

**CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
February 16, 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: Marlene Fatum, Trevor Guiles, David Scharlow and Carol Tillotson. David Bisbee and Roger Meinert were absent. City Manager, Ron Howell and City Attorney, Cynthia Wotila were also present. Department Heads, Curt Brackenrich, Chief Chuck Davis and Rich Rehkopf also attended. The meeting was opened with the pledge to the flag. Citizens were in the audience.
- Minutes** Motion by Scharlow, seconded by Fatum, **CARRIED**, to accept the minutes of the January 19, 2016 regular meeting as presented. Affirmed by voice vote.
- Motion by Scharlow, seconded by Fatum, **CARRIED**, to accept the minutes of the January 26, 2016 special meeting as presented. Affirmed by voice vote.
- Bills** Motion by Guiles, seconded by Scharlow, **CARRIED**, to approve paying bills as presented in the amount of \$191,252.80. Roll call vote. Voting yes were, Scharlow, Guiles, Fatum, Tillotson and McKinney.
- Audience** Pete Potterpin of PK Housing & Management appeared to address the council regarding their planned \$2,000,000 rehabilitation of James Manor and Townline Manor Apartments. Mr. Potterpin reviewed the extent of the repairs and replacements of the rehab. PK Housing is asking for assistance from the City with this project in the form of a PILOT (payment in lieu of taxes). Several questions were asked from council members. Council members would like to have the City Treasurer work out some various percentages prior to the next council meeting to see if a PILOT would be feasible. Council members are interested in how granting this PILOT would be beneficial for the City. Mr. Potterpin advised council the Application deadline is April 1, 2016.
- Reports** Chief Jeff Stein, Fire Department., Chief Chuck Davis, Police Department, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports.
- Resolution** Motion by Scharlow, seconded by Fatum, **CARRIED**, to approve the Local Governing Body Resolution for Charitable Gaming Licenses for the Crossroads Quilt Guild raffle. Affirmed by voice vote.
- Ordinance** Ordinance 001-2016 a thirty year renewal of the Consumers Energy Company Electric Franchise Ordinance was introduced by Councilperson Fatum.
- W.W.T.P.** Motion by Guiles, seconded by Scharlow, **CARRIED**, to approve the bid from Syna-Flow Technologies in the amount of \$3,050.00 for preventative maintenance on the Aerobic Digester Blowers at the Waste Water Treatment Plant. Roll call vote. Voting yes were, Fatum, Tillotson, Guiles, Scharlow and McKinney.
- Trunkline** Motion by Scharlow, seconded by Fatum, **CARRIED**, to appoint DPW Superintendent, Rich Rehkopf, as Maintenance Superintendent and Contact for the 2014 – 2019 State Trunkline Contract. Affirmed by voice vote.
- Generators** Motion by Scharlow, seconded by Guiles, **CARRIED**, to approve the bid in the amount of \$4,649.10 from Cummins Bridgeway for one (1) year of generator maintenance for the DPW as presented. Roll call vote. Voting yes were Guiles, Tillotson, McKinney, Scharlow and Fatum.

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

Committee No committees have met.

City Manager Ron Howell provided a Reed City Water Supply Review document for council members information. Council felt it contained important information and requested the City Manager to provide the report to the newspapers. The survey Council Compensation was updated and members would like the attorney to provide a new Resolution to amend the charter regarding council member compensation and purchasing requirements containing the voted on amounts. Ron has been working on Music and Art in the Park. Rambadt Park is not in the DDA district so he has contacted Donna Wheeler to have the Art program at the Depot and she is receptive to the change of location. Music will also need to change location but jazz can remain at Rambadt Park. Ron will be applying for an OCCF grant for the Friday night jazz.

Motion by Fatum, seconded by Tillotson, **CARRIED**, to approve amending the charter council member compensation to \$40.00 per meeting for Council members with a cap of \$960.00 a year and \$45.00 per meeting for the Mayor with a cap of \$1,080.00 per year. Roll call vote. Voting yes were, McKinney, Tillotson and Fatum. Voting no were, Scharlow and Guiles.

Mayor Mayor McKinney recommended going into closed door session to discuss the pending litigation with Yoplait following the appointment of a council member to review bills prior to the March meeting.

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

Closed Door Motion by Fatum, seconded by Guiles, **CARRIED**, to enter into closed door session to meet with legal counsel regarding pending litigation. Roll call vote. Voting yes were, Fatum, Tillotson, Guiles, Scharlow and McKinney.

Council went into closed session at 9:05 P.M.

Council returned to open session at 9:42 P.M.

No decisions were made in closed session.

Motion by Guiles, seconded by Tillotson, **CARRIED**, to authorize the Reed City attorney to finalize and the Mayor to enter into a Settlement Agreement to resolve matters pending before the Court of Appeals, the Michigan Tax Tribunal and the Department of Treasury whose terms materially match the following provisions:

1. Reed City will dismiss its Court of Appeals appeal and Yoplait will dismiss its 2015 MTT Appeal.
2. No refunds will be due for 2013, 2014 or 2015.
3. The agreed upon 2016 values for Yoplait's real property shall be \$5,900,000 true cash value and \$2,950,000 taxable value to be allocated as follows:

Parcel ID No.	True Cash Value	Taxable Value
67-52-999-930-00	\$2,700,000	\$1,350,000
67-52-999-929-00	\$1,300,000	\$ 650,000
Remaining 10 parcels	\$1,900,000	\$ 950,000

4. All IFTs for real property will be rescinded.
5. Reed City will withdraw its Omitted Property Petition for 2013, 2014 and 2015 and Yoplait will report the personal property subject to Act 328, and the personal property listed in its IFT applications for 2011 and 2009.
6. The parties will establish a process to reduce the risk of future valuation disputes concerning Yoplait's property.
7. Legal counsel is authorized to finalize the remaining terms of the settlement, including procedure.

Roll call vote. Voting yes were, Guiles, Tillotson, McKinney, Scharlow and Fatum.

Adjourn Motion by Guiles, seconded by McKinney, **CARRIED**, to adjourn the meeting at 9:44 P.M.

Jacalyn R. Beam
City Clerk