

The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in the Commission Chambers by Mayor Pat Humphrey who led the Pledge of Allegiance. Present were: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch, and Jean McConnell. Absent: None. Also present were Ken Hibl, City Manager; Steve Kingsbury Treasurer and Finance Director; Jeremy McGraw, Police Officer; Al Jessup, DPW Superintendent; Amanda Green, Parks & Recreation Director; John Holland, WWT Superintendent; Lori Schuh, Main Street Manager; Dick Acker, Airport Manager; and Sarah Schumacher, Deputy City Clerk.

2. CONSENT AGENDA:

Moved by Commissioner Jean McConnell second by Commissioner Bill Horwood to approve the items listed with an asterisk (*) (Agenda, Minutes, Communications, and Accounts Payable), that are considered to be routine by the City Commission. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

3. *APPROVAL OF MINUTES:

Approved by Consent Agenda.

4. *APPROVAL OF AGENDA:

Approved by Consent Agenda.

5. PUBLIC COMMENT: None.

6. OLD BUSINESS/UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

A. MDOT FEDERAL/STATE/LOCAL AIRPORT PROJECT GRANT

The City of Clare annually receives federal entitlement funds for continued development of its airport. As part of the process to continue our eligibility for these funds, we are required to submit and/or update a ten-year Airport Improvement Plan. This Plan was last updated and approved by the City Commission in 2010. Two priority projects presently listed on the referenced Plan are construction of parallel taxiways for the two existing runways of the airport and extension of the primary runway; both of these projects are presently scheduled for commencement within the next ten years, with one of the taxiways presently scheduled for construction in the 2013/2014 budget year. But prior to design and construction of these projects, an updated environmental assessment (EA) must be completed. The Michigan Department of Transportation has offered the City a contract for a Federal/State/Local block grant to complete the EA.

Motion by Commissioner Bill Horwood second by Commissioner John Koch to approve the proposed grant contract by adoption of Resolution 2011-046. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None. *Motion Carried.*

B. AIRPORT RUNWAY PAINTING BID

The City solicited bids for painting of runway markings for our two runways at the Clare Municipal Airport. We received one bid (Kenmark, Inc.). The Commission is asked to approve the bid to allow this needed work to proceed.

Motion by Commissioner Jean McConnell second by Commissioner Bill Horwood to approve the bid by adoption of Resolution 2011-047. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None. *Motion Carried.*

C. FIREWORKS PERMIT

The Summerfest Committee again plans to sponsor/host the annual 4th of July event in the City, to include the fireworks display. The State of Michigan requires the governing body hosting fireworks displays to approve a permit for the display. The Commission has traditionally approved the permit in the past and is asked to do so again this year.

Motion by Commissioner John Koch second by Commissioner Tom Koch to approve the permit by adoption of Resolution 2011-048. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None. *Motion Carried.*

D. EXTENSION OF TRUST FUND GRANT, PERE MARQUETTE RAIL TRAIL

The City requested a grant extension for the Pere Marquette Rail Trail Michigan Natural Resources Trust Fund grant. The Michigan Department of Natural Resources (MDNR) has approved the request. The City Commission is asked to authorize the City Staff to execute the grant extension documents. We are not eligible for reimbursement of any invoices we receive for payment related to the grant beyond the grant end date, thus the reason for our request for extension. We are motivated to request closure of this grant as soon as we know for certain assured that we have received all requests for reimbursement/all invoices due to the fact that the MDNR will retain our \$50K retainer until such time the grant is closed.

Motion by Commissioner John Koch second by Commissioner Tom Koch to authorize the City Staff to execute the grant extension documents by adoption of Resolution 2011-049. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None. *Motion Carried.*

E. RENEW AIRPORT PROPERTY LEASES

We have been in the process of revamping the verbiage of our airport property leases. During the period of revising the leases, we've had 18 leases expire. Consequently, the City Commission is now asked to approve renewal of these leases to allow us to invoice and receive payments for the leased property. The verbiage in 17 of the 18 leases is identical except for the lot # and the lessee's name; the 18th lease (the one for the T-Hangar Lot) is different in that the period of the lease is only for a one-year period, and the remaining 17 are for a ten-year period. The reason for the short-term lease on the T-Hangar Lot is due to the fact this property will eventually be used for future airport capital improvement projects (runway extension/parallel taxiways), thus the City needs to have the ability to terminate the lease on short-notice. The 18 lessees are listed on the proposed resolution approving renewal of the property leases.

Motion by Commissioner Jean McConnell second by Commissioner Bill Horwood to approve renewal of all the proposed hangar leases by adoption of Resolution 2011-050. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None. *Motion Carried.*

F. DUNLOP STREET PROJECT-STORM SEWER WORK

As previously approved by the City Commission and included as part of the Fiscal Year 2011/12 Budget the City of Clare will be completing the installation of new storm sewers, curbing, cement approaches and asphalt on West Dunlop Street from McEwan to Arnold Street. To insure the timely completion of this project the DPW Director has suggested that the storm sewer work which is being installed by the City's Department of Public Works be completed during the month of June, prior to the start of next fiscal year.

Approval of this budget amendment will increase the transfer of funds from the Major Streets Fund to the Local Streets Fund and also the capital improvements budget within the Local Streets Fund for Fiscal Year 2010/11. If approved for completion during this fiscal year this will simultaneously reduce the required transfer and expenditure of funds for this project for next fiscal year.

