

MONTROSE CITY COUNCIL REGULAR MEETING MINUTES

December 20, 2018

CALL TO ORDER: Mayor Colleen Brown called the regular Council meeting to order at 7:00 p.m. The meeting was held at the Montrose City Office located at 139 S. Saginaw St., Montrose.

ROLL CALL: Present Council Members were Mayor Colleen Brown, Christy Sanborn, Robert Arnold, Mayor Pro-Tem Mark Richard, Tom Bigelow and Ryan Heslop. Also present were City Manager Neil Rankin, City Clerk Christina Rush, City Attorney Otis Stout, and **3 citizens**. Member Debbie Gross was recorded absent.

PLEDGE OF ALLEGIANCE TO THE FLAG: Mayor Brown led the Pledge of Allegiance.

CITIZEN OF THE MONTH

1. *THE MONTH OF DECEMBER 2018, TONY DAOUD:* Mr. Daoud was unavailable due to being out of the country for the holidays.

2. *CHOOSE A CITIZEN OF THE MONTH FOR THE MONTH OF JANUARY:*

- **MOTION** by Bigelow **SECOND** by Richard to nominate Everett, (Bubba) & Ashley Persall. All Ayes. Motion Carried.

PUBLIC HEARINGS: NONE

PRESENTATIONS

1. *ROSE PEST SOLUTIONS YEAR END REPORTS:* Representative Mark Lucerno gave an oral overview of the year.

REPORTS

1. *FIRE & POLICE DEPARTMENT REPORTS:* On file at city office.

2. *SAFEBUILT INSPECTION SERVICES:* Bigelow questioned the \$170.00 charge on November 27th and Stout replied it is for White's Tavern. Mr. White has not pulled trade permits for electrical, mechanical or plumbing permits and does not have an occupancy permit for work being done since 2008. Brown questioned a new structural beam at White's and Stout replied SAFEbuilt was aware of it and satisfied with the structural integrity. Bigelow asked if the issues were yet resolved and Stout said no, there is a new stipulation order and Mr. White now has until January 30th to comply.

PUBLIC COMMENTS: NONE

MATTERS OF COUNCIL ACTION

1. *APPROVAL OF 11/15/18 REGULAR MEETING MINUTES*

- **MOTION** by Richard **SECOND** by Arnold to approve the November 15, 2018 regular meeting minutes as presented. All Ayes. Motion Carried.

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2. APPROVAL OF CHECK REGISTER & TREASURER REPORT:

- **MOTION** by Arnold **SECOND** by Richard to pay the bills as submitted. Roll Call Vote: Bigelow – Aye, Sanborn – Aye, Arnold – Aye, Richard – Aye, Heslop – Aye, and Mayor Brown – Aye. All Ayes. Motion Carried.

3. **ADOPTION OF ORDINANCE NO. 436 RECENTLY APPROVED BY VOTERS:** Rush conveyed that at the September 20, 2018 city council meeting, council voted to add verbiage to the draft ordinance allowing a maximum of five transportation facilities, maximum of five testing facilities, maximum of two growing facilities and two processing facilities, therefore, if council's desire is to remove those amendments, then they need to officially rescind that motion and adopt the ordinance as approved by the voters. Bigelow and Richard asked Stout if this was the legal way to handle this and Stout replied yes, you can make a motion to rescind.

- **MOTION** by Richard **SECOND** by Arnold to rescind the motion from September 20th, “allowing a maximum of five transportation facilities, maximum of five testing facilities, maximum of two growing facilities and two processing facilities” and adopt Ordinance No. 436. Roll Call Vote: Richard – Aye, Sanborn – Recuse, Heslop – Aye, Arnold – Aye, Bigelow – Aye, and Mayor Brown – Aye. Four (4) Ayes. One (1) Recusal. Motion Carried.

Brown announced that people are approaching her asking when the city will start accepting medical marihuana facilities applications, but there is no process in place. Brown asked if council desired to host a joint meeting with the Planning Board and have attorney Denise Pollicella or an associate come assist the city with addressing these questions. Discussion ensued on a date and Bigelow questioned whether or not council would be paid for attendance of the meeting or waive the payment, (yes, those in attendance would be paid).

4. **DISCUSSION DIRECTION RE: SALE OF BUILDING 141 PARKWAY:** Rankin announced that the city received three (3) bids; \$10,001 from the Montrose Blueberry Festival, \$23,550 from Don O' Guinn, and \$35,000 from Montrose Township. The assessable & taxable value of the property is \$40,000 and if it was to go back on the tax roll it would generate approximately \$680 per year and that's not taking into consideration whether or not the building would be improved. Discussion ensued on the difference in the bids and taking roughly 15 years before the city could start benefiting from it versus having the funds immediately for use.

- **MOTION** by Bigelow **SECOND** by Sanborn to accept the Township's bid of \$35,000. Roll Call Vote: Heslop – Aye, Sanborn – Aye, Arnold – Aye, Richard – No, Bigelow – Aye, and Mayor Brown – Aye. Five (5) Ayes. One (1) No. Motion Carried.

