

**City of Swartz Creek  
AGENDA**

**Regular Council Meeting, Tuesday, May 26, 2015, 7:00 P.M.  
City Hall Building, 8083 Civic Drive Swartz Creek, Michigan 48473**

1. **CALL TO ORDER:**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**
  - 4A. Council Meeting of May 11, 2015 MOTION Pg. 14
5. **APPROVE AGENDA:**
  - 5A. Proposed / Amended Agenda MOTION Pg. 1
6. **REPORTS & COMMUNICATIONS:**
  - 6A. City Manager's Report (Agenda Item) MOTION Pg. 2
  - 6B. DDA Boundary Change Map & Process (Agenda Item) Pg. 20
  - 6C. Road Salt Price Notice of Cooperative Bid/Negotiation (Agenda Item) Pg. 25
  - 6D. Fiscal Year 2016 Draft Budget (Agenda Item) Attached
  - 6E. Workers Compensation Invoice (Agenda Item) Pg. 26
  - 6F. Crime Free Lease Addendum Pg. 29
  - 6G. Census Bureau Materials Pg. 30
  - 6H. Scrap Tire Grant Materials (Agenda Item) Pg. 33
  - 6I. Road Revenue Legislative Update Pg. 46
7. **MEETING OPENED TO THE PUBLIC:**
  - 7A. General Public Comments
8. **COUNCIL BUSINESS:**
  - 8A. Civil War Service Recognition of Fisher Brothers PROC
  - 8B. Fiscal Year 2016 Budget HEARING
  - 8C. DDA Boundary Amendment RESO Pg. 10
  - 8D. Road Salt Bids for 2015-2016 RESO Pg. 11
  - 8E. Workers Compensation Invoice RESO Pg. 12
  - 8F. Scrap Tire Grant Acceptance RESO Pg. 12
9. **MEETING OPENED TO THE PUBLIC:**
10. **REMARKS BY COUNCILMEMBERS:**
11. **ADJOURNMENT:** MOTION

**City of Swartz Creek  
CITY MANAGER'S REPORT**

**Regular Council Meeting of Tuesday, May 26, 2015 - 7:00 P.M.**

**TO: Honorable Mayor, Mayor Pro-Tem & Council Members**

**FROM: Adam Zettel, City Manager**

**DATE: May 20, 2015**

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**ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS**

✓ **FIRE ENGINE** (*Update*)

The fire department has received their new engine and mobilized it. However, there are a couple sensors that malfunctioned. They are being replaced under warranty by Halt Fire. Chief Cole expects to have it back by the end of month, perhaps before Hometown Days.

✓ **RACEWAY STATUS** (*No Change of Status*)

There is not much happening as far as we can tell. We held off on rezoning because the owner wanted to do some research and work with us on a plan, but that simply has not happened. Obviously, we should work with them to the extent that they are willing. However, as we move forward with the master plan, I think it is clear that we cannot wait for them to come to the table to do what is in the interest of the community.

Their appeal is still pending. The site has not been listed by a broker that we are aware of. For more information pertaining to the appeal, please see prior meeting packets.

✓ **DOWNTOWN PARKING LOTS** (*No Change of Status*)

We await the installation of the single light on Morrish Road by Consumers. This will complete the project.

✓ **STREETS** (*See Individual Category*)

❑ **MORRISH ROAD CLASSIFICATION-BRIDGE CAPACITY** (*No Change of Status*)

The capacity of the Morrish Road bridge is a noted concern as we consider the future of the interchange with I-69. The two lane capacity is significantly lower than comparable commercial areas.

In the interest of securing additional capacity, staff has approached the Region V Metropolitan Planning Commission to place the bridge on the long range transportation plan. This was accomplished last year. However, time may be of the essence, and the long range plan will not address our short and mid-range concerns.

Another initiative we are pursuing to create a higher priority for the bridge is the classification of Morrish Road. The National Functional Class map for the city is attached. The various classifications reflect a hierarchical use and priority system

that is used for funding projects. At this point, we are proposing that the Region V MPO upgrade Morrish from a “major collector” to a “minor arterial.” The MPO has tentatively agreed as long as Clayton Township concurs that this classification should extend north to Corunna Road. The township appears to be on the same page, but more work needs to be done.

Note that this change will not result in any new operating revenues to the city, but it will place a higher priority on the road for projects within the Traffic Improvement Program and any future bridge work.

❑ **MILLER ROAD RESURFACING PROJECT** *(No Change of Status)*

The pre-construction meeting was held on April 16<sup>th</sup>. The project is expected to start the week after Hometown Days, June 1, 2015. The project will be done in overlapping phases.

❑ **20 YEAR STREET PLAN** *(Update)*

At this point, we await action by the State of Michigan. The initial proposal release by the Speaker of the House appeared really bad. Pardon my lack of professionalism, but there is not much about it that would have been functional or beneficial to our community. I have included an article. Note that we are a non-partisan city, and I do not opine on this matter in a partisan fashion. There is not a proposal out there, irrespective of party affiliation, which appears to benefit our community.

See the May 11 report for prior details.

❑ **2015 STREET BIDS-SCRAP TIRE GRANT** *(Update-Agenda Item)*

The State of Michigan indicated that the city can use the scrap tire grant allocation of \$62,000 on alternate projects. They will allow us to transfer this award from the Yarmy/Parkridge projects that were found to be too expensive to a smaller project. This will allow the city to address some problem areas of a smaller scale, such as the intersection of Fairchild and Miller and/or Winston and Miller. In fact, the state encourages use at intersections since the product performs best at these locations.

The city engineer has put together a proposal to address the intersections of Winston and Fairchild. The scope is right where we want it, allowing us to get the full grant amount by equaling the 50% contribution without overspending. These projects make a lot of sense because of their location and the extreme deterioration that is observed.

I have prepared a resolution that will direct the city to execute the grant agreement and to allocate a sum of street money sufficient to design and bid the intersections. Note that the city can execute the grant agreement and chose to work on other street projects or to perform no work at all. We would have until September of 2016 to spend the grant funds.

✓ **WATER – SEWER ISSUES PENDING** *(See Individual Category)*

❑ **SEWER REHABILITATION PROGRAM** *(No Change of Status)*

The city is moving forward with relining of portions of the Worchester Drive sewer line and inspection of sections of Seymour, Greenleaf, Durwood, Valleyview, Birchcrest, Chesterfield, and Chelmsford as approved at the January 26<sup>th</sup> meeting. The scope of work is estimated to cost \$146,320. However, there may be some portions of the project that will require a change order for the purposes of doing a partial excavation where lining is not practical. I will be back with more details.

❑ **KWA** *(No Change of Status)*

The KWA water pipeline project is currently under budget and on schedule. We should be online in 2016.

❑ **STORM SEWER** *(No Change of Status)*

This draft storm water agreement that was presented to the council last month is now in final form, and the county is requesting its approval. The agreement enables limited cooperation with the county to perform specific functions related to the Phase II Stormwater Regulations. This is done for a pro-rated fee, estimated to be \$4,200 for this year. Staff will take a closer look at terms and be back with a recommendation.

❑ **WATER LOSS** *(No Change of Status)*

In addition to previous steps that were reported, the General Motors meter has been replaced and a hydrant meter for the Swartz Creek Area Fire Department has been ordered. We intend to monitor the use this summer and plan to bill for the usage in the next fiscal year.

We will continue to monitor the situation.

❑ **WATER RATES** *(No Change of Status)*

Nothing is official yet, but the county is indicating a 16% increase in water rates. This is terrible news for a commodity that has risen in cost dramatically in recent years. Staff is assessing the impact and will report back to the city council shortly. Given the increases that the city passed along recently, this is a problematic increase. As the council is aware, the problem is Detroit Water and Sewer Authority. Sewer rates are very stable, with that service being provided by the Genesee County Drain Commission-Water and Waste Services Division. Until local control is exercised over water via the Karegnondi pipeline, we can expect Detroit to continue to lash out. With that said, we may be able to absorb some rate increase if it is only temporary in nature. While it is a stretch to assume that the KWA will offer lower rates, it is more likely every time a double digit rate increase is passed from Detroit. An article from the Detroit News is attached.

✓ **PERSONNEL: POLICIES & PROCEDURES** *(No Change of Status)*

A committee has been appointed to review the handbook. Once the attorney's office gives it a look, we will start the review process.

✓ **4438 MORRISH ROAD** *(No Change of Status)*

The DDA is revisiting this issue. It was noted previously that the council had concerns about event parking that currently uses this land, as well as the potential to move

Fortino Drive to the north. The board also considered the financial implications of planning for this site, as well as the timing of the city master plan.

Before proceeding with some potential plans, the board desires a nod from the council as well as a clear budget picture for the DDA, likely to occur in April. The DDA would like to see a future joint meeting between the DDA and planning commission and/or city council.

I put this on again as a discussion item to better ascertain the city council's intention with this property. With a better understanding of the issues at stake and how they may or may not have been addressed to date, the DDA can better understand their role. If there is no objection, they would like to proceed with creating a development option for the site that can be presented to the planning commission and city council for comment and review.

*Background on this issue is included in the April 13, 2015 report.*

- ✓ **SHARED SERVICES, POLICE DEPARTMENTS** *(No Change of Status)*  
There is a possibility that costs relating to the merger, including legal fees and other expenses, may be covered by a third party grant. The city and township are looking into this before expending dollars on the creating of an authority charter.

- ✓ **SPRINGBROOK EAST & HERITAGE VACANT LOTS** *(No Change of Status)*  
Following are issues pending for the three Associations:

SPRINGBROOK COLONY	SPRINGBROOK EAST	HERITAGE VILLAGE
<i>No outstanding issues</i>	<i>No outstanding issues</i>	<i>Seek solution for 4 vacant lots owned by city.</i>

Units continue to sell in Springbrook East and are under construction. At a meeting in the near future, the city council should look at what to do with the sale proceeds. The intention throughout the sale process appeared to be to allocate revenues above the city's input back to the homeowners association. If there is no objection, I will begin working with their leadership on this matter.

- ✓ **MEIJER COMMUNITY DONATION** *(No Change of Status)*  
I have contacted Meijer, and they definitely wish to have a public event to commemorate their contribution to the community. Perhaps a recognition of their donation along the Veteran's walk on Fortino would be appropriate during Memorial Day.

- ✓ **WINCHESTER WOODS LOTS** *(Update)*  
If there is no objection, the planning commission and city council can look to address this issue in the 2015 master plan. For the time being, we may look to add some asphalt millings to the streets to make them passable. Since this is a platted subdivision with public streets, the city is in a position to provide access to the lots by owners for maintenance.

