

**City of Swartz Creek  
AGENDA**

**Regular Council Meeting, Monday, October 26, 2015, 7:00 P.M.  
City Hall Building, 8083 Civic Drive Swartz Creek, Michigan 48473**

1. **CALL TO ORDER:**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**
  - 4A. Council Meeting of October 12, 2015 MOTION Pg. 21
5. **APPROVE AGENDA:**
  - 5A. Proposed / Amended Agenda MOTION Pg. 1
6. **REPORTS & COMMUNICATIONS:**
  - 6A. City Manager's Report MOTION Pg. 2
  - 6B. Medical Marijuana Updates (Business Item) Pg. 34
  - 6C. Traffic Improvement Program Call for Projects/Proposal (Business Item) Pg. 39
  - 6D. Police Authority Draft Interlocal Agreement (Business Item) Pg. 43
  - 6E. Water System General Plan Proposal (Business Item) Pg. 66
  - 6F. Comcast Notice Pg. 70
  - 6G. Christmas Parade Street Closure (Business Item) Pg. 71
  - 6H. MERS Actuarial Assumptions Statement Pg. 76
  - 6I. State Road News Pg. 80
7. **MEETING OPENED TO THE PUBLIC:**
  - 7A. General Public Comments
8. **COUNCIL BUSINESS:**
  - 8A. DDA Budget Amendment RESO Pg. 12
  - 8B. Medical Marijuana Ordinance DISC
  - 8C. Traffic Improvement Program Application Proposal RESO Pg. 14
  - 8D. Interlocal Agreement RESO Pg. 15
  - 8E. Appointments RESO Pg. 18
  - 8F. Water System General Plan Proposal RESO Pg. 18
  - 8G. Christmas Parade Street Closure RESO Pg. 19
  - 8H. Sewer Bond Payment RESO Pg. 19
9. **MEETING OPENED TO THE PUBLIC:**
10. **REMARKS BY COUNCILMEMBERS:**
11. **ADJOURNMENT:** MOTION

**City of Swartz Creek**  
**CITY MANAGER'S REPORT**  
Regular Council Meeting of Monday, October 26, 2015 - 7:00 P.M.

**TO:** *Honorable Mayor, Mayor Pro-Tem & Council Members*  
**FROM:** Adam Zettel, City Manager  
**DATE:** October 21, 2015

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## **ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS**

✓ **RACEWAY STATUS** *(No Change of Status)*

The raceway management attended the workshop on August 31. It was indicated that a business similar in nature to the raceway, with a similar impact, is working on a purchase. We do not know more. However, I have still been making regular contact with them in an effort to have the site marketed by a commercial broker. I have also been marketing the site to outside entities as best I can. We shall see what happens.

✓ **OUTSTANDING APPEALS** *(No Change of Status)*

The two notable appeals are the raceway and the golf course. Both of these facilities had appeals filed in 2014, and both of them were ultimately withdrawn. Due to the uniqueness of these facilities and the value of the appealed amount, the city choose to allocate funds to challenge these appeals and perform necessary appraisals. This will likely be the case again. However, there is still time to work with so consider this an informational update only.

Once the assessor reviews all cases and we have more time to communicate with owners, we will be in a better position to know which appeals should be opposed, negotiated, or accepted.

✓ **STREETS** *(See Individual Category)*

❑ **2017-2020 TRAFFIC IMPROVEMENT PROGRAM (TIP) APPLICATIONS** *(Update)*

A call for projects has gone out for the TIP. This is the program in which the county allocates federal dollars for engineering and construction of major streets to the tune of about 80%. This is the program that paid the lion's share of the 2015 Miller Road project and has been the backbone of street repair in the city for decades. To get started, we must submit applications that require a minimum amount of engineering work (rough scoping, unit estimates, and costs).

Unfortunately, the engineer that submits these applications is prevented from working on other aspects of the project (this is why Rowe did not perform engineering services for Miller Road). In order to prevent such a conflict, we have opted to seek a proposal from an independent engineer that is not on the city's federal Pre-Qualified Bidders List.

Such a proposal is attached. We definitely wish to get the west end of Miller Road on the list. While we are at it, we are still attempting to get Seymour and some of the

other major streets funded that are in the worst condition. I strongly suspect that Miller will get funded because of its high traffic count, low pavement rating, and the presence of bike lanes/sidewalks. Seymour may or may not qualify in the next cycle depending upon the level of competition. The other streets are lower priority, but they did end up on the last TIP cycle list as reserve streets. With that said, we would like to redo the applications with those streets still on them. Who knows? If the state increases road monies or a local initiative is successful, funds could be available to match these streets and move them up in the 20 year plan schedule.

The applications are due on November 13<sup>th</sup>. If the city council chooses to, we can remove some of those streets from the application to save money. I think it is worth keeping them on.

- ❑ **MORRISH ROAD CLASSIFICATION-BRIDGE CAPACITY** *(No Change of Status)*  
Morrish Road has been submitted for classification as a “minor arterial” from a “major collector”. The MDOT approved the change. Now we await review by the Federal Highway Administration sometime this calendar year.

- ❑ **MILLER ROAD RESURFACING PROJECT** *(No Change of Status)*  
The city now has a report/change order on the estimated costs for this project, and the news is good. It appears that the savings sought by the city were realized, with a reduction of \$121,355.39. Note that this is not savings under the resolution. This reflects savings under the bid amount of \$1,918,020.56. Since this was beyond our original estimate, the savings were desired to match budgeted amounts. In short, we are right on target.

Also, the noted weeds on Miller have been sprayed, cut, and hydro seeded.

- ❑ **SIGNAL PHASING STUDY FOR MILLER AND MORRISH** *(No Change of Status)*  
OHM has been given the nod to study this for us. We will await the findings. See the report from August 24, 2015 for details.

- ❑ **20 YEAR STREET PLAN** *(No Change of Status)*  
It appears the state is genuinely moving closer to enacting a more sustainable road fund. The most recent plan appears “doable” and is projected to raise \$1.2 billion for roads, though a compromise may reduce this to \$800 million. The full amount is in line with the state May ballot proposal. If this holds true and the revenues are distributed accordingly, we can expect such a plan to increase funds to the city by about \$250,000 per year.

What the state decides to do (or not do) will have a major impact on funding our plan. Once this is evident, we should move forward with a plan to fund whatever revenue gap exists. As discussed, this could be any combination of assessments, a levy, and a re-apportionment of existing/new state revenues. If the state fails to act or does so in a way that has a negligible impact, we may need to decide to move forward without consideration of the state’s contribution. Either way, we should prepare ourselves to revisit this issue late this fall or in early winter.

See the May 11 report for prior details.

**2015 STREET BIDS-SCRAP TIRE GRANT (Update)**

The city is moving forward with engineering of the intersections of Winston and Miller (including water main), as well as Fairchild and Miller. We expect this work to be done after school releases in 2016.

✓ **WATER – SEWER ISSUES PENDING (See Individual Category)**

**SEWER REHABILITATION PROGRAM (No Change of Status)**

We expect Liqui-Force to begin work in November on the east side of Seymour (Greenleaf) and east side of Greenleaf (Durwood), and west Seymour (Valleyview).

**KWA (Update)**

For the most part, the KWA is still ahead of schedule and under budget. The most recent estimates place the authority in operation by the end of 2016 on a limited basis, serving Flint. It is expected to be serving all authority customers by fall of 2017. The treatment facility is under construction as we speak and the pipeline work is nearly complete.

In related news, Flint City is now back on the Detroit system. This will certainly help with some of the real and perceived issues of water quality. However, according to the drain commissioner's office, lead levels in Flint have always been 2-3x higher than Genesee County. As such, expect to hear continued concerns over water quality. Based upon circumstances, it appears more likely that lead is being contributed more by older private plumbing and paint applications in older homes. There are also known instances of lead water leads from the distribution system to homes. For the record, Swartz Creek has been on the Detroit system for decades and has a newer distribution system, as well as newer homes. Except for some of the oldest homes in the city, lead should not be a concern for system users.

**STORM SEWER (Update)**

The county agreement has been approved and awaits a master signature page for all participating communities. According to the most recent report, there is one more community that still needs to approve it.

**WATER LOSS (No Change of Status)**

We continue to work on priority meter replacement and billing diagnostics. However, I am not confident that we will find enough water loss in pursuing these avenues to bring water loss down to an acceptable level. Tom and I met with Johnson Controls last week to see what leak detection and other professional services might exist to address this matter. While I suspect their services (or similar services) will not be cheap, we could be losing enough money each year to support a modest capital improvement program. That is not acceptable, and the longer the community loses water, the more money goes down the drain (pun intended).

I will report future findings and any professional service options at a future date.

✓ **PERSONNEL: POLICIES & PROCEDURES (Update)**

The committee met on September 15th and was able to review the rest of the personnel handbook. Department heads have had some input and good ideas and now

I am awaiting informal feedback directly from employees, as well as final comment from the labor attorney (Mr. Ken Zatkoff). Barring unforeseen issues, I expect to have this policy before the city council for deliberation and approval on November 9th.

✓ **SHARED SERVICES, POLICE DEPARTMENTS (Update-Business Item)**

The draft of the interlocal agreement is included in the packet again. The committee members of the city met with the Mundy appointees on October 1. There were some points of clarification and a couple recommendations, but the agreement was received well. I also felt the collective group had an open, productive rapport right from the start.

The agreement is now before the city council for review and a vote. Note that approval of the agreement at this point is only to enable a unified body to represent joint interests of the department on an interim basis. This is why the attachments cannot be provided at this point and are intended to be developed at a later date, subject to another affirmative vote.

TO BE CLEAR, INITIAL APPROVAL OF THIS AGREEMENT WILL NOT JOIN OR MERGE POLICE DEPARTMENTS. THIS WILL BE A VOTE TO FORM AN AUTHORITY THAT CAN NEGOTIATE WITH LABOR UNIONS, PRODUCE POLICIES, AND PROVIDE A BUDGET. A VOTE BY BOTH MUNICIPALITIES, AFTER PRESENTATION OF SUCH DOCUMENTS AND PUBLIC HEARINGS, WILL STILL BE REQUIRED AFTER 180 DAYS TO AFFIRM PARTICIPATION. IF SUCH AN AFFIRMATIVE ACTION DOES NOT RESULT FROM BOTH PARTIES, THE AUTHORITY WILL NOT PROVIDE POLICE SERVICES AND THE DEPARTMENTS WILL STAY LOCAL.

The reason that an authority needs to be established prior to a vote on a final merger is due to some practical considerations. The primary one being the need for the creation of a recognized entity to perform collective bargaining with a unified labor bargaining unit, as well as the ability to analyze retirement programs with the Municipal Employees Retirement System of Michigan. Without a unified bargaining agreement, there can be no reasonable budget projection. Without an accurate budget and staffing projection, there can be no reasonable consideration of the costs/benefits of a joint department.

With that said, I hope the city council sees this for what it is, a required next step to study and present joint service costs and service levels. However, do invest some time with the agreement and ask questions because an affirmative vote under this agreement to transfer police duties WOULD make this agreement effective.

If this agreement is approved, board members shall be required to serve through the 'effective date'. The Mayor is recommending:

David Krueger  
Curt Porath  
Dennis Pinkston

A resolution is included to this end. Should the authority have an 'effective date', replacement appointments shall be needed at that time of affirmation.

✓ **SPRINGBROOK EAST & HERITAGE VACANT LOTS (Update)**

Per the purchase agreement terms, an escrow has been established to ensure completion of the streets in the developer-controlled sections of Springbrook East. A contractor has been selected by the developer and was onsite paving on October 21 under the eye of the city's engineer.

Our intention is to bring the streets up to the public standard for dedication. Since we are not aware of any other outstanding issues of a public interest, I expect to terminate and empty the escrow account upon successful completion of the road project.

Eight of the twelve lots in Springbrook East have sold. The association has already been reimbursed for these sales. I expect the other four to sell by early summer of 2016, putting this totally in our rearview mirror.

The city still owns four lots in Heritage Village. We have no plan for these at this time. Perhaps an auction of these lots is in order. In this case, I am not sure if there was an intention to share additional revenues with the association or not. The city sold one lot in 2014 "at cost." Purchase agreements with other buyers fell through.

✓ **MEIJER COMMUNITY DONATION** *(No Change of Status)*

I have contacted Meijer, and they definitely wish to have a public event to commemorate their contribution to the community. This is overdue. If any council members have ideas with commemorating their contribution towards the Fortino Sidewalk, now would be the time to bring them up.

✓ **WINCHESTER WOODS LOTS** *(No Change of Status)*

The planning commission is considering this issue as they amend the master plan. It appears that the planned addition of some asphalt millings to the streets will be cost prohibitive. We may still need to spend some time and money on these streets. Since this is a platted subdivision with public streets, the city is in a position to provide access to the lots by owners for maintenance.

Looking at the problem through a larger lens, we need a drainage and infrastructure solution for the entire plat. With more lots available through tax foreclosure, this may enable the city to have more control over what improvements occur and how they are paid for. The more lots the city controls, the more options we have for making improvements, providing drainage, and recouping costs.

*The original report is included in the April 13, 2015 report.*

✓ **NEWSLETTER** *(Update)*

Councilmembers should have a copy. Let me know what you think.

✓ **FENCE ORDINANCE** *(Update)*

This was approved and is pending publication.

✓ **MEDICAL MARIJUANA MORATORIUM** *(Update-Business Item)*

The council placed a moratorium on medical marijuana dispensaries and growing facilities, effective April 23, 2015. This is a 180 day moratorium that is set to expire at the end of October and follows the original moratorium that was set in place in October

of 2014. Among other reasons, the moratorium was put in place to better prepare for pending state legislation that would dramatically alter the playing field.

The planning commission considered this issue on October 6th. In the absence of new state legislation, the city attorney recommends that the city do nothing, allow the moratorium to expire, and review any dispensary applications that are received in accordance with the state law. The planning commission agrees with this assessment and recommends that the city council take no action for the time being.

The city council has not acted on this, and I do not see any compelling reason to do so at this time. However, the state is gaining more legislative momentum so it is probably appropriate to anticipate changes and think proactively.

I have included some news coverage of the matter. If council members wish to read the draft legislation, I can make that available as well. At this point, I think the city council should discuss this matter among themselves and consider a future public input session. The momentum on this matter is leading towards legalization of “provisioning centers” operating under local approval and a state license. Some are moving for full legalization. Our ordinance does not accommodate such uses, and we should have a direction in mind before the state forces our hand.

Questions to consider, among others, are:

1. Does the city wish to be a leader in accommodating such proposed uses?
2. Does the city desire another round of public input on the matter?
3. Should the city scrap its ordinance until the dust settles and a measure of predictability returns to the landscape?
4. Does the city wish to treat medicinal and retail/recreational use different?
5. Do we need to revisit where, when, how, etc.?

✓ **RENTAL REGISTRATION AND INSPECTIONS (Update)**

More registrations been received and inspections are being scheduled. The city is officially in the rental registration and inspection business. We are still in the ‘test phase’ and conducting test runs with a couple units to make certain that our process is sound and any modification needs are addressed before the surge of registrations is received.

Once we are confident in our software and processes, we will send out notices to the owners of known/suspected rentals within the city. At this point, it appears there are 293 single family homes that do not have a full homestead exemption, in addition to all of the apartment complexes.

✓ **K9 UNIT (No Change of Status)**

The dog has been delivered. His name is Rosco, and he is a “good dog” according to the department. Ike will remain with us while training of Rosco continues.

✓ **DYE ROAD PROPERTIES (Update)**

Zoning for these properties was not altered, leaving them in the General Business District. I suspect the potential buyers will not have much of a use for them. I have

made inquiries of the dentist as well, but interest is very low given the circumstances. Think about options. At a meeting in the near future, the city council will need to accept, reject, or negotiate current bids (the current parties state they are not interested in further negotiations). Given the prices that are being offered, it may behoove us to hold onto these properties.

✓ **5017 THIRD STREET (Update)**

Zoning has been changed for the north split. We await publication.

✓ **CAPPY LANE LIFT STATION (No Change of Status)**

Rowe Professional Services Company will be handling the design and bidding for the lift station. I expect they will be ready to release this for bids in the middle of the winter.

✓ **SUNOCO STATION (Update)**

I am working with the author of our Baseline Environmental Assessment to contact Exxon. We desire to have them do as much as they can to clean up the site from a practical standpoint. We have the ability to make this easy on them if they play ball. For example, the city could pass an underground water use ordinance for the affected area that would make it easier to “close” the site in the eyes of the state. If the city were to begin crafting such an ordinance, I suspect the council would want to see the tanks and affected soil removed first. I am working with Mike to establish contacts.

✓ **MOSQUITO CONTROL (Update)**

There has been no further input from the city council as a collective or individual members to pursue mosquito control. For that matter, the public was pretty silent on the matter as well. In order to build a comprehensive program for spring and summer, we would need to commit by December. If there is no interest in revisiting this, I will remove it from future reports.

✓ **ELMS PARK CONVERSION PUBLIC HEARING (Update)**

All required applications and supplemental information has been submitted to the state Department of Natural Resources and State Historic Preservation Office. A new land survey was created and the SHPO made no adverse findings. I hope this means the DNR will approve this in time to alter our grant score.

*See the council packet for August 10, 2015 for the full report.*

✓ **WIRELESS LEASE EXTENSION PROPOSAL (Update)**

This agreement has been signed, sealed, and delivered. We await final execution.

✓ **OTHER COMMUNICATIONS & HAPPENINGS (Update)**

**MONTHLY REPORTS & UPDATES (Update)**

No reports available at this time.

**COMCAST UPDATE (Update)**

Comcast is adjusting fees for installation and adjustment services.

**MICHIGAN MUNICIPAL RETIREMENT SYSTEM EXPENSE STUDY (Update)**

Please see the letter from MERS. They have evaluated some of the assumptions and inputs that go into analyzing the city's retirement accounts. This information is essential to creating actuarial studies and determining annual contributions towards the retirement plans that the city has.

The letter explains a lot, and I have included notes to focus or highlight certain statements. The news is not good, but was not completely unexpected. The letter essentially states that the amount of money the city was told to save in order to support future retiree withdrawals has become inadequate because life expectancy is increasing, investment returns are decreasing, and we have less time to bring the investments up to "funded" status.

What does this mean? It means that we need to continue to provide additional payments to MERS above what is required, and we must continue to monitor defined benefit retirements in collective bargaining agreements and in practice to ensure solvency and predictability.

Note: the police are the only open defined benefit retirement group, though the city still has obligations to retirees on defined benefit plans that are currently closed. New hires in supervision and AFSCME (DPW & Office) are on 401K plans that are not impacted by these findings.

**STATE ROAD NEWS (Update)**

As indicated elsewhere, the state appears to be close to finding the proposed \$1.2 Billion for streets. This would solve about 1/3 of our funding gap based upon prior revenue distribution estimates.

✓ **BOARDS & COMMISSIONS (See Individual Category)**

**PLANNING COMMISSION (Update)**

The next meeting will be November 3<sup>rd</sup>. The master plan will be on the agenda.

**DOWNTOWN DEVELOPMENT AUTHORITY (Update-Business Item)**

The DDA met on October 8<sup>th</sup>. The only item of business was the Paul Fortino Drive planning process. The board deliberated on methods for engaging the public and creating plan alternatives. They resolved to appropriate funds for the provision of professional design services. To this end, they encumbered funds in the current budget. I recommend the city council affirm the budget amendment request.

