CITY OF MASON

201 West Ash Street
Mason MI 48854-0370

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

CITY COUNCIL MEETING – COUNCIL CHAMBER
September 21, 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. Presentations
   A. Sandra Dargatz, Executive Director, Ingham County Fair – Update on Economic Impact Survey
   B. Dominick Silvio, General Manager of WOW! Mid-Michigan to:
      - answer questions from Council members regarding rationale behind recent rate increase;
      - give update on status of improvements that have been made and what improvements have yet to be made; and
      - discuss various ways WOW! could improve service to dissatisfied customers.
7. Consent Agenda
   A. Approval of Minutes
      - Regular Council Meeting: September 8, 2015
   B. Approval of Bills
   C. Motion – Streets Closure Request – Mason High School Homecoming Parade
8. Regular Business
   A. Discussion – City Attorney's Legal Opinion on Gas and Oil Drilling
   B. Resolution – Approval to Purchase Two (2) 2015/2016 Ford F150 Pickup Trucks
   C. Resolution – Approval to Lease 2015 CAT 914K Front End Loader
9. Unfinished Business
10. New Business
11. Correspondence
    - Monthly Revenue and Expenditure Report
    - Letter to All Saints Lutheran Church League
12. Liaison Reports
13. Councilmember Reports
    - Councilmember Elaine Ferris – Ingham County Regional Trails and Parks Planning Process
14. Administrator's Report
    - City Administrator Recruitment
    - Conflicts of Interest
    - Seismic Testing Survey
    - Sidewalk Survey
    - Status of New Street Sweeper
    - Project Status Update
    - Rayner Ponds Sidewalk
15. Adjournment

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

TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: WOW! Q & A

On August 17, 2015, I provided the Council with a communication I received from WOW! (see attached) notifying the City that there would be a number of rate increases in the various categories that WOW! offers. I suggested that the Council invite Dominic Silvio, General Manager of WOW! Mid-Michigan, to come to a Council meeting to better explain the rate increases. Mr. Silvio will be present for Monday's Council meeting to answer your questions.

Attachment: as
PMP/meg

WOW!

It's that kind of experience.

August 10, 2015

RECEIVED

AUG 17 2015

CITY ADMINISTRATOR

Martin Colburn
201 W. Ash St. P. O. Box 370
Mason, MI 48854-0370

Dear Martin,

At WOW!, we work hard to ensure that our customers receive reliable Internet, cable and phone services at a fair and competitive price by carefully managing our business costs.

Unfortunately, we are limited in our ability to directly control some of our costs, most notably the license fees we pay to the cable and broadcast networks. The cost for cable and broadcast networks continue to rapidly increase every year. Additionally, we are facing increased costs in providing our Internet and phone services.

To help keep pace with these costs, our rates will be adjusted with the September 15, 2015 billing cycle.

Residential Customers

- The majority of our bundled residential customers will experience an increase of:
  - Two-Product Cable Bundle: $14.00
  - Three-Product Cable Bundle: $15.00
  - Internet + Phone Bundle: $3.00
- Customers with cable services a la carte will receive a monthly increase listed below based on the level of service they subscribe to:
  - Limited Cable: $4.00
  - Basic Cable: $13.00
  - Digital Basic Cable: $13.00
  - Digital Signature Cable: $13.00
- Customers with Internet service a la carte will receive a $3.00 per month increase.
- Customers with Phone service a la carte will receive a $3.00 per month increase.

Business Customers

- Customers with cable services will receive a monthly increase listed below based on the level of service they subscribe to:
  - Limited Cable: $4.00
  - Basic Cable: $13.00
  - Digital Basic Cable: $13.00
  - Digital Signature Cable: $13.00

Saranac Housing Development Customers

- Saranac Housing Development customers have not seen a rate adjustment since WOW! acquired Broadstripe. Those rates have expired, therefore their billing will be adjusted accordingly:
  - Basic Cable: $10.00
  - Limited Cable: $26.79
  - HBO: $7.54

All customers will receive a notice based on their current level of service. Samples of the letters are enclosed.

Thank you for your continued support and cooperation. If you have any questions, please contact me at 517-319-3150.

Sincerely,

Dominic Silvio

Dominic Silvio
JumpMaster, Dog Lover, Family Man
General Manager of WOW! Mid-Michigan
WOW! Internet, Cable and Phone

CITY OF MASON
REGULAR CITY COUNCIL MEETING
MINUTES OF SEPTEMBER 8, 2015

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

Present:	Councilmembers: Brown, Bruno, Clark, Droscha, Ferris, Mulvany, Waltz
Absent:	Councilmember: None
Also present:	Patrick M. Price, Acting City Administrator
	Deborah J. Cwiertniewicz, City Clerk
	Eric Smith, Finance Director/Treasurer
	John Stressman, Chief of Police

ANNOUNCEMENTS

- Mason Cares – September 11, 2015
- 9-1-1 Ceremony – September 11, 2015
- Roxie Stark, Mason Today Reporter, was introduced.
- Mason Brass Quintet – Free Concert – Rotary Stage in Rayner Park – September 20, 2015.

PEOPLE FROM THE FLOOR

Jack Carmichael of 519 South Rogers provided a copy of the permit issued by Ingham County Road Commission to Leslie Township that he was given by West Bay Geophysical Company when they were conducting seismic testing on Rogers Street some months ago. He urged Council to prepare an ordinance with a bond sufficient to repair damage that would result from seismic testing. He provided a copy of his statements to the Mayor. He stated that there were several neighbors and friends present in support of his concerns.

Jennifer Graham of 529 Main Court raised many of her concerns and shared her research with Council. She provided a copy of her statements to the Mayor.

Clark stated that he has done a bit of research by contacting the Mayor of the City of Ann Arbor, who told him they did not enact a moratorium. They passed a resolution supporting Scio Township's law suit to obtain the right to control drilling. The Mayor of Scio Township explained that under the Zoning Enabling Act, townships do not have authority to control drilling in their jurisdiction. Price stated that the City of Mason has not been contacted by West Bay regarding compensation. Discussion ensued.

PRESENTATIONS

None.

CONSENT AGENDA

It was the consensus of Council to remove the regular meeting Minutes of August 17, 2015 from the Consent Agenda.

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

A. Approval of Minutes
   - Special Council Meeting: August 24, 2015
B. Approval of Bills: $389,061.21
C. Motion – Street Closure Request – Riverwalk Meadows Homeowners Annual Picnic
   - Move to approve the requested street closure at 408, 409, and 412 Raging River in Riverwalk Meadows Subdivision, Sunday, September 20, 2015, between 4:30 p.m. and 8:00 p.m. to allow the neighborhood to hold its annual picnic.

MOTION APPROVED

REGULAR BUSINESS

Approval of Minutes – Regular Council Meeting – August 17, 2015

MOTION by Droscha, second by Brown,
to approve the August 17, 2015 regular council meeting minutes as corrected.

MOTION APPROVED

Motion – Approval to Authorize Monetary Reward for Information

MOTION by Brown, second by Droscha,
to consider the Resolution, *Approval to Authorize Monetary Reward for Information*, read.
MOTION APPROVED

Introduced by Mulvany, seconded by Brown, a resolution for *Approval to Authorize Monetary Reward for Information.*

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-45
APPROVAL TO AUTHORIZE MONETARY REWARD FOR INFORMATION
September 8, 2015

WHEREAS, the Hayhoe Riverwalk Trail is a public property owned by the City of Mason; and

WHEREAS, an unknown person defaced areas of the Hayhoe Riverwalk Trail with graffiti on August 20, 2015; and

WHEREAS, the graffiti included satanic symbols, hate group identification and racial epithets, all in red spray paint; and

WHEREAS, this was the second incidence of graffiti using red spray paint to create offensive symbols, the first occurring in an area close to the Hayhoe Riverwalk Trail; and

WHEREAS, Section 42-201 of the City of Mason Code of Ordinances authorizes the Mason City Council to approve by resolution a cash reward for information leading to the identification and apprehension of any person who willfully damages or destroys any public property by the use of graffiti; and

WHEREAS, Section 42-208(b) of the City of Mason Code of Ordinances provides for the Mason City Council to seek restitution for costs and damages resulting from graffiti to be borne by the offender or, in the case of a minor, the parent(s) of the offender(s).

NOW, THEREFORE, BE IT RESOLVED, that the Mason City Council hereby agrees to authorize a

$1,000 cash reward for the identification and apprehension of the person or persons responsible for the graffiti damage inflicted upon the Hayhoe Riverwalk Trail.

RESOLUTION APPROVED

UNFINISHED BUSINESS
None.

NEW BUSINESS
Discussion was held regarding the ongoing concern of residents regarding seismic testing in the city. Council requested Acting Administrator Price to gather information useful for determining if the City has the ability to regulate seismic testing.

CORRESPONDENCE
All correspondence was distributed.

LIAISON REPORTS
- Mulvany informed Council regarding Historic District Commission business.
- Brown informed Council that Thursday, September 24, 2015, the Planning Commission will hold a public input session regarding the proposed Medical Marihuana Ordinance.
- Ferris informed Council that Legacy Trees are available through December 30, 2015.
- Waltz informed Council regarding Downtown Development Authority business.

COUNCILMEMBER REPORTS
Waltz reported that he and Council Member Droscha were prepared to report on Mason Public Schools (MPS) efforts to examine facility options for growing enrollment. Council Member Droscha is a member of the MPS Steering Committee and Mayor Waltz is a member of the MPS Strategic Planning Task Force.

ADMINISTRATOR'S REPORT
Price informed Council regarding City business. He informed Council that in the past, the City hired Attorney Gary Worman, who has worked in the gas and oil business for 35 years. Price suggested contacting Mr. Worman to obtain his interest and fee in representing the City.

Clark stated that the City is behind in its Sidewalk Replacement Program and he is concerned about the raised and broken sidewalk in the city. He requested Mr. Price to provide a report on the status of the program. Price stated that the program established in the 1970's and was followed until he left in 1999 has been discontinued. He suggested that the City reinstate the program as soon as possible.

ADJOURNMENT
The meeting adjourned at 8:36 p.m.

Deborah J. Cwiertniewicz, City Clerk

Michael F. Waltz, Mayor

09/18/2015 10:52 AM
User: TF
DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON
EXP CHECK RUN DATES 09/14/2015 - 09/23/2015
BOTH JOURNALIZED AND UNJOURNALIZED
BOTH OPEN AND PAID
COUNCIL REPORT

MONDAY, SEPT 21, 2015

Vendor Code / Invoice / GL Number	Vendor Name / Invoice Description / GL Description	Invoice Date	Amount	
07800	BLUE CROSS BLUE SHIELD OF MICHIGAN			
G#7029499710DIV#000	OCTOBER HEALTH INS - CITY EXPENSE	09/21/2015		
750-000.00-231.015	OCTOBER HEALTH INS - CITY EXPENSE		15,418.74	
G#7029499DIV#001	RETIREES OCTOBER INSURANCE - CITY EXPENSE	09/21/2015		
101-855.00-874.001	RETIREES OCTOBER INS - CITY EXPENSE		5,368.54	
		VENDOR TOTAL:		20,787.28
06474	CONSUMERS ENERGY			
SEPT 2015	ELECTRICITY 8/1 - 8/31	09/14/2015		
101-448.00-926.000	STREET LIGHTING 8/1 - /8/31		7,166.13	
		VENDOR TOTAL:		7,166.13
07935	HOWELL, THOMAS W.			
367521	REMOVE/REPLACE A/C EQUIPMENT FOR ADMIN SECTION AT W.T.P.	09/21/2015		
592-559.00-970.000	REMOVE/REPLACE A/C EQUIPMENT		7,500.00	
		VENDOR TOTAL:		7,500.00
08062	MAULDON BROTHERS CONSTRUCTION			
PAY EST #3	ALLEY RECONSTRUCTION PAY EST #3 PROJ#15-0005	09/21/2015		
203-451.00-970.211	ALLEY RECONSTRUCTION PROJ#15-0005		3,175.00	
592-558.00-970.919	ALLEY RECONSTRUCTION PROJ#15-0005		27,546.00	
592-548.00-965.211	ALLEY RECONSTRUCTION PROJ#15-0005		2,495.00	
			33,216.00	
		VENDOR TOTAL:		33,216.00
05221	MCGINTY, HITCH, HOUSEFIELD, PERSON,			
SEPT 2015	AUGUST LEGAL FEES	09/21/2015		
101-266.00-826.000	AUGUST LEGAL FEES		9,646.00	
		VENDOR TOTAL:		9,646.00
06480	MICHIGAN MUNICIPAL RISK			
M0001051	2ND INSTALLMENT ANNUAL CONTRIBUTION TO GENERAL FUND	09/21/2015		
101-272.00-910.000	2ND PMT ANNUAL CONTRIBUTION TO GEN FUND		22,445.75	
		VENDOR TOTAL:		22,445.75
05234	MML WORKERS COMPENSATION FUND			
2341204	2ND QUARTER 2015/2016 WORKERS COMP PREMIUM PAYMENT	09/14/2015		
101-850.00-724.000	2ND QUARTER 2015/2016 WORKERS COMP PMT		17,563.00	
		VENDOR TOTAL:		17,563.00
07550	RIETH-RILEY CONSTRUCTION CO INC			
PAY EST #5	MAPLE ST PAY EST #5	09/21/2015		
203-451.00-970.211	MAPLE ST PAY EST #5		120,668.46	
592-558.00-970.919	MAPLE ST PAY EST #5		52,956.35	
			173,624.81	
		VENDOR TOTAL:		173,624.81
		TOTAL - ALL VENDORS:		291,948.97

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

Patrick M Price: _____

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: September 21, 2015 **Agenda Item:** 7C

AGENDA ITEM

Motion - Streets Closure Request – Mason High School Homecoming Parade

EXHIBITS

- Parade Permit

STAFF REVIEW

Office of the City Clerk

SUMMARY STATEMENT

The homecoming parade is an annual event promoted through the Mason High School. The parade includes various floats, vehicles, and MHS band.