5. **DISCUSSION DIRECTION RE: RSQ FOR ENGINEERING SERVICES:** Rankin reported that the city received five (5) bids; Rowe Engineering, Spicer Group, Wade Trim, Fleis & Vandenbrink, and OHM Advisors. Interviewing took place last week and Rankin and gave his overview opinions on the companies. Brown read aloud a message from Gross who was unable to attend tonight's council meeting, “Wanted to let you know the interviews went great, Wade Trim was not impressive, it was down to OHM, Rowe & Fleis, I personally think Fleis had a slight advantage over the others just because the attention to grants but the rest of the companies seemed to have an awesome communication with us. I did not get to interview OHM but Neil said they

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were excellent but when comparing costs, I personally think Fleis would be the best fit". Arnold commented he was impressed with OHM because they do everything in-house. Heslop also gave his opinion, he felt Spicer & Wade Trim were out of the city's league; Rowe pushed what they called value engineering, working through budgets but had several local connections and change items to meet their budget, however, Fleis & Vandenbrink had a little more of an edge with their expertise in grant writing. Jeanne Marcello from the Tri County Citizen commented that Rowe Engineering was the firm that worked on the pedestrian bridge over the Shiawassee River in Chesaning. Rankin added that he has had a working relationship with Fleis for 4 years now and they do not charge additionally for attendance of council meetings during an ongoing project.

- **MOTION** by Heslop **SECOND** by Richard that we accept the proposal from Fleis & Vandenbrink. Roll Call Vote: Bigelow – Aye, Heslop – Aye, Sanborn – Aye, Richard – Aye, Arnold – Aye, and Mayor Brown – Aye. All Ayes. Motion Carried.

6. DISCUSSION DIRECTION RE: PUBLIC SAFETY CONTRACT: Rankin reported that the Public Safety Contract Committee met the other week and discussed the changes back to services the city had two years ago. Cost would be \$360,000 (same costs from 2 years ago) and eliminate priority one and two with the level of service being the same for City and Township residents. This would be a one year contract and the Township would like the City to agree as the date for the end of the contract is quickly approaching. The Township also indicated that there would be 2% increases in 2020 and 2021, per the union police contract. The Township Board approved this document December 18th. Council suggested putting this on the June agenda to start negotiations early.

- **MOTION** by Arnold **SECOND** by Sanborn to adopt the public safety contract as presented. Roll Call Vote: Arnold – Aye, Sanborn – Aye, Richard – Aye, Bigelow – Aye, Heslop – Aye, and Mayor Brown – Aye. All Ayes. Motion Carried.

7. RESOLUTION RE: DDA BOUNDARY EXPANSION REQUEST: Rankin conveyed that the City's Downtown Development Authority, (DDA), was established in 1993 to ensure and promote the economic development and improve the aesthetic appearance of the City's downtown commercial district. The DDA utilizes tax increment financing as its primary revenue source by capturing all taxes for capital improvements and resultant increases of taxable value of buildings and properties within its designated geographical boundaries. With the exception of a significant future capital investment by one of the existing downtown district tenants, the potential for garnering additional revenues for future improvements is quite limited as the downtown is, for the most part, built out, thereby limiting the DDA's ability to generate the revenues needed to have a continued positive impact upon the future development of the downtown district. At the December 11th meeting, members of the Montrose DDA had proposed the question of steps to request an expansion/addition of the DDA of the current DDA and TIF, (Tax Increment Finance) District to include Parcel ID No. 60-20-526-027. This request would add approximately 29 acres of land to the DDA. The estimate tax capture for the property is \$3195, or just over \$3300 with 2 mill levy. It is not a significant amount of capture, however if future developments occur on the property it represent a sizable tax capture. Council conveyed that they would like to discuss this at a future meeting.

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8. *REQUEST FROM ASSESSOR FOR AMAR BOOK*: Rankin explained that in 2014 the City had deficiencies found through the AMAR, (Audit of Minimum Assessing Requirements). In order for the City to pass this current second cycle audit, Assessor Naumann would like assistance from CSZ Services so that they can organize the information in a clear and concise format.

- **MOTION** by Bigelow **SECOND** by Richard we spend up to \$500 for CSZ services to provide the AMAR assessing requirement booklet for our assessor. Arnold – Aye, Richard – Aye, Sanborn – Aye, Bigelow – Aye, Heslop – Aye, Mayor Brown – Aye. All Ayes. Motion Carried.

9. *RESOLUTION RE: PA 202 CORRECTION ACTION PLAN/RETIREE OPEB*: Several months ago council approved to have Watkins & Ross to complete an OPEB, (Other Post-Employment Benefits) Plan. Actuarial assumptions are needed for the new GASB 75 requirements and also required to address both retirement pensions and healthcare obligations under PA 202 of 2017. As you can see in the report the change in the number of retirees and change to the union contract has significantly improved our net positions. Our auditors will tentatively be here next month to review the audit. However, I must submit our corrective plan to Michigan Treasury by December 28th this year. Because of the change in our unfunded levels, the city as of 2018, would no longer be defined as underfunded in our post employee benefits. I will need to email this document off including a resolution that is included.

