CITY OF MASON

201 West Ash St.
Mason MI 48854-0370

City Hall 517-676-9155
Fax 517-676-1330

CITY COUNCIL MEETING - COUNCIL CHAMBER
Monday, June 1, 2015

7:30 p.m.

Agenda

1. Call to Order

2. Roll Call

3. Pledge of Allegiance and Invocation

4. Announcements

5. People from the Floor

6. Consent Agenda
   A. Approval of Minutes
      - Regular Council Meeting: May 18, 2015
   B. Approval of Bills

7. Regular Business
   A. Resolution 2015-23 – Authorization to Award a Contract to Rieth-Riley Construction Company for the Construction of the Maple Grove Park Riverwalk Pedestrian Bridge and Trailhead Sign
   B. Resolution 2015-24 – Amend FY 2014-2015 Budget and Waive the Formal Bid Process to Award the Well No. 8 Repair Project to Layne-Christensen Co.
   C. Resolution 2015-25 – Approval to Award the Drilling of Well No. 9A to Birkmeier Well Drilling
   D. Resolution 2015-26 – Approving an Increase to the City of Mason Utility Rates
   E. Resolution 2015-27 – Authorizing Mayor Waltz and City Administrator Colburn to Sign MDOT Contract Number 15-5241, Job Number 117414A
   F. Motion – 1020 East Ash Street – Quote for Demolition Services

8. Unfinished Business
   A. Discussion – Legal Opinion of Enforceability of Chapter 38, Article II, Regulating Oil and Gas Wells

9. New Business

10. Correspondence

11. Liaison Reports

12. Councilmember Reports

13. Administrator's Report
    - US Environmental Protection Agency (EPA) Grant
    - Road funding

14. Adjournment

CITY OF MASON
REGULAR CITY COUNCIL MEETING
MINUTES OF MAY 18, 2015

Mayor Waltz called the meeting to order at 7:30 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan, 48854. Councilmember Clark led the Pledge of Allegiance and offered the invocation.

Present:	Councilmembers: Brown, Bruno, Clark, Droscha, Ferris, Mulvany, Waltz
Absent:	Councilmember: None
Also present:	Martin A. Colburn, City Administrator
	Deborah J. Cwiertniewicz, City Clerk
	Eric Smith, Finance Director/Treasurer
	David Haywood, Zoning & Development Director
	John Stressman, Chief of Police
	Kerry Minshall, Fire Chief
	Tom Hitch, City Attorney

ANNOUNCEMENTS

- David Haywood, Zoning & Development Director earned certification from the American Institute of Certified Planning (AICP).
- Thursday Night Live will feature the Mason Middle School and Mason High School Jazz bands.

It was stated that Ingham County Commissioner Robin Naeyaert requested to give a presentation before Council this evening.

MOTION by Brown, second by Droscha,
to amend the agenda by inserting Item No. 14, Presentation, and move, Adjournment, to Item No. 15.
MOTION APPROVED

PEOPLE FROM THE FLOOR

Russ Whipple, Fire Department Lieutenant, spoke regarding comments he made at the May 6 City Council meeting where he presented a funding proposal for replacing fire trucks. He explained the proposal in detail and asked the Council and staff to be bold and implement his plan or something similar to it. He stated that the City would not be paying interest, but paying toward inflation.

CONSENT AGENDA

MOTION by Brown, second by Ferris,
to approve the Consent Agenda as follows:

A. Approval of Minutes - Regular Council Meeting: May 6, 2015
B. Approval of Bills: $173,012.78
C. Motion – Memorial Day Parade – Street Closure
   Approved street closures from 8:15 a.m. until approximately 10:30 a.m. as follows: Bond Park to East Columbia Street, south on Barnes Street, west on Ash Street, north on Jefferson Street, west on Maple Street to State Street, right on Columbia Street to Maple Grove Cemetery.

MOTION APPROVED

REGULAR BUSINESS

Resolution No. 2015-20 — Declaring an Additional Temporary Moratorium on the Issuance of Licenses for Primary Caregiver Operations and Dispensaries in the City of Mason

Haywood elaborated on his report regarding the Planning Commission request for Council to declare an additional 180-day moratorium on the issuance of licenses for primary caregiver operations and dispensaries to allow the Planning Commission's medical marihuana sub-committee to continue working toward drafting an ordinance.

Stressman stated that he is concerned regarding a bill introduced in the legislature allowing medical marihuana card holders to have a level of THC in their system.

> MOTION by Droscha, second by Ferris,
> to consider Resolution No. 2015-20 read.
> MOTION APPROVED

Resolution No. 2015-20 was introduced by Clark and seconded by Bruno.

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-20
A RESOLUTION DECLARING AN ADDITIONAL TEMPORARY MORATORIUM ON THE ISSUANCE OF LICENSES FOR PRIMARY CAREGIVER OPERATIONS AND DISPENSARIES IN THE CITY OF MASON
May 18, 2015

WHEREAS, the People of the state of Michigan have adopted, by initiative, the Michigan Medical Marihuana Act (the "Act"); and

WHEREAS, the Act authorizes primary caregivers to assist qualifying patients in obtaining medical marihuana by allowing the primary caregiver to grow, possess, and deliver limited amounts of marihuana to the patients and receive compensation for doing so; and

WHEREAS, the Act's provisions have resulted in primary caregivers combining to form what has come to be termed "dispensaries" in adjacent municipalities in which multiple registered primary caregivers operate from a single building to create situations in which amounts of marihuana greater than the Act would otherwise allow for a single primary caregiver are being possessed and stored on single lots and properties; and

WHEREAS, the Act does not regulate or even necessarily allow for dispensaries and many significant aspects of the operation of a dispensary could affect the health, safety and welfare of the citizens of the city of Mason; and

WHEREAS, the Act does not regulate many significant aspects of the operation of a primary caregiver that could affect the health, safety and welfare of the citizens of the city of Mason; and

WHEREAS, the City had previously adopted an ordinance which was understood to have the effect of prohibiting primary caregiver operations and dispensaries within the City; and

WHEREAS, the Michigan Supreme Court has determined such ordinances to be in conflict with the Act but also has stated that the use of Marihuana pursuant to the Act may be regulated; and

WHEREAS, the City of Mason intends to regulate primary caregiver operations and dispensaries to ensure the health, safety and welfare of its citizens; and

WHEREAS, the City of Mason, as part of the regulatory process, has adopted an ordinance requiring primary caregiver operations and dispensaries to be licensed; and

WHEREAS, in light of pending legislation, court rulings, and position statements of the Michigan Attorney General, the Michigan Sheriffs' Association, and the Michigan Association of Chiefs of

Police, the City of Mason is in the process of considering and studying how to effectively regulate dispensaries and primary caregiver operations to meet the intent of the Act while preserving the health, safety and welfare of its citizens; and

WHEREAS, at their May 12, 2015 meeting, the Mason Planning Commission requested additional time to prepare a draft ordinance to study the issue of medical marihuana, including national and local trends, explore ordinance examples, and schedule public input meetings, etc.; and

WHEREAS, the City Council desires that no licenses be authorized or issued in the city of Mason for dispensaries or primary caregiver operations until the process to determine the appropriate and necessary regulations is concluded.

NOW, THEREFORE, BE IT RESOLVED that:

1. No applications for licenses for primary caregiver operations shall be accepted and no licenses shall be issued from the effective date of this resolution and while the moratorium enacted by this resolution or any subsequently adopted resolutions which may extend this moratorium shall remain in effect.
2. No applications for licenses for dispensaries shall be accepted and no licenses shall be issued from the effective date of this resolution and while the moratorium enacted by this resolution or any subsequently adopted resolutions which may extend this moratorium shall remain in effect.
3. This limited moratorium on the issuance of primary care giver operation licenses and dispensary licenses shall be effective for 180 days from passage.

Yes (6) Brown, Bruno, Clark, Ferris, Mulvany, Waltz
No (1) Droscha

RESOLUTION APPROVED

Resolution No. 2015-21 — Request to Hold a Fireworks Display and for a Street Closure

MOTION by Droscha, second by Brown,
to consider Resolution No. 2015-21 read.
MOTION APPROVED

Resolution No. 2015-21 was introduced by Clark and seconded by Bruno.

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-21
REQUEST TO HOLD A FIREWORKS DISPLAY
AND FOR A STREET CLOSURE
May 18, 2015

WHEREAS, the Mason Fire Department is requesting to hold a fireworks display on the evening of July 4, 2015 in conjunction with the annual Fourth of July celebration; and

WHEREAS, the Mason Fire Department is requesting to close Temple Street between the Fairgrounds entrance and Kipp Road from 6:00 a.m. on July 4 through 2:00 a.m. on July 5, 2015.

BE IT HEREBY RESOLVED, by the City Council of the City of Mason, that it does hereby grant permission to the Mason Fire Department to hold a fireworks display on July 4, 2015 in conjunction with the annual Fourth of July celebration.

BE IT FINALY RESOLVED, that the City Council of the City of Mason does hereby approve the closure of Temple Street between the fairgrounds entrance and Kipp Road from 6:00 a.m. on July 4 through 2:00 a.m. on July 5, 2015.

