

**CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE REGULAR COUNCIL MEETING
DATE 01/27/2020**

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: Cramer, Farmer, Gilbert, Hicks, Krueger, Pinkston, Vacant.

Councilmembers Absent: None.

Staff Present: City Manager Adam Zettel, Clerk Connie Olger, Treasurer Deanna Korth, Andy Harris Director of Community Services, City Attorney Chris Stritmatter.

Others Present: Lania Rocha, Bob Plumb, Michael Berry, Nate Henry, Steve Long, John Wilson, Gary Hicks, Metro PD Chief Bade, Jack Wheatley, Robert Wirostek, Angie Root, Brenda Huyck, Bob Daavettila, Jeff Aronoff.

APPROVAL OF MINUTES

Resolution No. 200127-01

(Carried)

Motion by Councilmember Cramer
Second by Councilmember Gilbert

I Move the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday January 13, 2020 to be circulated and placed on file.

YES Farmer, Gilbert, Hicks, Krueger, Pinkston, Cramer.
NO: None. Motion Declared Carried.

APPROVAL OF AGENDA

Resolution No. 200127-02

(Carried)

Motion by Councilmember Farmer
Second by Councilmember Cramer

I Move the Swartz Creek City Council approve the Agenda as, amended for the Regular Council Meeting of January 27, 2020, to be circulated and placed on file.

YES: Gilbert, Hicks, Krueger, Pinkston, Cramer, Farmer.
NO: None. Motion Declared Carried.

CITY MANAGER'S REPORT

Resolution No. 200127-03

(Carried)

Motion by Councilmember Hicks
Second by Councilmember Gilbert

I Move the Swartz Creek City Council accept the City Manager's Report of January 27, 2020, including reports and communications to be circulated and placed on file.

YES: Hicks, Krueger, Pinkston, Cramer, Farmer, Gilbert.
NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC:

Michael Berry, 9251 Jill Marie, informed council that the prime mapping on the Metro Police Authority hasn't been working since last Fall. Chief Bade responded that it has been down and should be working in the near future.

Angie Root, she recently moved out of the city and that is her reason for her resignation. She wanted to say thank you to all for making her time enjoyable and will miss being a part of the board.

COUNCIL BUSINESS:

RESOLUTION TO APPROVE MID-YEAR BUDGET AMENDMENTS

Resolution No. 200127-04

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Cramer

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 2019 – 2020 Revenue and Expenditure Report through December, and finds that it is not in deficit; however, certain department activity line items may be in deficit; and

WHEREAS, the City Council has received a Budget Amendment Summary and Revenue and Expenditure Reports reflecting proposed changes in budgeted items; and

WHEREAS, new budget amounts necessitate adjustments to the original adopted budget; and

WHEREAS, said supplemental documentation shows the new proposed revenue and expenditures by fund.

THEREFORE BE IT RESOLVED, the Swartz Creek City Council hereby authorizes and directs the city treasurer to make all necessary mid-year budget adjustment amendments to all city funds in accordance with the supplemental documentation (pages 47 to 54) attached.

Discussion Ensued.

YES: Krueger, Pinkston, Cramer, Farmer, Gilbert, Hicks.

NO: None. Motion Declared Carried.

REPUBLIC WASTE NOTICE

DISCUSSION

Mr. Zettel, City Manager briefly discussed the issues the city is having with Republic Waste and wanting a better level of service.

Mr Gary Hicks, Republic Waste Representative, spoke of the labor issues that they had and now they have made that their number one focus. The just received 8 new trucks at the beginning of the year. He would like the opportunity to educate residents through our quarterly newsletter. There has been some major leadership changes, which should decrease their turnover. Call center is improving but still has a lot of flaws. Mr. Hicks encourages residents to call the city and not the call center.

Mr. Zettel commented that Republic Waste is taking steps and he is satisfied for the time being with the progress that has been made, but will continue to track complaints.

COST RECOVERY ORDINANCE

DISCUSSION

Mr. Zettel cost recovery leaning more towards fire services. He is recommending improving our ordinance. Currently our ordinance is limited to invoicing of hazardous waste incidents and incidents involving impaired driving. Most communities engage in cost recovery for false alarms, negligence and intentional fires. He would like to move forward and draft an ordinance if council agrees. Council would like draft prepared for next meeting.

WATER MAIN & ROAD WORK BIDS

DISCUSSION

Mr. Zettel informed council that Glaeser Dawes was the lowest bid, out of five. The bid was approximately 5% under engineers estimate. We should be good to proceed this year and go full scope with a 2 year period.

