

CITY COUNCIL MEETING MINUTES

April 6, 2020

By Remote Electronic Participation
200 N. Lake St. - Cadillac, Michigan 49601

CALL TO ORDER

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

ROLL CALL

Council Present: Elenbaas, Schippers, Engels, King, Mayor Filkins
Council Absent: None
Staff Present: Peccia, Roberts, Wallace, Keway, Payne, Homier, Wasson

APPROVAL OF AGENDA

2020-046 Approve agenda as presented.

Motion was made by Schippers and supported by Elenbaas to approve the agenda as presented.

Motion unanimously approved.

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

King requested the time he joined the meeting to be added to the Roll Call section of the regular meeting minutes from March 16, 2020.

2020-047 Approve consent agenda as amended.

Motion was made by Schippers and supported by King to approve the consent agenda with the amendment as stated by Council Member King.

Motion unanimously approved.

CITY MANAGER'S REPORT

A. COVID-19 Operational Update

City Manager Peccia provided a COVID-19 operational update. He summarized activities that are and are not permitted under the Stay Home, Stay Safe Executive Order issued by the Governor. He noted additional information can be found at Michigan.gov/coronavirus, CDC.gov/coronavirus, dhd10.org, and at www.munsonhealthcare.org. He stated the phone number for the COVID-19 hotline is 888-535-6136 and is available from 8:00 am to 5:00 pm daily.

Peccia referenced the Press Release issued earlier in the day. He noted in an effort to address questions, concerns, and complaints related to the Executive Order, Jason Elmore, Wexford County Prosecutor, has established a phone line (231-942-7651) and an email address (covid19@wexford county.org). He stated this is being done with the cooperation of local city, county, and state police agencies: city and county administration and emergency services; and District Health Department #10.

Peccia noted City offices are still closed in terms of physical public access to our facilities. He briefly explained the service changes regarding refuse and yard waste. He stated there is information available on the City's website at www.cadillac-mi.net regarding how residents can continue to conduct business with the City, report a problem, and download applications and permits. He noted the automated phone number for the City is 231-775-0181. He stated public meetings can be viewed at www.cctv-cadillac.org. He noted there is a Drop Box located in the City's main parking lot that can be used to deposit utility bills, applications, and other documents.

Peccia stated the Cadillac Visitors Bureau has information regarding COVID-19 Area Resources available on their website at www.cadillacmichigan.com. He discussed the current COVID-19 data sent out by District Health Department #10. He noted the source of the information provided was John Hopkins University.

Schippers asked about the guidelines regarding groups of children in the playground.

Peccia stated people should not be gathering in groups, other than with those living in the same household. He noted City parks are still open but when approaching the parks, if other people are already present then people should go to a different park. He added people should not be travelling to other areas for recreational outlets. He noted restricting access to the City parks may occur in the future.

B. Bids and recommendation regarding Plow Truck Chassis.

Peccia stated the FY2020 Annual Operating Budget and the proposed FY2021 budget each include an appropriation for the purchase of a single axle plow truck. He noted these purchases will replace the oldest two trucks in the frontline snow maintenance fleet. He added once these trucks are received and deployed in the fleet, all five main trucks will be four seasons old or less. He noted competitive bids were solicited and the recommendation is to award the purchase of two (2) plow truck chassis to the lowest bidder, Grand Traverse Diesel, in the amount of \$226,000.

King expressed concern about big item spending with the current uncertainty and suggested waiting sixty (60) days or even thirty (30) days to reevaluate the situation.

Owen Roberts, Director of Finance, stated he doesn't disagree that it is a difficult time to evaluate the importance, need, and desire to balance conservative cash outflow with not knowing what the future will hold. He noted that while operational dollars will be used to repay the funds for this purchase, the funds are segregated. He stated these are not General Fund reserves or other operational type reserves being utilized that would hinder our ability to continue to respond to what we need. He stated it is important to update the equipment, so

we don't find ourselves in a situation where we have two fifteen (15) to seventeen (17) year old trucks in the fleet trying to provide major snow maintenance next winter.

Ken Payne, DPW Operations Manager, stated there were issues with the two older trucks during recent snow events.

Elenbaas stated that while it is a difficult time to spend this amount of money, he agrees that the trucks are needed.

Engels stated he understands the concern expressed by Council Member King, but the plow trucks could be considered emergency management equipment.

2020-048 Award purchase of Plow Truck Chassis.

Motion was made by Engels and supported by Schippers to award the purchase of two (2) single axle plow truck chassis to Grand Traverse Diesel in the amount of \$226,000.

Ayes: Elenbaas, Schippers, Engels, Mayor Filkins

Nays: King

Motion carried.

C. Bids and recommendation regarding Snow Maintenance Equipment.

Peccia stated one (1) bid was received and it is being recommended to award the purchase and installation of snow maintenance equipment for two (2) single axle plow truck chassis to Truck and Trailer Specialties in the amount of \$155,846.

2020-049 Award purchase of Snow Maintenance Equipment.

