The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in the Commission Chambers by Mayor Pat Humphrey who led the Pledge of Allegiance. Present were: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Karla Swanson and Jean McConnell. Absent: None. Also present were Ken Hibl, City Manager; Steven Kingsbury, Treasurer and Finance Director; Al Jessup, DPW Superintendent; Dale Clark, WWTP Superintendent; and Diane Lyon, City Clerk.

2. CONSENT AGENDA:
   Moved by Commissioner Swanson second by Commissioner McConnell to approve the items listed with an asterisk (*) (Amended Agenda (addition of Item I), Minutes, Communications, Second Reading of Ordinance 2016-001, and Bills) that are considered to be routine by the City Commission. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

3. *APPROVAL OF MINUTES;
   Approved By Consent Agenda.

4. *APPROVAL OF AGENDA;
   Approved By Consent Agenda.

5. PUBLIC COMMENT: Barney Ledford announced his candidacy for the office of Clare County Sheriff.

6. UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

A. AMENDED FIREWORKS PERMIT APPLICATION

The Summerfest Committee originally planned plans to sponsor/host the annual 4th of July event in the City, to include the fireworks display, on Saturday, June 25th and requested that the City Commission approve a permit to allow the display. The Committee has amended its request to allow the display to occur on Friday, June 24th; the City Commission is asked to approve the required permit for the amended date of display.

Motion by Commissioner Swanson second by Commissioner Murphy to approve the amended permit by adoption of Resolution 2016-055. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

B. ADOPTION OF THE FISCAL YEAR 2016/2017 BUDGET

The Charter of the City of Clare stipulates that the City Commission shall adopt a budget for the upcoming fiscal year at the first scheduled City Commission meeting in June. In preparation for the approval of the Fiscal Year 2016/17 Budget, the Fiscal and Budget Committee met with all Department Heads on May 2nd and the Planning Commission on April 13th to review and discuss their requested/proposed capital improvement budgets. Following these presentations the full City Commission held budget workshops during the month of May during which each respective department head presented to the Commission their proposed department budget for Fiscal Year 2016/17. Complete projections of the next four fiscal years (FY2017/18 to FY2020/21) were also presented during the Fiscal and Budget Committee, Planning Commission meeting and also during the City Commission budget workshops to assist the Commission in planning for the future.

Following an overview presentation to the City Commission of the Budget for each Fund and Activity, the City Manager and the City Treasurer/Finance Director will collectively answer any questions the Commission or the public may have regarding the proposed budget.

Prior to adopting/approving the budget the City Commission is required to hold a public hearing to receive comment regarding the proposed budget and the proposed tax millage to be collected for the new fiscal year commencing July 1st. Notice of the hearing has been completed as required.

Motion by Commissioner McConnell second by Commissioner Swanson to open a public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Public Comment: None.

Motion by Commissioner McConnell second by Commissioner Bonham to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Motion by Commissioner McConnell second by Commissioner Murphy to approve Fiscal Year 2016/2017 Budget by adoption of Resolution 2016-056 and the 2016 property tax millage rates, administration fees, interest, penalties and tax due dates by adoption of Resolution 2016-057. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

C. <u>FISCAL YEAR 2016/2017 FEE & RATE SCHEDULE</u>

In conjunction with the annual budget process, the City Staff reviews and recommends appropriate changes to the City's Fee and Rate Schedule. That review has been completed, and the City Staff recommends no changes to the fees we charge for services with the following exceptions:

- Vendor permits
  - Food Truck/Wagon $30.00 per day, $10.00 for each consecutive day.
  - Food Cart $15.00 per day, $5.00 for each consecutive day.
  - No permit required for restaurant establishments within City limits.
- A $.05 increase for yard waste & garbage bags (per bundle/case)

Utility Rates: A placeholder of a 2% increase in each of the water and sewer funds was put into the budget. The sewer fund is in relatively good shape and an increase in funding for that account is not necessary at this time however, there are several costly and necessary capital improvements within the water fund which need to be addressed. Following discussion of alternatives to water and sewer rates, the Commission agreed on the following utility rate change:

- A 0 % increase in sewer rates and a 6 % increase in water rates

Motion by Commissioner McConnell second by Commissioner Swanson to approve the fee and rate schedule changes by adoption of Resolution 2016-058. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

D. <u>SINGLE LOT ASSESSMENTS</u>

On an annual basis, the City Staff prepares a single lot assessment roll for various, miscellaneous charges (e.g., blight, mowing fees, etc.) that have not been paid by respective property owners and submits the roll to the City Commission for its consideration and approval, thereby allowing these charges to be included on the tax bills of the respective parties.

The 2016 Single Lot Assessment Roll has been prepared; public notice has been made; and all property owners listed on the Roll have been notified by first class mail regarding the roll and the scheduled public hearing to hear comments related to the Roll. To date the City has received no written comments related to the Roll.

