

City of Corunna
Regular Council Meeting
Monday, April 4, 2011

Present: Kerridge, Mehigh, Jessen, Sarrazin, Johnson, Haskins, Reichert.

Absent: None.

Guests: Joe Sawyer, City Manager; Bob Morehouse; Diane Johnson; Judy Horton; Gary Arnold, C2AE; and Donna Kerridge.

The meeting was called to order in the council chambers of Corunna City Hall by Mayor Kerridge at
7:00 p.m.

MINUTES OF THE PREVIOUS REGULAR MEETING: Johnson moved, Jessen seconded to approve the previous regular meeting minutes dated March 21, 2011 as presented.

Roll call vote:

Yes: Jessen, Johnson, Reichert, Mehigh.

No: None.

Abstain: Sarrazin, Haskins.

Motion CARRIED

AGENDA APPROVAL: Johnson moved, Reichert seconded to approve the agenda as presented.

Roll call vote:

Yes: Sarrazin, Johnson, Haskins, Reichert, Mehigh, Jessen.

No: None.

Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Johnson moved, Sarrazin seconded to approve the vendor disbursements dated April 1, 2011 as presented.

Roll call vote:

Yes: Johnson, Haskins, Reichert, Mehigh, Jessen, Sarrazin.

No: None.

Motion CARRIED

CONSIDER PROPOSAL FOR DESIGN ENGINEERING SERVICES FOR NORTH

SHIAWASSEE STREET – ST. MARY STREET TO SHIAWASSEE STREET BRIDGE:

Mr. Sawyer advised he did not know when the project would be done, but the city needs to be ready when the small urban grant becomes available. Councilperson Sarrazin asked if approval was needed tonight and if the money would come from the major street fund. Mr. Sawyer advised yes. Johnson moved, Jessen seconded to the Design Engineering Services for North Shiawassee Street-St. Mary Street to Shiawassee Street Bridge in an amount not to exceed \$39,500.

Roll call vote:

Yes: Haskins, Reichert, Mehigh, Jessen, Sarrazin, Johnson.

No: None.

Motion CARRIED

Gary Arnold reviewed the Project Status Report dated April 4, 2011. He informed the city council that Lugnuts tickets are available for Friday, June 3.

CONSIDER REZONING THE INDUSTRIAL PARK PROPERTY FROM RA (SINGLE FAMILY RESIDENTIAL) TO I (INDUSTRIAL):

Merilee Lawson advised the planning commission has held a public hearing and is recommending the rezoning of the Industrial Park Property from RA (Single Family Residential) to I (Industrial). She further advised there were no objections from the public. Johnson moved, Sarrazin seconded to approve the rezoning of the Industrial Park Property from RA (Single Family Residential) to I (Industrial) for Parcel ID# 026-60-080-001-000. The legal description of this property is as follows:

'MC ARTHUR'S ADDITION-CORUNNA CITY PT OF OUTLOT 1: BEG AT INTR OF E LN OF SHIA AVE WITH N LN OF FORMER DGH&M RR GROUNDS, TH N ALG E LN OF SD AVE TO S LN OF AARR CO'S GROUNDS, TH E ALG S LN OF SD RR LDS TO A LN WHICH IS 258 FT W OF & PARL WITH W LN OF MCDONNELL ST, TH N ALG SD PARL LN 20 FT, TH E PARL WITH SD RR GROUNDS 258 FT TO MCDONNELL ST, TH SLY ALG W LN OF SD ST TO N BOUNDRY LN OF SD DGH & MRR CO'S GROUNDS, TH W TO BEG. ALSO LOTS 2,3,4,6,7 & 8 BLK 5. ALSO ENTIRE BLK 10 OF S.B. THOMAS DIVISION TO CITY OF CORUNNA. ALSO ALL THAT PT OF ANN ST IN SD DIVISON LYING W OF W LN OF COMSTOCK ST. ALSO ALL THAT PT OF MCDONNELL ST IN SD DIVISION LY SLY OF LANDS OWNED BY AA RR CO EX 1/2 OF VACATED MC DONNELL ST WHICH ABUTS RR GROUND ALSO ALL THAT PT OF VACATED ANN ST BETWEEN BLKS 5 & 10 IN S.B. THOMAS ADD

Roll call vote:

Yes: Reichert, Mehig, Jessen, Sarrazin, Johnson, Haskins.

No: None.