Motion was made by Schippers and supported by Elenbaas to award the purchase and installation of snow maintenance equipment for two (2) single axle plow truck chassis to Truck and Trailer Specialties in the amount of \$155,846.

Ayes: Elenbaas, Schippers, Engels, Mayor Filkins

Nays: King

Motion carried.

D. Bids and recommendation regarding Return Activated Sludge Pumps.

Peccia noted the FY2020 budget for the Water and Sewer Fund includes an appropriation of \$30,000 for the replacement of two (2) return activated sludge (RAS) pumps at the Cadillac Wastewater Treatment Plant. He stated three (3) bids were received and it is being recommended to award the purchase of two (2) return activated sludge pumps to the lowest bidder, Kennedy Industries, in the amount of \$18,870.

2020-050 Award purchase of Return Activated Sludge Pumps.

Motion was made by Engels and supported by Elenbaas to award the purchase of two (2) return activated sludge pumps to Kennedy Industries in the amount of \$18,870.

Motion unanimously approved.

E. Bids and recommendation regarding Make-Up Air Unit Replacement.

Peccia noted the FY2020 budget for the Water and Sewer Fund includes an appropriation of \$25,000 for the replacement of the bio area make-up air unit, an important part of the mechanical system at the facility. He stated three (3) bids were received and it is being recommended to award the purchase and replacement of the make-up air unit at the Cadillac Wastewater Treatment Plant to the lowest bidder, Advance Mechanical & Electrical Service, LLC in the amount of \$24,391.49.

2020-051 Award purchase of Make-Up Air Unit.

Motion was made by Schippers and supported by Elenbaas to award the purchase and replacement of the make-up air unit at the Cadillac Wastewater Treatment Plant to Advance Mechanical & Electrical Service, LLC in the amount of \$24,391.49.

Motion unanimously approved.

F. Bids and recommendation regarding Rotary Pavilion Sign Upgrade.

Peccia noted the FY2020 Annual Operating Budget includes an appropriation of \$30,000 for the purchase and installation of an electronic message board insert to upgrade the informational sign at the Cadillac Rotary Pavilion. He stated the upgrade will enable the sign messaging to be changed via smartphone or computer and will enhance the messaging capabilities of the sign. He noted six (6) bids were received. He stated the low bidder, United Signs, is from out of state and provided no references for any work done in the State of Michigan. He noted the second lowest bidder, Pro Image Design, Inc. offered a full 5-year warranty on the sign. He added local service will be an important part of this project and potential warranty work in the future.

Peccia stated when discussing the project with Pro Image Design, Inc. they recommended the City explore a higher resolution sign for the project. He noted the quote provided for the higher resolution sign was \$19,992.20 which is well within the available budget for the project which is \$30,000.

Peccia stated it is being recommend the Rotary Pavilion Sign Upgrade project be awarded to Pro Image Design, Inc. in the amount of \$19,992.20.

King stated although he believes it would be a good upgrade to the community, he doesn't believe now is the time to spend those funds from the General Fund.

Engels asked if there is a downside to waiting on this project.

Roberts stated the new sign would offer the ability to provide enhanced messaging and provide it very quickly. He noted we don't know if postponing the project will impact the

pricing of the project.

Mayor Filkins asked about the lead time on the sign.

Roberts stated the sign would be removed and then would take approximately two weeks once it is scheduled.

Mayor Filkins stated the project may be delayed if the company is not considered an essential company.

King asked if the item could be tabled and brought back at a future meeting.

Roberts stated if the item is tabled it can be brought back to Council for consideration at a future meeting.

2020-052 Table Rotary Pavilion Sign Upgrade.

Motion was made by King and supported by Elenbaas to table the Rotary Pavilion Sign Upgrade project.

Motion unanimously approved.

- G. Schedule a public hearing for April 20, 2020 to discuss the 2020/2021 Annual Operating Budget.

2020-053 Schedule public hearing for the 2020/2021 Annual Operating Budget.

Motion was made by King and supported by Elenbaas to schedule a public hearing for April 20, 2020 to discuss the 2020/2021 Annual Operating Budget.

Motion unanimously approved.

- H. Schedule a public hearing for April 20, 2020 to consider approval of the Fiscal Year 2021-2026 Capital Improvement Program.

2020-054 Schedule public hearing for the Fiscal Year 2021-2026 Capital Improvement Program.

Motion was made by King and supported by Elenbaas to schedule a public hearing for April 20, 2020 to consider approval of the Fiscal Year 2021-2026 Capital Improvement Program.

Motion unanimously approved.

ADOPTION OF ORDINANCES AND RESOLUTIONS

- A. Adopt Resolution Approving Michigan Water/Wastewater Agency Response Network Mutual Aid and Assistance Agreement.

Peccia stated this agreement provides the City with access, if needed, to professionals that can assist in water and wastewater facilities if City personnel are unable to make it to work.

2020-055 Adopt Resolution Approving MIWARN Mutual Aid and Assistance Agreement.

Motion was made by King and supported by Schippers to adopt the Resolution Approving Michigan Water/Wastewater Agency Response Network Mutual Aid and Assistance Agreement.