*The original report is included in the April 13, 2015 report.*

- ✓ **NEWSLETTER** *(No Change of Status)*

The next edition of our community newsletter is expected to be distributed in October. Let me know if you wish to supply content or desire to see specific information covered in this edition.

✓ **MEDICAL MARIJUANA MORATORIUM** (*No Change of Status*)

The council placed a moratorium on medical marijuana dispensaries and growing facilities, effective April 23, 2015. This is a 180 day moratorium that is set to expire at the end of October. Among other reasons, the moratorium was put in place to better prepare for pending state legislation that would dramatically alter the playing field.

The planning commission will be considering this issue. If legislation is not passed soon, we should consider amending the ordinance based upon draft versions or other options in lieu of moratoriums.

✓ **RENTAL REGISTRATION AND INSPECTIONS** (*Update*)

We are very close to having a final version of this ordinance, along with the administrative forms and procedures. Since, there was not any comment on the draft ordinance and supporting documentation at the first meeting in April, it appears we will be ready for approval as soon as the attorney signs off on it.

I have also included a “crime free lease addendum” that is used in the state and is being considered by Grand Blanc. This was brought to our attention during a Small Cities meeting. Take a look. A synopsis follows:

The Crime Free Lease Addendum does not require eviction of a tenant for one criminal incident. The addendum provides the rental property owner the tool and ability to deal with a problem if the owner chooses or needs to. The addendum was developed by the Department of Housing and Urban Development and is used by housing authorities. Evictions based on this concept were upheld by the US Supreme Court in 2002 (see *Oakland Housing Authority v. Rucker* and *Department of Housing and Urban Development v. Rucker*).

✓ **K9 UNIT** (*No Change of Status*)

Fundraisers are planned. I will keep the council informed of Ike’s status and those of the various fundraisers.

✓ **FREEDOM OF INFORMATION ACT UPDATES** (*No Change of Status*)

There have been changes to the state Freedom of Information Act (FOIA) which outlines a number of new requirements for local governments (Public Act 563 of 2014).

The changes do compel us to act. We will need to alter our policies, fees, and the informational forms we provide to the public. The changes should not impact business in any significant way, but we will need to update our processes and forms before July 1, 2015. With the amount of attention given to the matter, many good policies and templates already exist, and they are able to objectively achieve the legislative requirements in a user friendly way.

We have a draft set of policies and forms available, but Mr. Gildner is also working on a set. He feels his policy will be better than ours. We shall wait and see.

✓ **5017 THIRD STREET (Update)**

I have been in contact with both adjacent land owners regarding the negotiated split and sale of 5017 Third Street. I suspect arrangements can be made that will be acceptable to all parties. I hope to have written instruments that would convey the properties, with negotiated pricing, by the first meeting in June.

✓ **OTHER COMMUNICATIONS & HAPPENINGS (Update)**

**MONTHLY REPORTS & UPDATES (Update)**

There are no regular reports for this meeting.

**CENSUS BUREAU CORESPONDENCE (Update)**

The city was sent a boundary survey early this calendar year. Upon inspection, it became evident that the Census Bureau was excluding a portion of the city from our recognized jurisdiction. The process was a pain, but I was able to follow their instructions for mapping an amendment using our geographic information system software (ArcMap). I submitted this many weeks ago and was able to solicit a positive response. The impact will not be substantial, but accuracy with such a record can influence many things, including population counts and funding eligibility.

I have included a map showing the changes, as well as a confirmation that the bureau accepted these changes.

✓ **BOARDS & COMMISSIONS (See Individual Category)**

**PLANNING COMMISSION (No Change of Status)**

The planning commission will meet June 2<sup>nd</sup> to continue work on the master plan, as well as the review of the two Dye Road properties that the city owns.

**DOWNTOWN DEVELOPMENT AUTHORITY (Update)**

The DDA met on May 14<sup>th</sup> to go over their budget and a potential boundary amendment. Resolutions were approved for both issues, with more notes on the boundary amendment below.

**ZONING BOARD OF APPEALS (No Change of Status)**

Nothing to report

**PARKS AND RECREATION COMMISSION (Update)**

Their next meeting will be June 3<sup>rd</sup> and include general summer projects, a park bench donation initiative, and library kiosk initiative.

**BOARD OF REVIEW (No Change of Status)**

Nothing to report.

## **NEW BUSINESS / PROJECTED ISSUES & PROJECTS**

✓ **ROAD SALT APPROPRIATION (Resolution)**

Genesee County, with whom we have a cooperative purchasing agreement, has extended a contract with the Detroit Salt Company for the procurement of road salt for

the next season. The price will increase from the current \$52.69 to \$59.83 per ton. This is quite an increase by most measures, but it is still very low compared to what most communities are paying (\$65-\$100/ton). The reason we choose to piggy-back with the county is because of their purchasing power. The cooperative bid includes nine different entities that use approximately 100,000 tons of salt each year collectively. Our city uses about 1,000 tons a year, and there is no way we could bid or negotiate such a deal on our own. A resolution is included that enables this purchase.

✓ **BUDGET HEARING FOR FISCAL YEAR ENDING 2016** (*Public Hearing*)

The budget is included with the packet and is open for public comment. The highlights have been noted on the narratives supplied by the finance director, and there are no significant changes. At this meeting, the public is able to pose questions and comment. The council cannot act on the budget for at least one week, with the expectation that approval will be sought on June 8, 2015.

✓ **DDA Boundary Amendment** (*Resolution*)

There is a request to amend the DDA boundaries. The commercial properties east of Third Street, including Woods and Jan's, were not included in the DDA during formation in 2004. We are not sure why they were left out, but it certainly stands to reason that they SHOULD be included as traditional downtown businesses.

The city has been aware of this for years, but did not amend the boundaries because of a concern that the amendment process would enable the participating taxing authorities to opt out of the entire district. This would eliminate ALL revenues for the DDA. The city attorney recently concluded that such an occurrence is not possible based upon a court decision in Oakland County.

This matter was brought before the Downtown Development Authority on May 14<sup>th</sup>. The process and boundary specifics were discussed (see the included maps and process checklist). After deliberation, the DDA unanimously passed the following resolution:

**Resolution No. 150514-03**

**(Carried)**

Motion by Boardmember Mardlin  
Second by Boardmember Raffaelli

The Swartz Creek DDA recommends that the Swartz Creek City Council amend the boundaries of the DDA, including necessary changes to the Development and Tax Increment Financing Plans, to include the following properties:

7497 Miller, including unimproved parking  
7499 Miller  
7509 Miller  
5015 Third  
5017 Third  
5029 Third  
5033 Third  
5043 Third

YES: Unanimous Voice Vote  
NO: None. Motion declared carried

I think this amendment is in the best interest of the DDA and the city. I have included a formal resolution of intent for the city council to begin the amendment process.

✓ **MML WORKERS COMPENSATION** (*Resolution*)

This is a routine expense. The MML runs an effective and efficient workers compensation program. Our costs are noted, but due to program wide performance, we are the recipient of a nice credit.

**Council Questions, Inquiries, Requests and Comments**

- *“Post hole” inspection:* This inspection, which was inquired after at the last meeting, was for a fence installation.

**City of Swartz Creek  
RESOLUTIONS  
Regular Council Meeting, Tuesday, May 26, 2015, 7:00 P.M.**

**Resolution No. 150526-4A                    MINUTES – MAY 11, 2015**

Motion by Councilmember: \_\_\_\_\_

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

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 150526-5A                    AGENDA APPROVAL**

Motion by Councilmember: \_\_\_\_\_

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

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 150526-6A                    CITY MANAGER’S REPORT**

Motion by Councilmember: \_\_\_\_\_

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

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 150526-8C                    DDA BOUNDARY AMENDMENT**

Motion by Councilmember: \_\_\_\_\_

**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 RESOVLED**, the City Council determines that it is necessary for the best interest of the pubic to re-activate 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.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 150526-8D**

**APPROPRIATION – BID AWARD, PURCHASE ROAD SALT**

Motion by Councilmember: \_\_\_\_\_

**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.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 140526-8E MML WORKERS COMPENSATION**

Motion by Councilmember: \_\_\_\_\_

**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.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 150526-8F SCRAP TIRE GRANT – INTERSECTION REPAIR**

Motion by Councilmember: \_\_\_\_\_

Motion by Councilmember: \_\_\_\_\_

**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

**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
<b>Total</b>			<b>\$140,205</b>

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

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**CITY OF SWARTZ CREEK  
SWARTZ CREEK, MICHIGAN  
MINUTES OF THE REGULAR COUNCIL MEETING  
DATE 5/11/2015**

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.

Others Present: Ron Schultz, Bob Plumb, Jim Florence, Sharon Shumaker, James Barclay, Boots Abrams, Joe Perreault, Wanda Tyler, Penny Messer, Dave Caudle, Elaine Tucker, Jim O'Brien.

**APPROVAL OF MINUTES**

**Resolution No. 150511-01** **(Carried)**

Motion by Councilmember Porath  
Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting held Monday, April 27, 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. 150511-02** **(Carried)**

Motion by Mayor Pro-Tem Abrams  
Second by Councilmember Shumaker

**I Move** the Swartz Creek City Council approve the Agenda as amended, for the Regular Council Meeting of May 11, 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. 150511-03**

**(Carried)**

Motion by Councilmember Shumaker  
Second by Councilmember Hicks

**I Move** the Swartz Creek City Council accept the City Manager’s Report of May 11, 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**

**Women’s Club Presentation**

Members of the Swartz Creek Women’s Club; Boots Abrams, Wanda Tyler, Penny Messer, Elaine Tucker, Joni Ward and Rae Lynn Hicks, presented the city with a check for \$1200 to be used for the Cops In The Park Program. The money was raised by having a chili dinner, silent auction and bake sale.

**Appointments**

**Resolution No. 150511-04**

**(Carried)**

Motion by Councilmember Hicks  
Second by Mayor Pro-Tem Abrams

**I Move** the Swartz Creek City Council concur with the Mayor and City Council appointments as follows:

- #150511-8A1 **MAYOR RE-APPOINTMENT:** **STEVE MARDLIN**  
Downtown Development Authority  
Four-Year Term Expiring November 30, 2019
- #150511-8A2 **MAYOR RE-APPOINTMENT:** **RONALD SCHULTZ**  
Zoning Board of Appeals  
Three-Year Term expiring June 30, 2018
- #150511-8A3 **MAYOR RE-APPOINTMENT:** **JAMES PACKER**  
Zoning Board of Appeals  
Three-Year Term expiring June 30, 2018
- #150511-8A4 **MAYOR RE-APPOINTMENT:** **ROBERT FLORINE**  
Planning Commission  
Three-Year Term expiring June 30, 2018

#150511-8A5 **MAYOR RE-APPOINTMENT:**  
Planning Commission  
Three-Year Term expiring June 30, 2018

**JAMES FLORENCE**

Discussion Ensued.

