

The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in the City Commission Chambers of Clare City Hall, 202 West Fifth Street, Clare, Michigan by Mayor Pro Tem Bob Bonham who led with the Pledge of Allegiance. Present were: Commissioners Bob Bonham, Kim Bussell, and Maegan Jenkins. Absent: Pat Humphrey. Also, present: Jeremy Howard, City Manager; Shannon Sirpilla, City Treasurer; Dave Saad, Police Chief; Diane Lyon, City Clerk

2. CONSENT AGENDA:

Moved by Commissioner Bussell second by Commissioner Murphy to approve the items listed with an asterisk (*), Minutes, Communications, Professional Development, Board & Committee Appointments, First Reading of Ordinances 2023-003 & 2023-004, and Bills) that are considered routine by the City Commission. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. *Motion Carried.*

3. *APPROVAL OF MINUTES;

Approved by Consent Agenda.

4. *APPROVAL OF AGENDA;

Approved by Consent Agenda.

5. PUBLIC COMMENT: None

6. UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

A. **FIRST READING OF PROPOSED ORDINANCE 2023-003 (CLARENDON GLEN PILOT)**

***First Reading**

Mr. Chris Austin of CRA Development, LLC. purchases, re-develops, and then manages Rural Development and other affordable housing developments. Mr. Austin contacted the city regarding the recent purchase of Clarendon Glen Apartments.

Mr. Austin's vision is to renovate the property, spending nearly \$1M on improvements, by using the Low-Income Housing Tax Credit Program (LIHTC). This is a federal program administered by the Michigan State Housing Development Authority (MSHDA). The tax credit program is the primary financing mechanism for creating and preserving affordable housing.

To facilitate the renovations, CRA Development will use two different sources of financing and funding. First, by assuming the existing mortgage with the current lender, USDA Rural Development. Second, they will raise equity for this project through the sale of Low-Income Housing Tax Credits mentioned earlier. Both of the financing sources ensure that the property will continue to serve persons with incomes at 60% or less of the county median income.

The tax credits are the key element of this transaction and CRA Development must compete for those tax credits. Each year MSHDA conducts one funding round for Rural Development tax credits. Developers submit applications for their projects and the applications are scored using a competitive formula. There are approximately 3 times more applications each funding round than there are available tax credits, hence there are winners and losers.

To have any chance of winning a tax credit reservation, a project must have a PILOT ordinance in effect. A development with a PILOT ordinance has a point advantage over a development that does not have a PILOT ordinance in place. Furthermore, a PILOT is critical to maintaining affordable rents and financially stable property. In affordable housing developments, rents are restricted and expenses are regulated. PILOTs allow properties to maintain affordable rents and still operate the property in a financially stable manner.

A PILOT is the payment of a service charge in lieu of ad valorem taxes. It is a statutory means of providing property tax relief for affordable housing projects. It is permitted under Act 346 of the Michigan Statutes and the purpose of the statute is to make affordable housing more affordable.

Only properties that are specifically designated as affordable housing developments and meet specific criteria qualify for a PILOT. The PILOT is a fee, based on annual shelter rents, which are defined as rental income less utilities paid by the Landlord. PILOT's are calculated on a percentage basis that ranges from 0% to 10% of the annual shelter rents. The PILOT fee is then proportionally allocated to all of the various taxing units.

Mr. Austin has provided calculations to illustrate the effect of the proposed 10% PILOT. Under a 10% PILOT, annual revenues would decrease by about \$200 annually, these numbers are calculated using a conservative 95% occupancy rate, recent historical occupancy rates for Clarendon Glen are closer to 98% so the net effect would be closer to revenue neutral when compared to the current property tax. Fees paid under a PILOT are transparent. The finances of the property are audited annually and a copy of the audit is included with the PILOT calculations and payment.

The PILOT can run for any number of years, however in order to achieve the maximum amount of points it must run for more than 15 years. CRA desires to see the PILOT run for a 20-year term and that is the term outlined in the proposed Ordinance 2023-003. Notice of the public hearing for the proposed ordinance has been accomplished.

Mr. Austin has stressed that it is imperative to understand that the purpose of granting a PILOT is not to put money into CRA's pocket. As the owners of this property, they have the potential to earn a very limited annual return to the owner (RTO). The real beneficiaries are the residents, in that their rents are maintained at affordable levels; the project, in that the expenses can be maintained at a level to keep the property in good condition; and the community, in that it has revitalized affordable housing.

CRA is seeking the joint cooperation and participation of the City to assist in revitalizing and preserving Clarendon Glen Apartments as an affordable family housing development. With the PILOT and the tax credits, they will be able to offer totally renovated apartments and because of Federal rental assistance, no resident will pay more than 30% of their income towards the rent. Hot water and heat are included in the rents so the resident only pays for electricity.

All ordinance amendments require two readings and approval of the Clare City Commission subsequent to a public hearing. Subsequent to the conduct of the hearing, the Commission has the option of allowing a First Reading of the proposed Ordinance or denying the conduct of a First Reading, thereby rejecting the proposed new ordinance.

