

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

For the Regular Meeting of MONDAY, **APRIL 19, 2004**

The Meeting was called to order at 7:30 p.m. by Mayor Shores and the City Clerk called Roll.

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

Absent: None.

Also Present: City Manager Dave Pasquale, City Clerk Betty Morlock, Police Chief Jim Valentine, DPW Director Dan DesJarden, City Treasurer Suzanne Olin, Lowell Light and Power/Cable TV General Manager Tom Richards, Police Officer James Hinton, Building Inspector Doug Hopkins, Cemetery Sexton Don DeJong, and Intern Student Justin Peterson.

IT WAS MOVED BY HODGES and seconded by PFALLER that the minutes of the March 29, 2004 regular meeting be approved 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: 5. NAY: 0. ABSENT: 0. MOTION CARRIED.

BILLS AND ACCOUNTS PAYABLE (04/19/04)

GENERAL FUND	\$177,550.75
MAJOR STREET FUND	13,396.86
LOCAL STREET FUND	3,522.10
DDA FUND	89,019.71
AIRPORT FUND	105.55
WASTEWATER FUND	40,587.35
WATER FUND	28,563.31
DATA PROCESSING	878.23
EQUIPMENT FUND	4,180.85
CURRENT TAX FUND	977.28
LOOK FUND	500.00

Item #1. **RESOLUTION AUTHORIZING THE USE OF A COMPUTERIZED DATA BASE AS THE TAX ROLL.** City Treasurer Suzanne Olin requested a resolution be adopted to allow the City to prepare a computerized tax roll which will be utilized by her and City Assessor Jim Marfia as required under Public Act 112 of 1990.

IT WAS MOVED BY MYERS and seconded by PFALLER to accept the resolution authorizing the

use of a computerized database as the upcoming tax roll.

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

Item #2. **KING MILLING COMPANY – APPLICATION FOR AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE UNDER P.A. 198 – PUBLIC HEARING.** King Milling Company has recently added approximately 1800 square feet of building space to the mill. Also, new machinery has been purchased which increases milling capacity by 50%. King Milling has now applied for an Industrial Facilities Exemption Certificate to gain a 50% tax abatement on these improvements.

The total cost of the project is \$1,434,500. Under current City policy, this qualifies for 12 years of tax abatement under Public Act 198. A total of 38 jobs will be retained with two new positions added in the next two years.

Councilmember Pfaller referred to City Assessor Jim Marfia's letter. Marfia forecasted a net loss in revenue to the City over 12 years as being \$36,000. Pfaller would rather view this as a gain of a similar amount. The City is providing a 50% tax abatement, which means the City is gaining an amount which would not have normally been seen.

IT WAS MOVED BY PFALLER and seconded by MYERS to approve the 12 year abatement for King Milling Company under P. A. 198 involving a new addition and the purchase of equipment.

YEA: 4. NAY: 0. ABSENT: 0.

ABSTAIN: 1. (Councilmember Hodges) MOTION CARRIED.

Item #3. **901 WEST MAIN STREET – TRANSFER OF LIQUOR LICENSE.** Police Chief Jim Valentine explained a former business located at 901 West Main Street had a liquor license and is now in escrow. Fifth Third Bank has applied for ownership of the license to the Michigan Liquor Control Commission for the purpose of eventually transferring this to a new business.

IT WAS MOVED BY HODGES and seconded by MATHEWS to transfer the Class C liquor license formally at 901 West Main Street to Fifth Third Bank.

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

Item #4. **PRESENTATION OF THE PRELIMINARY 2004 – 2005 OPERATING BUDGET.** City Manager Pasquale stated every year City Treasurer Suzanne Olin does an enormous amount of work on the budget. This year, in spite of being sick for a few weeks, she has done a terrific job and her work is appreciated.

This particular budget is probably one of the most challenging dealing with the task of facing revenues which are not growing fast. In the case of State shared revenues, the City of Lowell is getting less than what we are used to. This presents a challenge, particularly in the General Fund

to see that our needs are met in terms of service to the community.

Pasquale explained the budget being presented is a preliminary budget with the final draft being presented in May while adopting the budget the first meeting in June.

Pasquale stated Olin, DPW Director DesJarden, Police Chief Valentine and City Clerk Morlock have spent a great deal of time working on the budget.

### 2004 – 2005 Operating Budget

A preliminary review of the upcoming budget provides the City Council to comment on the various funds, which provide the overall operating budget. The effort was made to concentrate on the largest accounts: General Fund, Major and Local Streets as well as the Water and Wastewater Funds.

This document represents a number of hours of staff time and will be continued to be monitored and updated.

