

CITY OF ST. JOHNS

CITY COMMISSION MINUTES

APRIL 22, 2024

The regular meeting of the St. Johns City Commission was called to order by Mayor Dzurka at 6:00 p.m. at the Clinton County Courthouse, 100 East State Street, 2nd Floor, Suite #2200, St. Johns, Michigan.

COMMISSIONERS PRESENT: Eric Hufnagel, Brad Gurski, Scott Dzurka, Chris Hyzer

COMMISSIONERS ABSENT: Jean Ruestman

STAFF PRESENT: Chad Gamble, City Manager; Kristina Kinde, City Treasurer; Mindy J. Seavey, City Clerk; Justin Smith, Director of Public Services; Courtney Agrusa, City Attorney; Jeff Keesler, McKenna (left at 6:16 p.m.)

Mayor Dzurka asked if any of the commissioners or persons present wished to discuss any of the items on the consent agenda.

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the consent agenda be approved as presented.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

a. Approval of Minutes

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the minutes of the March 18, 2024 regular meeting be approved as presented.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

b. Receipt of Warrants

Motion by Commissioner Gurski seconded by Commissioner Hyzer that warrants be approved as presented in the amount of \$592,905.65.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

c. Adjustment and Addition to Fee and Rate Schedule - Permits to Purchase Firearms

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the city commission approve amending the current Fee and Rate Schedule to include a \$10.00 administrative fee for “Firearm Purchase Permits” and sustain that fee on the Fee and Rate Schedule.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

d. Biosolids Contract Renewal – Bio-Tech

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the city commission approve the three-year contract renewal from Bio-Tech Agronomics for biosolids removal and land application. This contract has been reviewed by the city attorney and found to be legally sufficient.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

e. Police Department Textile Service Agreement - Maurer

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the city commission approve the presented agreement for textile services with Maurer’s and authorize the Mayor to sign the same.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

f. Authorization of Signers on all Mercantile Accounts

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the city commission authorize the update of signers to Chad A. Gamble, Mindy Seavey, and Kristina Kinde for all Mercantile accounts.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

AGENDA

Mayor Dzurka asked if there were any additions or deletions to the agenda. He said we have one addition, added as number 9 under New Business, Spicer Group Agreement.

Motion by Commissioner Hyzer seconded by Commissioner Hufnagel that the city commission approve the agenda as amended.

AGENDA

A. OPENING:

1. Invocation
2. Pledge of Allegiance
3. Consent Agenda

The staff proposes the following items for the Consent Agenda. If any Commissioner wishes to discuss any of these items, it should be placed on the regular agenda. The remaining items and recommendations may be approved en masse:

- a. Approval of Minutes
 - Regular meeting minutes of March 18, 2024
 - b. Receipt of Warrants
 - In the amount of \$592,905.65
 - c. Adjustment and Addition to Fee and Rate Schedule - Permits to Purchase Firearms
 - Staff recommends that the city commission approve amending the current Fee and Rate Schedule to include a \$10.00 administrative fee for "Firearm Purchase Permits" and sustain that fee on the Fee and Rate Schedule.
 - d. Biosolids Contract Renewal – Bio-Tech
 - Staff recommends that the city commission approve the three-year contract renewal from Bio-Tech Agronomics for biosolids removal and land application. This contract has been reviewed by the city attorney and found to be legally sufficient.
 - e. Police Department Textile Service Agreement - Maurer
 - Staff recommends that the city commission approve the presented agreement for textile services with Mauer's and authorize the Mayor to sign the same.
 - f. Authorization of Signers on all Mercantile Accounts
 - Staff recommends that the city commission authorize the update of signers to Chad A. Gamble, Mindy Seavey, and Kristina Kinde for all Mercantile accounts.
4. Approval of Agenda:

B. PUBLIC HEARINGS:

C. PERSONS WISHING TO PRESENT TESTIMONY:

1. Public comment - agenda & non-agenda items

Each speaker is only entitled to one (1) three-minute time during each Public Comment period.

