

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JANUARY 9, 2008
WIESLOCH RAUM - CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer
Commissioners absent: None

Also present: City Manager, Assistant City Manager, Electric Department Superintendent, City Clerk

City Clerk/Treasurer Kenneth Rhodes explained that Planning Board Chair Keith Waltke was unable to attend the meeting. The Board has approved four nonconforming uses, four site plans, and one special land use.

Moved by Comm. Fisher and seconded by Comm. Littman to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of January 9, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the December 19, 2007 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$969,024.39 as presented.
2. AUTHORIZE the payment of the City Retirement bills in the amount of \$168,347.29 as presented.
3. RATIFY the Hospital bills in the amount of \$ \$1,417,619.68 as presented.

C. Board Resignation

ACCEPT the resignation of Barbara Fisher from the Sturgis Housing Commission and send a letter of recognition for her service.

D. Set Public Hearing

SET a Public Hearing for the City's Five Year Recreation Plan on Wednesday, January 23, 2008 at 7:30 p.m. in the Wiesloch Raum of City Hall.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes and City Attorney Roger Bird provided information on three documents related to the City's recycling program. Mr. Bird explained that the first document is the Interlocal Agreement between the City of Sturgis and St. Joseph County which is a prerequisite for a citywide recycling program, according to the statute. He further explained that a second document is an addendum to the current contract for recycling services with Republic Waste Services which will allow the current program to continue while a new bid specification is prepared. Mr. Bird and Mr. Hughes then provided details on the proposed bid specifications. Mr. Hughes also explained that the contract extension is for \$2.33 per unit and the City can only charge \$2.00 per unit, therefore the City will need to provide for the shortage.

The City Commission discussed many issues related to recycling including the amount to charge, the calculation of residences, and the method of billing.

Don Lampe, 28501 Fawn River Road, expressed that he hoped that everyone would use recycling but wanted the charge to be placed on the monthly utility bill as was expressed by the recycling committee. Georgia Austermann, Recycling Committee Member, expressed the need to ensure that only those that are paying for the service receive it.

Moved by Comm. Fisher and seconded by Comm. Littman to approve the St. Joseph County Interlocal Agreement as presented.

Voting yea: Seven

Voting nay: Malone, Gay

MOTION CARRIED

Moved by Comm. Walters and seconded by Comm. Fisher to approve the Addendum to Contract for Collection, Transportation and Disposal of Recyclables within the Corporate Limits of the City of Sturgis as presented.

Voting yea: Seven

Voting nay: Malone, Gay

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Littman to approve the Bid Specifications and Contract Documents for Citywide Curbside Recyclable Collection and Disposal as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing for consideration of an IFEC to VCI, Inc.

Assistant City Manager Todd Campbell explained that an application for an IFEC was received from VCI, who specializes in metal fabrication and weldments. Beginning in September 2007, they are adding 47,400 square feet of manufacturing space, a new laser line, a new robotic line, and a new saw line. The total project investment is expected to reach \$2,160,000. The expansion forecasts growth of at least five jobs over two years in addition to the seventy existing jobs. The Commission complemented owner Gene Harrison on his continued success.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Carmichael and seconded by Comm. Malone to adopt the resolution as presented awarding an Industrial Facilities Exemption Certificate, not-to-exceed \$2,160,000 to VCI, Inc., for a period of twelve (12) years, beginning on January 1, 2009 and an ending date of December 31, 2020.

WHEREAS, VCI, Inc. in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to VCI, Inc., and

WHEREAS, on March 27, 1985 the City Commission established the Industrial Development District for

the industrial property of VCI, Inc. and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application, and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute, and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered, and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption Certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, shall not have the effect of substantially impeding the operation of the City of Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis, and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years with an ending date of December 31, 2020.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of VCI, Inc. for an “Industrial Facilities Exemption Certificate”.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Attorney Roger Bird explained that the City received a request from an area resident to vacate an alley between north Fourth and Prospect streets. A notice was published for a Public Hearing on the issue.

Mayor Mayer opened the Public Hearing to consider vacating an alley.

Deborah Ryker, 205 N. Fourth explained that the alley runs behind her property and uses it to access a barn on her additional lot and did not want the alley vacated.

Jeff Miller, 406 E. West, explained that he made the request to vacate the alley and has maintained the area. He would like to purchase the property across the alley and pave the area.

City Staff provided information on the possible requirement to combine some of the lots in the area.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Littman and seconded by Comm. Malone to refer the Vacating Alley issue to City Staff for further review and return with a recommendation at a later meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Kelli Tackett, Executive Director of Keystone Place, provided information on a house on Greenlawn which will provide housing for a homeless family. She explained that the house would be owned by the USDA and she requested a letter of support from the City Commission for the project. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Malone to approve a letter of support showing acceptance of Keystone Place’s plans for the property.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the Waste Water Treatment Plant does not currently have access to the City's Network or Internet connection and the proposed fiber extension would provide that access. Discussion followed.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the fiber optic extension by Midwest Communication Services, Incorporated, Battle Creek, to the Sturgis Waste Water Treatment Plant in the amount not-to-exceed eleven thousand eight hundred fifty one dollars (\$11,851).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that there are currently five applications on file for the two Doyle and Recreation Board vacancies.

Comm. Malone nominated Scott Swihart and Michael Wilson

Comm. Carmichael nominated Darcy Wynes

Comm. Stephens nominated Tammy Ehlert

Voting for Tammy Ehlert: Taulbee, Fisher, Stephens, Walters - 4

Voting for Scott Swihart: Carmichael, Malone, Gay, Littman, Mayer - 5

Voting for Michael Wilson: Stephens, Taulbee, Malone, Walters, Gay, Littman, Mayer - 7

Voting for Darcy Wynes: Carmichael, Fisher – 2

Scott Swihart and Michael Wilson were appointed to the Doyle and Recreation Board to fill the unexpired terms of Lorraine Bolley and Randy Pahls through May 2008.

Assistant City Manager Todd Campbell provided information on the Sturgis Ministerial Association's "Palm Saturday" program which will call on community members to assist in home improvement projects throughout the City.

The City Commission commended the City crews in their efforts related to the recent heavy snowfalls.

The meeting was adjourned at 8:50 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JANUARY 23, 2008
WIESLOCH RAUM - CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer
Commissioners absent: None

Also present: City Manager, Assistant City Manager, Electric Department Superintendent, City Engineer, EDC Director, City Clerk

Doug VanMeter provided an update on the activities of the Airport Advisory Committee including the new fuel system, the resurfacing of a runway, the terminal roof repair, and a new hangar.

Mayor Mayer commended the Sturgis Public Schools for their recent acknowledgement in *US News and World Report* and encouraged everyone to thank them for the achievements.

Mayor Mayer presented the following Proclamation:

Whereas, Sturgis High School has been recently recognized by U.S. News and World Report as having one of America's "Best High Schools"; and
Whereas, Sturgis High School was awarded the Bronze Medal level of achievement based on a rigorous, independent test of educational quality, one of a select few Michigan High Schools to earn this honor; and
Whereas, the education of our young adults is a paramount factor in ensuring the continued economic and civic prosperity of the City of Sturgis; and
Whereas, this recognition confirms the outstanding efforts of Sturgis Public Schools in providing education to the children of the City.
Therefore, on this 23rd Day of January 2008, the City of Sturgis recognizes the students, faculty, staff, and administration of Sturgis High School for their hard work and dedication to the goal of educational excellence and congratulates them on this outstanding and well deserved honor.

Moved by Comm. Fisher and seconded by Comm. Carmichael to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of January 23, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the January 9, 2008 regular meeting as amended to include the change of the nomination of Tammy Ehlert by Comm. Stephens and subsequent vote.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,507,195.89 as presented.
2. AUTHORIZE the payment of the Capital Project Fund bills in the amount of \$8,100.50 as presented.
3. RATIFY the Hospital bills in the amount of \$1,608,458.27 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing on the Five Year Parks and Recreation Plan.

Assistant City Manager Todd Campbell explained that the 2008 City of Sturgis Five Year Community Park and Recreation Plan was written as a guide for the future development of recreation opportunities for the residents and visitors of the City. The plan addresses current recreation issues and identifies future needs of the community and the means for meeting those needs over the up-coming five-year period. Debbie Jensen of MC Smith provided details of the plan and the research done in its development. The Commission inquired as to the ability to acquire grants to complete aspects of the plan.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Stephens and seconded by Comm. Malone to adopt the 2008 City of Sturgis Five Year Community Park and Recreation Plan resolution as presented.

WHEREAS the City of Sturgis has undertaken a five year Community Parks and Recreation Plan which describes the physical features, existing recreation facilities and the desired actions to be taken to improve and maintain recreation facilities during the period between 2008 and 2012; and

WHEREAS two public comment sessions were held on Thursday, May 10, 2007 and Thursday, July 12, 2007, at the Sturges-Young Auditorium at 201 N. Nottawa Street to provide opportunities for citizens to express opinions, ask questions, and discuss all aspects of the Recreation Plan; and

WHEREAS the City of Sturgis has developed the plan for the benefit of the entire community and to adopt the plan as a document to assist in meeting the recreation needs of the community; and

WHEREAS the Sturgis City Commission held a Public Hearing at its regularly scheduled meeting on Wednesday, January 23, 2008 prior to adoption of the said Recreation Plan.

NOW, THEREFORE BE IT RESOLVED the Sturgis City Commission hereby adopts the City of Sturgis Community Park and Recreation Plan as a guideline for improving recreation for the residents of the City of Sturgis.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that City Staff has done some additional research related to the issue of vacating an alley that was discussed at the previous Commission meeting. He explained that if the City Commission has continued interest in the issue that more additional legal research would be necessary. He provided a letter from a resident who wanted to leave the alley open. The Commission discussed the issues that may be raised by vacating the alley. Discussion followed. The City Commission gave consensus to not proceed with the vacating of the alley at this time.

Electric Department Superintendent John Griffith explained that because of past extended power outages, the budget for FYE 2008 contains a line item for a standby generator in the amount of \$50,000. This generator would maintain services at City Hall and District Library, access to the Internet (which is critical for the Police Department) and long term power for the telephone system. Discussion followed.

Moved by Comm. Walters and seconded by Comm. Stephens to approve the bid from Byler Electric, Constantine, Michigan, in the amount of fifty four thousand two hundred seventy seven dollars (\$54,277) for the installation of an emergency standby generator.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the existing reinforced concrete street light poles have suffered severe deterioration at the ground line. The proposed work will replace them with breakaway fiberglass poles and underground wiring that will match the recent installation along US-12.

Moved by Comm. Fisher and seconded by Comm. Gay to approve the bid from Buist Electric, Byron Center, Michigan for the replacement of street lights along North Nottawa Street in the amount of one hundred thirty nine thousand six hundred sixty dollars (\$139, 660).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that a memorandum of understanding was received which lays out the shared vision and responsibilities of the three signatory organizations in managing the Kiwanis Community Garden, located at Kirsch Municipal Airport. Tim Peterson, St. Joseph County Conservation District, provided information on the current Community Garden and plans for expansion of the project.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the Memorandum of Understanding between the St. Joseph County Conservation District, the Sturgis Kiwanis Club, and the City of Sturgis as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant City Manager Todd Campbell explained that this would be his last Commission meeting as he will be taking the position of City Manager in Saline, Michigan. The City Commission, Sturgis Chamber, and all in attendance thanked Todd for his service, applauded the great job he has done, and wished him and his family well in the future.

City Manager Michael Hughes provided information on the well attended Neighborhood Designations meeting held the previous week. He explained that there will be additional meetings in the near future.

Moved by Comm. Littman and seconded by Comm. Malone to go into closed session for the purpose of discussing the potential purchase of property

Voting yea: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Littman, Mayer

Voting nay: None

MOTION CARRIED

The meeting recessed at 8:42 p.m.

The meeting reconvened at 9:45 p.m.

Moved by Comm. Malone and seconded by Comm. Stephens to approve entering into an agreement to purchase of a parcel of land for use as a boat launch, as required by the FERC license of the Sturgis Dam, for an amount not to exceed \$50,000.00 and authorize the City Manager to execute all necessary documents after review by the City Attorney.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The City Commission discussed the possible purchase of the former Hardings building by Sturgis Hospital for consolidation of Sturgis Medical Group offices. The Commission considered the cost of the purchase, the pending Hospital Workgroup report, the pending purchase agreement for the property, and the possibility of special meeting.

Moved by Comm. Carmichael and seconded by Comm. Malone to advise the City Manager to advise the Hospital CEO that the City Commission will make a decision regarding the purchase of the former Hardings property at their next meeting contingent upon the findings of the Hospital Workgroup which would be presented at that meeting and to request an extension to the current purchase agreement to allow the time for this decision.

**Voting yea: Carmichael, Fisher, Malone, Walters, Gay,
Voting nay: Stephens, Taulbee, Littman, Mayer**

MOTION CARRIED

The meeting was adjourned at 10:15 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, FEBRUARY 13, 2008
WIESLOCH RAUM - CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer
Commissioners absent: None

Also present: City Manager, City Attorney, Electric Department Superintendent, City Engineer, EDC Director, Wastewater Supervisor, Deputy Fire Chief, City Clerk

John Mikulenas, Chair of the Doyle and Recreation Advisory Board, explained that the board is very excited about Mike Liston, the new director, and that revenues are up. He provided information on the Get Fit Challenge, the Hunting Expo, and the various activities at the facility.

Mayor Mayer presented the following Proclamation:

WHEREAS: The Benevolent and Protective Order of Elks, through its Constitution, is a Patriotic Order, and

WHEREAS: The Order promotes the ideals that the citizens of this nation live in freedom, won through the great sacrifices and many tribulations which have provided the foundation for a free, prosperous and independent life, and

WHEREAS: We realize that each generation must work to maintain this freedom, otherwise, through carelessness or indifference, the rights and liberties enjoyed may vanish, and

WHEREAS: It is fitting and proper to recognize this freedom and to honor the nation, which provides it, now

THEREFORE: I, Caralee Mayer, Mayor of the City of Sturgis, do hereby proclaim February 18-24, 2008, as NATIONAL PATRIOTISM WEEK, during this event, urge all citizens to join with the Benevolent and Protective Order of Elks in expressing gratitude for the privilege of Americanism Citizenship with appropriate celebrations and observances.

Moved by Comm. Fisher and seconded by Comm. Carmichael to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of February 13, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the January 23, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,102,289.34 as presented.

2. RATIFY the Hospital bills in the amount of \$2,168,282.83 as presented.

C. Trinity Evangelical Lutheran Church Cross Walk

APPROVE the request from the Trinity Evangelical Lutheran Church to hold their annual Cross Walk on

the streets as stated in their application request to be held on Good Friday, March 21, 2008 beginning at noon.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes read the following findings of the Sturgis Hospital Workgroup:

Charge 1: Evaluate Current financial conditions and associated improvement plans.

Finding: Current financial conditions at Sturgis Hospital suggest that a significant threat to the long-term viability of the Hospital exists. The Hospital Board is developing an action plan; however no specific associated recovery plan has been presented to the Commission.

Explanation: The Hospital has had significant operating losses over the past two years and data from the 1st quarter of FY 2008 suggests that the trend will continue. For the most part the losses were associated with economic conditions outside of the control of the Hospital. For example, there was a 30% increase in the Medicaid volume with a 10% decrease in the payment rate. This alone reduced net income by approximately \$1,000,000. Also, there was an increase of approximately \$212,000 in care to indigent patients and \$398,000 in bad debt in 2007. The Hospital leadership is aware of the problem and has implemented cost control measures such as the recent elimination of health benefits to retirees and SMG employees, in addition to other changes such as renegotiation of union contracts to reduce benefit costs, reviewing supply utilization and monitoring productivity levels. Additional cost savings measures have also been adopted. The Hospital is also proposing the purchase of the Hardings building to save additional expenses on an annual basis and is considering several additional measures to try to correct the profitability issue. While there are plans in place such as the annual plan, strategic plan and the budget as roadmaps to improving the Hospital's financial health, those documents do not provide specific guidance containing measurable objectives that address the immediate financial concerns.

Charge 2: Evaluate the Oversight Relationship

Finding: The Hospital Trustees, primarily through the finance committee, provide oversight of and direction to the hospital administration. However, the existing structure of the Hospital (a municipally owned facility) is antiquated and not conducive to effectively operating a hospital.

Explanation: The Hospital finance committee reviews financial policy decisions and advises the Trustees on long term planning. However, there is a general consensus among Commission members, Hospital leadership and the Hospital's auditing firm that the current organizational structure of the Hospital is antiquated. The Plante Moran auditor stated that Sturgis Hospital is one of only a few remaining municipal hospitals in the State of Michigan. Given the current economic conditions, trends in the payor mix and threats from competitors surrounding the Sturgis market, it is apparent that the current structure may inhibit the Hospital's ability to be competitive in a complex, rapidly changing industry.

Charge 3: Communication and reporting systems between Hospital board and City Commission

Finding: The traditional communication systems between the Hospital board and City Commission are not sufficient in today's complex health care environment.

Explanation: Traditionally, Hospital operations have been exclusively the domain of the Hospital board. Communications included presentation of an annual audit, submission of a monthly report and periodic requests for capital purchases. In the past the Commission had a "liaison" representative attend board meetings and report back to the Commission. That was discontinued a few years ago. Recent inquiries from City Commissioners represent a totally different expectation of communicating between the Hospital and the Commission (The recent issues demonstrate the ineffectiveness of the traditional communication systems in that the City Commission was unprepared to respond to public concerns regarding the Hospital). While the Hospital board is best suited to provide operational oversight and determine the strategic direction of the Hospital, the City Commission is ultimately responsible for the long term existence of the Hospital. The current market conditions have created a dilemma over the appropriate level of communication between the Hospital and the Commission.

Comm. Carmichael presented a statement based on his observations as member of the Hospital

Workgroup but not with the intent to represent the Workgroup as a whole. Comm. Carmichael commended the work of the Hospital Board of Trustees, discussed the financial difficulties of the Hospital, and communications between Hospital management, the Board of Trustees, and the City Commission. Comm. Carmichael recommended discussion points including the creation of a recovery plan, involvement of a consulting firm to identify improvements to the oversight structure, and the reinstatement of the board liaison.

Discussion followed related to the mission and future activity of the Hospital Workgroup. The City Commission had consensus to place the future role of the Hospital Workgroup on the next Commission meeting agenda.

Sandy Baker, an employee of the Sturgis Medical Group, thanked the Commission for their interest in the Hospital issues.

John Mayer, Chair of the Hospital Board of Trustees, explained that the Hospital needs to operate a business and suggested that the Commission place a liaison on the Hospital Board.

Sturgis Hospital CEO Robert LaBarge explained that the purchase of the Harding's property as medical space allows for savings and efficiency and that the Commission has received the documentation related to the purchase. Discussion followed in regards to the condition of the roof, equity in the property, and maintenance of existing facilities.

Shelly Render inquired as to when the Grobhiser roof was replaced. Mr. LaBarge explained that the repairs have not yet been completed.

Moved by Comm. Fisher and seconded by Comm. Malone to deny the purchase of the old Hardings Building.

Voting yea: Carmichael, Fisher, Malone, Walters, Gay

Voting nay: Stephens, Taulbee, Littman, Mayer

MOTION CARRIED

City Engineer Tom Seymour explained that the City has worked with Fleis and VandenBrink Engineering for over three years and the current master agreement is now expired; specific task orders will be approved on an individual basis.

Moved by Comm. Littman and seconded by Comm. Stephens to approve the Standard Form of Agreement Between Owner and Engineer for Professional Services with Fleis and VandenBrink Engineering and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided background on the efforts towards providing wastewater treatment to LaGrange County, IN and details on the proposed agreements. Attorney George Davis provided information on the agreements. Discussion followed regarding the requirements of the system in Indiana, the service area, and the capacity of the system.

