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CITY OF EVART
REGULAR COUNCIL MEETING

April 7, 2014

Meeting called to order at 7:00 p.m.
Present: **Mayor ProTem** – Casey Keysor; **Council** - Dan Elliott, BJ Foster, Gregg Sherman; **City Clerk** – Seraphim Bieri; **City Manager** – Zack Szakacs; **Treasurer** Sarah Bigelow
Absent: **Mayor** - Eric Schmidt

Guests: Maryanne Borden, James White – City Attorney, Nicole Weiss –Cadillac News; Buck Vallad – Director DPW, James Holihan; Ryan Douglas; Miranda Lorenz

Citizenry Comments:
(no remarks)

Moved by Foster, seconded by Anderson to approve the agenda
Passed unanimously

Moved by Foster, seconded by Sherman approved the minutes of both March 17 and Special Council Meeting of March 24, 2014 … Passed unanimously

The LDFA - Director Melora Theunick not in attendance.
Minutes of their 3/12/14 meeting submitted.

The DDA – Director Al Weinberg not in attendance.
City Manager reminds Council DDA meeting had changed to April 3 instead of April 8 for "SWAT Training" which he personally could not attend due to conflict of schedule (teamster negotiations). Szakacs expresses hope that in keeping with his request, the DDA has transferred the funds necessary to address grant payments.

Unfinished Business:

- **Boards & Commissions**

City Cerk emphasized that the addresses and phone numbers are not for general public distribution, but that names and terms certainly are. Sherman commended the thoroughness and Bieri again reminded Council of the disconnects discovered in researching contact and term information, including commission members who did not realize that they even held their positions. Elliott offered perspective on one such committee (Airport Commission), noting their formation in the 1930s but with the advent of the Evart LDFA it having become less participatory/needed.

- **2014-15 Budget**

1. City Manager says the final draft is due at the April 21 Council Meeting where the board can either approve or briefly postpone its vote.
2. Summarizes that the 2014/15 Budget is approximately $126,000 short. Presents a dry erase chart illustrating General Fund's progression.

3. Optimistically offers a longshot consideration that perhaps layoffs can be short term until Governor's August ballot results which might provide some state funds. Evart layoffs being one DPW (Department of Public Works) and one Police Department effective as of the new fiscal year May/June. Adding that local passage of Safety Millage ballot issue could return the officer to his/her post before the end of 2014. Department heads have both been asked to submit by week's end the names of two layoff candidates. Cites the difficulty in tough economics that when public services are cut, City Hall must be prepared with explanations. As to the choice between DPW and PD layoffs, Szakacs notes all are tenured, all are city-loyal, but in dollars – two PD layoffs is the same as 5 DPW. Proposed layoffs equal a savings of approximately $96,000.

4. Fears this may be final year Evart can entertain the luxury of pursuing Passport Grant (due to matching fund obligations it entails).

5. Cautions that Councils of years past created a safety net rule stipulating that the General Fund never drop below 30% and meeting that obligation in this forthcoming Budget is a significant challenge.

6. Asks Council to plan on hosting the public Budget Hearing at the first but not later than the second regularly scheduled Council meeting in May.

7. Offers possibility of engaging outside company, Evart based AquaTurf, for cemetery duties, believing that it needn't go out to bid since AquaTurf won the bidding process for other related work.

8. Foster asks if Szakacs is advocating for AquaTurf to become the Sextant.

9. Keysor wonders if Forrest Hill can function smoothly without a Sextant/DPW person.

10. City Manager says AquaTurf today submitted a bid for May 1st through October 15 sextant duties based on a rough estimate of 15 burials.

11. Szakacs says it may be time to re-centralize the entire spending practices of city government with even pencil purchases requiring City Hall approval (not unlike a period during his Evart Police Chief era).

12. Elliott warns that as the cemetery operation is currently structured, it is not self-sustaining and that when grave sales run out, dollars will no longer be flowing-in for basic maintenance. His review suggests Evart collects merely $1 in $5 of those needed. The solution being: creation of an Enterprise Fund for Forest Hill, removing it from the General Fund while knowing that if Council so chooses, the General Fund can always opt to underwrite the cemetery, but that under current structure, the subsidizing flies below the radar. He adds that Park & Rec would be another candidate for an Enterprise Fund designation. City Manager agrees to review this with auditors and City Treasurer, expressing concern that a boost of 5-times the current burial rate could send families to the townships.

