

REGULAR MEETING
Litchfield City Council - City Council Room
October 18, 2016 - 6:30 PM

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

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

Absent: None

Also Present – City Manager - Douglas Terry, Treasurer - Jill Barrett, Clerk- Susan Ballinger, Police Chief-Dan Roberts, Deputy Clerk – Lauren Skelly, Ed Clark, Attorney Tom Thompson, Jones & Henry Representative- Ken Kohs, Larry Gagnon, Steve Wilson and Michelle Hawkins.

Consent Agenda – Councilman Siebert moved to approve the consent agenda as presented, seconded by Councilman Reynolds. Motion carried.

Call to the Public – Larry Gagnon was present on behalf of the Litchfield Historical Society. Mr. Gagnon informed the board that the Historical Society was interested in acquiring the adjacent property, address 211 Mill Street. Mayor Smith stated the property is being auctioned off on October 26, 2016 and the minimum bid is \$25.00, however, the city has a lien on the property for an amount of \$8,424.00. Mayor Smith informed the board that the Historical Society is interested in the property and curious if the city could lower the lien amount on the property. The Historical Society is willing to bid on the property but was hoping the city would donate the property and forgive the balance owing on the property. But the Historical Society has private individuals that are willing to offset and share the city debt, although Mr. Gagnon feels along with others that the property is not worth \$8,000.00 and would negotiate the cost with the city, even to the point of half on the outstanding balance. Councilman Bannick asked what Mr. Gagnon thought would be a comfortable bid for the Historical Society to offer. Mr. Gagnon stated he felt they would go up to \$6,000.00 to purchase the property. If they have to pay \$1,000.00 at the auction, then if the city would subtract that amount from the \$6,000.00 making the total left to pay to the city \$5,000.00. Mayor Smith stated Mr. Gagnon is looking for what this board might do and if we say no we would never lower the amount of the lien then he needs to know that, or yes, that the board would consider something lower than the current lien amount. Treasurer Barrett stated the property taxes would be taxable for only that one year if the Historical Society was to buy the property for future years there would be no property taxes because the Historical Society is exempt. Also, the county would not reimburse the city for the lien. It's still up to me as the Treasurer to collect those special assessments. Treasurer Barrett informed Mr. Gagnon that if the Historical Society purchased the property at the auction this October they would be responsible to pay the winter taxes that go out on December 1, 2016, which are approximately \$200.00 and also the \$8,424.00 which is left from the summer 2016 special assessment. Mayor Smith suggested that Mr. Gagnon bid on the property at the auction but not to bid too high on the property that way if the board doesn't agree to make any adjustments on the lien Mr. Gagnon wouldn't be out too much money.

Annual IFT Report- James Uyl – Assessor James Uyl updated the board on information regarding the industrial parks current IFT's. Mayor Smith asked if the board should revoke the Gonzalez Groups IFT. Assessor Uyl stated normally in the past the board has not, with the idea being that if the property is marketed the city could see the property marketed with the transfer of the IFT that would make the property more attractive to a potential buyer. Assessor Uyl suggested the board leave the IFT on for a year or two.

Councilman Smith moved to accept the 2016 IFT report as presented, seconded by Councilwoman Bills. Motion Carried.

Discuss and Approve Asset Management Water Module Proposal – Manager Terry stated that at last month's city board meeting the administration had introduced the idea of purchasing a water module for GIS. The city has been successful in working with Jones & Henry Engineers on retrieving an Asset Management Grant for the purpose of studying storm water and sanitary sewer. It is most municipalities' practices to also include the water utilities portion in a GIS program. This allows our public works department to know where all the city's utilities are and keep track of them and the statistics that go along with the program. Manager Terry asked Mr. Ken Kohs of Jones & Henry and he is also the former Director of Public Works for the City of Battle Creek to be present. Manager Terry said that in last month's agenda packet the asset management as explained to council paid for the sanitary sewer and the storm sewer portion of the GIS, unfortunately, the water portion isn't part of that grant so it falls upon the city to pay for the water module. At this time the city administration is seeking city councils support of including the water utilities as part of our program at a cost of \$9,400.00. Support for the software would be \$650.00 per module for the next four years. Mayor Smith stated the \$9,400.00 was the total four year cost. Ken Kohs stated regarding the four year period, we wanted to utilize the grant to the fullest extent; so therefore, we incorporated a four year period into the purchase of the software and implementation of the software for the waste water and storm drain modules. The proposal is also to provide four years of service with the software for the water module just for consistency, so this would be the entire cost for the four year period. Manager Terry mentioned that there would be a \$650.00 annual fee for provided service from Bee Hive Industries, who is the provider of this software, which would be applicable to the water module after the four year period. The information we received from Bee Hive is that if the city determined at that time that there was a hardship or something like that or for whatever reason the city didn't want to proceed, the city could continue to utilize the software by storing in some other type of format such as Excel spread sheets and keep it on the city's server, but the city wouldn't have all the service with the support and upgrades with the software. Councilman, Bannick moved to approve the Water Module Assessment proposal from Bee Hive in an amount of \$9,400.00 seconded by Councilman Smith. Motion Carried.