Moved by Comm. Taulbee and seconded by Comm. Stephens to approve the Interlocal Agreement for Collection System Construction as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Malone to approve the Wastewater Treatment Service Agreement with LaGrange County Sewer District as presented contingent upon the acceptance of the correct Exhibit C by the City Manager.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Gay to approve Task Order No. 13 with Fleis & VandenBrink Engineering for design of Wastewater extension to LaGrange County, Indiana in the amount of \$94,900.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the Electric Department uses a software package from ESRI to perform mapping and asset management functions and that specifications for new work stations were developed based on recommendations from ESRI.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the request from the Sturgis Electric Department to purchase two (2) GIS workstations from Dell in the amount of thirteen thousand eight hundred ninety nine dollars and thirty eight cents (\$13,899.38).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that the City Commission meeting scheduled on April 9, 2008 falls during this year's Sister City Committee trip to Wiesloch.

The City Commission gave consensus to reschedule the regular meeting of April 9, 2008 to Wednesday, April 16, 2008.

Moved by Comm. Littman and seconded by Comm. Malone to go into closed session for the purpose of discussing union negotiations, purchase of property and City Attorney legal opinion.

Voting yea: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Littman, Mayer

Voting nay: None

MOTION CARRIED

The meeting recessed at 8:37 p.m.

The meeting reconvened at 9:56 p.m.

The meeting was adjourned at 9:56 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, FEBRUARY 27, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Manager, City Attorney, EDC Director, Buildings Supervisor, Human Resources Director, Deputy Police Chief, City Clerk

Moved by Comm. Fisher and seconded by Comm. Littman to approve the agenda as presented with a change of Item 10A, Trinity Lutheran School Walk/Run, to the Consent Agenda.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of February 27, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the February 13, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,632,121.82 as presented.

2. RATIFY the Hospital bills in the amount of \$1,456,145.47 as presented.

C. Trinity Lutheran School Walk/Run

APPROVE the request from the Trinity Lutheran School to hold their first annual Crusader's Journey Walk/Run on March 8, 2008 beginning at 8:00 a.m. as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Michael Vance explained that the City of Sturgis health insurance plan is currently fully insured with Blue Cross Blue Shield of Michigan and Gary Gabel of Group Alternatives recently analyzed the City's plan and has recommended consideration of a "self funded" alternative. Mr. Gabel described details of the plan and discussion followed.

Moved by Comm. Fisher and seconded by Comm. Malone to approve changing the City of Sturgis' Medical Benefits to a Self Funded system offered through Blue Cross/Blue Shield of Michigan with an effective date of April 1, 2008.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer appointed Comm. Carmichael as the liaison between the City Commission and the Hospital Board of Trustees.

The Commission discussed how to proceed with the issues related to Sturgis Hospital. This included a meeting with the full City Commission and Hospital Board of Trustees, meetings between smaller committees of both boards, a meeting with community input, City Commission deliberation of the Hospital Workgroup findings, revenues for the hospital, specifically related to the recent expansion, and other topics.

Moved by Comm. Fisher and seconded by Comm. Gay to continue to the Hospital Workgroup.

Discussion continued including whether the liaison was sufficient, what the charge of the Workgroup is, operating under the Open Meetings Act, deliberation by the full City Commission, advantages of a smaller group, long term and short term options, the use of a consultant, the losses at the Hospital, the transgressions of certain doctors, the economy, the Hospital Board members, use of outside doctor groups, and a joint meeting of the two full boards.

Comm. Fisher withdrew the motion for the continuation of the Hospital Workgroup.

The Commission had consensus to hold a joint meeting between the full City Commission and Hospital Board of Trustees, along with representatives of Quorum and the community.

Georgia Austermann expressed concerns over the reduction of personnel related to patient care.

Pat McCoy inquired about the financial documents related to the Hospital.

City Manager Michael Hughes provided information on the bids that were received for curbside recycling services.

Pat McCoy, of Borden Waste-Away provided information on what is done with the recycling materials. He explained that single stream recycling is advantageous because it saves on time.

Earl Arend, Chair of the Recycling Committee, apologized for his recent absence. Tom Soper and Georgia Austermann, Committee members, expressed concern about their lack of input regarding the recommended bid.

Bob DeOrsey of Republic Waste Services provided information on his company's performance over the past year and their bid proposal.

Moved by Comm. Fisher and seconded by Comm. Malone to approve proposal Item E of Borden Waste-Away Services, Inc. of Elkhart, IN for curbside recycling services and authorize the City Manager to negotiate and execute all contract documents after review by the City Attorney.

Voting yea: Eight

Voting nay: Gay

MOTION CARRIED

The meeting was adjourned at 9:35 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MARCH 12, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Manager, City Attorney, EDC Director, Public Safety Director, Electric Department Superintendent, City Engineer, City Clerk

Mike Stiles, Vice-President Auditorium Board, explained that Mary Lou Falkenstein is the new liaison between the Board and the Arts Council. He provided information on concession sales, Travelogue, catering, the new HVAC unit, the Sunday buffet, and other events.

Mayor Mayer introduced four year-long exchange students that are currently attending Sturgis High School.

Eric Eishen, Sturgis Bank & Trust CEO, provided information on the bank's process for approval of their loan to the Sturgis Hospital for the former Harding's property.

The Commission gave consensus to review the former Harding's property purchase at the next City Commission meeting on March 26, 2008.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented with the addition of Item 10E, Sturgis Housing Commission Vacancy and Item 10F, Hospital Consultant Discussion.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of March 12, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the February 27, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,264,003.64 as presented.
2. AUTHORIZE the payment of the City Capital Project Fund bills in the amount of \$65,759.50 as presented.
3. RATIFY the Hospital bills in the amount of \$1,326,077.09 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour provided information on the Sustainable Storm Water Demonstration Project and the related grant. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the Sustainable Storm Water Demonstration Project Grant Contract and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith provided information on the series street lighting program and the current project.

Moved by Comm. Fisher and seconded by Comm. Stephens to award the bid for electrical wire to Reed City Power Line Supply in the amount Eight Thousand Six Hundred and Ninety-Six Dollars (\$8,696.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Public Safety Director David Northrop provided information on the hip dysplasia condition of the K9 unit. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Fisher to grant ownership of Spyke to Officer Moore and his family.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Malone and seconded by Comm. Littman to recess their regular meeting of March 12, 2008.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Dir. Malone and seconded by Dir. Littman to convene as the Sturgis Housing Development Corporation.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that with the departure of Todd Campbell, the S.H.D.C. needs to appoint a President and Secretary.

Moved by Dir. Fisher and seconded by Dir. Malone to adopt the Consent In Lieu of Special Meeting of Board of Directors as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Dir. Malone and seconded by Dir. Littman to adjourn their Special Meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Malone and seconded by Comm. Littman to reconvene their regular meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Carmichael and seconded by Comm. Malone to appoint Curtis Barrons to the Sturgis Housing Commission to fill the unexpired term of Barbara Fisher through May 2009.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The City Commission discussed the concept of hiring a consultant to review Sturgis Hospital and the scope of that task. The Commission directed the City Manager to begin review of potential consultants that may be used.

Electric Department Superintendent John Griffith provided information on the recent power outage and the steps that will be taken to correct the problem.

The meeting was adjourned at 8:41 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MARCH 26, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Manager, City Attorney, EDC Director, Deputy Police Chief, Electric Department Superintendent, Deputy Fire Chief, City Clerk

St. Joseph County Undersheriff Dennis Allen explained that he is seeking the office of Sheriff in the upcoming election and provided his qualifications.

Mayor Mayer presented the following Proclamation:

WHEREAS, child abuse is a serious and growing problem affecting more than 3.2 million of our nation's children annually; and

WHEREAS, this societal malignancy called child abuse respects no racial, religious, class or geographic boundaries, and in fact, has been declared a national emergency; and

WHEREAS, the Sturgis Exchange Club, through its support of parent aide programs, parenting classes, educational programs and community service activities, is making significant progress in stopping this crime against families and children.

NOW, THEREFORE, BE IT RESOLVED, as Mayor of the City of Sturgis, I hereby proclaim that the entire month of April shall be observed as Child Abuse Prevention Month in the State of Michigan, and I urge all citizens to use this time to better understand, recognize and respond to this grievous problem;

AND, FURTHER, I congratulate the Exchange Club of Sturgis for its continued success in helping families break free from the cycle of child abuse.

Mayor Mayer explained that she has made the following appointments to the Local Development Finance Authority:

Don Eaton Rob Sisson Eric Eishen Bob Morrow Bob Brothers David Locey Joe Haas

Moved by Comm. Fisher and seconded by Comm. Carmichael to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of March 26, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the March 12, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,390,141.28 as presented.

2. RATIFY the Hospital bills in the amount of \$1,552,099.91 as presented.

C. Child Abuse Prevention Month

APPROVE the Sturgis Exchange Club's request to place blue ribbons on downtown street poles to raise public awareness for National Child Abuse Prevention Month.

D. Accounts Payable Authorization

AUTHORIZE the Finance Committee to authorize the payment of the City bills and ratification of the Hospital bills, which will be prepared for April 9, 2008, at their next meeting.

E. Congress Street Light Holophane Ballasts and Globes

APPROVE the bid of Reed City Power Line Supply for the purchase of Street Light Ballasts and Globes in the amount Twenty-Three Thousand Three Hundred and Sixty-Four Dollars and Ninety Cents (\$23,364.90).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes and City Attorney Roger Bird provided information on the structure of the proposed financing which would allow for the purchase of the former Harding's property by Sturgis Hospital. Discussion followed.

Moved by Comm. Fisher and seconded by Comm. Littman to approve the purchase of the former Harding's property subject to the terms outlined by the City Attorney regarding the financing and loan obligations.

Voting yea: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Littman, Mayer

Voting nay: Gay

MOTION CARRIED

Mayor Mayer explained that it was her feeling that regardless of the expertise of Quorum Health Resources, a review of Sturgis Hospital by QHR may be considered biased. Therefore, it seems prudent to appoint a committee of City Commissioners and others to consider the engagement of an outside consultant to review the Hospital. City Manager Michael Hughes provided information on the past research that has been done on this issue as well some preliminary information on potential consultants. Discussion followed related to the scope of the focus for the potential consultant including operations, reorganization, and comparisons of similar hospitals. John Dobberteen, former Mayor of Sturgis, provided information on the previous research done on the review of the Hospital.

The City Commission gave consensus to create a committee to review Sturgis Hospital including five City Commissioners, five Hospital Board members, two doctors, five members of the community, along with a representative of Sturgis Journal.

DPS Supervisor Rick Miller provided information on the current and proposed salt shed building and the proposed cost sharing with MDOT.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the Chemical Storage Facility Contract between the City and MDOT and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the plans for the Michigan Week festivities.

Moved by Comm. Stephens and seconded by Comm. Malone to authorize the Michigan Week Parade route and Gateway Festival plan as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Deputy Fire Chief Scott Hopkins provided information on the proposed Self Contained Breathing Apparatus packs.

Moved by Comm. Carmichael and seconded by Comm. Stephens to approve the bid waiver for the purchase of SCBA packs and bottles and authorize the purchase of the same from Front Line Services (FLS) for the amount of \$10,800.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the proposed Fawn River Road Compost Site Policy.

Moved by Comm. Fisher and seconded by Comm. Stephens to adopt the Compost Site Policy as presented.

1. In order for a person to access the City of Sturgis' compost site on Fawn River Road, they must either be a resident of the City of Sturgis or obtain a pass card from Sturgis City Hall by registering at the Clerk/Treasurer's Office (130 N. Nottawa Street).
 - a. Residents of the City of Sturgis and Sturgis Township are able to access the compost site at no cost.
 - 1) City of Sturgis residents can access the site by providing a driver's license with a current city address or other valid proof of residence in the City of Sturgis to the compost site attendant.
 - 2) Residents of Sturgis Township may obtain a pass card free of charge by registering with the City of Sturgis Clerk/Treasurer's Office or Sturgis Township Hall.
 - b. Individuals who are not residents of either the City of Sturgis or Sturgis Township are able to obtain a pass card for a non-refundable, annual cost of \$35.00.
 - c. Commercial landscapers may also obtain access to the City of Sturgis' compost site for a non-refundable annual fee. Commercial landscape businesses located outside of the City of Sturgis will be charged a fee of \$250.00 and those located within the City of Sturgis will be charged \$150.00. The Commercial Landscaper fee provides the purchaser 24/7 access to the compost site solely for business purposes associated with the purchasing company; under absolutely no circumstances can access be used for personal disposal of yard waste.
 - d. The annual cost for a pass card will be the same if registered any time during the operational year of April 1 to late November.
 - e. Prices are subject to change at any time with approval of the Sturgis City Commission.
2. The pass card is valid from April 1 through the closing of the site the Monday before Thanksgiving. Pass cards for non-City residents must be obtained or purchased annually according to the stipulations stated above.
3. Utilization of the compost site by residents or registered non-residents is to be only for the disposal of brush, leaves, grass clippings and other acceptable composting items. There shall be no disposal of non-resident yard waste by City residents or sharing of pass cards with other persons by registered non-residents.
4. Any person that is caught violating any or all of the City of Sturgis Compost Site Policies will be

subject to the loss of their privileges for the remainder of the year and other sanctions up to and including a life-time ban from the compost site. In the case of a loss of privileges, any payment for a pass card or commercial access will be completely forfeited.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that the Parks and Cemetery Board recommended to freeze the annual increase in Cemetery rates, recognizing that Sturgis' rates compare to surrounding communities. They plan to review in February of 2009.

Moved by Comm. Stephens and seconded by Comm. Malone to suspend the graduated increase in Cemetery Rates for 2008 as recommended by the Parks and Cemetery Board.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 9:00 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, APRIL 16, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Manager, Assistant to the City Attorney, Deputy Police Chief, City Engineer, Wastewater Superintendent, Electric Department Superintendent, City Clerk

Linda Baker, Victim Advocate for St. Joseph County spoke about the topics of victim's rights and the celebration of Victim's Rights Week.

Mayor Mayer presented the following Proclamation:

Whereas, 23 million Americans are victims of crime each year, and of those, 5.2 million are victims of violent crime; and

Whereas, a just society acknowledges crime's impact on individuals, families, and communities by ensuring that rights, resources, and services are available to help rebuild lives;

Whereas, victims' rights are a critical component of the promise of "justice for all," the foundation for our system of justice in America;

Whereas, although our nation has steadily expanded rights, protections, and services for victims of crime, too many victims are still not able to realize the hope and promise of these gains;

Whereas, we must do better to ensure services are available for underserved segments of our population, including crime victims with disabilities, victims with mental illness, victims who are teenagers, victims who are elderly, victims in rural areas, and victims in communities of color; and

Whereas, observing victims' rights and treating victims with dignity and respect serves the public interest by engaging victims in the justice system, inspiring respect for public authorities, and promoting confidence in public safety; and

Whereas, America recognizes that we make our homes, neighborhoods, and communities safer and stronger by serving victims of crime and ensuring justice for all; and

Whereas, Our nation must strive to protect, expand, and observe crime victims' rights so that there truly is justice for victims and justice for all; and

Whereas, National Crime Victims' Rights Week—April 13-19, 2008—provides an opportunity for us to strive to reach the goal of justice for all by ensuring that all victims are afforded their legal rights and provided with assistance as they face the financial, physical, and psychological impact of crime; and

Whereas, the St. Joseph County Prosecutor's Office is joining forces with victim service programs, criminal justice officials, and concerned citizens throughout the state of Michigan and the city of Sturgis and America to raise awareness about victims' rights and observe the 28th National Crime Victims' Rights Week;

Now, therefore, I, Caralee Mayer, as Mayor of Sturgis, Michigan, do hereby proclaim the week of April 13-19, 2008, as National Crime Victims' Rights Week

And reaffirm the City's commitment to respect and enforce victims' rights and address their needs

during National Crime Victims' Rights Week and throughout the year; and express our appreciation for those victims and crime survivors who have turned personal tragedy into a motivating force to improve our response to victims of crime and build a more just community.

Earl Arend provided information on the activities of the Parks and Cemetery Board including work on the Recreation Plan, seasonal workers, spring sports, and cemetery memorial benches.

Marcia Saunders provided an update on grant application efforts through the St. Joseph County EDC.

City Controller Michael Vance and Michael Wilson of Norman & Paulsen presented the 2006-2007 Fiscal Year Audit.

Brian Rice, Fleis and Vandenbrink Engineering explained that the City entered into a Consent Judgment with the Michigan Department of Environmental Quality (MDEQ) to remediate the Big Hill Road Landfill site. He provided information on the plans going forward to continue the remediation.

Greg Griffin had questions regarding the hiring practices of the City. The City Manager arranged to meet with Mr. Griffin to discuss the matter.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of April 16, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the March 26, 2008 regular meeting as presented.

B. Installation of Conduit and Hand Holes on Congress Street

APPROVE the bid of Bryant Excavating, Inc., Kalamazoo, Michigan for the installation of conduit and hand holes in the amount of sixty-six thousand dollars (\$66,000).

C. HVAC Preventive Maintenance Contract

APPROVE a three year contract with Havel Brothers, Kalamazoo, MI for heating, ventilating, and air conditioning preventive maintenance in the amount of thirty-seven thousand, three hundred twenty-one dollars (\$37,321).

D. Substation Circuit Breaker Preventive Maintenance

APPROVE the bid from Dymax Services, Farmington Hills, Michigan for maintenance of 72.5 kV Power Circuit Breaker in the amount of fifteen thousand, eight hundred ninety-six dollars (\$15,896).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer appointed the following individuals to the Hospital Review Committee:

Chairman David Locey, Comm. Carmichael, Comm. Fisher, Comm. Gay, Comm. Malone, Comm. Walters, Tom Brenner, Kristy Davis, Gwen Donmyer, Don Eaton, Len Eishen, Don Fox, Jeannie Gerchow, Joe Haas, Ned Heydlauff, Floyd Kunce, John Mayer, Rob Olsen, Fred Reynolds, Tom Rock, Mike Stiles, Phil Ward, John Wiedlea.

Discussion followed.

City Manager Michael Hughes explained that there has been some feedback from area property owners regarding use of the compost site and the related charge.

Moved by Comm. Carmichael and seconded by Comm. Fisher to approve the amended Compost Site Policy as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour provided information on the work that needs to take place in preparation for the development of an M-66 Bypass. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Malone to approve Task Order #16 with F&V Engineering in the amount of fifty-six thousand dollars (\$56,000) and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour provided information on the use of the transferred funds to the Street Repair Fund which will allow the city to undertake a street repair and crack sealing program in the amount of \$500,000 in the current fiscal year.

Moved by Comm. Fisher and seconded by Comm. Malone to authorize the appropriation of two-hundred and fifty thousand dollars (\$250,000) from the General Fund as a transfer to Fund 201 Street Repair Fund.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the Electric Department has been made aware of the availability of six (6) used, 15 kV, 1200 ampere S&C circuit breakers which are used in the distribution system.

Moved by Comm. Stephens and seconded by Comm. Fisher to authorize the City Manager to acquire from Newkirk Electric, Muskegon, Michigan six (6) used, S&C, 15 kV circuit breakers for a cost not to exceed five thousand dollars (\$5,000) each.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the City's current computer network has been developed incrementally over the course of many years, an approach that has resulted in speed, compatibility, and operational issues and new network electronics will address these issues, improving network performance.

Moved by Comm. Littman and seconded by Comm. Stephens to approve the bid of Network Solutions, Incorporated, Granger, Indiana for the installation of the proposed network electronics including the alternate proposal, in the amount of forty-eight thousand, fifteen dollars (\$48,015).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that there will be a three week break between the April 23 and May 14 meetings and it may be prudent to move the next meeting to April 30.

Moved by Comm. Stephens and seconded by Comm. Malone to reschedule the regular City Commission from Wednesday, April 23, 2008 to Wednesday, April 30, 2008.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Michael Vance commended the City Manager and department heads on their diligent efforts to control expenses and stay in line with their budget parameters.

Commissioners Stephens and Walters and Clerk/Treasurer Kenneth Rhodes provided information on the wonderful trip to Sturgis' Sister City of Wiesloch, Germany and how well the group was treated.

City Manager Michael Hughes explained that recycling carts are now being distributed and provided some information on the program.

Commissioner Malone explained that the effectiveness of the speed boxes in the City will allow for the program to be expanded throughout the County.

