

**CITY OF REED CITY  
REGULAR COUNCIL PROCEEDINGS  
Virtual Meeting  
May 18, 2020**

Mayor Guiles called the meeting to order at 7:00 P.M. electronically for participation via computer or phone.

- Present** Mayor, Trevor Guiles. Council Members: Nathan Bailey, Dan Burchett, Karen Lea McKinney, Dave Scharlow and Carol Tillotson. Roger Meinert was absent. City Attorney, David Porteous and City Manager, Ron Howell, were also present. Department Heads, Police Chief Chris Lockhart, Barb Westerburg, Curt Brackenrich, Rich Rehkopf and Jeffrey Stein also attended electronically. The meeting was opened with the pledge to the flag. There were citizens attending via electronically.
- Public Hearing** A public hearing was opened at 7:01 P.M. to receive public comments on the Revocation of Commercial Rehabilitation Exemption Certificate C2010-010 for R & M Neal DBA Vic's Foodland, located at 716 S. Chestnut Street, Reed City, Michigan.
- There were no public comments and no written comments received.
- Motion by Bailey, seconded by McKinney, **CARRIED**, to close the hearing at 7:02 P.M. Roll call vote. Voting yes were, Tillotson, Scharlow, McKinney, Guiles, Bailey and Burchett.
- Add/Delete** Additions to the Agenda: Under New Business No. 3. Separation of Powers and No. 4. Discussion on request from a local business.
- Agenda** Motion by Scharlow, seconded by McKinney, **CARRIED**, to approve the Agenda as amended. Roll call vote. Voting yes were, Bailey, Scharlow, McKinney, Tillotson, Burchett and Guiles.
- Minutes** Motion by McKinney, seconded by Scharlow, **CARRIED**, to accept the minutes of the April 20, 2020 regular meeting as presented. Roll call vote. Voting yes were, Scharlow, Guiles, Burchett, Tillotson, Bailey and McKinney.
- Bills** Motion by Bailey, seconded by McKinney, **CARRIED**, to approve paying bills as presented for a grand total approved amount of \$262,635.08. Roll call vote. Voting yes were, Burchett, Tillotson, Bailey, McKinney, Guiles and Scharlow.
- Reports** Chief Jeffrey Stein, Fire Dept., Police Chief Christopher Lockhart, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Barb Westerburg, Treasurer, also submitted an electronic copy of the Revenue/Expenditure Report as of April 30, 2020.
- Motion by McKinney, seconded by Tillotson, **CARRIED**, to approve the Department Head reports as presented. Roll call vote. Voting yes were, Tillotson, Bailey, Guiles, Burchett, McKinney and Scharlow.
- Resolution** Motion by McKinney, seconded by Bailey, **CARRIED**, to approve Resolution No. 2020-04 a Resolution Revoking a Commercial Rehabilitation Exemption Certificate for R & M Neal DBA Vic's Foodland. Roll call vote. Voting yes were, Scharlow, Burchett, McKinney, Guiles, Tillotson and Bailey.

**CITY OF REED CITY  
REVOKING A COMMERCIAL REHABILITATION  
EXEMPTION CERTIFICATE  
RESOLUTION 2020-04**

Minutes of a regular meeting of the City Council of the City of Reed City, held on May 18, 2020, at Reed City Hall, 227 E. Lincoln Ave., Reed City, in Osceola County, Michigan, at 7:00 P.M.

PRESENT: Bailey, Burchett, Guiles, McKinney, Scharlow and Tillotson.  
ABSENT: Meinert.

The following preamble and resolution were offered by Councilperson McKINNEY and supported by Councilperson BAILEY.

**Resolution 2020-04 Revoking Commercial Rehabilitation Exemption Certificate C2010-010 New Construction For parcel number 67-52-925-002-00 and 67-52-925-004-00 dba R & M Neal DBA Vic's Foodland**

WHEREAS, pursuant to P.A. 210 of 2005, as amended, after a duly noticed public hearing held on October 19, 2009, this Reed City Council by resolution established R & M Neal DBA Vic's Foodland Commercial Rehabilitation District; and

WHEREAS, the City of Reed City approved a Commercial Rehabilitation application for R & M Neal DBA Vic's Foodland, certificate number C2010-010 for property located at 716 S. Chestnut Street in the amount of \$190,000 real property investment; and \$187,855 in frozen taxable value of the related real property.

