

**CITY OF EVART  
REGULAR COUNCIL MEETING**

October 20, 2014

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

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

Guests: Rick Stout – FV Engineering, John Tanner – OHM Consultants, Jason O’Dell, Brandy Dimond, Maryann Borden, Bill Bradley, Buck Vallad – Director DPW, Ralph Carlson, Patrick Muczynski, Kevinn Beemer, Al Weinberg – Director DDA, Melora Theunick – Director LDFA, Jenny Duncan, Kendra Backing – Chief of Police

**Citizenry Comments:**

(no remarks)

**Moved** by Keysor, seconded by Sherman to amend the agenda ...

*Adding to “New Business” the City Manager’s ...*

- 1) Request for Master Plan being forwarded to other entities
- 2) Need for a DDA Board appointment
- 3) Concern about low illumination of Main Street
- 4) Landlord/Tenant Ordinance

*Plus Sherman’s...*

- 5) Gasoline prices within the city limits

**Passed** unanimously

**Moved** by Keysor, seconded by Sherman to accept the minutes of October 6 ...

With Clerk Bieri adding two additional notations: reflecting the submitted but not discussed Fire Board Minutes and the distribution of City’s Halloween activity postcard...

**Passed** unanimously

**The LDFA - Director Melora Theunick reporting**

Minutes of 10/8/14 Board meeting distributed – Theunick emphasizing LDFA’s urging of City Council to attend Osceola Township Meeting(s) to discuss the 425-options (i.e. second Wednesday of each month). City Manager notes he is investigating bio-fuel options.

Mayor ask how talks/negotiations are going. Theunick notes that a rail shoot would be key, that Michigan’s US Senator Debbie Stabenow is willing to advocate, that Lincoln is the first option (rail road advantage) with Evart, the second. “Dairy Doo”/Morgan’s has also expressed interest should a spur be introduced, and that current talks have escalated to a 90 acre potential.

**The DDA – Director Al Weinberg reporting**

1) Describes this as “Grant Season”: (a) MCACA (Michigan Council of Arts and Cultural Affairs) is again being tapped for Musicale underwriting (b) OCCF (Osceola County Community Foundation) is being asked to underwrite sound system upgrades.

2) This weekend concluded the annual Farmers’ Market. Numbers still being tabulated but “more vendors having participated, higher net sales and larger crowds attending”.

3) Recommends that the City itself have a booth at the Evart Halloween Monster Mash.

4) DDA Board decided to advertise Corner Cupboard for \$20,000. Bieri asked if, unlike their recent ads, was this for property sale vs. a repair budget? “yes”

5) Picking up on Sherman’s addition of gas prices to the evening’s agenda, Weinberg offers to coordinate a letter writing campaign, if Council so chooses.

6) Displays postcard generated by Evert Teacher Sara Ladd who has launched a “Pray for Evert” campaign, noting she’s reprinting, having distributed her initial run of 500.

Unfinished Business:

- **2014/15 Goals**

Under cover letter dated 10/15/14 Szakacs presents the consolidated list of 10 which need Council refining in advance of November 3<sup>rd</sup> Council Meeting. Mayor ponders if, as in years past, installment/brainstorming meetings leading up to the final list, are in order. Szakacs clarifies that that method has been used previously and could be returned to next year, but 2014/15’s approach was the solicitation of goals from each Councilman, the City Manager’s distillation/consolidation of the list, and Council’s reevaluation toward the intent of setting approximately ten (10) achievable fiscal goals. Both agree that in recent history, Councils have reached about 75% of annual goals.

- **DIG Grant Contingency Options – Rick Stout, Engineering Consultant**

a) City Manager describes Tuesday’s meeting with Stout and Friday’s hour-25-minutes MEDC conference call. The state was told again, that only one bid was received (Pocket Park; none for Main Street) and it was well in excess of projected budgets (\$600,000 vs. \$350,000). That both projects remain top priorities for Evert and we seek either a construction deadline extension (June 30, 2015) and/or additional dollars. Also, we offered to scale back elements, but MEDC made it clear they were not in favor of that option. Stout reviewed similar scenarios statewide (knows of six) which included Big Rapids being granted significantly more money (Bieri asked if Big Rapids had to offer to spend more of their tax dollars to secure the additional Grant monies; Stout does not know.) and other communities (Kalamazoo) opting to forego the DIG monies altogether. Additionally he painted a contextual picture for Council of the change in the economy which had unexpectedly made contractors less available and understaffed for projects which they otherwise, would likely bid/pursue come Spring 2015.

