

VILLAGE OF HOLLY

VILLAGE COUNCIL MEETING

June 14, 2016

The regular meeting of the Village of Holly Council Meeting was called to order by President Pro-Tem Musgrave at 7:00 P.M. in the Karl Richter Center Board of Education Room located at 920 E. Baird Street, Holly, Michigan.

Councilmembers Present

Bob Allsop
Dave Cruickshank
Suzanne L. Heiple
Debra Musgrave
Chris Rankin

Staff Present

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

Others Present

See attached

Excused Absence

Ryan Bladzik
Robert Kleven

President Pro-Tem Musgrave called the meeting to order at 7:00 PM.

Clerk/Treasurer Behrens called the roll.

President Pro-Tem Musgrave stated that President Bladzik and Council Member Kleven were unable to attend the meeting tonight due to other personal commitments.

CM 2016-054 Motion by Heiple, second by Rankin to excuse President Bladzik and Council Member Kleven from tonight's meeting.

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

CHANGES TO AGENDA:

President Pro-Tem Musgrave stated she would like to add New Business Item #5 Consideration of Authorizing the Hydraulic Swivel Repair to the Holly Fire Department Ladder Truck and change Consideration of Entering into Executive Session to Discuss Union Negotiations to New Business Item #6.

CM 2016-055 Motion by Rankin, second by Allsop to approve the agenda as amended.

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

CONSENT AGENDA

1. Agenda Approval

- 2. Consideration of the Approval of the Council Meeting Minutes of May 24, 2016.
- 3. Consideration of the Approval of Warrant 2016-011 in the amount of \$167,818.90.
- 4. Consideration of Excusing the Village Attorney from tonight’s meeting.
- 5. Special Event
 - a. Holly High School Homecoming Parade

PUBLIC HEARING

CM 2016-056 Motion by Cruickshank, second by Heiple to open the Public Hearing for the Fiscal Year Budget 2016-2017.

Public Hearing Opened at 7:06 PM.

Manager Walker stated this is the time for public comment regarding the budget. In the regular council meeting you will have a resolution presented to you to set the millage rate 13.2456 and a special assessment garbage rate of \$178.23 per customer.

Lenore Johnston, 713 Mary Ann asked if this was a new millage rate.

Clerk/Treasurer Behrens stated that this was a new millage rate which was adjusted pursuant to the Headlee rollback.

CM 2016-057 Motion by Heiple, second by Rankin to close the Public Hearing on the Fiscal Year Operating Budget 2016-2017.

Public Hearing Closed at 7:08 PM.

PUBLIC COMMENT

None

OLD BUSINESS

None

NEW BUSINESS

#1. Consideration of Resolution 2016-021, Adoption of the Village of Holly 2016-2017 General Appropriations Act Budget.

Manager Walker stated the memo before the Council states that pursuant to the Village Charter the budget has to be presented to Council for approval at the first budget meeting in June. The millage rate is set at 13.2456 and the garbage special assessment is set at \$178.23. The Budget in Brief document is probably the most helpful of all and as they can see each of the funds have been balanced so before the Council is a balanced budget. The General Fund projected revenues are \$2,677,717 and are the expenditures. The millage rate was set at 13.4378 and this year it is was lowered due to the Headlee rollback to 13.2456.

Motion by Rankin to waive the reading of the Resolution.

CM 2016-058 Motion by Rankin, second by Musgrave to authorize Resolution 2016-021 adopting the Village of Holly 2016-2017 General Appropriations Act Budget.

Roll call vote was as follows:

Voting for: Allsop, Cruickshank, Heiple, Musgrave, Rankin

Voting against: None

Absent: Bladzik, Kleven

Motion carried.

#2. Consideration of the Installation of Audio Equipment in the Village Council Chambers located at 920 E. Baird Street.

Manager Walker stated that since the time the Village Council has moved their meetings to this particular board room there have been some concerns and comments about amplification. There are two quotes before the council that were solicited to provide an amplification system for the chambers. The first quote was from GCS Audio for \$6,376 and the second quote was from Teoma Systems \$8,781.19. Staff has spoken with both vendors and we are recommending that Council authorize the bid for GCS in the amount of \$6,397. This expense was not budgeted and would require a budget amendment to line 101-265-977.000.

Council Member Musgrave asked if these were apple to apple comparisons.

Manager Walker stated they were.

Council Member Heiple asked if the equipment would be permanently installed into the current room so that others would have use of it?

Manager Walker stated that they would be permanently mounted with the exception of the wireless microphones. He has had discussion with school administration and they felt that they had no need for this

equipment so they were not interested in sharing some of the cost.

