

May 10, 2010

Regular meeting of the Ludington City Council held in the Council Chambers of the Municipal Building on Monday, May 10, 2010, at 6:30 o'clock p.m.

Present: His Honor Mayor John Henderson, and Councilors Kaye Holman, Paul Peterson, Wally Taranko, Brent Scott, Wanda Marrison, Pete Engblade, and Gary Castonia.

Absent: None.

Also present were City Manager John Shay, City Attorney Richard Wilson, Police Chief Mark Barnett, Fire Chief Jerry Funk, Interim City Treasurer Linda Rogers, and City Clerk Deborah Lusk.

Invocation was pronounced by Councilor Engblade.

Pledge to the Flag was given.

Moved by Councilor Castonia, seconded by Councilor Holman, that the Agenda be approved as presented. Motion Carried.

His Honor Mayor Henderson recognized our County Commissioner Joe Lenius who was in attendance at tonight's meeting.

The meeting was opened for public comments.

After no comments were received, the regular order of business was resumed.

Moved by Councilor Engblade, seconded by Councilor Marrison, to approve the minutes of the regular meeting 04/26/10. Motion Carried.

The meeting was opened for the scheduled public hearing on the closure of Façade Grant Programs MSC-200745-CAT and MSC-200814-CAT.

Community Development Director Heather Venzke provided an update on these two façade grants which were 50/50 matching grants. The owner would spend 50% of the cost to improve the exterior of their building and the State of Michigan would spend 50% of the total cost. As a condition of these grants, a public comment period is required so that the State of Michigan is given opportunity to hear feedback on how these projects went. MSC-200745-CAT included the front of Sportsman's Restaurant, the front and back of the old Granary Building, and the rear entrance to the Redolencia Coffee House along with a deck. MSC-2020814-CAT included the front and side of Snyder's Shoes and the Rath Building which was repainted and the front and back entrances redone along with the sidewalk. After no further comments were received the regular order of business was resumed. Moved by Taranko, seconded by Councilor Holman, to close out Grants MSC-200745-CAT and MSC-200814-CAT. Motion Carried.

The meeting was opened for the scheduled public hearing on the Façade Grant at 103 W Ludington Ave. Community Development Director Heather Venzke explained that this is the third façade program and is for the expanded portion of Luciano Restaurant to remove the wood structure and updating the façade to match the current use and more of a traditional downtown use.

After no comments were received the regular order of business was resumed.

RESOLUTION TO APPLY FOR MICHIGAN ECONOMIC DEVELOPMENT CORPORATION FAÇADE IMPROVEMENT PROJECT

WHEREAS, the City of Ludington is interested in the continuing effort to enhance the appearance of downtown Ludington;

WHEREAS, said Ludington City Council has reviewed and understands the content of the application for funding for the Façade Improvement Program and supports the application to apply for matching funds for 1 downtown building in the amount of \$36,705.00 in CDBG dollars and \$34,000 in local dollars supplied by the participating property owners and certifies that this program is consistent with the local Community Development plan as described in the application; and

WHEREAS, the Ludington City Council recognizes the requirement of the State of Michigan that states that at least 51% of the jobs created through this proposed project would be reserved for low and moderate income persons; and

WHEREAS, the Ludington City Council agrees that no costs (CDBG or non-CDBG) will be incurred prior to a formal grant award, completion of the environmental review procedures and formal, written authorization to incur costs is received from the MEDC; and

WHEREAS, the Ludington City Council Authorizes the Community Development Director Heather L. Venzke to submit the Michigan CDBG Application and associated documents and to serve as the certifying officer for the environmental review process; and

WHEREAS, the Ludington City Council authorizes the City Manager to sign the application form as required.

THEREFORE, BE IT RESOLVED that the City of Ludington authorizes the Community Development Office to prepare and submit the application for funding through the Michigan State Economic Development Corporation's Michigan Strategic Fund.

Moved by Councilor Castonia, seconded by Councilor Holman, that the foregoing Resolution be adopted. Motion Carried.

A PROCLAMATION FOR NATIONAL GARDEN WEEK

WHEREAS, Gardeners have a passion for nurturing the beauty and resources of the earth through the planting of seeds, the care of all plants and the riches of their efforts; and

WHEREAS, Gardeners seek to add beauty, splendor, fragrance and nutrition to our lives through the growing of herbs, vegetables, foliage and flowers; and

WHEREAS, Gardeners advocate the importance of all creatures, large and small, that share our world and their roles in a balanced and productive ecology; and

WHEREAS, Gardening furnishes a challenging and productive activity for many citizens, for those just learning as well as those having years of experience; and

WHEREAS, Gardening promotes a healthy lifestyle that lasts a lifetime, helps reduce stress from other areas of our life, teaches that rewards can come from diligent efforts; and

WHEREAS, Gardening enables members of Garden Clubs across the nation and the world to serve others in the communities where they reside and work;

NOW, THEREFORE, BE IT RESOLVED that in an effort to acknowledge the importance of Gardening and the numerous contributions of Gardeners, the Ludington City Council hereby designates the week of June 6-12, 2010 as National Garden Week.

