

CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
July 10, 2023

Mayor Meinert called the meeting to order at 6:00 P.M. in Council Chambers, 227 E. Lincoln Avenue, Reed City, Michigan.

- Present Mayor, Roger Meinert. Council Members: Trevor Guiles, Russell Nehmer, Nicole Woodside, and Dan Burchett. David Belden and Brad Nixon were absent. City Attorney, David Porteous and City Manager, Rich Saladin, were also in attendance. Department Heads attending were Curt Brackenrich, Kadee Kidd, and Fire Chief, Jeff Stein. The meeting was opened with the pledge to the flag. There were citizens in the audience.
- Agenda Motion by Guiles, seconded by Burchett, **CARRIED**, to approve the agenda as presented Affirmed by voice vote.
- Minutes Motion by Guiles, seconded by Nehmer, **CARRIED**, to accept the minutes of the June 12, 2023, regular meeting as presented. Affirmed by voice vote.
- Minutes Motion by Burchett, seconded by Nehmer, **CARRIED**, to accept the minutes of the June 26, 2023, special workshop meeting as presented. Affirmed by voice vote.
- Bills Motion by Meinert, seconded by Nehmer, **CARRIED**, to approve paying bills with the additional bill for Allied fire for payment for a grand total approved amount of \$354,163.54. Roll call vote. Voting yes were, Woodside, Meinert, Guiles, Burchett, and Nehmer.
- Audience Paul Olson, Municipal Underwriters of West Michigan Par Plan Insurance renewal gave a presentation on the renewal of the West Michigan Par Plan Insurance. There is a significant increase in the premium this year. Mr. Olson assured us that he did go back to underwriting for the best price. The increase has been a standard 15% this year. The city 5 year loss ratio is higher because of the fire station fire. The increase has gone up 17% this year.
- Reports Chief Jeffrey Stein, Fire Dept., Police Chief Christopher Lockhart, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Kadee Kidd provided by email, Financial Reports including a Revenue/Expenditure Report as of April 30, 2023.
- Motion by Woodside, seconded by Nehmer, **CARRIED**, to approve the Department Head reports as submitted. Affirmed by voice vote.
- WWTP Bids Motion by Guiles, seconded by Nehmer, **CARRIED**, for WWTP to accept the biosolid contract from Bio-Tech as recommend and the Mayor to sign the contract.. Roll call vote. Voting yes were, Guiles, Woodside, Meinert, Burchett, and Nehmer.
- Insurance Motion by Guiles, seconded by Woodside, **CARRIED**, to pay par plan insurance renewal for \$59,987.00. Council would like City Manager to update going out for price check through the year. Roll call vote. Voting yes were, Guiles, Woodside, Meinert, Burchett, and Nehmer.
- MI Salt Contract Motion by Guiles, seconded by Woodside, **CARRIED**, to accept MI salt deal for fall 2023 of \$20,151.00 and Spring of 2024 for \$6,767.00. Roll call vote. Voting yes were Guiles, Woodside, Meinert, Burchett, and Nehmer.
- Resol 2023-16 Motion by Guiles, seconded by Burchett, **CARRIED**, to accept Resolution 2023-16 as presented to write off delinquent water/sewer accounts for \$3,086.39 . Roll call vote. Voting yes were Guiles, Woodside, Meinert, Burchett, and Nehmer.

2023-16 Resolution
Write Off Delinquent Accounts

The following receivables are recommended for write-off:

Delinquent w/s bill \$21.92
407 Decalb, Sandra Mattson
Final bill was issued in June 2017. Never paid.
Bill is returned undeliverable. Last address, Hawaii

Delinquent w/s bill \$358.17
304 W. Franklin, Billie Jo Smith
Unable to obtain current address.

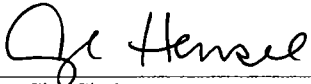
Delinquent w/s bill \$2,484.57
116 E. Osceola, Earl Giese
The water has been shut off since 2015. No usage is included in the bill, only RTS charges, cleanups, and penalty and interest. The County took over the property in 2019. They put the property up for sale with the stipulation that the house be demolished. The water line should have been cut and capped at that time, but it was not. The charges billed since then total \$823.75. The penalty and interest are \$1,280.39 of the total due.