The City Commission is now asked to conduct the scheduled public hearing and consider approving the assessment roll with the charges for each single lot to allow the Treasurer to have the charges placed on the respective property owner's tax bill.

Motion by Commissioner Bonham second by Commissioner McConnell to open a public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Public Comment: None.

Motion by Commissioner Swanson second by Commissioner Murphy to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

Motion by Commissioner McConnell second by Commissioner Murphy to approve the Single Lot Assessment Roll by adoption of Resolution 2016-059. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

E. APPROVE PURCHASE AGREEMENT – GATEWAY REFRIGERATION

In accordance with the provisions of its management agreement with the City of Clare, the Clare Industrial Development Corporation has approved the sale of 2.48 acres of property in the City's North Industrial Park to Mr. Loren Cole of Gateway Refrigeration. Mr. Cole intends to move his 28-year old refrigeration business to the site; he plans to construct a new 10,000sf building on the site this year with proposed future construction of two additional 10,000sf buildings. The Planning Commission has approved his proposed site plan for this parcel of property.

Our City Attorney has prepared a purchase agreement to consummate the sale of the property and allow subsequent construction of the Gateway Refrigeration Building. The City Commission is asked to approve the purchase agreement.

Motion by Commissioner Bonham second by Commissioner Murphy to approve the purchase agreement by adoption of Resolution 2016-060. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

F. FIRST RIGHT OF REFUSAL-CITY OF CLARE TAX FORECLOSED PROPERTIES

The City has received correspondence from the Clare County Treasurer advising us of three tax-foreclosed properties within the City of Clare and offering us the first right of refusal to purchase these properties as allowed by Michigan PA 123 of 1999.

The property located at 207 W. Third is considered a blighted property by the City, and we initiated the process to have the residence demolished approximately three months ago due to the owner's refusal to repair or rehabilitate the building. We have asked the County Treasurer to provide us a quotation to demolish the property (we would be responsible for one-half the costs of demolition if we determined the costs reasonable) as our building official has determined that the building should be demolished/is not inhabitable.

The two other parcels are the abandoned oil well property in the northeast sector of the City (proximity of Orchard Street).

The City staff recommends we waive our right of refusal, thereby allowing the properties to be auctioned for sale by the Clare County Treasurer.

Motion by Commissioner McConnell second by Commissioner Murphy to waive its first right of refusal by adoption of Resolution 2016 061. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

G. ORDINANCE 2016-001 – STREET STANDARDS

Subsequent to holding a public hearing, the Clare City Commission considered and approved a first reading of a proposed ordinance to establish standards for all roadways constructed within the City's jurisdictional boundaries. The Planning Commission considered the proposed ordinance change at its scheduled meeting of May 25th and unanimously recommended approval of those portions of the ordinance amendment that apply to Chapter 52 (Zoning). The City Commission approved a second reading of the Ordinance by Consent Agenda. The Commission may now

adopt the proposed ordinance change if it determines that it is in the City's best interests to do so.

Motion by Commissioner Swanson second by Commissioner Murphy to approve the Ordinance Amendment by adoption of Resolution 2016-062. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

H. AIRPORT PROPERTY LEASE

Mr. Bob Bonham has purchased one of the airport hangars previously owned by Mr. Ron Kunse; consequently, the City Commission is asked to approve the transfer of the related property lease agreement for the hangar to Mr. Bonham.

Motion by Commissioner McConnell second by Commissioner Murphy to approve the Airport Property Lease Agreement by adoption of Resolution 2016-064. Roll call vote: Yeas: Commissioners Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. Abstain: Bob Bonham. *Motion Carried.*

I. AMEND CEMETERY RULES

The Cemetery Board voted unanimously in favor of changing two current Cherry Grove Cemetery rules:

1. To continuously leave in place the veteran's flags and plaques from Memorial Day to Veteran's Day rather than placing them and removing them in conjunction with all the major veteran holidays.

2. If a cemetery plot owner desires to sell back his/her cemetery lot, the City will do so at the same price the plot owner originally paid for the lot rather than the current sales price.

The City Staff concurs with the recommended changes and asks that City Commission approve the changes accordingly.

Motion by Commissioner Swanson second by Commissioner McConnell to approve the amendments to the Cherry Grove Cemetery Rules & Regulations by adoption of Resolution 2016-063. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Carolyn (Gus) Murphy, Jean McConnell, and Karla Swanson. Nays: None. Absent: None. *Motion Carried.*

8. TREASURER'S REPORT

The Treasurer presented his report.

9. CITY MANAGER'S REPORT

Planning Commission. The Planning Commission met on May 27th and attended to three items of primary business: approved a site plan application of Mr. Loren Cole (Gateway Refrigeration) to construct a new 10,000sf building to house his long-time (28 years) business within the Clare North Industrial Park; recommended approval of Ordinance 2016-001; and spent considerable time (well over an hour) discussing the City's Future Land Use Map as a part of the update of the City's Master Plan. Unless there is a need to convene a June meeting, the Commission will hold its next scheduled meeting in July.