RESOLUTION APPROVED

Resolution No. 2015-22 – Adoption of Fiscal Year 2015-2016 Budget

Smith stated that the FY 2015-2016 Budget Fund balance appears to be high for the reason that a lot of the elements that created the fund balance include Charter provisions to waive street construction, unsettled contracts, and staff vacancies. He stated that these items will utilize the fund balance as quickly as the proposal by Mr. Whipple. He stated concern that the proposal only addressed fire apparatus. He ran several financial models with minor increases of revenue and expenditures, as well as expenditures outside of just purchasing the apparatus, and at the current revenue base the City could not sustain the plan for five years. He stated that if the City were to use such an aggressive plan for fund balance, he would be considering other areas and needs of the City, like the pension funding level, Other Postemployment Benefits (OPEB), and upcoming contracts for negotiations. He stated that the FY 2015-2016 Budget addresses fire apparatus more aggressively than it has in the past. The City and townships are continuing to contribute and support apparatus. Discussion ensued regarding fire apparatus as it is appears in the proposed Budget.

MOTION by Brown, second by Droscha,
to consider Resolution No. 2015-22 read.
MOTION APPROVED

Resolution No. 2015-22 was introduced by Bruno and seconded by Clark.

It was discussed whether amendments to the Budget at the time of its adoption were appropriate. Work sessions were held to consider matters of the Budget and amendments can be made at any time if it is necessary to do so.

MOTION by Brown, second by Mulvany,
to amend proposed FY 2015-2016 Budget as follows:

1. Dept. 758 – Public Art: Add funding in the amount of $1,000.00 to support current and future projects related to both the fine and performing arts.
2. Dept. 808 – Planning Commission: Add funding in the amount of $340.00 to support conferences, workshops, training seminars, and membership dues to professional organizations for members of the Mason Planning Commission.
3. Adjust the surplus to fund balance, all subtotals, all totals, and Resolution No. 2015-22 accordingly.

Yes (5) Brown, Droscha, Ferris, Mulvany, Waltz
No (2) Bruno, Clark
MOTION APPROVED

It was discussed that Mr. Whipple's proposal was a sound plan and it, or something similar, should be followed. Also, it was suggested that because there is a fire truck in the proposed Budget, there is time to consider alternative plans for the next Budget. A very lengthy discussion ensued.

MOTION by Clark, second by Bruno,
to amend the Budget by setting aside $600,000 in the Fire Department Budget for the purchase of fire trucks.
Yes (3) Bruno, Clark, Droscha
No (4) Brown, Ferris, Mulvany, Waltz
MOTION FAILED

CITY OF MASON
CITY COUNCIL RESOLUTION 2015-22
ADOPTION OF THE FISCAL YEAR 2015-2016 BUDGET
May 18, 2015

WHEREAS, the City Council of the City of Mason did hold a public hearing on the proposed 2015-2016 Fiscal Year budget on Wednesday, May 6, 2015 as prescribed by law; now

THEREFORE BE IT RESOLVED, that the proposed 2015-2016 Operating Budget is filed with the City Clerk, providing for the sums of $14,978,425 to expend for municipal purposes of the General Fund, Special Revenue Funds, Capital Project Funds, Trust and Agency Funds, Enterprise Funds, Intergovernmental Funds, and Special Assessment Funds for the 2015-2016 Fiscal Year, and the said amount of $2,864,950 shall be raised by taxes, or a levy of 13.25 mills, upon real and personal property of the City of Mason.

RESOLVED FURTHER, that whereas the Downtown Development Authority (DDA) budget for 2015-2016 is forwarded to the City Council for its approval, and whereas the captured State Taxable Valuation for the DDA District is 1,898,784 the sum of $25,460 shall be placed in the DDA Fund along with other taxing jurisdictions' appropriate tax dollar amounts, and together this money will be used for future public improvements within the District, and bond payments.

RESOLVED FURTHER, that whereas the Local Development Finance Authority (LDFA) budget for 2015-2016 is forwarded to the City Council for its approval, and whereas the captured State Taxable Valuation for the LDFA District is 51,084,708; the sum of $137,550 shall be placed in the LDFA Fund along with other taxing jurisdictions' appropriate tax dollar amounts, and together this money will be used for future public improvements within the District, and bond payments.

RESOLVED FURTHER, that the 2015-2016 Governmental Fund Budgets shall be automatically amended on July 1, 2015 to re-appropriate encumbrances outstanding and reserved on June 30, 2015.

NOW, THEREFORE, BE IT FINALLY RESOLVED, that the City Council of the City of Mason hereby adopts the 2015-2016 proposed Fiscal Year budget which is currently on file in the office of the City Clerk.

Yes (5) Brown, Droscha, Ferris, Mulvany, Waltz
No (2) Bruno, Clark

RESOLUTION APPROVED

Motion – Intergovernmental Agreement for Building Inspection Services Amendment
Haywood elaborated on his submitted report regarding amending the intergovernmental agreement for building inspection services by adjusting the hourly rate of pay for inspection services as requested by Meridian Township Manager Frank Walsh.

MOTION by Brown, second by Droscha,
to approve the amendment to Exhibit A of the Intergovernmental Agreement for Building Inspection Services with Meridian Township to increase the hourly service rate for both building inspector and building official to $100 per hour and authorize the City Administrator to sign the agreement.
MOTION APPROVED

Motion – Oil and Gas Lease Between City of Mason and Northwood Energy Corporation
Colburn elaborated on his report to Council regarding a request by Northwood Energy Corporation to extend the current oil and gas lease with the City. Hitch informed Council that he reviewed the lease and has approved it to form.

MOTION by Droscha, second by Ferris,
to approve extension of oil and gas lease with Northwood Energy Corporation and providing Mayor Waltz and City Administrator Colburn signature authority.
MOTION APPROVED

UNFINISHED BUSINESS
Mr. Hitch will provide a report on West Bay Exploration Company at the next Council meeting.

NEW BUSINESS
Discussion was held regarding the maintenance of Maple Grove Cemetery. Also, the process of developing a food truck ordinance was discussed.

CORRESPONDENCE
All correspondence was distributed.

LIAISON REPORTS
- Ferris informed Council regarding Tree Commission business.
- Brown informed Council regarding Planning Commission business.
- Waltz informed Council regarding Downtown Development Authority business.
- Brown informed Council regarding the Sesquicentennial Committee business.

COUNCILMEMBER REPORTS
Brown reported that he attended the Michigan Leadership Forum sponsored by the Governing Magazine. He provided a copy of the magazine for each councilmember.

ADMINISTRATOR'S REPORT
Colburn informed Council regarding City business. He announced that he has accepted an employment position from Traverse City, Michigan. He will submit a resignation to City Council in the near future.

PRESENTATION
Robin Naeyaert, County Commissioner, congratulated Mr. Colburn. She gave Council an update of her priorities in her new role as County Commissioner.

ADJOURNMENT
The meeting adjourned at 9:20 p.m.

Deborah J. Cwiertniewicz, City Clerk

Mike Waltz, Mayor

05/29/2015 10:03 AM
User: TF
DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON
EXP CHECK RUN DATES 06/02/2015 - 06/03/2015
BOTH JOURNALIZED AND UNJOURNALIZED
BOTH OPEN AND PAID
COUNCIL REPORT

MONDAY, JUNE 1, 2015

Vendor Code / Invoice / GL Number	Vendor Name / Invoice Description / GL Description	Invoice Date	Amount	
08073	A.L.A.M. INC			
CM-5727	ABATEMENT OF ASBESTOS MATERIAL ON 1020 E ASH ST	06/02/2015		
101-269.00-971.000	1020 E ASH ST REMOVE ASBESTOS MATERIAL		8,455.00	
		VENDOR TOTAL:		8,455.00
06474	CONSUMERS ENERGY			
JUNE 2015	ELECTRICITY 4/21 - 5/20	06/02/2015		
592-559.00-920.000	ELECTRICITY 4/21 - 5/20		6,999.55	
		VENDOR TOTAL:		6,999.55
05245	DETROIT SALT CO.			
49679	145.64 TONS OF SALT	06/02/2015		
202-478.00-757.000	145.64 TONS OF SALT		8,476.25	
		VENDOR TOTAL:		8,476.25
07733	DEZURIK			
S/O 617316	3 FILTER CELL VALVES	06/02/2015		
592-555.00-933.000	2 - 10" FILTER CELL VALVES		4,820.00	
592-555.00-933.000	14" FILTER CELL VALVE		3,846.00	
			8,666.00	
		VENDOR TOTAL:		8,666.00
05016	GRANGER			
MAY 2015	MAY REFUSE #2306 CUSTOMERS	06/02/2015		
101-528.00-818.000	MAY REFUSE #2306 CUSTOMERS		27,833.42	
		VENDOR TOTAL:		27,833.42
06205	KEMIRA WATER SOLUTIONS			
9017448209	9.5 DRY TONS FERRIC CHLORIDE	06/02/2015		
592-555.00-757.000	9.5 DRY TONS FERRIC CHLORIDE		5,007.83	
		VENDOR TOTAL:		5,007.83
05234	MML WORKERS COMPENSATION FUND			
2340204	1ST QUARTER 2015/2016 WORKERS COMP CONTRIBUTION	06/02/2015		
101-000.00-128.000	1ST QTR WORKERS COMP CONTRIBUTION		17,563.00	
		VENDOR TOTAL:		17,563.00
		TOTAL - ALL VENDORS:		83,001.05

I hereby certify that I have reviewed the above bills and expenditures and to the best of my knowledge and belief, they cover expenditures of the City services and materials and are within current budget appropriations.

