

City of Corunna
Regular Council Meeting
Tuesday, January 4, 2005

Present: Corey, Johnson, Spring, Mehigh, Sanderson, Wagner.

Absent: Runyan (excused).

Guests: Joe Sawyer, City Manager; Helen Granger, The Independent; Judy Horton; Chief Mark Hetfield, Police Department; Angie Fernette; Jack & Tina Johnson; Jan Scott; Sgt. Kevin Clark, Police Department; Nichole Cowdrey, Treasurer; Bill Striggow; Drew Acre, The Argus Press; Merilee Lawson, Assessor/Planner; Tom & Sara Chaffee; Brian Nelson; and other concerned citizens.

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

MINUTES OF THE PREVIOUS REGULAR MEETING: Johnson moved, Wagner seconded to accept the previous regular meeting minutes dated December 20, 2004 as presented.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Spring, Mehigh.

No: None.

Motion CARRIED

AGENDA APPROVAL: Wagner moved, Johnson seconded to approve the agenda as presented with the addition of Item No. 8) Consider Mayor's Request to be Excused From Meetings, Item No. 9) Consider Purchase Agreement from PTL Management, Item No. 10) Consider Councilperson Mehigh's Request to be Excused from the January 18, 2005 Meeting, Item No. 11) Set Public Hearing to Repeal Section 50-141, Hunting Restrictions for February 7, 2005 at 7:15 p.m., Item No. 12) Set Public Hearing to Amend Section 50-140, Discharge of Weapons for February 7, 2005 at 7:45 p.m., and Item No. 13) Set Public Hearing to Amend Section 50-142, Manufacturing, Possession and Sale of Fireworks for February 7, 2005 at 8:00 p.m.

Roll call vote: Yes: Spring, Mehigh, Wagner, Johnson, Sanderson. No: None.

Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Wagner moved, Johnson seconded to approve the vendor disbursements dated December 30, 2004 as presented.

Roll call vote: Yes: Wagner, Spring, Sanderson, Mehigh, Johnson. No: None.

Motion CARRIED

CITY MANAGER'S REPORT: Joe Sawyer stated he is working very hard to get the Ad-Hoc Committee together. He is in the process of doing some survey work to update the survey that was done three years ago. He further stated Bill Striggow, Keith Johnson, Roger Rathbun, Gary Schooley and Bus Spaniola have come forward to be on the committee. There are three employees, Frank Rodriguez, Gary Blahnik and Merilee Lawson, who are residents of the city and have also expressed interest. Mr. Sawyer also stated he will have a mission statement to present to council at the next council meeting before the first

committee meeting is called. Mr. Sawyer advised it is difficult to get apple-to-apple comparisons on how other communities are doing business because there are so many different nuances to the operations. There are some communities who have public safety millages that receive \$300,000 or \$400,000 per year for their public safety support. Mayor Corey advised a letter was sent to both newspapers and if someone is interested in being on the committee, they should contact city hall.

CONSIDER APPOINTMENT OF TINA JOHNSON TO THE CORUNNA FOURTH OF JULY

COMMISSION: Johnson moved, Sanderson seconded to approve the appointment of Tina Johnson to the Corunna Fourth of July Commission to serve at the pleasure of the council for a term to begin upon the taking of the oath of office and continuing indefinitely.

Roll call vote:

Yes: Sanderson, Mehig, Johnson, Spring, Wagner.

No: None.

Motion CARRIED

CONSIDER 2004/2005 BUDGET AMENDMENT 1, RESOLUTION NO. 010405-01: Mr.

Sawyer reviewed the budget amendments. Wagner moved, Sanderson seconded to approve the following resolution as presented:

**RESOLUTION 010405-01
RESOLUTION AMENDING THE 2004/2005 BUDGET**

WHEREAS, The City Council of the City of Corunna desires to Amend the 2004/2005 Budget to Adjust Departmental Expenditures within the Original General Fund Appropriation;

NOW THEREFORE BE IT RESOLVED, that the budget for the City fiscal year beginning July 1, 2004 after recommendation by the City Manager be amended by the City Council as described as follows:

<u>Fund. #</u>	<u>Fund. Name</u>	<u>FROM:</u>	<u>TO:</u>
101	General Fund	\$1,680,984	\$1,680,984

