

City of Corunna
Regular Council Meeting
Monday, December 21, 1998

Present: Weaver, Bayless, Bendall, Dumond, Ockerman, Reid.

Absent: None.

Guests: Lisa Hitchcock, City Manager; Tom Svrcek, Director of Public Works; Ron Smith, Treasurer/Assessor; Officer Kevin Clark, Corunna Police Department; Mr. & Mrs. Jeff Bemus; Gary Schooley, Parks and Recreation Director; Judy Horton; Larry Runyan; Dick & Sheila Dvorak; Jerry Smolinski; Paul and Zach Price, Price Trailer Sales; David Wenzlick; Dr. James Billis; Gary Palmer, Building and Zoning Officer; Carol Vaughn, Owosso-Corunna Area Chamber of Commerce; Jackie Leone, The Argus Press; Richard Harsh; and other concerned citizens.

The meeting was called to order in the City Council Chambers by Mayor Weaver at 7:00 p.m.

MINUTES OF THE PREVIOUS REGULAR MEETING: Ockerman moved, Dumond seconded to approve the December 7, 1998 Regular Council Minutes as printed.

Roll call vote:

Yes: Bayless, Reid, Bendall, Ockerman, Dumond.

No: None.

Motion CARRIED

AGENDA APPROVAL: Dumond moved, Reid seconded to approve the agenda with the addition of Item No. 12) Consider Request from Tom Svrcek to Allow Four Months of Generic Time Purchase From the Municipal Employees Retirement System.

Roll call vote:

Yes: Bendall, Dumond, Bayless, Ockerman, Reid.

No: None.

Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Dumond moved, Ockerman seconded to approve the vendor disbursements as presented.

Roll call vote:

Yes: Ockerman, Dumond, Reid, Bayless, Bendall.

No: None.

Motion CARRIED

CALL TO AUDIENCE: Larry Runyan, 409 Cherry St., stated the burning ordinance specifies Tuesday, Thursday and Saturday as burn days and asked council if they had taken in consideration allowing burning on Christmas since it fell on Friday. Mayor Weaver advised council had not discussed the issue and would take the request under

consideration. Mayor Weaver asked council if they wanted to consider the request. Ms. Hitchcock stated the ordinance specifies certain days and council could not change the ordinance for one day.

PRESENTATION FROM CHAMBER OF COMMERCE: Carol Vaughn gave a presentation on the Home Town Holiday festival. She stated the display was beautiful. She further stated 4,000 people attended the festival and 45 businesses sponsored classrooms in the K-6th grade in the Owosso and Corunna school systems. Ms. Vaughn presented a check in the amount of \$312.79 to the Corunna Parks and Recreation. Mayor Weaver thanked Ms. Vaughn for her presentation.

WATER BILL AT 124 CHERRY STREET: Nancy Bemus advised she has looked into the situation. She further advised when she filled her swimming pool last summer, the pool took 8,000 gallons of water, and she could not believe that a leaking toilet could use more water than a pool. Councilperson Ockerman asked if the leak would be similar to having a hose run. Mr. Svrcek advised that was correct. Mr. Bemus stated there was no way 5,000 gallons of water could not run through the toilet in a month. Mr. Svrcek advised it could happen if there was a steady stream of water running. Mr. Bemus stated the toilet only ran occasionally. Councilperson Ockerman stated it appeared that the city has done everything that was required. He asked Mr. Bemus if he had an argument with what was done by the city. Mr. Bemus advised no, but no one could tell him that much water could run through the meter. Mr. Svrcek stated the water went somewhere and when the toilet was fixed, the bill did go down to normal consumption. Reid moved, Ockerman seconded to assess the \$129.95 since everything was done the way it was suppose to be done and the new meter shows the usage.

Roll call vote:

Yes: Dumond, Ockerman, Bendall, Reid, Bayless.

No: None.