Moved by Councilor Scott, seconded by Councilor Marrison, that the foregoing Proclamation be adopted. Motion Carried.

Moved by Councilor Holman, seconded by Councilor Peterson, that the Finance Report with total expenditures in the amount of \$406,282.60 for this period be approved and orders drawn according to the City Charter. Motion Carried.

Ken Berthiaume, Berthiaume and Company, presented the 2009 Financial Audit Report. He expressed his appreciation to the City for the efforts they made to cooperate with this audit and allow for a smooth audit. As part of the audit, they reviewed and tested various internal control procedures and found no material weaknesses in internal control. The opinion is an unqualified opinion which is the best opinion that can be rendered. The City ended the year with increases in the governmental type fund balances of approximately \$86,000, which is good considering the total size of the budget. The budget is handled very smoothly. Overall, the business type funds' net assets increased approximately \$71,000. He highlighted the Cartier Park which is now operating as a business type activity. This activity operated at a profit of \$53,000 for 2009, which is very good. He then brought attention to the implementation of GASB 45, Other Post Employment Benefits (OPEB). He explained that the liability for the OPEB is reported in the financial statements through an actuarially determined calculation. The actuarial accrued liability is \$879,686. When the liability for retiree health care is projected out over the life of the retirees including projected increases for the cost of health care, it is projected at December 31, 2009 to be \$879,686. The City in the past has been using a pay as you go method to finance this activity. According to the actuary the obligation for this benefit for 2009 was \$60,000 and payments on current premiums were \$42,000, so \$17,466 was the shortage for the current year. This liability has been added into the financial statements for 2009. Finally, the overall budget showed no overages on the budget, which is good.

Councilor Engblade asked if at the time the auditors are reviewing the financial records are they looking at each account for the year. Ken Berthiaume explained that various accounts are analyzed and confirmed 100%, such as cash, receivables, and payables. Samples of other transactions are tested and based on the test of the disbursements and receipts and if nothing is noted, they will rely on the system of internal controls. The auditors put emphasis on the internal control procedures. If a company has strong internal controls (checks and balances) internally, then the results should be sound. Councilor Engblade asked how many samples are pulled. Ken explained that a random sample of 40

checks in the disbursement cycle is a typical sample size. His Honor Mayor Henderson explained that over the course of 5 years and with an employee running the Cartier Park, the City is able to see with the cash revenue, how the park is doing and the improvements that can be made. Moved by Councilor Holman, seconded by Councilor Taranko, to accept the 2009 Financial Audit Report. Motion Carried.

RESOLUTION AUTHORIZING FIRE-PROTECTION SERVICE OUTSIDE OF THE CITY LIMITS OF THE CITY OF LUDINGTON

WHEREAS, the City of Ludington has the capacity to provide fire-protection service outside of the city limits of the City of Ludington without prejudice or jeopardy to the residents of the City of Ludington; and

WHEREAS, certain owners of properties, real and personal, located outside of the city limits of the City of Ludington have requested the City of Ludington to provide fire-protection service on a contractual fee basis; and

WHEREAS, such fire-protection service outside the city limits is provided in coordination with the Western Mason County Fire District Authority, and the revenues received are used by the Authority for the purchase of equipment; and

WHEREAS, the Western Mason County Fire District Authority is recommending that the City of Ludington provide fire-protection service outside of the city limits of the City of Ludington on a contractual fee basis at a cost equivalent to 1.15 mills multiplied by the taxable value of the properties that receive this service.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ludington hereby authorizes the City of Ludington to provide fire-protection service outside of the city limits of the City of Ludington on a contractual fee basis for 1.15 mills multiplied by the taxable value of the properties that receive this service for the period of June 1, 2010 through May 31, 2011.

Councilor Castonia explained that there are approximately 15 property owners located outside of the city limits and have requested the Ludington Fire Department to be the first responder to any fire that may occur on their properties. This is because the City of Ludington has a better Insurance Services Organization (ISO) rating and results in a discount on the insurance premiums charged to these property owners. They will be charged 1.15 mills multiplied by the taxable value of each property and this revenue is sent to the Western Mason County Fire District Authority. Moved by Councilor Castonia, seconded by Councilor Scott, that the foregoing Resolution be adopted. Motion Carried.