General Fund Expenditures:

<u>Dept. #</u>	<u>Dept. Name</u>	<u>FROM:</u>	<u>TO:</u>
101	City Council	\$63,486	\$44,906
172	City Manager's Office	\$104,150	\$103,251
203	Internal Services	\$68,327	\$71,811
215	City Clerk's Office	\$78,808	\$77,089
253	City Treasurer's Office	\$67,413	\$69,787
257	Assessment/Planning/Review	\$65,728	\$64,578
262	Elections	\$7,400	\$10,000
265	Municipal Building	\$46,741	\$51,641
301	Police	\$390,409	\$426,775
441	Public Works	\$274,042	\$276,679

751	Parks & Recreation	\$70,642	\$64,392
955	Retiree's Benefits	\$33,480	\$27,219
967	City Services	\$208,653	\$191,153

BE IT, the same is hereby adopted, and the amount therein provided as recommended; appropriations are hereby appropriated according to the departmental totals.

BE IT FURTHER RESOLVED, to amend the following fund appropriations:

<u>Fund. #</u>	<u>Fund. Name</u>	<u>FROM:</u>	<u>TO:</u>
213	Municipal Building	\$37,500	\$67,500
215	Forest Commission	\$0	\$5,000
216	Heritage Park	\$5,500	\$18,500
271	Library Fund	\$84,640	\$40,513

Roll call vote:

Yes: Mehigh, Spring, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED

CONSIDER DDA REQUEST FOR USE OPTION OF OLMSTED COMMUNITY ROOM:

Mr. Sawyer explained the DDA is working on some projects in the downtown area in order to see some commercial development happen. The DDA has been working with the county to develop some parking lots, which has been difficult since the DDA is working with eight different parties to put some plans together. He further explained one difficulty that keeps resurfacing might require a rapid relocation of certain businesses in the private sector or county operations in order to facilitate the private investment. This is one way to take one of the mysteries out of the equation when it comes to negotiations since there is a resource available that can be used on a temporary basis because the mystery of not knowing if anything is available is creating some obstacles within the negotiations. Mr. Sawyer advised he felt the proposal was fair and if the DDA feels it needs to exercise its option to lease the space from the city, the DDA would pay the city \$14,000 a year to use the space. Wagner moved, Johnson seconded to approve the request by the Corunna Downtown Development Authority for use and one year option to lease the Olmsted Community Room at the rate of \$8.00 per square foot per year with the DDA paying all utilities, taxes, expenses and any remodeling needs for a lease period not to exceed two years and with the DDA responsible for returning the premises to the current state and condition after any such use.

Roll call vote:

Yes: Johnson, Sanderson, Wagner, Mehigh, Spring.

No: None.

Motion CARRIED

CONSIDER PURCHASE OF VISION STICK FOR MANHOLE INSPECTION: Mehigh moved, Wagner seconded to table the purchase of a Vision Stick to the first regular meeting in

February.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Spring, Mehigh.

No: None.

Motion CARRIED

CONSIDER ELECTION INSPECTOR WAGER COMPARISON: Mr. Sawyer advised the last pay increase for election inspectors was in November 2000, which went into effect in January 2001 and it appears this issue has been addressed after each general election. The estimated cost would be \$826 per year if there were four elections. He further advised he had Ms. Lawson look into the board of review wages and it appears that there are no set standards whatsoever. It would cost the city roughly \$40 per year for the board of review wage increase. Councilperson Spring asked what prompted this issue to be brought up at this point. Mr. Sawyer advised it was just a request from the clerk for review. Mehigh moved, Sanderson seconded to increase the Election Workers and Board of Review compensation to \$8.00 per hour with an extra \$15.00 per election for Election Chairpersons.

Roll call vote:

Yes: Spring, Mehigh, Wagner, Sanderson.

No: Johnson.

Motion CARRIED

CONSIDER CLERK/TREASURER POSITION: Mr. Sawyer advised as instructed by the council, he was to make a recommendation on who would fill the clerk/treasurer position as of July 1, 2005 and recommend additional staff reorganization plans within the front office to accommodate that change. The city received one application, which was from Nichole Cowdrey, and he felt she would do an excellent job. He further advised he does not feel any additional structural changes in the front office are necessary at this time although he is evaluating shift issues, open days and hours issues that may improve efficiency in public service. Councilperson Mehigh asked if that was the only application he received. Mr. Sawyer advised yes. Councilperson Sanderson stated he wanted to take the time to congratulate Ms. Cowdrey on her self-analysis of her program. Her letter was very outstanding and right to the point. Wagner moved, Johnson seconded to appoint Nichole Cowdrey to the City of Corunna Clerk-Treasurer position effective July 1, 2005.

