

CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
August 15, 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: Trevor Guiles, Roger Meinert, Dave Scharlow and Carol Tillotson arrived at 7:02 P.M. David Bisbee and Marlene Fatum were absent. City Manager, Ron Howell and City Attorney, Nathan Piwowski were also present. Department Heads, Chief Chuck Davis, Rich Rehkopf and Barbara Westenburg also attended. The meeting was opened with the pledge to the flag. Citizens were in the audience.
- Add/Deletions** Deletion under Audience Presentations: Old Rugged Cross Museum. Addition to the Agenda under Audience Presentations: Phil Watson. Addition under Unfinished Business: #8 Discussion and Action on Resolution to Amend the Charter of the City of Reed City Regarding Purchasing Requirements.
- Minutes** Motion by Scharlow, seconded by Meinert, **CARRIED**, to accept the minutes of the June 27, 2016 special meeting as presented. Affirmed by voice vote.
- Motion by Scharlow, seconded by Meinert, **CARRIED**, to accept the minutes of the July 18, 2016 regular meeting as presented. Affirmed by voice vote.
- Motion by Scharlow, seconded by Meinert, **CARRIED**, to accept the minutes of the August 8, 2016 special meeting as presented. Affirmed by voice vote.
- Bills** Motion by Guiles, seconded by Meinert, **CARRIED**, to approve paying bills as presented in the amount of \$182,263.11. Roll call vote. Voting yes were, Tillotson, McKinney, Scharlow, Guiles and Meinert.
- Audience** Phil Watson of 336 W. Upton Avenue appeared to voice his concern with the negative changes he feels has occurred in the City over the last 6 years. Mr. Watson distributed to council members a statement he had prepared describing what he feels is the general decline of the town including parking and housing problems.
- Reports** Chief Jeff Stein, Fire Department, Chief Chuck Davis, Police Department, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports.
- The new DPW dump truck was in the parking lot for board members to see. Rich Rehkopf also announced MDOT has moved up a complete redo of Chestnut Street to 2018.
- Copier** Motion by Scharlow, seconded by Tillotson, **CARRIED**, to approve the bid from Applied Imaging in the amount of \$4,294.00, for the purchase of a RICOH MP C2503 copier with a 4 drawer option, with \$0.0074 for B&W per copy, \$0.049 for Color per copy. Roll call vote. Voting yes were, McKinney, Scharlow, Meinert, Guiles and Tillotson.
- Prop & Liability** Motion by Scharlow, seconded by Guiles, **FAILED**, to accept the bid from Michigan Municipal League in the amount of \$38,018.00 for property and liability insurance. Roll call vote. Voting yes were, Guiles and Scharlow. Voting no were, Tillotson, Meinert and McKinney.
- Motion by McKinney, seconded by Meinert, **CARRIED**, to accept the bid from Municipal Underwriters of Michigan in the amount of \$42,473.00 annual payments for a period of three years effective August 1, 2016 for Michigan Township Participating Plan Property and Liability Insurance. Roll call vote. Voting yes were, McKinney, Tillotson and Meinert. Voting no were, Scharlow and Guiles.

- W. Stimson Motion by Guiles, seconded by Scharlow, **CARRIED**, to accept the bid from Elmer’s Crane and Dozer, Inc. in the amount of \$187,240.00 for the W. Stimson Avenue Reconstruction project. Roll call vote. Voting yes were, Meinert, Guiles, Tillotson, McKinney and Scharlow.
- Sidewalks Motion by Scharlow, seconded by Guiles, **CARRIED**, to approve the sidewalk and ADA ramps project as recommended by the Dept. of Public Works and the City to fund by Metro Funds 100% pursuant to the code provision. Roll call vote. Voting yes were, Guiles, McKinney, Meinert, Scharlow and Tillotson.
- Wage & Salary Motion by Meinert, seconded by Scharlow, **CARRIED**, to table the Wage and Salary Resolution until the union contract is approved. Affirmed by voice vote.
- Lease The City does not want to sell the city land at this time which adjoins the Reed City Youth Sports complex on 225th Avenue but is willing to enter into a 5 year renewable lease for the property. Steve Wessells and Greg Windquist will provide the City Manager with a list of property improvements and estimated values the Reed City Youth Sports group would be making to the property. Reed City Youth Sports would be responsible for preparation fee of the lease.
- Permit Fee There was discussion on the Commercial Haulers Permit fee and it will be revisited at the September regular council meeting.
- Charter Amend Motion by Scharlow, seconded by Meinert, **CARRIED**, to adopt the Resolution to Amend the Charter of the City of Reed City Regarding Purchasing Requirements. Roll call vote. Voting yes were, Scharlow, Meinert, Guiles, Tillotson and McKinney.

