

**CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
March 21, 2016**

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

- Present** Mayor, Karen Lea McKinney. Council Members: David Bisbee, Marlene Fatum, Trevor Guiles, Roger Meinert, David Scharlow and Carol Tillotson. City Manager, Ron Howell and City Attorney, Nathan Piwowarski were also present. Department Heads, Curt Brackenrich, Chief Chuck Davis, Barb Westerburg, Fire Chief Jeff Stein and Rich Rehkopf also attended. The meeting was opened with the pledge to the flag. Citizens were in the audience.
- Public Hearing** Mayor McKinney opened the Public Hearing at 7:01 P.M. to receive public comments on Zoning Ordinance No. 001-2016 Consumers Energy Company Electric Franchise Ordinance. No comments were received from the public or in writing. The hearing was closed at 7:02 P.M.
- Add/Deletions** Addition to the Agenda under Audience Presentations: Matt Biolette, Municipal Services Manager of Republic Services.
- Minutes** Motion by Scharlow, seconded by Fatum, **CARRIED**, to accept the minutes of the February 16, 2016 regular meeting as presented. Affirmed by voice vote.
- Bills** Motion by Tillotson, seconded by Bisbee, **CARRIED**, to approve paying bills as presented in the amount of \$381,151.53. Roll call vote. Voting yes were, Scharlow, Meinert, Bisbee, Fatum, Tillotson and McKinney.
- Councilman Guiles arrived at 7:03 P.M.
- Audience** Kathyne Eisinger of the Reed City Area Public Schools appeared to present information on the Special Election to be held on May 3, 2016 in which the school district has two proposals on the ballot. Ms. Eisinger answered various questions from Council members.
- Matt Biolette of Republic Services introduced himself as the new district Municipal Services Manager for Republic Waste Services. Some recycling questions were asked of Matt and he will be contacting Larry Neiderhyde of the local recycling group in Reed City to see if they have the ability to handle the local recycling picked up by Republic.
- Reports** Chief Jeff Stein, Fire Department., Chief Chuck Davis, Police Department, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports.
- Dump Truck** Motion by Scharlow, seconded by Guiles, **CARRIED**, to authorize the Dept. of Public Works to obtain bids for the 1996 Dump Truck including auctioning in Trader Truck with a minimum bid of \$5,000.00. Affirmed by voice vote.
- Ordinance** Motion by Bisbee, seconded by Fatum, **CARRIED**, to adopt Ordinance 001-2016 Consumers Energy Company Electric Franchise Ordinance. Roll call vote. Voting yes were, Bisbee, Fatum, Tillotson, Guiles, Meinert, Scharlow and McKinney.

**ORDINANCE NO. 001-2016
CONSUMERS ENERGY COMPANY ELECTRIC FRANCHISE ORDINANCE**

AN ORDINANCE, granting to CONSUMERS ENERGY COMPANY, its successors and assigns, the right, power and authority to construct, maintain and commercially use electric lines consisting of towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers and other electrical appliances on, under, along and across the highways, streets, alleys, bridges, waterways, and other public places, and to do a local electric business in the CITY OF REED CITY, OSCEOLA COUNTY, MICHIGAN, for a period of thirty years.

THE CITY OF REED CITY ORDAINS:

SECTION 1. GRANT TERM. The CITY OF REED CITY, OSCEOLA COUNTY, MICHIGAN, hereby grants the right, power and authority to the Consumers Energy Company, a Michigan corporation, its successors and assigns, hereinafter called the "Grantee," to construct, maintain and commercially use electric lines consisting of towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers and other electrical appliances for the purpose of transmitting, transforming and distributing electricity on, under, along and across the highways, streets, alleys, bridges, waterways, and other public places, and to do a local electric business in the CITY OF REED CITY, OSCEOLA COUNTY, MICHIGAN, for a period of thirty years.

SECTION 2. CONSIDERATION. In consideration of the rights, power and authority hereby granted, said Grantee shall faithfully perform all things required by the terms hereof.

SECTION 3. CONDITIONS. No highway, street, alley, bridge, waterway or other public place used by said Grantee shall be obstructed longer than necessary during the work of construction or repair, and shall be restored to the same order and condition as when said work was commenced. All of Grantee's structures and equipment shall be so placed on either side of the highways as not to unnecessarily interfere with the use thereof for highway purposes. All of Grantee's wires carrying electricity shall be securely fastened so as not to endanger or injure persons or property in said highways. The Grantee shall have the right to trim trees if necessary in the conducting of such business, subject, however, to the supervision of the highway authorities.

