

CITY OF LANSING
CITY COUNCIL MEETING

REGULAR MEETING MINUTES
October 18, 2018

Call To Order:

The regular meeting of the Lansing City Council was called to order by Mayor Mike Smith at 7:00 p.m.

Roll Call:

Mayor Mike Smith called the roll and indicated which Councilmembers were in attendance.

Councilmembers Present:

Ward 1: Gene Kirby

Ward 2: Andi Pawlowski and Don Studnicka

Ward 3: Jesse Garvey

Ward 4: Tony McNeill and Gregg Buehler

Councilmembers Absent: Kerry Brungardt and Dave Trinkle

OLD BUSINESS:

Approval of Minutes: Councilmember Kirby moved to approve the regular meeting minutes of October 4, 2018, as presented. Councilmember Buehler seconded the motion. The motion was approved with Councilmember McNeill abstaining.

Audience Participation: Mayor Smith called for audience participation and two individuals introduced themselves. Jeff Culbertson is running for 1st District County Commissioner and Vicky Kaaz is running for 2nd District County Commissioner.

Presentations:

Military Retiree Appreciation Day Proclamation: Councilmember Studnicka read a proclamation in recognition of Military Retiree Appreciation Day on October 27, 2018.

Project Updates – Public Works: Rob Krewson from Benesch Engineering briefed the Council on project progress for the 147th Street roundabout, box culvert and Bittersweet Street bridge. Previous traffic counts show that a roundabout will function very well for the foreseeable future at the intersection of DeSoto Road and 4H Road. Mr. Krewson provided diagrams showing a fire truck, bus and semi-trailer maneuvering through the single lane roundabout. A box culvert is needed just south of the 4H Road intersection since the current pipe is too small for future needs such as a three-lane road. The current pipe needs to be replaced with a double 8'x8' box culvert. The additional right of way needed for the box culvert was not part of the initial cost analysis and will need to be added. A total will be brought before the Council at a later time. Benesch Engineering does not advocate purchasing right of way land between the DeSoto/4H intersection and box culvert at this time. City Engineer Matt Harding suggested that while there may not be a need to purchase the right of way now, it should be protected in case there is a need for it in the future. The Bittersweet bridge work may need some coordination with the school to allow for a little extra time for the work to be completed.

COUNCIL CONSIDERATION OF AGENDA ITEMS:

Treasurer's Report for Quarter Ending September 30, 2018: Councilmember Kirby moved to approve the Treasurer's Report for the quarter ending September 30, 2018. Councilmember Pawlowski seconded the motion. The motion was unanimously approved.

Ordinance No. 1010 – City Code Text Amendment Chapter 2: Councilmember Buehler moved to adopt Ordinance No. 1010 as presented. Councilmember Kirby seconded the motion. The motion was unanimously approved.

Ordinance No. 1011 – Issuance of GO Bonds, Series 2018-A: Councilmember Kirby moved to adopt Ordinance No. 1011. Councilmember Buehler seconded the motion.

- Councilmember Pawlowski stated we could make the bond guy get up now and not ask him any questions.
 - City Administrator Tim Vandall stated Kevin Wempe with Gilmore and Bell is here to answer any questions if you guys have any.

- Kevin Wempe responded I'm the bond guy, that's great. Good evening, I'm Kevin Wempe from Gilmore and Bell the City's Bond Counsel. I can be relatively brief and give you a quick run down of where we're at. I'm sure it's old news at this point but the bond issue to finance improvements or re-improvements to the DeSoto Road project. So, we went out for bids today for a competitive bid in the market and the City received three bids on its bonds. The low bidder was the Baker Group out of Oklahoma City and the true interest costs over a term of 20 years was 3.4% approximately. So, the bonds are callable in 2025 so they can be repaid early at that point. The actions before you tonight are the Ordinance and Resolution. And it looks like a big stack of papers but really, it's a simple loan contract between you and your bond holders that contains the repayment terms, the amounts, what happens if you don't repay, the default provisions and so forth. All that should look relatively familiar in terms of a loan contract. So, approval of those tonight will allow us to authorize us with Piper Jaffray, the City's financial advisor and move forward with heading towards closing and delivery of funds which is planned for October 31st.
 - Councilmember Kirby asked so how much did we borrow?
 - Kevin Wempe responded the final principal amount was \$5.5 million. I'd be happy to field any questions you may have.
 - Councilmember Pawlowski asked is 3.4%, I mean I know it went out for bid, I just don't, we don't do this all that often. Is 3.4% good, I know it's higher than normal. I think we have some that are in the 2's.
 - Kevin Wempe replied as Bond Counsel, we're a little limited in talking about the financial terms but the competitive bidding process will sort that out and I can relay that Piper Jaffray was definitely pleased and that the rate came in a little below what they expected a few months ago. And as you are probably aware, it's been a little bit of a turbulent market in the last month or so.
 - Councilmember Garvey asked were the other rates close or were they way high.
 - Kevin Wempe replied sure, the two other bids. The second bid, you know the cover bid, was 3.55% and then the highest bid submitted was 3.87% so relatively broad range speaking but a little bit of a difference by 3.4%.