WHEREAS, R & M Neal DBA Vic's Foodland has ceased operations and sold the property to Ebels General Store, Falmouth, Michigan who has filed a site plan calling for the demolition of the existing structure and building a new store and

NOW, THEREFORE, BE IT RESOLVED BY the Reed City Council of the City of Reed City that the Reed City Council hereby revokes Commercial Rehabilitation Exemption Certificate number C2010-010 for R & M Neal DBA Vic's Foodland for property located at 716 S. Chestnut Street.

AYES: Scharlow, Burchett, McKinney, Guiles, Tillotson and Bailey.  
 NAYS: None.

RESOLUTION DECLARED ADOPTED.

- Ordinance Councilperson McKinney introduced Ordinance No. 001-2020. An Ordinance to amend Section 674 governing trees, weeds and grass.
- SAW Grant Motion by McKinney, seconded by Tillotson, **CARRIED**, to approve Disbursement Request #21 from Fleis & VandenBrink in the amount of \$107,921.72 for the SAW Grant Project. Roll call vote. Voting yes were, Bailey, Burchett, Tillotson, Guiles, Scharlow and McKinney.
- Budget Amend Motion by Bailey, seconded by McKinney, **CARRIED**, to approve Budget Amendments as presented by the City Treasurer. Roll call vote. Voting yes were, Scharlow, McKinney, Burchett, Tillotson, Guiles and Bailey.

RESOLUTION FOR BUDGET AMENDMENTS

DATE: May 18, 2020

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Resolution by the City Council to Amend the 2019/20 fund/department budgets as follows:

<u>FUND/ACCOUNT DESCRIPTION</u>	<u>PRESENT BUDGET</u>	<u>ACTUAL TO DATE</u>	<u>ESTIMATED YEAR END</u>	<u>AMENDED BUDGET</u>	<u>INCREASE (DECREASE)</u>
<b>1. Fund #101 General Fund</b>					
<u>Expenditures (by Department)</u>					
Dept. 101 City Council	45,380	27,117	42,380	42,380	(3,000)
Dept. 223 Independent Audit	4,200	3,600	3,600	3,600	(600)
Dept. 174 City Manager	27,600	23,996	29,600	29,600	2,000
Dept. 257 City Assessor	59,260	41,070	49,260	49,260	(10,000)
Dept. 721 Planning Commission	300	-	1,300	1,300	1,000
Dept. 265 Building & Grounds	27,660	25,373	31,660	31,660	4,000
Dept. 301 Law Enforcement	482,000	360,060	475,600	475,600	(6,400)
Dept. 567 Cemetery	39,734	30,791	43,734	43,734	4,000
Dept. 528 Refuse					
<b>Total Increase(Decrease) in Expenditures</b>					<b>\$ (9,000)</b>
<u>Revenues (by account)</u>					
#692.000 Fund Reserve	9,000	-	-	-	(9,000)
<b>Total Increase(Decrease) in Revenues</b>					<b>\$ (9,000)</b>

Reason: To adjust general fund departments as needed for the remainder of the fiscal year.

2. **Fund #591 Water Fund**

Expenditures (by Department)					
#566.000 Depreciation	112,000	102,737	114,000	114,000	2,000
#542 Production - Water	470,145	245,119	421,645	421,645	(48,500)
					-
<b>Total Increase(Decrease) in Expenditures</b>					<b>\$ (46,500)</b>
Revenues (by account)					
#629.000 Water Sales	720,000	561,563	670,000	670,000	(50,000)
#664.000 Interest	3,500	5,056	7,000	7,000	3,500
					-
<b>Total Increase(Decrease) in Revenues</b>					<b>\$ (46,500)</b>

Reason: To increase depreciation expense for new capital purchases and to adjust revenues to actual. The proposed increase in the water ready-to-serve charge to cover the cost of water main replacements was not implemented as originally planned. The reduction in revenue is offset by the reduction in capital outlay.

