

City Council

Regular Meeting Minutes

Monday, January 19, 2015
7:00 p.m., Council Chambers



1. **Call to Order by Mayor 7:00 p.m.**
2. **Invocation by Reverend Jeffrey Dick, 1st Congregational Church**
3. **Roll Call**

Present: Arnold, Fitzgibbon, Gruber, Klavins, Kozlik Wall, Patterson, Burr
Absent: None

4. **Approval of Agenda**

Moved by Fitzgibbon to approve the agenda. Seconded by Patterson.

Voted Yes: All. Motion carried.

5. **Consent Agenda: Items A thru C (Roll Call Vote Required)**

Moved by Patterson seconded by Fitzgibbon to approve the Consent Agenda as follows:

- A. Council will be requested to approve the City Council Minutes of January 5, 2014.
- B. Bills totaling \$2,149,936.07 for the period ending January 20, 2015 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve the City Hall renovation project bids to CPM Construction, in the amount of \$58,935.00 and to Paul Perez Painting, in the amount of \$9,200.00.

A Roll Call Vote was taken:

Yeas: Arnold, Fitzgibbon, Gruber, Klavins, Kozlik Wall, Patterson, Burr
Nays: None

Motion carried.

NEW BUSINESS

6. **Council will be asked to consider Resolution 2015-04, a resolution amending the cost-based formula rate agreement for full requirements electric service by and between Indiana Michigan Power Company and the City of South Haven.**

Background Information: The City of South Haven is currently party to a Cost-Based Formula Rate Agreement for Full Requirements Electric Service with Indiana Michigan

Power Company (the Agreement). The City entered into this Agreement effective July 1, 2006.

At their March 31, 2014 regular meeting, the Board reviewed and approved a minor change to Agreement. The modification that was approved would reduce the notice period for termination of the contract from 7 years to 4 years. Council subsequently passed Resolution 2014-14 at their April 7, 2014 regular meeting, affirming the decision of the Board. Subsequent to Council action, staff obtained a signed version of FERC Rate Schedule 108 and sent this to Lisa Gast at Duncan, Weinberg, Genzer & Pembroke, PC.

The reason for the contract change is described in the attached letter from Lisa Gast. Over the past 6 months, Lisa Gast has been working with the legal staff from American Electric Power Company (the parent to Indiana Michigan Power Company) to file the new Rate Schedule with the Federal Energy Regulatory Commission (FERC). In 2010, FERC changed the requirements for amending an existing contract to require the use of the etariff system. This process is described as being arduous, with the possibility of errors occurring and the need for multiple revisions.

In an effort to avoid the etariff process, AEP is proposing to file appropriate documents with FERC to terminate the current Agreement. Immediately upon termination of the current Agreement, Indiana Michigan Power Company would begin providing service under the Amended and Restated Cost-Based Formula Rate Agreement for Full Requirements Electric Service (the Amended Agreement). The termination of the current Agreement is anticipated to occur on January 31, 2015 at 11:59:59 pm (EST), pending approval of the Board and City Council. Section 205 of the Federal Power Act permits AEP to treat the Amended Agreement as a service agreement under the Company's market-based rate tariff authority. This agreement does not need to be filed with FERC provided that the individual customer specific rates defined in the contract are reported in quarterly reports known as EQRs. Thus, the complex etariff process can be avoided.

It should be noted that the City of Dowagiac Full Requirements Agreement is a service agreement that was entered into under AEP's market-based rate authority and is not filed with FERC. Thus, there is precedent for this type of agreement.

The only change in the Amended Agreement is the reduction in the notice period for termination of the agreement. The cost of providing service will continue to be calculated in the same manner as it has been since 2006. In addition, billing will continue on a monthly basis. Thus, staff does not anticipate any cost impact to City of South Haven electric customers due to this modification.

On December 18, 2014, the Board of Public Utilities held a special meeting to consider the change as described above. Upon discussion and consideration of the issue, the Board passed a motion recommending that Council approve the Amended and Restated Cost-Based Formula Rate Agreement for Full Requirements Electric Service with Indiana Michigan Power Company.

