



**CITY OF EVART
REGULAR COUNCIL MEETING**

March 17, 2014

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

Present: **Mayor** - Eric Schmidt; **Council** - Dan Elliott, BJ Foster, Casey Keysor, Gregg Sherman; **City Clerk** – Seraphim Bieri; **City Manager** – Zack Szakacs; **Treasurer** Sarah Bigelow

Absent: (none)

Guests: Kevinn Beemer, Dan Joyce, James White – City Attorney, Jennifer Joyce, Patrick Muczynski, Jonathon Hartoon, Buck Vallad – Director DPW, Al Weinberg – Director DDA, Lance Way, Dan Bushroe, James Hollihan, Melora Theunick – Director LDFA, Mark Wilson – Director Park & Recreation

St. Patrick's Day green refreshments served.

Citizenry Comments:

<<Dan Bushroe>> Self-described his “dismay” at what he sees as the City’s shortsightedness in the just-concluded DDA bidding process to sell the Cruickshank and Speeds buildings. Instead of his dual building plan for a multi-faceted automotive repair/sales/bodywork/paint venture, the Cruickshank sale to a quilt shop in his estimation would deny Evart a \$250,000 tax base (vs. quilting \$3,750) amounting to a \$2,800 loss annually as well as the forfeiture of 8 to 11 full time jobs (vs. perhaps 1 – 4 quilt employees), all for the \$1,300 difference in the submitted bids. Questioning the decision process, he alludes to a special DDA meeting that has been called for the next day at which a modified plan will be considered for his interest in the US 10 Speeds location, making it clear that there was a sense of betrayal when the City Manager initially introduced (and then withdrew) at the DDA, Mr. Cooper’s idea of a quilt shop and that if Tuesday’s new bid review with the DDA doesn’t meet with satisfaction, he will remain committed to his vision of a local automotive service operation on US 10 but guarantees it will now be built geographically outside of the City’s tax revenue reach.

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

Moved by Keysor, seconded by Sherman to amend the minutes of March 3, 2014 to change water volume to millions (pg. 3 section 2); and soften the description of retro pay grey-zone-precedent discussion (pg. 3 section 3) ... **Passed** unanimously

The LDFA - Director Melora Theunick reporting

Regular meeting took place last Wednesday. There is an offer in the works on 27 acres (McNeilly property) \$37,000. Her board went on the record in support of the proposed

Kevin Beemer senior housing center if the City Council is like-minded. Will be checking to see if the twenty year window of federal EDA (Economic Development Association) restriction has expired.

The DDA – Director Al Weinberg reporting

Acknowledges that a Mr. William Cooper will be purchasing the Cruickshank building for a quilting business with the City Attorney currently working to settle some lingering title issues that are expected to be resolved shortly. DDA's April meeting has been rescheduled to April 3rd with the designation of being a "Goals Session".

Mayor Schmidt inquires as to the timeline for the first DIG Grant activity. Weinberg describes the hope that downtown bathrooms might be installed pre-Independence Day activities (if this doesn't incur additional expense) with all additional work scheduled after the parade (alluding to the frustrations of past sidewalk work that interrupted business access for extended periods, something which this time is not expected to be a problem).

Unfinished Business:

- **2014-15 Budget**

1. City Manager emphasizes that there are estimates on water and sewer, but all department heads will need the firm numbers before being able to finalize budgets; nonetheless he still has called for them each to reduce budget figures by 7 to 10% in anticipation of the Council's final rate increases. Szakacs reminds Council of significant shortfalls (water, sewer, equipment, etc.) including the seriously underfunded Local Streets fund (\$880) with its \$40,000-ish/year allocation – most of which is eaten up by snow clearing leaving nothing for fair weather repairs. The General Fund is at a \$103,017 deficit. Flowchart distributed of citywide payroll expenses detailing everything from salary to affiliated health care and Social Security costs. Requests that the next Budget work session be longer than the inaugural one in February. It was decided that the second Budget meeting would take place Monday, March 24 from 5:00 to 6:30/7:00 p.m.

2. Elliott inquires as to the percentage Ewart is funded with the retirement system (as a sign of the municipality's economic health). Szakacs reports it is almost 90% and definitely over 80%, with Elliott pleased noting that this is a positive sign.

3. City Manager alludes to the successful "training"/review session the previous week with the Treasurer, DPW Director and Police Chief under the guidance of the auditors as to budgetary laws, rules and overviews.