D. COMMUNICATIONS:

E. OLD BUSINESS:

1. Recommended Zoning Amendment – Off Street Parking - Resolution #10-2024 – a Resolution to Introduce an Ordinance to Amend the City of St. Johns Code of Ordinances Regarding Off-Street Parking and Loading/Unloading Area Requirements for Full Size and Small Recreational Vehicles
2. Recommended Zoning Amendment – Downtown Development Parking Requirements - Resolution #14-2024 – a Resolution to Adopt an Ordinance to Amend the City of St. Johns Code of Ordinances Regarding the Creation of a Parking Exemption Zone & Resolution #15-2024 – a Resolution to Adopt an Ordinance to Amend City’s Zoning Map

F. NEW BUSINESS:

1. Local Governing Body Resolution for Charitable Gaming Licenses – St. Johns Auto Program Boosters – Resolution #16-2024
2. Fantasy Forest Master Plan
3. Quarterly Budget Report
4. King Media
5. Wilson Community Center Bond Authorizing Resolution #17-2024
6. Baker Tilly Water and Sewer Rate Study Presentation
7. Staff Presentation of the Proposed 2024/2025 Fiscal Year Budget to the City Commission and Set Public Hearing for May 20, 2024
8. Application for Waiver in Underfunded Status on MERS Pension Plan - Resolution - #18-2024
9. Spicer Group Agreement (*ADDED TO AGENDA*)
10. City Manager Comments
11. Commissioner Comments

G. ADJOURNMENT:

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

PUBLIC HEARINGS

PERSONS WISHING TO PRESENT TESTIMONY

1. Public Comment

Mayor Dzurka asked if there were any public comments.

Ed Thelen, 110 W. Cass, was present. He said they had a good ambulance meeting last night; they have posted for the assistant director position; the ambulance authority is moving forward and the community paramedicine is coming up. He said they took action on Fantasy Forest at a Parks and Rec meeting last week. He said there is a great plan on that; a lot of work has been done; and the committee should be commended.

COMMUNICATIONS

OLD BUSINESS

1. Recommended Zoning Amendment – Off Street Parking - Resolution #10-2024 – a Resolution to Introduce an Ordinance to Amend the City of St. Johns Code of Ordinances Regarding Off-Street Parking and Loading/Unloading Area Requirements for Full Size and Small Recreational Vehicles

Jeff Keesler, McKenna, said on March 18th the commission tabled the first reading. He said they requested a policy revision to allow parking of RVs in front yards in winter months for those with large front yards and small rear and side yards. He said it was added to the definitions section; requires a zoning permit; he discussed rules and setbacks.

Mayor Dzurka said this opens up some of the restrictions. He said the communication is going to be important to let residents know this.

Motion by Commissioner Gurski seconded by Commissioner Hufnagel that the city commission adopt Resolution #10-2024 – a Resolution to Introduce an Ordinance to Amend the City of St. Johns Code of Ordinances Regarding Off-Street Parking and Loading/Unloading Area Requirements for Full Size and Small Recreational Vehicles.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

2. Recommended Zoning Amendment – Downtown Development Parking Requirements - Resolution #14-2024 – a Resolution to Adopt an Ordinance to Amend the City of St. Johns Code of Ordinances Regarding the Creation of a Parking Exemption Zone & Resolution #15-2024 – a Resolution to Adopt an Ordinance to Amend City’s Zoning Map

Jeff Keesler, McKenna, said this concept comes from the last master plan update. He said the planning commission recommended to right size parking requirements. The city commission approved the first reading on March 18th. He discussed the parking exempt

district and parking reduction district; the commercial reduced to 85% of residential parking; developers have the option to further reduce through adding bike racks, curbside pick-up spaces, and payment in lieu of parking; the boundaries will be shown on the official zoning map.

Motion by Commissioner Hyzer seconded by Commissioner Gurski that the city commission adopt Resolution #15-2024 – a Resolution to Adopt an Ordinance to Amend City’s Zoning Map.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the city commission adopt Resolution #14-2024 – a Resolution to Adopt an Ordinance to Amend the City of St. Johns Code of Ordinances Regarding the Creation of a Parking Exemption Zone.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

NEW BUSINESS

1. Local Governing Body Resolution for Charitable Gaming Licenses – St. Johns Auto Program Boosters – Resolution #16-2024

City Manager Gamble said this request doesn’t happen very often, but it falls within the confines of events governed by these laws. He said we recommend this for approval.

Jeff Keesler, McKenna, left at 6:16 p.m.