The meeting was adjourned at 9:50 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, APRIL 30, 2008
WIESLOCH RAUM – CITY HALL

Vice-Mayor Littman called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman

Commissioners absent: Mayor Mayer

Also present: City Manager, Assistant to the City Attorney, Economic Development Director, City Engineer, Wastewater Superintendent, Doyle and Recreation Director, Buildings Inspector, Assistant to the City Manager, City Clerk

Michigan State Trooper Michael Thyng explained that he is a candidate for St. Joseph County Sheriff and provided his qualifications.

Kenneth Rhodes provided information on the activities of the Sister City Committee including the recent trip to Germany, the upcoming student exchange, and the efforts with Sister Cities International.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented.

Voting yea: Eight Voting nay: None Absent: Mayer MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the Consent Agenda of April 30, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the April 16, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,758,078.00 as presented.
2. RATIFY the Hospital bills in the amount of \$2,491,558.45 as presented.

C. Poppy Sale

ALLOW the American Legion and VFW to sell poppies from the beginning of the Michigan Week festivities through Memorial Day.

D. Liquor License Transfer

APPROVE the MLCC Resolution for a Class C License transfer from Applebee's of Michigan to Applebee's Restaurants Mid-Atlantic.

E. Prom Request

APPROVE the requested parking lot and street closures for the Sturgis High School Prom as presented.

Voting yea: Eight Voting nay: None Absent: Mayer MOTION CARRIED

City Engineer Tom Seymour provided information on the City's use of uniforms and the results of the recent bid for a new contract.

Moved by Comm. Stephens and seconded by Comm. Malone to award the contract for Uniform Rental to Cintas Corporation, Fort Wayne, IN, at the unit price amounts indicated in the bid and authorize the City Manager to sign the contract documents.

Voting yea: Eight Voting nay: None Absent: Mayer MOTION CARRIED

Doyle and Recreation Director Michael Liston provide information on the requirements for cleaning services at the Doyle Community Center and the results of the recent bid for a new contract.

Moved by Comm. Carmichael and seconded by Comm. Gay to award the bid for Doyle Janitorial Services to Brite And Clean, Sturgis, MI, in the amount of \$24,850.

Voting yea: Eight Voting nay: None Absent: Mayer MOTION CARRIED

Buildings Inspector George Musolff provided information on the requirements of the City related to the update of the Master Plan and the qualifications of the City's consultant. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the proposal from LSL Planning Inc. for Master Plan Update services in the amount of \$20,000.

Voting yea: Eight Voting nay: None Absent: Mayer MOTION CARRIED

Wastewater Supervisor Jeanette Fenner explained that the City's SRF plans related to the Westside Interceptor and other projects were recently approved for this current fiscal year and provided information on the project. Discussion followed. City Attorney Roger Bird provided information on the progress of the necessary easements.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve F&V Task Order #10e in the amount of \$47,000 and authorize the City Manager to sign on behalf of the City.

Voting yea: Eight Voting nay: None Absent: Mayer MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that the City of Sturgis is entitled to two representatives on the Sturgis District Library Board. The term of Caralee Mayer has expired and two applications have been received for the vacancy.

A roll call vote was taken to fill the vacancy.

Voting for Mary Beth Brenneman: Walters

Voting for Richard Yeckley: Carmichael, Stephens, Taulbee, Fisher, Malone, Gay, Littman

Richard Yeckley was appointed to the Sturgis District Library Board through May, 2012.

The meeting was adjourned at 8:15 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MAY 14, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Manager, Assistant to the City Attorney, Economic Development Director, City Engineer, Wastewater Superintendent, Doyle and Recreation Director, Buildings Inspector, Assistant to the City Manager, City Clerk

Kim Musolff, Executive Director of the Downtown Development Authority, provided information on the activities of the board including the opening of new businesses, the new streetscape, community planting day, a grant awarded to the Open Door Gallery for a new roof, the façade rebate program, and Fun Fridays.

Joseph Haas, 600 E. Chicago Road and Chair of the St. Joseph County Transportation Authority, provided information on new developments at the CTA. They are now operating on their own due to the recent successful millage campaign. He provided information on the new “Sturgis Circle Line” which will be a dedicated route for transportation throughout the City for \$1.00.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of May 14, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the April 30, 2008 work session as presented.
2. APPROVAL of the minutes from the April 30, 2008 regular meeting as presented.
3. APPROVAL of the minutes from the May 6, 2008 special meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$552,590.23 as presented.
2. RATIFY the Hospital bills in the amount of \$1,538,790.44 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the development of the Articles of Incorporation for St. Joseph County Ambulance Authority. Discussion followed.

Moved by Comm. Carmichael and seconded by Comm. Malone to approve the articles of incorporation of the Saint Joseph County Ambulance Authority as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that as a result of the ongoing voltage conversion of the distribution system, customer upgrades, and failures, the Electric Department has approximately 60 transformers that require disposal.

Moved by Comm. Stephens and seconded by Comm. Littman to approve the bid of Solomon Corporation, Solomon, Kansas, for the purchase of surplus transformers from the City of Sturgis in the amount of sixteen thousand four hundred and eighty-six dollars and ninety cents (\$16,486.90).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Deputy Fire Chief Scott Hopkins explained that as part of the 2007-2008 FY budget the Motor Vehicle Committee recommended and the City Commission approved the purchase of a rescue/pumper to replace unit #721 (pumper) and unit #713 (rescue truck). By purchasing a combined rescue/pumper and thus eliminating a fleet vehicle, City staff projected a savings of \$277,493 over the 25-year life expectancy of the vehicle. In April bids were received from 4 manufacturers. The Fire Department vehicle committee recommends the purchase of a KME Fire Apparatus rescue/pumper as this vehicle most closely meets the requirements of the department and remains under the approved budget amount of \$400,000. Two financing options are available; financing locally through Citizens Bank or through the USDA. Discussion followed.

Moved by Comm. Walters and seconded by Comm. Stephens to approve the bid of KME Fire Apparatus, Nesquehoning, Pennsylvania for a rescue/pumper in the amount of three hundred and ninety-eight thousand, one hundred and six dollars (\$398,106) and authorize the City Controller to enter into a financing contract with Citizens Bank or the USDA to take advantage of pre-pay discounts on the purchase.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that in order to accommodate the SRF application process for this year, it would be advisable to move the August 13th City Commission Meeting to Wednesday, August 6th.

By Consensus, the City Commission rescheduled the regular City Commission meeting of August 13, 2008 to Wednesday, August 6, 2008 at 7:30 p.m.

City Manager Michael Hughes introduced new City Controller Holly Keyser.

By Consensus, the City Commission canceled the upcoming Coffee with the Commission on Friday, May 23, 2008.

The City Commission wished Michael Vance well in his retirement and thanked him for his service. Mike thanked the City and Commission for their support and explained that the City has been a wonderful place to finish his career.

The meeting was adjourned at 8:17 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

SPECIAL MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MAY 19, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 8:00 a.m.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Manager, City Attorney, City Clerk

City Manager Michael Hughes provided information on the Brownfield Plan that has been prepared for the property at 400 W. Chicago.

Moved by Comm. Stephens and seconded by Comm. Fisher to approve the Resolution Approving A Brownfield Plan For The City Of Sturgis Pursuant To And In Accordance With The Provisions Of Act 381 Of The Public Acts Of The State Of Michigan Of 1996, As Amended.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Comm. Stephens explained that the Sturgis troops will be deployed in June.

The meeting was adjourned at 8:15 a.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, MAY 28, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Manager, Assistant to the City Attorney, Economic Development Director, City Engineer, Wastewater Superintendent, City Controller, Assistant to the City Manager, City Clerk

Mayor Mayer presented the following Proclamation:

Whereas, millions of United States citizens, including those from Sturgis and its neighboring communities, served the cause of freedom in World War II; and

Whereas, these brave and honorable soldiers, many of whom gave their lives in the service of their country, have been honored with a monument to their heroism in our nation's capital, Washington, D.C.; and

Whereas, area pilots and other residents chose to recognize this service by volunteering and raising funds to fly surviving World War II veterans to Washington, D.C. to visit the National World War II Memorial; and

Whereas, the volunteers and participants in this World War II Honor Flight did make this trip Thursday, May 8th 2008 in an experience memorable and emotional for volunteers, participants, and spectators alike.

Therefore, on this 28th Day of May 2008, the City of Sturgis recognizes all those associated with the World War II Honor Flight and thanks the veterans for their dedicated service to the country and the volunteers and pilots for time, talent, and effort they gave to make this memorable experience possible.

John Wiedlea, Chair of the Economic Development Corporation, Brownfield Redevelopment Authority, and Sturgis Improvement Association Boards, thanked his board members and City Staff in executing the plans of the Board. He provided information on the implementation of the Economic Strategic Plan, the Dresser Industrial Park loan payoff, industrial park lot purchases, and other business expansions.

Charlene Orban, 413 S. Clay, explained that her neighbor has a garden that is ruining her fence. The City Manager will work with her to determine what action may need to be taken.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented with the addition of Item 10F – Set Millage Rate Public Hearing.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of May 28, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the May 14, 2008 regular meeting as presented.
2. APPROVAL of the minutes from the May 19, 2008 special meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,537,978.64 as presented.
2. RATIFY the Hospital bills in the amount of \$1,359,142.39 as presented.

C. Board Resignations

ACCEPT the resignations from John Bush, John Kirsch, Jayne Krebsner, and Michael Wilson from the Auditorium Board, EDC and Brownfield Authority Boards, Planning Board, and Doyle and Recreation Board respectively, and SEND a letter of recognition for their service.

D. Amateur Radio Public Service Association – Field Day

APPROVE the request of the Amateur Radio Public Service Association to utilize Covered Bridge Park for a period of 24 hours on June 28th - June 29th as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes provided information to the Commission on the four retiring board members that have served for many years. He then explained that reappointment forms were sent out to all board members whose terms were to expire this year and a general call for board applicants was advertised several times in the Sturgis Journal. The Commission had consensus at a recent planning session to address the reappointments at this meeting and address the remaining vacancies at a later meeting.

Moved by Comm. Littman and seconded by Comm. Stephens to reappoint all of the board members that have requested reappointment and defer vacancies until a future meeting.

Comm. Carmichael explained that he felt that it would be in the best interests of the City to appoint John Dobberteen to the Hospital Board in lieu of John Stephens based on his experience. Mayor Mayer explained that Mr. Dobberteen could still assist the Hospital Board without being on the board. She felt it was in the best interests of the City to reappoint volunteers where there are no measurable criteria in which to remove them. Comm. Gay explained that there are new applications for many board positions and they should be considered. Discussion continued. Comm. Stephens explained that there was no conflict between her position as Commissioner and her husband's position on the Hospital Board.

Voting yea: Carmichael, Fisher, Malone, Walters, Gay

Voting nay: Stephens, Taulbee, Littman, Mayer

MOTION DEFEATED

Comm. Carmichael nominated John Dobberteen to the Hospital Board of Trustees in lieu of John Stephens and send a letter of appreciation to Mr. Stephens for his services.

Comm. Littman nominated Warren Atkins

Voting for Dobberteen: Carmichael, Fisher, Malone, Walters, Gay

Voting for Atkins: Stephens, Taulbee, Littman, Mayer

John Dobberteen was appointed to the Hospital Board of Trustees through May 2013.

Moved by Comm. Littman and seconded by Comm. Malone to reappoint the remaining board members who have requested reappointment.

Voting yea: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Littman, Mayer

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour explained that the City has received a grant from the MDEQ for a Sustainable Stormwater Demonstration Project and that FTC&H has submitted a proposal for engineering services.

Moved by Comm. Littman and seconded by Comm. Carmichael to approve the Professional Services Authorization submitted by Fishbeck, Thompson, Carr & Huber, Inc. for the amount of one hundred forty-four thousand, one hundred and thirty dollars (\$144,130) and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour explained that MDOT is proposing to mill and resurface N. Nottawa Street from Chicago Road to Memorial Drive. In conjunction with this work, MDOT will be installing barrier-free sidewalk ramps and they are asking for easements to perform this work.

Moved by Comm. Fisher and seconded by Comm. Malone to approve granting the easements to the Michigan Department of Transportation at the N. Nottawa/ West Street intersection and authorize the Mayor and City Clerk to sign the easement.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour explained that the Engineering Department's existing blueprint copy machine uses an obsolete, ammonia based process to produce prints which makes it very difficult to obtain service for the machine. Discussion followed.

Moved by Comm. Carmichael and seconded by Comm. Malone to approve the bid of Michigan Office Solutions of Grand Rapids, Michigan for the purchase of a Xerox 6024 copier for the amount of fifteen thousand, two hundred and fifty dollars (\$15,250).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Wastewater Treatment Plant Supervisor Jeanette Fenner provided information on the SRF 2008 project. David Harvey and Larry Fleis, Fleis and Vandenbrink, explained the construction management approach and the engineering services that are needed at this point in the project.

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the construction management approach and approve the bid phase services with F&V Construction Management, Inc. for the proposed 2008 SRF Wastewater System Improvements Projects for an amount not to exceed forty-seven thousand dollars (\$47,000) and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Carmichael and seconded by Comm. Fisher to approve Task Order 17 with Fleis & Vandenbrink Engineering, Inc. for engineering services for bid, construction, and post-construction phases of the SRF Wastewater System Improvements and authorize the City Manager to approve the final fee structure and to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that in order to levy the City's Operating Millage, the City Commission needs to hold a Public Hearing.

Moved by Comm. Walters and seconded by Comm. Malone to set a Public Hearing to hear comments on the tax rate for fiscal year 2008-09 on Wednesday, June 11, 2008 at 7:30 p.m. in the Wiesloch Raum of City Hall.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Cathi Abbs thanked the Commission for their participation in the Michigan Week activities and City Staff for all their help and explained that everything went very well.

City Manager Michael Hughes explained that the City and Commissioners have received a number of responses to the communication recently sent out by the Post Office regarding the placement of mail boxes. The Commission gave direction to City Staff to prepare a resolution in response to the letter to send to legislators.

Mayor Mayer provided information everyone regarding the deployment of the National Guard Troops who are stationed in Sturgis. She explained that there will be a ceremony at 2:00 p.m. on Monday, June 23rd in Wyoming, Michigan and encouraged everyone to go.

The meeting was adjourned at 8:47 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JUNE 11, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Attorney, Economic Development Director, City Engineer, Electric Department Superintendent, City Controller, Assistant to the City Manager, City Clerk

Moved by Comm. Fisher and seconded by Comm. Carmichael to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of May 28, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the May 28, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,196,045.64 as presented.

2. AUTHORIZE the payment of the City Retirement bills in the amount of \$344,712.12 as presented.

3. AUTHORIZE the payment of the City Capital Project bills in the amount of \$38,492.00 as presented.

4. RATIFY the Hospital bills in the amount of \$1,225,566.74 as presented.

C. Ribs on the Runway Authorization

APPROVE the request of the Exchange Club of Sturgis to hold the annual Ribs on the Runway event at Kirsch Municipal Airport as presented.

D. July 4th Children's Parade

APPROVE the request for a July 4th Celebratory Children's Parade in the South Lakeview neighborhood to be held on July 4, 2008 at 10:00 a.m. with a route as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing on the City's Operating Millage Rate.

City Clerk/Treasurer Kenneth Rhodes explained that the proposed 10.0285 mills for City Operating is well below the maximum tax rate authorized of 11.8894 and continues to be the lowest rate the City has levied in 40 years. Discussion followed.

There was no comment from the public.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Carmichael and seconded by Comm. Stephens to set the fiscal year 2008-09 tax rate at 10.0285 mills as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk explained the details of the proposed Curbside Recycling Surcharge Rate. Discussion followed including the merits of charging more than the fee of \$1.92 and the uses for any excess funds.

Moved by Comm. Fisher and seconded by Comm. Walters to set the recycling surcharge at \$2.00 per unit per month for a period of 5 years beginning in 2008 and ending in 2012.

Voting yea: Eight

Voting nay: Malone

MOTION CARRIED

Electric Department Superintendent John Griffith explained that net metering allows individuals with independent renewable energy sources, such as wind or solar power, to sell their electric utility power when they generate more than they utilize. Discussion followed.

Moved by Comm. Carmichael and seconded by Comm. Fisher to approve the Net Metering Service Rider, Schedule NMS, as presented and authorize the City Manager to develop the necessary Interconnection Agreement and Contract in consultation with the City Attorney.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the Electric Department routinely receives requests to extend its electric facilities to serve new customers and new load from existing customers. Under the proposed policy, the costs of extending service to new customers or increasing capacity to existing customers is paid in part by the City and in part by the requesting individual or business. Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Malone to approve the Electric Department Line Extension Policy as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Economic Development Director John Hayes explained that the Sturgis Improvement Association has received an offer from MT Piping for Lot 14 in Stapleton Industrial Park. The lot is on Peterson Circle between Johnson Precision Mold and Mayer Tool & Engineering, and totals 1.4 acres. Discussion followed.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the sale of Lot 14 of the Stapleton Industrial Park to MT Piping for eighteen thousand, five hundred dollars (\$18,500) contingent that the site plan is approved.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser explained that in order for the SRF 2008 project to move forward on schedule, the Commission needs to approve two resolutions for bond funding. The first resolution authorizes the publication of a Notice of Intent, which will start the 45 day referendum period required for issuance of these bonds. The second resolution allows the City to be reimbursed from the bond proceeds for any expense it had previously paid in relation to the project.

Moved by Comm. Taulbee and seconded by Comm. Malone to approve the resolution for SRF 2008 Authorizing Publication of Notice of Intent to Issue Bonds as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the SRF 2008 Reimbursement Resolution as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour explained that the Five-Year Plan for the airport includes construction of a North-South parallel taxiway running to the north end of runway 18/36 in 2008. This taxiway will eliminate the need for aircraft to taxi over ½ mile on the main runway, thereby improving aircraft safety.

Moved by Comm. Walters and seconded by Comm. Malone to approve the contract (No. 2008-0290) between the City and MDOT for the construction of the taxiway extension and authorize the Acting City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Walters and seconded by Comm. Malone to approve the contract (ID: 78125-102828) between the City and Milbocker and Sons, Inc. for the construction of the taxiway extension and authorize the Acting City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk explained that as directed by the City Commission, a resolution was prepared using feedback from citizens and the Commission, as well as research on efforts by the U.S. Postal Service to convert homes in other communities to curbside delivery. Discussion followed

Moved by Comm. Taulbee and seconded by Comm. Gay to approve the resolution in opposition to curbside mail delivery as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Auditorium Director Brad Donmyer explained that in 2004, prior to the Auditorium's 50th Anniversary, the "Best Seat in the House" campaign was kicked off to raise the necessary funds for this project. To the date the campaign has generated \$122,909.66. A Request for Proposals was created and sent to four potential bidders for the seat restoration project.

Moved by Comm. Fisher and seconded by Comm. Gay to approve the bid of Baker Road Upholstery for the amount of one hundred and thirty thousand, eight hundred and forty-four dollars and eighty cents (\$130,844.80).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Walters to approve postponing replacement of the Civic Center sound system and authorize use of the thirty thousand (\$30,000) dollars allocated to this project in the Capital Projects Fund be used to pay for the balance of the cost of seat restoration and the expense of painting the Auditorium floor and ceiling.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:20 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JUNE 25, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Attorney, City Manager, Economic Development Director, Electric Department Superintendent, Assistant to the City Manager, Deputy City Clerk

Moved by Comm. Fisher and seconded by Comm. Walters to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Stephens to approve the Consent Agenda of June 25, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the June 11, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,566,338.59 as presented.
2. RATIFY the Hospital bills in the amount of \$1,425,177.93 as presented.

C. Stock Electric Pole Purchase

APPROVE the bid of Wesco of Aurora, Ohio for the purchase of wood utility poles in the amount of twenty-two thousand, three hundred and twenty-six dollars (\$22,326.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened nominations for appointment to the Auditorium Board.

Comm. Taulbee nominated Tammy Ehlert.

Comm. Fisher nominated Betty Wragg.

Voting for Ehlert: Taulbee, Gay, Walters

Voting for Wragg: Stephens, Malone, Carmichael, Fisher, Littman, Mayer

Betty Wragg was appointed to the Auditorium Board, term to expire in May, 2011.

