

**CITY OF REED CITY  
REGULAR COUNCIL PROCEEDINGS  
May 21, 2018**

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: Dan Burchett, Trevor Guiles, Roger Meinert, Dave Scharlow and Carol Tillotson. James Anderlohr was absent. City Attorney, Cynthia Wotila and City Manager, Ron Howell, were also present. Department Heads, Chief Chuck Davis, Fire Chief Jeff Stein, Rich Rehkopf, Curt Brackenrich and Barbara Westerburg also attended. The meeting was opened with the pledge to the flag. There were citizens in the audience.
- Add/Deletions** Additions under Audience Presentations: No. 2. Deanna Murphy, Reed City Brewing, and No. 3 Bruce Rendon, candidate for State Senate.
- Minutes** Motion by Scharlow, seconded by Guiles, **CARRIED**, to accept the minutes of the April 16, 2018 regular meeting as presented. Affirmed by voice vote.
- Sp. Minutes** Motion by Scharlow, seconded by Burchett, **CARRIED**, to accept the minutes of the April 30, 2018 special meeting as presented. Affirmed by voice vote.
- Sp. Minutes** Motion by Scharlow, seconded by Burchett, **CARRIED**, to accept the minutes of the May 10, 2018 special meeting as presented. Affirmed by voice vote.
- Bills** Motion by Tillotson, seconded by Burchett, **CARRIED**, to approve paying bills as presented for a grand total approved amount of \$300,529.80. Roll call vote. Voting yes were, Burchett, Tillotson, McKinney, Guiles, Scharlow and Meinert.
- Audience** Amber Hutchinson, President of the Great American Crossroads Celebration Committee, presented information on events and a map of the proposed area and schedule for the Festival.
- Festival** Motion by Burchett, seconded by Scharlow, **CARRIED**, to approve a temporary liquor license to Sunny's Bar & Grill and the Buckboard Bar for the Great American Crossroads Celebration festival in the downtown area and approve the request from the Crossroads Festival Board to use the downtown area as presented for the festival. Affirmed by voice vote.
- Audience** Deanna Murphy, Reed City Brewing, addressed council requesting the closure of a portion of Higbee Street and a temporary liquor license to have a tent party with music in celebration of their first year anniversary of being in business.
- Close Street** Motion by Meinert, seconded by Burchett, **CARRIED**, to allow Reed City Brewing to close down the section of Higbee Street identified in the drawing as presented, for Saturday, June 30<sup>th</sup> from 9:00 AM. until 9:00 A.M. Sunday, July 1, approve the outdoor temporary liquor license for this event, and Reed City Brewing is to coordinate with Rich of the DPW for the staking/securing down the tent and coordinating with Chief Davis for traffic control, and when fencing area, must allow for passage on the sidewalk on the west side of Higbee Street. Affirmed by voice vote.
- Audience** Bruce Rendon, introduced himself as a candidate for State Senate in the 35<sup>th</sup> District seeking election in the August 7, 2018 Primary Election.
- Reports** Chief Stein, Fire Dept., Chief Davis, Police Dept, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports.
- Barb Westerburg handed out a Revenue/Expenditure Report as of 4-30-2018.

- SAM's Letter Motion by Meinert, seconded by Guiles, **CARRIED**, directing the City Manager to draft a letter on City letterhead to SAM's which authorizes City Manager, Ron Howell, to as contact person for the city, to be notarized with the Mayor's signature. Affirmed by voice vote.
- Bids Motion by Meinert, seconded by Scharlow, **CARRIED**, to authorize the Police Chief to seek bids for a new patrol car pending the approval from SAM's. Affirmed by voice vote.
- Sale of PU Motion by Scharlow, seconded by Meinert, **CARRIED**, to authorize the Department of Public Works to seek bids for the sale of the 2004 Ford F-250 Pickup with V-Plow. Affirmed by voice vote.
- Introduction Motion by Guiles, seconded by Burchett, **CARRIED**, to Introduce Ordinance No. 001-2018, an Ordinance to amend Part Ten Chapter 1042 of the City Code, regarding Public Sewer Connections. Affirmed by voice vote.
- Introduction Motion by Meinert, seconded by Guiles, **CARRIED**, to Introduce Ordinance No. 002-2018, an Ordinance to amend Part Ten, Title Two, Chapter 1022.99 of the City Code, governing sidewalks. Affirmed by voice vote.
- Charter Agt. Motion by Guiles, seconded by Burchett, **CARRIED**, to approve the Uniform Video Service Local Franchise Agreement with Charter Communications at 5% for the term of 10 years from the date of issue and authorize the City Manager to sign. Roll call vote. Voting yes were, Scharlow, Meinert, Guiles, Burchett, Tillotson and McKinney.
- Sidewalks Motion by Burchett, seconded by Meinert, **CARRIED**, to table the agenda item on safe sidewalks to school until a complaint is received. Affirmed by voice vote.
- RRC – MOU Motion by Guiles, seconded by Scharlow, **CARRIED**, to authorize the Mayor to sign the Redevelopment Ready Communities Joint Memorandum of Understanding and designate the City Manager as the primary program contact. Affirmed by voice vote.
- Covered Bridge Motion by Meinert, seconded by Tillotson, **CARRIED**, to authorize the City Manager to reply to the West Michigan Regional Planning Commission in support of the replacement of the Hersey River Bridge. Affirmed by voice vote.
- Todd Intersection Motion by Meinert, seconded by Burchett, **CARRIED**, to accept the bid from Epic Excavating, Inc. in the amount of \$127,595.00 for the Todd Avenue and Chestnut Street utilities project. Roll call vote. Voting yes were, McKinney, Scharlow, Meinert, Guiles, Tillotson and Burchett.
- Hazardous Waste Motion by Guiles, seconded by Burchett, **CARRIED**, to approve a \$575.00 payment to Osceola-Lake Conservation District for the 2018 Hazardous Waste collection. Roll call vote. Voting yes were, Burchett, Tillotson, Guiles, Meinert, Scharlow and McKinney.
- Fire Contract Motion by Burchett, seconded by Tillotson, **CARRIED**, to approve the August 1, 2017 thru July 31, 2018 Agreement for Fire/Medical Services with Chase Township in the amount of \$35,386.00 and authorize the Mayor and Clerk to sign. Roll call vote. Voting yes were, Scharlow, McKinney, Burchett, Tillotson, Guiles and Meinert.
- 1<sup>st</sup> Right of Ref Motion by Guiles, seconded by Burchett, **CARRIED**, to table action on parcel# 67-62-118-012-50 until the next meeting to allow the City Manager time to contact Dan Massy to find out the status of the environmental study on this parcel. Affirmed by voice vote.
- Bond Counsel Motion by Guiles, seconded by Meinert, **CARRIED**, to accept the Letter of Engagement from Varnum Law for Bond Counsel Services in the amount of \$29,000.00 and authorize the Mayor to sign. Roll call vote. Voting yes were, Tillotson, Scharlow, McKinney, Guiles, Meinert and Burchett.

