

MINUTES
Plainwell City Council
June 13 2011

1. Regular meeting was called to order at 7:02 PM by Mayor Brooks.
2. Invocation: None.
3. Pledge of Allegiance was given by all present.
4. Roll Call: Present: Councilman Overhuel, Mayor Brooks, Mayor Pro-Tem Steele, and Councilman Burnham. Absent: Councilman Keeler.
5. Approval of Minutes/Summary of 5/23/11 regular, 5/25/11 and 6/8/11 budget meetings:
A motion by Steele, seconded by Overhuel to accept and place on file the Council Minutes/ Summary of the 5/9/11 regular, 5/25/11 and 6/8/11 budget meetings. On a voice vote, all in favor. Motion carried.
6. General Public/ County Commissioner:
Jake Wolhuis spoke on behalf of a group of skaters asking for a skate park. Councilwoman Steele replied that they would need to develop a plan of where to put it and a way to fund it, and then bring it back to Council. The group was commended for coming to Council, but the main concerns for the City is funding. With deep cuts in revenue, there is just no money in the budget at this time.

Heard from County Commissioner Don Black.

The county is reducing the commissioner districts to seven from eleven. Mr. Black and L. Jones will be on the ballot for the November election running for this district.

7. Mayor's Report/ Agenda Amendments:
None.
8. Recommendations and Reports:
 - A. Rizzo Packaging presented an application for \$75,500 in personal property tax abatement for three-years. They are purchasing a new guillotine cutter.
A motion by Steele, supported by Overhuel to adopt resolution 11-15 granting an Act 198 tax abatement to Rizzo Packaging for \$75,500 in personal property for three-years. On a voice vote, all in favor. Motion passed.
 - B. Manager Wilson reviewed a financial summary for the Public Safety building project (see attached). He reviewed the options of refurbishing the dewatering plant versus building new. With the funding incentives drying up, to build a new building would be asking the general fund to support the fire reserve fund and that is not a viable option. The Council toured the dewatering building and found it to be well built and viable for renovation. Based on numbers alone it is the best scenario. Director Bomar stated that Public Safety is happy with the building and can make it work. Wilson stated that the negative is that the building is set deep in the property and it could have an impact on future development. Councilmember Burnham questioned the amount of property available and if there was room for future expansions of the bays. If we keep a two acres lot, which goes to the west line there, will be room to allow for future drive thru bays. The square footage is the same and with a \$500,000 savings, it is the easy option. The timeline for construction is it will be started the first week of January 2012 and completed Mid June 2012.

A motion by Steele, supported by Overhuel to authorize the renovation of the Mill dewatering location for a Public Safety building and directs the City Manager to execute the necessary agreements. On a roll call vote, all in favor. Motion passed.

- C. This is an invoice for professional services relating to the Paper Mill demo project for \$7,731.43. Nick White of CRA announced that the sampling plan has been approved by the MDRE and they now can move forward to start sampling of the materials to determine where they can be disposed of. The Metal portion of the mill along with the old specialty minerals building are scheduled to be taken down in mid-September of this year.

A motion by Steele, supported by Burnham to authorize payment of the CRA invoice for the Mill demo project for \$7,731.43. On a roll call vote, all in favor. Motion passed.

- D. Clerk Farmer presented the annual permit application and contract for the July 4 fireworks at the airport. The contract is for \$8,000 with Gun Plain Twp. to pay half and the City received contributions for their half.

A motion by Steele, supported by Overhuel to approve the contract and permit for the July 4 fireworks display. On a voice vote, all in favor. Motion passed.

- E. Superintendent Pond presented bids for a 5-year Bio-Solid removal contract and his recommendations

A motion by Steele, supported by Overhuel to award the bid for the 5-year Bio-solids contract to Synagro for \$94,310. On a roll call vote, all in favor. Motion passed.

- F. Superintendent Pond presented bids for Ferric Chloride & Calcium Nitrate and his recommendations

A motion by Steele, supported by Overhuel to award the bid for Ferric Chloride to Webb Chemical for \$18,348 and the bid for Calcium Nitrate to Seimens Industry for \$22,440 as recommended. On a roll call vote, all in favor. Motion passed.

