

CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
June 19, 2017

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: James Anderlohr, Dan Burchett, Trevor Guiles, Dave Scharlow and Carol Tillotson arrived at 7:12 P.M. Roger Meinert was absent. City Attorney, Cynthia Wotila was also present. City Manager, Ron Howell, was absent. Department Heads, Chief Chuck Davis, Rich Rehkopf, Curt Brackenrich and Barbara Westerburg also attended. The meeting was opened with the pledge to the flag. There were citizens in the audience.
- Minutes Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to accept the minutes of the May 15, 2017 regular meeting as presented. Affirmed by voice vote.
- Bills Motion by Anderlohr, seconded by Burchett, **CARRIED**, to approve paying bills as presented for a total approved amount of \$197,543.92. Roll call vote. Voting yes were, Anderlohr, Scharlow, McKinney, Burchett and Guiles.
- Reports Chief Stein, Fire Dept., Chief Davis, Police Dept, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Barbara Westerburg handed out a Revenue/Expenditure Report as of 5/31/2017.
- Motion by Anderlohr, seconded by Burchett, **CARRIED**, to accept the department head reports as presented. Affirmed by voice vote.
- Ferric Motion by Guiles, seconded by Scharlow, **CARRIED**, to approve the bid from Webb Chemical in the amount of \$470.00 per dry ton delivered for ferric chloride for the W.W.T.P. Roll call vote. Voting yes were, Burchett, Anderlohr, McKinney, Guiles and Scharlow.
- Mill & Paving Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to approve the bid from Rieth-Riley Construction Co., Inc., in the amount of \$184,395.00 for road milling and resurfacing on various streets. Roll call vote. Voting yes were, Anderlohr, Guiles, Burchett, McKinney and Scharlow.
- General Mills Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to approve the Settlement Agreement and Release with General Mills, Inc., for back water and sewer charges in the amount of \$116,000.00 and authorize the Mayor to sign. Roll call vote. Voting yes were, Scharlow, Burchett, McKinney, Guiles and Anderlohr.
- Hazardous Waste Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to approve a \$500.00 payment to Osceola-Lake Conservation District for the 2017 Hazardous Waste collection. Roll call vote. Voting yes were, McKinney, Scharlow, Guiles, Anderlohr and Burchett.
- Admin Fees Motion by Scharlow, seconded by Burchett, **CARRIED**, to adopt Resolution #2017-06, a Resolution For Property Tax authorizing the collection of Administrative Fees. Affirmed by voice vote.

Resolution 2017-06
CITY OF REED CITY RESOLUTION FOR
PROPERTY TAX ADMINISTRATION FEE
June 19, 2017

WHEREAS, Act 503 of P.A. 1982, an Act to amend Section 44 (7) of Act No. 206 of P.A. of 1893 states; for levies that become a lien in 1983 or any year thereafter, the local property tax collecting treasurer shall not impose a property tax administration fee (formerly "collection fee") or late penalty charge authorized by law or charter unless the governing body of the local property tax collecting unit approves by resolution or ordinance adopted after the effective date of this subsection.

THEREFORE BE IT RESOLVED, by the Council of the City of Reed City, Michigan, that the City Treasurer, of the City of Reed City, be authorized to collect a 1 percent administration fee on all County and School Taxes collected before February 15, and an additional 3 percent late penalty charge on all County, School and District Library Taxes due February 14, until March 1 when the taxes are turned back to the County Treasurer for collection.

BE IT FURTHER RESOLVED, that the City Treasurer be authorized to enforce Chapter 9, Section 9.16 and 9.17 of the amended January 13, 1975 issue of the City of Reed City Charter pertaining to City taxes.

- Fund Balance Motion by Anderlohr, seconded by Scharlow, **CARRIED**, to approve the Designation of Fund Balance as of 6-30-17. Affirmed by voice vote.

Councilperson Tillotson arrived at 7:12 P.M.
- Wage & Salary Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to table action of Resolution #2017-07, Wage and Salary Resolution, until the next regular meeting. Affirmed by voice vote.
- Benefit Resol. Motion by Anderlohr, seconded by Scharlow, **CARRIED**, to table action of Resolution #2017-08, Department Head/Admin/Fire Benefit Resolution, until the next regular meeting. Affirmed by voice vote.
- Phones Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to table action on the Hosted Phone Service bids to allow time for the City Manager, Councilman Guiles and Councilman Meinert to review the bids and bring back a recommendation to council at the next regular meeting. Affirmed by voice vote.
- Income Tax No bids were received for Income Tax Feasibility Study update.
- Patrol Car Motion by Tillotson, seconded by Scharlow, **CARRIED**, to accept the bid from Babb Ford in the amount of \$5,392.26 to repair the engine in the Police Department 2011 Ford Crown Victorian patrol car. Roll call vote. Voting yes were, Scharlow, Guiles, Burchett, Tillotson, Anderlohr and McKinney.
- Budget Amend Motion by Anderlohr, seconded by Tillotson, **CARRIED**, to approve Resolution #2017-09, Budget Amendments as presented by the City Treasurer. Roll call vote. Voting yes were, Burchett, Tillotson, Anderlohr, McKinney, Guiles and Scharlow.

