

City Commission
January 4, 2016

Mayor Mark Warba called the regular meeting of the City Commission to order at 6:30 p.m.

Present: Commissioners Lynn Anderson, Tom Hogenson, and Lorraine James; Mayor Mark J. Warba; City Attorney Eric D. Williams; and City Treasurer Aaron Kuhn.

Absent: Commissioner Rothstein, who was excused due to medical illness

There were 14 people in the audience.

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA – Addition of resolution 10f excusing Commissioner Rothstein's absence.

APPROVAL OF MINUTES

Commissioner Hogenson moved, seconded by Commissioner Anderson that the minutes of December 21, 2015 meeting be accepted.

Yeas: Anderson, Hogenson, James, Warba

SPECIAL ORDERS OF THE DAY – none

STUDY SESSION

a. **Audit Presentation**

Joe Verlin, of Gabridge & Co., presented the Comprehensive Annual Financial Report, Year Ending June 30, 2015, and reviewed the highlights of the audit with the City Commission. He complimented the City staff for their assistance in the process. He stated that the City received an unmodified opinion, which is the highest opinion that an auditing firm can render on financial statements.

The unassigned fund balance is the second most important item of the financial statement. At the end of the 2014/15 Fiscal Year, the unassigned fund balance for the General Fund was \$774,549, which is 9 percent of the fund's total expenditures. It is recommended that this number be around 17 percent. The City has diligently been at 17 percent in the past, but government grant fund matching for large projects put them at 9 percent. The Mayor instructed Mr. Kuhn to try and keep the goal of a 17 percent fund balance in mind when preparing the next fiscal year budget and suggested finding ways to increase the General Fund.

Mr. Verlin presented a series of graphs showing the current year's status compared to previous years. Mr. Verlin and City Treasurer Aaron Kuhn answered questions that the City Commissioners had. Mayor Warba appreciated the "good" references regarding the City's performance pertaining to the audit report and commended the staff of the Treasurer's Office for their fine work.

b. User Charge 2015

City Treasurer, Aaron Kuhn presented the 2015 User Charge Report. Some of the highlights are as follows:

- There has been a slight increase in City users from 2,195 in 2015 to 2,212 in 2016. The total usage of water has gone down from 277,056 in 2015 to 260,205 in 2016.
- The total Operation & Maintenance expenses are up approximately \$35,000 which caused the unit cost number to go up from \$2.50 to \$2.83 due to overall usage being down.
- Replacement costs have been funded at 100 %, in previous years it has been 85%. It is very important not to short change this account. Replacement cost previously has been approximately .50 cents per unit and will go up to approximately .82 cents per unit.
- There will be an increase in the user charge per 1,000 gallon unit from \$5.00 to \$5.88. This user charge rate will be for Big Rapids and Green Townships.
- There is an area that is approximately 200 feet north of Harding Drive that does not have City sewer and water. There are 39 non-metered customers in the City of Big Rapids. This could be placed on the CIP request list for a future project. If this project was started, this would bring the cost down for everyone by helping to grow the system.

The Commission took a five-minute break.

PUBLIC COMMENT - none

PUBLIC HEARING – none

RESOLUTION NO. 16-01

Commissioner Anderson moved, supported by Commissioner Hogenson, the adoption of the following:

**RESOLUTION ADOPTING 2016
CITY COMMISSION MEETING SCHEDULE**

WHEREAS, Section 6.1 of the City Charter requires the City Commission to adopt its meeting schedule for the upcoming year before or at their first regularly scheduled meeting.

NOW, THEREFORE, BE IT RESOLVED, that the attached 2016 meeting schedule be adopted, which sets the regular meeting for 6:30 p.m.

Yeas: Anderson, Hogenson, James, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: January 4, 2016

In regards to the Rules of Procedures, the Clerk was instructed to have number 17 (Agenda Order of Business) and number 24 (Meeting Recording Responsibility) coincide with each other.

RESOLUTION NO. 16-02

Commissioner Hogenson moved, seconded by Commissioner James the adoption of the following resolution:

RESOLUTION ADOPTING THE 2016 RULES OF PROCEDURES FOR CONDUCTING THE BIG RAPIDS CITY COMMISSION BUSINESS

WHEREAS, Section 6.1 of the City Charter requires that the City Commission adopt at its first or second meeting of January each year its Rules of Procedures, and

WHEREAS, the 2016 Rules of Procedures are attached.

