

REGULAR MEETING  
Litchfield City Council - City Council Room  
April 15, 2014 - 6:30 PM

Mayor Smith called the meeting to order at 6:30 PM.

Roll Call: Present – Mayor Edwin Smith, Councilpersons Jessica Bills, Rick Siebert, Dan Efstathiou, OR Smith and Don Bannick.

Absent – Brenda Thomas

Also Present – City Manager- Douglas Terry, Clerk-Susan Ballinger, Treasurer-Jill Pelham, Chief, John Michelin, DPW Superintendent-Tony Langhann, Admin/ Asst. - Lauren Skelly, Andy Barrand-(HDN), Jeff Jacques - State Representative Candidate, Andy Reynolds, and Terry Vear- (Perennial Park Senior Citizens).

**Consent Agenda** –Mayor, Smith requested that TIFA minutes 3-26-14 be pulled from the consent agenda as they are not the approved corrected minutes. Councilman, Siebert moved to approve the consent agenda with the exception of the minutes dated 3-26-14, seconded by Councilwoman Bills. Motion Carried.

**Call to the Public** – State Representative candidate Jeff Jacques informed board members that he would be running for the 58<sup>th</sup> district seat. Mr. Jacques informed the board of his background and feels he can make positive changes. Mayor, Smith asked where he stood on the repeal of the personal property tax. Mr. Jacques feels the repeal is a necessity especially down here in the southern counties where businesses can easily move to another state. Mr. Jacques stated that the personal property tax was an unfair disadvantage to the manufacturers and small business owners. The board thanked Mr. Jacques for his comments.

**Hillsdale County Senior Citizen Update- Terry Vear-** Mrs. Vear updated the board with the most current statistics and all the programs they offer the seniors in Hillsdale County. Mrs. Vear gave board members a pamphlet with all the information regarding their program and how many seniors their program serves.

**Litchfield Senior Citizens Contract** - Councilman, Bannick moved to approve the contract in the amount of \$650.00 with the Litchfield Senior Citizens and authorized the Mayor to sign, seconded by Councilman, Smith. Motion Carried.

**Public Hearing – IFT Gonzalez Group** - Mayor, Smith opened the public hearing at 6:42p.m. Manager, Terry stated that Gonzalez Group is requesting a 12 year abatement on the listed equipment. Councilmen, Siebert questioned the date of the installation of the equipment. Clerk, Ballinger stated that the application the board has in front of them is a revised application and the original submittes application was dated and received in a timely manner so that all the equipment will be included and that both the original and revised application will be sent together to the State Tax Commission. With no further comments to be heard Mayor, Smith closed the public hearing at 6:44p.m.

**Resolution 2014-05-IFT Gonzalez Group** – Councilman, Bannick moved to adopt Resolution 2014-05, seconded by Councilman, Smith. Motion Carried.

**City of Litchfield Official Proclamation designating May 15<sup>th</sup> as Peace Officers' Memorial Day** – Councilman, Smith moved to adopt and recognize the Proclamation designating the week of May 15<sup>th</sup> as Peace Officers' Memorial Day, seconded by Councilman, Siebert. Motion Carried.

**City Manager 2014-2015 Budget Presentation** – Manager, Terry presented the board with the 2014-2015 city budget. Manager, Terry thanked the staff and the budget committee for the hard work put into this budget. Manager, Terry stated that there has been progress in the economy and the management letter within your budget packet summarizes some of the highlights of the budget for the boards review. Manager, Terry talked about increasing costs and lower revenues coming into the city budget. Manager, Terry went over each fund of the budget with the board. Manager, Terry talked about the street fund and that public works has done an excellent job maintaining the streets. The city's goal is to try and redo one or two streets a year but as council already knows we borrowed money from the sewer fund to redo N. Chicago Street and the city is working to pay back those borrowed funds and what that did was postpone paving other streets within the city. The city is accelerating the pay back of the those borrowed funds to sewer fund from a ten year loan to a six year loan and then the loan will be paid in full. The city will then have to save up funds to do any future street repairs. Local streets expenses have doubled from what the city has normally spent in the last ten years. Manager, Terry talked about increases in both water and sewer rates. Manager, Terry also discussed the effects the loss of the personal property tax will have to the TIFA and how that will affect the city as a whole and that major changes could be coming in the future. The decrease in revenue will mean a decrease in the city operations. Treasurer, Pelham stated that the Governor is determined to eliminate the personal property tax and this August it comes up for a vote and that she has questioned the Lieutenant Governor on what this would do to the TIFAS that capture this personal property revenue and how this would devastate TIFAS. Treasurer, Pelham informed the board that within this ballot language it does include a replacement plan and if this issue gets voted down by the people in August the state will bring it back for a vote in November but it will not include replacement money so Treasurer, Pelham encourages everyone to vote in favor of the of the elimination of the personal property tax come this August. Manger, Terry stated that the replacement money will be only for vital services such as police, fire, and ambulances. Treasurer, Pelham stated that the state did include TIFAS in the language. Mayor, Smith stated that the ballot language is very vague on this issue. Manager, Terry stated there would not be an increase in Solid Waste this budget year. The Equipment fund has within its expenses the revenue for a replacement vehicle for the police department their Crown Victorian is costing the department more than what it's worth to maintain. Also, the city is seeing age within our computer systems some of that is hardware, software, and compatibility. So the staff is looking to upgrading and replacing four new desktops. Manager, Terry finished the presentation and stated that over the next month if anyone has any questions regarding the budget just stop in his office and he would be glad to go over the budget with them. The city will be giving a copy of the budget to the news papers and welcomes any questions. Councilman, Smith stated that when the budget committee met and began working of this new budget the raises was a big thing but the staff had not received a raise in awhile and the committee talked about possibly in the future that when the city manager retires the city has the staff in place that the city manager position may not have to be replaced and the board could divide his responsibilities between the department heads. Manager, Terry stated that in the future depending on what happens with the personal property tax that the city might have to change its operations here and the city has a very good staff and the idea is to try and do things that if things do change all the department heads can absorb the things that I do but I want to assure you that I'm committed to the city and don't plan on going anywhere, we are just planning for contingencies.

