

July 12, 2010

Regular meeting of the Ludington City Council held in the Council Chambers of the Municipal Building on Monday, July 12, 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 Luskin.

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.

The meeting was opened for public comments.

Lila McClelland, 309 N. Harrison, expressed thanks to the City and particularly Jerry Welton, Code Enforcement Officer, for the action taken at 311 N. Harrison Street, a house which had burned last year. She explained that she represented herself as well as all others who had signed an appeal letter to the City earlier this year.

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

Moved by Councilor Scott, seconded by Councilor Castonia, to approve the minutes of the regular meeting 06/28/10. Motion Carried.

Community Development Director Heather Venzke presented the Tiger II Grant and explained that the Lake Michigan Car Ferry is requesting the City's assistance in applying for federal funding to convert the vessel's coal-fired, steam propulsion system to an EPA approved Diesel system. The City of Ludington has partnered with local businesses or non-profits in the past to apply for grants to help these businesses to succeed. The total cost of the project will be \$16 million with the potential for \$14 million to come from grant funds and the Car Ferry to contribute \$2 million dollars toward the project. The City of Ludington will not be providing any funds toward this effort. This is the pre-application stage with the due date of July 16 and full applications are due August 23rd. Councilor Engblade asked if there was any commitment on the part of the City in case of a default on the grant and would the City have to repay any of the funds or is the City exempt from any liabilities which would be attached to the grant. Heather explained that the City would be the fiduciary but the Car Ferry would have responsibilities as well. Councilor Engblade then asked if the grant would be defaulted on would the City then be responsible to re-pay the grant. Heather explained that she did not have the grant documents yet and it was unsure how the language will be written as to the responsibilities of each party. City Manager Shay explained that this was a pre-application stage and if the application would survive this stage the next stage would be the application stage. Councilor Engblade stated that the grant is for \$14 million and he does not want to see the City responsible for any of those grant dollars if there was a default. City Manager Shay explained that the City would then have the ability to turn down the grant at any time if it passed through the application stage. His Honor Mayor Henderson explained that if the City were to apply and if the grant agreement called for the City to be obligated in any way, then the City would not move forward on the Grant. City Manager Shay confirmed that there was no obligation on the City's part at all for the pre-application and it would be brought back to Council to see what the City's obligations will be on this grant. Councilor Engblade commented that the Car Ferry has been here forever and is the only one currently which operates in the Great Lakes. He stated that with the little ash that is put in the lake after a hundred years, he stated that he believes the EPA is going overboard in their enforcement to comply at such a major expense to maintain on Great Lakes Ferry. His Honor Mayor Henderson stated that the Car Ferry has looked at many ways to continue to be operational. It is a very valuable piece of history of Ludington and an economic machine and it is critical that we do everything in our power to keep the Ferry here and operational. Councilor Scott questioned whether if the grant were granted; would it then meet the timeline to meet the EPA regulations. Heather Venzke explained that the City would know after September 15, 2010, if the City is awarded the grant. As far as construction goes, the obligations for the General Vessel Permit were 2012 and she would anticipate the Car Ferry would have enough time to comply. Moved by Councilor Taranko, seconded by Councilor Scott, to approve the Lake Michigan Car Ferry Tiger II Grant Pre-Application and Application. Motion Carried.

Moved by Councilor Holman, seconded by Councilor Peterson, that the Finance Report with total expenditures in the amount of \$331,516.59 for this period be approved and orders drawn according to the City Charter. Councilor Castonia questioned the payment of \$10,000 for a dog park fence. He stated that he did not believe this dog park was going to cost the City anything. City Manager Shay explained that the organizers of the dog park gave the City \$10,000 for the fence which we cashed and then paid the fence invoice. Motion Carried.

ORDINANCE NO. 212-10

An Ordinance creating the Appropriation Bill for the City of Ludington, Michigan, for the year January 1, 2011 to December 31, 2011.

THE CITY OF LUDINGTON ORDAINS:

Section 1:

That the several sums of money mentioned shall be appropriated to defray the expenditures and meet the liabilities of the City for fiscal year 2011 in accordance with the 2011 budget resolution adopted by the City Council, and as the same may be amended from time to time, and the City Clerk is directed to certify the same to the Mason County Board of Commissioners. Revenue generated from the following millages is based on an equivalent Taxable Valuation of \$267,327,011., which includes the IFT Rolls, DNR PILT, Birch Lake PILT, and OPRA.