Martin A. Colburn

City Administrator

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: June 1, 2015 **Agenda Item:** 7A

AGENDA ITEM

Resolution No. 2015-23 – Authorization to Award a Contract to Rieth-Riley Construction Company for the Construction of the Maple Grove Park Riverwalk Pedestrian Bridge and Trailhead Sign

EXHIBITS

- Resolution No. 2015-23
- Letter of Recommendation from Wolverine Engineers & Surveyors, May 12, 2015

STAFF REVIEW

Zoning & Development Department

SUMMARY STATEMENT

Staff received six bids for the installation of the pedestrian bridge and sign, which included the following:

Rieth Riley Const. Co.	**$69,944.95**
Eastern MI Contracting	$98,800.00
Mauldon Construction	$108,350.00
Highway Services Co.	$119,122.50
Davis Construction Inc.	$133,192.00
M-K Construction Co.	$179,000.00

RECOMMENDED ACTION

Move to approve Resolution No. 2015-23.

Introduced:
Seconded:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-23

AUTHORIZATION TO AWARD A CONTRACT TO RIETH-RILEY CONSTRUCTION COMPANY FOR THE CONSTRUCTION OF THE MAPLE GROVE PARK RIVERWALK PEDESTRIAN BRIDGE AND TRAILHEAD SIGN

June 1, 2015

WHEREAS, the City of Mason wishes to replace the existing vehicular bridge in the Maple Grove Park that crosses the Sycamore Creek near the Maple Grove Cemetery offices with a pedestrian bridge, including trailhead sign and improved parking, to serve the Hayhoe Riverwalk trail; and

WHEREAS, the existing bridge is in disrepair and is need of replacement; and

WHEREAS, the City has secured grant funding from a variety of sources to pay for the bridge, including the Michigan Department of Natural Resources, City of Mason Iva Bond Trust, George and Lisa Hayhoe, Tri-County Bicycle Association, Dart Foundation, Elaine Ferris, and Jim Mulvany; and

WHEREAS, bids were received and publicly opened on May 12, 2015; and

WHEREAS, the low bid was from Rieth-Riley Construction Company at $69,944.95.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council approve the expenditures as part of the Fiscal Year 2015-2016 budget at $69,944.95 for the construction of a pedestrian bridge, trailhead sign and parking improvements and authorizes the City Administrator signatory authority.

Yes ( )
No ( )

CLERK'S CERTIFICATION: I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, June 1, 2015, the original of which is part of the City Council minutes.

_____
Deborah J. Cwiertniewicz, City Clerk
City of Mason
Ingham County, Michigan

Wolverine Engineers & Surveyors, Inc.
312 North Street • Mason, Michigan 48854 • 517.676.9200 • Fax 517.676.9396

May 12, 2015

RECEIVED
MAY 13 2015
CITY OF MASON
PLANNING DEPT.

Mr. David Haywood
Zoning & Development Director
City of Mason
201 W. Ash Street
Mason, MI 48854

RE: City of Mason – Riverwalk Pedestrian Bridge and Trailhead Sign

Dear Mr. Haywood:

On Tuesday, May 12, 2015, the City of Mason received and publicly opened and read aloud six bids for City of Mason - Riverwalk Pedestrian Bridge and Trailhead Sign. We have attached a copy of the Bid Tabulation for your reference. The three low bids are as follows:

Rieth-Riley Construction	$ 69,944.95	(12% below Estimate)
Eastern Michigan Contracting	$ 98,800.00	(10% above Estimate)
Mauldon Bros. Construc	$108,350.00	(21% above Estimate)
Engineer's Estimate	$ 89,305.00	

The low bidder, Rieth-Riley Construction, is known to us and is currently working on projects with Wolverine and the City of Mason. Based upon our knowledge and working relationship with Rieth-Riley Construction, we recommend award of a contract in the amount of $69,944.95, for the City of Mason – Riverwalk Pedestrian Bridge and Trailhead Sign.

Enclosed are five (5) copies of the Notice of Award form for your signature and return to us if the Council concurs with our recommendation. We will then forward the Notice of Award, contract, bonds and insurance requirements to Rieth-Riley Construction to complete and return to us for further processing.

If you have any questions or require additional information, please do not hesitate to call.

Sincerely,

WOLVERINE ENGINEERS AND SURVEYORS, INC.

Donald B. Heck, P.E.
Encl.
DBH:dbh

Mason - Riverwalk Pedestrian Bridge and Trailhead Sign - Bid Tabulation
Tuesday, May 12, 2014 - 10:00 AM

				ENGINEER'S ESTIMATE		Rieth-Riley Const. Co. 4150 S. Creyts Road Lansing, MI 48917		Eastern MI Contracting 2325 Huron Line Rd. Ubly, MI 48475		Mauldon Construction 1009 W. Barnes Road Mason, MI 48854	
ITEM	EST. QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	1	LS	Bridge, 24' x 8' Wide, Prefabricated Foot Bridge (Continental bridge, Half-Through Connector Truss), including Transition Plates each end	$38,500.00	$38,500.00	$25,277.00	$25,277.00	$40,000.00	$40,000.00	$45,000.00	$45,000.00
2	2	Ea	Removable Bollards	$500.00	$1,000.00	$433.00	$866.00	$500.00	$1,000.00	$1,000.00	$2,000.00
3	1	LS	Bridge Precast Footing/Abutment Walls	$27,000.00	$27,000.00	$20,745.00	$20,745.00	$22,000.00	$22,000.00	$17,500.00	$17,500.00
4	1	LS	Remove Ex. Bridge, Footings and Abutments (Dispose Off Site)	$5,000.00	$5,000.00	$2,925.00	$2,925.00	$9,000.00	$9,000.00	$17,500.00	$17,500.00
5	625	Syd	Pulverize Ex. Parking Lot & Drive Entrance	$3.00	$1,875.00	$8.55	$5,343.75	$4.20	$2,625.00	$4.00	$2,500.00
6	625	Syd	Shape, Fine Grade and Balance Parking Area	$2.00	$1,250.00	$0.60	$375.00	$3.00	$1,875.00	$2.00	$1,250.00
7	140	Tons	Bituminous Mixtures 13A @ 440#/syd (2 Lifts)	$62.00	$8,680.00	$56.83	$7,956.20	$100.00	$14,000.00	$90.00	$12,600.00
8	1	LS	Furnish & Install Two Barrier Free Signs and Posts	$1,500.00	$1,500.00	$250.00	$250.00	$500.00	$500.00	$1,000.00	$1,000.00
8A	1	LS	Fabricate, Furnish and Install Trailhead Sign	$1,000.00	$1,000.00	$1,700.00	$1,700.00	$3,500.00	$3,500.00	$2,500.00	$2,500.00
9	1	Ea	Trash Container	$500.00	$500.00	$2,357.00	$2,357.00	$800.00	$800.00	$1,500.00	$1,500.00
10	1	LS	Soil Erosion & Sedimentation Control Measures	$2,000.00	$2,000.00	$400.00	$400.00	$2,000.00	$2,000.00	$2,500.00	$2,500.00
11	1	LS	Cleanup & Restoration	$1,000.00	$1,000.00	$1,750.00	$1,750.00	$1,500.00	$1,500.00	$2,500.00	$2,500.00
			TOTAL AMOUNT OF BID		$89,305.00		$69,944.95		$98,800.00		$108,350.00

				Highway Service Co. 26401 Hall Road Woodhaven, mi 48183		Davis Construction Inc. 5236 Dumond Ct. Ste A Lansing, MI 48917		M-K Construction Co. 18388 Dix-Toledo Brownstown, MI 48193	
ITEM	EST. QTY.	UNIT	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	1	LS	Bridge, 24' x 8' Wide, Prefabricated Foot Bridge (Continental bridge, Half-Through Connector Truss), including Transition Plates each end	$42,720.00	$42,720.00	$106,200.00	$106,200.00	$70,000.00	$70,000.00
2	2	Ea	Removable Bollards	$400.00	$800.00	$1,600.00	$3,200.00	$500.00	$1,000.00
3	1	LS	Bridge Precast Footing/Abutment Walls	$30,900.00	$30,900.00	$1.00	$1.00	$45,000.00	$45,000.00
4	1	LS	Remove Ex. Bridge, Footings and Abutments (Dispose Off Site)	$11,300.00	$11,300.00	$1.00	$1.00	$30,000.00	$30,000.00
5	625	Syd	Pulverize Ex. Parking Lot & Drive Entrance	$11.60	$7,250.00	$4.00	$2,500.00	$4.80	$3,000.00
6	625	Syd	Shape, Fine Grade and Balance Parking Area	$4.50	$2,812.50	$2.00	$1,250.00	$3.20	$2,000.00
7	140	Tons	Bituminous Mixtures 13A @ 440#/syd (2 Lifts)	$95.00	$13,300.00	$86.00	$12,040.00	$100.00	$14,000.00
8	1	LS	Furnish & Install Two Barrier Free Signs and Posts	$440.00	$440.00	$250.00	$250.00	$300.00	$300.00
8A	1	LS	Fabricate, Furnish and Install Trailhead Sign	$3,900.00	$3,900.00	$3,000.00	$3,000.00	$1,400.00	$1,400.00
9	1	Ea	Trash Container	$1,700.00	$1,700.00	$1,600.00	$1,600.00	$800.00	$800.00
10	1	LS	Soil Erosion & Sedimentation Control Measures	$500.00	$500.00	$500.00	$500.00	$1,500.00	$1,500.00
11	1	LS	Cleanup & Restoration	$3,500.00	$3,500.00	$2,650.00	$2,650.00	$10,000.00	$10,000.00
			TOTAL AMOUNT OF BID		$119,122.50		$133,192.00		$179,000.00

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: June 1, 2015 **Agenda Item:** 7B

AGENDA ITEM
Resolution No. 2015-24 – Amend FY 2014-2015 Budget and Waive the Formal Bid Process to Award the Well No. 8 Repair Project to Layne- Christensen Co.

EXHIBITS
None.

