

**Meeting Minutes
City Commission Meeting
Three Rivers, Michigan
June 1, 2010**

1. Call to Order

Mayor Balog called the regular meeting of the Three Rivers City Commission to order at 6:00 p.m. in the Commission Chambers of City Hall.

2. Roll Call

The following members were present at roll call:

Elbert Foster	George Ramsey
Daryl Griffith	Wendy Shank
Carolyn McNary	Earl Stark
	Allen Balog, Mayor

3. Invocation

Pastor Bob Anderson from Church of the Nazarene gave the invocation.

4. Pledge of Allegiance

Mayor Balog led those present in the Pledge of Allegiance.

5. Approval of Agenda

It was moved by Commissioner Foster and seconded by Commissioner Griffith to approve the agenda as presented.

The motion passed 7-0.

6. Presentations and Recognitions

a. Fire Department Pinning Ceremony

Chief Tomlinson presented David Wagner and Erick Penn for successful completion of the fire academy.

b. John Glenn Court Infrastructure Project

Merritt Brown presented the community development plan for grant funding.

It was moved by Commissioner Griffith and seconded by Commissioner Stark to approve the plan.

The motion passed 7-0.

c. Stand for Children

Mayor Balog presented Tom Lowry with the Stand for Children proclamation. Mr. Lowry noted that the event was scheduled until 7:15 p.m.

7. Approval of Minutes

a. Minutes of the Regular Meeting held May 18, 2010

It was moved by Commissioner Foster and seconded by Commissioner Ramsey to approve the minutes as presented.

The motion passed 7-0.

b. Minutes of the Regular Meeting held May 25, 2010

It was moved by Commissioner Griffith and seconded by Commissioner Foster to approve the minutes as presented.

The motion passed 7-0.

8. Public Hearings

a. John Glenn ICE Grant

Mayor Balog opened the floor to public comment at 6:11 p.m. Hearing no comments, he closed the floor to public comment at 6:11 p.m.

It was moved by Commissioner Foster and seconded by Commissioner Griffith to adopt the resolution.

The motion passed 7-0. Resolution 22-10 was adopted.

b. Proposed FY 2010-2011 Budget

Mayor Balog opened the floor to public comment at 6:13 p.m.

Judy Gilchrist of 110 East Adams supported the proposed DDA budget. She felt that the millage meant growth, and if it was not passed, it would be a step backward. She also felt it would discourage youth and business owners.

Mike O'Connor, DDA Attorney, had asked for written information from the State. There was a Supreme Court decision on point from 1982 regarding a variable millage. The Michigan State Supreme Court upheld that the variable tax was unconstitutional and uniformity was required in rate and mode of taxation. The tax rate imposed by a taxing unit must apply the same to the entire territory. The State Tax Commission had told him that the attorney general was the only person in the State that could provide a legal opinion. He mentioned that as public officials, the Commissioners were bound to uphold the Constitution of the State of Michigan.

Blaine Edgell of 309 North Main Street felt the DDA could not provide uniform services because there was not enough money. He felt the DDA had overspent and not been fiscally responsible.

Helen Dettmar of 619 South Main felt that the small taxes added up. She felt that the downtown was terrible and trashy. She asked if the DDA could not take care of the downtown, how it would keep up additional properties. She felt Tom Lowry's offer to pay the millage on homesteads was a bribe and wanted the expanded part to be removed from the DDA.

Tom Lowry of 53 ½ North Main mentioned that River Glen residents would see a tax decrease even with 1 mill. He reminded the Commissioners that while he had voted against it 2002, he supported it now. He felt that elected officials sometimes needed to make the best decision with the information and money available. While the expanded part had not had the same level of service, moving forward, it would be. The DDA knew that the next priority was to prove the importance of the expanded district. He promised to pay the 8 homestead properties' millage for 10 years. He asked the Commission to weigh the local business owners and local employees. He felt it outweighed the other option.

Larry Michael Hackenberg of 60321 Constantine mentioned that at the tipping point, small decisions have a big impact. He felt the only way to stop exhausting the customer demographic was to bring in more people, and the DDA would do that with gateway projects.

Tom Meyer of 610 Tulip, a DDA member, discussed the need at this point to focus on the penetrator routes. The DDA had to create the destination before the focus changed, and it was at that point. Now there was something to offer to bring people in.