RECOMMENDED ACTION

Move to approve the use of Oak, Jefferson, Maple, and Barnes Streets for the Mason High School Homecoming Parade, October 3, 2015 between 5:00 p.m. and 7:00 p.m.

CITY OF MASON

201 West Ash St.
Mason, MI 48854-0370

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

PARADE PERMIT APPLICATION

Kathy Omillian
517 881 0091

APPLICANT

Name: Eric Haynie Phone: 517 290 3620

Address: 1001 S Barnes

Parade conducted for: Mason High School Home Coming

Date of Parade: Oct 2

Organization's Representative and Title: Mason Student Senate

Parade Chair: Eric Haynie Phone: 517 290 3620

Address: 1001 S. Barnes

PARADE ROUTE

Starting Point: Jefferson & Oak Street Ending Point: MHS South parking lot

Assembly Location: Oak Street between Jeff. & Park Time of Assembly: 5:00

Maximum space between units: 20 ft Minimum space between units: 20 ft

Maximum speed of units: 5 mph Minimum speed of units: 1 mph

Maximum length of parade in miles: 1/2 mile Parade start time: 6:00 Approx. end time: 6:30

ENTRIES

Number of Entries (People-Animals-Vehicles): 200 people

Type of Animals: Description of Vehicles: Convertables & Trucks & trailer

USE OF RIGHT-OF-WAY

Parade Route (by street name): Jefferson North to Maple around Courthouse to Barne Street to MHS South Lot.

Name of State Trunkline Street(s) that are requested as part of route: Cross M36

For Office Use Only:

Mason Police Department	City Administrator	Application to State for Use of Trunk Line Permit
Parade Route: ☑ Approved ☐ Disapproved	Permit: ☐ Approved ☐ Disapproved	☐ Approved ☐ Disapproved
Signature: [signature] 9-16-15	Signature: Patrick M. Price	Fee: $15.00 ☐ Paid

FILING REQUIREMENTS:

- ☐ Applicants for a parade permit must be at least 18 years of age.
- ☐ Applicants must file with the City a policy of liability and property damage insurance indemnifying the City against any liability to persons or property owned by the City, arising out of the parade.
- ☐ An application for a parade permit must be filed not less than 20 days, nor more than 60 days before the date on which it is proposed to conduct the parade

PLEASE NOTE: No candy or any other object(s) may be thrown or discharged from any moving vehicle, trailer, or other moving object before, during or after the parade by parade participants. Any individual(s) observed in violation will be removed from the parade and not allowed to participate. This may also mean removal of the float, trailer or moving vehicle.

PARADE CHAIRPERSON (or an identified designee/representative):

- ☐ Responsible to instruct all participants prior to the parade regarding the prohibition against throwing candy or other objects as stated above.
- ☐ Responsible for the cleaning and removal of any and all animal droppings or other refuse during the course of the parade. Failure to comply will result in billing for City services to clean up.
- ☐ must be on site and present during the parade. This representative must make themselves known, including their whereabouts during the parade and a means of contact (cellular telephone number, etc).

A request for the use of the City owned public address system must be made separately in writing to the City Administrator. There is a fee for the setup/take down and use of the system. The City of Mason does not provide chairs or seating accommodations. Requests for use of Ingham County owned property must be made to the Director of the Facilities Department, 131 W. Maple St., Mason, MI 48854, (517) 676-7310.

An application for a parade permit involving a school event must be signed by a school official/employee. This person must be on site, present, and available in person and by phone during the parade. This includes a request for homecoming parade.

I have read and understand the terms of the parade permit application. I agree to abide by these conditions.

Chairperson or Representative — Date: Sept 13, 2015

City Official Receiving Request — Date: September 16, 2015

Revised: 2011

City of Mason

201 W. Ash St.
P.O. Box 370
Mason, MI 48854-0370
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Police 517 676-2458
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TDD 1-800-649-3777

TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: Memorandum from City Attorney

The City Council requested a legal opinion from the City Attorney that would speak to two concerns:

- First, information provided by Jack Carmichael and Jennifer Graham that seemed to contradict the legal opinion that was previously provided by City Attorney Hitch to the Council at the June 1, 2015 Mason City Council meeting, and
- Second, the Council wanted to know what, if any, provisions within our Oil and Gas Ordinance would be vulnerable to being declared null and void by the Michigan Department of Environmental Quality, through its Supervisor of Wells.

I am attaching Mr. Hitch's legal memorandum, with attachment, for review by the City Council. Mr. Hitch will be present should you have any questions.

Attachment: as
PMP/meg

McGINTY, HITCH, HOUSEFI. .D, PERSON,
YEADON & ANDERSON, P.C.

MEMORANDUM

TO: Mason City Council

FROM: Thomas M. Hitch, City Attorney THH

RE: **REGULATORY POWERS OF THE CITY OF MASON AS IT PERTAINS TO THE EXPLORATION OF OIL AND GAS**

DATE: September 18, 2015

The purpose this memorandum is to address several issues which have been presented to me since the last time I provided an opinion on May 22, 2015. In conversations with both the City Administrator and the Mayor, they both expressed that individuals, including Mr. Jack Carmichael, have come before the Council and have asserted that my initial opinion was not correct in its conclusion that the City would have no jurisdiction over the bottom hole of a well located within the boundaries over the city where the wellhead was outside the city limits. Secondly, the City Administrator asked that I review our city ordinance to make a determination as to what aspects of the ordinance would most likely be pre-empted by state law and where the City's regulations would be applicable. The following is my response to both of those issues.

A. THE ENFORCEABILITY OF CHAPTER 38 AS IT PERTAINS TO THE BOTTOM HOLE OF WELLS WHERE THE WELL SITE IS OUTSIDE THE MASON CITY LIMITS.

In my original opinion, I stated that the City of Mason was without regulatory authority when it came to bottom holes (the term used to describe the very bottom of an oil well where the oil is located) where the wellhead was not within the Mason city limits. The basis of my opinion was the legislative grant of authority given to the supervisor of wells (defined as the Michigan Department of Environmental Quality) and by court decisions applying the legislative grant of authority.

The City has been presented with assertions made by some citizens, particularly Mr. Jack Carmichael, claiming that my opinion was not correct. Mr. Carmichael indicated that he had spoken with Traverse City attorney James Olson, and understood Mr. Olson to say that the City of Mason can disallow oil drilling within the city, irrespective of the location of the wellhead. Based on this, I have further researched this issue and have also spoken to several "oil and gas lawyers" as well as with Mr. Olson.

Before conferring with those lawyers, however, I did re-review my opinion, the law on which it was based, and did further research in this area. There was nothing in the research that undermined

my initial opinion that the City lacks authority in regulating oil production where the wellhead is not located within the city.

The basis for this reaffirmation is the Court of Appeals' decision in *County of Alcona v Wolverine Environmental Production, Inc,* 233 Mich App 238 (1998). The case involves a dispute between the County of Alcona and an oil driller as it relates to the requirements to obtain permits regarding the County's soil erosion prevention programs. While the powers of cities and counties are clearly different under their zoning laws, there is a very extensive discussion of the powers of the supervisor of wells which I believe to be persuasive. The opinion was authored by former Court of Appeals Judge (now Justice of the Supreme Court) Steven Markman. In the opinion, then Judge Markman explicitly lays out the area of regulation governed by the supervisor of wells. He wrote:

> In part 615, the supervisor of wells is granted broad powers over all matters related to the regulation of oil and gas wells, including the prevention of waste and the conservation of gas and oil. MCL 324.61505, M.S.A. § 13A.61505 states:
>
> > The supervisor has jurisdiction and authority over the administration and enforcement of this part and *all matters relating to the prevention of waste and to the conservation of oil and gas in this state.* The supervisor also has jurisdiction and control of and over all persons and things necessary or proper to enforce effectively this part and all matters relating to the prevention of waste and the conservation of oil and gas. [Emphasis added.]
>
> "Waste" is defined in the statute to include, in part, "unreasonable damage to underground fresh or mineral waters," M.C.L. § 324.61501(p)(i)(B); MSA 13A.61501(p)(i)(B), and "unnecessary damage to or destruction of the surface; soils; animal, fish, or aquatic life; property; or other environmental values from or by oil and gas operations," M.C.L. § 324.61501(p)(ii)(B); MSA 13A.61501(p)(ii)(B). The supervisor of wells is specifically empowered to "do whatever may be necessary with respect to the subject matter stated in this part to implement this part, whether or not indicated, specified, or enumerated." MCL 324.61506(a); MSA 13A.61506(a). In addition, a person must apply for and receive a permit from the supervisor of wells before beginning to drill any well for oil or gas. MCL 324.61525; MSA 13A.61525. "A permit shall

> not be issued to an owner or his or her authorized representative who has not complied with or is in violation of this part or any of the rules, requirements, or orders issued or promulgated by the supervisor or the department." Id.
> *Alcona, supra,* at 250.

The Court then went on to discuss whether the supervisor of wells' authority extended beyond the well site (in that case, the wellhead where the surface operations occurred). After reviewing the statutes, the Court wrote:

> We find no language here limiting the authority of the supervisor of wells only to the "well site," but instead the supervisor of wells is granted authority over waste to soil and water in all "oil and gas operations." Thus, in our judgment, this includes soil erosion and sedimentation problems in connection with all parts of a well, not just a wellhead. We believe that the supervisor of wells exercises control over the soil erosion and sedimentation questions involving access roads, pipelines, and processing facilities of oil and gas wells because they produce waste in connection with oil and gas wells.
> (*Alcona, supra*, p 257)

In my opinion, based upon this decision, the powers of the supervisor of wells are broadly construed and pertain not only to the well site, but all ancillary well facilities, that have potential for creating "waste" in the oil production process. As "waste" is defined as including "unreasonable damage to underground fresh or mineral waters," the operations as they relate to the production of oil at the bottom hole would clearly be within the ambit of regulations regarding "underground fresh or mineral waters." In my opinion, there can be no other conclusion than the fact that it is the supervisor of wells who controls all aspects of oil production at the bottom hole and would necessarily exclude any regulation of such underground activities in the oil production process by the City of Mason.

As I indicated, I had the opportunity to speak with two lawyers who specialize in oil and gas law. I explained my position and opinion on this matter, and it is fair to say that both attorneys agreed with my analysis.

I also had the opportunity to speak with Mr. Olson in Traverse City. As he indicated, and as I had been advised, he is an environmental lawyer, specializing in environmental law. He indicated that he has counseled a number of communities (and particular townships) that are dealing with drilling issues in southeastern Michigan. He indicated that he has suggested changes in zoning and other local regulations in an attempt to prevent oil drilling within these townships. He indicated

that he has not drafted any ordinances, but provided advice. He also indicated that he did speak with Mr. Carmichael and remembered the conversation.

We spoke for about 15-20 minutes and our conversation was very cordial. He advanced several theories and arguments, but cited no decisions that would specifically indicate that a local governmental entity could ban drilling where the well site was not within its jurisdiction. He did indicate that communities had to be cognizant of the takings issue (a topic I addressed in my first memo to Council) when exercising its authority under the zoning powers. It is clear, as Mr. Carmichael indicated, that Mr. Olson was advising clients in ways to "resist" oil drilling, but he did not set forth any specific decisions that would support his theories or arguments.

In reviewing my conversation with Mr. Olson, it was my opinion that he provided no basis that undermined my initial conclusion that the City lacks authority as it relates to the regulation of bottom holes of wells. He was dismissive of the decision in the *County of Alcona* case cited herein, but in subsequent cases there has been no criticism of any of the logic employed by the Court of Appeals in that case. Mr. Olson raised several positions as it relates to townships which I believe to be clearly in contravention of the limitation on township authority as it relates to the regulation of oil and gas production as set forth in the Zoning Enabling Act ("ZEA") at MCL 125.3205. It is clear that Mr. Olson has a point of view as it relates to the local authority but, as indicated above, he can cite no specific cases in which that point of view has prevailed.

In summary, based on my further review and the issues raised by Mr. Carmichael and others, I believe that my initial opinion is well-founded and fairly states the law as it relates to the regulatory authority of the supervisor of wells. As oil and gas is a statewide concern, the legislature has clearly acted to preempt local regulation in this area and, given the specific issue where the wellhead is not located within the city of Mason, it would be my continued opinion that the City of Mason has no regulatory authority over the underground operations of any oil production facility.

B. ENFORCEABILITY OF MASON ZONING AND POLICE POWER REGULATIONS AS IT RELATES TO OIL AND GAS DRILLING WHERE THE WELLHEAD IS LOCATED WITHIN THE CITY.

As indicated above, the authority of the supervisor of wells is very, very broad yet, as indicated in my initial opinion, because Mason is organized as a city, it has regulatory authority not given to counties or townships. This is particularly true in the area of zoning where the exclusion from regulation set forth in the Zoning Enabling Act applies to counties and townships, but not to cities. See MCL 125.3205(2). Before discussing the specifics of the City's ordinances, it is again useful to review a portion of the *Alcona* decision discussed above.

