CALL TO ORDER

Mayor Filkins called the City Council meeting to order at approximately 6:00 pm.

PLEDGE OF ALLEGIANCE

ROLL CALL

Council Present: Schippers, Spoelman, Stevens, Mellema, Mayor Filkins
Council Absent: None
Staff Present: Peccia, Roberts, Dietlin, Adams, Wallace, DeWitt, Coy, Veddler, Rork, Homier, Wasson

APPROVAL OF AGENDA

2015-126 Approve agenda as presented.
Motion was made Stevens and supported by Schippers to approve the agenda as presented.

Motion unanimously approved.

PUBLIC COMMENTS

Ritchie Harris thanked Mayor Filkins for attending the poppy kick-off on behalf of the Women’s Auxiliary. He invited Council to participate in the Memorial Day Parade.

David Reiser proposed using some of the millage that can be levied to fund street improvements.

CONSENT AGENDA

2015-127 Approve consent agenda as presented.
Motion was made by Schippers and supported by Spoelman to approve the consent agenda as presented.

Motion unanimously approved.

PROCLAMATION

A. Proclamation proclaiming May as Food Allergy Awareness Month.

Mayor Filkins presented the proclamation to a group of children.
COMMUNITY SPOTLIGHT

A. Michigan Department of Natural Resources Partners in Conservation Award.

Peccia noted that Josh Pellow, Supervisor of Mitchell State Park, nominated the City of Cadillac for this collaboration award. He noted that specific examples of collaboration between the City and the DNR include maintenance of the White Pine Trail, Kenwood Park Trail Extension, and Bike Cadillac! He added that the City also received a Special Tribute, from the State which was presented by Representative Phil Potvin.

PUBLIC HEARINGS

A. Public hearing to consider approval of the 2015-2020 City/CAPS Community Recreation Plan.

Mike Coy, Community Development Analyst, described the eight (8) steps that are required for the 2015-2020 City/CAPS Community Recreation Plan to be approved by the Michigan Department of Natural Resources.

Spoelman requested that the parcel next to the Clam River be added to the plan.

Mike Coy stated it would be added to the plan.


Motion was made by Stevens and supported by Schippers to adopt the 2015-2020 City/CAPS Community Recreation Plan as amended with the addition of the project as stated by Council Member Spoelman.

Motion unanimously approved.

B. Public Hearing to consider approval of resolution to adopt Ordinance No. 2015-08, Ordinance Establishing General Appropriations Act for Fiscal Year 2016.

Owen Roberts, Director of Finance, briefly described the budget approval process.

Gordon Maxwell stated that he is opposed to taking money out of reserves to make the budget and added that cuts are necessary. He mentioned the legal fees associated with the Boersma property.

Stevens discussed his concerns regarding the legal fees including the authorization of legal expenses. He pointed out that the proposed budget reflects $0 in the category Legal Services, Special and noted that the contract specifically defines ‘General’ and ‘Special’ legal fees. He also discussed concerns regarding the amount of overtime in the Police Department due to the reduction in the number of police officers.
Mellema expressed concerns about entering litigation without Council approval. He noted that he sent a letter to the Council Members and City staff on April 3, 2015 outlining his concerns regarding the budget. He added that only Council Member Stevens responded to his letter. He stated that he has some serious concerns regarding how tax dollars are being spent and feels obligated to raise those concerns. He discussed his concerns regarding legal costs and overtime in the Police Department. He stated that the Police Department has a shortage of patrol officers. He noted that he believes the Council has been omitted from many decisions.

Peccia advised that the Civil Service Commission is in the process of filling an entry level position in the Police Department in anticipation of the filling of higher level positions. He noted that there are a variety of factors that can contribute to overtime. He added that not having a full staff is the primary factor but injuries and other health related issues also contribute to the amount of overtime. He noted that even if one additional person was hired it would still not eliminate all of the overtime.

Peccia stated that he is not aware of a single lawsuit in which Council did not receive a briefing nor can he recall a single instance that the City entered into litigation without Council approval. He noted that the City is making a conscious effort to contain the legal fees.