RESOLUTION AUTHORIZING NOTICE OF INTENT AND DECLARING INTENTION TO REIMBURSE

Resolution No. 200127-05

(Carried)

Motion by Mayor Pro Tem Pinkston
Second by Councilmember Farmer

WHEREAS, the City of Swartz Creek, County of Genesee, State of Michigan (the "City") intends to issue and sell revenue bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Three Million Three Hundred Thousand Dollars (\$3,300,000) for the purpose of paying part of the cost of acquiring and constructing water supply system improvements (the "Project"); and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), provides a means for financing the purchase, acquisition, construction, improvement, enlargement, extension, and repair of public improvements such as the Project through the issuance of revenue bonds; and

WHEREAS, a notice of intent to issue bonds must be published before the issuance of the aforesaid bonds in order to comply with the requirements of Section 33 of Act 94; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue bonds in the *Swartz Creek View*, a newspaper of general circulation in the City.
2. Said notice of intent shall be published as a one-quarter (1/4) page display advertisement in substantially the following form:

NOTICE TO TAXPAYERS AND ELECTORS OF THE
CITY OF SWARTZ CREEK AND TO USERS OF SAID CITY'S
WATER SUPPLY SYSTEM OF INTENT TO ISSUE
BONDS AND THE

RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Council of the City of Swartz Creek, Genesee County, Michigan, intends to issue and sell revenue bonds, pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in an amount not to exceed Three Million Three Hundred Thousand Dollars (\$3,300,000), for the purpose of paying part of the cost of acquiring and constructing water supply system improvements to serve the City.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS SHALL BE PAYABLE solely from the revenues received by the City from the operations of said water supply system. Said revenues will consist of rates and charges billed to the users of the system, a schedule of which is presently on file in the office of the City Clerk. Said rates and charges may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the system, to pay the principal of and interest on said bonds and to pay other obligations of the system.

BOND DETAILS

SAID BONDS will be payable in annual installments not to exceed forty (40) in number and will bear interest at the rate or rates to be determined at a public or private sale but in no event to exceed the maximum rate permitted by law on the balance of the bonds from time to time remaining unpaid.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

Connie Olger
Clerk, City of Swartz Creek

3. The City Council does hereby determine that the foregoing form of Notice of Intent and the manner of publication directed is the method best calculated to give notice to the water supply system's users and the City's taxpayers and

electors of this Council's intent to issue the bonds, the purpose of the bonds, the security for the bonds, and the right of referendum relating thereto.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- a) As of the date hereof, the City reasonably expects to reimburse the City for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$3,300,000.
- d) A reimbursement allocation of the expenditures described in b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.
- e) The expenditures described in b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).
- f) No proceeds of the borrowing paid to the City in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in d) above.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Discussion Ensued.

YES: Pinkston, Cramer, Farmer, Gilbert, Hicks, Krueger.

NO: None. Motion Declared Carried.

RESOLUTION TO APPROVE DISTRICT 3 AND 4 SEWER CAPACITY INVESTIGATIONS

Resolution No. 200127-06

(Carried)

Motion by Councilmember Cramer
Second by Councilmember Hicks

WHEREAS, the city owns, operates, and maintains a system of sewer collection lines that transport sewer to the county interceptors located at various locations in and around the community; and

WHEREAS, capacity limits, especially as it pertains to wet weather events in district 3 and inflow/infiltration in district 4, have been revealed by flow meter analysis conducted in 2019; and

WHEREAS, Rowe Professional Services Company has been working with city staff to prepare solutions for the noted issues in the system and is situated to engage in further testing and analysis that will result in a basis for an improvement plan.

NOW, THEREFORE, BE IT RESOLVED the City of Swartz Creek hereby approves the proposal from Rowe Professional Services Company, dated January 10, 2020, in the amount of \$13,500, funds to be appropriated to the Sewer 591 fund.

YES: Cramer, Farmer, Gilbert, Hicks, Krueger, Pinkston.
NO: None. Motion Declared Carried.

Break
7:59 p.m. to 8:07 p.m.

COUNCILMEMBER ROOT

DISCUSSION

Mayor Krueger commented Mr. Nate Henry is interested in the council vacancy. Mr. Zettel indicated that this is a council appointment within 30 days of the resignation. Mr. Zettel informed the council that the next meeting, February 10th falls within the 30 day period, unless council chooses to have a special meeting. This appointment fills the vacancy until the November 2020 election results.

MEETING OPENED TO THE PUBLIC:

Metro Police Authority Chief Bade updated everyone on the new lobby hours at the Swartz Creek station is 9 a.m. - 3 p.m. Monday through Friday. No administrative personnel on site, everything is done by video device through the Metro headquarters. There has also been a prescription drug drop-off box installed.

REMARKS BY COUNCILMEMBERS:

Councilmember Cramer spoke with Mr. Cherry he would like the council to contact his office. He also would like to see the vacant church on Morrish Road be used as the library.

Councilmember Farmer let everyone know about the Fireman's Chili Cook-off at the American Legion is in a week ½ and should be a good time.

Councilmember Hicks would like Gary Hicks contact information. She is interested in getting information on the recycle program.

Councilmember Gilbert thanked Mrs. Root for being on city council.

Mayor Krueger thanked Mrs. Root for all her service to the city.

ADJOURNMENT

Resolution No. 200127-07

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Farmer

I Move the Swartz Creek City Council adjourn the regular meeting at 8:23 p.m.

Unanimous Voice Vote.

David A. Krueger, Mayor

Connie Olger, City Clerk