Delinquent w/s bill \$189.66
324 W Todd Ave, Deutsche Bank National Trust Co
The bank repossessed the house, they paid some but stated that because it was a repo home they did not have to pay it all. House has been sold 3 times since then.

Delinquent w/s bill \$32.07
620 Jeffery St, B Schroder & D Burnett
Unable to obtain current address.

Total Write Off: \$3,086.39

Date Motion Made by Guiles and Seconded by Burchett and Passed by a vote of 5 to 0.

Attested by  Date 7-10-2023
City Clerk

FD Grant Motion by Guiles seconded by Nehmer, **CARRIED**, for the Fire Department to apply for the trans-Canada Grant to help outfit the new rescue truck. Affirmed by voice vote.

Policy Sect 3 Motion by Woodside, seconded by Nehmer, **CARRIED**, to approve new section 3 policy as presented. Affirmed by voice vote.

Car Show Motion by Guiles, seconded by Burchett, **CARRIED**, to close the road for the Car Show on July 15, 2023, from 7:00 am until 4 pm, on 100 block of West Upton to Post office and N & S Higbee from W Slosson to Alley by Title company and to allow it Annual every third Saturday of July. Affirmed by voice vote.

Motion by Woodside, seconded by Nehmer, **CARRIED**, to open the social district for the car show on 7/15/2023 as presented at 11 am and close at normal time of 10:00 pm. Affirmed by voice vote.

Motion by Woodside, seconded by Meinert, **CARRIED**, to allow a rain date of Sunday July 16, 2023 for the car show. Affirmed by voice vote.

FD Grant Motion by Woodside, seconded by Nehmer, **CARRIED**, to allow fire department to apply for the Firehouse Sub Grant for a Multi-tool spreader/cutter Affirmed by voice vote.

Bond Firetruck

Resolution 2023-18 Motion by Nehmer, seconded by Guiles, **CARRIED**, to accept Resolution 2023-18 for the Fire Truck Bond as presented. Roll call vote. Voting yes were Guiles, Woodside, Meinert, Burchett, and Nehmer.

**CITY OF REED CITY
OSCEOLA COUNTY, MICHIGAN
RESOLUTION 2023-18
Fire Truck Bond**

At a meeting of the City Council of the City of Reed City, County of Osceola, Michigan, held in said City, on the 10th day of July, 2023, there were:

PRESENT: Russ Nehmer, Roger Meinert, Trevor Guiles, Dan Burchett, and Nicole Woodside.

ABSENT: Brad Nixon and David Belden.

The following preamble and resolution were offered by Council Member Nehmer and supported by Council Member Meinert:

**RESOLUTION AND DECLARATION OF OFFICIAL INTENT
(For "BQ" Transactions)**

Municipality/Purchaser: **City of Reed City** (the "City" or the "Purchaser")

Aggregate Purchase Price Expected To Be Financed: **\$350,000.00**

Description Of Property To Be Acquired: **(1) New Fire Truck**

Vendor: **Alexis Fire Equipment** ("Vendor")

WHEREAS, the City is a political subdivision of the State of Michigan (the "State") and is duly organized and existing pursuant to the Constitution and laws of the State.

WHEREAS, pursuant to Act 99, Public Acts of Michigan, 1933, as amended, and other applicable law, the City Council of the City ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the City.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more installment-purchase agreements ("Installment Purchase Agreements") in the amount not exceeding the Purchase Price amount stated above ("Principal Amount") for the purpose of acquiring the property ("Property") described briefly above and to be described more completely in the Installment Purchase Agreements is appropriate and necessary to the functions and operations of the Purchaser.

WHEREAS, the Vendor, as the seller and supplier of the Property is identified above.

WHEREAS, for the purpose of providing the financing under the Installment Purchase Agreements, **THE HUNTINGTON NATIONAL BANK** and/or an affiliate of said bank ("Assignee") shall act as the financing source under said Installment Purchase Agreements and in connection therewith, the Vendor shall assign all of Vendor's rights (including, but not limited to, the right to collect the installment payments due and payable under the Installment Purchase Agreements), but none of its obligations, under the Installment Purchase Agreements to Assignee.

