

CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
March 18, 2019

Mayor Guiles called the meeting to order at 7:00 P.M. in Council Chambers, 227 East Lincoln Avenue, Reed City, Michigan.

Present Mayor, Trevor Guiles. Council Members: Nathan Bailey, Dan Burchett, Karen Lea McKinney, Roger Meinert, Dave Scharlow and Carol Tillotson arrived at 7:24 pm. City Attorney, Cynthia Wotila and City Manager, Ron Howell, were also present. Department Heads, Fire Chief Jeff Stein, Chief Chuck Davis, Barbara Westerburg and Rich Rehkopf also attended. The meeting was opened with the pledge to the flag. There were citizens in the audience.

Public Hearing Mayor Guiles opened the Public Hearing at 7:02 P.M. to receive public comment on Ordinance 002-2019 to amend the Code of Ordinances by adding a new section which new section 1284.25 shall be designated as Section 1284.25 of Chapter 1284 of said Code for the purpose of Prohibition of Marihuana Establishments in all zoning districts. One public comment was received:

Ryan Luesby, of 121 N. Higbee, commented: It just seems crazy that an industry like this could escape from our community. It would save me gas money from going to Ewart. Keep it here.

Councilperson Burchett inquired: Which establishment are you going to in Ewart?

Ryan Luesby: The legal one – Lit. Is there another one?

Councilperson Burchett: Yes, there's two there.

Ryan Luesby: Where's the other one?

Councilperson Burchett: It's called Sour Apple. I'll get with you later on this.

There were no written comments received. The hearing was closed at 7:04 P.M.

Public Hearing A Public Hearing was opened at 7:04 P.M. to receive public comment on Resolution No. 2019-01 Establishing A New Industrial Facilities District for Reed City Group, 591 E. Church Avenue, Reed City, Michigan.

There were no public comments received and no written comments received. The hearing was closed at 7:05 P.M.

Add/Deletions Remove item No. 1 Winter storms/Plowing/Sidewalk snow removal/clearing under City Manager's Report and move it to New Business No. 4.

Agenda Motion by McKinney, seconded by Burchett, **CARRIED**, to approve the Agenda as amended. Affirmed by voice vote.

Minutes Motion by Bailey, seconded by Scharlow, **CARRIED**, to accept the minutes of the February 19, 2019 regular meeting as presented. Affirmed by voice vote.

Audience Dee Tague, owner of 203 and 205 W. Upton, spoke to council explaining her problem with the sidewalk ordinance. Her shop is not open on weekends and she is concerned about getting ticketed for not clearing her sidewalk during bad weather on weekends. She understand it is a safety factor but the local officials are telling people to stay off the road and she would have to travel in from the country in inclement weather to avoid a ticket for not clearing her walk. In a second concern, Ms. Tague was upset with the Crossroads Festival last year for setting up crafters in from of her business and her tenants apartment which blocked her in. She stated she did not receive notification from the festival of crafters renting space in front of her business.