General Operating

11.5675 Mills	\$3,092,305.20
Garbage & Rubbish	
2.7762 Mills	\$ 742,153.25
TOTAL MILLS 14.3437 Mills	\$3,834,458.45

Section 2:

This Ordinance being necessary to the public health and safety, shall take effect immediately upon publication in accordance with the City Charter.

Moved by Councilor Holman, seconded by Councilor Peterson, to adopt Ordinance No. 212-10. Councilor Engblade asked if this ordinance would be an increase. City Manager Shay explained that this ordinance would increase the operational millage from 11.5097 to 11.5675 mills and the rubbish would go up from 2.76 to 2.77 mills. Even with this increase, the decrease in the taxable value would result in the average taxpayer's tax bill to go down next year. The City will collect \$68,500 less in tax revenue under this ordinance. If the City kept the millage rates the same, there would be an \$87,700 loss in revenue.

Roll Call: Ayes: Councilors Taranko, Castonia, Scott, Peterson, Marrison, and Holman.

Nays: Councilor Engblade. Motion Carried.

ORDINANCE NO. 213-10

An Ordinance creating the Appropriation Bill for the City of Ludington, Michigan for the year January 1, 2011 to December 31, 2011.

THE CITY OF LUDINGTON ORDAINS:

Section 1:

That the several sums of money mentioned shall be appropriated to defray the expenditures and meet the liabilities of the Police Pension Fund of the City of Ludington, Michigan, for the fiscal year 2011 in accordance with the 2011 budget resolution adopted by the Ludington City Council, and as the same may be amended from time to time, and the City Clerk is directed to certify the same to the Mason County Board of Commissioners.

Revenue generated from the following millages is based on an equivalent Taxable Valuation of \$267,327,011., which includes the IFT Rolls, DNR PILT, Birch Lake PILT, and OPRA.

Police Pension

1.0600 Mills	\$ 283,366.63
TOTAL MILLS 1.0600 Mills	\$ 283,366.63

Section 2:

This Ordinance being necessary to the public health and safety, shall take effect immediately upon publication in accordance with the City Charter.

Moved by Councilor Holman seconded by Councilor Peterson, to adopt Ordinance No. 213-10.

Roll Call: Ayes: Councilors Marrison, Scott, Holman, and Peterson.

Nays: None. Councilors Taranko, Engblade, and Castonia abstained from vote due to being retired police officers. Motion Carried.

ORDINANCE NO. 214-10

An ordinance creating the Appropriation Bill for the City of Ludington, Michigan for the year January 1, 2011 to December 31, 2011.

THE CITY OF LUDINGTON ORDAINS:

Section 1:

That the sum of money mentioned shall be levied within the downtown development district to defray the expenditures and meet the liabilities of the Downtown Development Authority of the City of Ludington, Michigan, for the fiscal year 2011 in accordance with the 2011 budget resolution adopted and as the same may be amended from time to time, as estimated and determined by the Ludington City Council, and the City Clerk is directed to certify the same to the Mason County Board of Commissioners.

Revenue generated from the following millage is based on an equivalent Taxable Valuation of \$25,988,136.

Operating

1.6080 Mills	\$ 41,788.92
TOTAL MILLS 1.6080 Mills	\$ 41,788.92

Section 2:

This Ordinance being necessary to the public health and safety, shall take effect immediately upon publication in accordance with the City Charter.

Moved by Councilor Holman, seconded by Councilor Taranko, to adopt Ordinance No. 214-10. Councilor Engblade asked if the millage were remaining the same. City Manager Shay assured him that it was.

Roll Call: Ayes: Councilors Scott, Holman, Marrison, Peterson, Taranko, and Castonia.

Nays: Councilor Engblade. Motion Carried.

ORDINANCE NO. 215-10

An ordinance creating the Tax Levy Bill for the City of Ludington, Michigan, for the year January 1, 2011 to December 31, 2011.

