

City Council

Regular Meeting Minutes

Monday, February 18, 2013
7:00 p.m., Council Chambers



1. **Call to Order by Mayor Burr at 7:00 p.m.**
2. **Invocation by Pastor Jeffrey Dick, First Congregational Church**
3. **Roll Call**

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

4. **Approval of Agenda**

Moved by Patterson to approve the agenda. Seconded by Kozlik Wall.

Voted Yes: All. Motion carried.

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

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

- A. Council will be requested to approve the City Council minutes of February 4, 2013.
- B. Bills totaling \$328,793.22 for the period ending February 17, 2013 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to receive the following administrative reports and approved minutes to be placed on file:
 - 1) South Haven Memorial Library Board: Minutes, January 8, 2013.
 - 2) South Haven Area Regional Airport Authority: Minutes, January 16, 2013.
 - 3) Financial Reports: Summary Interim Financial Report, January 31, 2013.

A Roll Call Vote was taken:

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

Motion carried.

NEW BUSINESS

6. **City Council will be asked to consider the following board appointments:**

- A. **Appointment of Scott Boyd to fill a vacant 3-year term on the Zoning Board of Appeals which expires in 2015.**

B. Appointment of David Miller to fill a vacant 3-year term on the Zoning Board of Appeals which expires in 2013.

Item A: Appointment of Scott Boyd to fill a vacant 3-year term on the Zoning Board of Appeals which expires in 2015.

Moved by Fitzgibbon to appoint Scott Boyd to fill a vacant 3-year term on the Zoning Board of Appeals which expires in 2015. Seconded by Klavins.

Voted Yes: All. Motion carried.

Item B: Appointment of David Miller to fill a vacant 3-year term on the Zoning Board of Appeals which expires in 2013.

Dave Miller introduced himself to City Council as an applicant for the Zoning Board of Appeals.

Moved by Kozlik Wall to appoint David Miller to fill a vacant 3-year term on the Zoning Board of Appeals which expires in 2013. Seconded by Patterson.

Voted Yes: All. Motion carried.

NEW BUSINESS

7. City Council will be asked to consider Resolution 2013-12: A Resolution amending the beach parking fee system.

Background Information: The City of South Haven created the beach parking fee system in 1986, in an effort to provide funds to help offset the cost of maintaining the public beaches and adjacent parks. In 1996 the City Council approved an increase in the daily beach parking fee from \$3.00 per day to \$5.00 per day.

In the past several years, the City of South Haven has invested in a variety of improvements and maintenance expenses to its public beaches and adjacent parks. The beach parking fund has been essential in funding some of these expenses. As a result, the beach parking fund has experienced deficit spending during the past several years, and an effort to correct the deficit position seems appropriate. An increase in revenue to the beach parking fund will assist in eliminating the deficit position, and will create funds which can be used for investment in the beaches and adjacent parks.

The city's staff has reviewed the city's beach parking fees, and compared the existing fees to communities along Lake Michigan. Staff found that the city's existing fee is competitive with many of those communities. Further, should the City Council wish to increase the beach parking fee, staff has found that an increase from \$5.00 per day to \$7.00 per day keeps the city within a range that is still competitive.

Staff recommends that the City Council consider an increase from \$5.00 per day to \$7.00 per day, for the daily beach parking fee. This increase should result in an increase in beach

parking revenue, and will align the city's daily beach parking fee with the city's existing fee to enter Black River Park.

Currently the beach parking fees are as follows:

- a) Daily Parking Fees-- \$5.00 per trip.
- b) Hourly Metered Parking-- \$ 1.00 per hour.
- c) Weekly Parking Pass-- \$15.00 per week.
- d) Multi-Year Pass -- \$50.00 first year, \$40.00 second year, \$30.00 third year

Currently the beach parking violation fees are set as follows:

- \$10.00 if paid within 7 days
- \$25.00 if paid after 7 days

The proposed resolution changes the daily parking fee to \$7.00 per day. It also seeks to increase the parking ticket fines to \$20.00 if paid within 7 days and \$30.00 if paid after 7 days. Please note that no changes are being proposed for the Weekly Parking Pass fee or the Multi-Year Pass fee.

Moved by Fitzgibbon to approve Resolution 2013-12: A Resolution amending the beach parking fee system. Seconded by Patterson.

Voted Yes: All. Motion carried.

8. City Council will be asked to consider Resolution 2013-13: A Resolution adopting a post-issuance tax compliance policy for tax-exempt obligations.

