

CITY OF FENTON COUNCIL PROCEEDINGS
Monday, August 14, 2006
City Hall Council Chambers
301 South Leroy Street

Mayor Osborn called the meeting to order at 7:30 P.M.

A moment of silence was observed for the death of former council member William Eller.

The Lord's Prayer was recited, followed by the Pledge of Allegiance.

Present: Angeluski, Hammond, King, Moffitt, North, Osborn.

Absent: Rauch.

Others Present: Michael Senyko, City Manager; Christopher Wren, Assistant City Manager; Leslie Bland, DPW Director; John Booth, HRC; Cynthia Shane, Treasurer.

MINUTES

Moved by North, seconded by Hammond to approve minutes of the July 24, 2006 regular meeting as corrected. Motion carried by voice vote.

ACCOUNTS PAYABLE

North noted that an invoice for the Southern Lakes Bush Park Initiative should be moved from the General Fund to the DDA. Senyko agreed.

Moved by North and seconded by King to authorize payment of invoices in the amount of \$219,038.71 and move the Southern Lakes Bush Park Initiative invoice to the DDA.

Yeas: King, Moffitt, North, Osborn, Angeluski, Hammond.

Nays: None.

Absent: Rauch. Motion carried.

CORRESPONDENCE, MINUTES & REPORTS

Moved by King, seconded by Hammond to place on file the following minutes:

- Minutes of the May 24, 2006 Development Area Citizens Council meeting.
- Minutes of the June 22, 2006 Planning Commission meeting.
- Minutes of the July 11, 2006 Parks and Recreation Board meeting.

Motion carried by voice vote.

RESOLUTION NO. 06-15

This resolution tentatively awards the 2006 Water System Improvement Project Bid to Pamar Enterprises, Inc. of New Haven Michigan in the amount of \$2,044,815.50. This would be conditional on the MDEQ Order of Approval and available funding from the DWRF Loan Program.

Senyko informed Council that action is required at this time to stay on the State's

schedule. If adopted, the water rate increase as previously discussed will be presented to Council. If the resolution fails, there will still be a rate increase to cover higher than expected operating costs. He also explained that the following ordinance falls under the State regulations for revenue bonds and therefore, a previous introduction was not necessary for adoption.

Bland reported there have been a large number of problems with the water mains on North Road and Adelaide Street which will require repairs eventually. He recommended moving forward with the project now in order to take advantage of the lower interest rate.

Booth explained that if this project is not approved, it will remain on the State's list for low interest funding next year. However, the project will be placed back in the pool with other municipalities and the City runs the risk of the money running out before this project is reached.

Senyko explained that if the project does not move forward at this time, the money spent on engineering fees is not reimbursable until the project is approved again by the State.

King expressed concern that there is no assurance that the City would be awarded the loan next year. As an alternate method of obtaining funding, she recommended an increase of flat fees based on type of usage; residential, commercial or industrial.

Angeluski felt by this meeting, because of the amount of previous discussion, a conclusion should have been reached.

Marilyn Wendt, 606 Shoreline Drive, questioned the effect of a rate increase on property sales in the City.

Denae Hardin, 664 Plum Tree, read a letter to Council expressing her opposition to raising water rates. She suggested using the \$1.4 million the City would fund to demolish the Topps Market building to pay for the water mains. The burden should not be placed on the taxpayer.

King wished to make it clear that she is on Council to supply and fulfill the needs of the citizens. There are badly needed infrastructure repairs, and she did not feel they should be put off and risk the chance of losing the low interest rate. This is why she suggested the flat fee and will also vote in favor of this resolution.

North felt a rate increase was not the answer and questioned the possibility of re-working the budget or using of DDA funds. Senyko pointed out that this project is not in the DDA district. North suggested moving salaries from the DDA into the General Fund and then passing revenue through to the General Fund. Shane reminded her that the DDA can only revenue share what the City captures in millage.

Hammond noted that in order to receive approval for issuing bonds, the City must provide its source of revenue.