WHEREAS, the City may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Installment Purchase Agreements ("**Purchase Proceeds**") for such expenditures and such expenditures are not expected to exceed the Principal Amount.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the City shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

NOW, THEREFORE, Be It Resolved by the City Council of the City of Reed City:

Section 1. Any one of the Authorized Representatives identified below (each an "Authorized Representative") acting on behalf of the City is hereby authorized to negotiate, enter into, execute, and deliver one or more Installment Purchase Agreements in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the City. Each Authorized Representative acting on behalf of the City is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Installment Purchase Agreements (including, but not limited to, escrow agreements and property acquisition fund agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Installment Purchase Agreements are hereby authorized.

Authorized Representatives of City:

Mayor

Treasurer/Finance Director

City Clerk

Mayor Pro-Tem

City Manager

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the City to execute and deliver agreements and documents relating to the Installment Purchase Agreements on behalf of the Purchaser.

Section 3. The aggregate original principal amount of the Installment Purchase Agreements shall not exceed the Principal Amount and shall bear interest as set forth in the Installment Purchase Agreements and the Installment Purchase Agreements shall contain such options to purchase or prepay by the City as set forth therein.

Section 4. The City agrees that its obligation to pay all of the installment payments due under the Installment Purchase Agreements to Assignee shall be absolute and unconditional upon the delivery and acceptance of the Property (or the funding of any applicable property acquisition fund agreement associated with the Purchase Agreements) and that it shall levy such taxes as are permitted by applicable State law to pay all of the installment payments due under the Installment Purchase Agreements.

Section 5. The Governing Body of City anticipates that the City may pay certain capital expenditures in connection with the Property prior to the receipt of the Purchase Proceeds for the Property. The Governing Body of City hereby declares the City's official intent to use the Purchase Proceeds to reimburse itself for Property expenditures. This section of the Resolution is adopted by the Governing Body of City for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Resolution does not bind the City to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

Section 6. As to each Installment Purchase Agreement, the City reasonably anticipates that it and entities controlled by it will not issue more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the 2023 calendar year and hereby designates each Installment Purchase Agreement as a qualified tax-exempt obligation for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 7. This Resolution shall take effect immediately upon its adoption and approval. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be, and the same hereby are, rescinded.

ADOPTED AND APPROVED on this **July 10, 2023**

YEAS: Russ Nehmer, Roger Meinert, Trevor Guiles, Dan Burchett, and Nicole Woodside.

ABSENT: Brad Nixon and David Belden.


NAYS: None

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Reed City, County of Osceola, State of Michigan, at a meeting held on July 10, 2023, the original of which is on file in my office and available to the public, and that such resolution has not been amended or altered and is in full force and effect on the date stated below. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of Michigan of 1976, including in the case of a special or rescheduled meeting, notice by posting at least eighteen (18) hours prior to the time set for said meeting.

Dated: July 10, 2023

7-10-23


Amye Hensel
City Clerk

Poverty Guide

Resol 2023-17 Motion by Woodside, seconded by Nehmer, **CARRIED**, to accept Resolution 2023-17 on Poverty Guide for exemptions. Roll call vote. Voting yes were Guiles, Woodside, Meinert, Burchett, and Nehmer.

RESOLUTION # 2023-17

RESOLUTION ESTABLISHING POVERTY GUIDELINES FOR EXEMPTION FROM PROPERTY TAX CONTRIBUTIONS FOR 2023

WHEREAS, the adoption of guidelines for poverty exemptions is within the purview of the City Council; and

WHEREAS, the principal residence of persons who, in the judgement of the Board of Review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or in part from taxation under Public Act 390 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Reed City, Osceola County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all of the following on an annual basis:

