

**PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL**

For the Regular Meeting of MONDAY, **MARCH 6, 2006**

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

Present: Councilmembers Hodges, Pfaller, Shores, Mayor Pro Tem Mathews and Mayor Myers.

Absent: None.

Also Present: City Manager David Pasquale, City Treasurer Suzanne Olin, Public Works Director Dan DesJarden, Police Chief Jim Valentine, Assistant City Treasurer Lori Gerard, Planning Commission Chairman Clark Jahnke, Planning Commissioner Mark Mundt, Lowell Light and Power/Cable TV General Manager Tom Richards.

IT WAS MOVED BY PFALLER and seconded by HODGES to approve the minutes of the February 21, 2006 regular meeting as corrected and the closed session as written.

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

IT WAS MOVED BY PFALLER and seconded by MATHEWS that the bills and accounts payable be allowed and the warrants issued.

YEA: Councilmember Hodges, Pfaller, Shores, Mayor Pro Tem Mathews and Mayor Myers.

NAY: None. ABSENT: 0. MOTION CARRIED.

Councilmember Pfaller questioned the payment of \$1,504.47 to Grand Collision - Lowell. Chief of Police Valentine explained this was for repair of a Police Cruisers due to hitting a deer.

BILLS AND ACCOUNTS PAYABLE (03/06/06)

GENERAL FUND	\$109,874.88
MAJOR STREET FUND	7,204.58
LOCAL STREET FUND	187.03
DDA FUND	622.15
BUILDING & SITE	41,000.00
AIRPORT FUND	41.17
WASTEWATER FUND	34,137.33
WATER FUND	196,045.27
DATA PROCESSING FUND	390.00
EQUIPMENT FUND	3,235.17
LOOK	1,346.32

Item #1. **INVITATION FOR MAYOR AND COUNCIL TO PARTICIPATE IN THE RIVERWALK**

FESTIVAL. Betsy Davidson, Chairperson of the 12th Annual Riverwalk Festival being held on July 7th and 8th, presented the Council with a flyer of this year's activities schedule. She noted this year marks the date our community celebrating its 175th anniversary. One of the ways to commemorate this momentous occasion is by having the parade theme be "Celebrating Lowell – 175 Years of History". Participants are asked to be creative in how they represent history with their organizations, business or group, such as wearing a hat like Abe Lincoln or build a float which represents some part of our history. Entrants will be judged and top prize is a First Place Trophy and \$175.00.

Following the parade there will be a presentation on the center stage to the City Mayor, Vergennes and Lowell Township Supervisors. Mayor Myers and the Councilmembers are requested to be part of the parade and the presentation at the entertainment stage.

Councilmember Shores suggested inviting all the various boards and commissions of the City and townships.

Councilmember Pfaller noted it is requested to bring an item of food. Is this for a food collection for the food pantry? Yes, it is for the Flat River Outreach Ministries food pantry.

Item #2. **PRESENTATION BY KEVIN WISSELINK REGARDING THE RAPID AND COUNTY CONNECTION.** Mayor Myers noted Kevin Wisselink was unable to make his presentation tonight due to a new birth in this family. This presentation will be rescheduled.

Item #3. **PRESENTATION OF WATER AND SEWER COST OF SERVICE RATE STUDY.** City Manager David Pasquale noted one of the goals of the City during this fiscal year was to have a rate study for both water and sewer. On November 7, 2005, the Council approved a contract with Tetra Tech to provide the study. Vic Cooperwasser of Tetra Tech worked closely with City staff, including Sue Olin, City Treasurer, Dan DesJarden, DPW Director and Lori Gerard, Assistant City Treasurer.

Vic Cooperwasser, Unit Vice President for Tetra Tech, said there are three criteria which should be achieved for rate studies in Michigan. First, the rates must be adequate to meet water and sewer budget requirements. Second, rates must comply with the intent of the December 1998 Michigan Supreme Court decision in the case of Bolt v. City of Lansing, which requires rates should be calculated using a cost of service basis. Third, in the event the City chooses to pursue either water or sewer State of Michigan low interest loans, it will be required to develop rates which meet the State's regulations for obtaining such loans.

The rate process in both the water and sewer includes two types of rates. A readiness to serve charge, which is fixed but increases depending on the size of the water meter and a commodity charge. This is the same type of system the City now has on its water rates. The sewer rates are different, but are being converted to this type of model.

