

City Council

Special Meeting Minutes

Monday, March 4, 2013
6:00 p.m., City Hall, Conference Room B



1. Call to Order by Mayor Burr at 6:00 p.m.

2. Roll Call

Present: Arnold, Gruber, Klavins, Kozlik Wall, Patterson, Burr
Absent: Fitzgibbon

3. City Council will be asked to go into closed session pursuant to the Michigan Open Meetings Act; Public Act No. 267 of 1978; 15.268; Section 8(e) to consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation.

Moved by Kozlik Wall to go into closed session pursuant to the Michigan Open Meetings Act; Public Act No. 267 of 1978; 15.268; Section 8(e) to consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation. Seconded by Arnold.

A Roll Call Vote was taken:

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

Motion carried. Council adjourned into closed session at 6:02 p.m.

Moved by Kozlik Wall to return to open session. Seconded by Arnold.

Voted Yes: All. Motion carried. Council returned to open session at 6:50 p.m.

4. Adjourn

Moved by Gruber to adjourn. Seconded by Klavins.

Voted Yes: All. Motion carried. Meeting adjourned at 6:51 p.m.

RESPECTFULLY SUBMITTED,

A handwritten signature in cursive script that reads "Amanda Morgan".

Amanda Morgan, CMC
City Clerk

Approved by City Council: March 18, 2013

City Council

Regular Meeting Minutes

Monday, March 4, 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, Gruber, Klavins, Kozlik Wall, Patterson, Burr
Absent: Fitzgibbon

Moved by Kozlik Wall to excuse Councilmember Fitzgibbon due to absence from the community. Seconded by Patterson.

Voted Yes: All. Motion carried.

4. **Approval of Agenda**

Moved by Patterson to approve the agenda with the addition of Item 10A: Settlement Agreement. Seconded by Arnold.

Voted Yes: All. Motion carried.

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

Moved by Kozlik Wall, seconded by Klavins 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 \$737,135.73 for the period ending March 3, 2013 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve the placement of a temporary special event sign to be placed in the front lawn of City Hall for the Domestic Violence Coalition Fashion Show from March 5-17, 2013.
- D. Council will be asked to receive the following administrative reports and approved minutes to be placed on file:
 - 1) Parks Commission: Minutes, January 8, 2013.
 - 2) Liberty Hyde Bailey Museum Board: Minutes, January 15, 2013.
 - 3) Brownfield Redevelopment Authority: Minutes, November 12, 2013.
 - 4) Local Development Finance Authority: Minutes, November 12, 2013.

A Roll Call Vote was taken:

Yeas: Arnold, Gruber, Klavins, Kozlik Wall, Patterson, Burr

Nays: None

Motion carried.

UNFINISHED BUSINESS

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

A. Hold a public hearing regarding the grant application.

B. Consider Resolution 2013-17: A Resolution authorizing application for a Michigan Community Development Block Grant Downtown Infrastructure Area Benefit Grant for Phoenix Street Improvements.

Item A: Hold a public hearing regarding the grant application.

Moved by Kozlik Wall to open the public hearing. Seconded by Klavins.

Voted Yes: All. Motion carried. Public hearing declared open.

Wayne Balsler, Johnny's Lakeshore Jewelry – welcomed project and asked several questions regarding the project.

Roxanne Leader, Decadent Dogs – asked several questions regarding the project.

Moved by Kozlik Wall to close the public hearing. Seconded by Patterson.

Voted Yes: All. Motion carried. Public hearing closed.

Item B: Consider Resolution 2013-17: A Resolution authorizing application for a Michigan Community Development Block Grant Downtown Infrastructure Area Benefit Grant for Phoenix Street Improvements.

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 2013-17, a resolution which authorizes the City Manager to apply for community development block grant funds for the Phoenix Street reconstruction project.

Moved by Kozlik Wall to approve Resolution 2013-17: A Resolution authorizing application for a Michigan Community Development Block Grant Downtown Infrastructure Area Benefit Grant for Phoenix Street Improvements. Seconded by Patterson.

Voted Yes: All. Motion carried.

NEW BUSINESS

7. City Council will be asked to consider approval of the Gro America bid for dredging the North and South Side Marinas in the amount of \$236,653 with up to \$68,000 for an additional change order for the Turning Basin and Friends Goodwill Channel.

Background Information: The City received bids for dredging at the North Side and South Side Marinas on Monday, February 25. After a review of the bid tabulation, Abonmarche recommends the low bidder Gro America.

The funding source for this project is the Emergency Dredging Grant as proposed by the Michigan DNR - Waterways. The City has received verbal notification that it will be awarded \$436,050 for specific emergency dredging projects in South Haven Harbor. However legislative action is needed prior to a grant agreement.

Our goal is to complete dredging of the North Side and South Side Marinas by April 15. In order to do so, it is important that we have approval from City Council as early as possible so that the contractor will have time to complete the project. At this time there are several contingencies which must be completed prior to signing the dredging contract.

1. The City submitted a dredging permit application to the DEQ and Army Corps on December 20, 2012. We have not yet received the permit but hope to have it soon. No dredging work shall proceed until this permit has been issued.

2. The City should not execute the contract prior to a completed grant agreement with the State of Michigan.

At its February 26 meeting, the Harbor Commission recommended approval of the Gro America bid contract with a change order addition of \$68,000 for the Turning Basin and Friends Goodwill Channel.

