

**PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL
TUESDAY, FEBRUARY 19, 2019, 7:00 P.M.**

1. **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.**

The Meeting was called to order at 7:00 p.m. by Mayor Mike DeVore and Deputy Clerk Amy Brown called roll.

Present: Councilmembers Greg Canfield, Marty Chambers, Jim Salzwedel, Cliff Yankovich, and Mayor DeVore.

Absent: None.

Also Present: City Manager Michael Burns, Deputy Clerk Amy Brown, and Police Chief Steve Bukala and DPW Director Rich LaBombard, City Attorney Richard Wendt and Light & Power General Manager Steve Donkersloot.

2. **APPROVAL OF THE CONSENT AGENDA.**

- Approval of the Agenda.
- Approve and place on file the minutes of the regular and closed City Council meetings of the February 4, 2019.
- Authorize payment of invoices in the amount of \$141,891.85.

IT WAS MOVED BY CANFIELD and seconded by CHAMBERS to approve the consent agenda as written.
YES: Councilmember Canfield, Mayor Devore, Councilmember Salzwedel, and Councilmember Yankovich and Councilmember Chambers.

NO: None.

ABSENT: None.

MOTION CARRIED.

Mayor DeVore then turned the microphone over to City Manager Michael Burns.

City Manager Michael Burns announced there were two promotions of city staff and then turned the microphone over to Rich LaBombard to announce the first promotion.

DPW Director Rich LaBombard introduced and congratulated Ralph Brecken as the new Utilities Supervisor who has been a loyal employee with the City of Lowell for eighteen years.

Chief of Police Steve Bukala then introduced Michael Stephens who stated he has been with the City of Lowell Police Department for 2 ½ years and graduated from Ferris State University with a bachelor's degree in Criminal Justice and enjoys working for the City of Lowell and is excited for the Full-time promotion.

3. **CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.**

There were none.

4. **OLD BUSINESS.**

a. Unity School Development.

City Manager Michael Burns stated that we have met all the requirements for DNR on our end for them to consider the transfers of property, so the next step will be at our next council meeting, we will present a resolution to the council that will make amendments to the Park & Recreation Master Plan that will identify the land transfer. Also Council will approve the transfer of properties. Both of these items will be contingent with and approved by the DNR. There is paperwork being submitted to the DNR by the City and the Unity School Developers right now. Once the resolution is presented to the council, it has to sit for 20 days per the City of Lowell Charter.

b. Showboat Demolition

DPW Director Rich LaBombard stated we received 4 responses for the demolition of the Showboat on the Flat River, the lowest quote was from Earthworm Dozing and Excavating, Inc from Lowell, MI for \$6,000. Funds for the demolition of the Showboat are from grant funds received for the Showboat Construction Project. If awarded the demolition, Earthworm can begin demolition as early as the week of February 25, 2019. LaBombard also stated there was a request from the Blough family to receive the paddle wheel from the Showboat. Council all conceded the Bough family can have any items they want from the Showboat.

IT WAS MOVED BY CHAMBERS and seconded by YANKOVICH to accept the low bid of \$6,000 and award the demolition of the Showboat to Earthworm Dozing and Excavating, Inc. of Lowell, Michigan, and further authorize the City Clerk to sign the proposal on behalf of the City of Lowell.

YES: Councilmember Salzwedel, Councilmember Yankovich, Councilmember Chambers, Councilmember Canfield and Mayor DeVore.

NO: None.

ABSENT: None.

MOTION CARRIED.

5. **NEW BUSINESS.**

a. Lowell Historical Museum Annual Report.

Lisa Plank presented her 2018 annual report for the Lowell Historical Museum with a slide presentation of pictures from throughout the past year. Lisa Plank also passed out a copy of the annual report showing the numbers on all the programs and events they have done. Plank thanked everyone for their support of the museum and everything that they are trying to do to keep the history alive in Lowell.

b. Public Hearing – Industrial Development District – King Milling.