Mayor Mayer opened nominations for appointments to the Doyle and Recreation Advisory Board.

Comm. Stephens nominated Darcy Wynes.

Vice-Mayor Littman nominated Lee Austermann.

Voting for Wynes: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Mayer

Voting for Austermann: Littman

Darcy Wynes was appointed to the Doyle and Recreation Advisory Board, term to expire in May, 2011.

Mayor Mayer opened nominations for appointments to the E.D.C. and Brownfield Redevelopment Authority Board.

John Wiedlea spoke on behalf of the E.D.C. Board supporting the recommendation of Don Eaton.

Comm. Malone nominated Don Eaton.

No other nominations were made.

Don Eaton was appointed to the E.D.C. and Brownfield Redevelopment Authority Board, term to expire in May, 2014.

Mayor Mayer opened nominations for appointments to the Planning Board.

Comm. Fisher nominated Mike Wilson.

No other nominations were made.

Mike Wilson was appointed to the Planning Board, term to expire in May, 2011.

Mayor Caralee Mayer thanked all of the applicants who were willing to dedicate their time in serving their community, and stated that she was very grateful that so many people have an interest in being involved.

City Manager Michael Hughes explained the proposed ordinance amendment for collection of recycling surcharge.

Moved by Comm. Taulbee and seconded by Comm. Stephens that the Sturgis City Commission consider this the introduction and first reading of an amendment to the City Code of Ordinances, Part II, Chapter 2, Section 2-302 pertaining to the Collection of charges for City services.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes discussed the Engineering Services Contract for Airport Taxiway Extension.

Moved by Comm. Stephens and seconded by Comm. Malone that the Sturgis City Commission approve amendment No. 01 to the Agreement between the City and R.W. Armstrong and Associates, Inc. for construction engineering services for the Airport taxiway extension for a fixed fee of fifty-five thousand, seventy-five dollars (\$55,075.00) and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information to the commission regarding the recent request by the Resident Council for Maple Towers Apartments to the City to consider including disabled residents in the City's St. Joseph County Transportation Authority Bus Ticket program. He explained the current program costs and which requirements the SJCTA has in place for disabled residents.

Comm. Carmichael stated that he felt the City should do whatever they could to assist the disabled residents to give them more opportunities to be involved in the community.

Discussion followed regarding anticipated costs and participation from our disabled residents.

Jamie Blasius, Director of Maple Towers, answered questions and provided insight regarding the Maple Towers residents.

Moved by Comm. Fisher and seconded by Comm. Walters that the City proceed with a six-month evaluation period using the same program currently in effect for the senior citizens for the disabled residents who reside within the city limits and that the commission revisit the issue at the end of the six-months.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Cathi Abbs, Director of the Chamber of Commerce, reminded the commissioners that the “Ribs on the Runway” event will be held on Thursday, July 3rd at the Kirsch Municipal Airport from 5:00 – 12:00 midnight. Admission is free and there will be fireworks, music and food vendors.

The “Meet the Candidates Forum” will be held at Glen Oaks Community College at the Nora Hagen Theater from 6:30 p.m. – 8:00 p.m. for the Prosecutor, Drain Commissioner & Register of Deeds on July 15th, the Sheriff on July 22nd, and the State Representative on July 29th.

The Chamber Breakfast will be held on July 31st from 7:30 a.m. – 9:00 a.m. at the Sturges-Young Auditorium.

Glen Oaks Community College recently received grants which will allow free training seminars for small businesses that have fifty-five (55) employees or less.

The City Commission will hold Budget Work Sessions on June 30th through July 2nd at 5:30 p.m. in the Wiesloch Raum of City Hall.

The Mayor and commission expressed their gratitude and appreciation for all of the service personnel and their families for the sacrifices that they make for our community and our country. Several members attended the farewell ceremony of the National Guard 1463rd at the Grand Valley Armory in Wyoming on June 23rd. They were deeply moved by the experience.

Mr. Curtis Barrons expressed his gratitude and thanked the Commission for their support. His son, Charles Barrons, was one of the men deployed on the 23rd. Curtis wanted everybody to know that the service personnel and their families truly appreciated everything done for them, and for the support of the community. They were especially happy with the pillows made for them by local school children.

The meeting was adjourned at 8:21 p.m.

Mary M. Stoddard – Deputy City Clerk

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JULY 9, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Attorney, City Manager, City Engineer, Assistant to the City Manager, City Clerk

St. Joseph County Sheriff Matthew Lori presented his qualifications as a candidate for the office of State Representative of the 59th District.

Moved by Comm. Fisher and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Stephens to approve the Consent Agenda of July 9, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the June 25, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$737,087.41 as presented.
2. RATIFY the Hospital bills in the amount of \$781,842.91 as presented.

C. Pad Mount Transformer Bid

APPROVE the bid of Power Line Supply for one (1) pad mount transformer in the amount of eighteen thousand, three hundred and seventy-eight dollars and eleven cents (\$18,378.11).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that the proposed amendment provides the City with legal recourse in the collection of the surcharge for recycling and provides for an effective date of this Ordinance.

Moved by Comm. Taulbee and seconded by Comm. Stephens to consider this the second reading and adoption of an amendment to the City Code of Ordinances, Chapter 2, Section 2-302 pertaining to the Collection of charges for City services.

AMENDMENT TO PART II – CHAPTER 2 – ADMINISTRATION
OF THE ORDINANCES OF THE CITY OF STURGIS

An ordinance to amend Part II – Chapter 2 – Administration of the Ordinances of the City of Sturgis pertaining to the collection of charges for recycling of waste materials within the City and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has entered into an Interlocal Agreement with the County of St. Joseph for the imposition and collection of a surcharge for recycling waste materials within the City and has determined that it is in the best interest of the residents of the City to assess a surcharge for the cost of recycling to all residential households within the City and to provide for an effective date of this Ordinance;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 2 – Administration, Section 2-302 is hereby amended to read as follows, effective as of August 1, 2008:

Sec. 2-302. Collection of charges for city services.

(a) *Authority.* The city has the authority to provide benefit to premises within the city for which reimbursement is authorized. The city lacks an effective way to collect those charges. This section is intended to facilitate the collection of those charges by the city.

(b) *Definitions.* Unless the context specifically indicates otherwise, the meaning of the following terms used in this section shall be as follows:

Public Improvement means an improvement to premises within the city as defined in section 3(b) of Public Act No. 94 of 1933 (MCL 141.103(b)).

Recycling Surcharge means a surcharge for recycling services provided pursuant to any Interlocal Agreement with St. Joseph County, Michigan, authorized pursuant to 1989 PA 138, as amended, being MCL 124.508(a).

Service means the supplying by the city, directly or indirectly, of a benefit to a premise located within the city pursuant to chapter 14, article III of this Code, chapter 34, 46, 62, or 66 of this Code or the Zoning Ordinance or recycling services provided pursuant to any Interlocal Agreement with St. Joseph County, Michigan, authorized pursuant to 1989 PA 138, as amended, being MCL 124.508(a).

(c) *Charges as lien.* In addition to any other provision of the ordinances of the city, all charges for service shall constitute a lien upon the respective properties served. If any charge, other than a recycling surcharge, remains delinquent for six months or more, it may be certified to the city assessor by resolution of the city commission and assessed against the property on the next city tax roll, in which event such charge shall be collected and returned in the same manner as other city taxes are collected and returned.

(d) *Exceptions.* Notwithstanding the provisions of subsection (c) of this section, in a case where a tenant is responsible for the payment of the charge for a service relating to a public improvement, and the city is so notified in writing, such notice to include a true copy of the lease of the affected premises, if there be one, then the charge for such service shall not become a lien against such premises after the date of the notice and during the period stated in the notice with respect to the obligation of such tenant.

(e) *Recycling surcharge.* A recycling surcharge assessed against a residential parcel of property shall be placed on the winter and/or summer ad valorem tax bill for that parcel and shall be collected and returned in the same manner as other city taxes are collected and returned.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that in December of 2007, the City Commission adopted an Ordinance creating a payment in-lieu of tax (PILOT) for the Village Manor property. Recently the Sponsor for Village Manor, FHC Three Limited Dividend Housing Association Limited Partnership, contacted the City and requested a change in the commencement date for the rehabilitation work at Village Manor as outlined in the Ordinance.

Moved by Comm. Carmichael and seconded by Comm. Walters to consider this the introduction and first reading of an amendment to the City Code of Ordinances, Chapter 2, Article IV, Section 2-304 pertaining to the PILOT for Village Manor.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Tom Seymour explained that the City has an ongoing Wellhead Protection Program and as part of the program, upcoming steps include the development of management strategies, site plan review criteria and an environmental permit checklist, water supply emergency contingency plan, and WHPP written plan.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the Agreement between the City and the Michigan Department of Environmental Quality to provide grant funds for the Wellhead Protection Program in the amount of eight thousand, four hundred and ninety-five dollars (\$8,495.00) and authorize the City Manager to sign the Agreement on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to go into closed session for the purpose of discussing pending litigation.

Voting yea: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Littman, Mayer

Voting nay: None

MOTION CARRIED

The meeting recessed at 7:54 p.m.

The meeting reconvened at 8:04 p.m.

Comm. Littman inquired as to the status of the proposed M-66 bypass and potential development surrounding the area. City Manager Michael Hughes explained that City staff is working with MDOT to determine how much land will be needed and possible designs for the bypass.

The meeting was adjourned at 8:30 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JULY 23, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: Carmichael

Also present: City Attorney, City Manager, City Engineer, Assistant to the City Manager, City Controller, Wastewater Superintendent, Auditorium Director, Deputy Fire Chief, Deputy Police Chief, City Clerk

Doug VanMeter, Chair of the Airport Advisory Committee, provided an update on the recent activities at the airport including the replacement of the terminal building roof which was donated by Jim Ware Construction, construction of the taxiway, and hangar door replacement.

Bruce Bart, Elk Distributing, currently located in Elkhart and Illinois, explained that his company has been interested in acquiring the former Ram property for his business of tire recycling. He provided information about the needs of his business and the activities that have taken place to date. City Manager Michael Hughes provided information on the activities that have taken place towards development of the proposed M66 bypass. City staff will continue to work with Elk Distributing and MDOT to provide a recommendation to the City Commission on the issue.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Stephens to approve the Consent Agenda of July 23, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the July 9, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$2,687,197.03 as presented.
2. RATIFY the Hospital bills in the amount of \$2,124,977.11 as presented.

C. Extension of Village Manor PILOT

CONSIDER this the second reading and ADOPTION of an amendment to the City Code of Ordinances, Chapter 2, Article IV, Section 2-304 pertaining to the PILOT for Village Manor.

**AMENDMENT TO PART II-CHAPTER 2 OF THE ORDINANCES
OF THE CITY OF STURGIS**

An Ordinance to amend Part II – Chapter 2, Article IV, Section 2-304 the Ordinances of the City of Sturgis pertaining in order to provide for a service charge in lieu of taxes for Village Manor

Townhouses, a multiple family dwelling project for persons and/or families of low income to moderate income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966, as amended.

WHEREAS, the City has determined that it is in the best interest of the residents of the City to amend the Ordinances to encourage low to moderate income housing within the City by providing tax exemption and a service charge in lieu of taxes for Village Manor Townhouses as provided herein.

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 2, Article IV, Section 2-304 is amended to provide as follows effective as of August 15, 2008:

Sec. 2-304. Tax Exemption for Village Manor Townhouses and Fee in lieu of Taxes.

(a) Purpose. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income to moderate income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCL Section 125.1401 et. seq.). The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons and/or families of low income to moderate income is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The City acknowledges that FHC Three Limited Dividend Housing Association Limited Partnership (the "Sponsor") has offered subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority, to rehabilitate, own and operate a housing development identified as Village Manor Townhouses located in the City of Sturgis, more particularly described in Exhibit "A" attached hereto, to serve persons and/or families of low and moderate income, and that the Sponsor has offered to pay the City on account of this housing development an annual service charge for public services in lieu of all taxes.

(b) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.

Authority means the Michigan State Housing Development Authority.

Annual Shelter Rent means the total possible scheduled rent during an agreed annual period from all units of the housing development representing rent or occupancy charges, exclusive of Utilities furnished to the occupants.

City means the City of Sturgis, a Michigan municipal corporation.

Housing Development means a development which contains a significant element of housing for persons and/or families of low to moderate income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the development as it relates to housing for persons of low income.

Rehabilitation means that the Sponsor shall spend a minimum of \$3,000,000 for rehabilitating and improving the Housing Development.

Mortgage Loan means a loan to be made by the Authority to the Sponsor for the construction and/or permanent financing of the Housing Development.

Persons and/or Families of Low to Moderate Income means those persons and families, including the elderly, who are determined to be eligible to move into Village Manor Townhomes.

Sponsor means FHC Three Limited Dividend Housing Association Limited Partnership, which has applied to the Authority for a Mortgage Loan to finance a Housing Development.

Utilities mean water and sanitary sewer services which are paid by the Housing Development.

(c) Class of Housing Developments Exempt from Taxation. It is determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing for Persons and/or Families of Low to Moderate Income, which are financed or assisted pursuant to the Act and which are limited as to the number of units allowable by zoning. It is further determined that Village Manor Townhouses is of this class. (Passage of this Ordinance shall not be deemed precedent for other similar PILOT ordinances.)

(d) Establishment of Annual Service Charge. The Housing Development identified as Village Manor Townhouses and the property on which it is constructed shall be exempt from all property taxes from and after the commencement of Rehabilitation. The City, acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for exemption from all property taxes and a payment in lieu of taxes as established in this Ordinance, and in consideration of the Sponsor's offer, subject to receipt of a Mortgage Loan from the Authority, to rehabilitate, own and operate the Housing Development, agrees to accept payment of an annual service charge for public services in lieu of all property taxes subject to the requirements of Subsections (g) and (h) hereof. The annual service charge shall be equal to Ten percent (10 %) of the Annual Shelter Rent for the first year, and each year thereafter.

(e) Limitation on the Payment of Annual Service Charge. Notwithstanding Subsection (d) hereof, the service charge to be paid each year in lieu of taxes for the part of the Housing Development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt. The term low to moderate income persons or families as used herein means, with respect to any Housing Development that is tax-exempt, any person or family eligible to move into such development.

(f) Contractual Effect of Ordinance. Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

(g) Verification of Annual Shelter Rent. The Sponsor shall verify Annual Shelter Rent revenues to the City with a Statement of Profit and Loss of the Housing Development as reported to the Authority by an independent certified public accountant or such other form of financial documentation deemed suitable by the City. The Statement of Profit and Loss, or such other form of financial documentation acceptable to the City, together with a statement describing the methodology by which the Sponsor calculated the service charge, shall be submitted to the City Treasurer by April 30 each year.

(h) Duration. This Ordinance shall remain in effect as long as the Mortgage Loan remains outstanding and unpaid and as long as the Housing Development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended; provided, however, that Rehabilitation of the Housing Development commences within fourteen (14) days from date of the Authority's Mortgage Loan closing and is completed within one (1) year from the date of said Mortgage Loan closing.

(i) Payment of Service Charge. The service charge in lieu of taxes as determined under the Ordinance shall be payable in the same manner as general property taxes are payable to the except that the annual payment shall be paid on or before June 1 of each year.

(j) Termination. The tax exemption extended hereunder may be terminated and the property restored to the tax rolls by resolution duly adopted by the City in any of the following events upon notice of default in writing to the Sponsor and the Authority by certified mail return receipt requested or by nationally recognized overnight carrier with receipt acknowledged in writing to the address on file with the Department of Labor and Economic Growth (or any successor department) and a failure by the Sponsor

to cure the default within 30 days following delivery of written notice to the Sponsor thereof by the City: (a) failure of the Sponsor or the Development to remain in compliance with the terms of this Ordinance or the Act; (b) failure of the Sponsor to complete Rehabilitation as provided in Subsection (h) hereof; or (c) failure of the Sponsor to provide such reports and documentation as may be required by Subsection (g) hereof. Determinations of the event and continuing existence of default and the sufficiency of actions taken to cure default shall be in the sole judgment of the City.

(k) Severability. The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the Ordinance as a whole or any section or provision of this Ordinance other than the section or provision so declared to be unconstitutional or invalid.

(l) Effective Date. This Ordinance shall become effective twenty (20) days after its passage or as otherwise provided in the Charter. All ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

Provided, however, in the event the Sponsor does not commence Rehabilitation on or before **December 31, 2009**, this ordinance shall be automatically repealed and the payment in lieu of taxes authorization pertaining to the Project in effect immediately prior to enactment of this ordinance shall be automatically reinstated without further action of the City.

D. Set IFEC Public Hearing for Parma Tube

SET a Public Hearing on August 6, 2008 at 7:30 PM in the Wiesloch Raum of City Hall for consideration of an Industrial Facilities Exemption Certificate to Parma Tube Corporation.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Auditorium Director Brad Donmyer provided information on the bids that were received related to the painting of the Auditorium.

Moved by Comm.Stephens and seconded by Comm. Malone to approve the bid of Nottoli Painting Co. for the painting of the Auditorium floor and ceiling in the amount of thirteen thousand, five hundred dollars (\$13,500).

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Manager Michael Hughes explained that City Staff asked Fleis and VandenBrink to assist with the building design and bid process for the City's new salt storage building.

Moved by Comm. Fisher and seconded by Comm. Gay to approve Task Order # 18 from Fleis & VandenBrink Engineering Inc. for an amount not to exceed nineteen thousand, nine hundred and ninety dollars (\$19,990) and authorize the City Manager to sign on behalf of the City.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Wastewater Supervisor Tom Sikorski provided information on the dredging of the Big Hill Landfill site which was last completed in 2001.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the Dredging & Dewatering Proposal from Infrastructure Alternatives, Inc. in the amount of thirty-nine thousand, six hundred and sixty dollars (\$39,660) and authorize the City Manager to sign on behalf of the City.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Deputy Fire Chief Scott Hopkins explained that the fire departments in St. Joseph County have worked under a mutual aid agreement for many years with the last revision of the current agreement being approved in 2001.

Moved by Comm. Taulbee and seconded by Comm. Stephens to approve the St. Joseph County Mutual Aid Agreement for Fire Departments as presented and authorize Deputy Fire Chief Scott Hopkins to sign the agreement on behalf of the City.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Manager Michael Hughes explained that the Commission will need to set a public hearing for the 2008-09 fiscal year budget at the next meeting. He provided an overview of the budget.

Moved by Comm. Stephens and seconded by Comm. Malone to set a Public Hearing on August 6, 2008 at 7:30 PM in the Wiesloch Raum of City Hall for consideration of the 2008-2009 budget.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Stephens to make the effective date of the Village Manor PILOT Ordinance amendment as August 15, 2008.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

The meeting was adjourned at 8:44 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, AUGUST 6, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, City Controller, Wastewater Superintendent, City Controller, EDC Director, Electric Department Superintendent, City Clerk

John Mikulenas, Chair of the Doyle and Recreation Advisory, provided information to the Commission on the increase in revenues, maintenance of the facility, and upcoming activities.

Officer Moore introduced Dasti, the new K-9 Officer, to the City Commission.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of August 6, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the July 23, 2008 regular meeting as presented.

B. Accounts Payable Authorization

AUTHORIZE the Finance Committee to authorize the payment of the City bills and ratification of the Hospital bills, which will be prepared for August 13, 2008, at their next meeting.

C. Housing Commission Bylaws

APPROVE the updated Housing Commission Bylaws as presented.

D. Installation of Piezometers

APPROVE the installation of six (6) piezometers by Earth Exploration, Inc. for a total cost not to exceed fifteen thousand dollars (\$15,000) and AUTHORIZE the City Manager to sign on behalf of the City.

E. Removal of Vehicles from Fleet

APPROVE the removal of the 1995 Ford Ranger Pickup (#801) and the 1983 John Deere Tractor (#347) from the City's fleet and AUTHORIZE the sale of these assets via public auction.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing for consideration of an IFEC to Parma Tube, Inc.

EDC Director John Hayes explained that Parma Tube Corporation has filed an IFEC application for investments acquired or to be acquired between the start of January and end of December, 2008 which include factory equipment, computer equipment, and a significant building expansion; in total these acquisitions are valued at over \$1,000,000.