### GENERAL FUND

Revenues from property taxes did increase from \$1,470,995 (2003-2004 estimated total) to \$1,545,769.11, a 5.08% increase. From two years ago, there was a 0.91% rise. Thus, while there has been improvement, the City has not recovered from the losses fully from last year.

Real estate property taxes will amount to \$1,202,569.24 for the new fiscal year growing 6.11%, personal property taxes decreased 1.84% to \$113,000.07.

A mill is valued at \$83,196.07 in comparison to \$78,827.87 from last year. Again, this is an improvement, but still short of 2002-03's \$83,279.11. The Downtown Development Authority continues its strong growth.

The taxable value comparison from previous years is:

	TOTAL	DDA capture	NET
2002	\$95,419,694	\$12,140,579	\$83,279,115
2003	\$91,418,330	\$12,590,453	\$78,827,877
2004	\$96,292,475	\$13,186,403	\$83,106,072

At this point, a \$46,874.35 fund balance is shown based on the following:

- operating millage at 15.83 with the added 0.25 mills for the Lowell Area Historical Museum
- providing a 1% salary increase for City employees with no planned merit increases
- assumes no further cuts in State Revenue Sharing currently at \$418,000 (in 1996-97, this was \$505,623.74)

- request allocations from the Downtown Development Authority (\$125,000), Look Memorial Fund (\$25,000) and the Lee Fund for parks maintenance (\$10,000).

To assist in raising the fund balance, the following are being reviewed:

• eliminate cash out of unused employee personal days	\$15,512.35
• eliminate conferences	\$12,395.00
• eliminate two proposed police cruisers (lease)	\$12,500.00
• raising one mill	\$83,106.00
• solid and yard waste program	
• have resident pay entire cost of solid waste .93¢ a bag from 80¢	\$ 6,444.11
• have resident pay entire cost of yard waste 78¢ a bag from 40¢	\$ 5,218.35
• have resident pay for recycling - \$2.52 a month based on 798 bins	\$24,131.52
• employee contribute to health care insurance	\$10,000.00 to \$15,000.00

### MAJOR AND LOCAL STREETS

The Foreman - Gee Drive street improvements are planned as financed from Federal Surface Transportation - Small Urban Area grant and the Major Street Fund. A total of \$5,898.94 is provided as an unreserved fund balance in the Major Street Fund.

The Local Street Fund will improve to Center Street south of Bowes Road and a portion of the newly constructed Clarke Street. A fund balance of \$1,421.20.

### WASTEWATER FUND

The budget for the Wastewater Fund has allocated \$70,000 for sewer maintenance and \$20,000 for a sanitary sewer replacement near Michigan Wire. A payment of \$22,392 for the rotating drum at the Wastewater Treatment Plant is planned.

The rate for readiness to serve is proposed to increase from \$11.50 to \$12.50 per residential equivalent unit per month. The user rate (\$1.80 per 1,000 gallons per month) will remain the same.

### WATER FUND

The Water Fund has budgeted \$12,000 for the Wellhead Protection Program, \$8,000 for security cameras (as required by Federal Homeland Security), clarifier repair at plant for \$80,000, well abandonment of \$10,000 and the Foreman water main of \$81,000.

The debt serve is proposed to increase form \$18.75 to \$19.75 (residential rate) per month. The consumption charge of \$1.68 per thousand gallons per month would remain the same.

This is a preliminary budget which is being provided for initial comments. Staff will continue to work on it until a final draft is provided at the May 17, 2004 meeting. Two public hearings will be

held with final adoption on June 7, 2004.

Councilmember Myers questioned the General Fund expenditures. The first item indicates an increase in Council line item. The amount increased from \$16,660 to \$23,770. Myers questioned if the estimated total was through the end of the year. Olin explained the actual budget figure for the year we are in is \$19,370. However, the current figures indicate the Council budget at \$16,660. The increase is due to the location of conferences. Pasquale agreed, stating this is one area in consideration for cuts. Councilmember Pfaller questioned the location of the next Michigan Municipal League Conference. Pasquale responded Mackinac Island.

Mayor Shores thanked Olin, Pasquale and staff.

Item #5. **REVIEW AND CONSIDERATION OF THE LIGHT AND POWER AND CABLE TV OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR 2004 – 2005.** Lowell Light and Power and Cable TV General Manager Tom Richards explained the Board of Light and Power and Cable TV considered and adopted the budgets for 2004 - 2005 at their March meeting.

Richards stated this has been a challenging year for Light and Power. L&P has seen expenses increase in term of purchased power. Employee benefit expenses have also increased as well as a decline in usage of electricity, noting some of the plant's larger customers have either moved or shut down.

Light and Power has estimated expenses and revenues for the coming year to be somewhat more normal. Also, Light and Power is in their first full year of debt expense for the bond proceeds, acquired last year for upgrades in the system, including the new substation.

