

June 9, 2008

Regular meeting of the Ludington City Council held in the Council Chambers of the Municipal Building on Monday, June 9, 2008, at 7:30 o'clock p.m.

Present: His Honor, Mayor John Henderson, Councilors Kaye Holman, Paul Peterson, Greg Dykstra, Brent Scott, Dave Weston, Pete Enghlade, and Gary Castonia.

Absent: None.

Also present were City Manager John Shay, City Attorney Roger Anderson, Police Chief Mark Barnett, City Treasurer Mary Reeds-Mortensen, and City Clerk Deborah Lusk.

Invocation was pronounced by Councilor Pete Enghlade.

Pledge to the Flag was given.

Communication Item 7(i) Request by the Ludington Jaycees to hold the 4th of July events was added as well as Communication Item 7(j) Presentation by Heather Loney, Community Development Director, for Preserve America. Also, Committee Report Finance 3(a) First Presentation of Ordinance No. 183-08, a 3 year proposal for the conduct of the City's financial audit was added. Moved by Councilor Castonia, seconded by Councilor Holman, that the Agenda be approved as corrected. Motion Carried.

The meeting was opened for public comments.

Sidney B. Morkert, 648 S. Meyers Road, asked Council to reimburse 13 days of storage of his son's vehicle as a result of this vehicle being stolen and later kept at the City's request for evidence. He presented the bill for \$260 for these storage charges.

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

Moved by Councilor Weston, seconded by Councilor Scott, that the minutes of the regular meeting held 05/19/08 be approved as printed. Motion Carried.

Moved by Councilor Scott, seconded by Councilor Dykstra, to approve the request received from the Lakestride Half Marathon Committee to hold their annual Half Marathon and 5K events on the weekend of June 13, 2008, and to post a message on the welcome sign. Motion Carried.

Moved by Councilor Weston, seconded by Councilor Dykstra, that the request received from the Alzheimers Association to hold the 2008 Mason/Oceana Memory Walk on Saturday, September 20, 2008 be approved. Motion Carried.

Moved by Councilor Dykstra, seconded by Councilor Peterson, that the change in dates on the 2008 Ludington Area Jaycees Parade of Cars Show to Sunday, September 7th from Saturday, September 6th be approved. Motion Carried.

Ordinance No. 179-08, an ordinance setting the operating and garbage & rubbish millage at a total of 14.3437 mills, was presented for the first reading. Councilor Scott questioned the City Manager as to whether the millage rate would change if there were any TIF (tax increment financing arrangements). City Manager Shay explained that the millage rate would not change. If there were Downtown TIFs or Brownfield TIFs they are capturing taxes from these millages and there would be no change to the millage rates.

Ordinance No. 180-08, an ordinance setting the Police Pension millage at a total of 1.0150 mills, was presented for the first reading.

Ordinance No. 181-08, an ordinance setting the DDA operating millage at a total of 1.6080 mills, was presented for the first reading.

Ordinance Nos. 179-08, 180-08, and 181-08 shall be presented for adoption on 6/23/08 and are available for public inspection in the City Clerk's office during regular business hours.

RESOLUTION

WHEREAS, under the provisions of Michigan Public Act 5 of 1982, the base tax rate for the City of Ludington for 2008 has been reduced to 14.2346 mills for operating purposes, garbage and rubbish; and

WHEREAS, because of increased operating costs, the City Council determines that it is necessary to increase the 2008 operating & garbage and rubbish millage above the base rate of 14.2346; and

WHEREAS, the City has complete authority to establish the number of mills to be levied from within its authorized millage rate subject to the Headlee millage reduction fraction; and

WHEREAS, the City Council has determined that the amount of increase necessary over the base tax rate is .1091 mills for a total operating & garbage and rubbish rate of 14.3437 mills;

NOW THEREFORE BE IT RESOLVED THAT:

1. A public hearing is hereby set for Monday, June 23, 2008, at 7:30 p.m. at the Ludington Municipal Building, 400 S. Harrison Street, to receive comments on a proposed increase in millage of .1091 mills above the base tax rate of 14.2346 mills.
2. The City Clerk is hereby directed to publish notice of said hearing in the Ludington Daily News at least six (6) days prior to the date of the hearing.
3. The notice of hearing shall include the date, time and place of said hearing and the amount of the proposed millage increase above the base tax rate, as well as any other information required under the provisions of Michigan Public Act 5 of 1982.

Moved by Councilor Castonia, seconded by Councilor Dykstra, that the foregoing Resolution be approved. Motion Carried.

