

**THE CITY COUNCIL
NILES, MICHIGAN
PUBLIC HEARING
ELECTRIC RATE ADJUSTMENTS
Monday, APRIL 10, 2017, 5:55 p.m.**

The Mayor asked if anyone in the audience wished to address the council on the Electric Rate Adjustments. Hearing no response, the Public Hearing was closed at 5:57p.m.

**CITY OF NILES
REGULAR CITY COUNCIL MEETING MINUTES
MONDAY, APRIL 10, 2017**

The meeting was called to order by Mayor Shelton in the City Council Chambers, 1345 East Main Street, Niles, Michigan at 6:00 p.m., April 10, 2017. The Pledge of Allegiance was led by Mayor Shelton.

PRESENT: Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Robert Durm, David Mann, Wm. Tim Skalla, Daniel VandenHeede, William Weimer, Mayor McCauslin

ABSENT: None

STAFF: Casperson, Huff, Landgraf

CITIZEN PARTICIPATION:

Jan Personnett thanked the Fire, Police and 1st Responders for their quick response to the tragic carbon monoxide incident at the Quality Inn Hotel. She stated that she was proud to be a resident of Niles with well trained staff.

Linda Casperson suggested a solution to offset expenses (\$8,700) for city services provided to the Forever Young Car Show by collecting \$45 per car show (13 weeks) from the 15 business owners that signed a petition to keep it on Main Street. Also, if a \$1 fee was collected from the car owners, the car club would offset their expenses and any money left over would go toward next year's show.

Marie Weimer requested that the City Council look further into the car show. She recalled her experience with Riverfest stating that they were required to file income tax.

Steve Gargis asked that the City Council investigate the accountability and financial standings of the car show. He inquired sponsorship fees for the car show and was quoted \$475.

PRESENTATION: Dawn Lund, Vice President
Utility Financial Solutions, Inc.

Dawn Lund, Vice President of Utilities Financial Solutions, LLC of Holland, Michigan, presented the council with an explanation of electric rate increases. The City has a total of 11 different customer classes and subcategories. The overall rate increase will be 5.2%. The increase will help fund the capital improvement projects, as well as keep adequate reserves and revenue within the electric enterprise fund. Additionally, the increase will help cover operations and maintenance costs. The wholesale electricity from AEP went up 4.5% on June 1, 2016 and the city had to absorb over \$1million in other costs from AEP over the last 3 years. The electric division's financial projections weren't ready until November which delayed the annual rate change recommendation. A city household average increase will be 4.7% on their monthly electric bill beginning with June bill for May usage. For residential in-city customer usage of 1,000 kwh per month will increase at total of approximately \$4.50.

CONSENT AGENDA:

1. Consideration of approving the City Council Minutes of March 27, 2017.
2. Consideration of approving the Bills dated April 4, 2017.
3. Consideration of approving a contribution of \$2,500.00 to Western Michigan University for the Ft. St. Joseph Archeology 2017 Open House event.
4. Consideration of accepting the quote of \$3,695.00 from T&R Electric of Coleman, SD for the purchase of a 75KVA pad mounted transformer for William F. Alford Company (KFC).

5. Consideration of accepting the quote of approximately \$6,700.00 from Great Lakes Chloride, Inc. of Grand Haven, MI for the application of liquid calcium chloride on approximately 5 miles of unpaved streets in the City.
6. Consideration of approving the purchase of a Ford Transit utility van at a cost of \$8,000.00 from Clarks Service of Niles for use by the Wastewater Division.

Council Member Weimer moved, **Council Member Bertschy** supported, **MOTION CARRIED**, to approve Items 1-6 on the Consent Agenda as submitted.

ROLL CALL:

AYE: Bertschy, Boggs, DiCostanzo, Durm, McAfee, Skalla, VandenHeede and Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

ADMINISTRATOR'S REPORT:

Introduction of Items for Discussion

Items for Council Action

7. Consideration of adopting a resolution for the sale of property at 1246 S. 13th Street for \$1; contingent on the purchase of the adjacent property, the combining of both properties, the payment by the purchasers of all costs associated with the transfer of the property and the construction of a home within a reasonable time on the combined property.

RESOLUTION #2017-04/2012

SALE OF PROPERTY TO MS. KLINE AND MR. SEGETY

Council Member Weimer offered the following resolution and moved for its adoption, supported by **Council Member Bertschy**.

