

City Commission
May 2, 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, Lorraine James and Dan Rothstein; Mayor Mark J. Warba; City Attorney Eric D. Williams; and City Treasurer Aaron Kuhn.

Absent: None

There were 24 people in the audience.

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA – None

APPROVAL OF MINUTES

Commissioner Hogenson moved, seconded by Commissioner Anderson that the minutes of April 18, 2016 meeting be accepted.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

SPECIAL ORDERS OF THE DAY

Oaths of Office

City Clerk Tamyra Gillis administered the Oath of Office to Sean Kelly, Police Officer and Matt Kidd, Firefighter.

STUDY SESSION

a. Baldwin Street Bridge Update – Roger Schneidt

Roger Schneidt gave a slide presentation regarding the construction of the Baldwin Street Bridge. Some of the highlights were as follows:

- The concrete was poured for the bridge deck
- Sidewalk was installed on Catherine Street
- Removed a tunnel underneath Pere Marquette between Simonds and the old Hanchett building.
- Storm system was installed for East Pere Marquette and the 100 block of Northland Drive to the bridge. Catch basins still need to be installed. As part of the IPP, settleable particles are collected within the pretreatment devices and retained in the structure. Cleaning of this pretreatment device is needed to insure its design operations will function.

- A Riverwalk trail was installed under the bridge on the east side.
- Steps were constructed from the bridge to the ground.
- The water main work for the project has been completed.

The bridge will be done when the following have been completed:

- Sidewalks and light pole bases are poured
- Electrical conduit runs installed
- Decorative wall ends are in place

There will be no obstructions of the railings for the bridge that will take away from the view of the Muskegon River. The bridge reopening is on schedule for July 1, 2016 by contract.

b. Setting Water/Sewer Rates – Aaron Kuhn

Sewer rates

The City's wastewater rates are comprised of a base and volume cost. The base cost is a fixed monthly amount that users pay to ensure enough revenue is generated to cover required debt service payments and administrative expenses. The City uses a DEQ preferred method called the Residential Equivalency Unit (REU) method, which looks at the number of users and corresponding wastewater consumption in each of the meter sizes.

In 2014 the City switched to the new REU methodology and is in the middle of a five-year process to lower their ratio spread 100 points. The ratios currently range from 1.00 for the 5/8" meter group to 259.88 for the 6" meter group.

From 2013/14 to 2014/15, wastewater consumption fell from 277,056 units to 260,205 units. The loss in consumption equated to nearly \$104,000 in lost revenue using the current volumetric rate of \$6.17. This loss in wastewater consumption will result in an increase to the average consumer's wastewater bill of \$1.42 per month.

Water rates

Water consumption fell from 343,710 units in 2013/14 to 298,970 units in 2014/15. The loss in consumption equated to nearly \$235,000 in lost revenue using the current volumetric rate of \$5.25. A change to the water ratio spread in alignment with State and User Charge recommended values will result in a \$3.61 per month increase to the average residential customer.

The City, Green Township, and Big Rapids Township have a requirement to look at the costs and to adjust them as needed on an annual basis.

Mayor Warba would like Mr. Kuhn to look at what other expenses could be trimmed from water or sewer that would have an impact by June.

Mayor Warba asked if the extension on Northland Drive for the customers on Gilbert Drive to service the apartment complex with water will have any measurable impact on the use

or the rates. Mr. Sobers stated that it would impact both the use and the rates. With the additional usage, it is estimated, on the water side, that the revenue would be between \$50,000 and \$60,000 from that extension of the main. This will pay for itself over a period of time with the investment the City is making.

The City has not seen strong development in the last five/six years. The township has seen more development with two new hotels, restaurants and a senior complex, which increased water usage.

Mayor Warba also asked if decommissioning the water plant would result in cost savings. Mr. Sobers commented that it would.

The debt for the water plant will be paid off in 2019. The proposed location for the water plant is on land that was purchased with support from the FAA. The City has been working on getting approval from the FAA to release the land so that the City can build the water plant. The Federal Government asked for more data which the City has fulfilled. The City has refiled and the information is currently being reviewed in Detroit. Once the land has been released, the City can begin planning with Fleis & VandenBrink a systemic approach to building a new water plant.