That case discussed zoning regulations in light of the authority of the supervisor of wells. The Court of Appeals looked at the position taken by the DNR (now MDEQ) as it pertained to the case before the Michigan Supreme Court which I discussed in my first memo. In looking at the position taken by the DNR, the Court approvingly said of the DNR's position when it wrote:

> Considering the supervisor of wells' authority over all aspects of waste in relation to wellheads as well as ancillary well facilities, it appears that any permit issued by the supervisor of wells would necessarily include such ancillary well facilities.
> (*Alcona, supra,* p 258)

Where the City attempts to regulate, either by zoning or under police power (Chapter 38 of the Mason City Code), the test will be whether the regulation affects activities "critical to the operation of the wells" and as it pertains to zoning, where the zoning actually affected the supervisor of wells' "exercise of jurisdiction" relative to the wells.

As the Council can observe, there is some level of ambiguity when one tries to determine what is critical to the operation of the wells, or whether an activity affects the supervisor's exercise of jurisdiction. As indicated in my prior memo, the Supreme Court decision in *Alcona* specifically provides that the supervisor of wells does not control the entire field of regulation and that the goals of zoning in particular in cities acts as a limitation to the exercise of the supervisor of wells, particularly in the placement of the well site within a city.

In Mason, the drilling of oil and gas wells is limited to those areas that are zoned M-2 General Manufacturing. Under the City's zoning ordinance [section 94-152(d)(15)] the use would be authorized only upon the issuance of a special use permit. See section 94-191. The City's special use permit process provides standards that guide the exercise of discretion of the Planning Commission and City staff in reviewing an application and provide a basis (from the perspective of zoning) that would protect the City of Mason's land use goals.

Thus, it is my opinion that as the City of Mason provides for oil and gas drilling, it can restrict such use to the M-2 district, particularly in light of the development of directional drilling capabilities now widespread in the oil and gas industry. Within the area zoned M-2, it is my opinion that the special use permit process provides the City with tools to protect the citizens of Mason and advance the City's land use goals, as set forth at section 94-191(f).

As it relates to Chapter 38, the regulations promulgated pursuant to the police powers possessed by the City as delegated pursuant to the Home Rule Cities Act. While there is specific zoning authority under the ZEA, the police powers of the City are derived from the more general provisions of the Home Rule Cities Act. As discussed in my first memorandum, those ordinance

provisions are much more specific as it pertains to the exploration, drilling, and production of oil. Consequently, in my opinion, those requirements are more likely to be preempted by the powers granted to the supervisor of wells.

Attached to this memo is a chart developed by going through Chapter 38 and comparing it to the rules and regulations involving oil and gas production as regulated by the supervisor of wells. It is very extensive and I will not attempt to summarize all of the provisions here. I will, however, highlight two points for the Council's information.

First, as reflected in the following chart, it is my opinion that the Mason director of public works does not have the authority to shut down an operating well. That authority is vested solely in the supervisor of wells and, if an oil company can demonstrate to the satisfaction of the supervisor of wells that it is meeting the requirements of the supervisor of wells, any purported regulation by the City would be preempted and would be of no force and effect. It is my opinion that the City has the right to inspect well sites (so long as it does not interfere in the operation of the wells) and, if it determines that there is a dangerous condition or circumstance, it has the authority to so notify the supervisor of wells of such condition or circumstance. It cannot, however, revoke any permit issued by the City and use that revocation as a basis for suspending or terminating an oil company's right to operate the well as permitted by the supervisor of wells.

Secondly, as the City will control the special use permit process under the zoning ordinance, it is not clear to me that there is an independent basis under the police powers to require a permit to operate within the city where the supervisor of wells has a permitting process. Having the ability to issue a permit implies the authority to revoke a permit. As the revocation of a permit would purport to authorize the terminating of the underlying activity, it is not clear to me that the permitting process is appropriate. Obviously, there has been no challenge to this and the City may want to continue to require permits. On the other hand, it may be a better course to require "registration" with the City and obtain the information necessary for it to adequately monitor the oil and gas operations within the city. In any event, it is clear the City can require a special use permit so the permit under Chapter 38 is, in some sense, duplicative.

I cannot advise you one way or the other whether an oil company would balk at the permitting process. My advice here is only to highlight that the permitting process might, in and of itself, become a point of contention and, as reflected in the chart accompanying this, it is my opinion that certain aspects of the permitting process would not survive.

The attached chart more thoroughly covers the individual provisions of the ordinance.

bks
Attachment

	MDEQ	MASON
PERMIT APPLICATION REQUIREMENTS:	**R 324.201** Survey by licensed MI surveyor, visible marker and flagged route; plat. The State requirements are more strict. *Given that Mason requires State permit, this is not an issue.*	**Sec. 38-35** Map, plat or survey
	R 324.201(2)(g) A person shall file an organizational report: listing of all corporate officers, directors, incorporators, partners, or shareholders who have the authority to make, or are responsible for making, operational decisions, including the siting, drilling, operating, producing, reworking, and plugging of wells. **R 324.301(d)** A permit may be issued on a drilling unit that is not totally leased, pooled, or communitized subject to conditions. .	**Sec. 38 – 35 (b) and (c)** Names of owners of the oil and gas in all areas to be drilled, and the lease on the area. Written consent of the owner of the drill site consenting to the drilling. Copies of all leases for the discovery and removal of oil and gas, and ratifications of oil and gas Consideration of application by City Council if 1) it appears that all persons having an interest in the drilling unit or area have consented to drilling; 2) Supervisor of Wells (SOW) issued pooling order; OR SOW issued permit to drill. *Therefore, so long as State issues permit or pooling order, Mason's consent requirement is met. Mason will not give permit anyway absent State issuance of one.* ***SOW** = Michigan Department of Environmental Quality (MDEQ)

	R 324.201(2)(e) Person shall also file for and obtain ADDITIONAL permits that may be required... before operating the well (when proposed well is located in or adjacent special hazards or conditions, such as surface waters and other environmentally sensitive areas, and flood plains)	There may be a conflict in requiring a separate permit. *County of Alcona v Wolverine Environmental Production,* 233 Mich App 238
After application is received	**R 324.1201 and 324.1205** Allows for hearings to hear public concerns.	**Sec. 38-35 (d)** City council may schedule public **hearing** before acting on application. If hearing is scheduled, applicant is required to give **notice** at least 7 days before hearing to interested parties. MUST USE FORMS from city clerk. Must publish notice in newspaper at least 5 days before hearing, and post notices in at least 5 public places. Before any action is taken on the application, **SOW** of the state **must issue permit** to drill + statement of special permit conditions or requirements imposed by SOW. Scheduling a hearing may conflict with state law.
SOW is present during the start-up of all oil and gas operations. Permittee must comply to operations and procedures as set out by SOW in the Rules, including equipment and machines being in good working order, and proper construction.	**R 324.504 Well sites and surface facilities.** An oil and gas operation shall not be commenced or continued at a location where it is likely that a substance may escape in a quantity sufficient to pollute the air, soil, surface	**Sec. 38-35 (d)(3):** City council discretionary power to refuse permit if drilling will cause SERIOUS disadvantage or hazard to the city and its people. City may impose all reasonable

SOW field inspector goes through checklist to confirm that it is not likely that substance may escape...or cause unnecessary endangerment...based on set methods and means. Field staff will specify what needs to be done before operation begins or continues.	waters, or ground waters or to cause unnecessary endangerment of public health, safety, or welfare **until** the permittee has complied with the methods and means to prevent pollution or eliminate the unnecessary endangerment of public health, safety, or welfare as specified by the SOW. **R 324.1301 Authority of supervisor.** Rule 1301.The supervisor, under section 61506 of the act, may do any of the following: (a) Enforce all rules, issue orders, determinations, and instructions necessary to enforce the rules and regulations, and do whatever may be necessary with respect to the subject matter stated in these rules to carry out the purposes of these rules and the act, whether or not the orders, determinations, or instructions are indicated, specified, or enumerated in the act or rules. (b) Order the suspension of any or all components of the oil and gas operations when a violation exists. The suspension time shall continue until a correction is made and a violation no longer exists under section 61516 of the act. The supervisor may also prohibit the purchaser from taking oil, gas, or brine from the lease during the required suspension time. (c) Order a well plugged for a continuing violation of the act or these rules. **R 324.201 (2)(f)** Requires filing of environmental impact assessment.	requirements necessary to protect property and parties. This provision conflicts with state law. *Alcona County, Addison Twp v Gout,* 435 Mich 809 **Sec 38-34** City designee has the right and privilege at any time to enter premises covered by permit to inspect and determine compliance to article or requirements of city laws as it pertains to health, welfare and safety of persons in Mason. *No conflict.*

	R324.201(4) SOW has authority to issue or deny permit to drill and operate	
BOND requirements	Statement of financial responsibility **or** conformance bond. **R 324.211, R 324.212** State is more specific as to amount of bond. "**conformance bond**" conditioned upon compliance of the law, rules, and order—the extent of liability on conformance bond. Bond amount depends on depth of well. No single or blanket well amounts to bond of maximum liability of $1 M. *MASON's law expands liability beyond conformance to the law, and does not allow alternate of statement. The latter would be a conflict with statute.*	**Sec. 38-35 (e)** Bond conditioned that if permit is granted, applicant shall comply with terms and conditions of article + pay damages for injury to property, bodily, or death+ clear area if well is abandoned or operation discontinued. Maximum total liability of $1 million dollars under the bond for a term not less than one year; reduced to $500,000 if renewing drilling after completed.
FEE for application	**R 324.201(2)(i)** Fee is required. This may be in conflict with state law	Non refundable application fee for cost and expenses of administering article. Reimbursement for city's actual expenses incurred in investigating and processing application $250 from owner of each well to administer article.
CANCELLATION OF PERMIT	**R 324.208, R324.209** Termination of permit after 2 years of issuance or transfer. 12 months inactive for permitted purpose must plug well. Can request temporary abandonment status from SOW for no more than 12 months.	**Sec. 38-35(g)** Drilling must commence within 60 days of permit issuance; Permit will terminate if drilling is inactive for 60 days or there is no more oil to be produced Either one is considered an

	Mason is in conflict with State law.	abandonment. Must be plugged under supervision of SOW. **Sec. 38-39** *Permittee can request extension with good and reasonable cause shown.
Authority to suspend permit	**R 324.207** Suspension for not getting a transfer permit; **R 324.1301** SOW has authority to suspend for violations of 61516 of the act. **R 324.1014 Suspension of OIL AND GAS operations due to threat to public health and safety.** Rule 1014. (1) The supervisor or authorized representative of the supervisor shall have the authority to immediately require corrective action, including suspending any or all components of the oil and gas operations, if the oil and gas operations have been determined by the supervisor to be in violation of the provisions of the act, these rules, permit conditions, instructions, or orders of the supervisor and threatens the public health and safety. (2) A suspension of oil and gas operations shall be in effect for not more than 5 days or until the operation is in compliance and protection of the public health and safety is ensured. To extend the suspension beyond 5 days, the supervisor shall issue an emergency order to continue the suspension of oil and gas operations and **may schedule a hearing** under part 12 of these	**Sec. 38-35 (i)** Mason's director of public works is granted authority to suspend permit for violation of article or permit conditions. Requires city notice and hearing before suspension. *Director may not suspend drilling or operation of wells. This conflicts with State law.*

	rules. The total duration of the suspension of oil and gas operations shall not be more than 21 days, as provided in section 61516 of the act.	
LOCATION and Spacing of wells	**R324.301** Drilling unit for oil/gas well= legal subdivision of 40 acres +/- Producing well must not be less than 330 ft from drilling unit boundary; **R 324.504(2)(d)** Well surface and facilities must not be less than 300 ft from existing recorded fresh water wells, reasonably identifiable fresh water wells utilized for human consumption, and existing structures used for public or private occupancy. Exceptions to location may be granted by SOW.	**Sec. 38-36** Well must be at least 330 ft from adjoining property; if communitized property, then at least 660 ft from adjacent adjoining well. Drilling location: must be at least 300 ft from any street, alley, or railroad line; and 300 ft from any existing building. City council is authorized and empowered to make exceptions from limitations/restrictions. *These requirements are in conflict with State law. SOW has the authority to make exceptions to requirements.*
Production and Operation Duty	**R 324.401** A person who drills a well or wells as described in R 324.201(1) shall use every reasonable precaution to prevent waste	**Sec. 38-37** a) Duty to stop and prevent waste and protect residents and properties of city when drilling and producing oil and gas. Duty to equip, operate, and maintain well with equipment in compliance to industry standards. Equipment shall be installed and maintained in compliance to standard practices.