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

NO: None. Motion Declared Carried.

**Personnel Policy Review Committee**

**Resolution No. 150511-05**

**(Carried)**

Motion by Councilmember Gilbert  
Second by Councilmember Hicks

**WHEREAS**, under the General Operating Rules of the Council, the Mayor, with the advice and consent of Council, may appoint temporary committees whose membership may include persons not on Council; and

**WHEREAS**, such committees must be temporary in nature, have a specific purpose, and include a specific time frame for their activities; and

**WHEREAS**, the city is in the process of adopting a set of personnel policies for use by the city; and

**WHEREAS**, the council desires to enable a committee of councilmembers and staff to further deliberate on the particulars relating to this set of policies.

**NOW, THEREFORE, BE IT RESOLVED**, the City of Swartz Creek City Council hereby creates a temporary committee, to be referred to as the "Personnel Policy Review Committee," for the purpose of reviewing and making recommendations relating to the proposed personnel policies, also known as the employee handbook.

**BE IT FURTHER RESOLVED**, the Personnel Policy Review Committee shall deliver such findings at the regular meeting at or before July 27, 2015 and be subsequently dissolved unless otherwise engaged in further reviews at the direction of the city council.

**BE IT FURTHER RESOLVED**, the membership of the Personnel Policy Review Committee shall be composed of the following individuals:

Councilmember Hicks  
Councilmember Porath  
Councilmember Shumaker  
Michael Gildner – Counsel  
Adam Zettel – Staff Member

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

**Street Construction Bids**

**Resolution No. 150511-06**

**(Carried)**

Motion by Councilmember Pinski  
Second by Councilmember Hicks

**WHEREAS**, the City of Swartz Creek bid out certain street construction and maintenance projects related to “Year One” of the 20 year street improvement plan, including reconstruction of Worchester Drive, with water main, preservation of Yarmy Drive, and preventative maintenance of the Parkridge Subdivision, also known as “Park Place”, and;

**WHEREAS**, the funding of the projects was to be supported by revenues from a proposed local street levy, with potential support from a state ballot initiative and a state grant in the amount of \$125,000, and;

**WHEREAS**, the state and local ballot initiatives failed, and;

**WHEREAS**, the grant award was reduced to \$62,000 by the State of Michigan; and

**WHEREAS**, other revenue sources, including special assessments, are not available or guaranteed for this construction season.

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Swartz Creek City Council hereby rejects all bids outstanding for street work to be performed on Worchester Drive, including water main work, Yarmy Drive, and Parkridge subdivision

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

**3386 & 3350 Dye Road Land Sale**

**Resolution No. 150511-07**

**(Carried)**

Motion by Councilmember Porath  
Second by Mayor Pro-Tem Abrams

**WHEREAS**, the city acquired real property located at 3386 Dye Road on December 28, 2010, parcel ID 58-29-551-026 and 3350 Dye Road parcel ID 58-29-551-028, at no cost, by means of a quit claim deed; and

**WHEREAS**, the land is vacant, with a single family house having been demolished in August of 2009; and

**WHEREAS**, there is interest in these parcels from the adjacent land owner; and

**WHEREAS**, these parcels currently zoned General Business District, have potential for development; and

**WHEREAS**, these parcels are known to be in an area that has experienced depressed values and an uncertain future; and

**WHEREAS**, the City of Swartz Creek City Council finds no direct public benefit or purpose to ownership of these parcels; and

**WHEREAS**, the same council desires to exhaust all options before transferring any real property under its ownership in accordance with the land sale policy; and

**NOW THEREFORE, BE IT RESOLVED**, the City of Swartz Creek City Council hereby directs the planning commission to review each parcel in the context of the neighborhood setting and the city master plan to determine what future use will be in the best public interest, such findings to be reported back to the city council no later than July 31, 2015.

Discussion Took Place.

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

### **2015-2016 FY Budget, Set Public Hearing**

**Resolution No. 150511-08**

**(Carried)**

Motion by Mayor Pro-Tem Abrams  
Second by Councilmember Shumaker

**I Move** the City of Swartz Creek set a Public Hearing, to be held on Tuesday, May 26, 2015 at 7:00 PM, at the regularly scheduled City Council Meeting, or as soon thereafter as this matter can be heard, to hear public comments and needs regarding the Proposed 2015-2016 Fiscal Year Budget, and further, post a notice of the public hearing in the View News, with a copy of the proposed budget to be available in the Clerk's Office beginning May 12, 2015.

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

### **MEETING OPEN TO THE PUBLIC:**

Sharon Shumaker, 4084 Jennie Lane, spoke about a conversation she once had with her late father-in-law, asking him if he ever objected to paying school taxes. She stated that he responded, "No, the ones before me paid the school taxes and educated my five children so now I'll just help with the next ones. Ms. Shumaker made the comparison to residents and how some people feel about their responsibilities on the road millage.

**REMARKS BY COUNCILMEMBERS:**

Councilmember Pinkston spoke about his neighbors who are originally from Canada, stating that they said there is a 13% tax there and the roads are wonderful. Mr. Pinkston thanked the Save Our Streets committee, stating that it was a great bunch of people.

Councilmember Gilbert talked about a service at the Veteran’s Memorial on Memorial Day at 1:00 in the afternoon, with a meal at the American Legion Hall after.

Councilmember Hicks spoke about hearing gunshots near Greenleaf the previous weekend. Ms. Hicks asked if there was a gun range near that area. She was advised that it had to be somewhere south of the city. Ms. Hicks asked if something could be mentioned in the next newsletter stating that firearms cannot be discharged in the city.

Councilmember Gilbert stated that on Raubinger Road near Hill Road, there is some sort of gun range and he heard shots being fired for a solid four hours on the previous Sunday.

Councilmember Shumaker spoke about the new streetlight changes that are taking place. Mr. Shumaker stated that he believes the lighting is better with the new lights. Mr. Shumaker spoke about a dedication at the cemetery on Seymour Road by the Daughters of the American Revolution on June 13<sup>th</sup> at 11:00am with a luncheon following at Elms Road Park.

Councilmember Porath spoke about the Save Our Streets committee knocking on doors the week before the election. Mr. Porath stated that the whole committee was great.

Mayor Pro-Tem Abrams stated that he wasn’t particularly thrilled with the millage request since it would seriously impact his personal finances, but he voted yes anyway.

Mayor Krueger spoke about going door to door promoting the proposed millage.

**Adjournment**

**Resolution No. 150511-09**

**(Carried)**

Motion by Councilmember Shumaker  
Second by Mayor Pro-Tem Abrams

**I Move** the City of Swartz Creek adjourn the Regular Session of the City Council meeting at 8:22 p.m.

YES: Unanimous Voice Vote.  
NO: None. Motion Declared Carried.

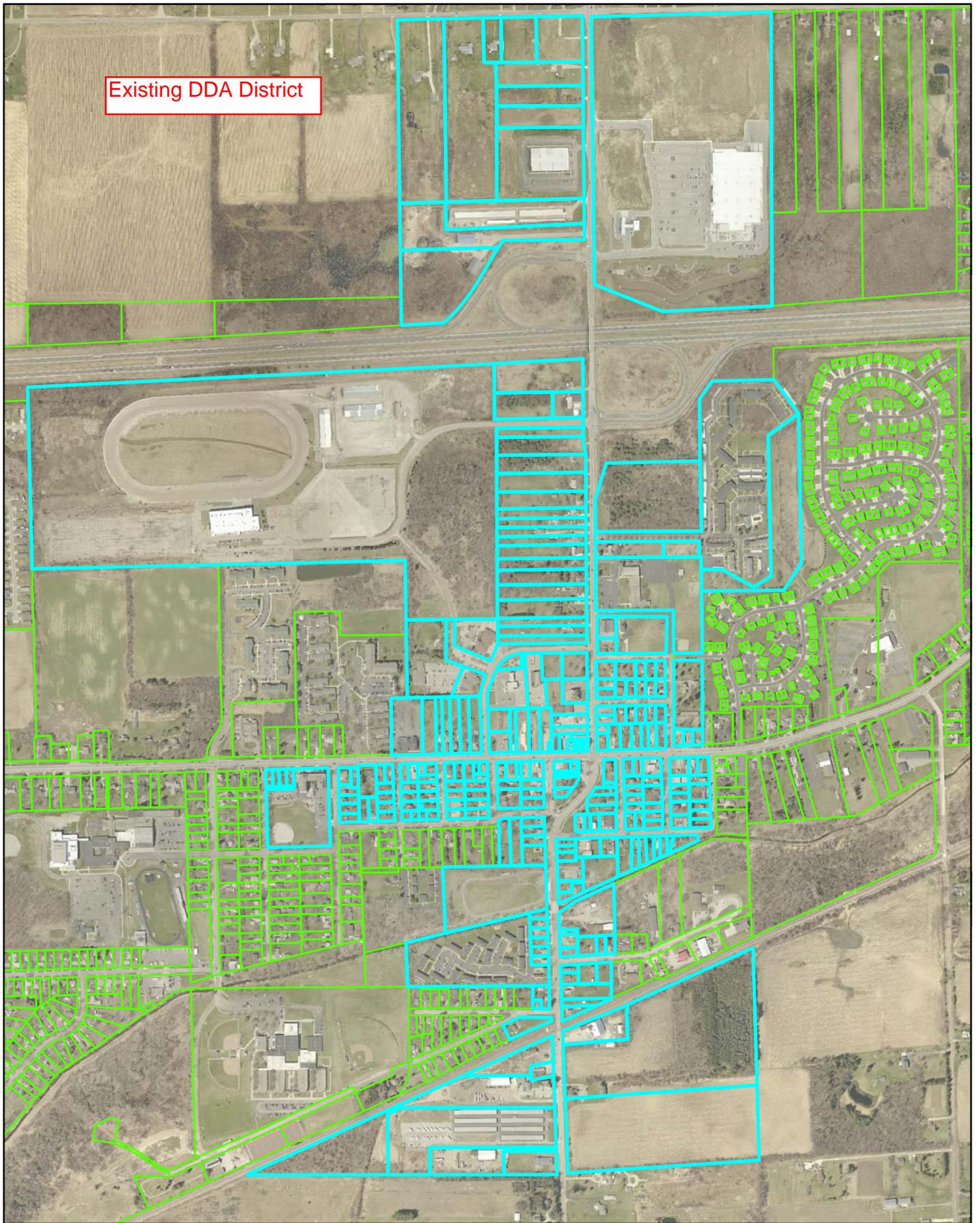
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**David A. Krueger, Mayor**