13. Keysor points out that the land to the East could be made available to us for cemetery expansion.

- **City Owned Properties**

Szakacs reports that Treasurer is trying to get historical values and that maps are getting done.

- **Water & Sewer Rate Changes / OHM**

DPW Chief Buck Vallad on vacation next week. Keysor reflected on Wednesday meeting with recommendations made but they want sewer information before moving forward. Hope is to have this by the next meeting. Szakacs stresses that from an income consideration, Evart needs these rate recommendations and revenue streams sooner rather than later.

Vallad highlight's his Patrick Muczynski's winning of the Rookie of the Year Award for water safety management.

- **Let-Water-Run Policy**

Discussion again postponed until committee review / recommendation.

New Business:

- **Awarding of Snow Removal Equipment (SRE) Building Contract**

City Manager requests permission to accept the Cadillac based firm selected by C&S Engineers and MDOT. With a bid of $248,207, Robert T. Cole Inc. of 7090 South 45 Road, Cadillac, Michigan was preferred over bids from contractors in Lake View ($263,750), and Mason ($275,900). Moved by Foster, seconded by Elliott to authorize City Manager to sign all recommended contracts and relevant documentation … Passed unanimously

- **Airport Designation Loss**

Szakacs passionately alerts Council to the eminent loss of FAA money due to the status change of the Evart Airport to "unclassified". Distributes C&S correspondence of 4/2/14 and "AviationPros.com" article on airport economics. Status change can only be remedied by the owner of either: a) ten fixed-wing airplanes OR b) four helicopters choosing to identify us as their home airport. $150,000 is at risk. City Clerk asks how many aircraft currently are so designated; "none". Elliott notes that previously there had been 26, but with the loss of our hangers (storm damage not repaired/replaced) and the loss of a fueling station, the motivation for pilots to base their airplanes or helicopters here is understandably reduced.

Szakacs is undertaking an aggressive appeal to Bob Barnes who has recently acquired ten helicopters for his Traverse City flight school, to consider basing four in Evart; Barnes wants fuel and conversations are underway.

- **Fireworks Permit**

City Manager shares proposed "menu" of pyrotechnics to be provided July 3rd, 2014 (rain date 7/5/14) by Wolverine (Kawkawlin, Michigan), in combination with Wolverine Fireworks Display Incorporated company's permit from Lansing and certificate of insurance ($5-million, Lloyds of London). Moved by Foster, seconded by Sherman authorizing Szakacs to sign the permit … Passed unanimously

- **Main Street Streetscape & Pocket Improvement Projects**

Szakacs presents the outline of the project as developed by Fleis and VandenBrink of Grand Rapids. City Hall's portion (50% of total) will amount to approximately $34,642, with the DDA paying the remainder, for a total of $69,284. Moved by Sherman, seconded by Foster to authorize City Manager to sign the contract … Passed unanimously

- **Chamber of Commerce's Annual Airport Flea Market**

City Manger forwards Chamber member Bill Britz's appeal for the traditional closure of the airport road (May 21, 22, 23), with the Flea Market scheduled for Memorial Weekend 5/22 & 5/23. Moved by Sherman, seconded by Keysor to authorize the event and closures … Passed unanimously

- **Annual Citywide Cleanup**

Vallad asks what is the Council's desire in the wake of it budgetary constraints. Traditionally dumping fees are waived when a citizen's residency is verified, for a community-wide two to three week "Spring Cleanup". The cost to Evart is $3,000 to $6,000 for two weeks (disposal + DPW wages). He questions if Council will instead create spending ceiling or forego it altogether. Also notes the expense of dumpsters at the Chamber Flea Market. Vallad has approached Ice Mountain, in the interest of "less debris makes for cleaner water supplies", and they have suggested that beginning next year they might help underwrite costs of the Citywide Cleanup. Vallad also points out that it has been a good source of avoiding additional "neighborhood blight" issues in town.