STAFF REVIEW
Public Works Department

SUMMARY STATEMENT
The motor on Well No. 8 failed the week of May 1, 2015. Staff had the motor diagnosed to find the cause of the failure. The motor shop determined that the windings had a short and the motor would have to be rewound or replaced. The recommendation was to upsize the motor to 50 HP from the original 40 HP motor. The variable frequency drive (VFD) will have to be changed to match the 50 HP motor. The old VFD could be used as a spare for one of the other wells.

This emergency replacement will require an amendment to the Budget in the approved bid amount. Staff is also requesting Council to waive the bid process.

The difference between the low bidder, Peerless-Midwest, and Lanye-Christensen Co., is $11.95. Lanye-Christensen Co. was hired to install a temporary motor at the cost of $40.00 per month when the motor failed. The cost of removal would be approximately $250.00 Therefore, Layne-Christensen Co. would be the low bidder. Staff is recommending awarding the project to Layne-Christensen Co. in the amount of $11,401.95.

- Peerless-Midwest $11,390.00
- Layne-Christensen Co. $11,401.95
- Northern Pump & Well $13,790.48

RECOMMENDED ACTION
Move to approve Resolution No. 2015-24.

Introduced:
Second:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-24

AMEND FY 2014-2015 BUDGET AND WAIVE THE FORMAL BID PROCESS TO AWARD WELL NO. 8 REPAIR PROJECT TO LAYNE- CHRISTENSEN CO.

June 1, 2015

WHEREAS, it is in the best interest of the City of Mason to maintain its well field; and

WHEREAS, it is necessary to replace the broken motor in Well No. 8; and

WHEREAS, this project is recognized as an emergency expenditure, and it is necessary to amend the FY 2014-2015 budget to repair Well No. 8; and

WHEREAS, it is requested by staff to waive the formal bid process.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council does hereby approve amending the FY 2014-2015 budget to appropriate funds for the repair project on Well No. 8; and

FINALLY BE IT RESOLVED, that the Mason City Council does hereby approve waiving the formal bid process and does hereby award Well No. 8 Repair Project to Layne-Christensen Co. in the amount of $11,401.95.

Yes ( )

No ( )

CLERK'S CERTIFICATION: I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, June 1, 2015 the original of which is part of the City Council minutes.

_____
Deborah J. Cwiertniewicz, City Clerk
City of Mason
Ingham County, Michigan

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: June 1, 2015 **Agenda Item:** 7C

AGENDA ITEM

Resolution No. 2015-25 – Approval to Award the Drilling of Well No. 9A to Birkmeier Well Drilling

EXHIBITS

- Letter from Don Heck, Wolverine Engineers & Surveyors, Inc., dated May 27,2015

STAFF REVIEW

Department of Public Works

SUMMARY STATEMENT

The City Council directed staff to bid Well No. 9A with two options. Below is the result of the bids received.

	Option A 12" Well	Option B 8" Well
Contractor		
Birkmeier Well Drilling	$71,050.00	$42,650.00
Peerless Mid-West	$70,950.00	$58,035.00
Northern Pump and Well	$90,952.00	$58,652.00

The low bid came in at $42,650.00 for Option B and $70,950.00 for Option A. It is staff's recommendation to go with Option B for $42,650.00 as submitted by Birkmeier Well Drilling.

RECOMMENDED ACTION

Move to approve Resolution No. 2015-25.

Introduced:
Second:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-25

AWARD THE DRILLING OF WELL NO. 9A TO BIRKMEIER WELL DRILLING

June 1, 2015

WHEREAS, it is in the best interest of the City of Mason to expand its well field; and

WHEREAS, it is necessary to drill Well No. 9A to maintain our firm capacity; and

WHEREAS, Well No. 9 is budgeted in the FY 2014-2015 Budget.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council does hereby approve the drilling of Well No. 9A to Birkmeier Well Drilling in the amount of $42,650.00.

Yes ( )

No ( )

CLERK'S CERTIFICATION: I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, June 1, 2015, the original of which is part of the City Council minutes.

_____

Deborah J. Cwiertniewicz, City Clerk
City of Mason
Ingham County, Michigan

Wolverine Engineers & Surveyors, Inc.
312 North Street • Mason, Michigan 48854 • 517.676.9200 • Fax 517.676.9396

May 27, 2015

Mr. Ken Baker – DPW Director
City of Mason
201 W. Ash Street
Mason, MI 48854

RE: Well #9A

Dear Mr. Baker:

On Wednesday, May 27, 2015 bids for the City of Mason Well #9 were received, opened, and publically read aloud. A total of five (5) bids were received, ranging from a low of $113,700 to a high of $190,770.34 for the combination of Options A and B. A summary of the three (3) bidders is provided below:

	Option A	Option B
Ed Birkmeier Well Drilling	$ 71,050.00	$42,650.00
Peerless Midwest Inc.	$ 70,950.00	$58,035.00
Northern Pump & Well	$ 90,952.00	$58,562.00
Raymer Co.	$ 116,500.00	$59,000.00

The low bidder, Ed Birkmeier Well Drilling, is known to Wolverine Engineers & Surveyors, Inc. and has recently completed a well project in the City of Mason.

We recommend the award of the Well #9A, Option B to Ed Birkmeier Well Drilling in the amount of $42,650.00. If the City council concurs with this recommendation please execute the five (5) copies of the Notice of Award as included.

We appreciate the opportunity to work with the City on this project and look forward to the start of construction.

If you have any questions or require additional information, please do not hesitate to call.

Sincerely,

WOLVERINE ENGINEERS & SURVEYORS, INC.

Donald B. Heck, P.E.

DBH:rjc
Encl.

Established 1919

S:\Projects\2012\12-0055\bidspecs\Well No. 9 - 9A\Well9A-Items\12-0055-well9A-recomm-52715.doc

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: June 1, 2015 **Agenda Item:** 7D

AGENDA ITEM
Resolution No. 2015-26 – Approving an Increase to the City of Mason Utility Rates

EXHIBITS
- Current Rate Sheet
- Rate Sheet with 1.5% Increase
- Utility Rate Study Commission recommendation

STAFF REVIEW
Finance/Treasurer Department

SUMMARY STATEMENT
The Utility Rate Commission met on May 4, 2015 to review the proposed Water and Sewer budget, water and sewer rate history, and the most current Water and Sewer Fund Financial Statements.

The Commission voted to recommend an increase to the water and sewer rates by 1.5%. The support of the Commission was based on the following factors:

- The most current Water and Sewer Fund Financial Statements
- The Water and Sewer budget for FY 2014/2015 and the proposed FY 2015/2016 budget
- Recommendation from the 2014 H.J. Umbaugh & Associates Water and Sewer Fund Analysis

The approved FY 2015/2016 budget includes a 1.5% increase to the current water rates.

RECOMMENDED ACTION
Move to approve Resolution No. 2015-26.

Introduced:
Second:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-26

APPROVING AN INCREASE TO THE CITY OF MASON UTILITY RATES

June 1, 2015

WHEREAS, the City of Mason is anticipating significant capital improvements to the infrastructure of the water system and the sewer system as outlined in the Master Plan, Capital Improvement Plan, Street Improvement Plan, and City of Mason Budget; and

WHEREAS, the most significant capital improvement is a result of an Administrative Consent Order (ACO) from the Michigan Department of Environmental Quality (MDEQ) requiring the City to make significant improvements to the Publicly Owned Treatment Works (POTW) plant; and

WHEREAS, the Mason City Council is charged with assigning a just and reasonable rate for supplying the users of the water system and the sewer system with utility services as the City may provide; and

WHEREAS, the Water and Sewer Fund is a Proprietary Fund which, by definition, is financed primarily by user charges; and

WHEREAS, the Utility Rate Study Commission has met and reviewed the financial statements and the FY 2015/2016 City of Mason Budget submitted by the Finance Department, and recommends the following;

- Water Base Charge will be $6.22.
- Water Charge will be $3.62 per 1,000 gallons after the first 2,000 gallons.
- Water Capital Improvement Charge will be $2.55 per 1,000 gallons of water sold.
- Water Meter Charge will be $2.56.
- Sewer Base Charge will be $10.12.
- Sewer Charge will be $5.10 per 1,000 gallons after the first 2,000 gallons.
- Sewer Capital Improvement Charge will be $.69 per 1,000 gallons of water sold.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council establishes the above listed rates for the Water and Sewer Fund effective for the first billing period commencing on or after July 1, 2015.

Yes ( )
No ( )

CLERK'S CERTIFICATION: I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, June 1, 2015, the original of which is part of the City Council minutes.