Roll call vote:

Yes: Wagner, Spring, Sanderson, Mehigh, Johnson.

No: None.

Motion CARRIED

CONSIDER APPOINTMENT OF DAWN RODRIGUEZ TO THE CORUNNA FOURTH OF JULY COMMISSION: Johnson moved, Sanderson seconded to approve the appointment of Dawn Rodriguez to the Corunna Fourth of July Commission to serve at the pleasure of the council for a term to begin upon the taking of the oath of office and continuing indefinitely.

Roll call vote:

Yes: Sanderson, Mehigh, Johnson, Spring, Wagner.

No: None.

Motion CARRIED

CONSIDER MAYOR'S REQUEST TO BE EXCUSED FROM MEETINGS: Johnson moved, Wagner seconded to excuse Mayor Corey from regular duties for a consecutive 60-day period beginning February 1, 2005 and specifically excused from regular Corunna City Council meetings on February 7, 2005; February 23, 2005; March 7, 2005; and March 21, 2005.

Roll call vote:

Yes: Mehigh, Spring, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED

CONSIDER PURCHASE AGREEMENT FROM PTL MANAGEMENT: Tom Chaffee advised he dropped off a folder that outlined his proposal and asked if council had an opportunity to read the proposal. Mayor Corey advised he believed so. He asked Mr. Chaffee if he had anything additionally to offer. Ms. Lawson explained Mr. Chaffee made a proposal a month ago to pay the city off for the building with a lump sum of money and his intent is to try and increase his business and purchase additional equipment. She further explained he is asking as part of his financing package to buy out the city, which will allow him to do this. Mr. Chaffee advised his proposal is to pay the city \$623,000 to payoff the property and donate an additional \$20,000 towards the boat launch. He has done many calculations, cut corners and has done everything possible within his current financial means to grab onto an open market that currently has no competition in the United States that has to do with inflatable boat components. He further advised every inflatable dealer has to have repair items and these items have to be imported from Taiwan, China, South Africa and often production is delayed by not being able to get a backordered product. His company has been in business for 10 years and his company has grabbed the attention of everyone from Mercury Marine to Zodiac and these companies know what his company is intending to do. He also advised Mercury Marine has told him they will give his company a contract for 5,000 boat dealerships if his company can produce the boats. Mr. Chaffee stated everything is falling into place and he has the opportunity to purchase an entire machine shop which is ideal for what his company needs to build anything that involves an inflatable product and that opportunity is available now. He has a journeyman machinist in the family that can set up and run the machinery but the actual machine running will create quite a few jobs. He further stated he has put every bit of property that he owns up as collateral and giving it all away is just a little bit tough. If the city accepts his offer, the city will allow him to purchase the machine shop equipment and revamp the electrical wiring in the whole building. Sara Chaffee stated any cosmetic work done to the building will enhance the building and will make it more attractive to bringing in other manufacturers. Mr. Chaffee advised if everything goes as planned, there will not be any room in that building for anyone to rent. Mr. Sawyer stated the gift of the building to the city from KVYN was for industrial development to improve the city's economy. He further stated the city has a piece of paper that is worth \$750,000 but the city cannot build an industrial park with a piece of paper. Councilperson Spring stated he hoped this was

