

VILLAGE OF KALKASKA

MINUTES OF A REGULAR COUNCIL MEETING HELD ON MONDAY, SEPTEMBER 13, 2021
AT THE RAILROAD SQUARE PAVILION, 107 ELM STREET, KALKASKA, MICHIGAN 49646.

CALL TO ORDER/ROLL CALL

President Wales called the meeting to order at 6:00 p.m.

PRESENT: President Wales and Trustees Dunham, Larsen, Miller, Needham and White

ABSENT: Trustee Bishop

STAFF PRESENT: Angie Koon, Village Clerk; Aaron Popa, Lieutenant/Assistant Manager.

PUBLIC PRESENT: Cash Cook, Tony Miller, Joe Verlin, Samantha Balk, Jessica Swift, Linda Gallagher and Angela Vitacco.

President Wales led with the Pledge of Allegiance.

APPROVAL OF REGULAR AGENDA

Motion by White, second by Larsen, to approve the agenda as presented. Motion carried on a voice vote.

CONSENT AGENDA

Motion by Miller, second by Needham, to approve the consent agenda as presented. Motion carried on a voice vote.

PUBLIC COMMENT

Tony Miller stated he has lived on First Street/Island Lake Road, near the curve in the road, since 1996. Miller stated that traffic from the west to east, particularly vehicles pulling a trailer, have a tendency to go off the road due to a large dip in the pavement. Miller stated the Village DPW has attempted to repair this numerous times, but the repair only lasts a couple of days. Miller stated this flaw caused a bad car accident a couple of years ago. Miller asked whether the road could be widened as it is difficult to stay on the road, particularly while pulling a trailer, when hitting this uneven area. Assistant Manager Popa stated it had previously been discussed by the DPW. President Wales stated this could potentially be taken care of at the same time as planned road projects.

Miller also thanked the Village DPW for placing stakes on each side of his driveway to avoid plowing snow into his yard.

PRESENTATIONS

- a. **Presentation by Gabridge & Company of Audit for FYE February 28, 2021** – Joe Verlin of Gabridge & Company thanked Village staff for the extra effort in providing materials since the audit was conducted remotely. Verlin stated they were able to provide a clean opinion, which is the highest level of opinion available on financial statements. Verlin pointed out a change in GASB No. 84 reporting requirements. Verlin reviewed the revenue/expenditure statement and fund balances, highlighting the retiree healthcare liability and pension liability. Verlin noted

the Village has already filed a Corrective Action Plan with the Department of Treasury, and stated the contributions being made (including an additional voluntary contribution) will bring the Village into compliance.

Verlin discussed the Village's water and sewer funds, noting action may have to be taken in the future to pay off the debt service in the sewer fund. Verlin also stated that, because the Village received more than \$750,000 in Federal funds, they were subject to a Single Audit this year.

Trustee Dunham asked why the Village's governmental activities listed in the Audit include fire protection. Verlin stated this is standard template language, and activities not applicable to Kalkaska may be struck. Dunham asked how licensing fees are classified. Verlin stated these are considered Charges for Services. Dunham questioned the increase in legal-related fees. President Wales replied that funds were placed into the Professional Services account for the current lawsuit with MML, the Village's former liability insurer, for failing to cover liability for the retiree healthcare lawsuit. Wales also stated the Professional Services budget was increased across all funds for fees related to the Village to City transition. Dunham asked why water and sewer operations revenue decreased. Verlin pointed out the 2020 SAW Grant.

Trustee Dunham asked whether the increase in DPS wages involved Hazard Pay due to COVID. Wales stated this increase was due to Hazard Pay, COVID pay and normal pay raises per the Union contract. Wales also pointed out that much of the COVID-related pay was reimbursed through the CARES Act. Dunham asked who is responsible for the Corrective Action Plans. Assistant Manager Popa stated he has signed the necessary documents on the Manager's behalf.

President Wales asked whether lowering the cost of sewer operations would satisfy the USDA in the matter of sewer debt service. Verlin stated it may suffice if the Village can show the decrease in sewer operating costs. This would, however, require a conversation with the USDA.

BILLS/FINANCE COMMITTEE

Trustee Miller stated the committee reviewed current invoices, payroll reconciliations, monthly payroll, journal entries and bank reconciliations.

Motion by Miller, second by Dunham, to pay bills as presented in the amount of \$147,832.52. A roll call vote was then taken: Ayes – President Wales and Trustees Dunham, Larsen, Miller, Needham and White; Nays – None; Absent – Trustee Bishop. Motion carried.

REPORTS FROM OTHER COMMITTEES

Housing Development and Blight Renewal Committee – Trustee White stated during its inaugural meeting, the committee discussed inventory of viable development properties for single and multi-family homes and apartments, vacant lots within the R-1 area, and possible properties for development. White stated the committee also discussed funding paths and possible partnerships for future projects; and listed its priorities and direction. The committee will meet again on October 7, 2021 to review an updated inventory map. Yarrow Brown for Housing North will provide updated information on developers and State incentive programs. There is no recommendation to Council at this time.

