

MONTROSE CITY COUNCIL REGULAR MEETING MINUTES

January 28, 2025

CALL TO ORDER: Mayor Tom Banks called the regular Council meeting to order at 7:01 p.m. The meeting was held at the City Offices located at 139 S. Saginaw Street, Montrose, MI.

ROLL CALL: Present council members were Mayor Tom Banks, Mayor Pro-Tem Mark Richard, Robert Arnold, Ryan Heslop, Todd Pangle, Lori Machuk and Melissa Wallace-Hoose. Also present was City Manager Barbara Valentine, City Clerk Tina Rush, and City Attorney Ben Stoltman.

PLEDGE OF ALLEGIANCE TO THE FLAG: The Pledge of Allegiance was cited.

CITIZEN OF THE MONTH:

1. *THE MONTH OF JANUARY 2025; COLLEEN BROWN:* Council honored Brown for her years of serving the community as the City Mayor.

2. *CHOOSE A CITIZEN OF THE MONTH FOR THE MONTH OF APRIL:*
 - **MOTION** by Richard **SECOND** by Hoose to choose Bob Naumann for April. All Ayes. Motion Carried.

PUBLIC HEARINGS: NONE

PRESENTATIONS:

1. *AUDIT PRESENTATION AND APPROVAL OF THE JUNE 30, 2024 FINANCIAL STATEMENT:* Auditor Ken Berthiaume briefly read aloud various pages from the audit, taking note of prepaid expenses, payables and payroll adjustments equaling to 31 journal entries that could have been completed by staff. Page 11 shows a big picture of the assets, liabilities and net positions, which shows there were no deficits. Berthiaume also read aloud pages 14, 16, 18 and 21. The City received the standard un-modified opinion which is the highest score possibly earned..

REPORTS

1. *FIRE & POLICE DEPARTMENT REPORTS:* Report on file at the city office.

2. *BUILDING INSPECTION SERVICES REPORT:* Report on file at the city office.

PUBLIC COMMENTS: City Assessor Bob Naumann thanked the Council for allowing him to serve as Interim City Manager for the past 3 months and looks forward to working with the new City Manager Barbara Valentine and moving Montrose forward.

MATTERS OF COUNCIL ACTION:

1. *APPROVAL OF THE 12/23/24 REGULAR MEETING MINUTES:*
 - **MOTION** by Mayor Pro-Tem Richard **SECOND** by Arnold to approve the minutes as written. All Ayes. Motion Carried.

2. *APPROVAL OF CHECK REGISTER & TREASURER REPORT:*
 - **MOTION** by Mayor Pro-Tem Richard **SECOND** by Hoose to approve the check register and treasurer report including tonight's handout in the amount of one hundred seventy-three thousand ninety-seven dollars and thirty-seven cents, (\$173,097.37). Roll Call Vote: Arnold

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– Aye, Hoose – Aye, Heslop – Aye, Pangle – Aye, Richard – Aye, Machuk – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

3. *APPROVAL OF THE 07/01/23-06/30/24 FINANCIAL AUDIT*: Valentine noted that the single audit should be submitted concurrently with the regular audit. Mayor Pro-Tem Richard emphasized that this requirement should be incorporated into any auditor's agreement.

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Heslop to accept the audit for July 1, 2023 to June 30, 2024. Roll Call Vote: Pangle – Aye, Machuk – Aye, Arnold – Aye, Hoose – Aye, Richard – Aye, Heslop – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

4. *ANNUAL APPROVAL OF POVERTY EXEMPTION GUIDELINES*: City Assessor Naumann explained that these are the annual poverty guidelines. The only difference between the City of Montrose is the income guidelines.

- **MOTION** by Heslop **SECOND** by Mayor Pro-Tem Richard that we adopt the poverty exemption guidelines as presented. Roll Call Vote: Richard – Aye, Hoose – Aye, Heslop – Aye, Arnold – Aye, Pangle – Aye, Machuk – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

5. *RESOLUTION RE: ADOPTION OF ALTERNATE DATES FOR THE MARCH, JULY, AND DECEMBER 2025 BOARD OF REVIEW*: Naumann indicated that this resolution is needed in case one of the BOR dates needs to be changed due to an unforeseen occurrence.

