

**MINUTES OF THE EAST JORDAN CITY COMMISSION REGULAR MEETING HELD
TUESDAY, MARCH 27, 2007 AT 7:30 P.M. IN CITY HALL**

Present: Mayor Postma
Commissioners Symonds, McNitt, Bennett, Timmons, Vollbach and
Klooster

Absent: None

Mayor Postma called the meeting to order at 7:30 p.m. and led the pledge of allegiance. He noted the public hearing scheduled for this evening has been rescheduled for April 17, 2007.

ITEM #3 Inquiry of Conflicts of Interest

No conflicts of interest were voiced.

CONSENT AGENDA

Motion offered by Bennett, second by Vollbach, to approve the minutes of the Regular Commission Meeting dated March 6, 2007, as submitted.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by Bennett, second by Vollbach, to approve the minutes of the budget discussion dated March 15, 2007, as submitted.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by Bennett, second by Vollbach, to acknowledge receipt of the Paid Bill List dated March 15, 2007, totaling \$206,557.93.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by Bennett, second by Vollbach, to acknowledge receipt of the Funds on Hand Report, February 2007.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by Bennett, second by Vollbach, to acknowledge receipt of the Monthly Police Department Report, February 2007.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

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Motion offered by Bennett, second by Vollbach, to acknowledge receipt of the following minutes:

- A. Housing Commission, February 13, 2007
- B. Jordan Valley District Library, January 30, 2007
- C. Board of Review, March 12, 2007
- D. Board of Review, March 13, 2007
- E. DDA, January 7, 2007
- F. DDA, February 5, 2007
- G. Planning Commission Public Hearing, February 8, 2007
- H. Planning Commission, February 8, 2007

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by Bennett, second by Vollbach, to acknowledge receipt of a Letter of Resignation from the Board of Review received from David Campbell.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

REGULAR AGENDA

Motion offered by Vollbach, second by Klooster, to reschedule the Public Hearing on Delinquent Bills to April 17, 2007 at 7:30 p.m.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by Vollbach, second by McNitt, to schedule the Fiscal Year 2007/2008 Budget Public Hearing on April 17, 2007 at 7:30 p.m.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

ITEM #12 Civic Center Rental Request, Jordan River Sportsman's Club

Motion offered by Symonds, second by Klooster, to approve the Jordan River Sportsman's Club request for use of the Civic Center and to waive the rental fee.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

ITEM #13 Elm Pointe Rental Request, David Scott

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Motion offered by Symonds, second by Vollbach, to approve Daniel Scott's Elm Pointe rental request for use on July 28, 2007 until 11:00 p.m.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

ITEM #14 East Jordan Little League

Ruby Dipzinski, Little League President, asked for the Commission's support and permission to apply for a grant from the Community Foundation for the replacement of the dugouts at Community Park.

Mrs. Dipzinski also asked that the metal bleachers at Community Park be grounded for safety reasons.

Administrator White stated he has talked with the State of Michigan as a grant from the MDNR built the existing dugouts only six years ago and the State does not have any concerns regarding the replacement.

Motion offered by Bennett, second by McNitt, to support East Jordan Little League's grant application to the Charlevoix County Community Foundation and to authorize the replacement of the existing dugouts at Community Park.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

ITEM #15 Charlevoix County Humane Society

Administrator White informed the Commission that State Law prohibits the City from contributing to a non-profit organization.

Motion offered by Vollbach, second by Symonds, to issue a letter to the Charlevoix County Humane Society informing them that State Law prohibits the City from donating to a non-profit organization.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

ITEM #16 Resolution 109-2007, East Jordan City Marina Resolution of Support for Grant Application

Parks Director Cannon presented the Commission with drawings for upgrades to the Municipal Harbor. He informed the Commission that Resolution 109-2007 was needed to apply for grant funding.

The following resolution was offered by adoption by Symonds, second by McNitt:

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RESOLUTION 109-2007
East Jordan City Marina
Resolution of Support for Grant Application
City of East Jordan

WHEREAS, the East Jordan City Commission desires to make improvements to the East Jordan City Marina by completing an upgrade to the stationary and floating docks and to modernize and meet State specifications.

WHEREAS, the City of East Jordan has identified the East Jordan City Marina Improvement Project in the East Jordan Community Recreation Plan 2006-2011 and believes its development is paramount to the continued use of the East Jordan City Marina, and

WHEREAS, the City of East Jordan desires to make the following improvements to the East Jordan City Marina:

- Add an extension to the middle pier and an additional eighteen 35' slips
- Install sheet piling along the outer stationary walking pier
- Adding a break wall/fishing pier outside of the marina basin
- Complete electrical upgrade to the 45' and 60' slips to offer 50 AMP 220V
- New power pedestals throughout marina
- Remove existing gas dock and pier and replace the gas dock along the shore
- Remove riprap along shoreline to allow a wall for broadside docking

NOW, THEREFORE BE IT RESOLVED that the East Jordan City Commission approves the 2007 Waterways Grant Application and is prepared to commit up to \$514,352.00 in matching funds or in-kind services to complete the proposed project. The matching funds will come from the East Jordan City Marina Fund.

