

City Commission
September 19, 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 21 people in the audience.

PLEDGE OF ALLEGIANCE – Boy Scout Troop 114 was in the audience to observe the meeting and led in the Pledge of Allegiance.

APPROVAL OF THE AGENDA – Resolution excusing Commissioner Rothstein from the September 6, 2016 City Commission meeting was added at 10d. The resolution approving the Ives Drain was moved to 10a.

APPROVAL OF MINUTES

Commissioner Anderson moved, seconded by Commissioner Hogenson that the minutes of September 6, 2016 meeting be accepted.

Yeas: Anderson, Hogenson, James, Warba

Nays: None

Abstain: Rothstein

SPECIAL ORDERS OF THE DAY

Claudia Wojciakowski from the Daughters of the American Revolution presented Mayor Warba with an American Revolution flag to commemorate Constitution week. This flag was used in the Holland Park Homefront Heroes Veteran's Memorial dedication.

STUDY SESSION

a. Recycle Charges

Matt Biolette, Republic Services, gave a PowerPoint presentation regarding the processing fee to recycle products. The City contracts with Republic Services for sanitation services. Republic hauls the City's recycle products to Kent County for processing. Kent county has notified Republic that effective January 1, 2017, the cost of recycling products will rise to \$40.00 per ton, which would increase the recycling cost for City residents to .55 cents per month.

The recycling facilities need clean products which require more employees to separate the products. Personnel costs continue to rise and the value of the materials continue to fall, creating the need for additional funds for operation. Republic has contacted other recycle businesses in the area to confirm that Kent county remains the most cost efficient place to haul materials.

b. NLC Service Line Warranty Program

The City was approached by Utility Service Partners, Inc. to offer a water and sewer line warranty program to residential water and sewer customers within the City limits. Utility Service Partners, Inc. has a partnership with the National League of Cities whereby they recognize the growing problem of aging infrastructure and the need to find a solution for not only cities, but for its residents. As infrastructure ages and breaks, homeowners can be faced with thousands of dollars worth of unexpected sewer and water line repairs. In Big Rapids the issue is frozen water service lines, and failed water and sewer service lines. The National League of Cities is encouraging and sponsoring this program that is offered by Utility Service Partners, Inc.

The Utility Service Partners, Inc. program requires the use of the City logo, and endorsement of the program by the City, and the use of the City mailing list of water and sewer customers. Mr. Williams contacted the officials from the City of Roseville, City of Hamtramck, City of Saline, and the City of Huntington Woods who have worked with Utility Service Partners, Inc. and found that all of the responses from these municipalities were positive.

Some of the responses were: Utility Service Partners, Inc. paid claims promptly, fully and without excessive documentation. Many claims were paid that City officials thought might be excluded with few complaints or problems about the work done by local contractors. No other company offered similar coverage or terms for the repair or replacement of broken water and sewer service lines.

Mayor Warba asked if any other communities indicated that insurers were already providing this warranty as a standalone program or as an endorsement on their current home owners coverage. Mr. Williams stated that what he found is that there is no known homeowner coverage experience in any of the other warranty programs for the replacement of lines that have worn out or broke. There is some homeowner coverage for the damage that might flow from it, for example: lines that break and floods the basement and damages personal property, some of that would be covered by homeowner's insurance, but not for the cost of repairing the line or to replace a line that is worn out or broken.

Commissioner Hogenson, about three years ago, subscribed to a warranty company and a year and a half ago his sewer line collapsed. His experience was generally positive, but there were some issues with how the policy was fulfilled. The City was hesitant to allow them to tap back into the sewer line running down Commissioner Hogenson's alley. The contractor collapsed the entire pipe and shot new pipes in the tunnel that was created by the collapsed pipe and brought it up into a clean out path in the middle of his yard. This process was done with the other end of the pipe as well.

They only do the limits of the policy unless the homeowner wants to pay for more. This company used regional contractors instead of local ones. Commissioner Hogenson suggested comparing prices and performance with other warranty companies. Residents may also ask why this company is being given special consideration and may construe this as an endorsement from the City even though it is clearly stated that it is not.

