

**CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
May 15, 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, Roger Meinert, Dave Scharlow and Carol Tillotson. City Manager, Ron Howell and City Attorney, Cynthia Wotila were also present. Department Heads, Chief Chuck Davis, Chief Jeff Stein, Rich Rehkopf, Curt Brackenrich and Barbara Westenburg also attended. The meeting was opened with the pledge to the flag. There were citizens in the audience.

Public Hearing Mayor McKinney opened the Public Hearing at 7:01 P.M. to receive public comments on Ordinance No. 001-2017 An Ordinance to Amend Part Two, Chapter 210 of the City Code, Which Will Govern Purchasing Procedures.

No comments were received from the public nor were any received in writing. The hearing was closed at 7:02 P.M.

Add/Del Addition under Unfinished Business: No. 4 Cemetery.

Agenda Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to approve the Agenda as amended. Affirmed by voice vote.

Minutes Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to accept the minutes of the April 17, 2017 regular meeting as presented. Affirmed by voice vote.

Minutes Motion by Anderlohr, seconded by Burchett, **CARRIED**, to accept the minutes of the May 8, 2017 budget work session as presented. Affirmed by voice vote.

Minutes Motion by Guiles, seconded by Anderlohr, **CARRIED**, to accept the minutes of the May 8, 2017 special meeting as presented. Affirmed by voice vote.

Bills Motion by McKinney, seconded by Tillotson, **CARRIED**, to approve paying bills as presented for a total approved amount of \$181,858.63. Roll call vote. Voting yes were, Meinert, Scharlow, Burchett, McKinney, Guiles, Tillotson and Anderlohr.

Audience Orin Mutschler, new co-owner of Shaker's Party Store, appeared (with pizza for the council members!) to introduce himself and inquire what steps he needs to take to put in gas pumps at the Shaker's Party Store at 420 N. Chestnut. He indicated this would not happen until next year but wanted to get started on the process ahead of time. The City Manager suggested he research the State of Michigan, Licensing & Regulations website and compose a site plan of the project and present it to the Planning Commission.

Greg Windquist, of 220 W. Todd Avenue, addressed council regarding his cemetery lots at Woodland Cemetery. At the end of October 2016, Mr. Windquist submitted a letter regarding the wetness of his lots, he would like the City to mark off his lots, the unpaved condition of the road to the east is not useable and the road needs to be straightened out. He was inquiring what is the status of his letter? He went on to explain there is a divit on his lots where water drains to and it takes a while to drain the water off and would like to see it filled with some dirt. He is interested in some lots in the P-1 Section Lots 45 – 48 and Lots 50 – 55 because that is higher ground and the map does not indicate any ownership of those lots and there are no grave markers there. He likes his lots, and does not want his money back for them, but would like the wet issue corrected. Mr. Windquist suggested a possible grant maybe even

from the Osceola County Foundation, to retain a ground penetrating radar service company to map out unmarked graves and the area east of the cemetery garage as it is unclear if there is a foundation buried there and then that area of the cemetery could be developed. A Cemetery Board meeting to address his concerns and other cemetery business is being scheduled in June and Mr. Windquist will be notified so he can attend the meeting.

Reports Chief Stein, Fire Dept., Chief Davis, Police Department, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Barbara Westerburg handed out a Revenue/Expenditure Report as of 4/30/2017.

Motion by Tillotson, seconded by Scharlow, **CARRIED**, to accept the department head reports as presented. Affirmed by voice vote.

Ordinance Motion by Anderlohr, seconded by Guiles, **CARRIED**, to adopt Ordinance No. 001-2017 An Ordinance to amend Part Two, Chapter 210 of the City code, which will govern purchasing procedures. Roll call vote. Voting yes were, Meinert, Guiles, Anderlohr, Tillotson, McKinney, Scharlow and Burchett.

**CITY OF REED CITY
ORDINANCE NO. 001-2017**

AN ORDINANCE TO AMEND PART TWO, CHAPTER
210 OF THE CITY CODE, WHICH WILL GOVERN
PURCHASING PROCEDURES

At a May 15, 2017 regular meeting of the City Council held at 7:00 P.M. at the City Hall, 227 East Lincoln, Reed City, MI 49677.

Whereas, the electors have amended Section 12.1 of the City of Reed City Charter to provide as follows:

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.
- (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.

Whereas, the City Council has considered how to fulfil the mandate of Charter Section 12.1(b).

