

COUNCIL PROCEEDINGS
Regular Meeting
June 8, 2020

CALL TO ORDER: By Mayor Ridge on Monday, June 8, 2020 at 7:00 p.m. via conference call in City Hall Council Chambers

PRESENT VIA TELECONFERENCE: Councilmembers Dyer, Hoogstra, Weissenborn, Mayor Pro-Tem Armitage, Baker, McRae, Mayor Ridge, City Clerk Terpstra and City Manager Guetschow present in the council chambers via conference call. Council member Baker present via conference call.

The invocation was offered by Pastor Dan Longden, First Lutheran Church via conference call.

APPROVAL OF MINUTES FOR SPECIAL SESSION MEETING OF MAY 26, 2020: Council member McRae moved, supported by Dyer to approve the special session meeting minutes of May 26, 2020 as presented. Carried. 7 Yes. 0 No. 0 Absent

APPROVAL OF MINUTES FOR REGULAR MEETING MAY 26, 2020: Mayor Pro-Tem Armitage moved, supported by

Hoogstra to approve the regular meeting minutes of May 26, 2020 as presented. Carried. 7 Yes. 0 No. 0 Absent.

APPROVAL OF MINUTES FOR SPECIAL SESSION MEETING OF JUNE 1, 2020: Council member Baker moved, supported by Armitage to approve the special session meeting minutes of June 1, 2020 as presented. Carried. 7 Yes. 0 No. 0 Absent

ABSENT: None.

PUBLIC HEARINGS:

PUBLIC HEARING 2020 HAZARD & NUISANCES:

Public Hearing Opened: 7:07 P.M.

No public comment.

Public Hearing Closed: 7:08 P.M.

PUBLIC COMMENTS:

Ben Phlegar, 425 Horatio, asked if council was meeting at City Hall and how that can be done at this time. He stated that he had looked at the budget cuts and noticed a proposed cut in election workers. He is concerned about that as he is an election worker and knows that there will be some concerns with some of the workers possibly not coming back due to the pandemic. He is also concerned about the cut of the

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school resource officer. He stated that being a retiree himself he is concerned about taking a retiree benefit once it has been promised. Also concerned with the cut for another voting machine as it may be needed for increase in absentee voting or the increase in voting for the November election.

APPROVAL OF REGULAR AGENDA AND UNANIMOUS CONSENT AGENDA:

Mayor Ridge asked if there were any items that council would like added or removed from the printed agenda.

Mayor Pro-Tem Armitage moved, supported by Dyer to remove Items 12c; Approval of Resolution No. 2020-70 to adopt FY 20/21 budget and 13a; First reading of Resolution No. 2020-74 Utility Rate Change from the consent agenda for further discussion and to approve the unanimous consent agenda by Roll Call Vote. Carried. 7 Yes. 0 No.

SPECIAL PRESENTATIONS: None.

EXPEDITED RESOLUTIONS AND ORDINANCES:

- A. CONSIDER APPROVAL OF RESOLUTION NO. 2020-72 HAZARD & NUISANCES TO SET ROLL:**
RESOLUTION NO. 2020-72

2020 HAZARDS AND NUISANCES SPECIAL ASSESSMENT HEARING RESOLUTION

WHEREAS, the City Council held a public hearing on Monday, June 8, 2020, after due and legal notice, and reviewed the special assessment roll prepared by the Assessor of all lots and parcels of land within the City upon which hazards and nuisances were found to have existed and for which the City incurred costs associated with the altering, repairing, tearing down, abating or removing the hazards and nuisances including the following property addresses:

620 Horatio 211 E. Henry
531 S. Sheldon 424 W. Henry

And;

WHEREAS, after hearing all persons interested therein and after carefully reviewing said special assessment roll the Council deems said special assessment roll to be fair, just and equitable and that each of the assessments contained thereon results in the special assessment being in accordance with benefits derived by the parcel of land assessed.

NOW, THEREFORE BE IT RESOLVED THAT:

1. Said special assessment roll as prepared by the City Assessor is hereby confirmed and shall be

known as Special Assessment Roll No. 2020-01.

2. Said special assessment roll shall be added to the Summer 2020 property tax bill.

Said Special assessment roll shall be placed on file in the office of the City Clerk who shall attach her warrant to a certified copy thereof within ten (10) days commanding the Assessor to spread the various sums shown there as directed by the City Council.