**ZONING BOARD OF APPEALS (No Change of Status)**

The zoning board of appeals met on the 16<sup>th</sup> of September at 6:00 p.m. to consider an interpretation of the zoning ordinance as it relates to veterinary clinics. This was in response to the enforcement action carried out at the Family Farm & Home for their onsite veterinary clinic that was conducting business without a special land use permit as required by ordinance.

After presentation by the veterinary service provider and deliberation by the board, it was decided that their use met the current definition of a veterinary clinic. The service provider has since inquired about applying for a special land use permit for this location.

❑ **PARKS AND RECREATION COMMISSION** *(No Change of Status)*

The park board met on October 7th. They were presented an offer by a pair of Eagle Scout candidates to donate a dog park to Elms Park. Questions were asked about safety, insurance, location, and other impacts. The boys were directed to report back more findings for review.

The commission also heard a presentation regarding additional play equipment for Elms Park. It was found that not enough separate play area exists for toddlers and very young kids. The board will convene on November 4<sup>th</sup> at Elms Park to discuss what equipment could be added and where it could go. This addition is expected to be funded by the community and installed in 2016, pending city council approval.

❑ **BOARD OF REVIEW** *(No Change of Status)*

There is nothing to report.

❑ **COMPENSATION COMMITTEE** *(Update)*

They are scheduled to meet at the Paul D. Bueche Municipal Building at 7:00 p.m. on Thursday, October 29, 2015. We cannot locate minutes from their last meeting, which is documented as being in 2003. I have been informed that they might have met as recently as 2009, but we simply cannot find any agendas, minutes, notes, or other correspondence to that end.

## **NEW BUSINESS / PROJECTED ISSUES & PROJECTS**

✓ **WATER SYSTEM GENERAL PLAN PROPOSAL** *(Resolution)*

Changes in state law require a “General Plan” for water system distribution systems. Even if the law did not require this (see attached), it is still a good idea. Our community has already put effort into creating such plans for sewer and streets. We have delayed such a plan for water because we were awaiting a tentative rate structure from the Karegnondi Water Authority. However, we are out of time. The state wishes to see work done towards this end by the end of the calendar year.

As such, we have solicited a proposal from Rowe to follow up with the previous Water Reliability Study and deliver a plan that meets the state requirements. I have included the sections of the statute that require action, including the requirements. I think this will be a good thing to start working towards. We definitely know that our water infrastructure is aging as well (we had another Miller Road main break on 10/19/15). This plan, though not detailed, will suffice to spur movement in the direction of system maintenance and replacement beyond what we are currently investing in.

Concerning the engineering proposal, the price is extremely reasonable given the scope. The reason for this is that much work has already been done by Rowe regarding system analysis. I strongly recommend we do this, and my hope is that we can begin fine tuning and adjusting a fundable plan beginning in 2017 in the same fashion that we have an ongoing sewer plan.

✓ **CHRISTMAS PARADE STREET CLOSURE PERMIT** *(Resolution)*

Included with tonight's program is a request from the Fire Department to conduct the annual Santa Clause Parade. This year's event has been scheduled for Saturday December 5, 2015 at 6:00 PM. The parade will follow a similar route as in years past with one exception. The starting point will be the Performing Arts Center instead of the High School. The route then follows Miller east to Paul Fortino and into the Fire Hall. A gathering follows at the Hall. This route will allow traffic diverted into Winchester Village at Winston to circumvent the parade at Fairchild and Ingalls to continue east.

✓ **SEWER BOND PAYMENT** (*Resolution*)

The city owes its annual installment for the Western Trunk extension. A resolution is included to do so. The Western Trunk extension is the sewer interceptor that relieves the flow of sewer and lift station from the city's west end, including Oakwood Village, and diverted this north along Seymour Road. The sewer also provided for gravity feed of properties on Morrish Road, north of I-69, thereby eliminating that sewer lift station.

**Council Questions, Inquiries, Requests, Comments, and Notes**

- *Laptops & Antivirus:* IT would like to take a look at all city council member laptops to ensure proper updates throughout, including antivirus. Please drop your laptop off at city hall when you have the time if you have not done so already.

**City of Swartz Creek  
RESOLUTIONS  
Regular Council Meeting, Monday, October 26, 2015, 7:00 P.M.**

**Resolution No. 151026-4A                      MINUTES – October 12, 2015**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday, October 12, 2015, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 151026-5A                      AGENDA APPROVAL**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of October 26, 2015, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 151026-6A                      CITY MANAGER’S REPORT**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council accept the City Manager’s Report of October 26, 2015, including reports and communications, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 151026-8A                      AMEND 2016 DDA BUDGET**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, Act 621 of P.A. 1978 provides for a uniform budgeting system for local units of government; and

**WHEREAS**, Act 275 of P.A. of 1980 further prohibits deficit spending by local units of government; and

**WHEREAS**, Act 197 of P.A. of 1980 further requires municipal approval of budget amendments proposed by their respective Downtown Development Authorities; and

**WHEREAS**, the City Council has reviewed a request for a DDA budget amendment as included in the City's 2015 - 2016 Fiscal Year Budget.

**THEREFORE BE IT RESOLVED**, the Swartz Creek City Council hereby authorizes amendments to Fund 248 (Downtown Development Authority) in accordance with the following:

10/21/2015 REVENUE AND EXPENDITURE REPORT FOR CITY OF SWARTZ CREEK  
PERIOD ENDING 09/30/2015

GL NUMBER	DESCRIPTION	2015-16	
		CURRENT BUDGET	AMENDED BUDGET
Fund 248 - Downtown Development Fund			
Revenues			
Dept 000.000-General			
248-000.000-402.000	Current Tax Revenue	44,530.00	44,530.00
248-000.000-664.000	Interest Income	20.00	20.00
Total Dept 000.000-General		44,550.00	44,550.00
Dept 728.004-Family Movie Night			
248-728.004-597.000	Grants from Private Entities	1,200.00	1,200.00
Total Dept 728.004-Family Movie Night		1,200.00	1,200.00
TOTAL Revenues		45,750.00	45,750.00
Expenditures			
Dept 173.000-DDA Administration			
248-173.000-726.000	Supplies	100.00	100.00
248-173.000-745.000	Postage	60.00	60.00
248-173.000-805.000	Bank Fees	20.00	20.00
248-173.000-825.000	Admin Services	2,500.00	2,500.00
248-173.000-960.000	Education and Training	250.00	250.00
248-173.000-961.000	Miscellaneous	100.00	100.00
Total Dept 173.000-DDA Administration		3,030.00	3,030.00
Dept 728.000-Economic Development			
248-728.000-801.000	Contractual Services	0.00	8,000.00
248-728.000-961.000	Miscellaneous	0.00	500.00
Total Dept 728.000-Economic Development		0.00	8,500.00

Dept 728.004-Family Movie Night			
248-728.004-726.000	Supplies	250.00	250.00
248-728.004-801.000	Contractual Services	3,200.00	3,200.00
248-728.004-900.000	Printing and Publishing	500.00	500.00
Total Dept 728.004-Family Movie Night		3,950.00	3,950.00
Dept 965.000-Transfers Out			
248-965.000-998.101	Transfer Out to Gen Fd	29,738.00	21,238.00
Total Dept 965.000-Transfers Out		29,738.00	21,238.00
TOTAL Expenditures		36,718.00	36,718.00
Fund 248 - Downtown Development Fund:			
TOTAL REVENUES		45,750.00	45,750.00
TOTAL EXPENDITURES		36,718.00	36,718.00
NET OF REVENUES & EXPENDITURES		9,032.00	9,032.00

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 151026-8C      2017-2020 TRAFFIC IMPROVEMENT PROGRAM APPLICATIONS**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek is a Local Governmental Unit and recognized Street Authority eligible to receive funding from the Michigan Department of Transportation and the Federal Highway Administration; and,

**WHEREAS**, the City of Swartz Creek is a member of the Genesee County Metropolitan Planning Alliance, an urban transportation planning cooperative charged with allocating funds to eligible street authorities in Genesee County; and

**WHEREAS**, the City of Swartz Creek has identified a need to make repairs and improvements to a number of streets in its Major Street System and has considered the making of such repairs and improvements in open session following the review of documents and the hearing of comments on the need from the city's engineer & staff, and desires to submit applications for such repairs and improvements to the Genesee County Metropolitan Alliance Traffic Improvement Program; and

**WHEREAS**, the Genesee County Transportation Surface Management Committee will be creating a 2017-2020 Traffic Improvement Program (TIP) schedule to be recommended to the Technical Advisory Committee that ranks projects throughout the County, inclusive of projects submitted by the City; and

**WHEREAS**, the city's pre-qualified engineers cannot make application to the TIP without creating a potential conflict of interest as it relates to any future design and/or construction engineering needs for TIP projects; and

**WHEREAS**, after review, the City has determined that the following streets in its Major Street category are in need of, and meet, the criteria for repair:

<u>Road</u>	<u>Point of Beginning</u>	<u>Point of End</u>	<u>Length (Miles)*</u>	<u>Lanes</u>	<u>Lane Feet</u>	<u>Width (Feet)</u>	<u>ADT</u>
Miller Road	Morrish	NB Seymour	1	4	21120	48	13444
Cappy Lane	Fairchild	Worcester	0.36	2	3801.6	28	1085
Worcester	Cappy	Winston	0.1	2	1056	28	691
Fairchild	Cappy	Miller	0.28	2	2956.8	44	2456
Seymour	S City Limit	Chesterfield	0.8	2	8448	36	2675

\*Miller is a four lane to three lane w/two bike lane conversion

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Swartz Creek submit applications for the repair of said streets to the Genesee County Metropolitan Planning Organization.

**BE IT FURTHER RESOLVED**, that the City designate source funding for all construction local match, Design Engineering and Construction Engineering fees from Major Streets Fund 202, and further, direct the City Staff to create the necessary additions to the City's accounting system.

**BE IT FURTHER RESOLVED**, that the City of Swartz Creek appropriate an amount not to exceed \$3,000 to Ryan P. Doyle, P.E., for engineering fees associated with the preparation of street repair funding applications for the 2014-2017 TIP Program, funds to be appropriated from 202 Major Streets, and further direct the Mayor to execute the agreement as included in the city council packet of October 26, 2015.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 151026-8D**

**APPROVING AN INTERLOCAL AGREEMENT, WHICH ESTABLISHES A JOINT POLICE AUTHORITY WITH THE CHARTER TOWNSHIP OF MUNDY PURSUANT TO THE MICHIGAN CONSTITUTION OF 1963, ARTICLE 7, § 28, AND THE URBAN COOPERATION ACT OF 1967, BEING ACT NO. 7 OF THE MICHIGAN PUBLIC ACTS OF 1967, EX. SESS.**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek (“City”) operates a police department to provide public safety to the residents and visitors to the City; and

**WHEREAS**, the Charter Township of Mundy (“Township”) operates a police department to provide public safety to the residents and visitors to the Township; and

**WHEREAS**, in September 2014, the City and Township executed an **AGREEMENT TO OVERSEE POLICE DEPARTMENT**, whereas the Township’s Police Chief would oversee the City’s Police Department; and

**WHEREAS**, the **AGREEMENT TO OVERSEE POLICE DEPARTMENT** included the officers of the City and Township being sworn in as officers of both the City and Township police departments; and

**WHEREAS**, as the City and Township have been exploring whether it would be in the best interest of the City and Township to jointly establish a Police Authority (“Police Authority”); and

**WHEREAS**, the Michigan Constitution of 1963, Article 7, § 28, and the Urban Cooperation Act of 1967, Act No. 7 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.501, *et seq.*, permit governmental units to exercise jointly with other governmental units any power, privilege or authority which such governmental units share in common which each might exercise separately; and

**WHEREAS**, the City and Township are both a “public agency” as that term is defined under Act 7 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.501, *et seq.* The Township and City both possess the power, privilege, and authority under State law to provide police protection to the residents and visitors to their respective municipalities; and

**WHEREAS**, the City and Township have agreed to execute the agreement attached hereto as Exhibit A (“Agreement”) whereby establishing the Police Authority, pursuant to the Michigan Constitution of 1963, Article 7, § 28, and the Urban Cooperation Act of 1967, Act No. 7 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.501, *et seq.*; and

**WHEREAS**, pursuant to Section 1.02(3) of the Agreement, the Agreement Date will be October 26, 2015, or the date on which all of the following are satisfied:

- (i) The Agreement is approved and executed by the City Council of the City of Swartz Creek; and
- (ii) The Agreement is approved and executed by the Township Board of the Charter Township of Mundy; and
- (iii) The Agreement is filed with the county clerk of Genesee County, Michigan.

**WHEREAS**, pursuant to Section 1.02(6) of the Agreement, the Effective Date of the Agreement shall be on the one hundredth and eighty-first (181<sup>st</sup>) day after the Agreement Date and after the City and Township have adopted a resolution affirming

their participation in the Police Authority after the City and Township receive the proposed budget from the Police Authority that clearly states the allocation that is required by the City and the Township; and

**WHEREAS**, the City and Township shall each pay fifty percent (50%) of any debts incurred by the Police Authority after the Agreement Date and before the Effective Date of the Agreement; and

**WHEREAS**, pursuant to Section 4.01 of the Agreement, the City Council shall appoint three (3) individuals to the Police Authority Board and at least one (1) of the individuals appointed by the City Council shall be a City Council member; and

**WHEREAS**, pursuant to Section 4.01 of the Agreement, the Township Board shall also appoint three (3) individuals to the Police Authority Board and at least one (1) of the individuals appointed by the Township Board shall be a Township Board member; and

**WHEREAS**, it is the responsibility of the City Council and Township Board to determine how they select the three (3) individuals to serve on the Police Authority Board and the length of term that the individuals selected shall serve; and

**WHEREAS**, neither the City nor the Township shall appoint alternates to the Police Authority Board; and

**WHEREAS**, pursuant to Section 4.01 of the Agreement, the three (3) individuals appointed by the City Council and the three (3) individuals appointed by the Township Board shall appoint one (1) additional individual to the Police Authority Board who shall have a background in law enforcement and knowledge of the geographic area where the police services are being provided by the Police Authority; and

**WHEREAS**, pursuant to Section 8.01 of the Agreement, the Agreement shall remain in effect until either the City or the Township provides the Police Authority with one (1) fiscal year's written notice to the Police Authority or pursuant to Section 8.02 of the Agreement, the City and Township execute a written addendum to the Agreement providing for a shorter or longer period of time; and

**WHEREAS**, pursuant to Section 8.04 of the Agreement, in the event that the City or Township provide written notice that it is withdrawing from the Police Authority, the assets contributed by the City or Township shall be returned to the City and Township upon the dissolution of the Police Authority. Additionally, the Police Authority Board shall, in its sole discretion, determine how any assets acquired by the Police Authority shall be distributed and any cash shall be prorated and distributed back to the City and Township after the Police Authority has been dissolved and all of the final liabilities of the Police Authority have been paid in full.

**NOW, THEREFORE**, Be It Resolved that the City of Swartz Creek hereby approves the Interlocal Agreement attached hereto as Exhibit A and authorizes the Mayor to execute the Interlocal Agreement.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_  
Voting Against: \_\_\_\_\_

**Resolution No. 151026-8E      APPOINTMENTS**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council affirm the nominations of the Mayor and appoint the following individuals to serve as representatives to the Police Authority for terms commencing immediately and expiring upon the effective date of the Interlocal Agreement:

David Krueger  
Curt Porath  
Dennis Pinkston

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_  
Voting Against: \_\_\_\_\_

**Resolution No. 151026-8F      APPROPRIATION – WATER SYSTEM GENERAL PLAN**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the city owns, operates, and maintains a public water distribution system that services more than 2,000 accounts and provides for fire flows; and

**WHEREAS**, Public Act 399 of 1976, The Safe Water Drinking Act, as amended, requires operators of such systems to complete and submit a General Plan to the State of Michigan Department of Environmental Quality; and

**WHEREAS**, the city finds such a general plan, including capital needs for the next five and twenty years, to be in the best interest of proper asset management; and

**WHEREAS**, Rowe Professional Services has already completed much of the work necessary to submit said plan and has offered a proposal to complete this work; and

**WHEREAS**, such plan should be under contract and substantially complete by January 1, 2016,

**NOW, THEREFORE, BE IT RESOLVED THAT** the City of Swartz Creek City Council accept the proposal for Rowe Professional Services Company dated October 6, 2015 and appropriate an amount not to exceed \$4,015, plus 10% contingency, for a water system General Plan, expenses to be distributed to the Water Fund, Fund 590, and further direct the Mayor to execute said proposal on behalf of the city.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_  
Voting Against: \_\_\_\_\_

**Resolution No. 151026-8G      STREET USAGE PERMIT, ANNUAL FIRE DEPARTMENT CHRISTMAS PARADE**

Motion by Councilmember: \_\_\_\_\_

**I Move** the City of Swartz Creek accept the Chief of Police’s recommendation and approve the Swartz Creek Area Fire Department’s Street Usage Application to hold an annual Christmas Parade on Saturday, December 5, 2015 from 6:00 PM to 7:00 PM, route, stipulations and conditions as set forth in the application packet, a copy of which is attached hereto, under the direction and control of the office of the Chief of Police.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_  
Voting Against: \_\_\_\_\_

**Resolution No. 151026-8H      COUNTY SEWER BOND OBLIGATIONS**

**Resolution No.**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek has a need to pay to the County of Genesee, the sum of \$58,294.49 to meet the bond and principal requirements on all bond obligations for water and sewer facilities in calendar year 2016; and

**WHEREAS**, the City of Swartz Creek has such an obligation for the retirement of a western trunk sewer extension bond through approximately 2026, and

**WHEREAS**, there are several means by which the funds can be secured to meet this payment; and

**WHEREAS**, all various means of securing these funds have been reviewed and considered;

**NOW, THEREFORE, BE IT RESOLVED** by the City of Swartz Creek that the monies to meet the principal and interest requirements and all bond obligations for water and sewer facilities will be secured from the following funds:

**SOURCE OF FUNDS**

Funds Already Available	<u>\$58,294.49</u>
<b>Sewer Fund Total</b>	<b>\$58,294.49</b>
<b>Grand Total</b>	<b>\$58,294.49</b>

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**CITY OF SWARTZ CREEK  
SWARTZ CREEK, MICHIGAN  
MINUTES OF THE REGULAR COUNCIL MEETING  
DATE 10/12/2015**

The meeting was called to order at 7:00 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance.

Councilmembers Present: Abrams, Gilbert, Hicks, Krueger, Pinkston, Porath.

Councilmembers Absent: Shumaker.

Staff Present: City Manager Adam Zettel, City Attorney Mike Gildner, City Clerk Juanita Aguilar, DPS Director Tom Svrcek, Code Official Marty Johnson, Deputy Chief Rick Clolinger.

Others Present: Bob Plumb, Tommy Butler, Steve Shumaker, Ron Schultz, Lou Fleury, Brent Cole.

**EXCUSE COUNCILMEMBER SHUMAKER**

**Resolution No. 151012-01**

**(Carried)**

Motion by Councilmember Porath  
Second by Councilmember Hicks

**I Move** the Swartz Creek City Council hereby excuse councilmember Shumaker due to a speaking engagement on behalf of the Historical Society.

