

**VILLAGE OF ARMADA
REGULAR COUNCIL MEETING
MONDAY, MARCH 27, 2017
7:00PM**

President Wolak called the meeting to order at 7:00 p.m. All rose for Pledge of Allegiance. Present at roll call: Wolak, Coenen, Ballard, Clark, and Boelke. Absent: Shall and Cooper. Also present: Clerk Poulos, Treasurer Adair, Chris Munson, Dr. Norman Farver, Dennis LeMieux, Terry Rooney, Gaylene Barker, Donald Laskowski, Jim and Linda Lyons, Daren Krause, Esther English, Ben Delecke, Carolyn Sweeney, Richard Tharp, Sandy and Allen Hoxie, David and Kathleen Stork, Scott Mabbitt, Robert Abraham Jr., Kathy Bowen, Lisa Matte, Jessie Kanehl, John W. Paterek, Mark Harless, and Monica Job.

AGENDA, APPROVAL OF

MOTION by Ballard, seconded by Cooper, to approve agenda as presented.

All Ayes

CARRIED

CITIZEN COMMENT

Kathleen Stork inquired about the obsolete website. She was informed that the new website is still under construction and should be live within the next couple of weeks.

PRESENTATIONS

None.

ADMINISTRATIVE REPORTS

- F & V presented Council with the February, 2017, monthly operating report. Chris Munson gave a brief synopsis of the report, which is on file. Sewer Commissioner Clark stated that there will be expenditures for the HVAC boiler and the gas meter at the sewer company before the next meeting, which he was given permission to make if needed.
- The Treasurer's Report for February, 2017 was submitted.
- Planning Commission Chairman Ben Delecke informed Council that he has discussed the proposed amendments to the sign ordinance with the Village Planner and he expects the Public Hearing, Attorney review, and the update should cost up to \$1,500.00. Treasurer Adair stated he has that budgeted in the 2017/2018 budget.
- Treasurer Adair, in Police Commissioner Cooper's absence, asked Council to allow an upgrade from the Nextel phones to Verizon. There will be no cost increase to update and, if done before March 31, 2017, the Village will receive a \$400.00 credit with no activation fee. She stated that these phones also have better video and camera operations which will be useful to the police department. Council agreed to allow as there is no cost increase to the Village.

GENERAL BUSINESS

1. CONSENT AGENDA

MOTION by Ballard, seconded by Clark, to approve the Consent Agenda as amended. Pulled Item D - Investment Policy until the next RCM.

- A. **Approval of RCM Minutes of 3/13/17** approved as presented.
- B. **Payment of Bills** totaling **\$32,166.36** approved for payment as follows:

1. General Fund	\$ 14,598.62
2. Water Fund	\$ 1,571.26
3. Sewer Plant Fund	\$ 9,152.10
4. Sewer System Fund	\$ 1,064.63
5. Major Street Fund	\$ 1,611.95
6. Local Street Fund	\$ 1,268.07
7. Municipal Street Fund	<u>\$ 2,899.73</u>
Total	\$ 32,166.36

- C. **List of Depositories for FY 2017/2018** approved the following banking/depository facilities: Fifth Third Bank, Lakestone Bank and Trust and Bank of New York Mellon for Village of Armada deposits, drafts, transfers, wires and/or investments
- D. **Investment Policy** Pulled until the next RCM.
- E. **To Set the Administrative Fees for Village Accounts** to set the Administration Fees for the Village accounts as follows: Local Street Fund \$2,600.00, Major Street Fund \$2,600.00, Water Fund \$12,500.00, Sewer Fund \$12,500.00.

2. OLD BUSINESS

None.

3. NEW BUSINESS

A. PUBLIC HEARING – TO CONSIDER ADOPTION OF SPECIAL ASSESSMENT RESOLUTION NO. 2 ESTABLISHING THE ARMADA VILLAGE POLICE SPECIAL ASSESSMENT DISTRICT (THE DISTRICT) TO PAY FOR CERTAIN COSTS AND EXPENSES OF POLICE MOTOR VEHICLES, EQUIPMENT AND POLICE PROTECTION (THE “POLICE PROTECTION COSTS”) AND AUTHORIZE FURTHER PROCEEDINGS TO ASSESS THE COSTS THEREOF TO THE PROPERTY SPECIALLY BENEFITTED BY THE POLICE PROTECTION IN THE DISTRICT – 7:00 PM