Mayor Pro-Tem Armitage moved, supported by Dyer to approve Resolution No. 2020-72 Hazard & Nuisances and set roll as presented. Carried. 7 Yes. 0 No.

B. CONSIDER APPROVAL OF RESOLUTION NO. 2020-73 REGARDING PAYMENT OF CLAIMS AND ACCOUNTS:

RESOLUTION NO. 2020-73

A RESOLUTION TO APPROVE EXPENDITURES OF THE CITY FOR JUNE 8, 2020

WHEREAS, Section 7.7 (B) of the City Charter requires Council approval for the expenditure of city funds; and
WHEREAS, the June 5, 2020 payroll totaled \$149,237.07;

WHEREAS, the June 1, 2020 check total \$772.80 and June 8, 2020 claims total in the amount of \$170,851.54;

WHEREAS, the June 1, 2020 insurance claims \$837.06; and

THEREFORE, BE IT RESOLVED that the City Council approves claims and accounts for June 8, 2020 in the amount of \$321,698.47.

APPROVAL OF CLAIMS AND ACCOUNTS BY ROLL CALL

VOTE: Mayor Pro-Tem Armitage moved, supported by Dyer to approve Resolution 2020-73 regarding payment of claims & accounts as presented. Carried. 7 Yes. 0 No.

ACTION ITEMS – RESOLUTIONS AND ORDINANCES:

- A. **CONSIDER APPROVAL OF ORDINANCE NO. 2020-04 TO AMEND THE ZONING MAP TO CHANGE 601 E. SHEPHERD FROM R-1 ONE FAMILY RESIDENTIAL DISTRICT TO B-3 GENERAL BUSINESS DISTRICT:**

**CITY OF CHARLOTTE
ORDINANCE NO. 2020-04**

AN ORDINANCE TO AMEND CHAPTER 82-ZONING BY AMENDING THE ZONING MAP TO CHANGE A CERTAIN DESCRIBED PARCEL FROM R-1 SINGLE FAMILY RESIDENTIAL DISTRICT TO B-3 GENERAL BUSINESS DISTRICT

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THE CITY OF CHARLOTTE ORDAINS:

Section 1. The Zoning District Map of the City of Charlotte, being part of Chapter 82 – Zoning of the Code of the City of Charlotte is hereby amended as follows:

That property described as: **601 E. Shepherd**

**Lots 17 & 18. Block 12. Lincoln Park Addition
City of Charlotte**

is hereby rezoned from R-1 Single Family Residential District to B-3 General Business District.

Section 2. That the City Clerk is hereby directed to make the necessary corrections evidencing this zoning change.

Section 3. The attached map evidencing this change shall be marked and designated as Ordinance No. 2020-04 and the City Clerk shall enter on the zoning map this ordinance number and the date of the adoption thereof and shall maintain and file containing a copy of this ordinance and map thereto attached.

Section 4. This ordinance shall become effective upon the date of its publication.

Mayor Pro-Tem Armitage moved, supported by Dyer to approve Ordinance No. 2020-04 to amend the zoning map to change 601 E. Shepherd from R-1 one family residential district to B-3 general business district and set a public hearing for June 2, 2020 Planning Commission as presented. Carried. 7 Yes. 0 No.

B. CONSIDER APPROVAL OF RESOLUTION NO. 2020-69 TO AUTHORIZE EXTENSION OF AGREEMENT FOR I.T. SERVICES BETWEEN OAKLAND COUNTY AND THE CITY OF CHARLOTTE:

RESOLUTION NO. 2020-69

A RESOLUTION TO APPROVE EXTENSION OF AN AGREEMENT FOR I.T. SERVICES BETWEEN OAKLAND COUNTY G2G AND THE CITY OF CHARLOTTE

WHEREAS, Pursuant to Public Act 280, P.A. of 1995 (MCL §129.221-129.224), the City Council has the authority to authorize acceptance of payments by financial transaction devices (e.g. credit cards, debit cards, echecks); and

WHEREAS, the City Council has determined that the acceptance of payments by financial transaction device would be a convenience for the residents of Charlotte; and

WHEREAS, Oakland County's G2G Cloud Solution was developed to improve government services by sharing technology with other government agencies, thereby reducing the cost of government; and

WHEREAS, the City of Charlotte has been contracting with Oakland County for I.T. Services for credit card processing since 2017,

THEREFORE, BE IT RESOLVED that the City Council authorizes the City Clerk to authorize an extension of previous

agreement with Oakland County to provide third party credit card verification and payment processing services.