Whereas, the City Council has concluded that the following regulations concerning the purchase and sale of city property to promote the City's best interests.

The City of Reed City ordains that:

Section 1. Section 210.04 of the City Code is renumbered 210.04a and is amended to read as follows:

210.04a PURCHASES AND CONTRACTS; COUNCIL APPROVAL REQUIRED.

Except as limited in Section 210.04b, any expenditure for supplies, materials, equipment, construction projects or contracts obligating the City, where the amount of the City's obligation is in excess of **\$10,000.00** shall be approved by the City Council and shall be governed by the provisions of this section and Section 12.2 of the City Charter.

- (a) The Purchasing Agent shall solicit bids from a reasonable number of such qualified prospective bidders as are known to him or her.

- (1) For purchases or contracts for professional services as limited in 1204(b) of greater than \$2,500 and less than \$10,000.00, the Purchasing Agent shall document that he or she has obtained at least three written quotes, or attempted in good faith to obtain at least three written quotes.

- (2) Department Heads may purchase supplies, equipment or materials from \$500.00 to \$2,500.00, as approved by the Purchasing Agent, by obtaining at least three written quotes, or attempted in good faith to obtain at least three written quotes.
- (3) For purchases of \$20,000.00 or more, Bids shall also be solicited by newspaper advertisement when directed by the City Council.
- (b) Unless amounts are prescribed by the Council, the Manager shall prescribe the amount of any security to be deposited with any bid, which deposit shall be in the form of cash, certified or cashier's check or bond written by a surety company authorized to do business in the State of Michigan. The amount of such security shall be expressed in terms of percentage of the bid submitted. Unless the amount is fixed by the Council, the Manager shall fix the amount of the performance bond, and in the case of construction contracts, the amount of the labor and materials bond to be required of the successful bidders.
- (c) At the time the contract is executed by him or her, the contractor shall file a bond executed by a surety company authorized to do business in the State of Michigan, to the City, conditioned to pay all laborers, mechanics, subcontractors and material men, as well as all just debts, dues and demands incurred in the performance of such work, and shall file a performance bond when one is required. Said contractor shall also file evidence of public liability insurance in an amount satisfactory to the City Manager, and agree to save the City harmless from loss or damage caused to any person or property by reason of the contractor's negligence.
- (d) All bids and deposits of certified or cashier's checks may be retained until the contract is awarded and signed. If any successful bidder fails or refuses to enter into the contract awarded to him or her within five days after the same has been awarded, or file any bond required within the same time, the deposit accompanying his or her bid shall be forfeited to the City, and the Council may, in its discretion, award the contract to the next lower competent bidder meeting specifications, or to another competent bidder meeting specifications if the Council shall determine that the public interest will be better served by accepting such other bid, or said contract may be readvertised.
- (e) Sealed bids shall be obtained for purchases expected to exceed \$20,000. They shall be governed by the following:
 - (1) Sealed bids may be received by electronic voice, mail, postal means, or hand delivered.
 - (2) Bids shall be opened in public at the time and place designated in the notice requesting bids in the presence of the Purchasing Agent, the City Clerk and at least one other City official, preferably the head of the department most closely concerned with the subject of the contract. The bids shall thereupon be carefully examined and tabulated and reported to the Council with the recommendation of the Purchasing Agent at the next Council meeting. After tabulation all bids may be inspected by the competing bidders. In lieu of the procedure for opening bids herein specified, the Council may direct that bids be opened at a Council meeting.
 - (3) When sealed bids are submitted to the Council, if the Council shall find any of the bids to be satisfactory, it shall award the contract to the lowest competent bidder meeting specifications, unless the Council shall determine that the public interest will be better served by accepting a higher bid. Such award may be by resolution or ordinance. The Council shall have the right to reject any or all bids, to waive irregularities in bidding and to accept bids which do not conform in every respect to the bidding requirements.
- (f) Purchases shall be made from the lowest competent bidder meeting specifications unless the Council determines that the public interest will be better served by accepting a higher bid.
- (g) No sale or purchase shall be divided for the purpose of circumventing the dollar value limitations contained in this Section.

Section 2. Section 210.04b is added to the City Code and shall read as follows:

210.04b PURCHASES AND CONTRACTS EXEMPTED FROM SECTION 210.04A.