Motion CARRIED

CONSIDER PRICE TRAILER'S REQUESTED ADAPTIVE REUSE FOR THE PROPERTY AT THE CORNER OF MCNEIL AND COMSTOCK STREETS: Gary Palmer advised council they had information in their packets. Councilperson Ockerman advised he was concerned with the site plan and wanted to make sure Mr. Price does what he says he will do. Mr. Palmer stated the site plan that was approved by the planning commission is part of the approval process, will be kept on official file, and Mr. Price has to comply with the approved site plan. Councilperson Ockerman asked if the property was classified as a Class 1 or 2. Mr. Palmer advised a change from an industrial zoning use would put the property in Class 2. Mr. Palmer asked Mr. Runyan if Class 2 was discussed at the planning commission. Mr. Runyan advised yes. Councilperson Ockerman asked if the property was classified as Class 2 because the property changed from light industrial to residential. Mr. Palmer stated it did not matter how the property was zoned for an adaptive reuse. It matters how the property was used when the ordinance was put in effect in 1994. The property is a non-conforming use in a residential area. Councilperson Ockerman asked what a Class 2 was. Mr. Palmer advised a Class 2 converts an industrial/commercial use in a residential area to another similar use.

Councilperson Ockerman asked how the use would be presented in writing. Mr. Palmer stated he would have the planning commission designate at their next meeting that it would be a Class 2 use. Councilperson Ockerman asked how council could be assured that would happen. Councilperson Dumond stated council could specify Class 2 in their motion. Mr. Palmer advised an adaptive reuse was an unusual procedure and was the first one that has become before the planning commission. Councilperson Ockerman suggested sending a checklist for council to follow when there is an adaptive reuse request. Councilperson Reid asked what the difference was between this business and the nursery business that was shot down. Mr. Palmer advised the nursery never applied for an adaptive reuse and elected not to proceed. He further advised there are limitations to this procedure. The city is allowing Mr. Price to use the property for his business, but if he sells the business, it cannot be changed from one use to another. Councilperson Dumond stated the city has more control by going this route. Councilperson Ockerman asked how high the fence would be on the backside of the property. Mr. Price advised eight-foot. Councilperson Ockerman asked if the fence was solid. Mr. Price advised the fence would be a stockade fence. Mr. Price explained his site plan. Dick Dvorak stated at the planning commission meeting that he attended, there was suppose to be a green area on the side of the property that he has to look at. He asked if the area had been changed to a stockade fence. Mr. Price advised there would be a 25-foot green area from the roadway. Mr. Dvorak asked if anything would be put on the residential side of the property. Mr. Price explained nothing could be put there trailer-wise. Mr. Dvorak stated a fence and lights would really help make the neighborhood look better. Mr. Price advised the fence was a requirement placed on him. Mr. Dvorak advised there is a county drain going through the property. Mr. Price advised the drain would be closed up to the vault. Mr. Dvorak stated a county drain could not be closed. Mr. Price advised he was not an engineer and he hired people to make sure he spends his money correctly. Councilperson Ockerman asked how soon Mr. Price could get things done if the adaptive reuse request is approved. Mr. Price advised as soon as possible, which would probably be in the spring. Ockerman moved, Bendall seconded to grant Price's Trailer Sales request for an adaptive reuse as a Class 2 site.

Roll call vote:

Yes: Reid, Ockerman, Bayless, Bendall, Dumond.

No: None.

Motion CARRIED

SECOND WARD COUNCIL SEAT: Bendall moved, Bayless seconded to post the Second Ward seat with letters to be accepted by January 13, 1999 and to appoint on January 16, 1999.

Roll call vote:

Yes: Bendall, Bayless, Reid, Dumond, Ockerman.

No: None.

Motion CARRIED

COMMUNITY INFORMATION SYSTEM MAINTENANCE COMMITTEE AGREEMENT:

Dumond moved, Bendall seconded to approve the Community Information System Maintenance Committee Agreement.

Roll call vote:

Yes: Bayless, Reid, Bendall, Ockerman, Dumond.

No: None.

