

VILLAGE OF HOLLY

VILLAGE COUNCIL MEETING

January 12, 2016

The regular meeting of the Village of Holly Council Meeting was called to order by President Bladzik at 7:06 P.M. in the Karl Richter Center Board of Education Room located at 920 E. Baird Street, Holly, Michigan.

Councilmembers Present

Ryan Bladzik
Debra Musgrave
Bob Allsop
Dave Cruickshank
Suzanne L. Heiple
Robert Kleven
Chris Rankin

Staff Present

Jerry L. Walker
Cathrene A. Behrens
Brian Klaassen
Steve McGee
Andrew Potter
Mike Story

Others Present

President Bladzik called the meeting to order at 7:06 PM.

CHANGES TO AGENDA:

President Bladzik stated he would like to add under New Business Item #10; Village Attorney's report on the Silverman Debtors Exam.

CONSENT AGENDA

1. Agenda Approval
2. Consideration of the Approval of the Public Hearing Meeting Minutes of December 8, 2015.
3. Consideration of the Approval of the Council Meeting Minutes of December 8, 2015.
4. Consideration of the Approval of

- Warrant 2016-01 in the amount of \$262,605.82.
5. Consideration of the July 2015 through December 2015 Village of Holly Revenue/Expenditure Report.
6. Consideration of the Village of Holly Quarterly Investment Report July 2015 through December 2015.
7. Consideration of the October 2015 Village of Holly Balance Sheet Report.
8. Consideration of the November 2015 Village of Holly Balance Sheet Report.
9. Consideration of the December 2015 Village of Holly Balance Sheet Report.
10. Consideration of the Acceptance of a letter of resignation from Michael Crawford from the Village of Holly Parks Commission.

- 11. Consideration of Resolution 2016-002, confirming the Village President’s re-appointment of Joyce Leece to the Village of Holly Parks Commission.
- 12. Consideration of Resolution 2016-003, confirming the Village President’s re-appointment of Nick Pohl to the Village of Holly Planning Commission.
- 13. Consideration of Resolution 2016-004, confirming the Village President’s re-appointment of Don Winglemire to the Village Historic District Commission.
- 14. Business Registration
 - a. The Facility Sports Complex, 405 Cogshall

CM 2016-001 Motion by Musgrave, second by Cruickshank to approve the agenda as amended.

Motion carried by a voice vote of all ayes and no nays.

PUBLIC COMMENT

Deanna Houldsworth, Holly High School, stated she teaches the kids there with autism. They are here to speak about a campaign they are having, Light Up Holly Blue. They are having a “blue out” basketball game on January 22, 2016, the boys and girls varsity game. This has snowballed and turned into something huge. All of the businesses downtown are participating; they purchased blue lights for every business downtown and they are also doing a promotion campaign. They are asking during the week of January 16 through January 23 if you could light up your street lights in blue to help us promote this

and have Holly hit the maps. We have never heard of another City or school which has done this but the backing is just amazing.

Manager Walker stated she is talking about the street lamps being turned blue but it is not the actual lamps that are in there but it was actually additional lights purchased by Dicken’s. Dicken’s has allowed the Village to use them and Director Klaassen has actually purchased the blue wax paper. He thought that it would be good to notify the Council that this would be a weeklong event and staff wanted the council to be aware of all of the downtown support from the businesses.

John Lauve, 200 N. Saginaw stated he wants to talk about the bike lane. He provided a copy of the summary for everyone. *No copy was provided to the Village Clerk/Treasurer for the record.* The bike lane is narrowing down the street from four lanes to two lanes from Grange Hall to Maple Road. He has talked to people who live and have businesses on that street and no one is in favor of it. They think it is going to be a terrible thing to do. Somehow in this book; less than half the people answered the questions are the people who support it. He presented a graphical representation to the Council. Less than half the people that answered the questions are people who supported it. He stated the Village was right at the limit of making a conversion there. There are school buses, trains and at Grange Hall Road you have terrible congestion with the same thing down at Maple when trucks are dropping off supplies at Winglemire’ s. You have fire vehicles, police vehicles and there are 70 cuts in the road. That means when you go into the library you are going to slow down all the traffic, so you are going to disrupt the whole

