

PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL

For the Regular Meeting of August 1, 2011.

The Meeting was called to order at 7:30 p.m. by Mayor Hodges and City Clerk Betty Morlock called the roll.

Present: Councilmembers Jeff Altoft, Maryalene LaPonsie, Andrew Schrauben, Mayor Pro Tem Sharon Ellison and Mayor Jim Hodges.

Absent: None.

Also Present: City Clerk Betty Morlock, DPW Director Dan DesJarden, Police Officer Blair Kacos, Planning Commission Chair and Lowell Light and Power Boardmember Jim Hall, Lowell Light and Power General Manager Greg Pierce, Lowell Light and Power Employee Tom Russo, Lowell Light and Power Boardmembers Greg Canfield and Andy Johnston, and Williams and Works Planner Jay Kilpatrick.

Item #1. **APPROVAL OF THE AGENDA.**

IT WAS MOVED BY ELLISON and supported by LAPONSIE to approve the agenda as written.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #2. **APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JULY 18, 2011.**

IT WAS MOVED BY LAPONSIE and supported by SCHRAUBEN to approve the regular meeting minutes of July 18, 2011 as written.

Mayor Pro Tem Ellison abstained due to her absence from the meeting.

YEA: 4. NAY: 0. ABSENT: 0. ABSTAIN: 1. (Ellison)

MOTION CARRIED.

Item #3. **APPROVAL OF THE ACCOUNTS PAYABLES.**

IT WAS MOVED BY ELLISON and supported by LAPONSIE that the bills and accounts payables be allowed and the warrants issued.

YEA: Councilmembers Altoft, LaPonsie, Schrauben, Mayor Pro Tem Ellison and Mayor Hodges.

NAY: None. ABSENT: None. MOTION CARRIED.

<u>BILLS AND ACCOUNTS PAYABLE (08/01/11)</u>	
GENERAL FUND	\$51,830.89
MAJOR STREET FUND	2,926.77
LOCAL STREET FUND	20,634.75
DOWNTOWN DEVELOPMENT FUND	4,387.13
AIRPORT FUND	565.00
WASTEWATER FUND	5,849.61
WATER FUND	15,093.58
DATA PROCESSING FUND	788.39
EQUIPMENT FUND	707.49
CURRENT TAX FUND	91,712.96
CEMETERY FUND	2,000.00
LEE FUND	52.50
CARR FUND II	52.50

Item #4. **CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.** Christine Baird of 2605 Fallasburg Park Drive stated the 1st Motorcycle Bike Night will be held on Monday, August 8, 2011 from 5 to 8 p.m. The group wishes to park the motorcycles at the west edge of the City parking lot from 4:30 to 8:00 p.m. The organization, called “Lowell Moose Riders”, plan to upscale their reputation and raise awareness and funds for the children of the community as well as Moose Heart in Illinois. Baird requested barricades be placed to help with safety and congestion issues.

By general consensus, the Council approved the request.

Item #5. **PENDING COUNCIL PROJECTS UPDATE.**

- a. Streets, sidewalks plan – Discussion is being held regarding the process of developing a sidewalk replacement program.
- b. Wastewater Treatment Update – Continuing discussion is being held regarding the treatment and infiltration issue. DPW Director DesJarden has done a great deal of background work.

Item #6. **RESOLUTION FOR THE DESIGNATION OF CITY MANAGER MARK HOWE AS STREET ADMINISTRATOR FOR THE MICHIGAN DEPARTMENT OF TRANSPORTATION.** With the retirement of City Manager David Pasquale, the Council is requested to pass a resolution designating City Manager Mark Howe as Street Administrator for the Michigan Department of Transportation.

IT WAS MOVED BY LAPONSIE and seconded by ALTOFT to designate City Manager Mark Howe as the Street Administrator for the Michigan Department of Transportation.

YEA: Councilmember Altoft, LaPonsie, Schrauben, Mayor Pro Tem Ellison and Mayor Hodges.

NAY: None. ABSENT: None. MOTION CARRIED.

