

CALL TO ORDER

The regular meeting of the Michiana Village Council was called to order at 3:04 pm EDT by Village President Beverly Bruesch.

ROLL CALL

Council members Present: President Beverly Bruesch, President Pro-Tem Sheila Stein, Council member Hillary Herbst, and Council member George Hermelink.

Council members Absent: Council member Russ Ramage.

Motion by Stein, second by Hermelink, to excuse Council Member Russ Ramage from the meeting. Voice vote showed unanimous approval, motion carried (3-0).

Others Present: Treasurer Amy Hemphill, Public Works Superintendent Rick Reitz, Finance Committee Member Richard Shepherd, Water Authority Commission member Carol Shepherd, Human Resource Committee Member Kathleen Roberts, and Clerk Cathy Ganus.

[Council member Hillary Herbst arrives at 3:15 EST.]

APPROVAL OF MINUTES

Motion by Hermelink, second by Stein, to approve the minutes of the April 13, 2009 meeting as amended under New Business, License Agreement – Village of Michiana (Licensor) and Phillip and Susan Pence (Licensee), 80 Pocantico, New Buffalo, MI 49117 was struck and sentence was amended as follows: *“Village attorney Sara Bell requested the Council consider entering into a license agreement with Phillip and Susan Pence regarding property located on East Court Drive and Pinewood Drive, New Buffalo, MI.”* **Also amended was the motion for same – 80 Pocantico was struck and “on East Court Drive and Pinewood Drive” was added. Voice vote showed unanimous approval, motion carried (4-0).**

Motion by Stein, second by Herbst, to approve the minutes of the special May 4, 2009 meeting as amended under Old Business, Michiana Women’s Club Day Camp Contract – the first motion was amended as follows: *“Motion by Herbst, second by Stein, that in addition to the commercial lease agreement and terms of rental of the facility for the Michiana Women’s Day Camp, the Michiana Women’s Day Camp shall also be charged the standard hall rental rate per rental in the amount of two hundred fifty (\$250) for each of the six (6) extra evening hall use dates and the security deposit for same shall be waived. Voice vote showed unanimous approval, motion carried (5-0).”* **Voice vote showed unanimous approval, motion carried (4-0).**

CORRESPONDENCE

Bill Schutt / Patti & Randy Harris – Village Park

Correspondence has been received from Michiana residents William Schutt and Patti & Randy Harris in reference to the compost area next to the village park. Their concerns were in relation to the composting area growing in size and its closeness in relation to the park that all village children use. They stressed that they are concerned that the park area is now smaller in size, has the potential to attract vermin and rodents, the potential health and safety issues with regards to the children playing on the mounds of debris, the “eyesore” to the village community, lower property values as a result of the blighted area, as well as the environmental impact and encroachment of the composting site to White Creek.

Public Works Superintendent Rick Reitz advised that his crew will be working on the brush pile as he recently had a meeting with Michigan Department of Environmental Quality representative Christine Bauer (Water

CORRESPONDENCE (continued)

Bill Schutt / Patti & Randy Harris – Village Park (continued)

Bureau) who advised that the composting area needed to be moved to another location within the village. Ganus advised that the Southeast Berrien County Landfill Authority in Niles (Bertrand Township) has a composting area where residents can take their lawn clippings and branches for no charge. Ganus advised she would contact General Manager Dave Jones at the Southeast Berrien County Landfill Authority and report her findings.

Jay Lipe Council Meeting Packet Request

Bruesch advised that Village resident Jay Lipe has contacted her in reference to receiving the entire council packet for each meeting held by the Village Council. Lipe had previously advised Ganus of his request for the total council packets from each meeting. Lipe advised that he previously subscribed for a “per year” fee of \$36 for all council packet information and he had previously remitted \$36 in August or September, 2008. Ganus checked the receipt book as well as the deposits and could find no evidence that the fee has been accepted. Ganus had requested that Lipe provide a copy of the front and back of the canceled check as proof of acceptance. To date, nothing has been received.

Bruesch perused the Michigan Freedom of Information Act and found that this type of request is allowable but can only be for a period of six months per request.

Motion by Stein, second by Herbst, to provide the requested information per the request of village resident Jay Lipe with the request being sent either via email or USPS with cost for same being \$15 per packet sent via USPS and \$5 per packet sent via email.

After discussion of this motion, Stein then withdrew her motion.

Motion by Herbst, second by Stein, to provide the requested information per the request of village resident Jay Lipe with standing costs for the request being charged according to the Michiana Village Freedom of Information Act Cost Worksheet. Voice vote showed unanimous approval, motion carried (4-0).