YES: Gilbert, Hicks, Krueger, Pinkston, Porath, Abrams.  
NO: None. Motion Declared Carried.

**APPROVAL OF MINUTES**

**Resolution No. 151012-02**

**(Carried)**

Motion by Councilmember Porath  
Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting held Monday, September 28, 2015 to be circulated and placed on file.

YES: Hicks, Krueger, Pinkston, Porath, Abrams, Gilbert.  
NO: None. Motion Declared Carried.

**APPROVAL OF AGENDA**

**Resolution No. 151012-03**

**(Carried)**

Motion by Mayor Pro Tem Abrams  
Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council approve the Agenda as presented for the Regular Council Meeting of October 12, 2015, to be circulated and placed on file.

YES: Krueger, Pinkston, Porath, Abrams, Gilbert, Hicks.  
NO: None. Motion Declared Carried.

**City Manager’s Report**

**Resolution No. 151012-04**

**(Carried)**

Motion by Councilmember Hicks  
Second by Mayor Pro Tem Abrams

**I Move** the Swartz Creek City Council accept the City Manager’s Report of October 12, 2015, including reports and communications, to be circulated and placed on file.

YES: Pinkston, Porath, Abrams, Gilbert, Hicks, Krueger.  
NO: None. Motion Declared Carried.

**MEETING OPENED TO THE PUBLIC**

No Comments.

**COUNCIL BUSINESS**

**ADOPT 2016 FY FIRE BUDGET**

**Resolution No. 151012-05**

**(Carried)**

Motion by Councilmember Gilbert  
Second by Councilmember Hicks

**I Move** the City of Swartz Creek approve the 2016 Fiscal Year Swartz Creek Area Fire Department Budget, a copy of which is attached hereto, gross maximum total not to exceed \$270,000, and further, appropriate an amount not to exceed \$135,000 from the City General Fund, to be paid consummate of the agreement between the City of Swartz Creek and the Township of Clayton, payment being the City’s obligation of one-half of the proposed total budget of \$270,000.

YES: Porath, Abrams, Gilbert, Hicks, Krueger, Pinkston.  
NO: None. Motion Declared Carried.

**FIREBOARD 2015 FY BUDGET AMENDMENT**

**Resolution No. 151012-06**

**(Carried)**

Motion by Councilmember Pinkston  
Second by Mayor Pro Tem Abrams

**I Move** the City of Swartz Creek amend the 2015 Fiscal Year Swartz Creek Area Fire Department Budget to reflect the purchase of mobile data terminals, including an adjustment to line item 4978 in the amount of \$10,000.00, such funds to be carried over from the 2014 operating budget of the SCAFD.

Discussion Ensued.

YES: Abrams, Gilbert, Hicks, Krueger, Pinkston, Porath.  
NO: None. Motion Declared Carried.

**APPROPRIATION – BID AWARD, ROAD PAINT/STRIPING SERVICES**

**Resolution No. 151012-07**

**(Carried)**

Motion by Councilmember Porath  
Second by Mayor Pro Tem Abrams

**WHEREAS**, the city finds it necessary to properly and adequately mark its streets with paint for lane delineation and related purposes; and

**WHEREAS**, this process requires approximately 107,555 lineal feet of various pavement markings to be applied to the city streets to complete this process; and

**WHEREAS**, the City’s Purchasing Ordinance, Chapter 2, Article VI, Section 2-406 provides for and encourages cooperative government purchasing practices; and

**WHEREAS**, the Genesee County Road Commission accepts and awards bids for the purchase of pavement markings to public rights of way; and

**WHEREAS**, bids received on September 2, 2015 indicate that M&M Pavement Marking, Inc is the successful low bidder; and

**WHEREAS**, the unit costs bid to the GCRC have been made available to the City and the city council finds that the lineal foot costs listed cannot be matched if attempts were made to bid on the open market or through private sources.

**NOW, THEREFORE, I MOVE** the City of Swartz Creek City accept the Genesee County Road Commission’s cooperative purchasing extension and appropriate an amount not to exceed \$4,638.20, plus 20% contingency, for the purchase of pavement marking services from M&M Pavement Marking, Inc., expenses to be distributed to the Local and Major Street funds proportionate to use at the direction of the City’s Finance Director.

Discussion Ensued

YES Abrams, Gilbert, Hicks, Krueger, Pinkston, Porath.  
NO: None. Motion Declared Carried.

## **WINSTON AND MILLER WATER MAIN ENGINEERING PROPOSAL**

### **Resolution No. 151012-08**

**(Carried)**

Motion by Mayor Pro Tem Abrams  
Second by Councilmember Hicks

**WHEREAS**, the city executed a scrap tire grant agreement with the State of Michigan Department of Environmental Quality to provide \$62,000 towards funding street work at the intersections of Fairchild Street & Miller Road, as well as Winston Drive and Miller Road; and,

**WHEREAS**, the Director of Public Works, in consultation with the city's engineer, finds that that water main beneath Winston Drive, including the Miller Road and Winston Drive sections, is at a high risk for breaks, potentially compromising any street repair; and,

**WHEREAS**, the city received estimated pricing to replace these sections of main concurrently with the paving project, including engineering services; and

**WHEREAS**, the City Council finds replacement of this main to be in the best long-term interests of the public.

**NOW, THEREFORE, BE IT RESOLVED** the City of Swartz Creek approve the design engineering proposal by Rowe Professional Services in the amount of \$8,924 for design engineering services related to the Winston Drive water main, including bidding, with funds to be appropriated out of Fund 590 (Water Fund).

Discussion Ensued.

YES Gilbert, Hicks, Krueger, Pinkston, Porath, Abrams.  
NO: None. Motion Declared Carried.

## **COMMISSION APPOINTMENT**

### **Resolution No. 151012-09**

**(Carried)**

Motion by Councilmember Hicks  
Second by Mayor Pro Tem Abrams

**I Move** the Swartz Creek City Council accept the resignation of Mr. Gardner from the Swartz Creek Park Board, affirm the nomination of the Mayor and appoint Mr.

Reno, 5345 Seymour Road, to the Swartz Creek Parks and Recreation Advisory Board for the duration of existing vacant term ending on December 31, 2018.

Discussion Ensued.

YES Hicks, Krueger, Pinkston, Porath, Abrams, Gilbert.  
NO: None. Motion Declared Carried.

## FENCE ORDINANCE

### Resolution No. 151012-10

**(Carried)**

Motion by Councilmember Gilbert  
Second by Councilmember Porath

**WHEREAS**, the Public Act 110 of 2006, the Michigan Zoning Enabling Act, enables cities to regulate land use through the creation and enforcement of zoning maps and regulations, and

**WHEREAS**, changes were proposed to the city's fence zoning ordinance by a city resident, and

**WHEREAS**, after numerous meetings and a public hearing, the city planning commission, finding such changes to meet zoning text amendment criteria, recommend such changes at their regular meeting on October 6, 2015.

**THEREFORE, I MOVE** the City of Swartz Creek ordains:

### ORDINANCE NO. 422

**AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF SWARTZ CREEK TO BRING SAID ORDINANCE INTO COMPLIANCE WITH THE MICHIGAN ZONING ENABLING ACT, ACT 110 OF THE PUBLIC ACTS OF 2006, AS AMENDED; TO AMEND THE REGULATIONS REGARDING FENCES AND HEDGES.**

#### THE CITY OF SWARTZ CREEK ORDAINS:

**Section 1. Repeal of Section 4 of Ordinance 400, Fences & Hedges, City Code of Ordinances and replace it with Section 20.10, Fences.**

Section 20.10 of the City of Swartz Creek Zoning Ordinance is hereby to read as follows:

#### **Section 20.10. FENCES AND HEDGES.**

- (A) A fence is defined as any partition, structure or gate that is erected as a dividing marker, barrier or enclosure (excluding hedges as defined below).
- (B) A hedge is defined as any bush, shrub or any living green screen of any nature that serves as a dividing marker, barrier or enclosure.
- (C) Regulations applicable to R-1, R-2, R-3, R-4, RM-1, PMSHDD, PUD, O-1, CBD, NBD, and GBD.

1. A fence shall not exceed six (6) feet in height in the rear or side lot of any parcel;
2. Front yard fences or hedges must be less than fifty percent (50%) solid, impervious, or of an obscuring nature above a height of 30" above the curb or centerline of the street, and not exceed four (4) feet in total height. Front yard fences may not be constructed of chain link fence unless such fence is coated or sealed to prevent rusting, such as vinyl coated fencing;
3. Fences and hedges in front yards that function as exterior side yards must follow front yard height restrictions unless the fence or hedge is installed or planted in the following manner:
  - a) The fence is at least 25 feet back from the intersection of the front yard and side yard right-of-way lines, and
  - b) The fence is at least 20 feet back from the intersection of any driveway or alley with that of a street, and
  - c) The fence is at least 10 feet back from the intersection of any driveway or alley with that of a sidewalk.
4. No fence or hedge shall extend across property lines;
5. The finished side of any fence shall face away from the property on which the fence is located;
6. No portion of any fence shall be constructed with or contain barbed wire, electric current or charge of electricity, glass, spikes or other sharp protruding objects;
7. Fences must be maintained so as not to endanger life or property. Any fence which, through lack of maintenance or type of construction which will obstruct vision so to create a hazard to vehicular traffic or pedestrians upon the public streets and/or sidewalks shall be deemed a nuisance.
8. Fences shall not be constructed, in whole or in part, with any of the following materials:
  - a) Junk or other debris
  - b) Scrap building materials or metals
  - c) Organic materials known to be poisonous or hazardous to human or animal life
  - d) Materials which may be deemed unsafe to person or property by the Zoning Administrator or Building Official.
9. No hedge shall be constructed with noxious weeds or grasses, as defined by PA 359 of 1941, being MCL 247.62.

(D) Regulations applicable to industrial districts.

1. Fences, walls and screens are permitted in the required front, side and rear lots provided they do not exceed six (6) feet in the front yard and eight (8) feet in the side and rear lots. To preserve open space and aesthetic character in the front yard, fences higher than four (4) feet must be setback two (2) feet for each additional foot above four (4) feet and all front yard fences must be black vinyl chain link or decorative in nature.

2. In the I-2 zoning district, barbed wire strands are permitted on fences six (6) feet or higher on industrial parcels with the barbed wire tilted in toward the fenced parcel.
  3. On any corner lot, no fence, wall or screen, whether structural or botanical, shall be more than thirty (30) inches above the curb or the centerline of the street pavement within twenty-five (25) feet of the intersection of the two (2) right-of-way lines, so as to interfere with motorists' vision across the corner.
- (E) The Zoning Administrator or Building Official may require removal, reconstruction, or repair of any fence or wall which, in their judgment is dilapidated, unsafe, or a threat to the health, safety and welfare of the residents of the City of Swartz Creek.
- (F) A permit shall be required for new fence construction, with a fee to be prescribed by resolution of the council.

**Section 2. Repeal of Inconsistent ordinances.**

Section 4 of Ordinances No. 400 and any other ordinances of the City of Swartz Creek which are in conflict with the provisions of this ordinance are hereby repealed.

**Section 3. Penalties; Sanctions.**

Any person who violates any provision of this Ordinance is subject to the penalties and sanctions provided for in Article 32 of the Zoning Ordinance.

**Section 4. Effective Date.**

This ordinance shall be effective 20 days after publication.

At a regular meeting of the City Council of the City of Swartz Creek held on October 12, 2015, adoption of the foregoing ordinance was moved by Councilmember Gilbert and supported by Councilmember Porath.

Voting for: Krueger, Pinkston, Porath, Abrams, Gilbert, Hicks.  
 Voting against: None.

The Mayor declared the ordinance adopted.

\_\_\_\_\_  
 David Krueger  
 Mayor

**CERTIFICATION**

The foregoing is a true copy of Ordinance No. 422 which was enacted by the City Council of the City of Swartz Creek at a regular meeting held on October 12, 2015.

\_\_\_\_\_  
 Juanita Aguilar, City Clerk

**Publish Date:** \_\_\_\_\_  
**Swartz Creek View**

Discussion Ensued.

YES Krueger, Pinkston, Porath, Abrams, Gilbert, Hicks.  
 NO: None. Motion Declared Carried.

## ZONING MAP AMENDMENT – 5017 THIRD STREET

**Resolution No. 151012-11**

**(Carried)**

Motion by Councilmember Pinkston  
Second by Councilmember Gilbert

**WHEREAS**, the Public Act 110 of 2006, the Michigan Zoning Enabling Act, enables cities to regulate land use through the creation and enforcement of zoning maps and regulations, and

**WHEREAS**, changes were proposed to the city's zoning ordinance map to update zoning of a newly created parcel split for the north half of 5017 Third Street from Downtown Residential to Central Business District per request of the city council, and

**WHEREAS**, after numerous meetings and a public hearing, the city planning commission, finding such changes to meet zoning map amendment criteria, recommend such changes at their regular meeting on October 6, 2015.

**THEREFORE, I MOVE** the City of Swartz Creek ordains:

### **ORDINANCE NO. 423**

**AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF SWARTZ CREEK TO BRING SAID ORDINANCE INTO COMPLIANCE WITH THE MICHIGAN ZONING ENABLING ACT, ACT 110 OF THE PUBLIC ACTS OF 2006, AS AMENDED; TO AMEND THE ZONING MAP.**

**THE CITY OF SWARTZ CREEK ORDAINS:**

**Section 1. Amendment of the Zoning Map of the City of Swartz Creek.**

The official Zoning Map of the city shall be amended to reflect Central Business District Zoning for the new parcel split identified as the north half of 5017 Third Street, 2015 parcel ID 58-01-502-077.

**Section 2. Penalties; Sanctions.**

Any person who violates any provision of this Ordinance is subject to the penalties and sanctions provided for in Article 32 of the Zoning Ordinance.

**Section 3. Effective Date.**

This ordinance shall be effective 20 days after publication.

At a regular meeting of the City Council of the City of Swartz Creek held on October 12, 2015, adoption of the foregoing ordinance was moved by Councilmember Pinkston and supported by Councilmember Gilbert.

Voting for: Pinkston, Porath, Abrams, Gilbert, Hicks, Krueger.

Voting against: None.

The Mayor declared the ordinance adopted.

\_\_\_\_\_  
David Krueger  
Mayor

**CERTIFICATION**

The foregoing is a true copy of Ordinance No. 423 which was enacted by the City Council of the City of Swartz Creek at a regular meeting held on October 12, 2015.

\_\_\_\_\_  
Juanita Aguilar, City Clerk

**Publish Date:** \_\_\_\_\_  
**Swartz Creek View**

YES Pinkston, Porath, Abrams, Gilbert, Hicks, Krueger.  
NO: None. Motion Declared Carried.

**ZONING MAP AMENDMENT – DYE ROAD**

**Resolution No. 151012-12**

**(Failed)**

Motion by Mayor Pro Tem Abrams  
Second by Councilmember Porath

**WHEREAS**, the Public Act 110 of 2006, the Michigan Zoning Enabling Act, enables cities to regulate land use through the creation and enforcement of zoning maps and regulations, and

**WHEREAS**, changes were proposed to the city’s zoning ordinance map to amend zoning of four parcels on Dye Road, identified as parcels 58-29-551-025, 58-29-551-026, 58-29-551-027, 58-29-551-028 to Light Industrial from General Business District, and

**WHEREAS**, after numerous meetings and a public hearing, the city planning commission, finding such changes did not satisfy zoning map amendment criteria, recommend against such amendment at their regular meeting on October 6, 2015.

**THEREFORE, I MOVE** the City of Swartz Creek ordains:

**ORDINANCE NO. 424**

**AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF SWARTZ CREEK TO BRING SAID ORDINANCE INTO COMPLIANCE WITH THE MICHIGAN ZONING ENABLING ACT, ACT 110 OF THE PUBLIC ACTS OF 2006, AS AMENDED; TO AMEND THE ZONING MAP.**

**THE CITY OF SWARTZ CREEK ORDAINS:**

**Section 1. Amendment of the Zoning Map of the City of Swartz Creek.**

The official Zoning Map of the city shall be amended to reflect Light Industrial Zoning for the 2015 parcels identified as:

1. 58-29-551-025,
2. 58-29-551-026
3. 58-29-551-027
4. 58-29-551-028

**Section 2. Penalties; Sanctions.**

Any person who violates any provision of this Ordinance is subject to the penalties and sanctions provided for in Article 32 of the Zoning Ordinance.

**Section 3. Effective Date.**

This ordinance shall be effective 20 days after publication.

At a regular meeting of the City Council of the City of Swartz Creek held on October 12, 2015, adoption of the foregoing ordinance was moved by Mayor Pro Tem Abrams and supported by Councilmember Porath.

Voting for: None.

Voting against: Porath, Abrams, Gilbert, Hicks, Krueger, Pinkston.

The Mayor declared the ordinance adopted.

\_\_\_\_\_  
David Krueger  
Mayor

**CERTIFICATION**

The foregoing is a true copy of Ordinance No. 424 which was enacted by the City Council of the City of Swartz Creek at a regular meeting held on October 12, 2015.

\_\_\_\_\_  
Juanita Aguilar, City Clerk

**Publish Date:** \_\_\_\_\_  
**Swartz Creek View**

Discussion Ensued.

YES None.

NO: Porath, Abrams, Gilbert, Hicks, Krueger, Pinkston. Motion Declared Failed.

**CELL TOWER AGREEMENT AMENDMENT**

**Resolution No. 151012-13**

**(Carried)**

Motion by Councilmember Porath  
Second by Councilmember Hicks

**WHEREAS**, the city entered into a 30 year agreement with Omnipoint Holdings, Inc., a Delaware Corporation, in December of 2005 for the purposes of leasing land at 8100 Civic Drive for the purpose of erecting and operating a wireless communication tower; and

**WHEREAS**, the city has provided access to the tower for placement of telecommunications equipment under the terms of the lease; and

**WHEREAS**, the tenant, now T-Mobile USA Tower LLC and CCTMO LLC, desires to assert a thirty year extension on the lease in order to make future investments and possible co-locators more predictable and desirable; and

**WHEREAS**, the tenant further requests certain options and rights to expedite any such co-location addition and permitting; and

**WHEREAS**, the city has negotiated an additional lump-sum payment, an increase in the annual lease amount, and rent securities payable upon exercise of the aforementioned option in order to effect said changes; and,

**WHEREAS**, the City of Swartz Creek City Council approved the execution of the letter agreement to affect these changes at its regular meeting on August 10, 2015, with said letter being executed and payment received for said execution.

**NOW, THEREFORE, BE IT RESOLVED**, per the Letter of Agreement, the City of Swartz Creek City Council hereby approves the subsequent First Amendment to Communications Site Lease Agreement (BU 826779) and related Memorandum of First Amendment to Communications Site Lease Agreement as included in the city manager report and further directs the Mayor to execute said agreement & memorandum.

YES Abrams, Gilbert, Hicks, Krueger, Pinkston, Porath.

NO: None. Motion Declared Carried.

#### **MEETING OPEN TO THE PUBLIC:**

Steve Shumaker, 7446 Country Meadow Drive, commented on Public Authority draft agreement that there is no length of term for members of the board besides the addition of the seventh member and then the seventh member's term only a year. Mayor Krueger responded township and city were not on the same page at that time they may be deciding on that tonight. Mr. Shumaker also commented about the Fire Board budget of the \$450.00 for keys. He also commented about a property on Bristol Road with a fence in the front yard.