Motion unanimously approved.

B. Adopt Resolution Authorizing Issuance of Michigan Transportation Fund Bonds, Series 2020.

Roberts stated the resolution authorizes the issuance of up to \$4.5 million of capital improvement bonds to pay the cost of certain improvements for major and local street system and related improvements. He noted the resolution is required and is pursuant to Act No. 175 of 1952. He stated this resolution does not bind the City to issue \$4.5 million of bonds. He noted this is the final action Council would have to take pursuant to the issuance of the bonds. He stated after this step an RFP would be issued and banks and other financial institutions would have the opportunity to bid on the purchase of those bonds.

Roberts noted the City can move forward quickly or can choose to wait until we see what happens with the current situation. He stated they are 15-year bonds which is less than the life of the underlying assets that the bonds will be used to construct.

Roberts stated that while it is incumbent on us all to be very careful in the use of our dollars we can't completely stop doing what we are required to do and one of those foundational requirements is to make sure our streets are safe and passable.

King asked if the funds are needed to complete the work on the worst streets.

Roberts stated that we could do a small amount of work but would not be able to take care of the worst of the worst.

King stated with the current market conditions the City could potentially acquire the debt at a better rate.

Roberts stated he is estimating a rate of 2.5 % even from some local interests. He noted it is a good market as far as affordability on total cost of financing.

King stated the City will be able to analyze the critical street projects to decide how much needs to be issued at this time but is required to get authorization from Council to secure a sufficient level to complete the required projects.

2020-056 Adopt Resolution Authorizing Issuance of Michigan Transportation Fund Bonds, Series 2020.

Motion was made by Elenbaas and supported by Schippers to adopt the Resolution Authorizing Issuance of Michigan Transportation Fund Bonds, Series 2020.

Motion unanimously approved.

C. Adopt Resolution to Approve Financing of Two (2) Wheel Loaders.

Peccia stated a bid opening was held for the purchase or lease of a new wheel loader which is a critical component of the City's snow removal operations. He noted it is being recommended to award a five-year lease to the lowest bidder, Alta Equipment. He stated the original plan was to purchase the current leased 2015 Volvo loader for \$110,000. He noted the loader is in good condition but is just beginning to show some signs of needed repairs. He added, the other frontline loader is a 2006 Case that has been taken out of service due to several maintenance issues. He stated once this occurred, the need for a decision on two (2) loaders instead of just one (1) was very evident.

Peccia noted Volvo has offered a five-year premier warranty on both units for the cost of one warranty which means the City will not be faced with significant repair costs on either unit for the entire term of the lease.

Peccia stated it is being recommended to adopt a resolution to approve a five-year lease for two (2) wheel loaders from Alta Equipment of Traverse City, MI with financing through KS State Bank of Manhattan, KS in the amount of \$34,500 per year and to authorize the Mayor and City Clerk to execute the lease documents.

Roberts stated we are once again considering a major capital item during these difficult times but without doing something we would be down to one loader which it not an option due to the amount of activities we perform. He noted the original plan was to buy-out the \$110,000 lease. He stated instead of spending \$110,000 now we would be spending \$35,000 for the first year of the lease for two brand new fully warranted units. He noted based on the value of the Case unit we will be selling it should completely cover year one of the cost of the lease.

2020-057 Resolution to Approve Financing of Two (2) Wheel Loaders.

Motion was made by Schippers and supported by Elenbaas to adopt the resolution to approve a 5-year lease for two (2) wheel loaders from Alta Equipment of Travers City, MI with financing through KS State Bank of Manhattan, KS in the amount of \$34,500 per year and to authorize the Mayor and City Clerk to execute the lease documents.

Ayes: Elenbaas, Schippers, Engels, Mayor Filkins

Nays: King

Motion carried.

D. Adopt Resolution Providing for the Continued Basic Operations of the City and Suspending Late Fees and Shut Offs During the State of Emergency.

Peccia stated this resolution provides a formal framework for the continued basic operations of the City and to take actions authorized under the Emergency Management Act, Act 390 of 1976 and in compliance with Executive Orders issued by the Governor in response to the COVID-19 pandemic.

2020-058 Adopt Resolution Providing for the Continued Basic Operations of the City and Suspending Late Fees and Shut Offs During the State of Emergency.

Motion was made by King and supported by Elenbaas to adopt the Resolution Providing for the Continued Basic Operations of the City and Suspending Late Fees and Shut Offs During the State of Emergency.

Motion unanimously approved.

PUBLIC COMMENTS

Gerald Deer thanked everyone for working together during this terrible time.

GOOD OF THE ORDER

Elenbaas encouraged everyone to stay strong and stated that he hopes everything we will be back to normal soon.

Schippers thanked Marcus Peccia, Owen Roberts, Jeff Dietlin, and the rest of the City staff for keeping everything working during these extraordinary circumstances.

ADJOURNMENT

Respectfully submitted,

Carla J. Filkins, Mayor

Sandra L. Wasson, City Clerk