Treasurer Adair explained that Public Act 33 is a Municipality’s means of getting public service agencies, such as Police and Fire, funding. The Village and the Village Council have not raised General Fund taxes, which the Police Department is funded through, in 40 to 50 years, which has caused the General Fund to be reduced. The Village has also utilized the Headlee Rollback and has been hit by severe tax and state revenue reductions which have all yearly reduced the General Fund balances. The Village taxpayers have not received any reduction of services even with these reductions of revenue. The Police Department and the Department of Public Works are the biggest items within the General Fund, with the Police being approximately 1/3 of the General Fund budget, and Public Act 33 is dedicated and restricted for Police Department use only and would free up monies to be used for other General Fund activities, including loans to other funds to assist with streets, water or sewer. Trustee Coenen stated that this special assessment millage will be voted on yearly so the amount assessed this year may be different than what is collected in future years and as assessments rise, this millage should decrease. Attorney Bahorski also added that the 2008 economic decline along with state revenue sharing cuts and a declining prior year fund balance irrefutably

economically hurt the Village. All Municipalities were hit hard, he provided MML census data which shows that Michigan is ranked 50th (last) State to show any comeback from the economic decline and provided the 3-24-17 issue of Cranes showing that the Village combined with the Township is still 21.20% down in property values, still below the 2008 numbers. He stated that it is imperative that the Village generate new revenues and that the Police Department is the largest portion of the General Fund.

MOTION by Coenen, seconded by Clark, to enter into Public Hearing at 7:36 pm.

Ayes: Coenen, Clark, Wolak, Ballard, Boelke

Nays: None

Absent: Cooper, Shall

CARRIED

Several members in attendance spoke on behalf of the Police Department and asked the following questions or offered the following comments:

Ben Delecke: This is a new millage/special assessment but it really has nothing to do with the Police Department, it's really just a way to create revenue because the Village can't raise taxes other than this. It assures the Police Department can continue service and allows the General Fund to not fully fund the Police Department which frees up money in the General Fund. He stated that the Village had planned well but the DDA Bond is now on the Village to pay and the new Police vehicles were not paid for with General Fund monies. He added later that he fully supports the Police Department and the millage.

Dr. Norman Farver: Has been in Village for 31 years. He supports the special assessment and has spoken to several other people who also believe the Village should support their own Police Department. We have a good Police Department. There was an advelorum fee assessed to the non-profits with the Waste Water Treatment Plant and he inquired whether the Council had addressed that. He again stated that he is for this and if the Council is split 50/50, it should be put to a vote of the people. Great Council, great Police Department and we should not give the Police away because you will never get it back.

Gaylene Barker: Inquired as to actual figures. She has not heard any actual numbers of how this will affect homeowners.

Don Laskowski: Informed Mrs. Barker that the figures were included in the letter as did Kathleen Stork. Mr. Laskowski stated that he has been in the same house for 57 years and his street has never been touched. He has a pond right in front of his house. Others in the audience agreed. He stated that the Village should take a cutback in the Police force. He spoke to Louis Perreca and he and Tubby Rob ran the Police force with just the two of them and one car, not three. He stated that there is no reference in the letter how much money is being raised from the 3.5 mills.

Daren Krause: Lifelong resident and business owner in the Village. Very supportive of the Police Department. He asked if the Council had compared our Police Department to Richmond or Memphis in the number of cars and what their costs are and are they assessing special mills.

Scott Mabbit: He questions what happens if the Village dissolves the Police Department? He sees the Police in every other small town and what happens to the children if there is no Police force? If something happens at the schools, we need a

Police Department close than can respond quickly. He stated that residents are well aware of the speed limit in town, and you better be going 25 or you are going to get a ticket in front of Dave Ceonen's house because there is always an officer sitting there at 4:30 in the morning.

Carmello Portaro: New to Village, moved in November of 2015. One of the biggest reasons he moved here was the safeness and the Police Department. He is a former Police Officer and supports and understands this millage. Gave examples of wait times for Police in other jurisdictions. Surprised that the Police is running off the General Fund, needs this millage. Sees Police in subdivision all the time, very friendly, likes Chief. Police need new vehicles. He will come to the Village office to ask any questions he may have in the future.

Esther English: Child of WWII and that was a time that the women, children, and Tubby Rob watched the town. There was a time when she would visit, after moving away, and she was in fear for her neighbors and her mother. She could look out any window and see people being abused and children being neglected, the schools were non-complacent, there was crime happening on a daily basis at the gravel pits because there was not adequate policing at this time. She suggests everyone take a ride with the Police to see that they have to deal with global and national issues, state lack of funding plus all the dysfunction due to technology. A few years ago, our community plus one other small community in Wayne County had the best safety records. She would gladly pull in her belt to pay for policing, so please support them.

