettel stated that it will probably go unspent because the grant award hasn't been made yet so it is being projected to carry over into the next fiscal budget. The grant was sent in for \$96,000, with the city contribution being half. Mr. Zettel stated that this is something the Parks and Recreation department has been working on for years, with a lot of it being deferred maintenance.

Mr. Caudle asked about the consolidation with Mundy Township stating that he hasn't seen any savings. Mr. Caudle spoke about the Public Safety Assessment of 4.9 miles projected to generate about \$630,000 next year per the new budget. Mr. Caudle spoke about the different departments; police, school safety, public safety, fire department and building safety, stating that for 2013-2014 there was \$125,000 change. Mr. Caudle stated that if taxes went up \$630,000 and with those departments using the biggest share, where is the other \$500,000?

Mr. Zettel stated that in 2013 the city budgeted a \$300,000 deficit and if the city was to maintain 24 hour services, the gap had to be filled to maintain that service. The idea was that once the Public Safety Assessment was passed, it would fill in that funding gap so they could function at a balanced budget without a \$300,000 operating deficit. The city also hired two new full time officers to get back to the previous staffing. Mr. Zettel stated that a new fire truck was also purchased. Mr. Zettel stated that what the city is now paying for Police Chief services is \$37,500 a year. If the merger doesn't occur and that contract is ceased, the city will have to hire a new police chief which would easily cost \$100,000, which would spike another \$70,000 into the budget. Mr. Zettel stated that there are a number of different impacts on the budget, but the big one was the city moving forward with 24/7 coverage.

City Clerk/Finance Director Juanita Aguilar stated that the Public Safety building holds the fire department and police department, with all of their expenses included. Ms. Aguilar stated that the total combination of expenses to support the public safety is \$1,227,000, so even though there is a Public Safety millage of \$630,000, it only covers 50% of their actual expenses. Ms. Aguilar stated that the Public Safety department is about 55% of the total General Fund budget.

Mr. Caudle stated that his question was why is there such a difference in budgets between 2013-2014 and the new one. Mr. Caudle stated that \$630,000 came in but it doesn't look like \$630,000 went out. Mr. Caudle stated that the new officers were in 847 but not in 718 and there is only \$125,000 difference. Mr. Caudle stated that he suspects part of the money went elsewhere, like to general operating costs.

Mayor Krueger stated that before the Public Safety millage was put into place, the city was scavenging from every other department in the city to keep the police force going. Mr. Krueger stated that there weren't even enough workers in the public works department to even plow the roads on a snow day. Mr. Krueger stated that with the extra money coming in for public safety, the city has been able to replenish the people that were cut from other departments.

DDA Boundary Agreement

Resolution No. 150526-04

(Carried)

Motion by Councilmember Hicks
Second by Mayor Pro-Tem Abrams

WHEREAS, the City of Swartz Creek, County of Genesee, Michigan (the "City") is authorized by the provisions of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), to operate a downtown development authority, and

WHEREAS, it is necessary, for the best interests of the public, to halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the causes of such deterioration, and to promote economic growth, and

WHEREAS, the current boundaries are considered inadequate to finance and effectively operate and impact the community, and

WHEREAS, it is necessary to conduct a public hearing in connection with the consideration of proposed ordinance changes concerning DDA boundaries as required by Act 197.

NOW, THEREFORE BE IT RESOLVED, the City Council determines that it is necessary for the best interest of the public to amend the City's Downtown Development Authority pursuant to Act 197 in order to halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the causes of such deterioration, and to promote economic growth, and the City Council hereby declares its intention to provide for the operation of a downtown development authority pursuant to Act 197.

BE IT FURTHER RESOLVED, there shall be a public hearing on September 14, 2015 at 7:00 PM regarding amendments to the DDA boundaries in the City Council Chambers at City Hall.

Discussion Ensued.

YES: Pinkston, Porath, Shumaker, Abrams, Gilbert, Hicks, Krueger.

NO: None. Motion Declared Carried.

Appropriation—Bid Award, Purchase Road Salt

Resolution No. 150526-05

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Hicks

WHEREAS, the city finds it necessary to control ice and snow accumulation on public streets and parking areas with the application of road salt during winter months; and

WHEREAS, this process requires approximately 1,000 tons of rock salt during a winter season; and

WHEREAS, the City's Purchasing Ordinance, Chapter 2, Article VI, Section 2-406 provides for and encourages cooperative government purchasing practices; and

WHEREAS, the Genesee County Road Commission accepts and awards bids for the purchase of rock salt for application to public rights of way during those relentless and invasive Michigan winters; and

WHEREAS, the County Road Commission negotiated an extension, with increase, of a low bid price with Detroit Salt Company of 12841 Sanders, Detroit, at a unit cost of \$59.83 per ton, and a cooperative purchasing invitation has been extended to the City from the Genesee County Road Commission on May 5, 2015; and

WHEREAS, the City finds that the per-ton cost of \$59.83 cannot be matched if attempts were made to bid on the open market or through private sources.

NOW, THEREFORE, I MOVE the City of Swartz Creek City accept the Genesee County Road Commission's cooperative purchasing extension and appropriate an amount not to exceed \$59,830, plus 10% contingency, for the purchase of rock salt from the Detroit Salt Company, expenses to be distributed proportionate to use at the direction of the City's Finance Director.