Mayor Krueger stated the Police Authority committee set up now is to get it started. Looks like this will be in effect for less than a year and is a temporary committee. Actually three committees are working on this all together, the current committee before passing authority, committee putting in plan and budget and committee once authority is in place.

Councilmember Hicks remarked about the mini station in the city, she wanted to know definition of what this mini station is. Adam Zettel, City Manager responded that policies,

procedures will be worked out in the 180 days and he can develop a critical path flowchart but nothing can happen for at least 180 days.

Tommy Butler, 40 Somerset, stated he has seen more get done in the last two meetings than in a long time and more information flowing out and keep it up. Planning Commission is doing a great job.

#### **REMARKS BY COUNCILMEMBERS:**

Councilmember Porath commented, "critical path" he hasn't heard that word before and on this Interlocal Agreement he doesn't think everyone should get to wrapped up because it's going to take 180 days before we start getting anything constructive done at all. The committee is a temporary committee and the intent is to get the public on board. Hopefully the budget comes in the right price and right way and we will go forward with it.

Councilmember Hicks commented the "critical path" if we can't put in dates at least we will know the first thing is we are going to accomplish in the 180 days.

Councilmember Pinkston asked Deputy Chief about the Elms Road roundabout and fatal accident this weekend.

Deputy Chief Clolinger responded the accident had nothing to do with the roundabout. He believes it opened Friday night and thinks it will work well. The idea of it is to slow the traffic down.

Councilmember Porath noted the Interlocal Agreement is similar to the one we have with Clayton Township regarding the Fireboard. We are hoping Mundy Township will agree to the staggered people on the board so we can't have a complete turnover.

Deputy Chief Rick Clolinger, stated on the agreement, the act forces 180 days so everybody understands, the unions won't talk to us, the retirement system won't talk to us, all this stuff has to have an authority board or committee in place before they will ever do that. We can't present anything to either city council or the township board without being able to do those negotiations, the retirement system. So if you see where there is attachments those are things we have to come up with, the biggest is the contract and the other assets of both departments. Those things all have to be done and it's going to take a lot of time.

Mayor Pro Tem Abrams commented the county board has eliminated the senior citizens advisory committee and reduced funding for senior operations. Tomorrow at 10am Richard Thompson and his alternate education students will be putting up scarecrows in town.

Councilmember Hicks commented she wondered how the funding can be eliminated.

Mayor Krueger asked for suggestions for the Police Authority name and a vote will be put up in two weeks.

#### **Adjournment**

**Resolution No. 151012-14**

**(Carried)**

Motion by Mayor Pro Tem Abrams  
Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council adjourn the regular meeting at 8:17 pm.

Unanimous Voice Vote.

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**David A. Krueger, Mayor**

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**Juanita, City Clerk**

# Growing like a weed: Dispensaries sprout south of 8 Mile



By Nancy Kaffer, Detroit Free Press Columnist 10:58 p.m. EDT October 10, 2015

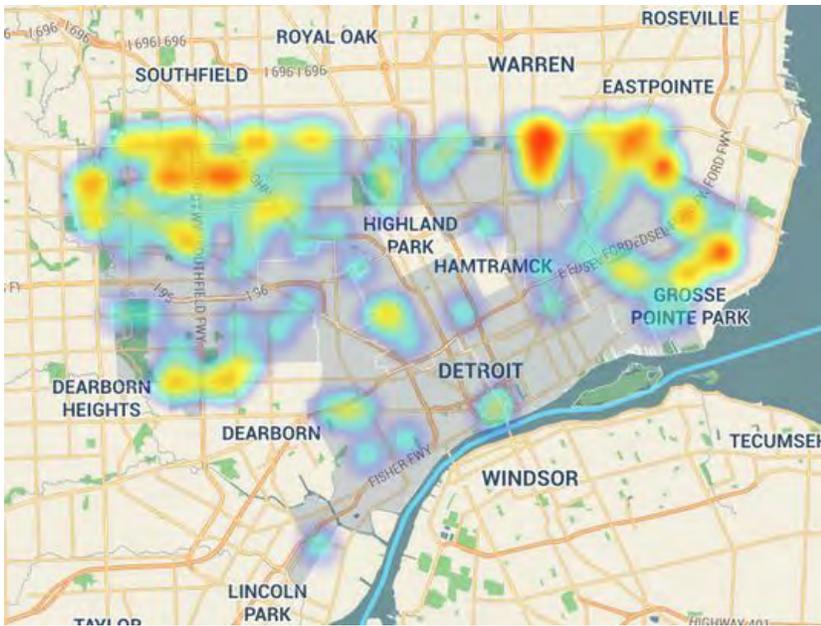


(Photo: Salwan Georges/Detroit Free Press)

Drive the Detroit side of 8 Mile Road, and you can't get too far without finding a medical marijuana dispensary — places like Area 51, Reef, Club Medz, House of Dank — more than 30 dispensaries line the south side of the iconic road, the northern border between the city and its suburbs. On the north side of 8 Mile, it's a different story; there's not a single identifiable dispensary along the 17-mile stretch.

It's impossible to say exactly how many dispensaries operate inside, or outside, the city of Detroit. They're not required to register with state or local authorities in the same way as pharmacies or liquor stores (imperfect examples, admittedly). But surveyors with Detroit-based data firm Loveland Technologies — the same team that counted the establishments along 8 Mile — found at least 146 dispensaries along Detroit's commercial corridors, documented in a [report \(https://makeloveland.com/reports/weed\)](https://makeloveland.com/reports/weed) released last week.

Loveland didn't inventory suburban dispensaries, but directories like [WeedMaps \(https://weedmaps.com/\)](https://weedmaps.com/) and [Leafly \(https://www.leafly.com/\)](https://www.leafly.com/) show few listings in suburban communities, and in some cities, the few listings are for delivery-only operations.



Loveland Technologies surveyed medical marijuana dispensaries in Detroit. (Photo: Image courtesy of Loveland Technologies)

It's a significant difference. Dispensaries in Detroit visibly range from those that seem obviously professional to others that are almost certainly not, and they can be found in neighborhoods, near schools, operating with few restrictions on hours, appearance or conduct.



[DETROIT FREE PRESS](#)

[Report: Detroit has 148 marijuana dispensaries](#)

[\(http://www.freep.com/story/news/local/michigan/detroit/2015/10/07/report-148-marijuana-dispensaries-detroit/73511906/\)](http://www.freep.com/story/news/local/michigan/detroit/2015/10/07/report-148-marijuana-dispensaries-detroit/73511906/)

It's a pretty clear testament to the power of regulation and enforcement, or lack thereof. And because at least 98 of the dispensaries that Loveland counted are within 1.15 miles of the suburbs, it's clear that this division isn't because there's not a suburban market for medical marijuana — and it's a glaring reminder of the legal morass created by the 2008 voter referendum that legalized use of medical marijuana.

Communities like Livonia, Birmingham, Bloomfield Hills and Lyon Township passed ordinances barring the use of medical marijuana. And although those ordinances were overturned by the Michigan Supreme Court in 2010, justices have since ruled that dispensaries have no right to operate anywhere, paving the way for municipalities to restrict their operations or banish them outright.

In communities like Warren, [cops have routinely roused medical marijuana users \(/story/news/2015/09/28/lawyer-sues-city-warren-over-medical-marijuana-law/72989056/\)](#). And sheriffs in Oakland and Macomb counties have proved willing to raid and close dispensaries, said Matt Abel, a partner with Detroit-based Cannabis Counsel, a marijuana-centric law firm.



[DETROIT FREE PRESS](#)

[Battle is on for control of Michigan's marijuana market](#)

[\(http://www.freep.com/story/opinion/editorials/2015/10/10/michigan-marijuana/73534858/\)](http://www.freep.com/story/opinion/editorials/2015/10/10/michigan-marijuana/73534858/)

Michigan voters legalized medical marijuana back in 2008 via a sloppily constructed law riddled with ambiguities and contradictions that have caused years of confusion for cities, law enforcement, medical marijuana users and caregivers.

Detroit City Councilman James Tate, who represents District 1, is urging council to pass an ordinance that would regulate dispensaries in the city, providing a legal framework for rational enforcement.

"Any time you have an industry that's unregulated, there's potential for abuse," he said. "We're talking about a product consumed by individuals, so there just have to be some kind of rules, for the safety of people consuming this medicine."

Abel says champions of medical marijuana are in favor of regulatory clarity but object to some provisions of Detroit's proposed ordinance: He's not sure why dispensaries can't be in proximity to churches, or to each other, or why they should be confined to industrial areas.

Of the dispensaries counted by Loveland, 58 are located within a thousand feet of an active school. Eight are located within a thousand feet of a high school.

That's another problem, Tate said.

"Too many of these locations have sprouted up with no guarantee that (the marijuana) they have is medical-grade," he said. "In many situations, they are violating state law ... the law states that you have to have a bright-line patient and caregiver relationship ... (the ordinance has) other rules of engagement, like who can own a dispensary, who can work there, hours of operation. We have some that are operating 24 hours a day, and that's a major, major issue for people in the neighborhood."

Medical marijuana is legal, even if the status of the shops that dispense it is unclear, but it's not unreasonable to balance business growth with commonsense zoning and regulation. There remains an attitude, Tate says, that anything goes in the city of Detroit. And, at times, it has been true. That can't go on. To attract new residents — and keep its existing population — Detroit has to offer order and stability, the kind of sureties many suburbanites take for granted, the kind most Detroiters crave. This ordinance is a good step toward that goal.

Contact Nancy Kaffer: [nkaffer@freepress.com](mailto:nkaffer@freepress.com)

Read or Share this story: <http://on.freep.com/1LoIDSb>



**MORE STORIES**

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# Michigan House OKs bill to tax, regulate medical marijuana

By DAVID EGGERT - *Associated Press* - Wednesday, October 7, 2015

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LANSING, Mich. (AP) - Michigan would tax and regulate medical marijuana in a tiered licensing system similar to alcohol under legislation passed Wednesday by the House, where advocates said action is necessary due to confusion surrounding the legality of dispensary businesses and non-smokable forms of the drug.

The main bill, approved 95-11 and sent to the Senate, would require a state operating license to grow, process, sell, transport and test marijuana used for medical purposes. "Provisioning centers" that sell the drug to patients or their caregivers would pay a 3 percent tax on their gross retail income, in addition to the 6 percent state sales tax.

Another bill OK'd 96-10 would clarify that allowable marijuana includes non-smokable forms such as oils, food items and pills.

Michigan voters legalized medical pot in 2008, but interpreting the law that lets nearly 175,000 qualifying patients grow their own marijuana plants or obtain the drug from 33,000 registered caregivers has led to conflicts in the courts.

The state Supreme Court ruled in 2013 that patients and caregivers cannot transfer marijuana to another patient or anyone else, and dispensaries that facilitate such transactions can be shut down as a public nuisance. Some municipalities have let the dispensaries continue to operate while others have not.

"Our citizens want us to get this right. They want to provide safe, legal access to medications," said Rep. Jeff Irwin, D-Ann Arbor. He successfully lobbied to lower the proposed tax to 3 percent after raising concerns that an 8 percent tax would be too high and foster the black market.

The legislation - which would not impact patients who want to keep growing their own marijuana or buying from individual growers - would create a five-member board to

grant operating license applications, assess fees, and oversee and inspect marijuana facilities. Background checks would be required.

The five-tier regulatory system would include growers, processors, "secure transporters," provisioning centers and testing facilities. They could not receive a license unless their local government adopts an authorizing ordinance.

The tax assessed on the provisioning dispensaries would generate an unknown amount to be split among the state and municipalities.

Michigan, which has a three-tier framework for alcohol suppliers, wholesalers and retailers, assesses extra taxes on beer, wine and liquor. Rules governing casinos require licenses and background checks for employees and others.

Some critics of the main bill, including Democratic House Minority Leader Tim Greimel, opposed taxing a medicine. Michigan exempts prescription drugs from sales tax.

But the sponsor, Health Policy Committee Chairman Mike Callton, R-Nashville, said the tax is necessary at least at the start. It would go away if Michigan legalizes marijuana for recreational use.

"I could see where there would be taxation on the actual recreational product like they do in Colorado but lift some of the taxes on the actual medical product," he told reporters.

Past legislation to legalize dispensaries easily won passage in the House but died in the Senate last year, primarily because of concerns from police and prosecutors. But Callton said the new legislation addresses their issues, and law enforcement is more open because other states have fully legalized marijuana. Michigan groups are pushing 2016 ballot drives, too.

"They started saying, 'It's not a matter of if, it's a matter of when. Let's create some sort of regulation and some sort of oversight that makes sense,'" Callton said.

The House also voted 99-7 for a bill would create a "seed-to-sale" tracking system in which purchases in excess of legal limits would be flagged.

The nonpartisan House Fiscal Agency said the state estimates a need for as many as 151 additional employees under the proposed regulatory framework. Under a "worst-

case scenario" estimate of \$21 million in annual costs, the average amount passed on to each patient would be \$227, the agency said.

It added, though, that the Michigan Department of Licensing and Regulating Affairs seems to be basing its cost estimate in anticipation of the legalization and regulation of marijuana for recreational use.

Senate Judiciary Committee Chairman Rick Jones, R-Grand Ledge, said he was disappointed the House lowered the proposed tax because "there has to be enough money to make everything work right." He pledged to revisit the tax rate but said he expects to pass the bills.

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Online:

House Bills 4209-10 and 4827: <http://1.usa.gov/1VFtAVo>

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Follow David Eggert at <http://twitter.com/DavidEggert00>

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October 8, 2015

Adam Zettel, City Manager  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

**Subject: FY 2017–2020 Transportation Improvement Program (TIP) Call for Projects**

Dear Mr. Zettel:

The Genesee County Metropolitan Alliance, with staff assistance from the Genesee County Metropolitan Planning Commission (GCMPC), is requesting projects for the FY 2017–2020 Genesee County Transportation Improvement Program (TIP). All ACT-51 agencies are eligible to submit applications for improvements to federal aid eligible roads in their jurisdiction. Townships should contact the Genesee County Road Commission (GCRC) concerning potential projects in their township as GCRC must be the applicant. If a non-Act-51 agency is interested in a Transportation Alternative project (non-motorized trail or Safe Routes to School project), they should contact their local Act-51 agency as the Act-51 agency must be the applicant. Projects currently in the 2017 year of the FY 2014-2017 TIP should be reviewed, updated and resubmitted by the responsible Act-51 agency. Please keep in mind when developing applications for road preservation and reconstruction projects that 27% of the funding available for reconstruction/preservation projects will be allocated to reconstruction projects while 73% will be allocated to preservation projects.

All project applications, including Congestion Mitigation Air Quality (CMAQ) applications, must be received by the Genesee County Metropolitan Planning Commission by **Friday, November 13, 2015 at 5:00 p.m.** Applications will then be ranked, evaluated and endorsed by the appropriate committees.

TIP applications and supporting information is available on our website @ [\*\*www.gcmnpc.org\*\*](http://www.gcmnpc.org).

**The TIP application website includes:**

- **2017-2020 TIP Policies & Procedures** – Rules and guidelines for applying for federal transportation dollars in Genesee County.
- **2017-2020 TIP Project Applications** – Five project applications are available: Preservation/Reconstruction, Roadway Expansion, Transit, Congestion Mitigation Air Quality (CMAQ), and Transportation Alternatives.
- **2015 Pavement Condition Rating (PASER)** – A series of maps showing 2015 PASER ratings for each jurisdiction.
- **Genesee County Congestion Management System** – A document providing information on congested road segments in Genesee County. This document should be consulted regarding roadway expansion projects.
- **2006 Intersection Safety Study Recommendations** – A document outlining specific recommendations for each intersection analyzed in the study.
- **Intersection crash rankings for each jurisdiction.**
- **Traffic Count Website** – A link is provided on the TIP Call for Projects website to the web-based traffic count GIS system. A link to historic Traffic Flow maps is also provided.

We look forward to hearing from you. Should you have any questions, please do not hesitate to contact Sharon Gregory at (810) 766-6545 or by e-mail at [sgregory@co.genesee.mi.us](mailto:sgregory@co.genesee.mi.us).

Sincerely,



Jason Nordberg, Principal Planner  
Genesee County Metropolitan Planning Commission

# RYAN P. DOYLE, P.E.

6270 Burningtrees Drive  
Burton, MI 48509  
(810) 919-0961  
RyanDoyle1227@gmail.com

October 7th, 2015

Tom Svrcek  
Director of Public Services  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

**Re: 2017-2020 TIP Applications Proposal & Agreement**

Dear Mr. Svrcek,

Thank you for the opportunity to submit a proposal for the completion of your TIP applications.

I have been working with the G.C. Planning Commission for many years on the rural side. I am generally familiar with the urban side as well. I have reviewed the TIP procedures and application, and I would be happy assist you in submitting quality applications.

It is my understanding that you would like to submit applications for 5 locations:

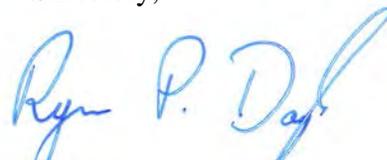
1. Miller Road – Morrish to NB Seymour
2. Cappy Lane – Fairchild to Worchester
3. Worchester – Cappy Lane to Winston
4. Fairchild – Cappy Lane to Miller
5. Seymour – South City limits to Chesterfield

The scope of work, as I understand it, would involve discussing the projects with you to lay out the scope of the projects and schedules. I would then visit the sites to obtain the required information for the applications. The applications are due on November 13<sup>th</sup>, therefore I would submit a final draft of the applications (including the required cross-section and estimate) to you by November 9<sup>th</sup> for your review, complete any necessary markups, and submit the final versions before the deadline.

Total Fee for Services: \$3,000 (\$600 per application, 5 applications)

Thank you again for your consideration. If you have any questions, please contact me.

Sincerely,



Ryan P. Doyle, PE

**Agreement**

Please review the above proposal for accuracy and sign below to accept the fee and conditions.

Return one (1) copy to Ryan Doyle.

Any work not listed on this agreement shall be considered extra services and shall be performed by executing a separate agreement. If the client elects not to have Ryan Doyle fully complete the work as outlined above, the client will be financially responsible for all Ryan Doyle's time accrued up to the date of receipt of the client's written notice to stop work.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Comments in red are for description only and will not be a part of any approved agreement.

Future name to be determined and filed with Genesee County as a DBA

**INTERLOCAL AGREEMENT ESTABLISHING THE REGIONAL POLICE AUTHORITY OF GENESEE COUNTY**

This Agreement (“Agreement”) dated October 12, 2015 (“Agreement Date”) and effective on the Effective Date as defined herein is being entered into pursuant to the Michigan Constitution of 1963, Article 7, § 28, and the Urban Cooperation Act of 1967, Act No. 7 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.501, *et seq.*, is made by and between the Charter Township of Mundy, a Michigan Charter Township, whose address is 3478 Mundy Avenue, Swartz Creek, Michigan 48473, and the City of Swartz Creek, a Michigan Home Rule City, whose address is 8083 Civic Drive, Swartz Creek, Michigan 48743.

