

REGULAR COUNCIL PROCEEDINGS

CITY OF FLAT ROCK, MICHIGAN

MONDAY, OCTOBER 21, 2013

The regular meeting of the Flat Rock City Council convened at the Municipal building on the above date at 7:30 p.m.

1. PLEDGE OF ALLEGIANCE

2. ROLL CALL OF COUNCIL MEMBERS:

PRESENT: Mayor Dropiewski, Councilmembers Martin, Borden, Wilkins, Wrobel, Gagne and Moore

ALSO PRESENT: Fire Chief/Building Director Vack, Police Chief Rossow, Interim DPS Director Sype, Building Inspector Bernie Ciupak, Attorney Grunow and Clerk Bachman

3. APPROVAL OF MINUTES:

Resolution 10-21-01

Motion by Gagne
Supported by Wrobel

RESOLVED, to approve the minutes of the regular City Council meeting of October 7, 2013 as presented

Motion carried unanimously

4. CITIZENS TO BE HEARD:

Resident at 29434 Van Riper inquired on the status of the house on Van Riper that caught fire and Fire Chief Vack responded.

Mayor Dropiewski, Councilman Borden and Councilman Martin presented certificates to Flat Rock Taco Bell and Flat Rock Dental for their support with Riverfest 2013. The businesses decorated their marquees, showing support for Riverfest. Councilman Borden announced two donations from the Flat Rock Community Foundation; the donations were awarded to the Girl Scout Troop and the Michigan Renegades Softball. Both received a check of \$1,040.00 for their support and dedication to Riverfest.

5. REPORTS FROM DEPARTMENT HEADS:

Police Chief Neal Rossow reported over the past weekend Huroc Park was spray painted near the bike path and asked to call the police department if you notice these activities or hear talk of it.

Fire Chief Bill Vack announced the City Hall water heater failed and had to be replaced under emergency major and the old one was over 24 years old. He said he received quotes from three (3) vendors and went with the lowest quote of \$4800.00 from Qunit Plumbing of Wyandotte. The water heater brand is a Bradford White Commercial 80 gallon water heater, which is a made in Michigan product. He announced the Fire Department received their new radios and will go into service shortly. The radios were purchased through grants from the Downriver Community Conference and the Downriver Mutual Aid.

City Clerk Meaghan Bachman reminded residents of the November 5, 2013 election. She announced if you are not sure where to vote, call the Clerk's office or visit the city website. She said absentee ballots are still available.

6. REPORTS FROM COUNCIL MEMBERS:

Councilwoman Wilkins asked for a breakdown of the city's cost for Country Blast and Riverfest. She announced a curtesy reminder for the placement of political signs throughout the city and asked that people be aware of the sign ordinance.

Councilman Borden thanked everyone for their support of Riverfest and noted good things happen from the festival such as donations. He hoped that the doubters of the festival see the committee is a good event for the community and others and asked people to support positive things in the community instead of fighting. He recognized Gabby as a sponsor of the Riverfest and gave her a Riverfest t-shirt.

Councilman Martin noted the bike path is now open and off to the side after you cross the bridge, you will find Vreeland Cemetery and the Historical Society did a great job of restoring the headstones.

Councilman Wrobel noted Riverfest and Country Blast are good for the community but would enjoy it more if it didn't cost taxpayers money. Councilman Borden responded to his comment.

Councilman Gagne reminded residents of October 23, 2013 between 5-7 pm, a discussion will take place to talk about the millage and why we need it and asked resident to join them. He noted they received an endorsement from the Flat Rock Community Service Origination. He noted a rumor going around that the library will close if the millage doesn't pass and said this isn't true. He asked for the support of Flat Rock residents for the ballot proposal.

Councilwoman Moore announced her withdraw from the election due to personal reasons. She noted in 2009 she was elected to council and had the pleasure of serving the residents of Flat Rock for 4 years. She thanked her family, friends and neighbors for current and past support. She asked if the residents can use the sidewalk on Telegraph and Vreeland Road and it isn't necessary to ride bikes in the road.

7. MAYOR'S COMMENTS:

Mayor Dropiewski updated on the Building Department Plan and noted the first part of the plan is ready. They have gotten clarification on what the grant money can be used for and it can't fund employees. He noted Bill Vack has done admirable job with both departments. He noted with the growth in the city, the building department needs a full time director. Mayor Dropiewski made a recommendation to appoint Bernie Ciupak as the full time department head of building and safety with salary of \$60,000 with 3 weeks' vacation effective October 22, 2013.