NOW, THEREFORE, BE IT RESOLVED that the City Commission hereby adopts the 2016 Rules of Procedures for Conducting the Big Rapids City Commission Business.

Yeas: Anderson, Hogenson, James, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: January 4, 2016

RESOLUTION NO. 16-03

Commissioner Hogenson moved, supported by Commissioner Anderson, the adoption of the following:

RESOLUTION APPROVING GROUND LEASE AGREEMENT WITH EDWARD MUCCIO

WHEREAS, Edward Muccio is purchasing the hangar currently owned by Robert Donnell, and

WHEREAS, hangar owners have traditionally leased the ground on which the hangar sits for \$100.00 a year, and

WHEREAS, Edward Muccio is interested in a ground lease agreement at Roben-Hood Airport with the City of Big Rapids for twenty (20) years commencing on the first day of February 2016 and continuing through the 31th day of January, 2036 followed by two (2) additional terms of ten (10) years each.

NOW, THEREFORE BE IT RESOLVED, that the City Commission approve the ground lease agreement between the City of Big Rapids and Edward Muccio and authorize the Mayor to sign.

Yeas: Anderson, Hogenson, James, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: January 4, 2016

The Clerk was instructed to delete the first two paragraphs from section 15 of the Roben-Hood Hangar A LLC contract. These two paragraphs pertain to moving from the old airport on Northland Drive to the new facility on 18-Mile Road. This information is no longer pertinent.

RESOLUTION NO. 16-04

Commissioner Anderson moved, supported by Commissioner Hogenson, the adoption of the following:

RESOLUTION APPROVING GROUND LEASE AGREEMENT WITH ROBEN-HOOD HANGAR A LLC

WHEREAS, Colt Aviation owner, Mike Lafferty, has transitioned Colt Aviation as owner of the T-Hangars at the airport into a new company, Roben-Hood Hangar A LLC, and

WHEREAS, hangar owners have traditionally leased the ground on which the hangar sits for \$100.00 a year, and

WHEREAS, Roben-Hood Hangar A LLC is interested in a ground lease agreement at Roben-Hood Airport with the City of Big Rapids for twenty (20) years commencing on January 5, 2016 and continuing through the 31th day of December, 2036 followed by two (2) additional terms of ten (10) years each.

NOW, THEREFORE BE IT RESOLVED, that the City Commission approve the ground lease agreement between the City of Big Rapids and Roben-Hood Hangar A LLC and authorize the Mayor to sign.

Yeas: Anderson, Hogenson, James, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: January 4, 2016

RESOLUTION NO. 16-05

Commissioner Hogenson moved, seconded by Commissioner James, the adoption of the following:

RESOLUTION ON MAYORAL APPOINTMENTS TO BOARDS AND COMMISSIONS

BE IT RESOLVED, that the City Commission hereby confirms the following Mayoral appointment/recommendation:

ASSESSMENT BOARD OF REVIEW

Susan Burns re-appointed to a full term ending January 2018

Stephanie Emig re-appointed to a full term ending January 2018

Yeas: Anderson, Hogenson, James, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: January 4, 2016

Three sections of the City Code of Ordinances are being proposed to be amended or added. Amending Section 51.06(D), adding (G) to Section 51.06, and amending Subsection (B) of Section 51.07. These sections pertain to the work done on service pipes and the shared cost to the City property owner.

Section 51.06(D) has been amended to read that the service pipe from the main to the curb box, including the curb box, valves, and piping, shall be repaired and maintained by the Department, with 50% of service pipe repair cost charged to the property owner receiving water through the service pipe, and the charges shall be a lien against the property until paid. This would be for all repairs and maintenance done by the City water department in the right of way on a customer service pipe, and not just a frozen water line.

Commissioner Hogenson clarified that in the frozen water policy it states that the City has

equipment for the purpose of thawing frozen water lines at a cost of \$75.00 an hour. If the water line is frozen between the curb box and the main, the property owner than pays half of the \$75.00. If the water line is frozen between the curb box and the house the property owner pays the whole \$75.00 an hour. The Mayor confirmed that if the frozen pipe is found to be in the right a way, then the property owner pays 50% of the \$75.00 an hour. If it is frozen on private property, then the property owner pays 100% of the \$75.00 an hour.

There was discussion on inserting this ordinance change in with the water bills.

Commissioner James asked if there was a provision for a payment plan with interest for property owners due to the potentially high cost. Mr. Williams commented that he believes this issue is covered in the code of ordinance and stated that he will review the code to find out where it is addressed.