There was no comment from the public.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Carmichael and seconded by Comm. Malone to adopt the resolution as presented awarding an Industrial Facilities Exemption Certificate, not-to-exceed \$1,080,000.00 to Parma Tube Corporation, for a period of 12 years, beginning on January 1, 2009 and an ending date of December 31, 2020.

WHEREAS, Parma Tube Corporation in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Parma Tube Corporation, and

WHEREAS, on October 6, 1980 the City Commission established the Industrial Development District for the industrial property of Parma Tube Corporation; and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application; and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute; and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption Certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, shall not have the effect of substantially impeding the operation of the City of Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis; and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years with an ending date of December 31, 2020.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Parma Tube Corporation for an "Industrial Facilities Exemption Certificate".

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes went over the City Commission Priorities which the Commission developed during their planning sessions.

Moved by Comm. Fisher and seconded by Comm. Walters to approve the 2008-09 City Commission Priorities as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing for the 2008-2009 Fiscal Year Budget.

City Manager Michael Hughes presented the highlights of the 2008-09 budget.

There was no comment from the public.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Littman and seconded by Comm. Stephens to adopt the 2008-09 annual City of Sturgis Budget Summary and Appropriation Resolution as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that a letter addressed to the City Commission from the Domestic Assault Shelter Coalition was received requesting funding to assist with the services that they provide. The Domestic Assault Shelter Coalition provides emergency services, outreach and advocacy for victims of domestic violence and sexual assault and their children. This request is for calendar year 2008. In 2005 the City Commission chose to cut its funding to other social service agencies previously supported by the City.

Moved by Comm. Fisher and seconded by Comm. Littman to deny the agreement to provide services from the Domestic Assault Shelter Coalition as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Wastewater Superintendent Jeanette Fenner explained that the MDEQ determined that Abbott's portion would be ineligible for funding under the SRF guidelines and the Conveyance Agreement needs to be amended to reflect this change in circumstance.

Moved by Comm. Malone and seconded by Comm. Stephens to approve the addendum to the City of Sturgis-Abbott Laboratories Conveyance Agreement as presented and authorized the City Manager to make modifications where necessary and sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Wastewater Superintendent Jeanette Fenner explained that bids have been received for the 2008 SRF project. She introduced David Harvey, Fleis & VandenBrink, who provided information on the details of the project.

There was Consensus from the City Commission to have Fleis & Vandenbrink discuss the concrete bid with local contractor Lung Concrete.

Moved by Comm. Littman and seconded by Comm. Walters to approve the Resolution to Award Construction Contracts as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that at the May 28th meeting, the City Commission was presented with information on the construction management approach and approved use of such an approach, allowing FVCM to move forward with the bid process. The City utilized a Construction Management Agreement for the 2007 SRF and we found the project was better managed and more easily controlled with this approach.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the Construction Management Agreement with Fleis & VandenBrink Construction Management, Inc. and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser explained that as part of the 2008 SRF program, low interest funding has been approved through the State of Michigan Municipal Bond Authority at 2.5%. The City's bond council, Lee Logan, Dykema, recommended that the amount approved in the resolution be \$6,000,000.00.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the Resolution authorizing the issuance and sale of Revenue Bonds for wastewater system improvements as presented, and authorize the appropriate City Officials to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that some Commission members toured the Elk Distributing facility in Elkhart, who has been interested in relocating to Sturgis at the former Ram building owned by the City. He explained that City staff has been in contact with MDOT regarding the needs of the proposed M66 bypass and MDEQ regarding the requirement of tire shredding facility. City staff is awaiting direction from these State offices as well as gathering information regarding local ordinances and procedures to provide Elk Distributing with accurate information. Plant Manager Bruce Bart provided details of the proposed activities and answered questions from the City Commission. City staff will provide further information to the Commission and Elk Distributing as it is assembled.

City Manager Michael Hughes provided information on the Grant Writer program that the City joined with St. Joseph County and the City of Three Rivers last year. Marcia Saunders provided some information on the upcoming grants that she plans to pursue.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the Shared Grant Writer/EDC Support Position Memorandum of Understanding as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that a growing code enforcement issue within the City is the outdoor storage and use of indoor furniture and other appliances, particularly couches. These items, often old and in disrepair, have an impact on community aesthetics as well as health and safety. Currently the City has no ordinance specifically addressing these items.

The City Commission had consensus to direct City staff to develop an ordinance related to outdoor furniture.

The City Commission had consensus to allow the St. Joseph United Way to distribute donuts in downtown Sturgis on Thursday, August 21, 2008 from 7:30 to 9:00 a.m.

Moved by Comm. Malone and seconded by Comm. Littman to go into closed session for the purpose of discussing the City Manager Review.

Voting yea: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Littman, Mayer

Voting nay: None

MOTION CARRIED

The meeting recessed at 9:42 p.m.

The meeting reconvened at 9:55 p.m.

The Commission commended the City Manager on an excellent annual review.

Moved by Comm. Malone and seconded by Comm. Stephens to increase the City Manager annual salary by 2.5%.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 10:00 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, AUGUST 27, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: Carmichael

Also present: City Attorney, City Manager, Assistant to the City Manager, EDC Director, Electric Department Superintendent, DPS Supervisor, City Engineer, City Clerk

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda with the addition of the setting of several public hearings.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of August 27, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the August 6, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,633,618.43 as presented.
2. RATIFY the Hospital bills in the amount of \$1,586,351.89 as presented.

C. Purchase of Pad Mount Transformers

APPROVE the bid of RESCO for five (5) pad mount transformers in the amount of forty-eight thousand, eight hundred ninety-five dollars (\$48,895).

D. Experience Sturgis Street Closures

APPROVE the street closure of North Street from Chicago Road to West Street and Pleasant Street from Chicago Road to Williams Street.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Manager Michael Hughes explained that the Toy Run is requesting to temporarily close U.S. 12 for their route through Sturgis, which normally lasts less than an hour.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the temporary closing of U.S. 12 during the Sturgis Toy Run on Saturday, September 6, 2008.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Manager Michael Hughes explained that Pastor Glen Middleton of the Christian Fellowship Center on 201 North Street is requesting an easement in order to plant landscaping in front of their building.

Moved by Comm. Taulbee and seconded by Comm. Gay to approve establishment of an easement for 201 North Street and authorize the City Manager to approve the agreement and sign on behalf of the City.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Manager Michael Hughes explained that the Sturgis Housing Development Corporation was created in order to allow the City to buy and sell property related to housing improvement programs. The City Commission must elect ten (10) members as Sturgis Housing Development Shareholders on an annual basis. The Sturgis Housing Development Corporation (SHDC) must also conduct its annual meeting to elect a president, secretary, and treasurer. In keeping with past practice, the proposed president/secretary is Michael Hughes and the proposed treasurer is City Controller Holly Keyser.

Moved by Comm. Malone and seconded by Comm. Stephens to adopt the Consent Resolution of Shareholders as presented.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Malone and seconded by Comm. Walters to recess their regular meeting of August 27, 2008.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Dir. Malone and seconded by Dir. Stephens that Sturgis Housing Development Corporation convene.

Voting yea: Nine Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Dir. Stephens and seconded by Dir. Malone to adopt the Consent Resolution of Board of Directors as presented.

Voting yea: Nine Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Dir. Malone and seconded by Dir. Stephens that the Sturgis Housing Development Corporation adjourn.

Voting yea: Nine Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Malone and seconded by Comm. Stephens to reconvene their regular meeting of August 27, 2008

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Electric Department Superintendent John Griffith explained that the crest of the concrete portion of the Sturgis dam has a significant amount of spalling which results in water leaking under the gates. This work is being coordinated with the St. Joseph County Road Commission to assist in the rehabilitation of the Langley Covered Bridge.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the proposal of Northern Indiana Construction Company for the Spillway Repair in the amount of one hundred and seventy-one thousand dollars (\$171,000).

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Electric Department Superintendent John Griffith explained that new fiber jumpers and jumper management (including data hub and fiber cable rack) are needed in City Hall and some electric distribution substations.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the quotations from Midwest Communication Services, 48242-1, -2, -3, & -4, in the amount of twenty thousand, six hundred and forty-five dollars (\$20,645) as presented.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Electric Department Superintendent John Griffith explained that Sturgis Hospital has requested the City of Sturgis Electric Department provide a fiber optic connection between the new Sturgis Hospital Medical Commons building on Franks Avenue and Sturgis Hospital.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the Digital Services Agreement between the City of Sturgis and Sturgis Hospital as presented.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Malone to approve the quote of Midwest Communication Services, Inc. for the installation of fiber optic cable between the Hospital and the Sturgis Medical Commons in an amount not-to-exceed fourteen thousand six hundred ninety four dollars (\$14,694).

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

DPS Supervisor Rick Miller explained that in April of 2005 the City entered into a three (3) year contract with Hydro Designs Inc. to assist in the design and implementation of a DEQ-compliant Cross Connection Control Program and provided information on the program.

Moved by Comm. Walters and seconded by Comm. Stephens to approve the three year contract with Hydro Designs, Inc. to provide Cross Connection Control Program services in the amount of twenty-five thousand, twenty dollars (\$25,020).

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Engineer Tom Seymour explained that the City is required to annually adopt a Five-Year Development Plan for requested projects, placed in order of priority and submitted to the Michigan Department of Transportation's Bureau of Aeronautics and Freight Services.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the Kirsch Municipal Airport Five-Year Development Plan (FY 2009-2013) as presented and authorize City staff to submit it to the Michigan Department of Transportation.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Manager Michael Hughes explained that at the annual Michigan Municipal League (MML) Conference, each municipality must select one member as the official voting representative and one member as the alternate.

Moved by Comm. Stephens and seconded by Comm. Malone to appoint Michael Hughes as the official voting representative and Holly Keyser as the alternate voting representative for the City of Sturgis at the 2008 Michigan Municipal League Conference.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

EDC Director John Hayes explained that as part of the redevelopment of the former Kirsch plant properties, the City will need to hold several public hearings for consideration of various tax abatements.

Moved by Comm. Fisher and seconded by Comm. Malone to set a Public Hearing in the Wiesloch Raum of City Hall on Wednesday, September 24, 2008 at 7:30 p.m. for consideration of establishment of a Neighborhood Enterprise Zone for Bosgraaf Commercial, LLC.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Malone to set a Public Hearing in the Wiesloch Raum of City Hall on Wednesday, September 24, 2008 at 7:30 p.m. for consideration of a Brownfield Plan at 308 N. Prospect for Bosgraaf Commercial, LLC.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Malone to set a Public Hearing in the Wiesloch Raum of City Hall on Wednesday, September 24, 2008 at 7:30 p.m. for consideration of a Brownfield Plan at 210 Broadus for Bosgraaf Commercial, LLC.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Malone to set a Public Hearing in the Wiesloch Raum of City Hall on Wednesday, September 24, 2008 at 7:30 p.m. for consideration of establishment of Plant Rehabilitation District at 210 Broadus.

Voting yea: Eight Voting nay: None Absent: Carmichael MOTION CARRIED

City Manager Michael Hughes provided an update on the demolition of the quonset hut, the site plan of Elk Distributing, the SRF project, and the upcoming street bids.

Assistant City Manager Andrew Kuk provided information on the recycling facility managed by Borden Waste Away.

Moved by Comm. Malone and seconded by Comm. Walters to go into closed session for the purpose of discussing union negotiations.

Voting yea: Stephens, Taulbee, Fisher, Malone, Walters, Gay, Littman, Mayer

Voting nay: None Absent: Carmichael MOTION CARRIED

The meeting recessed at 8:26 p.m.

The meeting reconvened at 8:56 p.m.

Moved by Comm. Malone and seconded by Comm. Walters to approve the contract with the electric union as presented.

The meeting was adjourned at 8:58 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, SEPTEMBER 10, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, EDC Director, Electric Department Superintendent, DPS Supervisor, City Controller, Deputy Police Chief, Deputy Fire Chief, City Clerk

Mike Stiles, Chair of the Auditorium Board, provided information on the activities at the facility including increased catering, work with the Council of the Arts, the Travelogue series, and the seat campaign.

Mayor Mayer presented the following proclamation:

Whereas, the Benevolent and Protective Order of Elks, through its Constitution, is a Patriotic Order; and Whereas, the Order promotes the ideals that the citizens of this nation live in freedom, won through the great sacrifices and many tribulations which have provided the foundation for a free, prosperous and independent life; and

Whereas, we realize that each generation must work to maintain this freedom, otherwise, through carelessness or indifference, the rights and liberties enjoyed may vanish; and

Whereas, it is fitting and proper to recognize this freedom and to honor the nation which provides it. Therefore, on this 10th Day of September 2008, the City of Sturgis proclaims September 8th – 14th, 2008 as National Patriotism Week and during this event urges all citizens to join with the Benevolent and Protective Order of Elks in expressing gratitude for the privilege of American citizenship with appropriate celebrations and observances.

Moved by Comm. Fisher and seconded by Comm. Gay to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of September 10, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the August 27, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,160,596.81 as presented.

2. RATIFY the Hospital bills in the amount of \$1,448,441.11 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that at the August 6th Commission meeting there was a consensus from the City Commission to have Fleis & Vandenbrink discuss with local contractor Lung's Concrete Finishing their bid for concrete for the SRF 2008 project. The Commission had discussion regarding a local preference policy.

Moved by Comm. Fisher and seconded by Comm. Carmichael to approve a tentative award by F&V Construction Management, Inc. of contract 7(Site Concrete) of SRF 2008 to Lutz Concrete, Three Rivers, in the amount of \$13,825.00

Voting yea: Seven

Voting nay: Gay, Malone

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that the City Commission policy governing City Boards and Commissions has an attendance policy section which states that the City Clerk will review attendance records of all Board and Commission members in order to ensure the involvement of all members. As per the policy, three absences may constitute sufficient reason for removal. Members of the Sturgis Housing Commission contacted the City Clerk regarding the attendance of Rebecca Strang. Discussion followed.

Moved by Comm. Fisher and seconded by Comm. Littman to remove Rebecca Strang from the Sturgis Housing Commission and advertise the vacancy.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser explained that the Motor Vehicle Committee has been reviewing options to reduce costs and to work towards a more environmentally friendly fleet. One option is to purchase an electric car to use for in-town driving. The estimated annual cost for fuel and maintenance is \$275 which is a savings of approximately \$1,500 compared to a Ford Focus, the vehicle currently used for these duties. Discussion followed.

Moved by Comm. Carmichael and seconded by Comm. Stephens to approve the bid from Tyler Automotive for a GEM E2 Electric Car in the amount of ten thousand, five hundred and sixty dollars (\$10,560) and APPROVE the sale of the Ford Focus (#801-05) via public auction.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Deputy Fire Chief Scott Hopkins explained that currently the City of Sturgis falls under the purview of two different fire codes; the City, as per our code of ordinances has adopted the 1996 BOCA National Fire Prevention Code, while the Michigan Building Code, under which our Building Department regulates construction, references the International Fire Code. The adoption of this amendment codifying the International Fire Code will provide greater continuity between all City departments for purposes of regulatory and prevention activities. Discussion followed

Moved by Comm. Walters and seconded by Comm. Carmichael to consider this the introduction and first reading of an amendment to the City Code of Ordinances, Part II, Chapter 26, Article II, Sections 26-31 to 26-36, pertaining to the adoption of the International Fire Code 2006 Edition.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that currently, the City assesses a \$25.00 NSF fee when paper checks are returned and a \$5.00 NSF fee when automatic deductions are returned. Given the increase in bank charges and the staff time needed to process paper and electronic NSF returns, City staff proposes to standardize all of the fees at \$25.00.

Moved by Comm. Stephens and seconded by Comm. Malone to set the City of Sturgis Non-Sufficient Funds fee at \$25.00 for all types of transactions.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided an update on the SRF project on Fawn River Road.

Moved by Comm. Littman and seconded by Comm. Malone to go into closed session for the purpose of discussing the potential purchase of property.

Voting yea: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Littman, Mayer

Voting nay: None

MOTION CARRIED

The meeting recessed at 8:25 p.m.

The meeting reconvened at 9:20 p.m.

Moved by Comm. Carmichael and seconded by Comm. Gay to instruct the City Manager to negotiate with Michigan Southern Railroad Company to acquire a quit claim deed for the property related to the Sears project.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 9:23 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, SEPTEMBER 24, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, EDC Director, Electric Department Superintendent, DPS Supervisor, City Controller, Deputy Police Chief, Deputy Fire Chief, Auditorium Director, City Clerk

Lauren Sprowl, Sturgis High School Student Body President, explained the Homecoming Parade will be held on Friday, October 3, 2008.

The City Commission gave consensus to approve the parade route as presented contingent upon City staff review.

Carol Higgins, Democratic candidate for the 59th District in the House of Representatives, provided information on her background and her plans if elected.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of September 24, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVE of the minutes from the September 10, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,788,462.48 as presented.

2. RATIFY the Hospital bills in the amount of \$1,340,377.54 as presented.

C. Purchase of Three Pole Mounted Transformers

APPROVE the bid of Reed City Power Line Supply for the three (3) 167 kva pole mounted transformers in the amount of twelve thousand, one hundred and ninety dollars and ninety-two cents (\$12,190.92).

D. Adoption of International Fire Code

CONSIDER this the second reading and ADOPTION of an amendment to the City Code of Ordinances, Part II, Chapter 26, Article II, Sections 26-31 to 26-36, pertaining to the adoption of the International Fire Code 2006 Edition.

AMENDMENT TO PART II – CHAPTER 26 – FIRE PREVENTION CODE
OF THE ORDINANCES OF THE CITY OF STURGIS

An ordinance to amend Part II – Chapter 26 – Fire Prevention Code of the Ordinances of the City of Sturgis pertaining to the adoption of the International Fire Code 2006 Edition and amendments thereto

and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to adopt the International Fire Code 2006 Edition and amendments thereto, make technical corrections to the Fire Prevention Code and to provide for an effective date of this Ordinance;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Chapter 26 – Fire Prevention Code is hereby amended to read as follows effective as of October 15, 2008:

Sec. 26-31. Adoption of Fire Prevention Code.

(a) There is adopted by the city for the purpose of prescribing regulations governing conditions hazardous to life and property, the code known as the International Fire Code 2006 Edition, and all amendments or supplements thereto, or such other fire code as may be adopted by the State of Michigan by incorporation by reference in the Michigan Building Code, of which code at least one copy has been and is now filed in the office of the clerk-treasurer of this city and the whole thereof, save and except those portions as are hereinafter deleted, modified, or amended by section 26-32, is hereby adopted and incorporated as if set out at length in this section.

(b) From the date on which the ordinance from which this article is derived shall take effect the provisions of such code shall be controlling within the limits of this city.

Sec. 26-32. Amendments to fire prevention code.

The prevention fire code adopted in section 26-31 is amended and changed as follows:

(1) The fire prevention code in no way supersedes the Michigan State Fire Marshal's Code or regulations.

(2) **Chapter 1, Section 101.1 Title.** These regulations as set forth herein shall be known as the Fire Prevention Code of the City of Sturgis, Michigan, and are herein referred to as such, or as "this code."

(3) **Chapter 1, Section 101.2.1. Appendices**

All appendices of the International Fire Code are hereby adopted subject to such amendments and changes as are expressly provided in this Ordinance.

(4) **Chapter 1, Section 102.4. Application of Building Code**

All references to the "International Building Code" shall be deemed to be made to the "Michigan Building Code" as amended or supplemented from time to time.

(5) **Chapter 1, Section 103. Department of Fire Prevention**

All references to the fire code official or chief shall be deemed to be to the "Deputy Fire Chief" or a duly authorized representative.

(6) **Chapter 1, Section 105.1. Application** Any permit required for construction, alteration or demolition of a structure within the city and referenced in this code shall be reviewed and issued through the city building department or appropriate government agency as otherwise provided by ordinances of the city or state law.

Sec. 26-33. Definitions.

For the purpose of this article the following definitions shall apply unless the context clearly indicates or requires a different meaning:

Corporation council or *legal authority* mean the attorney for the city.

