

REGULAR MEETING
Litchfield City Council - City Council Room
February 21, 2017 - 6:30 PM

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

Roll Call: Present – Mayor Ed Smith, Councilpersons – OR Smith, Jessica Bills, Andy Reynolds, Don Bannick, Rick Siebert and Dan Efstathiou.

Absent: None

Also Present – City Manager - Douglas Terry, Treasurer - Jill Barrett, Clerk - Susan Ballinger, Police Chief - Dan Roberts, Deputy Clerk – Lauren Skelly, DPW Supervisor - Tony Langhann, Ed Clark, Mike Warner - Homer Index, Andy Barrand – HDN, TJ Jordan – Luigi's, Marvin Salyer - City Limits Deli, Julie Games - Hillsdale County Commissioner.

Consent Agenda – Councilman Siebert moved to approve the consent agenda as presented, seconded by Councilwoman Bills. Motion carried.

Call to the Public – TJ Jordan owner of Luigi's Pizza addressed the board with questions concerning the TIFA Board's recent approval of a loan to Jeffery Dora, owner of Yesterday's Diner, for the purchase of a food truck to service the Litchfield Industrial Park's businesses. Mr. Jordan feels that these vending wagons will affect all the food businesses. Mr. Jordan stated he thought there was an ordinance passed not to allow food vendors. Mr. Jordan stated that TIFA does as they want with their funds and hurts local businesses. Mr. Jordan would like to know how we can address that issue and not allow it to hurt local businesses. Clerk Ballinger stated that there was an ordinance brought to the board back in 2011 and it was to allow vendors downtown in the B-2 General Business district to sell pre-packaged items. The city council board sent it to the planning commission board to have their suggestions added or deleted from the ordinance. The ordinance went back and forth between council and planning commission for over a year then in July of 2012 the planning commission board decided not to even send a recommendation back to council. Mr. Jordan feels that our community being a smaller community, the impact of the food vendor truck will be big on other local businesses. Mayor Smith stated that the item Mr. Jordan is referring to is only going to serve the industrial park. Mr. Jordan stated that his business delivers to the industrial park factories but this will hurt everybody's food business in town. Mr. Jordan stated that he was informed that if this food wagon does well then the owner plans on bringing in more wagons and that will hurt everybody. Mr. Jordan questioned, who is going to help me keep my business here. Mayor Smith stated nobody helps your business more than TIFA does if you look out into the industrial park there are around 2200 jobs out there and where did they come from, they were facilitated by TIFA. The businesses created them but TIFA the main player along with other partners got those jobs into the industrial park and there will be approximately another 500 jobs going into the industrial park. Councilman Bannick stated his concern is what if this food truck doesn't get enough business in our industrial park, what is stopping him from taking our TIFA money and going to Hillsdale or Jackson. Mr. Jordan feels someone should have first asked the current business owners' their opinion of a food truck.

Marvin Salyer stated he is the owner of City Limits Deli just outside of town and feels the same way as Mr. Jordan regarding the food vending truck. The canteen businesses are already tweaking up their machines inside the factories trying to keep workers inside. He stated it doesn't seem fair to those that pay property taxes and water bills while the food truck owner doesn't pay property taxes.

Mayor Smith stated some of the factories only give their employees 20 minutes for their lunch break which doesn't give them time to get up town, get their lunch, and get back. He also stated the factory's requested the food truck and where it helps them is that we now have two training centers because factories have trouble finding skilled employees and a food truck isn't going bring a new business into the industrial park but it will help the ones that are there and retain their workers that they have by providing for them.

Domestic Harmony Contract - Councilman Bannick moved to accept and authorize the Mayor to sign the contract for an amount of \$350.00 between the City and Domestic Harmony, seconded by Councilman Smith. Motion carried.

Resolution 2017-07- City of Litchfield TIFA Sale of City Property & TIFA Building to HI-LEX – Councilman Smith moved to adopt Resolution 2017-07 as presented, seconded by Councilman Reynolds. Motion carried.

Re-Appointment TIFA Board Members –Mike Warren and Roger Winchell – Councilman Bannick moved to re-appoint TIFA Board members Mike Warren and Roger Winchell, seconded by Councilman Reynolds. Motion carried.

Resignation of DDA Board Member – Amy Gillis- Councilman Bannick moved to accept the resignation of Amy Gillis with regrets, seconded by Councilman Smith. Motion carried.

Review Proposal for Michigan Recreational Construction- Councilman Bannick moved to accept the proposal from Michigan Recreational Construction #216314A REV 2, seconded by Councilman Reynolds. Motion carried.

Sewer Credit Request – 368 W. Saint Joe Street – Councilman Bannick moved to allow the sewer credit in the amount of \$362.93 to Mr. and Mrs. Grubbs, seconded by Councilwoman Bills. Motion carried.

Bills for Approval – Councilman Bannick moved to pay the bills as presented in the amount of \$51,261.42, seconded by Councilman Smith. Motion carried.

Police Report – Councilman Reynolds moved to accept the police report as presented and place on file, seconded by Councilman Siebert. Motion carried.

Public Works Report – Councilwoman Bills moved to accept the public works report as presented and place on file, seconded by Councilman Smith. Motion carried.