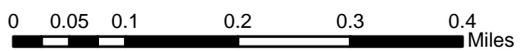
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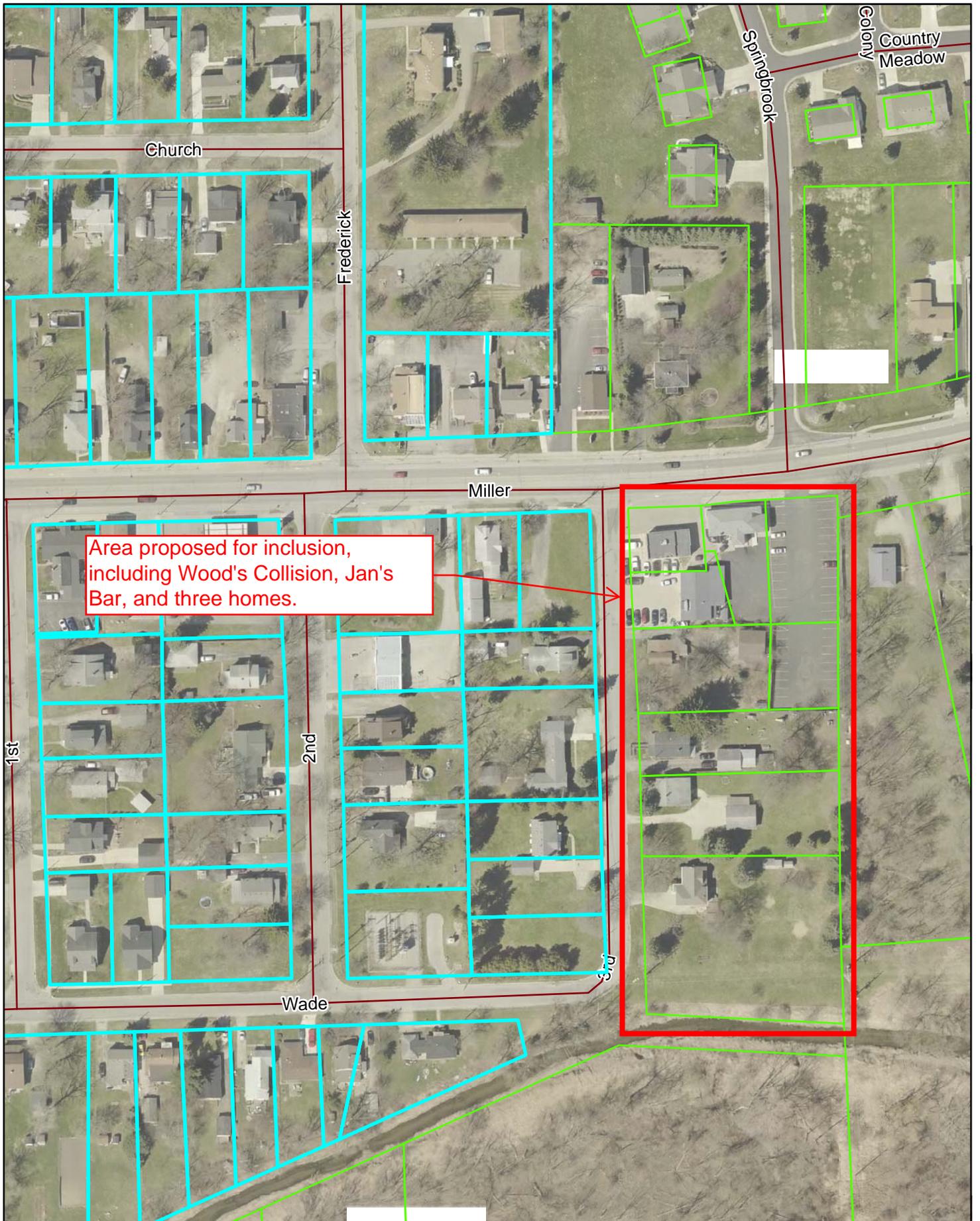
**Juanita Aguilar, City Clerk**

Existing DDA District



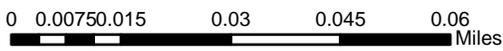
# City of Swartz Creek

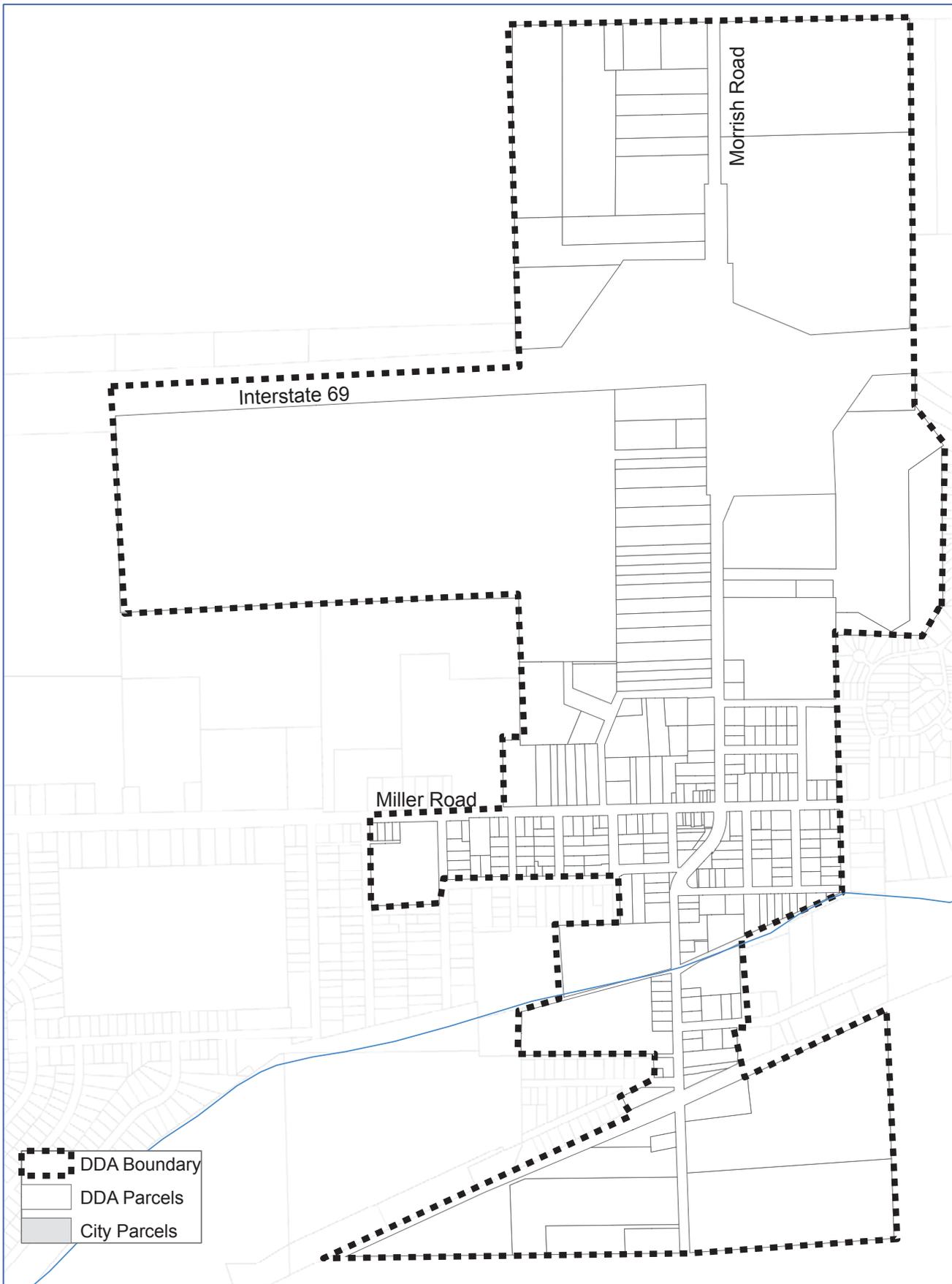




Area proposed for inclusion, including Wood's Collision, Jan's Bar, and three homes.

# City of Swartz Creek





# Downtown Development Authority

## Map 1: Base Map

# Swartz Creek DDA Boundary Amendment

## Step by Step Process

May 2015

*The following are steps to be taken should the city council of Swartz Creek pursue a DDA boundary amendment and related development/tax increment financing plan amendment.*

**Step One:** The city council has the option to propose an amendment to the DDA boundaries with a resolution of intent. After said resolution of intent to hold a public hearing on the matter, including development and TIF plan amendments, the City must comply with proper posting, certified mailings, and notifications concerning the property owners in the proposed district and all taxing jurisdictions save those that are ineligible for capture (schools). The time frame for this is no less than 20 days and no more than 40 days.

**Step Two:** In specified time frame (20-40 days), the city council shall hold a public hearing on the boundary amendment. There shall also be a separate hearing, held the same day, regarding updates to the development and TIF plans.

**Step Three:** Not less than 60 days after the public hearing, the City Council may adopt the new boundaries by ordinance. Note that during the 60 day period, taxing authorities may opt out of the capture that would be applied to the proposed additions to the DDA district. Authorities may also comment on the development/TIF plans, which shall also be approved by ordinance.

### Timeline:

May 26, 2015	Resolution of intent to amend boundaries of old DDA, amend the development plan, and amend the TIF plan; set public hearings for September 10, 2015.
June-July, 2015	DDA to draft amendments for review and comment prior to the public hearing.
August, 2015	Notices are posted, published, and sent in accordance with statute.
September 14, 2015	Hold public hearing on DDA boundary amendment. Hold public hearing regarding the development & TIF plan amendments.
October-November, 2015	Work with taxing authorities and public on review and comment.
December 7, 2015	Pass ordinance confirming the proposed boundary change. Pass ordinance amending the development/TIF plan.

## **Posting Requirements:**

Publication dates for the DDA public hearing are Thursday, August 6, 2015 and Thursday, August 20, 2015 for the Swartz Creek News.