ROLL CALL VOTE:

AYES: Klooster, Vollbach, Timmons, Bennett, McNitt, Symonds and Postma

NAYS: None

ABSENT: None

RESOLUTION DECLARED ADOPTED ON MARCH 27, 2007.

ITEM #17 Revised Tourist Park Building Plans

Administrator White informed the Commission the cost for additional showers on the proposed Tourist Park building was approximately \$96,000. He noted that

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administratively he did not feel this was an efficient use of funds and asked the engineer not to include them in the revised drawing.

Parks Director Cannon stated the additional cost for the stone facing and shuttered windows totaled \$9,600. These items were added to the proposed building.

Motion offered by McNitt, second by Symonds, to approve the additions to the proposed Tourist Park building in the amount of \$9,600.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

ITEM #18 MERS Resolution for Changing MERS Benefit

Motion offered by McNitt, second by Symonds, to adopt Resolution 111-2007, Resolution for Changing MERS Benefits for Division 1, City of East Jordan DPW.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

(copy of Resolution 111-2007 attached and made a part of these original minutes)

ITEM #19 DDA Update

No items to report.

ITEM #20 Administrator's Report

ADMINISTRATOR'S REPORT
MARCH 27, 2007

1. I received a hand delivered letter from the Charlevoix County Commission on Aging Building Committee regarding improvements to the East Jordan Civic Center. The letter is attached for your review and comment. The improvements are all needed and would greatly add to the facility. Currently the lease with the COA is for a three year automatic renewal period. Discussion needs to take place regarding the proposed improvements and if the City wishes to commit to a 20 year lease on the Senior Center.
2. Attached to this report is a memo from Parks Director Cannon regarding one of the new lawn mowers that was approved by the Commission. After review Mr. Cannon is requesting that one of the mower purchases be amended to allow for a 737 54" John Deere, for a difference in cost of \$1,353.00. This change still allows both mowers to be purchased and to remain under the original requested amount. After review of the memo, I will answer any questions the Commission

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may have. Should the Commission approve Mr. Cannon's request, a motion would be needed to approve the requested change.

3. The process of a new Fire/EMS building continues to move forward. Funding sources are still being looked at so that the design work can be started. In meetings with Rural Development a pre-application has been requested to put East Jordan in line for loan funding. There is no cost or obligation to submit a pre-application. For that reason, I am requesting approval from the Commission to allow a pre-application to be filed with USDA Rural Development for possible loan funding. As always, should any Commissioner have any questions I would be happy to address them.

Consensus of the Commission was to refer the letter from the Charlevoix County Commission on Aging to staff.

Motion offered by Symonds, second by Vollbach, to amend the purchase of new mowers for the Parks Department to allow for the purchase of two 54" John Deere mowers with an additional cost of \$1,353.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Motion offered by Symonds, second by Klooster, to authorize a pre-application to the USDA Rural Development for possible loan funding for the new Fire/EMS building.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Administrator White presented the Commission with a letter from LaVerne Shank asking for an adjustment on her \$6,200 water billing due to a large leak in the basement of the home.

Commission discussed the need to require homeowners to properly winterize their homes.

Motion offered by Symonds, second by McNitt, to adjust the water/sewer billing for 401 Esterly Street to an average of the last three billings.

MOTION CARRIED ALL AYES
BY ROLL CALL VOTE

Commissioner McNitt asked Parks Director Cannon if the grant is approved when the Tourist Park building would proceed.

Parks Director Cannon stated this project would be for the 2008 season.

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White presented the Commission with a resolution authorizing a lease purchase of land.

The following resolution was offered for adoption by McNitt, second by Vollbach:

RESOLUTION 110-2007
RESOLUTION AUTHORIZING INSTALLMENT PURCHASE AGREEMENT
FOR LAND PURCHASE

CITY OF EAST JORDAN
COUNTY OF CHARLEVOIX, STATE OF MICHIGAN

Minutes of a regular meeting of the City Commission of the City of East Jordan, County of Charlevoix, State of Michigan, held in said City on the 27th day of March, 2007, at 7:30 o'clock p.m., Eastern Daylight Time.

PRESENT: Mayor Postma, Commissioners Symonds, McNitt, Bennett,
Timmons, Vollbach and Klooster

ABSENT: None

The following preamble and resolution were offered by Commissioner McNitt and supported by Commissioner Vollbach.