Moffitt stated that he sees the City spending money on unnecessary things. Many homes are for sale and this is not the time to raise rates.

Moved by Osborn, seconded by King to adopt Resolution No. 06-15 tentatively awarding the 2006 Water System Improvement Project and awarding the bid to Pamar Enterprises, Inc. of New Haven, Michigan in the amount of \$2,044,815.50.

Yeas: Osborn, Angeluski, King.

Nays: Moffitt, North, Hammond.

Absent: Rauch. Resolution failed.

ORDINANCE NO. 635

This is a proposed ordinance to provide for the construction, installation, furnishing and equipping of additions to the existing water supply system of the City of Fenton; to provide for the issuance and sale of revenue bonds of equal standing with revenue bonds now outstanding to pay the cost thereof; to prescribe the form of the bonds; to confirm existing rates for the system; and to provide for other matters relating to the bonds and the system.

Adoption of this ordinance is contingent on the adoption of Resolution No. 06-15 to award the bid for the 2006 Water System Improvement Project. The Resolution failed and therefore this ordinance was removed from the agenda.

ELLEN STREET CURB & GUTTER BID

Five bids were received and the lowest by Commerce Construction & Landscaping, Inc. of Milford, Michigan came in 28% higher than the engineer's estimate of \$51,800. Booth noted that due to a recent change order, the bid price has been reduced to \$59,926.50 from the original bid amount of \$66,346.50. An amended Special Assessment resolution will be presented at the August 28th meeting.

Moved by Osborn, seconded by North to award the Ellen Street Curb and Gutter Bid to Commerce Construction & Landscaping, Inc. for a cost not to exceed \$59,926.50. Motion carried by voice vote.

ST. JOHN'S APPLEFEST BANNER REQUEST

Moved by North, seconded by Osborn to approve the request of St. John's Applefest Committee to install banners at 604 Main Street, 1103 N. Leroy Street, 1000 W. Shiawassee Avenue and 1000 Silver Lake Road provided the banners meet the required standards. Motion carried by voice vote.

ST. JOHN'S REQUEST TO USE CITY PROPERTY

St. John's has in the past used the Lincoln Street property for the annual Applefest parking. Approval has already been obtained from the Parks and Recreation Board and the DDA. They also are requesting to use the City streets for the Applefest road race. There will be signs posted on the route in advance of the race. Volunteers, along with police and sheriff deputies will be available for security and traffic control.

Moved by Hammond, seconded by King to approve the request of the St. John's Applefest Committee to use the City-owned Lincoln Street property for Applefest parking and to use the City's streets for the annual Applefest road race. Motion carried by voice vote.

CALL TO THE AUDIENCE

Curtis Gould, 405 George Street, stated he doesn't like rate increases, but sees no other choice but to move forward with the water and sewer projects. He requested that Council re-address the issue. Osborn noted that it would have to be brought back by a councilmember who voted against it.

Elizabeth Evans, agreed with Mr. Gould, noting the City will never find lower interest rates.

Jim Graham, 819 W. Shiawassee, stated he does not feel the City should be funding a portion of the Terra Land project on the former Topps Market site. He also stated he felt that

public facilities should remain open for public use during the privately run events, such as the Tour Du Lac. He also requested that the City attempt to coordinate their meetings with the School Board.

Tim Draeger, representing St. John's Applefest, reported that this year there will be free concerts held during the festival.

CITY MANAGER'S REPORT - None.

COUNCIL MEMBER COMMENTS

Moffitt reminded Council and the audience that we all must be observant and alert in regards to potential terrorist activities given recent developments in Michigan.

Angeluski thanked everyone for the cards and calls during his recent hospital stay and convalescence.

LEGAL COUNSEL REPORT

Schultz reminded everyone that the painted chair he sponsored will be auctioned off at the Taste of Fenton on Saturday, August 19th.

MAYOR'S COMMENTS - None.

Meeting adjourned at 9:08 P.M.

Sue Osborn, Mayor

Melinda Carrier, City Clerk