- G. This is an invoice from MDOT for the City's share of the Main Street paving project cost (last year's construction).

A motion by Overhuel, supported by Steele to authorize payment of a MDOT \$36,212.38 invoice for the city's share of the Main Street project. On a roll call vote, all in favor. Motion passed

9. Communications:

A motion by Steele, supported by Overhuel to accept and place on file the 5/9/11 County Planning minutes. On a voice vote, all in favor. Motion passed.

10. Accounts Payable:

A motion by Overhuel, seconded by Steele that the bills be allowed and the orders drawn in the amount of \$81,255.71. On a roll, call vote, all in favor. Motion passed.

11. General Public:

None

12. Staff Comments:

Director Bomar announced that the PS department participated with the Borgess Health Fair.

B. Bomar has submitted several grant applications

Superintendent Pond reported that the last pump is now in at the Cushman Pump station.

E D Manager Schada attended an Economic development conference in South Haven.

E. Schada announced a new event this year. On June 17 & 18, we are holding a community wide yard sale with Otsego City. There are about 20 participants. On Wednesday the DDA sponsored Music Society concert will be held, she encourages everyone to attend.

Superintendent Updike reported that he continues to meet with MDOT for the M-89 project logistics. The gator the city uses to water the flowers had problems and Otsego city loaned us theirs. Last week they had a problem with their bucket truck and we helped them with ours. It is a good example of mutual aid between communities.

N. Farmer again congratulated Manager Wilson on his John D. Swainson award. Mayor Brooks congratulated Clerk Farmer on the birth of her first granddaughter.

Manager Wilson has been busy preparing the budget for presentation to Council.

13. Council Comments:

Councilman Burnham asked when the votes are due for the logo contest, Emilie replied that the votes are due now for the June 27th M-89 Corridor committee meeting.

Councilwoman Steele wished Director Bomar a Happy 30th anniversary.

14. Adjournment:

A motion by Steele, supported by Overhuel to adjourn the meeting at 8:05 pm. On a voice vote, all in favor. Motion passed.

Submitted by
Noreen Farmer
City Clerk

Public Safety Building Financial Summary – June 13, 2011

May 30, 2008 City Council agreed to create Public Safety Building Committee.

A lot of time and thought has been put into this effort, and a project budget of \$2.3 million was established.

Debt service for this project, funded through the City's Fire Reserve Fund was estimated to be \$45,192 yearly. Fire Reserve Fund generated \$90,901 per year.

<u>Funding Threats Realized</u>		<u>Impact</u>
1	USDA interest rate jumps from 3.75% to 4.25%	Adds \$5,345 per year in debt service payments
2	Both Build American Bonds and Recovery Zone Designation is eliminated by Federal Government	Adds \$23,992 per year in debt service payments
3	Due to declining property values, Fire Reserve Levy drops from \$90,901 in 2009 to \$84,132 in 2011	7.5% loss equates to (\$6,726) in real dollars
Approximate Yearly Negative Net Change:		\$36,063

Potential Funding Threats

4	We have been told that the elimination of Personal Property Tax will be "a legislative priority in the fall." Additionally, we have been told that the intent is to "replace" the funding. One could assume that the replacement will not be dollar for dollar. If the result is similar to revenue sharing, we could expect a net reduction of 30%.	Current Fire Reserve Levy is \$84,132. A 30% net reduction in personal property revenue would result in decreasing our revenue from \$84,132 to \$81,504; a yearly funding reduction of \$2,628
5	Data from actual home sales revealed that if the property valuation was set today (as opposed to October) we would lose approximately 16% in residential property assessments	If we estimate that a 16% drop in residential property assessments equates to a taxable value drop of 4%, we would lose \$2,240 in yearly Fire Reserve funds.
6	A bill to sunset the Assistance To Firefighters Grants has been introduced at the Federal level.	Unknown - grants will most likely be more difficult to come by.
2009 Fire Reserve Levy:		\$90,901
Threats to Fire Reserve Levy could result in a decline of revenue to:		\$79,264
Percent Loss:		12.80%