**RECITALS**

**WHEREAS**, the Township operates a police department to provide public safety to the residents and visitors to the Township; and

**WHEREAS**, the City operates a police department to provide public safety to the residents and visitors to the City; and

**WHEREAS**, in September 2014, the Township and City executed an **AGREEMENT TO OVERSEE POLICE DEPARTMENT**, whereas the Township’s Police Chief would oversee the City’s Police Department; and

**WHEREAS**, the **AGREEMENT TO OVERSEE POLICE DEPARTMENT** included the officers of the City and Township being sworn in as officers of both the City and Township police departments; and

**WHEREAS**, as the Township and City are exploring whether it would be in the best interest of the Township and City to jointly establish a Police Authority; and

**WHEREAS**, the Michigan Constitution of 1963, Article 7, § 28, and the Urban Cooperation Act of 1967, Act No. 7 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.501, *et seq.*, permit governmental units to exercise jointly with other governmental units any power, privilege or authority which such governmental units share in common which each might exercise separately; and

**WHEREAS**, the Township and City are both a “public agency” as that term is defined under Act 7 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.501, *et seq.* The Township and City both possess the power, privilege, and authority under State law to provide police protection to the residents and visitors to their respective municipalities; and

**WHEREAS**, the Township and City have agreed to execute this Agreement whereby establishing the Police Authority, pursuant to the Michigan Constitution of 1963, Article 7, § 28, and the Urban Cooperation Act of 1967, Act No. 7 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.501, *et seq.*; and

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the Township and City agree as follows:

**ARTICLE I**  
**INTRODUCTORY PROVISIONS; DEFINITIONS; CAPTIONS AND HEADINGS;**  
**PLURAL TERMS**

**Section 1.01. Adoption of Recitals.** All of the matters stated in the Recitals of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein. However, in cases of conflict, provisions of this Agreement shall prevail over the matters stated in the Recitals.

**Section 1.02. Definitions.** The following terms and expressions as used in this Agreement, unless the context clearly shows otherwise, shall have the following meaning:

- (1) “Act 7” means Act 7 of the Michigan Public Acts of 1967, Ex. Sess., as amended being codified at MCL § 124.501, *et seq.*
- (2) “Agreement” means this interlocal agreement between the Charter Township of Mundy and the City of Swartz Creek.
- (3) “Agreement Date” means October 12, 2015, or the date on which all of the following are satisfied:
  - (i) The Agreement is approved and executed by the Township Board of Trustees of the Charter Township of Mundy.
  - (ii) The Agreement is approved and executed by the City Council of the City of Swartz Creek.
  - (iii) The Agreement is filed with the county clerk of Genesee County, Michigan.
  - (iv) The Agreement is filed with the Secretary of State of the State of Michigan.

This is the date that starts the minimum 180 day period for providing a labor agreement, operating procedures, leases, budget, etc.  
An affirmative vote at this time begins this process. No employees, assets, responsibilities or funds would transfer to the authority at this time.

Additionally, all costs incurred by the Police Authority after the Agreement Date and prior to the Effective Date shall be paid fifty percent (50%) by the Township and fifty percent (50%) by the City.

- (4) "Chairperson" means the Chair of the Police Authority Board who shall preside at all meetings. The Chairperson shall be responsible for timely, fair and reasonable conduct of the Police Authority's meetings. The Chairperson shall sign on the behalf of the Police Authority all documents and instruments that are required to be signed by the Chairperson of the Police Authority. The Chairperson shall assign duties to committees and subcommittees of the Police Authority to the extent such duties are not inconsistent with the direction of the Police Authority Board.
- (5) "Chief Contract" means the current contract for employment between the Township and the Township's Chief of Police.
- (6) "Effective Date" means the one hundred and eighty-first (181<sup>st</sup>) day after the Agreement Date and the date on which all of the following are satisfied:
  - (i) The Township Board has been provided an estimate of the amount of allocation to the Police Authority by the Township as determined by the Police Authority Board for the first Fiscal Year of the Police Authority and affirms its participation in the Police Authority by resolution.

If another affirmative vote on establishing the authority occurs, after 180 days AND presentation of essential operating information (budget), the authority would then be "effective". Assets, personnel, and responsibilities would transfer at a set date.

If the Township Board is not satisfied with the estimate of the amount of allocation to the Police Authority by the Township, as determined by the Police Authority Board for the first Fiscal Year of the Police Authority, the Township Board shall provide the Police Authority Board with written notification of its intent not to approve the resolution to affirm participation in the Police Authority and the specific reason(s) why the amount is unacceptable. Thereafter, the Police Authority shall use its best efforts to address the concerns of the Township and resubmit to the Township Board a new estimate of the amount of allocation to the Police Authority by the Township. This process shall continue until the Township Board approves the resolution affirming its participation in the Police Authority or if the Township Board fails to adopt the resolution prior to the two hundred and tenth (210) day after the Agreement Date, the Township Board and City Council shall meet and determine if it is in the best interest of the Township and City to continue to pursue establishing a Police Authority.

- (ii) The City Council has been provided an estimate of the amount of allocation to the Police Authority by the City as determined by the Police Authority Board for the first Fiscal Year of the Police Authority and affirms its participation in the Police Authority by resolution.

This provision acts as an abort button for the city.

If the City Council is not satisfied with the estimate of the amount of allocation to the Police Authority by the City as determined by the Police Authority Board for the first Fiscal Year of the Police Authority, the City Council shall provide the Police Authority Board with written notification of its intent not to approve the resolution to affirm participation in the Police Authority and the specific reason(s) why the amount is unacceptable. Thereafter, the Police Authority shall use its best efforts to address the concerns of the City and resubmit to the City Council a new estimate of the amount of allocation to the Police Authority by the City. This process shall continue until the City Council approves the resolution affirming its participation in the Police Authority or if the City Council fails to adopt the resolution prior to two hundred and tenth (210) day after the Agreement Date, the Township Board and City Council shall meet and determine if it is in the best interest of the Township and City to continue to pursue establishing a Police Authority.

- (iii) The Police Authority has been provided with copies of the resolutions, certified by the Township and City Clerk as set forth in Section 1.02(6)(i) and (ii) of this Agreement.
- (7) “Fiscal Year” means the fiscal year of the Police Authority, which shall begin on January 1 of each calendar year and end on December 31 of the following calendar year.
  - (8) “OMA” means the Michigan Open Meetings Act, Act 267 of the Michigan Public Acts of 1967, being MCL § 15.261 to 15.275.
  - (9) “Party” means a party to this Agreement.
  - (10) “Parties” means the Township and the City collectively.
  - (11) “Person” means an individual, authority, corporation, limited liability company, partnership, limited partnership, firm, organization, association, joint venture, trust, governmental entity, Public Agency, or other legal entity.

- (12) “Police Authority” means the separate legal entity and public body corporate created by the Township and City.
- (13) “Police Authority Board” means the board of the Police Authority created pursuant to the terms of this Agreement.
- (14) “Police Services” means those police services commonly exercised by police departments as may be necessary for the preservation of quiet and order, the protection of persons and property, and any other related service deemed necessary in the sole discretion of the Police Authority.
- (15) “Protected Person” means a board, official, officer, board member, employee, contractor, or agent of the Police Authority.
- (16) “Public Agency” means that term as defined under Section 2(e) of Act 7.
- (17) “State” means the State of Michigan.
- (18) “Vice Chairperson” means the Vice Chairperson of the Police Authority who shall act in the place of the Chairperson in the event of an absence, inability to act or refusal to act, and shall exercise and discharge such other duties as may be required by the Chairperson or the Police Authority Board.

**Section 1.03. Captions and Headings.** The captions, headings, and titles in this Agreement are a convenience and not intended to have any substantive meaning or be interpreted as part of this Agreement.

**Section 1.04. Plural Terms.** A term or phrase in this Agreement importing the singular number only may extend to and embrace the plural number and every term or phrase importing the plural number may be applied and limited to the singular number.

## **ARTICLE II**

### **PURPOSE**

The purpose of this Agreement is to create and empower the Police Authority to implement the powers, privileges, and authority of each of the Parties consistent with this Agreement to provide Police Services within the Township and City. This Agreement is not intended to restrict the Police Authority from providing Police Services outside of the Township and City as allowed by law. Additionally, this Agreement shall not prevent the Police Authority from providing Police Services outside of the Township and City pursuant to a legally executed agreement.

**ARTICLE III**  
**CREATION OF POLICE AUTHORITY**

**Section 3.01. Creation and Legal Status of Police Authority.** The Police Authority is established as a separate legal entity for the purpose of providing Police Services as more fully set forth in this Agreement. The Police Authority shall be a public body corporate and the Police Authority shall have the powers granted under this Agreement, Act 7, and other applicable law.

**Section 3.02. Principal Office.** The principal office of the Police Authority shall initially be located at 4029 West Grand Blanc Road, Swartz Creek, Michigan 48473. The Police Authority Board may change the location of the principal office upon a majority vote of the Police Authority Board. The location change of the principal office shall not be effective until thirty (30) days after all of the following has occurred:

A mini-station is expected to remain in the city

- (1) Notice has been posted at the current principal office;
- (2) Notice has been published in a newspaper of general circulation or other method allowed by law; and
- (3) If the Police Authority maintains a webpage, notice shall be posted on the front page of the webpage.

**Section 3.03. Title to Police Authority Assets.** All property owned by the Police Authority is owned by the Police Authority as a separate legal entity and public body corporate, and no Party has any ownership interest in Police Authority property.

**Section 3.04. Police Authority Buildings.** The Township and City agree that the Police Authority shall use the Township’s current police department, located at 4029 West Grand Blanc Road, Swartz Creek, Michigan 48473, until the Police Authority decides to move to a different location or construct a new building. The Township shall be entitled to rent, utilities, and other related items as more fully set forth in a rental agreement between the Township and the Police Authority. If a Party determines that it would be in its best interest for a police department or satellite office (“Facility”) to be located in its municipality, the Party desiring the Facility shall be responsible for the purchase, lease, or construction of the Facility and equipping the Facility to the sole satisfaction of the Police Authority. The Police Authority shall approve the Facility prior to the purchase, lease, or construction of the Facility by the Party. This is to ensure that the Police Authority has the financial capabilities of operating the proposed Facility. After the Facility is completed, the Police Authority shall be responsible for the operational and maintenance costs of the Facility, but at no time shall the Police Authority be responsible for the rent, lease, or payments due and owing for the construction of the Facility.

**Section 3.05. Prosecutions and Payments from Court.** With the exception of parking citations, the Township and City agree that the Police Authority shall be solely responsible for all prosecutions of citations written pursuant to any Township or City Ordinance by the Police Authority. If the Township or City has an ordinance regarding parking, the Township or City and the Police Authority shall execute an agreement as to which organization shall prosecute parking violations. Understanding that citations issued pursuant to the Township or City's ordinances may result in a portion of the money collected by the court being returned to the Township or City, the Township and City agree that the entity determined to be responsible for the prosecution costs shall be entitled to all moneys received from the court. The Parties agree that any revenue received from any court for the violation of a Township or City ordinance that was prosecuted by the Police Authority shall be forwarded to the Police Authority within fifteen (15) days. If, in the future, the Police Authority adopts its own ordinances, the Police Authority shall be responsible for all prosecutions of those ordinances and all payments received by any court regarding those ordinances shall be deposited into the appropriate revenue fund of the Police Authority.

**Section 3.06. Tax-Exempt Status.** The Parties intend the activities of the Police Authority to be tax-exempt as governmental functions carried out by an instrumentality or political subdivision of government under Section 115 of the Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future federal tax code. The Parties also intend the activities of the Police Authority to be governmental functions carried out by a political subdivision of the State, exempt to the extent provided under State law from taxation by this State, including, but not limited to, business tax under the Michigan Business Tax Act, Act 36 of the Michigan Public Acts of 2007, as amended, being MCL §208.1101 to 208.1601, income tax under the Income Tax Act of 1967, Act 281 of the Michigan Public Acts of 1967, being MCL § 206.1 to 206.713, and property tax under The General Property Tax Act, Act 206 of the Michigan Public Acts of 1893, being MCL § 211.1 to 211.157, and any successor State tax laws.

**Section 3.07. Compliance with Law.** The Police Authority shall comply with all federal and State laws, rules, and regulations applicable to the Police Authority.

**Section 3.08. Relationship of the Parties.** The Parties agree that no Party shall be responsible for the acts of the Police Authority or of the employees, agents, and servants of any other Party, whether acting separately or in conjunction with the implementation of this Agreement. The Parties shall only be bound and obligated under this Agreement as expressly agreed to by each Party and no Party may otherwise obligate any other Party.

**Section 3.09. No Third-Party Beneficiaries.** Except as expressly provided in this Agreement, the Agreement does not create in any Person, and is not intended to create by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right to be indemnified (such as contractually, legally, equitably, or by implication), right to be subrogated to any Party's rights in this Agreement, or any other right.

**Section 3.10. Litigation Costs.** In the event of a legal proceeding challenging the validity of this Agreement or any action or activity engaged in pursuant to this Agreement where the Township, City, or a Protected Person of the Township or City is named as a defendant, to the extent permitted by law, including, but not limited to, Section 28 of Article VII of the State Constitution of 1963 and Section 5 of Act 7, and from funds lawfully available to the Police Authority, the cost of legal representation of the Township, City, or the Protected Person shall be the responsibility of the Police Authority or its insurance carrier, not the Parties. To the extent permitted by law, and from funds lawfully available to the Police Authority, the Police Authority or its insurance carrier shall defend, hold harmless, and reimburse the Township, City, or a Protected Person of the Township or City from and against any and all costs, losses, claims, liabilities, actions, suits, proceedings, fines, expenses, payments, penalties, damages, and injuries, of whatever kind or nature, including attorneys' fees and settlement costs, arising out of, resulting from, caused by, or associated with, or alleged to have arisen out of, resulted from, been caused by, or associated with, in whole or in part, directly or indirectly, the execution or performance of this Agreement, or any acts or omissions of any Party or any Person taken in connection with this Agreement or its performance. The Parties intend that the Township, City, and Protected Persons of the Township and City shall have no individual liabilities or costs of any nature in connection with this Agreement other than those specifically agreed to or assumed in writing by the Township or City. To the extent permitted by law and from funds lawfully available to the Police Authority, if any suit, action or proceeding is brought against the Township, City, or any Protected Person of the Township or City, that suit, action or proceeding shall be defended by a mutually agreed to counsel of the Parties, as evidenced by a vote of the Police Authority Board, unless it is covered by the insurance carrier of the Police Authority, the Township or the City. If the defense is not covered by an insurance carrier and is therefore provided by counsel mutually acceptable to the Township and the Police Authority or to the City, and the Police Authority, the Police Authority shall pay all reasonable and necessary costs of the defense, including reasonable attorney fees, to the extent permitted by law and from funds lawfully available to the Police Authority. If the Township and City mutually determine by a vote of the Police Authority Board that the Police Authority shall defend the Township, City, or Protected Person of the Township or City, the Police Authority shall immediately assume the defense at its own reasonable and necessary costs, to the extent permitted by law and from funds lawfully available to the Police Authority. Notwithstanding another provision of this section, if the Police Authority refuses to defend a Party or a Protected Person under this section, or a conflict under applicable law or rules prohibits the Police Authority from defending a Party or a

Protected Person, the Party or Protected Person may retain counsel and the Police Authority shall be responsible for the reasonable and necessary litigation costs and expenses of the Party or Protected Person, to the extent permitted by law and from funds lawfully available to the Police Authority.

**Section 3.11. Legal Settlements.** The Police Authority shall not be liable for any settlement of any proceeding made without its consent, and the Police Authority shall not unreasonably withhold consent.

**Section 3.12. Nonprofit Status.** As a governmental instrumentality within this State, the Police Authority may not be operated for profit. No part of any earnings of the Police Authority may inure to the benefit of a Person other than the Parties or other contracted entities as allowed by Act 7. It is the intent of the Parties that the Police Authority maintain its nonprofit status.

This is a key determination, resulting in a neutral tie breaking vote agreed by both parties, instead of a swing vote.

#### ARTICLE IV

#### POLICE AUTHORITY BOARD; COMMITTEES; CHIEF OF POLICE

**Section 4.01. Police Authority Board Composition.** The Township Board shall appoint a total of three (3) individuals who shall be residents of the Township to the Police Authority Board. A minimum of one (1) of the individuals appointed by the Township Board shall be a Township Board member. The City Council shall appoint a total of three (3) individuals who shall be residents of the City to the Police Authority Board. A minimum of one (1) of the individuals appointed by the City Council shall be a member of the City Council. The Township and City shall not appoint any alternates to the Police Authority Board. The six (6) appointed Police Authority Board members shall, prior to the Effective Date, select by a majority vote one (1) additional Police Board member who shall serve a one (1) year term, which may be renewed an indefinite number of times by a majority vote of the Police Board. The selected seventh board member shall not vote except in the case of a tie vote. The selected seventh board member shall break all tie votes, if present. The additional Police Board member shall possess the following:

- (1) A background in law enforcement; and
- (2) Knowledge of the geographic area where Police Services are being provided.

In the event that the one (1) additional Police Board member vacates his or her seat by resignation, incapacity, death, extended unexcused absences, or similar event prior to the end of his or her appointment, the same process shall be followed by the six (6) Police Board members appointed by the Township and City to fill said vacancy. With respect to litigation against the Police Authority, neither the Township nor the City shall be considered an agent, employee or supervisor of any Police Authority employee.

**Section 4.02. Police Authority Board Power.** The Police Authority Board shall authorize and approve the annual budget, audit, hear and render decisions in administrative appeals as set forth in the Police Authority Personnel Manual, and oversee performance of the Police Chief.

**Section 4.03. Meetings of the Police Authority Board.**

(1) **Presiding Officer, Chairperson, and Vice Chairperson.** At the first meeting of the Police Authority Board after the Agreement Date, the Chief of Police shall preside over the meeting until the Police Authority Board elects one of its members as Chairperson. Thereafter, the Chairperson shall preside over all meetings. The Police Authority Board may also elect from its members a Vice Chairperson to act in the absence of the Chairperson.

The chief will not transfer or be employed by the authority until the effective date.

(2) **First Meeting of Police Authority Board.** At the first meeting of the Police Authority Board after the Agreement Date, the Police Authority shall approve the assignment of Chief Contract to be effective on the Effective Date, adopt a FOIA policy, and appoint a FOIA coordinator.

(3) **Prior to the Effective Date of Agreement.** Prior to the Effective Date of this Agreement, the Police Authority Board shall appoint its seventh member pursuant to Section 4.01 of this Agreement, adopt a purchasing policy, establish a date for a public hearing on the budget for the Police Authority, approve its annual meeting calendar, adopt standard operating procedures, adopt an investment policy, adopt a LIEN policy, adopt any documents required by 911, adopt mutual aid agreements, approve the lease agreement for the Police Authority's principal office location, adopt a Personnel Manual, adopt rules of procedure governing its meetings, adopt an ethics policy pursuant to Section 4.08 of this Agreement, adopt a model contract for any agencies desiring to contract with the Police Authority for Police Services, and ratify or approve a collective bargaining agreement(s), and other necessary documents, agreements or contracts as needed.

This is the purpose of enabling the agreement. This provision enables the authority to begin outlining its operations BEFORE final agreement and transfer of powers/assets.