We have a valid permit for the Turning Basin and Friends Goodwill Channel dredging. The dredge spoil may be placed in the Dunkley site along with the North Side and South Side Marina spoil. We intend to cap the Dunkley site with gravel at the completion of this project, so it is important that the spoil from the Turning Basin and Friends Goodwill Channel be included in this project.

Moved by Gruber to approve the Gro America bid for dredging the North and South Side Marinas in the amount of \$236,653 with up to \$68,000 for an additional change order for the Turning Basin and Friends Goodwill Channel. Seconded by Arnold.

Voted Yes: All. Motion carried.

8. City Council will be asked to consider Resolution 2013-18: A Resolution setting a public hearing date of March 18, 2013 for consideration of an application for an Industrial Facilities Exemption Certificate requested by Foodtools, Inc.

Background Information: The tax exemption request, which totals \$92,641, is for the acquisition and installation of new personal property acquired by the company. The applicant notes that the company anticipates retaining 1 existing job at their facility as a result of the project.

Foodtools, Inc. manufactures cake and pie slicers, which mechanically insert dividers. The company employs 45 people at its three locations in Santa Barbara, CA, South Haven, MI, and the United Kingdom. The company manufactures over 35 models of cake and pie slicers.

The estimated total value of the Industrial Facilities Tax Exemption Certificate for Foodtools, Inc., is \$8,612 over the 12 year life of agreement if all machinery is included in the certificate. The tax exemption does include a “claw-back” provision, which allows the City of South Haven to seek the abated tax amount if the terms of the abatement are not met by the business.

Moved by Patterson to approve Resolution 2013-18: A Resolution setting a public hearing date of March 18, 2013 for consideration of an application for an Industrial Facilities Exemption Certificate requested by Foodtools, Inc. Seconded by Klavins.

Voted Yes: All. Motion carried.

9. City Council will be asked to consider a contract with Youth Development Corporation for recreational services in the City of South Haven.

Background Information: For more than a decade, the City of South Haven has provided an annual payment to the YDC for recreation services within the City’s parks. YDC provides recreation programs, typically located at Kid’s Corner, as part of their “Summer Fun in the Park” program. For several years the City of South Haven has provided \$15,000 in annual payments to YDC for this recreation service.

As part of a recent audit process, the City’s auditor recommended that the City of South Haven take steps to develop contracts for service with any outside agency which the City provides regular funding to. As a result, the City’s staff has worked with representatives from YDC to develop a contract for service. The contract for service does not seek to alter the annual budgeted expense to YDC, but does seek to illustrate the agreement between YDC and the City of South Haven.

If approved, the agreement will provide 5 years of recreation services from YDC to the City of South Haven, with an annual expense of \$15,000 per year.

Moved by Kozlik Wall to approve contract with Youth Development Corporation for recreational services in the City of South Haven. Seconded by Patterson.

Voted Yes: All. Motion carried.

10. City Council will be asked to consider a short term rental agreement with the Michigan State Police for use of the Michigan State Police Post located at 720 LaGrange Street.

Background Information: The City of South Haven is constructing civil, architectural, mechanical, and electrical improvements to the existing Public Safety building. The project has a current preliminary budget of approximately \$2,600,000. At the April 2, 2012, regular meeting of the City Council, the Council approved Resolution 2012-14, which authorized a notice of intent to construct capital improvements with a not to exceed budget of \$3,000,000. The City's staff is working with the United States Department of Agriculture (USDA) to finalize a loan for the project. For tonight's meeting, the City Council will be asked to consider granting approval of a short term lease agreement with the State of Michigan, for the use of the Michigan State Police Post on LaGrange Street.

The building will be used by the South Haven Police Department as a temporary home for their operations while construction is occurring at the city's Public Safety building. The rental agreement is a month-to-month agreement, and has a total annual cost of \$1.00. The rental agreement does require the City of South Haven to fund all maintenance and utility costs, and name the State of Michigan to our liability insurance during the duration of the rental agreement.

The rental agreement with the State of Michigan allows the city's Police Department to operate in an actual building and avoid the use of construction trailers. Further, the city's Police Department will be able to temporarily use a building which was designed and constructed for police work.

Assuming the rental agreement with the State of Michigan is approved, the city's staff will work to prepare the state's building for our use and finalize plans to move into the building.

Moved by Kozlik Wall to approve a short term rental agreement with the Michigan State Police for use of the Michigan State Police Post located at 720 LaGrange Street. Seconded by Klavins.

Voted Yes: All. Motion carried.

10A. Settlement Agreement

Moved by Patterson to approve (1) the settlement of Jordan v. South Haven under the conditions recommended by the MMRMA and the City's trial counsel; and (2) to authorize the City Manager and trial counsel to negotiate and finalize a General Release and Settlement Agreement consistent with that recommendation; and (3) to authorize the Mayor and City Clerk to sign the Settlement Agreement on behalf of the City of South Haven. Seconded by Arnold.

Voted Yes: All. Motion carried.

11. 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.)

No comments at this time.

12. City Manager's Comments

13. Mayor and Councilperson's Comments

Kozlik Wall: No comments.

Gruber: Asked for clarification regarding the welcome island relocation project. Shout out to the City Staff for all the work on getting grant funding.

Patterson: Happy National Women's History Month.

Arnold: No comments.

Klavins: No comments.

Burr: Thanked staff for all their efforts on the dredging project.

14. Adjourn

Moved by Patterson to adjourn. Seconded by Kozlik Wall.

Voted Yes: All. Motion carried. Meeting adjourned at 7:37 p.m.

RESPECTFULLY SUBMITTED,



Amanda Morgan, CMC
City Clerk

Approved by City Council: March 18, 2013