Purchasing Language – Eric Williams

Section 8.10 of the City Charter has within it a provision that says *formal sealed bids shall be obtained in all transactions involving the expenditure of \$7,500 or more and the transaction, evidenced by written contract, submitted to and approved by the City Commission.* The question becomes if formal sealed bids are necessary in all transactions involving expenditures of \$7,500 or more.

The following are examples when a formal bid would not be practical or necessary:

- LED light poles – The City has one type of light throughout the City. If one of the poles gets damaged, the City would prefer to replace it with the exact same type of light pole. It would not be logical to bid out this pole as there is only one supplier in the State of Michigan. If it was bid out, there would be an increased cost from advertising that would have to be incurred.
- Kaiser Blowers – Only Kaiser makes the part for this blower.

Section 8.10 was looked at to see if it could be interpreted differently, it was decided that it could not. Section 8.11 Emergency Purchasing was rejected by analysis. This section did not fit in every instance. It was researched and determined by Mr. Williams that a City Code amendment would not accomplish this goal. It will require a Charter amendment to amend the plain language of Section 8.10 of the City Charter.

In searching other City Charters around the State, sample language was found. Their language was very similar to the City of Big Rapids and also had some additional language allowing for the waiver of sealed bids and or the cap of \$7,500. Staff met with the members of the old Charter Revision Commission twice and discussed alternative wording. At the end of these meetings no one option was decided on.

If the City Commission is in favor of one of these alternative wording options, and would like it placed on a future ballot, the process would be as follows:

1. Decide whether or not to seek voter approval of an amendment to Section 8.10 of the Big Rapids City Charter.
2. Select text of the proposed amendment and direct the City Attorney to prepare a ballot proposal.
3. Approve and authorize the ballot proposal and direct City Attorney to submit the Charter amendment and ballot proposal for review and approval by the Governor and Attorney General.
4. After review and approval by the Governor and Attorney General, with or without recommended changes, submit the ballot proposal to the County Clerk to put it on the ballot for the next election.

Mayor Warba commented that given the time that it takes for the Governor and Attorney General to review the ballot proposal, maybe the City can look at putting this on a ballot after the first of next year. The Mayor stated that it was up to the discretion of the City Attorney when he wanted to present the proposed ballot language to the City Commission.

Commissioner Hogenson commented that there is nothing new being proposed to the City Charter, what is being proposed is an amendment that would address a shortfall that results in an inordinate expense.

PUBLIC COMMENT - None

PUBLIC HEARING

Mayor Warba opened the Public Hearing on the Fiscal year 2016/2017 budget at 7:00 p.m. Rose Mary Jennings stated that she would like three items reviewed for the budget.

1. Funding for the Police and Fire Department.
2. Funding for the community pool so that kids and adults and continue to learn how to swim.
3. The \$50,000 that was removed from the pool's marcite account put back into the account.
 - Aaron Kuhn, City Treasurer, commented that there have been no cuts proposed to the Department of Public Safety.
 - The pool is being subsidized from the General Fund in the amount of \$130,000.
 - Mr. Kuhn was not sure about the marcite, but does know that no money has been set aside for marcite.

The public hearing was closed at 7:05 p.m.

The City Commission took a five-minute break.

RESOLUTION NO. 16-46

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

**RESOLUTION ACCEPTING MICHIGAN DEPARTMENT
OF TRANSPORTATION SECTION 5311 OPERATING FORMULA GRANTS
AGREEMENT NO. 2012-0047/P5/R1 – DART**

WHEREAS, the Big Rapids Dial-A-Ride Transportation (DART) system derives approximately 16% of its operating revenue from the Federal Transit Administration (FTA), which is administered by the Michigan Department of Transportation, and

WHEREAS, under the City of Big Rapids Annual Local Transportation Program Grant Application for the period of October 1, 2015 through September 30, 2016, the City has requested federal funding in the amount of 16% of the City's proposed operating budget (\$90,704.00), and

WHEREAS, this project authorization, Agreement No. 2012-0047/P5/R1, is an increase of 2.5% for a total of \$104,881.00, which represents a partial payment of \$63,558.00.