_____
Deborah J. Cwiertniewicz, City Clerk
City of Mason, Ingham County

WATER AND SEWER RATES

EFFECTIVE JULY 1, 2014

	UNITS	WATER	SEWER	Water CI	Sewer CI	MC	TOTAL
Rates per Unit		3.57	5.02	2.51	0.68	2.52	$14.30
Zero Usage Bill	0	6.13	9.97	0.00	0.00	2.52	$18.62
Minimum Usage Bill	1	6.13	9.97	2.51	0.68	2.52	$21.81
	2	6.13	9.97	5.02	1.36	2.52	$25.00
	3	9.70	14.99	7.53	2.04	2.52	$36.78
	4	13.27	20.01	10.04	2.72	2.52	$48.56
1 Unit=1000 Gallons	5	16.84	25.03	12.55	3.40	2.52	$60.34
	6	20.41	30.05	15.06	4.08	2.52	$72.12
	7	23.98	35.07	17.57	4.76	2.52	$83.90
	8	27.55	40.09	20.08	5.44	2.52	$95.68
	9	31.12	45.11	22.59	6.12	2.52	$107.46
	10	34.69	50.13	25.10	6.80	2.52	$119.24
	11	38.26	55.15	27.61	7.48	2.52	$131.02
	12	41.83	60.17	30.12	8.16	2.52	$142.80
	13	45.40	65.19	32.63	8.84	2.52	$154.58
	14	48.97	70.21	35.14	9.52	2.52	$166.36
	15	52.54	75.23	37.65	10.20	2.52	$178.14
	16	56.11	80.25	40.16	10.88	2.52	$189.92
	17	59.68	85.27	42.67	11.56	2.52	$201.70
	18	63.25	90.29	45.18	12.24	2.52	$213.48
	19	66.82	95.31	47.69	12.92	2.52	$225.26
	20	70.39	100.33	50.20	13.60	2.52	$237.04
	21	73.96	105.35	52.71	14.28	2.52	$248.82
	22	77.53	110.37	55.22	14.96	2.52	$260.60
	23	81.10	115.39	57.73	15.64	2.52	$272.38
	24	84.67	120.41	60.24	16.32	2.52	$284.16
	25	88.24	125.43	62.75	17.00	2.52	$295.94
	26	91.81	130.45	65.26	17.68	2.52	$307.72
	27	95.38	135.47	67.77	18.36	2.52	$319.50
	28	98.95	140.49	70.28	19.04	2.52	$331.28
	29	102.52	145.51	72.79	19.72	2.52	$343.06
	30	106.09	150.53	75.30	20.40	2.52	$354.84
	31	109.66	155.55	77.81	21.08	2.52	$366.62
	32	113.23	160.57	80.32	21.76	2.52	$378.40
	33	116.80	165.59	82.83	22.44	2.52	$390.18
	34	120.37	170.61	85.34	23.12	2.52	$401.96
	35	123.94	175.63	87.85	23.80	2.52	$413.74
	36	127.51	180.65	90.36	24.48	2.52	$425.52
	37	131.08	185.67	92.87	25.16	2.52	$437.30
	38	134.65	190.69	95.38	25.84	2.52	$449.08
	39	138.22	195.71	97.89	26.52	2.52	$460.86
	40	141.79	200.73	100.40	27.20	2.52	$472.64
	41	145.36	205.75	102.91	27.88	2.52	$484.42
	42	148.93	210.77	105.42	28.56	2.52	$496.20
	43	152.50	215.79	107.93	29.24	2.52	$507.98
	44	156.07	220.81	110.44	29.92	2.52	$519.76
	45	159.64	225.83	112.95	30.60	2.52	$531.54
	46	163.21	230.85	115.46	31.28	2.52	$543.32
	47	166.78	235.87	117.97	31.96	2.52	$555.10
	48	170.35	240.89	120.48	32.64	2.52	$566.88
	49	173.92	245.91	122.99	33.32	2.52	$578.66
	50	177.49	250.93	125.50	34.00	2.52	$590.44

WATER AND SEWER RATES

1.5% INCREASE

	UNITS	WATER	SEWER	Water CI	Sewer CI	MC	TOTAL
Rates per Unit		3.62	5.10	2.55	0.69	2.56	$14.52
Zero Usage Bill	0	6.22	10.12	0.00	0.00	2.56	$18.90
Minimum Usage Bill	1	6.22	10.12	2.55	0.69	2.56	$22.14
	2	6.22	10.12	5.10	1.38	2.56	$25.38
	3	9.84	15.22	7.65	2.07	2.56	$37.34
	4	13.46	20.32	10.20	2.76	2.56	$49.30
1 Unit=1000 Gallons	5	17.08	25.42	12.75	3.45	2.56	$61.26
	6	20.70	30.52	15.30	4.14	2.56	$73.22
	7	24.32	35.62	17.85	4.83	2.56	$85.18
	8	27.94	40.72	20.40	5.52	2.56	$97.14
	9	31.56	45.82	22.95	6.21	2.56	$109.10
	10	35.18	50.92	25.50	6.90	2.56	$121.06
	11	38.80	56.02	28.05	7.59	2.56	$133.02
	12	42.42	61.12	30.60	8.28	2.56	$144.98
	13	46.04	66.22	33.15	8.97	2.56	$156.94
	14	49.66	71.32	35.70	9.66	2.56	$168.90
	15	53.28	76.42	38.25	10.35	2.56	$180.86
	16	56.90	81.52	40.80	11.04	2.56	$192.82
	17	60.52	86.62	43.35	11.73	2.56	$204.78
	18	64.14	91.72	45.90	12.42	2.56	$216.74
	19	67.76	96.82	48.45	13.11	2.56	$228.70
	20	71.38	101.92	51.00	13.80	2.56	$240.66
	21	75.00	107.02	53.55	14.49	2.56	$252.62
	22	78.62	112.12	56.10	15.18	2.56	$264.58
	23	82.24	117.22	58.65	15.87	2.56	$276.54
	24	85.86	122.32	61.20	16.56	2.56	$288.50
	25	89.48	127.42	63.75	17.25	2.56	$300.46
	26	93.10	132.52	66.30	17.94	2.56	$312.42
	27	96.72	137.62	68.85	18.63	2.56	$324.38
	28	100.34	142.72	71.40	19.32	2.56	$336.34
	29	103.96	147.82	73.95	20.01	2.56	$348.30
	30	107.58	152.92	76.50	20.70	2.56	$360.26
	31	111.20	158.02	79.05	21.39	2.56	$372.22
	32	114.82	163.12	81.60	22.08	2.56	$384.18
	33	118.44	168.22	84.15	22.77	2.56	$396.14
	34	122.06	173.32	86.70	23.46	2.56	$408.10
	35	125.68	178.42	89.25	24.15	2.56	$420.06
	36	129.30	183.52	91.80	24.84	2.56	$432.02
	37	132.92	188.62	94.35	25.53	2.56	$443.98
	38	136.54	193.72	96.90	26.22	2.56	$455.94
	39	140.16	198.82	99.45	26.91	2.56	$467.90
	40	143.78	203.92	102.00	27.60	2.56	$479.86
	41	147.40	209.02	104.55	28.29	2.56	$491.82
	42	151.02	214.12	107.10	28.98	2.56	$503.78
	43	154.64	219.22	109.65	29.67	2.56	$515.74
	44	158.26	224.32	112.20	30.36	2.56	$527.70
	45	161.88	229.42	114.75	31.05	2.56	$539.66
	46	165.50	234.52	117.30	31.74	2.56	$551.62
	47	169.12	239.62	119.85	32.43	2.56	$563.58
	48	172.74	244.72	122.40	33.12	2.56	$575.54
	49	176.36	249.82	124.95	33.81	2.56	$587.50
	50	179.98	254.92	127.50	34.50	2.56	$599.46

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: UTILITY RATE STUDY COMMISSION

SUBJECT: WATER AND SEWER RATES

DATE: MAY 5, 2015

The Utility Rate Study Commission met on May 4, 2015 to review the water and sewer rates. The Commission would like to implement the recommendation from the Water and Sewer Rate Study Analysis as presented in 2014 by H.J. Umbaugh of 1.5% increase to the water and sewer rates for 2015.

Sincerely,
Utility Rate Study Commission

Jeff Shattuck, Chair

Ruben Droscha, Vice Chair Ruben W. Droscha

Shirley Richards Shirley Richards

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: June 1, 2015 **Agenda Item:** 7E

AGENDA ITEM

Resolution 2015-27 – Authorizing Mayor Waltz and City Administrator Colburn to Sign MDOT Contract Number 15-5241, Job Number 117414A

EXHIBITS

May 18, 2015 letter from Kathy J. Fulton, Contract Monitoring/Reporting Technician, Development Services Division, Department of Transportation, Lansing MI

STAFF REVIEW

Administration

SUMMARY STATEMENT

The City of Mason has been awarded a contract by the Michigan Department of Transportation (MDOT) to work at the intersections of West Kipp Road with South Jefferson Street and Cedar Street, including signalized and non-signalized crosswalk, concrete sidewalk and sidewalk ramp work, together with necessary related work. The Mason City Council is required to authorize two city officials to sign this contract.

RECOMMENDED ACTION

Move to approve Resolution 2015-27.

RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

May 18, 2015

Mr. Martin Colburn, City Administrator
City of Mason
Mason City Hall
201 West Ash Street
Mason, Michigan 48854

Dear Mr. Colburn:

RE: MDOT Contract Number: 15-5241
Control Section: HSIP 33609
Job Number: 117414A

Enclosed are the original and one copy of the above described contract between your organization and the Michigan Department of Transportation (MDOT). Please take time to read and understand this contract. If this contract meets with your approval, please complete the following checklist:

____ **Do not date the contracts.** MDOT will date the contracts when they are executed. A contract is not executed unless it has been signed by both parties.

____ **Secure the necessary signatures on the enclosed contracts.**

____ **Include two (2) certified resolutions**. The resolution should specifically name the officials who are authorized to sign the contract and include the contract number.

____ **Return the original and copy of the contract to:**

Attention: Kathy J. Fulton
MDOT – Development Services Division, 2nd Floor
425 West Ottawa Street, P.O. Box 30050
Lansing, MI 48909

In order to ensure that the work and payment for this project is not delayed, the contracts need to be returned within 35 days from the date of this letter. A copy of the executed contract will be forwarded to you.

If you have any questions, please feel free to contact me at fultonk@michigan.gov or (517) 373-4161.