Similar effects have taken place with Lowell Cable TV. There have actually been some declines in the number of cable customers, largely due to the availability and heavy marketing of satellite dish television. Lowell Cable TV has lost approximately three to four percent of total subscribers. Richards noted this seems to be typical of cable systems statewide. Due to the increasing costs in the programming, there has been an increase of almost \$2.00 per subscriber per month throughout the past year.

Councilmember Myers asked if internet services have increased. Richards stated Lowell Cable continues to see approximately a three percent increase per month. It represents a significant increase in revenue. Richards stated the cost is negotiated with their internet provider partner. The revenues and the expenses increase proportionately to each other.

Richards stated Lowell Cable TV is projecting a positive net income. It has been some time since this has been seen.

Councilmember Pfaller questioned boundaries of Lowell Cable. Richards responded the Cable services homes as far west as Settlewood and very close to Parnell, 28<sup>th</sup> Street to the south, slightly past Vergennes to the north and Montcalm Road to the east. Lowell Cable will also be provided into the Sundry Developments, Whispering Hills and Oak Hills. Richards stated it is

difficult to serve a lesser developed area.

Richards also provided a list of their anticipated capital projects and improvements for both the electric and cable system for the coming years.

IT WAS MOVED BY HODGES and seconded by MYERS to approve the Light and Power and Cable TV budgets as presented.

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

Item #6. **APPROVAL OF BIDS FOR A STORAGE BUILDING LOCATED AT THE WATER TREATMENT PLANT.** On April 14, bids were received for the construction of a 54' X 28' storage building immediately west of the Water Treatment Plant. The building will store such items as hydrants, valves and water main tees. Currently, these materials are kept in a building on North Washington, which is in deteriorating condition.

DPW Director Dan DesJarden recommended the project be awarded to Tailored Building Systems at a cost of \$23,385 as allocated from the Water Fund.

Councilmember Pfaller confirmed there would be no problem with possible expansion of the Treatment Facility with the location of the pole barn. DesJarden responded no.

IT WAS MOVED BY PFALLER and seconded by MATHEWS to approve the low bid from Tailored Building Systems of \$23,385 for the construction of the water equipment storage building.

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

Item #7. **PROPOSAL FOR UNIFIED COMMUNITY – WIDE FACILITIES STUDY INVOLVING THE LOWELL AREA ARTS COUNCIL, LOWELL AREA CHAMBER OF COMMERCE AND CITY.**

Arts Council Director Lorain Smalligan explained the Arts Council strategic plan involves a focus on services and partnerships throughout the community. Over the years, the Arts Council has been considering different organizations within the Community to determine how a partnership can be formed and programs can be started in the most effective way. A strong partnership with the Chamber of Commerce as well as the Schools, Historic Museum and Franciscan Life Process Center. The long range goals include serving the Lowell community in the areas of visual arts, music and theaters.

The Arts Council has been reviewing the concept of expanding the facility. One idea involves the use of the building next to the Chamber of Commerce as well as the storage area being used by the Department of Public Works. This is a great opportunity to bring the facility closer to downtown area.

Smalligan asked the Council to endorse a continued study which may involve hiring an individual to

perform a facilities study with the City, Chamber, and Arts Council.

Councilmember Hodges questioned the current square footage. Smalligan stated the King Milling Building (149 S. Hudson) is approximately 2400 square feet. This includes three offices, a gallery, classroom and storage space. Smalligan stated the space being used by the DPW is approximately 2400 square feet.

Discussion has been held regarding the Chamber and the Arts Council having a unified staff.

Chamber of Commerce Director Liz Baker explained the community restrooms in the Chamber building have been delayed. However, construction of the restrooms could be included as part of this project.

Pasquale stated Ron Wenger from the Fairgrounds would also be impacted by the study. The study would include not only the riverwalk, but the fairgrounds also as well as the DPW storage building. There has also been discussion regarding the Foreman building being converted into an exhibit hall.

Pasquale explained endorsement from the City Council is necessary in order for the City to pursue grants and other means to obtain the needs of the facility.

Councilmember Pfaller encouraged the inclusion of Ron Wenger and the Foreman building.

Smalligan noted the Arts Council would not move out of their current space.

Councilmember Myers inquired regarding the cost of hiring a consultant. Smalligan was unsure. The Grand Rapids Community Foundation would be contacted for references.

Myers questioned the feasibility of moving the cable dishes from the roof of the building. Richards explained cable towers and dishes are typically in one location. All of the equipment inside the building is reliant to a very near distance to all of those receiving points. Duplication would also be necessary before shutting down the current system.

IT WAS MOVED BY HODGES and seconded by MATHEWS to endorse the grant applications to the Lowell Area Community Fund to pursue the facilities study as well as the State of Michigan.

