

REGULAR MEETING
Litchfield City Council - City Council Room
May 21, 2013 - 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, Rick Siebert, Don Bannick and OR Smith.

Absent – Brenda Thomas

Also Present – City Manager- Douglas Terry, Clerk-Susan Ballinger, Treasurer-Jill Pelham, Chief Michelin, DPW Supervisor-Tony Langhann, Admin/ Asst.- Lauren Skelly Steve Pelham, Jason Barrett, Kristen Irish, Tom Sebastian and Andy Barrand (HDN).

Consent Agenda – Councilman Siebert moved to approve the consent agenda with the correction made to the 4-16-13 minutes of the square footage to Livonia Tools new addition, seconded by Councilman Smith. Motion Carried.

Call to the Public – Mr. Pelham stated that he supports the board's decision to raise the utility rates and for being financially responsible to the City of Litchfield and its future. Jason Barrett stated that he has lived in Litchfield for the last ten years and he also agrees to the utility increase and understands the board's decision. Kristyn Irish was also present to support the board's decision to increase the utility rates.

Public Hearing –IFT Jesco Industries – Mayor, Smith opened the public hearing at 6:32pm for any comments or questions. Tom Sebastian, of Jesco Industries stated that they purchased another piece of equipment to stabilize the business. Mayor, Smith stated that application did not include how many employees would be added or retained. Mr. Sebastian stated that there will not be an increase employees the purchase is just to maintain the current number of employees and stabilize the business. Mayor, Smith asked how many employees are currently employed. Mr. Sebastian stated around 45 employees. With no more questions/comments Mayor, Smith closed the public hearing at 6:34pm.

Resolution 2013-07 IFT Jesco Industries – Councilman, Bannick moved to adopt Resolution 2013-07 IFT Jesco Industries, seconded by Councilwoman, Bills. Motion Carried.

Deloris Sanger – Credit Request Solid Waste Collection Fees – Mrs. Sanger was not present for the meeting. Manager, Terry stated that Mrs. Sanger approached him asking for credit on her solid waste bill. Clerk, Ballinger stated that she had spoke with Mrs. Sanger and she had requested a garbage can and credit for 212 E. Saint Joe Street because she didn't have a can at that address. I asked Tony Langhann to please deliver her a can and to check Mrs. Sanger's other home on Jonesville St. to make sure that address had a garbage can. Tony delivered a can to E. Saint Joe and checked on the Jonesville St. home which Tony had informed me that she had two cans at the Jonesville St. address. So I called Mrs. Sanger to let her know that a can was delivered to the E. Saint Joe address and that the two cans at the Jonesville Street address would either have to have one can removed or start being billed for two cans in future billings. Mrs. Sanger requested me not to charge her for the two cans/nor was I to remove a can and that she would address the city council regarding this matter at the May council meeting. Councilman, Bannick stated that after speaking with Mrs. Sanger himself she agreed that since one residence had two cans and the other didn't have any it's a wash between the two and she was no longer be requesting a solid waste credit.

Public Hearing – Budget 2013-2014 – Mayor, Smith opened the public hearing at 6:39pm. Manager, Terry stated that all of the material regarding the next fiscal year is in their packets. City Charter requires administration to prepare a budget and tonight is the second round for presenting the budget for the board's approval. Within this budget there is taxable, millage rates, and the new water and sewer rates that city administration recommends. A discussion was held along with a spread sheet regarding the science and need behind the increase in the water and sewer rates. Manager, Terry talked about reducing the city's liabilities for the future. Treasurer, Pelham discussed the need and the laws regarding revenues meeting expenditures. Manager, Terry stated the city administration recommends the adoption of this budget. Mayor, Smith asked for anymore questions/comments. Mayor, Smith closed the public hearing at 6:52pm.

Resolution 2013-04- To Establish Water & Sewer Rates and Solid Waste Fees for FY 2013-14 – Councilman, Siebert moved to adopt Resolution 2013-04 Water, Sewer, & Solid Waste Fees FY 2013-14, seconded by Councilman, Smith. 1 Nay vote from Councilman, Bannick Motion Carried.

Resolution 2013-05- Budget Adoption & Appropriations Act for FY 2013-14 – Councilman, Chapman moved to adopt Resolution 2013-05 Appropriations Act, seconded by Councilman, Siebert. Motion Carried.

Resolution 2013-06- To Establish 2013 Tax Levy – Councilman, Bannick moved to adopt Resolution 2013-06 Tax Levy, seconded by Councilwoman, Bills. Motion Carried.