Mr. Sobers stated that the National League of Cities has already endorsed this company and the City would be endorsing the process that the National League of Cities went through. If another warranty company wanted to solicit City residents, they would have to be endorsed by the National League of Cities to get the City of Big Rapids endorsement.

Commissioner Anderson researched other companies that offered these services. One of them is in Comstock Park. In Grand Rapids they offer a fact page on their website which shows and informs residents that from the curb stop back is their responsibility. There is a nice drawing and simply states what is offered and explains what the residents are responsible for. It is then up to the resident to research the programs that are being offered. She does not believe that the City should show favoritism. She is in favor of having the information out there for residents to read but not sanctioning a certain company.

Mr. Williams will look further into this topic and will bring more information back to the Commission at a future meeting.

MERS Discussion – Aaron Kuhn

Aaron Kuhn, City Treasurer, spoke on the escalating defined benefit pension costs and gave four options to move toward to fund this cost.

Option 1 (A) – the City's contribution would go up \$1 million in four years but be close to fully funded within ten years.

Option 2 (B) – the City's contribution would decrease initially, but would gradually rise over a 15-year period.

Option 3 – Consider a level payment scenario in which the City would be making the same contribution year after year until our contribution rises above a designated dollar amount.

Option 4 – Issue a bond for the unfunded portion of the City's liability. This would move the City immediately to 100% funded and help the city to more accurately budget over a 15-20 year period. Unfortunately, this may not prove to be a viable option due to fluctuations in the rate of return as well as the interest rate at which the City would borrow.

Commissioner James recommended that the Defined Benefit employees pay the same amount as the Defined Contribution employees do toward their pension. Currently DB employees are contributing 3.95% and the DC employees are contributing 5.50%. Unfortunately, there are not a lot of DB employees currently working at the City. Commissioner James stated that she liked Option 2.

Mayor Warba asked if Mr. Kuhn could run some numbers by adjusting the percentages that Commissioner James was referring to. Mr. Kuhn responded that he could do that.

PUBLIC COMMENT – None

The Commission took a 5-minute break.

PUBLIC HEARING - None

RESOLUTION NO. 16-94

Commissioner Rothstein moved, supported by Commissioner James, the adoption of the following resolution.

RESOLUTION APPROVING A CONTRACT WITH THE MECOSTA COUNTY DRAIN COMMISSIONER FOR AN ENGINEERING STUDY ON A POTENTIAL DRAINAGE DISTRICT FOR THE STORM SEWER THAT EMPTIES UNDER IVES AVENUE

WHEREAS, serious erosion problems have developed along the water course of the Ives storm sewer between the Ives Avenue outfall and the Muskegon River, and

WHEREAS, an engineering study of the Ives Avenue storm sewer will assist the City Commission in considering the filing of an application to establish a drainage district, and

WHEREAS, the City can contract with the Mecosta County Drain Commissioner to obtain an engineering study at an estimated cost of \$10,000- \$15,000, and

WHEREAS, the engineering study should provide the City Commission with information on the Ives Avenue storm sewer watershed that will assist the City Commission in determining the best method to address and resolve storm water run-off in and through the Ives Avenue storm drain, including the erosion problems that have affected public and private property along the water course as it flows to the Muskegon River,

NOW, THEREFORE, BE IT RESOLVED, that the Agreement between the Mecosta County Drain Commissioner and the City of Big Rapids to Advance Funds for an engineering study of the Ives Avenue storm sewer and the watershed that contributes storm water to it at an estimated cost of \$10,000 to \$15,000 is approved, and the Mayor is authorized to sign the contract.

