

# City Council

## Regular Meeting Agenda

Monday, June 1, 2015  
7:00 p.m., Council Chambers



### 1. Call to Order by Mayor Burr at 7:00 p.m.

### 2. Invocation – Moment of Silence

### 3. Roll Call

Present: Arnold, Fitzgibbon, Gruber, Kozlik Wall, Patterson, Burr  
Absent: Klavins

Moved by Fitzgibbon to excuse Councilmember Klavins for personal reasons. Seconded by Arnold.

Voted Yes: All. Motion Carried.

### 4. Approval of Agenda

Moved by Fitzgibbon, Seconded by Gruber to approve the agenda, with the inclusion of agenda item #15A, consideration of a resolution to rescind local mechanical inspection services.

Voted Yes: All. Motion carried.

### 5. Consent Agenda: Items A thru D (Roll Call Vote Required)

Moved by Patterson, Seconded by Kozlik Wall to approve the Consent Agenda as follows:

- A. Council will be requested to approve the City Council Minutes of May 18, 2015.
- B. Bills totaling \$1,289,934.47 for the period ending May 31, 2015 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve a wooden memorial bench placed on Monroe Boulevard between Chestnut Street and South Haven Street in the public right-of-way on the west side of the street, in memory of Tom Watson.
- D. Council will be asked to receive the following administrative reports and approved minutes to be placed on file:
  - 1) 11-25-2014 SHARA Board approved minutes
  - 2) 03-17-2015 SHARA Board approved minutes
  - 3) 04-21-2015 Harbor Commission minutes
  - 4) 04-21-2015 Harbor Commission Workshop minutes

- 5) 04-21-2015 Liberty Hyde Bailey Board meeting minutes
- 6) 04-22-2015 Housing Commission minutes
- 7) 04-27-2015 Board of Public Utilities minutes
- 8) 04-27-2015 Zoning Board of Appeals minutes
- 9) 05-19-2015 Liberty Hyde Bailey Board meeting minutes

A Roll Call Vote was taken:

Yeas: Arnold, Fitzgibbon, Gruber, Kozlik Wall, Patterson, Burr

Nays: None

Motion Carried.

### NEW BUSINESS

**6. Council will be asked to consider the following resolutions regarding the Fiscal Year 2015-16 Budget:**

**A. Resolution 2015-21: A Resolution adopting the 2015-16 Fiscal Year for Component Unit Funds of the City of South Haven, Michigan.**

**B. Resolution 2015-22: A Resolution adopting the 2015-16 Fiscal Year Budget for Enterprise and Internal Service Funds of the City of South Haven, Michigan.**

**C. Resolution 2015-23: A Resolution adopting the 2015-16 Fiscal Year Budget for General, Special Revenue, Debt Service, Capital Projects and Fiduciary Funds of the City of South Haven, Michigan.**

**D. Resolution 2015-24: A Resolution setting the 2015 Property Tax Millage.**

*Background Information:*

The City Council will be asked to consider the adoption of the Fiscal Year 2015-16 Budget, as part of tonight's City Council meeting.

The budget process begins in earnest in January with department heads preparing budget concerns and requests for the City Manager's review. The Finance Department compiles and reviews these requests. As staff works through the various budget projections, a series of reports are distributed for the City Council's review. This year workshop sessions were held by the City Council to make sure the budget is reflecting the adopted policy priorities of City Council.

The manager's proposed budget for 2015-16 is complete and is now presented to the City Council for consideration. It is available for the public to review, and can be downloaded from the city's website at [www.south-haven.com](http://www.south-haven.com) or can be obtained in print form at City Hall.

The City Charter requires a public hearing on the proposed budget, which was conducted at the May 18<sup>th</sup> regular meeting of the City Council. The City Charter requires adoption of a budget to occur at the first council meeting in June. For tonight's meeting, the City Council is requested to adopt the attached budget document for the Fiscal Year 2015-16.

