

REGULAR MEETING
Litchfield City Council - City Council Room
May 19, 2015 - 6:30 PM

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

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

Absent – OR Smith-Mayor Pro-Tem

Also Present – City Manager- Douglas Terry, Clerk-Susan Ballinger, Treasurer-Jill Howard, Chief- Dan Roberts, Mike Warner-Homer Index, Andy Barrand-HDN, and Mary Burns.

Consent Agenda – Councilman, Siebert moved to approve the consent agenda, seconded by Councilwoman, Bills. Motion Carried.

Call to the Public – None

Public Hearing 2015-2016 Budget – Mayor Smith opened the Public Hearing at 6:31pm with no comments/questions, Mayor Smith, closed the Public Hearing at 6:32pm.

Resolution 2015-06 To Establish Water & Sewer Rates and Solid Waste Fees 6/1/15- Councilman Bannick moved to adopt Resolution 2015-06 Establishing Water & Sewer Rates and Solid Waste 6/1/15, seconded by Councilman Siebert. Motion Carried.

Resolution 2015-07- 2015-2016 Budget Adoption Resolution & Appropriations Act- Councilman, Siebert moved to adopt Resolution2015-07 Budget Adoption & Appropriations Act, seconded by Councilwoman, Bills. Motion Carried.

Resolution 2015-08- To establish 2015 Tax Levy – Treasurer, Howard requested that Resolution 2015-08 be tabled due to the fact that the county now requires cities to hold public hearings prior to adopting the 2015 tax levy. Councilman, Siebert moved to table Resolution 2015-08 and to set the Truth & Taxation Public Hearing for June16, 2015, seconded by Councilwoman, Bills. Motion Carried.

Second Reading & Adoption of Ordinance 2015-01 Salaries for Certain Appointed Officials - Councilman, Siebert moved to adopt Ordinance 2015-01, seconded by Councilman, Bannick. Motion Carried.

2015 Sweet Corn Days Festival/ Sweet Corn Day Committee- City Sponsorship – Councilman, Bannick moved that the City of Litchfield sponsor the 2015 Sweet Corn Day Festival, Committee, and Volunteers, seconded by Councilman, Siebert. Motion Carried.

Approve Michigan Mini Horse Pulling Association Contract and use of city lots 18 & 19 and Authorize Clerk to sign- Councilman, Bannick moved to allow the use of lots 18 & 19 with proof of liability insurance adding the city and festival committee as additional insured and Authorizes Clerk, Ballinger to sign the contract with Mini Horse Pulling Association, seconded by Councilman, Efstathiou. Motion Carried.

Approve Michigan Pony Dynamometer Association Contract use of city lots 18 & 19 and Authorize Clerk to sign- Councilman, Bannick moved to allow the use of lots 18 & 19 with proof of liability insurance adding the city and festival committee as additional insured and Authorizes Clerk, Ballinger to sign the contract with Michigan Pony Dynamometer Association, seconded by Councilwoman, Bills. Motion Carried.

2015 Firework's Permit-Authorize Signature of Mayor - Councilman Siebert moved to authorize Mayor, Smith to sign the Firework's Permit for the 2015 festival with proof of liability insurance adding the city and festival committee as additional insured, seconded by Councilman Efstathou. Motion Carried

