

CITY OF ST. JOHNS

CITY COMMISSION MINUTES

JANUARY 26, 2026

The regular meeting of the St. Johns City Commission was called to order by Mayor Dzurka at 6:02 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, Chris DeLiso

COMMISSIONERS ABSENT: None

STAFF PRESENT: Kristina Kinde, Interim City Manager/Treasurer; Mindy J. Seavey, City Clerk; Justin Smith, Director of Public Services; Anne Seuryneck, City Attorney (Zoom); Chris Khorey, McKenna (Zoom)

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

Commissioner DeLiso asked that items h. and i. be taken off the consent agenda.

Mayor Dzurka asked for item f. to be moved. He placed items f., h. and i. after item number 6 on New Business.

Motion by Commissioner Gurski seconded by Commissioner DeLiso that the consent agenda be approved as amended.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

a. Approval of Minutes

Motion by Commissioner Gurski seconded by Commissioner DeLiso that special meeting minutes of January 8, 2026 be approved as presented.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

b. Receipt of Warrants

Motion by Commissioner Gurski seconded by Commissioner DeLiso that warrants be approved as presented in the amount of \$ 3,904,880.45.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

c. West End Storm Sewer Ditch Cleaning

Motion by Commissioner Gurski seconded by Commissioner DeLiso that the city commission approve the bid from Miller Brothers Excavating to complete stump removal and ditch cleaning.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

d. Mid-Year Budget Adjustments

Motion by Commissioner Gurski seconded by Commissioner DeLiso that the city commission approve all mid-year budget adjustments attached.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

e. PSD/DDA Director Contract Approval

Motion by Commissioner Gurski seconded by Commissioner DeLiso that the city commission approve the employment agreement for Heather Hanover for the position of PSD/DDA Executive Director and authorize the mayor to sign the contract.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

g. IROL Agreement Signing

Motion by Commissioner Gurski seconded by Commissioner DeLiso that the city commission approve Fire Chief Douglas to sign the Service Level Agreement with Inspections Report Online as the Department Head of the Authority Having Jurisdiction.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

AGENDA

Mayor Dzurka asked if there were any additions or deletions to the agenda.

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
 - Special meeting minutes of January 8, 2026
- b. Receipt of Warrants
 - In the amount of \$3,904,880.45
- c. West End Storm Sewer Ditch Cleaning
 - Staff recommends the city commission approve the bid from Miller Brothers Excavating to complete stump removal and ditch cleaning.
- d. Mid-Year Budget Adjustments
 - Staff recommends the city commission approve all mid-year budget adjustments attached.
- e. PSD/DDA Director Contract Approval
 - Staff recommends the city commission approve the employment agreement for Heather Hanover for the position of PSD/DDA Executive Director and authorize the mayor to sign the contract.
- f. ~~Budget Amendment for Ladder Truck Repairs~~ **Moved to Agenda**
 - ~~-Staff recommends the city commission approve a budget amendment of \$30,000 from equipment reserves to 136-336-933.000 for repairs needed on St. Johns Fire Department Truck 36.~~
- g. IROL Agreement Signing
 - Staff recommends the city commission approve Fire Chief Douglas to sign the Service Level Agreement with Inspections Report Online as the Department Head of the Authority Having Jurisdiction.
- h. ~~Bendzinski Water and Sewer Rate Study~~ **Moved to Agenda**
 - ~~-Staff recommends the city commission accept the five-year contract with Bendzinski and Co. for the 26/27 water/sewer rate analysis in the amount of \$9,000 and approval of the cap fees review of \$500.~~
- i. ~~Police Department Lawn Service Renewal~~ **Moved to Agenda**

~~Staff recommends the city commission authorize the Mayor to sign and approve the 24-month renewal of Police Department lawn maintenance services with Smith Lawncare.~~

4. Approval of Agenda:

B. PUBLIC HEARINGS:

C. PRESENTATIONS:

1. Recognition of Bill Tennant
2. Friendship City Update and Upcoming Goodwill Mission from Shiga in Summer of 2026
3. Audit Presentation
4. Quarterly Budget Report