Public Comment:

Enriqueta Turanzas wanted to know where she could view the budget and was advised by the Mayor that it was on the website.

**Item A: Council will be asked to approve Resolution 2015-21: A Resolution adopting the 2015-16 Fiscal Year for Component Unit Funds of the City of South Haven, Michigan.**

Moved by Gruber, Seconded by Fitzgibbon to approve Resolution 2015-21: A Resolution adopting the 2015-16 Fiscal Year for Component Unit Funds of the City of South Haven, Michigan.

Voted Yes: All. Motion Carried.

**Item B: Council will be asked to approve Resolution 2015-22: A Resolution adopting the 2015-16 Fiscal Year Budget for Enterprise and Internal Service Funds of the City of South Haven, Michigan.**

Moved by Patterson, Seconded by Fitzgibbon to approve Resolution 2015-22: A Resolution adopting the 2015-16 Fiscal Year for Enterprise and Internal Service Funds of the City of South Haven, Michigan.

Voted Yes: All. Motion Carried.

**Item C: Council will be asked to approve Resolution 2015-23: A Resolution adopting the 2015-16 Fiscal Year Budget for General, Special Revenue, Debt Service, Capital Projects and Fiduciary Funds of the City of South Haven, Michigan.**

Moved by Fitzgibbon, Seconded by Patterson to approve Resolution 2015-23: A Resolution adopting the 2015-16 Fiscal Year for General, Special Revenue, Debt Service, Capital Projects and Fiduciary Funds of the City of South Haven, Michigan.

Voted Yes: All. Motion Carried.

**Item D: Council will be asked to approve Resolution 2015-24: A Resolution setting the 2015 Property Tax Millage.**

Moved by Patterson, Seconded by Fitzgibbon to approve Resolution 2015-24: A Resolution setting the 2015 Property Tax Millage.

Voted Yes: All. Motion Carried.

**7. Council will be asked to introduce an ordinance amending water and sanitary sewer rates for various components to increase by 2%.**

*Background Information:*

During this year's rate setting process, the Board of Public Utilities (BPU) approved an increase of 2% for the various components of the water and sanitary sewer utility rates.

The BPU recommendation for possible changes to the electric utility rates will be forthcoming during the month of July, 2015. As a result, the utility bill comparisons will reflect the adopted 2014 electric rates. The average utility customer will see an increase in their monthly utility bill of approximately \$2.05.

Please review the attached Utility Bill Comparison report based on the average residential utility customer.

Moved by Fitzgibbon, Seconded by Kozlik Wall to approve an ordinance amending water and sanitary sewer rates for various components to increase by 2%.

Voted Yes: All. Motion Carried.

- 8. Council will be asked to approve Resolution 2015-25, a resolution amending the daily parking fee to \$9.00 and adding a third tier penalty for unpaid parking tickets to increase to \$60 if not paid after 60 days.**

*Background Information:*

The City Council will be asked to consider approval of Resolution 2015-25, a resolution setting updated fees for the daily beach parking fees and parking violation fees, for the city's beach parking areas.

The City of South Haven created the beach parking fee system in 1986, in an effort to provide funds to help offset the cost of maintaining the public beaches and adjacent parks. In 1996, the City Council approved an increase in the daily beach parking fee from \$3.00 per day to \$5.00 per day. In 2013, City Council approved an increase in the daily beach parking fee from \$5.00 to \$7.00 per day. For the 2015 beach parking season, the City Council is being asked to consider an additional increase from \$7.00 per day to \$9.00 per day.

In the past several years, the City of South Haven has invested in a variety of improvements and maintenance expenses to its public beaches and adjacent parks. The beach parking fund has been essential in funding some of these expenses. As a result, the beach parking fund has experienced deficit spending during the past several years, and an effort to correct the deficit position seems appropriate. An increase in revenue to the beach parking fund will assist in eliminating the deficit position, and will create funds which can be used for investment in the beaches and adjacent parks.