- Audience** Amber Hutchinson, President of the Great American Crossroads Celebration committee, presented a list of events and a map of the downtown area indicating events and parking areas. Jessie Kailing, member of the Festival committee explained they would like to set up the beverage tent and children’s carnival in the north parking lot of the city. Parking was discussed and there was concern about loud music (noise) coming from the beverage tent at night. Jessie explained speakers will face the east away from the residential area. The liquor license will be under Sunny’s Bar & Grill. Last Call and the Brewery each owe the GACC payments from previous years will not be a part of it. The children’s carnival will be on Saturday from 10 AM until 3 PM. Set up and tear down will be on the same day. Next festival meeting will be on April 4th at 5:30 P.M. at the Depot. Everyone is welcome to attend.
- Councilperson Burchett left the council chambers at 7:48 P.M.
Councilperson Burchett returned to council chambers at 7:49 P.M.
- Festival** Motion by Meinert, seconded by Bailey, **CARRIED**, to allow the Crossroads Festival to utilize the blue and green areas as marked on the map of the City North Parking Lot, with the beverage tent to be setup Thursday, August 15th, starting at 4:00 P.M. and to be torn down no later than Sunday, August 18th, at 10:00 A.M. and the children’s carnival area to be utilized on Saturday, August 17th, starting at 6:00 A.M. until 4:00 P.M. Roll call vote. Voting yes were, Tillotson, Bailey, Meinert, Guiles, Burchett, McKinney and Scharlow.
- Bids** Motion by McKinney, seconded by Bailey, **CARRIED**, to approve the Police Department to seek bids for a new patrol car. Affirmed by voice vote.
- Reports** Chief Stein, Fire Dept., Chief Charles Davis, Police Dept, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Barb Westerburg also submitted a Revenue/Expenditure Report as of February 28, 2019.
- Motion by McKinney, seconded by Bailey, **CARRIED**, to approve the Department Head reports as presented. Affirmed by voice vote.
- Bills** Motion by Tillotson, seconded by McKinney, **CARRIED**, to approve paying bills as presented for a grand total approved amount of \$306,592.88. Roll call vote. Voting yes were, Bailey, Burchett, Tillotson, Guiles, Meinert, Scharlow and McKinney.
- Ordinance** Motion by McKinney, seconded by Tillotson, **CARRIED**, to adopt Ordinance 002-2019 to amend the Code of Ordinances by adding a new section which new section 1284.25 shall be designated as Section 1284.25 of Chapter 1284 of said Code for the purpose of Prohibition of Marihuana Establishments in all zoning districts. Roll call vote. Voting yes were, Scharlow, McKinney, Burchett, Tillotson, Guiles, Meinert and Bailey.

**CITY OF REED CITY
ORDINANCE NO. 002-2019**

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF REED CITY BY ADDING A NEW SECTION WHICH NEW SECTION 1284.25 SHALL BE DESIGNATED AS SECTION 1284.25 OF CHAPTER 1284 OF SAID CODE

At a March 18, 2019 regular meeting of the City Council held at 7:00 P.M. at the City Hall, 227 East Lincoln Avenue, Reed City, Michigan 49677.

THE CITY OF REED CITY ORDAINS:

Section 1. Addition of Section 1284.25 to Chapter 1284. Section 1284.25, "Prohibition of Marihuana Establishments," is added to Chapter 1284 "Provisions Applicable to All Districts" of the Code of Ordinances of the City of Reed to read as follows:

**SECTION 1284.25 PROHIBITION OF MARIJUANA
ESTABLISHMENTS**

- (A) Marihuana establishments, as authorized by and defined in the Michigan Regulation and Taxation of Marihuana Act (the "Act"), are prohibited in all zoning districts.
- (B) No use that constitutes or purports to be a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter or any other type of marihuana related business authorized by the Act, that was engaged in prior to the enactment of this Ordinance, shall be deemed to have been a legally established use under the provisions of the City of Reed City Code of Ordinances; that use shall not be entitled to claim legal nonconforming status.
- (C) Violations of this section are subject to the violations and penalties pursuant to Section 1242.99 of Chapter 1242 and may be abated as nuisances pursuant to Chapter 652.
- (D) This section does not supersede rights and obligations with respect to the transportation of marihuana by marihuana secure transporters through the City of Reed City to the extent provided by the Act, and does not supersede rights and the regulations under Chapter 645 of the City of Reed City Code of Ordinances with respect to medical marihuana facilities established pursuant to the Michigan Medical Marihuana Act.

Section [2]. Effective Date. The adoption of this ordinance is hereby declared an emergency effecting the public peace, health and safety and this ordinance shall, therefore, be effective immediately upon its adoption.

Section [3]. Publication. After its adoption, this ordinance or a summary thereof, as permitted by law, shall be published by the City of Reed City Clerk in the Herald Review, a newspaper of general circulation in the City of Reed City.

ORDINANCE DECLARED ADOPTED.

