

**CALL TO ORDER:**

Mayor Jim Rundborg called the Regular City Council Meeting to order at 7:00 p.m. He led the Pledge of Allegiance.

**ROLL CALL:**

Council Members Present: Sue Erickson, Dave Hunsaker, Ray Knick, Jim Lancaster, Tony Stoker, and Sheryl Strouse  
Council Members Excused: None

**STAFF:**

Lisa Grysen, Larry Jerue, Dan Matson, Chris Olson, and Denice Smith

**AUDIENCE:**

Gail Watkins, Rachel Sylvester, Earl Aungst, and Clay Summers

**APPROVAL OF AGENDA:**

Motion by Knick, seconded by Stoker and carried by unanimous vote of the Council that **the agenda be approved as presented.**

**SPECIAL AGENDA ITEMS:**

1. DeWitt Area Recreation Authority (DARA) Annual Report: Clay Summers (Director for DARA) was present to review their Annual Activity Report for 2009. The report included:
  - highlights (Joint 5 Year Parks & Recreation Master Plan 2010-2014 between DeWitt Township, DeWitt City and DARA was completed and filed; preliminary discussion with Bath Township regarding regionalization of recreation services)
  - financial information (revenues increased less than 1% over 2008 and overall expenses decreased by approximately 7.27% from 2008)
  - Facility Use (parks, community center, hours used per municipality; hours used per park/building compared to 2008)
  - Residency summary
  - Hours of Use Summary
  - 2010 Anticipated New Programs
  - 2009 Partnerships
  - DARA Programs Exclusively to the City

Councilman Hunsaker thanked Clay Summers and Chad Stevens (Program Coordinator) for keeping costs under control and for doing a great job.

2. Annual Report – Granger: The refuse and recycling agreement between the City of DeWitt and Granger requires them to appear before Council to discuss the services they provide to the City. Ernie Aungst (filling in for Paul Anderson, Operations Manager for Granger Waste Services) presented a report to Council which included statistical and financial information regarding their refuse, recycling and yard waste services.

Motion by Hunsaker, seconded by Erickson and carried by unanimous vote of the Council that

**BE IT RESOLVED to receive and place on file the Annual Report for 2009 from Granger Waste Services (a copy of the report is on file).**

**APPROVAL OF MINUTES:**

Motion by Knick, seconded by Stoker and carried by unanimous vote of the Council that **the minutes for the February 2, 2010 Regular City Council Meeting be approved with the following change:**

**Page 6: Budget Amendments, third paragraph to read, “The City’s grant’s share of the construction cost under the stimulus is 100% ....”**

**PUBLIC COMMENTS:**

Gail Watkins (City Assessor) presented the Council with the 2010 SEV and Taxable Values for the City of DeWitt. Since the Consumer Price Index for 2010 is a negative number, the taxable value will decrease for the first time since the inception of Proposal A in 1994. Taxable value has decreased 5.5% from last year.

**CITY ADMINISTRATOR’S REPORT:**

Chris Olson (City Administrator) reviewed his report with Council.

- **MLGMA Winter Institute/MRPA Annual Conferences:** The Michigan Local Government Management Association and Michigan Recreation and Parks Association held their annual winter meetings simultaneously in Grand Rapids. Topics included: Ideas for park amenities; Municipal financial issues; Foreclosed properties; and the Life cycle of commercial developments.
- **Tax Rates:** There have been a series of newspaper articles and additional informal polls regarding communities and taxes. Approximately 14 communities are openly discussing millage increases, income tax levies or income tax increases. One item to note is that in a 2008 MML survey, which included 276 Michigan cities and villages and also includes library and transit millages, DeWitt ranked as the community with the 210<sup>th</sup> lowest property tax rate. This puts DeWitt in the lowest 23% of Michigan cities/villages.
- **Parks, Recreation & Cemetery Commission Meeting** – The Commission met on February 10<sup>th</sup> to discuss various matters regarding the parks and cemeteries. The committee advised City staff to proceed with providing notices to all persons with excess cemetery decorations. Also, they designated a committee of its members to work on the skateboard park.
- **Census** – Notices will be coming out on the census. The City should emphasize the importance for residents to respond. The City’s revenue-sharing payments largely rely on its population.
- **LEAP/Metro Council** – Mr. Olson met with LEAP executive director Denyse Ferguson and strategic projects manager Jeannie Cleary on Feb. 10. There is meeting on February 17 in which the metro council idea will be discussed. The current organizational document language has a large “sticker shock” and taking smaller steps might be more successful in this endeavor. The primary emphasis for this will be regional planning, marketing/economic development, and transportation.
- **811 Elmwood** – There is a water service that is being installed at 811 Elmwood. A full trench was cut across Elmwood to connect to the main. Unfortunately, there were some problems between the contractor and LBWL with accurate information (watermain location), and the City was not contacted in advance of the start of the project. Better communication is needed. The City provided safety notices as these were not put into place in advance of the project. A \$500 damage deposit was collected from the property owner in order to assure that the street will be appropriately hot-patched in Spring, as well as to cover any other damages. This property is currently vacant and is being “flipped.”
- **Code Enforcement Matters** – There is a show-cause hearing scheduled for March 1 with Judge Wells due to the work items not being addressed at the site. Also, the City has not seen a plan or permit application for the boiler pit which is supposed to be covered or fenced off by February 25.