**RESOLUTION TO
AMEND THE CHARTER OF THE CITY OF REED CITY
REGARDING PURCHASING REQUIREMENTS**

Minutes of a Regular Meeting of the City Council of the City of Reed City, held in the Council Chambers, Reed City Hall, 227 East Lincoln, Reed City, MI 49677, August 15, 2016, at 7:00 p.m.

PRESENT: Councilpersons: Trevor Guiles, Karen Lea McKinney, Roger Meinert, Dave Scharlow and Carol Tillotson.
ABSENT: Councilpersons: Marlene Fatum.

WHEREAS, the City Council of the City of Reed City has determined the necessity of amending the City of Reed City’s procurement rules to reflect long-term inflation trends and to allow for the orderly operations of City government;

WHEREAS, Public Act 279 of 1909 empowers the City Council to initiate the charter amendment process through a resolution enacted by a 3/5 vote of its members-elect; and,

IT IS THEREFORE RESOLVED by the City Council of the City of Reed City that it proposes, by a 3/5 vote, that Article 12, Section 12.1 of the Charter of the City of Reed City be amended to read as follows, effective February 1, 2017:

Section 12.1 [Purchase and Sale of Property]

The purchase and sale of property shall comply with the following requirements:

- (a) The City Manager shall be responsible for the purchase and sale of all city property, subject to the restrictions of statutes and ordinances.
- (b) The City Council shall adopt ordinances regulating the purchase and sale of city property to promote the City’s best interests, including obtaining competitive pricing.
- (b) ~~Comparative prices shall be obtained for the purchase or sale in amount not in excess of \$2,500.00 of all materials, supplies and public improvements except (i) in the employment of professional services and (ii) when the City Manager shall determine that no advantage to the city would result.~~

- ~~(e) In all sales or purchases in excess of \$2,500.00~~
- ~~(i) The sale or purchase shall be approved by the Council,~~
- ~~(ii) Sealed bids shall be obtained for amounts in excess of \$10,000.00, (iii) bids for amounts from \$2,500.00 to \$10,000.00 may be received by electronic voice or mail or postal means and~~
- ~~(iii) The requirements of Section 12.2 shall be complied with.~~
- ~~No sale or purchase shall be divided for the purpose of circumventing the dollar value limitation contained in this section. The Council may authorize the making of public improvements or the performance of any other city work by any city agency without competitive bidding.~~
- ~~(d) Purchases in excess of \$2,500.00 shall be made from the lowest competent bidder meeting specifications unless the Council shall determine that the public interest will be better served by accepting a higher bid. Sales shall be made to the bidder whose bid is most advantageous to the city.~~
- ~~(f) All purchases and sales shall be evidenced by written contract or purchase order.~~
- ~~(c) The city may not sell any park, cemetery or any part thereof except in accordance with restrictions placed thereon by statute.~~
- ~~(d) The city may not purchase, sell or lease any real estate or any interest therein except by the affirmative vote of four or more members of the Council.~~
- ~~(e) The purchase and sale of all city property shall be subject to the provisions of Section 5.13.~~
- ~~(i) Detailed purchasing, sale and contract procedures shall be established by ordinance.~~

The existing section 12.1 of the City of Reed City Charter, which would be altered or abrogated by this proposal, currently reads:

Section 12.1 [Purchase and Sale of Property]

The City Manager shall be responsible for the purchase and sale of all city property, subject to the restrictions of statutes and ordinances.

Comparative prices shall be obtained for the purchase or sale in amount not in excess of \$2,500.00 of all materials, supplies and public improvements except (a) in the employment of professional services and (b) when the City Manager shall determine that no advantage to the city would result.

