

September 18, 2017

Gladwin, Michigan

The Regular Meeting of the Gladwin City Council was called to order by Mayor Darlene Jungman at 5:00 p.m.

Present: Winarski, Caffrey, Meink, Bodnar, Gardner, Crawford, Persky

Absent: Smith

Staff Present: Administrator Robert Moffit, Clerk Bonnie Klein, Assessor Bernadette Weaver

Also Present: Mayor Dee Jungman, Doug Jacobson City Attorney, County Commissioner Terry Walters, Carol Darlington, Dan Svetcos, Sarah Kile, Gary DeShano

Mayor Jungman led the Pledge of Allegiance and Robert Moffit gave the Invocation.

Approval of Minutes from the September 5, 2017 Regular City Council meeting as presented.

Motion by Council Member Mienk, seconded by Council Member Gardner to approve warrant #18-008 in the amount of \$67,833.28 and payroll for period ending 9/10/2017 in the amount of \$59,143.69. All ayes. Motion carried.

Hearing of Delegations:

Terry Walters - Thanked FEMA for the assistance received. There were 50 applicants and approved \$9,000 for overtime pay for the County Road Commission. There still may be a possibility of \$80,000 for tubes for roads that were damaged. Marianne Hill at Emergency Management has been a great help. A new siren will be installed in Sage Township. Terry stated that the new Veteran's Director Melissa Alex has been hired. He told everyone to mention to veterans that vouchers are available to cover the cost of flu vaccination at the Walgreens. He stated that the aid to Senator Peters, Eric Keller will be meeting with Commissioners to discuss several issues.

Sarah Kile – Parks Commission Chairperson stated there is a parks meeting next Monday, September 25th at 5:00 p.m. She encouraged everyone to please visit the park and see all the changes. Mayor Jungman stated that 14 more blue spruce will be planted in the park.

Carol Darlington – Stated that the Annual BBQ at MMCC went very well in spite of the unusually warm temperatures. There were 88 cars in the car show and the trail run went on as planned.

Motion by Council Member Caffrey, seconded by Council Member Persky to establish the agenda. All ayes. Motion carried.

Motion by Council Member Crawford, seconded by Council Member Caffrey to approve the Consent Agenda: Communications: i.) Library Circulation Report – August 2017 ii.) State of Michigan – Notice of Hearing – Consumers Energy Case No. U-17943-R iii.) United Way Campaign – New Kickoff Meetings: i.) Airport Commission – August 10, 2017 ii.) Fire Board – September 6, 2017 iii.) Airport Commission – September 14, 2017. With the additions of correspondence iv.) Johnson Outdoor Digital letter v.) Gladwin Co. Newsletter – September. All ayes. Motion carried.

Old Business:

Second Reading of Ordinance 336 – Tax Exemption Village North – Phase II

CITY OF GLADWIN

ORDINANCE NO. 336

TAX EXEMPTION ORDINANCE VILLAGE NORTH – PHASE II

ADOPTED: September 18, 2017

THE CITY OF GLADWIN ORDAINS:

An Ordinance to provide for a service charge in lieu of taxes for a multiple family dwelling project for persons of low to moderate income to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the “Act”)

Section 1. PURPOSE

This Ordinance shall be known as the “Village North - Phase II Tax Exemption Ordinance”.

Section 2. PREAMBLE

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low to moderate income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing of low to moderate income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that Sponsor (as defined below) has offered, subject to receipt of an allocation under the Low Income Housing Tax Credit (LIHTC) Program by the Michigan State Housing Development Authority, to construct, own, and operate a housing development identified as Village North Apartments – Phase II on certain property located at 559, 565 and 569 Clendening Road, in the City to serve persons and families of low to moderate income, and that the Sponsor has offered to pay to the City on account of this Housing Development an annual service charge for public services in lieu of all *ad valorem* property taxes.