This ordinance was introduced on January 22, 2019, by Councilperson McKinney. On the 18th day of March, 2019, upon the motion by Councilperson McKINNEY, and seconded by Councilperson TILLOTSON, this ordinance was adopted.

Voting yeas: Scharlow, McKinney, Burchett, Tillotson, Guiles, Meinert and Bailey.
Voting nays: None.

RC Group

Motion by Bailey, seconded by Meinert, **CARRIED**, to approve Resolution No. 2019-01 a Resolution Establishing A New Industrial Facilities District For Reed City Group, owned by RCTI Acquisition Co., LLC, 591 E. Church Avenue, Reed City, Michigan. Roll call vote. Voting yes were, Meinert, Guiles, Bailey, Tillotson, McKinney, Scharlow and Burchett.

**RESOLUTION ESTABLISHING
A NEW INDUSTRIAL FACILITIES DISTRICT
FOR REED CITY GROUP, owned by RCTI Acquisition Co., LLC,
591 E. Church Avenue, Reed City, Michigan**

Resolution No. 2019-01

A regular meeting of the Reed City Council held on March 18, 2019 in the Council Chambers of City Hall at 227 E. Lincoln, Reed City, Michigan at 7:00 p.m.

PRESENT: Bailey, Burchett, Guiles, McKinney, Meinert, Scharlow and Tillotson.
ABSENT: None.

The following resolution was offered by Councilperson BAILEY, seconded by Councilperson MEINERT.

WHEREAS, pursuant to Act 198 of 1974, as amended (the "Act"), the City of Reed City ("City") has the authority to establish Industrial Facilities Districts" ("District") within the City of Reed City; and

WHEREAS, Reed City Group, a corporation with its office located in Reed City, Michigan, has petitioned the City of Reed City to establish an Industrial Facility District on its property located at 591 E. Church, Parcel Number 67-52-015-009-00 within the jurisdictional limits of the City of Reed City; hereinafter described; as

Legal Description: RC-299 SEC 15 T17N R10W PT OF SW 1/4 OF NW 1/4 COM N0DEG17'10"W 1317.82 FT & S89DEG27'13"E 656.66 FT FR W 1/4 COR, TH S89DEG27'13"E 652.08 FT TO W 1/8 LN, TH S0DEG18'53"E 649.44 FT, TH N89DEG47'53"W 649.44 FT, TH N0DEG32'30"W 653.4 FT TO POB, EXC N 328.35 OF W 20.5 FT THEREOF 9.58A M/L

WHEREAS, construction, acquisitions, alterations, or installation of the proposed facility has not commenced; and

WHEREAS, written notice has been given by mail to owners of real property located within the District and to the public by newspaper advertisement in The Herald Review newspaper and/or public posting of the hearing on the establishment of the proposed District; and

WHEREAS, on March 18, 2019, a public hearing was held at which all of the owners of real property within the proposed Industrial Development District and all residents and taxpayers of the City of Reed City were afforded an opportunity to be heard thereon; and

WHEREAS, the City of Reed City deems it to be in the public interest of the City to establish the Industrial Facility District in accordance with Act 198 of 1974 as amended and as proposed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reed City, that the above described parcel of land situated in the City of Reed City, County of Osceola, and State of Michigan, is established as an Industrial Facility District pursuant to the provisions of Act 198 of Public Acts of 1974, to be known as "Reed City Group Industrial Facility District (See Exhibit A)

This Resolution was introduced on March 18, 2019, upon the motion by Councilperson BAILEY, and seconded by Councilperson MEINERT, this Resolution was adopted.

Voting Yeas: Meinert, Guiles, Bailey, Tillotson, McKinney, Scharlow and Burchett.

Voting Nays: None.

- Social Media Motion by Meinert, seconded by Burchett, **CARRIED**, to table discussion and action on the Social Media Policy until the April regular meeting. Affirmed by voice vote.