Foster wants clarification on the normal rates/methods of disposal. $60 per load, is the current fee with a 30yard dumpster costing the City $500. Citywide Cleanup includes free disposal of up to two (2) tires with a $5/tire fee for any additional.

Sherman emphasizes that our residents are about to be bombarded with increased expenses and millage requests and that Council owes it to citizens to provide as much as possible for as long as possible and that this event is among the perks that should be preserved.

Szakacs notes that the service has long been available, but that it was borne out of more "flush" and lucrative times.

Council determined to proceed with a complimentary two week 2014 Citywide Cleanup, following Vallad's and Elliott's recommendation of first two weeks of May vs. April dates (since the cold/frost have lingered late this Spring)

- **Treasurer - Sarah Bigelow reporting**

Submission of Manual Check Report March 19 through April 7, 2014; Revenue/Expenditures Report for July 1, 2013 through April 30, 2014; and Vendor List.
Moved by Foster, seconded by Sherman to accept Vendor List as submitted
Passed unanimously

- **City Manager – Zack Szakacs reporting**

1) Having reviewed some Income Tax information of years past (1994 era with Dan Elliott as City Manager, Jerry Taylor offering opinions, and the then Assistant City Manager Aaron Marsh), it seems that the idea for implementation in 2014 is not a viable one. Elliott summarized by saying "activating an Income Tax means the forfeiture of State Revenues". Szakacs plans to plug-in the 2014 figures before completely abandoning the idea of imposing an Income Tax on non-resident employees and Elliott urges him to focus on the state revenue sharing component. Jim White strongly urges a certain discounting of any opinions that may have originated with Mr. Taylor, saying that Taylor didn't have a background in such matters.

2) Szakacs offers the specific of 89.4% for Evart's funding of MERS, in answer to previous Council meeting inquiry.

3) He notes the pending Personal Property Tax issues in Michigan with an August vote holding these state-dollars in the balance (821 through 830), all formula based and Szakacs hopes that Elliott can help him determine the fiscal impact/rewards for Evart.

There is concern that because Evart is not in debt, we might miss out on critical Michigan funding.

4) The Water Proficiency Testing results are back (March 31, 2014 communique distributed) with Szakacs summarizing good water qualities and credit to the DPW crews which took over last year.

- **Department of Public Works – Director Buck Vallad reporting**

Concerned how the continued addition of projects, not unlike Riverside East, can be groomed and maintained in the face of all the budget cutting plans and personnel cuts. Also cautions that layoff of staff may force Evart's withdrawal from the MDOT partnership to do drain maintenance this summer.

Foster explores the expense involved in summer mowing, looking to personnel consolidation options. Vallad responds with $21,000 for the cemetery but notes last year's near-tornado and the extensive tree damage ($3-$6,000), emphasizing that the May to November wages of a cemetery DPW worker become heavily counter-balanced by his wintertime snowplow and waterline duties. Vallad again points out that elimination of cemetery duties does not "reduce" DPW budget pressures since Riverside East has also just been added. Debate ensues between DPW and City Manager as to approximate mowing rates (Vallad – bids of $50-$80,000 / Szakacs $30,000, with Vallad confirming that to mow "everything" the higher dollars applied. He also got confirmation that the figures still excluded maintenance.)

- **Police Department – Chief Kendra Backing on vacation, written report submitted**

Pioneer newspaper is poised to do article on traffic enforcement. Fundraising Polar Plunge was cancelled but Officer Beam still generated $1500 plus department t-shirt sales of $200. Chief attended statewide Chief's conference. Evart Girl Scout troop treated to 911 lecture and police equipment inspections.

- **Fire Board – written report submitted**

Minutes of March 27, 2014 meeting submitted complete with incident reports YTD; checking account detail 2/12/14 to 3/31/14; and Budget vs. Actual worksheet YTD.

- **Department of Parks and Recreation – Director Mark Wilson not in attendance**

City Manager reports that there's been a resignation, Hal Hutchinson; no details yet.

- **City Attorney – Jim White reporting**

New response letter now in the hands of Deans Dairy. As to DPW teamsters, Evart waiting to hear from them as to benefits package, following inaugural negotiation meeting.

Moved by Sherman, seconded by Foster …
… Adjournment at 7:54 p.m.
Passed unanimously