REPORTS

Clerk's Report – Cathy Ganus

Ganus advised she needed clarification on the bill payment procedure as she has read something recently regarding the fact that all bills for payment should be submitted to the Council for approval prior to their being remitted. With the Council only having one meeting per month, it is difficult to process accounts payable once per month without incurring late fees.

Motion by Stein, second by Herbst, to authorize the Clerk and Treasurer to draft a bill payment policy for review at the June meeting of the Village Council. Voice vote showed unanimous approval, motion carried (4-0).

Motion by Stein, second by Hermelink, to approve check # 27032 to and including check # 27044 as well as check # 27083 to and including check # 27124 totaling \$48,056.38 from the General Fund. Roll call vote showed unanimous approval, motion carried (4-0).

Motion by Stein, second by Hermelink, to approve check # 1002 to and including check # 1005 totaling \$3,724.29 from the Tax Fund. Roll call vote showed unanimous approval, motion carried (4-0).

REPORTS (continued)

Clerk's Report – Cathy Ganus (continued)

Motion by Stein, second by Hermelink, to approve check # 5364 to and including check # 5378 totaling \$21,434.86 from the Water Authority Fund. Roll call vote showed unanimous approval, motion carried (4-0).

During the Clerk's Report, Ganus brought up the fact she has received a bill from the Michigan Municipal League Unemployment Group in reference to a shortage of \$16,183.98 for the year 2008. At the time merit rates were calculated (which captured activity through quarter ending 06.30.2008) the Village account was in a deficit position of \$16,268.85 as a result of claims exceeding contributions. The increased claim activity has resulted in a merit increase from 1.82% to 7.23%. Merit rates are calculated on a five-year claim average and could continue to rise as claims increase. The intention of the higher merit rate is to properly fund the village account to accommodate any future claims paid and avoid a negative balance situation.

Hemphill advised that there are two types of unemployment accounts: contributing and reimbursing and her opinion is that most villages are reimbursing. She would like to investigate this further.

Motion by Herbst, second by Stein, to allow the Treasurer Amy Hemphill to investigate the Michigan Municipal League workers compensation issue in reference to unemployment claims. Voice vote showed unanimous approval, motion carried (4-0).

Ganus went on to advise that she has made contact with AalFs Petroleum (our diesel and unleaded fuel providers) and they advised that the Village is not under any contract with them, they simply re-supply the Village with fuel every two weeks. Ganus stated that she has changed the Village to a "will call" for fuel refill. AalFs advised that they need at least a twenty-four hour notice to refuel. In light of this fact, Ganus advised that some sort of fuel log needs to be created and the fuel monitored on a regular basis so as to avoid a shortage of fuel. Reitz volunteered to handle the fuel issue.

Treasurer's Report – Amy Hemphill

Hemphill stated that she has obtained preliminary figures for the expense of payroll to the appropriate funds and recommended the following transfers:

From Major Street Fund to General Fund	\$ 6,145.65
From Local Street Fund to General Fund	\$ 5,339.51
From Water Authority Fund to General Fund	<u>\$ 27,414.04</u>
	\$38,899.20

She went on to state that she will be working with Reitz in reference to determining equipment rental due to the General Fund from the Major Street Fund as well as the Local Street Fund.

The Council will need to hold a public hearing and adopt a resolution to set the millage rate for taxes levied in 2009 prior to June 1, 2009.

The Finance Committee has been meeting and the budget process is underway, however, final figures are yet to be determined. The budget will also need to be adopted prior to June 1, 2009.

Hemphill advised that she will also be working toward calculating what the Building Fund owes the General Fund for rental fees.

REPORTS (continued)

Treasurer's Report – Amy Hemphill (continued)

Hemphill provided the following balances as of April 30, 2009:

General Fund	\$ 19,850.85
Major Street Fund	\$ 48,120.53
Local Street Fund	\$ 43,107.74
Water Authority Fund	\$ 75,287.65
Building Fund	\$ 5,781.22
Capital Projects Fund	\$ 41,436.86
Tax Fund	\$ 2,343.93
Water Authority Trust	\$120,205.03

Motion by Stein, second by Hermelink, to approve the transfer of funds as follows: From Major Street Fund to General Fund, \$5,145.65; From Local Street Fund to General Fund, \$5,339.51; and From Water Authority Fund to General Fund, \$27,414.04. Roll call vote showed unanimous approval, motion carried (4-0).