RESOLUTION

WHEREAS, under the provisions of Michigan Public Act 5 of 1982, the base tax rate for the City of Ludington for 2008 has been reduced to 1.0072 mills for the police pension; and

WHEREAS, because of increased operating costs, the City Council determines that it is necessary to increase the police pension millage above the base rate of .1.0072; and

WHEREAS, the City has complete authority to establish the number of mills to be levied from within its authorized millage rate subject to the Headlee millage reduction fraction; and

WHEREAS, the City Council has determined that the amount of increase necessary over the base tax rate is .00078 mills for the police pension millage rate of 1.0150 mills;

NOW THEREFORE BE IT RESOLVED THAT:

1. A public hearing is hereby set for Monday, June 23, 2008, at 7:30 p.m. at the Ludington Municipal Building, 400 S. Harrison Street, to receive comments on a proposed increase in millage of .0078 mills above the base tax rate of 1.0072 mills.
2. The City Clerk is hereby directed to publish notice of said hearing in the Ludington Daily News at least six (6) days prior to the date of the hearing.
3. The notice of hearing shall include the date, time and place of said hearing and the amount of the proposed millage increase above the base tax rate, as well as any other information required under the provisions of Michigan Public Act 5 of 1982.

Moved by Councilor Holman, seconded by Councilor Scott, that the foregoing Resolution be approved. Councilors Engblade, Weston, and Castonia abstained from vote as they are retired police officers. Motion Carried.

Moved by Councilor Holman, seconded by Councilor Dykstra, that the request by the Ludington Area Jaycees to host the Freedom Festival events, which include the Children & Pet Parade, the Grand Parade, and the Fireworks at Stearns Park at Dusk for July 3rd and 4th be approved. Motion Carried.

Heather Loney, Community Development Director, read a letter signed by First Lady Laura Bush, Honorary Chair, Preserve America, congratulating Ludington on the designation as a Preserve America Community. Ludington was chosen as one of 12 communities receiving this designation. Ludington will now be allowed to use the Preserve America logo in any of its communications as well as this opens up grant opportunities for educational institutions and museums in Ludington. Councilor Peterson expressed appreciation on behalf of the City Council to Heather Loney for her efforts. Councilor Dykstra asked what Ludington did that made Ludington stand out to receive this achievement. His Honor Mayor Henderson stated that it was the Lighthouse, the 44, the Coast Guard station, and rehabilitation of historical buildings being preserved downtown, as well as having the City put its arms around these historical pieces.

Moved by Councilor Holman, seconded by Councilor Peterson, that the Finance Report with total expenditures in the amount of \$743,981.06 for this period be approved and orders drawn according to the City Charter. Councilor Holman commended Jennifer Christensen, Deputy Clerk, on the updates to the finance report. Motion Carried.

Ken Berthiaume, CPA, addressed the Council to present the 2007 Audit, stating that once again the City was given an unqualified opinion, which is the highest opinion possible. He explained that all of the funds in the City had

increases in Net Assets for 2007 and that all fund balances are positive numbers. It was pointed out that the General Fund had a decrease of \$756,000 but next to that fund other non major governmental fund types had an increase in fund balance of approximately \$700,000 resulting in an overall decrease to fund balance of \$56,000 which is very reasonable given the current economy. Ken explained that the general fund balance was reduced due to a conscious effort to reduce the fund balance and the money went to other governmental funds for improvements within the City. The Enterprise Fund Types such as Water, Sewer, and Marina net assets are primarily made up of cash and are sitting in good shape. He also explained that the Motor Pool Fund was in good shape.

Ken also reviewed the required communication letter with Council. Under current auditing standards, specifically, SAS114, auditors are now required to communicate with governing boards on several items and if there are problems the auditors are required to bring these to the City Council's attention. He explained that of all items reviewed he did not find any problems. The Clerk and the Treasurer have done a good job in reviewing the internal controls and assuring that there is adequate separation of duties. He explained that the City moved to new accounting software last year and the auditors did not have any problems with the performance of the audit as a result of this change. Depreciation schedules are now on the computer system that is maintained by the City. Councilor Peterson asked if the City was in a good financial shape and Ken mentioned that the City has good cash balances, has minimal long term debt, stable property taxes and state shared revenues. He also explained that the budget is being controlled.

Moved by Councilor Peterson, seconded by Councilor Holman, to approve the 2007 Audit Report. His Honor Mayor Henderson commended the staff on keeping the budget in line. Motion Carried.

First Presentation of Ordinance No. 183-08, an ordinance to approve the 3 year audit bid from Ken Berthiaume and Company for 2008, 2009, 2010 at \$20,500 each year.

Councilor Engblade presented the May Building, Zoning, and Enforcement Report. He addressed a letter received from a citizen complimenting the building, zoning and licensing department. Councilor Engblade commended the Building Department for a good job that they are doing.

ORDINANCE NO. 178-08

An ordinance to amend Section 14-49 of the City Code.