D. PERSONS WISHING TO PRESENT TESTIMONY:

1. Public comment - agenda & non-agenda items

E. COMMUNICATIONS:

F. OLD BUSINESS:

G. NEW BUSINESS:

1. Resolution #1-2026 Adopting Guidelines for Poverty Exemptions to be Implemented by the Board of Review
2. Resolution #2-2026 Adopting Alternate Start Dates for March, 2026; July, 2026; and December, 2026 Board of Review
3. Resolution #3-2026 Adopting Taxpayers & Non-Resident Taxpayers to Protest in Writing by Letter or Email for Board of Review
4. Resolution #4-2026 - to Adopt the Master Plan and Parks and Recreation Plan for St. Johns
5. Clinton Area Ambulance Service Authority Budget & Request for Funding
6. Interim City Manager Compensation
7. Budget Amendment for Ladder Truck Repairs (*Moved from Consent Agenda*)
8. Bendzinski Water and Sewer Rate Study (*Moved from Consent Agenda*)
9. Police Department Lawn Service Renewal (*Moved from Consent Agenda*)
10. City Manager Search Proposals
11. Review of Rental Inspection Fee
12. City Manager Comments
13. Commissioner Comments

H. ADJOURNMENT:

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

PUBLIC HEARINGS

PRESENTATIONS

1. Recognition of Bill Tennant

Mayor Dzurka said at the recent school board meeting, one of the items was a joint award created between the city and school to recognize people within the community. He said it would not be an annual award but will be a legacy award for people who do outstanding service in the community.

Mayor Dzurka presented the award to Bill Tennant.

Bill Tennant was present. He said he is extremely honored and humbled by the recognition. He said it is more special because it comes from the city and the school. He said he started teaching in St. Johns in 1968 and thought he would be here 2 or 3 years and it has almost been 60 years. He said it's really about the people here and it has been an incredible journey and a blessing giving back to my city, my community. Thank you.

2. Friendship City Update and Upcoming Goodwill Mission from Shiga in Summer of 2026

Mayor Dzurka introduced Linda Beeman.

Linda Beeman, Vice President, Michigan Shiga Sister State Board, was present. She discussed: she is the St. Johns representative to the board, but she lives in Ovid. She said we need other people here on the board. She said the exchanges ended because of the pandemic. She had a short presentation: introducing Shiga; 1968 sister city agreement was signed in Michigan; last year group went to Shiga; school art exchange; this year Shiga visitors come here from November 12-19; engagement from St. Johns is really important; they need hosts in the fall; sister state board has an endowment; and maybe we could have an informational meeting at the Japanese Garden by the library.

There was a discussion of the exchanges.

Mayor Dzurka discussed Rotary, Kiwanis, Lions and the Chamber and said we could get information to those groups if there are packets. He said the superintendent is still trying to work out the art exchange. He thanked her for the information.

Ms. Beeman said their annual meeting is next Saturday and she can send the Zoom link.

3. Audit Presentation

Jordan Smith, Maner Costerisan, was present. He thanked the staff for all their work. He discussed: the Independent Auditor's Report (pages 10-13); Governmental Funds Financial Statements (pages 28 & 30); General Fund bar graph for last 5 years; line graph with GFOA minimum of 17% fund balance (the city was at 41% fund balance and the average in Michigan is 43%); revenue and where it comes from; expenditures; major and local streets fund balance; water and sewer fund financial statements (pages 32-35); net position; unrestricted net position; net pension liability; upcoming accounting pronouncements; and reported deficiencies.

There was a discussion of:

- Deficiencies:
 - Changes with the account clerk role; changes last year with pooled cash accounts; switched cash receipting process; and in the upcoming year we should not have issues.
- Intergovernmental under General Fund.
 - ARPA in 2024 and we didn't have ARPA in 2025.
- Water/sewer savings and trying not to bond out projects.
- Trash fund
 - Substantial increase in the fund balance in trash fund and we made changes last year.
 - We may be able to lower the garbage millage amount that we collect next budget.
 - 4 years left in the contract.
 - This fund is not just garbage, it includes brush pick up, street cleaning, etc. We carried over an expense relating to the brush pile.