Item #7. **JICE PHARMACEUTICALS (218 S. WASHINGTON) – REQUEST TO ESTABLISH AN INDUSTRIAL DEVELOPMENT DISTRICT UNDER P.A. 198 – SET PUBLIC HEARING (8/15)**. Jice Pharmaceuticals has petitioned the City to establish an Industrial Development District under Public Act 198 in order to qualify for property tax abatements in connection with future improvements and addition to its facilities.

IT WAS MOVED BY LAPONSIE and seconded by ELLISON to set a public hearing on August 15, 2011 regarding the request to establish an Industrial Development District under P.A. 198 for Jice Pharmaceuticals.

YEA: 5. NAY: 0. ABENT: 0. MOTION CARRIED.

Item #8. **ZONING BOARD OF APPEALS**

A. **218 SOUTH WASHINGTON – JICE PHARMACEUTICALS – VARIANCES RELATED TO BUILDING ADDITIONS – PUBLIC HEARING**. Mayor Hodges turned the meeting over to Zoning Board of Appeals Chairperson LaPonsie.

Chair LaPonsie stated a public hearing is being held for 218 S. Washington, Jice Pharmaceuticals. The following variances were requested:

- expansion of a nonconforming building in terms of front and side setbacks
- distance from residential lot line (currently 18 feet to 4 feet) is insufficient where 50 feet is required
- the maximum lot coverage is 60% appears to be exceeded with parking lot improvements – LaPonsie noted the property has 41% lot coverage so a variance is not necessary regarding this issue.

Contractor Travis Miller of 14203 52nd Street stated the variance is being requested to place the building on the existing foundation for better flow and cost of the project.

LaPonsie stated Jay Kilpatrick of Williams and Works has indicated it would not be appropriate for the Planning Commission to provide a recommendation to the Zoning Board of Appeals (ZBA). The decision should be made by the ZBA. LaPonsie explained a variance remains with the property for life. It is also necessary to have the six criteria met before a variance can be granted.

Kilpatrick explained the ZBA has the authority to grant a variance, which is a unique amendment to the Zoning Ordinance, as it applies to a particular piece of property under a particular set of circumstances. In the past, the City of Lowell

has followed a procedure of having the Planning Commission review the site plan first and provide a recommendation on a variance to the ZBA. This creates a risk of having the ZBA grant greater variances than necessary.

Zoning Boardmember Hodges stated the board needs to review a four foot side yard setback. LaPonsie noted the Planning Commission has been discussing these setbacks, particularly in older neighborhoods where there seem to be many variance requests. Many homes were built prior to these setbacks being established.

City Clerk Morlock received a letter from Don and Diane Lasby of 226 S. Jefferson who favored the variance request.

Zoning Boardmember Schrauben asked if there were other similar decisions made. LaPonsie responded not within the Industrial District.

The first variance request involves the expansion of a nonconforming building in terms of front and side setbacks. The ZBA reviewed the six criteria and agreed all had been met.

IT WAS MOVED BY ELLISON and seconded by SCHRAUBEN to grant a variance for the expansion of a nonconforming building in terms of front and side yard setbacks at 218 S. Washington.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

The second variance request involves the distance from a residential lot line (currently 18 feet to 4 feet) is insufficient where 50 feet is required. The Zoning Board of Appeals reviewed the six criteria and agreed all had been met.

IT WAS MOVED BY ELLISON and seconded by ALTOFT to grant a variance for a setback of four foot at 218 S. Washington.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Also, LaPonsie referred to the memo provided by Kilpatrick regarding the idea of making changes to the ZBA process. LaPonsie suggested this be a future agenda item.

Item #9. **EXTENSION OF HUNT STREET WATER MAIN – SPECIAL ASSESSMENT – PUBLIC HEARING.** At the July 5, 2011 meeting the Council established a public hearing to consider the extension of Hunt Street water main and a proposed special assessment district. The public hearing was advertised to include four properties. However, a property owner at 1060 Hunt Street has expressed interest in the project. Thus, the Council must conduct a public hearing again at the August 15th meeting.

Alan Teelander of 802 Hunt Street received a letter regarding the installation of a water main for the amount of approximately \$40,000. Teelander questioned if he was required to

hook up to the water main immediately and would there be an immediate assessment placed. If he sold his home would he then be required to hook up? Teelander indicated he was against the extension. City Manager Howe explained he would recommend residents hook into the main as they so desire, at which time a special assessment would be placed on the property. The Water Fund can cover the cost initially as it is funded separately by water rates and can not be used for street projects.