20 postings in the downtown area, first class notices to taxpayers of record, and certified letters to the governing bodies of the taxing jurisdictions should be placed/postmarked no later than August 13, 2015 (at least 20, no more than 40, days before hearing).

Notice shall include:

- A description of the DDA/development area
- A statement that supporting documents are available for public inspection
- The location where such documentation is available
- A statement that all aspects of the plan will be open for discussion
- The time, place, and date of the hearing
- The impact of the amendment (for taxing authorities only)

The following taxing authorities must be notified of boundary amendment in writing:

- Mott Community College
- City of Swartz Creek
- Genesee County Board of Commissioners
  - Genesee County Parks
  - Genesee County Sheriff
  - Genesee County District Library
  - Bishop International Airport
  - Mass Transportation Authority
  - Office of Senior Services
  - Genesee County Health Department
  - Department of Veteran Services
  - MSU Extension
  - Genesee County Animal Control

## **Implementation Requirements:**

Two separate ordinances must be drafted and passed, one for the DDA boundary amendment and one for the development/TIF plan amendment. These MAY be able to be drafted into one ordinance. The resulting ordinance(s) must be published in accordance with the charter and sent to the Secretary of State. It is desired to have the ordinance(s) be effective December 30, 2015, 20 days after publication on December 10<sup>th</sup>.

The assessor must be notified to adjust capture on amended parcels.



**FINANCE DEPARTMENT  
PURCHASING OFFICE**

May 5, 2015

**City of Swartz Creek**  
8083 Civic Dr  
Swartz Creek, MI 48473

**Subject: 2015-2016 - Winter Season—Item #32--Bulk Rock Salt**

Mr. Tom Svrcek:

This correspondence is to inform you that the Genesee County Road Commission Board of Commissioners approved the 2015-2016 Winter Season—Bulk Rock Salt Bid to the following company:

**Detroit Salt Company**  
12841 Sanders Street  
Detroit, MI 48217  
Phone #(313) 841-5144

Due to the partnering/business relationship with the Genesee County Road Commission and the agencies that piggyback from our contract, Detroit Salt Company/CEO and the GCRC Purchasing negotiated the unit price of \$59.83 ton for the 2015-2016 Budget Year.

Each agency that is cooperatively purchasing from our salt bid will be responsible for ordering their salt separately. Salt will be ordered on an as needed basis.

Your projected usage of Salt for the 2015-2016 Winter Season was **1,000 tons**.

Please understand that this was a negotiated pricing. We cannot guarantee that this unit price will be the same again next year.

I would like to reiterate that you will be dealing directly with the vendor for ordering and invoicing of your salt.

Enclosed you will find copies of all necessary papers to proceed with your order.

If you have any questions, please contact Joyce McClane in the Purchasing Office at (810) 767-4920, ext. #282 or email: [jmcclane@gcrc.org](mailto:jmcclane@gcrc.org)

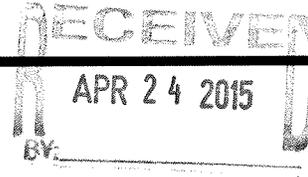
Sincerely,  
GENESEE COUNTY ROAD COMMISSION

A handwritten signature in cursive script that reads "Joyce McClane".

**Joyce McClane**  
Purchasing Manager



michigan municipal league  
**Workers' Compensation Fund**



April 20, 2015

MaryJo Clark  
City Of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

Dear Ms. Clark:

Enclosed are the following documents for your Workers' Compensation coverage renewal for the period July 1, 2015 to June 30, 2016.

- Policy Declaration
- Certificate of Membership
- Invoice (payable by June 15<sup>th</sup>)

This year, the Fund has been authorized to distribute \$8.75 million of surplus for the Fund years June 30, 1997-2001, 2004-2005, 2009-2010, and 2013-2014. Your proportionate share of the distribution is shown below:

**Dividend Credit            \$8,427.00    Applied to this year's renewal premium**

Please review the enclosed documents and contact me at 248-204-8530 if you have any questions.

Sincerely,

*Laura Martin*

Laura Martin, AIS, AU, AINS  
Fund Underwriter

Enclosures  
5000860-15

Service Provider: **Meadowbrook® Insurance Group**

**Loss Control & Member Services:** P.O. Box 5174, Southfield, MI 48037 PH: 248.358.1100 • 800.482.2726 • FX: 248.358.0534  
**Southfield Claims Service:** P.O. Box 5174, Southfield, MI 48086-5174 PH: 248.358.1100 • 800.482.2726 • FX: 248.358.3251  
**Grand Rapids Claims:** 3196 Kraft Ave., S.E., Suite 206, Grand Rapids, MI 49512-2065 PH: 616.942.0311 • 800.752.7477 • FX: 616.942.0390



michigan municipal league

# Workers' Compensation Fund

1675 Green Road Ann Arbor, MI 48105-2530  
Phone: (800) 653-2483 Fax: (734) 741-1774

## INVOICE

Swartz Creek, City Of  
8083 Civic Drive  
Swartz Creek, MI 48473

Customer #: 5000860-15  
Invoice #: 2390204  
Installment #:  
Invoice Date: 04/20/2015  
Due Date: 06/15/2015

Payment Amount: \$ \_\_\_\_\_

Make Payable and mail to: MML Workers' Comp Fund  
P.O. Box 972081  
Ypsilanti, MI 48197-0835

Please remit top portion with payment

For any questions regarding payment information, please contact Insurance Accounting at (734) 669-6373.  
For any questions regarding invoice or policy information, contact Underwriting at (248) 204-8530.

### MICHIGAN MUNICIPAL LEAGUE WORKERS' COMPENSATION FUND

Invoice No: 2390204

Invoice Date: 04/20/2015

Due Date: 06/15/2015

POLICY/REF NO.	DESCRIPTION	AMOUNT
5000860-15	Policy Premium 7/1/2015 to 7/1/2016	\$19,446.00
	TOTAL DUE	\$19,446.00

**Michigan Municipal League Workers' Compensation Fund**

04/20/2015

Declaration Page

5000860-15

City Of Swartz Creek  
 Attn: MaryJo Clark  
 8083 Civic Drive  
 Swartz Creek, MI 48473

Coverage Period 7/1/2015 to 6/30/2016

RENEWAL

Class Code	Class Description	Estimated Annual Payroll	Rate per \$100 of Payroll	Estimated Annual Premium
5509-00	Street Operations	71,609	7.13	5,106
7520-00	Water Operations	65,640	3.61	2,370
7580-00	Sewer Operations	55,935	2.33	1,303
7720-01	Police Officers	521,729	2.72	14,191
8395-00	Garage Operations	9,055	3.35	303
8810-01	Clerical-Office	324,657	0.43	1,396
8810-02	Elected Officials	18,381	0.23	42
9015-00	Building Operations	35,375	3.88	1,373
9102-00	Parks & Recreation	38,161	2.91	1,110
9220-00	Cemetery Operations	971	3.48	34
9403-00	Refuse Collection	35,566	7.03	2,500
	Totals:	\$1,177,079		\$29,728

Coverage Amount

Employers Liability: \$500,000  
 Workers' Compensation: STATUTORY

**Annual Premium Due By June 15th: \$19,446**

City Council Packet

Total Standard Premium	\$29,728
Increased Employers Liability Limit	\$0
Experience Modifier: .94	(\$1,784)
Modified Premium	= \$27,944
Size of Premium Credit	(\$221)
Expense Constant	\$150
Total Estimated Premium	= \$27,873
(Dividend Credit)	(\$8,427)
<b>NET ESTIMATED ANNUAL PREMIUM</b>	<b>May 26, 2015 \$19,446</b>

# Crime Free Lease Addendum

**In consideration of the execution or renewal of a dwelling unit identified in the lease, Resident and Owner/Manager agree as follows:**