RESOLVED BY: City Council, City of Niles, Michigan,

WHEREAS, the City of Niles, Michigan has agreed to the sale of a vacant lot located at 1246 S. 13th Street in said City to Ms. Kline and Mr. Segety for a sale price of One Dollar (\$1), contingent upon their purchase of 1254 S. 13th Street; and; and

WHEREAS, the sale is ready to be consummated; and

WHEREAS, a resolution authorizing the sale has been required.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The City of Niles agrees to sale of property, conveyance to be by quit claim deed without any warranty of marketability of title to Ms. Kline and Mr. Segety the following described property located in the City of Niles to wit: The S ½ of Lot 106 Vernon Hgts Acres 2nd add City of Niles (11-73-8210-0106-01-0)
2. That the sale price shall be One Dollar (\$1), contingent upon their purchase of 1254 S. 13th Street; the combining of the property with the 1254 S. 13th property and that the construction of a home on said property shall be completed within a reasonable amount of time.
3. That the Deed of Conveyance shall be executed by the Mayor of the City of Niles and the City Clerk of the City of Niles.
4. That Ms. Kline and/or Mr. Segety will be responsible for all costs associated with the transfer of this property to their ownership.
City of Niles Resolution #2017-04/2012
Sale of Property to Ms. Kline and Mr. Segety
5. This resolution is adopted by the City Council for the City of Niles, Michigan on the 10th day of April, 2017, and authorizes the execution of the Deed conveying said premises as herein described.

ROLL CALL:

AYE: Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Robert Durm, Charlie McAfee, Wm. Tim Skalla, Daniel VandenHeede, and William Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

RESOLUTION # 2017-04/2012 DECLARED ADOPTED

8. Consideration of accepting the bid of \$279,888.20 from Rieth-Riley for the 2017 Major Street Pavement Resurfacing Project contract and consideration of authorizing the mayor to sign the contract.

Council Member Bertschy moved, **Council Member Weimer** supported, **MOTION CARRIED**, to accept the bid of \$279,888.20 from Rieth-Riley for the 2017 Major Street Pavement Resurfacing Project contract and consideration of authorizing the mayor to sign the contract.

ROLL CALL:

AYE: Bertschy, Boggs, DiCostanzo, Durm, McAfee, Skalla, VandenHeede and Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

9. Consideration of approving entering into the Michigan Economic Development Corporation's Redevelopment Ready Communities Program Joint Memorandum of Understanding and consideration of authorizing the mayor to execute the required documents.

Council Member Skalla moved, **Council Member DiCostanzo** supported, **MOTION CARRIED**, to approve entering into the Michigan Economic Development Corporation's Redevelopment Ready Communities Program Joint Memorandum of Understanding and consideration of authorizing the mayor to execute the required documents.

ROLL CALL:

AYE: Bertschy, Boggs, DiCostanzo, Durm, McAfee, Skalla, VandenHeede and Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

10. Consideration of entering into a Sub-Recipient Funding Agreement with the Niles-Buchanan YMCA for the Summer My Way Program; authorizing the payment of \$10,000.00 from the City's Community Development Block Grant to the program and consideration of authorizing the mayor to sign the agreement.

Council Member Bertschy moved, **Council Member Boggs** supported, **MOTION CARRIED**, to enter into a Sub-Recipient Funding Agreement with the Niles-Buchanan YMCA for the Summer My Way Program; authorizing the payment of \$10,000.00 from the City's Community Development Block Grant to the program and consideration of authorizing the mayor to sign the agreement.

Council Member McAfee questioned why only 100 youth were being served and what happens to others being left out. City Administrator Huff explained that the City had a park program at various parks that didn't seem to be working because all of the activities were outside. The Summer My Way program was first introduced by the Niles Library with the support of YMCA and the City. The funds from the city were redirected to the program. Sanya Vitale (Phillips) stated that the program covers 250 children. There is a waiting list.

ROLL CALL:

AYE: Bertschy, Boggs, DiCostanzo, Durm, McAfee, Skalla, VandenHeede and Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

11. Consideration of approving the implementation of electric rate adjustments, effective May 1, 2017.

Council Member Weimer moved, **Council Member Skalla** supported, **MOTION CARRIED**, to approve the implementation of electric rate adjustments, effective May 1, 2017.

ROLL CALL:

AYE: Bertschy, Boggs, DiCostanzo, Durm, McAfee, Skalla, VandenHeede and Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

12. Consideration of approving the extension of a service agreement with Service Express, Inc. of Grand Rapids, MI for existing servers and tape backups at a cost of \$6,636.00 and consideration of authorizing the Information Systems Manager to sign the agreement.