The city's staff has reviewed the city's beach parking fees, and compared the existing fees to communities along Lake Michigan. Staff found that the city's existing fee is not competitive with many of those communities with the current price of \$7.00. Further, should the City Council wish to increase the beach parking fee, staff has found that an increase from \$7.00 per day to \$9.00 per day mirrors the fee charged by the State of Michigan for access to the state's lake front parks.

Staff recommends that the City Council consider an increase from \$7.00 per day to \$9.00 per day, for the daily beach parking fee. This increase should result in an increase in beach parking revenue. Additionally, staff recommends that the City Council add a third tier to the beach parking violation fees for unpaid tickets to increase the ticket fee to \$60.00 if not paid after 60 days. Unpaid parking tickets are the exception rather than the rule, however adding a third tier penalty should mitigate the costs associated with the fine collection.

Currently the beach parking fees are as follows:

- a) Daily Parking Fees - \$7.00 per trip
- b) Hourly Metered Parking - \$1.00 per hour
- c) Weekly Parking Pass - \$15.00 per week
- d) Multi-Year Pass- \$50 first year, \$40, second year, \$30 third year

Currently the beach parking violation fees are set as follows:

\$20.00 if paid within seven (7) days  
\$30.00 if paid after seven (7) days

Public Comment:

Bruce Thatcher, was against raising the daily parking fee saying that increased prices will cause tourism to suffer.

Moved by Fitzgibbon, Seconded by Patterson to approve Resolution 2015-25, a resolution amending the daily parking fee to \$9.00 and adding a third tier penalty for unpaid parking tickets to increase to \$60 if not paid after 60 days.

Voted Yes: All. Motion Carried.

**9. Council will be asked to approve an appointment to the Airport Authority, Ross Woodhams, for a four year term.**

Moved by Fitzgibbon, Seconded by Kozlik Wall to approve an appointment to the Airport Authority, Ross Woodhams, for a four year term.

Voted Yes: All. Motion Carried.

**10. Council will be asked to approve the following special event applications:**

- A. Council will be asked to consider Special Event 2015-14, Festival of Trees on November 6<sup>th</sup> through December 8, 2015 with various hours.**
- B. Council will be asked to consider Special Event 2015-15, Gospel Jamboree on June 19, 2015 from noon to 10:00 p.m.**
- C. Council will be asked to consider Special Event 2015-16, Fourth of July Parade, on July 4, 2015 at 11:00 a.m. (streets closed at 10:30 a.m.).**
- D. Council will be asked to consider Special Event 2015-17, Film (The Weak Force) on June 12-15, 2015, on Clinton Street and Monroe Boulevard for film production.**
- E. Council will be asked to consider Special Event 2015-18, 4<sup>th</sup> Annual Salute to Veterans on August 2, 2015 from 6:00 a.m. to 12:00 p.m. down the channel.**

**F. Council will be asked to consider the summer events at Liberty Hyde Bailey Museum in Special Event 2015-19.**

**Item A:**

*Background Information:*

This is an 8 day fundraising event put on by We Care I.N.C. to raise money for their operating fund. This event promotes local businesses and community by providing an event to celebrate the holidays for families of all income levels. To kick off this event there will be a Santa's Coming to Town festival and parade.

Moved by Kozlik Wall, Seconded by Fitzgibbon to approve Special Event 2015-14, Festival of Trees during November 6 through December 8, 2015 with various hours.

Voted Yes: All. Motion Carried.

**Item B:**

*Background Information:*

Unity in Our Communities will be hosting a Gospel Jamboree at Elkenburg Park on July 19, 2015 from noon to 10:00 p.m. This event includes food, fun and fellowship for communities. The event is open to the public for anyone wanting to attend.

Ursula Brown, Director of Unity in Our Community, spoke briefly on the event.

Moved by Patterson, Seconded by Gruber to approve Special Event 2015-15, Gospel Jamboree on July 19, 2015 from noon to 10:00 p.m. at Elkenburg Park.

Voted Yes: All. Motion Carried.