	R 324.1004 Safety measures. ***If hazards to life or property***, or both, exist, **then** a permittee of a well shall post safety signs in conspicuous places around the well or surface facility. The supervisor or authorized representative of the supervisor **may require** the installation of **fences,** gates, or other safety measures. Fence also must be installed if the following exists: Vessel (R 324.1122) Flare (R324.1123) Perimeter of mud pit after completion of drilling (R 324.407)	b) **From start to finish**, well location must be completely **enclosed with fencing** (fence specs: steep posts, woven wire min. 14 gauge wire with mesh of min. 2 inches, max. 4 inches, and 6 ft. high max.) *May be in conflict with State law.*
	R 324.506 Flare stacks and surface facilities in residential areas. Flare stacks in residential area are <u>subject to local government</u> approval of location.	c) **Flares** within corporate limits of city must be min. 300ft from building or structure, extend min. 20 ft above ground surface; approved construction and installed in deep enough to allow for drainage and be safe; location must be enclosed by steel fencing, like that of drill site.
	R 324.407 Drilling mud pits. Rule 407. (1) The supervisor shall prohibit the use of a drilling mud pit if it is determined that the mud pit causes waste. (2) Drill cuttings, muds, and fluids shall be confined by a pit, tank, or container which is of proper size and construction and which is located as approved by the supervisor or authorized representative of the supervisor. (3) **Only tanks** shall be utilized	d) **portable slush pit** (for deposit of slush and waste) needed for drilling in residential area.

	while drilling a well that is **located in an area zoned residential before January 8, 1993.** The supervisor may grant an exception if the applicant or permittee makes a request for an exception as part of the written application for a permit. The supervisor may grant an exception if an applicant or permittee satisfactorily demonstrates that a municipal water system is utilized or required to be utilized.	
	R 324.407 (8) If a drilling mud pit is not closed immediately after reaching drilling completion, then a permittee of a well shall fence the perimeter of the drilling mud pit as soon as practical after drilling completion, but not later than 30 days after drilling completion, to prevent public access. (9) A permittee of a well shall close a drilling mud pit as instructed by the supervisor and be in compliance with all of the following minimum requirements...	No open pits for disposal after completion of drilling operation. May be in conflict if more strict than state law.
	R 324.502, R 324.705 **Oil, brine, or associated oil or gas field waste; storage.** Rule 502. A permittee of a well shall not store or retain oil, brine, or associated oil or gas field waste in earthen reservoirs or open receptacles.	**Sec. 38-37** e) All brine or salt water produced, **under SOW**, be returned to underground formation...
	R 324.407 **(1)** The supervisor shall prohibit the use of a drilling mud pit if it	f) area enclosed by fence shall be kept tidy: free of trash, unnecessary flammable

	is determined that the mud pit causes waste. **(9)** A permittee of a well shall close a drilling mud pit as instructed by the supervisor and be in compliance with all of the following minimum requirements: (a) All free liquids above the solids in the pit shall be removed to the maximum extent practical and disposed of in an approved disposal well or used in a manner approved by the supervisor.	substances, and must cut weeds. No storing machinery and equipment that is not being used. Oil tanks must be painted or galvanized. g) Except in emergencies, Chief of fire department/officer in charge must get NOTICE minimum 6 hours before mud or fluid are removed, swabbed, baled or cleaned out in general. Authorized to prevent process if hazardous until conditions improve. *However, if operator meets SOW requirements, city cannot stop.* Conflicts with state law.
	R 324.803 Testing before operation of injection wells. **R 324.805 Operational testing requiremnts:** (2) Before the test, a permittee of a well shall **notify** the supervisor or authorized representative of the supervisor of the date and time of the test. **R 324.607 Special capacity tests.** Rule 607. (1) The supervisor or authorized representative of the supervisor may, at any time, require the permittee of a well, either with or without previous notice, to perform a special producing capacity test or	**Sec. 38-37 (g)** Unlawful to test well from sundown until sunrise, when gas may settle or during electric storm. Conflicts with state law.

	supply production data for a well or wells. The supervisor or authorized representative of the supervisor may witness, direct, or make measurements during the test, subject to proper safety supervision by the permittee. *It seems that there are various types of tests involving wells. Ordinance does not specify.* *No conflict with R 324.803-805, but conflict with R 324.607.*	
	MDEQ has very specific and strict rules on equipment and machinery standards and maintenance. *EXAMPLES:* **R324.1002; R324.413; 324.406**	Control devices for well shall be tested, in good working order and comply with provisions of this article. h) drilling shall be done with mud-laden fluids of such weight and viscosity, as done with good drill practices in area.
	R 324.402 **Drilling notification.** Rule 402. Not less than 5 days before preparing the location and not less than 48 hours before **moving** drilling equipment on location, the permittee shall notify the supervisor or authorized representative of the supervisor and the surface owner when well construction is to begin. Notice may be given verbally or by first-class United States mail. **SOW is involved in plugging** **R 324.901, R324.403**	**Sec. 38-38** No **moving** rigs or heavy machinery through city without a permit setting forth the streets for moving. Permit requirement may conflict with state law.

	R 324.903 Commencement of plugging operations. (1) A permittee of a well shall commence plugging operations within 90 days after drilling completion or well completion as a dry hole, when the well has not economically produced or has not been utilized for its permitted use for more than 12 consecutive months, when a change of well status has not been granted, or when the permitted use has been suspended for more than 12 consecutive months. The supervisor may require, or a permittee may submit, proof that is necessary to determine if the well is being economically produced. **R 324.1003. Restoration.** A permittee of a well shall fill and level the cellar and all pits and excavations, remove or eliminate debris, minimize erosion, and restore the well site as nearly as practicable to the original land contour or to a condition approved by the supervisor or authorized representative of the supervisor as soon as practical after the completion of plugging to the surface, but not more than 6 months after the completion of plugging to the surface.	**Sec. 38-39 RESTORATION; ABANDONMENT** a) when drilling operations or production of oil or gas from any working well stops, well shall be abandoned and plugged under SOW supervision. b) plugging operation on all dry or abandoned wells shall begin within 60 days after drilling production operation stop and must be carried through immediately to completion. *City regulation in conflict with State law and do not apply.* c) permittee shall fill all pits and cellars with dirt and level off the surface and restore the surface to its original condition (prior to drilling) as much as possible. All equipment shall be removed from the location promptly; all machinery, tanks, pipes and tools shall be transported from the well site and embankments leveled and the surface of the land restored to its former condition. d) permittee shall not allow any undue accumulation of slush, salt water or oil, or any other offensive or dangerous substances to accumulate. Upon completion, remove and

		eliminate debris and eliminate all conditions and circumstances contribution to the fire hazard or pollution. May be in conflict if more strict than state law.
	R 324.202 Directional redrilling. New permit needed for redrilling an existing well to a different bottom hole location. *No conflict.*	**Sec. 38-40** **Deepening and reworking—** new permit required if deepening or extending a well. If application is within 60days, then reduced fee amount as established by resolution required.

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

TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: Approval to Purchase Two Pickup Trucks

Attached herewith is a SAR and a Resolution prepared by Ken Baker, DPW Director, wherein he provides the bid information for the purchase of two (2) pickup trucks. Whenever possible, I believe the low bidder should get the award. However, it is also important to have uniformity of equipment so that we are able to stock common supplies, i.e., oil filters, air filters, etc., but it also makes it simpler for the mechanic to familiarize himself with one drivetrain rather than multiple ones. For these reasons, I am recommending that the bid submitted by Signature Ford for two (2) Ford F150 pickup trucks be approved.

Attachment: as
PMP/meg

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: September 21, 2015 **Agenda Item:** 8B

AGENDA ITEM
Resolution No. 2015- – Approval to Purchase Two (2) 2015/2016 Ford F150 Pickup Trucks

EXHIBITS
None.

STAFF REVIEW
Public Works Department

SUMMARY STATEMENT
Bids were requested under the State of Michigan MiDeal Purchasing Program and Macomb County Bid Program. One was also requested from a local dealer. The lowest price came in for $21,804.20 from Red Holeman Buick GMC. My recommendation is to go with the Ford from Signature Ford in Owosso, Michigan, for $21,886.00 since we have a fleet of Fords right now with filters brake pads and other items on the shelf to fit a Ford. The difference between the low bid and the next bid is $81.80. My recommendation is based on not just low bid but what is best for our fleet operations.

Macomb County Bid Prices:
Signature Ford, Owosso MI
$21,886.00 ea

State of Michigan Bid Prices:
Berger Chevrolet
No response

LaFontaine Ford, Lansing MI
$23,593.92 ea

Red Holeman Buick GMC, Westland MI
$21,804.20 ea

Local Dealer Bids:

Shaheen Chevrolet, Lansing MI
No response

RECOMMENDED ACTION
Approve Resolution No. 2015- .

Introduced:
Second:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-

APPROVAL TO PURCHASE TWO (2) 2015/2016 FORD F150 PICKUP TRUCKS

September 21, 2015

WHEREAS, it is in the best interest of the City of Mason to schedule the replacement of vehicles within the motor vehicle pool; and

WHEREAS, the scheduled replacement of Truck No.12 and No.15 was approved in the Fiscal Year 2015 - 2016 Budget.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council does hereby approve the purchase of two (2) 2015/2016 Ford F150 pickup trucks for $21,886.00 each from Signature Ford.

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, September 21, 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

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TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: Replacement of 1998 Caterpillar 914G Front End Loader

Attached hereto is a SAR and a Resolution from the Department of Public Works and the Finance Department explaining the equipment tested, and the recommended equipment to be leased. As the Council is aware, monies were budgeted for the replacement of our old front end loader. The DPW tested models from Caterpillar, John Deere, and Volvo. The DPW recommends the Caterpillar as being the best for our needs and not just because it is the low bid. Upon reviewing the Caterpillar proposal, Michigan CAT included a proposed three-year lease that looked attractive to me. I asked Eric Smith, Finance Director/Treasurer, to review said lease and he is of the same opinion and that given our condition in the Motor Vehicle Pool Fund, it would allow us to keep a greater balance in this Fund.

Please note that we have been offered $19,000 as the trade-in amount. We may accept that amount; however, we are first going to place it in an auction put on by Sheridan Auction with a $19,000 reserve. We could very well get more than the trade-in amount, which will be used to pay the lease costs.

The last bit of information is that Caterpillar will pay all maintenance costs and will provide us a loaner at no cost for this three-year period. Afterwards, the City will have the option to purchase the loader that is being leased, get another front end loader and continue leasing, or purchase a new front end loader. I believe that by leasing, it gives us much more flexibility now and in the future.

Attachments: as
PMP/meg

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: September 21, 2015 **Agenda Item:** 8C

AGENDA ITEM
Resolution No. 2015- – Approval to Lease 2015 CAT 914K Front End Loader

EXHIBITS
None.

STAFF REVIEW
Department of Public Works
Finance Department

SUMMARY STATEMENT
The City looked at CAT, Volvo and John Deere loaders. CAT and Volvo brought demo machines for staff to use. John Deere did not have an equivalent sized loader in the state. Also their price was higher. After testing the Volvo and the CAT, staff recommended the CAT loader over the Volvo.

State of Michigan Bid Prices:

Michigan CAT (CAT)	Price with trade-in - $93,065.00
AIS Construction (John Deere)	Price with trade-in - $98,495.43
Alta Equipment (Volvo)	Price with trade-in - $101,082.00

Michigan CAT provided the City with several financing options. The options included purchasing the equipment, as budgeted, as well as several leasing options. Further review of the options indicated several advantages to leasing the equipment. First, maintenance is included for the lease term. Also, a temporary replacement is provided if maintenance is necessary. Second, the City has the flexibility to either purchase the equipment, or turn it in for a brand new piece of equipment every three (3) years. Third, historical equipment rental amounts have been sufficient to cover the lease payments. Also note: The salvage value of the existing equipment is expected to bring $20,000 to $25,000 which would cover between one- and two-year's worth of lease payments. Finally, by utilizing the sale of the equipment being replaced, and equipment rental contributions to fund the equipment, it provides relief to the Motor Vehicle Pool Fund cash balance allowing it to be available for future purchases. Staff recommends the CAT loader utilizing the lease option at $1,355.93 per month for 36 months.

RECOMMENDED ACTION
Approve Resolution No. 2015- .

Introduced:
Second:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-

APPROVAL TO LEASE 2015 CAT 914K FRONT END LOADER

September 21, 2015

WHEREAS, it is in the best interest of the City of Mason to schedule the replacement of vehicles within the motor vehicle pool; and

WHEREAS, the scheduled replacement of the front end loader was approved in the Fiscal Year 2015 - 2016 Budget.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council does hereby approve the lease of a 2015 CAT 914K front end loader for $1,355.93 per month for three years to include maintenance and service.

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, September 21, 2015, the original of which is part of the City Council minutes.