b) Evert’s pitch included soliciting rebids from Mid-November to pre-Christmas, with private conversations with contractors having suggested this scenario would prove rewarding. Stout recommends Council approve the spending of additional dollars on these projects, in order to show a ‘good faith commitment’ to the MEDC. Ultimately he and City Manager defined the recommended amount as \$40-\$50,000. Szakacs then requesting Council motion to set aside “up to \$20,000” (noting that the DDA had already authorized the matching \$20,000).

c) Sherman sought clarification as to why Evert should have to spend more. The Mayor expressed cynicism that once we say publically to MEDC that we will spend more, then contractors will bid to our higher numbers. Stout explained that when soliciting bids, his firm always divulges the range of available dollars anyway. Bieri brought conversation back to Sherman’s question, asking Stout if perhaps the answer as to why he recommends Evert offer additional monies is because the very nature of a DIG Grant is a “cost-share program”, and as such, the state would typically expect more dollars from local coffers, if MEDC, in turn, was to give us more money than originally granted. “yes” (again Clerk clarifying that Big Rapids however, may or may not have budgeted more when they received more).

d) Weinberg offered the DDA Board’s reasoning for authorizing “up to \$20,000”, citing

90-10 ratio of state dollars to local, 5% inflation rates and loss of 100% of funding if December 31, 2014 deadline is missed.

e) Elliott cautioned that a likely explanation of MEDC's lack of commitment in the conference call, may stem from their being forced to return federal HUD dollars which underwrote the DIG Grants in the first place (i.e. having missed deadlines for spending in a "use or lose" scenario), and that MEDC is potentially awaiting their own appeal to HUD to see if any money can be salvaged/held-over instead of the typically-mandated return to a national pool from which other states may then apply. He concludes by noting that the two Evert projects are projects that need doing.

**Moved** by Elliott, seconded by Keysor to set aside up to \$20,000 additional dollars for the DIG Grant projects seeking deadline extension, should MEDC mandate the extra monies (understanding that the City and DDA would evenly split the added expense up to a total of \$40,000) ... non unanimous vote, so ...

**ROLL CALL VOTE:**

Ayes: Schmidt, Elliott, Keysor

Nays: Sherman

Abstentions: (none)

**Passed** with 3 – 1 majority

**New Business:**

- **Park Host Agreement – 2015 Camping Season**

Under cover letter dated 10/13/14 Szakac summarizes Host duties, contract parameters, Glenn Dillon's proposal, Budgetary reports. Sherman asks if cleaning Riverside East is part of responsibilities. "no" – City Manager says woman responsible for cleaning City Hall does weekly visit to newly built Riverside East, but that in her personal diligence, it often is a daily visit. Szakacs points out that prior to the Dillons' employ, complaints were virtually daily while in the Dillons' past two years – not a one has been received. They have been paid \$4,000/season for mowing/tending and management, but with this year's addition of Riverside East, the increase to \$6,000 beginning next year seemed reasonable. Lastly Szakacs illustrated the potential future view of Riverside East being dedicated to tent campers and West exclusively for RVs. Sherman wanted verification that camp rental revenue 100% underwrites Park Host expense; "yes" – Szakacs adding that 2015 will probably generate additional monies with aggressive advertising of Riverside East and the forthcoming web upgrades of the City which will highlight park space availability.

**Moved** by Sherman, seconded by Elliott to approve the \$2,000 increase and invite back Park Host Glenn Dillon and his wife...

**Passed** unanimously

- **Landlord Tenant Ordinance**

Tabled for future review.

- **Businessman Bill Bradley's Continued Water Bill Concerns**

City Manager distributes to Council packet of Water Rate history and philosophies locally/statewide; Evert Treasurer's budgetary perspective and graph analysis; and Michigan Court of Appeals opinions.