(4) **Meetings of the Police Authority Board and Police Authority Board Participation in Meetings.** The Police Authority Board shall hold at least three (3) meetings per year (public hearing on budget, adoption of budget, and acceptance of audit) and other special meetings at a time, date, and place determined by the Police Authority Board. Meetings of the Police Authority Board shall comply with the OMA. Public notice of the time, date, and place of the Public Authority Board meetings shall be given in the manner required by the OMA. Members of the Police

Authority Board may participate in meetings by electronic means of communication to the fullest extent permitted by law.

**Section 4.04. Police Authority Board Quorum and Voting.** With the exception of adopting the budget and hiring the Chief of Police, a majority of the members serving on the Police Authority Board shall constitute a quorum for the transaction of business. A super majority vote of the members serving on the Police Authority Board shall be required for the adoption of the budget and hiring, firing, or disciplining the Chief of Police. The Police Authority Board shall act by a majority vote of the members serving at the time of the vote. Members of the Police Authority Board shall not engage in proxy voting; however, a Police Authority Board member is allowed to participate in a Police Authority Board meeting via Skype, Windows Meeting Space, or similar program. Participation by electronic means is permissible, however, only if the participating Police Authority Board member and the remainder of the Police Authority Board can see and hear each other, and only if any members of the public attending the meeting can hear the participating member. The Police Authority Board member participating via electronic means shall be considered present in determining a quorum. The Police Authority Board member participating in debate via electronic means with the Police Authority Board and thereafter voting shall have its votes included in the total votes cast on any question before the Police Authority Board. Voting by telephone or other means where the Police Authority Board and the Police Authority Board member cannot see each other is expressly forbidden.

**Section 4.05. Finance Committee.** There shall be only one (1) standing committee of the Police Authority Board, which shall be the Finance Committee. The Finance Committee shall consist of one (1) individual appointed by the City to the Police Authority Board, one (1) individual appointed by the Township to the Police Authority Board, and the seventh member mutually appointed pursuant to Section 4.01 of this Agreement. The powers vested in the Finance Committee is to review the accounts receivable and accounts payable of the Police Authority and ensure that only budgeted items have been purchased and to review requests for purchases not set forth in the budget and make a recommendation of those purchases to the Police Authority Board. The Finance Committee shall be provided with all relevant information needed to review the accounts. The secretary appointed by the Chief of Police shall keep a journal of all Finance Committee meetings that complies with the OMA. The meetings of the Finance Committee shall comply with the OMA. Public notice of the time, date, and place of the Finance Committee meetings shall be given in the manner required by the OMA.

**Section 4.06. Ad-Hoc Committees.** The Police Authority Board shall have the power to establish ad-hoc committees for a limited purpose and a limited duration. At the time the ad-hoc committee is established, the Police Authority Board shall determine the membership, purpose, and duration of the ad-hoc committee. All ad-hoc committees shall report directly to

the Police Authority Board. The secretary appointed by the Chief of Police shall keep a journal of all ad-hoc committee meetings that complies with the OMA. The meetings of the ad-hoc committees shall comply with the OMA. Public notice of the time, date, and place of the ad-hoc committee meetings shall be given in the manner required by the OMA.

**Section 4.07. Finance Committee and Ad-Hoc Committee Quorum and Voting.** A majority of the members of the Finance Committee and any ad-hoc committee shall constitute a quorum for the transaction of business. The Finance Committee and any ad-hoc committee shall act by a majority vote of its members serving at the time of the vote. Members of the Finance Committee or any ad-hoc committee may not engage in proxy voting; however, may participate via Skype, Windows Meeting Space, or similar program as more fully set forth in Section 4.04 of this Agreement.

**Section 4.08. Ethics and Conflicts of Interest.** The Police Authority Board shall adopt ethics policies governing the conduct of the Police Authority Board members, the Finance Committee, any ad-hoc committee, and the officers and employees of the Police Authority. The policies shall be no less stringent than those provided for public officers and employees under Act 196 of the Michigan Public Acts of 1973, as amended, being MCL § 15.341 to 15.348. Members of the Police Authority Board, Finance Committee, ad-hoc committee, and the officers and employees of the Police Authority shall be deemed to be public servants under Act 317 of the Michigan Public Acts of 1968, as amended, being MCL § 15.321 to 15.330, and are subject to any other applicable laws with respect to conflicts of interest. The Police Authority Board shall establish policies and procedures requiring disclosure of relationships that may give rise to conflicts of interest.

**Section 4.09. Chief of Police Appointment.** The Parties agree that the first Chief of Police shall be the current Chief of Police for the Mundy Township Police Department. As a condition of this Agreement, the Township shall assign the Chief Contract to the Police Authority and the Police Authority shall accept the assignment of the Chief Contract as presented by the Township. At the expiration of the Chief Contract, the Police Authority may renew the Chief Contract or let it lapse on its terms. In the event that the Chief Contract lapses on its terms or if the current Chief of Police decides to vacate the office or is unable to perform the duties of Chief of Police, then the Chief of Police shall be appointed by the Police Authority Board in a manner consistent with Section 4.04 of this Agreement.

**Section 4.10. Chief of Police Duties, Contract, and Discipline.** The Chief of Police shall be vested with the ability to hire and terminate all personnel of the Police Authority with the exception of the members of the Police Authority Board. The appointments by the Chief of Police shall include, but not be limited to, a secretary, a treasurer, an attorney, and all personnel other than the Police Authority Board members. The secretary, treasurer, and attorney shall

serve at the pleasure of the Chief of Police. The Chief of Police shall, administer all programs, funds, facilities, contracts, and all other administrative and Police Service functions of the Police Authority and negotiate with all collective bargaining units (subject to approval by the Police Authority Board),. The Chief of Police shall serve as an advisor to the Police Authority Board, the Finance Committee, and any ad-hoc committees established by the Police Authority Board. The Chief of Police shall report and be subject to the oversight of the Police Authority Board and in compliance with Section 4.11 of this Agreement. The Chief of Police shall receive compensation as determined by the Police Authority Board. All terms and conditions of the Chief of Police employment, including length of service, shall be specified in a written contract between the Chief of Police and the Police Authority, provided that the Chief of Police shall serve at the pleasure of the Police Authority Board, and the Police Authority Board may suspend, remove or discharge the Chief of Police in a manner consistent with Section 4.04 of this Agreement.

**Section 4.11. Fiduciary Duty.** The members of the Police Authority Board, the Chief of Police, and the treasurer appointed by the Police Chief are under a fiduciary duty to conduct business in the best interests of the Police Authority, including the safekeeping and use of all Police Authority monies and assets for the benefit of the Police Authority. The members of the Police Authority Board, the Chief of Police, and the treasurer appointed by the Chief of Police shall discharge their duties in good faith, with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

**Section 4.12. Compensation.** The members of the Police Authority Board, the Finance Committee, and any ad-hoc committee members shall receive no compensation for the performance of their duties. A member of the Police Authority Board, Finance Committee, or any ad-hoc committee members may engage in private or public employment, or in any profession or business, but may not serve as an employee of the Police Authority. Members of the Police Authority Board, Finance Committee, or any ad-hoc committee members may be reimbursed by the Police Authority for actual and necessary expenses incurred in the discharge of their official duties.

**Section 4.13. Oath of Office.** Members of the Police Authority Board and the Chief of Police, prior to entering upon the duties of office, shall take and subscribe to the constitutional oath of office as set forth in Section 1 of Article XI of the State Constitution of 1963. The oath of office shall be filed with the Secretary of the Police Authority.

**ARTICLE V**  
**POWERS OF THE AUTHORITY**

These are  
enumerated powers  
listed in statute.

**Section 5.01. Common and Shared Powers.** The enumeration of a power, privilege, or authority in this Agreement shall not be construed as limiting the powers, privileges, or authorities of the Police Authority. In carrying out its purposes, the Police Authority may perform, or perform with any Person, as applicable, any power, privilege, or authority that the Parties share in common and that each might exercise separately to the fullest extent permitted by the Act, including, but not limited to the provision of innovation, flexible, transparent, safe, efficient, and effective Police Services or other common service.

**Section 5.02. Powers Under Act 7.** In addition to other powers of the Police Authority, the Police Authority shall, consistent with Section 7 of Act 7, have the power to do all of the following:

- (1) Make and enter into contracts;
- (2) Employ agencies or employees;
- (3) Acquire, construct, manage, maintain, or operate buildings, works, or improvements;
- (4) Acquire, hold, or dispose of property;
- (5) Incur debts, liabilities, or obligations that, except as expressly authorized by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties.
- (6) Cooperate with a public agency, an agency or instrumentality of that public agency, or another legal entity created by that public agency under Act 7;
- (7) Make loans from the proceeds of gifts, grants, assistance funds, or bequests in order to further the purposes of the Police Authority;
- (8) Form other entities necessary to further the purpose of this Agreement; and
- (9) Sue and be sued in the name of the Police Authority.

**Section 5.03. Additional Powers Under Act 7.** The Police Authority also shall have the power, consistent with Section 5 of Act 7, to do all of the following:

- (1) Fix and collect charges, rates, rents, fees, loan repayments, loan interest rates, or other charges on loans.
- (2) Promulgate necessary rules and provide for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement.
- (3) Determine the manner in which purchases shall be made and contracts entered into by the Police Authority.
- (4) Acquire, own, hold, operate, maintain, lease, or sell real or personal property.
- (5) Accept gifts, grants, assistance funds, or bequests and use the same for the purposes of this Agreement. The Police Authority may apply for and accept grants, assistance

funds, loans, or contributions from any source. Gifts, grants, assistance funds, or bequests accepted by the Police Authority shall become the property of the Police Authority upon acceptance, except as otherwise agreed by the Police Authority and the grantor. The Police Authority may do anything within its power to secure the grants, loans, or other contributions, including, but not limited to, maintaining separate segregated funds for gifts, grants, assistance funds, or bequests.

- (6) Make claims for federal or state aid payable to a Party on account of the execution of this Agreement, with the written consent of the Party.
- (7) Determine the manner of responding for any liabilities that might be incurred through performance of the Agreement and insure against any such liability.
- (8) Adjudicate disputes or disagreements, the effects of failure of the Parties to pay their shares of the costs and expenses agreed to by the Parties, and the rights of the other Party in such cases.
- (9) Engage auditors to perform independent audits of the financial statements of the Police Authority.
- (10) Invest surplus funds or proceeds of grants, gifts, assistance funds, or bequests, consistent with an investment policy adopted by the Police Authority Board.

**Section 5.04. Bonds or Notes; Limitation.** The Police Authority may borrow money and issue bonds or notes in its name for purposes authorized by law. The Police Authority may not issue any type of bond in its own name, except as provided in this section, or in any way indebted a Party except as expressly authorized by the Party in writing. The Police Authority may not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the Police Authority, exceeds 2 mills of the taxable value of the taxable property within the Parties as determined under section 27a of The General Property Tax Act, Act 206 of the Michigan Public Acts of 1893, as amended, being MCL § 211.27a, unless otherwise authorized by Act 7. Bonds or notes issued by the Police Authority are the debt of the Police Authority and not of the Parties. Bonds or notes issued by the Police Authority are for an essential public and governmental purpose. Pursuant to Section 7(7) of Act 7, bonds or notes, together with the interest on the bonds or notes and income from the bonds or notes, are exempt from all taxes. Bonds or notes issued by the Police Authority are subject to the Revised Municipal Finance Act, Act 34 of the Michigan Public Acts of 2001, as amended, being MCL §141.2101 to 141.2821 as required by Section 7(8) of Act 7.

**Section 5.05. Transfer Contracts.** The Police Authority shall be a special authority and a political subdivision for purposes of Act 8 of the Michigan Public Acts of 1967, Ex. Sess., being MCL § 124.531 to 124.536.

**Section 5.06. Tax Limitation.** The Police Authority shall not levy any type of tax within the boundaries of any Party. Nothing contained in this Agreement prevents the Township or City from levying taxes, creating a special assessment district, or implementing any other legal method of raising revenue as allowed by law and assigning the revenue to the Police Authority, as agreed in writing by the Parties and to the extent provided by law.

**Section 5.07. Limitation on Binding Parties.** The Police Authority shall not have the power to bind a Party or to create debts, liabilities, or obligations of a Party, unless otherwise specifically agreed to by the Party in writing.

**Section 5.08. No Waiver of Governmental Immunity.** The Parties agree that no provision of this Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under Act 7 or other statutory or common law.

Attachments shall be developed during the 180 day research phase.

## ARTICLE VI

### MANNER AND METHOD FOR EXERCISE OF COMMON POWER

**Section 6.01. Township and City.** The Township and City have agreed to monetarily fund the Police Authority for the first three (3) years at the rate set forth in Attachment A to this Agreement. The Township and City have agreed to provide as a one (1) time contribution to the Police Authority the assets set forth in Attachment B to this Agreement, which may be supplemented by motion of the Township or City. Personnel currently employed by the Township and City being transferred to the Police Authority are set forth in Attachment C to this Agreement. The Township and the City shall have one hundred eighty (180) days from the Agreement Date to complete Attachments A, B, and C to this Agreement. All existing collective bargaining agreements between the Township or City and the current police officers, supervisors, and support staff of the Township and City are subject to the provisions of Section 5 of Act 7, being MCL § 124.505.

**Section 6.02. Funding of Police Authority in Year 4 and Subsequent Years Thereafter.** Prior to the expiration of three (3) years from the Effective Date of this Agreement, the Township, City, and the Police Authority shall enter into one (1) or more agreements for the Police Authority to provide Police Services to the Township and City pursuant to the terms of those agreements, which shall set forth the manner in which the Police Authority shall be funded in year four (4) of its existence and for all subsequent years thereafter.

**Section 6.03. Cooperation.** When exercising a power, privilege, or authority under this Agreement, the Police Authority shall endeavor to actively consult and cooperate with all of the following:

- (1) Other public agency as defined by Section 2(e) of Act 7, being MCL § MCL 124.502(e).
- (2) Parental groups and organizations.
- (3) Community groups and organizations.

**Section 6.04. Assumption of Liabilities.** Except as provided in Section 3.10, the Police Authority does not assume any liabilities or commitments of the Township or the City.

**Section 6.05. Acts and Omissions.** Except as provided in Sections 3.10 and 4.09, it is the intent of the Parties that liability for acts or omissions of a Party prior to the Effective Date shall remain with the Party and not be transferred, assigned, or assumed by the Police Authority. The Police Authority shall only be liable for its own acts or omissions and those of its officials, employees and agents that occur after the Effective Date and the Parties shall not be liable for any acts or omissions of the Police Authority, its officials, employees and agents.

## **ARTICLE VII**

### **BOOKS, RECORDS, AND FINANCES**

**Section 7.01. Police Authority Records.** The Police Authority shall keep and maintain at the principal office of the Police Authority all documents and records of the Police Authority. The records of the Police Authority, which shall be available to the Parties, shall include a copy of this Agreement, any amendments to the Agreement, and any agreements under Article VI. The records and documents shall be maintained until termination of this Agreement and shall be returned to any successor entity.

**Section 7.02. Township and City Records.** The Township and City shall make the records of their police departments available to the Police Authority either in electronic format, hard copy, or other format as mutually agreed upon by the Township, City, and Police Authority.

**Section 7.03. Financial Statements and Reports.** The Police Authority shall prepare, or cause to be prepared, at its own expense, audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows, and changes in fund balance) on an annual basis. The financial statements shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a written opinion of an independent certified public accounting firm. A copy of the annual financial statement and report shall be filed with the State Department of Treasury, made available to each of the Parties, and posted on a public accessible internet website.

**Section 7.04. Auditor.** The Police Authority shall use Plante Moran as its auditing firm for the first three (3) years that the Police Authority is operational. After the first three (3) years,

the Police Authority may renew its agreement with Plante Moran or hire a new auditor in a manner consistent with the Police Authority's Purchasing Policy.

**Section 7.05. Freedom of Information Act.** The Police Authority shall be subject to and comply with the Freedom of Information Act, Act 442 of the Michigan Public Acts of 1976, as amended, being MCL § 15.231 to 15.246.

**Section 7.06. Uniform Budgeting and Accounting Act.** The Police Authority shall be subject to comply with the Uniform Budgeting and Accounting Act, Act 2 of the Michigan Public Acts of 1968, as amended, being MCL § 141.421 to 141.440a. Unless otherwise designated by the Police Authority the Chief of Police shall serve as the Chief Administrative Officer of the Police Authority. The Chief of Police shall prepare all budgets and budget amendments and the Police Authority Board shall approve all budgets and budget amendments for the Police Authority for each Fiscal Year.

**Section 7.07. Deposits and Investments.** The Police Authority shall deposit and invest money of the Police Authority, not otherwise employed in carrying out the purposes of the Police Authority, in accordance with an investment policy established by the Police Authority Board consistent with laws and regulations regarding investment of public funds.

**Section 7.08. Disbursements.** Disbursements of money by the Police Authority shall be signed by the treasurer appointed by the Chief of Police and a member of the Finance Committee or Chairperson or Vice Chairperson. Disbursements made in the ordinary course of business that are included in the budget shall be paid pursuant to the disbursement schedule established by the treasurer appointed by the Chief of Police to ensure that no late fee is incurred. Those disbursements shall be available for review to the Finance Committee and ratified by the Police Authority Board at its next regular Police Authority Board meeting after receiving the recommendation of the Finance Committee. For disbursements not included in the budget, those disbursements shall be acted upon by the Police Authority Board after a recommendation by the Finance Committee prior to any moneys being spent.

## **ARTICLE VIII**

### **TERM AND TERMINATION**

**Section 8.01. Term.** This Agreement shall continue until either the Township or City withdraw from the Police Authority pursuant to Section 8.02 of this Agreement. The name of the Police Authority may continue beyond the term of this Agreement if there remains at least two (2) Public Agencies in the Police Authority with contracts for the Police Authority to provide Police Services to the Public Agencies.

**Section 8.02. Township or City Withdrawal.** Except as provided in Section 8.04 of this Agreement or as otherwise may be agreed to by the parties hereto in a written addendum hereto, the Township or City may withdraw from the Agreement at any time upon providing a minimum of one (1) Fiscal Year notice. By way of example only, if the Fiscal Year of the Police Authority is January 1 to December 31 and the Township desires to withdraw from the Police Authority, the Township may do so prior to January 1; however, the withdrawal would not be effective until December 31. Therefore, if the Township provided notice of withdrawal from the Police Authority on February 12, 2016; the effective date of the withdrawal would be December 31, 2017.

**Section 8.03. Effect of Withdrawal.** Except as provided in Section 8.04 of this Agreement, the Party withdrawing from the Police Authority shall not be entitled to any assets of the Police Authority, any of the employees of the Police Authority, or any revenue of the Police Authority. The withdrawing party shall only be entitled to the assets that it contributed to the Police Authority and at no time shall the withdrawing party be entitled to any cash that it has contributed to the Police Authority. Upon withdrawal, the withdrawing party shall be entitled to the current market value of the assets that it has contributed to the Police Authority taking into account depreciation. Additionally, the Party withdrawing from the Police Authority shall be provided with a list of all open and pending cases that are within the jurisdictional limits of the Party. The Party and the Police Authority shall execute a written document setting forth which matters the Police Authority shall continue to see through to conclusion after the date of withdrawal and all expenses which shall be paid by the withdrawing Party to the Police Authority and which matters the withdrawing Party shall be responsible for after the date of withdrawal.

