

REGULAR MEETING  
Litchfield City Council - City Council Room  
May 17, 2016 - 6:30 PM

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

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

Absent: None

Also Present – City Manager - Douglas Terry, Treasurer - Jill Barrett, Clerk- Susan Ballinger, Police Chief- Dan Roberts, DPW Superintendent- Tony Langhann, Deputy Clerk – Lauren Skelly, Ed & Carol Clark, Byron Chase, and Corey Helgesen-LCS Superintendent.

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

**Call to the Public** – Mr. Helgesen – Litchfield Community School, Superintendent. Mr. Helgesen thanked the board for their support and went on to discuss the schools current status and its future goals. Mr. Helgesen is dedicated to Litchfield and wants to see the school grow through the district and the county for higher education goals. Mr. Helgesen wants to integrate the school, city, and industrial park through job shadowing opportunities. Carol Clark questioned the board regarding the increase in water and sewer rates and TIFA's contribution to the city. Mayor, Smith explained the process and reason for the increase to water and sewer rates and how the TIFA's contribution is distributed to multiple city funds.

**Public Hearing – 2016/2017 –Budget/To Establish 2016 Tax Levy** – Mayor, Smith opened the hearing at 6:39 p.m. Councilman, Bannick questioned the process of adopting the City and TIFA's budget. Treasurer, Barrett stated there is no increase for city mileage. Treasurer, Barrett went on to explain the process of adopting both the City's and Tifa budgets. Mr. Chase stated that his taxable value went up and said it was because of the increase in property values from homes being sold and Mr. Chase assumed that everybody's values went up. Treasurer, Barrett stated that the majority of taxable values will generally go in the same direction but there are periodic adjustments that the assessor has to make on property. But yes, most of everybody's went up because the city's assessed values did not go down and our taxable values can only go up at the rate of inflation. Most of our taxable values are not at the same level as the assessed value. Councilman, Bannick stated that according to the White House there is no increase with inflation. Treasurer, Barrett stated that it follows the "Consumer Price Index" which is set every year and the city doesn't have any say in it and that is what gets applied across the board. Councilman, Smith stated the board is trying to slowly rise so the board doesn't have to ask for additional mileage too. Treasurer, Barrett stated that the city is planning diligently to prevent a predicament and because the city has a strong TIFA we've enjoyed their efforts to create economic development in the city and keep the rates low. Due to tax laws changes TIFA will no longer be able sustain that level of support to the city; so we are preparing for that. Mayor, Smith stated that if Litchfield's rates aren't lowest in the area they are lower rates than most of the surrounding communities. That doesn't make it any easier on an individual but it does mean that the city is providing services at a lower rate. Mr. Chase asked how many of the factories are receiving tax breaks on their equipment through TIFA. Mayor, Smith stated tax breaks go through the city not TIFA. Mr. Chase then asked if there has ever been consideration to a city income tax. Mayor, Smith stated not seriously. Mr. Chase stated that there are a lot of people working within the city that don't live in the city and they benefit from the tax breaks that the city is providing to the industries. Mayor, Smith stated that is true, but most of those tax breaks will be going away as part of the new law changes with personal property. Mayor, Smith said yes, it is true that there are a lot of workers that could pay that city income tax, but it will also drive business away. Treasurer, Barrett stated that very few cities have that type of income tax because the administration for that requires another full time person to handle administration. Manager, Terry stated that both council and administration would be more than willing to meet our citizens to explain any of the processes of the city. With no further questions, Mayor, Smith closed the public hearing at 6:55p.m.

**Resolution 2016-03 – To Establish 2016 Tax Levy** – Councilman, Smith moved to adopt Resolution 2016-03, seconded by Councilwoman, Bills. Motion Carried

**Resolution 2016-04 –To Establish Water & Sewer Rates and Solid Waste Fees 6/1/16** - Councilman, Smith moved to adopt Resolution 2016-04, seconded by Councilman, Siebert. Motion Carried with (1) Nay vote from Councilman, Bannick.

**Resolution 2016-05- Budget Adoption Resolution & Appropriations Act.** – Councilman, Smith moved to adopt Resolution 2016-05, seconded by Councilman, Siebert. Motion Carried.

**Second Reading/Adoption Ordinance 2016-07-** To Amend Chapter 1266 of the Codified Ordinances of Litchfield, Michigan by Adding Radio, Internet and Television Sending or Boosting Stations as a Conditional Use in the I-1 District in the City of Litchfield. Clerk Ballinger gave a second reading of Ordinance 2016-07. Councilman, Siebert moved to adopt Ordinance 2016-07, seconded by Councilwoman, Bills. Motion Carried.

**Second Reading/Adoption Ordinance 2016-08** – An Ordinance Confirming and Establishing Salaries for Certain Appointed Officials. Clerk Ballinger gave a second reading of Ordinance 2016-08. Councilman, Smith moved to adopt Ordinance 2016-08, seconded by Councilman, Siebert. Motion Carried with (2) Nay votes from Councilman, Bannick and Councilman, Efstathiou.

**2016 Sweet Corn Day Festival/Sweet Corn Day Committee- City Sponsorship** – Councilman, Bannick moved to sponsor the 2016 SCD Festival, the committee members and volunteers, seconded by Councilwoman, Bills. Motion Carried.