There has been no communication regarding the property at 107 S. Bridge, other than with Brenda Kowalczyk.

- **SCCMUA** – The process for hiring a new operations director has begun. The application deadline is February 19.
- **Downtown Design Guidelines** – This was presented at the January Planning Commission meeting in which Council was invited to attend. Council was asked for their comments.
- **Street work grant application** – Work continues to progress on the survey and design work. One issue facing the City is the number and placement of handicapped parking spaces, due to the grade of the street.
- **MML Capital Conference** – The MML has announced their annual conference to meet with legislators is set for April 13-14.
- **MML Region 4 Meeting** – DeWitt will be hosting the Region 4 meeting on May 19<sup>th</sup>. The Council was provided with a list of topics that might be of interest for the regional meeting.
- **Clinton County Road Commission** – The managing director sent a letter regarding the millage proposal that CCRC is working on and how it would impact the City. Council was also provided a legal opinion on this topic as well. Basically, it states that municipalities would have to take an affirmative action to “waive” the property taxes raised within the City to the County. Otherwise, the City would retain the funds for its roads.

**OLD BUSINESS:**

1. Oaks #2 Punch List Items: At the February 2, 2010 Council meeting, when the street dedication and restrictive covenants were approved for the Oaks II subdivision, there was some concern expressed over the status of the work remaining to be done by the developer (“punch list items”). Summarized, these items include (a) the provision of as-built engineering drawings, (b) the completion of street/curb/storm sewer repairs and (c) the completion of a working stormwater system to serve the subdivision.

Chris Olson (City Administrator) provided some background and timelines on this subject. On January 14, 2010, Chris Thelen faxed a letter to the City. This letter addressed the completed and remaining tasks that were requested in prior letters from the City and C2AE. Effectively, this is the developer’s pledge and work plan to perform the remaining punch list items that have been discussed with the developer and documented numerous times by Kevin Feuka (C2AE) and the City Administrator over the course of 2009. DTP’s attorney provided a letter (dated February 4, 2010) reiterating that all punch list work will be accomplished by June 1, 2010.

A summary of the developer’s 3-page letter discussing the work is as follows:

<u>Task</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Status</u>
Subdivision sign	April 1	May 1	pending
Curb repair work	April 1	April 15	pending
East drain swale construction	April 1	May 1	pending/weather dependent
Pond work completion	April 1	May 1	pending/weather dependent
Pond vegetation	April 1	May 1	pending/weather dependent
As-built drawings	April 1	April 15	pending construction
Streetlight installation	not stated	not stated	Consumer’s Energy
Restrictive Covenants-existing	note stated	Jan 29	complete; 8/10 signed
Restrictive Covenants-recording	Feb 3	ASAP	pending (see reminder letter)
Summary of HOA costs	Jan 7	Jan 15	provided

As anticipated, the developers asked for the reduction of their irrevocable letter of credit following the City's acceptance of the street on February 2, 2010. The amount of funds they requested for release is \$27,000, which will take the current surety from \$66,500 down to \$39,500.

In accordance with the Municipal Improvements Agreement (MIA), the City Administrator requested and received a letter of certification concerning the status of those improvements from its engineers. The engineers concur with the respective amounts requested for release and to cover the remaining tasks.

Under the terms of the MIA, the bank has been notified that the letter of credit reduction is acceptable so that the developers can access \$27,000 from their July 2009 letter of credit. The City has also requested that the due date for the new letter be extended to December 31, 2010 due to the following concerns:

**Irrevocable letter of credit:** The only possible caveat anticipated as this moves forward is the basis and length of time when modifying the next letter of credit. The current one was established on a per-task basis, and it is reasonable to anticipate that the developers will expect the final release of funds to occur shortly after June 1, 2010, with the completion of those specific listed tasks. However, the developers are still obligated to deliver a **working** stormwater management system for the subdivision. That can only be determined after the system is fully installed, that the vegetation takes, and there is adequate time to observe its actual workability in a dry season with large flash rains, as well as a consistently wet season (late Fall). That cannot happen prior to June 1, 2010 so it is likely that a reasonable portion of the \$39,500 will need to be held well after the June 1<sup>st</sup> task completion deadline(s) in order to correct any installation problems. It is critical to know whether or how the entire swale and soil absorption system works (or doesn't work) prior to its acceptance by the City and conveyance to the Drain Commission.