City Manager Michael Burns stated we received an industrial facility tax credit (IFTC) application from King Milling for their new construction, a 41,000 square foot facility which will be a warehouse to package flour located at 149 S. Broadway (former Michigan Wire property). King Milling has received IFTC's in the past. King Milling meets the legal requirements to be considered for the IFTC. This project's revenue would be captured by the Downtown Development Authority (DDA) and would not have a negative impact to the tax base. The DDA would only capture 50% of the new taxable value of this project (except schools) during the abatement period. If the Council is in favor of this, the City Attorney and I will begin the process to formally establish the district and formally introduce the IFTC request. IFTC's are abatement of 50% of real and personal property taxes on the new investment. Since the State of Michigan

will have completely phased out the personal property tax on all property in 2023, the impact to the applicant is the real property on the new expansion. Burns recommends to initially grant a five-year IFTC, and then have the applicant return for the remaining seven years. This ensures the applicant has been compliant including proper documentation for the abatement and assurances they have been paying taxes on time. If City Council wishes to approve this, then Resolution 08-19 is being presented for consideration.

Mayor DeVore opened the Public Hearing.

Perry Beachum who resides at 924 Riverside stated he supports King Milling and their family but asks that King Milling help in a solution to getting water back to the ball fields as well as financially assisting with putting in the sidewalk that is going to run along South Broadway.

Mike Doyle explained the square footage of 41,000 feet is a total of all the floors of the building.

Mayor DeVore closed the Public Hearing.

Councilmember Salzwedel stated while they met the criteria, he was disappointed in the lack of job creation but knows they do a lot for the community.

Councilmember Canfield agreed with Salzwedel but realizes they are making a significant dollar investment in this project and there will be significant tax revenue from this down the road and the Doyle's and King Milling have been fabulous for Lowell. Canfield continued stating half of the parking lots in the City of Lowell would not be there if it were not for them allowing us to use their properties and they have been great community project supporters and partners, the oldest employers in the City as well and for these reasons, he supports this.

IT WAS MOVED BY SALZWEDELL and seconded by CANFIELD to approve Resolution 08-19 approving application of King Milling for an industrial facilities exemption certificate for five years.

YES: Councilmember Yankovich, Councilmember Chambers, Councilmember Canfield, Mayor DeVore, and Councilmember Salzwedel.

NO: None.

ABSENT: None.

MOTION CARRIED.

c. BHS Health Insurance Administrator.

City Manager Michael Burns explained the BHS Insurance is the City of Lowell's Property and Liability Insurance broker and has approached the City to also serve as our administrator for our Health Care Plan. Burns feels we will receive more value on services they would be able to provide such as human resource consulting, HR related issues such as recruiting and hiring, policies and procedures, performance management and record keeping requirements. BHS will also provide us with an onboarding/benefit administration system we do not currently have. New and current employees will be able to complete new hire information and make benefit selections online minimizing paperwork for our staff.

Charles Schlosser then gave a presentation discussing the details of what they can provide the City.

IT WAS MOVED BY YANKOVICH and seconded by CHAMBERS to approve BHS as our benefits administrator for our employee insurance plans.

YES: Mayor DeVore, Councilmember Salzwedel, Councilmember Yankovich, Councilmember Chambers, and Councilmember Canfield.

NO: None.

ABSENT: None

MOTION CARRIED.

d. FY 2020 Budget Calendar.

City Manager Michael Burns stated his responsibility is to provide Council with a balanced budget and he will ensure this occurs by the third Monday in April as the City Charter requires. Burns will be holding an all-day budget session on Saturday April 27, 2019. Public Hearing for the budget will be held Monday May 20, 2019. The Council can approve the budget that evening or changes, if needed. Burns provided a list of dates to be aware of.

IT WAS MOVED BY SALZWEDEL and seconded by CANFIELD to approve the Fiscal Year 2020 Budget Calendar.

YES: Councilmember Chambers, Councilmember Canfield, Mayor DeVore, Councilmember Salzwedel, and Councilmember Yankovich.

NO: None.

ABSENT: None.