Motion by Commissioner Hyzer seconded by Commissioner Hufnagel that the city commission accept the audit as presented.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

4. Quarterly Budget Report

Interim City Manager Kinde presented the Quarterly Budget Report. She discussed:

- Report is through December 31, 2025.
- Budget use is around 50%.

- Revenues are above 50%; collect property taxes in the summer.
- Fantasy Forest Fund – waiting on remainder of Spark Grant funds.
 - City has not yet made the final contribution that was approved by the city commission.
- Wilson Center Fund – continuing to earn interest on the bonds; we earned \$150,000 interest on the bonds.

There was a discussion of:

- The fire fund.
 - Large transfer from the General Fund of \$382,000.
 - The fire truck transfer is not in there yet and we will need to budget adjust the \$240,000.

PERSONS WISHING TO PRESENT TESTIMONY

1. Public Comment

Mayor Dzurka asked if there were any public comments regarding agenda or non-agenda items. He discussed the rules regarding public comment.

Ann O'Rourke was present regarding the tree removal by the McConnell Street ditch. She discussed: they were disappointed this was done without notification except for those adjacent to the ditch; it has a direct effect on property values and quality of life; change in wind and snow drifts noticeable; they spent \$10,000 on their porch and discussed their view now; it has altered the quaint feel of the neighborhood; they sent an email on December 22nd to the city and it went unanswered; and her husband spoke to Justin Smith.

Devin O'Rourke was present. He discussed: the urgency of the project, which was started the week of Christmas, but noted a lack of urgency in cleaning up the resulting piles of debris. Hopefully something gets done about it.

Tina Predmore, Cass Street resident, was present. She seconded what they said. She discussed: their lot was compromised; the back of the house faces M-21 and doesn't feel safe anymore; and they had no idea this was going to happen.

Craig and Carolyn Smith, Cass Street, were present. Craig discussed: they have been there 36 years; if maintenance would have been done over 30 years it wouldn't have been needed to the extent it was now; the tree line provided wind barrier; they are experiencing drifted snow and dirt; it helped with the lights and dust when a farmer was working the fields; and the lack of communication from the city.

Carolyn discussed if you would have sent a letter; they emailed Chad Gamble 2-3 weeks before he was let go; their bay window and lights coming from the Mahle parking lot; it was a big change and very disappointing; and she hopes you get trees up there in a timely fashion.

Ed Thelen was present. He gave a shout out to Bill and the Recreation Department for the \$150,000 grant for pickleball courts. Also, for coordinating on the Labyrinth project with the school kids.

Mayor Dzurka asked Justin to make comments regarding the communication received.

Director Smith discussed:

- Project execution was complicated by access issues and the necessity of removing trees for safety.
- A detailed restoration plan is in place to mitigate the impact of the tree removal and ditch work.
- Project logistics and next steps were discussed, including timing and material disposal.
- The timeline for planting replacement trees and grass was confirmed for the spring.

COMMUNICATIONS

OLD BUSINESS

NEW BUSINESS

1. Resolution #1-2026 Adopting Guidelines for Poverty Exemptions to be Implemented by the Board of Review

Interim City Manager Kinde said these 3 resolutions are related to assessing and annually approved by the commission. She corrected the RCA and said the Board of Review actually gets paid \$275 total.

Motion by Commissioner Hyzer seconded by Commissioner Gurski that the city commission adopt Resolution #1-2026.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

2. Resolution #2-2026 Adopting Alternate Start Dates for March, 2026; July, 2026; and December, 2026 Board of Review

Motion by Commissioner Hyzer seconded by Commissioner Hufnagel that the city commission adopt Resolution #2-2026.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

3. Resolution #3-2026 Adopting Taxpayers & Non-Resident Taxpayers to Protest in Writing by Letter or Email for Board of Review

Motion by Commissioner Hyzer seconded by Commissioner Hufnagel that the city commission adopt Resolution #3-2026.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

4. Resolution #4-2026 - to Adopt the Master Plan and Parks and Recreation Plan for St. Johns

Chris Khorey, McKenna, was present by Zoom. He said this has been an ongoing process for the past year with the Planning Commission and Parks and Recreation Board. He said the city commission has already adopted the parks portion, and the entire document is in front of you tonight.