Motion by Commissioner Hufnagel seconded by Commissioner Hyzer that the city commission adopt Resolution #16-2024 - Local Governing Body Resolution for Charitable Gaming Licenses – St. Johns Auto Program Boosters.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

2. Fantasy Forest Master Plan

Recreation Director Schafer said they have been working for the last 4 months to bring together a master plan: St Johns Community Fund, service groups (Rotary and Kiwanis),

and the City. He said the master plan is for the replacement of Fantasy Forest. He discussed: the public open house; online survey in January; put together so we can develop in phases, if needed; this is a master plan and is not how much we are going to try to raise for phase 1; we have \$1.3 million for the project right now; want to deliver something universally accessible; discussed conceptual plan (purple and tan areas is phase 1); playground is all connected by ramps; brown area is engineered wood fibers and blue area is poured in place; and parking area. We are expecting this to be a huge draw.

Discussion:

- Extending sidewalk on the parking side?
 - Can look at having them add that, or send them up towards the other bathroom and not have them cross the street.

Director Schafer discussed:

- Aerial view.
- Fits into space there now.
- May have to take a few trees out.
- Color palette.

There was a discussion of:

- Square footage calculation.
 - Close to what is there now.
 - Main playground is a lot denser.
- Seating.
 - There is an area where we can implement benches and picnic tables; still need to add to that.
- Next steps:
 - Community Fund will fundraise until August 1st.
 - Develop bid documents and construction plans.
 - Bring back to city commission at the November meeting.
 - Start construction spring of 2025.

Mayor Dzurka thanked the people from the committee. He said we called in consultants; look at this as a destination; he appreciated the committee's work and diligence to preserving Fantasy Forest 1.0; Lizzie's glider and past donors; we have \$1 million already generated for this; and there still is considerable fundraising that needs to get done and to find some willing donors.

City Manager Gamble commended Bill and the entire core team. He said there were a lot of meetings and a lot of work. He said this is a wonderful generational type of

opportunity. He said Meredith is here from the committee. He said next month they will be taking the master plan and packaging up the approximate value. They will make sure they have the appropriate contingency funds and bid out to appropriate vendors.

Motion by Commissioner Hyzer seconded by Commissioner Hufnagel that the city commission adopt the Fantasy Forest 2.0 master plan.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

3. Quarterly Budget Report

Treasurer Kinde said in your packet you have the quarterly report as of March 31st. She discussed: should be right around 75% for most departments; property taxes are almost at 100%, waiting for county settlement; Legislative department is at 83%; and community development expenditures (needs a budget adjustment).

There was a discussion of:

- Overall in terms of projections, positive bottom line?
 - We are right on track.

4. King Media

Coleen King, President & Founder, was present. She said they would like to give the commission a little background on where our contract engagements started.

Laurie DeYoung, Vice President, was present. She discussed background of where we started: foundational research, communications and marketing plan, 6 months of consulting services; consultation on time-sensitive projects; website reviews; social media posts; very consistent brand look and feel; consulting contract extended from June 1, 2022 to June 30, 2023; focus groups; online community survey; rental housing program; communications and marketing plan & presentation; intelligence report; July 2023 – December 2023 work; January 2024 – June 2024 work planned for remainder of year; reduced rate for social media; Facebook reach up 224% year over year; visits up 147%; followers up 52%; summary; 2024-25 recommendations – blended approach: monthly consulting services, monthly social media services, crisis communication and special projects as needed; summary of proposed 12-month contract.

Mayor Dzurka thanked Laurie and Coleen for being solid partners through this. He discussed the fiscal consciousness and said he appreciated what they have done in terms of partnership.

City Manager Gamble said he has been here over 10 months and it has been a great partnership. He discussed: they have built internal capabilities based on cookie cutters to do more simple Facebook posts; recognize the value of periodic posts that brings in that marketing and professional patina on things we would like to push out to the public; leveraging of King and all their services has reaped benefits; he has gone to meetings where people come up and have recognized our branding; appreciate King's partnership and the leadership of Coleen and Laurie and the entire team; having someone that is continuing to beat that drum is helpful; been very impressed with efforts of interns and we are building internal capabilities with Tammy Wright and our interns; and balance that.

There was a discussion of:

- If staff has plotted out the communication needs for the upcoming year and how we would utilize their services.
 - Not yet, but we are looking at more advanced planning.