Roberts noted that the overtime number Council Member Mellema referred to was based upon data gathered in response to a FOIA request and covered a 2-year period.

Spoelman asked what amount was being pulled from the reserves to balance the budget and Roberts replied it was $99,000.

Roberts noted that the City would still remain at 23.3% of total General Fund expenditures as an unassigned fund balance which is 8% above the target of 15 percent. He stated that he agrees with Mr. Maxwell and is not in favor of utilizing reserves but this economy is exactly why reserves exist.

Stevens credited Owen Roberts for the budget given the financial limitations from the State and the different aspects of the City. He added that the discussion is a policy discussion and is not a reflection on the efforts of City staff. He stated that prior minutes will reflect whether or not Council approval was given for the various lawsuits.

Peccia noted that he has never stated that Council does not have the right to know about legal or litigation items. He added that several closed sessions were held to brief the Council on the various legal issues.
Mellema stated that he feels that there are several areas that Council has been not been consulted with or action was taken that Council was unaware of. He noted that these issues were outlined in his letter to Council and also in communications with the Director of Finance. He pointed out that some Council Members may have been aware of these items and added that for a team to function properly all members need to be on the same page.

Schippers stated that she believes all Council Members are kept abreast on the issues via the closed sessions as stated by Mr. Peccia. She added that in some instances Council Members are not in attendance at the sessions. She pointed out that a Special Meeting was also held to review all of the issues. She noted that minutes will only reflect the item and any related motions made by Council.

Stevens stated that he and other Council Members have been attacked for legal costs. He disagrees that Council has approved all of the legal costs. He noted that $0 has been budgeted for Special Legal Services and added that if the Contract, Charter, and Uniform Budgeting Act are followed there can be no expenditures in this area.

Mayor Filkins stated that when a budget is developed it is done based on the information available and added that there are always going to be variables. She pointed out that she disagrees with the communication statements made earlier because she has spent a lot of time in meetings discussing the process and the different perspectives of the process. She asked City Attorney Homier if there is anything being done regarding the processes that are contrary to what he believes to be acceptable.

Homier discussed the process that occurs in the event the City is sued. He explained that in terms of the contract the meaning of ‘Special’ legal fees only refers to the rate at which those items are billed. He added that the rates have remained constant for the last 5 years.

Homier explained that for the general day-to-day issues, which are the majority of the work, the rate is $175 per hour. For other specialized work such as environmental issues, property tax appeals, and litigation the rate is $250 per hour. Therefore, it is not a difference in the legal issues but rather a difference in the rate applied to those legal issues. He added that there is not a ‘Special’ legal category except as it pertains to the hourly rate for those issues. He noted that the City is always advised as to the nature of claim, the risks involved, and the legal recommendation on any decisions that should be made.

Stevens asked if Foster Swift has to be utilized for ‘Special’ legal services. Homier replied that the City can utilize any attorney it chooses.

Stevens inquired as to who is approving the expenditures for litigation.

Homier explained the process when an administrative claim is made or a lawsuit is filed in Circuit Court.
Peccia stated that when the City is embarking on a legal item the total cost is unknown.

Schippers stated that Council is kept informed of the legal issues as they develop.

Mayor Filkins stated that the concerns have been discussed and noted that many of the concerns regarding legal expenses are shared among the Council Members. She pointed out that the job of Council is review the budget and move the City forward to the next fiscal year. She added that there have been many activities completed to make a positive difference in the direction of the budget.

Spoelman stated the job of the Council is to enact the ability of the City to utilize taxpayer dollars in a fiscally responsible manner. She added that an issue with the manner in which resources will be allocated is different than whether or not the budget will be approved. She cautioned Council not to let any policy or managerial issues stand in the way of passing a good budget and mentioned some of the upcoming projects. She reiterated the need to control legal costs.

Mellema noted that procedures, policies, and direction all reflect in the budget. He added that these items were addressed in his letter dated April 3, 2015.

2015-129 Motion to adopt Ordinance 2015-08 failed.
Motion was made by Spoelman and supported by Schippers to approve the resolution to adopt Ordinance No. 2015-08 Establishing General Appropriations Act for Fiscal Year 2016.