The motion was unanimously approved.

Resolution No. B-8-18 – Sale and Delivery of GO Bonds, Series 2018-A: Councilmember Buehler moved to adopt Resolution B-8-18. Councilmember Pawlowski seconded the motion. The motion was unanimously approved.

Request to Complete Easement Acquisition for City Projects 17-04 and 18-02: Councilmember Buehler moved to authorize staff and Skeen's Consulting to complete easement acquisition activities for the Northwest Relief Sewer Project. Councilmember McNeill seconded the motion.

- Wastewater Utility Director Tony Zell stated just quickly.
 - Mayor Smith replied go ahead Tony.
 - Wastewater Utility Director Tony Zell stated I wanted to share with you. We've been meeting with property owners throughout the project corridor, we met with one of them last week. We did not include cost for some of the improvements on their property as part of the appraisal. So that will add to the cost. They want to take care

of those items themselves which is actually better for us because it will be done to their standards, not ours. We don't have to worry about it. So, this number will increase. I have an estimate, but I think it's pretty high. I can share that with you if you'd like.

- Councilmember Kirby responded yep.
 - Wastewater Utility Director Tony Zell so at 8300 square feet of sidewalks/path would increase the cost to cure by approximately \$41,000.
 - Councilmember Pawlowski asked is that on the Country Club property?
 - Wastewater Utility Director Tony Zell responded yes.
- Councilmember McNeill asked explain to me how that works again one more time.
 - Wastewater Utility Director Tony Zell stated when we appraised the properties, they did not include, the appraiser, did not include just compensation for the cart paths, sidewalks, etc. Because we had that as part of construction element with our contractor that would be in our base bid when we actually completed the improvements. However, at their request, they do not want us replacing those improvements. They'd rather do them themselves and be compensated to do so.
 - Councilmember Garvey asked is there any way to go around the cart paths.
 - Councilmember McNeill asked I mean, do they own those?
 - Wastewater Utility Director Tony Zell replied yeah.
 - Councilmember McNeill stated I mean the cart paths they do, but the sidewalks that are there?
 - Wastewater Utility Director Tony Zell stated yes, that is the cart path.
 - Councilmember McNeill replied ok, I got you. So, it's their cart path and sidewalk.
 - Councilmember Garvey asked we can't go around them?
 - Councilmember Buehler stated so basically it goes from one set of funds which would be our construction fees into another. From one bill to another.
 - Wastewater Utility Director Tony Zell responded correct.
 - Councilmember Kirby replied and then if they put them in on their own and they have any problems, they're on their own.
 - Wastewater Utility Director Tony Zell stated they're on their own.
 - Councilmember Kirby responded I like that.
 - Councilmember Pawlowski asked but they have to put them back in.
 - Wastewater Utility Director Tony Zell stated well it's their private property. They can do with it as they wish.
 - Councilmember Pawlowski asked so is the \$41,000 what our cost would be.
 - Wastewater Utility Director Tony Zell responded that's the engineering estimate of what it would cost to have our contractor complete the work based on unit cost pricing.
 - Councilmember Pawlowski asked if they come back, appraisers sometimes, adjusters sometimes give you extra money for stuff, right, I mean, it's not always the cost.
 - Wastewater Utility Director Tony Zell replied correct.
 - Councilmember Pawlowski asked so if they come back and say you guys say you can do it for \$41,000 but we think it's going to cost whatever, double that. We could always say no we're going to do it. Maybe.

