

**LAPEER CITY COMMISSION
MINUTES OF A REGULAR MEETING
MARCH 16, 2015**

A regular meeting of the Lapeer City Commission was held March 16, 2015 at Lapeer City Hall, 576 Liberty Park, Lapeer, Michigan. The meeting was called to order at 6:30 p.m.

ROLL CALL

Present: Mayor Sprague.
Commissioners Gates, Robinet, Bostick-Tullius, Lyons.
City Attorney Michael Nolan.
City Manager Dale Kerbyson

Absent: Commissioner Bennett (excused).

Mayor Sprague led the Pledge of Allegiance.

AGENDA APPROVAL

43 2015 03-16

Moved by Robinet. Seconded by Gates.

Approve the Agenda for March 16, 2015 with the deletion of Item C.4. Special Event Request Farmers Market and addition of Item G.7. PASER Rating and Roadway Asset Management Plan proposal for Professional Services.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

MINUTES

44 2015 03-16

Moved by Gates. Seconded by Bostick-Tullius.

Approve the minutes from the regular meeting held March 2, 2015 as presented.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

PUBLIC COMMENTS

Jenny Burkhart, Wilder Road, gave invocation.

CONSENT AGENDA

45 2015 03-16

Moved by Bostick-Tullius. Seconded by Lyons.

Approve the Consent Agenda for March 16, 2015, resulting in the following:

1. Special Event Request from the Downtown Business Association and the Center for the Arts of Greater Lapeer for Art on Nepessing Street, May 15 and 16, 2015.
2. Special Event Request from Bishop Kelley School for 20th Annual Walk-A-Thon, April 29, 2014, various City sidewalks.
3. Special Event Request from the Lapeer County Intermediate School District for Family Fun Day, June 24, 2015, use of Farmers Market Pavilion and Court Street.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

BILL LISTING FOR MARCH 16, 2015

46 2015 03-16

Moved by Robinet. Seconded by Gates.

Approve the Bill Listing for March 16, 2015 in the amount of \$1,031,093.23.

Ayes: Gates, Robinet, Bostick-Tullius.

Nays: Lyons.

Absent: Bennett.

MOTION CARRIED.

PROCLAMATIONS, RECOGNITIONS AND RESOLUTIONS

None.

PUBLIC HEARINGS

Water Options:

Detroit Water and Sewer Department (DWSD)

Karegnondi Water Authority (KWA)

City Manager Dale Kerbyson provided a repeat presentation on the water options available; Flint and Genesee will no longer be supplied by DWSD, 30 year contract, Great Lakes Water Authority (GLWA) replaces DWSD; other options include KWA, City Water Treatment Plant, Genesee County Water Treatment Plant, and City wells; Basis of Comparison; Option 1 to continue with DWSD, projected 2014-15 rates \$23.73 MCF without storage, \$16.13 MCF with storage, DWSD modifications to supply not direct cost to City, City maintain wells, 30 year contract, rate increase at 4% annually; Option 2 KWA, assume 3 million gallons per day (mgd) capacity, deliver raw water, \$32,300 mgd per year through construction, \$323,000 mgd per year for 25 years with number to be determined, operations and maintenance costs, 30 year contract, additional capacity; Option 3 KWA and Genesee County Water Treatment Plant (WTP), City purchase raw water from KWA, deliver to Genesee County WTP; KWA costs, City contract with Genesee County for treatment of 10 to 30 years at a cost of \$6.70 mcf, City construct improvements, City to maintain wells, City to purchase water from DWSD during construction; Option 4 City Wells and Water Treatment Plant (WTP), City build WTP, City improvements, additional wells, piping interconnection between wells, storage of raw and finished water, transmission piping, City to purchase water from DWSD during construction. Mr. Kerbyson presented cost comparison graph of Options 1, 2, 3 and 4, after review of options Commission dropped Option 2 and Option 4; Cost Comparison of Option 1 and Option 3; Other Considerations within Option 1 and Option 3; Graph Comparison of DWSD options with and without storage, 4% and 7% rate increases, KWA and Genesee County 20% contingency and 2 mgd capacity at \$342,862 per mgd per year; DWSD costs include capital costs amortized over 25 years, storage, impact rates, Operating & Maintenance Expenses, rates of commodity and ready to service charge; KWA and Genesee County costs include capital costs amortized over 25 years, capacity, transmission main construction, Operating & Maintenance Expenses, continue purchase of water from DWSD, Genesee County WTP expense, pumping expenses; Projected Monthly Water Bill Assumptions; Projected Monthly Water Bill for an average of 5.500 gallons per month and comparison over 20 years.

