

**MINUTES OF THE REGULAR MEETING OF
THE COUNCIL OF THE CITY OF SPRINGFIELD
MAY 7, 2007**

I. CALL TO ORDER

Mayor Anderson called the regular meeting of the Council of the City of Springfield to order at 7:30 p.m.

II. PLEDGE OF ALLEGIANCE

Mayor Anderson led the pledge of allegiance.

III. ROLL CALL

Present: Council Members Agne, Burdett, Eib, Good, Hinton, Whitfield, and Mayor Anderson.

Also Present: Franklin Peterson – City Manager, Jeannine Turner – Finance Director/Treasurer, and Kris Vogel – City Clerk.

IV. APPROVAL OF MINUTES

It was moved by Hinton, seconded by Good and unanimous that the minutes of the April 16, 2007, regular meeting be approved subject to additions and corrections.

V. REPORTS

A. City Manager – *Franklin Peterson*

1. Reappoint – Planning Commission Member

City Manager Peterson stated the following resolution will reappoint a member to the Planning Commission.

Resolution #23-07

It was moved by Hinton and seconded by Good that the following resolution be adopted:

RESOLVED BY THE COUNCIL OF THE CITY OF SPRINGFIELD to confirm the Mayoral reappointment of Michelle Thorne to the Planning Commission; said term to expire May 1, 2010.

All ayes. Resolution adopted.

Mayor Anderson thanked Ms. Thorne for her willingness to serve.

2. Approve – FY 06/07 Business Licenses

City Manager Peterson noted the following resolution approves a business license in the City of Springfield.

Resolution #24-07

It was moved by Burdett and seconded by Whitfield that the following resolution be adopted:

RESOLVED BY THE COUNCIL OF THE CITY OF SPRINGFIELD that the following business license is hereby approved; said license to expire June 30, 2007:

New or Used Car Dealership

Rusty's Auto Service

2640 W. Dickman Road

All ayes. Resolution adopted.

3. Authorize – City Manager to Enter Into Agreement for Life Insurance
City Manager Peterson stated the following resolution would

Resolution #25-07

It was moved by Whitfield and seconded by Burdett that the following resolution be adopted:

WHEREAS, in response to GASB Standards the City of Springfield must demonstrate how it intends to finance future Other Post-Employment Benefits (OPEB); and

WHEREAS, various options have been explored, with the option of providing permanent life insurance on certain Department Heads at the time of retirement was found to be the most cost-effective and responsible investment for the City to fund our future OPEB obligations.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SPRINGFIELD to enter into an agreement with Prudential Life Insurance to provide \$660,000 in permanent life insurance on James D. Jenkins, for an annual amount not to exceed \$14,000; said benefit will be shared by the City of Springfield and the insured's beneficiary 90/10.

Mr. Rick Robertson of Prudential Life Insurance indicated Ben Stout ran a 419 quote for the City of Springfield and the cost for this plan on all the employees was \$288,000 a year. So they started looking at other alternatives and found out the City could buy what is called "key person coverage," which insures the business against the loss of a person and explained how this type of policy would work. Mr. Robertson stated this is not an immediate solution to the problem, but rather an option of addressing the situation before it gets any worse.

Council Member Hinton asked if the City chose to borrow money back from the plan what is the rate of interest? Mr. Robertson indicated you can either borrow money or withdraw the money at about 6%.

Council Member Whitfield expressed his concerns with the life insurance.

Mayor Anderson indicated to her this is an ethical question with the City benefiting on someone's death.

Finance Director Turner indicated the new GASB standards require you must disclose how you will fund other post-employment benefits, which is what the City is trying to do with this life insurance.

Mr. Stout explained how this program would work, indicating the theory behind it is that we are actually creating a cost-recovering factor; meaning that when that person passes away we would have enough to not only pay what's going on now, but also to have extra to put aside for the future.

City Manager Peterson indicated it would be his goal to add one a year over the next 5-6 years until we get all the department heads on board. Depending on a department heads age/health that determines the amount of the annual premium.

Ayes: Council Members Agne, Burdett, Eib, Good, and Hinton.

Nays: Council Member Whitfield and Mayor Anderson.

Resolution adopted.

Finance Director/Treasurer Turner indicated the premium for the policy was actually \$14,057 and stated the resolution should be amended.

It was moved by Whitfield and seconded by Burdett resolution #25-07 be amended to reflect the annual premium of \$14,057.

All ayes. Resolution amended.

It was moved by Good and seconded by Hinton that the resolution #25-07 be adopted as amended.

All ayes. Resolution adopted.

4. Set – Public Hearing – Receive Comments – FY 07/08 Budget

City Manager Peterson stated the following resolution would set a public hearing to receive comments regarding the FY 07/08 Budget.