Resolution 2013-08-Banking Resolution – Treasurer, Pelham stated that based on the city's auditor's recommendation she is working on internal controls. One thing she will be doing is removing herself as a signer on city accounts because as treasurer she will be reconciling the city accounts. This will keep checks and balances in place. She would also like the motion authorizing the Mayor and Clerk to sign the Tax Levy rate request. Councilman, Siebert moved to adopt Resolution 2013-08 Banking Resolution and to authorize the Mayor and Clerk to sign the Tax Levy request, seconded by Councilman, Smith. Motion Carried.

Second Reading of Ordinance 2013-01 Salaries for Certain Appointed Officials – Clerk, Ballinger read the second reading of Ordinance 2013-01. Councilman, Bannick moved to adopt Ordinance 2013-01, seconded by Councilman, Smith. Motion Carried.

Approval for Fireworks Display August 2013- Clerk, Ballinger stated that this is the standard contract/permit for the fireworks display for the city's annual Sweet Corn Day Festival(SCF). Councilman, Smith moved to authorize the Mayor to sign the fireworks permit for the 2013 SCF, seconded by Councilman, Bannick. Motion Carried.

Riblet Park Survey Approval – Manager, Terry informed the board that the city has received a donation to cover the expense of the survey for Riblet Park, so the administration is asking for the board's approval to move forward with the survey instead of waiting the new fiscal year. Councilman, Siebert moved to approve the Riblet Park survey in an amount not to exceed \$1,400.00, seconded by Councilman, Smith. Motion Carried.

LPP Mortgage Ltd Michigan Tax Tribunal Docket #416916 Settlement Proposal (Former Nursing Home) – Treasurer, Pelham stated since the closing of the nursing in 2006 the Mortgage holders have requested reductions in their assessed value to lower the property taxes. It has gone to the tax tribunal and we are trying to reach an agreement. The request is to reduce the assessed value to \$100,000.00, which would put the building at about \$200,000.00 cash value. In 2006 when the facility was still open the assessed value was at \$1,187,000.00 so double that it would be about 2 million. So values will have dropped by 2 million if approved, however, they have had the property on the market for \$200,000.00 and have had no buyers. Assessor, Jim Uyl and I both are recommending doing the settlement and approving the proposal at the \$100,000.00. After some discussion Councilman, Smith moved to agree to a reduction to the assessed /taxable value to be \$100,000.00 and authorize

the Mayor to sign the stipulation Docket No. 416916, seconded by Councilman, Bannick. Motion Carried
Bills for Approval – Councilman, Bannick moved to accept the Bills for Approval as presented in the amount of \$36,220.07, seconded by Councilwoman, Bills. Motion Carried.

Police Report – Chief, Michelin asked if the board if they had any questions regarding his submitted monthly report. Chief, Michelin stated that he hired Kevin Collins as a reserve officer and that Kevin has lots of experience with prisoner transport and other things. Also, on Saturday, June 1st between the hours of 10am-2pm there will be a free car seat check and free car seats for those who might need them at the ambulance station on Stock Street. So please help pass the word. Chief, Michelin reminded everyone to sign up for the free 911 warning system. Councilman, Bannick moved to accept the police report as presented, seconded by Councilman, Smith. Motion Carried.

Public Works Report – Councilwoman, Bills motioned to accept the public works report and placed on file, seconded by Councilman Smith. Motion Carried.

Treasurers Update – Treasurer, Pelham stated that she is currently working on creating an “Internal Procedures” by request of auditors and will bring this to the June meeting.

City Manager’s Update – Manager, Terry talked about how the board back in March approved to replace the Lift Station on W. Saint Joe Street. The price from Dubois Cooper was \$21,900.00 and another \$10,000.00 to have Parrish install the station. The price from Parrish has since been revised to \$18,242.00. Added together it totals around \$40,100.00, this revision also shows a deduction of 2,800.00 if pipe ties can be made without exterior work and dewatering. So the administration is asking for a revision to the previous motion that stated administration was not to exceed \$30,000.00 to increase the amount not to exceed \$42,000.00 and allow us to proceed with this project. Councilman, Smith asked if \$42,000.00 was allotted for or not. Treasurer, Pelham stated that the amount is higher than what was anticipated and DPW, Supervisor stated this is the worst case scenario that they plan to try and do a lot of the work themselves if possible. Treasurer, Pelham stated the budget will have to be amended but the funds are available. Councilman, Smith moved to revise the allotted appropriation funding not to exceed \$42,000.00 for the West Saint Joe Lift Station project, seconded by Councilman, Siebert. Motion Carried.