thing. The rationale for this is “let’s try it”; you don’t try something that is stupid and have to live with it for a year. It should not be done, it is not supported by the facts; there are so many bikes in town we have to have a bike lane down the middle of the street. This is a main artery; this should not be decided without greater involvement. He has talked to people, no one is for it that he has talked to. There are other ways that we can do something to improve the street. He planted some flowers and fixed it up. He lives here, he knows what the traffic is like. In the winter time there are no bikes, in the winter time people get killed and it’s going to happen.

OLD BUSINESS

None

NEW BUSINESS

#1. Historic District Committee Report from Committee Chairperson Sue Les.

Sue Les provided the council a map of what they are suggesting as a new historic district. There should also be a list of the people who are on their committee. Currently the group includes Ron Campbell, Shannon Cole, Diana Clark-Davis, herself, Chris Rankin and Linda Smith. Of the six of them only two live in the Village. She was supposed to be here in November and December and was unable to make it and she apologized. They are recommending an expansion of the Holly Historic District with the current district highlighted and the suggested new boundaries, which are in red. They had several sessions and had several tours of the Village and that is why the suggestions are as you see them. The photo survey was made of areas of interest

which they felt would add to the value of the district. These are available on a USB flash drive. There is no reason to begin tracing building history unless the council decides to follow through with the historic district expansion. A lot of the research can be done online with volunteers. They suggested utilizing a Google spreadsheet which would help to organize the volunteers. Ron Campbell, who works for Oakland County, has advised that the research can take several years. The second recommendation is to start with some fresh volunteers which is why she included the list of the current committee. Definitely they are looking for some other participants. From the original workshop in 2014 we have lost over half of our participants; possibly utilizing some Holly High School students looking for extra credit would be a viable option. There are several people currently on the committee who will be available to help out and Linda Smith has agreed to maintain all of the notes from the meetings.

#2. Consideration of the appointment of an Adhoc Committee regarding a 425 Agreement between the Village of Holly and Holly Township.

President Bladzick stated that last summer as a result of a couple of conversations, Council Member Musgrave and Council Member Rankin, along with Mr. Walker and Ms. Behrens, started looking at development patterns and provisions of municipal services. There have been conversations and attempts to extend our Village services to the Pulte subdivision along Academy and down there that never came to fruition but now with the unfinished subs starting to develop again, they started doing a little research on processes.

There are three practical ways to go about doing this; through cityhood and annexation, through annexation by petition of the residents and third through a 425 agreement. We were looking at a bit of time and learned that Riverside north sold very quickly. He and Manager Walker met with Dale Smith and Mark Freeman to get their take on this and what their consensus was. They got the feeling that they would look favorably on a 425 agreement; nothing has been proposed solidly at this time, it is just concepts and ideas. They are looking at council to authorize an Adhoc committee and if there is staff time or attorney time needed; we would like to have that authority to utilize these resources.

Council Member Cruickshank stated that this is just to get a committee going to talk about the possibility.

President Bladzick stated when they talked to Mark and Dale they felt that the committee would be able to start on common ground to eventually present to the Township Board. If there are fundamental differences that prevent us from moving forward at least we tried. This was prompted by looking at the subdivision behind Fairfield, the condominiums at Dockside and out to Fish Lake Road. This is just kind of opening that dialogue and discussion to see if there is something that they could look at. If all of that area gets developed into neighborhoods, police and streets are something that we are either going to have to figure out or the Township is going to have to figure out. You can't have neighborhoods that large without thinking above these issues.

Council Member Heiple asked if there was a time frame in which to accomplish this.