The following purchases are exempt from the requirements of Section 210.04a:

- (a) The City Manager is authorized to make emergency purchases of goods and services up to \$40,000.00 subject to the following requirements.
 - (1) An emergency exists when/where immediate procurement is essential to prevent delays in the activities of the using department that may vitally affect the life, health or confidence of the public.
 - (2) When an emergency exists, the City Manager may purchase or rent materials, supplies, equipment or contracted services in the open market at the lowest price obtainable under the circumstances.
 - (3) If the City Manager exercises these emergency purchasing powers, he or she shall, within 72 hours of the purchase, inform the Council of the emergency and the goods or services purchased. Barring an abuse of discretion by the City Manager, the Council shall vote to ratify the purchase.
- (b) In the absence of the City Manager, a Department head is authorized to make emergency purchases of goods and services up to \$20,000.00 subject to the following requirements.
 - (1) An emergency exists when/where immediate procurement is essential to prevent delays in the activities of the using department that may vitally affect the life, health or confidence of the public.
 - (2) When an emergency exists, the Department may purchase or rent materials, supplies, equipment or contracted services in the open market at the lowest price obtainable under the circumstances.
 - (3) Before making a purchase under this subsection, a Department head must obtain the prior written consent of either the Mayor or Mayor Pro Tem.
 - (4) If a Department head exercises these emergency purchasing powers, he or she shall, within 72 hours of the purchase, inform the Council of the emergency and the goods or services purchased. Barring an abuse of discretion by the Department head, the Council shall vote to ratify the purchase.
- (c) The employment of professional services shall be subject to the following requirements. The City Council may determine whether multiple proposals for professional services are required. Whenever the Council determines that it is in the City's best interest to solicit bids for professional services, the successful bidder shall be determined based upon the bidder's ability to provide the services rendered, the City's prior experience with the bidder, the nature and degree of expertise required, the bidder's professional experience, and any references received with respect to the bidder. "Professional services" include, without limitation, services rendered by certified public accountants, attorneys, architects, professional engineers, land use and zoning consultants, and land surveyors.
- (d) The Council may authorize the making of public improvements or the performance of any other City work by any Department without competitive bidding.
- (e) The Council may authorize cooperative purchasing arrangements with school districts and other government units. The Council may accept extended government pricing with appropriate documentation, if it is determined to be cost-effective and in the City's best interest.

- (f) The Purchasing Agent may make additional purchases of supplies materials, equipment, or services from a successful bidder without rebidding under Section 210.04a, provided that:
- (1) Amounts of additional purchase are at the same cost or less per quantity as originally bid;
 - (2) Amounts of the additional purchase do not exceed the cost of the original purchase;
 - (3) The purchase occurs not more than 12 months after the date of the original purchase; and,
 - (4) The Purchasing Agent reasonably believes that the same supplies, materials, equipment, or services are not available at a lesser cost from another source.

Section 3. Effective Date. This Ordinance shall be effective upon publication of either the Ordinance's full text or a summary of the Ordinance prepared by the City Attorney.

This ordinance was introduced by Councilperson Guiles at a regular meeting of the Reed City Council on April 17, 2017.

On the 15th day of May, 2017, upon the motion by ANDERLOHR, and seconded by GUILLES this ordinance was adopted.

Voting yeas: Meinert, Guiles, Anderlohr, Tillotson, McKinney, Scharlow and Burchett.
Voting nays: None.

Ladder Truck Motion by Anderlohr, seconded by Burchett, **CARRIED**, to approve the bid from eFireTrux Inc. in the amount of \$5,000.00 for the sale of the Fire Department Tower 10 Ladder truck. Roll call vote. Voting yes were, Anderlohr, Burchett, Guiles, McKinney, Meinert and Tillotson. Voting no was Scharlow.

Chip Seal Motion by Anderlohr, seconded by Tillotson, **CARRIED**, to approve the bid from Highway Maintenance & Construction Co. in the amount of \$44,227.00 for overband Crack Seal and Single Chipseal. Roll call vote. Voting yes were, Tillotson, Scharlow, McKinney, Guiles, Anderlohr, Meinert and Burchett.

Fogseal Motion by Anderlohr, seconded by Burchett, **CARRIED**, to approve the bid from Highway Maintenance & Construction Co. in the amount of \$7,380.00 for fogseal to be applied on top of the chipseal. Roll call vote. Voting yes were, McKinney, Burchett, Meinert, Anderlohr, Guiles, Scharlow and Tillotson.

