

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, Jean McConnell and Karla Swanson. Absent: Carolyn (Gus) Murphy. Also present were Ken Hibl, City Manager; Steven Kingsbury, Treasurer and Finance Director; Dale Clark, Water & Waste Water Superintendent; and Diane Lyon, City Clerk.

2. CONSENT AGENDA:

Moved by Commissioner McConnell second by Commissioner Swanson to approve the items listed with an asterisk (*) (Agenda, Minutes, Board and Committee Appointments, Communications and Bills) that are considered to be routine by the City Commission. Ayes: All. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

3. *APPROVAL OF MINUTES:

Approved By Consent Agenda.

4. *APPROVAL OF AGENDA:

Approved By Consent Agenda.

5. PUBLIC COMMENT: None.

6. UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

A. RECOGNITION – BILL HORWOOD

The City unexpectedly and tragically lost Mr. Bill Horwood, one of its long-time community leaders, one of its greatest citizens, a dear and much-cherished friend, and a Great American on September 29, 2015. A copy of Bill's obituary is attached. The City Commission is asked to formally recognize the life and service of Commissioner Horwood by resolution. A number of family members and friends of Mr. Horwood were present at the December 7th meeting to accept the resolution of the Commission.

Motion by Commissioner Swanson second by Commissioner Bonham to recognize Bill Horwood by adoption of Resolution 2015-114. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

B. PRESENTATION OF 2014-2015 AUDIT

The public accounting firm of Andrews, Hooper & Pavlik (AHP) of Midland, Michigan conducted an independent audit of the City of Clare's financial records for the City's fiscal year ending June 30, 2015. A representative from the firm is presented the results of the audit to the Clare City Commission at its regularly scheduled meeting on December 7, 2015. The audit results are unqualified meaning that no significant adverse findings were discovered or noted during the course of the independent audit. .

The City Commission is asked to formally approve the audit findings and results as presented by Andrews, Hooper & Pavlik.

Motion by Commissioner Bonham second by Commissioner McConnell to approve the audit results presented by Andrews, Hooper & Pavlik by adoption of Resolution 2015-131. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

C. APPROVE AERATOR REPLACEMENT

Both of the existing aerators at the Water Treatment Plant are well beyond repair. The aerators are essential to iron removal at our water treatment plant and were a budgeted item in our 2015/2016 capital schedule.

We have engaged the services of GFA to conduct a feasibility study to determine whether it is wise, economical, prudent, and sensible to drill new water wells in proximity of our new water tower and concurrently phase our water treatment operations

to the northern sector of the City, thereby ultimately abandoning our current water plant as we know that we will need to invest approx. \$750K in our existing plant over the next 10-20 years. Even if the GFA assessment determines that we should unequivocally transfer our operations northward, the investment in this new aerator is considered a needed and essential investment as the aerator is portable (it is constructed of aluminum – thus it can be moved) and can be reused in a new location.

We solicited bids to replace one of the aerators; five bids were received. Dale Clark has completed due diligence on the bids and the vendors and recommends that we utilize the low bidder for this work.

The City Commission is asked to approve the bids and award the work to the low bidder.

The City's approved Capital Schedule for our current budget year includes a budget line of \$85K for the replacement of this item – leaving a shortfall of approx. \$13K. The Water Fund has the monies to defray these costs; however, a budget amendment will be required.

Motion by Commissioner Swanson second by Commissioner Bonham to approve the bids and award the work to replace the aerator by adoption of Resolution 2015-132. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

D. STREET MILLAGE DISCUSSION

The City's long-standing, voter-approved, dedicated street millage of $\frac{3}{4}$ mil expired in 2014. The state proposal to generate dedicated funding for roads and streets was soundly defeated by Michigan voters earlier this year. Based on the defeat of that initiative, the City Staff recommended to the City Commission that we place before the Clare electorate a proposal for an assessment of 3mils per year for five years to improve our streets. The City Commission approved the ballot language, but that initiative was narrowly (by four votes) defeated in November.

Subsequent to the state-wide voter rejection of the proposed funding for Michigan roads, the State legislature proposed a road bill that was ultimately passed and signed into law. That new law will provide the City with more revenue than previously anticipated. And recently the state approved legislation that allows local units of government to place local initiatives on the 2016 Presidential Primary Election in March 2016.

As the Commission is aware, we developed a five-year plan to improve our streets. We believe the minimal annual amount we need to meet the basic goals of that Plan is \$250K annually.

