

**CITY OF REED CITY  
REGULAR COUNCIL PROCEEDINGS  
May 18, 2015**

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 arrived at 7:02 P.M., Bonnie Danzeisen, Marlene Fatum, Roger Meinert and Carol Tillotson arrived at 7:04 P.M. Dave Scharlow was absent. City Manager, Ron Howell and City Attorney, David Porteous were also present. Department Heads, Curt Brackenrich, interim DPW Superintendent Tom Plummer, Barbara Westerburg, Chief Chuck Davis and Fire Chief Jeff Stein also attended. The meeting was opened with the pledge to the flag. Citizens were in the audience.
- Add/Del** Addition to the Agenda under Audience Presentations: Jackie Youngs, Crossroads Festival update.
- Minutes** Motion by Danzeisen, seconded by Fatum, **CARRIED**, to accept the minutes of the April 20, 2015 regular meeting as presented. Affirmed by voice vote.
- Motion by Fatum, seconded by Meinert, **CARRIED**, to accept the minutes of the April 29, 2015 special meeting as presented. Affirmed by voice vote.
- Motion by Danzeisen, seconded by Fatum, **CARRIED**, to accept the minutes of the May 7, 2015 special meeting as presented. Affirmed by voice vote.
- Councilman Bisbee arrived at 7:02 P.M.
- Bills** Motion by Danzeisen, seconded by Bisbee, **CARRIED**, to approve paying bills as presented in the amount of \$178,535.53. Roll call vote. Voting yes were, Fatum, McKinney, Bisbee, Danzeisen and Meinert.
- Audience** Jackie Youngs appeared to report she had heard back from the State Liquor Control Commission regarding the outdoor temporary permit she applied for the Great American Crossroads Festival. The State is requesting a letter from the City authorizing this event to take place on City property and allowing Upton Street to be fenced off for the event. Jackie provided a copy of the application and map of the area to be fenced off.
- Motion by Bisbee, seconded by Meinert, **CARRIED**, to authorize the City Manager to prepare a letter of approval for the Great American Crossroad Festival for the arrangements made by the committee to block off the first block of W. Upton Avenue. Affirmed by voice vote.
- Councilperson Tillotson arrived at 7:04 P.M.
- Reports** Chief Jeff Stein, Fire Department., Chief Chuck Davis, Police Department, Tom Plummer, DPW, and Curt Brackenrich, WWTP, filed written reports.
- Barbara Westerburg provided council members with a Revenue/Expenditure Report as of March 31, 2015.
- Budget** Discussion on adding an additional fee on water bills or taxes for cleanup of brush, yard waste and leaves. The City Manager will research the number of "rentals" and home owners in Reed City and this item will be revisited after that.
- Patterson Rd.** Motion by Bisbee, seconded by Fatum, **CARRIED**, to approve the intergovernmental Agreement with the Osceola County Road Commission in the amount of \$38,000.00 for the Patterson Road project, authorize the City Manager to sign and authorize the City Treasurer to make the necessary Budget Amendment. Roll call vote. Voting yes were, Bisbee, McKinney, Fatum, Tillotson, Danzeisen and Meinert.

- Ferric Bids      Motion by Meinert, seconded by Bisbee, **CARRIED**, authorizing the W.W.T.P. to obtain bids for Ferric Chloride. Affirmed by voice vote.
  
- Bio-Solids Bids      Motion by Bisbee, seconded by Meinert, **CARRIED**, to authorize the W.W.T.P. to obtain bids for a three year contract for the removal of bio-solids from the W.W.T.P. Affirmed by voice vote.
  
- Blight Grant      Motion by Meinert, seconded by Tillotson, **CARRIED**, to approve applying to the State of Michigan for a Blight Elimination Grant on behalf of the D.D.A. for demolition of the block house located at 214 N. Chestnut Street. Affirmed by voice vote.
  
- GASB 68      City Treasurer, Barb Westerburg, gave an overview of the GASB 68 (Governmental Accounting Standards Board) which is a new requirement that changes the way government entities that offer defined benefit plans report pension liabilities. This change is effective for our Audit this year and it basically changes how our unfunded liability for our pension is recorded on our financial statements.
  
- Grant      Motion by Bisbee, seconded by Fatum, **CARRIED**, to accept the grant in the amount of \$5,690 from the Osceola County Community Foundation to be used for Community Playground Equipment at the Depot and Westerburg Park. Affirmed by voice vote.
  
- WA bill      Motion by Meinert, seconded by McKinney, **CARRIED**, to deny request from Larry Smith of 315 W. Lincoln Avenue, for a reduction in his water bill. Affirmed by voice vote.
  
- WA bill      Motion by Meinert, seconded by McKinney, **CARRIED**, to deny request from Kevin Craft, of 103 S. Chestnut, for a reduction in his water bill. Affirmed by voice vote.
  