Sue McCormick, Director of Detroit Water & Sewerage Department (DWSD) provided a presentation on Changes within the DWSD organization Effected by Federal Court Orders to Achieve Long Term Compliance with the CWA within organization and labor; April 2012 90-Day Assessment Key Findings that reflected siloed organization, inflexible job descriptions, multiple reporting levels, lack of training, seasonal work issues, ineffective deployment and use of technology, disconnected business processes; Attrition Rate and Value with Benefit Cost Adjustments in employee/labor adjustments; System Water Rate Increases since 2001; GLWA Mediation Process, Memorandum of Understanding Outline, GLWA Governance, GLWA Memorandum of Understanding to include "The Promise" of no more than a 4% increase in the annual revenue requirement however the individual charges to each community will vary and how the change in DWSD charges for FY16/17 compares to "the promise"; GLWA Implementation Planning Structure; Estimated Benefits / Savings of GLWA creation; Veolia Peer Review Findings; Financial Performance Potential; Changes for GLCUA (Lapeer) For FY 16/17; Go Forward Benefits with DWSD/GLWA; Delivering Water to Lapeer without GCDC; Thank You for the opportunity to provide and present information.

Jeff Wright, CEO of Karegnondi Water Authority (KWA) and Genesee County Drain Commissioner commented that what Genesee and Flint will pay that City of Lapeer will

pay, no differences in rates; provided a presentation on KWA Service Areas of Sanilac, Lapeer, Genesee Counties, construction, piping, and pumping station; fire suppression and placement of fire hydrants along line; Use of Green Technology; building of facility in Flint, creation of jobs, made in Flint products; 2012 Estimated Costs and Actual Project Bids and reflection of lower costs than anticipated; Thank You and he is available for questions.

Mayor Sprague reviewed the public hearing process for citizen participation. Mayor Sprague opened the public hearing regarding City Water Options at 7:48 p.m.

Kathleen Cantwell, Turrill Avenue, Lapeer, spoke on KWA costs, where finances come from to pay for pipeline, will it be paid by City residents. Mayor Sprague indicated the water and sewer funds were enterprise funds and by law they are required to sustain themselves; if the city goes with KWA then water bills will pay for costs. Ms. Cantwell commented on water costs with KWA and water quality, Flint's quality is bad. City Manager Dale Kerbyson indicated that Flint is using water out of the Flint River and treating it; pipeline costs are with KWA, if voted to change supplier then costs would be spread out.

Jim Klocek, Mansfield Drive, Lapeer, spoke on Flint water bill rates and will ours be the same. City Manager Dale Kerbyson indicated that our rates will reflect how much water we purchase and how much for treatment. Mr. Wright stated that KWA ownership would all pay same base price; KWA has nothing to do with what Flint is currently charging; \$6 per unit cost. Mayor Sprague commented that the \$6 per unit cost does not include capital costs. Mr. Klocek commented on 6% raise in cost, Detroit currently just tacked on a 10% rate to one of its customers, will GLWA do this to us, who will cover Detroit's stuff that doesn't work. City Manager Dale Kerbyson commented on City and DWSD rates, history of raises. Mr. Klocek commented on Detroit being responsible for their own repairs.