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

REVENUE AND EXPENDITURE REPORT FOR CITY OF MASON

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 101 - GENERAL FUND						
Revenues						
000.00		270,470.00	0.00	0.00	270,470.00	0.00
215.00	CLERK	6,250.00	63.38	63.38	6,186.62	1.01
254.00	TREASURER/FINANCE	5,108,225.00	2,670,082.77	127,776.43	2,438,142.23	52.27
271.00	FORESTRY	29,770.00	1,200.00	1,200.00	28,570.00	4.03
276.00	CEMETERY	37,200.00	5,242.00	2,265.00	31,958.00	14.09
301.00	POLICE DEPARTMENT	71,820.00	21,359.06	3,346.33	50,460.94	29.74
336.00	FIRE DEPARTMENT	174,230.00	4,862.20	3,594.85	169,367.80	2.79
528.00	REFUSE COLLECTION	355,515.00	349,034.00	(463.32)	6,481.00	98.18
747.00	COMMUNITY GARDEN	375.00	0.00	0.00	375.00	0.00
751.00	RECREATION	5,000.00	2,511.70	325.00	2,488.30	50.23
850.00	WORKERS COMPENSATION	52,645.00	17,563.00	0.00	35,082.00	33.36
TOTAL Revenues		6,111,500.00	3,071,918.11	138,107.67	3,039,581.89	50.26
Expenditures						
101.00	COUNCIL	41,570.00	3,079.39	0.00	38,490.61	7.41
172.00	ADMINISTRATOR	286,320.00	16,338.73	6,293.36	269,981.27	5.71
209.00	ASSESSING	51,295.00	8,262.90	4,119.04	43,032.10	16.11
215.00	CLERK	141,705.00	21,702.42	9,462.92	120,002.58	15.32
247.00	BOARD OF REVIEW	650.00	0.00	0.00	650.00	0.00
254.00	TREASURER/FINANCE	501,600.00	71,652.19	30,791.12	429,947.81	14.28
260.00	TECHNOLOGY	100,445.00	12,819.64	7,451.55	87,625.36	12.76
265.00	BUILDING OFFICIAL/CITY HALL	156,315.00	21,771.00	11,177.73	134,544.00	13.93
266.00	LEGAL/ATTORNEY	90,000.00	25,990.92	12,776.53	64,009.08	28.88
268.00	PARK STREET PROPERTY	41,985.00	0.00	0.00	41,985.00	0.00
269.00	PROPERTY	461,650.00	147,351.97	147,351.97	314,298.03	31.92
271.00	FORESTRY	77,595.00	6,867.15	4,029.54	70,727.85	8.85
272.00	ADMINISTRATIVE SERVICES	272,515.00	(22,692.37)	10,998.13	295,207.37	(8.33)
276.00	CEMETERY	198,755.00	15,570.07	6,253.20	183,184.93	7.83
305.00	POLICE ADMINISTRATION	340,520.00	55,371.52	28,441.04	285,148.48	16.26
315.00	CROSSING GUARDS	24,170.00	136.73	0.00	24,033.27	0.57
316.00	POLICE PATROLLING	1,054,400.00	143,131.33	59,996.38	911,268.67	13.57
336.00	FIRE DEPARTMENT	526,460.00	40,868.63	18,815.60	485,591.37	7.76
380.00	PLANNING/ZONING OFFICIAL	126,710.00	20,131.39	8,682.85	106,578.61	15.89
426.00	CIVIL DEFENSE	1,870.00	0.00	0.00	1,870.00	0.00
428.00	DISASTER ACCOUNT	100.00	0.00	0.00	100.00	0.00
441.00	PUBLIC SERVICES	6,000.00	630.24	286.65	5,369.76	10.50
447.00	ENGINEERING	300.00	0.00	0.00	300.00	0.00
448.00	STREET LIGHTING	96,860.00	12,278.78	7,541.23	84,581.22	12.68
458.00	SIDEWALK CONSTRUCTION-REPAIR	5,085.00	95.40	0.00	4,989.60	1.88
528.00	REFUSE COLLECTION	354,715.00	56,214.56	28,332.86	298,500.44	15.85
747.00	COMMUNITY GARDEN	680.00	15.45	4.18	664.55	2.27
756.00	PARKS AND BALL DIAMONDS	171,425.00	26,212.41	10,879.52	145,212.59	15.29
758.00	PUBLIC ART	1,000.00	0.00	0.00	1,000.00	0.00
775.00	SENIOR CITIZENS	8,085.00	2,550.00	425.00	5,535.00	31.54
790.00	LIBRARY	15,095.00	35.00	0.00	15,060.00	0.23
806.00	CHRISTMAS DECORATIONS	5,570.00	0.00	0.00	5,570.00	0.00
807.00	CABLE COMMISSION	315.00	0.00	0.00	315.00	0.00
808.00	PLANNING COMMISSION	2,950.00	79.74	79.64	2,870.26	2.70
850.00	WORKERS COMPENSATION	52,645.00	17,563.00	0.00	35,082.00	33.36
855.00	RETIREE BENEFITS	116,210.00	28,564.70	9,654.90	87,645.30	24.58
890.00	CONTINGENCIES	103,020.00	0.00	0.00	103,020.00	0.00
999.00	SURPLUS	674,915.00	154,444.44	139,799.25	520,470.56	22.88

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 101 - GENERAL FUND						
Expenditures						
TOTAL Expenditures		6,111,500.00	887,037.33	563,644.19	5,224,462.67	14.51
Fund 101 - GENERAL FUND:						
TOTAL REVENUES		6,111,500.00	3,071,918.11	138,107.67	3,039,581.89	50.26
TOTAL EXPENDITURES		6,111,500.00	887,037.33	563,644.19	5,224,462.67	14.51
NET OF REVENUES & EXPENDITURES		0.00	2,184,880.78	(425,536.52)	(2,184,880.78)	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 202 - MAJOR STREETS FUND						
Revenues						
000.00		1,327,740.00	313.54	157.40	1,327,426.46	0.02
TOTAL Revenues		1,327,740.00	313.54	157.40	1,327,426.46	0.02
Expenditures						
000.00		99,200.00	0.00	0.00	99,200.00	0.00
451.00	STREET/ROAD CONSTRUCTION	949,060.00	0.00	0.00	949,060.00	0.00
463.00	STREET MAINTENANCE	135,415.00	16,737.60	8,036.74	118,677.40	12.36
474.00	TRAFFIC SERVICES	32,675.00	2,232.04	0.00	30,442.96	6.83
478.00	WINTER MAINTENANCE	44,290.00	0.00	0.00	44,290.00	0.00
482.00	STREET ADMIN/GEN EXP	67,100.00	0.00	0.00	67,100.00	0.00
TOTAL Expenditures		1,327,740.00	18,969.64	8,036.74	1,308,770.36	1.43
Fund 202 - MAJOR STREETS FUND:						
TOTAL REVENUES		1,327,740.00	313.54	157.40	1,327,426.46	0.02
TOTAL EXPENDITURES		1,327,740.00	18,969.64	8,036.74	1,308,770.36	1.43
NET OF REVENUES & EXPENDITURES		0.00	(18,656.10)	(7,879.34)	18,656.10	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 203 - LOCAL STREETS FUND						
Revenues						
000.00		685,840.00	155,047.15	139,800.69	530,792.85	22.61
TOTAL Revenues		685,840.00	155,047.15	139,800.69	530,792.85	22.61
Expenditures						
451.00	STREET/ROAD CONSTRUCTION	429,515.00	154,444.44	139,799.25	275,070.56	35.96
463.00	STREET MAINTENANCE	143,130.00	20,985.34	11,504.77	122,144.66	14.66
474.00	TRAFFIC SERVICES	12,400.00	390.81	0.00	12,009.19	3.15
478.00	WINTER MAINTENANCE	35,205.00	0.00	0.00	35,205.00	0.00
482.00	STREET ADMIN/GEN EXP	65,590.00	0.00	0.00	65,590.00	0.00
TOTAL Expenditures		685,840.00	175,820.59	151,304.02	510,019.41	25.64
Fund 203 - LOCAL STREETS FUND:						
TOTAL REVENUES		685,840.00	155,047.15	139,800.69	530,792.85	22.61
TOTAL EXPENDITURES		685,840.00	175,820.59	151,304.02	510,019.41	25.64
NET OF REVENUES & EXPENDITURES		0.00	(20,773.44)	(11,503.33)	20,773.44	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY						
Revenues						
000.00		150,150.00	44,312.83	23.65	105,837.17	29.51
TOTAL Revenues		150,150.00	44,312.83	23.65	105,837.17	29.51
Expenditures						
000.00		150,150.00	10,800.15	0.00	139,349.85	7.19
TOTAL Expenditures		150,150.00	10,800.15	0.00	139,349.85	7.19
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:						
TOTAL REVENUES		150,150.00	44,312.83	23.65	105,837.17	29.51
TOTAL EXPENDITURES		150,150.00	10,800.15	0.00	139,349.85	7.19
NET OF REVENUES & EXPENDITURES		0.00	33,512.68	23.65	(33,512.68)	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 250 - LOCAL DEV. FINANCE AUTHORITY						
Revenues						
000.00		313,840.00	1,416,424.61	390.07	(1,102,584.61)	451.32
TOTAL Revenues		313,840.00	1,416,424.61	390.07	(1,102,584.61)	451.32
Expenditures						
691.00	L.D.F.A.	313,840.00	6,809.27	6,809.27	307,030.73	2.17
TOTAL Expenditures		313,840.00	6,809.27	6,809.27	307,030.73	2.17
Fund 250 - LOCAL DEV. FINANCE AUTHORITY:						
TOTAL REVENUES		313,840.00	1,416,424.61	390.07	(1,102,584.61)	451.32
TOTAL EXPENDITURES		313,840.00	6,809.27	6,809.27	307,030.73	2.17
NET OF REVENUES & EXPENDITURES		0.00	1,409,615.34	(6,419.20)	(1,409,615.34)	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 297 - ECONOMIC DEVELOPMENT COMM.						
Revenues						
000.00		40.00	0.21	0.21	39.79	0.53
TOTAL Revenues		40.00	0.21	0.21	39.79	0.53
Expenditures						
000.00		40.00	0.00	0.00	40.00	0.00
TOTAL Expenditures		40.00	0.00	0.00	40.00	0.00
Fund 297 - ECONOMIC DEVELOPMENT COMM.:						
TOTAL REVENUES		40.00	0.21	0.21	39.79	0.53
TOTAL EXPENDITURES		40.00	0.00	0.00	40.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	0.21	0.21	(0.21)	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 401 - CAPITAL IMPROVEMENT FUND						
Revenues						
000.00		131,615.00	0.00	0.00	131,615.00	0.00
TOTAL Revenues		131,615.00	0.00	0.00	131,615.00	0.00
Expenditures						
000.00		131,615.00	0.00	0.00	131,615.00	0.00
TOTAL Expenditures		131,615.00	0.00	0.00	131,615.00	0.00
Fund 401 - CAPITAL IMPROVEMENT FUND:						
TOTAL REVENUES		131,615.00	0.00	0.00	131,615.00	0.00
TOTAL EXPENDITURES		131,615.00	0.00	0.00	131,615.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	0.00	0.00	0.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 592 - WATER/SEWER FUND						
Revenues						
000.00		5,255,285.00	473,746.53	266,748.35	4,781,538.47	9.01
TOTAL Revenues		5,255,285.00	473,746.53	266,748.35	4,781,538.47	9.01
Expenditures						
545.00	WATER & SEWER ADMINISTRATION	121,535.00	21,834.53	9,390.92	99,700.47	17.97
546.00	SEWER IMPROVEMENT	41,010.00	0.00	0.00	41,010.00	0.00
548.00	SEWER MAINTENANCE	142,850.00	80,611.82	47,513.01	62,238.18	56.43
555.00	WASTEWATER TREATMENT PLANT	2,492,485.00	101,943.29	50,627.34	2,390,541.71	4.09
556.00	WATER MAINTENANCE	413,855.00	58,185.07	25,109.69	355,669.93	14.06
557.00	STORM SEWER PROGRAM	18,495.00	0.00	0.00	18,495.00	0.00
558.00	WATER IMPROVEMENT	501,885.00	256,452.26	255,345.62	245,432.74	51.10
559.00	WATER TREATMENT PLANT	858,170.00	42,055.22	18,897.09	816,114.78	4.90
566.00	ALLOWANCE FOR DEPRECIATION	665,000.00	0.00	0.00	665,000.00	0.00
TOTAL Expenditures		5,255,285.00	561,082.19	406,883.67	4,694,202.81	10.68
Fund 592 - WATER/SEWER FUND:						
TOTAL REVENUES		5,255,285.00	473,746.53	266,748.35	4,781,538.47	9.01
TOTAL EXPENDITURES		5,255,285.00	561,082.19	406,883.67	4,694,202.81	10.68
NET OF REVENUES & EXPENDITURES		0.00	(87,335.66)	(140,135.32)	87,335.66	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 612 - MASON BUILDING AUTHORITY						
Revenues						
000.00		276,265.00	0.05	0.02	276,264.95	0.00
TOTAL Revenues		276,265.00	0.05	0.02	276,264.95	0.00
Expenditures						
000.00		276,265.00	0.00	0.00	276,265.00	0.00
TOTAL Expenditures		276,265.00	0.00	0.00	276,265.00	0.00
Fund 612 - MASON BUILDING AUTHORITY:						
TOTAL REVENUES		276,265.00	0.05	0.02	276,264.95	0.00
TOTAL EXPENDITURES		276,265.00	0.00	0.00	276,265.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	0.05	0.02	(0.05)	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 661 - MOTOR VEHICLE POOL						
Revenues						
000.00		499,930.00	1,274.96	1,214.19	498,655.04	0.26
TOTAL Revenues		499,930.00	1,274.96	1,214.19	498,655.04	0.26
Expenditures						
567.00	SHOP & BLDG. MAINTENANCE	47,915.00	3,468.91	1,126.61	44,446.09	7.24
568.00	EQUIPMENT MAINTENANCE	180,825.00	30,026.00	16,710.75	150,799.00	16.61
901.00	EQUIPMENT-CAPITAL OUTLAY	271,190.00	0.00	0.00	271,190.00	0.00
TOTAL Expenditures		499,930.00	33,494.91	17,837.36	466,435.09	6.70
Fund 661 - MOTOR VEHICLE POOL:						
TOTAL REVENUES		499,930.00	1,274.96	1,214.19	498,655.04	0.26
TOTAL EXPENDITURES		499,930.00	33,494.91	17,837.36	466,435.09	6.70
NET OF REVENUES & EXPENDITURES		0.00	(32,219.95)	(16,623.17)	32,219.95	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 702 - RAYNER BOND FUND						
Revenues						
000.00		60,950.00	88.88	57.31	60,861.12	0.15
TOTAL Revenues		60,950.00	88.88	57.31	60,861.12	0.15
Expenditures						
000.00		60,950.00	0.00	0.00	60,950.00	0.00
TOTAL Expenditures		60,950.00	0.00	0.00	60,950.00	0.00
Fund 702 - RAYNER BOND FUND:						
TOTAL REVENUES		60,950.00	88.88	57.31	60,861.12	0.15
TOTAL EXPENDITURES		60,950.00	0.00	0.00	60,950.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	88.88	57.31	(88.88)	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 711 - CEMETERY TRUST FUND						
Revenues						
000.00		4,175.00	524.53	369.53	3,650.47	12.56
TOTAL Revenues		4,175.00	524.53	369.53	3,650.47	12.56
Expenditures						
000.00		4,175.00	0.00	0.00	4,175.00	0.00
TOTAL Expenditures		4,175.00	0.00	0.00	4,175.00	0.00
Fund 711 - CEMETERY TRUST FUND:						
TOTAL REVENUES		4,175.00	524.53	369.53	3,650.47	12.56
TOTAL EXPENDITURES		4,175.00	0.00	0.00	4,175.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	524.53	369.53	(524.53)	100.00

PERIOD ENDING 08/31/2015

GL NUMBER	DESCRIPTION	2015-16 AMENDED BUDGET	YTD BALANCE 08/31/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 08/31/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 812 - SPECIAL ASSESSMENT FUND						
Revenues						
000.00		161,095.00	34,108.25	92.76	126,986.75	21.17
TOTAL Revenues		161,095.00	34,108.25	92.76	126,986.75	21.17
Expenditures						
000.00		161,095.00	0.00	0.00	161,095.00	0.00
TOTAL Expenditures		161,095.00	0.00	0.00	161,095.00	0.00
Fund 812 - SPECIAL ASSESSMENT FUND:						
TOTAL REVENUES		161,095.00	34,108.25	92.76	126,986.75	21.17
TOTAL EXPENDITURES		161,095.00	0.00	0.00	161,095.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	34,108.25	92.76	(34,108.25)	100.00
TOTAL REVENUES - ALL FUNDS		14,978,425.00	5,197,759.65	546,961.85	9,780,665.35	34.70
TOTAL EXPENDITURES - ALL FUNDS		14,978,425.00	1,694,014.08	1,154,515.25	13,284,410.92	11.31
NET OF REVENUES & EXPENDITURES		0.00	3,503,745.57	(607,553.40)	(3,503,745.57)	100.00

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

September 17, 2015

All Saints Lutheran Church League
All Saints Lutheran Church
720 West South Street
Mason MI 48854

To the members of the All Saints Lutheran Church League,

It has come to my attention that on Sunday, September 13, more than 30 people from your church gave up several hours of their Sunday afternoon to spread 17.5 yards of playground mulch at the Laylin Park playground and clean up along the creek at Lee Austin Park. Please accept my heartfelt thanks for your efforts and for your generous spirits to help beautify the City of Mason. It is people like you who make Mason such a great place to live!

