

**CITY OF EVART
REGULAR COUNCIL MEETING**

January 20, 2014

Meeting called to order at 7:00 p.m.

Present: **Mayor** - Eric Schmidt; **Council** - Dan Elliott, BJ Foster, Gregg Sherman;

City Clerk – Seraphim Leemon; **City Manager** – Zack Szakacs

Absent: **Councilman** Casey Keysor, **Treasurer Sarah** Bigelow (Maternity Leave)

Guests: Kevinn Beemer, Charles Walter, Ralph Carlson, Miranda Lorenz, Ryan Douglas, Jim White – City Attorney, Doug Trembath, Mark Wilson – Director Parks & Rec, Melora Theunick – Director LDFA, Roger Elkins, Bud Vallad – Director DPW, Al Weinberg – Director DDA, Tina Thompson

Citizenry Comments:

<< Roger Elkins>> Thanks City Manager for his forthcoming recommendation that the Council extend the DDA for the requested two (2) years; entreats the body to follow Public Act 281 (dissolution authority) with optimism that LDFA will also receive the extension, noting its balanced budget history, seeing no way to interpret its “purpose as concluded”. In tenure as board member, he is unaware of any Council or City Manager letter or verbal communique offering the agency recommendations. Takes issue with Szakacs’ letter’s recommendation that Evert’s substitute tool would be the MEDC (Michigan Economic Development Corp) (1) as the single advisor assigned to Osceola County is serving an additional ten (10) counties in Western Michigan (2) MEDC’s website recommends LDFA’s/DDA’s as tools upon which to rely. Contests January 14 letter calling Special Council Meeting attendance “mostly Board members” instead offering unapproved Minutes’ nose count from which Elkins suggests it was 60% general public; wonders if City Manager is poised to eliminate other boards; requests that minimally Council grant LDFA 30 days in order to put forth an “action plan” for review in lieu of dissolution.

<< Doug Trembath>> Identifies himself as LDFA Board member. Stresses that if agency is eliminated the economic development of Evert stands to be harmed. Draws parallel between LDFA’s slow-nature-and-big-rewards to that of “an investment” which pays rewarding dividends over time.

Mayor announces that the minutes from the three January meetings will be addressed collectively. City Clerk points out to any in possession of draft copies of the January 8 Special Council Meeting that Council tonight has updated copies for review, all changes being citizen name and type-o related. **Moved** by Sherman, seconded by Foster to approve the minutes of January 6, 8 and 13, 2014. **Passed** unanimously

The LDFA - Director Melora Theunick reporting

Theunick reads verbatim page 1 of 2 page letter (see attached) from LDFA Board President Dennis Beemer, letter highlights: focus on Evert and LDFA’s Tax Tribunal loss to PPG; long history of agency’s hand-in-hand aide to Evert economics; lack of City’s financial gain from agency dissolution; confidentiality necessities; requests dissolution decision be taken after November 2014 statewide election determines Personal Property Tax policy.

The DDA – Director Al Weinberg reporting

His Board met previous Tuesday with three projects' bidding process concluded. Mayor requested specific numbers. Two bids for Cruikshank too low, so will re-list for minimum \$40,000. To demolish Speeds building, Board accepted \$17,250 from Smalley Construction (better than earlier quote of just under \$30,000); likely to begin early spring. Rainbow Video bid accepted from Lynn Salinas for \$5,000 plus current and back taxes. Foster raises the issue of, under the general understanding that the Cruikshank building has a hole in the roof, has DDA taken realistic look at a future owner's potential costs? Have they consulted a contractor for real numbers? Weinberg details that the flat roof is not plagued by holes, rather an unusual winter created ice buildup leakage, none of which seems to be repeating. Adding advantage for new owner lies with current Michigan 25% Facade Match program.