Motion CARRIED

CONSIDER CREATION OF C-2 (GENERAL SERVICE/BUSINESS DISTRICT) OVERLAY DISTRICT FOR THE WEST 300 FEET OF THE LINWOOD BAY PROPERTY:

Ms. Lawson advised the planning commission is recommending the creation of an overlay district of C-2 for the west 300 feet of the Linwood Bay property. Sarrazin moved, Johnson seconded to approve the creation of C-2 (General Service/Business District) overlay district for the west 300 feet of the Linwood Bay Property in conjunction with the existing I (Industrial District) on property described as the Strawsine Property, 503 S. Shiawassee Street, Parcel ID# 026-18-100-000-00 currently owned by Linwood Bay Properties. The legal description of this property is as follows:

Strawsine Property (503 S. Shiawassee Street) currently owned by Linwood Bay Properties Parcel ID #026-18-100-000-00. 'MC ARTHUR'S ADDITION-CORUNNA CITY PT OF OUTLOT 1: BEG AT INTR OF E LN OF SHIA AVE WITH N LN OF FORMER DGH&M RR GROUNDS, TH N ALG E LN OF SD AVE TO S LN OF AARR CO'S GROUNDS, TH E ALG S LN OF SD RR LDS TO A LN WHICH IS 258 FT W OF & PARL WITH W LN OF MCDONNELL ST, TH N ALG SD PARL LN 20 FT, TH E PARL WITH SD RR GROUNDS 258 FT TO MCDONNELL ST, TH SLY ALG W LN OF SD ST TO N

BOUNDARY LN OF SD DGH & MRR CO'S GROUNDS, TH W TO BEG. ALSO LOTS 2,3,4,6,7 & 8 BLK 5. ALSO ENTIRE BLK 10 OF S.B. THOMAS DIVISION TO CITY OF CORUNNA. ALSO ALL THAT PT OF ANN ST IN SD DIVISON LYING W OF W LN OF COMSTOCK ST. ALSO ALL THAT PT OF MCDONNELL ST IN SD DIVISION LY SLY OF LANDS OWNED BY AA RR CO EX 1/2 OF VACATED MC DONNELL ST WHICH ABUTS RR GROUND ALSO ALL THAT PT OF VACATED ANN ST BETWEEN BLKS 5 & 10 IN S.B. THOMAS ADD.

Roll call vote:

Yes: Jessen, Johnson, Reichert, Mehig, Sarrazin, Haskins.

No: None.

Motion CARRIED

CONSIDER CREATION OF C-2 (GENERAL SERVICE/BUSINESS DISTRICT) OVERLAY DISTRICT FOR THE WEST 300 FEET OF THE CORUNNA MILLS PROPERTY:

Sarrazin moved, Johnson seconded to approve the creation of C-2 (General Service/Business District) overlay district for the west 300 feet of the Corunna Mills in conjunction with the existing I (Industrial District) on property described as the Corunna Mills Property, 417 S. Shiawassee Street, Parcel ID# 026-18-100-001 and 026-18-052-006-01. The legal description of this property is as follows:

Corunna Mills Property - 417 S. Shiawassee St (Parcel #1) 026-18-100-001

MC ARTHUR'S ADDITION-CORUNNA CITY PT OF OUTLOT 1 DESC AS: COM ON E LN OF SHIA ST 35 FT S OF C/LN OF MAIN TRACK OF AARR, TH ALG ARC OF CUR TO LEFT 298.83 FT SD CUR HAVING RADIUS OF 6871.67 FT, CEN ANGLE OF 02*29' 30" & LONG CHORD BEARING & DIST OF S89*48'40"E 298.81 FT, TH N87*41' 50" E 372 FT TO PT ON W LN OF MC- DONNELL ST, TH S 35.04 FT S OF C/LN OF MAIN TRACK OF AARR, TH S00*26' 20"W ALG W LN OF MC DONNELL ST 149 .30 FT, TH N89*23'25"W 258 FT, TH S00*26'20"W 20 FT, TH N89*23'25"W 411.24 FT, TH N ALG E LN OF SHIA ST 148.20 FT TO BEG 2.259 A M/L

Corunna Mills Property - 417 S. Shiawassee St (Parcel #2) 026-18-052-006-01

MC ARTHUR'S ADDITION-CORUNNA CITY COM AT SW COR OF BLK 52 OF SD PLAT, TH ALG S LN OF BLK 52 S89*E 237.45 FT (RECORDED AS 238 FT) TO W LN OF OL 2, TH ALG SD W LN S 83 FT TO A PT 39.9 FT N AS MEASURED AT R/ANGLES FROM C/LN OF GTWRR LEAD TRACK, TH N89*09'00"W 237.45 FT (RECORDED AS 238 FT) TO ELY R/WY LN OF SHIA ST SD PT BEING 42.3 FT N AS MEASURED AT R/ANGLES FROM C/LN OF RR LEAD TRACK, TH ALG ELY R/WY LN N 83 FT TO BEG EX N 8 FT THEREOF.