President Bladzick stated that at the first meeting the committee holds he would present to the group; he is very conscious of a time frame. There is a sooner aspect that he looks at that we are sooner rather than later before we go down the rabbit hole with the development but he wouldn't want anything rushed to the point where it is shoddy or not mutually beneficial.

CM 2016-002 Motion by Musgrave, second by Rankin to approve the establishment of an Adhoc Committee, and allow Village Administration and the Village Attorney to provide support and resources as necessary, regarding a 425 agreement between the Village of Holly and Holly Township.

Motion carries by a voice vote of all ayes and no nays.

President Bladzick stated that Council Member Musgrave, Council Member Rankin and himself would be the committee members with Council Member Cruickshank to serve as an alternate.

#3. Consideration of the Finance Committee Recommendation regarding the KRCC Director and consideration of the approval of a shared service agreement with Holly Township Parks and Recreation regarding KRCC Administration.

Manager Walker stated that upon the announcement of Nick Klemp's promotion with the Holly Community Coalition, it did not leave him enough time to serve as the

Community Center Director. At that time Tony Engelberg and Joe Mishler served as community center program coordinators, Mr. Mishler handling the auditorium and Mr. Engelberg handling the sports side of things. Both of these gentlemen did an excellent job during the interim period however; in talking with Mr. Klempp and monitoring payments he would receive 40% of any of the classes that were reserved plus a \$100 travel allowance. They started to analyze this as they looked for people to replace his position and did not believe we could attract enough candidates to operate on that type of fiscal compensation. The finance committee met and he talked about the situation with them and spoke of discussing with Holly Township Parks the possibility of sharing administration with their Director Toni Brinker. After the Finance Committee meeting they authorized him to enter into further discussion with Ms. Brinker to see if they could fashion some type of agreement. In their council packet they have a contract for services provided through Holly Township Parks by Ms. Brinker. This has already been before the Holly Township Parks Board. The Holly Township Parks Board is autonomous from the Holly Township Board by state law so they have the authority to act of their own accord. Pending Council approval, they have agreed to enter into this agreement with the Village. Attorney Gildner has reviewed the agreement to ensure there were no problems with it. This agreement calls for a 40% split for room rentals and facility rentals with 20% going off the top to Holly Area Schools because that is what pays for the utilities and so forth. The Karl Richter Community to maintain 40%, the school district to receive 20% and the Holly Township Parks to get 20%. It calls for the same \$100 travel allowance each month and

the only thing in addition is \$2.50 of the building supervisor. Every time there is an event in the school, unless it is a Village event or a school event, we require a building monitor on site to ensure everything goes well and the building is secured after the event is over. The building monitor charge is \$15.00 per hour with \$10.00 per hour going to the building monitor, \$2.50 would go to Ms. Brinker because she is going to be doing the scheduling, and \$2.50 would come to the Village for oversight. Ms. Brinker currently has programming that she has already moved over to the community center. They placed a time period effective the date of signing through June 30, 2017. He wanted to have it correlate with the Village budget. There is a termination clause by which either party can terminate the contract with sixty days' notice and he believes that sixty days would give them time to re-boot and come up with a new plan. Ms. Brinker would be available in the building two half days and will be available by telephone if someone wants to come and tour the facility.

Council Member Cruickshank asked Ms. Brinker if the workload would be manageable for her since we are anticipating that the community center would be much more than it currently is now.

Toni Brinker stated that she looks at this as a growth opportunity with her still running it and having to hire additional staff either through Holly Township or through the Community Center to handle the demand. She thinks that she can handle it because people already call her to see if she can run programs and she sees this as another venue to offer.

CM 2016-003 Motion by Heiple, second by Musgrave to approve the shared services agreement between the Village of Holly and Holly Township Parks and Recreation for administration of the Karl Richter Community Center.

Roll call vote was as follows:

Voting for: Cruickshank, Heiple, Kleven, Musgrave, Rankin, Allsop, Bladzik
Voting against: None
Absent: None
Motion carried.