CM 2016-059 Motion by Cruickshank, second by Rankin to approve the audio equipment installation by GCS in the amount of \$6,397 with a budget amendment to line item 101-265-977.000

John Lauve, 200 N. Saginaw would rather see that \$6,000 spent to beautify the City instead of spending it on the microphones and electronics simply use the ones you currently have in the former council chambers over at the police station and just move the meetings over there. Take the \$6,000 and put some flowers on the main street because when they had that big survey about what to do about Main Street one thing that was said is they wanted Main Street beautified. It is more convenient to meet in the former council chambers and more convenient because it is closer to the City and you can use the \$6,000 to spend on beautifying the town.

Council Member Allsop asked if the equipment was used for meetings that were held in the former chambers.

Manager Walker advised that they were for the monthly DDA Board meetings as well as for other board and commission meetings when there are scheduling conflicts.

Roll call vote was as follows:

Voting for: Cruickshank, Heiple, Musgrave, Rankin, Allsop

Voting against: None

Absent: Bladzik, Kleven

Motion carried.

#3. Consideration of 2016-022 to Amend the Village of Holly Sewer Commodity Rate per Unit.

Clerk/Treasurer Behrens stated the memo before the Council was talked about during the Budget Work Shop. When the budget document was prepared staff budgeted the replacement cost of the Baird Street lift station. Our equipment and infrastructure is aging and staff is looking to replace this out of operational revenues versus consideration of another bond issue. The 5% increase that was recommended during the budget workshop will generate an additional \$60,000 in revenues to be used towards the repair and replacement of infrastructure. This increase does not actually balance the budget, in 2016-2017 budget we have actually budgeted \$21,000 to be taken from the fund balance in order to balance this budget. The Village Manager and I have talked about this and the sewer fund balance is not yet at a point where we believe it is healthy enough pull from the fund balance but we believe the benefits of this lift station outweighs the risk. The current rate is \$9.41 with the proposed rate being \$9.88. Most customers will see an increase between \$0.90 and \$1.41 per month. The resolution has been prepared and staff planned on implementing this for the July billing cycle which will be the June readings billed for a July due date.

Council Member Heiple asked about the dates on the last page of the water and sewer rate schedule. She asked if the base rate began in 2012.

Clerk/Treasurer Behrens stated that a base rate of \$48.30 was implemented in May 2011 and it was discovered in early 2012 that our

customers were not being billed pursuant to how the ordinance was written. As a result there were approximately 500 additional customers added which reduced the debt service rate to \$42.68 where it has remained for the last four years.

Patrick Feeney, 210 Franklin, stated that also in the budget meeting it was talked about borrowing from the water fund and asked if that was happening or was the borrowing being done commercially.

Clerk/Treasurer Behrens stated that the budget was passed with funds allocated to fund the ambulance but as far as how the vehicle is purchased whether loaned from the water fund or financed commercially, no final decision has been made on that and it will be up to the discretion of the Village Council. The water fund is a fund that can handle the loan and the Village would rather pay interest to the water fund versus a bank but that is ultimately a decision of Council.

Mr. Feeney stated he would urge that you shouldn't take anything. If you have to put through an increase in rates by any amount you shouldn't be borrowing money from that.

Manager Walker stated he thought Mr. Feeney was talking about two different fund and that the sewer and the water fund are totally separate.

Mr. Feeney asked if the water fund could help out the sewer fund.

Clerk/Treasurer Behrens stated that it absolutely could.

Mr. Feeney stated that on that basis he wouldn't be borrowing any money from the water fund for anything because you have the sewage here and quite frankly as the gentleman spoke it appears that repairs are going to be an ongoing process. Any previous borrowing from it should be brought forward so that we know where we stand and there should be no more borrowing from it. The only borrowing should be from the water fund to the sewer fund because most people look at it as one and the same. He would greatly urge they go some other way of financing the ambulance.

Manager Walker stated it was easy to focus on one aspect of the budget however the Village has a lot of moving parts. Emergency medical service is certainly a key part of the Village and we know the cost of the ambulance is approximately \$100,000 and the council will be able to address that at the time it is presented to them. The decision really will be do we give the four or five percent interest to a lending institution or do you turn around and give it back to the water fund where the customers would receive the benefit. That is really a question for another day. This increase that is recommended to the Council today is to deal with the sewer fund specifically; we know we have those infrastructure needs now and in the future and this is one of the strategies to address these needs.

John Lauve, 200 N. Saginaw asked if this was the lift station on Baird Street and asked if it serviced his property.

DPW Director Klaassen stated there were six houses on this particular lift station and it is located behind Cyclone Park. The Village

could spent 1/2 million to 3/4 million to re-arrange the whole system. If you want to eliminate the system you have to get a gravity sewer system which is almost impossible in Holly because it was originally built on a swamp.

Mr. Lauve stated that if the system was looked at overall if the Village could \$500,000 to re-design the current system.