Cemetery Councilperson Scharlow would like to see more board members on the Cemetery Board and to have them meet more routinely or as an option turn over the business of the cemetery to the Council. The City Manager commented it is set by ordinance and ordinances can be amended at any time. There is a meeting of the Cemetery Board planned for June and suggested agenda items were: discussion and action on water issue at the Greg Windquist cemetery lots, remaining lot availability, expansion of the cemetery, ground penetrating radar for unmarked graves and setting a number of board meetings per year as opposed to meeting when needed.

Cemetery walk Motion by Anderlohr, seconded by Burchett, **CARRIED**, to approve a Cemetery Walk at Woodland Cemetery hosted by the Osceola County Genealogy on Sunday, September 10, 2017. Affirmed by voice vote.

- Ferric Motion by Burchett, seconded by Anderlohr, **CARRIED**, to authorize the W.W.T.P. to obtain bids for ferric chloride. Affirmed by voice vote.

- Prev/Maint Motion by Anderlohr, seconded by Meinert, **CARRIED**, to approve the bid from Syna-Flow Technologies in the amount of \$3,150.00 for preventative maintenance work on the two digester blowers at the W.W.T.P. Roll call vote. Voting yes were, Tillotson, Anderlohr, Meinert, Guiles, Burchett, McKinney and Scharlow.

- F.D. software Motion by Meinert, seconded by Scharlow, **CARRIED**, to authorize the Fire Department to obtain bids for new software for fire reporting. Affirmed by voice vote.

- F.D. – Grant Motion by Anderlohr, seconded by Meinert, **CARRIED**, to authorize the Fire Department to apply jointly with the Evert Fire Department for a USDA grant for new pagers. Affirmed by voice vote.

- Amend Ord. Motion by Meinert, seconded by Scharlow, **CARRIED**, to approve amending the R-3 Single Family Residential District Code 1252.04 to include multiple-family dwellings as a Special Land Use Permit. Affirmed by voice vote.

- 1st Right of Ref Motion by Anderlohr, seconded by Tillotson, **CARRIED**, to reject Tax foreclosed properties #67-52-009-007-02, #67-52-016-058-15, #67-52-104-010-00 and #67-52-600-023-00 and accept the Waiver of First Right of Refusal. Affirmed by voice vote.

- MDOT Motion by Meinert, seconded by Anderlohr, **CARRIED**, to propose to DDA a cost sharing of this project for the estimated \$19,000 with the intention to move forward to have those parallel parking spaces paved at the same time as the rest of Chestnut Street. Roll call vote. Voting yes were, Meinert, Guiles, Anderlohr, Tillotson, McKinney, Scharlow and Burchett.

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

RESOLUTION FOR BUDGET AMENDMENTS

DATE: May 15, 2017

Resolution by the City Council to Amend the 2016/17 fund/department budgets as follows:

FUND/ACCOUNT DESCRIPTION	PRESENT BUDGET	ACTUAL TO DATE	ESTIMATED YEAR END	AMENDED BUDGET	INCREASE (DECREASE)
#202 Major Street Fund					
Expenditures (by Department)					
State Trunkline Contract				-	-
Dept. 491 Drainage/Backslopes	400	477	700	700	300
Dept. 501 Roadway Inspection	-	76	250	250	250
Dept. 502 Leave & Benefits	2,900	2,605	3,600	3,600	700
Dept. 503 Overhead	15,730	15,884	16,500	16,500	770
Dept. 497 Winter Maint.	20,000	15,282	17,980	17,980	(2,020)
Total Increase(Decrease) In Expenditures					\$ -

Reason:

Move excess Trunkline winter maintenance to other Trunkline departments.

No increase in the overall MDOT contract.

#101 General Fund					
Expenditures (by Department)					
Dept. 721 Planning Commission	300	437	500	500	200
Dept. 223 Audit	4,900	4,400	4,400	4,400	(500)
Dept. 247 Board of Review	2,040	693	1,040	1,040	(1,000)
Dept. 262 Elections	4,580	3,388	3,680	3,680	(900)
Dept. 441 DPW	141,280	109,226	144,280	144,280	3,000
Dept. 448 Street Lighting	44,100	29,017	41,100	41,100	(3,000)
Dept. 528 Refuse	25,800	21,183	27,300	27,300	1,500
Dept. 751 Parks	57,100	40,494	59,300	59,300	2,200
Total Increase(Decrease) In Expenditures				\$	1,500
Revenues (by account)					
Acct. 640.300 - Refuse - Bags	9,000	8,476	10,500	10,500	1,500
				-	-
				-	-
Total Increase(Decrease) In Revenues				\$	1,500

Reason:
Adjust General Fund department budgets based on expected 6/30/17 expenditures.