Background Information: Tax-advantaged bonds (tax-exempt, tax credit, and direct pay) are bonds that receive preferential tax treatment. These bonds, issued by or on behalf of state and local governments, are subject to applicable federal tax requirements both at the time of issuance and for so long as the bonds remain outstanding. An issuer or other party's failure to comply with any applicable federal tax requirement with respect to tax-advantaged bonds jeopardizes the preferential tax status of those bonds.

Post-issuance federal tax requirements generally fall into two categories: (1) qualified use of proceeds and financed property; and (2) arbitrage yield restriction and rebate. Qualified use requirements require monitoring of the various direct and indirect uses of bond-financed property over the life of the bonds and calculations of the percentage of nonqualified uses. Arbitrage requirements also require monitoring over the life of the bonds to determine whether both the yield on investments acquired with bond proceeds are properly restricted and whether the issuer must pay a yield reduction payment and/or rebate payment.

The on-going nature of post-issuance compliance requirements applicable to tax-advantaged bonds requires issuers to actively monitor compliance throughout the entire period their bonds remain outstanding. This due diligence will significantly improve the City's ability to identify noncompliance and prevent violations from occurring, or timely correct identified violations (when prevention is not possible), to ensure the continued tax-advantaged status of the bonds.

In accordance with Internal Revenue Service recommendations, Issuers should adopt written procedures, applicable to all bond issues, which go beyond reliance on tax certificates included in bond documents provided at closing. Sole reliance on the closing bond documents may result in procedures insufficiently detailed or not incorporated into an issuer's operations. Written procedures should contain certain key characteristics, including making provision for:

- Due diligence review at regular intervals;
- Identifying the official or employee responsible for review;
- Training of the responsible official/employee;
- Retention of adequate records to substantiate compliance;
- Procedures reasonably expected to timely identify noncompliance; and
- Procedures ensuring that the issuer will take steps to timely correct noncompliance.

The goal of establishing and following written procedures is to identify and resolve noncompliance, on a timely basis, to preserve the preferential status of tax-advantaged bonds.

Moved by Fitzgibbon to approve Resolution 2013-13: A Resolution adopting a post-issuance tax compliance policy for tax-exempt obligations. Seconded by Kozlik Wall.

Voted Yes: All. Motion carried.

9. City Council will be asked to consider approving the following Elkenburg Park bids and proposals:

- A. Site work and building renovations to JD Fisher Builders in the amount of \$184,315.95.**
- B. Site amenities to Playworld Midstates in the amount of \$10,344.**
- C. Engineering/grant coordination to Abonmarche in the amount of \$44,322.**

Background Information: Bid results came in favorably for the Elkenburg Park project. The bid amount for site work and improvements is \$184,315.95. This amount includes construction of a rest room and picnic shelter, basketball courts, sidewalks, fencing and landscaping.

This bid, together with engineering and site amenities to complete Phase I of the project, would indicate a total project cost of \$238,981.95, which is well under the grant amount of \$339,800. The additional amount of approximately \$100,000 may be available for Phase II of the project. Note that the grant agreement requires project completion by August 1, 2014.

The grant funding source for this project is the Michigan Natural Resources Trust Fund, which is providing 75% of a total project cost not to exceed \$339,800. The City's local match for this project is 25%, or \$85,000.

Moved by Patterson, seconded by Arnold to approve the following Elkenburg Park bids and proposals:

- A. Site work and building renovations to JD Fisher Builders in the amount of \$184,315.95.
- B. Site amenities to Playworld Midstates in the amount of \$10,344.
- C. Engineering/grant coordination to Abonmarche in the amount of \$44,322.

A Roll Call Vote was taken:

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

Motion carried.

10. City Council will be asked to consider the following actions regarding the Phoenix Street Improvements Project:

- A. Consider Resolution 2013-14: A Resolution authorizing the City Manager to apply for a Michigan Community Development Block Grant Downtown Infrastructure Area Benefit Grant for Phoenix Street Improvements.**
- B. Set a public hearing date of March 4, 2013 to hear public comment regarding the grant application.**

Background Information: The City of South Haven has received a conditional commitment from the Michigan Economic Development Corporation (MEDC) Downtown Improvement Grant program, to provide grant funding to assist with the reconstruction of Phoenix Street, between Broadway and Williams/Kalamazoo Street. Once constructed, the street will feature new driving lanes, updated infrastructure, a public WI-FI system, and streetscape enhancements including new street furniture, expanded sidewalk areas, and urban green space. The total project cost is estimated at \$2,394,839 (\$750,000 MEDC grant, \$1,644,839 City match provided by the DDA Fund.)