Fire prevention code or *code* means the International Fire Code 2006 Edition, including all amendments or supplements thereto.

Municipality or *city* means the City of Sturgis, Michigan.

State law means the law of the State of Michigan.

Sec. 26-34 Appeals.

When the fire code official shall disapprove an application, or when it is claimed that the provisions of this article do not apply or that the true intent and meaning of this article have been misconstrued or wrongly interpreted, the applicant may appeal the decision of the fire code official to the construction board of appeals or a committee thereof, by submitting a written application to the fire code official within 30 days of the decision appealed. Rules and procedures for appeals shall follow those as the construction code.

E. Placement of Sign in Memorial Park for Experience Sturgis

APPROVE the request for placement of a banner sign by the Experience Sturgis Board at Memorial Park.

F. Board Resignation

ACCEPT Carol Pierce's resignation from the Sister City Committee and send a letter of recognition for her service.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that Optional Energy Partners (OEP) is a business seeking to lease land at the City's Waste Water Treatment Facility and proposes to utilize the byproducts of the treatment process in the production of alternative energy sources and other materials. Jay Newman, a principal with OEP, provided information on the project. Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the lease agreement with Optional Energy Partners at the Waste Water Treatment Plant as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

EDC Director John Hayes provided information on the proposed purchase and redevelopment of the former Kirsch plant properties at 308 N. Prospect and 210 Broadus by Bosgraff Commercial LLC.

Mayor Mayer opened the Public Hearing related to the consideration of a Brownfield Plan for Kirsch Lofts, LLC at 308 N. Prospect Street.

EDC Director John Hayes provided information on the proposed redevelopment of former Kirsch Plant #1 at 308 N. Prospect Street. He provided details on the proposed Brownfield Plan, Work Plan, and Reimbursement Agreement submitted by Kirsch Lofts, LLC. Scott Bosgraff provided information on the proposed development. Discussion followed.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Fisher and seconded by Comm. Taulbee to approve the Brownfield Reimbursement Agreement between the City of Sturgis Brownfield Redevelopment Authority and Kirsch Lofts LLC as presented, contingent upon successful acquisition of 308 N. Prospect by Kirsch Lofts LLC and authorize John Wiedla to sign on behalf of the City of Sturgis BRA.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Malone to approve the Brownfield Plan and Work Plan for the property at 308 N. Prospect Street as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing related to the consideration of creation of a Neighborhood Enterprise Zone at 308 N. Prospect.

EDC Director John Hayes provided information on the proposed redevelopment of former Kirsch Plant #1 at 308 N. Prospect Street. He provided details on the boundaries and the nature of the proposed Neighborhood Enterprise Zone. Scott Bosgraff provided his experience with the use of an NEZ. Discussion followed.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the tentative boundaries for the proposed establishment of a Neighborhood Enterprise Zone as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing related to the consideration of a Brownfield Plan for Kirsch Industrial Park, LLC at 210 Broadus Street.

EDC Director John Hayes provided information on the proposed redevelopment of former Kirsch Plant #2 at 210 Broadus Street. He provided details on the proposed Brownfield Plan, Work Plan, and Reimbursement Agreement submitted by Kirsch Industrial Park, LLC. Scott Bosgraff provided details on the proposed development. Discussion followed.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the Brownfield Reimbursement Agreement between the City of Sturgis Brownfield Redevelopment Authority and Kirsch Industrial Park LLC as presented, contingent upon successful acquisition of 210 Broadus by Kirsch Industrial Park LLC and authorize John Wiedla to sign on behalf of the City of Sturgis BRA.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Gay to approve the Brownfield Plan and Work Plan for the property at 210 Broadus Street as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing related to the consideration of a Plant Rehabilitation District at 210 Broadus Street.

EDC Director John Hayes provided information on the proposed redevelopment of former Kirsch Plant #2 at 210 Broadus Street. He provided details on the proposed Plant Rehabilitation District for the site. Discussion followed.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Taulbee and seconded by Comm. Malone to adopt the resolution to establish a Plant Redevelopment District for the building at 210 Broadus Street as presented.

IT IS **HEARBY** DETERMINED that property comprising not less than 50 percent of the state equalized valuation of the property within the proposed Plant Rehabilitation District is obsolete; and WHEREAS, there exists in the City of the Sturgis the need for certain programs to alleviate and prevent

conditions of unemployment and to assist and retain local industries and commercial enterprises and to encourage the location of industries and commercial enterprises in order to strengthen and revitalize the City's economy; and

WHEREAS, a program to alleviate the aforesaid conditions has been initiated by the Economic Development Corporation of the City of Sturgis; and

WHEREAS, the City of Sturgis seeks to establish a Plant Rehabilitation District for the property so described on the attached, under the provisions of Act 198, P.A. 1974 as amended; and

WHEREAS, construction, acquisitions, alterations, or installation of a proposed facility has not commenced at the time of filing the request to establish this district; and

WHEREAS, a Public Notice of the Hearing was published in the Sturgis Journal on Saturday, August 30, 2008; and

WHEREAS, the owner of the property and all applicable taxing authorities were notified by certified mail of the time and place of the Public Hearing; and

WHEREAS, a Public Hearing was held by the Sturgis City Commission on Wednesday, September 24, 2008, providing the opportunity for all citizens or taxpayers of the City of Sturgis to be heard; and

WHEREAS, the Sturgis City Commission hereby finds and determines that designation of the property, as described on the attached, as the Plant Rehabilitation District is reasonable and in compliance with Act No. 198, P.A. 1974, as amended.

NOW, THEREFORE, BE IT RESOLVED that the Sturgis City Commission does hereby establish the Plant Rehabilitation District for the property described on the attached legal descriptions and site drawings.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the street improvements done over the past several years. Mayor Mayer congratulated City staff on the efforts made towards the streets in the City.

DPS Supervisor Rick Miller provided details on the 2008 Street Improvement Program and the bids received. City Manager Michael Hughes provided information on the funding for this project.

Moved by Comm. Fisher and seconded by Comm. Walters to approve an amendment to the fiscal year 2008-2009 budget, Street Repair Fund, for additional expenditures totaling six hundred and five thousand dollars (\$605,000).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the bid of Aggregate Industries for the 2008 Street Improvement Program in the bid amount of six hundred, seventy-three thousand, eight hundred and eighty-four dollars (\$673,884.00) and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that in January 1990 it was determined that one of the underground storage tanks at the Diesel Plant had leaked number two diesel fuel. The City has been working with BLDI on this remediation project since early 2000 and it is anticipated that the monitoring at the Diesel Plant will continue for several years.

Moved by Comm. Stephens and seconded by Comm. Malone to approve an amendment to the fiscal year 2008-2009 budget, Electric Fund, for additional expenditures totaling fifteen thousand dollars (\$15,000).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Malone to approve a bid waiver for the use of services from BLDI in fiscal year 2008-2009 for the Diesel Plant Underground Storage Tank Free Product Remediation and Monitoring in the amount of fifteen thousand dollars (\$15,000).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that City staff has been pursuing grant funding for the purchase, demolition, and environmental remediation of the Arkwright's property at 101-109 N. Monroe Street and 200 E. Chicago Rd. through MSHDA. In order to move forward with the grant process, MSHDA has requested the passage of a resolution by the City identifying the estimated costs for the remaining testing and remediation of the site and of our willingness to assume these costs.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the resolution for future testing and remediation of the Arkwright's Property as presented.

WHEREAS, the City of the Sturgis is pursuing grant funding for the purchase and demolition of the Arkwright's Property located at 101-109 N. Monroe Street and 200 E. Chicago Rd.; and

WHEREAS, these efforts are contingent upon grant funding from the Michigan Housing Development Authority (MSHDA); and

WHEREAS, as part of the grant process the City has completed a Phase I and Phase II environmental analysis indicating uncertainty of contamination; and

WHEREAS, conditions at the site limited the analysis requiring further testing following demolition; and

WHEREAS, the estimated cost for the remaining Phase II study is \$5,500; and

WHEREAS, the estimated cost for the removal of the existing underground storage tank and associated activities is \$11,600; and

WHEREAS, the estimated cost for a Baseline Environmental Assessment, if necessary, is \$3,250.

NOW, THEREFORE, BE IT RESOLVED that the Sturgis City Commission does hereby agree, pending receipt of the grant funds and subsequent legal purchase of the property, to complete additional necessary environmental testing and remediation activities and assume all costs associated with these activities as presented above.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Auditorium Director Brad Donmyer provided information on the recent changes to the Auditorium by-laws.

Moved by Comm. Taulbee and seconded by Comm. Malone to approve the Sturges-Young Civic Center & Auditorium bylaws as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The Commission complemented the Auditorium for their receipt of the Keep Sturgis Beautiful Award for a well maintained facility. Additionally, it was explained that the seat renovation project is just about complete.

City Controller Holly Keyser provided information on the necessary budget amendment for the current fiscal year which ends on September 30, 2008.

Moved by Comm. Walters and seconded by Comm. Stephens to approve the amendments to the fiscal year 2007-2008 budget as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Fire breakfast

Vip dinner

The meeting was adjourned at 9:23 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, OCTOBER 8, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: Assistant to the City Attorney, City Manager, Assistant to the City Manager, EDC Director, City Controller, Deputy Police Chief, Deputy Fire Chief, City Clerk

Earl Arend, representing the Cemetery and Parks Board provided information to the Commission on memorial benches in the Cemetery, the Sturgis signs at the entry to the City, and efforts to revitalize Langrick Park.

City Manager Michael Hughes presented Commissioner Stephens with her Level 1 and Level 2 Elected Officials Academy plaques issued by the Michigan Municipal League. He explained the requirements that must be completed to achieve these awards.

Moved by Comm. Fisher and seconded by Comm. Stephens to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of October 8, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the September 24, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,120,255.64 as presented.
2. RATIFY the Hospital bills in the amount of \$1,547,051.00 as presented.

C. Set IFEC Public Hearing

SET a public hearing date of October 22, 2008 at 7:30 PM in the Wiesloch Raum of City Hall for consideration of an Industrial Facilities Exemption Certificate to Amish Country Cheeses Spread.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided an update on the Fawn River Crossing sewer expansion project which leads to the state line for service to LaGrange County, Indiana. He explained that City staff has recently met with representatives from Indiana to work through issues.

Assistant to the City Manager Andrew Kuk provided an update on the Safe Routes to Schools plan that the City is working with the Schools to develop.

Comm. Fisher commented on the Sturgis Journal article which explained the difficult situation with Pet Haven. She offered the Commission the opportunity to donate personal funds to Pet Haven.

Deputy Chief Scott Hopkins provided information on their recent pancake breakfast which was a success. He also provided information on the activities during Fire Prevention Week and details of the new program "Prevent Home Fires".

The City Commission will hold a work session on Wednesday, October 29, 2008 in the Wiesloch Raum of City at 5:30 p.m. to discuss infrastructure issues.

Mayor Mayer explained that she was able to attend the dinner to honor the volunteers who assist the Police Department and that it was a wonderful event.

The meeting was adjourned at 8:15 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, OCTOBER 22, 2008
WIESLOCH RAUM – CITY HALL

Mayor Mayer called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Carmichael, Stephens, Taulbee, Fisher, Malone, Walters, Gay, Vice-Mayor Littman, Mayor Mayer

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, EDC Director, Electric Department Superintendent, DDA Director, Doyle and Recreation Director, Deputy Police Chief, City Clerk

City Clerk/Treasurer Kenneth Rhodes provided an update on the activities of the Sister City Committee including the student exchange and the search for a possible partner in Mexico.

Moved by Comm. Fisher and seconded by Comm. Carmichael to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of October 22, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the October 8, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$942,924.03 as presented.
2. RATIFY the Hospital bills in the amount of \$1,666,669.25 as presented.

C. Charter PEG Channel Letter of Understanding

APPROVE the resolution regarding the Charter Letter of Understanding as presented.

D. Net Metering Service Rider Amendment

APPROVE the amended Net Metering Service Rider, Schedule NMS, as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing for consideration of an IFEC to Amish Country Cheese Spread.

EDC Director John Hayes explained that Amish Country Cheese Spread submitted an application for an Industrial Facility Exemption Certificate for consideration of a tax abatement of real and personal property. Amish Country Cheese Spread is located at 304 Jacob Street and is a new venture being brought to Sturgis from Marshall, Michigan. The new investments to be made from September 1, 2008 through December 31, 2009 include factory equipment and property upgrades valued at approximately \$250,000 and they expect to employ 10 or more workers with this start up. Randy Michael, principal with the company, provided information on the business. Discussion followed.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Stephens and seconded by Comm. Malone to adopt the resolution awarding an Industrial Facilities Exemption Certificate for an amount not-to-exceed \$50,000 to Amish Country Cheese Spread for a period of 12 years, beginning on January 1, 2009 and ending December 31, 2020 as presented.

WHEREAS, Amish Country Cheese Spread in conformity with Act 198 of the Public Acts of 1974, as amended (Act 198) has submitted an application providing all information and requirements necessary for granting of an Industrial Facilities Exemption Certificate by the City of Sturgis, County of St. Joseph, State of Michigan to Amish Country Cheese Spread, and

WHEREAS, on May 26, 1976 the City Commission established the Industrial Development District for the industrial property currently occupied by Amish Country Cheese Spread; and

WHEREAS, the Sturgis City Assessor, and representatives of all affected taxing units were notified by certified mail of the time and place of the hearing on the application; and

WHEREAS, a hearing was held by the Sturgis City Commission providing the Assessor, and representatives of all affected taxing units the opportunity to be heard as required by the statute; and

WHEREAS, comments on granting of the Industrial Facilities Exemption Certificate have been heard and considered; and

WHEREAS, it is hereby found and determined by the Sturgis City Commission that the granting of this Industrial Facilities Exemption Certificate, considered together with the aggregate amount of the Industrial Facilities Exemption Certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, shall not have the effect of substantially impeding the operation of the City of Sturgis, or of impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Sturgis; and

WHEREAS, the Sturgis City Commission, under Section 16 (1) of Act 198, of the P.A. of 1974 and Act No. 255 of the Public Acts of 1978, as amended, has determined that the length of the Industrial Facilities Exemption Certificate shall remain in force and effect for a period of 12 years with an ending date of December 31, 2020.

NOW, THEREFORE BE IT RESOLVED, that the Sturgis City Commission does hereby approve the application of Amish Country Cheese Spread for an "Industrial Facilities Exemption Certificate".

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Mayer opened the Public Hearing for a Downtown Land Assembly Grant.

City Manager Michael Hughes explained that City staff has been working to secure funding assistance to purchase and demolish the structures of the Arkwrights property located at 200 E. Chicago. Sturgis has provided a notice of intent application to MSHDA for this funding assistance.

Matt Foster, owner of the adjacent building inquired as to how damage would be addressed. City Attorney Roger Bird explained that as the entity performing the demolition, the City, through their contractor, would be responsible for any damage. City Manager Michael Hughes explained that upon award of the grant, City staff would work with the building owner to discuss the process.

Mayor Mayer closed the Public Hearing.

Moved by Comm. Fisher and seconded by Comm. Gay to approve an amendment to the fiscal year 2008-2009 budget, General Fund, for additional expenditures totaling one hundred and twenty-five thousand dollars (\$125,000).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Stephens to adopt the resolution authorizing submission of the grant application for the Arkwrights acquisition and demolition project as presented.

RESOLUTION

RESOLUTION AUTHORIZING THE SIGNING AND SUBMITTAL OF AN APPLICATION TO THE MICHIGAN STATE HOUSING AND DEVELOPMENT AUTHORITY (MSHDA) FOR A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) DOWNTOWN LAND ASSEMBLY GRANT

WHEREAS, the property located at 200 E. Chicago Road, Sturgis, Michigan, known commonly as the Arkwrights property, has been identified as blighted; and

WHEREAS, the demolition of the existing buildings at this property is consistent with the City's community development plan as described in the application; and

WHEREAS, matching funds are being provided by the City of Sturgis for the project and no project costs (CDBG and non-CDBG) will be incurred prior to a formal grant award, completion of the environmental review procedures and formal, written authorization to incur costs is received from the MSHDA team.

NOW, THEREFORE BE IT RESOLVED The City of Sturgis shall submit an application to the Michigan State Housing and Development Authority (MSHDA) for a Community Development Block Grant (CDBG) Downtown Land Assembly Grant in an amount not to exceed \$178,092.00 for the acquisition and demolition of the Arkwrights property at 200 E. Chicago Road; and

BE IT FURTHER RESOLVED That Michael Hughes, City Manager, will be the local government official and Certifying Officer authorized to sign and submit the application and associated documents as they relate to the project.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that in June 2006, the City and Fawn River Township completed Agreement #4 which covered the properties north of Chicago Road near Arden Park and Ilene streets. As provided for in this agreement, a parcel is automatically transferred into the City if the owner of record, as of the effective date of the agreement, sells the property to a third party.

Moved by Comm. Stephens and seconded by Comm. Malone to adopt the resolution for the Transfer of Property from Fawn River Township (Agreement #4) as presented.

WHEREAS, the City of Sturgis (“City”) and the Township of Fawn River (“Township”) entered into an Agreement for Conditional Transfer of Property (Agreement #4), with an effective date of June 28, 2006; and

WHEREAS, Agreement #4 provides that initially only limited jurisdiction was transferred to the City for certain parcels as described in the Exhibits to Agreement #4, and that full jurisdiction over these parcels would transfer immediately from the Township to the City if any one of several stated events occurs; and

WHEREAS, one of the stated events for the transfer of full jurisdiction over one of these parcels involves the owner of record of the property within the Transferred Area ceasing to have title to such real property on or after the effective date of Agreement #4 (June 28, 2006); and

WHEREAS, the owner of record on the effective date of Agreement #4 no longer has title to the property listed below and, accordingly, full jurisdiction of this parcel has been transferred from the Township to the City effective immediately.

NOW THEREFORE, IT IS RESOLVED THAT full jurisdiction for all purposes of the following parcel of land (identified in Exhibit A by a listing of the respective owner, street address, former Township tax parcel number and new tax parcel number assigned by the City) as described in Agreement #4 is certified to have been transferred from the Township to the City effective immediately; and

BE IT FURTHER RESOLVED THAT, in accordance with Section 2.1 of Agreement #4, the City Commission hereby certifies that events have occurred transferring full jurisdiction over said parcels to the City, and the filing of this Resolution and either a similar resolution adopted by the Fawn River Township Board or sixty (60) days has passed since this resolution was adopted shall be sufficient to evidence the transfer of full jurisdiction over the above parcels to the City; and

BE IT FURTHER RESOLVED THAT, the City Manager is authorized and directed to file certified copies of this Resolution with the Township Clerk, the St. Joseph County Clerk and the Office of the Great Seal of the State of Michigan to evidence that the transfer of full jurisdiction to the City of such parcels has occurred for the records of each such office.

EXHIBIT A

Legal Description of Parcel(s)

| <u>Owner</u> | <u>Property Address</u> | <u>Parcel Number (Township)</u> | <u>Parcel Number (City)</u> |
|---------------|-------------------------|---------------------------------|-----------------------------|
| Seth Van Pelt | 68615 Ilene Street | 75-005-050-000-038-00 | 75-052-060-000-056-00 |

Property Description:

PARTS OF LOTS 55-56-57 AS: COM AT A PT ON E LN ILENE ST 5 FTN OF NW COR OF LOT 57 ARDEN PARK ADD RNG TH ELY TO A PT ON ALLEY BDRY 7 FT S OF NE COR OF LOT 57 TH N ALG LN OF ALLEY 65 FT TO A PT 22 FT S OF SE COR LOT 54 TH WLY TO A PT ON ELN ILENE ST 10 FT S OF SW COR LOT 54 TH S 65 FT ALG SD E LNOF ILENE ST TO POB. SEC 6 T8S R9W.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Doyle and Recreation Director Michael Liston explained that the Doyle and Recreation Board asked staff to review the revenue and expenses related to childcare service. He explained that the childcare service at the Doyle Center is operating at a loss of approximately \$20,000 per year.

Suzanne Frost asked that the City Commission consider alternatives to the hours of the childcare service as opposed to complete elimination.

Discussion followed.