FUND/ACCOUNT DESCRIPTION	PRESENT BUDGET	ACTUAL TO DATE	ESTIMATED YEAR END	AMENDED BUDGET	INCREASE (DECREASE)
3. <b>Fund #275 Community Dev Block Grant</b>					
Expenditures (by Department)					
#501 Federal Grants	-	-	500,000	500,000	500,000
					-
<b>Total Increase in Expenditures</b>					<b>\$ 500,000</b>
Revenues (by account)					
#880 Community Promotion			500,000	500,000	500,000
					-
<b>Total Increase in Revenues</b>					<b>\$ 500,000</b>

Reason:  
Create the budget for the receipt and expenditure of grant funds for General Mills thru the Michigan Strategic Fund.

4. **Fund #397 Fire Bldg. Debt Service**

Expenditures (by Department)					
#806 Bank Charges	-	15	30	30	30
					-
<b>Total Increase in Expenditures</b>					<b>\$ 30</b>
Revenues (by account)					
#664 Interest	-	22	30	30	30
					-
<b>Total Increase in Revenues</b>					<b>\$ 30</b>

Reason:  
To budget for a monthly service fee on our Fire Bldg. Debt Service account starting in Jan. 2020.

FUND/ACCOUNT DESCRIPTION	PRESENT BUDGET	ACTUAL TO DATE	ESTIMATED YEAR END	AMENDED BUDGET	INCREASE (DECREASE)
5. <b>Fund #590 Sewer Fund</b>					
Expenditures (by Department)					
#566 Depreciation	430,000	392,970	433,000	433,000	3,000
#543 WWTP	973,115	749,300	970,115	970,115	(3,000)
					-
<b>Total Increase in Expenditures</b>					<b>\$ -</b>

Reason:  
Increase depreciation to cover current year capital outlay purchases.

- Separation Councilman Scharlow voiced his concern with the Mayor’s Town Hall Meeting which was held without the Council consent and gave the appearance of a “City” event. Police Chief Lockhart felt it violated the Governor’s Executive Order 77 and had contacted the Mayor regarding it. The Mayor apologized for not coming to the council first but did not believe he was wrong for holding the meeting.
- Business request Motion by Bailey, seconded by Guiles, **CARRIED**, to approve the public to temporarily park (for takeout orders) in the alley way in front of businesses downtown for a period of 60 days and appropriate signage to be provided by the business owners along that stretch. Roll call vote. Voting yes were, McKinney, Burchett, Bailey, Guiles, Scharlow and Tillotson.
- Consent Motion by McKinney, seconded by Scharlow, **CARRIED**, to accept the Consent Agenda as presented. Roll call vote. Voting yes were, Bailey, Scharlow, McKinney, Tillotson, Burchett and Guiles.
- City Manager Ron submitted a written report and also reported Casair is putting in wireless access for students use from City Hall parking lot. Ron had been contacted regarding Thursday night music at the Depot and religious groups using the park for outdoor meetings. The City attorney advised Ron to be cautious in allowing groups and to make sure it is compliant with the current Executive Orders.
- Bills Mayor Guiles 2020 Schedule of Reviewing Bills appoints Roger Meinert to review bills prior to the June meeting.
- Attorney City Attorney Wotila submitted a written report along with a Checklist form for the Planning Commission’s use in Special Use Permit requests and a proposed Revised Penalty Ordinance. David Porteous is not traveling as much as in the past and will now be attending the council meeting and teaming up with Attorney Wotila to meet the needs of the City.
- Comments Dave Scharlow would like to see vehicle work done locally at Edstrom’s Garage. Dave also commented there is an offer on the old Ace Hardware building; Trevor Mund and Derek Lodholtz have purchased the old Stieg hair place building and looking to put a business in there and something is going on at the old Pizza Hut as there is a roll off dumpster there. Karen McKinney commented someone posted on Let’s Talk Reed City that the City should put some of their picnic tables downtown for the restaurants use for people to eat outside. Nate Bailey commented while going over the bills he saw some areas where we could improve and cut costs, specifically like printers usage and internet costs that he would like to review and try and save the City some costs. Dan Burchett conveyed thanks to all for getting this meeting over with quickly. Carol Tillotson voiced appreciation to everyone for their work pulling thru this virus crisis all together.
- Public Comment Citizens attending the meeting electronically were recognized by Mayor Guiles but declined any public comments.
- Adjourn Mayor Guiles adjourned the meeting at 8:18 P.M.

Jacalyn R. Beam, City Clerk