In all sales or purchases in excess of \$2,500.00 (a) the sale or purchase shall be approved by the Council, (b) sealed bids shall be obtained for amounts in excess of \$10,000.00, (c) bids for amounts from \$2,500.00 to \$10,000.00 may be received by electronic voice or mail or postal means and (d) the requirements of Section 12.2 shall be complied with. No sale or purchase shall be divided for the purpose of circumventing the dollar value limitation contained in this section. The Council may authorize the making of public improvements or the performance of any other city work by any city agency without competitive bidding.

Purchases in excess of \$2,500.00 shall be made from the lowest competent bidder meeting specifications unless the Council shall determine that the public interest will be better served by accepting a higher bid. Sales shall be made to the bidder whose bid is most advantageous to the city.

All purchases and sales shall be evidenced by written contract or purchase order.

The city may not sell any park, cemetery or any part thereof except in accordance with restrictions placed thereon by statute.

The city may not purchase, sell or lease any real estate or any interest therein except by the affirmative vote of four or more members of the Council.

The purchase and sale of all city property shall be subject to the provisions of Section 5.13.

Detailed purchasing, sale and contract procedures shall be established by ordinance.

IT IS FURTHER RESOLVED that the proposed amendment be designated on the ballot as follows:

This proposal would change Section 12.1 of the City Charter to require the City Council to adopt ordinances regulating the purchase and sale of city property; it would also remove the Charter's regulations setting the monetary thresholds requiring competitive bidding and setting procedural requirements for the same.

IT IS FURTHER RESOLVED that the city clerk shall transmit a copy of the proposed amendment to the Governor of the State of Michigan for approval, and transmit a copy of the foregoing statement of purpose of such proposed amendment to the Attorney General of the State of Michigan for approval, as required by law.

IT IS FURTHER RESOLVED that proposed charter amendment be submitted to the electors of this city at the next regular election held no sooner than 60 days after the adoption of this resolution, the approval by the Governor, and the approval by the Attorney General. The city clerk is directed to give notice of the election and notice of registration in the manner prescribed by law.

IT IS FURTHER RESOLVED that the proposed amendment be submitted to the electors in the following format:

PROPOSED AMENDMENT TO SECTION 12.1 OF THE CHARTER OF THE CITY OF REED CITY TO MODIFY SECTION 12.1 CONCERNING BIDDING REQUIREMENTS AND PROCEDURE

This proposal would change Section 12.1 of the City Charter to require the City Council to adopt ordinances regulating the purchase and sale of city property; it would also remove the Charter's regulations setting the monetary thresholds requiring competitive bidding and setting procedural requirements for the same.

Shall section 12.1 of the Charter of the City of Reed City be amended as described above?

[YES] [NO]

IT IS FURTHER RESOLVED that the proposed amendment be published in full together with the existing charter provision to be altered or abrogated by the amendment once in the Pioneer, according to the rules that govern the publication of proposed ordinances under the City of Reed City Charter.

IT IS FURTHER RESOLVED that the canvass and determination of the votes of this question shall be made in accordance with the laws of the State of Michigan and the City of Reed City Charter.

AYES: Councilpersons: Dave Scharlow, Roger Meinert, Trevor Guiles, Carol Tillotson and Karen Lea McKinney.

NAYS: Councilpersons: None.

RESOLUTION DECLARED ADOPTED.

- Resignation Motion by Guiles, seconded by Tillotson, **CARRIED**, to accept the resignation from David W. Bisbee from City Council. Affirmed by voice vote.
- Resignations Motion by Scharlow, seconded by Meinert, **CARRIED**, to accept the resignations from Laura Seay and Jane Kailing from the Greater Reed City Area Recreation Authority. Affirmed by voice vote.
- Appointment Motion by McKinney, seconded by Meinert, **CARRIED**, to appoint James C. Anderlohr to City Council to fill the vacant position. Roll call vote. Voting yes were, Meinert, Scharlow, McKinney, Guiles and Tillotson.
- Fireworks Motion by Scharlow, seconded by Guiles, **CARRIED**, to approve the application from Wolverine Fireworks Display, Inc. to display fireworks at the Reed City High School Homecoming game on October 7, 2016. Affirmed by voice vote.