Council Member Weimer moved, **Council Member Bertschy** supported, **MOTION CARRIED**, to approve the extension of a service agreement with Service Express, Inc. of Grand Rapids, MI for existing servers and tape backups at a cost of \$6,636.00 and consideration of authorizing the Information Systems Manager to sign the agreement.

ROLL CALL:

AYE: Bertschy, Boggs, DiCostanzo, Durm, McAfee, Skalla, VandenHeede and Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

13. Consideration of allowing the Department of Public Works to deviate from the current purchasing policy for the purpose of acquiring used golf carts for Plym Park Golf Course.

Council Member Bertschy moved, **Council Member Weimer** supported, **MOTION CARRIED**, to allow the Department of Public Works to deviate from the current purchasing policy for the purpose of acquiring used golf carts for Plym Park Golf Course.

ROLL CALL:

AYE: Bertschy, Boggs, DiCostanzo, Durm, McAfee, Skalla, VandenHeede and Weimer

NAY: None **ABSENT:** None **ABSTAIN:** None

APPOINTMENT TO BOARDS:

None

CITY ATTORNEY'S REPORT:

None

COUNCIL MEMBER'S REPORT:

All members of the council and mayor thanked everyone who responded to the carbon monoxide incident at the Niles Quality Inn that occurred on April 1, 2017. Condolences went out to the Watts family and hopes of fast recovery

to the others affected by the incident.

Council Member McAfee stated that the city had a park program in the past where the kids simply walked to the neighborhood park; and it was an outlet for kids to enjoy the beautiful parks. The Summer My Way is a great program, but something more needs to be done.

Council Member Weimer personally thanked first responders to the carbon monoxide incident and hoped that they go through debriefing.

Council Member DiCostanzo thanked Jeff Dunlap and Dawn Lund for the thorough rate study. He stated that the primary objective is to provide reliable service. His opinion on the use of the parks is that parents and their children should utilize the parks. The city should not be responsible for watching children.

Council Member Skalla mentioned that over the last year it has been mentioned that a program is needed to honor citizens of Niles that have served in the military. He will be working with the Friends of Silverbrook Cemetery to gather names of deceased veterans. Niles Community Schools Westside Administration building has a plaque honoring 47 named individuals that served in the military during WWII. He would like to look into obtaining the plaque prior the building in sold.

Council Member Boggs thanked Dawn Lund for clarifying the electric rate increase. She also announce that the NAACP is celebrating their 75th Anniversary with a fund banquet dinner on Saturday, April 29, 2017 at 5:15pm at the Niles Senior Center, 1109 Bell Road, Niles. Key note speaker is Dr. Agustín Arbulu, Executive Director of the Michigan Department of Civil Rights.

Council Member Bertschy questioned if the Friends of Silverbrook had a Facebook page. Council Member Skalla responded that they have a very active website <http://www.friendsofsilverbrook.org/site4/>.

Council Member VandenHeede thanked the people that spoke on behalf of the car show and agreed that there should be more accountability. He mentioned that there is also a need to be flexible; for instance, when it comes to purchasing equipment or services, referencing the purchase of a utility van, snowplow or golf carts, and recognizing the practicality of direct purchases.

Council Member Durm thoughts and prayers to the Watts family. He also mentioned that in the future, council needs to look at the categories where utility rates are being changed. In addition, he stated that the downtown car show is unique but, he inquired last year that the club seek non-profit status. He offered to help them with their filing.

MAYOR'S REPORT:

Mayor Shelton thanked Dawn Lund and Jeff Dunlap for the presentation of the electric study.

He also reported that the City of Niles received the 2017 Exemplary Efforts in Environmental Protection Award. The purpose of the award is to recognize a water or wastewater system which demonstrated exemplary initiatives, projects or education on the critical role of the utility in Environmental Protection to the public.

Congratulations to Sanya Vitale (Phillips) for leading the Niles Housing Commission on going from the worst in the state to one of the highest performing housing commissions in the state of Michigan. Her expertise in the HUD regulations and local government management has led to receiving a score of 95 out of 100 on its Public Housing Assessment Systems score from the US Department of Housing and Urban Development.

Mayor Shelton stated that he attended the memorial of Brian Watts and although he did not know him, everyone spoke of what a wonderful person he was. Condolences to the Watts family.

ADJOURNMENT

Council Member Weimer moved to adjourn at 7:23pm.

Linda Casperson, Niles City Clerk

Date Approved