

A regular meeting of the City Council was held at City Hall, 200 S. Main Street on Monday, June 14, 2010, at 7:00 p.m.

Mayor Platte called the meeting to order.

Present were Mayor Platte and Councilpersons Greenhoe, Brown, Letarte and Harri. None were absent.

The invocation was given by Pastor Sandra Carpenter of the Dimondale Christian Outreach Center.

The Agenda was approved as printed.

The May 24, 2010 Regular minutes and the May 24, 2010, June 1, 2010, and June 7, 2010, Worksession minutes were approved as printed.

Councilman Harri moved that disbursements of \$659,019.72, with the breakdown being General Fund Checks in the amount of \$124,800.91 - check numbers 522394 through 52396, Meter Deposit Checks in the amount of \$1,241.46 - check numbers 100260 through 100268 and Wire Transfers in the amount of \$532,977.35 be approved; seconded by Councilwoman Brown, passed unanimously.

Rod Schultz, 1303 Montgomery Street, appeared before Council regarding the proposed utility rate increase, Charter Amendments, City Manager search and the website.

Ryan Wilson, 1525 Allen Lane, Delta Township, appeared before Council and introduced himself as a candidate running for the Eaton County Probate Judge position.

Brian Sheen, 1318 S. Main Street, appeared before Council regarding the proposed utility rate increase.

Jim McBride, 519 S. Main Street, appeared before Council regarding the proposed Ordinances and the proposed utility rate increase.

Angela Nystrom, owner of Agape Salon and Day Spa, 209 S. Main Street, appeared before Council regarding the proposed utility rate increase.

Patrick Rich, 208 S. East Street, appeared before Council regarding the proposed utility rate increase.

Patrick McNutt, 751F Island Court, appeared before Council regarding the proposed utility rate increase.

Rod Schultz, 1303 Montgomery Street, appeared before Council regarding the City Attorney.

Howard Holland, 203 Tara Court, appeared before Council regarding the proposed utility rate increase; the website and the untimely posting of minutes and agendas; the City Newsletter and the 2010 proposed Budget.

Barbara Lietzke, 1303 Hall Street, appeared before Council regarding the proposed utility rate increase.

Councilwoman Brown moved Council open the meeting for the Public Hearing to review a Grant Application to the Michigan State Housing Development Authority for funding under the 2010 Housing Resource Fund in the amount of \$70,000, for the Rental Rehabilitation Grant for property commonly known as 114 E. Hamlin Street; seconded by Councilman Greenhoe, passed unanimously. The Public Hearing opened at 7:35 p.m.

Mayor Platte explained that this was for the Downtown Loft projects that the City applied for and were administered by the Ingham County Housing Board. Mayor Platte stated that the City had participated in several projects like this, with the most recent one being completed by Pettits'. There were no questions or comments.

Councilwoman Brown moved Council close the Public Hearing; seconded by Councilman Harri, passed unanimously. The Public Hearing closed at 7:37 p.m.

Councilman Harri read for Second reading and Adoption Ordinance 2010-1, an Ordinance to Amend the Code of the City of Eaton Rapids by Amending Chapter 14, Motor Vehicles and Traffic, Article II, Motor Vehicles, Division 1., Moving Violations in Addition to the Uniform Traffic Code, by Adding Section 18, Implementing a Program to Recover User Fees for the Deployment of Fire, Police and Department of Public Works Departments Rendered by the City of Eaton Rapids for Motor Vehicle Accidents Services that are Outside the Scope of Basic Crime Prevention, Investigation and Fire Protection; seconded by Councilman Letarte. Police Chief Malewski explained that this would be for Motor Vehicle Traffic crashes and allow the various Departments to be reimbursed for expenses incurred. Councilman Letarte asked why language was not included so that City residents would not be charged as was discussed at the previous Worksession. Chief Malewski stated that he had spoken with the City Attorney and he had been advised to not add this language in the Ordinance, but that on the form that the Officer's would be filling out there was a place to mark whether they were a City resident or not. Councilman Letarte asked whether this would be deferred by whether you were a tax payer or a utility customer. Chief Malewski stated that it would go by the address that was on the driver's license. The Ordinance passed 4 yeas, 1 nay (Letarte).

Councilman Letarte read for Second reading and Adoption Ordinance 2010-2, an Ordinance to Amend the Code of the City of Eaton Rapids by Amending Chapter 14, Motor Vehicles and Traffic, Article II, Motor Vehicles, Division 1., Moving Violations in Addition to the Uniform Traffic Code, by Adding Section 19, Adopting by Reference the

Motor Carrier Safety Act; seconded by Councilman Harri. Chief Malewski explained that this would be for trucking violations, and that all Officer's would be trained through the Michigan State Police at no cost to the City for the training. The motion passed unanimously.