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

RESOLUTION FOR BUDGET AMENDMENTS

DATE: August 15, 2016

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. #402 Equipment Replacement Fund					
<u>Expenditures (by Department)</u>					
<u>#970 Capital Outlay</u>	<u>3,125</u>	<u>-</u>	<u>7,125</u>	<u>7,125</u>	<u>4,000</u>
<u>Total Increase In Expenditures</u>					<u>\$ 4,000</u>
<u>Revenues (by account)</u>					
<u>#691 Cash Balances</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
<u>Total Increase In Revenues</u>					<u>\$ 4,000</u>

Reason:

To allow for the purchase of a new Ricoh copier for City Hall.
(Fund 402's purpose is to maintain shared office equipment at City Hall. Funds come from yearly appropriations from the General, Water, and Sewer Funds. The fund has a current balance of \$19,874).

2. #202 Major Street					
<u>Expenditures (by Department)</u>					
<u>Dept. 451 Capital Outlay - Sidewalks</u>	<u>15,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>10,000</u>
<u>Total Increase In Expenditures</u>					<u>\$ 10,000</u>
<u>Revenues (by account)</u>					
<u>#676.203 Contr. From Local Street</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<u>Total Increase In Revenues</u>					<u>\$ 10,000</u>

3. #203 Local Street					
<u>Expenditures (by Department)</u>					
<u>Dept. 958 Appropriations - Contribution to Major Str.</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<u>Total Increase In Expenditures</u>					<u>\$ 10,000</u>
<u>Revenues (by account)</u>					
<u>#690 Fund Reserve</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<u>Total Increase In Revenues</u>					<u>\$ 10,000</u>

Transfer fiscal year 15/16 Metro Funds, received from the State, from Local to Major Street for additional sidewalk work. The current budget of \$15,000 is using Metro Funds we received in fiscal years 13/14 & 14/15. (This is in accordance with Council's directive, which designated the Metro Funds to be used strictly on our sidewalk replacement program).

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

Committee No committees have met.

- City Manager Ron Howell passed out copies of the engineers report on 402 W. Lincoln (Matt Deverney property) for councils review.
1. Ron reviewed the opinion from Attorney Patrick Cherry regarding the Deshano Development water and sewage services.
 2. Ron has been talking with a local CPA and he is working on the Income Tax Study.
 3. The City Manager reported the special main which was put in for production waste at Yoplait uses 4 or 5 watering meters to measure this. The utility billing office got the message that everything was using this pipe to go to the treatment plant – no sewer necessary. It was discovered about a year ago the Yoplait office area sewage does in fact go out to the Chestnut Street main. The billing was corrected a year ago so we now have an average billing for that twelve month period. Ron will have a summary of the average charges ready for the next council meeting.
 4. Jim Tiffany submitted a quote for engineering services to clean up the built up debris at the WWTP Hersey River pipe crossing bridge. Also received was a quote from Knoop Excavating Services for the debris removal. The City Attorney determined these were two separate items and within the City Manager’s spending limits and it was the consensus of council for him to move ahead with this project.
 5. Council inquired as to the status of the Zoning Board of Appeals hearing on Curves and also wanted Ron to check with the Assessor on how he determined the tax exemption for the New Beginnings Church which houses two businesses.
 6. To complete his report, Ron provided an Uncompleted Items List.

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

Closed Door Motion by Meinert, seconded by Guiles, **CARRIED**, to enter into closed door session for the purpose of union negotiating strategy. Roll call vote. Voting yes were, Tillotson, Guiles, Meinert, Scharlow and McKinney.

Council went into closed session at 10:43 P.M.

Council returned to open session at 11:36 P.M.

No decisions were made in closed session.

Motion by Meinert, seconded by Tillotson, **CARRIED**, directing the City Manager to return to the Teamsters Union based on the discussion in closed session. Affirmed by voice vote.

Adjourn Mayor McKinney adjourned the meeting at 11:37 P.M.

Jacalyn R. Beam
City Clerk