

Crystal Falls, Michigan

February 9, 2009

A regular meeting of the Council for the City of Crystal Falls was held in the Council Chambers of the City Hall on Monday, February 9, 2009 at 5:00 P.M. Central Time.

Roll Call: Mayor Hendrickson, Councilors Hagglund, Burke, Bicigo, and Smokevitch.

Absent: None

Also Present: City Manager Nordeman, City Attorney Lawrence, and City Clerk/Treasurer Olson.

Visitors: Mary Jean Thoreson, Lisa Waldo, Jane Bal, Mick Kulie, Mickey Diqui, Richard Hendrickson, Tom Stachowicz, Larry Bicigo, Robert Sherwin, David Graff, Lynn Perry, Randy Hegstrom, Tara Peltoma, and Tim Bean.

Mayor Hendrickson led the reciting of the Pledge of Allegiance.

Manager Nordeman requested that the Council pull the Payrolls and Disbursements off the Consent agenda for further discussion.

Councilor Hagglund seconded by Councilor Burke moved that the items on the Consent Agenda be approved as noted below:

1. The minutes of the regular meeting of January 12, 2009 and the special meeting of January 19, 2009 as written.
 2. The following reports for the month of January 2009:
 - A. Joint Fire Authority report, as submitted by Fire Chief Ahola, indicating answering three (3) fire call; spending approximately 41 man-hours fighting fires; and holding no practice and training sessions.
 - B. Police report, as submitted by Police Chief Robert Sherwin, indicating 197 complaints, of which 2 were closed by arrest, and logging of 2,147 miles on patrol duty.
 - C. Electric Department activity report as submitted by David Graff, Chief Electrician.
 - D. Public Works Department activity report as submitted by Foreman Kelly Stankewicz.
 - E. Treasurer's Revenue Report as submitted by Clerk/Treasurer Dorothea Olson.
 3. Contemporary Center Report & release of annual support of \$1,100
 4. Harbour House Museum Annual Report & release of annual support of \$1,100
 5. Crystal Theatre Annual Report and release of annual support of \$2,200
- Motion carried.

Angelo Diqui approached the Council regarding the condition of Johanson Road, the water services, and fire hydrants. He asked that the City make the upgrades along this road a priority and asked that the City we send a letter to the people along Johanson road explaining what the city can or can not do. Mayor

Hendrickson noted that this letter should come from the city manager.

Lisa Waldo advised that she has a group interested in helping to fund raise for the ski hill.

Mary Jean Thoreson expressed her thanks to the City for having the ski hill open on the day there was no school and asked that the City continue this practice.

Mayor Hendrickson seconded by Councilor Smokevitch moved to adopt the 457 deferred compensation plan as presented by Mick Kulie of Edward Jones.

Motion carried.

Randy Hegstrom addressed the Council regarding a billing issue for his property at on N. 6th Street. He is being billed for the house and also a garage/apartment that has a sewer connected to the main. Attorney Lawrence was directed to formulate an opinion on this in compliance with the sewer ordinance.

Councilor Burke updated the Council regarding the Downtown Development Authority meeting held earlier in the day.

Manager Nordeman gave an update on the Crystal Manor redevelopment with news that he expected the closing to happen in either March or April.

Councilor Hagglund seconded by Councilor Smokevitch that Payrolls and disbursements in the amount of \$416,535.39, be approved, and instruct the City Clerk to draw checks on the City Treasury in payment of same. (This reflects the removal of a payment to U P Engineers in the amount of \$1,623.02.)

Motion carried.

Councilor Bicigo seconded by Councilor Burke moved to adopt the following policy:

CITY OF CRYSTAL FALLS POVERTY EXEMPTION POLICY

Pursuant to MCL211.7u, the City of Crystal Falls adopts the following policy and guidelines for the granting of poverty exemptions in the City of Crystal Falls.

- 1) To be eligible for a poverty exemption, a person must do all of the following on an annual basis:
 - a. Be an owner of, and occupy as a homestead, the property for which an exemption is requested.
 - b. Obtain and file an application with the City Assessor accompanied by the required documents listed in this policy.
 - c. Produce identification, proof of residency and ownership if requested by the City Assessor or Board of Review.

- d. Meet the income and asset standards set forth in this policy.
- 2) All applicants must fill out an application form supplied by the City Assessor, in its entirety, and return it, in person, to the Crystal Falls City Hall. The applicant must sign the application at the Crystal Falls City Hall when the application is returned in the presence of a City employee in the City Clerk's office or the City Assessor.
- 3) All applicants and other persons residing in the homestead must submit the following documents, (failure to supply the required documents or if found that the information supplied is fraudulent, the application **shall be denied.**):
 - a. Federal Income Tax Return for year immediately preceding the year of the poverty exemption request.
 - b. Michigan Income Tax Return for year immediately preceding the year of the poverty exemption request.
 - c. Michigan Homestead Property Tax Form for year immediately preceding the year of the poverty exemption request.
 - d. Supply a copy of proof of income for the most recent one-month period for all household members (current pay stubs, benefit statements from Social Security Administration and/or Family Independence Agency, etc.)
- 4) Income Test. All applicants must meet Federal poverty income standards as defined and determined annually by the United States Office of Management and Budget.
- 5) Asset Test. All applicants must also meet all of the following asset requirements:
 - a. The value of property in excess of what is considered part of the original homestead shall be considered an asset.
 - b. The True Cash Value of the property for which the poverty exemption is requested shall be taken into consideration by the Board of Review when determining hardship.
 - c. The assets of the applicant, other than the homestead, shall not exceed \$5,000 in value. For purposes of this paragraph, the Board of Review shall consider the value of the assets and shall not reduce such value by an indebtedness owed on such assets, or indebtedness otherwise owned by the applicant.
- 6) If the applicant could receive a refund of more than 50% of the real estate taxes through a Homestead Credit, the application shall be denied.
- 7) A maximum of two (2) Poverty Exemptions may be granted to any one property owner within a ten (10) year period unless the applicant meets the following qualifications:
 - a. Senior and/or disabled citizens who have resided in the home more than ten (10) years may qualify each year.
 - 1. A Senior citizen is defined as at least sixty-five (65) years old as of December 31st of the year prior to the current year March Board of Review.
 - 2. A disabled citizen is defined as someone declared disabled by the Social Security Administration or other similar government agency. Documents confirming their permanent disability are to be submitted with their application.
 - 3. Senior citizens residing in the home less than the ten (10) year requirement may qualify if the current residence is a result of downsizing (a reduction in the market value from their former primary residence.)
 - 4. Individuals permanently disabled may qualify every year if they downsized their primary residence or continue to reside in the same residence occupied when declared disabled.
- 8) The Board of Review may deviate from the above policy where there are substantial and compelling reasons and such substantial and compelling reasons are communicated in writing to the City Council and the claimant.