- 1) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- 2) File a claim with the assessor or Board of Review using Form 5753 Application for MCL 211.7u. Form needs to be accompanied by federal and state income tax returns for all persons residing in the principal residence or file form 4988 Poverty Exemption Affidavit if you are not required to file a Federal Income Tax Return.
- 3) Produce a valid driver's license or other form of identification if requested.
- 4) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 5) File a claim reporting that the combined assets of all persons do not exceed the current guidelines.
- 6) Meet the current year federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services.
- 7) The application for an exemption shall be filed after January 1, but one day prior to the last day of the December Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the 2023 federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. **The annual allowable income includes income for all persons residing in the principal residence.**

Size of Family Unit	2023 Poverty Guidelines
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For each additional person	\$4,720

Total Liquid and non-homestead assets along with non-essential personal property shall not exceed \$7,500 per individual or \$15,000 per household. For purposes of this paragraph, the Board of Review shall consider the value of the assets and shall not reduce such value by any indebtedness owed on such assets, or indebtedness otherwise owed by the applicant.

- Liquid assets to be considered include cash, unrestricted deposits and accounts, securities, bonds, promissory notes, stocks, and other similar type of assets.
- A second home, land, vehicles.
- Recreational vehicles such as campers, motor-homes, boats and ATV's.
- Buildings other than residence.
- Jewelry, antiques, artwork.
- Equipment, other personal property of value.
- Bank Accounts over \$10.00, stocks.
- Money received from the sale of property, such as stocks, bonds, a house or car (unless a person is in the specific business of selling such property).
- Withdrawals of bank deposits and borrowed money.
- Gifts, loans, lump-sum inheritances and one-time insurance payments.
- Food or housing received in lieu of wages.
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps and school lunches.

WHEREAS, if a person meets all eligibility requirements in statute, the Board of Review must grant a full exemption equal to 100% reduction in taxable value; and

WHEREAS, pursuant to PA 253 of 2020, (MCL 211.7u(8)), the City of Reed City can carry a poverty exemption that was granted in 2019 or 2020, forward to 2021, 2022, and 2023 for those persons who receive a fixed income solely from public assistance that is not subject to significant annual increases (Federal Supplemental Security Income, Social Security disability or retirement benefits) by filing Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption. Any denial shall be communicated in writing to the claimant.

The foregoing resolution offered by City Council Member Woodside and supported by City Council Member Nehmer.

Upon roll call vote, the following voted:

"Aye": Woodside, Burchett, Nehmer, Guiles and Meinert

"Nay": None

ATTESTED BY  DATE 7-10-23

- Consent Motion by Burchett, seconded by Woodside, **CARRIED**, to approve the Consent Agenda as presented. Affirmed by voice vote.
- City Manager Rich Saladin submitted a written report and highlighted the following:
- DPW Lead line replacement is going very well and the paving is getting finished.
 - Summer Saturday's dates set with social district open as well as Art in Park. All promoted on Facebook and will be in newsletter and Rich took to downtown businesses. Dancing through the decades was well attended and Rich got with Chamber on no one from the Chamber attended to help out setting up and taking down.
 - Josh Redner is tentative scheduled for July 25 with ribbon cutting at the wastewater plant.
- Mayor Report: Mayor Meinert shared that the Reed City Trap Shooting team went to Nationals in Mason Michigan last week and both squads made the finals and had a great showing. Five students made the individual finals with great showings.
- Brad Nixon has bills for August Meeting.
- Attorney Rep Written report.
- Council Dan Burchett: Dog Park is waiting to hear on a grant that Cathy Feibig is working on. There was 288 recorded rounds at the disc golf. Huge Thanks to Rich DPW for helping on the course. Trevor Guiles: Praise at Rambadt Park is going great. The 4th of July was a huge success. Russ Nehmer: Veterans' Memorial Car show is on July 15, 2023, with over 100 cars signed up.
- Audience none
- Closed door Motion by Meinert, seconded by Nehmer, **CARRIED**, for City Council, City Attorney and City Clerk got into Closed door session to discuss a real estate acquisition at 7:22 p.m.
- Closed door Motion by Meinert, seconded by Nehmer, **CARRIED**, for City Council, City Attorney and City Clerk to stop Closed door session at 7:39 p.m. Affirmed by voice vote
- Adjourn Mayor Meinert adjourned the meeting at 7:40 P.M.

Amye Hensel, City Clerk