**Item C:**

*Background Information:*

This year the Rotary Club of South Haven is sponsoring the parade which is scheduled for July 4th, 2015. The streets will closed at 10:30 a.m. with the parade starting at 11:00 a.m. The parade route is identified on the event application.

Moved by Fitzgibbon, Seconded by Kozlik Wall to approve Special Event 2015-16, Fourth of July Parade on July 4, 2015 at 11:00 a.m. (with streets to close at 10:30 a.m.)

Voted Yes: All. Motion Carried.

**Item D:**

*Background Information:*

Crinoid Films and Lake Effect Pictures would like to use Clinton Street and Monroe Blvd from June 12-15 for film production. Cast and crew will be working on benches on Monroe Blvd and using sidewalks and parking on Clinton Street between Monroe and St. Joseph Street.

Peter Hoopes, the director and city resident, spoke briefly on this event.

Moved by Fitzgibbon, Seconded by Patterson to approve Special Event 2015-17, Film (The Weak Force) on June 12-15, 2015, on Clinton Street and Monroe Boulevard for film production.

Voted Yes: All. Motion Carried.

**Item E:**

*Background Information:*

On August 22, 2015, 20 boats will take 40 combat veterans out on Lake Michigan at 6:00 am and fish until 11:30 am. U.S. Coast Guard will meet up with the boats ½ mile off shore and lead parade at 12:00 pm down the channel. Bystanders will observe from both piers. A luncheon will be held at the American Legion for the veterans and boat crews.

Bruce Thatcher, event organizer, spoke briefly on the event and about his organization, Operation Injured Soldier.

Moved by Kozlik Wall, Seconded by Patterson to approve Special Event 2015-18, 4<sup>th</sup> Annual Salute to Veterans on August 22, 2015 from 6:00 a.m. to 12:00 p.m. down the channel.

Voted Yes: All. Motion Carried.

**Item F:**

*Background Information:*

The Liberty Hyde Bailey Museum (LHBM) has several events in 2015 which need approval. The approval process aligns with the operating agreement between the city and the LHBM board, which was approved by the City Council at the December 15, 2014 regular meeting. That agreement allows the LHBM board greater flexibility in managing events and fundraising efforts at the museum campus, but requires the City Council's prior approval.

The proposed events are as follows:

May 29<sup>th</sup> – Art Show Opening  
June 18<sup>th</sup> – Monarch Butterflies Presentation  
June 28<sup>th</sup> – Member Social  
July 17<sup>th</sup> – Exhibit Opening – The Holy Earth  
August 23<sup>rd</sup> – Member Social

Anne Long, Chair of the Liberty Hyde Bailey Museum Board, spoke briefly on this event.

Moved by Gruber, Seconded by Kozlik Wall to approve the summer events at Liberty Hyde Bailey Museum in Special Event 2015-19.

Voted Yes: All. Motion Carried.

- 11. Council will be asked to approve a Public Property Sign Request from SHOUT. SHOUT is requesting permission to place a 12' x 12' canopy on the lawn at Dyckman Park to sell cottage walk tickets on Saturday, June 6, from 8:00 a.m. to 5:00 p.m.**

*Background Information:*

The SHOUT organization is requesting permission to place a 12' x 12' canopy on the lawn at Dyckman Park for the purpose of selling tickets for the Cottage Walk fundraiser. The canopy will be located just northeast of the clock along Phoenix Street. The sale is to take place on Saturday, June 6 from 8:00 a.m. to 5:00 p.m. only. This is the second year for this request.

Moved by Fitzgibbon, Seconded by Kozlik Wall to approve a Public Property Sign Request from SHOUT to place a 12' x 12' canopy on the lawn at Dyckman Park on Saturday, June 6, from 8:00 a.m. to 5:00 p.m.

Voted Yes: All. Motion Carried.