Linda Priestap, Lincoln Street, Lapeer, spoke on GLWA costs and safety issues, will costs be same with KWA, GLWA give ability to evaluate contract costs as well as KWA too. City Manager Dale Kerbyson indicated that both contracts will provide cost adjustments as they are moving forward. Mr. Wright commented that KWA and Detroit will both do what is necessary to retain safety of water quality and does not feel this is an issue at all, with KWA you will be buying into system, look at new versus current system that is over 30 years old. Ms. Priestap commented on what treatment costs would be versus transmission costs. Mr. Wright indicated that maintenance costs of new versus old system would be lower, DEQ and EPA monitoring of water standards, City can treat themselves or treat with Genesee County. Ms. Priestap commented on going above standards of EPA is that what she is hearing. Mr. Wright responded that we absolutely could go above EPA standards.

Tony Palladeno, Washington Avenue, Flint, spoke that this was a great meeting, infrastructure in Flint, how soon will KWA be in Flint, treating water at Flint facility, feels they are getting poisoned, old infrastructure and they are feeling it now, Detroit cut them off, will you use our water to get your water, really take a look at infrastructure.

Gertrude Marshall, Cheyenne Street, Flint spoke on Flint water advisory board that their bills would never go down, she pays \$224 a month, they were told it would be cheaper to use Flint water until KWA, the Commission needs to think about this, try to sneak stuff in on you, your freedom is more important, Thank You.

Trudy Hill, Lexington, spoke on Genesee County line, use of finished water from Flint River that is brown, will Lapeer be connected to Flint water. Mr. Wright commented that the City of Flint is separate from Genesee County, Flint contract with Detroit expired, Flint using their own system, lines getting old and required repair, Flint raised rates, has nothing to do with KWA, Flint River is not part of KWA.

Tim Turkelson, Main Street, Lapeer, thanked City for taking time to hear concerns, numbers presented by City Manager Kerbyson, diminishment of costs with KWA. Mayor Sprague commented on issue with graphs and feels they are wrong. Mr. Turkelson asked if the graphs included capital improvement portions, Mayor has his

opinion, KWA is lower if look at graphs, City Commission standpoint is to look at long-term versus short term savings, he prefers to look at long term costs which look better.

Adam Gasics, Elm Street, Flint spoke on fracking here in Lapeer, is it happening. Mayor Sprague indicated that this is off topic and he should contact City Manager Dale Kerbyson. Mr. Gasics commented that yes it is a topic, Flint Mayor on KWA board, well water backup and better be aware of fracking.

MaryJo Daum, Oregon Street, Lapeer, spoke on KWA and if they had other counties in mind. City Manager Dale Kerbyson commented that the line will run through and serve Sanilac, Lapeer and Genesee counties. Ms. Daum inquired as to other counties that KWA will serve. Mr. Wright indicated that you have to get water out of shed you live in, permits in Michigan are limited by state statute as to what that line can serve. KWA limited to Sanilac, Lapeer and Genesee counties.

Bernadette Treece, Washington Street, Lapeer, spoke on if representative from Detroit Water System was in agreement with projections provided in graphs. Ms. McCormick commented on conservative projections, generally costs will decrease, history of DWSD is the future and new authority, break even figures out 20-30 year, there are some things she would like to look at. Ms. Treece asked if no one from Lapeer is on voting board of Detroit, if continue with Detroit will we have a voice on the board, increases, consideration of costs. City Manager Dale Kerbyson commented on graphs reflect bump in first year, shows peak in costs and will smooth out, not sure if we can be able to be on Detroit or GLWA board. Ms. Treece commented on graphs and to see a short term projection of costs.

Melissa Mays, Beecher Road, Flint, spoke on what would happen if Flint pulls out. Mr. Wright commented on KWA set up by PA 33, five communities are members whether they purchase or not and they can get off board, authority process, possible interest in capacity contracts in which only two communities have. Ms. Mays asked what would happen if a city pulled out.

Kathleen Cantwell, Turrill Avenue, Lapeer, asked who has final say in what we will do. Mayor Sprague indicated that the City Commission will decide and why public hearing is being held to hear input. Ms. Cantwell commented that everything being said will be taken into consideration.

Holly Nadrowski, Calhoun Street, Lapeer, asked what body of water we currently receive from. City Manager Dale Kerbyson responded that Detroit receives from Lake Huron. Ms. Nadrowski thanked Detroit water employees, City DPW employees, guys working in cold, her water has not failed, it's been great.

