

City Commission
May 16, 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 19 people in the audience.

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA –

APPROVAL OF MINUTES

Commissioner Hogenson moved, seconded by Commissioner Anderson that the minutes of May 2, 2016 meeting be accepted.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

SPECIAL ORDERS OF THE DAY - None

STUDY SESSION

a. **Budget for Fiscal Year 2016/2017**

City Treasurer Aaron Kuhn presented the FY 2016/2017 Budget Plan, which consists of \$23,673,600 million. The budget is in balance. It has provisions to continue the 1 mill for street resurfacing and 1 mill to support the library. He discussed the following:

- Millage Comparisons for 2015 and 2016, which will result in a 0.5479 increase from the prior fiscal year.
- The effective taxable value of the city declined \$10,123 from 2015 to 2016. The decline in taxable value created a loss of approximately \$113,700 in general government operating revenue.
- Income tax is projected to increase by \$28,980 and state revenue sharing will increase by \$31,527.
- The estimated fund balance at the end of the current fiscal year is \$835,316.
- Budgeted revenues for Major Streets are up \$67,500 over the previous fiscal year.
- Local Streets are up in budgetary terms \$72,500 based on upward trend over the previous five fiscal years.
- \$256,300 has been set aside for street improvements in Fiscal Year 2016/17.
- General Fund Major Revenue Sources and Fund Balance Analysis chart.

- Fiscal Year 2016/2017 Fund Balance Projections for funds.
- Fiscal 2017 Proposed Capital Improvement Projects. A significant portion of the proposed projects require grant approval to proceed.
- Debt Service for Fiscal Year 2016/2017. The total debt outstanding as of June 30, 2016 will be \$11,878,425. There has been no new debt issued during the current fiscal year. The debt for the Hanchett property will be paid off as soon as the property is sold.

The budget will be presented to the City Commission at the June 6, 2016 meeting for adoption.

Commissioner James would like Mr. Kuhn to review the Public Safety Building debt bond to see if refinancing would be beneficial to the City.

The budget for Fiscal Year 2016/2017 did not set aside any money for the pool remarcite. Commissioner James would like Mr. Kuhn to review the budget figures to see if any money could be put aside for pool remarcite for FY 2016/17. The City made a commitment to set aside \$25,000 a year for marcite. Marciting in very expensive and trying to make up that money later would be too hard to do.

PUBLIC COMMENT

- Steve Sobers offered a sincere Thank You to Director Andrea Nerbonne for her dedicated service at Public Safety. This will be Ms. Nerbonne's last City Commission meeting before her retirement.
- Steve Sobers announced Sgt. James Eddinger as Director Nerbonne's replacement as Public Safety Director.
- Rose Mary Jennings expressed her concerns regarding money for pool remarcite. She would like to see money put in the budget for it. She stated that the pool was shut down in the past because of Marciting. She also supports the community library.
- Bill Routley stated that the eastside still has gavel roads and would like to see them paved.
- Mark Speas stated that the 400 block of Warren is very bad and wondered how streets were chosen for repairs. Roger Schneidt stated that Warren has been overlaid so many times that there is no curb left. This street needs to be completely redone and would take approximately \$200,000.
- Mr. Sobers commented that the Gilbert Drive water main construction started at midnight on Sunday morning and finished at 8:00 a.m. Water samples were taken with tests being negative for bacteria. There was no concern for a 'boil order'. The whole system is now pressurized.

PUBLIC HEARING - None

ORDINANCE NO. 693-05-16

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

**ORDINANCE AMENDING THE WATER RATES TITLE V,
SECTION 54.11 OF THE
BIG RAPIDS CITY CODE OF ORDINANCES**

WHEREAS, the City is at the forefront of a wireless meter upgrade that will allow computerized meter readings over the internet, rather than door to door manual reading, and

WHEREAS, to accommodate this change in meter technology without raising rates on residential customers, the City wishes to modify the water and sewer billing ordinance to allow residential customers to have the new ¾” meters at the same charge as the old 5/8” meter rate base rate, and

THE CITY OF BIG RAPIDS ORDAINS:

Section 1. Title V, Section 54.11 is hereby amended to read:

§ 54.11 WATER RATES.

Effective July 1, 2016, the rates to charge monthly for water service shall consist of a base rate without regard to usage, and a commodity charge based on water usage.