Roll call vote:

Yes: Reichert, Jessen, Sarrazin, Haskins, Mehig, Johnson.

No: None.

Motion CARRIED

CONSIDER TUCK-POINT REPAIRS FOR COMMUNITY CENTER: Mr. Sawyer advised some damage occurred in the community center in late February. Water was able to get behind the brick on the west side of the building and the brick is now pushed away from the building. Some water was able to get into the lower level of the building which primarily

came from the roof area but not from the roof itself. The rubber roof appears to be in good condition according to the contractor and it is insulated. He further advised an insurance claim has been submitted, but he is unsure how successful it will be. The proposal is to do tuck-point repairs in a very limited nature on the worse parts of the building. The goal is to keep water out of the building to preserve the work that has been done inside the building. He further advised the request before council is to do the needed maintenance repairs with monies coming from the Municipal Building Fund. Councilperson Haskins asked if the \$9,575 is the total amount and if contractor will bill the city as he goes. Mr. Sawyer advised yes. Councilperson Haskins asked if the insurance money will be deducted from that total. Mr. Sawyer advised there is also interior damage that has to be dealt with. There is a 10 by 10 section of the upstairs hardwood floor that needs to be replaced as well as ceiling tile and paneling. If the city is successful in getting the insurance money, he would like to use that money for the interior improvements related to the water damage. Councilperson Reichert asked additional financial support will be needed if all of the needs are not addressed. Mr. Sawyer asked if he was talking about the tuck-pointing. Councilperson Reichert advised yes. Mr. Sawyer advised it would be hard to say. At this point, it would be hard to install drywall in the lower level until the water is stopped from coming in. Councilperson Reichert stated the desired work to be done is \$67,000 and questioned whether this work would barely scratch the surface. Mr. Sawyer advised that amount came from bids that the city received over the last 10 to 15 years. Doug Han is an excellent mason and usually comes with an expensive price tag. He has given the city an excellent bid. In proportion to what is on the desired list, he gives the city a decade before it has to do additional work. The building has been ignored for 20 years and has gotten worse. Councilperson Haskins asked if there was any damage around the roof line. Mayor Kerridge advised yes. Mr. Sawyer stated prior to the roof being installed in the early 1990's, there was a lot of leakage in the building caused by the old roof. A decision was made to install scuffers when the new roof was installed that moved the downspouts outside and are subject to freezing which caused part of the problem this year. Councilperson Johnson asked how much was in the Municipal Building Fund. Mr. Sawyer advised roughly \$150,000. Councilperson Johnson asked why the money was not being taken from the money that might be coming from the DDA. Mr. Sawyer advised it could be, but he was here to see if council will participate. This is a high priority item and the volunteers and donors have been pushed pretty hard on making donations for improvements but not routine maintenance and repairs. If he has to use improvement money for this project, he will and it will stop the project where it is right now. Councilperson Johnson stated she understood what Mr. Sawyer was saying, but he also said the city has no money and we have to watch our spending so that is where she was coming from. Councilperson Reichert stated he thought this is more of a maintenance issue and while the city does not have a lot of money, the city cannot continue to defer maintenance or it will eventually cost more money. Councilperson Jessen stated this was known up front and that is why the committee was loaned the money so the city did not have to invest any. Councilperson Sarrazin stated the \$150,000 fund balance is unencumbered and is just a fund balance that has been carried over. Mr. Sawyer advised money goes into the fund every year. Councilperson Johnson stated she could not find it so that is why she asked. Mr. Sawyer advised it was located on page 7 of 58. The fund is pretty healthy and has been successful. Councilperson Sarrazin suggested setting up a parks maintenance fund but times are not good. The Municipal Building Fund is something that has always been funded, but at some point, maybe this fund should stop being funded to shift priorities