Manager Walker stated that several thousand dollars could be spent to have an engineering firm come in to look at this issue and perhaps the council could recommend this be looked at in committee and go from there.

Motion by Rankin, second by Cruickshank to adopt Resolution 2016-022 to amend the Village of Holly sewer commodity rate per unit.

Roll call vote was as follows:

Voting for: Heiple, Musgrave, Rankin, Allsop, Cruickshank

Voting against: None

Absent: Bladzik, Kleven

Motion carried.

#4. Consideration of Resolution 2016-020 Participation in the Oakland County Law Enforcement Mutual Aid Agreement.

Manager Walker stated that before the Council is a copy of the agreement that was signed on October 25, 1988 where the Village of Holly entered into a Law Enforcement Mutual Aid Agreement where it covered 18 municipalities throughout Oakland County. The new agreement before you has been recommended by the Oakland County Chiefs

of Police organization and has been written to include all law enforcement agencies in Oakland County as well as community colleges and universities who maintain their own public safety department.

Motion by Rankin, second by Allsop to waive the reading of Resolution 2016-020.

Council Member Rankin stated for the benefit of the audience he wanted to advise that this is just updating the current agreement in place to include community colleges and universities within the County.

CM 2016-061 Motion by Rankin, second by Heiple to adopt Resolution 2016-020 to authorize participation in the Oakland County Law Enforcement Mutual Aid Agreement.

Roll call vote was as follows:

Voting for: Musgrave, Rankin, Allsop, Cruickshank, Heiple

Voting against: None

Absent: Bladzik, Kleven

Motion carried.

#5. Consideration of authorizing the Hydraulic Swivel Repair to the Holly Fire Department Ladder Truck.

Clerk/Treasurer Behrens stated that before the Council was a memorandum prepared by Chief McGee and herself prepared regarding the repair to the Fire Department ladder truck.

The fire department is going to realize a surplus for the 2015-2016 budget year in their staffing lines. They are coming in approximately \$14,900 under budget. She spoke with Chief McGee about some

possibilities and this came up regarding this repair.

Chief McGee stated that this is kind of a big deal and Mr. Steele had offered to work some fund raisers for the department and we were kind of waiting for Cathy to come back with the financial information for year end. What is happening is there is a bucket on the top of the 75' ladder truck. One person should be able to control the ladder from the bucket itself. What this situation creates by not having an operational swivel is that you have to have one person in the bucket, one person on the ground driving and a third person to be a spotter for the driver and the fire fighter in the bucket. A one person job actually becomes a three person job. It doesn't happen every day where you are making rescues off the top of the ladder truck but the potential is there and it really needs to be fixed. The truck is in pristine shape other than this. With the repair there is really only one vendor that does this without being totally out of line and literally be over \$100,000. With the limited manpower the department runs, we really need to do this.

Council Member Allsop asked how much the repair would cost.

Chief McGee stated it was \$13,198.

Council Member Musgrave asked if we had that.

Clerk/Treasurer Behrens stated that the Village did, there were some staffing lines that were coming in under budget as well as some equipment lines.

Council Member Heiple asked if Apollo Fire Repair was the closest.

Chief McGee stated they were and that the department uses them for a lot of different things.

Council Member Cruickshank asked about budget hearing discussion regarding a building addition.

Chief McGee stated that he would like all of our apparatus to work correctly.

CM 2016-062 Motion by Allsop, second by Heiple to authorize the repair of the hydraulic swivel on the Holly Fire Department Quint Apparatus.

Roll call vote was as follows:

Voting for: Rankin, Allsop, Cruickshank, Heiple, Musgrave

Voting against: None

Absent: Bladzik, Kleven

Motion carried.

REPORTS

Village Manager

Manager Walker stated that today was the Main Street Accreditation Ceremony on Battle Alley. It was attended by many participants within the Village as well as other Main Street communities. L. Brooks Patterson was the featured speaker and the Village made a good showing and the Holly Village DDA received acknowledgement for being a fully accredited Main Street community.

Attorney

Absent – excused.

Clerk/Treasurer

Nothing to report.

Chief of Police

Nothing to report.

Fire Chief

Nothing to report.

DPW Director

Nothing to report.

BOARDS AND COMMISSIONS

KRCC Director Toni Brinker stated that in May we had 1,979 people which is a little down but it is still a significant number of people in the center. July 21-24 and the 29-31 “Grease” will be performed by the Fenton Village Players and we are hoping this will lead to additional things. We have a new tenant; Mike Mishler is opening a photo studio and gallery in B wing. August 6th the school is hosting a back to school event where they will be handing out backpacks and such. August 20th Holly Youth Theatre will be coming and using the commons stage area. We still have two churches uses the center.