NOW, THEREFORE, BE IT RESOLVED, that the City of Big Rapids hereby agrees to enter into the Project Authorization Agreement for FY 2016 Section 5311 Operating Formula Grants, Agreement No. 2012-0047/P5/R1, in the amount of \$63,558.00 and authorizes the Mayor and City Clerk to sign the agreement documents.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: May 2, 2016

Paul Patterson, HydroCorp, stated that the purpose of the Cross Connection program is for public health and safety and to protect the public water supply. The definition of Cross Connection is a connection to a non-potable water supply that lacks the processes needed to be considered for drinking. If you had a connection to a boiler system or a lawn irrigation system and had a water main break and those connections were not properly protected, contaminants or pollutants could get back into the public water supply.

The device that would be used in the majority of the businesses in Big Rapids is a basic hose connection. As part of their contract, these connections would be given out free of charge, providing nothing else was needed at that location.

HydroCorp has been working in the City for many years and, for the most part, everything is fairly well protected. The only time things would change is if construction changes occupancy or remodels a building. The City's program is considered in 'maintenance mode'. HydroCorp is not finding a lot of non-compliant businesses.

RESOLUTION NO. 16-47

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

RESOLUTION EXTENDING AGREEMENT FOR CROSS CONNECTION CONTROL PROGRAM AND CERTIFICATION OF ALL CITY OWNED BACKFLOW PREVENTION DEVICES

WHEREAS, per Resolution No. 13-70, dated June 17, 2013, the City Commission authorized an agreement with HydroCorp for Cross Connection Inspection Program, and

WHEREAS, the agreement allows for two one-year extensions whereby both the City of Big Rapids and HydroCorp has agreed to the first one-year extension, and

WHEREAS, HydroCorp, upon reviewing the City's current program data, determined that the annual number of inspections that would be required needed to be increased from the current 95 inspections per year to 125 per year, and

WHEREAS, HydroCorp has submitted a proposal fee for the first extension of inspections of \$12,420.00, and

WHEREAS, staff recommends extending the HydroCorp Cross Connection agreement for the first one-year extension.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission hereby authorizes the extension of the agreement with HydroCorp, for the first one-year period of July 1, 2016 through June 30, 2017.

BE IT FURTHER RESOLVED, that the cost of \$12,420.00 for the inspections be expensed to account number 591-561-801.100.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: May 2, 2016

RESOLUTION NO. 16-48

Commissioner Anderson moved, seconded by Commissioner Rothstein, 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:

PARK AND RECREATION BOARD

Deborah Chipman re-appointed to a full term ending May 2019

ZONING BOARD OF APPEALS

Dorothy Burch appointed to a full term ending May 2019

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: May 2, 2016

UNSCHEDULED BUSINESS

- Mr. Sobers spoke regarding the water line that is being built south of town. In order to make a connection the main water line will need to be cut. Everything south of the water tower will need to be de-pressurized for several hours. Businesses and residents south of the water tower will not have any water during this process. The City believes that this will involve a ‘boil order’ for this portion of town. For 48 hours after the water line has been re-connected, the City will test the water. Two water samples must come back negative before the water can be considered safe to drink. A date has not been set to do this work, but will be scheduled for an off time.
- Commissioner Anderson stated that the new gazebo dome at Mitchell Creek Park was very impressive. Mr. Sobers hopes that residents will use this park for weddings and photo opportunities. There is also a new rock wall behind State Street Scoops that Roger Schneidt initiated.
- Mayor Warba was invited to participate in Brookside School’s Leadership Day. He was impressed on how the facility and staff motivated the students.
- Mayor Warba shared MML Data regarding the decline of Michigan and municipal revenue sharing. Between 2002 – 2012 Michigan was below the negative. Between 2003- 2015 had the legislature funded the City the revenue that they did before, the City would have been the recipient of approximately 5.4 million more dollars in revenue sharing over that time.
- Earth Day – A lot of trash was picked up around the City leaving it looking very nice. Thank you to all who participated.

There being no further business to come before the City Commission, the Mayor declared the meeting adjourned at 8:10 p.m.

* * * * *

Mayor Mark J. Warba

Tamyra K. Gillis, City Clerk