5. Wilson Community Center Bond Authorizing Resolution #17-2024

Treasurer Kinde said Eric McGlothlen is here from Dickenson Wright. This is the next step in the bonding process for the Wilson Center in the included timeline.

Mr. McGlothlen said it is the next step and the final process the commission will take. He said up to \$3.5 million bonds to be issued; authorizes Mr. Gamble and Ms. Kinde; bonds repaid from city general funds; and it doesn't require the bonds to be issued in this amount.

Motion by Commissioner Gurski seconded by Commissioner Hufnagel that the city commission adopt Resolution #17-2024 Wilson Community Center Bond Authorizing Resolution.

Roll call vote:

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

6. Baker Tilly Water and Sewer Rate Study Presentation

Treasurer Kinde said we annually update our water and sewer rate study analysis.

Andy Campbell, Baker Tilly, was present. He discussed: overview of water/sewer rates; operating expense history; inflation is hurting the city just like everyone else; billable flow history (Glanbia usage); typically with larger industry users they start to perfect

their uses; combined debt service; principal and interest payments; capital improvement funding; 7%; decisions for the future; you don't get grant money that other communities are eligible for; and upkeeping the system.

There was a discussion of:

- Glanbia was planned at 0.5 million gallons per day.
 - We knew in 5 years they would drop off and be at maximum efficiency within 5 years.
 - Right now over 700,000 per day.
 - Think we are over huge drops.
 - Mr. Campbell said he did not expect to see Glanbia cut 14% and then 10%.
 - Inflation on capital improvements with construction costs.
 - Reach out to Glanbia and see what their further reductions are.
 - City Manager Gamble talked with the plant manager on efficiencies during tour; they made marked changes in operations and use of water; will continue to make tweaks, but not large steps.
- Elevated tank
 - At current flows, we don't need a new elevated tank (water tower).
 - Of the \$3.4 million, the tower is a big part of it.
 - If we take a new tower out and do a 7% increase, the cash balance wouldn't do a big dip there. Maybe we don't have to bond for all of sewer in 27/28.
 - Little bit more flexibility in the plan if we don't have to do a tower.
- Concern regarding residential cost per gallon compared to commercial.
 - Commercial aspects of consumption vs. costs.
 - Mr. Campbell said there is a \$45 ready to serve charge for residents; all pay \$4.96 commodity charge; water is cheaper than the average; no rhyme or reason to ready to serve charge, can look at that; you can't charge different commodity rates; you could do no increase on ready-to-serve and increase just the commodity side; have to be careful if you get more revenue from commodity, the more revenue is risk-based.
- 25% decrease in what we have been able to build up in fund balance; in year 2 or 3 in seeing the number go down; make sure we have done our due diligence on the expense side of the budget.
- How much we put in the infrastructure for Glanbia.
 - Director Smith said Glanbia covered the cost of all water main and sewer infrastructure; we received a grant for Walker Road.

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- We stopped bonding in 2019, able to cash flow more projects during those years. Even with the decrease, we are way ahead of where we were before they (Glanbia) came on. How much can we currently cash flow?
 - With 4% increase, can fund \$1.5 million if continue to do 4% increases.
 - Did assume a decrease next year in flow.
 - City Manager Gamble discussed rate structure and analysis is about balance; no utility will get out of bonding period; and the first question industry asks before moving to area are what are the water/sewer rates.
 - Long range for next year.
 - 7% increase for the next two years.
 - Large capital improvement projects tied to capacity-based needs.
 - More information needed regarding expenditures and future plans.
 - Communication to the public regarding any increase.

Treasurer Kinde said in the current budget it is a 3% increase. She said whenever a decision is made, she can do a budget adjustment. She said sooner is better since we typically change rates in July. Internally, we can put together some information.

Staff to come back to the city commission with options and more information.

7. Staff Presentation of the Proposed 2024/2025 Fiscal Year Budget to the City Commission and Set Public Hearing for May 20, 2024

City Manager Gamble discussed:

- Budget strategy and highlights
 - Prioritize and invest in our greatest asset.
 - Strategic capital investment.
 - Tactical spend and save approach to Act 51.
 - Regional transparency budget organization.
 - Fiscal planning and rate setting strategy.