THE CITY OF LUDINGTON ORDAINS:

Section 1: Section 14-49 shall be amended to read as follows:

(a) *Prior approval.* No person, including any professional monument worker, shall install or place any monuments without obtaining permission from the cemetery superintendent or sexton at least 24 hours before such placement. For any work to be done on any weekend or holiday, permission must be obtained at least one business day prior to the weekend or holiday. Persons requesting permission to install any monument must provide the superintendent proof of liability insurance in an amount not less than \$300,000.00 per person or per occurrence, which insurance names the city as an additional insured.

(b) *Fully paid lots.* No monument may be erected on a lot which is not paid in full.

(c) *Foundations.* All monuments must have a foundation purchased from the City. Costs of installing such foundations by the City shall be as follows:

Foundation Lengths

| | |
|--------------------------------------|---------------------|
| 0"-30" | \$75 |
| 30"-45" | \$125 |
| 45"-60" | \$150 |
| 60" + | Cost + 10% overhead |
| Standard Veteran's Marker Foundation | \$50 |

(d) *Number and size.* Other than monuments that are flush with the ground, not more than one monument or marker shall be erected on any one grave site, and the monument should be in proportion with the size of the lot.

(e) *Placement of Monument.* No monument may be placed on any lot or within the cemetery permanently or temporarily, except upon a foundation as provided in paragraph (c) above.

(f) *Moving Monument.* All monuments which are moved, including upon the same or adjoining gravesites, shall be placed upon a foundation as provided in paragraph (c) above.

Section 2: Severability: Should any provisions of this ordinance or any part thereof be held unconstitutional or invalid, such holding shall not be construed as affecting the validity of any of the remaining provisions hereof or of any other provisions of the City Code.

Section 3: Effective date: This ordinance shall be effective 20 days after publication.

Moved by Councilor Dykstra, seconded by Councilor Castonia, that the foregoing Ordinance No. 178-08 be approved.

Roll Call: Ayes: Councilors Scott, Engblade, Holman, Dykstra, Weston, Castonia, and Peterson.

Nays: None. Motion Carried.

AMERICAN CANCER SOCIETY
RELAY FOR LIFE

WHEREAS, the American Cancer Society is the nationwide community based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives and diminishing suffering from cancer, through research, education, advocacy and service; and

WHEREAS, Dr. Gordon Platt founded the RELAY FOR LIFE idea, and literally ran and walked around a track in Tacoma, Washington in 1985 and raised over \$27,000 while traveling some 81 miles; and

WHEREAS, the American Cancer Society adopted this activity as its signature event to hold yearly nationwide, and this will be the twelfth annual event to be held in Mason County; and

WHEREAS, the Mason County RELAY FOR LIFE has thousands of volunteers, and has raised almost one million dollars to date to aid in the fight against cancer.

NOW, THEREFORE, BE IT PROCLAIMED, that I, John E. Henderson, Mayor of the City of Ludington, do hereby proclaim the month of June, 2008 as RELAY FOR LIFE MONTH and the dates of June 21st and 22nd as RELAY FOR LIFE WEEKEND and urge all citizens to continue their generous support to the mission of the American Cancer Society of Michigan.

Moved by Councilor Peterson, seconded by Councilor Holman, to approve the foregoing Proclamation. Motion Carried.

City Manager John Shay called the Council's attention to a letter from Mr. & Mrs. Maynard Garn on their appreciation to the Senior Center, specifically Donna Baade for her help in the preparation of the Michigan Home Heating Credit. Moved by Councilor Peterson, seconded by Councilor Holman to place this letter on record. Motion Carried.

City Manager John Shay read a letter from Greg DeJong, who expressed appreciation to John Healy, Carol Foote, and Julie Ledger on how well he was treated by the Building Department.

City Manager Shay read a letter from the staff of the Water Treatment Plant regarding the completion of the Bbye Road Booster Station project. The letter explained that there were a few snags and the Water Plant contacted Dow Chemical and in a matter of 3 hours had the matter resolved. The Water Treatment Plant wanted to publicly express their gratitude to the Dow Chemical Ludington Plant and to their employees in particular Steve McVicker, Wes Maddix, Mark Belke, Jim Bogus, and Rich Treesh. Councilor Engblade also expressed his appreciation to Dow Chemical for helping the City out in this situation.

Councilor Scott also expressed appreciation to Julie Ledger on her letter to the editor in a recent Ludington Daily Newspaper.

Councilor Holman explained that the Downtown Ludington Board is going to introduce the mini Ludington Badger which is an idea of a motorized boat ride for young kids. The Downtown Ludington Board is hoping to get this ride ready by the 4th of July.

Councilor Holman reminded all that the one hundred block of James Street is now closed and flowers are planted. Councilor Holman publicly thanked the City Council, Mayor, and City Manager for allowing the Downtown Ludington Board the opportunity to try this complete closure for the summer.

Councilor Weston commented positively on the Code Enforcement Officer on doing a very good job.

Moved by Councilor Engblade, seconded by Councilor Holman, that the meeting be adjourned. So carried at 8:20 p.m.

Deborah L. Luskin, City Clerk