Ayes: Schippers, Spoelman, Mayor Filkins
Nays: Mellema, Stevens

Motion failed.

Stevens noted that the City must reduce the legal fees. He suggested a work session to focus on the legal costs.

Peccia stated that the allegation that the Charter is not being followed needs to stop. He added that he has offered on several occasions to ask the City Attorney to provide a legal opinion regarding concerns over the appropriations.

Homier stated that the more dysfunctional the community is the more it will pay in legal costs.

Mayor Filkins asked if it was possible to move forward with the approval of the budget minus the legal costs and then schedule a meeting between now and the end of May.

Peccia replied that it was possible to proceed in that manner.
Motion to adopt Ordinance 2015-08 failed
Motion was made by Stevens and supported by Mayor Filkins to approve the budget as presented minus the $200,000 listed in the Legal Services section.

Ayes: Schippers, Stevens, Mayor Filkins
Nays: Spoelman, Mellema

Motion failed.

COMMUNICATIONS

A. Request to display a banner from June 22, 2015 to June 29, 2015 for Relay for Life.

2015-131 Approve banner for Relay for Life.
Motion was made by Spoelman and supported by Schippers to approve the display of a banner from June 22, 2015 to June 29, 2015 for Relay for Life.

Motion unanimously approved.

B. Request for the closure of Lake St. between Harris St. and Cass St. from 6:00 am to 2:30 pm on June 27, 2015 for the Lake Cadillac Team Marathon.

2015-132 Approve street closure for Lake Cadillac team Marathon.
Motion was made by Schippers and supported by Mellema to approve the closure of Lake St. between Harris St. and Cass St. from 6:00 am to 2:30 pm on June 27, 2015 for the Lake Cadillac Team Marathon.

Motion unanimously approved.

C. Request for the closure of Lake St. between Harris St. and Cass St. from 6:00 pm to 9:00 pm on June 29, July 4, July 6, July 13, July 20, July 27, August 3, and August 10, 2015 for the Clam Lake Band summer concerts.

2015-133 Approve street closures for Clam Lake Band.
Motion was made by Stevens and supported by Mellema to approve the request for the dates as presented for the Clam Lake Band.

Motion unanimously approved.

CITY MANAGER’S REPORT

A. Back to the Bricks Cruise Cadillac.

Joy VanDrie, Downtown Cadillac Association, noted that the Back to the Bricks committee has approximately fourteen (14) members. Those members in attendance were: Carrie Thompson, CWTA; Lee Richards, Avon Automotive; Mark Featherston, Cadillac News; Jeff Rork, Cadillac Police Department.
Ms. VanDrie stated they are expecting close to 600 cars at the event on Sunday, June 7th and approximately 300 cars on Saturday, June 6th. She added that new this year, the group is selling $5 raffle ticket that includes a commemorative button and described the various activities occurring throughout the weekend. She noted that more information can be obtained by visiting backtobrickscadillac.org. She encouraged the Council Members to attend the event.

2015-134 Approve additional street closures, parking lot closures and signage for Back to the Bricks.
Motion was made by Spoelman and supported by Schippers to authorize the City Manager to direct City staff to make additional street and parking lot closures and to display signage as requested.

Motion unanimously approved.

B. Diversity sculpture.

Peccia noted that the sculpture, titled ‘Diversity’, is a result of collaboration between Baker College and PADNOS.

Karl Marcusse, District Manager for PADNOS, stated that the company has a long history of robust public arts programs. He noted that the company has always valued community and recycling.

2015-135 Accept and approve placement of Diversity sculpture.
Motion was made by Schippers and supported by Spoelman to accept the sculpture titled ‘Diversity” and to approve the location as presented.

Motion unanimously approved.

C. Bids and recommendation regarding PlacePlans (Cadillac Heritage Plaza Project) Design & Engineering Services.

Peccia noted that Jerry Adams was instrumental in working with various stakeholders, staff members, and the State on this project. He introduced John Wallace who will be replacing Jerry Adams as the Community Development Director.

Peccia noted that it is recommended that Prein & Newhof/DK Design Group’s proposal be selected for the purpose of designing, engineering, and managing the construction of the PlacePlans (Cadillac Heritage Plaza) project.