- 12. Council will be asked to approve a request from the Factory Condominium Association to amend the approved planned unit development (PUD) to allow the demolition of the former health club on the condominium property.**

*Background Information:*

This is a request from the Factory Condominium Association, 125 Elkenburg Street, and the City of South Haven to amend the approved planned unit development (PUD) to allow demolition of the former health club on the condominium property.

Moved by Patterson, Seconded by Arnold to approve a request from the Factory Condominium Association to amend the approved planned unit development (PUD) to allow the demolition of the former health club on the condominium property.

Voted Yes: All. Motion Carried.

- 13. Council will be asked to renew a lease agreement for 720 LaGrange Street to Frost Law Office.**

*Background Information:*

The City Council will be asked to consider approval of a lease agreement renewal with Frost Law Office PLC, for the use of the Michigan State Police Post, located at 720 LaGrange Street.

The South Haven Michigan State Police Post was closed for operation by the State of Michigan. At that time the ownership of the building at 720 LaGrange Street reverted from the State of Michigan to the City of South Haven. In the past years, the city has made improvements to the building (e.g., painting, cleaning, updating the wiring,) which allowed the South Haven Police Department to temporarily operate from the building, while the Police/Fire Complex was rebuilt. Over the past year, Mr. John Frost, Frost Law PLC, has leased the building for his law office.

Mr. Frost has expressed interest in potentially purchasing the building, to be used as office space for the law office. At this time, the city cannot sell the site due to title issues. The city

holds title to a portion of the overall site, with the State of Michigan still holding title to the back parking lot and storage building. Should the city acquire title to the full site, Frost may have an interest in purchasing the overall site.

The lease agreement renewal is a two year agreement, and has a monthly cost of \$850. Frost has agreed to increase the monthly lease cost from \$800 to \$850. The lease allows for annual renewals, but cannot extend beyond five years. The lease agreement does require the city to provide water, sewer, electric, and gas utilities. During the past twelve months, the monthly average utility expense has been approximately \$249. The tenant shall provide telephone and other communications and data services. The tenant shall be responsible for all exterior and interior maintenance and repairs. The agreement allows the tenant to deduct the costs of any repairs (but not maintenance) it makes to the premises from monthly rent; provided that the tenant submits paid invoices or documentation to the city. Any repairs which exceed \$500 must be approved in advance by the city.

The lease agreement renewal requires the tenant to obtain and maintain a general liability insurance policy, with a minimum of \$1,000,000 per occurrence, for the building, which holds the city as an additionally insured.

Staff recommends the City Council consider renewal of the lease agreement as presented.

Moved by Gruber, Seconded by Fitzgibbon to renew a lease agreement for 720 LaGrange Street to Frost Law Office.

Voted Yes: All. Motion Carried.

**14. Council will be asked to consider the following actions regarding Michigan State Housing Development Authority's grant programs:**

- A. Approve Smith Housing Consulting's proposal as the Third Party Administrator for the purpose of application and administration of MSHDA grants for Homeowner Rehabilitation, Homebuyer Purchase Rehabilitation, and Downtown Rental Rehabilitation programs.**
- B. Approve Resolution 2015-26, a resolution to authorize the preparation of an application for funding through the MSHDA Housing Resource Fund for the Downtown Rental Rehabilitation (DRR) program.**

*Background Information:*

The City Council will be asked to consider approval of two items:

- 1) Smith Housing Consulting proposal for professional assistance in applying for and administering Michigan State Housing Development Authority (MSHDA) Office of Community Development grants for Homeowner Rehabilitation (HO); Homebuyer Purchase Rehabilitation (HPR); and Downtown Rental Rehabilitation (DRR).
- 2) A resolution supporting an application for Downtown Rental Rehabilitation fund for rehabilitation of second-story residential units in the downtown.

The City has met publishing requirements for an RFP seeking interested consultants to submit proposals for applying and administering specific MSHDA grants including:

Homeowner Rehabilitation; Homebuyer Purchase Rehabilitation; and Downtown Rental Rehabilitation. Smith Housing Consulting has met the submission requirements and meets and/or exceeds the qualifications for selection. Ms. Smith, owner of Smith Housing Consulting, has vested time and effort in the community per her previous three-year contract. She has worked, and will continue to work, with downtown property owners to encourage second-story apartment rehabilitation.