Hemphill expressed dissatisfaction with the audit report for fiscal year ending 06.30.2008 as recently prepared by the audit firm of Rehmann Robson. She advised that the adjusting journal entries sent to the Village by Rehmann Robson did not appear to make sense. There was also the issue of the CD that was cashed in late 2008 by Dr. Luce. According to Chemical Bank (where the CD was drawn from) the original \$20,000 CD was opened in 1994 and the interest from the CD was being sent in check form to the Village each month. The interest payment was being applied to the Major Street Fund; however, in further investigation of the CD, it was found that the CD actually belonged to the Water Authority. Reitz interjected that he has researched previous minutes and they showed that the Water Authority was, in fact, the owner of the CD. Hemphill stated that she contacted Rehmann Robson and questioned this and they advised that they received confirmation of the CD from Chemical Bank and previous history provided that the CD belonged in the Major Street Fund.

Fire Report – Michiana Shores Volunteer Fire Department – Chief James Imes

Michiana Shores Volunteer Fire Department Chief James Imes filed the fire department activity report for the month of April, 2009. During this time, MSVFD responded to one (1) fire within the Village.

Tree Inspector Report – Kris Wulff

No report filed. Hermelink advised that there had been a tree cut down on Pocantico near his residence and the tree sat in the road right-of-way for approximately two (2) weeks before he contacted the Village Public Works and they hauled the tree away. Since there is an ordinance in reference to this, Hermelink feels that the contractor should be cited for the violation with the homeowner receiving a copy of the ordinance violation.

Building Inspector Report – Bill Owens

No report filed.

RFP for Banking Services

Ganus provided the Council with a request for proposal (RFP) for banking services for their review. The purpose of the RFP is to solicit proposals for a primary banking relationship with a major bank that operates a branch within the State of Michigan, County of Berrien. The bank must be able to offer the full range of banking services required by the RFP. Ganus advised that there were several areas where she needed the Council's input within the document.

REPORTS (continued)

RFP for Banking Services (continued)

Motion by Herbst, second by Stein, to approve the RFP for banking services upon the final approval by the Village President after amendments to the document have been completed. Voice vote showed unanimous approval, motion carried (4-0).

RFP for Financial Audit Services

Ganus provided the Council with a request for proposal (RFP) for financial audit services for their review. The purpose of the RFP is to solicit proposals for qualified firms of certified public accountants to audit the Village's financial statements for the fiscal year ending June 30, 2009 with the option of auditing its statements for each of the two (2) subsequent years at the discretion of the Village Council. Ganus advised that there were several areas where she needed the Council's input within the document.

The Council suggested that the RFP be sent to the following auditing firms: Gerbel & Company (St. Joseph, MI), Schaffer & Layher (St. Joseph, MI), Siegfried Crandall (Kalamazoo, MI), Rehmann Robson (Jackson, MI), Plante & Moran (Benton Harbor, MI), and Steve Ross (Stevensville, MI).

Motion by Herbst, second by Stein, to amend the RFP for audit services to reflect that at least three (3) auditing firms must be sent the RFP. Voice vote showed unanimous approval, motion carried (4-0).

Motion by Stein, second by Herbst, to approve the RFP for Financial Audit Services as amended. Voice vote showed unanimous approval, motion carried (4-0).

[Council member Hillary Herbst was excused to leave at 5:15 pm EST.]

Finance Report – Richard Shepherd

Shepherd advised that the Finance Committee has been meeting with the treasurer to obtain final figures so a budget for the next fiscal year can be presented to the Council. Projected tax revenue for the next tax cycle amounts to approximately \$548,000 and with other revenue sources, the Village should realize approximately \$580,000 for 2009. Shepherd went on to state that he feels the proposed budget should not exceed approximately \$500,000 so as to assist in building the fund balance. He stated that to assist with the remainder of fiscal year ending June 30, 2008, the Village should explore the reduction of work hours to save money. To date there is approximately \$17,000 in delinquent taxes due the Village and this should be remitted to the Village by Berrien County in late May, early June.

Police Report – Chief Lyn Papke

In the absence of Chief Papke, the police report was provided in written form. For the month of April, the Police Department logged a total of 658 man hours. There were twenty-five (25) complaints handled: one (1) fire assist, four (4) suspicious persons, three (3) damage to property, five (5) alarms, one (1) assist to the Village Water Department, one (1) fire call, seven (7) civil matters, and three (3) assists to other agencies. In addition, there were two (2) sign ordinance citations, eight (8) traffic warnings issued, and one (1) traffic citation issued. Five hundred eighty-four (584) security inspections were also conducted.

Discussion ensued as to the police department having a high expense with very little activity. The Council feels that an officer is needed to patrol at night.