- Budget Amend      Motion by Danzeisen, seconded by Bisbee, **CARRIED**, to approve Budget Amendments #1 and #2 as presented. Roll call vote. Voting yes were, Tillotson, Meinert, Danzeisen, Fatum, McKinney and Bisbee.

**RESOLUTION FOR BUDGET AMENDMENTS**

DATE: May 18, 2015

Resolution by the City Council to Amend the 2014/2015 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. <u>Fund # General Fund</u>					
<u>Expenditures (by Department)</u>					
Dept. 223 Other Acct. Activities - Audit	5,750	4,250	4,250	4,250	(1,500)
Dept. 721 Planning Commission	300	115	650	650	350
Dept. 101 City Council	63,786	60,971	67,936	67,936	4,150
				-	-
<u>Total Increase In Expenditures</u>					<u>\$ 3,000</u>
<u>Revenues (by account)</u>					
#452 Franchise Fees	24,000	19,914	26,000	26,000	2,000
#664 Interest Income	6,000	5,170	7,000	7,000	1,000
				-	-
<u>Total Increase In Revenues</u>					<u>\$ 3,000</u>

Reason:  
 Increase Planning Commission budget to allow for an update of the City's Master Plan, and Increase Council - legal fees - for the ongoing cost of the tax appeal. To offset these Increases, we are moving the excess in audit services and recognizing additional revenue from interest and franchise fees. Depending on when the tax appeal is finally resolved, we might need to increase it again in June.

**RESOLUTION FOR BUDGET AMENDMENTS**

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<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. <b>Fund # Major Street</b>					
<b>Expenditures (by Department)</b>					
State Trunkline				-	-
Dept. 488 Surface Maint.	1,000	2,430	3,000	3,000	2,000
Dept. 497 Winter Maint.	16,942	13,564	14,000	14,000	(2,942)
Dept. 502 Leave & Benefits	2,312	2,331	2,864	2,864	552
Dept. 603 Overhead	1,167	2,000	2,700	2,700	1,533
<b>Total Increase In Expenditures</b>					<b>\$ 1,143</b>
<b>Revenues (by account)</b>					
#577.200 State Trunkline Relmb.	23,857	20,177	25,000	25,000	1,143
				-	-
				-	-
<b>Total Increase In Revenues</b>					<b>\$ 1,143</b>

**Reason:**

Increase the State Trunkline budgets to allow for increased costs for surface maintenance on Chestnut Street from Church to US10.

**Consent** Motion by Danzeisen, seconded by Fatum, **CARRIED**, to accept the Consent Agenda as presented, the City Manager noting this includes the D.D.A. Budget Amendment which officially earmarks funds. Affirmed by voice vote.

**Committee** No Committees have met.

**City Manager** Ron Howell reported on the following:

1. Ron received a request from the Reed City Rotary Club for approval of a work bee to be held Saturday, May 30, to replace rotted boards and other items to be cleaned up at Linear Park. A copy of the request and attachments were provided to Council members.
2. Provided a copy of Notice to Bidders with Option A through E for asphalt replacement at various locations throughout the City.
3. Advised that electric can be run to the new flag pole at Westerburg Park and Ron will be letting the Sweets know the project is a go.
4. Provided an uncompleted items list.

**OCCF Grants** Motion by Meinert, seconded by Fatum, **CARRIED**, to apply to the Osceola County Community Foundation for Parks and Civic Improvements and Planting and Maintaining Trees grants. Affirmed by voice vote.

**GRCARA** Motion by McKinney, seconded by Fatum, **CARRIED**, to appoint Jane Kailing to the Greater Reed City Area Recreation Authority term ending 9/30/2016. Affirmed by voice vote.

- Bills** Mayor McKinney appointed Carol Tillotson to review bills prior to the next meeting.
- Council** Marlene Fatum commented she had spoken with the new Lions Club and they are looking into putting flower pots downtown, and the Reed City-Richmond Economic Committee is meeting on Thursday, May 21 and the Mayor has agreed to take Phil Rathbun's place on the committee. Bonnie Danzeisen reported she regretfully did not attend the last Crossroads Festival Committee meeting because she was not advised of it. David Bisbee reported the District Library Board voted to hire an architect to prepare the final plans for renovation of the building at 829 S. Chestnut and the bid documents. They anticipate being able to go out for bids the first part of August with completion of the renovations by June of 2016. Mayor McKinney shared she had performed her first marriage on March 13 and has performed about six additional ones since that time!
- Audience** There were no audience comments.
- Adjourn** Motion by McKinney, seconded by Meinert, **CARRIED**, to adjourn at 8:43 P.M.

Jacalyn R. Beam  
City Clerk