**Warranties:** The 2-year warranty for the entire length of Oakwood Drive began on February 3, 2010.

**Expenses and Homeowner Association Documents:** About two weeks ago, the developers were invoiced \$5,770.81 for the January consultant expenses. Mr. Thelen indicated in a phone conversation on February 12<sup>th</sup> that he would pay that amount "next week" when he comes in to apply for "one or two building permits." Those permits will not be issued until the City has received the recorded reciprocal easement, declaration of restrictions and homeowner association documents from Mr. Guyselman (attorney for the developer).

There is an adequate plan to accomplish the remaining work and adequate remaining surety to enforce the remaining work in the form of an irrevocable letter of credit with the City as named beneficiary in the amount of \$39,500.

Motion by Erickson, seconded by Stoker and carried by unanimous vote of the Council that

**BE IT RESOLVED to receive and place on file the report (dated February 12, 2010) as prepared by the City Administrator and its attachments regarding the Oaks 2 subdivision.**

2. Discuss Objections to Proposed Master Plan: Council passed a resolution on November 16, 2009 (amended on December 7, 2009) describing its objections to the proposed Master Plan. This resolution was presented to the Planning Commission at their January 28, 2010 meeting.

During the January 28<sup>th</sup> Planning Commission meeting, there were questions as to the bullet points referring to professional and medical offices in this area. Retail, service businesses and restaurants are land uses that the City Council, as a body corporate, considers objectionable. However, it was not clear from the documentation whether medical and/or professional uses are considered acceptable.

Council Member Erickson reiterated ~~her desire to keep the focus on the downtown first.~~ ***the Council's vote to limit Planning Area 5 and Planning Area 6 to residential development.*** She stated that she has reviewed the ~~information~~ ***City Council resolution and list of objections as presented to the Planning Commission at their January 28, 2010 meeting and agreed it was confusing as presented.*** ~~She and~~ suggested that a red-lined version of the Master Plan clearly identifying the Council's objections be prepared ***for the next Planning Commission meeting.*** The Council asked to have this item placed on the agenda for the February 23, 2010 Council meeting. If approved by Council, this document would be presented to the Planning Commission for discussion at their February 25<sup>th</sup> meeting. The Council asked Dan Matson (City Attorney) for his legal opinion on who can author the Master Plan (Council or Planning Commission).

**NEW BUSINESS:**

1. Proposal for Engineering Design to Repave Bridge Street from Main to Washington: At the prior Council meeting, the amount of \$12,375 was approved from the Major Street Fund to perform design services on Bridge Street (from Main Street to Brunswick Street).

There is a possibility that sufficient construction funds will also be available to include the paving of Bridge Street from Main to Washington. C2AE has submitted a proposal (dated February 12, 2010) stating the additional fee for this effort will be \$1,750.00, amending the total design contract to \$14,125.00.

Previously, \$1,000 was authorized for survey work for this block in order to keep the City's grant paperwork on track for the application deadlines. That amount was not included in the prior C2AE proposals.

The engineering work will be utilized in either 2010 (should the City receive stimulus funding), or 2014 if funded under standard federal aid. The City is on both project lists, so this work will not "sit on the shelf."

Should the stimulus funding be granted, the Council will be kept updated on the scheduling of the work in order to avoid conflicts with the Annual Car Show and Ox Roast weekends. The DDA has been advised about the possible impacts involving the summer Farmer's Markets.

Motion by Strouse, seconded by Erickson and carried by unanimous vote of the Council that

**BE IT RESOLVED to approve the amended proposal (dated February 12, 2010) submitted by C2AE for the additional amount of \$1,750 for engineering services relating to the first block of South Bridge Street (from Main Street to Washington Street) amending the total design contract for the Bridge Street Paving Project to \$14,125.00.**

2. Municipal Employees Retirement System (MERS) - Retirement Window: The Council was presented with a "Resolution for Changing MERS Benefits" which would adopt an early

retirement window to allow employees in Division 01 (general employees), with 30 years of service to retire at age 55 without a reduced pension.

Should any employee choose to take advantage of the window, the expense to the City is \$6,603 per year, beginning in 2013. The window affects one employee. That employee recently decided to take advantage of the window, provided that other considerations were part of the package. The City's normal retirement age to receive a full pension is 60 years old.