Section 3. DEFINITIONS

All terms shall be defined as set forth in the State Housing Development Authority Act of 1966, of the State of Michigan, as amended, except as follows:

- A. Authority means the Michigan State Housing Development Authority.
- B. Annual Shelter Rent means the total collections during a calendar year from all occupants of a housing development representing rent for occupancy charges, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.
- C. Utilities means fuel, water, sanitary sewer and electrical service which are paid by the Housing Development.
- D. Housing Development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the development as it relates to persons of low income. With respect to this ordinance, Housing Development is a forty nine (49) unit project, contained in three 3 buildings, together with associated grounds, parking and related facilities.
- E. Sponsor means DeShano Development Corporation and any entity which have applied to the Authority for an allocation under the Low Income Housing Tax Credit Program to finance the Housing Development.
- F. LIHTC Program means the Low Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.
- G. Low to Moderate Income Persons and Families means persons and families eligible to move into a housing project.
- H. Mortgage Loan means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project

Section 4. CLASS OF HOUSING DEVELOPMENTS.

It is determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of taxes shall be housing developments for elderly persons and persons and families of low to moderate income, which are financed or assisted pursuant to the Act. It is further determined that Village North Apartments- Phase II is of this class.

Section 5. ESTABLISHMENT OF ANNUAL SERVICE CHARGE:

The Housing Development identified as Village North Apartments - Phase II and the property on which it shall be constructed shall be exempt from all *ad valorem* property taxes from and after

the year the project is placed in service as evidenced by a certificate of occupancy from the appropriate public officials. The City acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer, subject to receipt of an allocation under the LIHTC program, to construct, own and operate the Housing Development, the City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. The annual service charge shall be equal to nine percent (9%) of the Annual Shelter Rents actually collected by the Housing Development during each operating year.

Section 6. CONTRACTUAL EFFECT OF ORDINANCE.

Notwithstanding the provisions of Section 15 (a)(15) of the Act, to the contrary, a contract between the City and the Sponsor with the Authority as a third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

Section 7. LIMITATION ON THE PAYMENT OF ANNUAL SERVICE CHARGE.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for part of the Housing Development which is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt.

The term "low income persons or families" as herein shall be the same meaning as found in Section 15 (a)(7) of the Act.

Section 8. PAYMENT OF SERVICE CHARGE.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes except that the annual payment shall be paid on or before February 28 of each year. The sponsor shall submit a statement from its independent auditor verifying the amounts used to compute the payment are correct as reported. The statement and supporting documents may be from the sponsor's federal tax return.

Section 9. DURATION

This Ordinance shall remain in effect for a period of fifteen years after the certificate of occupancy is obtained from the appropriate officials, so long as the Housing Development remains subject to income and rent restriction pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

Section 10. TERMINATION

Notwithstanding anything contained herein to the contrary, should the Sponsor fail to pay the service charge in lieu of taxes granted hereunder or fail to provide the verification of the calculations used to make the payment, the City of Gladwin shall file a certificate of nonpayment upon the Sponsor of the Housing Development and the Authority by certified mail, with the Register of Deeds of Gladwin County. Following the expiration of sixty (60) days after service of

a certificate of nonpayment upon the Sponsor and the Authority, if payment and supporting documentation has not been made, the service charge in lieu of taxes granted by this Ordinance shall automatically be terminated, retroactive to January 1 of the year for which the service charge in lieu of taxes applies, and the property shall be subject to ad valorem taxes.

Section 11. SEVERABILITY

The various sections and provisions of this Ordinance shall be deemed to be severable, should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the Ordinance as a whole or any section or provision of this Ordinance other than the section or provision so declared to be unconstitutional or invalid.

Section 12. ACKNOWLEDGMENT

The City hereby acknowledges receipt of documentation from the authority indicating that the authority's participation with the Housing Development is limited solely to the allocation of tax credits under the Low Income Housing Tax Credit Program.

Section 13. INCONSISTENT ORDINANCES *not in Ord 237 but required in state template*

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

Section 14. EFFECTIVE DATE

This Ordinance shall take effect thirty (30) days after publication.

First Reading: September 5, 2017

Second Reading: September 18, 2017

The foregoing Ordinance was offered by Council Member Persky and supported by Council Member Gardner.

Roll Call Vote:

Ayes: Crawford, Gardner, Persky, Caffrey

Nays: Mienk, Winarski, Bodnar

Absent: Smith

This Ordinance adopted this 18th day of September, 2017.