Motion CARRIED

CONSIDER RESOLUTION AUTHORIZING BORROWING FOR FIRE TRUCK: Ms.

Hitchcock advised the agreement is for seven years at 4.3 percent interest. The intent is to make the truck payments from the Capital Improvement Fund, which is where the paid fire run fees are placed. She further advised the down payment would also come from that fund. Councilperson Ockerman advised the resolution authorizes the city to make the payments if the Fire Board cannot. Reid moved, Bendall seconded to approve the following resolution:

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY
OF AN INSTALLMENT PURCHASE AGREEMENT

WHEREAS, the City and the Township of Caledonia, Shiawassee County, Michigan (the "Township") have established the Corunna-Caledonia Fire Department (the "Department"), pursuant to the provisions of the Michigan Fire Protection Act, being MCLA 41.806 et seq., MSA 5.2640(6); and

WHEREAS, on January 1, 1993 the City and the Township entered into a Fire Protection Agreement (the "Fire Protection Agreement"), which set forth the rights and obligations of the parties thereto and provided for creation of a Fire Administrative Board (the "Board"), and

WHEREAS, Sections 3 and 11 of the Fire Protection Agreement, as amended, provide that all fire vehicles and equipment purchased shall be jointly owned on a percentage basis, with the City's interest to be 42% and the Township's interest to be 58%, and that each municipality shall appropriate funds in the same proportions to fund the Department; and

WHEREAS, upon recommendation by the Board, the City and the Township desire to purchase jointly a fire truck for the benefit of the Department (the "Property"), as described more fully on Exhibit A, having a total purchase price of \$148,200; and

WHEREAS, to finance a portion of the cost of acquiring the Property, the City and the Township deem it necessary to borrow the sum of \$100,000 of which the City's share is \$42,000; and

WHEREAS, Act No. 99 of the Public Acts of Michigan of 1933, as amended (“Act 99”), provides a means by which the City may enter into agreements for the purchase of lands, property or equipment for public purposes, to be paid for in installments; and

WHEREAS, the Board, on behalf of the City and the Township, has entered into a contract to purchase the Property (the “Purchase Contract”) with 4-Guys, Inc. (the “Vendor”); and

WHEREAS, the City and the Township received proposals for financing the acquisition of the Property; and

WHEREAS, the proposal of Old Kent Bank (the “Bank”) is the lowest responsive proposal, and the Bank has agreed to purchase the interest of the Vendor in the Purchase Contract and accept assignment thereof, and to finance the purchase of the Property by entering into an Installment Purchase Agreement pursuant to which the City and the Township will make payments of principal and interest to the Bank; and

WHEREAS, the City’s outstanding balance of all installment purchases, exclusive of interest, not including (i) contracts entered into under Act No. 31, Public Acts of 1948, First Extra Session, as amended, or (ii) contracts or leases between public corporations or municipalities, but including the principal amount of the Installment Purchase Agreement authorized by this resolution, shall not exceed one and one-quarter percent (1-1/4%) of the taxable value of the real and personal property in the City.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. Acquisition of the Property is hereby found to be a public purpose and in the best interest of the health, safety and welfare of the City.
2. The City hereby approves the proposal of the Bank and authorizes and directs the Mayor and City Clerk (i) to execute an Installment Purchase Agreement (the “Agreement”) in the amount of \$100,000 in such form as shall be approved by the Mayor and the City Clerk, and (ii) to execute an Installment Note (the “Note”) with the Bank in conformance with the Agreement, each with an interest rate on the principal amount outstanding of four and 30/100ths percent (4.30%) per annum.
3. The City shall include in its budget each year the amount necessary to make its percentage share of all installment payments of principal and interest under the Agreement during such year, when and as the same shall become due.
4. The City shall, at all times while any payments on the Agreement are outstanding, have control of the Property jointly with the Township and shall maintain the same for public purposes.