Moved by Patterson to approve Resolution 2015-04, a resolution amending the cost-based formula rate agreement for full requirements electric service by and between Indiana Michigan Power Company and the City of South Haven. Seconded by Klavins.

Voted Yes: All. Motion carried.

7. Council will be asked to consider two ordinance amendments related to animal control and ownership. Council will be asked to consider amendments to the following sections of the city's Code of Ordinances:

A. Chapter 1 of the Code of Ordinances, Sections 1-16

B. Chapter 6 of the Code of Ordinances, Sections 6-2 and 6-3

Background Information: The City Council will be asked to consider two ordinance amendments related to animal ownership and animal control. The ordinances reflect recommendations made by the city's Planning Commission.

Over the past year, the city's Planning Commission has reviewed the city's adopted animal control ordinances, with focus on the sections related to dogs. A subcommittee of the Planning Commission was formed to review the ordinance language, and sought to determine if the language was clear and enforceable. The committee sought input for the South Haven Police Department. After review, the Planning Commission made a series of recommended changes to the ordinances. Attached is a summary of the Planning Commission's findings.

The first proposed change to an ordinance would seek to amend Chapter 6 of the Code of Ordinances to more clearly define the public areas where animals are allowed while under reasonable control. As currently written, Section 6-2 prohibits allowing animals to be "in any public park or recreation area, public building, or *any building or area which is open to the general public.*" Literally construed, the italicized language makes it unlawful to walk a dog on a City street or sidewalk, or even to take a dog to a designated dog park. The proposed ordinance would narrow the list of places where animals are generally prohibited to include only public parks, public beaches, and public buildings. The ordinance also authorizes the City or private property owners to prohibit animals in other areas by posting signs to that effect. The signage may specify particular animals that are prohibited, or particular times of day when the prohibition applies. The ordinance also repeals unnecessary and redundant provisions in Section 6-3, which pertains to animals at large and dogs in heat.

The second ordinance amends Section 1-16 to increase the fines for first and second violations of Chapter 6 that are designated as municipal civil infractions. The fine for first offenses would be raised from \$50 to \$100, and the fine for second offenses would be raised from \$100 to \$150. The City Charter requires that when a code section is amended, the entire section must be restated in full in the amending ordinance. To eliminate the need for readopting all of Section 1-16 whenever a change is made to the fee schedule, the proposed ordinance moves the fee schedule to a newly created Section 1-16a.

Dorothy Appleyard – Spoke about ordinance.

Item A: Council will be asked to consider an introduction to amend Chapter 1 of the Code of Ordinances, Sections 1-16.

Moved by Fitzgibbon to introduce an amendment to Chapter 1 of the Code of Ordinances, Sections 1-16. Seconded by Gruber.

Voted Yes: All. Motion carried.

Item B: Council will be asked to consider an introduction to amend Chapter 6 of the Code of Ordinances, Sections 6-2 and 6-3.

Moved by Patterson to introduce an amendment to Chapter 6 of the Code of Ordinances, Sections 6-2 and 6-3. Seconded by Klavins.

Voted Yes: All. Motion carried.

7. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

David Nixon – 1073 Wells St. – Spoke about campground ordinances regarding overnight parking.

Phil Poole – Invited everyone to sign up for the Citizen's Academy. Applications are due February 1, 2015 and are available at the Police Dept. Classes will be on Tuesdays from 6:30 to 9:30 pm.

8. City Manager's Comments

9. Mayor and Councilperson's Comments

Kozlik Wall – Please remember to shovel and snow blow around fire hydrants in front of your house or business.

Gruber – Hope everyone had a great Martin Luther King Day.

Fitzgibbon – No Comment.

Patterson – Quote by Martin Luther King.

Arnold – Quote by Martin Luther King.

Klavins – Spoke about Christmas tree pick up.

Burr – No Comment.

10. Adjourn

Moved by Fitzgibbon to adjourn. Seconded by Patterson.

Voted Yes: All. Motion carried. Meeting adjourned at 7:47 p.m.

RESPECTFULLY SUBMITTED,



Michelle Coffey
Deputy City Clerk

Approved by City Council: **February 2, 2015**