

CITY OF DE SOTO
CITY COUNCIL
City Hall, 32905 W. 84th Street
December 7th, 2006, at 7:00 P.M.

MINUTES

The meeting was called to order with Roll Call by Mayor David Anderson.

Roll Call:	Maniez	Present	Cannon	Present
	Templin	Present	Morse	Present
	Zindler	Present		

Citizens signed the book on page 80.

Mayor Anderson led the Pledge of Allegiance.

Consent Agenda Items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action.

1. Consent Agenda:
 - a. Approve Minutes of the Council Meeting of November 16th, 2006.
 - b. Approve Pay Ordinance No. 558.
 - c. Approve Final Debt Management Policy prepared by Columbia Capital.

Council President Zindler asked about Check No. 18009 for Appreciated Advertising, Inc. Councilwoman Cannon noted that these supplies are for the Sesquicentennial celebration.

Councilman Maniez noted that he was absent from the last meeting and would need to pull the meeting minute approval from the Consent Agenda.

Motion by Councilman Maniez to remove item 1A from Consent Agenda; second by Cannon.

Roll Call:	Zindler	Yes	Templin	Yes
	Maniez	Yes	Cannon	Yes
	Morse	Yes		

Motion passed.

Motion by Council President Zindler to approve Consent Agenda items 1b and 1c; second by Templin.

Roll Call:	Cannon	Yes	Templin	Yes
	Maniez	Yes	Zindler	Yes
	Morse	Yes		

Motion passed.

Motion by Councilwoman Templin to approve the minutes from the November 16th meeting; second by Cannon.

Roll Call:	Zindler	Yes	Morse	Yes
	Maniez	Abstain	Cannon	Yes

Motion passed.

Mayor Anderson advised the Council that Engineered Air gave the City a \$1,000 check to help fund the Sesquicentennial celebration.

2. Call to Public:

“Members of the public are welcome to use this time to comment about any matter relating to City business that is not listed on this Agenda. The comments that are discussed under Call to Public may or may not be acted upon by the Council during this meeting. **There is a four-minute time limit.** Please stand and wait to be recognized by the Mayor.”

Roger Sellers, representing the De Soto Veterans of Foreign Wars post, stated that their annual report was included in the Council packets. This report was required by the development agreement approved by the Council several years ago. They are trying to come up with the funds to do the front façade architectural treatment. Councilman Morse asked about the funding efforts. Sellers responded that they are going well so far. The VFW Blues and Barbeque party is Saturday night at 6:30 p.m. with a dance beginning at 8:00 p.m. Sellers introduced Drew Culpeson, the VFW's new post Commander, to the Council.

3. Chamber / EDC Report:

Sara Ritter, Executive Director, informed the Council that the recent development event was a success, with around 75 persons in attendance. She thanked City staff for their support of the event. The EDC (Economic Development Council) plans to make it an annual event, with the second open house in early fall of next year. The EDC quarterly membership meeting will be held on December 20th. Planning consultant Marty Shukart will be in town to address the membership on the Downtown Revitalization Plan. Ritter concluded that a new issue of the De Soto Advantage brochure will be coming out in 2007.

4. Old Business:

- a. Consider Special Use Permit for a recreational fitness facility in the 'O-I' Office-Institutional zoning district, addressed 8960 Commerce Drive, Suite 5D.

City Planner Kim Buttrum stated that the Body Shoppe is proposed to be a woman's only fitness facility in The Commons office park. The Council returned this item to the Planning Commission in November because of concerns the City Attorney had about the conditions of approval. The Commission has now recommended approval of the permit with the conditions as revised by Attorney Reavey. Buttrum briefly described staff's findings on the 'matters to be considered', which were all either positive or neutral. City Engineer Mike Brungardt stated that utilities are already present in the area and are of adequate capacity to handle the proposed fitness facility. There are 130 parking stalls currently being constructed; 60 stalls are within 100-feet of the front door. Fitness facilities will typically produce more traffic than the future surrounding office uses. The Body Shoppe clients will be somewhat less impactful traffic-wise in that visits will be shorter in duration. The total number of trips will be higher at approximately 200 trips per day. Buttrum concluded that staff and the Commission recommend approval of the permit.