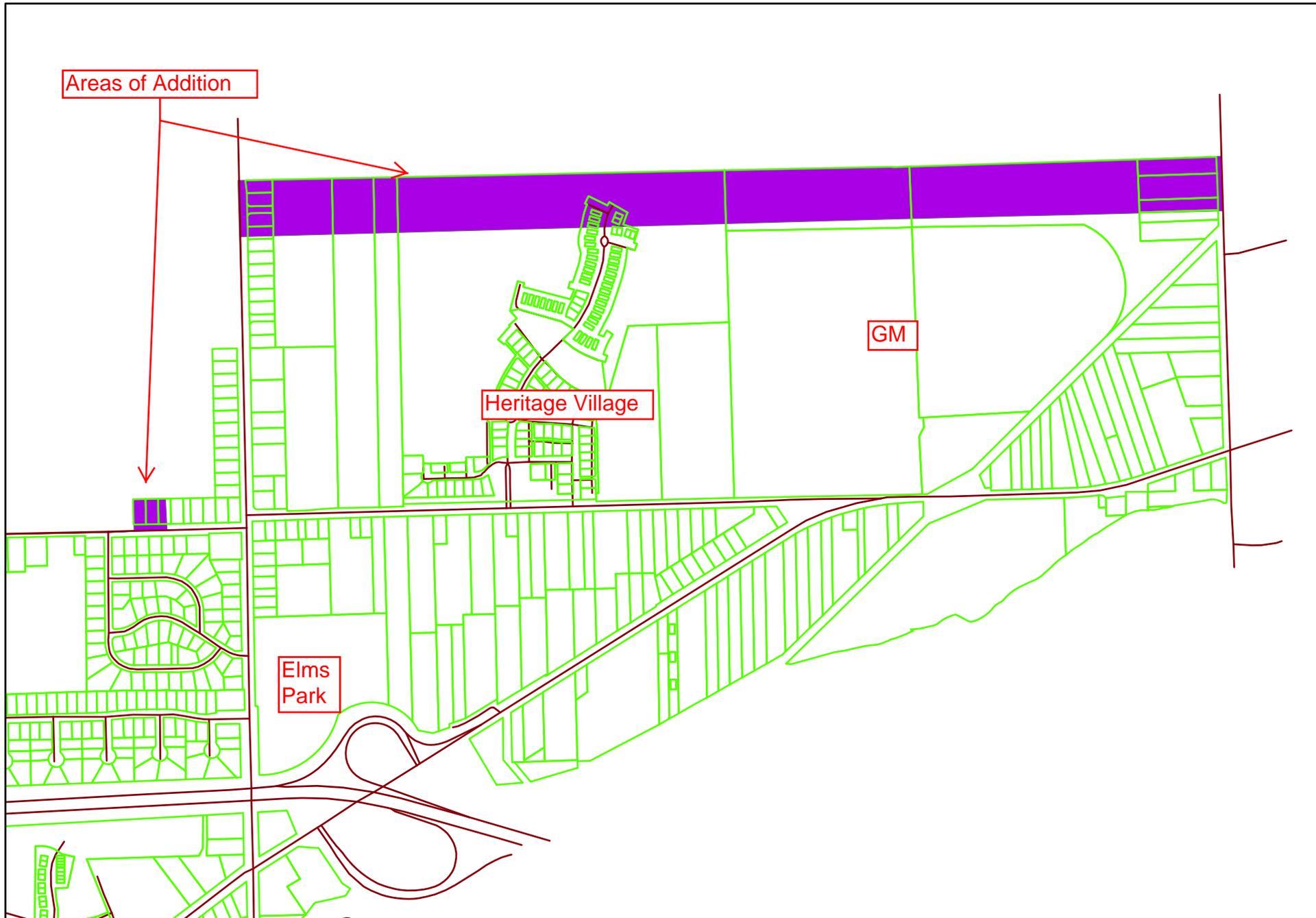
1. Resident, any members of the resident's household, any guest or other person under the resident's control shall not engage in any criminal activity, including drug-related criminal activity, on the said premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, or use of a controlled substance or the possession with intent to manufacture, sell, distribute, or use of a controlled substance.
2. Resident, any members of the resident's household, any guest or other person under the resident's control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity.
3. Resident or any members of the resident's household shall not permit the dwelling unit to be used for or to facilitate criminal activity, including drug-related criminal activity, regardless of whether the individual engaged in such activity is a member of the household or a guest.
4. Resident, any members of the resident's household, any guest or other person under the resident's control shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of a controlled substance at any location within the apartment community.
5. Resident, any members of the resident's household, any guest or other person under the resident's control shall not engage in any illegal activity including: prostitution; criminal gang activity; assaultive, threatening, or intimidating behavior, including but not limited to the unlawful discharge of firearms on or near the dwelling unit; serious property damage; any behavior the otherwise jeopardizes the health, safety, and/or welfare of the property owner, property management or their employees, or any other resident or guest.
6. **VIOLATION OF ANY OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR IMMEDIATE TERMINATION OF THE LEASE AND TENANCY.** It is understood and agreed that a single violation of any provision of this addendum shall be deemed a serious violation and a material and irreparable noncompliance and shall result in the immediate termination of the lease. Unless otherwise provided by law, proof of a violation shall not require a criminal conviction, but shall be by a preponderance of the evidence.
7. In the case of conflict between the provisions of this addendum and any other provisions of the lease, the provisions of this addendum shall govern.
8. This LEASE ADDENDUM is incorporated into the lease executed or renewed this day between the Owner, or Owner's Agent, and the Resident.

**Resident Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

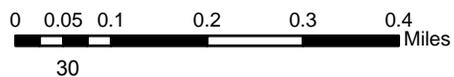
**Resident Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Owner/Manager** \_\_\_\_\_ **Date** \_\_\_\_\_

Notice: Michigan law establishes rights and obligations for parties to rental agreements. This agreement is required to comply with the **Truth in Renting Act**. If you have a question about the interpretation or legality of a provision of this agreement, you may seek assistance from a lawyer or other qualified person.



City of Swartz Creek  
Census Map Additions 2015  
City Council Packet



May 26, 2015

**From:** [GEO BAS \(CENSUS/GEO\)](#)  
**To:** [Adam Zettel](#)  
**Subject:** Re: 12600077700, Swartz Creek city  
**Date:** Thursday, May 14, 2015 7:32:42 AM

---

Mr. Zettel,

We have received the 2015 Boundary and Annexation Survey (BAS) submission for Swartz Creek, which includes 3 boundary corrections. One of the changes reported is a small sliver about 0.018 feet wide, so it will be deleted leaving the two larger boundary corrections. Since neither of these changes were legal changes and reported as BCs, they will be processed and digitized into our geographic database during Cycle 2 of our operations. Cycle 1 for BAS processing and digitizing focuses on legal changes...annexations, deannexations, etc. Your changes will be made within the next couple of months and will be reflected in the 2016 BAS materials.

Please let us know if you have any questions.

Thank you,

Shawn Smith  
Geographer

### **Boundary and Annexation Survey**

U.S. Census Bureau  
Office: 1-301-763-1099  
Toll-Free: 1-800-972-5651  
E-mail: [geo.bas@census.gov](mailto:geo.bas@census.gov)  
[Boundary and Annexation Survey Home Page](#)

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**From:** Adam Zettel <[azettel@cityofswartzcreek.org](mailto:azettel@cityofswartzcreek.org)>  
**Sent:** Wednesday, May 13, 2015 12:59 PM  
**To:** GEO BAS (CENSUS/GEO)  
**Subject:** 12600077700, Swartz Creek city

We submitted digital information regarding changes in the boundary of our community. I have not had confirmation that they have been applied. I am requesting a status update.

Thank you,

*Adam Zettel, AICP*  
City Manager  
Swartz Creek City  
8083 Civic Drive  
Swartz Creek, MI 48473

810.635.4464 general office

810.287.2147 cell

[azettel@cityofswartzcreek.org](mailto:azettel@cityofswartzcreek.org)

<https://www.facebook.com/CityofSwartzCreek>

*This communication, along with any documents, files or attachments, is intended only for the use of the addressee and may contain legally privileged and confidential information. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of any information contained in or attached to this communication is strictly prohibited. If you have received this message in error, please notify the sender immediately and destroy the original communication and its attachments without reading, printing or saving in any manner. This communication does not form any contractual obligation on behalf of the sender or the City of Swartz Creek and, when applicable, the opinions expressed here are my own and do not necessarily represent those of the City.”*



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



DAN WYANT  
DIRECTOR

May 19, 2015

Adam Zettel  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, Michigan 48473

Dear Mr. Zettel:

SUBJECT: Fiscal Year 2014/2015 (FY15) - Scrap Tire Market Development  
Grant Contract (Contract)

You are hereby informed that your grant application for a scrap tire market development project under the FY15 Scrap Tire Market Development Grant Program has been recommended for funding. When fully executed, your FY15 Contract for \$62,000.00 would provide funding towards the cost of purchasing equipment and/or for research and development to provide for a new or increased use for scrap tires.

To accept the award, you must sign two originals of the enclosed Contract and return both to the Michigan Department of Environmental Quality (MDEQ). The Contract language should not be altered in any way. The Contract will become effective once it is signed by you (the Grantee) and Bryce Feighner, Acting Chief, Office of Waste Management and Radiological Protection.

The Contract must be signed by an individual authorized to make such a legal commitment for the Grantee. The Grantee's Contact may be someone other than the signatory, but this individual must be authorized to request and implement changes and to sign reimbursement requests submitted under the Contract.

The Contract identifies the project ending date as September 30, 2016. Your grant application serves as the scope of the project; consequently upon signature of the Contract, you commit to carrying out the project as stipulated in your application. No costs should be incurred nor should work commence on this project, until after your Contract has been fully executed; therefore, it is important that the signed Contract be returned as soon as possible. Proposed changes must be discussed with and approved by your MDEQ Project Manager, Mr. Michael Marshall; for that reason you should not incur any project costs until proposed changes have been approved. He can be reached at (517) 614-7431; or at [marshallm7@michigan.gov](mailto:marshallm7@michigan.gov).

Appendix A of the Contract outlines the reimbursement and payment process and also stipulates the maximum funding amount for your project. Actual reimbursement authorized under the Contract will be determined based on the actual invoices and payments made for scrap tire materials purchased and installation of material completed.

Reimbursement requests submitted to the MDEQ must include proof of payment for the scrap tire materials purchased and activities completed.

Please return your signed Contracts to my attention at the following address:

Scrap Tire Regulatory Program  
Solid Waste and Land Application Section  
Resource Management Group  
Department of Environmental Quality  
P.O. Box 30241  
Lansing, Michigan 48909-7741

Your original signed Contracts must be received in this office by 5:00 p.m., on June 18, 2015, in order to ensure that you will be funded for FY15.

If you have any questions relating to overall contract administration please contact me by phone, e-mail or at DEQ-ODWMA, P.O. Box 30241, Lansing, Michigan 48909-7741.

Sincerely,



Christina Campbell  
Administration Section  
Office of Drinking Water and Municipal  
Assistance  
517-284-6501/campbellc@michigan.gov

Enclosures

cc: Bryan Grochowski, DEQ/Lansing  
Michael Marshall, DEQ/Lansing



**SCRAP TIRE MARKET DEVELOPMENT GRANT CONTRACT  
BETWEEN THE  
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY  
AND CITY OF SWARTZ CREEK**

This Grant Contract ("Contract") is made between the Michigan Department of Environmental Quality, (MDEQ), Office of Waste Management and Radiological Protection (OWMRP) ("State"), and City Of Swartz Creek ("Grantee").

The purpose of this Contract is to provide funding in exchange for work to be performed for the project named below. The State is authorized to provide grant assistance pursuant to Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). Legislative appropriation of Funds for grant assistance is set forth in Public Act 252 of 2014. This Contract is subject to the terms and conditions specified herein.

Project Name: City Of Swartz Creek  
 Amount of Grant: \$ 62,000.00  
 Project Total: \$ 62,000.00 (grant plus match)  
 Start Date (date executed by MDEQ): \_\_\_\_\_

Project Number: CI-1525055  
 % of Grant State: 100% / % of Grant Federal: 0%  
 Amount of Match: = 50%  
 End Date: 09/30/16

**GRANTEE CONTACT:**

Adam Zettel  
Name/Title  
City Of Swartz Creek  
Organization  
8083 Civic Drive  
Address  
Swartz Creek, Michigan 48473  
Address  
810-635-4464  
Telephone number  
 \_\_\_\_\_  
 Fax number  
azettel@cityofswartzcreek.org  
E-mail address  
 \_\_\_\_\_  
 Federal ID number  
 \_\_\_\_\_  
 Grantee DUNS number

**STATE'S CONTACT:**

Christina Campbell / Contract Administrator  
Name/Title  
Resource Management Group - OWMRP  
Division/Bureau/Office  
P.O. Box 30241  
Address  
Lansing, Michigan 48909-7741  
Address  
517-284-6501  
Telephone number  
517-373-4797  
Fax number  
campbellc@michigan.gov  
E-mail address

The individuals signing below certify by their signatures that they are authorized to sign this Contract on behalf of their agencies and that the parties will fulfill the terms of this Contract, including the attached Appendix A, as set forth herein.