Mayor Pro-Tem Armitage moved, supported by Dyer to approve Resolution No. 2020-69 to authorize extension of agreement for I.T. Services between Oakland County and the City of Charlotte as presented. Carried. 7 Yes. 0 No.

C. CONSIDER APPROVAL OF RESOLUTION NO. 2020-70 TO ADOPT FY 20/21 BUDGET:

RESOLUTION NO. 2020-70

A RESOLUTION TO APPROVE THE BUDGET FOR THE FISCAL YEAR THAT BEGINS JULY 1, 2020, TO SET RATES OF TAXATION

AND TO AUTHORIZE OTHER RELATED ACTIONS.

WHEREAS, in accordance with the provisions of the City Charter, the City Manager submitted to Council a proposed budget for the fiscal year commencing July 1, 2020 and ending June 30, 2021; and

WHEREAS, Council members have reviewed the proposed budget and the Council has availed itself of opportunities to be informed about its contents, to discuss the spending plan for

the City, to debate its implications and to offer amendments to the budget; and

WHEREAS, in accordance with legal requirements and after proper notice, a hearing was held on the proposed budget;

NOW, THEREFORE, BE IT RESOLVED that the estimated revenues for the fiscal year are hereby accepted by the City Council as follows:

101	General Fund		\$5,939,650
	Taxes	\$3,693,650	
	Licenses & Permits	\$60,000	
	Intergovernmental	\$1,017,500	
	Charges for Services	\$550,000	
	Fines & Forfeitures	\$7500	
	Investment Income	\$3000	
	Other Revenue	\$46,000	
	Interfund Transfers	\$389600	
	Loan Proceeds	\$182,500	
202	Major Street Fund		\$1,013,500
203	Local Street Fund		\$370,000
230	Police Drug Enforcement Fund		
240	Police Training Fund		\$5,500

243	Brownfield Redevelopment Fund		\$94,000
260	DDA Fund		
261	L DFA Fund		\$2,000
270	Industrial Park Fund		\$9500
280	Airport Fund		\$180,400
290	Federal & State Grants Fund		
330	2008 Facility Building & Site Fund		\$202200
500	Recycling Fund		\$69,500
500	Water and Sewer Fund		\$4,387,800
	Water Revenue	\$1,685,300	
	Sewer Revenue	\$2,389,000	
	Other Revenue	\$313,500	
601	Motor Vehicle Pool Fund		\$536,800
666	Information Technology Pool Fund		\$340,000

AND BE IT FURTHER RESOLVED, that expenditures for the fiscal year are hereby authorized for the various funds in the following amounts:

101	General Fund		\$6,374,021
	General Government	\$1,305,945	
	Public Safety	\$3,862,218	
	Public Works	\$718,760	
	Community & Economic Dev.	\$250,298	
	Parks & Recreation	\$118,800	
	Operating Transfers	\$118,000	
202	Major Street Fund		\$895,270
203	Local Street Fund		\$646,145
230	Police Drug Enforcement Fund		\$2,000
240	Police Training Fund		\$5,500
243	Brownfield Redevelopment Fund		
260	DDA Fund		
261	L DFA Fund		\$6,450
270	Industrial Park Fund		\$27,750
280	Airport Fund		\$117,900
290	Federal & State Grants Fund		
330	2008 Facility Building & Site Fund		\$202,200

500	Recycling Fund		\$69,500
500	Water and Sewer Fund		\$4,376,904
601	Motor Vehicle Pool Fund		\$579,070
666	Information Technology Pool Fund		\$329,600

AND BE IT FURTHER RESOLVED, that 14.2796 mills be levied on the taxable valuation as equalized for general operating requirements of the City;

AND BE IT FURTHER RESOLVED, that .1800 mills be levied on the taxable valuation as equalized for yard waste collection;