ORDINANCE NO. 692-01-16

Commissioner Anderson moved, seconded by Commissioner Hogenson, the adoption of the following:

**ORDINANCE AMENDING SECTIONS 51.06 AND 51.07 OF THE CITY CODE
ON THE REPAIR AND SHARED COST OF WATER SERVICE PIPE
IN THE PUBLIC RIGHT OF WAY**

WHEREAS, Chapter 51 of the City Code describes the responsibility for maintenance of water service pipe on private property and within the public right of way; and

WHEREAS, the City Commission intends to clarify the circumstances in which the City Water Department will repair or replace service pipe in the public right of way and charge 50% of the cost of time and materials to the property owner receiving water through the service pipe; and

WHEREAS, frozen service pipe in the public right of way may be thawed, repaired, or replaced by the City Water Department and 50% of the cost of time and materials will be charged to the property owner receiving water through the service pipe; and

WHEREAS, Sections 51.06 and 51.07 of the City Code must be amended to reflect the City's Policy on Frozen Water Lines;

THE CITY OF BIG RAPIDS ORDAINS:

Section 1. Section 51.06(D) is amended to read as follows.

51.06(D) (1) The service pipe from the water main to the curb box shall be placed as designated by the Department. Service pipe from the main to the curb box, including the curb box, **valves, and piping,** shall be **repaired and** maintained by the Department, **with 50% of service pipe repair cost charged to the property owner receiving water through the service pipe, and the charges shall be a lien against the property until paid.**

(2) The service pipe from the curb box to and on the owner's property shall be repaired and maintained at the sole expense of the property owner.

Section 2. Subsection (G) is added to Section 51.06.

(G) City Water Department repair of service pipe in the public right of way involving rusted, corroded, broken, frozen, or otherwise inoperable service pipe shall be charged to the property owner receiving water through the service pipe at 50% of the cost of the time and materials, and the charges shall be a lien against the property until paid. Service pipe outside the public right of way shall be repaired and maintained at the sole expense of the property owner.

Section 3. Section 51.07(B) is amended to read as follows.

(B) Except as provided in Section 51.06(D) and (G), all service pipes, fittings, labor and connections now existing or hereafter installed under this chapter shall be paid for by the property owner for whose property such service is installed, and such charges shall be a lien against such property until paid. The cost to the property owner shall be as established by the Utility Schedule of Fees.

Section 4. The City Clerk is directed to publish this ordinance in the Pioneer.

Section 5. This ordinance shall become effective 20 days after publication.

Yeas: Anderson, Hogenson, James, Warba
Nays: None
The Mayor declared the ordinance adopted.
Dated: January 4, 2016
Published: January 7, 2016

Language in the City Charter provides for City Commission members to be excused from City Commission meetings. An unexpired term of any elected official can become vacant if a City Commission member misses four consecutive regular meetings of the City Commission or 25 percent of the meetings in any fiscal year of the City, unless such absence is excused by the City Commission and the reason for the absence is entered in the proceedings of the City Commission. Commissioner Rothstein has had complications from knee surgery, which prevented him from attending the December 21, 2015 and the January 4, 2016 City Commission meeting.

Mr. Williams recommended having the City Commission vote on a resolution excusing Commission members when there is an absence to prevent any overlooked or unintentional vacancies.

RESOLUTION NO. 16-06

Commissioner Hogenson moved, supported by Commissioner Anderson, the adoption of the following:

**RESOLUTION EXCUSING COMMISSIONER ROTHSTEIN
DUE TO MEDICAL REASONS**

NOW, THEREFORE, BE IT RESOLVED, that the City Commission excuses Commissioner Rothstein from the regular meetings of December 21, 2015 and January 4, 2016 due to medical reasons.

Yeas: Anderson, Hogenson, James, Warba
Nays: None
The Mayor declared the resolution adopted.
Dated: January 4, 2016

UNSCHEDULED BUSINESS

Mr. Bill Stanek, Big Rapids Township Supervisor, has invited the Commission and City staff to the first annual State of the Township Address. This will be Tuesday, January 12, 2016, 7:00 p.m. at the Big Rapids Township Fire Hall.

There being no further business to come before the City Commission, the Mayor declared the meeting adjourned at 8:30 p.m.

Mayor Mark J. Warba

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Tamyra K. Gillis, City Clerk