Bradley explains that following the previous Council Meeting, he has toured town and discovered multiple "defunct" locations which over the past three months have not been billed "Ready to Serve" fees, while his carwash has (Ralph's Marathon, Walker property, Sunoco's extra property, Dollar General's two hookups in addition to one in use, Logging

Tool's two lines, Smith Building that's really Dean's, current Post Office –former VFW locale- only paying x1 Ready To Serve vs three for the three pipes that used to serve that portion of downtown). His frustration lies in the belief that Evert has been “picking and choosing” who shall be charged under the new policy. He concluded that his attorney advised he pay the past bills “under protest”.

- 1) Mayor expressed empathy that utilities billing has historically been “broken” and that is precisely why this Council took steps to remedy it. Szakacs notes that DPW is working on creating a survey, and if a parking lot's waterline is capped off, that would not be a “Ready to Serve” fee site. Vallad describes the “Tap In” fee which would apply for new service, inability to know where all old homes had been, therefore if new building takes over a site, “they pay” (and site is viewed as single hookup regardless of the number of lots it occupies and regardless of how many “Ready to Serve” billings were there under prior ownership, UNLESS it is now a multiple dwelling/occupancy residence or business).
- 2) Mayor sends conversation to DPW Director, wondering if it all boils down to a language disconnect. Vacant lots are historically not charged.
- 3) Unidentified woman asks for City figures on the number of bills sent 3 months prior; the number that should have been; the number that are being sent now. Her concern rests in fears of discrepancy. Ultimately Utility Clerk Jenny Duncan is consulted from the audience and makes clear that all customers began being billed simultaneously under the new 2014 Water/Sewer Rate Changes, but that where there may have appeared to be differences, was in the “multiple dwelling” category; as these are discovered, owners are billed accordingly. Duncan summarizes that there are approximately 700 customers/month billed monthly with minimal variance.
- 4) <<Kevinn Beemer>> ...asks why the DDA has had to pay water bills on the old/unoccupied/now-bulldozed Speeds Building ... He is told by DDA Director, “they don't”; Beemer contests the assertion, noting that he'd brought the issue up at DDA Board meetings; Weinberg concedes that at one time they were charged but no longer are.
- 5) Bradley laments being told at the previous Council Meeting that even bulldozing would fail to get him out of “Ready to Serve” billing. Keysor suggests the correct term may be per “unit” for “Ready to Serve”, eliminating the miscommunication that an empty lot warrants a “Ready To Serve” distinction. Sherman wonders if the previous three months could be credited. Szakacs warns that that unwisely sets precedent. Ultimately Mayor suggests Bradley can save money long term by capping the line and reducing it to 5/8-inch and having new owner (if sold) enlarge and pay “Tap In” fees.
- 6) Discussion evolves into areas such as Clare which sends no bill if the water is shut off, but how it would force Evert's commodity (i.e. per gallon costs) sky-high. DPW confirms that if no water usage is being charged, typically no sewer is either. Beemer questions what incentive a person has to choose to call Evert “home”, frustrated with many City employees not living within the jurisdiction.
- 7) Bradley brings up belief that Laundromat should not have to pay the same number of gallons of sewer usage as water usage, since damp clothing “takes water with it” into the dryers. Keysor offers that at owner's expense, he can install a sewer meter. DPW Director cautions that then testing for phosphates and other contaminants could flag the business unexpectedly. Mayor and City Manager remark that few other municipalities grant automatic sewer discounts to laundromats.

- **Business Owner Sandy Cataldo Concerned - “Multi-Unit” Fees Evart Trailer Court**  
Cataldo explains that he (owner, Evart Trailer Court) pays his own sewer and trash, has only two meters but under the new policy he is being charged the \$5 “Ready to Serve” for each of his trailer sites, and that this amounts to a “ridiculous put-me-out-of-business” monthly expense. He understands the rate increases on both Water and Sewer but cannot fathom the defensibility of ‘per unit’ fees.

- 1) Mayor observes that “this is the first Council Meeting I’ve ever seen you at”, to which Cataldo reminds him of when as a youth Schmidt worked for him and the Evart economy was booming and of how in the 1980s he, Cataldo, and other businessmen pulled together to buoy the city.
- 2) Mayor clarifies that in no way is the City singling him out with the multi-unit policy, Centennial Arms is among those “hard hit”.
- 3) Mayor laments that when Evart’s water rates were among the state’s lowest, no one came and complimented City Hall but now that City Hall is being responsible and at the state minimum, suddenly Council is “the bad guys”.