#4. Consideration of the Purchase of a Grinder Pump for the Maple Street Lift Station.

Director Klaassen stated the Village currently has 13 lift stations in the Village and this lift station is one of our larger lift stations. It has two 15 horse pumps. About a week to ten days ago they started having issues and they pulled the pump and the contractor advised the pump was shot. Upon doing some research, the pump was installed as an obsolete pump. We don't have the ability to go out for three bids because we currently have a Flygt pump in there and if we were to try to put a different sump pump in there we would have to reconfigure the control box and run two separate pumps so it is a sole provider issue.

President Bladzik asked if this pump pumped back to the waste water treatment plant.

Director Klaassen advised that it did.

Council Member Musgrave asked if this item was budgeted.

President Bladzik stated that this item was not budgeted but there is \$40,000 in budgeted monies available and additionally the SAW grant might be able to offset some of it. This was not budgeted, it just popped up.

Council Member Cruickshank asked what the projected life span of the remaining 12 lift stations.

Director Klaassen stated he has consulted with Doug Scott the Village Engineer about the Baird Street lift station because we have some issues over there. He is compiling information on that and will have some of the information during the budget process but we will try to correct a little bit at a time because the repair is expensive.

CM 2016-004 Motion by Musgrave, second by Rankin to authorize the purchase of the replacement Flygt FP 3153.390 explosion proof chopper pump for the Maple Street lift station from Kennedy Industries in the amount of \$16,850.

Roll call vote was as follows:

Voting for: Heiple, Kleven, Musgrave, Rankin, Allsop, Cruickshank, Bladzik
Voting against: None
Absent: None
Motion carried.

#5. Consideration of the Re-Programming of Program Year 2015 CDBG Funds from Code Enforcement to Clearance and Demolition in the amount of \$4,000.

CM 2016-005 Motion by Musgrave, second by Heiple to authorize the re-programming of Program Year 2015 Community Development Block Grant Funds from Code Enforcement to Clearance and Demolition in the amount of \$4,000.

Council Member Heiple wanted to make a point for Mr. Lauve about the home being fixed or repairs versus demolished and she thinks that the Council discussed this in detail and based upon Fire Chief McGee's recommendations it looks like the property would be worth more without the building on it. She thinks that it will be beneficial to the Village to demolish the structure.

Council Member Kleven stated that John Lauve has saved two buildings in this town which includes the Mill and the Gray Lady so he thinks that Mr. Lauve knows what he is talking about.

Council Member Cruickshank stated he is somewhere in the middle of this as he knows something needs to be done with the property but being that the Chief went through there and made his recommendations in addition to all of the rodents and vermin in there.

Council Member Allsop stated the home is too far gone.

Council Member Cruickshank asked if anyone would entertain the idea of putting the decision off for a week.

CM 2016-006 Motion by Cruickshank to postpone the re-programming of PY 2015 CDBG funds until the next council meeting.

Motion fails due to lack of a second.

Council Member Heiple asked if there was still time for someone to come forward and advise they want to save this house and dump a bunch of money into it.

Village Clerk/Treasurer Behrens stated that the \$4,000 she is requesting to re-program is to be used for remediation purposes on this home. There is asbestos remediation and possibly lead paint remediation and staff would like to get started on the remediation processes involved.

President Bladzick stated that the building was condemned due to the structural integrity of the foundation whereas when we talk about other building that have been rehabbed through the neighborhood stabilization program. It is one thing to put some paint on a building; it's another thing to correct structural issues with an existing building.

Council Member Rankin asked if the remediation would have to be done by someone who would fix up the house as well.

Chief McGee stated that it would. If you see the house the upstairs is burnt out and the foundation is literally crumbling. The main floor is perfect but we don't have access to go into the building. It has more than 50% damage to it so it all has to be brought up to code.

Council Member Rankin asked if this house had any historical significance similar to the Gray Lady.

Chief McGee stated that it did not.