Consequently, we (the City Staff) now recommends that we go back to the polls to once again ask the Clare electorate to support a local street millage – but this time ask for 2mils for five years with the explanation that the reason for the reduction is the augmented funding projected to be provided by the state. Thus if we combine the projected revenues we receive from the state with a local 2mil initiative, we will be able to accomplish our Five-Year Street Improvement Plan.

After lengthy discussion, the Commission determined that they were not in favor of placing the road millage issue on the March ballot and deferred making a decision on the matter until after the new year.

E. BUDGET AMENDMENTS

State Law requires that a budget of the revenues and expenditures of a municipality be annually approved for its general and special revenue funds prior to the beginning of the fiscal year and that amendments to said budget be presented for review when/as required. The Clare City Commission approved the fiscal year 2015/16 budget on June 1, 2015 and has amended the budget as needed.

Recently four budget amendments have become necessary as follows:

- \$ 22,798.00 For the replacement of an induced draft aerator at the water plant.
(\\$75,000 was budgeted - low acceptable bid came in at \$97,798)
- \$ 15,240.00 For replacement of the DPW Garage Addition Steel Roof.
(Roof steel failure presented to the Commission on 11-17-15)
- \$ 14,500.00 Certified appraisals for tax valuation appeals.
(Discussed with the Commission on 11-2-15)
- \$ 53.93 For the purchase of the 2016 Ford Explorer Police Vehicle
(\\$37,910.55 was budgeted/approved - actual cost was \$37,964.48)

Motion by Commissioner Bonham second by Commissioner Swanson to approve the budget amendments by adoption of Resolution 2015-134. Roll call vote: Yeas: Commissioners Pat Humphrey, Bob Bonham, Jean McConnell and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

F. LIQUOR CONTROL COMMISSION LICENSE REQUEST-FOUR LEAF BREWING

The City has received a letter request from the Michigan Liquor Control Commission advising us of an application to add space to Four Leaf Brewing in Clare. While the City is not required to approve the request, we have been asked for our opinion/endorsement. We ask that the City Commission formally endorse the request.

Motion by Commissioner McConnell second by Commissioner Bonham to endorse the application by adoption of Resolution 2015-135. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

G. *BOARD & COMMITTEE REAPPOINTMENT-ZBA (DR. KURT KEPPNER)

Approved by Consent Agenda. Resolution 2015-136.

8. TREASURER'S REPORT

The Treasurer presented his report.

9. CITY MANAGER'S REPORT

Lake Shamrock Improvement Board Meeting. The Board met on Monday, November 23rd and approved the conduct of a study of Lake Shamrock at an estimated cost of \$40K. The scope of the study will assess the parameters of the dredging needed to bring the lake back to its near-original condition, determine costs and permits required, conduct soil samplings to determine the presence of any materials requiring special care and need, and make recommendations in respect to the type of dredging to be completed, e.g., drag line, hydraulic, etc. The study is to be completed in 2016 and will be the basis for further actions that should be considered and/or taken by the Lake Board. The Board also approved a limited, one-year budget in the amount of \$14K for chemical applications for the lake for 2016 – thus resulting in a slight increase the 2016 assessment for lake owners (and the City). A verbal donation offer of \$10K was made by a local resident to offset the increase in assessment fees. But until we actually receive these pledged funds, we will presume that the \$54K costs for 2016 will be shouldered by the property owners and the City at the historical 50/50 contribution rate.

Abatement Action. Our City Attorney has filed a petition with the circuit court related to a blighted situation at 203 East Fifth Street that we have unsuccessfully attempted to resolve with the building owner during the past year.

Approval to Use Landfill Escrow Funds. The MDEQ has approved our request to use escrow funds to reimburse ourselves for costs associated with the Hatton Township Landfill. We will only use the available amount exceeding \$200K (presently equates to approximately \$10K) as we would need to replenish the principle amount of \$200K if we used any portion of it. We are certainly appreciative of the approval of our request, but the amount we can use will only account for approximately ¼ of the funds we have expended from our General Fund.

Staff Off-Site Training. All of our department heads and their deputies will be attending off-site training on Thursday, December 10th from 8:30-3pm. The training will be facilitated by Mr. Lew Bender, a former CMU professor, an organizational guru, and an outstanding motivational speaker. The primary agenda topics include problematic

behaviors; the impact of those behaviors on other employees and the organization; strategies for dealing with those behaviors, and development of strategies for the city staff as we move forward. Our friends @ MMCAA are providing us the site for this training at no cost to us.