AND BE IT FURTHER RESOLVED, that .0730 mills be levied on the taxable valuation as equalized for recycling center operating requirements;

AND BE IT FURTHER RESOLVED, that .9000 mills be levied on the taxable valuation as equalized to cover the principal and interest payments of the General Obligation Unlimited Tax Refunding Bonds, Series 2017, which refunded the 2008 Building Facility & Site bonds approved by the electorate on November 6, 2007;

AND BE IT FURTHER RESOLVED, that 1.9427 mills be levied on the taxable valuation as equalized for parcels within the Downtown Development Authority (DDA) district, which taxes will be revenues of the DDA fund;

AND BE IT FURTHER RESOLVED, that all taxes and special assessments levied on the City tax roll shall be assessed a 1% property tax administration fee;

AND BE IT FURTHER RESOLVED, that the administration is hereby directed to raise through donations, sponsorships or other fund-raising the sum of \$10,000, which sum shall be used to defray operating expenses of the recycling center during the 2021-22 fiscal year;

AND BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to grant wage increases for non-union employees within authorized budget allowances;

AND BE IT FURTHER RESOLVED, that within the General Fund, \$105,000 is reserved and non-spendable as prepaids and inventory;

AND BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to make budgetary transfers within a fund or between funding centers within a fund, if such exist, and that all other transfers be approved only by further action of the Council pursuant to the provisions of the Michigan Uniform Budgeting and Accounting Act.

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Mayor Ridge stated that she thinks some of the cuts proposed would devastate what has been done. She thinks that there needs to be a look at revenues and special assessment. She stated if the capital improvements are delayed now they will need to be addressed later.

Council member Baker feels an assessment or millage needs to be sought and hopefully revenue sharing will come through. That would put on a better path going forward as contingency funds are running out.

Council member Dyer stated he feels that council should move forward with the proposed budget and begin work on next year's budget. He doesn't think this budget year has been normal due to COVID-19 complications. They could then amend it throughout the year.

Mayor Pro-Tem Armitage feels things needed consideration include hiring freeze; holding off on capital expenditures until further review; and more discussion before moving forward with a special assessment.

Council member Weissenborn expressed her concern with tough conversations with residents and feels some painful decisions need to be made before moving forward with the budget. She is concerned with water and sewer rate increases also coming.

Discussion was held on pension liability and how the pensions have been changed since 2012 for all new employees. Mayor Ridge stated that this is not unique to Charlotte but is being dealt with in many communities.

City Manager Guetschow explained some of the proposed budget cuts that were presented and the impact that they would have on the City and services.

Questions were asked on the tracking of overtime for the Fire and Police Departments.

Mayor Pro-Tem Armitage expressed his disappointment in the lack of oversight in Fire Department overtime. He feels the person with the highest overtime is having it approved by his dad. He believes that to be a problem. He stated all cuts will hurt and proposed that a temporary closure of the downtown fire station may be needed. He feels everything has to be on the table.

City Manager Guetschow stated that they need to recognize that the Rural Fire Association also has a role in this as well. There are very definite discussions about how the department is run.

Mayor Ridge asked if overtime is included in their final average compensation for their pension.

Council member McRae believes that we need to trim our sails and be careful with capital expenditures.

Council member Dyer questioned when the Rural Fire contract is approved.

City Manager Guetschow stated that the fire department equipment is paid 50% thru the Rural Fire Association.

City Manager Guetschow reminded council that they need to have a higher level view regarding funding pension liability. He suggested adopting with putting a hold on some items for review and then adding things back in as they go forward to give a more in depth look at items. He suggested some things would need to be handled sooner than others such as deciding on pay raises which will go into effect on July 1st and considering eliminating retiree health care with a six month notice to retirees.

Mayor Ridge stated that she does not want to take out the things that are moving Charlotte forward. She stated that direction needs to be given on moving forward. She would like to look at options for retiree

health care. She asked if MERS could come in and speak to them about the options for pensions and what can be done going forward.

Mayor Pro-Tem Armitage stated that he feels it needs to be a hybrid special assessment between the police and fire.

Council member McRae questioned the possibility of phasing in a special assessment over a few years.

Mayor Ridge cautioned the problem with that is getting into the same situation as they have with water and sewer rates as you get behind each year. She questioned if 1.5 mills would be enough or if more would be needed.