elsewhere. Councilperson Haskins stated the questions about spending money is valid, but this community has overwhelmingly supported the facility. This is the city's chance to support it and keep the community center open. Mr. Sawyer advised what has been accomplished is phenomenal and could not have been done without the support of the city council. The building is not done and as he reported earlier it is going to take \$400,000 to \$500,000 to get everything done. The committee may request an additional \$25,000 to finish up the work that is currently being done after they pay back the first \$25,000. He further advised some of the council has made it clear that not a penny of the city operating budget should go into the building and he understands that, but there are others who have expressed the exact opposite. The city is in bad times and it may get worse. Councilperson Sarrazin stated he agrees with Councilperson Reichert that the problem has to be addressed before someone finds the west wall has collapsed. Councilperson Sarrazin further stated he would hate to see that happen with all of the effort that has been put into the building. Councilperson Haskins asked if the tuck-pointing would eliminate water getting into the building. Mayor Kerridge advised yes. Councilperson Jessen stated no one noticed it when the windows were being put in. Mayor Kerridge advised no, it was noticed in January when someone noticed that water was in the basement. Upon investigation, the downspout was found to be frozen and water got behind the brick which then melted and came into the basement. Mr. Sawyer stated it has been documented that the building has needed tuck-pointing for 20 years. He further stated heat tape will be installed in the downspouts to prevent them from freezing. Councilperson Sarrazin stated in lieu of the fact that the council is going to take some heat over this and since a substantial portion of the community have demonstrated their desire to save the building, he would support spending \$10,000 from the Municipal Building Fund for the tuck-pointing project. Sarrazin moved, Haskins seconded to approve spending \$9,575 from the Municipal Building Fund for tuck-point repairs to the community center.

Roll call vote:

Yes: Reichert, Mehigh, Haskins, Sarrazin.

No: Johnson, Jessen.

Motion CARRIED

CONSIDER EAVE TROUGH REPAIRS FOR CITY HALL: Mr. Sawyer advised this would also come from the Municipal Building Fund. It was originally going to be replaced after the new roof was installed, but it was not done. The seams are leaking and they have been caulked several times, but they continue to leak. There are sidewalk issues when the water freezes and customers have gotten wet when they enter the building. Mayor Kerridge asked if the eave troughs would be seamless. Mr. Sawyer advised yes. Jessen moved, Reichert seconded to approve spending \$2,607 for gutters on city hall.

Roll call vote

Yes: Haskins, Jessen, Mehigh, Sarrazin, Johnson, Reichert.

No: None.

Motion CARRIED

CITY MANAGER'S 2011/2012 BUDGET RECOMMENDATIONS: Mr. Sawyer reviewed his 2011/2012 budget recommendations. The first budget workshop will be held next Monday and will focus primarily on revenues. The full detail budget report will be given out at the first budget workshop. Mr. Sawyer explained the requested column is what the department

heads have requested and also demonstrates a restored budget from 2007 before the housing market crashed and before the concessions that have been made which is about a \$400,000 deficit. The recommended column is his balanced budget that he calls a share sacrifice plan that no one is happy with so he thought he did decent job. The adopted column is something council should look at. In past years, his recommended budget automatically transferred to the adopted column and during the budget work sessions it was up to council to determine if they wanted to take his recommendation or wanted to fund something differently. This is where those changes were made. This year, the adopted column is the status quo and assumes that council does not make any changes, take no action or ask for concessions. This shows a \$200,000 deficit and if council wants to balance the budget, concessions are going to have to be made. He stated the requested revenue is \$1,900,000 which is where the city would be if the housing market had not crashed and revenue sharing had not been reduced. The recommended amount is \$1,584,000 which represents an eight percent reduction from the current year's budget. This assumes that the city will get two-thirds of its revenue sharing back. He estimates that the cash balance at the end of the current year is roughly \$440,000 in unrestricted fund reserves which is healthy. His proposed budget takes no money from the fund balance. He further stated he is recommending maintaining police coverage at the current level assuming that concessions will be made. The public works department has no part-time or seasonal employees budgeted. During contract negotiations, he will be looking at tiering wages based on activity in certain areas. One thing that is hurting the city is paying someone \$25 per hour to mow the cemetery. He is hoping that an equitable way can be found to negotiate it that is not detriment to the DPW employees but will help the city budget appropriately. The area of lawn mowing in the park or cemetery and janitorial work which are unskilled areas fall to the burden of the general fund, and whereas, the high skilled work is being paid for through funded sources. Councilperson Jessen asked if any of it would affect the employees final pay check. Mr. Sawyer advised the overall budget is the same. He knows what the payroll will be but not where it is going so the payroll will not be affected. Councilperson Jessen stated it is only affecting where the pay is coming from. Mr. Sawyer advised yes. In essence, there will be areas where the DPW will be working for less pay and areas where they will be making 30 percent more pay. The pay should equal the same but is not sure how it can be regulated and that poses a lot of questions. Everyone should get the same equal time on the lawnmower and there should be a way to level their paychecks so that they do not see fluctuations throughout the year. It is a good concept but he has not figured out how to implement it yet. Mr. Sawyer advised he is recommending some substantial personnel policy changes. There are employees who are currently at 2008 pay levels so that means the DPW employees that have been frozen since 2008 will remain at that level. The budget shows anybody who has received an increase since 2008 would be giving them back in essence. They would not pay them back for the years they received it but their wages will be adjusted down in the budget year beginning July 1. The employees who received a three percent reduction would receive it back. At the same time, he is recommending a two and a half percent contribution to the retiree pension fund. This is different than he originally proposed and will make it softer for the employees because rather than for example hitting the DPW with a three percent reduction to make them where the administrative wages are they would only be hit with a two and a half percent reduction with a freeze. When the reductions were implemented, there was no anticipation of having to pay into the pension. This is what the governor wants so that is what he is recommending. The national and state trends require employees to pay

