

**VILLAGE OF GRAND BEACH
REGULAR COUNCIL MEETING
FEBRUARY 20, 2008**

President Jim Bracewell called the regular council meeting to order at 7:30 PM EST. Present in addition to Bracewell were Pete Carroll, Debbie Lindley and Kaye Moriarty. Bob Grim was not in attendance.

Pete Carroll moved, with support from Kaye Moriarty to approve the minutes of the Regular Council Meeting of January 16, 2008. Motion carried unanimously 4-0.

Commission reports:

Building & Zoning, Parks & Beaches, Police, Pro-Shop & Golf Course had nothing to report.

Streets & Water: Bob Grim was not in attendance.

Nick Sinnott of ServiScape told the council that as of the end of January they are operating under budget.

Superintendent and Police Chief: Superintendent Bob Dabbs and Chief Dan Schroeder had nothing to add to their written reports.

Building Inspector: Bill Owens was not in attendance.

Jim Bracewell moved, with support from Debbie Lindley to approve the bills as presented with written additions. Motion carried unanimously 4-0.

The first thing on the agenda under old business was the fairway mower. Nick Sinnott told the council that the Village will be able to purchase two fairway units from Harborside for \$2,000 each, which is the trade in value for the mowers. ServiScape will invoice the Village for the used mowers on June 1, 2008.

Dave Schaffer of Schaffer & Layher presented the annual audit for fiscal year ended October 31, 2007. Schaffer thanked the council for the opportunity to perform the audit and stated that the audit went very well and that Clerk Mary Robertson and Deputy Clerk Marjorie Royce do an outstanding job. He added that his firm does between 8 and 10 township and village audits and that the Grand Beach staff is at the top of the scale as far as having things ready and well balanced. Schaffer told the council that there was an increase in fund balance of approximately \$64,000 in the General Fund for the year ended October 31, 2007.

He told the council that everything matched up very well when comparing budgeted revenue and expenses to the actual revenue and expenses for the year. The revenue

was slightly higher than the budgeted revenue with the expenditures below what was budgeted.

Schaffer told the council that generally speaking it is a good idea to keep three to six months operating expenses in the fund balance for the general fund and as of October 31st there is about eleven months worth of operating expenses in the fund balance, so from a financial health stand point the Village is in good shape.

He added that roughly 68% of expenditures in 2007 were for salaries and benefits and the remaining expenditures were included in the other category, with an increase in salaries and benefits, primarily in the health insurance area and a decrease in the other category. He told the council that the fund balances for all funds are in good shape and he doesn't see any problems with them.

Debbie Lindley moved, with support from Kaye Moriarty to accept the audit as presented. Motion carried unanimously 4-0.

The council discussed a water rate increase which is necessary to help pay for water improvements in the Village. The financial advisor that was hired by the Village at the start of the water project told the Village Clerk that the water rates must be increased in order to pay off the bonds for the new water project and prior water projects. Jim Bracewell moved, with support from Pete Carroll to increase the water rates from \$4.50 per 1,000 gallons to \$5.50 per 1,000 gallons effective April 1, 2008. Motion carried unanimously 4-0.

The council discussed increasing late fees for late water bill payments. The late fee currently charged is a flat \$3.00 fee. Jim Bracewell moved, with support from Kaye Moriarty to increase the late fees on the water bills per recommendation of the secretary treasurer and water supervisor from the \$3.00 penalty to 10% of the past due amount effective June 1, 2008. Motion carried unanimously 4-0.

Jim Bracewell moved, with support from Pete Carroll to adopt resolution #08-01 and award the construction contract to Pajay, Inc. in the amount of \$728,470. Motion carried unanimously 4-0.

Jim Bracewell moved, with support from Debbie Lindley to accept resolution #08-02 as written authorizing general obligation limited tax capital improvement bond, series 2008. Motion carried unanimously 4-0.

