

REGULAR MEETING  
Litchfield City Council - City Council Room  
December 11, 2012 - 6:30 PM

Mayor Smith called the meeting to order at 6:30 PM.

Roll Call: Present – Mayor Edwin Smith, Councilpersons Greg Chapman, Jessica Bills(arrive 6:55), Rick Siebert, Brenda Thomas, Don Bannick and OR Smith.

Absent – None

Also Present – City Manager- Douglas Terry, Clerk-Susan Ballinger, Treasurer-Jill Pelham, Chief Michelin, Fred Reigle, Mary Robbins, Michael Martin and Steve Bisher.

**Consent Agenda** – Councilman Siebert moved to approve the consent agenda, seconded by Councilman Smith. Motion Carried.

Call to the Public – None

**Request for Water Credit – Mr. Reigle** – Manager, Terry explained the current situation to the board regarding Mr. Reigle’s bill and stated that the public works department went to Mr. Reigle’s home to do an inspection and found there to be an outside hose running. Manager, Terry explained how water meters will always fail in favor of the consumer. Mr. Reigle explained to the board his reasons why he is requesting a water/sewer credit in the amount of \$733.23 that accumulated in one month back in July of 2012. Mr. Reigle explained that he had a few contractors come to his home to look for any problems that could have caused this huge bill and no problems were found. Mr. Reigle stated that he was absent from his home for the last two weeks of July. Mary Robbins stated that their yard was not soaked when they returned from their vacation and their house assistant was there keeping their house in order but said that no water was running. The contractors that came to investigate found nothing wrong. Mary stated that she has made some payments on this bill and requested the board to give them a credit for the usage bill in July. The board discussed the issue and decided to give the property owner a credit for sewer used in the month of July 2012 because the water was not treated by the sewer system. Councilman, Bannick moved to authorize a sewer credit in the amount of \$300.00 to account 3630 (208 Washington St.), seconded by Councilwoman, Thomas. Motion Carried.

**Public Hearing – IFT Tenneco.** – Mayor, Smith opened the public hearing at 6:50 p.m. Michael Martin was present representing Tenneco. Mr. Martin thanked the board for the consideration of the IFT and the boards support throughout the years. Manager, Terry talked about Tenneco’s expansion and stated that administration endorses this application.

**Resolution 2012-12-IFT Tenneco, Inc.-** Councilwoman, Thomas moved to adopt Resolution 2012-13 IFT Tenneco seconded by Councilman, Smith. Motion Carried.

**Resolution 2012-14 – Adoption of the Hillsdale County Hazard Mitigation Plan** – Manager, Terry stated that this resolution was created by Region 2 Planning Commission and it allows the city to share with the county in the event we need to share resources in case of an disaster. Councilman, Bannick moved to adopt Resolution 2012-14 Hillsdale County hazard Mitigation Plan, seconded by Councilwoman, Thomas. Motion Carried.

**Board of Review Re-appointment – Jim Wildt-** Councilwoman, Thomas moved to re-appoint Jim Wildt, seconded by Councilman, Smith. Motion Carried

**DDA Re-appointments – Mary Stanton and Jessica Bills** – Councilman, Smith moved to re-appoint Mary Stanton and Jessica Bills to the DDA Board, seconded by Councilwoman, Thomas. Motion Carried.

**Litchfield Fire Board & the City of Litchfield's Fire Contract 7/1/13-6/30/14-** Manager, Terry stated that the new contract for fire services is in their packet for their review and acceptance. Councilwoman, Thomas explained that the fire board would rather do smaller increases instead of a huge increase all at once. Councilwoman, Thomas moved to authorize the Mayor and Clerk to sign the contact Litchfield Fire Service Contract for services through 7/1/13-6/30/14, seconded by Councilman, Smith. Motion Carried.

**Request City Manager Vacation Time Review** – Treasurer, Pelham explained to the board that Manager, Terry is requesting that 171 unused vacation hours be carried over and that Manager, Terry would like the board to establish a committee to have his contract reviewed and have his earned vacation time and his contract be the same as our current personnel policy which carry over hours for city personnel per policy is 80 hours. Councilwoman, Thomas motioned to allow Manager, Terry to carry over 171 hours and have his vacation hours follow the personnel policy going forward, seconded by Councilman, Smith. Motion Carried.

Manager, Terry asked the board to have a committee formed that includes the Mayor within the next year and have this committee review his contract. Treasurer, Pelham stated that Manager, Terry should be part of the first meeting regarding his contract. Mayor, Smith asked for volunteers, Councilwoman Thomas, Councilman Siebert, Treasurer Pelham and Mayor Smith will be the committee to review the manager's contract at a later date.

**Bills for Approval** – Councilman, Bannick moved to approve the bills in the amount of \$32,471.19 and charge to the proper accounts, seconded by Councilwoman, Bills. Motion Carried.