Public Works / Water Authority Report – Superintendent Rick Reitz

Reitz went over the public works report. Additionally, he advised that there are sand issues at stop 39. He advised that Ganus is currently going over each water billing account to check for errors as well as entering the new meter reads as the previous attempt to bill for water usage resulted in highly inflated billings, which

REPORTS (continued)

Public Works / Water Authority Report – Superintendent Rick Reitz (continued)

we knew to be untrue. At that time it was decided to charge the ready-to-serve fee and bill for water usage on the next water billing cycle. It is a time consuming process and coupled with the general office and telephone traffic, Ganus is having a difficult time making any headway. The water billings were due out the first of May. The Council agreed to close the village offices on Wednesdays to allow Ganus to focus strictly on catching up on the water billings.

Reitz went on to state that he has completed the stripping of the old police car and it is ready to be sold. Ganus has advertised the taking of bids for the police vehicle in the *Harbor Country News*.

Citizen's Advisory Committee (White Creek Clean-Up) – Russ Ramage

In the absence of council member Russ Ramage, there was no report given.

OLD BUSINESS

Grant for Police Vests Update

Ganus advised that she has checked the website for the Bulletproof Vest Partnership (bulletproof vest grant program) and there appeared to be no applications on file for the Village at this time. Ganus will contact Papke to investigate this.

BS & A Software Update

Ganus advised that in an effort to save the Village money, she would be willing to travel to Bath, Michigan (East Lansing area) to BS & A Software to facilitate the installation of the Fund Accounting software on her computer. This would save the Village approximately \$250 per day regarding lodging and food expenses. The Council agreed to reimburse Ganus for mileage and suggested that she travel to Bath on a Friday as the treasurer is in the office on that day and could run the office.

Website Domain – Hosting Update

Ganus advised that the Village's website domain (michianavillage.org) has expired as of May, 2009. She has priced domain name purchases with other companies (other than current company Network Solutions) and has found that GoDaddy.com offers \$6.99 per year (Network Solutions charges \$9.20 per year).

Ganus went on to state that our web hosting service will be expiring in June, 2009. GoDaddy.com offers their premium plan web hosting, which includes 999 pages and 4 GB of disk space, utilizing the Website Tonight Website building tool at a cost of \$374.04 for three years. Network Solutions offers their standard web hosting at a cost of \$334.60 for three years. In addition, private registration with Network Solutions is \$27. Total cost for GoDaddy.com is \$438.75 and total cost for Network Solutions is \$444.60. It should be noted that the Village currently uses Network Solutions for their website provider and if the web hosting service were switched, the information currently on the website would need to be transferred.

This item was placed on the table to allow Kathleen Roberts (current webmaster) to be contacted in reference to her recommendations in reference to the website and whether she will continue to serve as webmaster.

NPDES MS4 Permit – Amendment to Application of MS4 Permit To Include Post Construction Controls

Our current jurisdictional-based MS4 permit requires that the Village address how it is going to deal with post construction controls, which apply only to land disturbances an acre or greater in size that discharge to the Village's storm sewer system. As a result of this, the Village must amend the MS4 permit application to address the post construction controls.

OLD BUSINESS (continued)

NPDES MS4 Permit – Amendment to Application of MS4 Permit To Include Post Construction Controls

It should be noted that post construction controls are addressed in part in Chapter 14, section 14.3, paragraph a, 1, in the Village of Michiana Zoning Ordinance in regards to site plan review. This section of the ordinance was sent to the MDEQ Water Bureau Permits Section and they advised that what we currently have in the aforementioned chapter is not sufficient as written to meet the permit requirements for post construction storm water controls.

This shall be a second reading of the proposed amendment to the Village of Michiana Zoning Ordinance.

Village Council Meeting Date / Time Review

In review of the time change for the Council, it was the general consensus of the Council that moving the regular monthly Village Council meetings to 1:30 pm EST would work better for the majority of the Council members.

Motion by Stein, second by Hermelink, to move the regular monthly meetings of the Michiana Village Council to the second Monday of each month at 1:30 pm EST with notice of same being sent to the newspaper as well as posted at the Village Hall. Voice vote showed unanimous approval, motion carried (3-0).

Special Meeting –Public Hearing – Increasing Property Taxes & Fiscal Year 2009-2010 Proposed Budget

A special meeting has been scheduled for the public hearing in reference to increasing property taxes. At that time the proposed budget for fiscal year 2009-2010 shall be reviewed. The meeting has been scheduled for Thursday, May 28, 2009 at 5:30 pm EST.