Sincerely,

Kathy J. Fulton

Kathy J. Fulton
Contract Monitoring/Reporting Technician
Development Services Division

Enclosure

Introduced:
Second:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-27

AUTHORIZING MAYOR WALTZ AND CITY ADMINISTRATOR COLBURN TO SIGN MDOT CONTRACT NUMBER 15-5241, JOB NUMBER 117414A

June 1, 2015

WHEREAS, the City of Mason has been awarded Contract Number 15-5241, Job Number 117414A through the Michigan Department of Transportation (MDOT); and

WHEREAS, the contract includes box span signal installation work at the intersections of West Kipp Road with South Jefferson Street and Cedar Street; including signalized and non-signalized crosswalk, concrete sidewalk and sidewalk ramp work; together with necessary related work; and

WHEREAS, the Mason City Council is charged with naming the officials who are authorized to sign said contract.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council authorizes Mayor Waltz and City Administrator Colburn to sign the MDOT Contract Number 15-5241, Job Number 117414A.

Yes ( )
No ( )

CLERK'S CERTIFICATION: I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, June 1, 2015, the original of which is part of the City Council minutes.

_____
Deborah J. Cwiertniewicz, City Clerk
City of Mason, Ingham County

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: June 1, 2015 **Agenda Item:** 7F

AGENDA ITEM
Motion – 1020 East Ash Street – Quote for Demolition Services

EXHIBITS
- Quote from Anderson-Fischer Associates Inc.

STAFF REVIEW
Zoning & Development Department

SUMMARY STATEMENT
Located at 1020 East Ash Street just east of Temple Street, this property was acquired by the City along with 67 acres of land along Temple Street in 2011. The property includes a former residential structure constructed around 1940. Due to its age and condition, the City intends to remove this structure by means of mechanical demolition. The majority of asbestos has been removed from the building, with the exception of the black roof tar and flashing (chimney and roof). The roofing and flashing was not removed due to the condition of the structure. This will be removed as part of the demolition.

Staff solicited quotes from five demolition companies; four were received. The following quotes were received:

Anderson-Fischer Associates, Inc.	$14,930
Structured Environmental Enterprises	$17,785
Mauldon Bros. Construction LLC	$20,000
MSC Excavating	$23,760
Scarlett Excavating	Not received

RECOMMENDED ACTION
Move to accept the proposal from Anderson-Fischer Associates Inc. in the amount of $14,930 and authorize the City Administrator to enter into an agreement for demolition services.

Anderson-Fischer Associates Inc.

225 E. Kipp Rd Mason, Mi 48854 • mail@andersonfischer.com
(517) 676-5522 • Fax (517) 676-0466
An MDOT Prequalified Contractor

PROPOSAL

May 11, 2015

David E. Haywood
City of Mason

RE: City of Mason Residential Demolition

We propose to furnish and install all labor, equipment, and materials necessary to complete the following items of work on the above referenced project as discussed.

Description	*Unit*	*Qty*	*Unit Price*	*Total*
1020 Ash Street				
Demo building, haul materials to landfil for disposal Furnish, install and compact sand in excavated area	LS			$ 10,800.00
Separate, water down, haul to landfill and legally dispose of approximately 1,500 sft of black roofing materials containing asbestos	LS			$ 4,130.00
			TOTAL:	**$ 14,930.00**

Notes & Conditions:
1. All required permits to be secured by Owner.
2. Owner responsible for disconnection of utilities.
3. No seeding or restoration of disturbed areas included.

John P. Fischer
President

To convert this quotation into a purchase order please sign below and fax or mail a copy back to our office.
Payment terms: 30 days upon completion of work.
Thank you for the opportunity to provide you with a quotation on this project!

Accepted By: (sign)_____ Date: _____

(print)_____

McGinty, Hitch, Housefield, Person,
Yeadon & Anderson, P.C.

MEMORANDUM

TO: Mayor Michael Waltz, City of Mason

FROM: Thomas M. Hitch, City Attorney

RE: **ENFORCEABILITY OF CHAPTER 38, ARTICLE II, REGULATING OIL AND GAS WELLS WHERE THE WELL SITE IS LOCATED OUTSIDE OF THE MASON CITY LIMITS BUT WHERE HORIZONTAL DIRECTIONAL DRILLING MAY TAKE PLACE BELOW THE SURFACE WITHIN THE CITY LIMITS**

DATE: May 22, 2015

I. INTRODUCTION.

The purpose of this memorandum is to respond to your request for an opinion as it relates to certain potential oil and gas drilling activities by the producer West Bay Geophysical. It is my understanding that West Bay has been undertaking a seismic survey in the northern quadrant of the city and has been marketing door-to-door their desire to purchase oil and mineral rights from residents within the city.

From documents apparently submitted by West Bay, it is my understanding that the drill site would not be located within the city limits. According to their literature, modern drilling technology allows for a great distance between the surface location and the ultimate bottom of the well. By the time the target is reached, the bottom hole may be a mile away from the drilling rig and a mile underneath the surface above. Attached as Exhibit A is the documentation provided by West Bay describing its drilling procedure.

You have asked that I analyze this issue in light of the City's current regulatory scheme set out at Chapter 38 of the City Code and whether these regulations are enforceable against a drilling operation which would, assuming for purposes of this opinion, commence in either Alaiedon or Vevay Township, but where the "bottom hole" is within the Mason city limits.

II. LEGAL BACKGROUND.

A. Local Regulation - Chapter 38 - Natural Resources - Article II - Oil and Gas Wells

The City of Mason promulgated Article II in order to regulate oil and gas wells within the Mason city limits. The ordinance appears to have been adopted on April 19, 1971, with certain amendments that occurred in 1982. While the ordinance contains a number of provisions, for purposes of our analysis, the following sections and subsections are the most important. That is, these sections require a permit from the City, they provide authority for the City to deny a permit, and they also provide for the spacing of wells from structures within the city. At section 38-35(a), the City requires that a permit be first obtained before a well can be drilled within the city of Mason. That section reads as follows:

> (a) It shall be unlawful for any person to drill, explore or commence to drill any well for oil, gas, petroleum or other hydrocarbons in any area within the corporate limits of the city or for its secondary recovery, or to extent, or deepen one already drilled, without first having applied for and receiving a permit by the authority of the city council in accordance with the terms of this division and the applicant's having complied with the terms of this article and having complied with the requirements of this section.

At section 38-35(d)(3), the city council reserves unto itself the right to refuse any application based on certain factors involving the general health, safety, and welfare of the citizens of the city of Mason. This subsection reads as follows:

> (3) The city council shall have the power and reserves the authority to refuse any application for a permit where, by reason of the location of the proposed well, the character and value of the permanent improvements already erected in or adjacent to the area in question, the use to which the land and surroundings are adapted, or for health or sanitary reasons, the drilling of any oil or gas well will cause a serious disadvantage or hazard to the city and its inhabitants as a whole. It shall be discretionary with the city council to grant or deny a permit in any industrial area or in any area in which residences or other buildings may have been erected when the granting of the permit shall create fire hazards; endanger the health, safety or welfare of residents; or otherwise be destructive of property interests. The city council may make and impose any and all reasonable requirements

> necessary to protect and safeguard the property of all parties affected by such drilling or production activities.

At section 38-36, the City provides for certain spacing requirements. Subsection (b) provides that no permit shall be granted unless a well is located at least 330 feet from an adjoining property line under certain circumstances, and unless the location is at least 660 feet from an adjacent or adjoining well. At subsection (d), the drilling location must be at least 300 feet from the location of any building. Subsections (b) and (d) read as follows:

> (b) No permit shall be granted and no well shall be located unless the location is at least 330 feet from an adjoining property line, unless such adjoining property shall be communitized with the property so located, and unless the location is at least 660 feet from an adjacent or adjoining well.
>
> * * *
>
> (d) The drilling location of any well shall in each instance be at least 300 feet from the location of any building existent at the time of commencement of actual drilling operations.

It should be noted that the original zoning ordinance was promulgated pursuant to the provisions of the City and Village Zoning Enabling Act, which act has now been superseded by the Zoning Enabling Act. Section 125.3205(2) provides as follows:

> (2) A county or township shall not regulate or control the drilling, completion, or operation of oil or gas wells or other wells drilled for oil or gas exploration purposes and shall not have jurisdiction with reference to the issuance of permits for the location, drilling, completion, operation, or abandonment of such wells.

Cities retain their authority to regulate oil and gas wells, while townships and counties, for all intents and purposes, are excluded from such regulation. The question is to what extent state law, through the Natural Resources and Environmental Protection Act preempts city regulation.

B. Michigan Law and Regulation.

Before considering the state's regulation in this area, it is important to note that the production of oil and gas rights, and mineral rights in general, are a significant property right protected by the Constitution. In *Miller Bros v DNR,* 203 Mich App 674, 679-680 (1994), the Court

of Appeals succinctly described the issues relating to a regulatory denial of a well permit. The Court stated:

> Both our federal and state constitutions mandate that when private property is taken for public use, its owner must receive just compensation. US Const, Am V; Const 1963, art 10, § 2. In the regulatory context, a compensable taking occurs when the government uses its power to so restrict the use of property that its owner has ben deprived of all economically viable use. See *Electro-Tech, Inc v H F Campbell Co*, 433 Mich 57, 68-69; 445 NW2d 61 (1989).
>
> Plaintiffs' mineral interests in the Nordhouse Dunes Area had one, and only one, economically viable use; the extraction of any oil or gas that might be found under the land. To extract oil and gas from the land, a well is needed. To be able to drill a well, a permit issued by the Supervisor of Wells is required. MCL 319.23; MSA 13.139(23). The director of the DNR is the Supervisor of Wells. MCL 319.3(1); MSA 13.139(3)(1). The director's administrative action made it clear that no permits would be issued for drilling in the protected area. The director's action prevents plaintiffs from extracting any oil or gas from the land. Consequently, by the exercise of its regulatory power, the government had so restricted the use of plaintiffs' property rights that plaintiffs had been deprived of all economically viable use. Cf. *Silva v Ada Twp,* 416 Mich 153, 159-160; 330 NW2d 663 (1982).