Cooperwasser proposed the City's water readiness to serve charge (5/8" meter) be increased

to \$22.79 per month from the present \$20.75 and the commodity charge be reduced to \$1.43 per thousand gallons from \$1.68. As mentioned previously, the sewer readiness to serve charge is based on REU (Residential Equivalent Units) and will be converted to charges based on meter size, as with the water readiness to serve. It has been proposed to charge for a 5/8" meter be increased to \$17.83 per month from \$13.50, with the commodity charge increasing \$2.91 per thousand gallons from \$1.80 for the first year.

Total monthly water and sewer bill result in a mobile home pad charge per month increase to \$62.63 from the current \$51.90, which is a 20% increase. A small residential customer with a 5/8" meter with 1 REU using 2,000 gallons would have a 19% increase. A large residential with a 5/8" meter with 1 REU using 10,000 gallons would have a 21% increase. A 5/8" meter with 1 REU using 10,000 gallons would receive a 21% increase. A non residential user with a 1" meter using 10,000 gallons a month would have a 50% increase. A user with a 2" meter using 520,000 gallons would receive a 69% increase.

It was also recommended the city have a connection charge fee for new customer connecting to the water and sewer system. A 5/8" meter would cost \$343 for water and \$401 for sewer, totalling \$744. At this time, the City does not charge for either. The City does have a water connection fee of \$1,077 for the northeast high pressure district. It is recommended to keep this. These charges do not include the cost for the physical connection to the system. It is recommended to charge the City's cost plus 10% so funds are not lost at this service.

Assuming the City does not change the proposed rate model, Tetra Tech will assist City staff in performing annual reviews for the next five years based on updated financial and customer data provided by the City. After the five year study period, it was recommended to conduct another comprehensive water and sewer cost of service rate study.

Mayor Myers questioned if these increases would be spread over the five years. Cooperwasser explained he projected rates for five years and the big dislocation is in the first year with subsequent years are much less.

It was discussed to spread these over the five years, instead of one large increase and then tapering off. Cooperwasser noted this could be done, but then it would take the five years to have the 25% cash reserve which has been proposed for the water and sewer funds.

Councilmember Pfaller questioned how the proposed rates compare to other communities. A survey was included in the agenda. Cooperwasser responded he was not part of this survey and there could be other issues in each community's charges which he was not aware of.

The Council felt they needed to review the information given more thoroughly and make their decision at the next meeting.

IT WAS MOVED BY PFALLER and supported by SHORES to approve the extension of the current water and sanitary sewer rates to the March 15, 2006 billing.

Roll call vote:

YEA: Councilmembers Hodges, Pfaller, Shores, Mayor Pro Tem Mathews and Mayor Myers.

NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #4. **PROPOSED AMENDMENT NO. 1 TO THE INTERJURISDICTIONAL SANITARY SEWER USE AGREEMENT WITH LOWELL CHARTER TOWNSHIP.** City Manager Pasquale stated this amendment and resolution transfers responsibility of the repair and maintenance of Lowell Charter Township's sanitary sewer collection and transport system from the City to the township.

DPW Director DesJarden stated the staff is in support of this amendment. In November, 2005, the Township experienced a sewer backup to a remote line, which was caused by vandalism. The City had the problem resolved and the lines cleaned. The clean up reported the manholes were opened and rocks were thrown in blocking flow channel and caused a backup. Also, a Township user was dumping excess grease in the sewer main.

Mayor Pro Tem Mathews noted this particular line was built with no access drive and the manholes were of different heights and not locked. He supported the staff's recommendation to adopt this amendment.

Councilmember Shores asked if the Township backup affect the City lines. If so, can the City mandate the lines be checked periodically? DesJarden responded a Township backup could and did affect the City's lines. He also noted the Township would have to prove they maintain their lines under Public Act 222.

IT WAS MOVED BY SHORES and seconded by PFALLER to adopt the resolution for Amendment No. 1 to the Interjurisdictional Sanitary Sewer Use Agreement with Lowell Charter Township with the stipulation the City continues to monitor this.

Roll call vote:

YEA: Councilmembers Hodges, Pfaller, Shores, Mayor Pro Tem Mathews and Mayor Myers.

NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #5. **SEWER MAINTENANCE PROGRAM.** DPW Director DesJarden presented the Council with a sewer maintenance report and map of the City detailing what year each section was maintained. There is a small section which will be done in the 2006-2007 budget and then the entire system of the City would be completed. DesJarden noted In the past four years over 78,185 feet of sewer mains were cleaned at a cost of \$133,599.

Mayor Myers questioned when it is completed in 2006-2007, does the City start all over again. DesJarden responded the lines will just be cleaned, not televised.