Unfinished Business:

- **L DFA / DDA Future Budgetary Concerns**

1) Mayor points out that City Manager's recommendation for two (2) year extension of DDA is not a call for its demise at the end of two years, rather, that becomes the time for renewed review. **Moved** by Schmidt to review DDA in two years' time. Sherman is concerned the recommendation has yet to be placed before the Council. City Attorney advises that a motion is not necessary. City Clerk points out DDA and LDFA had specifically requested a two year reprieve. **Motion withdrawn**

2) Mayor notes that Keysor had specifically wanted to be present for LDFA dissolution conversation, but is absent. Council is receiving several specific letters in favor of LDFA preservation and value (cites bank General Manager Chad Booher, Chamber IT consultant Dan Joyce).

3) City Manager counters by asking "what is the plan for the future". Expounds on lack of paper trail showing goals or public hearings for anything formalized beyond the initial 15 year plan of these agencies; has emailed the State in hopes of receiving copies.

4) Elliott asserts that there is an extension through 2023 which was formally and legally addressed.

Moved by Sherman, seconded by Foster to table the LDFA dissolution decision in favor of additional fact gathering. Mayor asks Elliott where copies of the pertinent documents could be found. Elliott has personal copy, says LDFA had a copy and that City Hall should have a copy. **Roll Call vote. Passed** unanimously

Ayes: Elliott, Foster, Schmidt, Sherman

Nays: (none)

Abstentions: (none)

5) Theunick asserts that the "dog and pony show" aspects of the investigation overlooks the mountain of pro-Evart facts, clarifying that preservation of her job as Director is not primary, the entity itself is critical. Laments that Evart's biggest export is our youth (seeking jobs / economic viability), frustrated that she has begged for input only to hear

“dissolution” in response. Concerned that airport arrivals are moneyed individuals who will no longer be welcomed enthusiastically by an Evert representative.

6) Sherman questions the lack of direction taken, saying instead that direct feedback is ignored, amounting to a “slap in the face” to the Council. Debate ensues with Sherman describing LDFA as an arm of Council and Theunick distinguishing it as a separate entity. Ultimately City Manager and Elliott confirm that it is an independent agency which works with the City, and as such is not required to follow Council preferences (e.g. dismissal of Michigan Solutions consultants). Sherman emphasizes Council’s authority to eliminate LDFA , to which Theunick readily agrees, predicated upon goals having been achieved.

7) Sherman cites Council’s voting down of power plant plans in favor of Consumer Energy contract; Elkins and Theunick suggest it was a vote to table, not rule out. Theunick expounds on legal advice to “be at the ready” when Wolf Lodge case settles.

8) Theunick is frustrated that City Manager has yet to take up request that LDFA, DDA, he and City Department Heads powwow on Evert’s behalf.

9) Sherman wants names of the two referenced current LDFA deal partners; LDFA and Elliott stress that that is not prudent nor a legal option; Sherman questions why Elliott, a fellow Council member, should know yet he be kept in the dark; Elliott says he was brought in as an “outside consultant” not Council member. Sherman asks if to avoid the public/media exposure of the names, could a private LDFA/Council talk be scheduled; “no”, with Elliott emphasizing illegality of anyone other than the company releasing information and certainly not an LDFA Director. Elkins adds that personally he questions the discretion and leak-proof trustworthiness of those around the table. Weinberg offers evidentiary support for confidentiality as “good policy”: Jim Sandy (Mecosta County Economic Development Corporation) conversation where Big Rapids “Handship Building” price skyrocketed by \$40,000 after parties learned publically about deal details and Reed City’s Blight Grant announcement to the press that triggered additional property owner demands; concludes by noting that trust is a thing which can be rebuilt.

10) Elliott introduces questions about why Evert repaved downtown instead of taking advantage of a DDA special assessment bond. City Manager laments the \$9,000 payments which Evert can barely make. DPW Director says the \$23-thousand-ish for Main Street was a great bargain with ultra thin paving; adds that he’s successfully been working hand-in-hand with Theunick as to effort to get Ventra to move its truck route.