Manager, Terry stated their packets have a quote from SpectraShield and what the administration has taken the approach that this is more cost effective rather than replacing manholes instead rehabilitate them. Manager, Terry explained the process of manhole and wet well rehabilitation to the board and said that two of these manholes that need to be rehabilitated are located up on the Spolyar property and one by the Hawkes Drive Lift Station. Manager, Terry stated that city administration would be bringing this back to the board seeking permission for this project in dryer weather and do the manholes by Spolyar’s first.

Manager, Terry stated that Sue has been busy with preparing for Sweet Corn Days. Clerk, Ballinger stated that she is also working on the upcoming elections. Manager, Terry informed that board that the clerk and he have been working on city ordinance violations and that Lauren has been working on the new city web-site.

Manager, Terry stated that the fire department is concerned with truck replacement and that he recently had a conversation with Bill Nobles. A fire truck can cost up to around a quarter million dollars and the fire department is concerned on the money that is being put away to purchase a new truck. One thing that needs to be brought to the board’s attention is that we need to start putting away more money towards replacing a fire truck. Councilman, Smith stated that last week the fire board discussed vehicle maintenance and the department is currently running cost through that line and it’s costing more to get the vehicles up to date and the board might even be dipping into the reserve fund.

Manager, Terry stated that in the Industrial Park there has been a lot of growth. Livonia Tool’s expansion is up to around 45,000 – 46,000 square feet. Bill Nobles talked with the president of Hi-Lex regarding the Khron’s Center. Also, the new principal Mr. Helgesen will start on July 1, 2013.

Mayor, Smith asked if administration would like the board to motion on the man holes. Administration thought it would be a good idea in order to lock the quote in. Manager, Terry stated that there is a lift station in the industrial park on Simpson Drive which is currently a weak link in our system and will have to be replaced in order to grow our industrial park. Councilman, Bannick moved to accept the quote from Spectra Shield in the amount of \$2,700.00 for two manholes, seconded by Councilman, Siebert. Motion Carried.

The new Spec Building's new floor has been poured and looks perfect. DPW, Supervisor Langhann will be installing the new playground equipment by the pool pavilions'.

Committee Reports – Councilman, Smith stated that the fire board has decided not to install a new door on the fire station at this time.

Councilman Concerns – Councilman, Bannick thanked the Budget Committee for their work on the budget.

Councilman, Siebert asked if the city has looked into or thought about spraying for mosquito's since they are so bad this season and if anything at least try to spray before the festival. Manager, Terry stated that administration checked on what other cities are doing about this and Manager, Terry said he talked with the City of Hudson which currently spray's their city and it cost around \$6,000 annually. Hillsdale County Drain Commissioner, Bill Word stated that his office has received multiple calls on this and Hillsdale City has never sprayed. Manager, Terry because of the amount of rain in April and our community is surrounded by woods and grass lands he feels that the city would have to do some type of fogging but it would cost around \$6,000.00. Manager, Terry asked if Councilman, Siebert would like him to pursue what's in dusting. Councilman, Siebert stated that he would not mind but it was up to the board and maybe the \$6,000.00 is something that could be worked into the next budget. Councilman, Chapman stated that the Mill has a product that can be bought and mixed to spray around the edge of the rivers. Manager, Terry stated that if the board wants to spray the city we would have to fog in order to get the most for our money and according to Hudson, City Manager the product they use is green friendly. Manager, Terry stated he could check with Hudson to see if Litchfield might contract with them on this and will pursue a cost if the board would like him to do so. Councilwoman, Bills stated a least get a price. The board felt it wouldn't hurt to have Manager, Terry look into the subject.

Councilman, Siebert asked if the property across from the old Thriftway could be mowed. Supervisor, Langhann said that public works will be taking care of that property this week. Also, Councilman, Siebert stated that there have been a lot of complaints regarding animals running around town. Clerk, Ballinger said that the city office is receiving calls daily. Manager, Terry stated that a letter could be sent out to residents reminding them of our city ordinance regarding this matter. Treasurer, Pelham suggested a message on summer tax bills. Manager, Terry stated we will put something on the city cable channel and on the summer tax bill. Chief, Michelin explained his department's procedures on animals and that there is no longer an animal control officer and our city has no facility for picking up animals.

Manager, Terry wanted to thank Councilwoman, Bills on helping with beautifying the city and doing a great job with Litchfield's ball program.

Correspondence –

Adjournment – Councilman, Smith moved to adjourn at 8:00pm, seconded by Councilman, Chapman. Motion Carried