Dan Myers, Genesee Street, Lapeer, spoke on City purchasing of water and selling it. City Manager Dale Kerbyson indicated that the option was reviewed in the City building its own WTP, costs significantly more than purchasing, handling and supplying of water, not cost efficient. Mr. Myers commented on Detroit supply and treatment facility. Mr. Kerbyson commented on analysis and that Detroit will have to do some sort of treatment facility.

Kim Krull, Rosemary Street, Lapeer, spoke about white elephant fear of water quality, can't put a price tag on safety, grew up in City, use of water, ongoing safety of water in new system, can we pull out, consider resident safety number one.

Connie Hallenbeck, Wildflower Lane, Lapeer, enjoys City water too, if certain cities drop out of KWA will costs to build be spread over all three counties, how does price of building line change if not everyone buys in. City Manager Dale Kerbyson commented on costs established by customers and is based on what each is buying, cost is per unit for size of line which communities will pay for.

Julianne Leonard, Westbrook, Lapeer, spoke that she pays 1.5 times higher than the rate of city residents, what will her rates go up or will it stay at 1.5. Mayor Sprague indicated that previous discussion is that it will stay the same at 1.5 times the rate.

There being no further comments, Mayor Sprague closed the public hearing at 8:32 p.m.

Discussion was held regarding appreciate having questions provided by citizens, currently receive water from DWSD who has been top 10 in country and has continued to require a level of quality in their water, vote taken to not go with KWA, to not vote until full board is present, City will continue to review water storage and costs, charts/graphs not present clear picture, new infrastructure versus old, look at long term costs, history of water rates with DWSD continually shows an increase, important to have a voice on the board City has with KWA but not with DWSD, look at future, safety and costs, past service with Detroit has been good, starting new system in GLWA, DWSD rate system is perplexing.

Commissioner Lyons moved to go with Detroit. Motion failed for lack of support.

City Manager Dale Kerbyson indicated that a motion will be required to select a water contract, DWSD contract expires in June. General consensus to wait until April 6th meeting for vote consideration.

The City Commission recessed at 8:53 and returned to its meeting at 9:03 p.m.

ADMINISTRATIVE REPORTS

Annual Fair Housing Resolution

47 2015 03-16

Moved by Robinet. Seconded Lyons.

Approve the Resolution To Approve City of Lapeer Fair Housing Policy.

RESOLUTION TO APPROVE CITY OF LAPEER FAIR HOUSING POLICY

WHEREAS, under the Federal Fair Housing Law, Title VIII of the Civil Rights Act of 1968, it is illegal to deny housing to any person because of race, color, religion, gender, physical or mental disabilities or national origin; and,

WHEREAS, under the Michigan Elliott-Larsen Civil Rights Act, PA 453 of 1976, as amended, it is illegal to deny the opportunity to obtain housing to any person because of religion, race, color, national origin, age, sex, height, weight, familial status, or marital status;

NOW THEREFORE, BE IT RESOLVED:

LET IT BE KNOWN TO ALL PERSONS that it is the policy of the City of Lapeer to implement programs to ensure equal opportunity in housing for all persons regardless of religion, race, color, national origin, age, sex, height, weight, familial status, or marital status; and

BE IT FURTHER RESOLVED, that the City of Lapeer shall not discriminate in the sale, rental, leasing, or financing of housing because of religion, race, color, gender, physical or mental disabilities, national origin, age, height, weight, familial status, or marital status; and

BE IT FURTHER RESOLVED, that the City of Lapeer will assist all persons who feel they have been discriminated against because of religion, race, color, gender, physical or mental disabilities, national origin, age, height, weight, familial status or marital status to seek equity under federal and state laws by providing information to said persons on how to file a complaint with the Michigan Department of Civil Rights; and

BE IT FURTHER RESOLVED, that the City of Lapeer will at a minimum post this policy or the Fair Housing poster or other posters, flyers or other information which will bring to the attention of owners of real estate, developers and builders their respective

responsibilities and rights under the Federal Fair Housing Law and Michigan Elliott Larsen Act; and

BE IT FURTHER RESOLVED, that this Resolution shall take effect as of March 16th, 2015.