- **Evart Master Plan**

Szakacs requests Council endorse his dissemination of Plan to Evart Township, Osceola Township and Osceola County for the 63 day review period ... **Moved** by Keysor, seconded by Sherman ... **Passed** unanimously

- **DDA Board Resignation / Appointment**

City Manager distributes resignation of Tina Thompson and a recommendation of Jason O’Dell as her replacement. No discussion.

**Moved** by Schmidt, seconded by Keysor to appoint O’Dell...

**Passed** unanimously

- **Safety Question as to Illumination of Main Street**

Szakacs has been approached by Business owners expressing concern about the lack of bright lighting. Vallad explains that that (in the interest of saving money) had been placed on hold in anticipation of forthcoming DIG Grant Main Street upgrades, noting that it entails replacement bulbs, ballasts and capacitors. It was determined that Council desired the immediate changes, regardless of the expense.

- **Local Gasoline Prices**

Sherman acknowledges that City Hall does not have jurisdiction over gas station pricing but is flummoxed by the consistently high per gallon rates which exceed local and regional stations, often by five to 19-cents. Sherman points out that if we can get U.S. 10 motorists to stop and “fill up” in our community, that holds high potential to drive additional dollars into other local businesses. He hopes that as a City, we could look into the matter. Szakacs announces that Blarney Oil has just purchased the Sunoco and considering that their other stations are among those cheaper than Evart, there may be hope.

- **Treasurer - Sarah Dvoracek reporting**

Submission of Manual Check Report through October 20, 2014; Summary of All Funds Report thru 9/1/14, Vendor List and mini Vendor List (she explains – this is to avoid late fees), and revenue/Expenditure Report 7/1/14—10/31/14...

**Moved** by Keysor, seconded by Sherman to accept Vendor Lists as submitted

**Passed** unanimously

Dvoracek distributed “City Treasure’s Highlights” for October.

- **City Manager – Zack Szakacs reporting**

- 1) Distributes “City Manager’s Communication” for 9/12-10/16/14, with 3 page handout.
- 2) Announces that Representative Joel Johnson sent DIG Grant letter on our behalf
- 3) Auditors found City Treasurer to have done “awesome job”; they return mid-November.
- 4) Rick Aube of DPW retired.
- 5) Ventra’s (“Evert Products”) cooling tower project was estimated by them to be able to reduce their 40-million-gallons-per-month to 1-million, however they now say it is more likely to be 4-million/month. Szakacs suspects they are on the verge of petitioning for rate adjustments.
- 6) SRE building’s walls are now up, construction is well underway.
- 7) Mayor asks if a meeting date has yet been set with Ice Mountain. “no” – Szakacs says Nestle is still working on their proposal language. He adds that Well #5’s new house is in place, 100% at Nestle expense (\$400,000) and that that becomes a bonus to Evert since we still own the well.

- **Police Department – Chief Kendra Backing reporting**

The Public Open House regarding Safety Millage garnered less attendance than tonight’s Council Meeting (less than 12 people), gave birth to idea of second meeting (this Wednesday, 6:30pm). PD has done door-to-door lobbying. PD/Fire/EMS attended Leadership Summit; officers will be a part of Halloween activities. Written report submitted addressing breathalyzer training, firing range, media relations seminar, crime stats, mental illness do’s and don’ts.

- **City Attorney – Jim White, not in attendance**

(no report offered)

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

Vallad highlights department’s ability to still save money on electrical (\$70,000); there is a leak along U.S. 10 in front of All American Café but is difficult to determine if it is the City’s or business’ responsibility - may need to hire emergency contractor for insurance protection since our truck has no “good” access path to Water (only to Sewer); Well #3 is back and running - estimate was for \$44-thousand and it will likely cost \$20-\$30,000 leaving available dollars for another well (Well #3 now shows a 35% increase in performance).

- **Park & Rec Department**

So far received five applications and Szakacs is working with Jason O’Dell to review them.

>>> Fire Board August September 24<sup>th</sup> Minutes distributed, not discussed

**Moved** by Sherman, seconded by Keysor ...

... Adjournment at 8:24 p.m.

**Passed** unanimously