Following approval of the TPA contract, City Council will be asked to pass a resolution to authorize preparation of an application for second-story residential units in the downtown. The owners of the building at 528 Phoenix St intend to develop one (1) new loft apartment which has private parking. The owners of the building at 519 Phoenix St intend to rehabilitate an existing apartment.

**Item A:**

Moved by Patterson, Seconded by Kozlik Wall to approve Smith Housing Consulting's proposal as the Third Party Administrator for the purpose of application and administration of MSHDA grants for Homeowner Rehabilitation, Homebuyer Purchase Rehabilitation, and Downtown Rental Rehabilitation programs.

Voted Yes: All. Motion Carried.

**Item B:**

Moved by Fitzgibbon, Seconded by Kozlik Wall to approve a resolution to authorize the preparation of an application for funding through the MSHDA Housing Resource Fund for the Downtown Rental Rehabilitation (DRR) program.

Voted Yes: All. Motion Carried.

**15.**

**A. Motion by Council to approve Resolution 2015-27, a resolution rescinding mechanical engineering services.**

*Background Information:*

The Building Department staff was informed that our contracted mechanical inspector became ill over the weekend. It is unknown at this time when or if he will be able to return to work. He does not have an alternate inspector for the South Haven area. Since we are approaching the busiest season for construction permits and inspections, we need to have a mechanical inspector available to us as soon as possible. Staff is now looking at the alternative of having the state construction bureau take over the mechanical permitting and inspection responsibilities. When the state assumes responsibilities for mechanical permits and inspections, permit applications are sent directly to the local state office. There will be no cost to the city nor will the city receive any portion of the permit fees. The city uses this system currently for plumbing permits and it appears to work well.

Linda Anderson, Building Administrator, spoke briefly on this resolution.

**Public Comment:**

Enriqueta Turanzas wanted the position to be posted so that local qualified mechanical engineers could apply for the position.

Moved by Fitzgibbon, Seconded by Gruber to approve Resolution 2015-27, a resolution rescinding mechanical engineering services.

Voted Yes: All. Motion Carried.

**B. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda**

No public comment at this time.

**16. City Manager's Comments**

No comment.

**17. Mayor and Councilperson's Comments**

Arnold: Forming the year's budget took several sessions even though it appeared to be quickly decided upon in one city council meeting. He assures constituents that several hours in workshops have been spent going over the budget.

Fitzgibbon: Thanks the organizers of Gospel Jamboree for hosting in our community. Also advises that groups need to have special event application so that adequate services provided for those events.

Gruber: Letters have been sent out to homeowners about mowing their lawns. He would like to see the process improved this summer so that the City is not in the business of mowing lawns for residents. Also, brown water concerns – we've generated 30% new water in the last week or so, due to seasonal influx of more people in our area. City Manager said the city is actively monitoring the issue and if there is an issue, to call the Water Filtration Plant. The city will be flushing hydrants to move old water in pipes.

Klavins: Absent

Kozlik Wall: Farmer's Market is booming and fantastic attendance by the public. It will be moved to Dyckman Park for this upcoming Saturday, June 6, as the Car Show will be under the pavilion.

Patterson: Congratulations to graduates for a job well done.

Burr: This is the season for fireworks and the Mayor will be around town seeking donations for the fireworks grand finale. Also, 'Alaska is a Drag' begins filming tomorrow for the next 3 weeks.

**18. Adjourn**

Moved by Patterson, Seconded by Kozlik Wall to adjourn the meeting at 7:57 p.m.

Voted Yes: All. Motion Carried.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Kate Hosier". The signature is written in a cursive, flowing style.

Kate Hosier  
Deputy City Clerk  
City of South Haven

Approved by City Council: **June 15, 2015**