Terry Rooney: Concern is that the letter states that an option would be to eliminate the Police Department, which he states cannot happen without contracting with the Sheriff's Department, which would be a larger cost to the residents. He stated that unless the laws have changed from the late 1970's when he began as a Police Officer, an incorporated municipality with a population of over 500 residents shall provide police protection but he is not sure to what level they are required. He stated that the Council cannot budget for everything in a Police Department as there are many other aspects including ticket revenues, state revenues, forfeitures, overtime, etc. In any municipality, the Police Department is the largest costs. Times have changed and so has police work so we cannot go back to two officers. He suggests looking at how often/necessary is it that our car leaves the Village. Need a written policy on what constitutes the need to leave the Village. Dr. Farver said 8,500 cars go by the Baptist Church daily.

Robert Abraham Jr.: Resident of Village and Full Time Firefighter for Armada Township. Supports millage, works with Sheriff's Department and the State Police on accident scenes and they do have a longer response time. Sheriff's Department is only obligated to respond in an emergency situation. Contracting with Sheriff's is too expensive, one car per shift and is called to assist, you lose your car. He is happy to see our Village Police at any scene, they clear the scene quickly and efficiently so they get back to the Village in a timely manner. He spoke to Chief Patrick who informed him that he has trimmed \$50,000.00 off of his budget for this year and the vehicles purchased for the Police Department were not bought with General Fund money but with Salvage Title Funds which do not cost the taxpayers and the K-9 unit was donated.

Alan Hoxie: Concern that money is being put into the General Fund. Suggests a separate fund be kept.

Kathleen Stork: She checked with the State and the 2014 budget shows that the Police Department cost \$345,697.00 and in 2015 it cost \$505,818.00 which is a 46% increase.

She inquired as to why that happened. She suggests taking the Police out of the General Fund and making it its own separate fund with its own millage. Supports the Police Department.

John Paterek: Stated that the millage is 9.83 mills to fund \$385,000.00 for the Police Department and the Chief said that he has dropped the budget to \$355,000.00 which is 8.55 mills. Is this millage assessed on personal and real property? The fire department runs completely independent of their General Fund on their own millage which covers all expenses so the township can track it.

MOTION by Coenen, seconded by Ballard, to exit Public Hearing at 8:06 pm.

All Ayes

CARRIED

Council discussion addressed most of the concerns of the residents. Trustee Coenen stated that as for the difference in the Police costs between 2014 and 2015, the Salvage Title Funds were not separated out of the Police budget at that time, which they are now, and they greatly increased between 2014 and 2015. Treasurer Adair added that the Village also had a high profile murder investigation. Treasurer Adair addressed the advelorum fee to non-profits or zero tax properties by stating that it cannot be assessed, no provisions allow for an assessment. The amount of money generated by this assessment is \$137,080.00, which will not cover the Police Department 100%, it's about a third of the costs. The amount per household provided in the public notice was based off an average taxable value of \$50,000.00 and broke down to \$175.00/year. The Q and A included with the Public Hearing notices sent to each resident addressed this. As for comparing how other police departments are funded, this is a very hard comparison to make, Village vs City, size, have different rules for different municipalities. How they manage their departments is not known to the Council at this time but can be provided later. The money assessed will be kept in a separate line item and will not be used for General Fund activities. Treasurer Adair will talk to the Auditors as to taking the Police out of the General Fund and making it its own separate fund. Attorney Bahorski reminded the public that this is not the last step in the process, there is another Public Hearing on April 24, 2017, at 7:00 pm to vote on the mills to be assessed. The Council will do their best to get questions answered by the Village Auditor regarding the pros and cons of creating a separate fund before the Public Hearing. Another notice will be going out to all residents and they will get an opportunity to attend and speak at the next Public Hearing.

MOTION by Coenen, seconded by Ballard, to adopt Special Assessment Resolution No. 2 establishing the Armada Village Police Special Assessment District to pay for certain costs and expenses of police motor vehicles, equipment and police protection and authorize further proceedings to assess the costs thereof to the property special benefitted by the police protection in the District.

All Ayes

CARRIED

B. CAPITAL CHARGES FOR WATER AND SEWER

The Clerk presented Council with the annual proposed water and sewer rate resolutions (on file) reflecting an increase of 5%, on the water and sewer commodity charges. The water DWRf bond cost has also been raised 5% as required by the bond which requires at least a 3% increase.

MOTION by Boelke, seconded by Ballard, to adopt the attached resolutions approving the new water and sewer rates.

Ayes: Boelke, Ballard, Clark, Coenen, Wolak

Nays: None

Absent: Cooper, Shall

CARRIED

C. SET PROPOSED MILLAGE RATES

Treasurer Adair explained that the Council needs to set the proposed millage rates for fiscal year 2017/2018. The millage will not be set until we receive the Headlee Rollback amount from the County.