**FOR THE GRANTEE:**

\_\_\_\_\_  
Signature  
 \_\_\_\_\_  
Name/Title (typed or printed)

\_\_\_\_\_  
Date

**FOR THE STATE:**

\_\_\_\_\_  
Bryce Feighner, Chief  
Office of Waste Management and Radiological Protection

\_\_\_\_\_  
Date

**I. PROJECT SCOPE**

This Contract and its appendices constitute the entire Contract between the State and the Grantee and may be modified only by written agreement between the State and the Grantee.

(A) The scope of this project is limited to the activities specified in Appendix A and such activities as are authorized by the State under this Contract. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Contract.

(B) By acceptance of this Contract, the Grantee commits to complete the project identified in Appendix A within the time period allowed for in this Contract and in accordance with the terms and conditions of this Contract.

**II. CONTRACT PERIOD**

Upon signature by the State, the Contract shall be effective from the Start Date until the End Date on page one. The State shall have no responsibility to provide funding to the Grantee for project work performed except between the Start Date and the End Date specified on page one. Expenditures made by the Grantee prior to the Start Date or after the End Date of this Contract are not eligible for payment under this Contract.

**III. CHANGES**

Any changes to this Contract shall be requested by the Grantee or the State in writing and implemented only upon approval in writing by the State. The State reserves the right to deny requests for changes to the Contract or to the appendices. No changes can be implemented without approval by the State.

**IV. GRANTEE DELIVERABLES AND REPORTING REQUIREMENTS**

The Grantee shall submit deliverables and follow reporting requirements specified in the Program-Specific Requirements section and in Appendix A of this Contract.

(A) The Grantee must complete and submit reports according to a form and format prescribed by the State. These reports shall be due according to the following:

<b>Reporting Period</b>	<b>Due Date</b>
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	Before October 15*
October 1 – December 31	January 31

\*Due to the State’s year-end closing procedures, there will be an accelerated due date for the report covering July 1 – September 30. Advance notification regarding the due date for the quarter ending September 30 will be sent to the Grantee. If the Grantee is unable to submit a report in early October for the quarter ending September 30, an estimate of expenditures through September 30 must be submitted to allow the State to complete its accounting for that fiscal year.

The forms provided by the State shall be submitted to the State’s contact at the address on page one. All required supporting documentation (invoices, proof of payment, etc.) for expenses must be included with the report.

(B) The Grantee shall provide a final project report in a format prescribed by the State.

(C) The Grantee must provide all products and deliverables in accordance with Appendix A.

## **V. GRANTEE RESPONSIBILITIES**

(A) The Grantee agrees to abide by all applicable local, state, and federal laws, rules, ordinances, and regulations in the performance of this grant.

(B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this grant is not a guarantee of permit approval by the State.

(C) The Grantee shall be solely responsible to pay all applicable taxes and fees, if any, that arise from the Grantee's receipt or execution of this grant.

(D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services submitted to the State under this Contract. The Grantee shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in drawings, designs, specifications, reports, or other services.

(E) The State's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The State's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Contract or of any cause of action arising out of the performance of this Contract.

(F) The Grantee acknowledges that it is a crime to knowingly and willingly file false information with the State for the purpose of obtaining this Contract or any payment under the Contract, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the grant.

## **VI. USE OF MATERIAL**

Unless otherwise specified in this Contract, the Grantee may release information or material developed under this Contract, provided it is acknowledged that the State funded all or a portion of its development.

The State and federal awarding agency, if applicable, retains a royal-free, nonexclusive and irrevocable right to reproduce, publish, and use in whole or in part, and authorize others to do so, any copyrightable material or research data submitted under this grant whether or not the material is copyrighted by the Grantee or another person. The Grantee will only submit materials that the State can use in accordance with this paragraph.

## **VII. ASSIGNABILITY**

The Grantee shall not assign this Contract or assign or delegate any of its duties or obligations under this Contract to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

## **VIII. SUBCONTRACTS**

The State reserves the right to deny the use of any consultant, contractor, associate, or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Contract. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Contract and shall be qualified to perform the duties required.

## **IX. NON-DISCRIMINATION**

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants and that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Contract, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Contract this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Contract.

## **X. UNFAIR LABOR PRACTICES**

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq.*

## **XI. LIABILITY**

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Contract, if the liability is caused by the Grantee, or anyone or agent of the Grantee acting within the scope of their employment or agency.

(B) Nothing in this Contract should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

## **XII. CONFLICT OF INTEREST**

No government employee, or member of the legislative, judicial, or executive branches, or member of the Grantee's Board of Directors, its employees, partner agencies, or their families shall benefit financially from any part of this Contract.

## **XIII. ANTI-LOBBYING**

If all or a portion of this Contract is funded with federal funds, then in accordance with OMB Circular A-21, A-87, or A-122, as appropriate, the Grantee shall comply with the Anti-Lobbying Act, which prohibits the use of all project funds regardless of source, to engage in lobbying the state or federal government or in litigation against the State. Further, the Grantee shall require that the language of this assurance be included in the award documents of all subawards at all tiers.

If all or a portion of this Contract is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Contract for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying" means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Contract for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

#### **XIV. DEBARMENT AND SUSPENSION**

By signing this Contract, the Grantee certifies to the best of its knowledge and belief that it, its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a three-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a three-year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

#### **XV. AUDIT AND ACCESS TO RECORDS**

The State reserves the right to conduct a programmatic and financial audit of the project, and the State may withhold payment until the audit is satisfactorily completed. The Grantee will be required to maintain all pertinent records and evidence pertaining to this Contract, including grant and any required matching funds, in accordance with generally accepted accounting principles and other procedures specified by the State. The State or any of its duly authorized representatives must have access, upon reasonable notice, to such books, records, documents, and other evidence for the purpose of inspection, audit, and copying. The Grantee will provide proper facilities for such access and inspection. All records must be maintained for a minimum of five years after the final payment has been issued to the Grantee by the State.

#### **XVI. INSURANCE**

- (A) The Grantee must maintain insurance or self-insurance that will protect it from claims that may arise from the Grantee's actions under this Contract.
- (B) The Grantee must comply with applicable workers' compensation laws while engaging in activities authorized under this Contract.

#### **XVII. OTHER SOURCES OF FUNDING**

The Grantee guarantees that any claims for reimbursement made to the State under this Contract must not be financed by any source other than the State under the terms of this Contract. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings, or to immediately refund to the State, the total amount representing such duplication of funding.

## **XVIII. COMPENSATION**

- (A) A breakdown of costs allowed under this Contract is identified in Appendix A. The State will pay the Grantee a total amount not to exceed the amount on page one of this Contract, in accordance with Appendix A, and only for expenses incurred. All other costs necessary to complete the project are the sole responsibility of the Grantee.
- (B) Expenses incurred by the Grantee prior to the Start Date or after the End Date of this Contract are not allowed under the Contract.
- (C) The State will approve payment requests after approval of reports and related documentation as required under this Contract.
- (D) The State reserves the right to request additional information necessary to substantiate payment requests.
- (E) Payments under this Contract may be processed by Electronic Funds Transfer (EFT). The Grantee may register to receive payments by EFT at the Contract & Payment Express Web Site (<http://www.cpexpress.state.mi.us>).
- (F) Final payment will be withheld by the State until the project is completed in accordance with Section XIX, Closeout, and Appendix A.
- (G) The Grantee is committed to the match percentage on page one of the Contract, in accordance with Appendix A. The Grantee shall expend all local match committed to the project by the End Date on page one of the Contract.

## **XIX. CLOSEOUT**

- (A) A determination of project completion, which may include a site inspection and an audit, shall be made by the State after the Grantee has met any match obligations, satisfactorily completed the activities, and provided products and deliverables described in Appendix A.
- (B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Contract. Unless otherwise provided in this Contract or by State law, final payment under this Contract shall not constitute a waiver of the State's claims against the Grantee.
- (C) The Grantee shall immediately refund to the State any payments in excess of the costs allowed by this Contract.

## **XX. CANCELLATION**

This Contract may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, other lack of funding, upon request by the Grantee, or upon mutual agreement by the State and Grantee. The State may honor requests for just and equitable compensation to the Grantee for all satisfactory and eligible work completed under this Contract up until 30 days after written notice upon which time all outstanding reports and documents are due to the State and the State will no longer be liable to pay the grantee for any further charges to the grant.

## **XXI. TERMINATION**

- (A) This Contract may be terminated by the State as follows.
- (1) Upon 30 days written notice to the Grantee:

- a. If the Grantee fails to comply with the terms and conditions of the Contract, or with the requirements of the authorizing legislation cited on page one or the rules promulgated thereunder, or other applicable law or rules.
- b. If the Grantee knowingly and willingly presents false information to the State for the purpose of obtaining this Contract or any payment under this Contract.
- c. If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Contract.
- d. If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.
- e. During the 30-day written notice period, the State shall also withhold payment for any findings under subparagraphs a through d, above and the Grantee will immediately cease charging to the grant and stop earning match for the project (if applicable).

(2) Immediately and without further liability to the State if the Grantee, or any agent of the Grantee, or any agent of any subcontract is:

- a. Convicted of a criminal offense incident to the application for or performance of a State, public or private contract or subcontract;
- b. Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;
- c. Convicted under State or federal antitrust statutes; or
- d. Convicted of any other criminal offense that, in the sole discretion of the State, reflects on the Grantee's business integrity.
- e. Added to the federal or state Suspension and Debarment list.

(B) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Contract.

## **XXII. IRAN SANCTIONS ACT**

By signing this Contract the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses, as defined in MCL 129.312.

## PROJECT-SPECIFIC REQUIREMENTS – APPENDIX A

### **I. PROJECT LOCATION AND SCOPE**

The project shall be located in Michigan and the scope of the project is outlined in the Grantee's approved Fiscal Year 2014-2015 Scrap Tire Market Development Grant Application Number: CI-1525055

### **II. GRANTEE REIMBURSEMENT**

Breakdown of project funds covered under this Contract:

#### Equipment and/or Research and Development:

Grant Amount (Maximum State Share) =	\$ 62,000.00
Matching Funds (Grantee Share) =	\$ 62,000.00
Total Project Budget =	\$124,000.00

The State shall reimburse the Grantee, as specified below in Section III, 50% of the sum of the "actual costs," not to exceed \$62.50/ton times up to 0 tons of scrap tires and installation of material. The total grant amount paid by the State to the Grantee may be reduced if the amount of scrap tires used is less than the number of tons of tires specified above. All grant expenditures shall be incurred during the time period allowed for Project Completion.