NEW BUSINESS

Pokagon Fund

Reitz advised that he has received several quotes for the items on the Council's "wish list" in regards to grant monies from the Pokagon Fund. Reitz and Ganus to submit grant application for the Village Hall generator.

Local Revenue Sharing Board Disbursement

The next Local Revenue Sharing Board meeting is to be held on May 12, 2009 with Hermelink to attend. Topic of discussion will be the disbursement of revenue sharing monies.

Committee Appointments / Terms of Office

Bruesch brought up the fact that there is no record of the different committees within the Village as well as no record of terms of office. Conversation ensued in reference to the various committees. Bruesch advised that Richard Gossweiler has volunteered to be appointed to the Finance Committee.

The Council feels that there needs to be a police commissioner and a fire commissioner appointed to streamline these services. The police commissioner's responsibilities would be to serve as the executive officer of the police department and shall also serve as a liaison between the police officers, the Village Council, and the residents of the Village. The fire commissioner's responsibilities would be to work in conjunction with the Zoning, Planning, and Environmental Commission to formulate and enforce policies, rules, and regulations pertaining to fire prevention and control. It should be noted that such rules and regulations must be submitted to the Village Council for approval. Monthly written reports from both commissioners shall also be provided.

NEW BUSINESS (continued)

Committee Appointments / Terms of Office (continued)

Ganus will post a notice on the bulletin board as well as on the website advising that the Village of Michiana is accepting applications for police commissioner as well as fire commissioner.

Village Hall Rental Applications

Ganus advised that the following people have submitted applications for the rental of the Village Hall:

Barbara Macudzinski	Sunday, June 7	Graduation Party
Jack & Therese Luce	Friday, June 12	Graduation Party

Ganus advised that there are no conflicts in scheduling that would prevent the rental of the Hall. The Council approved the applications by general consensus.

NPDES Phase II Permit Contract – Southwest Michigan Planning Commission

Ganus advised that the Village has paid the fee for contracting with the Southwest Michigan Planning Commission (SWMPC) in reference to the implementation of the 2008-2009 Public Education component of the National Pollutant Discharge Elimination System (NPDES) Phase II permit; however, the actual contract for same has yet to be signed. The Village agrees to retain the SWMPC to implement the Public Education Plan (PEP) of the NPDES Phase II permit. The PEP is a single component of the NPDES Phase II permit requirements.

Motion by Stein, second by Hermelink, to contract with the Southwest Michigan Planning Commission for the implementation of the 2008-2009 Public Education Component of the National Pollutant Discharge Elimination System Phase II Permit. Voice vote showed unanimous approval, motion carried (3-0).

Audit FYE 06.30.2008 Draft Financial Statement Approval / Timeline for Billing

Ganus advised of being in receipt of an additional invoice from Rehmann Robson for an additional \$6,800. Ganus investigated the accounts payable records for Rehmann Robson for the FYE 06-30-2009 audit and has come to the conclusion that the Village has overpaid R & R in the amount of \$1,200. It was unclear why R & R had sent the additional billing.

In light of the fact that the Village is dissatisfied with the financial reports submitted by Rehmann Robson for fiscal year ending June 30, 2008, the Council would like a member of the Rehmann Robson staff to attend the next council meeting to explain the reports.

Motion by Stein, second by Hermelink, to draft a letter to Rehmann Robson requesting that a member of their staff attend the next meeting at no cost to the Village and explain the audit findings as well as explain how they arrived at their figures. Voice vote showed unanimous approval, motion carried (3-0).

Bruesch went on to state that in light of the shortfall in the budget for fiscal year ending June 30, 2009, the Village needs to make serious cuts. Cuts to the Police Department and Department of Public Works would realize approximately \$4,000 per month until the next budget cycle.

Motion by Stein, second by Hermelink, to reduce the Department of Public Works and Police Department hours for all waged employees to thirty-two (32) hours per week commencing May 21, 2009. Voice vote showed unanimous approval, motion carried (3-0).

ANNOUNCEMENTS

None.

PUBLIC COMMENTS

Robert Cowen of the Summer Song Ice Cream Company requested that the Village allow him to sell ice cream from his ice cream van on the weekends throughout the summer. According to the Village of Michiana Penal Code, vendors are required to obtain a special permit from the Village to do so. This item was placed on the table to allow for further investigation. Mr. Cowen provided the Council with a contact number for his employer.

ADJOURNMENT

There being no further business before the Council, the meeting was adjourned at 7:00 pm EST.

Cathy A. Ganus
Michiana Village Clerk