MOTION by Boelke, seconded by Ballard, to accept the recommendations by Treasurer Adair to propose the 2017 Tax Millage rate at the maximum allowable levy as permanently reduced by MCL211.34d and authorized under Truth in Taxation, MCL.21124e, with full understanding that these requested tax levy rates will be reduced, if necessary, to comply with the state constitutional (Article 9 Section 31) MCL Sections 211.34 and 211.24e. The following rates shall be proposed:

General Fund	9.2810 mills
Municipal Streets Fund	<u>3.7122 mills</u>
Total Proposed Millage Rate	12.9932 mills

Ayes: Ballard, Wolak, Boelke, Coenen, Clark

Nays: None

Absent: Cooper, Shall

CARRIED

D. 2017-2018 WAGE ALLOCATION FOR TREASURER AND CLERK

The Clerk and Treasurer wages need to be approved every budget year by Council resolution. The wages proposed have no increases for this fiscal year.

MOTION by Ballard, seconded by Boelke, to establish the compensation for the Clerk of the Village of Armada in the amount of \$25,236.00 annually effective April 1, 2017.

Ayes: Ballard, Boelke, Clark, Coenen, Wolak

Nays: None

Absent: Cooper, Shall

CARRIED

MOTION by Ballard, seconded by Clark, to establish the compensation for the Treasurer of the Village of Armada in the amount of \$36,219.00 annually effective April 1, 2017.

Ayes: Ballard, Clark, Wolak, Coenen, Boelke

Nays: None

Absent: Cooper, Shall

CARRIED

E. PUBLIC HEARING – TO ADOPT FICAL YEAR 2017-2018 BUDGET

MOTION by Ballard, seconded by Clark, to enter into Public Hearing for the F/Y 2017/2018 Budget at 8:28 pm.

Ayes: Ballard, Clark, Coenen, Boelke, Wolak

Nays: None
Absent: Cooper, Shall

CARRIED

The Village of Armada's fiscal year 2017/2018 begins April 1, 2017. The Village is required to adopt budgets for its various funds prior to this date. After several workshops conducted by the Village Council, a budget was prepared and submitted for this public hearing and Council vote. No public comments were received.

MOTION by Coenen, seconded by Ballard, to exit Public Hearing at 8:38 pm.

All Ayes

CARRIED

MOTION by Ballard, seconded by Clark, to adopt the fiscal year 2017/2018 budgets for the following funds as presented: General Fund as presented with a projected fund balance of \$138,115.21, Municipal Street Fund as presented with a projected Fund Balance at year-end of \$170,458.39, Major Street Fund as presented with a projected Fund Balance at year-end of \$37,913.45, the Local Street Fund as presented with a projected Fund Balance at year-end of \$13,501.51 Salvage Title Fund as presented with a projected fund balance of \$589,756.00, Water Fund as presented with a projected Fund Balance at year-end of \$159,336.73, and the Sewer Fund as presented with a projected Fund Balance at year-end of \$98,134.35.

Ayes: Ballard, Clark, Coenen, Boelke, Wolak
Nays: None
Absent: Cooper, Shall

CARRIED

F. EMPLOYEE SICK TIME PAY OUT

Employee Edward Serwatowski requested, as allowed for in his contract, to be paid out his 40 hours of sick time hours totaling \$1,311.20.

MOTION by Coenen, seconded by Ballard, to grant the request made by employee Edward Serwatowski pursuant to Article IV of the employee agreement for payment of personal/sick time in the amount of \$1,311.20.

Ayes: Coenen, Ballard, Boelke, Clark, Wolak
Nays: None
Absent: Cooper, Shall

CARRIED

UPCOMING AGENDA ITEMS

- A. Sewer Plant Items.
- B. Investment Policy
- C. Clerk Report of Training
- D. West Main Street Update

CITIZENS COMMENTS

Gaylene Barker asked when Council would be voting on PA33 (April 24, 2017). She also asked Council to consider putting a statement on the water bill regarding the laws about barking dogs.

Linda Lyons inquired about blight issues and was directed to speak to the Code Enforcer Dennis LeMieux.

COUNCIL COMMENTS/COMMUNITY EVENTS

A. President Wolak commented on how nice it was to see the full seats for tonight's Public Hearing.

B. Armada Business Association member Ben Delecke informed the Council of the annual upcoming Easter Egg Hunt on April 8, 2017, 11:00 am at the Fairgrounds which is hosted by the ABA

No further business.

MOTION by Clark, seconded by Ballard, to adjourn the meeting at 8:50 pm.

All Ayes

CARRIED

Minutes submitted by:

Michelle Poulos, CMMC
Armada Village Clerk