Ethan Senti, McKenna, was present by Zoom. He discussed several revisions made since the December 3rd meeting:

- Mobility Chapter: A new section was added to Chapter 6 (page 108) to expand on “Safe Routes to School.” It details how the mobility plan contributes to the program and outlines a path to securing grant funding.
- Placemaking Chapter: A new section was added to Chapter 5 (page 83) describing a tree planting program. This program allows residents to request a tree in the public right-of-way adjacent to their property and partner with the city for installation and maintenance.
- General Edits: The document was reviewed for typos, and references to “Blue Water Highway” were corrected to “State Street.”
- Appendix: Survey results from a past planning effort were moved from the body of the Parks and Recreation chapter to the appendix to avoid confusion with the most recent survey results.

The commission discussed:

- A commissioner noted that the action plan (page 6) incorrectly lists the “Capital Area Transit Authority” (CATA) as a responsible party. It was agreed that this should be corrected to “Clinton Transit,” as CATA does not service the area.
- A related point was raised that maps within the document still show County Farm Road being diverted.
 - Some maps use the road’s center line as the base.
 - The commission is presented with three options regarding the depiction of the County Farm realignment in the Master Plan:
 - Edit the map on page 101 to show County Farm not being realigned. This map is noted as the only one that actively states the city’s intent to realign the road.
 - Edit all maps to completely remove the right-of-way.
 - Add a disclaimer clarifying that the maps merely show the existing right-of-way and do not indicate a definitive city plan to proceed with the road change.
- A commissioner pointed out that the report (page 28, section 5.6.4) suggests the city should “consider” a social district, when one already exists.
 - It was proposed to amend the language to state that the city has established a social district and continues to evaluate its effectiveness, boundaries, and impact on business and public safety.
- The action plan references a two-year timeline for an agreement with Bingham Township over water and sewer.
 - A commissioner expressed concern that this language might be too limiting and doesn’t reflect the ongoing, multi-step nature of the collaboration.
 - The language will be revised to be more general, such as “evaluate the ongoing agreement and make changes as necessary,” to reflect that the current agreement is a first step with more potential work to be done.
- A discussion arose about the inconsistent naming of a road (e.g., Business 127, Old 127, Whittemore Street).
 - The road will be consistently referred to as “Business Route 127” within the Master Plan.

Motion by Commissioner Gurski seconded by Commissioner Hufnagel that the city commission adopt Resolution #4-2026.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

5. Clinton Area Ambulance Service Authority Budget & Request for Funding

Vice Mayor Gurski discussed the ambulance authority:

- The Ambulance Authority is facing significant financial struggles, a common issue for services across the state and country.
- A major contributing factor to the recent, rapid change in finances was the loss of transfer revenue from U of M Health-Clinton, which now uses its own ambulance service.
- An immediate, one-time infusion of \$2 per capita is requested from all member communities to cover operations and payroll.
- A long-term budget increase from the current \$17 per capita to \$22 per capita is also proposed.
- It is emphasized that if the member communities do not act, the authority will run out of money.
- The authority's budget was previously cut by approximately \$850,000.
- Due to financial pressures, two full-time positions were eliminated, reducing services.
- A significant, across-the-board pay reduction has been agreed to for one year to rebuild financial reserves and reassess the plan, effectively a four-year step back.
- Financial difficulties are exacerbated by current costs and a dramatic decrease in reimbursement rates.
- Approximately six years ago, the reimbursement rate was around 60%.
 - The rate has now fallen to about 40% of the actual cost.
- The speaker notes that ambulance services are frequently subsidized by municipalities for these reasons and hopes the broader community can identify a more sustainable, less burdensome funding mechanism.

Ed Thelen, ambulance board member, was present. He discussed:

- The service's fiscal year runs from April 1st to March 30th.
- Call volume has dropped from over 4,300 in the previous year to a projection of approximately 3,000 for the current year.
- A primary source of remaining calls is transfers, which have a higher collection rate because patients are already in a hospital and insurance arrangements are in place.
- Significant salary reductions were taken by leadership to mitigate the financial shortfall:
 - The Director took a 50% pay cut, amounting to \$60,000.
 - The Assistant Director took a pay cut of approximately \$11,000 to \$12,000.