YEA: 4. NAY: 0. ABSENT: 0. ABSTAIN: 1. (Myers) MOTION CARRIED.

Item #8. **AMENDMENTS TO CEMETERY RULES AND REGULATIONS.** Cemetery Sexton Don DeJong and City Clerk Betty Morlock have reviewed and proposed amendments to the cemetery rules and regulations in conjunction with the City Attorney.

DeJong explained in recent years the number of articles being placed on grave sites has grown

making it difficult to mow or weed whip.

The amendments would allow for five objects to be placed on a grave site for a period of one year from the date of burial.

Councilmember Pfaller questioned if a model set of rules was followed. Morlock stated most cemeteries allow very few items around a marker.

Hodges understood the need to control the items. However, this may aid in the grieving process.

DeJong stated written permission must be received when an individual wishes to place a planting in the ground.

Councilmember Myers asked if DeJong would be the enforcement agent. DeJong responded yes. Myers also inquired how many sites would be impacted. DeJong stated several.

DeJong stated plastic flowers are allowed from November 1 through March 31. However, once the grass starts growing, the flowers should be removed or placed in an urn.

DeJong suggested posting the updated information on the office building within the cemetery as well as near trash bins.

Myers asked if there was a means of communication other than on site. DeJong stated letters can be sent.

Shores was proud of the City's cemetery as it is maintained very well. However, she agreed, stating some markers have too many items. Myers agreed. Particularly, with glass items. This would provide a greater level of safety for City staff.

IT WAS MOVED BY MYERS and seconded by MATHEWS to accept the resolution amending the cemetery rules and regulations as presented.

YEA: 4. NAY: 1. (Hodges) ABSENT: 0. MOTION CARRIED.  
Item #9. **MONTHLY REPORTS**. No comments were received.

Item #10. **CITIZEN COMMENTS**. Ron Wenger from the Kent County Youth Fair questioned when demolition could begin on the Barton property. City Manager Pasquale explained the City is waiting for Barton's attorney to file remaining paperwork. Hopefully, the issue can be settled this week.

Councilmember Pfaller asked if demolition bids have been sought. DPW Director DesJarden explained there are few companies which handle demolitions. The first step is to contact the Health Department concerning the septic tank and well. Everything will move very fast once final papers are signed.

Item #11. **COUNCIL COMMENTS**. Councilmember Mathews thanked Lowell Light and Power for getting the power back on so quickly Sunday night.

Councilmember Pfaller requested Fishbeck, Thompson, Carr and Huber (FTC&H) be present at the next meeting to explain how the leak in the roof will be fixed. City Manager Pasquale stated representatives will be in attendance during the May 3, 2004 meeting. Pfaller asked that the warranty be extended for an equal period of time.

Pfaller requested the issue of contract services be discussed during the meeting of May 3, 2004.

Pfaller referred to a home under construction on Bowes Road. Discussion was held with Building Inspector Doug Hopkins. Apparently the building permit was issued in early September. Once the builder found out a tri-level could not be built, the square footage and foundation of the building was changed. In the mean time, the definition of what usable square footage was also changed. Therefore, the building permit was issued under the old ordinance.

Pfaller commented on Fuller Septic losing their license. He asked if this would effect the City. DesJarden stated he would review the issue and report back.

Councilmember Myers stated he was also ready to begin reviewing the service contracts.

Mayor Shores commented on the beautiful trees outside City Hall. Also, work will begin on the Showboat on Wednesday.

Item #12. **MANAGER'S REPORT**. City Manager Dave Pasquale reported on the following:

1. The following meetings minutes of the following boards and commissions were provided.
  - Airport Board meeting of February 3, 2004
  - Chamber of Commerce meeting of March 9, 2004
2. The City Council and the Light and Power and Cable TV Boards have met several times over the past months. In particular, the respective personnel rules were reviewed. Efforts were placed on providing consistency where possible. The following decisions were made:

Holidays for all offices - all open and closed at the same time:

New Year's Day  
President's Day  
Good Friday  
Memorial Day

Fourth of July  
Labor Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Eve  
Christmas Day  
Floating Holiday

Vacation for all offices:

One year	-	40 hours	(1 week)
Two years	-	80 hours	(2 weeks)
Seven years	-	120 hours	(3 weeks)
Twelve years	-	160 hours	(4 weeks)

3. DPW Director Dan DesJarden questioned if the Council would prefer to have underground electric and cable installed within the Sundry project. Lowell Light and Power and Cable TV General Manager Tom Richards stated aerial would be preferred. However, underground wiring would be supported.

IT WAS MOVED BY MYERS to adjourn at 9:06 p.m.

DATE:

APPROVED:

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C. Jeanne Shores, Mayor

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Betty R. Morlock, Clerk