BE IT FURTHER RESOLVED, that the cost of this study be expensed to 598-561-967.930 (Ives drain emergency)

Yeas: Anderson, Hogenson, James, Rothstein, Warba
Nays: None
The Mayor declared the resolution adopted.
Dated: September 19, 2016

RESOLUTION NO. 16-95

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

**RESOLUTION AUTHORIZING EXTENSION OF CONTRACT WITH
NORTHERN A-1 (POLLUTION CONTROL SERVICES) FOR
GREASE/GRIT REMOVAL FOR THE WASTEWATER TREATMENT PLANT**

WHEREAS, per Resolution No. 12-107, dated October 1, 2012, the City contracted with Northern A-1, (Pollution Control Services) for grease/grit removal for a three-year contract period expiring September 30, 2015 with an option of 2 one-year extensions, and

WHEREAS, staff has received a request from Northern A-1 to extend the second and final extension at their current price of \$200 per hour.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission approves the second and final extension with Northern A-1, Inc. for a period of October 1, 2016 through September 30, 2017.

BE IT FURTHER RESOLVED, that the cost of the services be expensed to 590-560-801.000 (Contracted Services).

Yeas: Anderson, Hogenson, James, Rothstein, Warba
Nays: None
The Mayor declared the resolution adopted.
Dated: September 19, 2016

Mayor Warba asked if the City could terminate this contract with MDOT before 2021 if the City decided to merge with MOTA. Mr. Williams stated that this Master Agreement is for the handling of funds and contracts. The terms of the agreement would continue but only to the extent that the City requests and obtains funding. If the City wants to opt out of the continuing funding, then the City would not request any more funding, but the terms of the contract still apply to whatever funding has already been committed. It does not commit the City to request more funding in future years for the life of the contract.

RESOLUTION NO. 16-96

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

**CERTIFIED SIGNATURE RESOLUTION FOR MDOT
MASTER AGREEMENT FOR FISCAL YEARS 2017-2021
(Contract 2017-0022 - DART)**

WHEREAS, the City of Big Rapids has the authority to contract with the Michigan Department of Transportation for state and/or federal funds for passenger transportation related services; and,

WHEREAS, the City of Big Rapids does hereby approve Master Agreement No. 2017-0022 for Fiscal Years 2017-2021.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk of the City of Big Rapids, be authorized and directed to execute said agreement for and on behalf of the City of Big Rapids.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the resolution adopted.

Dated: September 19, 2016

CERTIFICATE

The undersigned duly qualified Board Secretary of the City of Big Rapids certifies the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the City of Big Rapids held on September 19, 2016.

Signature

Tamyra K. Gillis

Printed Name

City Clerk

Title

Date

RESOLUTION NO. 16-97

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

RESOLUTION EXCUSING COMMISSIONER ROTHSTEIN DUE TO ILLNESS

NOW, THEREFORE, BE IT RESOLVED, that the City Commission excuses

Commissioner Rothstein from the regular meeting of September 6, 2016 due to illness.

Yeas: Anderson, Hogenson, James, Warba

Nays: None

Abstain: Rothstein

The Mayor declared the resolution adopted.

Dated: September 19, 2016

UNSCHEDULED BUSINESS

- The City has received four applications for the position of City Manager. The deadline for submitting an application is October 21, 2016.
- Commissioner James commented on the Pool report asking if rates were increased every year. Mr. Sobers stated that he believes that they are increased yearly. Commissioner James would like staff to review the concessions and possibly increase them.
- Mayor Warba commended Public Safety for their drug bust last week. Job well done.
- Ferris is starting on the renovation of the Swan building.
- The MML Convention had a good session regarding Dark Stores and the Governing magazine had an article on the same topic. The Clerk will post this article on the Commissioners drop box for their review. There is a House Bill regarding this topic that the Mayor would like Mr. Williams to locate. The Mayor would also like Mr. Williams to write a Commission resolution or letters from the Commissioners to forward to the Senator's office.
- Mr. Williams forwarded some articles regarding medical marijuana. The City is urged to study this and make a decision as to whether they want to opt in or out. A marijuana facility may not operate in a municipality unless the municipality has adopted an ordinance that authorizes that type of facility. The City of Big Rapids has not adopted any such ordinance.

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

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Mayor Mark J. Warba

Tamyra K. Gillis, City Clerk