Moved by Comm. Taulbee and seconded by Comm. Fisher to approve the plan to close the Childcare Room and end services provided as presented, effective December 31, 2008.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) and the Federal Trade Commission's Red Flag Rule of November 9, 2007 require that creditors, including utilities, develop a policy to detect, prevent and mitigate the impacts of identity theft. According to the FTC Rule, all the affected institutions must comply by November 1, 2008. Implementation of an identity theft or "Red Flag" policy will meet this requirement. Discussion followed.

Moved by Comm. Carmichael and seconded by Comm. Gay to adopt the resolution to adopt the identity theft policy as presented.

Whereas, the Sturgis City Commission has determined that the City of Sturgis should establish and maintain an Identity Theft Prevention Program consistent with the guidelines set forth in the Fair and Accurate Credit Transaction Act of 2003 ("Act"); and

Whereas, the City Manager has presented an Identity Theft Prevention Program consistent with the Act;
NOW, THEREFORE, BE IT RESOLVED that the City of Sturgis hereby adopts the Identity Theft Prevention Program as presented and authorizes the City Manager to implement the Program.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Electric Department Superintendent John Griffith explained that currently, the Meter Division uses ITRON handheld units to store and transfer billing data from the field to the utility billing system at City Hall. Because of their age, these units are no longer supported by ITRON and new ITRON handheld units are being requested.

Moved by Comm. Stephens and seconded by Comm. Gay to approve an amendment to the fiscal year 2008-2009 budget, Electric Fund, for additional expenditures totaling twelve thousand dollars (\$12,000).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Malone to approve a bid waiver for the purchase of ITRON hand held units from HD Supply in the amount of eleven thousand, nine hundred and eighty dollars (\$11,980).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:45 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

**ORGANIZATIONAL MEETING
STURGIS CITY COMMISSION
MONDAY, NOVEMBER 10, 2008
WIESLOCH RAUM - CITY HALL**

City Clerk Kenneth Rhodes called the meeting to order at 8:00 p.m.

Commissioners present: Carmichael, Fisher, Gay, Littman, Malone, Mayer, Stephens, Taulbee, Walters

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, City Clerk

City Clerk/Treasurer Kenneth Rhodes provided information on the results of the November 4, 2008 General Election. Discussion followed.

The City Clerk asked for nominations for the Office of Mayor.

Comm. Taulbee nominated Comm. Mayer

Comm. Malone nominated Comm. Carmichael

Voting for Comm. Carmichael – Carmichael, Fisher, Gay, Malone, Walters

Voting for Comm. Mayer – Littman, Mayer, Stephens, Taulbee

Comm. Carmichael was seated as the Mayor of the City of Sturgis.

Mayor Carmichael asked for nominations for the Office of Vice-Mayor.

Comm. Taulbee nominated Comm. Mayer

Comm. Malone nominated Comm. Fisher

Voting for Comm. Fisher – Carmichael, Fisher, Gay, Malone, Walters

Voting for Comm. Mayer – Littman, Mayer, Stephens, Taulbee

Comm. Fisher was seated as the Vice-Mayor of the City of Sturgis.

Mayor Carmichael explained that he will speak with Commissioners and discuss Commissioner board appointments at the second meeting in November.

The City Commission gave consensus to adopt General Rules of Order as presented.

City Manager Michael Hughes explained that there have been no changes to the current City Commission Procedural Policy. Vice-Mayer Fisher encouraged all Commissioners to take advantage of the training programs provided by the MML.

The meeting was adjourned at 8:17 p.m.

Kenneth D. Rhodes, City Clerk

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, NOVEMBER 12, 2008
WIESLOCH RAUM – CITY HALL

Mayor Carmichael called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Mayer, Stephens, Taulbee, Malone, Littman, Walters, Gay, Vice-Mayor Fisher, Mayor Carmichael

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, EDC Director, DDA Director, Buildings Supervisor, Engineer, City Clerk

DDA Director Kim Musolff provided information on the recent activities of the DDA and provided photos of projects. She explained that the DDA rebate program has given back over \$115,000 to owners for renovations to their facades. There was also discussion on Fun Fridays, the Open Door Gallery renovations, Art Bounce, and upcoming events.

Senator Cameron Brown provided an update on the issues currently facing the State Legislature.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of November 12, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the October 22, 2008 regular meeting as presented.
2. APPROVAL of the minutes from the October 29, 2008 work session as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$2,600,647.13 as presented.
2. RATIFY the Hospital bills in the amount of \$2,962,454.90 as presented.

C. Set Public Hearing for Obsolete Property Rehabilitation Exemption Certificate

SET a public hearing date of November 24, 2008 at 7:30 PM in the Wiesloch Raum of City Hall for consideration of an Obsolete Property Rehabilitation Exemption Certificate to Happel and Ware LLC.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the Fawn River Crossing Collection System Extension and the Budget Letter of Understanding

Moved by Comm. Stephens and seconded by Comm. Gay to approve the Collection System Construction Budget Letter of Understanding for Fawn River Crossing and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Carmichael opened the Public Hearing for 2007 Sidewalk Program Assessment Roll.

City Clerk/Treasurer Kenneth Rhodes explained that the City continued their sidewalk repair program in 2007 and 2008. The City Commission approved a policy for billing residents for a portion of this project. Residents were notified originally of the estimate of their costs and were more recently notified of the final costs. Discussion followed.

Mayor Carmichael closed the Public Hearing.

Moved by Comm. Taulbee and seconded by Comm. Stephens to adopt the Resolution for the 2007 Sidewalk Repair Program as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Buildings Inspector George Musolff provided information on the proposed Furniture Ordinance Amendment. Discussion followed regarding the language of the ordinance and the potential enforcement.

Moved by Comm. Fisher and seconded by Comm. Walters to consider this the introduction and first reading of an amendment to Appendix A – Zoning – Article XI of the Ordinances of the City of Sturgis, Section 1.1120 pertaining to outdoor use and storage of household furniture and appliances.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser provided information on the bids and proposed purchase of two vehicles for the Police Department.

Moved by Comm. Walters and seconded by Comm. Malone to approve the purchase of a 2009 Dodge Durango 4 X 4 through the State of Michigan Purchasing Program in the amount of twenty thousand, nine-hundred and thirty-six dollars and sixty cents (\$20,936.60) and authorize the City Controller to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Walters and seconded by Comm. Gay to approve the purchase of a 2009 Dodge Charger through the State of Michigan Purchasing Program in the amount of twenty thousand, five hundred and eighty-three dollars and fifty cents (\$20,583.50) and authorize the City Controller to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that an application has been received for the vacancy on the Sturgis Housing Commission. Daniel Webb, the recent resident board member on the Commission has moved and has requested to serve on the board as an at large member.

The Commission had consensus to postpone the appointment of a Sturgis Housing Commission member until a future meeting.

Moved by Comm. Walters and seconded by Comm. Malone to go into closed session for the purpose of discussing the potential purchase of property.

Voting yea: Mayer, Stephens, Taulbee, Malone, Littman, Walters, Gay, Fisher, Carmichael

Voting nay: None

MOTION CARRIED

The meeting recessed at 8:40 p.m.

The meeting reconvened at 8:55 p.m.

Moved by Comm. Malone and seconded by Comm. Gay to approve the easement acquisition for the Fawn River Crossing Collection System Extension and amounts for properties 75-015-024-006-30, 75-015-024-006-00, 75-015-013-017-00, 75-015-014-014-20, and 75-015-014-014-03 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:57 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING – STURGIS CITY COMMISSION
MONDAY, NOVEMBER 24, 2008
WIESLOCH RAUM – CITY HALL

Mayor Carmichael called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Mayer, Stephens, Taulbee, Malone, Littman, Walters, Gay, Vice-Mayor Fisher, Mayor Carmichael

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, EDC Director, City Controller, Deputy City Clerk

Moved by Comm. Fisher and seconded by Comm. Walters to approve the agenda as presented.

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Gay to approve the Consent Agenda of November 24, 2008 as presented.

A. Action of Minutes of Previous Meetings

1. APPROVAL of the minutes from the November 12, 2008 regular meeting as presented.
2. APPROVAL of the minutes from the November 12, 2008 work session as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$1,305,364.35 as presented.
2. RATIFY the Hospital bills in the amount of \$1,830,835.70 as presented.

C. Sale of Diesel Generating Units

APPROVE the sale of Diesel Generators One and Two to Brang Holdings Incorporated in the amount of forty-four thousand, two hundred dollars (\$44,200).

D. Electric Meter Test Equipment

APPROVE an amendment to the fiscal year 2008-2009 budget, Electric Fund, Capital Budget, for additional expenditures totaling seventeen thousand, one hundred and forty-four dollars (\$17,144).

APPROVE the bid of Radian Research for an electric meter test set in the amount of seventeen thousand, one hundred and forty-four dollars (\$17,144).

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

Mayor Carmichael appointed commissioners to the following boards and committees:

Ambulance Committee – Comm. Gay

Auditorium Board – Comm. Walters

Bid/Finance Committee – Comm. Littman, Comm. Malone, Comm. Mayer

DPS Facilities Committee – Mayor Carmichael, Comm. Littman, Comm. Mayer

EDC/Brownfield – Mayor Carmichael

Employee Retirement Board – Mayor Carmichael, Comm. Littman

Idle Buildings/IFEC – Comm. Gay, Comm. Malone, Comm. Stephens, Comm. Taulbee,
Comm. Walters

Investment Committee – Mayor Carmichael, Comm. Fisher, Comm. Taulbee

Recycling Committee – Comm. Stephens

Sister City Committee – Comm. Walters
St. Joseph County Traffic Committee – Comm. Malone

City Manager Mike Hughes discussed the amendment to the ordinance regarding outdoor use and storage of household furniture and appliances.

Moved by Comm. Fisher and seconded by Comm. Malone that the Sturgis City Commission consider this the second reading and adoption of an amendment to Appendix A – Zoning – Article XI of the Ordinances of the City of Sturgis, Section 1.1120 pertaining to outdoor use and storage of household furniture and appliances.

AMENDMENT TO APPENDIX A – ZONING – ARTICLE XI
OF THE ORDINANCES
OF THE CITY OF STURGIS

An ordinance to amend Appendix A – Zoning – Article XI of the Ordinances of the City of Sturgis to prohibit the improper storage or use of household furniture and appliances within the City and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that, to protect the health, safety, and general welfare of the public, preserve property values and rights of individuals and the community at large, enhance community appearance and aesthetic well-being, and prevent potentially hazardous, unsafe or unhealthy conditions, the improper storage or use of household furniture and appliances in unprotected areas of the City should be prohibited.

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Section 1.1120 – Storage of Household Furniture and Appliances is hereby added to Appendix A – Zoning, Article XI, of the Ordinances of the City of Sturgis, effective as of December 15, 2008.

1.1120. Storage of household furniture and appliances.

It shall be unlawful for an owner, occupant, or person in control, of any structure or lot to use or permit to remain on any structure or lot, for a period exceeding twenty-four (24) hours, on any open porch, yard, or exterior area of any structure susceptible to moisture from inclement weather, including rain, snow or hail, or susceptible to infestation by insect, rodent or other pest, any furniture or appliance designed for indoor use, including but not limited to cushions, pillows, mattresses, couches, chairs, washers, driers, refrigerators or freezers.

For purposes of this section, “open porch” shall mean any part of a structure that is not fully enclosed and shielded from the elements on all sides by roof and walls, and "furniture" does not include furniture designed and intended for outdoor use and exposure to moisture from inclement weather.

This provision shall not apply during a lawful yard sale or garage sale while such furniture or appliances are offered for sale; nor shall it apply while such furniture or appliances are otherwise lawfully held for refuse collection.

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

City Manager Mike Hughes introduced Dave Locey, Chairman of the Hospital Review Committee. Dave presented a report of the Committee’s activities and discussions, and recommended that the City move forward with the investigation and study of converting the Hospital to a 501c3 private non-profit operating structure.

Discussion followed.

Moved by Comm. Fisher and seconded by Comm. Mayer to accept the recommendations established by the Hospital Review Committee and to direct the City Staff to move forward with a detailed investigation and study of converting the Sturgis Hospital to a 501c3 private non-profit operating structure, which would become finalized after approval of a proposal by the City Commission and a vote of City Residents.

Voting Yea: Eight

Voting Nay: Gay

MOTION CARRIED

City Manager Mike Hughes discussed the Arkwright's Property Purchase Agreement and the MSHDA grant which was awarded to the City of Sturgis and will allow the City to purchase the property and demolish the old building.

Discussion followed.

Moved by Comm. Stephens and seconded by Comm. Malone that the Sturgis City Commission approve the purchase agreement for the Arkwright's Property as presented and authorize the City Manager to sign on behalf of the City.

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

City Manager Mike Hughes explained the process by which the City based the Neighborhood Name Designations, including surveys, meetings, and participation of city residents.

Moved by Comm. Stephens and seconded by Comm. Gay that the Sturgis City Commission approve the neighborhood designation map as presented.

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

City Manager Mike Hughes spoke regarding a policy change for the City Weed and Noxious Growth Ordinance.

Moved by Comm. Littman and seconded by Comm. Malone that the Sturgis City Commission approve enforcing all provisions of the current Noxious Weed Ordinance.

Based on input from City staff and City legal, the City's Weed and Noxious Growth Ordinance

(Part 2, Chapter 34, Article II) will be enforced using the following policy effective January 1, 2009.

For all violations, the following procedure is utilized:

- ☐ Offending owner receives a letter of notification indicating violation of City Ordinance plus any applicable citation (see below) and is provided a period of 5 business days to correct the violation.
 1. If owner pays citation within 15 business days, fee may be reduced (see below).
 2. If owner does not pay citation within 15 business days full fee is collected.
 3. If the owner does not pay citation within 60 business days, a misdemeanor is issued for nonpayment.
- ☐ Property will be rechecked by City Code Enforcement staff after 5 business days to assess compliance.
 - If property has been brought into compliance a record of the violation is recorded and procedure is closed.
 - If property has not been brought into compliance:
 - Staff issues a work order to bring the property into compliance via lawn care service or other appropriate means.
 - Staff files paperwork to recover the expense of this action (both lawn care costs and administration costs) as per Chapter 34, Article II and Chapter 1, Sec. 1-7.
 - A record of the violation is recorded and procedure is closed.

This policy utilizes escalating penalties within the scope of the current general provisions governing violations of the City Code of Ordinances (see Chapter 1, Sec. 1-7) and specifically the Weeds and Noxious Growth ordinance (Chapter 34, Article II).

Violation of the ordinance is considered a civil infraction with an initial penalty of \$50.00 which is increased for successive violations. Under the City Code of Ordinances, a second violation of the same section of the code within a 90 day period may be issued as a misdemeanor. Failure to address the misdemeanor penalty can result in the issuance of a bench warrant.

Under the current ordinance, the City is allowed to recover the cost of cutting weeds (including City administration costs) from the owner of the property, with all such charges as a lien against the property. Failure to pay fines associated with the policy within 60 days will result in a misdemeanor being issued for non-payment; this misdemeanor would NOT be part of the escalating penalty program.

Violations of the policy accrue to the owner, not the property itself, and thus individuals with violations of the ordinances occurring at multiple properties will be treated as successive violations under this policy.

Individuals with justifiable extenuating circumstances may be determined by the City not responsible for the violation and excused from the penalty. Under these circumstances, they would remain under the time line and successive violation standards in place for the last violation for which they were responsible.

Under this policy the first action taken against any owner found to be in violation of the Weeds and Noxious Growth ordinance is the issuance of a Notice of Violation. Successive violations are handled as indicated in the boxes below.

| | |
|------------------------------------|---------------------------------------------------------------------------------------------|
| <u>Notice of Violation:</u> | Receives letter, responsible for cost of cutting and administration if issue not corrected. |
|------------------------------------|---------------------------------------------------------------------------------------------|

| |
|-------------------------------------------------|
| Next Violation (follow to box indicated) |
|-------------------------------------------------|

- | | |
|----------------------|----------------------------------------|
| ▪ Within 12 months - | 1st Civil Infraction |
| ▪ After 12 months - | Notice of Violation |

| | |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>1st Civil Infraction:</u> | Receives citation for \$50.00 (reduced to \$25.00 on payment within 15 days) and is responsible for cost of cutting and administration if issue not corrected. |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|

| |
|-------------------------------------------------|
| Next Violation (follow to box indicated) |
|-------------------------------------------------|

- | | |
|----------------------------------|----------------------------------------|
| ▪ Within 90 days - | Misdemeanor |
| ▪ 91 days - 6 months - | 2nd Civil Infraction |
| ▪ 6 months, 1 day to 12 months - | 1st Civil Infraction |
| ▪ After 12 months - | Notice of Violation |

| | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>2nd Civil Infraction:</u> | Receives citation for \$250.00 (reduced to \$100.00 on payment within 15 days) and is responsible for cost of cutting and administration if issue not corrected. |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| |
|-------------------------------------------------|
| Next Violation (follow to box indicated) |
|-------------------------------------------------|

- | | |
|----------------------------------|----------------------------------------|
| ▪ Within 90 days - | Misdemeanor |
| ▪ 91 days - 6 months - | 2nd Civil Infraction |
| ▪ 6 months, 1 day to 12 months - | 1st Civil Infraction |
| ▪ After 12 months - | Notice of Violation |

| | |
|----------------------------|-----------------------------------------------------------------------------|
| <u>Misdemeanor:</u> | Receives citation for up to \$500.00 and is responsible for cost of cutting |
|----------------------------|-----------------------------------------------------------------------------|

and administration if issue not corrected.

Next Violation (follow to box indicated)

- Within 90 days - **Misdemeanor**
- 91 days - 6 months - **2nd Civil Infraction**
- 6 months, 1 day to 12 months - **1st Civil Infraction**
- After 12 months - **Notice of Violation**

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

City Controller Holly Keyser explained the benefit changes for new non-union employees. Moved by Comm. Littman and seconded by Comm. Gay that the Sturgis City Commission approve the new employee benefit changes as presented.

Benefit Changes for Employees Hired After January 1, 2009

Retiree Health Insurance

Employees hired after January 1, 2009 who retire from the City of Sturgis and elect health insurance will be responsible for paying 100% of the insurance premium for benefits provided by the City. The City has adopted a Retiree Health Savings Plan (RHSP) with ICMA-RC to be funded with a one percent (1%) of payroll contribution by each new employee, with a dollar for dollar match by the City. These employees will also contribute sick leave and vacation time over the thirty (30) day maximum as determined by the employee handbook to the RHSP.

Pension

All pension rights and benefits due employees hired after January 1, 2009 shall vest after 8 years of continuous service with the City of Sturgis.

All regular full-time employees hired after January 1, 2009 shall contribute twenty percent (20%) of the pension cost allocated for that employee as determined by the City actuary on an annual basis. All funds so contributed by an employee shall be segregated and earn a return of three percent (3%) simple interest which shall be paid to the employee if he or she terminates employment prior to becoming fully vested. An example of how this is computed is as follows:

| | |
|---------------------------------------------------------|------------|
| Gross Pay for Pay Period | \$1,500.00 |
| Pension Cost (Gross Pay * Current Actuarial Rate-7.48%) | \$ 112.20 |
| Employee Share of Pension Cost (\$112.20 * 20%) | \$ 22.44 |

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

City Controller Holly Keyser explained the proposed amendments to the Pension Ordinance. Moved by Comm. Stephens and seconded by Comm. Malone that the Sturgis City Commission consider this the introduction and first reading of amendments to Part II, Article III, Division 2 of the Ordinances of the City of Sturgis, Sections 2-91 and 2-144 pertaining to the City of Sturgis Retirement System.

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Malone that the Sturgis City Commission consider this the introduction and first reading of amendments to Part II, Article III, Division 2 of the Ordinances of the City of Sturgis, Sections 2-87, 2-271 and 2-278 pertaining to the City of Sturgis Retirement System.

Voting Yea: Nine

Voting Nay: None

MOTION CARRIED

EDC Director John Hayes discussed the Kirsch Industrial Park project and explained that

developer Scott Bosgraaf has received tax credits from the MEGA board of the Michigan Economic Development Corporation. This allows Mr. Bosgraaf to move forward with the rehabilitation and renovations of the former Kirsch Plant 2 building, which is expected to create six hundred (600) new jobs upon completion of the project.