Treasurers Update – Treasurer Barrett informed the board that she has finished collecting the winter taxes and the personal property taxes were all collected except for one and she is working on collecting that one. There is also one from last year that was changed, but the city has done really good with collection this year for property taxes. Treasurer Barrett stated she is getting ready for the March Board of Review numbers which tell her what the revenues will be so she can start working on the next fiscal year's budget. Once we get through the month of February she will feel more comfortable doing some estimates to see where the city will end up this year.

City Manager's Update – Manager Terry informed the board that he has spoken with Engineer, Rick Jenkins and has identified some roads that need to be cracked, seal coated, tar and chipped. The streets that need to be worked on are Williams Street, Lincoln Street, Warriner Avenue, Park Street and Centennial Street, if the city has enough funds.

Manager Terry also stated that he and DPW Supervisor Tony Langhann are meeting with the Heath Department Inspector regarding the pool. They will be looking at the pool. Some of the edges of the pool have broken off, the cracks have widen out and they are looking at some of the unevenness of the concrete. Manager Terry and the city staff are working on preparing a grant application for the purpose of renovating or replacing the pool and the grant dollar amount is \$300,000.00 and it requires a match. They are tying in the new playground and other things that he and Mayor Smith have been working on with another foundation. Manager Terry stated that they plan on putting together the best grant application they can and submit it by the April 1st deadline along with a match from another foundation. He stated we won't find out until December if the city is awarded the grant. The idea is if the city does anything at the pool it will be to help reduce our operational expense. So if the pool is shrunk it could mean the reduction of having so many lifeguards, we put in a splash park it could be a combination thereof. What we are doing is working with the engineer asking them do a reconfiguration with a budget number. The other part of this is the city went from a \$60,000.00 yearly contribution to this year a \$30,000.00 contribution and

next year it will probably be zero due to the closure of the Power Plant. So when the budget is put together we have to look at all of these things and both the Police and DPW were told no as far as putting on another full time person to their departments. We will be looking at cutting back on mowing and other things.

Councilwoman Bills asked in the meantime, the city doesn't know if we will receive the grant until December and the pool gets inspected next week. So if the Health Department says the city has to fix certain things at the pool before opening, where will the city get those funds? Manager Terry stated anything we do at the pool will be minimized until we know whether or not the city receives the grant. This is why Tony has scheduled the meeting with the Health Department so early so we can find out what their thoughts are regarding the pool.

Treasurer Barrett stated that is the point of meeting with the Health Department now because we don't know if the city will have enough funds to do the things that are necessary, so at this time there is no guarantee that the pool will open this year. It depends on what needs to be done to it.

Mr. Clark asked how many people actually use the swimming pool on the hottest part of the day. He stated you're lucky if you have 25 kids up there and later in the day there might only be 5 kids in the pool. Kids today don't swim in that pool. They are on their phones and other electronics and there are at least 15 private pools in this town. He also stated to put all this money into the pool donated or not is just ridiculous. Mayor Smith asked the clerk about the pool attendance numbers. Deputy Clerk Lauren Skelly stated that she has been keeping track of the pool attendance for the past few years and if Mr. Clark stops by our office she will give him a copy of the results.

Mayor Smith stated that a lot of adults use the pool plus the city offers swim lessons but Mr. Clark is right it is a lot of money. The Mayor stated he was surprised that the survey results showed that 62% would pass a millage for the pool while 38% would not support it. Clerk Ballinger stated that out of all the survey's sent out to residents which was around 580 only 155 were returned to the office.

Correspondence – None

Committee Reports – Councilman Smith informed the board that Butler Township is looking for the services of the Litchfield Fire Department again and they are still in negotiations.

Councilpersons Concerns – Councilman Smith stated he was caught by surprise regarding the food truck but there is nothing this board can do, it is TIFA stuff. Councilman Siebert felt the same way regarding the food truck loan; he would like to see the planning commission review it again. Councilman Bannick would also like to see this go back in front of the planning commission.

Manager Terry stated the way the law is written now, TIFA is a separate entity governing body. Their mission has not deviated and as the Mayor had indicated, Litchfield is the center of manufacturing in Hillsdale County. When TIFA is approached, their board wants to look at the science, they want to look at what is good for the industrial park. When Mr. Dora came and approached the TIFA board about this truck, TIFA listened very intently on what its mission was. Mr. Dora was approached by some of the plants because they like the food and it would help serve the labor force in the industrial park. There is difference in shifts starting and sometimes some of these other restaurants aren't even open when there was a need for food. A good presentation with a business plan was presented to TIFA and that's what the board decision was made on.

Manager Terry also stated that the Golf Course currently has two entity's going to provide us with proposals. TIFA does things to try and preserve the integrity of the community and to provide those recreational opportunities and social activities for the betterment of all of our citizens. TIFA has done an excellent job and has an honorable mission to provide to our citizens.

Councilwoman Bills stated the board knows that TIFA gives to the city. Clerk Ballinger stated that under our current zoning ordinance there are no restrictions of where a peddler can go as far as location and zoning district.

A peddler that goes to the residential area door to door has to come into the office, show ID, and get a permit. But if the peddler is going business to business, they are not required to come into the office and get a permit.

Manager Terry stated he has spoken with our attorney to have him review the loan agreement.

Adjournment – Councilman Bannick moved to adjourn at 7:35 p.m., seconded by Councilman Smith. Motion carried.