SECTION 4. HOLD HARMLESS. Said Grantee shall at all times keep and save the City free and harmless from all loss, costs and expense to which it may be subject by reason of the negligent construction and maintenance of the structures and equipment hereby authorized. In case any action is commenced against the City on account of the permission herein given, said Grantee shall, upon notice, defend the City and save it free and harmless from all loss, cost and damage arising out of such negligent construction and maintenance.

SECTION 5. EXTENSIONS. Said Grantee shall construct and extend its electric distribution system within said City, and shall furnish electric service to applicants residing therein in accordance with applicable laws, rules and regulations.

SECTION 6. FRANCHISE NOT EXCLUSIVE. The rights, power and authority herein granted, are not exclusive.

SECTION 7. RATES. Said Grantee shall be entitled to charge the inhabitants of said City for electricity furnished therein, the rates as approved by the Michigan Public Service Commission, to which Commission or its successors authority and jurisdiction to fix and regulate electric rates and rules regulating such service in said City, are hereby granted for the term of this franchise. Such rates and rules shall be subject to review and change at any time upon petition therefor being made by either said City, acting by its City Council, or by said Grantee.

SECTION 8. REVOCATION. The franchise granted by this ordinance is subject to revocation upon sixty (60) days written notice by the party desiring such revocation.

SECTION 9. MICHIGAN PUBLIC SERVICE COMMISSION, JURISDICTION. Said Grantee shall, as to all other conditions and elements of service not herein fixed, be and remain subject to the reasonable rules and regulations of the Michigan Public Service Commission or its successors, applicable to electric service in said City.

SECTION 10. REPEALER. This ordinance, when accepted and published as herein provided, shall repeal and supersede the provisions of an electric ordinance adopted by the City on March 17, 1986 entitled:

AN ORDINANCE, granting to CONSUMERS POWER COMPANY, its successors and assigns, the right, power and authority to construct, maintain and commercially use electric lines consisting of towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers and other electrical appliances on, under, along and across the highways, streets, alleys, bridges and other public places, and to do a local electric business in the CITY OF REED CITY, OSCEOLA COUNTY, MICHIGAN.

and amendments, if any, to such ordinance whereby an electric franchise was granted to Consumers Energy Company.

SECTION 11. EFFECTIVE DATE. This ordinance shall take effect upon the later of 15 days after enactment or publication thereof, provided, however, it shall cease and be of no effect after thirty days from its adoption unless within said period the Grantee shall accept the same in writing filed with the City Clerk. Upon acceptance and publication hereof, this ordinance shall constitute a contract between said City and said Grantee.

YEAS: David Bisbee, Marlene Fatum, Carol Tillotson, Trevor Guiles, Roger Meinert, Dave Scharlow and Karen McKinney.

NAYS: None.

- Charter Motion by Guiles, seconded by Fatum, **CARRIED**, to approve as discussed, the language for amending the Charter Section 12.1, Purchase and Sale of Property. Roll call vote. Voting yes were, Scharlow, Bisbee, McKinney, Fatum, Tillotson, Guiles and Meinert.

- PILOT Motion by Bisbee, seconded by Fatum, **CARRIED**, to adopt with immediate effect, a Tax Exemption Ordinance (PILOT) presented by PK Housing & Management Co. for PK Reed City LDHA, LP, to provide for a service charge in lieu of taxes based on rents collected and multiplied by 10.5% for a rehabilitation housing project at Townline Manor and James Manor Apartments contingent on acquisition and sale of Low Income Housing Tax Credits from MSHDA. Roll call vote. Voting yes were Meinert, Guiles, Bisbee, Tillotson, McKinney, Scharlow and Fatum.

- Parking Ban It was the consensus of the council not to lift the parking ban with a major snow storm in the immediate forecast and more forecasted for the following week.

- Depot Motion by Tillotson, seconded by Bisbee, **CARRIED**, to approve the Lease of Depot Amendment with Fremont Area Community Foundation as presented. Affirmed by voice vote.

- Copier Motion by Fatum, seconded by Scharlow, **CARRIED**, to authorize City Hall to obtain bids for lease of a new copier for City Hall. Affirmed by voice vote.

- Sewer Repl. Motion by Bisbee, seconded by Meinert, **CARRIED**, approving the addition of the sanitary sewer replacement to the water main project on W. Todd Avenue from Higbee through the intersection of Chestnut and to contact the home owners in that area in the event they want to update their lines. Affirmed by voice vote.