Resolution 10-21-02

Motion by Gagne
Supported by Borden

RESOLVED, to appoint Bernie Ciupak as the full time department head of building and safety with salary of \$60,000 with 3 weeks' vacation effective October 22, 2013.

Councilman Borden asked if a part time employee with be hired.
Motion carried unanimously

Mayor Dropiewski noted the city still needs additional inspection services. He is looking to work with other options for inspection services with another community covered under the grant but if it doesn't happen soon, he will look into hiring a part time inspector. He noted our building department is in need of updated tools as well and it might be able to be funded under a grant. He is proposing three options: handle the inspections in house, collaborate with another community or outsource it to a private entity. These options will be presented to council and they will be able to decide what way to go. Councilwoman Moore asked what we will do with Chief Vack's additional incentive for doing two roles since he will now only be working as Fire Chief. Councilwoman Moore made the following motion:

Resolution 10-21-03

Motion by Moore
Supported by Gagne

RESOLVED, On October 21, 2013 Bernard Ciupak was appointed to serve as the full time Building Department Director and Bill Vack would no longer serve as the part time Building Director but rather full time as Fire Chief and;

BE IT FURTHER RESOLVED, Council voted to eliminate the additional incentive in the amount of \$5,000 given to Bill Vack for serving as both the Building Inspector and Fire Chief; this shall be a prorated amount effective October 22, 2013

Motion carried 6-1 with Dropiewski abstaining no

Councilman Borden noted he would like to move forward and hire an ordinance officer and would like to advertise for it. Mayor Dropiewski noted he would like to wait and see what answers we get from the grant program. Borden noted the applications were not reviewed the first round. Inspection services and status of the department were discussed. Councilman Wrobel noted the sooner we hire someone the better.

Mayor Dropiewski announced the Lake Erie Monarchs baseball team is looking for a new field to play approximately 22 home games starting next summer. He noted we would need a small press box behind the stands. He noted he would like to see if the press box would be affordable and asked for Council's permission to go out to bid for the press box. Councilman Borden asked if it would be paid by sponsorship dollars. The Mayor noted the box will allow Flat Rock Schools to regional tournaments and should increase our revenue. Council will have an opportunity to review the lease before we approve it. Councilman Martin asked if admission would be charged, Mayor said it would be covered in lease and the other fields will be available for use.

Resolution 10-21-04

Motion by Gagne
Supported by Borden

RESOLVED, to seek bids for a press box located at the Flat Rock baseball fields

Motion carried unanimously

Mayor Dropiewski noted it has been a year since we have been in the Michigan Main Street program and need a resolution to show we are still interested. He gave an update on the program and working on the foundation of the program.

Resolution 10-21-05

Motion by Martin
Supported by Gagne

RESOLVED, to approve resolution to show the City of Flat Rock's interest for continued participation in the Michigan Main Street Program

Motion carried unanimously

Mayor Dropiewski thanked everyone who came out to the opening of the Downriver Linked Greenways 30 mile bike path. He noted the future ideas of extending the bike path. He also noted some potential businesses are interested to locate in Flat Rock due to the bike path.

Mayor Dropiewski noted that Trick or Treating is on Halloween night, October 31, 2013 from 6-8 PM and there is no rain date.

Police Chief Rossow noted the Department Heads are not represented by anyone and tend to stick together. He welcomed Bernie to his new position and noted he will be a good employee for the city. He noted Bill Vack is a long term dedicated employee, the City Treasurer, who is a great hire, is making \$60,000 per year along with Bernie making \$60,000 per year. He noted now Bill will make \$54,000 per year since council took away \$5000 tonight and feels as a long term dedicated employee he shouldn't make less than new hires. Councilwoman Moore responded to Rossow, when council approved the \$5000 towards Vack's salary, it was an incentive for serving in two roles not an additional salary increase. Mayor noted it is a salary adjustment is needed for Vack. Mayor Dropiewski made the following motion to set Bill Vack's salary at \$60,000 per year:

Resolution 10-21-06

Motion by Dropiewski
Supported by

Motion died due to lack of support

8. UNFINISHED BUSINESS:

Item 8-A- Public hearing for amendment, transfer and approval of application for Industrial Facilities Tax Exemption Certificate for Ford Motor Company – Flat Rock Assembly Plant

Public hearing opened at 8:15 PM

Arlen Fadley asked how the taxes are going to affect the city and felt the city has given Ford what they wanted. He noted the city had lawsuits with Ford. He asked what this is going to cost the City. Mayor Dropiewski noted the details on the 3 applications from Ford which consist of a transfer, expansion and new abatement. Mayor noted if we don't have an agreement with them we could risk having to go back to the personal property tax fight. The Mayor noted we have a clawback provision within the agreement. The Mayor noted he is recommending an 8 year with 2 year construction agreement, not 12 years as Ford requested. He said we also will have a tax peace for 3 years. Mr. Fadley asked what we will get as a dollar amount; Ford responded we will get 1.8 million over 8 years.