- Wastewater Utility Director Tony Zell replied there's a lot of give and take in easement negotiations.
 - Councilmember Pawlowski stated ok, I'll leave it up to you.
 - Wastewater Utility Director Tony Zell responded I prefer that way to allow our consultant staff to work with, they've been great to work with. I think that it's actually better for us to do it this way because that way it's built to their satisfaction and we're not called last minute, you now, there's a chip out of it or there's a joint separated or it begins to shift.
 - Councilmember Kirby asked but this \$41,000 is set.
 - Wastewater Utility Director Tony Zell replied that's an estimate.
 - Councilmember McNeill responded that's an estimate of what it would take us to do it if we did it. So, that's probably what they'll go in as an offer to those guys, we'll give you another \$41,000 to do whatever.
 - Wastewater Utility Director Tony Zell stated there's always room for negotiations.
 - Councilmember Buehler asked is that reimbursable or is that up front.
 - Wastewater Utility Director Tony Zell responded that would be part of our initial offer.
 - Councilmember Pawlowski asked and then the agreement.
 - Wastewater Utility Director Tony Zell replied yes. There's a lot of cart path, a lot. And it's 7-8 feet wide and there's a couple thousand feet of it that's going to be destroyed.

The motion was unanimously approved.

Equipment Replacement Requests: City Administrator Tim Vandall stated staff submitted to me about a week and half ago. The last few years we've tried to be around \$125,000. We've done lease purchases the last few years. We built up the cash reserves in that fund to the point where we won't have to do lease purchases anymore. So, we won't be paying interest rates on anything. So, from things what would be paid for from the equipment replacement fund we would receive by requests. Of those, I recommend we get bids for four. 1996 Hustler Range Wing mower for the Parks Department, 2008 Kubota for the Parks Department, replacing the 2008 Ranger for the Public Works Department and then replacing 1993 Ford tractor for the Street Department. The estimates right now that would be around \$125,000. I know a couple of you guys already asked me. This just starts the bidding process so we would come back in January or February for more formal bids. So obviously if we think the tractors going to be \$46,000 and it comes back at \$70,000, we're not committed to anything. But at this time, like I said, this allows Department Heads to go ahead and get bids. We did have a request from the Wastewater Department also. Put in my report that comes from a separate pool of funds so that's based on utility fee funds. That's not based on tax dollars. The proposal there is to replace two vehicles and in exchange get one. It would be a wash financially, so I would be curious to hear feedback from you guys on that. I guess that's my rundown on it.

- Councilmember Kirby responded yeah, I got a couple of comments and a couple of questions. I know what we're talking about this one mower since 2015. \$2600 on nonroutine items such as starter, spindle bearings, fuel line, etc. If you've got a motor or engine and anything moves, it wears out. When this stuff happens, do we fix it, so we send it out, what do we do?

- Parks & Rec Department Director Jason Crum replied we send it out. Stuff like starters and things like that, we're not equipped to do anything like that. We make minor repairs in house when we can of course.
- Councilmember Kirby replied ok and the Public Works, the SUV four-wheel drive. This says it needs inside storage. Why are we just now hearing about it? This has never come up before.
 - Public Works Director Jeff Rupp responded well some of the equipment that he carries, you know, it does weather but it's in the back and exposed to weather. It decreases the value of the, like for example, the level or the transient that he has. Some of the equipment that he carries is just better inside plus his inspection equipment.
 - Councilmember Kirby asked well what are we doing now?
 - Public Works Director Jeff Rupp stated he keeps as much as he can inside the cab.
 - Councilmember Garvey replied throws it in the bed of the truck probably, right.
 - Councilmember Kirby stated ok I'm just, I mean all of a sudden it needs inside storage and this is the first time I've ever heard of it.
 - Public Works Director Jeff Rupp responded I mean, it's just more suits that position than what the pick-up truck has in the past. I think they bought that just for the snow plowing efforts that was a combined deal.
 - City Administrator Tim Vandall stated if anything, I would think \$19,000 is less than any pickup truck you could buy also.
 - Councilmember Kirby replied you're just showing a Ford here, I'm trying to find it, what kind of, what is that, an Edge.
 - Public Works Director Jeff Rupp responded it looks like an Edge but it's a much smaller vehicle. It's like the smallest footprint vehicle that I think Ford makes.
 - Street Superintendent Jeff Focht replied it's like a Ford Escape.
 - Public Works Director Jeff Rupp stated it's even smaller than that, I think.
 - Street Superintendent Jeff Focht replied it's got like a hatch back in the back.
 - Mayor Smith asked anything else Gene, go ahead Gene.
 - Councilmember Kirby replied no, just I well, Dave and I have brought this up before and I'm going to bring it up again. Seems to me like we have enough equipment with trucks and tractors and mowers and I get that we have to send it out. Mechanic, to me I don't know what we spend on stuff but I know when we send it out, it's \$75 an hour.
 - Councilmember Pawlowski stated I need a new job.
 - Councilmember Kirby responded so anyway, I'm done.
 - Councilmember Pawlowski stated I talked to Tim about this yesterday and Gene reminded me the other day, if we're just going out for bids and we have to go through this whole exercise when we buy them. So, I'll have some questions, more questions then but if they want to go ahead and get estimates or bids, whatever I'm good with that.
 - Councilmember McNeill stated I mean I guess I have a couple of comments. One being that we started this equipment fund so that they could manage their equipment through that fund. Alright,