**Police Report** – Chief, Michelin informed the board differences on the reports the assault and battery will be going to juvenile court and the auto theft was unfounded. The IPOD larceny has been found and the burglary the person of interest has been arrested and is in jail. The new cars are doing well. Councilwoman, Thomas moved to accept the Police Report and place on file, seconded by Councilman, Smith. Motion Carried.

**Public Works Report** – Manager, Terry reported for the public works department stating that they had done some salting of the roads today and that their department spent a lot of time putting up the Christmas decorations. Their department has started the discharging of the lagoons and Doug has completed the wheel for the bell. Councilwoman moved to accept the public works report and place on file, seconded by Councilman, Smith. Motion Carried.

**Treasurers Update** – Treasurer, Pelham talked about the letter that OMC had given to the board in their audit packets. Treasurer, Pelham stated that she has been evaluating the applications and the manner to process them. When the city had a change in personnel she had found some errors and she is trying to find a way to train someone to do it properly and because of the current situation there are not a lot of internal controls right now. But the idea is it will be passed on to somebody eventually. Currently, Sue has begun to do Utility Billing and I will be passing her payroll again and our new person will do accounts payable when we get somebody in that position on a regular basis. Steve Bisher (OMC) is overseeing the audit this year instead of performing the audit and the person he was training missed a lot of things. I didn't get things in a timely manner either and that work on top of my normal work complicated things. The things that are spoken of as deficiencies are really just a matter of reviewing things, in the past OMC done their field work first and that is when OMC comes in and tests our system and this year OMC done it differently and done the financial statements first. When they done the testing first that would give me time to review the city's financial statements before turning them over to OMC and that would allow me to make any necessary changes that needed to be done. The State doesn't require our audit to them until December 31<sup>st</sup> and about five years ago a request was made by a council person to have the audit presented earlier and since then I have worked hard to try and get everything done. And with all the new requirements in the accounting practice that I have to do it's impossible for the audit to done before November at the earliest. If it's okay with the board I would like to focus on presenting the audit in December from now on. If there are any problems or concerns the auditors would bring that to your attention right away. Mayor, Smith stated that yes, it is fine to present the audit in December and if anyone wants to disagree please go ahead. Mayor, Smith stated we are trying to run this office very efficiently without a lot of extra help, so there is not a lot

of extra time to do a lot of things. The board all agreed to allow the audit to be presented in December.

**2011-2012 Audit Presentation-OMC** – Steve Bisher was present to inform the board of their recent audit for the city. Steve gave the board a handout and stated it's a guide so he doesn't get off track. Steve stated that one of the challenges when you're an auditor is that we are required to use certain words. In matters to identify internal controls we use words such as deficiencies, significant deficiency or material weakness. Sometimes they are negative and sometimes not, but we as auditors are stuck with one term or word to use in our reporting. Although, I will use some of those words but I am hoping to bring clarity to my comments. Before you are guidelines we will go through together. Steve gave an explanation of their audit of the city/tifa and rendered an unqualified opinion. In other words the financial statements are fairly and correctly reported.

**City Manager's Update** – Manager, Terry asked the board to grant Supervisor, Tony Langhann another 40 hours of vacation time. Manger, Terry pointed out that the personnel policy states that vacation time can be awarded by the city manager if approved by the city. After a brief discussion Councilwoman, Thomas moved to grant Public Works Supervisor, Tony Langhann another 40 hours of vacation time on top of what he already earns per policy, seconded by Councilman, Smith. Motion Carried

Manager, Terry thanked Jessica Bills on her coordination of the Christmas Parade it was extremely successful and liked by our residents.

Manger, Terry talked about the storms the city has experienced over the last three years, stating that the city has lost 92 trees in our community. The city needs to start thinking about replanting some of those trees and Consumers Energy has a grant program and we will be applying to them for the grant. Tony and I will start soliciting tree farms.

Manager, Terry informed the board that the city has fulfilled the advertisement requirement for the Warning Siren and West Shore will be sending the city their proposal tomorrow. Once we have that the city will give them a letter to proceed. The project should be completed within in a month.

Manager, Terry informed the board that he and Officer, Phillips have been discussing with the guidance of Chief, Michelin the purchase of 4 AED Defibrillators. We were able to locate a company offering grants and there is a timeline. One AED would be placed in the fire department, one in the police car, one at the public works department and one in the city office. The defibrillators cost approximately \$1500.00 each. After some discussion amongst the board members and the administration, Councilwoman, Thomas moved to authorize the Manager, Terry to purchase 4 AED's, seconded by Councilman Siebert. Motion Carried.

**Committee Reports** – None

**Councilman Concerns** – Councilman, Siebert stated that he would like the committee to review the vacation time in the personnel policy and possibly revising that area of the policy.

**Adjournment** –Councilman, Smith moved to adjourn at 8:05pm, seconded by Councilwoman, Thomas. Motion Carried.