The total payment made to the Grantee by the State shall not exceed \$ 62,000.00.

Any additional costs associated with the project shall be the responsibility of the Grantee.

### **III. GRANT REIMBURSEMENT PROCESS AND GRANTEE REPORTING REQUIREMENTS**

The Grantee shall comply with all reporting requirements of the Grantor during this Contract period. The Grantee shall be required to submit quarterly progress reports as outlined in Section IV, page two, indicating project accomplishments and following the benchmarks and time line goals as stated in the Grant Application (See Grant Application Package, page 11, Section B).

The Grantee must first pay for the scrap tires and installation of the material and then seek reimbursement from the State.

The Grantee shall submit to the State, a copy of all invoices, receipts, or documentation of expenses paid.

A request for payment shall be submitted by the Grantee on a form provided by the State and shall include proof of payment (copy of a cancelled check) and a copy of any invoice(s), and all other pertinent documents as specified above.

Within 30 days of project completion, the Grantee shall submit the final request for payment.

### **IV. PROJECT COMPLETION**

The State will make final payment after the project is complete. Project completion means all of the following during the time period allowed for project completion:

- (A) All material purchased under this Contract has been installed and is operational by the end date of this Contract.
- (B) The Grantee has submitted all reports required by Section IV, page two, of this Contract.

The State shall make a determination of project completion based on all of the following:

(A) A review of the project file including all Request for Payment forms, all supporting financial documentation, all invoices or cancelled checks submitted by the Grantee, supporting documentation including proof that all Processors and subcontractors have been paid by the Grantee, and all reports submitted by the Grantee to verify that the requirements of this Contract have been met and the reimbursement amounts are correct.

(B) An inspection of the project site by the State to determine that the terms of this Contract have been met.

#### **V. PROCESSOR AND END-USER REQUIREMENTS**

Any tire processor utilized by the Grantee shall be a Michigan-based Scrap Tire Processor ("Processor"). Refer to Section VII, Subcontracts, for requirements regarding subcontractors.

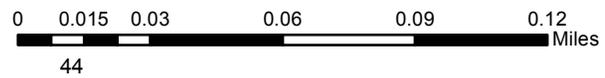
The State may approve a written request from the Grantee to change the approved Processor(s).

#### **VI. NOTIFICATION OF DELAYS**

The Grantee shall inform the State's Contact of any delays in the start-up of the project and any delays in progress toward completion of the project.



City of Swartz Creek  
 Intersection Paving Locations  
 City Council Packet



May 26, 2015

**CITY OF SWARTZ CREEK**  
**Intersection Improvements**  
**Preliminary Cost Estimate**  
 May 8, 2015

Description: This estimate is for removing and replacing approaches on Fairchild and Winston.

<b>WORK DESCRIPTION</b>	<b>QTY</b>	<b>UNIT</b>	<b>UNIT PRICE</b>	<b>AMOUNT</b>
<b>Winston</b>				
Pavement Removal	680	SYD	\$15	\$10,200
Manhole Reconstruct	1	EA	\$600	\$600
Bituminous Asphalt (9")	400	TON	\$110	\$44,000
Pavement Marking	1	LSUM	\$1,000	\$1,000
Maintaining Traffic	1	LSUM	\$7,500	\$7,500
Cleanup and Restoration	1	LSUM	5000	\$5,000
<b>Winston Subtotal</b>				<b>\$68,300</b>
<b>Fairchild</b>				
Pavement Removal	400	SYD	\$15	\$6,000
Manhole Reconstruct	3	EA	\$600	\$1,800
Manhole Adjust	3	EA	\$400	\$1,200
Bituminous Asphalt (9")	225	TON	\$110	\$24,750
Traffic Loops	1	LSUM	\$5,000	\$5,000
Pavement Marking	1	LSUM	\$1,000	\$1,000
Maintaining Traffic	1	LSUM	\$7,500	\$7,500
Cleanup and Restoration	1	LSUM	5000	\$5,000
<b>Fairchild Subtotal</b>				<b>\$52,250</b>
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$120,550</b>
<b>CONTINGENCY (10%)</b>				<b>\$12,055</b>
<b>CONSTRUCTION TOTAL</b>				<b>\$132,605</b>
<b>DESIGN ENGINEERING</b>				<b>\$7,600</b>
<b>DESIGN ENGINEERING/CONSTRUCTION TOTAL</b>				<b>\$140,205</b>

# GOP plan to fix Michigan roads depends on growing economy

By Kathleen Gray, Detroit Free Press Lansing Bureau 11:33 p.m. EDT May 14, 2015



(Photo: Detroit Free Press)

LANSING – A Republican plan to fix the roads depends heavily on future growth in the state economy, as well as a shifting of restricted funds and taking money away from the working poor.

Speaker of the House Kevin Cotter, R-Mt. Pleasant, outlined the House plan in a news conference Wednesday, calling it the Legislature's "front and center priority."

"People are in agreement; we must put forward a solution," he said. "We can put forward a plan that fixes just the roads."



Speaker of the House Kevin Cotter, R-Mt Pleasant, outlined the House plan in a press conference Wednesday afternoon, calling it the Legislature's "front and center priority." (Photo: Michigan House of Representatives)

The plan comes a week after Michigan voters pummeled — 80%-20% — a road proposal that would have raised the state sales tax from 6% to 7% to fix the roads, as well as provide additional funding for schools, local governments and the working poor. The complexity of the plan and the fact that it went for more than just roads were the most often recited reasons for the proposal's historic defeat.

"We have to determine what are the core functions of state government and let's budget accordingly," Cotter said. "This plan is an exercise in reprioritization."

The House plan is premised on:

- \$700 million phased in over the next four years that will be budgeted, in part from extra revenues that are expected in both the upcoming Revenue Estimating Conference on Friday and future growth in the state economy.
- \$162 million from eliminating the Earned Income Tax Credit for the working poor, which would generate \$117 million; and \$45 million in additional revenues from making the tax on diesel fuel equal to the tax on regular fuel; and instituting user fees for people who drive hybrid or plug-in electric cars.
- \$185 million through a \$75 million raid of the 21<sup>st</sup> Century Jobs Fund and \$60 million in revenues from the tribal gaming casinos, which now go into economic development, and shifting \$50 million in film subsidies to roads.

The shift of the tribal gaming money could be tricky. The agreements between the state and tribes, called compacts that also have to be approved by the federal government, would have to be renegotiated.

And Steve Arwood, CEO of the Michigan Economic Development Corporation, said in a statement that, "While we understand that roads are an important issue to the state, this reduction in FY16 funding severely limits the state's ability to have an economic development strategy moving forward. Furthermore, it threatens to eliminate the entire Pure Michigan tourism effort – an industry which supports 214,333 jobs in our state."

Cotter said shifting the restricted funds is the Legislature's prerogative.

"We are the body that has the ability to change spending that is restricted by state statute," he said.

The 12-bill package, which will be introduced either Thursday or next week, also would include competitive bidding requirements and put teeth into warranties that construction companies would have to provide to guarantee that road improvements would last.



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[No summer break for Senate GOP due to rocky roads](#)

[\(http://www.freep.com/story/news/local/michigan/2015/05/12/senate-summer-session-tackles-road-funding/27205885/\)](http://www.freep.com/story/news/local/michigan/2015/05/12/senate-summer-session-tackles-road-funding/27205885/)

"Economic development requires roads that are at least in reasonable condition," Cotter said in explaining why MEDC dollars should be shifted. "Having roads that look like bombing ranges don't meet criteria of what a business is looking for when making a decision on where to locate."

Gov. Rick Snyder's spokesman Dave Murray said the governor looks forward to looking at all the ideas that are developed for Michigan roads.

"The speaker has a thoughtful plan that we'll look at along with all the other plans brought forward," Murray said. "Michigan needs a comprehensive solution to its infrastructure needs."

The Mackinac Center for Public Policy, a conservative think tank in Midland, said shifting money from "corporate welfare" was a step in the right direction. "And it might actually create some net new jobs," said Michael [LaFaive](#), an analyst with the center.

While Republicans said they hope the bills can be passed in the next six weeks, Democrats said several aspects of the plan were nonstarters.

"Taking the entire Earned Income Tax Credit away is entirely irresponsible," said state Rep. Brandon Dillon, D-Grand Rapids. "And expecting to fix the roads based on projected economic growth is laughable on its face. Hopefully, this is a political document rather than a serious policy proposal."

State Sen. Bert Johnson, D-Detroit, said the \$1.05 billion in annual money for roads by 2019 in the House plan still isn't enough to fix Michigan's crumbling roads and infrastructure.

"You need close to \$2.3 billion to get to good on our roads," he said. "And the same as new revenue is a nonstarter for him (Cotter), so is the elimination of the EITC for us."

Rep. Al [Pescholka](#), R-Stevensville, chairman of the House Appropriations Committee, said there's enough money in the plan to get roads into good condition by the fourth year of the plan.

"And all the money is going into pavement," he said. "This is a good first step."

But House Minority Leader Tim [Greimel](#), D-Auburn Hills, said the plan fixes roads on the backs of Michigan's working poor, "while requiring virtually nothing from corporations in the state. It's just not a serious, credible, long-term solution for our roads."

The roads proposal comes as the Senate announced Tuesday that it was adding 30 session days this summer to the calendar to deal with finding a solution for Michigan's crumbling roads. Normally, the Legislature meets only one day each in July and August.

"I think it's obvious that we have to get this road funding issue taken care of," said Sen. Mike [Kowall](#), R-White Lake. "We heard the people loud and clear, so we're going to be working on it here all summer."

The Senate expects to come up with its own proposal in a couple of weeks, [Kowall](#) said.

"It won't be anything rash. It's going to be well thought out," he said.

In conjunction with the plan to raise money immediately for roads, [Kowall](#) said he'd also like to see the Legislature take up a rewrite of the public law that governs the distribution of transportation money.

Currently, 39.1% of the money in the transportation fund goes to state roads, 39.1% goes to county roads and 21.8% goes to cities and villages.

"Look at all the autonomous vehicles, the connected vehicles, all this new technology needs to be taken into consideration," [Kowall](#) said. "I'd go to a miles-traveled (method) instead of how they divide it up now. You have Kent County, and Wayne, Oakland and [Macomb](#) that get the majority of the traffic, and those roads are in the worst shape. Go down to Oakland County and the roads are tied together with baling wire and Scotch tape."

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