**Section 8.04. Mutual Dissolution of Police Authority.** At any time, the Township and City may mutually decide to terminate this Agreement. In the event that this Agreement is terminated and the Township and City are the only members of the Police Authority, the Police Authority shall also terminate. The assets contributed by the Township and the City to the Police Authority shall be returned to the Township or City upon dissolution of the Police Authority. The cash shall be distributed to the Township and City after all of the final liabilities of the Authority have been paid in full. Cash shall be distributed using a prorata formula. For instance, if the Township contributes a total of sixty percent (60%) of the revenue of the Police Authority and the City contributes forty percent (40%) of the revenue of the Police Authority, the Township would be entitled to sixty percent (60%) of the remaining cash after all liabilities have been paid in full and the City would receive forty percent (40%) of the cash under the example provided. Any assets of the Police Authority, other than cash, which have been acquired by the Police Authority and not from the Township or the City, shall be distributed in the sole determination of the Police Authority Board to the Township and City. The Township and City

are not required, as a condition of termination, to accept for employment any of the personnel employed by the Police Authority.

## **ARTICLE IX**

### **MISCELLANEOUS**

**Section 9.01. Due Execution of this Agreement.** Each Party shall duly execute not less than four (4) copies of this Agreement, each of which, taken together, is an original but all of which constitute one (1) instrument.

**Section 9.02. Emergency Manager.** Notwithstanding any provision of this Agreement, if an emergency manager has been appointed under the local financial stability and choice act, Act 436 of the Michigan Public Acts of 2012, as amended, being MCL § 141.1541 to 141.1575, with respect to the Police Authority, then the emergency manager may exercise the authority and responsibilities provided in this Agreement to the extent authorized by Act 436 of the Michigan Public Acts of 2012.

**Section 9.03. Non-Discrimination.** The Police Authority shall employ and contract with individuals and companies without discrimination as to religion, creed, race, color, sex, or national origin as mandated by Section 2 of Article I of the State Constitution of 1963. The Police Authority also shall comply with the Elliott-Larson Civil Rights Act, Act 453 of the Michigan Public Acts of 1976, as amended, being MCL § 37.2101 to 37.284, the Persons with Disabilities Civil Rights Act, Act 220 of the Michigan Public Acts of 1976, as amended, being MCL § 37.1101 to 37.1607, and other applicable civil rights laws.

**Section 9.04. Public Purpose and Governmental Function.** As both the Township and the City are bodies corporate and governmental agencies, the powers, duties, rights, obligations, functions, and responsibilities of the Police Authority constitute essential public purposes and governmental functions.

**Section 9.05. Non-impairment.** Nothing in this Agreement authorizes the impairment of a bond, note, security, or uncontested legal obligation of the Township or the City.

**Section 9.06. Addresses and Notice.** Unless otherwise provided herein and with the exception of invoices for payment and payments submitted, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called “Notice”) herein provided or permitted to be given, made or accepted by any Party to any other Party must be in writing and may be given or be served by depositing the same in the United States mail postage paid and registered or certified and addressed to the party to be notified, with return receipt

requested, or by delivering the same to an officer of such Party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

**If to Township, to:**

Charter Township of Mundy  
Attn: Township Clerk  
3478 Mundy Avenue  
Swartz Creek, Michigan 48473

**If to City, to:**

City of Swartz Creek  
Attn: City Clerk  
8083 Civic Drive  
Swartz Creek, Michigan 48473

**If to Police Authority, to:**

Police Authority  
Attn: Chief of Police  
4029 West Grand Blanc Road  
Swartz Creek, Michigan 48473

The Parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other Party hereto.

**Section 9.07. Entire Agreement.** This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. It is further understood and agreed that the terms and conditions of this Agreement are contractual and are not mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement.

**Section 9.08. Severability.** The Parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses or words of this Agreement or the application of such sections, subsections, provisions, clauses or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality or contravention shall not affect any other sections, subsections, provisions, clauses or words of this Agreement or the application of such sections, subsections, provisions, clauses or words to any other situation or circumstance, and it is intended that this Agreement shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause or word had not been included herein, and the rights and obligations of the Parties hereto shall be construed and remain in force accordingly.

**Section 9.09. Governing Law.** This Agreement is made and entered into in this State and shall in all respects be interpreted, enforced, and governed under the laws of the State without regard to the doctrine of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not construed strictly for or against any Party.

**Section 9.10. Jurisdiction and Venue.** In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants, or conditions of this Agreement, the matter under dispute, unless resolved between the Parties, shall be submitted to the courts of the State.

**Section 9.11. Amendment.** This Agreement may be amended or an alternative form of this Agreement adopted only upon written agreement of all Parties. Any agreement or contract among the Parties that is inconsistent with this Agreement shall be adopted as an amendment to the Agreement and be approved as provided in Act 7 by the governing bodies of the Parties prior to becoming effective. Any amendment to allow the participation in the Police Authority by another Public Agency as a Party will be completed in a manner consistent with Act 7.

**Section 9.12. Construction.** This Agreement has been prepared and negotiations have occurred in connection with said preparation pursuant to the joint efforts of the Parties hereto. This Agreement therefore shall not be construed against any Party to this Agreement.

**Section 9.13. Assignability and Successor Interest.** This Agreement may be assigned or the rights herein may otherwise be transferred from the Township or City to a duly formed successor agency or entity, or to the State, provided that no obligations of the Police Authority set forth in this Agreement shall be affected by any such assignment or transfer. If either Party desires to make such transfer or assignment, they shall first provide thirty (30) days written notice to the other Party to provide the opportunity for comments.

**Section 9.14. Prior Agreements between the Township and City.** After this Agreement becomes effective, all prior agreements between the Township and City that relate to Police Services, including, but not limited to, the **AGREEMENT TO OVERSEE POLICE DEPARTMENT**, are hereby repealed and are declared null and void.

**Section 9.15. Effective Date.** This Agreement is effective on the Effective Date.

**CHARTER TOWNSHIP OF MUNDY**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

David Guigear  
Supervisor

Address: 3478 Mundy Avenue  
Swartz Creek, MI 48473

**CITY OF SWARTZ CREEK**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

David Krueger  
Mayor

Address: 8083 Civic Drive  
Swartz Creek, MI 48473

This Agreement was prepared by  
Kevin Kilby (P68599)  
McGraw Morris P.C.  
2075 W. Big Beaver Road  
Suite 750  
Troy, Michigan 48084  
(810) 569-0352  
kkilby@mcgrawmorris.com

**PART 16. GENERAL PLANS**

**R 325.11601 Purpose.**

Rule 1601. This part establishes requirements of certain public water supplies for the submission and updating of waterworks system general plans to satisfy the requirements of subsection (1) of section 4 of the act.

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

**R 325.11602 Type I and type II public water supplies; submission of general plans to department.**

Rule 1602. (1) A current general plan for type I public water supplies that address the pertinent requirements of this part shall be submitted to the department. Neither of the following type I public water supplies that existed before the effective date of this rule is required to comply with this subrule until January 1, 2016.

(a) Those serving less than 50 service connections or less than 200 persons.

(b) Those serving facilities which are licensed annually by the state, including manufactured housing communities and health care facilities.

(2) The department, by written notice, may require specific type II public water supplies to provide a general plan. The public water supply so notified shall provide a general plan to the department within 1 year after receipt of the written notice.

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

**R 325.11603 Updating requirements.**

Rule 1603. (1) Public water supplies having previously provided a general plan to the department meet the requirements of this part unless the department determines that the plans previously submitted are inadequate or outdated.

(2) Upon receiving written notice from the department, public water supplies shall provide an updated general plan within 6 months.

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

**R 325.11604 Contents of general plans for all applicable systems.**

Rule 1604. The general plan for a waterworks system shall contain a description of the waterworks system, including both of the following:

(a) The general layout of the entire waterworks system, including treatment systems and distribution systems, and the location of valves, hydrants, storage tanks, watermains, pumps, wells, and pumping facilities.

(b) Rated capacity of the waterworks system, including capacity of the developed water source, treatment system, storage tanks, pumping facilities, and equipment to maintain system reliability.

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

**R 325.11605 Community water supplies that have distribution system intended to provide fire protection; additional general plan requirements.**

Rule 1605. The general plan for a waterworks system that has a distribution system intended to provide fire protection purposes shall include all of the following information:

(a) A hydraulic analysis of the distribution system showing pressure contours under peak demands.

(b) An inventory of water main by size and material and age.

(c) Service area maps including existing and future service area boundaries.

History: 2009 MR 23, Eff. Dec. 4, 2009.

**R 325.11606. Publicly owned or operated community water supplies; additional general plan requirements.**

Rule 1606. (1) The general plan for a waterworks system that is publicly owned or operated shall include a capital improvements plan that identifies water system needs for 5-year and 20-year planning periods. A publicly owned or operated community water supply that existed before the effective date of this rule is not required to comply with this subrule until January 1, 2016.

(2) A publicly owned or operated community system may include additional information with the general plan, including the current reliability study, annual pumpage report, sample siting plan, source

Plan requirements,  
with date of  
compliance.

Administrative Rules  
Promulgated under the Michigan Safe Drinking Water Act

water protection plan, water conservation/efficiency program, waterworks operation and maintenance programs, regional planning documents, and relevant zoning and land use plans for the service area.  
History: 2009 MR 23, Eff. Dec. 4, 2009.

**PART 17. OWNERSHIP OF PUBLIC WATER SUPPLIES**

**R 325.11701 Purpose.**

Rule 1701. The purpose of this part is to prescribe certain requirements and procedures in accordance with section 10 of the act for private ownership of certain type I public water supplies when public ownership cannot be achieved.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

**R 325.11702 Intent.**

Rule 1702. Regulatory jurisdiction over public water supplies in this state is for the declared purpose of protecting the public health and to assure that public water supplies and waterworks systems are properly planned, constructed, maintained, and operated. It is a well established principle in this state that type I public water supplies be operated and maintained in an effective manner at all times and that adequate provision be made for a continuing administrative authority to accomplish this objective. Department procedures which have been in effect have strongly encouraged public ownership of all type I public water supplies. Accordingly, it is the department's belief that all avenues must be thoroughly explored with local governmental units to achieve public ownership of those public water supplies. If it is determined by the department that a local unit of government will not accept responsibility for ownership and operation of a type I public water supply, specific procedures must be established prior to issuance of a permit for construction of waterworks systems associated therewith.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

**R 325.11703 Applicability and general requirements.**

Rule 1703. (1) Except as noted in this part, this part applies to both of the following:

- (a) A private owner that proposes to construct a privately owned type I public water supply.
- (b) A privately owned type I public water supply.

(2) The department shall approve a new privately owned public water supply only by issuance of a permit. To receive from the department a permit to construct a type I public water supply, the owner of the proposed type I public water supply shall perform all of the following:

- (a) Submit to the department the information required under part 13 of these rules.
- (b) Submit to the department proof of refusal to accept ownership or operational responsibility of that public water supply from the governing entity under whose jurisdiction the public water supply is included, as required under R 325.11705.

(c) On a form provided by the department, stipulate to conditions required by the department to ensure the public water supply will meet the requirements of the act and these rules. At a minimum, the conditions shall include all of the following:

(i) Supply water to the public according to the act and these rules and transfer the supply to the governmental entity by an acceptable agreement between the parties as required under R 325.11706.

(ii) Establish and maintain an escrow fund under R 325.11707 to R 325.11708. This paragraph does not apply to facilities that are required to be licensed by the state, such as manufactured housing communities and health care facilities.

(iii) Provide or obtain easements, or isolation areas, or both, and abandon wells as required under R 325.11709.

(iv) Provide service connections to not more than the number provided for in the permit to construct as required under R 325.11710.

(v) Receive department approval before transferring ownership of the supply as required under R 325.11711.

(vi) Provide contact information of system operation personnel as required under R 325.11712.

(3) A privately owned public water supply whose classification under part 5 of these rules changes to type I shall comply with subrule (2)(b) and (c) of this rule.



# ROWE PROFESSIONAL SERVICES COMPANY

*Large Firm Resources. Personal Attention.™*

October 6, 2015

Mr. Adam Zettel, City Manager  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

RE: Engineering Proposal  
Water System General Plan

Dear Mr. Zettel:

ROWE Professional Services Company is pleased to submit this proposal for engineering services regarding the above referenced project. As we discussed, work will include the development of a general plan for the water distribution system to meet the requirements set forth by the Michigan Department of Environmental Quality (MDEQ).

Please see the attached Exhibit A, which lists the scope of work intended for this project. ROWE proposes to perform the services listed in Exhibit A for the lump sum fee of \$4,015.

ROWE is prepared to begin work on this project as soon as we have the signed written authorization to proceed. If you are in agreement with this proposal, please sign in the space provided below and return to our office.

Should you have any questions or comments, please do not hesitate to contact either of us at our corporate office at (810) 341-7500.

Sincerely,  
ROWE Professional Services Company

Louis P. Fleury, P.E.  
Project Manager

### Attachments

*Having reviewed this proposal, including the attached statement of terms and conditions which is a part thereof, acceptance of this proposal is hereby confirmed. ROWE Professional Services Company is authorized to proceed with the work.*

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

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## EXHIBIT A

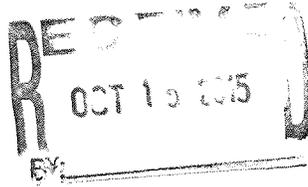
### SCOPE OF WORK:

The overall scope of work for this project is to prepare a Water System General Plan for the City of Swartz Creek. The work will be performed to the standards set by the MDEQ for Water System General Plans, and address issues that the MDEQ outlined in their September 10, 2014 water system review letter to the city. In order to complete the project, it is anticipated that the following tasks will be necessary:

1. *Water System General Plan* – The existing water system map will incorporate additional information required, such as water main inventory and capital improvements. In addition, the water system service area boundary will be shown.
2. *Hydraulic Model* - ROWE will incorporate the city's water model that was developed for the current water reliability study. The model will show existing pressures and fire flows available throughout the system, identify areas that need improvement, develop options for improving the system, and illustrate the anticipated effects of potential projects.
3. *Report* - ROWE will assemble a report which will include a summary of findings, general plan drawing, pressure and fire flow contour maps from the hydraulic modeling, recommendations for improvements, and estimated cost estimates for the improvements. The report will satisfy the MDEQ requirements for a water system general plan. ROWE will submit a draft report to city staff for review and comment. ROWE will incorporate any comments from city staff in the final report. A total of eight copies of the report will be provided to the city. Upon approval from the city, ROWE can submit a copy of the final report to the MDEQ for their review. Once the report is accepted by the MDEQ, the final version in PDF format will be provided to the city for your records.



October 12, 2015



Adam Zettel, City Manager  
City of Swartz Creek  
8083 Civic Dr.  
Swartz Creek, MI 48473

Dear Mr. Zettel:

As part of Comcast's commitment to keep you informed about important developments that affect our customers in your community, I am writing to notify you of some changes. Customers are being notified of these changes via bill message.

Beginning November 19, 2015, in order to simplify installation pricing and customer statements, all video, data and/or voice installations along with in-home service visits will be one flat fee of \$75.00. There will no longer be a \$15.00 fee for activating pre-wired outlets or any wireless network set up fees.

Additionally, pursuant to P.A. 480 of 2006, Section 9 (4), Comcast Cable's local operating entity hereby reports that Comcast does not deny access to services to any group of potential residential subscribers because of the race or income of the residents in the local area. A similar report will be filed with the Michigan Public Service Commission.

As always, feel free to contact me directly at 734-254-1888 with any questions you may have

Sincerely,

Frederick G. Eaton  
Senior Manager, External Affairs  
Comcast, Heartland Region  
41112 Concept Drive  
Plymouth, MI 48170

CITY OF SWARTZ CREEK  
SWARTZ CREEK, MICHIGAN

STREET CLOSURE APPLICATION

DATE OF REQUEST: October 14, 2015 2015

SPONSOR ORGANIZATION: Swartz Creek Area Firefighters Inc.

AUTHORIZED REPRESENTATIVE: Dave Plumb

WORK ADDRESS: 8100-B Civic DR SC HOME ADDRESS: 5102 Walden Dr SC

PHONE NO: WORK (810) 635-2300 HOME: (810) 630-6623 CELL: (810) 965-4573

TYPE OF EVENT:  PARADE\* (DRAW ROUTE ON ATTACHED MAP)  
 CARNIVAL  CRAFT SHOW  
 STREET DANCE  CONCERT  
 OTHER: \_\_\_\_\_

DATE OF EVENT: 12 / 5 / 15 TIME OF EVENT: FROM: 6 AM / PM  
TO: 7 30 AM / PM

ESTIMATED NUMBER OF PARTICIPANTS: 100

ROADS REQUESTED TO BE CLOSED: \*\* All side St during Parade from Fairchild to Hayes Route S.C. HS to Fire Dept via Miller Rd

The applicant agrees, as a condition of the granting of this permit, to hold the City of Swartz Creek, its officers, employees, and agents harmless from any liability from any injuries caused to persons or property in connection with this event. To that end, the applicant shall provide the City with evidence of insurance for such liability in an amount determined adequate by the City Attorney, but in no case less than \$1,000,000/2,000,000 aggregate and the City of Swartz Creek shall be named as an insured party-on said policy. The policy shall also contain a provision providing the City with ten (10) days written notice of cancellation.