Connie Houk, Prein & Newhof, stated that they are excited and thankful to be selected for this project.

2015-136 Award contract for Heritage Plaza Project.
Motion was made by Stevens and supported by Mellema to award the contract for designing, engineering, and managing the construction of the Cadillac Heritage Plaza Project to Prein & Newhof/DK Design Group in accordance with their proposal.
Motion unanimously approved.

D. Bids and recommendation regarding the SAW Asset Management Plan Development.

Peccia noted that the City received a Stormwater, Asset Management and Waste (SAW) grant in the amount of $2 million with a $0 local match provision. He added that it is recommended that Council award the SAW Asset Management Plan Development to Prein & Newhof.

Roberts explained that the final amount of compensation paid to the firm will vary depending on the level of City staff involvement and other factors such as equipment purchases.

2015-137 Award contract for SAW Asset Management Plan Development.
Motion was made by Stevens and supported by Mellema to award the SAW Asset Management Plan Development contract to Prein & Newhof in accordance with their proposal.
Motion unanimously approved.

INTRODUCTION OF ORDINANCES AND RESOLUTIONS

A. Adopt resolution to introduce Ordinance No. 2015-10 Vacating a Portion of Russell Street and Reserving Certain Easements in Favor of the City of Cadillac and set a public hearing for June 15, 2015.

Adams explained that this portion of Russell Street exists as a paper street and has never been developed. He noted that it was recently discovered that the house at 311 Russell Street encroaches approximately 16 to 16 ½ feet into the right-of-way. He pointed out that the owner submitted an application to have all of Russell Street vacated. The Planning Commission held a public hearing and has recommended vacating the north half of Russell Street along the extent of the applicant's property. This would eliminate the encroachment into the public right-of-way and would leave a sufficient area for snow management and utility purposes. He stated that it was unlikely that this roadway would be developed, at least not in the near future.

2015-138 Set public hearing for Ordinance No. 2015-10.
Motion was made by Schippers and supported by Spoelman to adopt resolution to introduce Ordinance No. 2015-10 Vacating a Portion of Russell Street and Reserving Certain Easements in Favor of the City of Cadillac and set a public hearing for June 15, 2015.
Motion unanimously approved.
B. Adopt resolution to introduce Ordinance No. 2015-09 to Amend Section 42-203, 42-206, and 42-445 of Chapter 42 of the City Code to Increase Charges and fees for Certain Water Services and Hauled Waste Services and set a public hearing for June 1, 2015.

Peccia reviewed the proposed fee increases.

2015-139 Set public hearing for Ordinance No. 2015-09.
Motion was made by Schippers and supported by Spoelman to adopt resolution to introduce Ordinance No. 2015-09 to Amend Section 42-203, 42-206, and 42-445 of Chapter 42 of the City Code to Increase Charges and Fees for Certain Water Services and Hauled Waste Services and set a public hearing for June 1, 2015.

Motion unanimously approved.

ADOPTION OF ORDINANCES AND RESOLUTIONS

A. Adopt Joint Amended Resolution Confirming and Re-Establishing a Statutory Lake Improvement Board for Lake Mitchell Pursuant to Public Act 451 of 1994, as Amended.

Peccia noted that there has been an agreement in place for over 25 years. After reviewing the resolution, the Lake Mitchell Improvement Board (LMIB) determined that it would be appropriate to update some of the language and have separate resolutions for each municipality.

2015-140 Adopt joint resolution for LMIB.
Motion was made by Spoelman and supported by Stevens to adopt Joint Amended Resolution Confirming and Re-Establishing a Statutory Lake Improvement Board for Lake Mitchell Pursuant to Public Act 451 of 1994, as Amended.

Motion unanimously approved.

B. Adopt resolution Amending General Appropriations Act for Fiscal Year 2015.

Roberts reviewed the proposed budget amendment.

Motion was made by Schippers and supported by Spoelman to adopt resolution Amending General Appropriations Act for Fiscal Year 2015 as presented.

