

## City Council

### Regular Meeting Minutes

Monday, June 16, 2014  
7:00 p.m., Council Chambers



#### 1. Call to Order by Mayor Burr at 7:00 p.m.

#### 2. Invocation

- Moment of Silence

#### 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 I (Roll Call Vote Required)

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

- A. Council will be requested to approve the City Council Minutes of June 2, 2014.
- B. Bills totaling \$1,336,482.61 for the period ending June 17, 2014 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve contract modification #2 regarding the dredging project.
- D. Council will be asked to approve the dredging project's partial payment request #6.
- E. Council will be asked to approve a proposal for professional services from Abonmarche for summer paving projects, in the amount of \$50,200.
- F. Council will be asked to approve a proposal for professional services from Abonmarche for drainage improvements between Cherry Street and Bailey Avenue, in the amount of \$17,900.
- G. Council will be asked to approve a license agreement with Janny's Beach House for the placement of an awning at 517 Phoenix Street.
- H. Council will be asked to approve a budget adjustment for FY 2013-14.
- I. Council will be asked to receive the following administrative reports and approved minutes to be placed on file:
  - A. 03-26-2014 Housing Commission Minutes
  - B. 05-01-2014 Planning Commission Minutes

A Roll Call Vote was taken:

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

Nays: None

Motion carried.

## UNFINISHED BUSINESS

### **6. Council will be asked to approve an update to the utility rate ordinance.**

*Background Information:* The City Council will be asked to consider a motion to adopt the utility rate ordinance.

During this year's rate setting process, the Board of Public Utilities (BPU) approved an increase of 2% for the various components of the water utility rate and an increase of 4% for the various components of the sewer rate. There was a reduction in the commercial power electricity use rate from \$0.115/Kwh to \$0.11/Kwh. The average utility customer will see an increase in their monthly utility bill of approximately \$2.94.

Please review the attached Utility Bill Comparison report based on the average residential utility customer.

Regarding the Electric rates, as discussed in last year's rate setting meeting, our contract with American Electric Power (AEP) provides us with competitive pricing per kilowatt hour. However, the contract cannot prevent market forces from impacting the overall cost of power. Over the past several years the City has observed increases in the cost of purchased power from AEP. Staff is pleased to report that although the City was assessed \$121,947 during the annual rate adjustment for calendar year 2013, the charges will be offset by a portion of the credit balance on account with AEP from the previous year.

Because of the prior year rebate and a slight change in the cost of power, staff and the BPU have recommended no increase in electric rates for the upcoming fiscal year.

Moved by Patterson to approve an update to the utility rate ordinance. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

## NEW BUSINESS

### **7. Council will be asked to consider the following Special Events:**

**A. Consider Special Event 2014-19, Festival of Trees to be held November 28, 2014 through December 8, 2014.**

**B. Consider Special Event 2014-33, 4<sup>th</sup> of July Parade on July 4<sup>th</sup>.**

**Item A: Special Event 2014-19, Festival of Trees to be held November 28, 2014 through December 8, 2014.**

*Background Information:* This event, sponsored by We Care I.N.C. is scheduled to start Friday, November 28, 2014. The event will start with a parade bringing Santa to kick-off the Festival of Trees event at City Hall, which will last through December 8, 2014. Proof of insurance will be provided one month prior to the event.

Moved by Fitzgibbon to approve Special Event 2014-19, Festival of Trees to be held November 28, 2014 through December 8, 2014. Seconded by Kozlik Wall.

Voted Yes: All. Motion carried.

**Item B: Special Event 2014-33, 4<sup>th</sup> of July Parade on July 4<sup>th</sup>.**

*Background Information:* This year the South Haven Kiwanis Club are sponsoring the parade which is scheduled for Friday, July 4<sup>th</sup>, 2014. The streets will need to be closed by 10:30 a.m. with the parade starting at 11:00 a.m. The parade route is identified on the event application. Proof of insurance has already been provided.

Moved by Fitzgibbon to approve Special Event 2014-33, 4<sup>th</sup> of July Parade on July 4<sup>th</sup>. Seconded by Patterson.

Chris Campbell from SoHa Surf Shop spoke about a 9:00 a.m. parade start time.