Motion by Lancaster, seconded by Knick and carried by unanimous vote of the Council that

**BE IT RESOLVED that the City of DeWitt approves the prepared MERS "Resolution for Changing MERS Benefits" which states, in accordance with the MERS Plan Document of 1996, the City of DeWitt adopts the following benefits for Division 1 – General:**

- **Provisions for Earlier Normal Retirement to F55/30**
- **Window Period Effective Date is from September 1, 2009 to February 26, 2010.**

3. City Clerk Retirement Agreement: The City Clerk has provided a letter of retirement (dated February 12, 2010) opting to retire early provided that there is no penalty to her pension and that other considerations would be approved.

Chris Olson (City Administrator) has worked with Dan Matson (City Attorney) on a proposed retirement agreement describing certain benefits that would be applicable to Ms. Smith in the four years prior to her reaching the "standard" retirement age. The vacation and sick time payouts are already part of her contract. The consulting arrangement is for her availability and services in case her expertise is necessary in the future.

The largest cost consideration for the City is the proposed provision of health and dental insurance from March 2010 to March 2014 for Denice and her husband, until she reaches age 60. At that point, she would receive single medical coverage in accordance with the City's personnel policy (Non-union retirees receive lifetime single medical coverage at age 60, with benefits coordination with medicare/medicaid occurring at age 62).

In light of the City's upcoming revenue concerns that were discussed at the last Council meeting, this works very well for all parties concerned. If the City does not replace the position, the estimated savings are \$78,000/year for the next 5 years. If a part-time book-keeping person is hired (24 hours/week), then the City's savings are approximately \$62,000/year. Mr. Olson's professional observation was that a new full-time person is not necessary at this time, especially in light of the City's forecasted revenues.

Motion by Strouse, seconded by Hunsaker and carried by unanimous vote of the Council that

**BE IT RESOLVED to approve the contract with Denice Smith-Astalos, to accept her retirement, and to celebrate her years of service to the City of DeWitt with all due congratulations and salutations.**

4. BS&A Software Proposal Commitment (Effective in Fiscal Year 2010-11 and Fiscal Year 2011-12): BS&A is proposing a software upgrade for its client municipalities. The proposed ".NET" programs are necessary due to the use of a new database engine ("pervasive") because of space limitations on the old database engine. There may be other technical reasons or advantages

Council Chambers

to do this, but it remains that the systems are changing and the City will need to upgrade. At this time, BS&A is offering discounts to commit to the migration to the new software. The software upgrades will not create such efficiency that less staff or other time savings will occur. Therefore, it is not possible to calculate a return on this capital investment. The City is essentially sole-sourced on this purchase and a waiver from the purchasing policy will be necessary. As a budgetary relief, the billing can be spread over two years.

BS&A is offering the City a 15% discount for Tax, Assessing and Special Assessment Systems (upgraded network versions) for a total cost of \$7,302. Also, BS&A is offering the City a 75% discount for their General Ledger.Net; Accounts Payable.Net; Cash Receipting.Net; Payroll.Net; Fixed Assets.Net; Utility Billing.Net; and Cemetery Management.Net Systems (network versions) for a total cost of \$3,495.00.

BS&A also quoted the amount of \$2,400 for 4 training days. The City Treasurer and City Assessor both stated that training would probably not be necessary.

Motion by Knick, seconded by Hunsaker and carried by unanimous vote of the Council that

**BE IT RESOLVED to approve a commitment to BS&A to order their .NET programs (upgraded network versions) at a cost of \$10,797.00 (installation to occur in Fiscal Year 2010-11) and with billing to be spread between Fiscal Year 2010-11 and Fiscal Year 2011-12 and to authorize a sum not to exceed \$2,400 for training.**

**COUNCIL/STAFF REPORTS:**

The following items were discussed:

- Chief Jerue updated the Council on Police Department activities.
- Dan Matson (City Attorney) reported on the Medical Marijuana Act and recommended the City prepare for this by implementing an ordinance that will address potential issues.
- Denice Smith (City Clerk) stated it was a pleasure working with everyone over the years and thanked the Mayor and Council for allowing her to reach her professional goals and for the opportunity to serve the City as Clerk.
- Councilman Hunsaker reported that the Parks, Recreation & Cemetery Commission met on February 10. Among other topics, enforcement of the Cemetery Rules was discussed. It was the opinion of this Commission that the City should proceed with enforcement of violations and they will review the Cemetery Rules & Regulations to clarify any ambiguous language.

**ADJOURNMENT:**

Motion by Erickson, seconded by Hunsaker and carried by unanimous vote of the Council that **this meeting be adjourned at 8:35 p.m.**

Respectfully submitted,

Denice Smith  
City Clerk

James Rundborg  
Mayor