John Ingersoll of 1030 Hunt Street also objected to the water main installation. He believed the money should be spent in different ways.

Ben Ingram of 825 Hunt Street stated a new well would cost him \$5000 to \$8000. Hooking into the City water main would cost \$5000 and there would be no water softener expenses or other such expenses that come along with having a well. Currently, he pays approximately \$50 for City sewer.

Dave Clark of 712 Lincoln Lake questioned the number of residents hooking into the 275 feet of water main. Mayor Hodges stated there is the potential for five residents. Clark confirmed if one does not hook up they will not be assessed. Hodges stated one would have to pay if they choose to hook up, if the Council so decides.

Matt Clark of 898 Hunt Street objected to the extension as well.

Councilmember LaPonsie questioned if the Water Fund could absorb the cost if the extension moves forward with only one person hooking in. Howe stated City Treasurer Suzanne Olin has indicated the Water Fund could. LaPonsie questioned what would happen when an individual sells. DesJarden stated it depends on what the Council wants to do. It has been done a number of different ways in the past. DesJarden clarified as of now, the City of Lowell does not have an ordinance which states one must hook up to water.

Greg Canfield of Canfield Plumbing and Heating commented many mortgage companies will require hook up if a water main is available. This cost is usually absorbed by the seller.

Howe noted the City plans to pick up a portion of the extension at 100%. Also, there is cost associated with a fire hydrant which the City will pay.

IT WAS MOVED BY ELLISON and seconded by LAPONSIE to establish a public hearing for August 15, 2011 regarding the extension of Hunt Street water main.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #10. **APPROVAL OF LIGHT AND POWER PRECUREMENT POLICY**. A request was made from Greg Pierce of Lowell Light and Power to adopt a change in the policy which would authorize the spending limit for the General Manager from \$10,000 to \$15,000 without seeking approval from the Lowell Light and Power Board.

Lowell Light and Power Board Chair Greg Canfield explained Attwood Corporation is a new customer and the cost of running electric to them is approximately \$430,000. The board met and voted to increase the general manager's purchasing authority from \$10,000 to \$15,000 due to the scope of many projects. Canfield noted the cost of copper a few years ago may have cost \$5,000 and now would cost \$15,000.

Mayor Hodges believed there needed to be a standard policy covering the entire City. This should be revisited at a worksession regarding procedures and policies for both the City and Light and Power. At this time Hodges would have a difficult time going against what the current City policy is. Councilmember LaPonsie agreed with Hodges. Councilmember Altoft understood Lowell Light and Power's concern regarding large projects. It would be difficult to hold a meeting every time a large purchase is necessary for one project.

City Manager Howe wanted consistency. He believed Councilmember Altoft had a good point in terms of one project costing several thousand dollars. Another issue which has come forward and could be part of the discussion is the idea of allowing preference to local vendors and under what criteria would be allowed.

General Manager of Lowell Light and Power Greg Pierce believed both entities bidding procedure was similar. The increase involves what the general manager is allowed to spend without having specific approval from the board for that purchase order.

Councilmember Schrauben suggested approving the increase now with the direction to update both policies.

Hodges believed a worksession was necessary to get the policies updated and consistent. A motion could be made contingent upon updating the policies. Howe stated he and Pierce should meet and come up with a draft policy for review by the Council and the Board. Hodges asked if this could be done within the next month and addressed during the first meeting in September. Howe believed this could be done.

Canfield stated the Attwood project is large and the board would like this approved in order for the project to run smoothly. Lowell Light and Power has made an amazing turn around and one should have faith in the management. He urged the Council to approve this.

IT WAS MOVED BY ALTOFT and seconded by LAPONSIE to increase the Lowell Light and Power spending limit policy to \$15,000 until September 15, 2011 at which time the issue can be revisited.

YEA: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #11. **STREET PROJECT UPDATE**. City Manager Mark Howe explained the Bowes Road street project is a reconstruction/resurfacing project which is planned for 2011/2012. This would complete most of Bowes Road with the remainder of the road being completed in 2013/2014. The monies have been set aside in the Major Street Fund as well as receiving an MDOT Small Urban Grant. A total project cost of \$417,500 is anticipated. Hopefully, there can be a procurement policy in place by the time the project begins.