THE CITY OF LUDINGTON ORDAINS:

Section 1:

That the Ludington City Council hereby determines the amount of money to be raised by taxation for the 2011 fiscal year of the City to be:

- \$3,092,305.20 for General Operating Purposes
- \$ 742,153.25 for Garbage and Refuse Purposes

Section 2:

The City Treasurer is hereby ordered to raise the foregoing amounts by taxation within the statutory and charter limitations of the City, to wit:

- General Operating: 11.5675 Mills
- Garbage and Refuse: 2.7762 Mills

Section 3:

The City Treasurer is further hereby ordered to pay the sums collected from the foregoing into the General Fund of the City.

Section 4:

This Ordinance being necessary to the public health and safety, shall take effect immediately upon publication in accordance with the City Charter.

Moved by Councilor Holman, seconded by Councilor Peterson, to adopt Ordinance No. 216-10.

Roll Call: Ayes: Councilors Castonia, Holman, Peterson, Marrison, Taranko, and Scott.

Nays: Councilor Engblade. Motion Carried.

ORDINANCE NO. 216-10

An ordinance creating the Tax Levy Bill for the City of Ludington, Michigan, for the year January 1, 2011 to December 31, 2011.

THE CITY OF LUDINGTON ORDAINS:

Section 1:

That the Ludington City Council hereby determines the amount of money to be raised by taxation for the 2011 fiscal year of the City to be:

- \$ 283,366.63 for Police Pension Purposes

Section 2:

The City Treasurer is hereby ordered to raise the foregoing amounts by taxation within the statutory and charter limitations of the City, to wit:

- Police Pension: 1.0600 Mills

Section 3:

The City Treasurer is further hereby ordered to pay the sums collected from the foregoing into the Police Pension Fund of the City.

Section 4:

This Ordinance being necessary to the public health and safety, shall take effect immediately upon publication in accordance with the City Charter.

Moved by Councilor Holman, seconded by Councilor Peterson, to adopt Ordinance No. 216-10.
Roll Call: Ayes: Councilors Peterson, Marrison, Scott, and Holman.

Nays: None. Motion Carried. Councilors Taranko, Engblade, and Castonia abstained from voted due to being retired police officers.

ORDINANCE NO. 217-10

An Ordinance creating the Tax Levy Bill for the City of Ludington, Michigan, for the year January 1, 2011 to December 31, 2011.

THE CITY OF LUDINGTON ORDAINS:

Section 1:

That the Ludington City Council hereby determines the amount of money to be raised by taxation for the 2011 fiscal year of the City to be:

\$ 41,788.92 for DDA Purposes

Section 2:

The City Treasurer is hereby ordered to raise the foregoing amounts by taxation within the statutory and charter limitations of the City, to wit:

DDA: 1.6080 Mills

Section 3:

The City Treasurer is further hereby ordered to pay the sums collected from the foregoing into the Downtown Development Authority Fund of the City.

Section 4:

This Ordinance being necessary to the public health and safety, shall take effect immediately upon publication in accordance with the City Charter.

Moved by Councilor Holman, seconded by Councilor Taranko, to adopt Ordinance No. 217-10.
Roll Call: Ayes: Councilors Castonia, Holman, Taranko, Marrison, Scott, and Peterson.
Nays: Councilor Engblade. Motion Carried.

A public hearing was set for July 26, 2010, at 6:30 p.m. in the Council Chambers to hear comments on the application for Industrial Facilities Tax Exemption Certificate by Whitehall Industries, SRS Industries, LLC to request a change in ownership for IFT Certificate #98-318.

A public hearing was set for July 26, 2010, at 6:30 p.m. in the Council Chambers to hear comments on the application for Industrial Facilities Tax Exemption Certificate by Whitehall Industries, SRS Industries, LLC to request a change in ownership for IFT Certificate #2005-099.

A public hearing was set for July 26, 2010, at 6:30 p.m. in the Council Chambers to hear comments on the application for Industrial Facilities Tax Exemption Certificate by Whitehall Industries, SRS Industries, LLC to request a change in ownership for IFT Certificate #2007-311.

Councilor Peterson asked if we have an ordinance on books which prohibits the use of bikes, skateboards, and roller skates on sidewalks downtown. He questioned why the City does not enforce this. His Honor Mayor Henderson asked Public Safety Committee to look into this.

Councilor Holman stated that she had two individuals come up to her and state how nice the downtown area looks and she is passing along the compliment.

Moved by Councilor Engblade, seconded by Councilor Holman, that the meeting be adjourned. So carried at 6:50 p.m.

Deborah L. Luskin, CMC
City Clerk