- Documents Motion by Meinert, seconded by Burchett, **CARRIED**, to approve the list of documents for destruction as presented. Affirmed by voice vote.
- Ordinance Council members discussed the draft copy of the ordinance amendment for rental housing. Members suggested some revisions and additions for the City Attorney to refine the draft. It was the consensus of members that they liked the general format.
- Budget Amend Motion by Burchett, seconded by Meinert, **CARRIED**, to approve Budget Amendments as presented by the City Treasurer. Roll call vote. Voting yes were, Scharlow, Meinert, Guiles, Burchett, Tillotson and McKinney.

**RESOLUTION FOR BUDGET AMENDMENTS**

DATE: May 21, 2018

Resolution by the City Council to Amend the 2017/18 fund/department budgets as follows:

Fund #101 General Fund	PRESENT BUDGET	ACTUAL TO DATE	ESTIMATED YEAR END	AMENDED BUDGET	INCREASE (DECREASE)
<b>1. Expenditures (by Department)</b>					
#265 Building & Grounds	25,347	15,630	24,347	24,347	(1,000)
#441 DPW	190,430	159,929	196,430	196,430	6,000
#448 Street Lighting	44,200	29,423	40,200	40,200	(4,000)
#269 City Properties - Other	20,900	9,542	19,900	19,900	(1,000)
<b>Total Increase(Decrease) In Expenditures</b>					\$ -

Reason: Move monies within general fund public works departments as needed.

<b>2. Expenditures (by Department)</b>					
#528 Refuse	27,500	23,117	30,000	30,000	2,500
<b>Total Increase(Decrease) In Expenditures</b>					\$ 2,500
<b>Revenues (by account)</b>					
#640.300 Refuse Bags	9,500	12,399	12,000	12,000	2,500
<b>Total Increase(Decrease) In Revenues</b>					\$ 2,500

Reason: Amend budget to cover the additional purchase and sale of garbage bags.

<b>3. Expenditures (by Department)</b>					
#262 Elections	4,580	375	1,335	1,335	(3,245)
#101 City Council	34,418	20,479	28,418	28,418	(6,000)
#223 Independent Audit	4,900	4,050	4,050	4,050	(850)
#336 Fire Department	129,980	119,719	144,230	144,230	14,250
#751 Parks	64,025	37,376	75,345	75,345	11,320
<b>Total Increase(Decrease) In Expenditures</b>					\$ 15,475
<b>Revenues (by account)</b>					
#667 Reimbursements	4,845	10,756	9,000	9,000	4,155
#574 State Revenue Sharing	239,310	169,209	250,630	250,630	11,320
<b>Total Increase(Decrease) In Revenues</b>					\$ 15,475

Reason:

Fire Dept. - move excess from Elections, Council, and Audit to Fire Dept. to cover expenses in excess of budget \$10,095.

Also increase Fire Dept. repairs account by amount of ins. Claims for damage to porta-tank, garage door, & fire truck.

Parks - amend budget to cover the cost of the Recreation Plan Update of \$11,320 by Williams & Works with State Revenue Sharing payments in excess of original budget.