RESOLUTION IN SUPPORT OF USING LOCAL BRIDGE PROGRAM FUNDS TO REPLACE THE SOUTH WASHINGTON AVENUE BRIDGE

WHEREAS, the City of Ludington retained Scott Civil Engineering Company to inspect the South Washington Avenue bridge; and

WHEREAS, Scott Civil Engineering Company inspected the bridge on April 1, 2010; and

WHEREAS, the inspection report revealed that the bridge is in terrible condition and the box beams on the South Washington Avenue bridge are in serious condition and are continuing to deteriorate due to the fact that there were multiple areas where pre-stressing strands were exposed and broken. The exposed strands that were not broken will continue to deteriorate rapidly; and

WHEREAS, Scott Civil Engineering Company is recommending that the City of Ludington strongly consider replacing the superstructure in the near future; and

WHEREAS, the estimated cost to replace the bridge and approaches is \$2,493,998, which includes both construction and engineering costs; and

WHEREAS, the City of Ludington has prepared an application to obtain funds in fiscal year 2013 from the Local Bridge Program to pay for a maximum of 95% of the construction costs to replace the South Washington Avenue bridge. Thus, the City's match would be approximately \$378,635 (\$111,335 construction costs + \$267,300 engineering costs).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ludington hereby supports the City of Ludington's application to replace the South Washington Avenue Bridge in fiscal year 2013 with the funds from the Local Bridge Program.

Councilor Castonia explained that the total estimated cost to replace the bridge is \$2,493,998, which includes both construction and engineering costs. The project would include a 10' wide sidewalk on the west side of the bridge, and it would replace about 200 feet of the approaches on both sides of the bridge in order to raise it about two feet. MDOT would pay 95% of the construction costs and none of the engineering costs. The City's share, which would be paid from the Major Street Fund, is \$378,635. In order to fund the local match, the City would be unable to fund any other projects from the Major Street Fund with the exception of the North Staffon Street Project in 2011. Moved by Councilor Castonia, seconded by Councilor Holman, that the foregoing Resolution be adopted. Councilor Engblade stated that if the City does receive this grant that the City come out with a protocol to maintain this bridge. City Manager Shay explained that if we did receive this grant, we would be required to have this bridge inspected every two

years and based on the inspector's recommendations the City would act on these recommendations. Councilor Holman explained that the estimated cost of \$2,000,000, MDOT would pay 95% of this cost and the City would only be responsible for \$378,000 which then brings it into the realm of possible. Motion Carried.

Councilor Castonia presented the monthly police activity report. His Honor Mayor Henderson explained that the Downtown Ludington Board has begun to have more activity on the parking hours. Police Chief Barnett explained that the goal is to provide adequate parking downtown to people who want to enter businesses. The Police Department is charged with enforcing the ordinance on parking year round. Councilor Holman asked about vandalism in the monthly police activity report. Police Chief Barnett explained damage to property in the report is vandalism. Moved by Councilor Castonia, seconded by Councilor Holman, to accept the monthly police activity report. Motion Carried.

TRAFFIC CONTROL ORDER #108-A

Under authority given by Section 2.41a of the Traffic Ordinance adopted by the City Council of the City of Ludington on April 26, 1999 it is hereby established that:

1. That the six (6) parking spaces located on the east side of the parking lot (adjacent to N. James St. Plaza) located in Block 26, original plat of City of Ludington, bordered on West by Rath Avenue on the North by Court Street and on the East by James Street, shall be limited to "Vendor Parking Only Friday's May - October 12 - 9 p.m." At all other times those spaces shall be limited to three (3) hour parking in the South half and eight (8) hour parking in the North half, as designated.
2. That the eight (8) parking spaces located on the west side of the parking lot (adjacent to N. James St. Plaza) located in Block 25, original plat of the City of Ludington, bordered on the West by James Street, on the North by Court Street, and on the East by the Community Church, shall be limited to "Vendor Parking Only Friday's May-October 12-9 p.m." At all other times those spaces shall be limited to three (3) hour parking.

This Traffic Control Order amends Traffic Control Order 57-A and any other order or parts thereof, which may be in conflict.

This Traffic Control Order shall become effective upon approval of the City Council of the City of Ludington and upon the placing of proper signs.

Moved by Councilor Castonia, seconded by Councilor Holman, that Traffic Control Order #108-A Establishing "Vendor Parking Only" Regulations for Municipal Parking Lots be adopted. Councilor Holman stated that this order was a very good idea. Motion Carried.

Councilor Castonia expressed appreciation to the Police Department while handling the recent crime scene.

His Honor Mayor Henderson reminded all that Shelly Enbody will take Pere Marquette Township Clerk position on Wednesday and invited all to come down for cake at 10 a.m. He also reminded all that the first sailing of the Badger on May 28th.

City Manager Shay explained the repainting of the Gaylord Avenue Water Tower will begin next week.

Councilor Castonia asked to be excused for the next council meeting as he will be out of town.

Moved by Councilor Engblade, seconded by Councilor Holman, that the meeting be adjourned. So carried at 7:00p.m.

Deborah L. Luskin, CMC
City Clerk