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- Two other administrative positions were lost, with their responsibilities being absorbed by remaining staff.

There was a discussion of:

- The service's current per capita funding is significantly lower than that of neighboring communities.
- The current budget is a one-year emergency measure, and a long-term solution is urgently needed.
- The financial burden for ambulance services is expected to fall on municipalities, as evidenced by a competitor's pricing strategy.
- A collaborative, regional approach is proposed as the necessary long-term solution for funding emergency services.
- The value of having a local, rapidly responding ambulance service is highlighted as a key benefit not reflected on paper.
- The long-term viability of a competitor's service model in the southern county is questioned.
- The service's run times are expected to remain consistent despite budget cuts, and existing assets will be retained.
- A broader, county-level and multi-stakeholder effort is needed to address systemic issues with reimbursement and funding.

Mayor Dzurka said we have a great ambulance service, and it is an essential service. He and Vice Mayor Gurski spoke with Senator Slokin about reimbursement rates. He said we are going to look at the county to get involved in this conversation as well.

Motion by Commissioner Gurski seconded by Commissioner Hyzer that the city commission approve of the additional \$2 per capita in retro for last year's contribution, \$15,396.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

Motion by Commissioner Gurski seconded by Commissioner Hufnagel that the city commission approve of the Clinton Area Ambulance Service 2026/27 budget at \$22 per capita.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

6. Interim City Manager Compensation

Mayor Dzurka said we have done this in the past and asked the commission to make a consideration as Kristina fills the role as city manager. He said he discussed with Commissioner Hufnagel (Personnel Advisory) and they propose during time she is filling in an additional \$1,000 per month be paid.

Motion by Commissioner DeLiso seconded by Commissioner Gurski that the city commission approve compensating Kristina Kinde an additional \$1,000 per month during the time she is filling in as city manager.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

7. Budget Amendment for Ladder Truck Repairs

Mayor Dzurka said he knows repairs that are going to have to happen. He said he was trying to track the payback.

Fire Chief Douglas said rescue #32 is a 2011 or 2012 with less than 7,000 miles on it. He said he will come to the March meeting asking permission to get rid of it. He said that it will bring funds back into the equipment fund (\$55,000 to \$60,000 value).

Commissioner Hyzer said the estimate is back from October and asked what has taken so long to bring it to us.

Fire Chief Douglas said in September it had a catastrophic failure. We received it just after the Santa Parade and realized we had the second issue, and it took them time to get the parts in.

Motion by Commissioner Gurski seconded by Commissioner Hufnagel that the city commission approve a budget amendment of \$30,000 from equipment reserves to 136-336-933.000 for repairs needed on St. Johns Fire Department Truck 36.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

8. Bendzinski Water and Sewer Rate Study

Commissioner DeLiso asked what the need is for them to tell us what our water rates should be.

Interim City Manager Kinde discussed: The annual rate study analyzes maintenance costs and future infrastructure needs to determine appropriate rates, ensuring costs are covered and money is set aside for future improvements. We meet with them and go over all of our CIP's.

Commissioner DeLiso asked why we have to do it annually.

Director Smith discussed: the study considers factors like I&I (Inflow and Infiltration) changes and the water usage of major industrial users like Midwest Cheese, which has stabilized its consumption. The goal is to not have a large jump in rates.

Commissioner Hufnagel said it is good stewardship for us to have this done. We are trying to be transparent with users, and they want to know the logic behind decisions made.

Motion by Commissioner Hufnagel seconded by Commissioner Gurski that the city commission accept the five-year contract with Bendzinski and Co. for the 26/27 water/sewer rate analysis in the amount of \$9,000 and approval of the cap fees review of \$500.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

9. Police Department Lawn Service Renewal

Commissioner DeLiso asked why we need to approve something like this.

Interim City Manager Kinde said according to our Charter, all contracts have to be approved by the city commission.