RESOLUTION FOR BUDGET AMENDMENTS

RESOLUTION # 2017-09

DATE: May 9, 2017

Resolution by the City Council to Amend the 2016/17 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. #101 General Fund					
<u>Expenditures (by Department)</u>					
Dept. 301 Police Dept.	408,536	365,746	422,699	422,699	14,163
Dept. 332 Snowmobile Enf.	2,200	547	1,200	1,200	(1,000)
Dept. 851 Fringes - Housing	53,300	45,951	54,950	54,950	1,650
Dept. 751 Parks	59,300	48,596	61,800	61,800	2,500
				-	-
				-	-
Total Increase(Decrease) In Expenditures					\$ 17,313
<u>Revenues (by account)</u>					
#681 Reimb. - School Liason	21,500	24,663	24,663	24,663	3,163
#880,714 Reimb. - Housing	53,300	40,216	54,950	54,950	1,650
#670,751 Rental Income-Parks	8,000	10,200	10,500	10,500	2,500
#675.300 Contr. From Private Sources	-	10,000	10,000	10,000	10,000
				-	-
Total Increase(Decrease) In Revenues					\$ 17,313

Reason:

Adjust general fund revenues and expenditures per actual.

RESOLUTION FOR BUDGET AMENDMENTS

DATE: June 19, 2017

Resolution by the City Council to Amend the 2016/17 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>
2. #402 Equipment Replacement Fund					
<u>Expenditures (by Department)</u>					
Capital Outlay	7,125	4,812	10,500	10,500	3,375
				-	-
				-	-
Total Increase in Expenditures					\$ 3,375
<u>Revenues (by account)</u>					
#691 Cash Balances	4,000	-	7,375	7,375	3,375
				-	-
Total Increase in Revenues					\$ 3,375

Reason:
Purchase equipment for new phone system.

3. Fund #203 Local Street					
<u>Expenditures (by Department)</u>					
#483 Admin./Eng./Record Keeping	4,330	4,320	5,200	5,200	870
#478 Winter Maint.	26,760	23,268	23,268	25,890	(870)
				-	-
				-	-
				-	-
				-	-
Total Increase in Expenditures					\$ -

Reason:
Move a portion of unused winter maintenance to administration. Do to additional gas/wght tax revenues, we are able to increase our allowable administration budget (10% gas/wght revenues).

RESOLUTION FOR BUDGET AMENDMENTS

DATE: June 19, 2017

Resolution by the City Council to Amend the 2016/17 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>
4. #591 Water Fund					
<u>Expenditures (by Department)</u>					
Dept. 905 Debt Service	26,000	25,071	27,395	27,395	1,395
Dept. 566 Depreciation	110,000	98,012	108,605	108,605	(1,395)
Total Increase in Expenditures					\$ -
<u>Revenues (by account)</u>					
	-	-	-	-	-
	-	-	-	-	-
Total Increase in Revenues					\$ -

Reason:
Budget for interest on 2012 bonds of \$7,800 was incorrect. It should have been \$9,195.

- Landscaping Motion by Burchett, seconded by Scharlow, **CARRIED**, to table action on the DDA Landscaping Project(s). Affirmed by voice vote.
- Planning Motion by Guiles, seconded by Anderlohr, **CARRIED**, to approve the request from the Planning Commission for additional requirements to the Special Use set of standards on single family homes converted to multi-family homes in R-3 district, approval to allow Gas Stations in the C-1 District by Special Use Permit, and approval to review and comply with the Best Practices and file for RRC Certification with the Michigan Economic Development Corporation. Affirmed by voice vote.
- Consent Motion by Anderlohr, seconded by Tillotson, **CARRIED**, to accept the Consent Agenda as presented. Affirmed by voice vote.
- Committee No committees have met.
- City Manager Ron Howell was not present at the meeting but included information in the packet for review as to the following:
1. Fire Department Pumper/Tanker Township discussions for purchasing a used tanker.
2. Ordinance 001-2017 Purchasing Procedures – Report for June 2017.
3. Updated List of Uncompleted Items.
- Bills Mayor McKinney appointed Dave Scharlow to review bills prior to the next meeting.
- City Attorney Attorney Wotila provided a draft of the updated water ordinance for council to review. Attorney Wotila will meet with Rich to amend the sewer ordinance to include homeowners to obtain 3 quotes for repair/replacement on sewer lines and other provisions. C-2 and C-3 Ordinance update is complete – Attorney will get copy to Clerk. Still waiting on the Drone Ordinance.
- Council Councilman Burchett inquired why the City does not have an American flag in the downtown area or at the Depot.
- Audience Tom Burnosky introduced himself as the new Librarian of the District Library. He is concerned what the impact of the DDA ending is going to have on the Library Budget. Barb Westerburg offered to meet with him and go over this information with him.

Johnny Parhsall, introduced himself as the new reporter for the Cadillac News and VOICE and will be attending future council meetings.
- Adjourn Mayor McKinney adjourned the meeting at 8:29 P.M.

Jacalyn R. Beam
City Clerk