Motion by Councilman Morse to approve Ordinance No. 2145 authorizing a Special Use Permit for the Body Shoppe Fitness Center for a term of 5 years, incorporating all items contained in Exhibit C of staff's report; second by Cannon.

Roll Call:	Cannon	Yes	Templin	Yes
	Maniez	Yes	Zindler	Yes
	Morse	Yes		

Motion passed.

- b. Consider Special Use Permit for a day care facility in the 'O-I' Office-Institutional zoning district, addressed 8960 Commerce Drive, Suite 5A.

Buttrum noted that the Kiddie Korner day care center was located in the same building as the Body Shoppe in The Commons office park. The Council has granted a temporary occupancy permit and the day care center has opened for business. As was the case with the Body Shoppe, the Commission has recommended approval with the revisions suggested by Attorney Reavey. Buttrum went on to review the 'matters to be considered', all of which were positive or neutral findings. Brungardt stated that there will not be long-term parking; traffic will be generated mainly by parents picking up and dropping off their children. All utilities are of adequate capacity to handle the use. Buttrum stated that the Planning Commission did express some concern that the first two land uses in the office park were service-oriented and not traditional office type uses as expected. There is a threshold for how many of these uses the office park could carry before parking and traffic become problematic.

Motion by Council President Zindler to approve Ordinance No. 2146 authorizing a Special Use Permit for the Kiddie Korner Day Care Center for a term of 5 years, incorporating all items contained in Exhibit C of staff's report, and that there be a 7:00 p.m. limit on the outdoor playground area; second by Cannon.

Roll Call:	Morse	Yes	Templin	Yes
	Zindler	Yes	Maniez	Yes
	Cannon	Yes		

Motion carried.

5. New Business:

- a. Discussion Regarding End-of-Year Budget Status and Establishment of Public Hearing to Amend 2006 Budget.

City Administrator Pat Guilfoyle asked that agenda items 5a and 5d be discussed as one because they are related. Guilfoyle presented the Council will a five-year financial forecast; this tool is helpful for the budgeting process. The forecast includes sections on property tax funds, enterprise, or utility, funds, and 'all other' funds. The forecast is malleable and can be tweaked to reflect major development projects or other significant changes as they may occur. Guilfoyle discussed a 6.2% increase in the sewer service charges and a 3% increase in the water service charges; this is reflected in the financial forecast. That percent increase was an expected outcome from the Sewer Master Plan. Approximately \$2.9 million dollars is projected to be available for the years 2007 through 2011. These funds can be rolled into the forthcoming Capital Improvements Plan. Guilfoyle discussed the 2006 fiscal end of year projections. Three of the funds will need to be amended: the sewer and water fund and the CDBG (Community Development Block Grant) fund.

Guilfoyle continued that staff is working with financial advisors Columbia Capital to restructure the City's debt portfolio. Mayor Anderson asked about the \$2 million dollars in the electric utility fund. Guilfoyle said it is currently being used periodically to relieve the general fund. The advisors see it as a strategic source of funds used for property tax relief. The fund is making \$70 thousand dollars in interest this year; \$100,000 is expected for next year. Guilfoyle

discussed that Moodys, the bond rating firm, views the forecasting process very positively. Council President Zindler noted that the mill rate is shown as '40' in year 2011. Is this a worst case scenario? Guilfoyle replied that this is an indication of the general direction; it is certainly a possibility if everything remains static, or unchanged, and there is no new development within the next five years. Councilman Maniez and Mayor Anderson discussed the result of lowering projected expenses on the individual funds. Anderson cautioned the Council not to be alarmed; these forecasts assume very conservative revenues. Guilfoyle agreed that this document takes a relatively pessimistic view in order to be on the 'safe side'. Anderson discussed the competitive strategies of area utility districts, particularly in regards to continuing to provide water service.