5. The useful life of the Property is hereby determined to be at least seven (7) years.
6. The obligation of the City to make the principal and interest payments pursuant to the Note are the general obligations of the City, and the City hereby pledges its limited tax, full faith and credit, general obligation to the payment of principal of and interest on the Note, subject to charter, constitutional and statutory limitations.
7. The City hereby covenants and agrees for the benefit of the Bank, and any assignee thereof, that it will comply with all applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and except as required by law, will take no action or omit to take any action which, by commission or omission, would cause the payments on the Note (the "Installment Payments") not to be excluded from the adjusted gross income of the Bank for Federal income tax purposes or to be "arbitrage bonds" as defined in Section 148 of the Code and any successor provision, act or statute and the regulations from time to time promulgated or proposed thereunder.
8. The City will not permit any of the proceeds of the Agreement or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of any of the payments on the Note from the treatment afforded by Section 103(a) of the Code, as amended from time to time, by reason of the classification of such payments as "private activity bonds" within the meaning of Section 141 of the Code, or as obligations guaranteed by the United States of America, as provided in Section 149(b) of the Code; or cause the interest on the Installment Payments to be includable in any alternative minimum tax other than an alternative minimum tax which applies to all tax exempt bonds generally.
9. The City reasonably anticipates that the amount of qualified tax-exempt obligations which will be issued by the City and all subordinate entities during the calendar year of 1998 and 1998 shall not exceed \$10,000,000 in any one of those years.
10. The City hereby designates the Installment Payments in the total principal amount of \$100,000 and the City's share thereof as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). The City shall reimburse the Bank for the City's share of all interest deductions that are lost under Section 265(b)(1) of the Code if the obligation is not a qualified tax-exempt obligation. Should the tax-exempt status be revoked, lost or forfeited, the interest rate on the obligation shall at such time be increased to the taxable yield equivalent to the tax-exempt rate provided.
11. The proceeds of the Note shall not be used to reimburse the City for expenditures incurred prior to the declaration of official intent required by Section 1.103-8(a)(5) of the Treasury regulations.

12. The authority granted herein shall not be construed to require the City to levy taxes in excess of any constitutional or statutory limitations.
13. The Mayor and the City Clerk are hereby authorized to do all acts and things and to execute any documents or certificates as may be necessary or desirable, and to deliver such documents to the parties to effectuate the transaction described in the Agreement.
14. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and they are hereby rescinded.

Roll call vote:

Yes: Bendall, Dumond, Bayless, Ockerman, Reid.

No: None.

Motion CARRIED

ESTABLISHMENT OF CUSTODIAL ACCOUNT AND LIFE INSURANCE TRANSFER

AUTHORIZATION: Ms. Hitchcock advised the authorization protects the employees' contributions and complies with federal law. Dumond moved, Ockerman seconded to approve the Establishment of Custodial Account and Life Insurance Transfer Authorization.

Roll call vote:

Yes: Ockerman, Dumond, Reid, Bayless, Bendall.

No: None.

Motion CARRIED

INVESTMENT AND DEPOSITORY DESIGNATION RESOLUTION: Ms. Hitchcock advised that a new law went into effect this year that the city has to follow. Bendall moved, Dumond seconded to approve the following resolution:

Investment and Depository Designation Resolution

WHEREAS, the Council of City of Corunna, Shiawassee County, in exercising its fiduciary responsibilities desires to safeguard the funds of the city that may be invested from time to time, and

WHEREAS, Public Act 77 of 1989, MCL 41.77 requires that the city council designate the banks or depositories for the money belonging to the city, including the time for which the deposits shall be made and all details for carrying into effect the authority given in this act, and

WHEREAS, Public Act 196 of 1997, MCL 129.91 et seq. requires the city council, in consultation with the city treasurer, to adopt an investment policy, now

THEREFORE BE IT RESOLVED, that this policy is applicable to all public funds belonging to City of Corunna and in the custody of the city treasurer.

BE IT FURTHER RESOLVED, that the City of Corunna's treasurer is authorized to manage funds belonging to the city, including depositing funds in approved financial institutions and administration of investments in conformance with MCL 41.77 and policies as set forth in this resolution.