Council Member Cruickshank stated the HDC is cancelled for the month of June. The Blight Task Force is moving along and he thinks it is taking a slight turn from where they were

originally going but there has been some good discussion and he has had a lot of meeting with the code enforcement the Village

Council Member Heiple stated the Planning Commission discussed the zoning amendments on E. Maple Street and they will have a vote at the next meeting on June 22nd and encourage everyone to spread the word. The Veteran’s Resource Center Grand Opening is Monday, June 20, 2016 at 7:00 pm.

Council Member Rankin stated that the Parks was recognized by the Kaboom organization for being a Playful City. At the last meeting they touched on what took place on the cleanup day. He also stated that Headwaters Trails completed the rest of a path down at Water Works Park.

Council Member Allsop stated that the ZBA had a meeting last Monday regarding the outdoor patio at Northern Oak Brewery and the Board voted to approve that.

President Pro-Tem Musgrave stated that HAYA is working on referrals and fundraising activities. They have a new substance abuse awareness group and it is put on by Precision Testing and is \$30 per person and it is a four week program they attend five days a week and also includes group therapy.

COUNCIL COMMENTS

Council Member Heiple stated she has had comments from the public on lights on Saginaw Streets regarding the bike lane requesting more lighting. She also wanted to comment on the budget hearing and she wanted the public to know that a meeting was

held in April 2016 and it was four hours long and the council does not take this process lightly.

Council Member Rankin stated there were changes that came from that meeting that had to be addressed and were re-distributed.

Council Member Allsop stated that the car show was very busy and a great success.

Council Member Rankin stated he has nothing but good things to say about the bike lanes and has rode in them several times. He thinks once we get a little more familiar with it will work out fine.

President Pro-Tem Musgrave stated she has had a couple of people comment to her about downtown after events about the cigarette butts and the garbage downtown.

Manager Walker stated that the DPW employs a part-time person that we could look at altering some of their hours or some other options that may be possible.

PUBLIC COMMENT

Lenore Johnston, 713 Mary Ann stated she would like to address the roads. Since they blocked off the area going into Airport Road the road is getting a lot of traffic and you also have Sherwood which has the new convalescent center going in and will see an increased traffic. She is amazed at how well the traffic flows through with the new bike lanes and she stated that it looks like it was a good decision.

Marlo Davidson, 434 Sherwood Court, asked Bob Allsop if the brewery got approved for

approval. Did they consider that the road change was for a year? What is going to happen if the road is changed back?

Manager Walker stated that the brewery is very excited about the road change but they are aware that if it becomes unusable they are responsible for any removal and the Village has no liability as far as removing it if it reverts back to the prior road design.

John Lauve, 200 N. Saginaw, stated he has put in perennials and in the past there have been annuals put in which become more of a maintenance problem. It has taken him several years to find the ones that will survive and make it look as nice as it does. There was \$3,000 spent on the signs for the bike lane and there is no money to beautify the Village which is what people wanted who took the survey.

He additionally asked that the Charter and Ordinance Committee consider that council meetings are only held once per month and he would like to see this on the ballot.

Greg Semrau, 1024 Hubble Drive stated he wanted to make a statement about the flowers and he would like to something like that in Holly and it would be fitting of the nature of the community to have something like that.

#6. Consideration of entering into Executive Session to discuss Police Command Union Negotiations.

CM 2016-063 Motion by Musgrave, second by Heiple to enter executive session to discuss Police Command Union Negotiations.

Roll call vote was as follows:

Voting for: Heiple, Musgrave, Rankin, Allsop, Cruickshank

Voting against: None

Absent: Bladzik, Kleven

Motion carried.

Council entered Executive Session at 8:27 pm.

Council exited Executive Session at 8:48 pm.

CM 2016-064 Motion by Cruickshank, second by Allsop to exit Executive Session

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

Manager Walker stated there is a settlement agreement between the Village of Holly and the Police Officer Labor Council. The summary is that it is a three year contract which contains some language adjustments, the assimilation of a letter of understanding, talking about removing some language regarding trial boards and the way in which performance improvement plans are viewed by management. The financial impact is in section 6, 7 and 11. Section 6 revises the section regarding retiree health care coverage for spouses; section 7 states the employee will pay 1.5% of their base wages towards MERS effective July 1, 2018 and this is the first step in employee contribution to their own retirement. Section 11 increases the step increase between the Command staff and police officers throughout the course of the contract. Keep in mind that any percentages

that are negotiated for the police officers will affect this contract.

CM 2016-065 Motion by Cruickshank, second by Rankin to ratify the agreement between the Village of Holly and the Holly Police Command Labor Council.

Roll call vote was as follows:

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

ADJOURNMENT

With nothing further to discuss, Village President Pro-Tem Musgrave adjourned the meeting at 8:54 pm



Ryan Bladzik, Village President



Cathrene A. Behrens, Clerk/Treasurer