Should the City Council wish to continue the application process and construct the project, the Council must now adopt Resolution 2013-14, a resolution which authorizes the City Manager to apply for community development block grant funds for the Phoenix Street reconstruction project.

Item A: Consider Resolution 2013-14: A Resolution authorizing the City Manager to apply for a Michigan Community Development Block Grant Downtown Infrastructure Area Benefit Grant for Phoenix Street Improvements.

Moved by Kozlik Wall to approve Resolution 2013-14: A Resolution authorizing the City Manager to apply for a Michigan Community Development Block Grant Downtown Infrastructure Area Benefit Grant for Phoenix Street Improvements. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

Item B: Set a public hearing date of March 4, 2013 to hear public comment regarding the grant application.

Moved by Kozlik Wall to set a public hearing date of March 4, 2013 to hear public comment regarding the grant application. Seconded by Patterson.

Voted Yes: All. Motion carried.

11. City Council will be asked to consider the following actions regarding bonds for the Phoenix Street Reconstruction Project:

- A. Resolution 2013-15: A Resolution authorizing publication of Notice of Intent.**
- B. Authorize the City Manager to sign the letter of engagement for bond counsel services to be provided by Clark Hill PLC for an amount not to exceed \$19,000.**

Background Information: In accordance with the priorities for FY 2014 adopted by the City Council and as a result of public input meetings held to create the 2010 DDA Streetscape Master Plan, City staff is moving forward with securing the funding to reconstruct Phoenix Street from Broadway Ave to Kalamazoo Street. This street reconstruction will be an infrastructure upgrade including replacement water, sewer, and storm drainage systems. The project also includes streetscape enhancements of new street furniture, expanded sidewalk areas, and urban green space. The initial cost estimates for the project are approximately \$3.4 million.

To obtain funding in accordance with Act 197 of the Public Acts of Michigan of 1975 ("Act 197"), it is necessary for the City to publish a notice of intent to issue municipal securities. The resolution lists the Not-to-Exceed amount as \$2.95 million.

Item A: Resolution 2013-15: A Resolution authorizing publication of Notice of Intent.

Moved by Kozlik Wall to approve Resolution 2013-15: A Resolution authorizing publication of Notice of Intent. Seconded by Klavins.

Voted Yes: All. Motion carried.

Item B: Authorize the City Manager to sign the letter of engagement for bond counsel services to be provided by Clark Hill PLC for an amount not to exceed \$19,000.

Moved by Kozlik Wall to authorize the City Manager to sign the letter of engagement for bond counsel services to be provided by Clark Hill PLC for an amount not to exceed \$19,000. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

12. City Council will be asked to consider Resolution 2013-16: A Resolution approving building authority lease and other closing details.

Background Information: The City Council will be asked to consider approval of a resolution approving a Lease Contract between the City and the Building Authority as part of tonight's City Council meeting. In accordance with the priorities for FY 2013 adopted by the City Council, City staff is moving forward with securing the funding for the Police/Fire departmental expansion; technology upgrades, energy improvements, and expanded Fire maintenance facility.

The City of South Haven Building Authority will issue the bonds in the amount not to exceed \$3,000,000 to finance the project. The lease contract between the City and the Authority

insures the funding of the annual debt service requirements. If approved, the Notice of Intent to enter into the Lease contract needs to be published in the newspaper.

Moved by Patterson to approve Resolution 2013-16: A Resolution approving building authority lease and other closing details. Seconded by Kozlik Wall.

Voted Yes: All. Motion carried.

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

(You will be given up to 5 minutes to address your concerns.)

None at this time.

14. City Manager's Comments

15. Mayor and Councilperson's Comments

Klavins: No comment.

Arnold: Wished the Rams Basketball team good luck.

Patterson: Thanked the City Staff for all the work they do in getting the grants.

Fitzgibbon: Reminded everyone that this Saturday, February 23rd is the Bridge Sit.

Gruber: No comment.

Kozlik Wall: No comment.

Burr: Reminded everyone that there is an Oscar Party in Grand Rapids which serves as a fundraiser for the Waterfront Film Festival.

16. Adjourn

Moved by Kozlik Wall to adjourn. Seconded by Patterson.

Voted Yes: All. Motion carried. Meeting adjourned at 7:29 p.m.

RESPECTFULLY SUBMITTED,



Amanda Morgan, CMC
City Clerk

Approved by City Council: March 4, 2013