not something that the council was going to take action on tonight. Mayor Corey advised council just might. Councilperson Spring advised he got his packet at 6:15 p.m. and has not gotten a chance to look at it. Mayor Corey stated he understood that but he did not know what the Chaffee's timeframe was because the Chaffee's are saying this needs to be done by the third week in January. The council has another meeting on January 18 and he did not think council should make any decision that they are not prepared to make and that is why he is hoping that through discussion the council might be able to get where it needs to be tonight. Councilperson Mehig stated Mr. Chaffee is on a deadline basis and he thought the city should do everything it could do to help him as much as possible. Mayor Corey advised council needs to get some other facts and that is why there is discussion going on. He asked Mr. Chaffee if he had an actual contract with Mercury at this point. Mr. Chaffee advised Mercury will not issue a contract until he can prove that the building is capable of producing. Mayor Corey asked when the building would be ready to go if the city council comes to some sort of agreement tonight. Mr. Chaffee advised the electric is really stopping him from moving forward and getting the contract. Mayor Corey asked at what point would the building have to be developed to satisfy Mercury and if the building had to be at 100 percent ready to go. Mr. Chaffee advised no, he just needs a plan and a funding proposal. Mayor Corey asked if a portion of the building would be allocated for tool and die work. Mr. Chaffee advised yes but the equipment will only produce molds that will fit inflatable boats. Mayor Corey asked if there was anyone else in the United States making inflatable boats. Mr. Chaffee advised no. Mayor Corey asked if Mercury was currently contracting with another boat builder to build inflatable boats for them. Mr. Chaffee advised yes. Mayor Corey asked where the company was located. Mr. Chaffee advised Italy. Councilperson Johnson stated the council has given a lot and the proposed amount is not what the council expected, but the city is not in the real estate business, which is one thing she is glad the city is trying to get out of. She further stated she would personally like to see the amount a little bit higher so the city can get what it needs for the city's other property on Parmenter Road. Mr. Chaffee stated he has had conversations with Mr. Sawyer and Ms. Lawson and they both stated the same thing. He further stated he could see the council is having a hard time considering taking such a big cut but his window of opportunity is now. He has made cuts wherever he could and a lot of the places that will be tight will be with the employee attractions to get people to work for his company. He also stated he can offer the employees \$7.00 per hour to start and there will be a lot of initial expenses to get started. Councilperson Johnson stated she knew where he was going and she understood his side and she hoped he would understand her side. Mr. Chaffee advised he did. Councilperson Mehig asked how many jobs would be created. Mr. Chaffee advised he originally stated within a two-year period of time there would be 200 employees. Councilperson Mehig stated he would like to make a proposal that the council drop the \$20,000 for the boat launch and ask \$650,000 for the total package. Mayor Corey asked Councilperson Mehig if he was asking not to tie in the boat launch to the purchase and make it a separate issue to be dealt with at a later time and do a \$650,000 cash out counter offer. Councilperson Mehig advised that was correct. Mayor Corey advised it was his understanding that the grant is tied to Mr. Chaffee's investment and jobs. Ms. Lawson stated the grant is tied directly to Mr. Chaffee's enterprise. Mayor Corey advised the grant is not necessarily a done deal because there are other issues involved. Ms. Lawson advised the city has not been officially accepted but has received a

favorable nod that this might happen but the city will not know until February or March. If the city is awarded the grant, the city will have to figure out a way to come up with \$20,000 to match the grant. She further advised Mr. Chaffee started his lower end wages at \$6.75 per hour but the Michigan Economic Development Corporation informed him they needed \$7.00 per hour and Mr. Chaffee agreed to that. She also advised Mr. Chaffee has to put together a letter stating how much he would be investing in the building and based on that letter, the Michigan Economic Development Corporation will decide on whether to give the city the grant. Mr. Sawyer advised Mr. Chaffee needs \$400,000 in private investment and a minimum of 20 new jobs in a two-year timeframe. Ms. Lawson stated she has been down to the business several times and there is no question that they are doing what they have stated they want to do. She further stated since this money is so crucial to the city's industrial park development, getting the money up front will guarantee the city that it will have the money to proceed with the industrial park plan and she hopes the Chaffee's make their success story huge, but if they do not, the city has its money. Mr. Chaffee stated he has spent a lot of money in the last 10 years and has been hurt by some of the most crooked and evil people but has survived by the grace of God. He further stated he believes he is in Corunna for a reason and feels for the first time since he started the company that he has a home. Councilperson Sanderson asked Mr. Chaffee if \$650,000 was agreeable. Mr. Chaffee stated something will have to be cut but he would be agreeable to that amount. Councilperson Sanderson stated the building was a gift to the city and the council has a chance to do something with the building and make some money to move forward in other areas in the city and this should be a go in his opinion. Mayor Corey asked Councilperson Mehig if he would consider revising his motion to also include authorize appropriate signatures to be done to make the sale if acceptable to PTL Land Management and to close the sale within 30 days. Councilperson Mehig advised he would amend his motion. Councilperson Wagner amended his second. Mayor Corey advised the motion is to authorize the sale of the Strawsine Industrial Complex to PTL Land Management in a cash out amount of \$650,000 and authorize the City Manager and/or Mayor and/or Clerk to sign the papers and to close the sale within 30 days.