Village Clerk/Treasurer Behrens advised that information on the historical value of this house was sent up to the State of Michigan Historic Preservation Office and we have heard nothing back from them regarding any significance to the property or structure.

Roll call vote was as follows:

Voting for: Allsop, Cruickshank, Heiple, Musgrave, Rankin, Bladzik
Voting against: Kleven
Absent: None
Motion carried.

#6. Consideration of the Adoption of Ordinance 437, Amending Section 2 of the Village of Holly Zoning Ordinance.

CM 2016-007 Motion by Heiple, second by Musgrave to adopt Ordinance 437, Amending Section 2 of the Village of Holly Zoning Ordinance.

Motion by Musgrave to waive the reading.

Council Member Cruickshank asked why the Village stuck with solid surface volleyball courts. Is that something that could jam the Village up at a later time? Someone may want to place a sand volleyball court inside the building.

CM 2016-008 Motion by Cruickshank, second by Musgrave to amend the ordinance to strike the word solid surface prior to volleyball.

CM 2016-008 Motion carried by a voice vote of all ayes and no nays.

CM 2016-007

Roll call vote was as follows:

Voting for: Cruickshank, Heiple, Kleven, Musgrave, Rankin, Allsop, Bladzik
Voting against: None
Absent: None
Motion carried.

#7. Consideration of the Adoption of Ordinance 438, Amending Section 12 of the Village of Holly Zoning Ordinance.

Motion by Musgrave to waive the reading.

CM 2016-009 Motion by Heiple, second by Musgrave to adopt Ordinance 437 to amend section 12 of the Village of Holly Zoning Ordinance.

Roll call vote was as follows:

Voting for: Kleven, Musgrave, Rankin, Allsop, Cruickshank, Heiple, Bladzik
Voting against: None
Absent: None
Motion carried.

#8. Consideration of the Adoption of Ordinance 439, Amending Chapter 6 of the Village of Holly Code of Ordinances, Signs.

Manager Walker stated over the past couple of years there have been numerous requests for message board signs and each of these requests has required a variance by the Zoning Board of Appeals. In discussion with Ms. Rebar, Chairperson of the ZBA, there was discussion regarding whether this ordinance needed to be revised. This ordinance would only be in effect in Commercial and NOC

districts and would not affect pole signs. There is a request from Metro North Credit Union and they wish to add a message board sign to their sign and in the past they would have had to get a variance from the ZBA.

CM 2016-010 Motion by Allsop, second by Cruickshank to adopt Ordinance 439 amending the Village of Holly Ordinance Chapter 6, Signs.

Roll call vote was as follows:

Voting for: Musgrave, Rankin, Allsop, Cruickshank, Heiple, Kleven, Bladzik
Voting against: None
Absent: None
Motion carried.

#9. Consideration of the Approval of the Adoption Agreement Amendment for Security Benefit regarding the SBC 457 Plan compliance for the Village of Holly.

CM 2016-011 Motion by Musgrave, second by Rankin to approve the amended Adoption Agreement for Security Benefit regarding the Village of Holly 457 Plan.

Motion by Rankin, second by Musgrave to waive the reading.

Clerk/Treasurer Behrens stated that the Village currently has a 457 plan offered to employees which are pre-tax dollars they can put into an account to use at retirement. Every few years the IRS changes some of the rules on these plans and we have to adopt these new rules in order to remain in compliance with the laws and this is the situation in this current case.

Roll call vote was as follows:

Voting for: Kleven, Musgrave, Rankin, Allsop, Cruickshank, Heiple, Bladzik
Voting against: None
Absent: None
Motion carried.

#10. Consideration of the report from Village Attorney Mike Gildner on the debtor’s exam held this afternoon with Buzz Silverman.