Motion by Commissioner Jean McConnell second by Commissioner Tom Koch to approve a budget amendment transferring funds from the City's Major Street Fund to its Local Streets Fund and concurrently approve the capital improvement expenditure within the Local Streets Fund for the installation of the storm sewer system for the West Dunlop street improvement project by adoption of Resolution 2011-044. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey,

John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None.
Motion Carried.

G. SEWER SYSTEM RATE RESOLUTION AMENDMENT

The City of Clare is currently in the process of completing the preconstruction planning and required engineering and related work for the implementation of significant improvements to its sewer system. As part of these improvements the City of Clare will be issuing municipal bonds which will be purchased by the United States Department of Agriculture Rural Development. One of the requirements of this bond issue is that the City Commission is to approve a general resolution indicating that the City will maintain rate structures within its sewer system user fees and rates to adequately provide for the current and future operation, maintenance and debt repayment of the sewer system including required reserves.

There is no immediate or future financial impact to the City through the amendment of the previously approved sewer system rate schedule. However, without the amendment of the sewer system rate schedule to include the required language the City will be ineligible for the USDA Rural Development loan which is financing the MDEQ mandated sewer system improvements.

Motion by Commissioner Jean McConnell second by Commissioner John Koch to approve the sewer system rate schedule to include the language required by the USDA - Rural Development, by adoption of Resolution 2011-045. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None. *Motion Carried.*

8. **TREASURER'S REPORT**

Treasurer's Report Received.

9. **MAIN STREET MANAGER'S REPORT**

Main Street Manager's Report Received.

10. **CITY MANAGER'S REPORT**

Update – WWT Equipment Upgrades. We have executed the purchase agreement with ENTEX for the Webitat equipment to avoid cost increases. USDA has agreed to reimburse us for these costs even though we have not yet closed on the loan (anticipated to occur in July – our new budget year).

Main Street Boundary Change. The Clare Main Street Board took action to request that Michigan Main Street allow us to expand our Main Street Boundaries (current boundary is bounded by the railroad tracks on the south; 7th Street on the north; Beech Street on the west; and Pine Street on the east). We've received notice that our request has been approved. The boundary has been extended westward to Maple Street to allow us to include the future home of the Clare RR Depot, City Park, and the Public Safety Building, to allow us to hold new and continued Main Street Events in this area and to allow us the prerogative to move our Main Street Manager's Office to the depot once it is moved and renovated. There are no costs or changes to tax capture related to this boundary expansion.

Denial of Notice of Intent for Designation as Next Michigan Development Corporation. We have been formally advised that our request has been denied. We have learned that when the legislation was passed allowing this designation, the New Next Michigan Development Corporation had already been pre-selected and legislation was passed to support the selection. Lansing Politics!!

Business Closures/Relocation. We have been informed that two City businesses (the It's Only a Paper Moon Scrapbook Shop & Marilyn's Restaurant) are scheduled for closure; Artistic Engraving has been sold and will relocate within the City.

ADDENDUMS:

11. ***COMMUNICATIONS:**

MML Correspondence. We received a copy of a letter issued by our insurance agent to an individual injured as a result of a fall during the Irish Festival.

UIA Telephone Hearing. We received notice of a telephone hearing from UIA regarding a former employee's appeal of a redetermination of unemployment benefits.

Consumers Energy Rebate. We received notice of a rebate and received an incentive check for our participation in Consumers Energy Business Solutions Program.

Response to DNR. A letter of response was issued by our engineer of record to the DNR in relation to the Waste & Wastewater Treatment Plant ammonia remediation project.

Request for Documentation. A request for documentation was issued by Gourdie-Fraser (engineer of record) to our contractor (Robbin Harsh) on the 4th & Beech Street Streetscape project.

Insurance Renewal Notice. We received a renewal notification regarding our Workers' Compensation policy and receipt of a dividend credit which was applied to the premium.

Blight Letter. A request for blight removal was mailed to a city business owner.

Medical Marijuana Act Presentation. We received a memorandum from Isabella County regarding a presentation on the Michigan Medical Marijuana Act on May 12, 2011.

12. EXTENDED PUBLIC COMMENT: None.

13. COMMISSION DISCUSSION TOPICS: None.

14. *APPROVAL OF BILLS:
Consent Agenda Approved.

15. BUDGET WORKSHOPS:
Department Heads of the City presented their requested budget and capital improvements to the City Commission.

Ken Hibl and Steve Kingsbury provided an overview of the Budget Process; Steve Kingsbury and Al Jessup provided an overview of Local Streets Fund, Major Streets Fund, Sidewalk Replacement Fund, Mobile Equipment Fund (Operating and Capital Improvement), and Water Distribution and Sewer Collection; Al Jessup and Amanda Green presented an overview of the Parks and Recreation Fund; and John Holland provided an overview of the Sewer Fund (Operating and Capital), Water Fund (Operating and Capital), Landfill.

16. ADJOURNMENT:
Motion by Commissioner Jean McConnell second by Commissioner John Koch to adjourn. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

Meeting adjourned at 8:45 p.m.

Pat Humphrey, Mayor

Sarah Schumacher, Deputy City Clerk