Councilman Harri moved Council open the meeting for a Public Hearing on the proposed 2010 Budget and the proposed Millage Rate to be levied to support the proposed 2010 Budget; seconded by Councilwoman Brown, passed unanimously. The Public Hearing opened at 7:46 p.m.

Treasurer Damon gave a overview of the Budget, stating that the process had begun in February. Treasurer Damon stated that the proposed Budget reflected the City Manager position only being in the Budget for 10 months; that there was an Electric Supervisory position in the Budget for a three month period; that the Administrative Staff had given concessions of pay freezes for two years as well as contributing to the retirement plan; that the Building Inspector would have his hours cut to 36 hours per week; that there was a DPW layoff in the Budget; that there were uses in different Departments with Fund Balance; and that there were proposed rate increases in the sewer rates which would generate \$185,000 and increases in the water rates which would generate \$60,000.

Mayor Platte stated that the proposed sewer and water increases were by the City Code, which stated that the City should implement five year projections, and that this has not been done in the past. Mayor Platte stated that both of these Departments were operating at a loss. Mayor Platte stated that Council had a five year plan in place, but the proposed increases were for a one year period only, and then with the next budget cycle, the City would look at the water, sewer and electric collectively, and then with the electric not having to sustain the other accounts, there could be the possibility of having the electric rates lowered.

Councilman Harri stated that this was a tough decision for Council, that in previous years these rates had not been set correctly and that there had been losses in these funds year after year, and that this Council was trying to be fiscally responsible.

Councilwoman Brown stated that past Councils had chosen not to raise rates or to follow the Code and that this Council was following the Code by having a five year projection.

Councilman Letarte stated that the five year plan at this point showed increases, but that this could change and would be looked at yearly. Councilman Letarte stated that the Sewer Fund was operating in the red and that the Electric Fund covers this fund as well as other funds. Councilman Letarte stated that he felt that this should be balanced and that the Electric should be decreased and that this has not been done for this Budget cycle and feels that Council is side stepping difficult issues.

Rod Schultz, 1303 Montgomery Street, stated that there was a lot of waste within the City, even to the fact that the Budget handouts had not been copied on both sides. Mr. Schultz further stated that the legal fees were astronomical for the City and that Council needed to look at hiring a local attorney. Mr. Schultz stated that past management had played shell games with the City's Budget, and that this Council needs to assign overhead and stick with the Budget. Mr. Schultz asked if furlough days had been looked at being implemented within this Budget.

Angela Nystrom, 209 S. Main Street, appeared before Council asking what the increases to the water and sewer were and that she had heard it would double her current bill. Mayor Platte stated that the increase would not double the bill, that the increase was spread over a five year period, but that the other year increases were not set in stone, and would be looked at yearly with the Budget process, but that Council was only proposing an increase for this year and then it would be looked at again next year. Councilman Letarte gave Ms. Nystrom the proposed rate increase handout.

Councilman Harri stated that the citizens needed to remember that this was a commodity based product, and that the increase would be based on the usage by the consumer.

Jim McBride, 519 S. Main Street, thanked Councilman Letarte for the information that he had provided to the citizens. Mr. McBride stated that the City had a low millage rate and the shortfall was continually made up for by the Utility Fund. Mr. McBride asked if there were any layoffs being proposed in this Budget. Treasurer Damon responded that there was one layoff which would be in the DPW. Mr. McBride stated that then the City would have to pay unemployment for this person which was not a savings. Mr. McBride stated that the City needs to appoint a Budget Committee, which used to be done, and that this Committee needs to work hard, that the citizens want a basic government, not all the fluff of previous spending to investigate the possibility of theaters, but just basic government.

Mr. McBride stated that the City should not be property owners, as was the case with Red Ribbon Hall. Mr. McBride asked what the City currently owes on the bonding for the remodeling of City Hall and the Public Safety Building, as well as Red Ribbon Hall, that the City had gotten too big for its britches, that the City did not need the fire truck that was purchased several years ago. Mr. McBride stated that in the past 10 years the State of Michigan was losing jobs and the City should have been paying attention to this trend and needs to tighten up. Mr. McBride asked if Council had taken into consideration reducing its own expenditures as they currently have a \$15,000 budget for payroll and things such as attending seminars. Mr. McBride asked if the proposed Budget included monies in it for the walking trail, and it was his opinion that the current City sidewalks were not crowded, so what was wrong with using sidewalks as walking trails.

Treasurer Damon stated that there was no money in the proposed Budget for walking trails, that the City currently spends \$268,000 a year on the Building Authority Bond and \$588,000 a year on the WWTP Bond and that Red Ribbon Hall was owned by the DDA, and that it had been paid in full.