**Set Public Hearing for "Truth in Taxation"** – Manager, Terry stated that since the city is not increasing millage rates and the city is under the taxable value threshold the city is asking council to withdraw this off the agenda.

**Set Public Hearing for Budget** – Councilman, Bannick motioned to set the 2014-2015 Budget Public Hearing for May 20, 2014 at 6:30p.m., seconded by Councilman, Smith. Motion Carried

**2014 Pool Schedule & Rates** – Manager, Terry presented the board with a recommendation of the 2014 pool rates and hours of operation with no changes from last season. Manager, Terry stated that he did receive a suggestion from a councilmember that if the outside temperature reaches 90 or above the pool could be opened to the public for free. Manager, Terry explained that the city administration is not objecting any ideas, but the pool is not profitable for the city. While revenues are around \$15,000 the expenditures are between \$55,000 - \$65,000 a year. The Litchfield Rotary helps by contributing towards the life guard training expenses. Manager, Terry stated that now is the time to set the rates and schedule for the upcoming pool season and if board members want to do something different the city administration is more than happy to do so. There was some discussion about people that live within the Litchfield School district be given a discounted rate but Manager, Terry pointed out that anytime you start to differentiate there could be problems and that it's better that if something is done, it's done the same across the board. Councilman, Bannick requested that the pool be free to everyone if the temperature reaches 90 degrees and this would open the pool to kids that normally don't use the pool and maybe if these kids actually use the pool once they would want to come back. Councilman, Siebert stated a problem with that could be that the pool is full of people that have paid to enter prior to the temperature reaching 90 or full of people that have not paid because the temperature is 90 and then someone that has paid for a season pass comes and wants to know why he has to pay and should be let in for free. Councilwoman, Bills stated what if at noon the temperature has not reached 90 and people pay to enter the pool than at 3pm the temperature does reach 90 and staff starts to let people in for free is the city to reimburse those people that had already paid to enter? Councilman, Bannick stated that we know when a 90 degree day is coming and he doesn't believe that our citizen that does have a season pass would complain about letting kids in free. Mayor, Smith stated that he is opposed to letting in people for free because if we let people in free at 90 degrees and there's probably not going to be a lot of 90 degree days but right now as much as the city puts into the pool and with what the city is facing coming down the road. Everyone paying now might help the city keep the pool open a little bit longer; it could close up quicker; and then pool won't be available for anyone regardless of the temperature.

Councilman, Bannick, motioned that if the temperature reaches 90 degrees that the pool is to be open for free to all people. Mayor, Smith asked if there is support to the motion on the floor and due to lack of support the motion died. Councilman, Efstathiou motioned to accept the 2014 pool rates and hours schedule as presented, seconded by Councilman, Siebert. Motion Carried

**First Reading Ordinance 2014-02 Salaries for certain appointed officials** – Clerk, Ballinger gave the first reading of Ordinance 2014-02.

**Resolution 2014-06 Hillsdale County Community Foundation Grant Application** – Manager, Terry explained to board members the purpose of this request to apply for grant money to resurface the basketball/tennis courts in Simpson Park. When preparing this budget one of the things that I wanted to do is to tear up the current surface at the courts and repave that surface and part of the application process is a resolution of support from the board. After some discussion amongst the board, Councilman, Seibert moved to adopt Resolution 2014-06, seconded by Councilman, Bannick. Motion Carried.

**Bills for Approval** – Councilman, Bannick moved to approve the bills in the amount of \$57,363.68 and apply to the proper accounts, seconded by Councilwoman, Bills. Motion Carried.

**Police Report** - Chief, Michelin stated that his department is doing well. Councilman Siebert moved to accept the police report as presented and place on file, seconded by Councilman, Smith. Motion Carried.

**Public Works Report** – Councilman Smith, moved to accept the public works report and place on file, seconded by Councilman, Efstathiou. Motion Carried.

**Treasurers Update** – Treasurer, Pelham stated that within in the board packets are the quarterly reports. These reports are pretty close of where the city will be at the end of this fiscal year. Treasurer, Pelham informed the board that she has been attending training regarding municipal investments and learned a lot of information that will help the city earn more money on the city's reserve funds.

**City Manager's Update** - Manager, Terry informed the board that a community forum was held and the public came in and received reports on things that were happening in the city. Manager, Terry stated that he is meeting with contractors regarding the Elementary School building.

**Committee Reports** –

**Councilman Concerns-** Councilwoman, Bills informed the board that May 8<sup>th</sup> is Green Up Day and the kids will be planting flowers in the planters in the park this year.

**Correspondence** –

**Adjournment** – Councilman, Siebert moved to adjourn at 7:38pm, seconded by Councilman, Smith. Motion Carried.