MOTION CARRIED.

e. Resolution 09-19 – Installment Purchase Agreement to Finance the Cost of a Control Panel/PRU Agreement with the Lowell Board of Light & Power.

Lowell Light & Power General Manager Steve Donkersloot stated for the past two years, LL&P has been researching and investigating the possibility and necessity of upgrading the control panel and related ancillary components (the “Upgrade”) of our Solar Combustion Turbine. At this past Tuesday’s LL&P Board meeting, the LL&P Board approved Solar Turbines Incorporated proposal of \$497,553.80 to perform this Upgrade through the financing vehicle of an Installment Purchase Agreement (IPA); very similar to a short term loan. Because LL&P cannot issue debt, the IPA must be issued by the City. Thus, the LL&P Board is recommending that the City enter into an installment Purchase Agreement, which is included as Exhibit A in Resolution 09-19, with Solar Turbines Incorporated and Macatawa Bank for the Upgrade. The approval does not impact the City financially in any way, LL&P has committed (through the IPA Payment Agreement) to make the debt service payments to Macatawa Bank on the City’s behalf.

IT WAS MOVED BY CHAMBER and seconded by YANKOVICH to approve Resolution 09-19. A Resolution approving installment purchase agreement to finance the cost of a control panel/pru, authorizing execution of said installment purchase agreement and authorizing the undertaking of all other necessary and required acts in connection with the financing thereof.

YES: Councilmember Canfield, Mayor DeVore, Councilmember Salzwedel Councilmember Yankovich and Councilmember Chambers.

NO: None.

ABSENT: None.

MOTION CARRIED.

f. Resolution 10-19 – Approving and Authorizing Execution of an Installment Purchase Agreement Payment Agreement with the Lowell Board of Light & Power.

Lowell Light & Power General Manager Steve Donkersloot explained the details of approving the Solar Turbines Incorporated proposal of \$497,553.80 to upgrade Turbine Unit 1 by utilizing the proposed 36-month IPA from Macatawa Bank.

IT WAS MOVED BY CHAMBERS and seconded by SALZWEDEL to approve Resolution 10-19. A Resolution approving and authorizing execution of an installment purchase agreement payment agreement with the Lowell Board of Light & Power.

YES: Mayor DeVore, Councilmember Salzwedel, Councilmember Yankovich, Councilmember Chambers, and Councilmember Canfield.

NO: None.

ABSENT: None.

MOTION CARRIED.

g. Notice to Terminate 1927 Village of Lowell/Michigan Bell Telephone Company (not AT&T) Joint Use Pole Agreement.

Lowell Light & Power General Manager Steve Donkersloot explained through a series of events it was brought to our attention that an existing 1927 Joint Use Pole Agreement in place between the City & AT&T (in 1927, the Village of Lowell and Michigan Bell Telephone Company were the parties that executed the agreement). In order for LL&P to implement a meaningful and relevant modern-day Pole Attachment Agreement with AT&T, which has already been developed by the Michigan Municipal Electric Association on behalf of LL&P and the other 39 municipal electric utilities in the State, the Board of Lowell Light & Power, at its meeting on February 12, 2019, recommends that the City Council directs the Manager of LP&P to terminate the agreement between the City of Lowell and AT&T, successor to Michigan Bell Telephone Company, dated July 15, 1927 with notice given to AT&T on February 20, 2019 to be terminated on July 14, 2020.

IT WAS MOVED BY CHAMBERS and seconded by YANKOVICH to direct Lowell Light & Power to terminate the 1927 Village of Lowell/Michigan Bell Telephone Company (not AT&T) Joint Use Pole Agreement.

YES: Councilmember Salzwedel, Councilmember Yankovich, Councilmember Chambers, Councilmember Canfield and Mayor DeVore.

NO: None.

ABSENT: None.

MOTION CARRIED.

6. **BOARD/COMMISSION REPORTS.**

Councilmember Canfield stated at the last LARA meeting, they shared some good news on fundraising and that is that Meijer has now contributed and out of the 6-6 ½ million we need to put together, we are within a million dollars of having the money raised for the trail and that is going to be great for the community. He thanked the LARA Committee for all they have done and are doing.