Teresa Cytlak of 13054 Spence Road, owner of Ridgeway Floral in the expanded part, was frustrated that not all DDA members took care of their property the way she did. She stressed that it cost money to keep things up and asked the Commission to support the millage. She offered that she would have even paid the 2 mills.

Christy Trammell, DDA Director, mentioned that it was clear in the budget that the DDA was frugal and responsible with taxpayer money. She stated that the budget paid for a beautiful parking area to allow people to shop downtown. She noted that the walkthrough should and was owned by the DDA, and that would be paid for in a couple of years. She reported that the proposed budget doubled the money for expansion of benefits.

Rita Lowe of 623 South Erie felt that improvements should have been made in the front of stores rather than the back. She felt the vacant property would have made a better parking lot.

Larry Richman of 612 South Main felt that there were promises made in 2002 and asked Mr. Lowry why he should believe him now. Mr. Richman remarked that Mr. Lowry had called the DDA spending "ludicrous." He felt the mess was because of debt from the walkway and that the DDA had a lot more work to do downtown.

Doug Brundidge of 58152 Circle Drive felt that the City charged Little Caesar's a sign fee when they should not have.

Mayor Balog closed the floor to public comment at 6:52 p.m.

Mayor Balog asked if there was a way to carve out the owner occupied housing.

Mr. O'Connor noted that if it was contiguous, it would be allowable with a process. He mentioned that he would need to research what the assessed values would be.

Mayor Balog asked that the DDA operating expense be covered by the General Fund.

City Manager Bippus noted that it was possible, but the General Fund was stretched.

Mayor Balog asked if Mr. Lowry was willing to pay an increase in the millage also.

Mr. Lowry responded that he and the group would.

Mayor Balog asked if the DDA was required to offer uniform services.

Mr. O'Connor responded that it was not addressed. The millage was operation, and TIF capture was defined in the TIF plan.

Commissioner Stark asked how much 1 mill raised residential property tax.

Dale Hutson, City Assessor, noted that it would increase \$20 – 25 on an average home at \$50,000 in value.

Commissioner Griffith noted it was not fair since there were more benefits to business owners initially. He felt the benefits should be formalized. He noted that the State decided the rules of the façade grant, but the benefits were now showing equality between business and residential. He felt no action was not an option and that the proposed plan was fair. He did not like the information changing every meeting.

Commissioner Shank asked to go to no millage and get the money from the people that wanted to support the DDA. She felt it would get people personally involved.

Commissioner McNary stated that the Commissioners were there to make the decisions, and felt they were at the point of doing something. She felt the changing information came from pressure and supported what the DDA had done. She did not want to see what would happen if the DDA did not get funding and stressed that the expanded part needed the funding. She did not feel Mr. Lowry's offer was a bribe, just a tool to get things moving.

Commissioner Foster asked if Mr. Lowry's group would pay the \$13,000 instead. He also wanted to move forward.

Commissioner Ramsey disapproved of using Mr. Lowry's offer to make a decision because of many variables. He still needed clarification of questions and hoped that the Commission had made the DDA sweat. He felt the DDA would be held accountable to the expanded part in the future.

Commissioner Griffith commended Finance Director Lawson, City Manager Bippus and staff for the balanced budget without seriously impacting services.

Mayor Balog felt the \$13,000 could be paid out of General Fund for one year. He supported the DDA, he did not want residential property owners paying extra just because of where the home was.

It was moved by Commissioner Shank to pay the \$13,000 from General Fund.

The motion died for lack of support.

It was moved by Commissioner Griffith and seconded by Commissioner McNary to approve the budget as presented with the 1 mill across the entire DDA.

Discussion included that the Commission was not obligated to uphold an illegal ordinance and that the ordinance could be amended after the budget adoption.

Upon a roll call vote, the motion passed 5-2 with Commissioner Shank and Mayor Balog dissenting. Resolution 23-10 was adopted.

c. Park Hours Ordinance

Mayor Balog opened the floor to public comment at 7:31 p.m.

Elena Hines of the *Three Rivers Commercial News* noted that the lack of sunrise and sunset times was a glitch, not a change in practice.

Mayor Balog closed the floor to public comment at 7:32 p.m.

It was moved by Commissioner Griffith and seconded by Commissioner Ramsey to adopt the ordinance changing park hours.