For: Swartz Creek Area Firefighters (Organization) By: [Signature] (Authorized Representative)

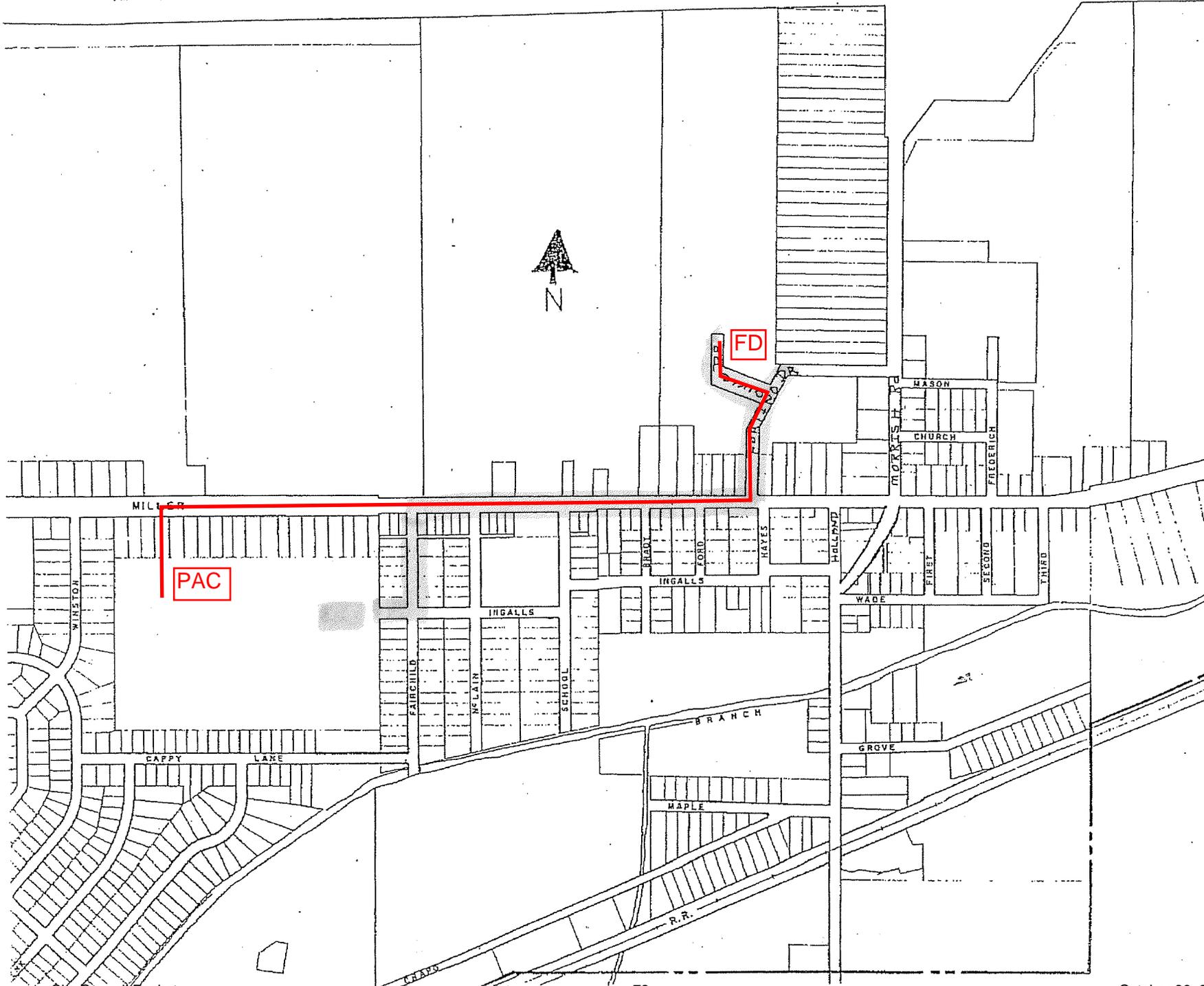
APPROVED BY: [Signature] (Chief of Police) 10-16-15

APPROVED  
Chief Rick Clolinger  
City of Swartz Creek

\* The throwing of any item(s) from any vehicle during the course of a parade is strictly prohibited and violations may result in criminal prosecution and/or the denial of future permit applications.

\*\*The Chief of Police reserves the right to determine the length of time that any street(s) remain(s) closed to traffic.

THIS REQUEST AND ALL REQUIRED ASSOCIATED DOCUMENTS MUST BE SUBMITTED TO THE OFFICE OF THE CHIEF OF POLICE NO LATER THAN 30 DAYS PRIOR TO EVENT DATE







# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/01/15

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Blackmore-Rowe Insurance P. O. Box 320407 G-6235 Corunna Road, Suite H Flint, MI 48532 Shelly Horkey	810-720-8244	<b>CONTACT NAME:</b> _____ <b>PHONE (A/C, No, Ext):</b> _____ <b>E-MAIL ADDRESS:</b> _____	<b>FAX (A/C, No):</b> _____													
	810-720-8238	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A : Auto Owners Insurance</td> <td>18988</td> </tr> <tr> <td>INSURER B : Condon &amp; Skelly</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Auto Owners Insurance	18988	INSURER B : Condon & Skelly		INSURER C :		INSURER D :		INSURER E :		INSURER F :
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INSURER C :																
INSURER D :																
INSURER E :																
INSURER F :																
<b>INSURED</b> Swartz Creek Area Fire Fighters Inc. 8100-B Civic Dr. Swartz Creek, MI 48473																

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS			
A	GENERAL LIABILITY			14923593	07/17/15	07/17/16	EACH OCCURRENCE \$ 1,000,000			
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000			
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000			
	GEN'L AGGREGATE LIMIT APPLIES PER:									PERSONAL & ADV INJURY \$ 1,000,000
	<input type="checkbox"/> POLICY	<input type="checkbox"/> PRO-JECT	<input type="checkbox"/> LOC							GENERAL AGGREGATE \$ 1,000,000
										PRODUCTS - COMP/OP AGG \$ 1,000,000
										\$
B	AUTOMOBILE LIABILITY			CSA05783803	01/12/15	01/12/16	COMBINED SINGLE LIMIT (Ea accident) \$ 500,000			
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$			
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per accident) \$			
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$			
							\$			
	UMBRELLA LIAB						EACH OCCURRENCE \$			
	EXCESS LIAB						AGGREGATE \$			
	DED						\$			
	RETENTION \$						\$			
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS			
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				OTHER			
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$			
							E.L. DISEASE - EA EMPLOYEE \$			
							E.L. DISEASE - POLICY LIMIT \$			

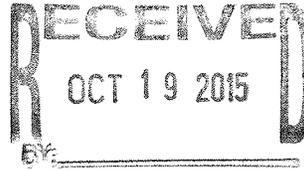
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

<b>CERTIFICATE HOLDER</b>  INSDCOP  Insured Copy 8100-B Civic Dr Swartz Creek, MI 48473	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Shelly Horkey <i>Shelly Horkey</i>



October 16, 2015

Adam Zettel  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473



Re: MERS Experience Study Impacts

Dear Customer,

In my CEO message to you back in August, I updated you that as part of our fiduciary responsibility, MERS and our actuarial firm recently completed a comprehensive Experience Study for the Defined Benefit and Defined Benefit portion of the Hybrid Plan. To ensure the adequacy and sustainability of these plans, we perform this study every five years to review MERS' funding policy and compare actual experience with current actuarial assumptions. Your Board spent several meetings discussing the results from 2009 through 2013 and took action on several items based on the results.

**Funding Policy Goals**

Our primary goal is to ensure that each municipality has enough assets in their plans to pay for the benefits promised to employees. In keeping with this goal, MERS also aims to help each plan make reasonable progress in funding any unfunded portions of their plan.

Our secondary goal is to have each generation incur the cost of benefits for the employees who provide service in that generation, rather than passing on those costs to future generations.

Finally, we believe contribution stability should be balanced with the commitment to ensure plans are properly funded, and support our overarching organizational goals of transparency and accountability.

**Overview of the Changes**

We have developed a dedicated resource page on our website that provides the details regarding all of the changes. The most impactful areas are:

People are living longer

**Mortality Rates Table:** The study showed that defined benefit participants are living longer. While not surprising, this will increase costs as we project pensions will be paid out longer than previously assumed.

Investments aren't as good

**Investment Rate of Return Assumption:** Historically, MERS has met the 8% investment assumption over the long-term. However to reflect our current judgment of what we can earn on our assets over the long run, we have lowered our assumption from 8% to 7.75%. This will result in increased costs as we assume less of the pension payments will come from investment earnings.

We have less time to catch up

**Amortization Policy:** Historically, public pension plans have used a rolling amortization period of 20-30 years to amortize payments toward unfunded accrued liability (UAL), which means each year the UAL will be "refinanced" over the same period of time.

Since 2005, MERS has been gradually reducing the amortization period from a rolling 30 years to a rolling 20 year period. Today, most open divisions use a 24-year amortization period, while closed divisions use shorter periods ranging from 23 years to 5 years. The Board determined that we will continue to gradually reduce this period for both open and closed divisions until the current UAL is completely paid off. Moving to this type of “fixed period amortization” means that all unfunded liabilities will be fully funded by a specific date in the future.

To reduce contribution volatility, once the amortization period drops below 15 years, any future liability and asset gains or losses will be spread over a 15-year fixed period for open plans and a 10-year fixed period for closed plans—creating “layers” of UAL on an annual basis.

This transparent method allows tracking of what changed your UAL, and sets a fixed period in time in which that UAL will be fully funded.

Changes result in larger liabilities and an underlying need for more \$\$\$ from the city.

### How Will these Changes Affect Your Plan?

These changes impact your contribution rates for **fiscal years beginning in 2017**, which will be delivered to you in your annual valuation report in June 2016. While these changes in assumptions will mean larger liabilities than anticipated by the prior assumptions for most employers, they will ensure each plan makes reasonable progress towards funding the unfunded liabilities of the plan. When discussing changes in assumptions it is important to remember that, although the assumptions used impact the annual contributions, the true cost of the plan will be based on what will actually happen in the future – independent of the assumptions used.

Enclosed you will find an updated **Projection of Employer Contributions and Funded Status Report** using the new assumptions. This report updates the projections provided in your 2014 valuation to assist you with projecting estimated impacts from the changes.

### Your Retirement Partner

We recognize that many municipalities are already taking steps to reduce their UAL. You'll note in the included projection report that the Board approved a “phase in” of the total impact over the next 5 years (impacting fiscal years beginning 2017 – 2021) as an additional option for you.

We greatly appreciate the opportunity to be your partner in providing retirement plans that meet your needs. MERS is committed to helping you understand these changes and their impacts. We have set up a dedicated **resource page on our website**, [www.mersofmich.com](http://www.mersofmich.com), regarding this topic, with links to frequently asked questions, upcoming events and additional details.

Please contact me or your Regional Manager if you have any additional questions.

Chris DeRose  
Chief Executive Officer  
Municipal Employees' Retirement System of Michigan



October, 2015

Swartz Creek, City of (2504)

In care of:  
 Municipal Employees' Retirement System of Michigan  
 1134 Municipal Way  
 Lansing, Michigan 48917

**Re: Six Year Projection of Employer Contributions and Funded Status under the Municipal Employees Retirement System – Reflecting New Actuarial Assumptions**

This report is as an update to the Five Year Projections provided to you in your December 31, 2014 valuation. It projects the estimated employer contributions and funded status for the next six fiscal years, based on the December 31, 2014 annual valuation report, but reflecting the assumption and method changes that will be effective with the December 31, 2015 annual valuation report. Please visit the MERS website for the assumptions and methods which will be used in the December 31, 2015 valuation.

The first row in the table below is based on the 2014 valuation assumptions, while the next five rows are based on the assumptions and methods that will be used **beginning with the 2015 annual valuation**. The impact of the assumption changes on the contribution requirements is phased in over a five year period, beginning with the December 31, 2015 valuations. Your contribution requirement for the fiscal year beginning in 2016 is unchanged. Your actual contribution requirement for the fiscal year beginning in 2017 will be delivered in June of 2016.

Ouch. We can reduce this with additional payments, split between funds.

Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets <sup>3</sup>	Funded Percentage	Required Annual Employer Contribution <sup>1,2</sup>
2014	2016	\$ 8,657,510	\$ 7,657,368	88%	\$ 162,684
2015	2017	9,140,000	7,530,000	82%	223,940
2016	2018	9,200,000	7,460,000	81%	300,281
2017	2019	9,230,000	7,440,000	81%	384,198
2018	2020	9,250,000	7,460,000	81%	482,091
2019	2021	9,250,000	7,540,000	82%	643,104

<sup>1</sup> For an employer with open divisions, this column will include the impact of projected increases in total payroll from 2014 to the applicable fiscal year.

<sup>2</sup> Projections do not include the impact of employer contribution caps, if any, for fiscal years beginning in 2017 and beyond.

<sup>3</sup> Market investment returns are assumed to be 8% in 2015 and 7.75% in future years.



***A few words about these projections***

The calculations in this report are based on assumptions about long-term economic and demographic behavior. These assumptions will not match actual experience, except by coincidence. Actual future contribution requirements will be influenced by the actual experience in a given future year, so it is likely that the actual contribution requirements will be different than those shown in the table on the previous page. Projections are useful in providing a picture of the pattern of future contributions.

The projections assume that the required employer and employee contributions are made during the projection period. It is also assumed there will be no changes in benefit programs or employee contribution rates during the projection period.

***Disclosures***

The report does not account for the additional 2015 overpayment.

The projections in this report are based on the demographic data, benefit provisions and methods used in the December 31, 2014 annual actuarial report. Results are based on the assumptions and methods which will first be used in the December 31, 2015 annual valuation report, except for the results for the valuation year ending December 31, 2014, which use the assumptions and methods from the 2014 annual actuarial valuation.

The information provided in this report is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting or investment advice. The report should be provided to other parties only in its entirety. CBIZ Retirement Plan Services is not responsible for the consequences of any unauthorized use.

To the best of our knowledge, this report is complete and accurate, and was prepared in conformity with generally recognized actuarial principles and practices. All of the undersigned are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

If you have any questions, or need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS (6377).

Sincerely,

Cathy Nagy, MAAA, FSA

Jim Koss, MAAA, ASA

Curt Powell, MAAA, ASA

# Senate calls for fast action on deal to fix state roads

By Kathleen Gray, Detroit Free Press Lansing Bureau 5:21 p.m. EDT October 20, 2015



(Photo: Detroit Free Press)

LANSING Instead of cooling off, talks on a fix for Michigan's crumbling roads and bridges heated up on Tuesday when Senate Majority Leader Arlan Meekhof, R-West Olive, challenged the House of Representatives to put up the proposed deal for a vote.

"The House has this in their lap and I'm asking them to act," Meekhof said. "The last best deal we had on the table is the one we should put up for a vote."

The last best deal includes:

- A 6.5-cent increase in the gas tax, which would hike the .19-cent current tax to 25.5 cents and raise \$400 million in new revenue.
- Eliminate the discount drivers now receive on their registration fees when they buy a new car, increase fees on electric cars and heavy trucks, generating \$400 million in new revenue.
- Shift \$400 million from the general fund to fund the roads.
- Lower the state's income tax rate when the economy is booming.

The leadership in the House and Senate have been meeting with Gov. Rick Snyder and Lt. Gov. Brian Calley since this summer to try and come up with a road fix after voters soundly defeated a ballot proposal in May that would have raised the sales tax from 6% to 7%, with the proceeds going to help schools, local government, the working poor and redirect money into roads.

But those talks hit an impasse last week when Democrats balked at lowering the state's income tax. In the light of the roadblock in talks, Meekhof called on the House Tuesday to appoint a conference committee -- comprised of members of both the House and Senate -- to work on the final deal and put it up for a vote.

Gideon D'Assandro, spokesman for Speaker of the House Kevin Cotter, R-Mt. Pleasant, said Meekhof's demands are misplaced

"Sen. Meekhof left the quadrant meeting last week, so he should know very well that there is no deal," he said. "Rep. Cotter and the Governor have been talking about where we go from here and hopefully we can get this back on track. There's no harm in calling a conference committee, but I'm not sure it's going to accomplish a whole lot. (Meekhof) said to call a conference committee and vote on a deal, but there is no deal."

Senate Minority Leader Jim Ananich, D-Flint, said the leadership was talking about tax relief as part of the roads deal, but there is concern with lowering the state's income tax.

"Tax relief is something that is a very valuable component of what we could be working on," he said. "The concerns about the income tax are real, but I think we're really close on the bones of a deal and I think we can figure out a way to get there."

The Senate was the last body to pass roads' bills, so it's up to the House to either put the bills up for a vote or call for a conference committee to craft a final deal to present to lawmakers. If the latest deal is put into a conference committee and sent back to both the House and Senate, it would be subject to an up or down vote without the ability to amend the bills approved by the conference committee.

This is a very, very good deal," Meekhof said. "There is enough in it for everybody to dislike something, so it's probably the right deal."

Ananich agreed that it probably makes good sense for a conference committee to hash out the roads plan.

"We were really, really close to a good outcome," he said. "There is a point in time where we do need to get some action."

Snyder told the Free Press editorial board Monday that he will continue to be "relentless" on getting a roads deal done.

"We were moving forward with a comprehensive package. I thought we had a deal and the only thing to mess it up was politics. And that messed it up," Snyder said. "I didn't say it failed or stopped. There were some people who just needed to cool off."

The Business Leaders of Michigan and the Michigan Municipal League urged the Legislature to act quickly on a plan that includes no more than \$400 million from existing general fund revenues.

"We've been talking about the need to invest new dollars in Michigan's infrastructure for four years. There have been multiple plans and several 'close calls' without a solution. We are at that point again," said Doug Rothwell, President and CEO of Business Leaders for Michigan, in a statement. "Using the General Fund beyond that (\$400 million) level isn't sustainable and puts other critical needs at risk."

Dan Gilmartin, executive director of the MML, said roads are a critical component of the state's budget, "but not at the expense of other critical service. We believe the fairest solution is one that relies on the users of our system to pay for its upkeep and repair – gasoline taxes, registration fees or similar revenue sources. Michigan needs this problem solved once and for all--and solved the right way."

Contact Kathleen Gray: 517-372-8661, kgray99@freepress.com or on Twitter @michpoligal

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Oct. 21, 2015, 11:32 a.m.

October 26, 2015

Michigan

## New \$1.2 billion road funding plan taking shape tonight in Michigan House



A rough road near the Michigan Capitol in Lansing on November 14, 2014. (Jonathan Oosting | MLive.com)



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on October 21, 2015 at 7:03 PM, updated October 21, 2015 at 7:51 PM

LANSING, MI — Michigan House Republican leaders are working hard tonight on a new road funding plan and attempting to secure enough GOP votes to go it alone without any Democratic support.

While no details have been made public, sources say the plan would eventually generate \$600 million a year in new revenue through fuel taxes and fees while dedicating another \$600 million a year in general fund revenue.

The road-related tax increases could be largely offset by an expansion of the Homestead Property Tax Credit, a move that would also reduce general fund revenue for the state and could cause some heartburn for accountant Gov. Rick Snyder.

It's a surprise development in the House, coming one week after talks between Snyder and legislative leaders broke down. Those discussions had been focused on a plan to generate \$800 million in new revenue and dedicate \$400 million from the general fund, with Senate Republicans pushing to link it to a income tax rollback plan.

Senate Majority Leader Arlan Meekhof, R-West Olive, has been urging the House to put that plan up for a vote.

Lance Binoniemi of the Michigan Infrastructure and Transportation Association, which has been lobbying for a road funding increase for several years, said his group his "very supportive" of the developing House plan and believes it would be hard for Snyder and the Senate GOP supermajority to ignore.

"We've always said that we support any way shape or form they can come up with \$1.2 billion for roads, and whatever can get them the necessary votes in each chamber," Binoniemi said Wednesday evening. "...We'll be pushing it very hard in these last few minutes in the House, and then if it does pass, pushing it hard in the Senate and with the administration too."

Democrats are unlikely to support the new plan because of the potential budget effects. They've opposed other proposals that included large general fund dedications, arguing they would jeopardize funding for other budget priorities, including education and public safety.

House Republicans, meanwhile, continue to face pressure from anti-tax groups warning them that approving any kind of road funding tax increase could jeopardize their reelection efforts in 2016, especially if they do it without Democrats.

"If Republicans vote for a tax hike, then Republicans will lose their moral high ground on the issue of taxes to the left," said Jennifer Hensley of the Platform Republican Caucus in Livingston County.

As of 7 p.m., the House was still in session and at ease while negotiations continued. Both caucuses had brought in dinner for lawmakers, suggesting they were preparing for a long night.

*Jonathan Oosting is a Capitol reporter for MLive Media Group. **Email him**, find him on **Facebook** [<https://www.facebook.com/jonathan.oosting>] or follow him on **Twitter** [<http://twitter.com/jonathanoosting>].*

## MICHIGAN ROADS

**Michigan House approves brand new \$1.2B road funding plan in late-night session**

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**New \$1.2 billion road funding plan taking shape tonight in Michigan House**

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