Dave McGee asked if it's approved over 8 years it is \$187,500 per year that the city will get and if we don't get it what will the city ask. Mayor – it is 50% abatement

Resolution 10-21-07

Motion by Martin
Supported by Borden

RESOLVED, to close the public hearing

Motion carried unanimously

Resolution 10-21-08

Motion by Martin
Supported by Borden

RESOLVED, to approve transfer of Industrial Facilities Tax Exemption Certificate Nos. 2003-023, 2003-024, 2003-025, 2003-026, 2003-027, 2006-663 and 2006-664 from Auto Alliance International to Ford Motor Company, a Delaware corporation

Motion carried 6-1 with Wilkins voting no

Resolution 10-21-09

Motion by Martin
Supported by Moore

RESOLVED, to approve transfer of Industrial Facilities Tax Exemption Certificate No. 2012-564 from Auto Alliance International, Inc. to Ford Motor Company - Such approval includes the approval of the transfer of the new facilities to Ford Motor Company. The council approves the revised final cost for the certificate from \$161,070,800 to \$224,070,800

Motion carried 6-1 with Wilkins voting no

Resolution 10-21-10

Motion by Dropiewski
Supported by Gagne

WHEREAS, pursuant to Act 198 of the Public Acts of Michigan of 1974, as amended ("Act 198"), after a duly noticed public hearing held on March 12 and 13, 1984, this Council, by Resolution adopted on March 13, 1984, established a plant rehabilitation district and industrial Development district which has heretofore been designated Plant Rehabilitation District and Industrial Development District No. I by the City Clerk of the City of Flat Rock (the "District"); and

WHEREAS, Ford Motor Company ("FDMC") filed an Application for Industrial Facilities Tax Exemption Certificate under Act 198 (the "Application") with respect to a proposed new Facility, being an expansion to its automotive manufacturing and assembly facility, to be and installed by FDMC and which is and will be located within the District on the parcel of land described on Exhibit A to the Application; and

WHEREAS, before acting on the Application, the City Council held a hearing on October 21, 2013, at 7:30p.m. in the Flat Rock Municipal Building, in Flat Rock, Michigan, at which the public, the Applicant, the Assessor of the City of Flat Rock and representatives of all taxing units which levy ad valorem taxes within the City of Flat Rock were afforded an opportunity to be heard on the Application after being provided with notice thereof; and

WHEREAS, the State Equalized Valuation of property proposed to be exempt pursuant to the Application, considered together with the aggregate State Equalized Valuation of property exempt under certificates previously granted and currently in force under Act 198, will exceed five (5%) percent of the State Equalized Valuation of the City of Flat Rock.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Council finds and determines that the granting of an Industrial Facilities Tax Exemption Certificate to FDMC in accordance with the Application (the "Certificate"), considered together with the aggregate amount of all certificates previously granted and currently in force under Act 198, will not have the effect of substantially impeding the operation of the City of Flat Rock or impairing the financial soundness of any taxing unit which levies ad valorem taxes in the City of Flat Rock.
2. This Council finds and determines that the Application complies with Act 198 and, in particular, the requirements of Section 9(2) of Act 198 as follows:
 - (a) FDMC's proposed new facility, as described in the Application, is located within the District which was duly established in the City of Flat Rock, which municipality is eligible under Act 198 to establish the District, the District having been established upon this Council's own initiative before commencement of the construction or installation of the new facility by FDMC.
 - (b) The commencement of such construction or installation occurred not earlier than six (6) months before the filing of the Application.
 - (c) The Application relates to a construction or installation program which when completed will constitute a new facility within the meaning of Act 198 and which shall be situated in the District as duly established by the City of Flat Rock, which is eligible under Act 198 to establish the District.
 - (d) Completion of FDMC's proposed new facility is calculated to, and will at the time of issuance of the Certificate, have the reasonable likelihood to create employment, retain employment, prevent a loss of employment or produce energy to the City of Flat Rock.
 - (e) Completion of FDMC's proposed new facility will not have the effect of transferring employment from one or more local governmental units of the State of Michigan to the City of Flat Rock.
3. The Application by FDMC for its proposed new facility to be constructed and installed on the parcel of land located within the District and described on Exhibit A attached to the Application shall be and the same is hereby approved, subject to a Development Agreement being executed by the Applicant containing those provisions as have generally been included in past agreements and such other details as placed in the minutes of the City Council, if any, being part of the approving motion.
4. This Council determines that the Certificate, when issued, shall be and remain in full force and effect for a period of 8 years after completion (not to exceed two years) of FDMC's proposed new facility as described in the Application, and shall entitle FDMC to pay the tax described in Section 14(2) of Act 198 and to be exempt from ad valorem real and personal property taxes with respect to FDMC's proposed new facility. subject to the terms in the agreement, 8 year abatement with a 2 year construction period, 3 year no contest provision, continued use of the depreciation tables. This shall be contingent upon the completion of the development agreement between the City Attorney and Ford.