Thank you again for all your hard work.

Sincerely,

Pat Price

Pat M. Price
Acting City Administrator
City of Mason

PMP/meg

AGENDA ITEM #4E

INGHAM COUNTY REGIONAL TRAILS AND PARKS PLANNING PROCESS

In November 2014, Ingham County voters approved a new millage to support the development of a county-wide regional trails and parks system. The .5 mill levy will raise an estimated $3.5 million per year over the next six years. The first step the County took upon its passage was to solicit for a consulting team to help lay the groundwork for how to allocate the funds and what projects to invest in to maximize the impact of this new revenue. In July 2015, Ingham County hired the consulting team of The Mannik & Smith Group along with Michigan Trails and Greenways Alliance to do this project.

PROJECT SUMMARY

The primary goal of this project is to assist the Ingham County Trails and Parks Task Force in determining the expenditure of millage dollars for their trails and parks. The proposed work effort involves development of a County Regional Trails and Parks Plan, including construction and maintenance costs, as well as recommendations for priority projects and best practices.

In brief, the project highlights consist of:

- Detailed inventory and assessment of existing regional non-motorized trails, including both land and water trails, bridges, and park facilities.
- Analysis of local conditions, destinations, and evaluation of corridors and routes presenting trail opportunities.
- Determination of planned and desired trails.
- Engaging the Task Force, community stakeholders, and the public for preferred routes and corridor prioritization.
- Formulation of a 6-year capital improvement plan for trails and county parks.
- Development of a model for project ranking and selection.
- Recommendations for millage fund category spending allocations for trails and county parks.

Current information and planning documents for both existing and proposed trails are being reviewed. A detailed inventory and assessment of the existing trails, bridges, County parks, and water trails are being conducted. The outcome of this first phase is to establish existing conditions and current plans. A base Regional Trails and Parks Plan map will be used as a basis for public and stakeholder input.

Public input will then be sought at workshops taking place around the County to receive suggestions and information from participants. The workshops will focus on refining the future trail network. An online survey will also be forthcoming focusing on the proposed trail network and gaps to identify opinions on priorities for trail construction.

The Ingham County Regional Trails and Parks Plan document will then be created, which will detail projected/estimated costs for trail construction, maintenance, or repair, and identify a method for project ranking and selection. A 6-year capital improvement plan will be formulated including a method

for project evaluation and selection of trails and park projects. Maximizing millage dollars by leveraging available grant funds will be an important consideration of this process. This last phase will also include recommendations for spending percentages of the identified millage categories. The Regional Trails and Parks Plan document will be developed through a series of drafts, incorporating the comments of the Task Force over a few months. A final draft with supporting graphics will be presented to the Task Force for final approval and adoption.

The project will run through mid-Winter, 2016 and has several components to it.

PRESENT STATUS AND NEXT STEPS:

PROJECT INITIATION:

The team held a preliminary meeting with Ingham County Parks Department and a subcommittee of the Trails & Parks Task Force to firm up details of the project. The official kick-off will be scheduled for late September with the full Board of Commissioners Trails & Parks Task Force on September 30th at 6 p.m. at the Human Services Building, Conference Room D & E.

INVENTORY AND ANALYSIS - WHAT DO WE HAVE?

Preliminary tasks have already begun, including the collection of current and past planning documents, recreation, and demographic information relevant to the project. This includes trail plans included in parks and recreation, transportation, and comprehensive master plans in all of the county's local municipalities which would indicate local trails (land and water), connection priorities, and planned projects. Included in the review are existing and proposed trails in the adjacent six counties which offer interconnectivity and trail opportunities.

Another step is the collection of information from other regional trail efforts and millage-funded networks from across the country to help with a strategy for percentage allocations and ranking criteria. Ultimately, the goal is to develop an equitable and transparent model for the evaluation and ranking of projects and the expenditure of the Ingham County trails and parks millage funds.

PUBLIC INPUT - WHAT DO WE WANT?

The detailed inventory will inform the development of an ArcGIS map showing municipal and county parks, state owned lands, natural areas, and other important destinations as well as the existing and proposed land and water trail network, priority gaps, level of construction readiness, and potential funding. The map will serve as a primary tool to gather public input.

Six public workshops have been scheduled for this fall in various locations throughout the county. The Regional Trails and Parks Plan map will be refined based on the input received during this process.. The following are the exact dates, times, and locations.

1. South Lansing/Delhi Township (combined) - **Thursday, October 8, 2015, 6:30 pm**, Delhi Township Hall, 2074 Aurelius Rd., Holt.

2. Meridian Township - **Thursday, October 15, 2015, 6:30 pm**, Meridian Township Hall, 5151 Marsh Rd., Okemos

3. East Lansing - **Tuesday, November 10, 2015, 6:30 p.m.**, East Lansing Hannah Community Center, 819 Abbot Rd., East Lansing

4. North Lansing/ Downtown (combined) - **Thursday, November 12, 2015, 6:30 p.m.**, Foster Community Center, 200 N. Foster St., Lansing

5. Mason/ Stockbridge/ Leslie/ Dansville (combined) - **Tuesday, November 17, 2015, 6:30 p.m.,** Vevay Township Hall, 780 Eden Rd., Mason

6. Williamston/ Webberville (combined) - **Wednesday, November 18, 2015, 6:30 p.m.**, NIESA (Northeast Ingham Emergency Services Authority), 1296 W. Grand River, Williamston

There will also be an opportunity in the near future for public input through an online survey accessed from this page.

To learn how you can get involved, click here.

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

TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: City Administrator Recruitment

I am attaching the advertisement, the profile of what the City is looking for in a City Administrator, and an SAR from Kathy Revels, Human Resources Coordinator, concerning our recruitment of a City Administrator. You will note that October 9, 2015 is the deadline for receiving applications/resumes. Kathie Grinzinger, MML Executive Search Leader, has recommended that the Council meet for this purpose alone, during the week of October 26, 2015. At this time, the Council will have to make a decision as to how many candidates to interview, and which candidates to interview. Kathie has suggested a two-hour window for this process and she adds that this will be very intense. She also states that every Council member should be present.

Inasmuch as the Council typically meets on Mondays, I am asking the Council if every member could be present on Monday, October 26, 2015, at 5:30 p.m. at which time the Council will meet in Executive Session. Please look at your calendar for conflicts and I will be raising this issue Monday evening.

PMP/meg

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: September 21, 2015 **Agenda Item:** 14A

AGENDA ITEM
Posting and Brochure for Mason City Administrator

EXHIBITS
Michigan Municipal League Job Posting and Brochure

STAFF REVIEW
Human Resources

SUMMARY STATEMENT
Kathie Grinzinger and staff have followed up this week with an update of the status of the search for the Mason City Administrator. The position has been posted on various employment web sites, including ICMA. I have attached the ICMA posting to give you an example of what these postings look like.

The postings include a link to the brochure I have attached. The brochure was created from the data collected in various profile sessions with Ms. Grinzinger on August 17th. Staff and Council then reviewed the brochure and adjustments were made accordingly.

Applicants must apply prior to close of business on October 9th. Ms. Grinzinger will need at least ten business days after the deadline to review applications. She recommends a special meeting that will remove to closed session to receive a comparative report from her, screen and review resumes, and allow confidential discussion of candidates. She highly recommends that all council members be present at this special meeting. Ms. Grinzinger also advised that going through this process after a regular council meeting is not recommended due to possible mental fatigue and time constraints.

We are currently planning to hold this special meeting to review confidential applicants on Monday, October 26, 2015. What could delay that date is if resumes are not coming in as hoped or something in the screening process doesn't go as well as expected. If problems do arise, we will notify you as soon as possible so that adjustments can be made.

RECOMMENDED ACTION
No action necessary at this time.

City Administrator

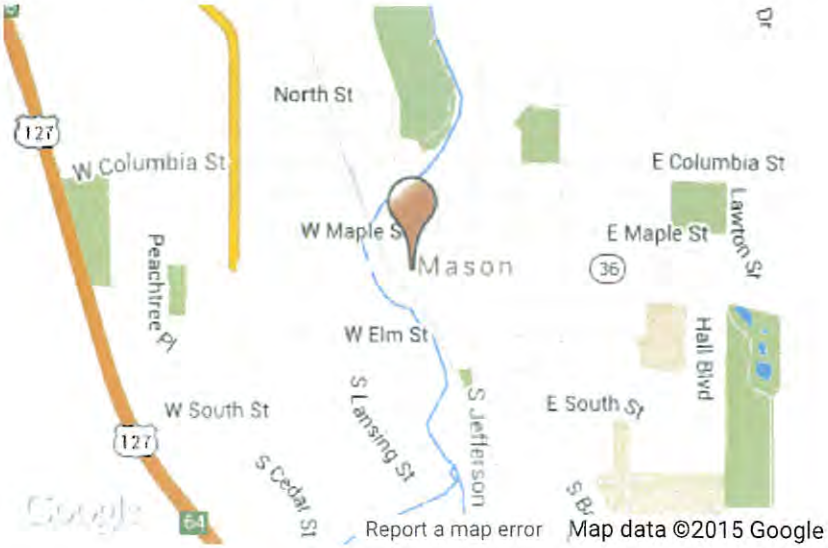
City of Mason, MI

This advertisement will be active in ICMA's public job listings until Nov 14 2015. If you would like to take your ad down early, you may remove this job ad. Job ads cannot be edited after checkout, but email advertising@icma.org if you would like to make any revisions.

POSTED	Sep 14 2015
DEADLINE	Oct 9 2015
SALARY	$80,000 - $95,000 (DOQ)
CREDENTIAL	ICMA credential preferred What's this?
JOB FUNCTION	Chief Administrative Officer
TYPE	Full Time

RELATED TOPICS

Management



JOB LOCATION	201 West Ash Mason, MI
POPULATION	8,252
WEBSITE	www.mason.mi.us
TYPE	City
ADDRESS	PO Box 370

Mason , MI 48854-0370

FORM OF GOVT Council-Manager (City)

RECOGNITION Chief appointed official position was recognized by ICMA in 1967 as a Council-Manager position.

Mason's residents revel in their uniqueness and, to a soul, will eagerly recite a long list of the city's laudable attributes to any passerby. A destination community, this stable city is known for its mix of historic architecture, a strong sense of tradition and active, enthusiastic, community-minded residents. Fortunately for an experienced local government manager with proven organizational and employee development skills, the position of City Administrator in Mason is open for the first time in 16 years.

Just minutes from Jackson, Michigan's capitol city (Lansing), and Michigan State University, home of the Division I Spartans, Mason residents take advantage of all that urban and academic centers have to offer. They do so, however, from the security of picturesque enclave still edged by working farms.

Mason is a full-service city claiming a steady increase in population, even during Michigan's economic downturn; proof of its desirability. Over 8,200 residents call the 5.4 square mile Ingham County seat home and host a myriad of volunteer-managed events paying homage to a vintage sensibility and showcasing the community vitality.

As one of the fastest growing communities in the greater-Lansing area, "Hometown USA" will only consider government professionals with well-honed management skills and an intuitive ability to connect to and become part of Mason as the new chief appointed executive.

Mason's 2015 General Fund is $5.532 million with a fund balance of $2.3 million and, when including enterprise funds, the total annual operating budget is over $10.8 million.

Mason will offer a strong benefit package with retirement options including a defined benefit plan to its fifth administrator since 1965 and a base salary ranging from $80,000 to $95,000 depending on qualifications and experience.

For more information, see the community profile: http://goo.gl/MFcbJT
In order to apply, fill out this consent form: http://goo.gl/uSJ2Dr

HOW TO APPLY

Please submit resume, cover letter, salary history, consent form, and five professional references to: execsearch@mml.org,
Subject Line: Mason Search
OR mail to:
Michigan Municipal League,
ATTN: Mason Search, 1675 Green Road
Ann Arbor, MI 48105

Questions can be directed to MML Lead Executive Recruiter Kathie S. Grinzinger at kgrinzinger@mml.org or (989) 289-1084. Candidates desiring confidentiality of their

interest, as allowed for and provided by Michigan law, must indicate such in a separate subject line above the body of the cover letter. This search is conducted by an Equal Opportunity Employer.