WHEREAS, an Installment Purchase Agreement (the "Agreement") between the City of East Jordan (the "City"), Jordan River Properties, LLC, Michigan (the "Vendor"), and Charlevoix State Bank of East Jordan, Michigan (the "Bank"), for the purchase of certain real property described generally as the City's portion of the Jordan River Properties Parcel (the "Property") has been prepared; and

WHEREAS, the City shall purchase the Property for a purchase price of \$210,000.00 (the "Purchase Price") through execution of the Agreement; and

WHEREAS, the outstanding balance of all purchases by the City under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal property in the City at the date of such contract or agreement; and

WHEREAS, purchase of the Property pursuant to the Agreement will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, pursuant to the Agreement, the Purchase Price will be paid by the City in ten (10) annual installment payments of principal on August 3 of each year, commencing August 3, 2008, through August 3, 2017, inclusive, with interest on the unpaid principal payable on August 3, 2007, and semi-annually thereafter at the rate of 4.30% per annum; and

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WHEREAS, the Agreement is to be assigned to the Bank; and

WHEREAS, it is necessary to approve the Agreement and authorize the Mayor and City Clerk to execute the Agreement and authorize City officials to execute certain other documentation relative thereto.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Agreement is hereby approved substantially in the form attached hereto at Exhibit A. The City shall incur the debt described in the Agreement through execution of the Agreement by the officers authorized below which debt shall consist of the Purchase Price of \$210,000.00 which shall be payable in ten (10) annual installment payments of principal due August 3 of each year with the first payment of principal due August 3, 2008, through and including August 3, 2017, with interest on the unpaid principal first payable on August 3, 2007 and semi-annually thereafter at a rate equal to 4.30% per annum.

2. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement and deliver it to Vendor, substantially in the form attached hereto with such additions, changes and modifications as shall be approved by the City's Bond Counsel.

3. The useful life of the Property is hereby determined to be not less than ten (10) years.

4. The Mayor, City Clerk and City Treasurer are each hereby directed and authorized to execute such additional documentation and open such accounts as shall be necessary to effectuate the closing of the Agreement and the assignment thereof.

5. The assignment of the Agreement by Vendor to the Bank is hereby approved.

6. The City hereby agrees to include in its budget for each year commencing with the current fiscal year, a sum which will be sufficient to pay the principal of and interest on the Agreement coming due before the next fiscal year. In addition, the City hereby pledges to levy ad valorem taxes on all taxable property in the City each year in an amount necessary to make its debt service payments under the Agreement, subject to applicable constitutional, statutory and charter tax rate limitations.

7. The City hereby covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exemption of the interest on the obligations under the Agreement from general federal income taxation (as opposed to alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended, including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of proceeds of the Agreement and moneys deemed to be proceeds.

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8. The City hereby declares that its obligations under the Agreement shall be designated as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.

9. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Mayor Postma, Commissioners Klooster, Vollbach, Timmons, Bennett, McNitt and Symonds

ABSTAIN: None

NAYS: None

RESOLUTION DECLARED ADOPTED MARCH 27, 2007.

ITEM #21 Mayor’s Report

Mayor Postma stated that several City Officials attended the Michigan Municipal League Legislative Conference in Lansing last week. He noted that they met with Senator Jason Allen and Representative Kevin Elsenheimer and received an update on legislation.

He thanked all who took the time to attend.

ITEM #22 Attorney’s Report

No items to report.

ITEM #23 Commissioners

Commissioner Bennett felt the sidewalks around town were looking nice.

ITEM #24 Speaker Requests

No speaker request slips were received.

ITEM #25 Budget Discussion

Administrator White stated that he has made some cuts and has received memos from Department Heads regarding reduction in their respective budgets. He noted that he has cut \$46,246 and asked the Commission to allow him to work with staff for further reductions.

Commissioner McNitt asked for clarification on the proposed cuts.

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White stated that he has cut 46,246 of the \$180,000 necessary.

Treasurer Moreau informed the Commission of the addition of \$7,776 for a lease/purchase payment in the TIFA Fund.

Moreau asked for clarification regarding the budget discussion held in her absence. She verified the water and sewer rate increases as follows:

- Water Flat Rate from \$23 to \$28
- Water Flat Rate Additional Unit from \$12 to \$20
- Water OM & R from \$2.77 to \$2.87
- Sewer Flat Rate from \$17 to \$20
- Sewer Flat Rate Additional Unit from \$10 to \$15
- Sewer OM \$ R from \$3.78 to \$3.85

Commission scheduled a budget discussion meeting at 6:30 p.m. on Tuesday, April 17, 2007.

Commissioner Bennett asked that the City Administrator review the possibility of early retirement for eligible employees.

Mayor Postma adjourned the meeting at 8:44 p.m.

Respectfully,

Mark Postma
Mayor

Lori M. Campbell, CMC
City Clerk