Council Minutes – September 13, 2021

Assistant Manager Popa announced that the Village purchased a house on Court Street, and a study was done to determine whether lead or asbestos was present. Popa stated that Habitat for Humanity may purchase the house from the Village.

Public Works Committee – Trustee White stated the committee considered a utility bill adjustment request from a homeowner, where an abandoned water line created a leak.

Motion by White, second by Dunham, to issue a sewer credit in the amount of \$267.12 to remove 84,000 gallons of usage that did not enter the sewer system. A roll call vote was then taken:
Ayes – President Wales and Trustees Dunham, Larsen, Miller, Needham and White; Nays – None;
Absent – Trustee Bishop. Motion carried.

Trustee White stated this committee will also meet again on October 7, 2021.

REPORTS FROM VILLAGE OFFICERS

POLICE REPORT

Monthly statistics were provided by Lieutenant Popa. Popa stated that all officers are currently in Emergency Medical Responder Training with the exception of Officer Clark, who is already a licensed paramedic. Popa stated that Officer Clark, who is a member of the Northern Michigan Mutual Aid Taskforce Emergency Response Team, is currently attending Basic SWAT training.

MANAGER'S REPORT

Assistant Manager Popa announced that the Manager is currently on vacation. Popa stated the Habitat for Humanity lawsuit is still pending, and is hopeful that a compromise will be reached by the parties involved.

PRESIDENT'S REPORT

President Wales stated that DDA Director Cash Cook will report on a couple of upcoming projects under New Business.

UNFINISHED BUSINESS – None

NEW BUSINESS

Consider Amendment to 2021 Schedule of Village Meetings (New Location of Kalkaska County Commission on Aging at 303 S. Coral Street) – Motion by Miller, second by White, to approve the amended schedule of meetings. Motion carried on a voice vote.

Consider Adoption of Resolution 2021-030 to Support Grant Application(s) for Funding the US-131 North Country Trail Trailhead and Boardman River Boardwalk – DDA Director Cash Cook gave an overview of this project, including its location, and stated there are grant opportunities to fund the project in its entirety without any cash outlay from the Village or the DDA.

Motion by White, second by Miller, to adopt Resolution 2021-030. A roll call vote was then taken:
Ayes – President Wales and Trustees Dunham, Larsen, Miller, Needham and White; Nays – None;
Absent – Trustee Bishop. Motion carried.

Consider Adoption of Resolution 2021-031 to Support Grant Application(s) for Funding Michigan Intermodal Transportation and Tourism Infrastructure (MITTIN) Project – DDA

DDA Director Cash Cook stated the DDA applied for this grant last year through MDOT. Cook explained there are two rounds of Federal grants being offered this year, consisting of Planning and actual Construction for an intermodal rail.

Motion by White, second by Miller, to adopt Resolution 202-031. A roll call vote was then taken: Ayes – President Wales and Trustees Dunham, Larsen, Miller, Needham and White; Nays – None; Absent – Trustee Bishop. Motion carried.

Authorize the Brownfield Redevelopment Authority to Proceed with a Brownfield Plan for the Former Village Municipal Garage at 109 Fourth Street – DDA

DDA Director Cash Cook explained that environmental remediation is needed at this site, which is currently owned by the Village, and there is a developer interested in the property. Cook stated it has been proposed that the developer perform the clean-up, and be reimbursed through a Brownfield Plan/TIF Authority. Cook recommended this course of action so that a proposed apartment complex may be constructed here.

Discussion took place on the timeline for clean-up in relation to the sale of the property. Cook explained this is only the first step in the process, and there are no costs currently involved. Cook stated that, if approved, the Brownfield Redevelopment Authority will proceed with drafting the Plan; and the matter will return to the Village Council at a later date.

Motion by Dunham, second by Needham, to authorize the Brownfield Redevelopment Authority to proceed with a Brownfield Plan at 109 Fourth Street. A roll call vote was then taken: Ayes – President Wales and Trustees Dunham, Larsen, Miller, Needham and White; Nays – None; Absent – Trustee Bishop. Motion carried.

PUBLIC COMMENT

Jessica Swift stated she represents 42 Degrees Processing located in the Village. Swift stated she learned that 42 Degrees is now the third largest employer in Kalkaska, behind the hospital and Kalkaska Public Schools; and believes that 42 Degrees is the largest Kalkaska employer within the Cannabis Industry. Swift stated it is a privilege for 42 Degrees to be in Kalkaska. Swift stated she lost her job in 2020 due to COVID, and is grateful to be employed here. Swift also announced she is now officially a resident of Kalkaska.

Trustee Larsen pointed out the new consignment shop in the Village, and stated the owners are very nice people.

ADJOURNMENT

With no further business coming before this Council, President Wales adjourned the meeting at 6:55 p.m.

Recorded By: Angie Koon, Village Clerk