- **City Owned Properties**

Szakacs reports that Treasurer is awaiting information from City Assessor. A question looms as to whether or not Osceola Township owns or gave to Ewart a disputed 15 or 7 acres. City Attorney confirms that at one point the township did indeed have ownership but he is not top-of-mind clear on whether a transfer took place. There is discussion recalling the township's adamancy during the DNR crackdown that the land had gone into Ewart's purview instead of their own. Mr. Godwin of Berri Road apparently would like to "square up" his property lines if the City is willing to accommodate.

- **Water Rate Changes / OHM**

- 1) City Manager distributes spreadsheet illustrating fixed and variable costs to Ewart to provide 1,000 gallons of water, noting that as volume decreases (as in the current year's municipal scenario) the cost of distribution increases.

2) DPW Director wonders if all members have reviewed the figures and as a consequence if there are any questions he can address. Foster responds that as Water & Sewer Committee members, only he and Keysor have been privy to the numbers so far. Vallad then emphasizes that until everyone has reviewed and applied consideration to the OHM findings, a meeting would be pointless adding that it would be his hope that next month could produce the rate change decision. Council doubts that it could happen that quickly. Foster adds that time is on Evert's side, since Ventra is still pumping.

3) Foster asks what Ventra's forecast for water usage was. Vallad said they never produced a written number but in a telephone call they estimated new volume consumption would be 12-15 million gallons. This is in contrast to past practices of 500-550 million gallons with minimal sewer use. (City Attorney shares "Ready to Serve" article with Elliott.)

4) Szakacs states that the sewer side is most troubling with only \$35,000. Foster emphasizes that his committee has yet to even address sewer rates.

5) Extensive discussion ensues over the entitlements and history of Evert's relationship with "Evert Products"/Ventra having met the plastics molding factory's requests and insurance requirements for water flow and fire systems and to what extent the City can expect financial support of its Ventra-oriented extensive water/sewer operation regardless of the proposed recycling efforts. Vallad explores "Fire - Ready to Serve" fees. City Manager notes he has already received a letter from Ventra urging City Hall to treat them fairly as water rate changes are considered.

6) Szakacs determines to do extended research on the historical relationship. He does not anticipate Ventra being passive with regard to any rate change structure.

- **Sewer Analysis / OHM**

The consultants on the water system, Orchard, Hiltz & McCliment (OHM), have provided a quote of \$3,950.00 to deliver a sewer side engineering and financial analysis with recommendations.

Moved by Elliott, seconded by Foster to retain OHM at the terms described in their March 4, 2014 proposal.

Passed unanimously

- **Let-Water-Run Policy**

1) City Manager submitted a draft recommendation for an Evert Run-Water long term policy (dated 3/12/14) centered around a 10% credit. DPW reported that in addition to city crews, the majority of citizens this winter have relied upon three primary vendors and that in 2014, freezing pipes have been a nightmare statewide. Cadillac just reported 135 freezes with 30 re-frozen; as a city they require the use of outside contractors vs. city crews. Mayor asks if folks are finding the expense of defrosting troublesome. "Oh yes. Easily \$1800/episode." Vallad adds though, that since his DPW can't be quick to respond, the need for timely water access often forces the citizen's hand to call a company for aide. Most Evert incidents are not the City's fault; exceptions include the 4-inch main on Jefferson and the main on Pine – neither of affected homes will be charged and both of which received temporary water.

2) Citizen Kevinn Beemer asked for clarification as to the diameter of the water stream recommendation, is it pencil lead or the entire pencil. Vallad cites the official instructions as being "pencil lead" i.e. 1/8-inch diameter.

3) The Director reminds Council that it is also an expense to Evert when "Run-Water" advisories are in effect (i.e. chemicals and corresponding sewer expense). Elliott offers the consideration that in the interest of safety (electricity jumps between neighbors), the City's

policy might want to mandate the use of city-approved bonded contractors. Discussion includes recent example of welder at Beemer home who inadvertently fried appliances and subsequently reimbursed all expenses. Vallad questions if Evert is in the position to dictate to a citizen whom they cannot hire. City Attorney suggests insurance carriers should be contacted to investigate responsibility in these scenarios.

4) Mayor and Sherman drive conversation back to the idea of the Water & Sewer Committee having domain over reviewing/drafting a recommended policy.

