

**CITY OF MASON
REGULAR CITY COUNCIL MEETING
MINUTES OF June 5, 2006**

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

Present: Councilmembers: Bruno, Clark, Coady, Johnson, Naeyaert, Whipple
Absent: Councilmember: Mulvany
Also present: Martin Colburn, City Administrator
Kathy Revels, Finance Director/Treasurer
Joe Dean, Public Works Director
Deborah Cwierniewicz, Deputy City Clerk

APPROVAL OF MINUTES - REGULAR COUNCIL MEETING: May 15, 2006

The Minutes of May 15, 2006 were approved as submitted.

APPROVAL OF BILLS

MOTION by Bruno, second by Coady,
to approve the payment of bills in the amount of \$79,409.98 as submitted.
MOTION APPROVED UNANIMOUSLY

PEOPLE FROM THE FLOOR

Billie Jo O'Berry of 1195 Clayton Court stated that she is running for the 55th District Court Judge Seat.

REGULAR BUSINESS

Presentation – Mason Community Asset Builders (MCAB)

MCAB members Nellie Smydra and Luis Raynaga informed Council regarding their submitted report concerning the success of "The Spring Thing" event that was held May 5, following the Mason State Bank 5K-Run, as well as future plans.

Resolution No. 2006-18 – Resolution to Expend Water and Sewer Reserve Funds

Resolution No. 2006-18 was introduced by Whipple and seconded by Coady. Bruno stated opposition to releasing funds for the future POTW Plant at this time because he felt that it was premature. Revels spoke to the rationale of the Utility Rate Study Committee's recommendation to release two million dollars restricted for a future project and restrict the funds for the current water treatment project. She stated that she feels uneasy about raising rates and not using the funds that are available, but restricted to a future project. Johnson stated that he shared Councilmember Bruno's concerns and is uncomfortable releasing two million dollars without an estimate to where it is going. Further discussion ensued regarding the purpose of changing the restriction from a future project to the water treatment project that is currently taking place.

**CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2006-18**

RESOLUTION TO EXPEND WATER AND SEWER RESERVE FUNDS

June 5, 2006

WHEREAS, pursuant to Resolution 97-28, adopted by the City Council on June 16, 1997, the City Council determined to transfer certain funds from the City's Water and Sewer Fund – Fund Balance Account to an account entitled "Reserve for Special Purposes – P.O.T.W. Expansion; and

WHEREAS, the Reserve Account was restricted by the City Council through Resolution 97-28 so that funds within the Reserve Account could only be used by the City "for the future expansion of the Publicly Owned Treatment Works of the City of Mason"; and

WHEREAS, the anticipated need for expansion of the City's Publicly Owned Treatment Works has not materialized to the extent that it would require the use of the Reserve Account; and

WHEREAS, the city intends to undertake improvements to its Water Supply by creating a Water Treatment Plant due to federally mandated compliance limits on radionuclides; and

WHEREAS, the City Council desires to designate \$2,000,000 of the water and sewer fund to reduce initial capital expenditure liabilities for the initial capital costs of the water treatment plant, relieving the additional burden placed on the individual water accounts.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby removes the restriction of the water and sewer fund "for the future expansion of the Publicly Owned Treatment Works of the City of Mason", with exception of funding designated in legal agreements with Vevay Township.
2. The City Council hereby authorizes the City's Administrator and Finance Director/Treasurer to expend \$2,000,000 from the Water and Sewer fund toward the purchase of a Water Treatment Plant.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be, and the same are, hereby rescinded.

Yes (4) Clark, Coady, Naeyaert, Whipple
No (2) Bruno, Johnson
Absent (1) Mulvany

CLERK'S CERTIFICATION: I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the Mason City Council at its regular meeting on June 5, 2006, the original of which is part of the Council's minutes.

Martin A. Colburn, Clerk
City of Mason
Ingham County, Michigan

RESOLUTION APPROVED

Motion – Utility Rates Adjustment

Revels reported regarding the Utility Rate Study Committee's recommendation to raise the Capital Improvement charge from \$1.00 to \$1.13 per unit to cover the cost of capital improvements for FY 2006-2007.

MOTION by Whipple, second by Naeyaert,
to approve the increase to Capital Improvement Charge for Water and Sewer
to \$1.13 as recommended by the Utility Rate Study Committee.

Discussion ensued regarding the increase to cover costs for this year compared with the ensuing rate increase for water treatment, as well as the Committee's recommendation two years ago to increase rates and a capital improvement charge increase to cover expenses, which at that time, Council took action to lower the rates. Councilmember Bruno stated that he feels that the water and sewer rates should be raised to what is needed. Whipple stated that in previous years, data was submitted showing the breakdown, which was helpful by showing how the Committee came to their conclusion.

MOTION by Whipple, second by Johnson,
to defer action regarding the Utility Rate Committee's recommended utility rates
adjustment to the next meeting, June 19, 2006, at which time further
documentation will be presented.
MOTION APPROVED UNNANIMOUSLY

Request – Excused Absence – Councilmember Mulvany

MOTION by Bruno, second by Whipple,
to excuse the absence of Councilmember Mulvany from the June 5, 2006 meeting
as he is out of town.
MOTION APPROVED UNNANIMOUSLY

Discussion – City Council Trip to the Cities of Sparta and Breckenridge to Review Water Treatment Facilities

Whipple stated that rather than Council touring facilities to gather information to affect a decision regarding water treatment, he felt staff would be better equipped and knowledgeable to confer with the facilitators and tour treatment facilities. Discussion ensued. At the next regular meeting, Councilmembers will be prepared to discuss a mutual date to visit communities with Ion Exchange Water Treatment Facilities. Also, communities that have recently built a City Hall, Police Department, and/or Library would be visited the same day.

Discussion – City Council Trip to the City of South Lyon to Review Playground Equipment

Bruno stated that he asked to have this item on the agenda and explained that he has been reading about playground equipment manufactured by a Michigan company targeting two age groups. He would like the Council and staff to visit the City of South Lyon that has the playground equipment in one of their parks. Discussion was held and it was the consensus of the Council that playground equipment is to be handled by city staff.

UNFINISHED BUSINESS

Johnson asked if there was any progress with the back pond in Laylin Park. Colburn explained that staff redirected storm water that goes to the creek and diverted it to the pond. A professor at MSU specializing in lakes and ponds will be looking at the pond and advise staff how to handle the pond. Also, the Drain Commissioner will be attending a Council meeting in July to give an overview of that portion of the drain. A brief discussion ensued.

NEW BUSINESS

Naeyaert asked that the grass at the city owned Park Street house be mowed.

CORRESPONDENCE

Distributed.

LIAISON REPORTS

None at this time.

ADMINISTRATOR'S REPORT

Colburn informed the Council regarding current city business. Discussion ensued regarding the incorrect striping on Temple Street. It was the consensus of the Council to have the Traffic Commission consider the matter.

PEOPLE FROM THE FLOOR

Eric Schertzing, Ingham County Treasurer, addressed the Council regarding the tax foreclosure process and the Land Bank Authority process relating to the two properties within the city that were foreclosed upon this year. It was requested of staff to bring forward additional information about the two properties at the next Council meeting.

ADJOURNMENT

Being there was no further business the meeting adjourned at 9:09 p.m.

Martin A. Colburn, City Clerk

Leon Clark, Mayor