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Arnold to adopt the alternate start dates for the March, July and December 2025 Board of Review. Roll Call Vote: Heslop – Aye, Machuk – Aye, Richard – Aye, Arnold – Aye, Hoose – Aye, Pangle – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

6. *DISCUSSION/DIRECTION B S & A SOFTWARE AND SERVICES CLOUD UPGRADE*: Valentine informed the council that B S & A will no longer support the .net software after the year 2026 so this transition needs to take place immediately. This is a Cloud-based system which will reduce our costs to store and backup records, it is secure and easily accessible from anywhere, you will not need to maintain a server, however, you will still need a firewall for wi-fi and computer/email use. This proposal is for the software conversion itself and the first year's fees. Also, payments made on-line through this system will show immediately in real time.

- **MOTION** by Machuk **SECOND** by Arnold to move forward with the B S & A software and service cloud upgrade in the amount of thirty-nine thousand four hundred sixty-five dollars and zero cent, (\$39,465.00). Roll Call Vote: Pangle – No, Heslop – Aye, Arnold – Aye, Machuk – Aye, Richard – Aye, Hoose – Aye, and Mayor Banks – Aye. Six (6) Ayes. One (1) No. Motion Carried.

7. *DISCUSSION/DIRECTION MOSQUITO ABATEMENT CONTRACT*: Valentine recommended putting out a request for proposals due to increased costs.

- **MOTION** by Pangle **SECOND** by Arnold to go out for requests for proposals. Roll Call Vote: Hoose – Aye, Arnold – Aye, Machuk – Aye, Heslop – Aye, Richard – Aye, Pangle – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

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8. APPROVAL OF MODERN CONCRETE INVOICE FOR DPW DRIVEWAY: Rush clarified that this invoice from Modern Concrete is for the cement poured under the Salt Bin, not for the DPW Driveway. This invoice requires council approval prior to payment.

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Hoose to pay the Modern Concrete invoice in the amount of two thousand three hundred fifteen dollars and fifty cents, (\$2,315.50). Roll Call Vote: Arnold – Aye, Richard – Aye, Machuk – Aye, Pangle – Aye, Heslop – Aye, Hoose – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

9. RESOLUTION RE: UPDATING FOIA PROCEDURES AND GUIDELINES: The city last updated their FOIA policy and guidelines in 2011. In 2015 there were major updates in the law and adoption tonight of the updated procedures and guidelines would allow the city to be compliant according to the law firm Foster & Swift.

- **MOTION** by Pangle **SECOND** by Hoose that we approve the updated policies and procedures, without a set schedule of fees. Roll Call Vote: Richard – Aye, Pangle – Aye, Hoose – Aye, Heslop – Aye, Machuk – Aye, Arnold – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

10. AMENDING DDA BYLAWS: Rush announced that the council amended the by-laws May 16, 2019, downsizing the DDA board from not less than 12 members to not less than 8, due to the difficulty of obtaining a quorum to meet. December 19, 2019, the council amended the by-laws downsizing once again to not less than 7 members and currently 9 members are serving. Stoltman read aloud the DDA By-laws that says, no less than 8 members are allowed, and Rush replied correct, however, with an even number, there's a risk of tie votes, which could lead to deadlock and inaction on important decisions. Valentine clarified that the State Statute says not less than 8, no more than 12 members. Discussion ensued on changing the by-laws to reflect what State Statute reads.

- **MOTION** by Arnold **SECOND** by Mayor Pro-Tem Richard to change the by-laws of the DDA to state not less than 8, not more than 12 members. Roll Call Vote: Heslop – Aye, Arnold – Aye, Machuk – Aye, Richard – Aye, Pangle – Aye, Hoose – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

11. DISCUSSION/DIRECTION RE: DDA CONFLICT OF INTEREST: Contentious discussion ensued. Prior to the roll call vote, Mayor Pro-Tem Richard called for the question to cease further dialogue and Pangle second it.

- **MOTION** by Heslop **SECOND** by Mayor Pro-Tem Richard that we set this aside until we get a consensus on the legality of this so that we have direction to go by and discuss at the next city council meeting. Roll Call Vote: Pangle – Aye, Hoose – Aye, Richard – Aye, Machuk – Aye, Heslop – Aye, Arnold – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

12. DISCUSSION/DIRECTION APPOINTMENTS TO THE DDA: Mayor Banks recommended the appointment of Michael Burkhart and Kelly Blackburn to the DDA.