- **MOTION** by Arnold **SECOND** by Richard that we adopt PA 202 Correction Action Retiree OPEB Plan. Roll call Vote: Richard – Aye, Bigelow – Aye, Sanborn – Aye, Heslop – Aye, Arnold – Aye, and Mayor Brown – Aye. All Ayes. Motion Carried.

10. *DISCUSSION DIRECTION RE: REFUSE CONTRACT FUNDING/FEES*: Rankin said that with the increase in solid waste fees in the new contract the GF will need to cover the first 6 months of the new Republic Contract. This presents the question as the ordinance is vague on multiple year contracts and how the city must view billing. In the past the city has levied a flat amount. If council wishes it can levy \$196 per household per year for the next five. However, the larger issue is that at the of the five years the contract could jump significantly in costs and residents would be hit with a large one year increase. The same issue that will occur when July's tax bill goes out this year will likely happen in another five years. I propose to gradually increase the rate over the next 5 years much like council has done with water rates.

- **MOTION** by Bigelow **SECOND** by Heslop that we go with the graduated structured versus the flat rate structured plan. All Ayes. Motion Carried.

11. *ANNUAL ACCEPTANCE & CONFIRMATION OF 2019 MEETING DATES*: It was noted to start the council meeting on August 15th at 6:00 p.m. instead of 7:00 p.m.

12. *APPROVAL/DISAPPROVAL COUNCIL MEMBER CHRISTY SANBORN'S ABSENCE AT THE 11/15/18 CITY COUNCIL MEETING*

- **MOTION** by Richard **SECOND** by Arnold to approve Sanborn's absence at the November 15th city council meeting. All Ayes. Motion Carried.

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13. *CITY MANAGER CONTRACT*: Rankin read aloud his communications in the council packet that says, "I have been employed by the City of Montrose for the last three years and over those years I believe the City has made significant strides in addressing many short and long term challenges as well as operational issues to make the city more efficient. Unfortunately the one problem that I face as a part-time employee of the city is that I am part-time. Last week a few council members approached me to inquire if I desired to be fulltime with the City and hence bringing this to council. For those that have not been here for the last three years a few projects and challenges include:

- Three DPW Director/Supervisor in 3 years.
- 2 Assessors in 2 years
- Moving to new city offices
- 1 road and 1 ditch project
- Reduction in OPEB, increased fund balance, change to new chart of accounts
- Pursuing Grant for Blueberry Park
- DDA Bonds paid through interfund loan
- Recovering uncollected personal property taxes
- Rental of Street Sweeper to Chesaning.
- Public Safety Millage passing
- Updated Master Plan
- New lights in our downtown

The larger issue is that many of these challenges are simple and easy fixes such as downtown lighting. Moving forward I wish to address more code enforcement issues, pursue as many grants as possible and this all takes additional time that neither I nor my small staff can address. I would request that council consider providing additional hours to my contract. I would also be willing to opt out of any health care coverage as spelled out the union contract".

The consensus was to have the city manager write up a new contract and bring back a proposal to the next city council meeting.

PUBLIC COMMENTS: DPW Supervisor Sam Spence spoke in support of Rankin and having a full-time city manager.

REPORTS FROM BOARDS & COMMISSIONS:

DOWNTOWN DEVELOPMENT AUTHORITY BOARD: NONE

GENESEE COUNTY SMALL CITIES & VILLAGES ASSOCIATION: Mayor Brown reported it was held in Burton and the DPW Director from City of Flint spoke on how they are fairly doing well on the pipe replacement and how Flint's water quality is coming back but feels they already lost the trust of the community. He also spoke about new regulations that are coming and not really sure where all the funding is going to be coming from because it is going to cost a lot of money to come up to the standards that are going to be required.

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GENESEE COUNTY WATER AND WASTE SERVICE'S ADVISORY COMMITTEE: NONE

GENESEE COUNTY METROPOLITAN ALLIANCE: Richard spoke about revenue sharing and fixing roads. He said they talked about waste and landfills and garbage coming from Canada.

PLANNING BOARD: NONE

911 CONSORTIUM: NONE

ZONING BOARD OF APPEALS: NONE

REPORTS FROM CITY MANAGER AND CITY ATTORNEY:

CITY MANAGER: Rankin reported that the approved funding came back from the MNRTF but Montrose was not selected this year. Fortunately the city can re-apply in 2019. I would also like to pursue matching funds with the Jennings Foundation to improve the Blueberry Park restrooms. Mr. Wendling from the Jennings Foundation suggested the city apply during the next cycle.

CITY ATTORNEY: Stout spoke.

MAYOR, COUNCIL AND PLANNING BOARD COMMENTS: Mayor Brown announced that she was awarded a \$1,000 dollar scholarship from the MML to attend a future Conference.

COMMUNICATIONS TO THE COUNCIL: *On File at City Office.*

ADJOURNMENT

Mayor Brown adjourned the meeting at 9:31 p.m.

Prepared by City Clerk, Christina Rush