Discussion Took Place.

YES: Porath, Shumaker, Abrams, Gilbert, Hicks, Krueger, Pinkston.
NO: None. Motion Declared Carried.

MML Workers Compensation

Resolution No. 150526-06

(Carried)

Motion by Councilmember Pinski
Second by Councilmember Hicks

I Move the City of Swartz Creek approve payment to the Michigan Municipal League in the amount of \$19,446 to cover the annual premium for workers' compensation coverage period from July 1, 2015 to June 30, 2016 and further direct the city's finance director to appropriate the cost of this premium to the appropriate city funds in accordance with the Class Codes identified in the invoice.

YES: Shumaker, Abrams, Gilbert, Hicks, Krueger, Pinkston, Porath.
NO: None. Motion Declared Carried

Scrap Tire Grant—Intersection Repair

Resolution No. 150526-07

(Carried)

Motion by Councilmember Porath
Second by Councilmember Shumaker

WHEREAS, the city submitted a scrap tire grant request to the State of Michigan Department of Environmental Quality to provide \$250,000 towards funding street work in Parkridge Subdivision and on Yarmy Drive; and

WHEREAS, the grant was approved in the amount of \$62,000; and

WHEREAS, the city rejected the bids for the above projects due to a lack of match funds; and

WHEREAS, the DEQ will provide funding for alternate street projects, with a new emphasis on intersections; and

WHEREAS, the city has identified two intersections that are in need of repair and of appropriate scale for the level of funding provided; and

WHEREAS, the city still retains the right to select another project or to withdraw from the grant

Scrap Tire Intersection Projects for 2016

	<u>Fairchild-Miller</u>	<u>Winston-Miller</u>	<u>Total</u>
Construction	\$52,250	\$68,300	\$120,550
Contingency	\$5,225	\$6,830	\$12,055
Design Engineering			\$7,600
Total			\$140,205

program.

NOW, THEREFORE, BE IT RESOLVED the City of Swartz Creek approve the design engineering proposal by Rowe Professional Services in the amount of \$7,600 for design engineering services related to these two intersections, including bidding, with funds to be appropriated out of Fund 202 (Major Street Fund).

BE IT FURTHER RESOLVED, that the City Council directs the City Manager to prepare and execute the grant agreement with the Department of Environmental Quality as included in the city council packet of May 26, 2015.

Discussion Took Place.

YES: Abrams, Gilbert, Hicks, Krueger, Pinkston, Porath, Shumaker.
 NO: None. Motion Declared Carried.

Year End Fiscal Adjustments

Resolution No. 150526-08

(Carried)

Motion by Mayor Pro-Tem Abrams
 Second by Councilmember Shumaker

WHEREAS, Act 621 of P.A. 1978 provides for a uniform budgeting system for local units of government; and

WHEREAS, Act 275 of P.A. of 1980 further prohibits deficit spending by local units of government; and

WHEREAS, the City Council has reviewed the City's 2014 - 2015 Fiscal Year Budget and comparative year-to-date balance sheet of expenses and revenues, and finds that it is not in deficit; however, certain department activity line items may be in deficit.

THEREFORE BE IT RESOLVED, the Swartz Creek City Council hereby authorizes and directs the City Manager to make all necessary year-end budget adjustment amendments.

Discussion Ensued.

YES: Gilbert, Hicks, Krueger, Pinkston, Porath, Shumaker, Abrams.

NO: None. Motion Declared Carried.

MEETING OPEN TO THE PUBLIC:

Dave Caudle, 4015 Elms Road, spoke about the recently defeated proposed road millage. Mr. Caudle spoke about taxes being doubled the previous year with the Public Safety Assessment and that is why he feels the millage failed. Mr. Caudle stated that he feels as if a blend of fixes should be done; a small tax increase as well as an assessment for the roads that need repaired.

REMARKS BY COUNCILMEMBERS:

Councilmember Shumaker commented on the census map in the council packet, asking if it was the same one that is in the conference room and if that is the one the census was based on. He was advised that it was.

Councilmember Gilbert spoke about the Indian cemetery. Mr. Gilbert stated that Henry Crapo never owned that land but that it was owned by one of his relatives. Mr. Gilbert stated that when it was sold there were five acres that were reserved out, but never sold to Henry Crapo. Mr. Gilbert stated that he has the document to prove it.

Councilmember Pinkston asked if there was a time frame when the millings on Winchester Woods, specifically Young and Cardigan, would be done. He was advised that no specific time frame is available at this time.

Mayor Krueger thanked City Manager Zettel for finding and having corrected the error in the City's borders with the Census Bureau.

Mayor Pro-Tem Abrams went through the process for friendly amendments.

Adjournment

Resolution No. 150526-09

(Carried)

Motion by Councilmember Shumaker
Second by Councilmember Gilbert

I Move the City of Swartz Creek adjourn the Regular Session of the City Council meeting at 8:03 p.m.

YES: Unanimous Voice Vote.

NO: None. Motion Declared Carried.

David A. Krueger, Mayor

Juanita Aguilar, City Clerk