11) Szakacs concludes that one can always apply for a new TIF. Elliott and Theunick readily disagree, clarifying that application does not translate to acquisition.

- **Appointments to Boards & Commissions**

1) Leemon confirms she is undertaking the updating of the pre-existing grossly incomplete, somewhat inaccurate list.

2) Weinberg puts forth Lynn Salinas who seeks to fill DDA vacancy.

Moved by Schmidt, seconded by Foster to appoint Salinas. **Passed** unanimously. Kevinn Beemer remarks that he’d offered to serve, but has been overlooked.

New Business:

- **Authorizing City Manager to Explore Amending of City Charter**

City Manager explains that he and City Attorney have been discussing the need. White notes the 30 year old document doesn't match contemporary situations and asks Council to direct the two of them to look into the matter. All agree it should be pursued.

- **2014-2015 Budget Session**

1) City Manager notes need to begin the process, suggests 1 ½ hour initial Council session. He promises to meet with City Assessor in advance considering auditor's call for City revenues of \$485,000 but with Personal Property Tax eliminations, more likely amount will be closer to \$435,000. Szakacs suggests pre-Council meeting in March. Foster offers February date. All agree to 6pm February 3, 2014.

2) City Manager has met with all department heads pertaining to shrinking budget.

3) Elliott inquires as to status of the Water Rate Survey. DPW Director says he is challenged trying to schedule a Water/Sewer Committee meeting now that Keysor is in school. Vallad is looking into changes in the ordinance; says there are fees in the rates but no paper trail to that effect. White asks if Council didn't already approve a Rate Study? Szakacs identifies OHM, saying it is not yet complete. Szakacs anticipates rate increases upon receipt of report.

4) Theunick raises issue from previous year in which there had been numerous problems with the property assessments, had asked City Assessor to double check with the various industrial entities, but still this remains un-reviewed, at which point Theunick approached the City Manager for aide in possible recouping of dollars and/or accuracy corrections and she recalls that he said he would personally accompany Assessor Cushman on walk-throughs, none of which, have yet to occur.

a) Szakacs stresses that he cannot "accompany" if the Assessor herself does not tour the facilities, saying that he has tried on several occasions to urge the walk-throughs but the Assessor is independent of City Hall, is an outside contractor.

b) Mayor calls upon City Manager to invite Assessor Vicki Cushman to the first February meeting.

c) LDFA Director wonders if the City shouldn't retain a trained "Industrial Assessor" to intervene for accuracy of equipmental evaluations; Szakacs wonders how one could be afforded when the City can't even pay its sewer debts; Theunick identifies Ventra as "the City's" versus LDFA's revenue-source and says it has been years of trying to fix the corresponding tax rolls (two of which, Ventra hadn't even been on), suggesting that likewise PPG, DeWitt, LPM, MacLellan should be audited as a potential overlooked income source to the tune of hundreds of thousands of dollars over past years yet alone in the face of the new fiscal realities of Evert-2014.

d) Charlie Walter reminds the room that the previous year a bid had been taken from an assessor identifying themselves as "industrial". Szakacs agrees, reminding Council they preferred the \$9,000-ish fees of renewing the current Assessor's services in lieu of the \$18-\$20,000 fees for the alternate part time Assessor referenced by Walter.

e) Discussion ensues as to the power of persuasion which City Hall has to enlist the

Assessor's enthusiasm for these various overlooked revenues and correction of potential industrial inaccuracies.

- **Treasurer - Sarah Bigelow, Leave of Absence – City Manager reporting**

Submission of Manual Check Report January 8 through January 13, 2014; Summary of All Funds report as of December 31, 2013; and Vendor List.

Moved by Foster, seconded by Elliott to accept Vendor List as submitted

Passed unanimously

Maternity Leave will extend for six (6) weeks; baby is a healthy 7 ½ pounds Bianca Grace, mother, father and infant all doing well. Deputy Treasurer Jennie Duncan's shift will increase to 7 ½ hour days in the interim. Sherman wonders if Bigelow won't be invoking the FMLA leave option, and is reassured that she will not and is making herself available for consultation in the interim.