Roll call vote:

Yes: Johnson, Sanderson, Wagner, Mehig, Spring.

No: None.

Motion CARRIED

CONSIDER COUNCILPERSON MEHIGH'S REQUEST TO BE EXCUSED FROM THE

JANUARY 18, 2005 MEETING: Johnson moved, Wagner seconded to excuse Councilperson Mehig from the January 18, 2005 meeting.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Spring, Mehig.

No: None.

Motion CARRIED

SET PUBLIC HEARING TO REPEAL SECTION 50-141, HUNTING RESTRICTIONS FOR

FEBRUARY 7, 2005 AT 7:15 P.M.: Johnson moved, Wagner seconded to set a public hearing to repeal Section 50-141, Hunting Restrictions for February 7, 2005 at 7:15 p.m.

Roll call vote:

Yes: Spring, Mehigh, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED

SET PUBLIC HEARING TO AMEND SECTION 50-140, DISCHARGE OF WEAPONS FOR

FEBRUARY 7, 2005 AT 7:45 P.M.: Wagner moved, Johnson seconded to set a public hearing to amend Section 50-140, Discharge of Weapons for February 7, 2005 at 7:45 p.m.

Roll call vote:

Yes: Wagner, Spring, Sanderson, Mehigh, Johnson.

No: None.

Motion CARRIED

SET PUBLIC HEARING TO AMEND SECTION 50-142, MANUFACTURING, POSSESSION

AND SALE OF FIREWORKS FOR FEBRUARY 7, 2005 AT 8:00 P.M.: Johnson moved, Wagner seconded to set a public hearing to amend Section 50-142, Manufacturing, Possession and Sale of Fireworks for February 7, 2005 at 8:00 p.m.

Roll call vote:

Yes: Sanderson, Mehigh, Johnson, Spring, Wagner.

No: None.

Motion CARRIED

ROUNDTABLE DISCUSSION: Councilperson Mehigh wished Shirley Sanderson a speedy recovery from her accident and surgery.

Councilperson Spring stated at the last meeting he brought up Barry Lewis' driveway and sidewalk. He asked if anyone had the chance to look at it. Mr. Sawyer advised he has not heard anything. Councilperson Spring advised he shoveled the snow away and a whole block of his sidewalk was busted out. Mr. Sawyer stated he was sure someone was called. Councilperson Spring stated he did not think anything needed to be addressed until spring but he was concerned that more of Mr. Lewis' asphalt will be dug up when his driveway is plowed out and it will cost the city more to patch the driveway.

Councilperson Johnson stated she thought council did a good job with the Dux Boat decision and she wanted to thank everybody that put forth an effort. Everyone should be real proud that Dux Boats want to be part of Corunna.

Councilperson Sanderson stated he took another project upon himself by trying to get someone to come in and help the elderly with their snow removal. He contacted the mental health association and they have people that do this. He further stated he talked to Cheryl Warren at the Argus Press and she is going to put a piece in the paper when he gets all the facts together and maybe he can get the Independent to do the same thing. He also stated he hopes to have more information by the middle of the week. Mr. Sawyer asked if there was a charge for this. Councilperson Sanderson advised yes, they have a man who

looks at the property to find out what is needed and he gives an estimate. This is something that can be offered to the people so they do not have to worry about getting a ticket.

Mayor Corey agreed with Councilperson Johnson and advised he felt council made a good decision with Dux Boats. He knew this was a large issue to be thrown at council tonight and the city has given Dux Boats a lot to encourage them to stay in the community. He stated the money would allow the city to get grant money for the city's industrial land that it purchased.

ADJOURN: Wagner moved, Sanderson seconded to adjourn. Roll call vote: Yes: Mehig, Spring, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED Time was 8:53 p.m.

STEVE COREY, MAYOR

YVONNE F. LONG, CITY CLERK