Darlene Jungman, Mayor

Bonnie Klein, City Clerk

Discussion: Housing needs, water and sewer line expansion to the development, new fire hydrants, housing studies and job availability.

New Business:

RESOLUTION
SPECIAL ASSESSMENT FOR
DELINQUENT UTILITY ACCOUNTS

WHEREAS, the City of Gladwin has attempted without success to collect certain delinquent utility accounts receivable, and

WHEREAS, a Special Assessment to the tax roll is necessary to place these delinquent utility accounts on the City tax roll;

NOW, THEREFORE, BE IT RESOLVED, that the City Assessor is hereby authorized and instructed to spread upon the Winter 2017 tax roll, Special Assessments in the amounts as indicated herein:

170-070-031-004-00	George Owen	920 N Antler	668.60
170-080-022-004-00	Kimberly Holtz	445 N Silverleaf	158.94
170-130-000-007-00	Angie Priemer	908 W First	289.70
170-130-000-009-00	Carla Butler	911 Second	364.92
170-155-000-017-00	George Valiant	1126 E Cedar Ave	167.46
170-155-000-019-00	Andy Gary	1146 E Cedar Ave	152.57
170-160-004-004-00	William Siebert	740 N Silverleaf	140.47
170-170-006-003-00	Sally Evans	330 E Beech	140.47
170-180-011-005-00	Terry Lavere	304 Sherman	140.47

Total: 2223.60

The foregoing resolution was offered by Council Member Crawford, supported by Council Member Caffrey.

Roll Call Vote

Ayes: Gardner, Mienk, Persky, Winarski, Bodnar, Caffrey, Crawford

Nays: None

Absent: Smith

Abstain: None

Resolution declared adopted this 18th day of September, 2017.

Bonnie Klein, City Clerk

CERTIFICATE

I, Bonnie S. Klein, City Clerk of the City of Gladwin, do hereby certify the foregoing to be a true and correct copy of the resolution adopted by the Gladwin City Council at a regular meeting held September 18, 2017.

Bonnie Klein, City Clerk

**RESOLUTION
SPECIAL ASSESSMENT FOR REMOVAL OF WEEDS**

WHEREAS, the City of Gladwin has attempted without success to collect certain delinquent accounts receivable for removal of noxious weeds per Ordinance 290 and

WHEREAS, section 94.38 of the Code of Ordinances of the City of Gladwin provides that such delinquent accounts shall be returned to the Assessor of the City, and the same, together with the interest at the rate of 6% per annum, shall be placed upon the tax roll next in course of preparation as a charge against the property upon which such order was carried out, and the same shall become a lien upon the land and shall be assessed and collected in the same manner as a special assessment of the City, and

WHEREAS, a Special Assessment to the tax roll is necessary to place this delinquent account receivable on the City tax roll;

NOW, THEREFORE, BE IT RESOLVED, that the City Assessor is hereby authorized and instructed to spread upon the December 2017 tax roll, Special Assessments in the amounts as indicated herein plus interest at 6% per annum calculated to July 1, 2018:

Owner	Invoice	Address	Parcel #	Amount owed
Kimberly Holtz	#691	445 N Silverleaf St	170-080-022-004-00	\$70.00
Richard Gainer	#690	301 Erie St	170-080-069-001-00	\$70.00
Charles Ford	#692	Vacant Land W First St	170-636-300-016-00	\$70.00
William Siebert	#688	740 Silverleaf St	170-160-004-004-00	\$70.00
William Siebert	#720	740 Silverleaf St	170-160-004-004-00	<u>\$70.00</u>
Total added to taxes				\$350.00

The foregoing resolution was offered by Council Member Crawford, supported by Council Member Caffrey.

Roll Call Vote:

Ayes: Mienk, Persky, Winarski, Bodnar, Caffrey, Crawford, Gardner
Nays: None
Absent: Smith
Abstain: None

Resolution declared adopted this 18th day of September, 2017.

Bonnie S. Klein, City Clerk

CERTIFICATE

I, Bonnie Klein, Clerk of the City of Gladwin, do hereby certify the foregoing to be a true and correct copy of the resolution adopted by the Gladwin City Council at a regular meeting held September 18, 2017 at 5:00 PM.