Back to Search Results

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATI
777 North Capitol Street NE, Suite 500, Washington, DC 20002-4201 800-745-8780/202-962-368

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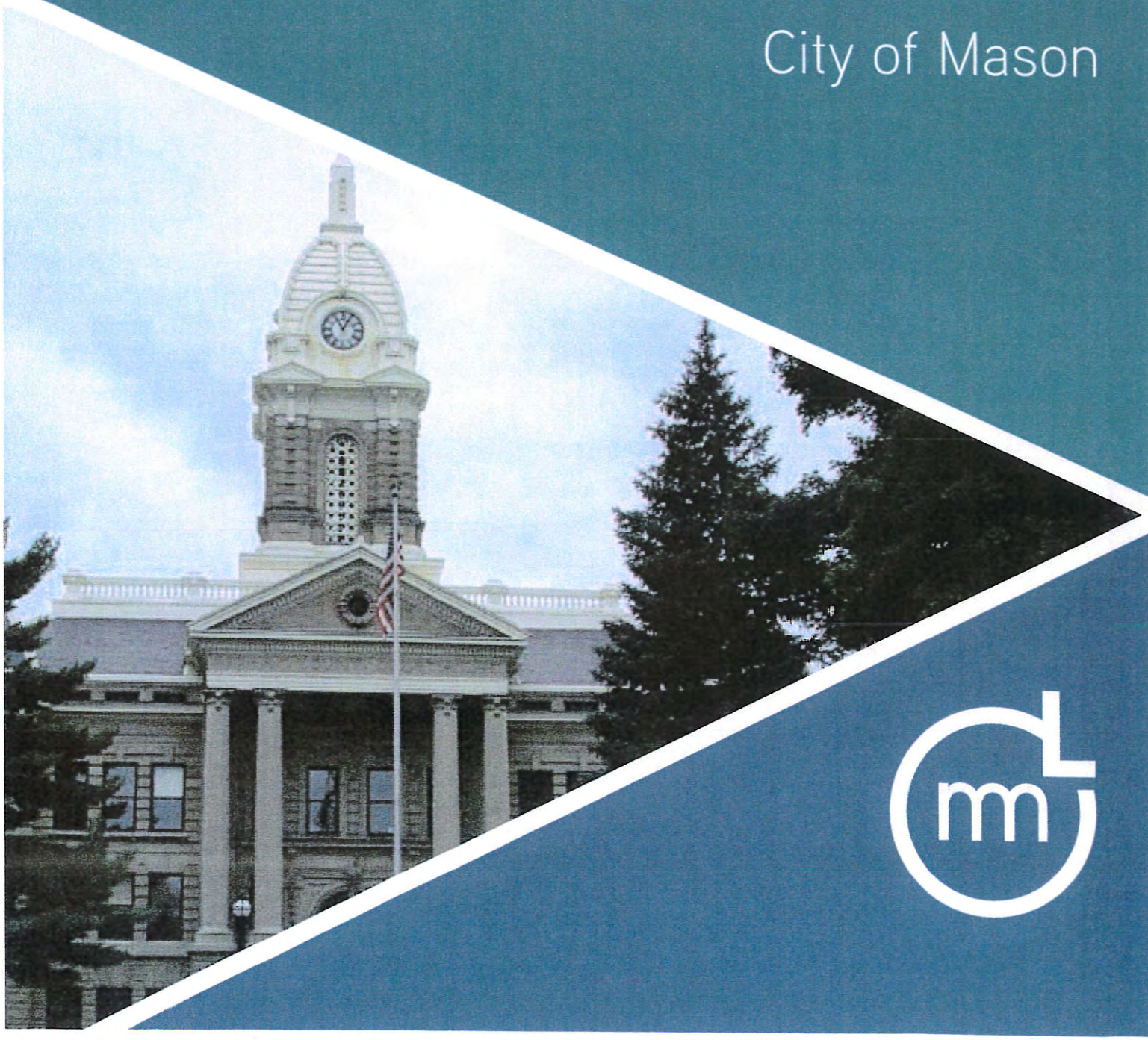
EMPLOYMENT OPPORTUNITY

City Administrator

City of Mason



City Administrator

CITY OF MASON

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▶ POPULATION
8,252

▶ SIZE
5.4 SQ MI

▶ BUDGET
10.8 MILLION

▶ SALARY RANGE
$80,000 - $95,000

THE COMMUNITY

With over 11 sites on the National Historic Register, two residential historic districts claiming over 50 registered properties and a well-preserved Victorian-era downtown, Mason justifiably touts its architectural significance and enviable aesthetics. "Mason-ites" treasure their heritage as a community built to support an agriculture economy, which at one time, competed for state capital status. Many residents have roots multi-generations deep.

From its founding as a village in 1865, Mason has remained a hub of activity in Ingham County. Its "Rockwellian" downtown square is anchored by the County Court House crowned by a signature white steeple characterizing the central business district's unique sense of place. While outsiders could see Mason as a tradition-driven, small farming town; it would be nothing but wrong to refer to it as "sleepy"! Mason possesses a spirit and an energy that may partially account for a nearly 16 percent population increase in the last decade.

It is home to the Mason Historical Society Museum and an agenda of cultural, arts and family-oriented events that would stymie communities twice its size. Among those staged by dedicated volunteers and held on the Court House square are Down Home Days, Spring Fling; Independence Day Celebration and parade and Thursday Night Live. A strong and active Chamber of Commerce is behind many of those attractions as well as the Sun Dried Music Fest and the Mason Holidays Celebration. The Jazz Festival is held at Rayner Park. The Ingham County Fairgrounds has hosted a county fair in Mason for well over 150 years and the Mason Steam Engine and Threshers Club Show add to the local offerings.

This community is committed to a way of life that celebrates resident connections and activity. It has a supremely walkable downtown linked to diverse and affordable neighborhoods. The Hayhoe Riverwalk Trail is poised to connect to miles of regional trails. Additionally, eight community parks and several acres of virgin timber preserve welcome outdoor enthusiasts.

With more out-commuters than in, Mason is certainly not a bedroom community. It retains an identity separate from the abutting townships and nearby urban centers and offers several forms of housing from historic to affordable single family and new rental complexes. Median housing value is now approximately $127,000. The real estate housing market is optimistic with many homes staying on the market for a very limited time.

The Class A Mason Public School District is a well-respected school of choice and offers a nearby Vocational and Career Center for high school students. In under a sixty-minute drive in any direction, opportunities for higher education are plentiful. Seven colleges and universities are within a 40 mile radius, the closest being MSU, Lansing Community College, and Spring Arbor University. A one hour drive puts you on the campus of the University of Michigan Over 38% of the adult population have Bachelor or Graduate Degrees. Capitol City Regional Airport is a short 30 minute commute.

Mason's residents expect personal service from city hall and, in turn, are supportive and respectful of public servants. It is a welcoming community, accepting many new residents over the last few years, and has a history of rallying for a cause or a need.

The face of Mason has begun to evolve with its growth. What was once primarily a blue-collar town is becoming more middle class with a median household income above that of the state at $46,546. What once was a rural farming center has seen an influx of professionals, academics and state employees.

Such change often brings with it gaps between those seeking even more change and those committed to retaining the status quo. Mason is straddling such a cusp seeking to find the balance between embracing the past while moving toward the identifiers of a 21st Century community. The new Administrator must be able to comfortably function in this dichotomy and assist its residents in finding the right bridge.

THE ORGANIZATION

While the title of the chief appointed administrative officer is City Administrator, Mason is a solid Council/Manager form of government as adopted by Charter. Policy and direction is set by a seven member, non-partisan council elected for four year terms. The mayor is selected from among his/her peers and serves a two-year term.

Council publically expresses its respect and support for the highly capable administrative leadership team. Seven Department Directors, each with over 10 years' executive experience, report to the City Administrator including the Finance Director, Zoning Director, Clerk, Police Chief, Fire Chief, Public Works Director and the Human Resource Coordinator. An Executive Assistant supports the office of the Administrator. See the organization chart for more information.

Mason is a full-service city dedicated to a customer-oriented approach to municipal service provision where "real people" answer the telephone. Having reduced its staffing over the last 10 years without a noticeable change in delivery by residents, the city now engages 45 hard-working full-time employees, 36 paid on call firefighters who also support three other jurisdictions and five part-time workers. Three unions represent some of the hourly employ employees: two FOP units and AFSCME.

Not only is longevity a norm in the employee base, staff expresses a strong connection to the community. Many are life-long residents and several are volunteers in service projects and civic organizations. Individuals assume personal responsibility for supporting the "brand" that is the City of Mason for service excellence and regard for residents.

This organization's culture is based on respect for each other's expertise and cultivation of a civil working environment. Regular staff meetings are expected to be led by the Administrator to invite the transparent sharing of information and a free exchange of ideas. Input will be gathered before recommendations are made to council on cross-departmental impacts of budgets and projects or policy and directional changes.

To be successful in the eyes of both the employees and the council, the new administrator must have exceptional team-building skills and be able to inspire and incite organizational and employee growth and development. It is expected the new leader will set expectations, review progress, evaluate performance and serve as the example for a high standard that assures all departments are moving in the same direction.

He or she will be collaborative; an easy communicator with superior listening skills who can share credit and assume responsibility. The leader of this dedicated group will trust in the staff's expertise to carry out directives and must be available to employees and residents.

OPPORTUNITIES

Mason is gifted with an excellent location and unique identity. It can capitalize on existing attributes as it affirms its sense as a vital city center. The city retains a significant amount of green space to attract residential and commercial development and is accepting infill construction in neighborhoods and mixed uses downtown. A recently established vacant Industrial park is poised for tax base expansion.

New talent and intellect is attracted to the community and its way of life and fosters new ideas and potential. A fiscally watchful council and supportive citizenry retain a 4 mill levy each year for road repair and maintenance.

The community's close proximity to the state capitol and number of adjoining governmental jurisdictions provide ample opportunity for creating new relationships, partnerships and beneficial agreements.

The expansion of Dart Container, Inc. and the location of Jackson National Life Insurance Co.'s corporate office outside of Mason present the potential for recruitment of new residents and creation of spin-off small businesses.

Visit www.mason.mi.us and www.masonchamber.org for more information about the Mason's city government and the community.

CHALLENGES

During Michigan's recession, property tax revenue fell for communities across the state. In addition, Mason has suffered through tax tribunal losses and now faces a $270,000 operating deficit in the 2015/2016 fiscal year. (The general fund surplus remains at $2.3 million.)

Previous tight budgets have left the 150 year old community with aging infrastructure that must be addressed each year.

Because staffing is already lean, inventive fiscal responses are required. The community is looking for an expansion in the tax base to spread the cost to support the service level that residents expect. Business growth is primarily occurring in adjoining townships. A lack of a high speed fiber network connecting the community could further hamper recruitment of some business interests.

While vacancies are few and far between in the historic downtown because of the work of the Chamber of Commerce, retail occupancy has fallen. Recruiting signature businesses to reset the balance between retail and service may be necessary to assure continued health of the district.

A lack of traditional media and absence of an alternative path have created an information gap between government officials and their constituents. The ability to exchange views and engage citizenry is high on the elected officials' to-do list.

THE IDEAL CANDIDATE

Mason will only consider applicants with high ethical standards of honesty and integrity with unblemished reputations who are members of MLGMA or ICMA and subscribe to the ICMA's Code of Ethics. To be a qualified applicant, respondents will be required to possess:

- A Bachelor's Degree in Public Administration, Business Administration, or Management. A Master's Degree is strongly preferred;
- **Plus** five years' experience as a County Administrator; City, Village, or Township Manager or Assistant City Manager
- The City may consider an appropriate combination of education, training, and wide-ranging administrative/managerial experience in municipal government as meeting its minimum requirements

The new city administrator in Mason will, first and foremost, possess superior public management and employee leadership skills. Applicants moving to the level of candidate must be able to articulate and demonstrate:

- Solid understanding of all governmental functions and services
- Financial acumen and experience in building and presenting annual operating budgets with the ability to forecast implications of decisions
- Facility to develop and grow empowered, independent employee teams; a proven record of organizational development, building objectives, performance management, and evaluation
- Experience in contract negotiation and management with employee unions and service providers
- Success in building relationships and creation of intergovernmental agreements
- Strong written and presentation skills are required with the ability to serve as the spokesperson for the City particularly in crisis or emergency situations; understanding of technology as a communication tool is a plus
- Background in strategic planning, consensus built decision-making, and facilitating agreed upon direction
- Capacity to discover sources of grant funds and competitively apply for funding
- An understanding of economic development strategies and the capability to partner with local economic development agencies to grow and strengthen tax base

This administrator will have the spirit of a volunteer with the willingness to serve and involve him or herself in the unique tradition that is Mason. He or she will be a visible, enthusiastic, dedicated face of community who truly values and respects the input of employees, elected and appointed board members and residents. He or she must be:

- A life-long learner
- Energetic
- Humble; can admit when wrong
- Self-confident, thick-skinned, and able to stand by decisions
- Strong sense of fairness
- Calm and collected in the face of stress
- Open-minded, seeking out diverse ideas and options, with the ability to offer non-conventional solutions to the issue presented
- Compassionate and able to build relationships with employees, community members, and other governmental representatives
- Accepts the reality of conflict and willing to facilitate solutions

APPLICATION PROCESS

APPLY BY CLOSE OF BUSINESS OCTOBER 9, 2015

Please submit resume, cover letter, salary history, consent form, and five professional references to:

execsearch@mml.org, Subject Line: Mason Search
OR mail to: Michigan Municipal League,
ATTN: Mason Search, 1675 Green Road
Ann Arbor, MI 48105

Questions can be directed to MML Lead Executive Recruiter Kathie S. Grinzinger at kgrinzinger@mml.org or (989) 289-1084.