There was a discussion of:

- According to the purchasing policy, a third bid was requested.
- The bid from Smith's was slightly higher (less than 5%) than another bid, but they were chosen because they are a local city business and have provided great service.
- A question was raised about why the city doesn't handle this maintenance internally.
 - The response indicated that time constraints have been an issue since the police department moved to their new building.
 - The service includes care for shrubbery and weed control in the parking lot.

Motion by Commissioner DeLiso seconded by Commissioner Hyzer that the city commission authorize the Mayor to sign and approve the 24-month renewal of Police Department lawn maintenance services with Smith Lawncare.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

10. City Manager Search Proposals

Mayor Dzurka said we received a variety of proposals.

The commission discussed:

- The commission reviewed multiple proposals for a recruitment firm, noting two were very high-priced and one was lower.
- One speaker noted that while some proposals included “executive coaching,” they believed all firms were qualified.

Motion by Commissioner Hufnagel seconded by Commissioner Hyzer that the city commission go forward with Walsh for the search process.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

8. Review of Rental Inspection Fee

Interim City Manager Kinde discussed:

- The first three-year cycle of the rental inspection program has concluded, and round two is about to begin.
- Total revenue generated was approximately \$95,000.
- Total costs were approximately \$120,000, resulting in a net loss of nearly \$25,000, primarily attributed to initial set-up costs.
- Future projections show a significant drop in inspection costs now that they are being conducted by a city employee instead of an external firm. The cost analysis was based on the second half of this calendar year, with a projected 3% annual wage increase for the inspector.
- Tammy Wright handles the program’s administration, and her time is expected to become more efficient, reducing administrative costs.
- The total number of rental units has decreased to just over 510, as some landlords have sold their properties.

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- To cover program costs and previous losses, a fee of approximately \$184 per inspection would be required.
 - Key Decision: A recommendation was made to keep the fee at \$175 to avoid being overfunded at the end of the next three-year cycle, with the expectation that further efficiencies will be found.
 - The first year of the new cycle involves re-inspecting all single-family rentals, which is expected to be efficient.

The commission discussed:

- One member stated that the city should not try to recoup initial program setup costs through the annual fee.
- A question was raised about whether the \$300 rental registration fee is part of the ongoing cost calculation.
 - The \$300 fee was a one-time charge for landlords who did not register their properties during the initial free registration period. It was designed to incentivize immediate compliance.
 - New landlords have 30 days to register a property before the \$300 fee is applied.
 - Very few landlords have actually been charged the \$300 fee, with most instances occurring during the initial program startup with non-responsive property owners.
- A concern was raised that the current fee structure is unfair to smaller landlords, as a landlord with a 10-unit building pays a disproportionately higher cost per unit than a landlord with a 40-unit building where only a portion of units are inspected.
 - It was noted that this concern was previously raised with the commission after the first year of inspections. At that time, the decision was made to maintain the fee and inspection structure.
 - Another member argued against changing the structure, citing the program's high success rate (85-100% of inspections passing without issue) and a desire to not overburden larger landlords.
- It was mentioned that Chief Douglas has the discretion to identify and address problematic landlords, providing a "tool in the toolbox" to handle bad actors without penalizing everyone.
- One member argued that making the fee proportional does not overburden good landlords and better aligns costs, as the landlord's time and expense are determined by the condition of their units, not the inspection fee itself.
- It was suggested that the program should incentivize good landlords.
- A distinction was made between the previous system of paying an external contractor per unit and the current system of using salaried city employees.

- The topic of re-inspection fees was raised. A fee exists for failures, but staff is lenient on quick fixes (e.g., missing carbon monoxide detectors) and will often return shortly after without charging, reserving the fee for major repairs. The re-inspection fee is \$50.

Motion by Commissioner Hyzer seconded by Commissioner DeLiso that the city commission set the inspection fee at \$150.