a portion of their retirement and he thought two and one-half percent was reasonable. He is also reducing vacation days, sick days, personal days and bereavement days by rolling them together into a paid time off model, which in some cases employees at the top end could lose three weeks of paid time off but that would leave them only with seven. Councilperson Jessen stated seven weeks. Mr. Sawyer advised yes after he reduces three. It sounds like a big blow, but when you add what is left, it is reasonable. There are some employees who like to use their sick time as vacation time and unless they are sick more than two days they do not need a doctor slip. Under the HIPA law, the employee cannot be asked if they were sick or not. He asked people who want to use their sick days as vacation days to please schedule them instead of calling in at the last minute. He further advised he is recommending changing the health insurance co-pay from 10 percent to 15 percent. The trend is 20 percent and the city will end up there so the employees should know that. The problem is that the city has to separate the retirees from the active employees because the city is at the point that it has no choice or everyone will lose their health insurance. He is talking about the three over 65 retirees who are Medicare eligible. A decision is going to have to be made to put the over 65 retirees on a supplement plan because it is crazy on what the city is paying now. At the same time, the retirees under 65 will pay the same co-pays that active employees pay. One of these retirees already pays the 10 percent co-pay and the other two will be asked to pay the same co-pay as everyone else does. An employee will be able to afford paying 20 percent if a cheaper plan is found. The 20 percent co-pay is not the enemy; it is the \$20,000 policy that is the enemy and is killing both the city and the employee. He also advised his budget recommends the elimination of prescription reimbursements. He is reducing the employee health insurance buyout considerably. It has been set at 25 percent of a two person plan but as the plans go up, the cost of the buyout is ridiculous. The buyout in the proposed budget would be \$7,000 and three years ago it was \$3,600 so people on the health insurance buyout have been getting healthy raises that nobody else has so it is being rolled back to \$3,600. Mr. Sawyer stated this is an emotional time and overall the morale has been decent given the times the city is in. Nobody is happy and everybody is stressing and worried about making their house payment or car payment. It is a different environment at city hall. People come in and say they are on a fixed income and need help, but he uses it as an educational tool to explain to people on fixed incomes how lucky they are. There was a time when a fixed income was a bad thing but today most of the society has a declining income. Retirees are on fixed incomes with cost of living adjustments which really is not a fixed income. He further stated the city has a dedicated staff and the proposed budget retains all employees.

CALL TO AUDIENCE: Judy Horton stated the candy donations are coming in slowly. She has gotten some monetary donations that she will not touch until she has to. Councilperson Johnson asked how many bags of candy are used. Ms. Horton advised it is hard to say but 3,000 to 4,000 pieces of candy are used. If someone wants to donate candy, they can drop it off to city hall or she will pick it up. Councilperson Jessen asked what percentage of candy has been received. Ms. Horton advised about 50 percent.

Councilperson Sarrazin left at 8:45 p.m.

ROUNDTABLE: Councilperson Reichert advised he had nothing to discuss.

Councilperson Haskins advised he had nothing to discuss.

Councilperson Johnson advised she had nothing to discuss.

Councilperson Jessen advised if anyone wants to ride with him to the MML conference on Wednesday, they should be here at 8:15 a.m.

Councilperson Mehig advised he had nothing to discuss.

ADJOURN: Jessen moved, Johnson seconded to adjourn.

Roll call vote:

Yes: Sarrazin, Mehig, Jessen, Johnson, Reichert, Haskins.

No: None.

Motion CARRIED Time was 8:50 p.m.

Charles Kerridge, Mayor

Merilee Lawson, Recording Secretary