The Legislature also has made its intentions known in the regulation of oil and gas as part of the regulation of natural resources and protecting the environment. From the Oil, Gas and Minerals Act to the current legislation in the Natural Resources and Environmental Protection Act, MCL 324.101, *et seq.,* the Legislature has created the position of Supervisor of Wells which exercises jurisdiction over certain phases of the extraction and production of oil and gas. At MCL 324.51506, the Legislature has specifically empowered the supervisor (i.e., MDEQ) to "prevent the waste" of oil and gas under the current environmental act. In pertinent part, the supervisor is specifically empowered to do, among other powers:

> (c) To require the locating, drilling, deepening, redrilling or reopening, casing, sealing, operating, and plugging of wells drilled for oil and gas or for secondary recovery projects, or wells for the disposal of salt water, brine, or other oil field wastes, to be done in such manner and by such means as to prevent the escape of oil or gas

> out of 1 stratum into another, or of water or brines into oil or gas strata; to prevent pollution of, damage to, or destruction of fresh water supplies, including inland lakes and streams and the Great Lakes and connecting waters, and valuable brines by oil, gas, or other waters, to prevent the escape of oil, gas, or water into workable coal or other mineral deposits; to require the disposal of salt water and brines and oily wastes produced incidental to oil and gas operations in a manner and by methods and means so that unnecessary damage or danger to or destruction of surface or underground resources, to neighboring properties or rights, or to life does not result.
>
> * * *
>
> (e) To prevent the drowning by water of any stratum or part of the stratum capable of producing oil or gas, or both oil and gas, and to prevent the premature and irregular encroachment of water, or any other kind of water encroachment, that reduces or tends to reduce the total ultimate recovery of oil or gas, or both oil or gas, from any pool.
> (f) To prevent fires or explosions.
> (g) To prevent blow-outs, seepage, and caving in the sense that the conditions indicated by such terms are generally understood in the oil business.
> (h) To regulate the mechanical, physical, and chemical treatment of wells.
> (i) To regulate the secondary recovery methods of oil and gas, including pulling or creating a vacuum and the introduction of gas, air, water, and other substances into the producing formations.
> (j) To fix the spacing of wells and to regulate the production from the wells.
> (k) To require the operation of wells with efficient gas-oil ratios and to establish the ratios.

In addition, at MCL 324.61506(b), the Legislature has set out limitations as it relates to drilling near residential buildings. Those restrictions do not apply in cities or townships with populations less than 70,000; in those cities or townships which qualify, a well may not be located within 450 feet of a residential building.

The regulatory scheme does not completely preempt the regulation by cities. The Michigan Supreme Court, in *Addison Twp v Gout,* 435 Mich 809 (1990), held that the legislative scheme does not evidence any intent for the Supervisor of Wells to have absolute regulatory power over all phases

of the industry. When commenting upon the powers of cities and villages, as reflected in the then City and Village Zoning Act, the Supreme Court stated:

> There is no limitation in the city or village zoning act. This enabling act is substantially the same as the TRZA, granting to the individual municipality the authority to regulate land use and structures consistent with the needs of its citizenry reading energy and other natural resources generally and without limitation. Implicit in the preclusion of township zoning "relative to wells" is that without the language zoning jurisdiction would extent to such activity and in fact does so in the other municipal zoning enabling act

It is thus clear that the Legislature intended that in certain aspects of the production of oil, cities may lawfully regulate in those areas. The question to be decided is, given the express powers of the Supervisor of Wells over certain aspects of oil production, whether the City's ordinance applies where the wellhead is outside the city where the bottom hole may be under property located within the city.

III. ANALYSIS.

In rendering my opinion, the starting point is the power of the Supervisor of Wells to regulate as it relates to the essentials of the production of oil and gas. In my opinion, those powers as set forth above specifically control the wellhead, and the processes utilized by the operator of the well to extract the oil and gas from the subsurface. The periphery issues, such as traffic control, spacing (where it does not specifically conflict with state law), noise, and other factors that could be described under zoning law or so as to abate nuisance-like issues, may be regulated by the City. A fair reading of Chapter 38 leads to the conclusion that some of those restrictions may be preempted even if the wellhead were in the city of Mason. That issue, however, is not being raised. Where the wellhead would be located in townships outside the city limits, the City's authority to regulate, in my opinion, does not exist.

It goes without saying that city ordinances, as a general proposition, are not enforceable outside the corporate limits of the city and ordinances are applied to those areas "within its boundaries." See *Moore v Detroit,* 146 Mich App 448, 469 (1985). I do not believe that there is a serious suggestion that the City's ordinance (Chapter 38) would apply outside the city.

However, the problem with regard to that part of the "production of oil and gas," which involves the actual drilling that would occur within the boundaries of the city at a depth of 3,000-4,000 feet or below, such activity is clearly under the jurisdiction of the Supervisor of Wells. In both subparagraph (c) and (j), among others, the techniques employed, and the actual production from the

wells, are clearly earmarked as regulatory powers granted to the Supervisor of Wells. In my opinion, the fact that the City's ordinance at the above-cited sections retains powers to prohibit, on the basis of health, safety, and the general welfare, it is my opinion that certain specific activities in the operation of oil and gas wells are preempted by the State and the ordinances would be of no force and effect.

As noted above, where the wellhead itself would be within the city limits, the City retains some authority to regulate certain aspects of the production of oil. It is my opinion that unless further legislation is promulgated in this area by the Michigan Legislature, though, for activities at thousands of feet below the surface, I do not believe that the legislative scheme presently in place gives the City any right to regulate or prohibit such activities below the surface.

bks
Attachment

West Bay Exploration
company
13685 S. West Bay Shore / Suite 200
Traverse City, MI 49684
231-946-0200 / Fax 231-946-8180

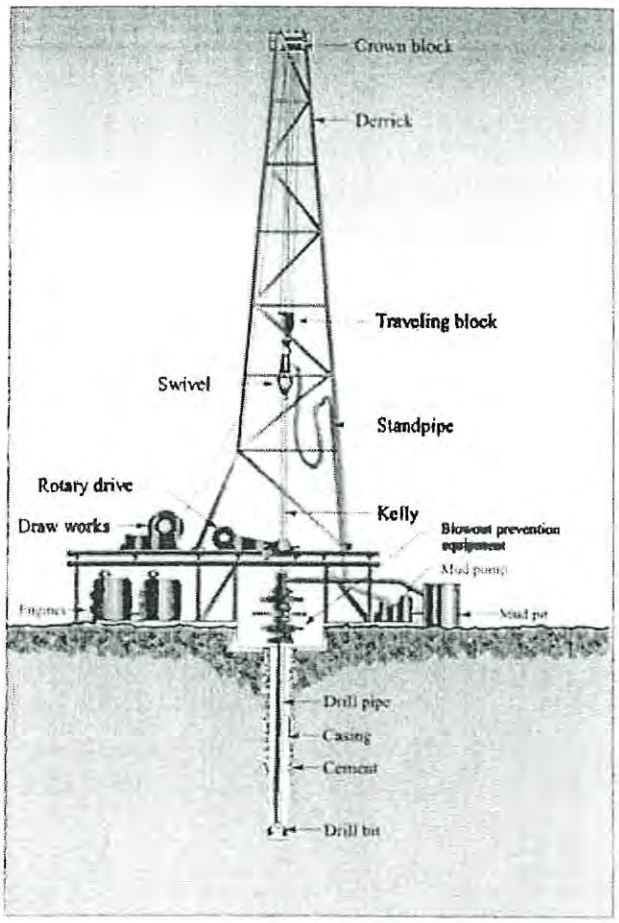
West Bay Exploration is committed to exploring and producing local conventional petroleum resources to contribute to the vital role that hydrocarbons will continue to play as a transitional energy source. Prudent and thoughtful management of natural resources carries great responsibility to protect ecological health. It is our goal to cultivate energy resources safely and efficiently to minimize impact while recognizing our duty to be responsible stewards of the environment. During West Bay's 30 years of experience operating in Michigan, many of our safety and environmental innovations and procedures have been adopted by the state's Department of Natural Resources as standard regulations. We challenge ourselves to meet the energy needs of today and safeguard the interests of future generations.

The creation of petroleum is a controversial question, but the consensus of opinion is that the vast majority of oil and gas is derived from organic material, most likely microscopic plankton and algae. These tiny crustaceans, worms, diatoms, and others living in oxygenated waters near the surface were carried downward into non-oxygenated waters where they could not survive and were quickly buried by rapid clay deposition, protecting them from bacterial consumption. Over the course of hundreds of millions of years, pressure and heat building from thousands of feet of sedimentary deposits transformed these creatures' remains into oil and gas.

Any evidence of where it is now is buried deep in the ground. A petroleum geologist theorizes a drilling prospect using subsurface maps and information from area wells. A geophysical company is contracted to permit and obtain a 2-D seismic record.