- S. WWTP Motion by Meinert, seconded by Bailey, **CARRIED**, to approve professional services fees as set in proposal of A. Study/Report Phase for \$20,000 and B. Preliminary Design Phase: for \$35,000 for a total lump sum of \$55,000 to Fishbeck Thompson Carr & Huber for the south Wastewater Treatment Plant Improvements Project. Roll call vote. Voting yes were, Tillotson, Scharlow, McKinney, Guiles, Bailey, Meinert and Burchett.

- C.M. Contract Mayor Guiles presented the compiled results of the City Manager evaluation of Ron Howell. Average results were 3 ½ which is between Satisfactory and Above Average. There was discussion on hiring/training an assistant to the city manager to develop this person as a future manager. It was the general consensus to revisit the City Manager contract renewal next month at the April regular meeting.

Councilman Scharlow left council chambers at 8:39 p.m.

- SAW Grant Motion by McKinney, seconded by Tillotson, **CARRIED**, to approve Disbursement Request #8 from Fleis & VandenBrink in the amount of \$27,111.40 for the SAW Grant Project. Roll call vote. Voting yes were, Bailey, McKinney, Tillotson, Burchett, Meinert and Guiles.

Councilman Scharlow returned to council chambers at 8:40 p.m.

- WA/SW bill Motion by McKinney, seconded by Tillotson, **CARRIED**, to deny the appeal of Teresa Mora to adjust the water and sewer bill at 251 W. Todd as there were no exceptional circumstances existing. Affirmed by voice vote.

- Budget Amend Motion by McKinney, seconded by Bailey, **CARRIED**, to approve Budget Amendments 1, 2, 3 and 4, as presented by the City Treasurer. Roll call vote. Voting yes were, Burchett, Tillotson, Bailey, McKinney, Guiles, Scharlow and Meinert.

RESOLUTION FOR BUDGET AMENDMENTS

DATE: March 18, 2019

Resolution by the City Council to Amend the 2018/19 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>
1. Fund #101 General Fund					
Expenditures (by Department)					
Dept. 269 City - Other Properties	28,700	19,401	37,000	37,000	8,300
				-	-
Total Increase in Expenditures					\$ 8,300
Revenues (by account)					
#677 Reimbursements - RC Chamber	-	1,208	4,000	4,000	4,000
#690 Fund Reserve	33,000	33,000	37,300	37,300	4,300
Total Increase in Revenues					\$ 8,300

Reason:

Depot utilities were budgeted at 50% of total cost - new arrangement is we pay total cost and get reimbursed 50%.

This will increase the utilities expense line items by \$4,000 and show the reimbursement revenue.

Budget \$4,300 from reserves for the cost of purchasing 214 N. Chestnut (block building).

2. Fund #101 General Fund					
Expenditures (by Department)					
Dept. 338 Fire Department	231,035	189,200	231,739	231,739	704
(Operating Supplies)				-	-
Total Increase in Expenditures					\$ 704
Revenues (by account)					
#675.300 Private Contribution	-	-	704	704	704
Total Increase in Revenues					\$ 704

Reason:

Fire Dept. received a donation from the GFWC for the purchase of emergency vest. This ba will recognize the revenue and increase the expenditure account for the purchase.

<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>
3. Fund #202 Major Street					
Expenditures (by Department)					
Dept. 478 Winter Maintenance	30,985	27,229	39,985	39,985	9,000
Dept. 463 Routine Maintenance	277,560	9,891	268,560	268,560	(9,000)
Dept. 497 Winter Maint. - Trunkline	19,550	22,689	32,550	32,550	13,000
Dept. 502 Trunkline Leave & Benefits	2,900	1,363	5,000	5,000	2,100
Dept. 503 Trunkline Overhead/Off. Serv.	2,500	747	4,500	4,500	2,000
Total Increase in Expenditures					\$ 17,100
Revenues (by account)					
#577.200 State Trunkline Revenue	35,000	8,200	52,100	52,100	17,100
Total Increase in Revenues					\$ 17,100
4. Fund #203 Local Street					
Expenditures (by Department)					
Dept. 478 Winter Maintenance	30,085	29,928	50,085	50,085	20,000
Total Increase in Expenditures					\$ 20,000
Revenues (by account)					
#690 Fund Reserve	38,415	-	58,415	58,415	20,000
Total Increase in Revenues					\$ 20,000

Reason:

Increase winter maintenance budgets for major and local streets, and state trunkline departments due to the hard winter we have had.