5) As to the question of whether or not to reimburse Mrs. Swiger part or whole of her thawing expense, City Manager now recommends full reimbursement citing that there had been miscommunication in this case. Remarks included her being on Evert's routine "Run-Water" list of 30+ residents, that her road grade used to be higher, and that her Cedar Street neighbor Mr. Tesssman also froze this season while also honoring the "Run-Water" advisory. Sherman was pleased to know that this is a unique case and not a change of City reimbursement policies.

6) Citizen Jennifer Joyce volunteers to distribute 75 to 80 Run-Water Reminder flyers to city resident Middle Schoolers, if the City wishes to print and outreach. Vallad believes the advisory will be in effect through the end of April, remarking that Old Farmer's Almanac says 'May'. Mayor wonders if the "Kelly phone-tree" is still an option for citizen outreach.

- **Commissions & Boards Roster**

City Clerk distributed a revision (dated 3/13/14) of the inherited lists, calling upon Council to individually review the data at the respective Committees where they serve and contact her with any updates so that the finalized Roster can be presented at the first April Council meeting.

New Business:

- **Treasurer - Sarah Bigelow reporting**

City Hall computer problems prevented the generating of Summary of Funds and Cash Transactions through February reports, she will have these emailed to each member Tuesday. Submission of Manual Check Report through March 17, 2014 and Vendor List. **Moved** by Keysor, seconded by Foster to accept Vendor List as submitted
Passed unanimously

- **City Manager – Zack Szakacs reporting**

1) Tomorrow is the quarterly Wellhead Protection Meeting.
2) SRE building bids' deadline is Wednesday 1:00 p.m. at City Hall with openings and tabulations; while none have yet to be submitted, sixteen packets have been requested. As of April 7th Council Meeting, he will present a hiring recommendation from CNS Engineers.
3) Thursday April 3rd will be his and the City Attorney's first negotiation meeting with the Teamsters (10:00 a.m.).
4) Szakacs has been discussing with White the long-overdue response letter that just arrived from Dean's Dairy as to unpaid sewer fees. Szakacs will in turn make an action recommendation to Council at the April 7th Regular Council Meeting. The \$2300 Dean's is required to pay monthly for 12 months seems straight forward to our legal review of contractual language; our legal firm (Varnum, Riddering, Schmidt & Howlett, *i.e.* "Varnum") is actively weighing in. Szakacs reminds Council, Dean's original notification letter to the

Mayor didn't state a "shutting down" date, merely that a massive layoff was imminent without any "end dates" referenced. He adds that even now they still aren't completely dormant. His review of the 1990 contract includes frustration over omissions that might have wisely granted Evert benefit from any CPI adjustments for inflation and/or sewer plant increased costs. City Attorney offers detailed example of how current Dean's internal miscommunications have impacted Evert dialogue: their corporate attorney fired off a letter blasting us for having stated that Dean's had failed for months to acknowledge legal correspondence from Evert; White went through 100% of received emails and confirmed that indeed zero had been sent, yet alone any non-electronic correspondence; only then did a recent Dean's apology replace the reprimand.

5) The Regional Planning Commission sent an invitation to Council to attend their meeting.

6) Szakacs is disappointed that the SAW grant missed Evert, with hopes that we can reapply next year. Elliott remarks that it might be good in the long run since those grants usually include "you shall build" language, which is why Clare turned down the SAW. Szakacs laments the lack of outside funding to assess water issues and Elliott suggests that those costs should be built into the rate structure.

- **Police Department – Chief Kendra Backing on vacation, written report submitted**
City Manager highlights Chief's intent to pursue a November Safety Millage. Chief due back on the job Wednesday, the same day she'll meet with the Police Committee, ultimately coming before the Council for permission to put the measure on the ballot.

- **Department of Public Works – Director Buck Vallad reporting**
Notes that today was an unusually "good day" – absolutely no new freezes reported. Written report submitted with February water, sewer and man-hour figures. Approximately 20 frozen water line calls handled in February by DPW.

- **Department of Parks and Recreation – Director Mark Wilson reporting**
Written report submitted highlighting February snow activities including the Moonlight Owl Prowl; minutes of 2/4/14 meeting; undertaking of cooperation with neighboring Muskegon River communities for potential "Heritage Trail" designation; plans to hopefully repeat successful 2013 receipt of Great Lakes Commission grant monies for river cleanup in 2014. Reminding Council of the City's Arbor Day activity "Big Tree Hunt".

- **City Attorney – Jim White reporting**
On the verge of opening Teamster negotiations; facing some DUI trials.

Moved by Keysor, seconded by Sherman ...
... Adjournment at 8:01 p.m.
Passed unanimously