AYES: Commissioners Gates, Robinet, Bostick-Tullius, Lyons.

NAYES: None.

ABSTAIN: None.

ABSENT: Commissioner Bennett.

MOTION CARRIED AND RESOLUTION ADOPTED.

Michigan Main Street Program – Community Requirements and Expectation Agreement 2015.

48 2015 03-16

Moved by Gates. Seconded by Lyons.

Approve the Michigan Main Street Program Community Requirements and Expectations Agreement for 2015 with Michigan Main Street Program and authorize the City Manager to sign required documents.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

DeMille Boulevard/Oakdale Grounds Maintenance.

49 2015 03-16

Moved by Robinet. Seconded by Gates.

Approve DeMille Boulevard/Oakdale Grounds Maintenance Agreement with B & B Lawn and Landscape for a total three year price of \$31,740.00 and authorize the Mayor and City Manager to sign required documents

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

Mt. Hope Cemetery Grounds Maintenance.

50 2015 03-16

Moved by Bostick-Tullius. Seconded by Gates.

Approve Mt. Hope Cemetery Grounds Maintenance Agreement with B & B Lawn and Landscape for a total three year price of \$87,180.00 and authorize the Mayor and City Manager to sign required documents.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

Rental Assistance Demonstration (RAD) conversion for Riverview Towers.

Housing Director Denise Soldenski provided a review of the RAD conversion.

51 2015 03-16

Moved by Robinet. Seconded by Lyons.

Approve the Resolution To Approve US Department of Housing and Urban Development Lapeer Housing Commission and Lapeer Neighborhoods, Inc. Rental Assistance Demonstration (RAD) Conversion To Project Based Voucher Program.

RESOLUTION TO APPROVE
U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT
LAPEER HOUSING COMMISSION AND LAPEER NEIGHBORHOODS, INC
RENTAL ASSISTANCE DEMONSTRATION (RAD)
CONVERSION TO PROJECT BASED VOUCHER PROGRAM

WHEREAS, the U.S. Department of Housing and Urban Development has offered the Rental Assistance Demonstration (RAD) program to existing Public Housing Agencies

to covert from Public Housing to either Project Based Rental Assistance or Project Based Vouchers and;

WHEREAS, Lapeer Housing Commission has researched the option of converting from Public Housing for Riverview Towers to Project Based Vouchers under the RAD program favorably and;

WHEREAS, the Lapeer Housing Commission has enlisted the assistance of RAD Conversion Specialists, LLC to act as the consultant for purposes of preparation and submission of an application to HUD along with services to proceed to close if HUD does indeed accept the LHC application and;

WHEREAS, the Lapeer Housing Commission has received full support from the Residents of Riverview Towers and the Lapeer Housing Commission Board of Commissioners for the submission of an application to HUD and;

WHEREAS, the Lapeer Housing Commission would like to present an application to HUD for only conversion, no significant renovation, and to allow Riverview Towers to remain affordable housing for seniors and people with disabilities via the HUD approved Senior Designation and;

WHEREAS, the Lapeer Housing Commission would like the City Commission to transfer ownership of Riverview Towers containing 2 parcels of property (L20-18-500-040-00 & L20-27-800-040-00) to Lapeer Neighborhoods, Incorporated, the City's housing non-profit subsidiary, to become the ownership entity under RAD if the application is approved by HUD and;

WHEREAS, the Lapeer Housing Commission would like the City Commission support to become the administrator of the Project Based Vouchers and management entity for Riverview Towers under the RAD conversion and;

WHEREAS, the Lapeer Housing Commission would like the City Commission to retain the Payment in Lieu of Taxes (PILOT) agreement after RAD conversion that is currently in place for Riverview Towers as the Public Housing entity for the City of Lapeer;