Attorney Gildner and Manager Walker participated in a debtor’s exam today at a recorder’s office in Bingham Farms and we were able to see Mr. Silverman by video and he was able see them. It appears that there is a great deal of property within the various Silverman properties which are part of the shell game but there is very little liquidity. According to Silverman when the bubble burst in 2008 it left them with a lot of property but very little cash. He asked Mr. Silverman about the 2015 agreement that they would make installment payments and asked why he would enter into such an agreement without any means to pay the debt. Mr. Silverman advised that they had some expectations that some properties would sell but those deals fell through and he was left with nothing to pay. He said more than once his expectation is to make good the debt; he didn’t have anything tangible to offer at this time, it is just the ability to pay at this point and time. He went into this looking to find some leads on where to go with this. He knows that Comerica Bank is the original financing agency for these various entities and when he got back to the office this afternoon he prepared a subpoena to try to flush out those records. They also

learned about the transaction which took place last month and apparently it was another Silverman property, Riverside LLC, sold that property and his testimony was that all of the money which changed hands went to Comerica and not to him. One of these entities which is a defendant in this case, owns other property on Grange Hall Road which is being marketed but for any listings on these properties that will give us a good sense of what the corporate defendants own.

President Bladzick asked if what Silverman shared in this deposition was found not to be accurate is that considered perjury.

Attorney Gildner stated yes it would as he was under oath.

President Bladzick asked if one of the entities that is part of this lawsuit owns any property can we do anything about that.

Attorney Gildner stated there is an option of placing a judgment lien against these properties. If Comerica currently has liens on all of these properties, our lien would come after Comerica's but we would definitely be on the list.

CM 2016-012 Motion by Heiple, second by Musgrave to place judgment liens on any property involving Silverman and to authorize enforcement action in consultation with the Village Manager.

Motion carried by a voice vote of all ayes and no nays.

REPORTS

Village Manager

Manager Walker stated the stage floor in the auditorium was completed today and looks like brand new. It was paid for in part by the Holly Community Coalition, the Holly Community Fund and a portion of the seed money provided by the Village for the community center.

Attorney

Attorney Gildner was busy for him and a fairly brisk month.

Clerk/Treasurer

Nothing to report.

BOARDS AND COMMISSIONS

Council Member Rankin stated the Parks Commission had their first meeting of the year last week. It was a busy meeting and they got a lot accomplished.

Council Member Allsop stated that the ZBA met to discuss the results of the Oakland County Mid Town report and nothing really got accomplished.

Council Member Musgrave stated that HAYA had their annual elections and are in the process establishing their committees.

Council Member Heiple stated they had a special meeting on December 16th to discuss the ordinance amendment that was presented here tonight at the council meeting.

COUNCIL COMMENTS

Council Member Cruickshank stated there was some discussion several months ago about getting quotes on rehabbing the water works building.

Manager Walker stated that we don't have those yet but will obtain them for the council.

Council Member Heiple stated that Cal Steele had the idea to have a public safety dinner dance scheduled for January 30th and she has 20 tickets available here tonight.

Council Member Allsop asked if we ever finished that Sun Communities transition over to the master meter process.

Manager Walker stated the master meters are up and running and we are in the transition period of turning the billing over to them right now.

Council Member Kleven stated that he really thinks we need to shore up our police department.

PUBLIC COMMENT

John Lauve, 200 N. Saginaw, stated that one of his tenants was distraught today and stated that her daughter was arrested today with one of her friends. It was very disturbing for me to see this. In Lansing, Senator Robertson and Representative Graves with one vote passed the ridiculous road taxation deal they came up with. The water situation here in town should take the bond cost, divide it by the number of gallons and add it into the rate. As far as the public hearing, in the City of Detroit, they list it right on the agenda and that is how it should

be done here if you want to notify people of what is taking place. He has spent over \$100,000 of his own money at Kerton's to renovate two homes in the Village. There are three houses of that era on that street.

ADJOURNMENT

With nothing further to discuss, Village President Bladzick adjourned the meeting at 20:44.

Ryan Bladzick, Village President

Cathrene A. Behrens, Clerk/Treasurer