BE IT FURTHER RESOLVED, that the city council approved the following financial institutions as depositories of city funds:

Old Kent Bank-Central
123 N. Washington St.
Owosso, MI 48867

Republic Bank
1070 E. Main St.
Owosso, MI 48867

Chemical Bank-Key State
100 E. Main Street
Owosso, MI 48867

Dean Witter Reynolds, Inc.
2367 S. Linden Rd.
Flint, MI 48532

First Federal of Michigan
200 E. Main St.
Owosso, MI 48867

BE IT FURTHER RESOLVED, that the treasurer shall recommend financial institutions for approval for the safekeeping of city funds based on an evaluation of the performance and solvency of the institution, as well as past performance in exercising due care and prudence in managing the custody of city funds held in trust, if applicable. The treasurer shall periodically evaluate approved and potential financial depositories and shall make recommendations as to appropriate changes in approved depositories when warranted.

In determining safekeeping and custody qualifications, financial institutions document a minimum capital requirement of at least \$10,000,000 and at least five years of operation. All financial institutions and brokers/dealers shall be pre-qualified by supplying the following:

- Audited financial statements
- Proof of NASD certification or FDIC insurance
- Proof of state registration
- Certification of having read, understood and agreement to comply with the City of Corunna's investment policy.

The treasurer shall annually examine the financial condition and registrations of qualified financial institutions and brokers/dealers by obtaining annual updates of the information listed above.

BE IT FURTHER RESOLVED, that when the treasurer's analysis of the city's cash flow requirements reveal that surplus funds will not be required to meet current expenditures for a specific length of time, the treasurer is authorized to make prudent investments for a length of time that will provide a reasonable return on investment yet ensure that such funds will be available when needed and will not be exposed to undue risk. The treasurer is authorized to invest city funds in the following instruments:

- (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- (c) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- (d) Repurchase agreements consisting of instruments listed in subdivision (a).
- (e) Bankers' acceptances of United States banks.
- (f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating services.
- (g) Mutual funds registered under the investment company act of 1940, title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
 - (i) The purchase of securities on a when-issued or delayed deliver basis
 - (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
 - (iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

- (h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- (i) Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
- (j) The investment polls organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Investments in mutual funds shall be limited to securities whose intention is to maintain a net asset value of \$1.00 per share.

BE IT FURTHER RESOLVED, that the Corunna City Council may, at its discretion, and upon the recommendation of the city treasurer, authorize the city treasurer to invest in the following investment instruments. However, the city treasurer is required to obtain prior approval from the city council prior to acquiring or increasing the amount of city funds in the following investment instruments.

BE IT FURTHER RESOLVED, That the objectives of this policy are:
foremost, maintain safety of principal of city funds;
secondarily, maintain a diversified investment portfolio;
maintain adequate liquidity;
achieve a market rate of return on relatively safe investment instruments.

To accomplish these objectives, decisions and actions involving the city's investment portfolio shall meet the following criteria:

Safety: Safety of principal is the foremost objective of the city's investment practices. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio. The treasurer shall minimize credit risk by investing only in the safer types of securities pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisers with whom the city will do business; and diversifying the investment portfolio so that the impact on the investment portfolio resulting from losses on individual securities will be minimized.

Diversification: The investments shall be diversified by avoiding over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities). Investments shall have varying maturities. Investment instrument selection shall avoid high credit risks and shall include use of readily available funds such as local government investment pools or mutual funds to maintain sufficient liquidity.

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Securities shall have many maturity dates concurrent with cash flow needs. Securities with active secondary or resale markets, as well as money market mutual funds offering same-day liquidity for short-term funds shall also be used to ensure liquidity. The treasurer shall minimize interest rate risk by avoiding the need to sell securities prior to maturity and investing operating funds primarily in short term-securities, money market mutual funds or similar public investment polls. Securities shall not normally be sold prior to maturity except to minimize loss of principal; to improve the quality, yield or target duration in the portfolio; or to meet liquidity needs.