Councilmember Pfaller questioned when would the City televise lines again, such as the Valley Vista housing area. DesJarden responded lines would be televised, if there were any problems. Also, they watch trouble areas such as dead-end lines very closely.

Councilmember Shores noted this an excellent program. DesJarden stated various people in the profession noted the City of Lowell hit this very aggressively and are above standard of cleaning sewer lines.

Item #6. **RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A CONSENT TO PARTIAL ASSIGNMENT OF AMENDMENT TO THE REFUSE COLLECTION AND DISPOSAL AGREEMENT.** Allied Waste had requested assignment of payment it receives from the City involving refuse collection and disposal services to its financial institution in obtaining loans for business operating purposed. This does not diminish any responsibilities Allied has with the City.

City Attorney Richard Wendt has reviewed the issue and prepared the resolution.

Gary Douthett, Site Manager for Allied Waste, stated this is needed to secure funds from their large commercial and municipalities' accounts. This is a receivable holding fund which is used to obtain low interest loans for equipment. The contract between municipalities and Allied are the same. It just allows Allied to place the monies collected in the holding fund.

Mayor Myers asked if the account is in the name of Allied. Douthett responded it is titled Allied Receivable Fund Incorporated and is wholly owned by Allied.

IT WAS MOVED BY HODGES and supported by SHORES to adopt the resolution for Allied Waste approving and authorizing the execution of a consent to partial assignment of amendment to the refuse collection and disposal agreement.

Roll call vote:

YEA: Councilmembers Hodges, Pfaller, Shores, Mayor Pro Tem Mathews and Mayor Myers.

NAY: 0. ABSENT: 0. MOTION CARRIED.

Item #7. **CITIZEN COMMENTS.** Clark Jahnke, 905 E. Main Street, felt if the City delays increasing the water and sewer rates and start out lower, by the end of the five years there would have to be a higher increase to provide the same amount of funds. If this is what the City should be charging, the City could be placing itself in a hole trying to keep the system going.

Betsy Davidson, 13051 Vergennes, noted she is a boardmember with Jim Pfaller on the Lowell

Area Recreation Authority and are planning many activities this year for community outreach. LARA will be at the Community Expo on Saturday, March 25 at the Lowell High School as well as having an open house on April 20 at Wittenbach Center across from the Lowell High School.

Mark Mundt, 800 Bowes Road, also commented on the water and sewer rates. It will be hard to approve these rates, but this study was based on fact. With the cost comparison of other municipalities, it is difficult to compare apples to apples. Each system operates differently as well as the degree of technology involved. It will not be easy, but Mundt encouraged the Council to do what needs to be done.

Mundt also praised DPW Director DesJarden on his sewer maintenance program and to continue this program every 6 to 8 years with some areas every 2 years.

Item #8. **COUNCIL COMMENTS.** Councilmember Shores noted Lowell Light and Power pursued many avenues in coming to a decision of purchasing the Newell building property and this was a very wise decision. She applauded LL&P General Manager Tom Richards and the Board for all their hard work in this process

Shores also mentioned while in the Dominican Republic, she visited a wastewater treatment plant. We are so fortunate for all we have here.

Mayor Pro Tem Mathews stated he will not be in attendance for the March 20th meeting. He and his wife Jayne will be celebrating their 25th wedding anniversary in Mexico.

Councilmember Hodges noted First Congregational Church had celebrated their 150th anniversary of service to the Lowell Community this past weekend. It was very successful and Reverend Greenwood and his wife Judy came back to the community for the day to participate in the activities.

Item #9. **MANAGER'S REPORT.** City Manager Pasquale reported on the following:

The following boards and commissions meetings minutes were provided:

- Planning Commission meeting of January 23, 2006

With the City purchase of the 6.8 acre former Newell property for Light and Power, he is proposing to discuss the options for the North Washington Street property at the April 3, 2006 Council meeting.

Richard Vander Veen, who passed away several days ago, was our Congressman in the 1970's. He was also the attorney for Lowell for several years. In March, 1956 he was appointed as the Village Attorney and was the first City Attorney. In March, 1974 he resigned as City Attorney when he was elected to Congress. Pasquale wanted to express the

condolences to the family.

The library building bond has been paid in full. It was \$770,000 bond for ten years.

Also, the Council was presented with a binder of the Policies, Procedures and Agreements. There will be updates periodically.

Item #10. **APPOINTMENTS**. None.

IT WAS MOVED BY PFALLER to adjourn at 8:39 p.m.

DATE:

APPROVED:

Charles R. Myers, Mayor

Betty R. Morlock, Clerk