Recreation Complex Offer for Assistance. We held a preliminary meeting with representatives of Operators Local Union 324 of Howell, Michigan regarding their potential offer to complete an extensive portion of the excavation work required for our new recreation complex. While they have not definitively approved their proposal, we walked away from that meeting with an extremely good feeling and with the potential that they will do work for us that could range anywhere from \$200K to \$450K in value. If the proposal is approved by the Union hierarchy, they will provide the operators and the equipment; we would pay for staging and fuel costs and agree to provide appropriate public relations coverage. They routinely accomplish major projects like this in the southern part of the state (primarily the Detroit area). If they partner with us on this project, it will be the first of its magnitude and scope in our region. We have to submit a formal request to their management team outlining the scope of the work we wish to have them do for us. We are in the process of drafting that letter for Mayor Humphrey's signature.

Employee Christmas Stipend. We need the Commission's guidance regarding the annual employee Christmas stipend. Last year the Commission approved a 1% stipend for all employees (cost of approx. \$18K); in 2013, the Commission approved one extra day of paid vacation for the City's employees.

Motion by Commissioner Bonham second by Commissioner McConnell to approve a 1% employee stipend by adoption of Resolution 2015-133. Roll call vote: Yeas: Commissioners Bob Bonham, Pat Humphrey, Jean McConnell and Karla Swanson. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*

Master Plan Update. The Planning Commission will hold its first meeting with McKenna Associates on December 16th to commence the Master Plan update; the December 9th regularly scheduled Planning Commission meeting has been cancelled. We will conduct daytime sensing sessions with focus groups with the assistance of McKenna Associates on the same day we initiate the Master Plan update.

Clare County Veteran's Memorial Park Flag Pole Sponsorship. The City of Clare has offered to sponsor the purchase of the American flag pole to demonstrate the gratitude of the citizens of Clare to all Central Michigan veterans and to show our support for this Memorial. But we have committed not to use tax dollars for this cause. Instead, we intend to raise the \$2,500 needed to purchase the flagpole through donations from Clare residents. To date we have received \$700 in donations for this cause. Donations of any and all amounts are being gratefully accepted at Clare City Hall, 202 West Fifth Street, Clare, Michigan 48617. If you wish to show your support of the Memorial and to recognize our veterans, please consider making a donation. We will be posting this notice on the city's website, bulletin boards and government access channel in order to get the word out and raise the needed funds.

10. *COMMUNICATIONS

Approved By Consent Agenda.

The Standard Insurance. Standard Insurance has notified the City of a slight increase in life (\$0.005 increase) and short term disability (\$0.016 increase) premiums effective January 1, 2016. The new premiums and those of the current accidental death & dismemberment insurance rates are guaranteed for the next three years.

Resident Safety Concern. The City received an email regarding a safety concerns in school zones. The issue is being addressed by Police Chief Gregory.

Bureau of Construction Codes. The City received notice from the Bureau of Construction Codes regarding the Clare County Building Official's lapse in Act 54 registration.

Consumers Energy Meter Notice. Consumer's Energy announced that they will be installing new meters and have provided a timeline for meter installations throughout Michigan.

Consumers Energy Rate Changes. Consumer's Energy has announced an increase of 4.6% in residential electric rates; a 4-15% decrease in large business electric rates; and approximately 1% increase in other business electric rates effective December 1, 2015.

Letter of Support. The City provided a letter of support for the Region 5 Regional Prosperity Initiative to East Michigan Council of Governments (EMCOG).

The Loop. The Michigan Municipal League has provided the latest edition of their newsletter which offers several educational opportunities for city officials and employees. Those interested in attending classes or webinars should contact the City Clerk.

11. EXTENDED PUBLIC COMMENT: County Commissioner Leonard Strouse, on behalf of the Clare County Board of Commissioners, recognized Ken Hibl and Steve Kingsbury for the outstanding work they do for the city.
12. COMMISSION DISCUSSION TOPICS: Commissioner Bonham inquired about the status of The Venue opening which is being held up by building code requirements for fire suppression.
13. *APPROVAL OF BILLS
Approved By Consent Agenda.
14. ADJOURNMENT
Motion by Commissioner McConnell second by Commissioner Swanson to adjourn the meeting. Ayes: All. Nays: None. Absent: Carolyn (Gus) Murphy. *Motion Carried.*
Meeting adjourned at 7:20 p.m.

Pat Humphrey, Mayor

Diane Lyon, City Clerk