THEREFORE, BE IT RESOLVED that the City of Lapeer Commission approves the submission of RAD application to HUD via RAD Conversion Specialists, LLC for the conversion of Riverview Towers from Public Housing to Project Based Vouchers without significant renovation while retaining the Senior Designation; and

THEREFORE, BE IT RESOLVED that under the RAD conversion process, the City of Lapeer Commission approves the transfer of ownership of Riverview Towers containing 2 parcels of property (L20-18-500-040-00 & L20-27-800-040-00) to Lapeer Neighborhoods, Incorporated to become the ownership entity; and supports Lapeer Housing Commission to become the Project Based Voucher administrator and management entity for Riverview Towers; and approves the retention of the Payment in Lieu of Taxes (PILOT) agreement after RAD conversion.

AYES: Bostick-Tullius, Gates, Lyons & Robinet.

NAYES: None.

ABSTAIN: None.

ABSENT: Bennett.

MOTION CARRIED AND RESOLUTION ADOPTED.

Tilted Axis Brewery – Outdoor Dining Right-of-Way License 2015.

52 2015 03-16

Moved by Bostick-Tullius. Seconded by Robinet.

Approve the Downtown Outdoor Dining Area Right-of-Way License for Tilted Axis Brewery, 303 W. Nepessing Street, and authorize the Mayor and City Manager to sign said license.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

PASER Rating and Roadway Asset Management Plan Proposal for Professional Services

53 2015 03-15

Moved by Bostick-Tullius. Seconded by Lyons.

Approve the Professional Services Agreement with Wade Trim for PASER Rating and Roadway Asset Management Plan in the amount of \$48,375 and authorize the Director of the Department of Public Works to sign required documents.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

CITY MANAGER'S REPORT

City Manager Dale Kerbyson asked for a meeting date regarding the road millage and Charter Revision/Amendment discussion. By general consensus, it was agreed to schedule discussion on April 6, 2015.

Mr. Kerbyson commented on removal of Farmers Market from the agenda, use of Court House lawn and charges, issues will be reviewed and will be placed back on the agenda.

CITY ATTORNEY'S REPORT

City Attorney Michael Nolan indicated that the Pines of Lapeer complaint has been filed, Building Inspector Darryl Oliver discovery of raw sewage in basement during a routine inspection, building will be shut down.

UNFINISHED BUSINESS

54 2015 03-16

Mayor Sprague appointed. Moved by Robinet. Seconded by Bostick-Tullius.

Tim Herbert Park Board, term ending 04-01-18.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

55 2015 03-16

Moved by Robinet. Seconded by Gates.

Appoint the following:

A. Wayne Bennett Zoning Board of Appeals, term ending 04-01-18.

Deborah Marquardt Zoning Board of Appeals – Alternate, term ending 04-01-16.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

DEPARTMENTAL COMMUNICATIONS

Monthly Departmental Reports were received into record.

PUBLIC COMMENTS

Seth Ross, Pleasant Street, Lapeer, commented on costs between DWSD and KWA, has been at meetings, to look at costs, Commission talk about looking out for the future, he is the future, payoffs of costs.

MAYOR/COMMISSIONER COMMENTS

Commissioner Gates thanked everyone who came for meeting, thanked Police, Fire, DPW for keeping City and residents safe.

Commissioner Bostick-Tullius commented on providing residents a voice and good to have KWA and DWSD representatives at same meeting.

Commissioner Robinet commented on surprised that that many people turned out, nice to get opinion.

City Manager Dale Kerbyson commented on The Kitchen Incubator at Center Building, use of Pix Theatre for meeting, counted 102 people in attendance.

Mayor Sprague commented on upcoming events, thanked everyone for turnout, Commission working together on items.

ADJOURNMENT

56 2015 03-16

Moved by Gates.

Adjourn the regular meeting.

Ayes: Gates, Robinet, Bostick-Tullius, Lyons.

Nays: None.

Absent: Bennett.

MOTION CARRIED.

The regular meeting adjourned at 9:28 p.m.

William J. Sprague, Mayor

Donna L. Cronce, City Clerk

Tracey Russell, Deputy City Clerk