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

9. City Manager Comments

Interim City Manager Kinde discussed:

The Wilson Center

- A project timeline from the developer, Dymaxion, was distributed.
- Bill and Kristina met with Dymaxion to get a status update. Dymaxion is currently working on Part 2 approval with the National Park Service (NPS).
 - The NPS has requested additional items. The response from Dymaxion's architect, Studio Intrigue, is complete but is being withheld pending payment from Dymaxion.
 - Once submitted, NPS approval is expected to take 30-45 days.
 - After NPS approval, Dymaxion can finalize agreements with the Michigan Economic Development Corporation (MEDC). A buyer for the tax credits is already in place.
- Dymaxion is required to start work within 90 days of receiving MEDC approval.
- The speaker noted that if the city starts its own work on the project before Dymaxion receives both NPS and MEDC approvals, the developer could lose their credits and grants.
 - Kristina recommended the City Commission consider setting a firm deadline for Dymaxion to secure approvals before the city proceeds with its own work. This does not require an immediate decision.
- The contract with Copper Rock for the city's portion of the work has been reviewed by attorneys. It will be brought back to the commission for approval, hopefully at the February meeting.
 - Kristina will follow up with Lee from Copper Rock this week to update him and confirm pricing.

- If the city's work is done concurrently with Dymaxion's, it will result in an \$80,000 savings for the city.

Wage Study

- The wage study committee met on Thursday to review survey results from 17 comparable communities.
- The team identified anomalies in the data that need correction.
- The committee will meet with the consultant (MGT) this week to go over the findings and requested changes.
- The goal is to have the data ready for the Personnel Advisory meeting scheduled for February 11th.

Budget Calendar

- Thank you for the CIP special meeting.
- A Personnel Committee meeting is scheduled for the upcoming month.
- Departmental budgets are due to Kristina by February 19th.
- A joint meeting with the Planning Commission is scheduled for 4:00 PM on February 23rd to review the Capital Improvement Plan (CIP) cost allocation plan.

Cost allocation plan, health insurance, and election preparations.

- The cost allocation plan is nearly complete, with one small data request remaining from MGT. It is expected to be presented to the Finance Advisory in March.
- The first year of the HSA health insurance plan with reimbursement has been going well and has not been overwhelming for staff.
- Quotes from the West Michigan pool were not financially beneficial, as the current plan was one of the lowest offered and switching would have cost more. This remains an option for the future if costs increase significantly.
- Gallagher is projecting an 8% increase in health insurance costs and recommends budgeting for a 10% increase for the upcoming year.
- For the election, Mindy mailed out all voter cards last week, and a Facebook post was made. There have been a few calls regarding the change, but everything is proceeding smoothly.

M-21 road project

- Director Smith provided an update on a meeting with the M-21 team.
 - PLC Engineering was selected as the prime contractor for the M-21 project.
 - Spicer Group is a subcontractor for PLC, responsible for staking and utilities. This is a positive development as Spicer has the city's existing information.
 - This arrangement will allow the city's water main and sewer plans to be designed and integrated directly into the M-21 project, resulting in considerable cost savings and speeding up the process.
 - The city will also work with Spicer Group's legislative team to seek funding for the project, citing their success in securing a fully funded water

main project for Manistique on M-90 and a substantial grant for Bingham Township.

- The roundabout is still proposed in the current plans.
 - A request was made for MDOT to alert the city when they begin conversations with property owners about property acquisition.
 - The project team will set up stakeholder meetings to present the initial design, particularly for the roundabout, to the commission and Bingham Township.
 - The speaker noted that the city's opposition to the roundabout was communicated during the meeting.

13. Commissioner Comments

Commissioner Gurski thanked the commissioners for their support on the ambulance issues.

Commissioner DeLiso thanked staff for clarifications on items.

Mayor Dzurka said thank you to team for budget meeting, great work by staff. He noted in the audit that when they looked at higher costs, one mentioned was attorney costs. He asked Kristina to take a look at that. We have a resident that keeps asking about the fire whistle and if there is anything to eliminate the fire whistle. He asked for clarity on the Wilson Center piece. He asked if there is anything in the condo agreement we can utilize to spur movement.

Interim City Manager Kinde said there is language in the purchase agreement or condo agreement, and we are long past those dates.

Mayor Dzurka said we need to express that to Dymaxion that we wish to move forward.

ADJOURNMENT

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

YEA: Hufnagel, Gurski, Dzurka, Hyzer, DeLiso

NAY: None

Motion carried.

The meeting was adjourned at 8:54 p.m.