Upon a roll call vote, the motion passed 7-0. Ordinance 764 was adopted.

9. **General Comments**

There were no general comments at the meeting.

10. **Business**

a. **Communications**

1. **Riverside Townhouses PILOT Request**

City Manager Bippus noted that the PILOT was beneficial to the complex because it would save money. The City would still get its revenue in a way that the complex was essentially contracting for services. The complex would still get a water bill.

Mayor Balog asked where the savings was from.

City Manager Bippus noted that the savings to the complex came from other taxing jurisdictions, which would be notified of a public hearing before an agreement was made.

Mr. Hutson noted that a group wanted to purchase the property, but wanted the tax incentives and a way to get funding. Investment money would go to the existing buildings. MSHDA and other housing programs required a minimum standard.

Mayor Balog asked about doing nothing.

City Manager Bippus responded that the federal government wanted the units to stay in the housing program. Results could be that the units become federally owned and do not pay any taxes. They could become privately owned.

Commissioner Griffith asked about funding if only 20% of the units were filled.

Mr. Hutson noted that the difference would be made up in the service agreement. He also mentioned that the housing was a service to provide low income people a place to live.

Commissioner Griffith felt there were already a lot of rent subsidized housing units in the City, and he did not want to ask other taxing jurisdictions to subsidize the housing.

City Manager Bippus noted that when developing the agreement he had been following previous direction from the Commission.

Commissioner Stark asked about the complex's ability to go to tax tribunal.

Mr. Hutson responded that the property value was based on income currently, not value.

Commissioner Stark asked about the benefits to the City.

City Manager Bippus noted that the complex was rent restrictive, and that the PILOT would give a steady, known amount of income over the years.

Commissioner Griffith wanted to even level it out for the other taxing jurisdictions.

Mr. Hutson responded that the City could give money to the other taxing authorities, but the City had to be careful to not collect more than it would normally get. An increase in the PILOT percent could take away the incentive to the potential buyers.

Commissioner Griffith asked about private security.

City Manager Bippus noted that the complex had shown interest in a neighborhood watch and camera. There was new lighting, and the brush had been cut back.

Commissioner Ramsey felt the Commission should let the complex be sold and see what the new owners would do.

City Manager Bippus had gotten the impression that the deal would fall apart without the incentives of a PILOT. He offered to pass along the concerns.

By consent, the Commission directed staff to continue negotiations.

2. External Audit Contract Award

It was moved by Commissioner Griffith and seconded by Commissioner Foster to award the contract to Rehmann.

The motion passed 7-0.

b. Consent Agenda

It was moved by Commissioner Foster and seconded by Commissioner Griffith to approve the consent agenda as presented.

The motion passed 7-0.

1. Invoices Payable

The Commission authorized payment of the invoices.

2. Industrial Development Authority Minutes of January 14, 2010

The Commission placed the minutes on file.

3. Industrial Development Authority Minutes of February 11, 2010

The Commission placed the minutes on file.

4. Industrial Development Authority Minutes of March 11, 2010

The Commission placed the minutes on file.

5. Industrial Development Authority Minutes of April 8, 2010

The Commission placed the minutes on file.

6. Revenue Expenditure Report through April 2010

The Commission placed the report on file.

7. Downtown Development Authority Minutes of May 20, 2010

The Commission placed the minutes on file.

8. Cemetery Board Minutes of May 3, 2010

The Commission placed the minutes on file.

9. Library Board Minutes of May 25, 2010

The Commission placed the minutes on file.

11. Appointments

a. Appointments to Advisory Boards and Commissions

No appointments were made.

12. City Commission and City Manager's Communications

Commissioner Griffith mentioned that there was tall grass at two properties on Wheeler.

Commissioner Foster thanked City Manager Bippus for the business cards.

Commissioner McNary apologized for her phone ring during the meeting.

Mayor Balog noted that initial aid with Fabius-Park Fire Department began today.

Mayor Balog noted that City Manager Bippus ran a 4:23 marathon over the weekend and congratulated him.

13. Adjournment

It was moved by Commissioner Foster and seconded by Commissioner Ramsey to adjourn the meeting.

The motion passed 7-0.

Mayor Balog adjourned the meeting at 8:15 p.m.

Respectfully submitted,

Lindsay Howes
City Clerk