City Manager Guetschow stated that East Lansing and Meridian Township have just passed millages to fund their pensions.

Mayor Pro-Tem Armitage stated that the pension issue is more of a problem with MERS changing the goal post along the way and shortening the period of time to fund the liabilities. He stated that his comments in regards to overtime process was not directed at individuals but more about the process and perception.

Discussion was held on the timeline for implementing a special assessment and the deadline associated with that process.

City Manager Guetschow stated that it needs to be in place before tax bills are prepared for December.

Mayor Ridge stated that they could adopt with these cuts and then look at putting things back in as they go. She asked that data be put together for retiree health care so that the current benefit could be looked at. Also pensions for anyone not in a bargaining unit. She suggested that someone come in from MERS for a presentation on pensions and what can be done to reduce costs for that. Also to provide information on police and fire overtime costs.

Mayor Pro-Tem Armitage announced that he will be out on medical leave until July 13th.

Discussion was held on what service is provided by Courthouse Square. City Manager Guetschow explained that they provide a museum to the community.

Council member Weissenborn asked about CharlotteRising, Courthouse Square and LEAP contained in the Community Development Budget and the grant funding.

City Manager Guetschow explained that the grant funding is tied to the Master Plan in the amount of \$30,000. Therefore the net cost to the city would only be \$8,000.

Mayor Ridge stated that CharlotteRising is needed for community development. She is not in favor cutting that or LEAP as they have done great things for the community. She feels strongly about moving forward with the Master Plan as it is needed. She stated that they have negotiated and signed a contract with Gregg and she has a problem not moving forward with his raise.

Council member Baker would like to move forward with the resolution and then go back and amend it. He would prefer the millage if they can prove the city needs more money and move forward.

Council member Baker moved, to adopt Resolution No. 2020-70 FY 20/21 including the total deficit of \$441,239 and Capital deficit of \$70,000. Motion dies lack of a second.

Council member Dyer moved, to adopt Resolution No. 2020-70 FY 20/21 Budget as presented. Motion dies lack of a second.

Council member Hoogstra doesn't support some of the cuts.

Council member McRae discussed reviewing each item and then adding back in as they proceed.

Council member Weissenborn discussed approving as is with amendments and include cuts due to further review.

Council member Dyer stated that they need to be constructively better for next year and to vote on the bigger items.

Council member Hoogstra stated that if a position was going to be eliminated it would have to be done by July 1st.

Mayor Ridge is concerned with the millage rate as she feels it may need to be increased if they are looking for it to fund a school liason and fire stations. She believes strongly that a school officer is needed.

Council member Baker suggested talking with the school regarding funding.

Council member McRae moved, supported by Armitage that Resolution No. 2020-70 FY 20/21 budget be adopted with the following amendments, 1)with hiring freeze on any new positions or replaced employees'; 2)require any overtime over \$5,0000 to be approved by the City Manager; 3)any capital expenditures

greater than \$10,000 would need to come back to council for majority vote; 4)that the City moves forward with a special assessment; 5)and to remove the school resource officer from the cuts. 6 Yes (McRae, Baker, Hoogstra, Dyer, Armitage, Ridge) 1 No. Weissenborn

INTRODUCTION OF RESOLUTIONS AND ORDINANCES:

A. CONSIDER FIRST READING OF RESOLUTION NO. 2020-74 UTILITY RATES:

RESOLUTION NO. 2020 –74

RESOLUTION TO SET WATER AND SEWER RATES

WHEREAS, the City of Charlotte completed a Water and Sewer Utility Rate Study to develop a schedule of rates which equitably reflect the cost of service to each customer class and to recommend a rate adjustment necessary to fund operations, maintenance and improvements; and

WHEREAS, this Council has evaluated said report and concur that said rates are required; and

NOW, THEREFORE, BE IT RESOLVED, that the following schedule of water and sewer rates be adopted:

Water Rates		
<u>Meter Size</u>	<u>Quarterly Base Charge</u>	<u>Rate per 1,000 gal.</u>
5/8 x 3/4	\$ 49.21	\$ 3.33
1"	80.00	3.33
1.5"	160.00	3.33
2"	260.00	3.33
3"	490.00	3.33
4"	760.00	3.33
6"	1,640.00	3.33

Sewer Rates		
<u>Meter Size</u>	<u>Quarterly Base Charge</u>	<u>Rate per 1,000 gal.</u>
5/8 x 3/4	\$ 88.38	\$ 5.81
1"	140.00	5.81
1.5"	290.00	5.81
2"	470.00	5.81
3"	880.00	5.81
4"	1,370.00	5.81
6"	2,940.00	5.81

BE IT FINALLY RESOLVED, that these rates be effective July 1, 2020 for bills sent in October, 2020.