Treasurer Kinde discussed key highlights of the following funds:

- General Fund
 - Capital expenses; Legislative; Administration; Municipal building; Police; Fire; DPW; Parks; and Recreation
- Major Streets
- Local Streets
- Street Millage
- Garbage Fund
- Water/wastewater

- Capital Projects
- Motor Pool
 - Capital Projects

There was a discussion of:

- The garbage fund from 0.7 to 1.1 millage increase, what is driving that increase?
 - Their contribution into motor pool; employee wages that run through here; don't know that the \$5 is going to cover the full increase; administrative charges went up; will adjust rate when we get the bids in.
- Charge backs.
 - Should see those increasing; last year, we did not budget for additional equipment amount in motor pool and there will be a budget adjustment in June; last year should have been a little bit higher.
- Seems like a lot going over from legislative.
- When we met with Granger in regards to contract renewal and options, they indicated they would not be surprised if we have over a 20% increase.
 - They don't know what is going to happen with proposed changes in dumping fees.
- Are we going to see a per resident cost in the bid?
 - It is not structured that way.
 - Would be around \$175 per resident for the year for garbage service pick up.

Motion by Commissioner Hufnagel seconded by Commissioner Hyzer that the city commission set a public hearing for May 20, 2024.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

8. Application for Waiver in Underfunded Status on MERS Pension Plan - Resolution - #18-2024

Treasurer Kinde said the prior year this was 64% funded, but due to the market our assets dropped and we went down to 58.5%. They sent us a waiver to fill out. We think we will be back up by next year. Our application has to be approved and submitted within 45 days.

Motion by Commissioner Hyzer seconded by Commissioner Gurski that the city commission adopt Resolution #18-2024.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

9. Spicer Group Agreement

Director Smith apologized for the late addition. He discussed: in 2021 EGLE set forth having a complete inventory of service lines; in 2022 we entered into a contract with Spicer and part of the process is potholing and inspection of lead lines at the shut off; recently we became aware of \$48 million in grants for small communities; we were awarded \$344,222; this will fully fund that complete process; and Spicer needs approval and signature on the agreement for their expenditures with the grant.

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the city commission approve the contract with Spicer.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

10. City Manager Comments

City Manager Gamble discussed:

- MWEA article on St. Johns Wastewater Plant.
- Just completed an update of the Resident Handbook; a lot of staff contributed to that, kudos especially to Tammy Wright and Emma Burnham.
- Copies of spring newsletter.
- Thanked Bill for working on AmeriCorps application; should hear back within two weeks.
- Did get word that Magnibeam selected an alternate location in South Carolina.
- Kudos to the St. Johns Public Schools. They passed a resolution supporting the Fantasy Forest 2.0 project.
- Congratulate Chief Kirk for Department of Justice approval of body worn camera policy.
- EGLE grant for lead service line replacement; kudos to Director Smith and Supervisor Calvin Galecka.
- He asked Justin to show Higham & Brush Street parking lot configuration.
 - Maximum number of spaces; centralized dumpster; increase safety and drainage.
 - Wolverine came up with 5 different options.
 - Discussion of utilities; buildings around parking lot; dedicated parking spots; lease option.

11. Commissioner Comments

Commissioner Gurski said with the ambulance authority there is an agreement for the use of Dewitt Township station #2 to house one of our rigs down there, when in need. He said this generates conversations of additional funding coming our way, hopefully, in the future.

Commissioner Hufnagel said thank you to staff for the budget presentation. He said it was very good information; reviewing the CIP (Capital Improvement Plan) was very important and he loved the opportunity to discuss that with staff.

Mayor Dzurka said kudos to Justin and the team on the MWEA article. He said he saw the police (annual) report and thanked the chief for putting that together. He discussed the progress on electronic reporting. He said the fire report was in there and the young recruits in there and said Jordan is doing a great job. He said the Call-In Coalition is starting a drop-in program for kids at Clinton County RESA.

Commissioner Hyzer congratulated the Fantasy Forest Committee on all the work they have done. Congratulations to staff budget wise, and all the work you put into it. He said he appreciated the effort.

ADJOURNMENT

Motion by Commissioner Hyzer seconded by Commissioner Gurski that the meeting be adjourned.

YEA: Hufnagel, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

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