- Sidewalks Discussion on clearing of snow from sidewalks. Chief Davis commented no one has received a ticket for uncleared sidewalks. Councilman Burchett provided copies of sidewalk ordinances from surrounding communities for review. It was the general consensus that Ron is to move forward for a possible special assessment district.
- Consent Motion by McKinney, seconded by Bailey, **CARRIED**, to accept the Consent Agenda as presented. Affirmed by voice vote.
- Committee Nate Bailey reported on the Reed City Rebranding Project. They had their first official meeting and their main focus right now is to help the Library with their event of the Smithsonian exhibit, working with the Chamber of Commerce, the GACC and possibly assist with anything. Next meeting they will be discussing possible new events or festivals that could be held in the community and create plans as to how to implement them including locations, budget, volunteers that would be interested. At the next meeting they will have a presentation from Ashley Flax who will be talking about a program that Evert is involved in where they have a similar committee and were able to get grant funding. They may also have another presentation from an individual looking at doing some possible graphic design for the city at no cost or very little cost.
- City Manager Ron reported on the following:
- Republic Services requested the city to discontinue the recycling portion of the current contract as only 22 residents use it. Ron recommended we continue with the recycling portion of the remainder of the contract through December 31st and that we need to keep recycling in the new contract bids this fall. Republic Services does not want to take over the local Fay Wilson Recycling building.
 - Presented a quote for a used Mobile stage. Ron will share this information with the Chamber and the GACC and let them know these mobile stages are out there but it's not the local government at this time to do this.
 - Presented a quote for refurbished Lenovo Thinkpads. Ron was directed to bring back a total package to include four of the refurbished Lenovo Thinkpad, online Microsoft Office 365 governmental and the transition of all emails to 365.
 - Bob Breedlove from the Reed City Schools was present recording the meeting. Mr. Breedlove is evaluating if a good recording is possible in the council chambers or if other options need to be considered. By recording the meeting, it would then be broadcasted rather than live streamed. Attorney Wotila advised council that any recorded meeting has FOIA implications and guidelines on how it has to be preserved.
 - Presented an updated Uncompleted Items List and Longer Range Projects update.
- Bills Mayor Guiles appointed himself to review bills prior to the next meeting.
- Mayor Mayor Guiles reported on the following:
- The Mayor has met with a number of businesses and with Rotary.
 - The Mayor is going to start a monthly "Meet the Mayor" meeting at local restaurants/businesses to meet with residents in a friendly, relaxed atmosphere to listen to concerns and answer questions about city business and voice what they think can be done to make Reed City better. The first meeting will be at the Seven Slot Grill on Tuesday, March 26 at 10:00 A.M.
 - Trevor has met with all Dept. Heads except Fire Department, Chief Stein.
 - Trevor will be traveling to Lansing with Tom Burnosky this Thursday to kick off the Smithsonian Project.

City Attorney Cindy Wotila reviewed the Casair Right-of-Way Telecommunications Permit Agreement and everything seemed in order but her copy did not contain Exhibit A which is the right-of-way map. She will call Casair and request a copy of the map to review. Attorney Wotila presented an updated draft of the Rental Inspection Ordinance. She was ask to bring back another draft next month that will include language that the owner is responsible for all inspection fees.

During the Attorney’s report Councilperson Scharlow left the council chambers at 9:49 P.M.
Councilperson Scharlow returned to council chambers at 9:53 P.M.

Comments Nate Bailey commented he does not like the new website. Roger Meinert distributed a letter that is being sent out to different organizations to see if they will participate in the Refresh Reed City project on April 27th. Eagle Village and the Boy Scouts have already committed to participate.

Adjourn Mayor Guiles adjourned the meeting at 10:03 P.M.

Jacalyn R. Beam
City Clerk