Discussion:

Wrobel: noted the city has given several abatements and Ford makes billion dollar profits; he felt we shouldn't give them another abatement. He is concerned what the city is getting out of this and noted the city needs repairs to roads and such. He noted he welcomes Ford and is glad they are in Flat Rock but noted the system is not fair because residential homes are not available for the abatement.

Gagne: noted we have to give a little to get a little and this is good for the community and noted he would rather have Ford with Flat Rock than not with Flat Rock.

Moore: Asked Ford the percentage of employees that are employed at Ford plant. She asked how the public can apply for the new jobs that will be available. Ford Human Resource Director Anna Gedmen noted they can apply at Michigan Works and then they will offer an employment test and draw from a lottery. Councilwoman Moore asked about tours of the facility for youth organizations and schools; Ford responded that tours are possible. Mayor Dropiewski noted the DTCT program is housed out of Ford and is a great program. Gabby Bruno, Ford regional director of state government relations also spoke about Ford Motor Company. Councilman Martin asked if the resolution has our amended requests included; the Mayor responded it will be in the final agreement.

RESOLVED, to approve the application of Ford Motor Company for Industrial Facilities Tax Exemption Certificate for a new facility under Act 198 of the Public Acts of Michigan of 1974, as amended

Motion carried 5-2 with Wilkins and Wrobel voting no

9. NEW BUSINESS

Item 9-A- Resolution to designate Matt Sype, Interim DPS Director as Street Administrator for the City of Flat Rock in all transactions with the State of Michigan Transportation Department

Resolution 10-21-11

Motion by Martin
Supported by Borden

RESOLVED, to approve the resolution to designate Matt Sype, Interim DPS Director as Street Administrator for the City of Flat Rock in all transactions with the State of Michigan Transportation Department

Motion carried unanimously

Item 9-B- Traffic Control Order No. TCO-13-001 – Arsenal Road - Commercial vehicle traffic will be excluded on Arsenal Road between W. Huron River Drive and Matilda Street

Resolution 10-21-12

Motion by Martin
Supported by Borden

RESOLVED, to approve the Traffic Control Order No. TCO-13-001 – Arsenal Road - Commercial vehicle traffic will be excluded on Arsenal Road between W. Huron River Drive and Matilda Street

Motion carried unanimously

Item 9-C- Request from the Historic Preservation Commission to approve quote for insulation at the Langs-Wagar house in the amount of \$2,910.00

Resolution 10-21-13

Motion by Gagne
Supported by Moore

RESOLVED, to approve request from the Historic Preservation Commission to approve quote for insulation at the Langs-Wagar house in the amount of \$2,910.00

Motion carried unanimously

Item 9- D-Request from the Historic Preservation Commission to request bids for the drywall phase at the Langs-Wagar house

Resolution 10-21-14

Motion by Gagne
Supported by Moore

RESOLVED, to approve request from the Historic Preservation Commission to request bids for the drywall phase at the Langs-Wagar house

Motion carried unanimously

Item 9- E-Purchase of a Department of Public Works Pickup Truck

Resolution 10-21-15

Motion by Martin
Supported by Dropiewski

RESOLVED, to approve the purchase of a Department of Public Works 2013 Ford F-150 Pickup Truck for \$26,462.00; funds will be disbursed as follows:

55% from Water - \$14,554.00
30% from DPS - \$7,938.00
15% from Building - \$3,970.00

Motion carried unanimously

10. CORRESPONDENCE:

NONE

11. ADJOURNMENT:

Resolution 10-21-16

Motion by Gagne
Supported by Borden

RESOLVED, to adjourn the regular City Council meeting of October 21, 2013 at 8:57 PM

All voting yes; motion carried unanimously.

JONATHAN DROPIEWSKI, MAYOR

DATE: _____
Approved

MEAGHAN K. ARMSTRONG, CITY CLERK