INSTITUTIONAL CUSTOMERS

<u>Meter Size</u> <u>(Inches)</u>	<u>Base Rate</u>	<u>Commodity Charge</u>
5/8	\$10.00	\$7.00 per 1,000 gallons
¾	\$16.80	\$7.00 per 1,000 gallons
1	\$27.67	\$7.00 per 1,000 gallons
1 ½	\$59.87	\$7.00 per 1,000 gallons
2	\$115.17	\$7.00 per 1,000 gallons
3	\$197.07	\$7.00 per 1,000 gallons
4	\$374.87	\$7.00 per 1,000 gallons
6	\$606.57	\$7.00 per 1,000 gallons

COMMERCIAL/INDUSTRIAL CUSTOMERS

<u>Meter Size</u> <u>(Inches)</u>	<u>Base Rate</u>	<u>Commodity Charge</u>
5/8	\$4.00	\$6.15 per 1,000 gallons

¾	\$19.20	\$6.15 per 1,000 gallons
1	\$22.49	\$6.15 per 1,000 gallons
1 ½	\$38.37	\$6.15 per 1,000 gallons
2	\$116.36	\$6.15 per 1,000 gallons
3	\$210.82	\$6.15 per 1,000 gallons
4	\$303.45	\$6.15 per 1,000 gallons
6	\$331.16	\$6.15 per 1,000 gallons

RESIDENTIAL CUSTOMERS

<u>Meter Size</u> <u>(Inches)</u>	<u>Base Rate</u>	<u>Commodity Charge</u>
5/8	\$4.00	\$6.15 per 1,000 gallons
¾	\$4.00	\$6.15 per 1,000 gallons
1	\$4.00	\$6.15 per 1,000 gallons

Section 2: Residential customers include single family residence and rentals of 4 living units or less.

Section 3. This ordinance shall be effective upon publication.

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

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the Ordinance adopted.

Dated: May 16, 2016

Published: May 19, 2016

ORDINANCE NO. 694-05-16

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

**ORDINANCE AMENDING THE SEWER RATES, TITLE V,
SECTION 54.12 OF THE BIG RAPIDS CITY CODE OF ORDINANCES**

WHEREAS, the City is at the forefront of a wireless meter upgrade that will allow computerized meter readings over the internet, rather than door to door manual reading, and

WHEREAS, to accommodate this change in meter technology without raising rates on residential customers, the City wishes to modify the water and sewer billing ordinance to allow residential customers to have the new ¾” meters at the same charge as the old 5/8” meter rate base rate, and

NOW, THEREFORE BE IT RESOLVED, the City of Big Rapids hereby ordains:

Section 1. Title V, Section 54.12, is hereby amended to read:

Effective July 1, 2016, the rates to charge monthly for sewer service shall consist of a base rate without regard to usage and a commodity charge based on sewer usage.

COMMERCIAL/ INDUSTRIAL CUSTOMERS, INSTITUTIONAL CUSTOMERS

<u>Meter size (inches)</u>	<u>Base Rate</u>	<u>Commodity Charge</u>
5/8	\$4.31	\$6.27 per 1,000 gallons
¾	\$19.57	\$6.27 per 1,000 gallons
1	\$33.40	\$6.27 per 1,000 gallons
1 ½	\$78.14	\$6.27 per 1,000 gallons
2	\$181.41	\$6.27 per 1,000 gallons
3	\$310.02	\$6.27 per 1,000 gallons
4	\$569.05	\$6.27 per 1,000 gallons
6	\$1034.92	\$6.27 per 1,000 gallons

RESIDENTIAL CUSTOMERS

<u>Meter size (inches)</u>	<u>Base Rate</u>	<u>Commodity Charge</u>
5/8	\$4.31	\$6.27 per 1,000 gallons
¾	\$4.31	\$6.27 per 1,000 gallons
1	\$4.31	\$6.27 per 1,000 gallons

Section 2: Residential customers include single family residence and rentals of 4 living units or less.

Township customers:

The sewer rates charged to customers in Big Rapids Township and Green Township shall be determined by the current User Charge Report.

Industrial Pretreatment Program (IPP):

Commercial, Industrial, and Institutional users shall be charged an additional amount per 1,000 gallons of use for the Industrial Pretreatment Program (IPP) as determined by the current User Charge Report.

Single customer facilities:

Sewer lift stations, facilities, or other services on the system which serve only one customer shall be individually charged the cost of that private service.

Section 3. This Ordinance shall be effective upon publication.

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

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None
The Mayor declared the Ordinance adopted.
Dated: May 16, 2016
Published: May 19, 2016

RESOLUTION NO. 16-49

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

RESOLUTION AUTHORIZING GRANT APPLICATION TO THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION 2016 INFRASTRUCTURE CAPACITY ENHANCEMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM IVES/SOUTH WATER MAIN REPLACEMENT PROJECT

WHEREAS, the City of Big Rapids is seeking funding in the amount of \$1,000,000 to replace the Ives/South Street water main from Oak to Northland Drive, and

WHEREAS, the proposed project is consistent with the Comprehensive Community Development Plan, and

WHEREAS, in addition to the \$1,000,000, a combined total of \$752,200 is needed for the project which is available and committed by the City with leveraging funds from the City Water Fund, Small Urban allocation, Act 51 monies, Ferris State University and a USDA Rural Development Grant/Loan, and

WHEREAS, as a Low and Moderate Income Community Customer, the proposed project will benefit 66.3% low and moderate income persons, and

WHEREAS, local funds and any other funds to be invested in the project have not yet been expended and will not be expended prior to a formal grant award, completion of the environmental review procedures and a formal, written authorization to incur costs from the Michigan Economic Development Corporation.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission of the City of Big Rapids authorizes the submission of a 2016 ICE CDBG application, and

BE IT FURTHER RESOLVED, that Steve Sobers, City Manager, and/or Mark Warba, Mayor of the City of Big Rapids, are hereby authorized to sign the application forms.