<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>
4. <u>#202 Major Street Fund</u>					
<u>Expenditures (by Department)</u>					
<u>#483 Admin &amp; Record Keeping</u>	18,665	11,930	20,275	20,275	1,610
<u>#478 Winter Maint</u>	31,130	21,631	25,000	29,520	(1,610)
<u>Total Increase in Expenditures</u>				\$	-

Reason: Move excess winter maintenance to admin. In order to max out our allowed total of 10% gas/wght tax revenues.

5. <u>#202 Major Str. Trunkline</u>					
<u>Expenditures (by Department)</u>					
<u>#497 Winter Maint.</u>	17,000	17,750	18,000	18,000	1,000
<u>#502 Leave &amp; Benefits</u>	3,500	3,313	4,500	4,500	1,000
<u>#488 Sweeping &amp; Flushing</u>	1,000	223	500	500	(500)
<u>#490 Trees &amp; Shrubs</u>	3,000	2,275	2,500	2,500	(500)
<u>#486 Surface Maint</u>	3,300	1,252	2,300	2,300	(1,000)
<u>Total Increase in Expenditures</u>				\$	-

Reason: Move funds within the State Trunkline budget where needed.

- W.W.T.P. Motion by Meinert, seconded by Scharlow, **CARRIED**, to submit the Project Submission Form 2018 Comprehensive Economic Development Strategy to the West Michigan Regional Planning Commission for a possible grant for the Waste Water Treatment Plant. Affirmed by voice vote.
- 200<sup>th</sup> Avenue Motion by Meinert, seconded by Burchett, **CARRIED**, to decline participation of the project with Osceola County Road Commission for road improvements on 200<sup>th</sup> Avenue south of US-10. Affirmed by voice vote.
- Consent Motion by Scharlow, seconded by Burchett, **CARRIED**, to accept the Consent Agenda as presented. Affirmed by voice vote.
- Committee City/Township Economic Development Committee: City Manager, Ron Howell, reviewed a copy of the Counter Proposal with council members. There were no objections from council members on the Counter Proposal.
- City Manager Ron Howell reported on the following:
- Results of the Recreation Survey will be complete in June and will help determine if there is enough interest in area for establishment of a Dog Park.
  - Ron provided a copy quotes for replacement membrane air diffusers for SBR's at the W.W.T.P. and advised council members the Superintendent will be ordering them in the amount of \$6,245.00.
  - Announced the Tri-County Bicycle Tour will be held July 9<sup>th</sup> – 15<sup>th</sup> and will be coming through Reed City. Ron will email a copy of the flyer to council members.
  - Ron explained a water/sewer account shut off collection issue that recently occurred concerning a Landlord/Tenant and the city attorney has suggested revising the current shutoff policy to avoid future problems. A revision will be presented to council within the next few months.
  - Presented for review, his Unfinished Items List and List of Longer Range Projects.

- Escanaba Motion by Tillotson, seconded by McKinney, **FAILED**, to contribute \$500.00 to the City of Escanaba in support of the City of Escanaba Dark Store case that is headed back to the Tax Tribunal. Roll call vote. Voting yes were, Tillotson and McKinney. Voting no were, Meinert, Guiles, Scharlow and Burchett.
- Sludge Contract Motion by Meinert, seconded by Tillotson, **CARRIED**, to approve the renewal of the sludge hauling contract with BioTech Agronomics with no rate increase for a period of three (3) years beginning July 1, 2018 through June 30, 2021 at \$0.315 per gallon for hauling from the North Plant and \$0.0329 per gallon for hauling from the South Plant. Roll call vote. Voting yes were, Burchett, Guiles, McKinney, Meinert, Scharlow and Tillotson.
- Bills Mayor McKinney appointed councilperson Trevor Guiles to review bills prior to the next meeting.
- City Attorney Attorney Wotila submitted her attorney report and advised she is working the vaping ordinance and researching the independent fundraising by the Fire Department.
- Comments Trevor Guiles commented on the DDA minutes regarding the return of tax monies. Dan Burchett commented the Library would like to know what the plan is for the movie screen that is located in the back of the Pompeii parking lot area as the Library would like to obtain it.
- DDA Motion by Meinert, seconded by Burchett, **CARRIED**, to authorize the City Manager to caution the DDA that as they close their books out, that council's interpretation of the personal property tax paid in advance to them must be fully refunded and it is not a negotiable item. Affirmed by voice vote.
- Closed Door Motion by Burchett, seconded by Guiles, **CARRIED**, to enter into closed door session for the purpose of union negotiating strategy. Roll call vote. Voting yes were, Scharlow, McKinney, Burchett, Tillotson, Guiles and Meinert.
- Council went into closed session at 9:10 P.M.
- Council returned to open session at 9:22 P.M.
- No decisions were made in closed session.
- Unions Motion by Tillotson, seconded by Guiles, **CARRIED**, directing the City Manager to accept the terms as presented by the POAM and Teamster Unions. Roll call vote. Voting yes were, Meinert, Guiles, Tillotson, McKinney and Burchett. Voting no was, Scharlow.
- Adjourn Mayor McKinney adjourned the meeting at 9:23 P.M.

Jacalyn R. Beam  
City Clerk