- Budget Amend Motion by Guiles, seconded by Scharlow, **CARRIED**, to approve Budget Amendments as presented by the City Treasurer. Roll call vote. Voting yes were, Scharlow, Meinert, Bisbee, Guiles, Fatum, Tillotson and McKinney.

RESOLUTION FOR BUDGET AMENDMENTS

DATE: March 21, 2016

Resolution by the City Council to Amend the 2015/16 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. #402 Equipment Replacement Fund					
Expenditures (by Department)					
Dept. Expenditures - Capital Outlay	3,125	2,602	4,000	4,000	875
DPW				-	-
Total Increase In Expenditures					\$ 875
Revenues (by account)					
Acct. 691 Fund Reserve	-	-	875	875	875
Total Increase In Revenues					\$ 875

Reason:

To increase the budget to allow DPW Superintendent to purchase a new computer/monitor for \$890. (old system won't even turn on, purchased around 2005)

2. **#397 Fire Bldg. Debt Service Fund**

<u>Expenditures (by Department)</u>					
Dept. 905 Debt Service	35,610	10,025	35,960	35,960	350
				-	-
Total Increase In Expenditures					\$ 350
<u>Revenues (by account)</u>					
Acct. 397 Personal Prop. Tax	7,850	8,581	8,200	8,200	350
				-	-
Total Increase In Revenues					\$ 350

Reason:
To increase budget to cover cost of fraud protection on bank account.

Resolution by the City Council to Amend the 2015/16 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>
3. #396 Fire Truck Debt Service Fund					
<u>Expenditures (by Department)</u>					
Dept. 905 Debt Service	21,310	31,339	21,410	21,410	100
				-	-
Total Increase In Expenditures					\$ 100
<u>Revenues (by account)</u>					
Acct. 690 Fund Reserve	-	-	100	100	100
				-	-
Total Increase In Revenues					\$ 100

Reason:
To increase the budget to cover bank charges for the year.

4. **#202 Major Street**

<u>Expenditures (by Department)</u>					
Trunkline - Surface Maint.	2,762	4,056	6,262	6,262	3,500
Trunkline - Sweeping & Flushing	-	110	500	500	500
Trunkline - Winter Maint.	16,369	6,856	12,369	12,369	(4,000)
					-
Total Increase In Expenditures					\$ -
<u>Revenues (by account)</u>					
				-	-
				-	-
Total Increase In Revenues					\$ -

Reason:
Move excess winter maintenance to surface maintenance to cover cost of cold patch on Chestnut. MDOT has already approved these budget adjustments.

Consent Motion by Scharlow, seconded by Fatum, **CARRIED**, to accept the Consent Agenda as presented. Affirmed by voice vote.

Committee No committees have met.

City Manager Ron Howell commented he had received a call regarding a possible fund raiser involving fire truck rides for kids. Ron and Jeff Stein both have spoken with Paul Olson of Municipal Underwriters and this is not allowed by insurance. There was extensive discussion on this subject. Ron provided information on fluoride in the water update. He advised council members the Teamsters and POAM unions have contacted him and wish to start negotiations.

A Budget Hearing date was set for Thursday, April 28, 2016 at 6:00 P.M. and the Budget Adoption was set for Thursday, May 12, 2016 at 6:00 P.M.

Ron has been contacted by Melissa Shilling a former resident of Reed City. Her brother was killed in action in Iraq in 2006 and she would like to establish a monument in his honor at Rambadt or Westerburg Park. Members discussed other areas in town that would be appropriate for a memorial and Chief Jeff Stein said the Fire Department is also available for consideration. Ron was instructed to contact the VFW to see if they would like to participate in this project.

Bills Mayor McKinney appointed herself to review bills prior to the next meeting.

Charter The following motion was made to clarify the wording for amending the purchasing requirements of the Charter.

Motion by Guiles, seconded by Fatum, **CARRIED**, to approve the language as read by Attorney Piwowarski for amending the Charter, Section 12.1, Purchase and Sale of Property. Roll call vote. Voting yes were, Scharlow, Bisbee, McKinney, Fatum, Tillotson, Guiles and Meinert.

Council Trevor Guiles reported the Crossroad Festival had met and the committee will be making a request to Council, to waive the noise ordinance downtown during the Festival weekend in August as plans are to locate it downtown again this year.

Adjourn Motion by Meinert, seconded by McKinney, **CARRIED**, to adjourn the meeting at 9:13 P.M.

Jacalyn R. Beam
City Clerk