Elementary School – MHSDA Housing Market Study – Manager, Terry informed the board that recently there has been interest in possibly renovating the elementary building into senior and subsidized housing. MHSDA visited Litchfield's Elementary School and one of the beginning points was that there had to be a Market Study of the area before MHSDA would participate with tax incentives or perspective purchaser/operator of an apartment complex. Manager, Terry continued to explain the issues of decreasing enrollment of schools which caused the closing the elementary building and utilization the High School for K-12th grades. TIFA had invested money and taken a look at renovation but it wasn't practical of turning the building into a vocational training center and was beyond reach. There are interested people that have access to capital and have entrepreneur skills and the rehabilitative skills to take buildings like the elementary school and convert it into apartments. A representative from a firm came and visited the same thing with MHSDA and is impressed with the school, however, before moving forward MHSDA requires a preliminary study be done to determine housing needs within our community. We have filled out the initiation request and the preliminary study cost \$3,150.00. The Litchfield Community School has agreed to participate and has pledged \$500.00 towards this study. What this does is take a building that was not on the tax rolls and places it on the tax roll, takes an obsolete building and converting into something useful such as living accommodations. So what we are asking is that the city council considers investing into this project by providing the remaining \$2,650.00 to participate in the study. This was presented to the Tifa board and it was the boards' thoughts that they had already contributed through the engineering study. The city has an opportunity to rehabilitate this old building; now the investor would be the one doing the rehabilitation not the city. Manager, Terry asked the board to seriously consider making this investment which could be a good opportunity for our community to redevelop this building. Councilman, Bannick asked why isn't the responsibility of the person wanting to buy the building to do the study. Manager, Terry stated because the community based study is more than just looking at the facility; the study looks at the entire housing inventory within the community, including rentals, workforce, or our deficiencies in providing housing in the area. Mayor, Smith stated that the study can be used for a number of things but the biggest thing is there is no line up wanting to buy the school building. A lot of the funding although I don't what percentage will come out of MHSDA. But MHSDA won't do anything until they know what the actual needs are. Councilwoman, Bills asked why the city couldn't do the study themselves instead of paying this company. Manager, Terry stated because MHSDA has prequalified consultants that do these types of studies and I don't believe the city staff has these types of qualifications like appraisals, and economist that look at this. Treasurer, Howard asked if MHSDA offer any type of financial assistance. Manager, Terry stated yes, it is the first part, and once a project is identified the property developer would discuss with MSHDA and develop a tax credit program. Treasurer, Howard stated this is why they must do the study because the financial assistance would be part of that whole program. They would have to have their own study before they could offer them assistance with tax credits. Mayor, Smith stated that this is a two part study, if the first part goes well there will be another \$2,850.00 required to finish the study. Councilman, Siebert asked if the city was obligated to pay the \$2,850.00. Mayor, Smith only if the first portion of the study goes favorably, if the study shows that there is no need for housing then there is no obligation to pay for the second portion of the study. Mayor, Smith stated he felt that this is probably the last chance to do anything with the old school building which will become a big burden for the school and the city. If the building is left it eventually will fall to despair to the point of being forced to be cleaned up which will be a huge expense and I don't believe the school could afford that much of an expense. Mrs. Burns added that Litchfield Schools can't afford that type of expense and they have already said they wanted to invest in this project with the \$500.00 which is a lot out of the schools budget. Mrs. Burns added that there is currently a waiting list at the apartments all time for housing. Treasurer, Howard stated although she couldn't say exactly what dollar amount the city would gain by having an apartment complex, but what she could state is that the property values around the old school building will go down if something isn't done with the building. So the board should think of it not only as an investment but also as preventing loss. Councilwoman, Thomas asked Treasurer, Howard where is the money coming from for this project. Treasurer, Howard stated since the board has allowed our city manager to extend his time working in Hillsdale that the city had anticipated that is bringing in unexpected revenue. Treasurer, Howard felt that when budget amendments are done next month that is where the money could come from and support this project. Councilwoman asked how long the study would take. Mayor, Smith stated it would take approximately 3

to 4 weeks to complete the study. Councilman, Siebert stated he doesn't see a problem with doing the study as long as the city has the money. Treasurer, Howard stated that the city does have the money and the city has a fund balance that includes a reserve of 3 1/2 to 4 months and that fund balance comfortable level is 3 months so the city does have the money to do the study. Councilwoman, Thomas moved to approve the full payment amount of \$3,150.00 for the market study of the elementary building and allow Treasurer, Howard to bill Litchfield Community Schools for reimbursement of their portion of \$500.00 of that charge to be paid the city, seconded by Councilman, Efstathiou. Motion Carried

Discuss Basketball/Tennis Courts – Manager, Terry stated that last month the administration had recommended that the contract be awarded to MW Burns Excavating. Manager, Terry stated that awhile back the city had engineer estimates, drawings, and design based on Hot Mix Asphalt “HMA” and when the engineer had put his estimates together HMA was half the cost of what concrete was at that time. When bids were opened the engineering spec that had the HMA in it came in at approximately \$42,310.00. Manager, Terry approached Mr. Burns for a cost of concrete. Manager, Terry stated that the total construction price with concrete came in at \$45,380.00 which would include the wire mesh, fiber and it would be 4 inches of thickness. Manager, Terry then gave the board an explanation of the requested change order by cost of the concrete with and/or without wire mesh and fiber. Manager, Terry stated that he strongly suggests that the price difference between the HMA and the concrete is that concrete is a much superior product rather going with the HMA. Manager, Terry had stated the Hillsdale arrangement has been very good for the city and saying that he wanted to give the board the option to go with the concrete at \$45,380.00 and this would give us 4 inches, fiber and steel reinforcement. Mayor, Smith stated that there is a lot less maintenance if we were to go with concrete. Councilman, Siebert asked would we have to go out for new bids. Manager, Terry stated initially the city had to go out and receive competitive bids and the city done that but the city manager can negotiate because we already awarded the contract and the city has the ability to do a change order. Councilman, Siebert stated that a change order is based on currently what you're doing not to go from one material to a different one. Manager, Terry stated he feels we are ok on this and the city is in the right. Mrs. Burns stated that they do change orders that change products like that with contracts. Mayor, Smith wanted to clarify that originally when this was looked at the city wanted to do concrete but when the engineer came back and said it was almost double the price we decided to go with the asphalt. Manager, Terry pointed out that was over a year ago. Councilman, Bannick moved to allow a change order award with MW Burns for asphalt to be changed to concrete and the price be altered to the amount of \$45,380.00, seconded by Councilwoman, Thomas. Motion Carried with one Nay vote from Councilman, Siebert.