Public Hearing –Nuisance Abatement for 696 Homer Road- Mayor Smith opened the public hearing at 7:02 p.m. Chief Dan Roberts gave his report of the assessment of the 696 Homer Road property which included a timeline of letters sent to the owner that referenced multiple violations and asking that the property be brought into compliance with city ordinances. Chief Roberts stated that property owner Mr. Wilson gave him permission to enter onto his property to take photos and Chief Roberts stated that not much clean up has been done but the pit had been partially filled back in. Chief Roberts made a recommendation to the board that Mr. Wilson bring the property into complete compliance within 14 days which would be November 1, 2016. Compliance means that the pit is completely filled back in, air compressor, log splitter and barn siding put into the barn. The wood pile neatly stacked, trash and all other junk needs to be hauled away. If compliance is not met in 14 days or the by the date that is set by the board, bids will be sent out for cleanup of the property, a lien will be placed against the property for any and all costs dating back to the June 2016 letter.

Mr. Wilson asked the board for a more time for the cleanup than 14 days. Councilman Siebert asked how much longer he would need. Mr. Wilson stated at least a month. Michelle Hawkins stated if the board would give Mr. Wilson 30 days to clean up the property that she would help get it done. Mayor Smith offered until the end of November. Mr. Wilson and Michelle Hawkins agreed that the end of November would give them enough time.

Manager Terry asked the attorney if in the event that compliance is not met by November 30, 2016, what will be the consequences. Attorney Thompson replied that the resolution provides that it authorizes the city to enter onto the property to perform the work and also sets the deadline for the power and authority of the city to take action.

Mayor Smith closed the public hearing at 7:05p.m. Mayor Smith thanked both Mr. Wilson and Michelle Hawkins for attending the meeting. Michelle stated that they have been residents for 20 years and have a few incidents in that time but nothing until a certain neighbor showed up beside them this year and she has talked to Chief Roberts more this year than she has in twenty years.

Resolution 2016-10 – 696 Homer Road Nuisance Abatement – Councilman Bannick moved to approve Resolution 2016-10 with a compliance date of (43 Days) November 30, 2016, seconded by Councilwoman Bills. Motion Carried.

Resolution 2016-09 – Retail Liquor License & Permit for Litchfield Greens Golf Course – Manager Terry informed the board that their agenda packets is a prepared resolution for the local governmental approval in the application of a liquor license at Litchfield Greens. Administration is asking the board to allow TIFA to apply and give governmental approval of having the license. There was a problem of the transfer of the golf course from Brubaker to TIFA as such TIFA is reapplying for the liquor license and city councils approval is needed to proceed. Councilwoman Bills confirmed that the city is just approving and not paying for any part of the license. Manager Terry stated that is correct TIFA will pay the administration fees in the application process.

Councilman Smith moved to support Resolution 2016-09 Liquor License and application for Litchfield Greens as presented, seconded by Councilman Siebert. Motion Carried with 1 Nay vote from Councilman Bannick.

Hillsdale County Equalization Contract Renewal-Authorizing Mayor & Clerk Sign - Councilman Smith moved to authorize the Mayor and Clerk to sign the option 1 contract with Hillsdale County Equalization, seconded by Councilman Reynolds. Motion Carried.

2016 Annual Identity Theft Report – Councilman Bannick moved to accept the 2016 Identity Theft report, seconded by Councilman Reynolds. Motion Carried.

Bills for Approval – Councilman Bannick moved to approve the bills in the amount of \$47,052.74 and apply to the proper accounts, seconded by Councilwoman Bills. Motion carried.

Police Report – Councilwoman Bills moved to accept the police report as presented and place on file, seconded by Councilman Reynolds. Motion carried.

Public Works Report –Manager Terry stated that Superintendent Langhann is in the process of monitoring the water tower. This is the time of year that the water tower is completely drained and engineers are brought in to inspect the water inside and out. The inspection went very well and currently the city is slowly bringing the water level back up and the tower will not go back into service for two days. The reason for the two days is because there needs to be chlorine contact time for disinfection.

They are also preparing for fall leaf and brush pickup and that takes a tremendous amount of time. The pool is 99% winterized but before the end of the season the pool has 3 filtering vessels and one of them malfunctioned. Now it must be completely disassembled for next pool season and purchase the parts to replace it. The other thing is the pump will also need to be disassembled; the spare pump had to be used. The other things public works department have been doing is trying to adjust catch basins and make sure drainage is open.