Resolution #26-07

It was moved by Agne and seconded by Burdett that the following resolution be adopted:

RESOLVED BY THE COUNCIL OF THE CITY OF SPRINGFIELD to set the Public Hearing to receive comments regarding the proposed FY 2007/2008 budget for June 4, 2007, at 7:30 p.m.

All ayes. Resolution adopted.

5. Accept – Land Acquisition of 400 N. 24th Street

City Manager Peterson stated the following resolution would allow him to accept a donated piece of land for future economic development.

Mayor Anderson asked City Manager Peterson for any background information regarding this donation.

City Manager Peterson stated the property is located at 400 N. 24th Street and the owner has been trying to sell it for a few years. He noted the owner had not received the offers that he had hoped for. He stated the owner felt that it would be in his best interest to donate the property and have a tax deduction than to sell it, and he also felt the City of Springfield could use it for economic development purposes. City Manager Peterson stated it is currently in a residential zoning but is a non conforming use as a business. He noted it is okay to keep as a non conforming use for 180 days after the transfer of land. He stated the land has had a phase 1 environmental study done and has come back clean. He stated in his opinion and several others in the community there is an interest in the property at a reduced cost and it will give the City the opportunity to accept it as a free transfer of land and sell it for \$50,000 to \$75,000 to a business looking to move into the community that fits that location. He noted that it could be a great economic development tool and a benefit to the City as well as the current owner. He also noted that if the transaction is not done soon the 180 days will pass and there will not likely be anyone in the near future that would be interested in it as a residential unit.

Resolution #27-07

It was moved by Eib and seconded by Good that the following resolution be adopted:

RESOLVED BY THE COUNCIL OF THE CITY OF SPRINGFIELD to authorize the City Manager to accept the property located at 400 N. 24th Street to use for future economic development purposes.

LEGAL DESCRIPTION: SP CITY, POST LAND CO 3, LOTS 120, 121, 122, 131, 132, 133, 148, 149, 150, 159, 160, & 161 AND THE N 32FT OF LOTS 130, 151 & 158. EXC N 20 FT M/L OF LOTS 120, 133, 148, & 161. ALSO THE ADJ W 1/2 OF VAC 22ND ST AND THAT PORTION OF VAC 23RD ST ADJ TO PARCEL.

All ayes. Resolution adopted.

6. Adopt – Amendment to the Zoning Ordinance

City Manager Peterson stated the following ordinance would amend the Zoning Ordinance to bring the City of Springfield in-line with the requirements set by the State of Michigan for the Zoning Enabling Acts.

Ordinance #03-07

It was moved by Good and seconded by Eib that the following ordinance be adopted by title only (a complete copy of the ordinance is on file in the City Clerk's office):

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF SPRINGFIELD WITH RESPECT TO THE JURISDICTION OF THE ZONING BOARD OF APPEALS.

All ayes. Ordinance adopted.

7. Introduce – Ordinance Concerning the Fire Prevention Code
City Manager Peterson stated the following ordinance would amend certain sections of the current Fire Prevention Code.

Ordinance #04-07

It was moved by Hinton and seconded by Eib that the following ordinance be introduced by title only (a complete copy of the ordinance is on file in the City Clerk's office):

AN ORDINANCE TO AMEND CERTAIN SECTIONS OF THE CODE OF ORDINANCES CONCERNING THE FIRE PREVENTION CODE.

All ayes. Ordinance introduced.

8. *Bills in Line*

It was moved by Good, seconded by Burdett and unanimously approved that the checks be drawn from the various accounts and the bills be paid.

VI. COUNCIL COMMENTS

Council Member Burdett congratulated all the Carson Scholarship recipients who attend schools within the City of Springfield.

Council Member Whitfield indicated he participated in the County-wide intergovernmental forum and will be part of the committee researching the area metropolitan transit system. Council Member Agne stated he was assigned to the GIS committee and he will keep the Council informed. City Manager Peterson stated he attended the intergovernmental forum as well, and he is the chair for the economic development committee. Council Member Hinton indicated she is on the communications committee.

City Clerk Vogel encouraged everyone to get out and vote tomorrow; the polls will be open from 7:00 a.m. – 8:00 p.m.

City Clerk Vogel reminded the community that the Farmers Market is now open on Wednesdays from 2:00 – 6:00 p.m. and Saturdays from 8:00 a.m. – 1:00 p.m.

City Clerk Vogel announced there will be a new event at the Farmers Market this year called a mom to mom sale. This type of event is to offer moms the opportunity to buy/sell gently used children's clothing/equipment and have become increasingly popular over the years.

Council Member Hinton asked the residents to not blow their grass clippings into the street

when mowing.

Mayor Anderson thanked Mayor Pro-tem Burdett for filling in for her at the last meeting.

VIII. ADJOURNMENT

The meeting was adjourned at 8:34 p.m.

Kris Vogel, CMC
City Clerk

Susan L. Anderson, Mayor