Motion by Councilman Morse to have a budget amendment hearing on December the 21st at 7:00 p.m. at City Hall; second by Cannon.

All approved by "ayes".

Motion carried.

b. Consider Fee Resolution Adjusting Water Service Charges.

City Attorney Patrick Reavey stated that he will bring this item back to the Council after revising the document with the 6.2% increase in sewer and 3% increase in water charges at the next meeting. The Council indicated general agreement with tabling the item.

c. Consider Fee Resolution Adjusting Sewer Service Charges.

Attorney Reavey will be returning this item for consideration at the December 21st meeting. The Council voiced their agreement to tabling the item until then.

d. Overview of 5-Year Financial Forecast.

See agenda item 5a.

e. Approve Change Order #2 and #3 for the Family Aquatic Center Project and consider use of remaining project funds.

Brungardt stated that these change orders will close out the municipal pool project with the contractor, Vanum Construction, by the end of the year. Change order number 2 is a credit to the project due to a decrease in construction costs. Change order number 3 would take care of additions to the project that arose during construction, including rock excavation and the addition of the family and tot slides. There are \$65,700 dollars remaining in project funds. Parks and Recreation Director Jay Garvin recommends using these funds, in part, to construct a separate storage building adjacent to the dive well for chairs and other equipment. This is estimated to cost between \$25k and \$35,000 dollars. Brungardt concluded that, in this scenario, the remainder would be put back into the debt service account.

Councilwoman Templin asked what in particular is not able to be stored now. Guilfoyle responded that he would check with Garvin on the particulars. Templin stated that the pool was designed for storage in the concession stand and party room. She is concerned about the site looking cluttered with yet another building. Brungardt noted that the storage problems arise in the summer months. Templin said the cost for a second slide is \$70,000 dollars, and the pool was designed for this second slide. She suggests putting some aside in an interest bearing account so that in five or so years the other slide can be built to serve as a new, attractive feature.

Mayor Anderson said he would be more in favor of putting all of it into the debt service; this would be the more diligent route. Templin asked about purchasing tarps to store items on the deck of the pool. Brungardt will discuss this with Garvin. The Council discussed that unless there is a compelling reason for the storage building, the funding should roll into the debt service.

Motion by Councilwoman Templin to approve Change Orders #2 and #3 for the family aquatic center project; second by Zindler.

Roll Call:	Cannon	Yes	Zindler	Yes
	Morse	Yes	Maniez	Yes
	Templin	Yes		

Motion carried.

f. Consider Park Board Recommendation for Tree Plantings.

Guilfoyle stated that the Park Board has recommended tree plantings for this year as detailed in their report. Templin and Morse discussed the tree planting being of the same diameter as the City's landscape ordinance, or 2 inches in diameter measured 6 inches above the root ball. Morse and Maniez discussed the difficulty staff had with adequately watering the trees planted last year and expressed concerns with having to water both the new and existing trees. Templin discussed tabling the matter to find out the diameter of the trees and get a watering plan and inventory of trees for Council's review.

Motion by Councilwoman Templin to table the Park Board request; second by Cannon.

All Council approved by "ayes".

6. Executive Session:

Motion by Councilman Maniez to go into Executive Session for confidential company information for 15 minutes beginning at 8:35 p.m. and to return at 8:50 p.m.; second by Templin.

All Council approved by "ayes".

Motion by Councilman Maniez to return from executive session with only the one item discussed and no votes taken; second by Templin.

All Council approved by "ayes".