The city's public works department doesn't have a lot of people only 3 full time and 3 part time employees and it's everything Tony can do to keep and maintain the city. At the same time Dan only has 2 full time police officers. With all the controversy over the past few years and it's getting more difficult to find part time help. The city is working pretty lean, a lot leaner than other municipalities our size and trying to do the things that keep our citizens safe.

Councilman Smith moved to accept the public works report as presented, seconded by Councilwoman Bills.

Treasurers Update – Treasurer Barrett informed the board of where the city is at with the end of the first fiscal quarter for revenues and expenses. Treasurer Barrett stated she finished closing the books for last fiscal year and the auditors are preparing the financial statements that she will be reviewing next week. There will be an audit report at next month's council meeting.

City Manager's Update – Manager Terry informed the board that Officer Fisher fractured his wrist and we do have a new part time officer and two other part time officers working. The new officer is under Dan's supervision and we want to assess his abilities as a police officer. Chief Roberts too is fighting with staffing issues. Both Manager Terry and Chief Roberts have been calling everyone we can trying to build up the roster.

Manager Terry stated that TIFA has been very busy. The Gonzalez Building is being shown weekly and along with that TIFA partners with real-estate companies to come up with incentives. Also, there is a company out of Grand Rapids that builds racks and that will go into the Litchfield Industries building. Our companies in the Industrial Park when they do something in their manufacturing process can be considered what they call categorical. Categorical by EPA or DEQ standards are people who refinish metal. With a categorical user in the Industrial Park comes a regulatory oversight which means creating an industrial pre-treatment program and what that is that's attached to our sewer discharge permit issued by the DEQ, but also attached as part of the city's sewer ordinance. The new company will be in full compliance with their discharge. We as a municipality are going to have to probably and should institute pre-treatment program. With that comes, regulation, testing and monitoring which can be costly and usually the companies pay for that and one of things we are doing is TIFA instructed me to solicit proposals from qualified engineers companies to help the city develop industrial pre-treatment ordinance. TIFA will be involved in this but city council is the law giver and it will be up to this board to help us develop an ordinance which will control the discharge of our industries. This could take up to a year to develop this ordinance; it's a very detailed oriented thing.

Manager Terry stated that there was another thing to discuss is street paving, Thompson Construction will start milling Pioneer and N. Chicago tomorrow and depending on the weather will be paving on Friday or even up to Tuesday. Both Manager Terry and Tony Langhann along with the contractor believe we should take out 2 inches and put back 2 ½ inches. Now that adds cost to this project. I asked the contractor to provide the board with his estimate and I have that here for the board to review. On Pioneer there is a \$9,757.45 difference from the original bid and this also includes the cost of adjusting the manhole covers so they are flush with the level of the asphalt surface. On N. Chicago Street it's about \$4,746.00 difference from their original bid

Councilman Bannick motioned to approve a change order for both Pioneer Drive and N. Chicago Street going from a 2 inch to a 2 ½ inch finish thickness of asphalt for both streets, thus being the total cost of the project for Pioneer Drive will be \$38,170.01 and N. Chicago's cost being \$37,098.90, seconded by Councilman Smith. Motion Carried.

Correspondence – None

Committee Reports – None

Councilman Concerns – Mayor Smith informed the board that there has been a request to put in a memorial bench in the center park downtown in honor of Dan Pitts that the union at Metaldyne purchased. After discussion amongst the board, it was the consensus of the board to have the bench placed at Firemen's Park.

Mayor, Smith stated that TIFA is making up a purchase agreement with Hi-Lex Controls and in that purchase agreement it's going to read that TIFA is selling the Spec Building and the lot that it sets on for \$150,000.00. Now, that may seem low the original purchase price was \$400,000.00, but TIFA also agreed that for every 10,000 square foot of expansion that Hi-Lex put on the Spec Building TIFA would grant them \$25,000.00. Hi-Lex stated that they will be putting on 100,000 square foot addition to what is already there. That means TIFA would make an abatement of \$250,000.00, Hi-Lex said to put into the purchase agreement and sell the Spec Building to us for a \$150,000.00 and TIFA agreed to do so. But also in the purchase agreement it will state that if Hi-Lex does not add the 100,000 square feet they will have to pay TIFA the other \$250,000.00. Also the building sets on lot 20 but their expansion is going to take up probably ½ or 1/3 or better of lot 19 so that is going to go into the purchase agreement too and it's the same thing if Hi-Lex doesn't do the addition then Hi-Lex will have to pay TIFA \$8,000.00 per acre and that's a five acre lot so that would be another \$40,000.00 Hi-Lex would have to pay. Those are city lots so the board needs to be aware of what they are being sold and used for.

Adjournment – Councilman Bannick moved to adjourn at 8:00 p.m., seconded by Councilwoman Bills. Motion carried.