Mayor Pro-Tem Armitage questioned if the rate increase was 17%.

City Manger Guetschow stated that is based on the typical user but could be more or less depending on the usage.

Mayor Pro-Tem Armitage asked the impact on street projects and infrastructure.

City Manager Guetschow stated that the costs incurred are for lead and galvanized pipe replacement. This is a half million dollar project as there are approximately 2700 residents that may be subject to replacement.

Discussion was held on this being an unfunded mandate in which many communities are facing that have the same housing stock as Charlotte.

Council member Dyer moved, supported by McRae to approve Resolution No. 2020-74 Utility Rates as presented. Carried. 7 Yes. 0 No.

PUBLIC COMMENT: Ben Phlegar, 425 Horatio, stated that it is too bad that political figures are filling media with the concept of voting by mail being fraud. He stated that the City Clerk ensures that there is no fraud. Having worked on the election it is apparent how the system works. He encouraged voting by mail. He finds it troubling that leadership is discouraging this and is concerned on the impact on polling locations without enough workers.

Owen Whitkopf, 308 Plymouth Dr., stated he feels there is a financial responsibility to the Police Department with pensions etc. He feels that every budget law enforcement takes a hit. There were twenty-one officers at one time and the department is down five or more officers now. There is violent crime on the rise and he thinks the city needs to maintain a strong department. He would like to see council accept from any budget cut to the police department. He commended council for the job that they do.

COMMUNICATIONS AND COMMITTEE REPORTS

CITY ATTORNEY REPORT: City Attorney report included in packet.

CITY MANAGER REPORT: City Manager Guetschow report included in packet.

COUNCILMEMBER COMMITTEE REPORTS:

- Council member Dyer reported that he had a virtual meeting for MML Environmental Advisory Committee regarding funds from pop cans across the state which the legislature is working on.
- Council member McRae stated in regards to the correspondence in the council packet from Mr. Benden regarding the golf cart use as a means of transportation, that it can get very complicated and he feels the attorney opinion is appropriate.

MAYOR AND COUNCIL COMMENTS:

- Council member McRae stated that he would like to be a part of the discussion concerning next years budget.
- Council member Dyer no comment.
- Council member Weissenborn stated that it was nice to see everyone. She thanked council for hearing her out on the budget process and the extra that the City Manager has done to provide council with the information. She is looking forward to continuing through with the process.
- Council member Baker no comment.

- Mayor Pro Tem Armitage thanked Ben Phlegar for his input. He stated that he did support the Mayor’s request to meet in person. He stated that the Governor’s orders now allows for ten people in one room with social distancing. It can not be open to the public at this time. He announced that he would be going on medical leave on Saturday through July 13th so he will not be attending the next couple of meetings.
- Council member Hoogstra thanked everyone and agreed that it was better to meet in person as she wasn’t comfortable to speak over the phone. She stated that they all have goals and compassion for the city.
- Mayor Ridge stated that City Manager Guetschow did a good job getting information out for discussion. Mayor Ridge announced that she will be resigning effective July 12th as she has accepted a new role as City Manager for the City of White Cloud, Michigan. She stated that she will continue to believe in Charlotte and its bright future.
- Mayor Pro-Tem Armitage stated that this would be the last meeting with the Mayor. He thanked her for her service. He stated that he understands starting a new chapter and stated that she has made a lasting change to the community in the last eight months along with the challenges that the pandemic

has brought. She is a strong cornerstone. He stated this was a great opportunity and he is very happy for her.

Councilmember McRae moved, seconded by Hoogstra to adjourn at 9:22 P.M. Carried. 7 Yes. 0 No

Mayor Yvonne Ridge

Ginger Terpstra, City Clerk, CMMC