A Roll Call Vote was taken:

Yeas: Arnold, Fitzgibbon, Gruber, Klavins, Patterson, Burr

Nays: Kozlik Wall

Motion carried.

**8. Council will be asked to approve a license agreement with SoHa Surf Shop, LLC.**

*Background Information:* The City Council will be asked to consider approval of a one year license agreement with the SoHa Surf Shop, granting approval of a standup paddleboard and kayak rental service on the South Beach.

In March 2014, the City received a letter from the SoHa Surf Shop requesting that the City consider operation of a standup paddleboard and kayak rental service at South Beach. On May 8, the applicant, Chris Campbell, met with Chairperson Reinhart, Commissioner Moore, and members of City Staff to discuss and refine the beach rental proposal. At the June 10<sup>th</sup> regular meeting of the Parks Commission, the board approved a recommendation to allow the SoHa Surf Shop to operate the proposed standup paddleboard and kayak rental service at the South Beach.

Chris Campbell from SoHa Surf Shop spoke about his business and the license agreement.

Moved by Patterson to approve a license agreement with SoHa Surf Shop, LLC. Seconded by Kozlik Wall.

Voted Yes: All. Motion carried.

**9. Council will be asked to approve Resolution 2014-29, a resolution to amend the Personnel Policy.**

*Background Information:* A revised policy regarding city-provided cell phones and a new policy regarding personal use of a city-provided vehicle are attached for your consideration.

The cell phone policy has been revised to provide the city with the means to charge employees for roaming charges and other fees for personal calls that are either placed or received from outside our service area. The current policy allows only for a charge of \$0.06 per minute for personal calls. The policy also adds language that states that the employer-provided cell phone is to be used primarily for business purposes and defines acceptable personal use.

The personal use of city-owned vehicle policy is new and addresses non-business use of city-owned vehicles. The policy identifies the limits of personal use of a city-owned vehicle to commutes to and from work and restricts the use of the vehicle to only the employee. It provides notice to the employee that to and from commutes in a city-owned vehicle may result in a taxable benefit to the employee as detailed by the IRS. Finally, it identifies disciplinary measures for violating the policy.

Moved by Fitzgibbon to approve Resolution 2014-29, a resolution to amend the Personnel Policy. Seconded by Patterson.

Voted Yes: All. Motion carried.

**10. Council will be asked to approve Resolution 2014-30, a resolution setting a public hearing for an industrial tax facilities exemption for Do-It Corporation.**

*Background Information:* The City Council will be asked to set a public hearing for consideration of an Industrial Facilities Tax Exemption Certificate for Do-It Corporation, located at 1201 Blue Star Highway.

The tax exemption request, which totals approximately \$1,328,228, is for new personal property acquired by the company. The applicant notes that the company anticipates creating 2-4 new jobs at their facility as a result of the project.

Do-It Corporation was founded in 1973. Do-It Corporation features a range of point-of-sale hang tab solutions. Do-It Corporation invented the hang-tab, and has grown into the largest hang tab manufacturer in the world. The company currently employs 62 staff members.

The estimated total value of the Industrial Facilities Tax Exemption Certificate for Do-It Corporation is \$43,437 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 Fitzgibbon to approve Resolution 2014-30, a resolution setting a public hearing for an industrial tax facilities exemption for Do-It Corporation. Seconded by Patterson.

Voted Yes: All. Motion carried.

#### **11. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda**

Robert Overhuel – Spoke about his property.

#### **12. City Manager's Comments**

#### **13. Mayor and Councilperson's Comments**

Kozlik Wall: Spoke about Waterfront Film Fest. Reminds people to use stop signs and crosswalks at beaches.

Gruber: Spoke about special events. Also spoke about outdoor seating.

Fitzgibbon: Excited about fireworks. Spoke about being out for 3-4 meetings.

Patterson: Thanked all who helped with the Waterfront Film Fest.

Arnold: No comment.

Klavins: Spoke about Harborfest this weekend. Also spoke about parade timings.

Burr: Reminder about fireworks – fundraising time. Cost is \$34,000.

#### **14. Adjourn**

Moved by Patterson to adjourn. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried. Meeting adjourned at 7:52 p.m.

RESPECTFULLY SUBMITTED,



Michelle Coffey  
Deputy City Clerk

Approved by City Council: July 7, 2014