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Arnold that we accept the appointment of Mark Burkhart and Kelly Blackburn to the DDA. All Ayes. Motion Carried.

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13. DISCUSSION/DIRECTION RE: SCHOOL COORDINATING AGREEMENT AND AUTHORIZATION FOR CITY CLERK TINA RUSH TO SIGN SAID AGREEMENT: Rush conveyed that this is a renewal of the current Election Coordination agreement, the only change in verbiage is municipalities will invoice the schools directly instead of going through Genesee County.

- **MOTION** by Arnold **SECOND** by Hoose to approve the School Coordinating Agreement and allow City Clerk, Tina Rush, to sign. Roll Call Vote: Arnold – Aye, Hoose – Aye, Heslop – Aye, Richard – Aye, Machuk – Aye, Pangle – Aye, and Mayor Banks – aye. All Ayes. Motion Carried.

14. RRC (REDEVELOPMENT READY COMMUNITIES) ENGAGEMENT RESOLUTION: Valentine indicated that the council had done this once before, but no one attended the training. This training is a free, five-week on-line class and once someone passes the class, they become certified. Valentine asked everyone on the council to participate. This training course is a requirement of the current staff to attend. These tools assist municipalities with qualifying for grants, zoning, managing, budgeting and financing.

- **MOTION** by Arnold **SECOND** by Pangle that we engage with the resolution for the RRC, (Redevelopment Ready Communities). Roll Call Vote: Heslop – Aye, Pangle – Aye, Machuk – Aye, Arnold – Aye, Richard – Aye, Hoose – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

a. APPROVE ZONING PERMIT PACKET SAMPLE: Valentine announced that the zoning permit application located in tonight's packet is RRC compliant and asked the council for approval.

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Arnold to adopt the zoning permit packet format. All Ayes. Motion Carried.

b. SUNSET DATE FOR SLUP PERMIT FOR 355 E STATE ST: Valentine informed the council that anytime you approve a permit, it must have a Sunset Date. According to the records, the Special Land Use Permit for 355 E. State Street should have ended January 3, 2023, the date the property exchanged ownership. Special Land Use Permits stay with the applicant, not the property.

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Arnold to sunset the special land use permit for 355 E. State Street effective January 3, 2023. Roll Call Vote: Richard – Aye, Heslop – Aye, Pangle – Aye, Machuk – Aye, Hoose – Aye, Arnold – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

15. ANNUAL APPOINTMENTS TO THE VARIOUS BOARDS AND/OR COMMISSION: Rush announced the only changes to the list, she inadvertently left off Warren Edwards and Todd Baryo's name from the Planning Board and effective tonight, Christy Sanborn has officially resigned from the ZBA and Geneva Lamb is her replacement.

- **MOTION** by Pangle **SECOND** by Mayor Pro-Tem Richard based on the mayor's recommendation, to appoint and re-appoint the board memberships as presented. Roll Call Vote: Hoose – Aye, Heslop – Aye, Richard – Aye, Machuk – Aye, Arnold – Aye, Pangle – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

16. CREATION OF CITY HALL CUSTODIAN POSITION: Valentine said that there is currently no job description that covers janitorial or custodial duties. Valentine is recommending 5 hours per

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week at \$20.00 per hour, no paid time off, no benefits and no retirement. This is an At Will Position.

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Machuk to create a city hall custodian position to have all the qualifications as outlined by the city manager. Roll Call Vote: Pangle – Aye, Heslop – Aye, Arnold – Aye, Hoose – Aye, Machuk – Aye, Richard – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

TRAINING OPPORTUNITIES

1. 2025 VIRTUAL NEWLY ELECTED OFFICIALS TRAINING

A. FEBRUARY 8, 2025

2. MSU FRC (FISCALLY READY COMMUNITIES) TRAINING

B. 2025 COMMUNITIES WEBINAR SERIES

Valentine asked the council to let her know which class they are wanting to sign up for and mentioned that there is also training for MEDA certification, (Michigan Economic Developer's Association).

- **MOTION** by Machuk **SECOND** by Arnold to add onto the agenda item No. 17 accept our current city attorney's resignation. All Ayes. Motion Carried.

17. RESIGNATION OF CURRENT CITY ATTORNEY: Contentious dialogue ensued. Prior to the roll call vote, Mayor Pro-Tem Richard called for the question to cease further dialogue and Arnold seconded it.