Return on Investment: The investment portfolio shall be designed to attain a market average rate of return during budgetary and economic cycles while taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety and liquidity objectives. The core of investments is limited to relatively low risk securities, and a fair rate of return relative to risk is assumed.

BE IT FURTHER RESOLVED, that the treasurer shall make such investments and only such investments as a prudent person would make in dealing with the property of another, having in view the preservation of the principal and the amount and regularity of the income to be derived.

The standard of prudence to be used shall be the “fiduciary” standard and shall be applied in context of managing an overall portfolio.

BE IT FURTHER RESOLVED, the treasurer may elect to have certificates and other evidence of investments held by a financial institution, provided that the financial institution presents to the city treasurer sufficient documentation and acknowledgement of the investment instruments held on behalf of the city.

BE IT FURTHER RESOLVED, that the treasurer shall refrain from personal business activity that could conflict with the proper execution and management of city investments, or that could impair the treasurer’s ability to make impartial investment decisions.

BE IT FURTHER RESOLVED, that the treasurer shall annually provide a written report to the City Council concerning the investment of the city’s funds.

BE IT FURTHER RESOLVED, that the city shall comply with all applicable statutory standards for investment of public funds as they now exist or as they may be subsequently amended. Any provision of this resolution that conflicts with applicable statutory requirements and standards is void.

Roll call vote:

Yes: Dumond, Ockerman, Bendall, Reid, Bayless.

No: None.

Motion CARRIED

CONSIDER UPGRADES TO UNDERGROUND STORAGE TANKS: Mayor Weaver advised council that Tom Svrcek has recommended upgrading the storage tanks rather than removing them. Dumond moved, Ockerman seconded to accept the bid from Strick Equipment Sales for \$7,415 to upgrade the underground storage tanks with the funds to be transferred out of the Motor Pool Fund and to adjust the budget accordingly.

Roll call vote:

Yes: Reid, Ockerman, Bayless, Bendall, Dumond.

No: None.

Motion CARRIED

CONSIDER RE-APPOINTMENTS AND APPOINTMENTS: Dumond moved, Reid seconded to re-appoint Jeff Wolf to the Board of Appeals, term to expire 12-31-2001; to re-appoint Charlie Fernette and Robert Morehouse to the Board of Review, terms to expire 12-31-2001; to re-appoint Don Olmsted to the Building Authority, term to expire 12-31-2003; to re-appoint Mike McMillan to the Cemetery Board, term to expire 12-31-2003; to re-appoint Dave Stechschulte, Dr. James Billis and Sandie Yerian to the Downtown Development Authority, terms to expire 12-31-2002; to re-appoint Jack Gerhold to the Economic Development Fund Board, term to expire 12-31-2001; to re-appoint Gary Schooley, Deana Finnegan, and Brenda Jordan to the Fourth of July Commission, terms to expire 12-31-2001; to re-appoint Judy Horton, Pat Rock, Dan Schmidt, and Kay Seward to the Historical Commission, terms to expire 12-31-2001; to re-appoint Deborah Bendall to the Library Board, term to expire 12-31-2003; to re-appoint William Graham, Terry Hayes, Karen Hornus, Thomas Petersen, and Kathy Svrcek-Hetfield to the Parks and Recreation Commission, terms to expire 12-31-2001; to appoint Joe Williams to the Planning Commission to replace Charles Fernette, term to expire 12-31-2000; to re-appoint Douglas Edwards, Jack Gerhold, and Jan Scott to the Planning Commission, terms to expire 12-31-2001; to re-appoint Tony Toma to the Softball Commission, term to expire 12-31-2001; to appoint Larry Runyan to the Forest Management Commission to replace Charles Fernette, term to expire 12-31-2001; and to delete of Rick Sleseman from the Softball Commission.

Roll call vote:

Yes: Bayless, Reid, Bendall, Ockerman, Dumond.