**Approve The Michigan Pony Dynamometer Association Contract and use of City Lots 18 & 19 & Authorize the Clerk to sign.** Councilwoman, Bills moved to allow Michigan Pony Dynamometer to use city lots 18 and 19 and authorizes the clerk to sign the contract, seconded by Councilman, Reynolds. Motion Carried.

**Approve Mini Horse Pulling Association Contract and use of City lots 18 & 19 & Authorize the Clerk to sign-** Councilman, Bannick moved to allow Mini Horse Pulling Association Contract and use of city lots 18 & 19 and authorizes the clerk to sign the contract, seconded by Councilman, Smith. Motion Carried.

**2016 Firework's Permit – Authorize signature of Mayor** – Councilman, Bannick moved to authorize Mayor, Smith to sign the Firework's Permit for the 2016 festival with proof of liability insurance adding the city and festival committee as additional insured, seconded by Councilman, Smith. Motion Carried

**Bills for Approval** – Councilman Bannick moved to approve the bills in the amount of \$44,394.98 and apply to the proper accounts, seconded by Councilman Reynolds. Motion carried.

**Police Report** – Chief Roberts stated everything is going well in his department. Motion made by Councilman, Reynolds to accept the police report as presented and place on file, seconded by Councilwoman, Bills. Motion carried

**Public Works Report** – Motion made by Councilwoman, Bills to accept the DPW report as presented and place on file, seconded by Councilman, Efstathiou. Motion carried.

**Treasurers Update** – Treasurer, Barrett updated the board on the electronic payment system and that she would like to launch this service within the next few months and there will be a fee to the user for this service. Also, Treasurer, Barrett informed the board that she was recently at training and part of the training was discussion regarding personal property collection. Treasurer, Barrett stated she will do the best she can to collect from the industries within the industrial park, without creating any problems for the city. Treasurer, Barrett stated that investing in this economic market is a challenge but the training taught us on things we can do in today's market.

**City Manager's Update** – City Manager Terry informed the board that the new 911 tower went up today. Talking with Doug Sanford we hope to have it operating within two weeks, tested and everything ready to go. Manager, Terry spoke with Engineer, Rick Jenkins and said one of the things the city should be proactive on is paving of streets. Manager, Terry would like to go out for street bids and have bid openings on the 1<sup>st</sup> of June; so in the next fiscal year that begins July 1<sup>st</sup> he can bring council the bid results and then we can decide which streets we want to pursue. The city will have actual bid dollars will determine what streets the city will do. Manager, Terry stated until the city deals with water between the section of Centennial and Park Streets on N. Chicago Street the city will have a problem. The city could pave that street and grind it down and we would get 8 Year's out of it; if the city reconstructs the street and puts in curb and gutter to get rid of the water we will be able to get 20 year's out of the street. Also, Karen Schwartz has been working with the Mayor and me putting together a 2 – 5 year old and handicap playground area in front of the pavilions at Simpson Park. Manager, Terry informed the board that Chief, Dan Roberts received his Zoning Administrator Certification. Manager, Terry updated the board on the Gonzalez Group plant closure. Now, I know there are companies out there that are interested in that property and they might possibly acquire the property and/or business. Manager, Terry stated to the board that within their packets is a quote from DuBois-Cooper for a "submersible transducer" and what this does is it they are put in the lift stations and it reads the water level and tells the pumps electronically when to turn on and off. It's a vital piece of equipment that we can't do without. The City Administration is asking for the board's approval to purchase this piece of equipment to keep on hand just in case something was to break in the night we have the extra part ready to install. Councilman, Bannick motioned to authorize the administration to purchase the submersible transducer in an amount of \$1,265.00 from DuBois-Cooper, seconded by Councilman, Reynolds. Motion Carried. Councilman, Bannick inquired about the jeopardy that was placed on the Gonzalez Groups personal property. Manager, Terry said that there's a process that our Treasurer is required to follow by law and she has given them notification that they are in jeopardy of not paying their taxes, as such, by law she is required that after a certain amount of time and if unpaid she will go into the premises and tag the equipment and possibly hold for auction and we have not reached that point yet. Treasurer, Barrett stated that personal property by law is priority and paramount to any other liens. There are other liens out there and that is why it is imperative that she notifies anybody that walks through that door by public notice. Treasurer, Barrett and Chief Roberts spoke with the highest Executive at the plant to inform him that nothing was to be removed out of the building because the city has the imperative lien on it and until the taxes are paid the note will stay on the door. Treasurer, Barrett said she has options and there is nothing says that she can't enter the building and take the equipment right now to pay their bill but things could go wrong such as by taking too much equipment causing a loss of money in some way it could cause some big problems and there is a lot of cost in doing that; so if Treasurer, Barrett can get the company to cooperate in some other way that will be tried first. Treasurer, Barrett has contact with the company's new accountant and they are in the process of meeting with suppliers to complete their wind down plan, so Treasurer, Barrett wants to give them a few weeks and then ask where the City of Litchfield tax payment fit into your wind down plan.

**Correspondence** – None

**Committee Reports** –

**Councilman Concerns-**

**Adjournment** – Councilman, Bannick moved to adjourn at 7:37 p.m., seconded by Councilman, Smith. Motion carried.