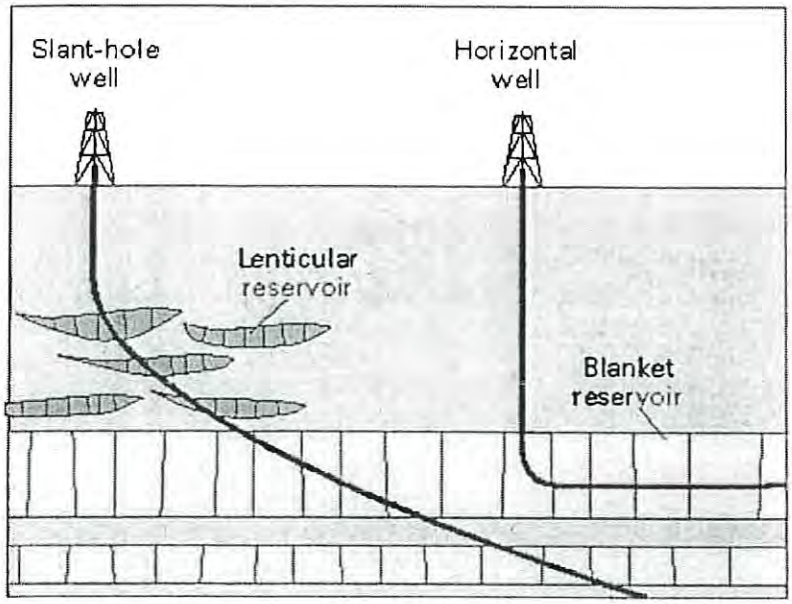
Should the geophysicist identify a drilling target on the seismic data, a drilling permit is applied for with the State of Michigan. A State geologist makes a site visit and approves the permit. (More information on the permit process and State regulations is available at http://www.michigan.gov/deq/0,1607,7-135-3311_4111_4231---,00.html) Two key elements of the permit are the subsurface target, that is, where the bottomhole location will be, and the drilling location on the surface. Modern drilling technology allows for great distance between the surface location and the ultimate bottom of the well. By the time the target is reached, the bottomhole may be a mile away from the drilling rig and a mile underneath the surface above.

Once the permit has been approved a surface location is built. An excavating company prepares the 200' x 200' well pad by removing and storing the top soil. Dykes are built around the perimeter as a barrier, gravel is spread at the base of the drill site, and a 20 mil PVC liner is installed to protect the natural surface environment. Essentially a large leak-proof swimming pool is built for the drilling equipment to sit in. Before any drilling commences, the groundwater is tested to gain baseline data on water conditions in the area.



The above diagram illustrates the parts of the rig, and the conductor and surface casing. The conductor casing is driven in to a depth of 60'. Also noted on the diagram is the blow out preventer, or BOP. The BOP is used to close off the top of the well. As drilling commences, the drill pipe runs through the BOP. In case of an emergency the BOP can seal off the casing and drill pipe instantly to prevent any fluids or gases from escaping the well.

The initial drilling of the well is done with fresh water and bentonite mud. Bentonite is a natural clay compound that will stay suspended in the water. The weight of this mud keeps liquids back in the formation and does not allow them to enter the wellbore. This is the same technique that is used to drill municipal and residential water supply wells. Once the well is drilled below the fresh water table, approximately 500', 11" steel surface casing is cemented in to the conductor casing. Each successive casing string is cemented to the surface to create a concentric steel and cement barrier, with the diameter becoming smaller as the well goes deeper, so that the wellbore is encased in layers of pipe and cement to ensure protection of the water table and the subsurface ecology. There is no communication between the target depth and the soil and groundwater more than one-half mile above.



The turning drill pipe, drill bit and related equipment are called the drillstring. As the bit turns on the bottom of the drillstring the teeth on the bit crush or flake the rock on the bottom of the well. The rock chips that are formed are called cuttings. The drilling mud is pumped through the drill pipe and jets out through holes in the drill bit. The mud picks up the cuttings off the bottom of the well and flows up the well to the surface where the cuttings are removed. During the drilling process drilling fluids and cuttings are contained in steel tanks. The mud and cuttings are disposed of in a State regulated landfill.

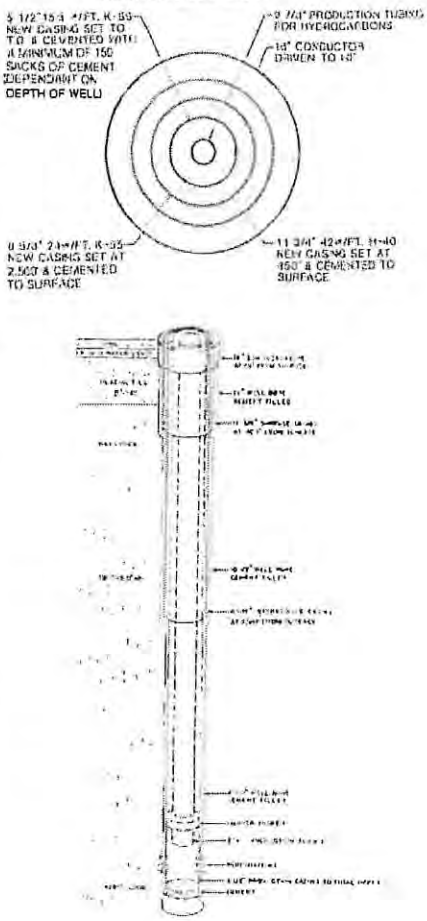
Once the cement has cured on the surface casing the well is drilled out through the bottom of the casing. If horizontal drilling is employed, it is at this point that the well may begin to turn toward the drilling target. The drilling rig drills 24 hours a day and continues drilling to an intermediate casing depth of approximately 2100'. The steel intermediate casing is run in the hole and cemented to the surface. The crew again waits for the cement to cure, and then returns to drilling to the target depth. When the target depth, approximately 3150', is reached the drill pipe is removed from the well and a series of tests are performed to help determine if the well contains hydrocarbons. Should the tests appear to be positive the production steel casing is run in the hole and cemented to the surface.

The oil & gas well is drilled in the same manner as a water supply well using fresh water bentonite drilling fluid to ensure that the ground water aquifer is protected. A thick steel casing is cemented into place from the ground surface to below the deepest freshwater aquifer (typically several hundred feet below the ground surface). This freshwater protection string segregates the fresh groundwater from the drilling process and prevents fluids from entering freshwater aquifers.

Disposal of the various fluids used and generated during and after the drilling process is regulated to protect surface and groundwater resources. All fluids produced during drilling are collected in a steel containment tank and trucked to an EPA and State approved disposal facility.

Once a well is no longer in production, it must be plugged in accordance to State requirements. The freshwater protection casing is left in place.

STATE OF MICHIGAN CASING
REQUIREMENTS FOR OIL & GAS WELL



To complete the well the casing is perforated and a small amount of dilute hydrochloric acid is used to clean up the wellbore of any damage done by the drill bit. This acid is of the same concentration used to clean calcified water well screens and household drains. At this point the drilling rig is removed and the equipment necessary for production is installed. During the early life of the well, pressure in the formation forces oil in to the wellbore and to the surface. Later in the life of the well it may be necessary to install a mechanical pump either on the surface or in the well. The fluid that comes to the surface is separated in to oil, natural gas, and brine water. The oil is stored in tanks at the drilling location. The natural gas is piped in to the local distribution system. The water is trucked to an EPA approved disposal well. When the well is depleted it is plugged below ground level to State of Michigan specifications and the site is restored to its original condition.

As consumers of a quarter of the world's hydrocarbon energy supply, we in the United States must be willing to participate responsibly in the production of oil. We can in the

safest and most technologically advanced ways possible ensure protection of both the environment and the population. In no instance does West Bay employ the technique known as hydraulic fracturing (commonly referred to as "fracking") in the drilling or production of these wells. We drill conventional oil wells in formations with natural fracturing and porosity. The natural pressure of the deep subsurface delivers the oil through the fractures and porosity to both vertical and horizontal wellbores without the use of artificial hydraulic fracturing. We work closely with mineral owners and local and state officials to make sure that all concerns and interests are addressed. We very much look forward to partnering with you to cultivate your potential mineral resources.

Sincerely,

West Bay Exploration Company

Patrick M. Gibson
Vice President

City of Mason

201 W. Ash St.
P.O. Box 370
Mason, MI 48854-0370
www.mason.mi.us

City Hall 517 676-9155
Police 517 676-2458
Fax 517 676-1330
TDD 1-800-649-3777

MEMORANDUM

TO: Honorable Mayor and Council Members

FROM: Martin Colburn, City Administrator

DATE: June 1, 2015

RE: City Administrator's Report

US Environmental Protection Agency (EPA) Grant

The City of Mason took an aggressive approach in attempts to acquire a federal earmark to assist in paying for the federally-mandated water treatment plant to remediate Radium 226 and 228. Ultimately the City did receive a designated award of $500,000. Shortly thereafter US EPA, who administers the federal funding, clarified that no project that had already been constructed could utilize these funds. This created a lengthy discussion between the federal, state and local agencies on how to use the funding. Eventually it was clarified that waste water is interpreted as a water project by the US EPA. The City conducted its due diligence and submitted an application to repair the head works and other aspects at the Waste Water Treatment Plant. This project was accepted and the City has now received a notice of award. Of the $500,000, three percent (3%) is forwarded directly to the US EPA for administration of the grant. EPA agrees to cost share 28.25% of all approved budget costs incurred on this project up to and not exceeding total federal funding of $485,000. Congratulations are in order to our persistence so that we can proceed with the Waste Water Treatment Plant entrance works project with the assistance of this federal award.

Road funding

The State legislature is addressing additional funding for street and road repairs statewide. They have tentatively identified $400 million to meet this goal. Unfortunately these are not new funds. Much of this funding is being taken from MEDC which would then be forced to eliminate some of their programs as well as staffing which implements state economic development programs as well as supporting local governments with their efforts. This is an attempt to resolve one problem but creating another.