Bonnie S. Klein, City Clerk

RESOLUTION
CITY OF GLADWIN
Iron Filtration Plant Funding Approval

WHEREAS, the City of Gladwin desires to construct an Iron Filtration Plant adjacent to the water tower at 401 South M-18; and

WHEREAS, the City of Gladwin projects the Iron Filtration Plant to

WHEREAS, the Gladwin City Council has received for a grant from EDA in the amount of \$534,237 to be partial funding for an Iron Filtration Plant for the City of Gladwin; and

WHEREAS, the City of Gladwin has secured local funds through a commitment received of USDA loan funds in the amount of \$1,602,713 and considered as the City's local match commitment; and

WHEREAS, the City of Gladwin is requesting one million dollars in funding from the State of Michigan for this Iron Filtration Plant; and

NOW, THEREFORE BE IT RESOLVED, by the Gladwin City Council, of Gladwin County, Michigan as follows:

That the City of Gladwin here by approves and authorizes Robert Moffit, City Administrator to secure additional Federal or State funding on behalf of the City of Gladwin, to offset the loan amount secured by USDA.

The foregoing resolution was offered by City Council Member Caffrey and supported by Council Member Crawford.

Roll Call Vote:

Ayes: Persky, Winarski, Bodnar, Caffrey, Crawford, Gardner, Mienk
Nays: None
Absent: Smth
Abstain: None

Resolution declared adopted this September 18, 2017.

Bonnie S. Klein, City Clerk

CERTIFICATE

I, Bonnie S. Klein, City Clerk of the City of Gladwin, do hereby certify the foregoing to be a true and correct copy of the resolution adopted by the Gladwin City Council at a regular meeting held September 18, 2017.

Bonnie S. Klein, City Clerk

Motion by Council Member Mienk, seconded by Council Member Bodnar to approve voting for four (4) directors for the Michigan Municipal League Liability & Property Pool as a unanimous ballot. All ayes. Motion carried.

Comments:

Mayor Dee Jungman – Stated that 16 trees were planted around town with the help of Robert Moffit, Al Sawaya, Tom Molski and Justin Thorington. Grace Baptist contacted Dee and thanked her for the trees they are greatly appreciated since two were lost in front of the church. Dee has met with a local businessman concerning the possibility of a restaurant in Gladwin. Little Caesar's will be moving into the former Chemical Bank building on Townsend St. as a drive thru. Edward Jones hosted the Gladwin Business and Professionals Association, After Hours gathering last Thursday. It was very nice.

Nancy Bodnar – Brought to the Council's attention the Code of Ordinances, on page 169, states that a Tree Board was established in 1993. It also states that those owning real property in the City of Gladwin are responsible for taking care of dead trees.

Discussion: Tree board and City budgeting for tree removal for the 2018-2019 fiscal year, and the Council to familiarize themselves with the ordinances and remove or update ordinances as needed.

Robert Moffit – State that three (3) dead pine trees were taken down in cemetery by HoJo's this week.

John Caffrey – Stated the T-hanger construction at the Airport is moving along and should be complete in November. He stated he attended the MML Conference in Holland and brought back information about cities in bloom. He stated that there was a good information received at the conference.

Roger Gardner – Stated that the City of Clare has a K-9 unit and we could get information from them. He stated there was an accident near the High School involving someone texting and ran into the back of a school bus and continued to text.

Robert Moffit – Stated that there is a Downtown Development Authority (DDA) meeting on Wednesday, September 20th. The DDA will be discussing sidewalk bids and façade grants, The Rotary \$10K giveaway is also Wednesday, September 20th. He had a good vacation. He thanked everyone for information on the tree program.

Terry Walters, County Commissioner – Stated the loss of Dan Provost, former Road Commission Manager. It is a great loss to the community and condolences to the family.

Motion by Council Member Persky, seconded by Council Member Bodnar to adjourn. All ayes. Motion carried.

Meeting adjourned at 5:52 p.m.

Darlene Jungman, Mayor

Bonnie S. Klein, City Clerk