Councilmember Chamber stated Planning Commission started the discussion on how to go forward with the recreational marijuana ordinance. It's going to take some time, but had a good discussion.

Councilmember Yankovich attended his first Chamber Board meeting and said they are very fired up about the upcoming Expo and discussed all the other events they will be doing throughout the year as well.

Councilmember Salzwedel stated the LCTV Endowment Board will be meeting this coming Tuesday, February 26, 2019 at 7:00 p.m. to go over the applications and determine to whom the funds will be awarded.

Mayor DeVore stated there was a Fire Authority meeting last week, next truck should be here late this month or early next month. Budget meeting review in April. Vision met today, Liz at Chamber is preparing the grant for the upcoming community cleanup. Gregg Pratt with Lowell Area Schools said they did finalize the purchase of the St. Mary's School so they are going to start fixing that up to be a preschool and kindergarten.

7. **MANAGER'S REPORT.**

City Manager Mike Burns reported on the following:

- Thanks to the DPW for the hard work during the winter and all the weather events, they are short staffed right now but they have done a magnificent job.
- SAW Grant – need to resend correct numbers to Williams & Works and will send tomorrow.
- Tomorrow, WZZM will be interviewing City Manager Michael Burns about the increase in ACT51 funds of 2015 that we received in 2015 (money received to maintain our local and major streets through gas tax) that was approved by the legislature in 2015 to see what type of impact that has had to the City of Lowell.
- Burns stated his wedding went great.

8. **APPOINTMENTS.**

The Historic District Commission has an appointment opening.
Construction Board of Appeals has an appointment opening.

9. **COUNCIL COMMENTS.**

Councilmember Yankovich stated as someone who owns a business and a home here in the City of Lowell, he wanted to thank the DPW for keeping things under control.

Councilmember Canfield stated Cliff Yankovich and himself had a tour a few weeks ago of the DPW and notice the culture change we have seen in our community because of the leadership (Michael Burns, Police Chief Steve Bukala and Rich LaBombard) and that it is incredible, things have really turned around, and attitudes are so much better and people are stepping up and doing things that are above and beyond the call

of duty. It says a lot about the leaders here in the different departments, so congratulations to the employees and the leaders.

Councilmember Chambers thanked the snow plowing crew, they are doing an outstanding job.

Mayor DeVore stated he also appreciates the DPW, the Police Department, Lowell Light & Power, and the Fire Department who had over 55 calls. What a great place to live when weather like we are having happens, not a diminished service to be found which is the ultimate compliment to leadership and it shows the respect employees have for them.

10. **MOTION TO GO INTO CLOSED SESSION.**

IT WAS MOVED BY CANFIELD and seconded by YANKOVICH to go into closed session @ 8:16 p.m.
YES: Councilmember Yankovich, Councilmember Chambers, Councilmember Canfield, Mayor DeVore and Councilmember Salzwedel.

NO: None. ABSENT: None. MOTION CARRIED.

11. **MOTION TO GO BACK INTO OPEN SESSION**

IT WAS MOVED BY SALZWEDEL and seconded by YANKOVICH to go back into open session @ 9:10 p.m.

YES: Councilmember Chamber, Councilmember Canfield, Mayor DeVore, Councilmember Salzwedel, and Councilmember Yankovich.

NO: None. ABSENT: None MOTION CARRIED.

IT WAS MOVED BY YANKOVICH and seconded by CANFIELD to direct City Manager Michael Burns to take action as discussed in closed session.

YES: Councilmember Salzwedel, Councilmember Yankovich, Councilmember Chambers, Councilmember Canfield, and Mayor DeVore.

NO: None ABSENT: None. MOTION CARRIED.

12. **ADJOURNMENT.**

IT WAS MOVED SALZWEDEL and seconded by CHAMBERS to adjourn at 9.16 p.m.

DATE:

APPROVED:

Mike DeVore, Mayor

Susan Ullery, City Clerk