No: None.

Motion CARRIED

CONSIDER RESIGNATION: Reid moved, Bendall seconded to accept the resignation of Tom Svrcek with regrets. Mayor Weaver thanked Mr. Svrcek for what he has done for the city and wished him the best in his new position.

Roll call vote:

Yes: Bendall, Dumond, Bayless, Ockerman, Reid.

No: None.

Motion CARRIED

CONSIDER REQUEST FROM TOM SVRCEK: Bendall moved, Reid seconded to grant the request from Tom Svrcek to allow four months of generic time purchase from the Municipal Employee's Retirement System. Councilperson Ockerman advised the request would not cost the city anything since it is Mr. Svrcek's money.

Roll call vote:

Yes: Ockerman, Dumond, Reid, Bayless, Bendall.

No: None.

Motion CARRIED

PRE-COUNCIL: Councilperson Dumond asked if the deadline for the underground storage tank was Tuesday. Tom Svrcek advised yes, but the government has extended the deadline six months. Councilperson Ockerman asked what the storage tank life expectancy was. Mr. Svrcek advised 30 to 35 years. Councilperson Ockerman asked how long the storage tanks have been in place. Mr. Svrcek advised the storage tanks were installed in 1984. Councilperson Bayless asked if the six-month reprieve would allow the city to continue using the storage tanks. Mr. Svrcek advised yes, the reprieve gives the city six months to comply with the law.

Councilperson Dumond questioned the SL&H invoice for the blade installation on the dump truck. He advised the invoice was considerably less than what was originally quoted. Mr. Svrcek advised the invoice amount should have been \$4,000.

COMMENTS: Councilperson Ockerman advised a member of the Fire Board received a complaint from someone about being mistreated at city hall. Councilperson Ockerman stated this person came in city hall for a burning permit. Ms. Hitchcock advised city hall does not issue burning permits. She further advised she would look into the situation.

Tom Svrcek thanked council for his open house.

Gary Schooley advised there were 500 bulbs taken from the lights in the park and those responsible were apprehended. Mayor Weaver asked if the city would receive restitution. Mr. Schooley advised he anticipated there would be restitution, and the city would ask the judge to have the kids who were involved help set up the lights next year. Dr. Billis asked if anything was being done to replace the bulbs. Mr. Schooley advised yes.

Councilperson Dumond advised the Airport Board members were introduced to the Shiawassee Airport Advisory Committee, which is made up of private hangar owners. These hangar owners just formed a new organization for the primary purpose of being an aid to the Airport Board. He further advised the committee asked the board to accept a non-voting member from their organization, which the charter states is acceptable. The committee recommended Dr. Greg Hook, and he was approved by the Airport Board.

Councilperson Dumond also advised the lawsuit against the Airport Board by the private hangar owners is still pending. Councilperson Dumond stated there was discussion at the meeting about how the new driveway was coming along and reported that the road commission has received a grant for the driveway. He further stated he advised the board that as far as he was concerned everything was on hold until the lawsuit is settled. He also stated an hour after the Airport Board meeting, the hangar owners met to find a way to take care of the lawsuit.

Ms. Hitchcock advised the city has received preliminary approval on the funding for the Kingsley/McArthur Street project. She further advised at the last meeting, there was a complaint from a resident about the ambulance snow plowing. A letter has been to them requesting that they check for sight clearance before they plow. She also advised she contacted the Department of Natural Resources about funding for the river. She reported that all funding goes to the sheriff's department, and there is no funding available for cities. Ms. Hitchcock stated she would talk to the sheriff, but the funding that is available for an area like Corunna is for training.

ADJOURN: Dumond moved, Bendall seconded to adjourn.

Roll call vote:

Yes: Dumond, Ockerman, Bendall, Reid, Bayless.

No: None.

Motion CARRIED Time was 8:30 p.m.

AVERY WEAVER, MAYOR

YVONNE F. LONG, CITY CLERK