Motion unanimously approved.
MINUTES OF BOARDS AND COMMISSIONS

A. The minutes of the Cadillac Planning Commission meeting held on January 26, 2015 were presented for information only.

B. The minutes of the Cadillac Planning Commission meeting held on February 23, 2015 were presented for information only.

C. The minutes of the Cadillac-Wexford Airport Authority meeting held on April 16, 2015 were presented for information only.

D. The minutes of the Dog Park Advisory Committee meeting held on March 12, 2015 were presented for information only.

E. The minutes of the Cadillac Zoning Board of Appeals meeting held on August 21, 2014 were presented for information only.

F. The minutes of the Courthouse Hill Historic district Commission meeting held on February 9, 2015 were presented for information only.

G. The minutes of the Downtown Development Authority meeting held on March 25, 2015 were presented for information only.

PUBLIC COMMENTS

Julie Theobald requested that a Neighborhood Watch Program be developed.

John Harris stated that he supports the development of a Neighborhood Watch Program.

Ritchie Harris thanked Jerry Adams for his contributions to the City. He expressed concerns regarding expenditures and stated that everyone needs to work together for the benefit of the City.

GOOD OF THE ORDER

Mellema thanked CTC and CAMA for the successful Career Expo. He noted that over 30 employers were represented at the event. He noted that CAMA meetings will not be held during the summer. He mentioned some of the topics discussed at the recent Issues & Ideas Over Coffee session. He thanked Jerry Adams for his honesty, transparency, and professionalism.

Spoelman stated that Jerry Adams will be greatly missed and noted he was an excellent Community Development Director. She mentioned that she hoped the City Manager will direct staff to follow-up regarding the request for the development of a Neighborhood Watch Program.

Schippers thanked Jerry Adams for his vision and dedication to the City. She pointed out that the Mayor’s Youth Council will meet May 20, 2015 at 4:00 pm.
Stevens discussed the political divide within the City. He noted the importance of Council setting the example and providing good leadership within the community. He thanked Owen Roberts for pursuing hearing-impaired equipment. He thanked staff for making the front lobby more accessible. He thanked everyone who participated in the Parks Clean-Up Day. He mentioned the recent fundraiser held by the Fire Department and noted the funds raised will be given back to the community. He noted that Jerry Adams has served on over 20 active boards. He stated that Jerry Adams has always provided both sides of an issue and noted that he will be missed by the community.

Peccia stated that a Downtown Opportunity Walk will be held on June 25, 2015 at 5:30 pm. It will provide an opportunity for entrepreneurs, developers, realtors, and the general public to gain additional information regarding available space in the downtown area. He expressed his gratitude to Jerry Adams for his excellent service to the City.

Mayor Filkins thanked Jerry Adams and stated that he exemplifies the Core Values and Guiding Behaviors of the City and congratulated him on his retirement.

CLOSED SESSION

Adjourn to closed session to discuss pending civil litigation in the cases of City of Cadillac v Michilake Corp, Wexford County Circuit Court Case No. 14-25602-CH and Charter Township of Haring v City of Cadillac and Donald Boersma and Gloria Boersma, Wexford County Circuit Court Case No. 13-24606-CH the discussion of which in public would have a detrimental financial effect on the City's trial or settlement strategy.

Motion was made by Spoelman and supported by Schippers to adjourn to closed session to discuss pending civil litigation in the cases of City of Cadillac v Michilake Corp, Wexford County Circuit Court Case No. 14-25602-CH and Charter Township of Haring v City of Cadillac and Donald Boersma and Gloria Boersma, Wexford County Circuit Court Case No. 13-24606-CH the discussion of which in public would have a detrimental financial effect on the City's trial or settlement strategy; invite Jerry Adams and John Wallace the Community Development Directors.

Motion unanimously approved.

2015-143 Return to open session.
Motion was made by Schippers and supported by Stevens to return to open session.

Motion unanimously approved.

2015-144 Accept recommendation of the City Attorney.
Motion was made by Schippers and supported by Stevens to accept the recommendation of the City Attorney as discussed regarding the Boersma matter.

Motion unanimously approved.
ADJOURNMENT

Respectfully submitted,

Carla J. Filkins, Mayor

Sandra L. Wasson, City Clerk