so I don't think it's fair to then go back and go why do you need it. I mean they're managing their equipment with their reserve fund and they're keeping under the amount of money that is required to be in that fund. I mean, I'm not going to nitpick everything in here for that part. I did have a question on the Wastewater when you talked about it. Do they have a reserve, you have a reserve fund for replacing equipment?

- Wastewater Utility Director Tony Zell responded so enterprise fund is a little different. We, by Ordinance, are earmarking \$102,000 annually to put towards equipment replacement. But I don't believe we have an actual separate account per our auditors. Is that right?
 - Councilmember McNeill asked do you know what is in that account.
 - Wastewater Utility Director Tony Zell responded it's not really separate.
 - Councilmember McNeill asked have we used more than \$100 and whatever we're saying we're separating?
 - Wastewater Utility Director Tony Zell stated no.
 - City Administrator Tim Vandall responded the total balance of the Wastewater fund is in that Treasurer's Report and I think it was \$1.9 million. Something like that.
 - Councilmember McNeill replied I just wanted to make sure.
 - Wastewater Utility Director Tony Zell stated and this request of mine, I mean we're going to replace 2017 was due to replace the 350. And after looking at what we had, it was get rid of the 350 and we don't need the 550. So, it's a budget neutral request.
 - Councilmember McNeill replied thanks.
 - Councilmember Garvey stated I agree with Tony, the fund was set up for this purpose so I don't see a problem with it.

Councilmember McNeill moved to allow Department Heads to acquire bids for formal action in early 2019. Councilmember Buehler seconded the motion. The motion was unanimously approved.

REPORTS:

Department Heads: Department Heads had nothing to report

City Attorney: City Attorney had nothing to report

City Engineer: City Engineer had nothing to report

City Administrator: City Administrator Tim Vandall stated City Attorney Greg Robinson is close to finalizing the museum discussion and it should be on the November 1st agenda. With the Desoto Road project budgeted out, we're starting to look at projects in the next 3-5 years. An RFP for a Master Plan for the Parks Department has been discussed and clarification is needed on whether the Master Plan would be mainly focused on Bernard Park or a combination off all the parks. Councilmember Pawlowski thought maybe a long-term view of all the parks would be helpful. Mayor Smith stated he thought recommendations on all the parks would be good but would like to see Bernard Park receive some funds. Parks and Recreation Director Jason Crum suggested wording it so that the old Bernard Park Plan is looked at again but also looking into what to do with existing parks if Bernard Park is expanded.

Governing Body: Councilmember Kirby commented there is a fire truck for sale in the old Kmart parking lot if anyone needs one.

Councilmember Buehler provided a fun fact, on this day in 1851, Herman Melville's novel *Moby Dick* was first published in London under the title of *The Whale*.

ADJOURNMENT:

Councilmember McNeill moved to adjourn. Councilmember Pawlowski seconded the motion. The motion was unanimously approved. The meeting was adjourned at 7:53 p.m.

ATTEST:

Michael W. Smith, Mayor

Sarah Bodensteiner, City Clerk