- Consent Motion by Scharlow, seconded by Anderlohr, **CARRIED**, to accept the Consent Agenda as presented. Affirmed by voice vote.
- Committee No committees have met.
- City Manager Ron Howell presented:
1. The Sewer Rate Report prepared by Michigan Rural Water Association. Ron requested everyone look over the report and if they have any questions, Mike Engels of Rural Water is willing to come and meet with council. There is a recommended increase of sewer rates to be spread over a three year period.
 2. A proposed DDA Termination and Closeout agreement has been drafted for the wind down of DDA. It would allow for the DDA Board members to serve until June 30, 2018.
 3. Contact was made with people involved with the Farwell Health Fair for information on the organization of this type of event.
 4. Ron reported he had received notice from the MEDC on the ICE (Infrastructure Capacity Enhancement) grant and unfortunately Reed City did not make the cut.
 5. Fleis & VandenBrink were contacted to give a one or two page report regarding the block house at 214 N. Chestnut and give us an idea and quote of what we are looking at for that site.
 6. Ron also presented his updated List of Uncompleted Items.
- BOR Motion by McKinney, seconded by Scharlow, **CARRIED**, to appoint Gennie Knapp to Board of Review term ending 12/31/2019. Affirmed by voice vote.
- Bills Mayor McKinney appointed James Anderlohr to review bills prior to the next meeting.
- Refuse Cont. Motion by Meinert, seconded by Tillotson, **CARRIED**, to amend the refuse contract with Republic Services as presented and authorize the Mayor and Clerk to sign. Affirmed by voice vote.

**AMENDMENT TO CONTRACT FOR COLLECTION OF REFUSE
REPUBLIC SERVICES/ CITY OF REED CITY**

2017-2019

This agreement, made and entered into this 15th day of May, 2017, by and between the City of Reed City, a municipal corporation duly chartered under the laws of the State of Michigan, hereinafter referred to as "City", and Allied Waste Systems, Inc. d/b/a Republic Services Inc. of Pierson, 21545 W. Cannonsville Road, Pierson, Michigan 49339, hereinafter referred to as "Contractor".

WITNESSETH

WHEREAS, the parties entered into a Contract for Collection of Refuse, hereinafter the “Contract” on December 19, 2016 for a period from January 1, 2017, through December 31, 2019 and it was subsequently discovered the Contractor was inaccurately identified only as Allied Waste Systems; and

WHEREAS, the original contract did not provide for considerations in the event of any “Force Majeure”;

NOW, THEREFORE, pursuant to Section IX of the Contract allowing for modification of same, it is understood and agreed by and between the parties hereto that the Contract is amended as follows:

The name of the Contractor is Allied Waste Systems, Inc. d/b/a Republic Services, Inc.

XV. Any failure or delay in performance due to contingencies beyond a party’s reasonable control, including, without limitation, riots, terrorist acts, compliance with Applicable Laws, fires, the loss, suspension, revocation or non-renewal of any permit, license or approval and/or acts of God (collectively, the “Force Majeure”), shall not constitute a breach of the Agreement, but shall entitle the affected party to be relieved of performance during the term of such Force Majeure event and for a reasonable time thereafter.

City Attorney Cindy reported she was still working with the General Mills attorney on the Yoplait back sewer charges, she has the update for the C1 and C2 District Ordinance ready and will get the update ready for R3 District special land use. She also reported Mike Figliomeni has the Weaver’s –Reed City Institutional Controls Close Out Agreement and POAM contract in the final stages. She will have a draft of the Drone Ordinance and update of the Water Ordinance 50/50 for the June meeting.

Councilperson James Anderlohr left the council chamber at 8:58 P.M.

Council Roger Meinert inquired if there was anything the City could do to encourage the cleanup of the property across from Dollar General. Chief Davis advised Richmond Township would need to have a junk ordinance to enforce the cleanup, which they do not have at this time. Trevor Guiles felt the council should start discussions again on the closing of the DDA and reconsider restructuring the DDA to function as it should function.

Councilperson James Anderlohr returned to the council chambers at 9:00 P.M.

Audience Ray Franz introduced himself to the council and will be running for the State Senate seat which will be open in 2018.

Adjourn Mayor McKinney adjourned the meeting at 9:01 P.M.

Jacalyn R. Beam
City Clerk