Candidates desiring confidentiality of their interest, as allowed for and provided by Michigan law, must indicate such in a separate subject line above the body of the cover letter.

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TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price
Acting City Administrator PMP

DATE: September 21, 2015

RE: Conflicts of Interest

A couple of meetings ago, Councilmember Mulvany announced he had a conflict of interest in dealing with West Bay Corporation due to the fact he received a proposed lease from West Bay dealing with gas and oil rights. At the last Council meeting, Ms. Graham took me to task because I had told Mr. Mulvany he did not have a conflict of interest. I did not respond to this remark by her because I realize I am a public official and I accept the fact that I may be criticized, rightfully or wrongfully, and in most cases will not respond. Having said this, I wish to remind the Council of the procedures dealing with "conflicts of interest."

In the most recent case of Councilmember Mulvany, he indicated he had a conflict of interest in any dealing with West Bay because he had been offered a lease for his oil and gas rights on his residential lot. I stated later in the meeting that Councilmember Mulvany did not have a conflict of interest. The reasons I stated such are for the following reasons.

The first point to be made is that when a person is elected to the Council it is presumed that he/she will vote on every issue before him/her. In a small city such as ours, council members will oftentimes know the parties that wish to affect or be negatively affected by actions of the City Council. Just because the party is known is not sufficient to declare a conflict of interest.

The second point is Councilmember Mulvany was hot being asked to vote. He did the right thing by informing the council of, let us say, the potential of a conflict of interest. However, he went on to say he had not signed the lease that he received. Therefore, no conflict at this point.

The third point, and most important, is that I previously stated that council members are expected to vote on all matters. In order for Councilmember Mulvany to recuse himself from any vote, he must gain approval from the City Council. Only the Council can grant recusal once it has been

notified by the council member wishing to be recused and the reasons why he/she believes it to be a conflict of interest. The Council then must deliberate on said council member's request.

Using Mr. Mulvany's position that he feels it to be a conflict of interest, the Council may agree or may not. Reasons not to allow recusal are as follows: Mr. Mulvany does not have a choice in this matter. He's been offered a lease and decides not to enter into said lease. If his property is within the oil unit (80 acres), he still would be compensated through the "compulsory pooling" order by the DEQ. Given these facts, Mr. Mulvany and many hundreds more may not have a say in this matter and Mr. Mulvany should not be penalized by prohibiting him to vote on this matter.

Another reason can be argued that a council member is not just voting to help himself, but in fact, as stated above, there may be hundreds of other property owners with the same exact benefit as Mr. Mulvany. The most important requirement that any council member has in similar situations is to publicly divulge this information.

And lastly, what is the material benefit that would be gained? There is no set amount by statute or constitution that says "X" number of dollars is the minimum or maximum amount before a "conflict of interest" is to click in. Again, it is Mr. Mulvany's fellow council members that determine the amount whereby Councilmember Mulvany is being materially benefited by his vote.

On the other hand, Councilmember X owns a pencil company and bids on supplying the City of Mason its pencils for a year. Councilmember X is the low bidder at $50. Even though it is only $50, I think an argument could be made to allow or insist on Councilmember X's recusal. Any council member doing business with the City, by contract, should not be allowed to vote on said contract.

The bottom line is that a council member should always divulge any issue where it involves a "possible" conflict of interest, and the remaining council members must determine a "conflict" on a case-by-case basis. But remember, it should not be simple to deny a publicly elected official his/her right to vote. But by the same token, we do not want any public official padding his/her pockets in any corrupt fashion.

PMP/meg

City of Mason

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Police 517 676-2458
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TDD 1-800-649-3777

TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: Seismic Testing Survey

In response to the Council wanting to find municipal ordinances regulating seismic testing, to date we have not been able to find any existing ordinances. In fact, although Mr. Carmichael referred to an Ingham County ordinance regulating seismic testing, he is mistaken. I am attaching memoranda from Ken Baker, DPW Director, and David Haywood, Zoning and Development Director, to me, providing me with all the information we have to date. My hunch, at this point, is that we are not going to find one. However, as a Home Rule City, we have the right to regulate any activity within the City right-of-way. I believe we can, for example, amend our code to include seismic testing and require the company doing this work to fill out a permit, require a bond for any possible damage to our sewer lines, water lines, and any street damage. We can require them to notify all abutting property owners as to when this testing would occur, and other reasonable regulations, such as the time of day this could be done. However, I am pretty confident we will not be allowed to in some way insure private property damage. If the Council wishes to proceed with seismic testing regulations, I will contact City Attorney Hitch about private property coverage.

Attachments: as
PMP/meg

Mary Grace

From: Ken Baker
Sent: Thursday, September 17, 2015 9:06 AM
To: Pat Price
Cc: Mary Grace
Subject: FW: Copy of Seismic permit
Attachments: CCE09172015_0001.pdf

I spoke to Bob Peterson from Ingham County and they do not have a ordinance or a policy on seismic testing. He did require West Bay to fill out a permit to do work in the right of way just like we did.
Attached is a copy of that permit.
Ken

From: Moyer, Brenda <BMoyer@ingham.org>
Sent: Thursday, September 17, 2015 8:04 AM
To: Ken Baker
Subject: Copy of Seismic permit

Ken, Let me know if you need anything else. Bob stated you wanted a copy of a seismic permit.

Brenda

Ingham County Road Department
301 Bush Street
P.O. Box 38
Mason, MI 48854-0000
Phone: 517-676-9722
Fax: 517-676-5914

APPLICATION AND PERMIT TO CONSTRUCT, OPERATE, USE AND/OR MAINTAIN WITHIN THE RIGHT-OF-WAY; OR TO CLOSE A COUNTY ROAD. If a contractor is to perform the construction entailed in this application and permit, and is supplying the deposit, and bond, he will fill out the information block provided, and thereby assumes responsibility, along with the applicant, for any provisions of this application and permit which apply to him.

Application No. 230871
Permit No. 2015-000479
Date 9/1/2015

APPLICANT

Bishop Land Service
4612 N. 5 Rd.
P.O. Box 366
Mesick, MI 49668-0000

Phone(s): 231-885-2405 / 231-878-0093
Fax: 800-331-3562 EMail: Bls01@acegroup.cc

Signature _____

Title _____ **Date** _____

CONTRACTOR

West Bay Geophysical
13685 S. West Bay Shore
Suite 116
Traverse City, MI 49684

Phone(s): 231-885-2405___-___-___
Fax: 231-946-3976 EMail: bls01@acegroup.cc

Signature _____

Title _____ **Date** _____

REQUIREMENT

Permit 150.00

Receipt No. 27255
To Be Billed
Letter/Credit
Work Order No.

ATTACHMENTS

Insurance	Yes
Plans	No
Retainer Letter	No
Attachments	No

3 WORKING DAYS
BEFORE YOU DIG - DIAL
(MISS DIG)
(TOLL FREE)

(800-482-7171)

Bond No.
Bond Amt.

Applicant and/or Contractor request a Permit for the purpose indicated in the attached plans and specifications at the following location:

City/Township Various **Project** Seismic, , , ,

Name of Road Various **Roadside**
Between **and**

For a Period Beginning 09/01/2015 **and Ending** 04/01/2016
and Agrees to the terms of this permit.

*PERMITTED ACTIVITIES INCLUDE SEISMIC SURVEY USING MINI-VIBE METHODS ON WILLIAMSTON ROAD, HOLLAND ROAD, FREIERMUTH ROAD, HEENEY ROAD, OBRIEN ROAD, DECAMP ROAD, AND PARMAN ROAD. TRAFFIC CONTROL PER MMUTCD. ALL EVIDENCE OF SURVEY WILL BE REMOVED UPON COMPLETION OF SURVEY. PUBLIC RIGHT-OF-WAY SHALL BE RESTORED IN-KIND.

Recommended For Issuance:

_____ 09/01/2015
(Investigator) **Date**

_____ _____
(Project/Traffic Engineer) **Date**

Board of County Road Commissioners
Ingham County, Michigan

By _____
County Highway Engineer

Mary Grace

From: David Haywood
Sent: Thursday, September 17, 2015 11:14 AM
To: Pat Price
Cc: Mary Grace
Subject: Seismic Testing

Pat,

Here is what I have to date regarding my search for seismic testing ordinances. I have contacted, via phone or website, the following organizations for information:

East Lansing
Eaton County
Eaton Rapids – have not heard back yet
Charlotte
City of Dewitt – have not heard back yet
Clinton County
Delhi Township
Ingham County
Farmington Hills
Lansing
Leslie
Marshall
Michigan Municipal League
Novi
Portland – have not heard back yet
Potterville – have not head back yet
Williamston – have not heard back yet
Washtenaw County

None of them have an ordinance that regulates seismic testing outside of the right of way. All of them (where they have jurisdiction over the road – Delhi does not) require a right of way permit for seismic testing whether or not their ordinance/policy specifically lists seismic testing or not.

Hope that is helpful. Let me know if Pat would like to meet with me to discuss this further.

David E. Haywood, AICP
Zoning & Development Director
City of Mason
201 W. Ash Street
Mason, MI 48854
517.676.9155

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

TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: Sidewalk Survey

At the last Council meeting, Councilmember Clark asked for a report that would indicate the amount of sidewalk that needed to be replaced throughout the City of Mason. This is not an easy task given the amount of sidewalk (50 miles?) within the City. We hope to have this information by the next Council meeting.

Also, for the Council's information, we are moving ahead with the proposed West Columbia sidewalk project. The Council may or may not know that MDOT has required the City to hire a qualified engineer to determine the feasibility of constructing a sidewalk on the West Columbia 127 overpass. We have contracted with Great Lakes Engineering to perform this study at a cost of $10,000.

Further be advised that I have instructed the DPW Director, Ken Baker, to provide me with a preliminary report on replacing the sidewalk on the south side of East Ash Street, between South Barnes and Rayner Park. I am proposing that the City Council consider this sidewalk project in next year's budget. I know there will be some grade issues, but we have to deal with this stretch of sidewalk, probably the worst in the City.

PMP/meg

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TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: Status of New Street Sweeper

For the Council's information, previously I had advised you that I thought the new street sweeper could clean all of our streets in ten (10) days versus the thirty (30) days it took for our old street sweeper. On Friday, September 11, 2015, just before the 911 Memorial Service began at the Fire Department, I was approached by Mark Minshall, brother of Kerry, saying that he had seen the new street sweeper and he couldn't believe how fast it was moving and the job it was doing. On Monday, September 14, 2015, Ken Baker, DPW Director, advised me that we swept the entire City in ten (10) days. Since the ten-day estimate was calculated by me from reading the specifications on the Johnston sweeper and not from the DPW, I felt very relieved. I am not saying I'm smart, but I'm feeling very lucky. Also, with some route changes, I think we'll be able to do it faster going down the road (pardon the pun).

PMP/meg

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TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price PMP
Acting City Administrator

DATE: September 21, 2015

RE: Project Status Update

1. Alley sanitary and storm sewers have been replaced between East Ash and East Oak Streets and between South Jefferson and South Barnes. Pavement work has been completed and final restoration remains.
2. East maple Street: Road grading and aggregate placement is ongoing and asphalt base is scheduled for September 24.
3. Well No. 9A (Birkmeier Well Drilling): The Stepped Pump Test has been completed and I wish to advise the Council that it appears this well should supply 250 g/m. The water quality is a little harder than normal and iron content is higher than normal. But as you know, our water conditioning plant removes the iron.
4. Kipp Road Signals (County Line Power, LLC): The concrete work has begun with one of seven pole foundations having been poured at the time of this writing.
5. Cemetery/Hayhoe Pedestrian Bridge (Rieth Riley): New bridge foundations poured. Bridge to be set, anchor bolts drilled. Paving and restoration remains.
6. Cedar Street: Cedar Street from West Oak to West South Street to be milled on September 21 followed by paving wear course on September 23. Cedar Street from West South to the bridge has been deep based and I believe the final wear course to be completed on September 23.
7. Kipp Road (Ingham County project): Asphalt wear course to be paved on September 21 and 22.

PMP/meg

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TO: Mayor and City Council
City of Mason

FROM: Patrick M. Price
Acting City Administrator PMP

DATE: September 21, 2015

RE: Rayner Ponds Sidewalk

Several weeks ago I received a letter from Gerald Richards, Secretary, Rayner Ponds Estates Homeowners Association, requesting that the rest of the sidewalks in the Rayner Ponds Development be completed. For the Council's information, the City has been holding monies in escrow for all public improvements required in Rayner Ponds that had not been completed as of 2002. I contacted Homestead Acceptance Corporation, the developer of record, informing them of the request by the Association and offering them the opportunity to complete this required public improvement. I was advised that they would consider doing this work. After a few weeks, we again contacted Homestead and were advised that they wanted the City to do it and to use the money in the escrow account. We sought bids from three companies: Eastlund Concrete; Mauldon Brothers Construction, LLC; and J. & H. Construction. Three bids were received: Eastlund - $54,000; Mauldon - $62,890; and J. & H. - $44,998.50. As a result, we selected J. & H. Construction as obviously the low bidder. For the Council's information, the escrow amount available is $45,000. None of the bidders were aware of the escrowed amount. We will now complete sidewalk improvements on Coppersmith and Sanctuary Drive.

This is for the Council's information.

PMP/meg