Bills for Approval – Councilman Bannick moved to approve the bills in the amount of \$32,917.66 and apply to the proper accounts, seconded by Councilman Efstathiou. Motion Carried.

Police Report – Councilman Siebert moved to accept the police report as presented and place on file, seconded by Councilman Bannick. Motion Carried.

Public Works Report – Manager, Terry stated informed the board that the public works department has been very busy with the golf course. Our goal is to make a desirable piece of property and we are in the process of getting it ready for sale. TIFA has made significant contributions to make improvements to get the grounds and building ready and presentable for sale. City staff has spent a lot of time handling the administration operations. The city is learning as we go but the reports and feedback we are receiving is that the golf course is looking great. The pool is also getting prepared for opening. Public works is also picking up brush and leafs. The staff at city hall has done a wonderful job in organizing and keeping everything good. Public works is also working on drains that were damaged over the winter and working on the Saw Grant which is a 90/10 grant as the board is already aware. Councilman, Bannick asked who was paying for all the time that public works is putting into the golf course. Manager, Terry stated that TIFA is paying for that, TIFA also pays the city a fee for mowing and doing other things and contributes quite a bit to the city's general fund budget to subsidize our public works as well as our staff. Treasurer, Howard stated that TIFA is being billed and basically dpw is doing what the staff out at the course can't do or wasn't available to do when they working out there. So any labor out of the ordinary is being billed back to TIFA and TIFA did pay it. Councilman Seibert moved to accept the verbal public works report as presented and place on file, seconded by Councilman Bannick. Motion Carried.

Treasurers Update – Treasurer, Howard stated she has been working on adding accounts to both TIFA and the city's budget as we go along, so the details about the golf course and Litchfield Initiative have accurate accounting. The detailed accuracy of the golf course books should help make it more appealing to a perspective buyer. That includes the labor which is why I have been accounting for it to the penny, because of that the city will have some budget amendments.

City Manager's Update –Manager Terry stated the Purdy' Foundation has been very supportive in our community. Recently, the city was approached about the expansion of our 2 to 5 year old and handicap playground area. The city went to school and talked with them since the school is the actual owner of the property and one of the things that the Purdy Foundation has indicated is that they would like to expand this playground area about 200 feet. The Purdy's contacted a Recreation Specialist out of Maryland to design something with Game Time Equipment. The Purdy's would like the city to consider accepting monies and a generous donation of developing this playground further. This playground will be in front of the pavilions in addition to what is already there of the playground that the city installed two years ago. The city approached the school and the school has agreed to sell the city the property and ownership of the property is important to be eligible for DNR recreation grant money in the future. The Purdy's has also indicated of taking some money and making improvements elsewhere in our community and we are talking about using some grants proceeds to develop this project. This project is estimated to be around a cost of \$300,000.00 which includes landscaping along with the playground area. There is no action for council tonight but we want to keep the board informed. With the new paving of the basketball courts and this project we see this as significant improvements. Manager, Terry stated that at some point the pool is going to need to be renovated. That is coming down the road. Mayor, Smith added the new playground is also certified which means it meets every standard for falls, bumps, scrapes and as far as we know this is the only 2-5 year old, certified handicap park in about 4 counties. Mayor, Smith stated the school had four stipulations (1) to renew the lease we have now that runs out if four years (2) Project must be completed in three years (3) A sidewalk from the pavilion over to the Daycare Center (4) No expense to the school.

The City of Hillsdale has selected a candidate city manager and we are negotiating a wage contract and an employment contract and the new manager should be on board in about a month but I can't give a specific date or time my service ends. Hopefully, it will be soon so that I will be able to resume my full time as Litchfield's City Manager. Councilwoman, Bills asked will we have an actual end date to tell Hillsdale. Manager, Terry stated he couldn't give one at this time. Councilwoman, Bills stated yes we can tell them when you're done. Manager, Terry stated yes, but at this point currently the new candidate has an employment packet of wages and benefits that was reviewed by Hillsdale City Council last night and Manager, Terry had talked with the candidate because there had been some changes to the contract then what was originally negotiated but the candidate was good with the current changes. Those will be forwarded to Hillsdale's attorney and also the new candidate has to give 30 days' notice to his current employer. Manager, Terry stated his goal that within a month or less the new candidate will start his employment with Hillsdale.

Correspondence – None

Committee Reports – None

Councilman Concerns- Councilman, Bannick asked if there is any chance that the city could install a swing for younger children at Fireman's Park. Manager, Terry said yes, public works has replaced a lot of the bearings and saddles on the swings in the parks around the city.

Mayor, Smith stated that he wanted to echo on Manager, Terry's statement on the public works department and city staff has done an outstanding job while Manager, Terry has been absent part of the time, taking on the golf course and a number of things, they really have done an outstanding job.

Adjournment – Councilman Bannick moved to adjourn at 7:42 p.m., seconded by Councilwoman, Bills. Motion Carried.