Mr. McBride asked if cuts would be made through attrition. Mayor Platte stated that one position had been saved through attrition and that others were possible. Treasurer Damon stated that the attrition was not something that could be budgeted for at this time.

Mr. McBride asked if Council was still attending conferences. Councilwoman Brown stated that Council had not attended Conferences in the past few years. Mr. McBride stated that he felt the Ordinance that Council passed for the Police Department was not a good idea. Mr. McBride stated that Council needs to get a grip with reality, that the Country is in economic trouble and needed to start saving the citizens money.

Brian Sheen, 1318 S. Main Street, asked if he had heard right, that in the future Council would look at lowering electrical rates. Mayor Platte stated that this was correct. That Council would do a yearly analysis of the Water, Sewer and Electrical and would adjust these rates as needed.

Reuben Green, 630 Forest Street, asked if the rate increase being adopted was a five year increase. Mayor Platte stated that it was a five year analysis, that only the current year was having the increase, and that the five year plan was a projection only and could change each year and would continue to be reviewed each Budget cycle. Mr. Green asked if in the current Budget the electric fund was being depleted. Mayor Platte stated that no, it was not, just part of it was being used for Transfers. Mr. Green stated that for his household the proposed increases would raise his bill by \$30.60 per month, which would be an increase of \$367 per year, and if this would be the increases for the next five years. Mayor Platte stated that the increases would not be the same every year, that they would be re-analyzed every year. Mayor Platte stated that next year, right now, the increase would only be in the commodity charge, not the base rate, and that is how the Council was proposing for this to be balanced out.

John Driggs, 1304 Hall Street, stated that Council needed to be careful and not rob Peter to pay Paul, that the City needs to have money in the Electric Fund for infrastructure improvements. Mr. Driggs further stated that layoffs only saved money in the current budget, but to layoff a lineman or a police officer, the City had about a \$400,000 initial investment in training, uniforms, etc., and needed to be careful to not throw the initial investment away.

Marty Vanek, 1211 S. Main Street, stated that the water and sewer in the City was under utilized. Mr. Vanek stated that the housing in the City was continually becoming older, and that with the current search for a City Manager the Council needed to find a City Manager who would focus on neighborhoods and the redevelopment of

stated that there were many vacant homes in the City, and that the current economic situation is going to be going through the year 2017. Mr. Vanek stated a long term goal for a new City Manager would be to focus on residential development, not electric rate issues.

There were no other public comments. Councilman Harri moved Council close the Public Hearing; seconded by Councilman Greenhoe, passed unanimously. The Public Hearing on the Proposed 2010 Budget closed at 8:31 p.m.

Councilman Harri moved Council approve the Resolution of Intent to Apply for the Michigan State Housing Development Authority for Funding under the 2010 Housing Resource Fund in the amount of \$70,000, for the Rental Rehabilitation Grant for property commonly known as 114 E. Hamlin Street; seconded by Councilwoman Brown, passed unanimously.

Councilman Letarte moved Council approve the City Treasurer's recommendation to accept the bid from PNC for the City's banking needs; seconded by Councilwoman Brown, passed unanimously.

Councilwoman Brown moved Council approve the Agreement for Environmental Services with Parsons Brinckerhoff Michigan, Inc., in regards to testing at the Eaton Rapids Landfill site and authorize City Superintendent Poyer to sign the Agreement; seconded by Councilman Greenhoe, passed unanimously.

Councilman Letarte moved Council approve to Waive the Noise Ordinance, Ordinance 15-26, Sections 8 and 9, for Agape Salon and Day Spa to host a Battle of the Bands for the Palm Riders at Miller Farm on Tuesday, June 22nd from 7:00 p.m. to 10:00 p.m.; seconded by Councilwoman Brown, passed unanimously.

Councilman Harri moved Council approve to adjust the sewer and water rates as follows:

1. Increase, Effective with the July Billing Cycle, the Monthly Sewer Base Charges for 5/8"-3/4" Meter Size, Residential from \$15.40 to \$19.50, for 1" - 1 1/2" Meter Size, Commercial from \$23.65 to \$37.00, for 2" Meter Size from \$55.30 to \$75.00, for 3" Meter Size from \$111.65 to \$135.00, for 1 1/2" Meter Size out of the City Limits from \$28.45 to \$37.00;
2. Increase, Effective with the July Billing Cycle, the Sewer Commodity Rate from \$3.15 to \$3.75 per 1,000 Gallons.
3. Increase, Effective with the July Billing Cycle, the Monthly Water Base Charges for 5/8" Meter Size, Residential from \$9.50 to \$11.00, 3/4" Meter Size from \$9.50 to \$10.00, 1" Meter Size from

\$15.20 to \$20.00, 1 1/2 " Meter Size from \$22.80 to \$25.00, 2" Meter Size from \$37.05 to \$40.00, 3" Meter Size from \$76.00 to \$80.00, 4" Meter Size from \$131.10 to \$140.00, 5/8" Meter Size out of the City Limits

Council Minutes

-7-

June 14, 2010

- from \$10.45 to \$12.50, 1 1/2" Meter Size out of the City Limits from \$25.10 to \$30.00;
4. Increase, Effective with the July Billing Cycle, the Water Commodity Rate from \$3.40 to \$3.55 per 1,000 Gallons.

and that these rates become effective with the July Billing Cycle, which begins July 1st; seconded by Councilwoman Brown, passed 4 yeas, 1 nay (Letarte).