North Center Street is a project which has just been completed. The total cost was \$239,456. There was some discussion during the budget process regarding CDBG and the use of CDBG funds which would free up monies for other projects. Howe recommended utilizing all of the CDBG dollars for the North Center Street project. Prior discussion involved utilizing a portion of these funds for Ottawa and Brook. If a portion is used for Ottawa and Brook, the City would have to go through a prevailing wage process within the bidding contracts, which would increase the cost of the project. Approximately \$4,000 would be left in the Local Street Fund. The DDA and Water Fund would provide the remaining funds for the project. The City was able to reduce the DDA and Water Fund contributions by 14% because of the CDBG funds. By general consensus, the Council agreed to move forward.

Howe referred to Ottawa and Brook Streets. There are three large sections which are in bad shape. The DDA has committed to \$30,400. The portion of Brook Street will be funded by the City with an amount of \$15,500 budgeted. An amount of \$2,900 in Local Street Funds is necessary for the project to be completed.

There has been much discussion about Hillside Court in the past. With the past rain, the street is even worse and needs to be repaired. An estimated cost of \$90,000 has been received, which was not budgeted for in the Local Street Fund.

Howe commented on the City Council's interest in crack sealing. Williams and Works Engineer Dave Austin provided an excellent report on crack sealing and the benefits of how it prolongs the life of the streets. An amount of \$19,500 has been estimated for the project. Although the amount was not budgeted, Howe requested Council approval to move forward and secure bids with an option to spend up to \$30,000 in crack sealing. This is an important issue and there is enough money in the Local Street Fund to support the request. The first year would be the most aggressive.

Howe explained the Local Street Fund has an anticipated fund balance of approximately \$163,000. The fund is separate from the General Fund and it is understood the City tends to not hold a fund balance in the Local Street Fund. Howe suggested using an additional \$2,900 for Ottawa and Brook, \$90,000 for Hillside Court and \$30,000 for crack sealing, leaving an ending fund balance of \$40,000. The current Local Street Fund budget is approximately \$300,000 annually. Large portions of this include winter maintenance, regular maintenance, and a bond payment of \$75,000.

Howe believed it would be acceptable to bring the fund balance down to this level. City Treasurer Suzanne Olin has concurred.

By general consensus, Council agreed to Howe's recommendations.

Item #12. **COUNCIL REPORTS AND COMMENTS.** Councilmember Schrauben stated the Airport Board will be meeting on August 2, 2011.

Councilmember LaPonsie stated the Planning Commission reviewed the Jice Pharmaceuticals site plan which is still pending. The Planning Commission will also

review ordinance changes as well as hold a training session for Commissioners in the fall regarding the site plan review process.

LaPonsie gave her condolences to the Timpson family regarding the loss of John Timpson.

Councilmember Altoft stated the Board of Review met.

Altoft requested all meeting dates be placed on the calendar provided to the Councilmembers.

He also mentioned his wife is having some health difficulties but they are working through these issues.

Mayor Pro Tem Ellison thanked everyone for excusing her absence while away.

Ellison welcomed City Manager Howe.

Mayor Hodges stated the Lowell Light and Power Board met a few weeks ago and held a special meeting last week. General Manager Greg Pierce did a good presentation following the City Council meeting of July 18, 2011.

Hodges received a letter from Consumers Energy inviting the mayor as well as the councilmembers to meet their employees. The local leaders and legislators are also invited to attend.

Hodges also received a letter from Dr. Regan who serves on the Arbor Board. The cemetery trees have been trimmed and look great.

Hodges stated the Kent County 4H Fair begins next week with opening ceremonies being held on August 7, 2011. All elected officials are invited to be introduced.

Item #13. **CITY MANAGER'S REPORT**. City Manager Howe stated a meet and greet will be held at the Showboat for Police Chief Barry Getzen and City Manager Mark Howe.

Item #14. **APPOINTMENTS**. None.

IT WAS MOVED BY ELLISON to adjourn at 9:09 p.m.

DATE:

APPROVED:

James W. Hodges, Mayor

Betty R. Morlock, City Clerk