Warren Peterson, of Merritt Engineering explained the need to have someone available to approve change orders during the water project in order to keep the project moving along. He explained that Bob Dabbs is the most qualified person in the Village to be in the field and it would make sense for Dabbs to approve the change orders, and he should communicate the necessary changes to water commissioner Bob Grim. He also told the council that Merritt Engineering will have a full time inspector on site when they

are laying the pipe. Peterson will also be on site during the critical times which will include the pipe laying, connections and testing.

Jim Bracewell moved, with support from Kaye Moriarty to identify and provide the authority to Bob Dabbs, Village Superintendent to make decisions on change orders restricted to a \$20,000 limit. Motion carried unanimously 4-0.

Jim Bracewell explained that it is necessary to adopt a resolution to allow the employees to contribute to their Health Savings Accounts (HSA) on a pre-taxed basis without paying federal and state taxes. This money can be used to pay for dental or medical expenses that are not included in the employee health plan.

Bracewell moved, with support from Debbie Lindley to accept resolution #08-03 to adopt a section 125 cafeteria plan as described as a premium deduction option. Motion carried unanimously 4-0.

James Bracewell moved, with support from Pete Carroll to accept the golf cart fees as presented with no increases in 2008. Motion carried unanimously 4-0.

Pete Carroll presented a plan and drawings to the council for beautification of the clubhouse, and told the council that Kaye had worked diligently on the project. He said that they are formalizing their request to the Pokagon Fund for the money for the project. On the rear of the clubhouse they plan to update the concrete

patio, include irrigation with 20 heads covering six zones, remove the dead tree and stump, remove the brush and landscape the area.

The second part of the project will be done to the front of the clubhouse. All of the chain link fencing and railings in the front will be removed and the chain link replaced with ¼" glass. The concrete stairs will be replaced with cedar treads. Carroll told the council that it is an ambitious project and they hope that the Pokagon Fund agrees with it and if so, they hope to complete it by late spring, early summer. They will present the plan to the Pokagon Fund in time for their March 10th meeting.

Bracewell explained that the Daley family has requested an extension to Calla Avenue at their expense. They own all of the property that surrounds the extension on both sides. He explained that the Village has the same situation that we have had in other locations with a portion of Calla vacated by resolution, but never vacated by court order which is required by state statute now, but not required years ago.

Attorney Sara Bell has suggested that if the council were to approve the request the Daleys would be able to take the next step and apply to the DEQ for a permit for the road extension. The approval by the council does not give the opinion that the extension of Calla is a private street and that nobody can drive down that street. The group of property owners will then have the right to go to court and have the property

vacated and perfected. The Daleys are taking financial responsibility with every step they are taking and they will have to follow state laws and village ordinances.

Jim Bracewell moved, with support from Kaye Moriarty to approve the extension of Calla Avenue in the New Park Addition to Grand Beach Springs as per the information in the packets and information from the Village attorney. Motion carried unanimously 4-0.

Jim Bracewell told the council that the Village is very close to having the judge's signature to vacate the land on Walnut as requested by the Armstrongs. He explained that the Armstrongs have become very impatient and the Village has made two offers to them to sign agreements that would indemnify the Village if the building permit was signed prior to the judge's decision on paper. They have not signed either of the agreements yet.

Bracewell stated that he does not have a problem in issuing the permit with the decision being so close, as long as they indemnify the Village.

He stated that at the last minute AEP held up the vacation because they needed to get a utility easement, and he was not sure why it took AEP so long for the easement request.

He said that on February 14th there was a threat of a lawsuit from the Armstrongs, but he has not yet been served. The council is willing to issue the building permit early if the Armstrongs will indemnify the Village and also pay the Village the \$5,500 that they offered to share in the expense of the vacation.

Jim Bracewell moved, with support from Pete Carroll to approve hall rental requests for Marquette High School on May 17, 2008 and Julie Watkins on November 8, 2008. Motion carried unanimously 4-0.

Jim Bracewell moved, with support from Debbie Lindley to close the meeting. Motion approved unanimously 4-0.

With no further business, the meeting was adjourned at 9:05 PM EST.

Respectfully Submitted,

Mary J. Robertson
Clerk/Treasurer