Yeas: Anderson, Hogenson, James, Rothstein, Warba
Nays: None
The Mayor declared the resolution adopted.
Dated: May 16, 2016

RESOLUTION NO. 16-50

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

RESOLUTION AUTHORIZING THE CITY OF BIG RAPIDS TO SUBMIT AN APPLICATION FOR ADDITIONAL FUNDING THROUGH THE SURFACE TRANSPORTATION PROGRAM (STP) FUNDS FROM THE SMALL URBAN PROGRAM 2014 – 2017 FISCAL YEAR FOR ELIGIBLE PROJECTS AND GIVE ASSURANCE OF THE 20 PERCENT LOCAL PROJECT MATCH

WHEREAS, the City has identified a potential funding source for transportation projects, which is administered by the Michigan Department of Transportation under the Small Urban Program, specifically the Surface Transportation Program funds, and

WHEREAS, these funds are available to cities with 5,000 to 50,000 population, and

WHEREAS, the City has identified the needs for additional funding support through a change in the original project scope submitted from pavement resurfacing to street reconstruction allowing for the replacement of 5,000 feet of 10 inch watermain on Ives Avenue and South Street between Oak Street and State Street, and

WHEREAS, the funds awarded for the previously submitted projects for the 2014 - 2017 fiscal year totals \$248,000 and the maximum available for a fiscal year is \$375,000.00, and

WHEREAS, an additional \$127,000.00 is being applied to the (STP) Small Urban Program for the new project scope and requires a 20% local match (\$31,750.00).

NOW, THEREFORE, BE IT RESOLVED, that the City Commission of the City of Big Rapids authorizes the submission of the project application to MDOT for street improvements on the Federal Aid Highway System.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: May 16, 2016

Eric Williams, City Attorney, stated that the old configurations of the Hanchett property lots date back to the 1800s. The lots are still drawn in the plats and no longer conform to the physical contours or conditions of the site and will be in the way of any redevelopment. Steps need to be taken to vacate the old plats and determine if the property needs to be re-platted.

It is a six-month time frame for vacating the plats because several agencies have to review it. It then has to be filed in Circuit Court and notice has to be mailed to everyone that lives 300 feet from the property. The time frame will be longer if the property has to be re-platted. This process, however, should not prolong the redevelopment of the Hanchett property.

RESOLUTION NO. 16-51

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

**RESOLUTION AUTHORIZING FILING AN ACTION IN CIRCUIT COURT TO
VACATE PORTIONS OF THE PLATS OF FRENCH'S ADDITION AND TIOGA
WATER POWER ADDITION**

WHEREAS, the City acquired land from Hanchett Manufacturing on the Northeast corner of State Street and Pere Marquette Street which consists of platted lots in Block 3 of French's Addition recorded May of 1860, and Lots 1 and 2 of Tioga Water Power Addition recorded December 31, 1880, in the Village of Glen Elm, and

WHEREAS, after removal of the Hanchett Manufacturing structures, the realignment of Pere Marquette Street, the reconstruction of the Baldwin Street Bridge, and the removal of the old raceway, the platted lots on the site do not fit the physical conditions of the site or the potential redevelopment of the site, and

WHEREAS, the Land Division Act requires a circuit court action to vacate or revise a plat, MCL 560.222, and

WHEREAS, City Staff members recommend that the City vacate those portions of the plats of French's Addition and Tioga Water Power Addition that lie within the City owned land acquired from Hanchett Manufacturing, NOW THEREFORE,

BE IT RESOLVED, that the City Attorney is authorized and directed to file an action in the 49th Circuit Court to vacate or revise portions of the plats of French's Addition and Tioga Water Power Addition that are within the City owned land bounded by North State Street, Pere Marquette Street, and the Muskegon River, generally consisting of the land previously occupied by Hanchett Manufacturing.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: May 16, 2016

UNSCHEDULED BUSINESS

- Mayor Warba informed the Commission of his absence for the June 6th City Commission meeting.
- Hyett Palma presented their study last week and the study will be on the agenda for endorsement at the June 20th City Commission meeting.
- The Baldwin Street Bridge will be open on the west side for businesses. It will not be open for through traffic. The east side will be closing in order to install a storm drain. The only thing left to complete the bridge is to install the railings and take out some forms that are underneath the bridge.

- Holland Park Veterans & Homefront Heroes Memorial dedication ceremony will be August 6, 2016.

There being no further business to come before the City Commission, the Mayor declared the meeting adjourned at 8:06 p.m.

Mayor Mark J. Warba

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Tamyra K. Gillis, City Clerk