Rod Schultz, 1303 Montgomery Street, appeared before Council regarding the City's phone bills; FOIA requests; speed limit on Kinneville Road; South Industrial Park tree removal; County Medical Care Facility prevailing wage act; EATRAN; and the Comcast Contract.

Barbara Lietzke, 1303 Hall Street, appeared before Council regarding the Police Officer layoffs. Mayor Platte and Councilman Greenhoe stated that there were no layoffs to the Police Department being proposed in the current budget.

Reuben Green, 630 Forest Street, appeared before Council regarding 214 Dutton Street.

Mayor Platte reported on the following: that local businesses need patronage during the construction; that Fitness Friday will be at 6:30 p.m. at the Amphitheater, and that on the June 25th Fitness Friday there will be music following at 7:30 p.m.

Councilwoman Brown reported on the following: thanked the citizens for the input; that the City Newsletter had been cut due to funding, as well as other services such as brush pick-up, and that if citizens had ideas on how to implement these services again to let Council know their ideas and suggestions; that she had gone to Washington D.C. in the past as a Councilmember with concerns for Eaton Rapids, but that she had attended not at the City's expense; that Council had meetings back to back concerning the Budget, and that she did not want to lose workers, but that Council was doing the best that they could do with what they had to work with and that the decisions that had been made were not easy ones.

Councilman Greenhoe reported on the following: that it was good to see the citizens at the meeting; that Council had worked a long time on the budget and had made some very tough decisions; that many of the issues brought up such as furlough days were contract issues and could not be addressed until contract negotiations began with the three unions; that Council had worked hard to not to have to cut four positions, but only one position, and that over the next year there could possibly be some attrition with no

replacement of these positions; that the City Manager search will be starting soon with more meetings; that half of the Main Street concrete is down; and that State Street is now closed at Gould Street and will be closed for about two weeks.

Councilman Harri reported on the following: that it was mentioned that Council should look at cutting their pay, and that his pay for being on Council goes right back into the Community; that Council is working hard on getting things back on track; that the Budget process is an ongoing process and that when they look at the current Budget issues they try to make citizen driven decisions such as no cuts in the Police Department so the City does not have to go without an Officer for three days a week from 4:00 a.m. until 8:00 a.m., this was a safety issue for the citizens; that this was a difficult process and Council appreciates the citizens patience.

Councilman Letarte reported on the following: that this was not the end of the Budget process and that the citizen input was valuable; that Council has been working on this for six months and it was hard to believe that at a meeting where he had to leave early it was hammered out in one swoop; that the landfill agreement that had passed was approximately a \$38,000 expense that had to be monitored due to changing standards and laws and that the City had to keep testing this and it would probably be an ongoing cost that the City had no option to change; that the City deals with three different unions and that contracts are negotiated every three years and that the pays, salaries and benefits could not be affected at this time with this proposed Budget.

Treasurer Damon reported on the following: thanked the citizens for coming to the meeting; that this was not a painless process for Council and Department Heads, that tough decisions had been made; that Council will continue to look at the Budget every quarter and adjustments will be made quarterly; and that he believes in spending locally and living locally and is therefore planning on moving to the Eaton Rapids area, and that as far as Cost of Living, Eaton Rapids is a much cheaper place to live than Mason where he currently resides.

Police Chief Malewski reported on the following: that Fire Chief McNutt had to leave, but reported for him that on Thursday the Department had assisted Onondaga Township on a barn fire; that they had also assisted Hamlin Township on a vacant home fire; and that two firefighters will be taking their written firefighter I & II Testing. Chief Malewski reported on the following for the Police Department: that the detour has started on State Street, and the Officer's have been advised to issue warning for the first 10 days, but the detour should only be in place for about 14 days; that the inoperable vehicle citation process is going well with a lot of compliance; that the Department will be receiving firearms qualification on June 21st; that they are receiving training on a new camera this week; that Officer Drake has received 2/3 of her training as a State Certified Evidence Technician; and that Officer Travis has finished training to be a Class 3 PBT Operator.

The meeting was adjourned at 9:10 p.m.

Steven G. Platte, Mayor

Kristy Reinecke, City Clerk