MEDC ICE Grant. We submitted a grant application to the MEDC on May 27th and received confirmation of its receipt. If MEDC follows its proposed schedule, selected applicants who will be invited to submit a Part II Application (generally tantamount to grant approval) will be notified June 10th or shortly thereafter.

Freedom Park Dedication Ceremony. The Freedom Park was dedicated in a formal ceremony on May 25th. Great Event! Great Crowd! Worth the trip to go visit the park – note the American flag pole at the entrance donated by residents and businesses of Clare.

Clare RR Depot Crowd-Funding Project. We met with our MEDC Community Assistance Team Specialist last week; he was totally sold on our project our proposed crowd-funding project and gave us tentative assurance that it will be approved by the

MEDC. We will hold the Crowd-funding event in mid-July with the goal of raising $20K in 30 days (we actually have 60, but we are setting a goal of raising the funds in 30 days). A consultant will set up a fund-raising website for us and guide us in our efforts. If we are successful in raising the $20K, MEDC will match that amount with a $20K grant. We have also submitted a grant application to a Midland foundation for a September decision, and we are working on another sizable grant application to another Michigan foundation. We remain optimistic that we will be able to complete the interior and exterior of the building this year – then we will concentrate on landscaping, the caboose, and trail-head facilities (a public restroom building constructed between the depot and the caboose and a public parking lot).

North Sector Traffic Study. We initially intended to present the traffic study results and our recommendations for the project we intend to pursue to support development in the northern sector of the City using the Small-Urban funding ($375K plus our required 20% match) that is earmarked for our use in 2017 at Monday's meeting. But we held a major meeting with MDOT yesterday and are reevaluating the direction we take based on the discussions at that 1.5-hour meeting. We will now likely provide the traffic study results to the City Commission in July following additional discussions with MDOT after June 17th.

City Soccer Program. Progress continues at the City's new recreation complex. However, we do not anticipate that the new complex will be at a stage that we can host our City Soccer Program there this fall. Consequently, we will be using multiple locations (the grassy area adjacent to/east of the Cherry Grove Cemetery will be one of the sites – the Cemetery Board granted its concurrence for the use of the site at their most recent meeting.

Other On-going City Projects. The demolition and removal of the old aeration towers at our water plant has commenced. We will have access to/use of only two of our four public water wells while this project is underway. Preparation work (televising, washing/cleaning, and vacuuming) of our sanitary sewer in the downtown sector of Fourth Street has commenced. The contractor intends to commence the rehabilitative work of the sewer next week.

National Historic District Listing. Clare's downtown district is included in the National Park Service listing of the most recent additions to the National Historic Register.

10. *COMMUNICATIONS
Approved By Consent Agenda.
MML Membership Renewal Letter. We received correspondence from the MML regarding the benefits of membership.

State Primary Election Notice. Michigan Clerks were provided correspondence regarding this upcoming poll event.

Thank You Note. We received a thank you note from the family of Doug Hoerauf.

Senator Emmons Newsletter. The Senator's most recent newsletter is attached for information.

Notice of Termination of Insurance. We provided a notice to The Standard insurance informing them we will be terminating their services as the City Clerk has found another carrier offering the same services for a reduced rate.

11. EXTENDED PUBLIC COMMENT: None.

12. COMMISSION DISCUSSION TOPICS: None.

13. *APPROVAL OF BILLS
Approved By Consent Agenda.

15. CLOSED SESSION
The City has commenced labor negotiations with its two police department bargaining units. We requested and received actuarial evaluations to determine retirement costs as

we knew the subject would be a matter of discussion during our negotiations. Based on our evaluation and assessment of requested actuarial evaluations, we met in closed session with the City Commission at our scheduled May 20th meeting. The Commission asked us to provide additional information to further those discussions; that information is being presented in tonight's closed session meeting. Our next-scheduled negotiation meeting with our bargaining units is scheduled for June 10th, thus it is imperative that we receive updated guidance from the City Commission to facilitate continued negotiations.

Motion by Commissioner McConnell second by Commissioner Swanson to go into closed session. Roll Call Vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy, and Karla Swanson. Nays: None. Absent: None. *Motion approved*.

Motion by Commissioner McConnell second by Commissioner Murphy to go into open session. Roll Call Vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy, and Karla Swanson. Nays: None. Absent: None. *Motion approved*.

Motion by Commissioner McConnell second by Commissioner Murphy to approve negotiation strategy with guidelines as discussed in closed session and authorize administration to extend the current contract for 30 days. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell, Carolyn (Gus) Murphy, and Karla Swanson. Nays: None. Absent: None. *Motion approved*.

14. ADJOURNMENT

Motion by Commissioner McConnell second by Commissioner Swanson to adjourn the meeting. Ayes: All. Nays: None. Absent: None. *Motion Carried.* Meeting adjourned at 7:41 p.m.

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Pat Humphrey, Mayor Diane Lyon, City Clerk