7. Advisory Reports:

a. City Administrator; Pat Guilfoyle, stated that there appears to be a 40% water loss from the distribution system. Staff suspects the problem lies more with inaccurate meter reading and not line loss. They suggest installing four meters within the system to get a more accurate count. This will help to identify the problem, if any. Brungardt added that the only metering devices are at the well locations themselves, and then these are checked against the billing records. Several steps in the process are missing and there is no way to tell where the water loss is. The most expensive water to lose is the treated water, not raw water. Morse asked about the 40% loss; how many gallons is this? Brungardt responded that 1.5 million gallons a day is the average peak use, and this seems high. A 40% loss of this figure would be 500,000 gallons.

Motion by Councilman Morse to authorize this not to exceed \$10,000 dollars; second by Cannon.

Roll Call:	Templin	Yes	Zindler	Yes
	Maniez	Yes	Morse	Yes
	Cannon	Yes		

Motion carried.

Guilfoyle concluded that all signatures are on the Primrose Drive agreement; it is now the Mayor's to execute and a motion is needed.

Motion by Councilwoman Templin to authorize the Mayor to enter into an agreement on Primrose Drive; second by Cannon.

Roll Call:	Morse	Yes	Zindler	Yes
	Cannon	Yes	Maniez	Yes
	Templin	Yes		

Motion carried.

b. City Attorney, Patrick Reavey, updated the Council on water right number 38. The Division of Water Resources has issued an opinion that the statute that would prohibit the City's use of this no longer applies. Sunflower is holding that the right was passed along with the land to them. The City has until February 20th to submit required information the Division of Water Resources. Council members indicated to Reavey agreement with continuing to express interest in the water right.

Reavey has prepared a draft of the operational document between the City and Rural Fire District 3. Operations would be separated into geographic quadrants, some individually and some jointly served. Mayor Anderson added that the Fire Chiefs cooperatively came up with this plan. Appointments to a future Board of Trustees may come from the City and the townships, as is the case in Lansing. The newly combined fire district would have one budget, would share equipment, etc. There will be several public sessions before this goes into effect.

c. City Engineer, Mike Brungardt, noted that the new sewer plant will start up the first of February with project completion in mid-March. It is time to start thinking about an opening ceremony.

d. City Planner, Kim Buttrum, had no comments.

e. City Clerk, Lana McPherson, was out of town attending a KMIT board meeting.

8. Council & Mayor Comments:

Councilman Maniez asked staff about allowing beauty parlors and massage parlors in residential areas. Brungardt and Buttrum discussed the City's regulations disallowing these uses. At Maniez's request, this will be added as a discussion item at the December Planning Commission meeting. Maniez asked about traffic signs at the Commerce and Packaging Drive intersection. Brungardt responded that the signs have been ordered and they will be able to stripe the roadway this spring.

Councilwoman Templin stated that she has received phone calls from De Meadows residents about the recent trail project to the south of that subdivision. They are

complaining of soil erosion, the new grass not taking, and drains surfacing because the storm sewer drainage was not extended far enough. Brungardt responded that he will contact the contractor on this. He knows the area will be reseeded in the spring. Templin asked staff about the gas station property at 83rd Street and Kill Creek Road. City Attorney Reavey stated that the Council had rejected the selling price. Councilwoman Zindler asked about condemning the vacant building. Reavey responded that the property maintenance code is the only remedy. Templin asked about entrance signs; the Council were going to get cost estimates in. Brungardt said that he will make progress on that. Lastly, Templin asked about the rental housing inspection letters. Buttrum responded that it is near the top of her task list.

Councilman Morse asked staff about proactively extending sewer to the western growth area. Mayor Anderson discussed that it should be developer funded, and there are mechanisms for the developer to recoup the expense with each sewer tap. Councilwoman Zindler discussed the formation of benefit districts for sewer.

Councilwoman Cannon asked about Penny's house on 83rd Street. Brungardt replied that it appears he is lightening it up for a crane to place on the already poured foundation. He will discuss the progress with Building Official Steve Chick.

Motion by Councilman Morse to adjourn at 9:53 p.m.; second by Cannon.

All Council approved by "ayes".

Respectfully submitted:

Kim Buttrum, AICP
City Planner