Mayor Carmichael informed the Commission that a more detailed report on the Hospital Board would be presented at the December 10th meeting to include expectations of the Hospital Board to the Commission and vice versa and to also discuss performance of the Hospital Board. Mayor Carmichael instructed the City Manager to place this item on the next agenda.

Recycling dates for the holidays have been moved to Friday, November 28th and Friday, December 26th for the south side of town, and Friday, January 2nd for the north side of town.

The City Commissioners thanked Dave Locey again for all of his dedicated work over the past several months regarding the investigation and study of converting the Hospital to a 501c3 non-profit operating structure.

Sturgis Area Chamber of Commerce, Cathi Abbs, thanked the individuals responsible for the publication of the "Community Report." She also relayed several compliments from non-residents who have been to Sturgis recently.

The meeting was adjourned at 9:12 p.m.

Shelly Stoddard, Deputy City Clerk

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, DECEMBER 10, 2008
WIESLOCH RAUM – CITY HALL

Mayor Carmichael called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Mayer, Stephens, Taulbee, Malone, Littman, Walters, Gay, Vice-Mayor Fisher, Mayor Carmichael

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, Wastewater Superintendent, Deputy Fire Chief, Deputy Police Chief, Economic Development Director, Human Resources Director, City Clerk

Mayor Carmichael provided guidelines for public comment at the meeting.

Don Eaton, 31040 Findley Road, related a number of experiences he has had in the community, had questions regarding the direction of the City Commission, and expressed thoughts on the community.

Meredith Hunt, Hospital Board member and Rector of St. John's Episcopal Church, offered a moral course for the meeting and path for the City Commission.

Floyd Kunce, 1300 Rolling Ridge Lane, expressed a number of thoughts including the idea that the Hospital Board should continue with its current leadership.

David Locey, Chair of the Hospital Review Committee, provided comments on the Committee, the relationship of the City Commission and Hospital Board, and the hope for healthcare in the community.

Bruce Bart, Sherman Township Supervisor, explained that he had a recent positive experience at Sturgis Hospital

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of December 10, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the November 24, 2008 regular meeting as presented.

B. Pay Bills

1. AUTHORIZE the payment of the City bills in the amount of \$2,263,517.28 as presented.
2. RATIFY the Hospital bills in the amount of \$2,168,755.90 as presented.

C. 425 Property Transfers

ADOPT the resolution to transfer 425 properties from Agreement #1 as presented.

ADOPT the resolution to transfer 425 properties from Agreement #4 as presented.

D. Designation of Street Administrator

ADOPT the resolution designating a Street Administrator as presented.

E. Accounts Payable Authorization

AUTHORIZE the Finance Committee to authorize the payment of the City bills and ratification of the Hospital bills at their next meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Mayor Carmichael provided his report as Hospital Board liaison in which he explained his purpose is to facilitate communication between the Hospital Board and the City Commission and the public. He provided financial data related to the Hospital and his experience on the Hospital Board. He provided an explanation of the responsibility of the City Commission as it relates to the Hospital. Mayor Carmichael explained that at the next City Commission meeting, the Commission should vote on instructing the Hospital Board to issue an RFP for management services as a matter of good business practice.

Discussion followed.

Commissioner Mayer commented on the Hospital Board report.

Commissioner Littman commented on the financial data.

Eric Eishen, Sturgis Bank & Trust, commented on the debt related to Sturgis Hospital.

Commissioner Stephens commented on City leadership.

City Manager Michael Hughes asked for direction related to a suggested agenda item.

Mayor Carmichael asked for a motion related to the proposed agenda item.

Moved by Comm. Malone and seconded by Comm. Gay to place on the agenda at the next meeting the issue of instructing the Sturgis Hospital Board to prepare an RFP for management services of the hospital.

Voting yea: Gay, Malone, Walters, Fisher, Carmichael

Voting nay: Littman, Mayer, Stephens, Taulbee

MOTION CARRIED

John Mayer, Hospital Board Chair, explained that there is an option coming up in the contract to review the management services contract and provided ideas on how the process may proceed.

David Locey inquired whether or not it would be advisable to wait for the 501(c)3 process to go forward before reviewing the current contract.

City Controller Holly Keyser provided information on the proposed Pension Ordinance Amendments.

Moved by Comm. Stephens and seconded by Comm. Gay to consider this second reading and adoption of amendments to Part II, Article III, Division 2 of the Ordinances of the City of Sturgis, Sections 2-91 and 2-144 pertaining to the City of Sturgis Retirement System.

AMENDMENT TO PART II – ARTICLE III, DIVISION 2
OF THE ORDINANCES OF THE CITY OF STURGIS

An ordinance to amend Part II – Article III, Division 2 of the Ordinances of the City of Sturgis pertaining to the regulation of the City of Sturgis Retirement System and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances regulating the Retirement System for the City's employees by adding provisions required by federal law to the City Retirement System;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Article III, Division 2 is hereby amended by revising Sections 2-91 and 2-144; as follows, effective as of January 1, 2009:

Sec. 2-91. Internal revenue service qualification.

(a) Generally. The city intends the retirement system to be a qualified pension plan under Section 401 of the Internal Revenue Code, as amended, or successor provisions of law, and that the trust be an exempt organization under Section 501 of the Internal Revenue Code. The board of trustees shall recommend for adoption by the city commissioners such additional provisions to the retirement system as are necessary to fulfill this intent.

(b) Prohibition against reversion. The retirement system and trust have been created for the exclusive benefit of the members and beneficiaries as set forth in this division. The funds thereof have been established for the benefit of the members and for the operation of the retirement system. No part of the principal and income of any of the funds of the system and trust shall revert to or be returned to the city prior to the satisfaction of all liabilities hereunder to all members, beneficiaries and anyone claiming by or through them.

(c) Actuarial valuation assumptions. Actuarial valuation assumptions may be changed by the board of trustees after consulting with the actuary.

(d) Termination. In the event of termination of this plan, a member's interest under the plan as of such date is nonforfeitable to the extent funded in conformity with applicable sections of the Internal Revenue Code and Regulations.

(e) Merger, consolidation or transfer. In conformity with Section 414(l) of the Internal Revenue Code, in the case of any transfer of assets or liabilities of this plan to any other plan, each plan participant would (if the plan then terminated) receive a benefit immediately after the transfer that is equal to or greater than the benefit the participant would have been entitled to receive immediately before the transfer (if the plan had then terminated).

(f) Limitations of benefits. The retirement system shall not pay any benefit that would exceed the benefit limitations for governmental plans as set forth in Section 415 of the Internal Revenue Code and regulations, as amended. For this purpose, compensation shall be determined in accordance with Code Internal Revenue Code Section 415(e)(3). In the event it should become necessary to reduce or restrict a benefit in order to comply with Internal Revenue Code Section 415(e), the employer-provided portion of the benefit payable under this retirement system shall be reduced or restricted to the extent necessary.

(g) Distributions. Distributions from the retirement system will comply with the requirements of Internal Revenue Code Section 401(a)(9) and the regulations thereunder, including the following specific requirements. Distribution of a member's benefits will begin not later than April 1 of the calendar year following the later of the calendar year in which the employee attains age 70 1/2 and the calendar year in which the employee retires. If distribution of a member's benefits commenced prior to the member's death, any remaining benefits will be distributed at least as rapidly as under the method of

distribution used as the date of the member's death. If distribution of a member's benefits had not commenced prior to the member's death, any portion of his or her benefits payable after the member's death shall:

- (1) If payable to the member's surviving spouse, begin no later than the end of the calendar year following the calendar year in which the member would have attained age 70 1/2;
- (2) If payable to the member's designated beneficiary, begin no later than the end of the calendar year following the calendar year in which the member died and extend over a period not extending beyond the life expectancy of the beneficiary; or
- (3) Otherwise, be distributed within five years of the member's death.

(h) Specific distributions. This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this subsection, a distributee may elect, at the time and in the manner prescribed by the board of trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee as a direct rollover. The following definitions shall apply with regard to this subsection.

(1) Eligible rollover distribution. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more, any distribution to the extent such distribution is required under Internal Revenue Code Section 401(a)(9); and the portion of any distribution that is not includable for income tax purposes in gross income. The foregoing notwithstanding, for all distributions occurring after December 31, 2001, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Internal Revenue Code, or to a qualified defined contribution plan described in section 401 (a) or 403 (a) of the Internal Revenue Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) Eligible retirement plan. An eligible retirement plan is an individual retirement account described in Section 408(a) of the Internal Revenue Code, an individual retirement annuity described in Section 408(b) of the Internal Revenue Code, an annuity plan described in Section 403(a) of the Internal Revenue Code, or a qualified trust described in section 401(a) of the Internal Revenue Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity. For all distributions occurring after December 31, 2001, an eligible retirement plan shall also mean an annuity contract described in section 403(b) of the Internal Revenue Code and an eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan the definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in section 414(p) of the Internal Revenue Code.

(3) Distributee. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse is a distributee with regard to the interest of the surviving spouse.

(4) Direct rollover. A direct rollover is a payment by the retirement system to the eligible retirement plan specified by the distributee.

Sec. 2-144. Military service; conditions for credited service.

A member who leaves the employ of the city to enter any armed service of the United States during any period of compulsory military service, or period of national emergency recognized by the city

commission, or any period after January 18, 2006, shall be entitled to credited service for periods of required active duty, if each of the following conditions are satisfied:

- (1) The individual is re-employed by the city within one year after the date of termination of active duty; and
- (2) The individual becomes a member and pays the retirement system the total amount of accumulated member contributions previously withdrawn, if any, plus compound interest from the dates of withdrawal to the dates of repayment.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Gay to consider this the second reading and adoption of amendments to Part II, Article III, Division 2 of the Ordinances of the City of Sturgis, Sections 2-87, 2-271 and 2-278 pertaining to the City of Sturgis Retirement System.

AMENDMENT TO PART II – ARTICLE III, DIVISION 2
OF THE ORDINANCES OF THE CITY OF STURGIS

An ordinance to amend Part II – Article III, Division 2 of the Ordinances of the City of Sturgis pertaining to the regulation of the City of Sturgis Retirement System and to provide for an effective date of this Ordinance.

WHEREAS, the City of Sturgis has determined that it is in the best interest of the residents of the City to amend the Ordinances regulating the Retirement System for the City's employees by adding provisions for establishing modified vesting rights, for mandatory contributions by employees to the City Retirement System, and for establishing an interest crediting rate;

NOW, THEREFORE, the City of Sturgis, St. Joseph County, Michigan, ordains:

Part II – Article III, Division 2 is hereby amended by revising Sections 2-87, 2-271 and 2-278; as follows, effective as of January 1, 2009:

Sec. 2-87. Vested termination of membership.

(a) A person who ceases to be a member for a reason other than retirement or death shall be a vested former member if: the individual's accumulated member contributions have not been refunded and; (i) for individuals who have earned credited service prior to January 1, 2009, the individual has five or more years of credited service, or (ii) for individuals who have not earned credited service prior to January 1, 2009, the individual has eight or more years of credited service.

(b) Such a person shall not receive service credit while absent from city employment.

Sec. 2-271. Member contributions--Amounts; procedures.

(a) All members of Benefit Group A hired after January 1, 2009 shall contribute twenty percent (20%) of the pension cost allocated for that employee as determined by the City actuary on an annual basis. No other Members shall be required to make Member contributions unless otherwise provided for in a collective bargaining agreement.

(b) Member contributions to the retirement system shall be deducted from each member's paychecks and shall be the percentages of the member's annual compensation as determined from time to time in employment agreements.

(c) Continuation of employment by the member shall constitute consent and agreement to the deduction of the member contributions where applicable. Payment of compensation less the deduction shall be full and complete discharge of all claims and demands for compensation for personal service rendered the city.

(d) The person responsible for preparing the city payroll shall cause the member contributions to be deducted from the compensation of each member on each and every payroll. The deducted contributions shall be paid to the retirement system and shall be credited to the member's individual accounts in the reserve for member contributions.

Sec. 2-278. Interest credited to reserve accounts.

(a) The board of trustees shall every second week credit interest on the individual beginning of year balances in the reserve for accumulated member contributions. The board of trustees shall at the end of

each fiscal year credit interest on the mean balance in the reserve for pension payments and the reserve for employer contributions.

(b) The interest rate to be used for the crediting of interest will be 3%.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes outlined the proposed benefit changes for current non-union employees.

Longevity Pay

Effective January 1, 2009, all full-time non-union employees and future employees in the active service of the City as of December 1 of any year shall be entitled to a longevity bonus payable the first payroll in December. The amount of the longevity bonus shall be Two Hundred Fifty and 00/100 (\$250) Dollars after Five (5) years of continuous service with the amount increased Fifty and 00/100 (\$50) Dollars each year thereafter until retirement.

Safety Shoes

Reimbursement for the cost of one pair of safety shoes or boots for any regular full-time employee is increased from \$100 to \$150.

Health Insurance Changes

| Description | Current Plan | Effective January 1, 2009 |
|-------------------------------|-------------------------------------------------------------|--------------------------------------|
| Employee contribution per pay | \$0-23.08 Varies based on hire date and coverage elected | 1/1/2009-\$23.08 3/1/2010-\$29.92 |
| Deductible | \$0 | \$100 single / \$200 family per year |
| Coinsurance – City pays | 100% | 100% |
| Retail Prescriptions | \$10 generic, \$30 brand name | \$10 generic, \$40 brand name |
| Mail Order Prescriptions | \$10 generic, \$30 brand name | \$20 generic, \$50 brand name |
| Office Visit Co-pay | \$10 | \$15 |

Moved by Comm. Stephens and seconded by Comm. Malone to approve the benefit changes for current non-union employees as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Wastewater Supervisor Jeanette Fenner and David Harvey, Fleis and VandenBrink, provided information on the contract documents for the Fawn River Crossing Sewer Extension.

Moved by Comm. Fisher and seconded by Comm. Walters to approve the Construction Management Agreement with Fleis & VandenBrink Construction Management, Inc. and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Walters and seconded by Comm. Gay to approve Task Order No. 23 with Fleis & VandenBrink Engineering, Inc. and authorize the City Manager to sign on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes provided information on the bids that were received for the demolition of the former Arkwright's property.

Moved by Comm. Stephens and seconded by Comm. Malone to approve the bid of Pitsch Companies for the demolition of the Arkwright's building in the amount of one hundred and thirty-one thousand dollars (\$131,000) subject to closing on the purchase of the property.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The City Commission had Consensus to permit the City Manager to pay for necessary expenses related to the demolition project.

City Clerk Kenneth Rhodes explained that applications have been received for the two Sturgis Housing Commission vacancies.

Moved by Comm. Stephens and seconded by Comm. Malone to appoint Mary Ault to fill the unexpired term of Rebecca Strang on the Sturgis Housing Commission through May, 2010.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Walters to appoint Richard Spackman to fill the unexpired resident term of Daniel Webb on the Sturgis Housing Commission through May, 2011.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

There was additional discussion regarding Sturgis Hospital and the Hospital Board.

Deputy Fire Chief Scott Hopkins provided an update on the new Rescue/Pumper truck.

City Manager Michael Hughes explained that Dan Kildee, Genessee County Treasurer, provided information on creating a land bank in the County.

The meeting was adjourned at 9:17 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer

REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, DECEMBER 17, 2008
WIESLOCH RAUM – CITY HALL

Mayor Carmichael called the meeting to order at 7:30 p.m.

The Pledge of Allegiance was said by all present.

A moment of silence was held.

Commissioners present: Mayer, Stephens, Taulbee, Malone, Littman, Walters, Gay, Vice-Mayor Fisher, Mayor Carmichael

Commissioners absent: None

Also present: City Attorney, City Manager, Assistant to the City Manager, Public Safety Director, Economic Development Director, City Clerk

Moved by Comm. Fisher and seconded by Comm. Malone to approve the agenda as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Littman and seconded by Comm. Malone to approve the Consent Agenda of December 17, 2008 as presented.

A. Action of Minutes of Previous Meetings

APPROVAL of the minutes from the December 10, 2008 regular meeting as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

John Mayer, Chair of the Sturgis Hospital Board, explained that the Board has spoken with Quorum and explained that the “opt-out” portion of the contract could be extended by one year until June 2010.

Vice-Mayor Fisher read a letter from Sturgis Chamber President Ned Haylett regarding an RFP for Hospital Management at the current time.

John Dresser, President of Ad Hoc Sturgis Hospital Foundation, encouraged the focus to be on the process of pursuing a 501(c)3 status for Sturgis Hospital.

Mayor Carmichael explained that the extension alleviates the urgency to utilize the “opt-out” of the management agreement.

Moved by Comm. Fisher and seconded by Comm. Stephens to direct the City Attorney and Hospital Board to explore an amendment to the Quorum contract to pursue modification of the “opt-out” window in the contract and bring it back to the City Commission for approval.

Voting yea: Mayer, Stephens, Taulbee, Malone, Littman, Walters, Gay, Fisher, Carmichael

Voting nay: None

MOTION CARRIED

Assistant to the City Manager Andrew Kuk provided information on the revisions to the Airport Five Year Plan which moves crack repair on runway 6/24 and Taxiway C to FY 2009 along with design for Taxiway A and B, and apron rehabilitation. The aeronautical survey and approach design proposed in the initial five year plan has been removed, as this work has been completed through an FAA survey program at no charge to the City

Moved by Comm. Littman and seconded by Comm. Malone to approve the revised Five Year Development Plan for Kirsch Municipal Airport as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes explained that in 2006 the State of Michigan passed a bill that allows for local governments to authorize an exemption of property taxes for an eligible nonprofit housing property. Monica Smith, Executive Director of the Sturgis Neighborhood Program, explained that they are currently renovating two homes for future sale to a low to moderate income family.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the tax exemption request from the Sturgis Neighborhood Program for 425 Susan and 517 N. Prospect for a maximum of two years.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Controller Holly Keyser explained that the Electric Department determined that budget savings and additional flexibility in use would be gained by considering a different vehicle to replace an aged truck currently being used. The vehicle being recommended for purchase is a 2009 Ford Escape with all wheel drive. Discussion followed regarding awarding the bid to a local dealer.

Moved by Comm. Fisher and seconded by Comm. Malone to approve the bid of Gorno Ford via the State Purchasing program for the purchase of a 2009 Ford Escape in the amount of seventeen thousand, three hundred and seventy-four dollars and zero cents (\$17,374.00) and authorize the City Controller to sign all necessary documents.

Voting yea: Seven

Voting nay: Gay, Taulbee

MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Malone to approve the sale of the 2000 Chevrolet 4 X 4 Pick-Up Truck (208-00) as recommended by the Motor Vehicle Committee.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Mechanic Craig Craibill provided information on the current mowers and snowblowers used by the Parks department and the bids received to replace certain units.

Moved by Comm. Stephens and seconded by Comm. Gay to approve the bid of Finnermans Farm and Garden for the purchase of a John Deere 1445 in the amount of twenty-five thousand, two hundred and twenty-five dollars and ninety-two cents (\$25,225.92) and authorize the City Controller to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Malone to approve the bid of Bontrager Engine for the purchase of a Scag STT61V-29KA-DFI-SS in the amount of eleven thousand, one hundred and thirty-six dollars and zero cents (\$11,136.00) and authorize the City Controller to sign all necessary documents.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Stephens and seconded by Comm. Gay to approve the sale of a 2002 Scag Mower and a 1998 John Deere 935 mower/snowblower as recommended by the Motor Vehicle Committee.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes provided information on the Commission meeting schedule for 2009.

Moved by Comm. Taulbee and seconded by Comm. Malone to approve the 2009 Commission meeting schedule as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Manager Michael Hughes explained that City staff has been researching options to heat the former Ram property sufficiently to ensure the fire suppression system is operational.

Moved by Comm. Malone and seconded by Comm. Mayer to address the issue of heating at the former Ram property at the current meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Fisher and seconded by Comm. Walters to purchase a 400,000 BTU Thermocycler from Fawn River Mechanical in the amount of \$13,500.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 8:32 p.m.

Kenneth D. Rhodes - City Clerk/Treasurer