Motion carried.

Mayor Hendrickson seconded by Councilor Bicigo moved to accept the bid from US2 Rental on a Cub Cadet 2544 lawn tractor in the amount of \$2,780.00. (Said tractor will be used at the cemetery).

Motion carried.

There were no other bids received for the lawn tractor.

Councilor Bicigo seconded by Councilor Hagglund moved to set the

minimum bid of \$1,000 on the used lawn tractor from cemetery and offer it for sale on bids.

Motion carried

Councilor Hagglund seconded by Councilor Bicigo moved to approve entering into a Master Equipment Lease/Purchase Agreement with Navistar Leasing Services Corporation for the purpose of purchasing, via a financing contract, the 2009 International 7300 Truck at a cost not to exceed \$116,850.00.

Motion carried.

Councilor Bicigo seconded by Councilor Hagglund moved to set the date for a public hearing on the ORV ordinance amendments to be during the next regular meeting of the City Council scheduled for 5:00 p.m. on March 9, 2009.

Motion carried.

Mayor Hendrickson seconded by Councilor Bicigo moved to approve the recommended changes in the cemetery rates effective June 1, 2009 as follows:

- * Increase Grave Opening/Closing local infant/ashes to \$150.00
- * Increase Grave Opening/Closing local vault to \$450.00
- * Increase Grave Opening/Closing Non-local vault to \$750.00
- * Increase Weekend vault opening/closing to \$225.00
- * Increase Holiday vault opening/closing to \$225.00
- * Increase Mausoleum Local to \$45.00
- * Increase Mausoleum Amasa to \$60.00
- * Increase Mausoleum Storage for burial elsewhere to \$75.00
- * Increase Disinterment of vault to \$600.00
- * Increase Disinterment of ashes to \$200.00
- * Increase cemetery lot cost/per square foot to \$5.00

Motion carried.

Mayor Hendrickson seconded by Councilor Hagglund moved to approve the funding of Tara Peltoma's attendance at the 2009 MAMC (Michigan Association of Municipal Clerks) Institute.

Ayes: Mayor Hendrickson & Councilor Hagglund

Nays: Councilors Burke, Smokevitch, and Bicigo

Motion defeated.

Manager Nordeman and Attorney Lawrence explained that the City will need to comply with the Federal Energy Regulatory Commission Order No. 719 and advised that they will have a recommendation ready for the next City Council meeting.

David Graff, Chief Electrician explained that the proposed electric rate adjustment is an increase of approximately 15%.

Councilor Burke seconded by Councilor Hagglund moved to approve the following electric rates:

- Residential Rate:
 - Facilities Charge: \$9.50/month
 - Extra Meter: \$1.00/month
 - Energy Charge: \$.0942/KWhr
- Commercial Rate:
 - Facilities Charge: 1 Phase: \$14.90/month
 - Facilities Charge: 3 Phase: \$22.00/month
 - Extra Meter: \$1.00/month
 - Energy Charge: \$.1000/KWhr
- Large Commercial/Industrial Rate:
 - Facilities Charge: \$80/month
 - Demand Charge: \$13.35/KW
 - Energy Charge - On Peak (8am - 8pm): \$.0594/KWhr
 - Energy Charge - Off Peak (8pm - 8am): \$.0359/KWhr
 - This rate is only for those customers who have consumed more than 30,000 KWhrs during 3 months of the year. It is optional to the customer.

Ayes: Councilors Burke, Smokevitch, and Hagglund.

Nays: Mayor Hendrickson and Councilor Bicigo.

Motion carried.

Councilor Burke seconded by Councilor Hagglund moved to implement the new electric rates effective with the billing mailed to the customers at the end of February 2009.

Ayes: Councilors Burke, Smokevitch, and Hagglund.

Nays: Mayor Hendrickson and Councilor Bicigo.

Motion carried.

Councilor Bicigo reported that the HBO rate charged by the NCTC is higher than expected and the City will most likely need to adjust the rate. This issue was tabled pending further investigation. Councilor Hagglund seconded by Councilor Burke moved to go into closed to discuss pending litigation Westfahl et al v City of Crystal Falls pursuant to the Open Meetings Act 267, 1976, 15.268 Sec. 8, (e).

Motion carried.

Meeting temporarily adjourned at 7:08 pm.

Meeting reconvened at 7:15

Councilor Smokevitch seconded by Councilor Hagglund moved to adjourn this meeting.

Motion carried.

Meeting adjourned at 7:15 p.m.

PRESIDING OFFICER _____

PRESIDING CLERK _____