- **MOTION** by Pangle **SECOND** by Hoose that we accept the letter of resignation. Roll Call Vote: Heslop – Aye, Richard – No, Arnold – Aye, Pangle – Aye, Machuk – Aye, Hoose – Aye, Mayor Banks – Aye. Six (6) Ayes. One (1) No – Richard. Motion Carried.
- **MOTION** by Arnold **SECOND** by Mayor Pro-Tem Richard that we take a five (5) minute recess. All Ayes. Motion Carried.

The meeting recessed at 9:33 p.m.

Mayor Banks brought the meeting back to order at 9:42 p.m.

CLOSED SESSION:

Per MCL 15.268(h) the Council will go into Closed Session "To consider material exempt from discussion or disclosure by state or federal statute."

- **MOTION** by Mayor Pro-Tem Richard **SECOND** by Hoose to go into closed session to consider material exempt from discussion or disclosure by state or federal statute. Roll Call Vote: Heslop – Aye, Richard – Aye, Arnold – Aye, Pangle – Aye, Machuk – Aye, Hoose – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

The regular meeting was closed @ 9:47 p.m.

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Mayor Banks brought the council meeting back to order at 10:04 p.m. City Clerk Rush asked the council to make a motion according to council rules of procedure allowing council to extend the meeting past 10:00 p.m.

- **MOTION** by Pangle **SECOND** by Mayor Pro-Tem Richard to extend the city council meeting past 10:00 p.m. All Ayes. Motion Carried.
- **MOTION** by Pangle **SECOND** by Mayor Pro-Tem Richard to direct the city manager to take the necessary steps to accomplish what was discussed in closed session. Roll Call Vote: Machuk – Aye, Hoose – Aye, Richard – Aye, Pangle – Aye, Arnold – Aye, Heslop – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

REPORTS FROM BOARDS & COMMISSIONS:

DOWNTOWN DEVELOPMENT AUTHORITY BOARD: NONE

ELECTION COMMISSION: Rush reported that the city received a resolution from the Montrose Community Schools today calling for a May 6, 2025, election to renew a millage.

GENESEE COUNTY COMMUNITY DEVELOPMENT ALLOCATION COMMITTEE: NONE

GENESEE COUNTY METROPOLITAN ALLIANCE: Report on file at the city office.

GENESEE COUNTY SMALL CITIES & VILLAGES ASSOCIATION: Valentine announced that Mayor Pro-Tem Richard is the current Chairperson of this Association and is also now a lifetime member.

GENESEE COUNTY WATER AND WASTE SERVICE'S ADVISORY COMMITTEE: Heslop said he was unable to attend but he did hear there was more discussion on the proposed landfill and PFAS, (polyfluoroalkyl substances).

PLANNING BOARD: None, no meeting.

911 CONSORTIUM: None, no meeting.

ZONING BOARD OF APPEALS: Next meeting February 12, 2025

MONROSE AREA CHAMBER OF COMMERCE: Hoose reported they are updating their Facebook page. Discussing donations to the Whaley's Children's Center for their Giving Tree. They are asking if each individual membership should pay per business and are asking for a list of open businesses to design a flyer for the Community. In March they will be hosting a chili cook off. They are low with membership since Covid and Mayor Banks recommended a recruiting drive.

REPORTS FROM CITY MANAGER AND CITY ATTORNEY:

CITY MANAGER: Discussion held earlier during tonight's council meeting.

CITY ATTORNEY: NONE

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- **MOTION** by Heslop **SECOND** by Mayor Pro-Tem Richard that we put out an RFP for attorney services. Roll Call Vote: Pangle – Aye, Machuk – Aye, Arnold – Aye, Hoose – Aye, Richard – Aye, Heslop – Aye, and Mayor Banks – Aye. All Ayes. Motion Carried.

PUBLIC COMMENTS: Citizen Zach Hall announced that he will begin work on the old Naples Building.

MAYOR AND COUNCIL COMMENTS: Arnold asked the council to start reviewing the charter.

COMMUNICATIONS TO THE COUNCIL: *On file at city office.*

ADJOURNMENT:

- **MOTION** by Richard **SECOND** by Arnold to adjourn. All Ayes. Motion Carried.

Mayor Banks adjourned the meeting at 10:15 p.m.

Prepared by City Clerk, Tina Rush