- **City Manager – Zack Szakacs reporting**

1) Had been asked about the recent history of the Evert Pay Commission, distributed minutes back-dated to 2007; were to have been convened every odd year and in error, one was not called pre-election this past calendar year. Next would be 2015.

2) As to the lingering question of Council members being entitled to their per-meeting \$50 pay when it comes to Special Council Meetings, determined that it is indeed the Pay Commission's domain and not the Council's own vote. In light of this, the minutes are reviewed. Roger Elkins confirms the current rule which reads that a maximum of 24 meetings can be paid, regardless of what combination of Regular and Special comprises any single councilmember's annual attendance tally.

3) Szakacs alludes to good article in paper on MML Funding.

4) Cites MDOT letter of thanks to DPW for aide in midst of recent extreme weather.

5) Makes sure that Council indeed saw LDFA Board President's letter, as well as his own of 1/14/14.

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

The winter freeze "Run Water Order" will probably stand through February. The water tower has succumb to communication problems (unable to identify/report internal water levels) not unlike the other tower's failure of approximately six months earlier; in the first case, the equipment was no longer under warranty. Consultants are expected tomorrow. Wells #10 and #11 are now ready to go with meeting scheduled for the next day, revenue will begin soon. Written report also addressed December hours allocations by task; water and sewer volumes for the month with per-pump analysis; Ice Mountain consumption; electricity comparatives to 2012 for water and sewer; MDOT 1/9/14 email of appreciation.

- **Police Department – Chief Backing reporting**

1) December was a challenging time for the department, considering that of the four (4) officers, two (2) were on medical leave for the majority of the month; both are back on duty. Healthy son born to one officer, not-so-healthy gallbladder gone from the other.

2) Detailed the armed standoff south of City Hall and the aide requested from the state and county; acknowledges Fire Chief Shane Helmer's invaluable 2 ½ hour negotiation with the gunman.

3) Cites nationwide school shooting statistics for 2013, thirty, and 2014 already with three. Laments that Evert's shooting-out of four windows at the Elementary School has yet to produce any leads from the public. Business Leaders and citizens therefore have established a \$250 reward, posting this on Facebook where there have already been "500 views", while simultaneously being announced by High School principal Peacock at his school. Kevinn Beemer reacts with a heightened sense of community, noting he'd not heard of the shooting and calls upon everyone to respond with an aggressive effort to stand in the face of this sort of evil. He promises Chief Backing an additional \$500 for the reward.

4) Written report also touched on recent Lockdown drills in the schools in conjunction with the Fire Dept., noting only a few minor issues warranted correction; call for aide to Sherriff's Dept. report of snowmobile into the Muskegon igniting conversations about future hovercraft acquisition; next Neighborhood Watch scheduled for 1/30/14 5:00 p.m.; Food Drive competition won by Central Dispatch, Evert collecting 110 items.

- **Parks & Recreation – written report submitted:**

Twenty-five participants in the second Hunter Education class; appreciation for volunteer energies for trail clearing in anticipation of inaugural Snowshoe Event; application has been submitted for 2014 Tree City USA designation; Photography Club continues to attract new participants. Minutes of January 7, 2014 meeting included, addressing Riverside Park management contracts and safety issues; janitorial needs of Riverside East; spring/summer maintenance of ballparks and campsites; exploration of camper communication and tracking as well as marketing perks; consideration of camping-perks to Girl Scouts/Boy Scouts; planning for February "Snowshoe Stump".

- **City Attorney – Jim White reporting**

1) Still no response from Dean's.

2) There is an uncharacteristic increase in police issues, jury trials.

Moved by Sherman, seconded by Elliott ...

... Adjournment at 8:06 p.m.

Passed unanimously