The City Commission is asked to conduct the required public hearing and approve or deny a First Reading of the proposed ordinance.

Motion by Commissioner Murphy second by Commissioner Jenkins to open the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

Public Comment: Mr. Chris Austin informed the Commission that application to the State is due by December 1 and a first round of awards will be announced around April 2024. The last time Clarendon Glen was remodeled was approximately 20 years ago. There will be no displacements for the most part during construction, but due to the extent of remodeling that will be required in handicap-accessible units, those residents will be put up in a hotel for about 4 days until their room remodel is complete. The interior of the facility will be completely renovated with major renovations taking place both inside and out.

Motion by Commissioner Jenkins second by Commissioner Murphy to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

B. FIRST READING OF PROPOSED ORDINANCE 2023-004 (UTILITY COLLECTION)

***First Reading**

Section 46-278 of the City of Clare Code of Ordinances deals with security deposits related to utility bills. In the past, the city has had a policy to return deposits to renters after one year, but this has led to the city having to write off large bills when rental properties are vacated without the bill being paid. This ordinance change is being recommended by the

City Attorney to remove the return of the security deposit until the rental agreement is terminated. At that time the security deposit will be applied to any outstanding balance of the utility bill. This should minimize the loss to the city as we have recently raised the security deposit and now will have this new ordinance change in place if the City Commission approves.

This change also clarifies that the security deposit is used only for utility accounts for rental units and not for homeowners. If a homeowner does not pay their utility bills our ordinance sets the standard for the collection of the unpaid amounts to be placed on the tax bill.

All ordinances require two readings and approval of the Clare City Commission subsequent to a public hearing. The required public notice announcing the hearing has been published. Subsequent to the conduct of the hearing, the Commission has the option of allowing a First Reading of the proposed Ordinance or denying the conduct of a First Reading, thereby rejecting the proposed new ordinance.

The City Commission is asked to conduct the required public hearing and approve or deny a First Reading of the proposed ordinance.

Motion by Commissioner Murphy second by Commissioner Bussell to open the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

Public Comment: None.

Motion by Commissioner Bussell second by Commissioner Murphy to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

C. CHARITABLE GAMING LICENSE – CLARE WRESTLING CLUB

The Clare Wrestling Club has requested that the City Commission consider adopting a Resolution enabling them to apply for the issuance of a state Gaming License, thereby allowing their organization to conduct various fund-raising events to support the community wrestling program.

Motion by Commissioner Bussell second by Commissioner Murphy to approve the charitable gaming license by adoption of Resolution 2023-075. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

D. APPROVE ELECTION INSPECTOR COMPENSATION

Chapter 4, Section 4.10 of the City Charter provides that the compensation of election personnel shall be determined in advance of an election by the City Commission. Currently, our election inspectors are paid \$12.00 while other temporary staff (soccer coaches, parks maintenance, etc.) are paid \$13.00 per hour. The precinct vice chairperson currently receives \$14/hr. and the chairperson is paid \$15/hr.

Election inspectors play an essential role in Michigan elections. They perform a wide variety of election duties ranging from processing voters and absentee ballots, to protecting the integrity of elections by securing voting equipment, maintaining order and security in the precinct, and ensuring the accuracy of election results.

Today's elections have become increasingly complex and demanding due to increasing security measures and amplified training requirements. In recent years, Clare, like other cities and townships across the state, has grappled with ongoing election inspector shortages. For elections to function well, it is critical that election officials recruit a sufficient number of qualified individuals from all political parties to serve as election inspectors. In order to retain and attract qualified individuals to fulfill this essential role in government, it is equally critical that these inspectors are paid a fair and equitable wage to perform their important and necessary duties. As such, I am proposing the following wage increase for election inspectors: Election Chair – \$17.00 per hour; Vice Chair – \$16.00 per hour; Election Inspector – \$14.00 per hour

The City's Election Commission met today at 5:00 p.m. and provided a recommendation for approval to the City Commission.

Motion by Commissioner Murphy second by Commissioner Bussell to approve the election inspector compensation by adoption of Resolution 2023-076. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. Abstain: Maegan Jenkins because she serves as an election inspector for the City of Clare. *Motion Carried*

E. APPROVAL OF MDOT RAIL-TRAIL CONSTRUCTION AGREEMENT 22-5568

The City of Clare has been working with the Michigan Department of Transportation (MDOT) and the Michigan Department of Natural Resources (MDNR) on a proposed project that will complete the "gap" that exists between the Pere Marquette Rail East Trail and the Pere Marquette West Trail in the City of Clare and Clare County for many years. The proposed project will extend the path along the abandoned rail corridor and road right-of-way from the Moose Lodge to Fourth Street in the City of Clare. The trail will continue to the east, eventually tying into the existing Pere Marquette Trail at Pine Street.

With the adoption of Resolution 2018-021, the City Commission authorized the application to MDOT for the US Department of Transportation Federal Highway Administration (FHWA) Transportation Alternate Program (TAP) Recreational Trails Program for grant funding. MDOT is now providing and requesting approval of the contractual agreement 22-5568 authorizing MDOT to construct the project work.

The Clare City Commission is now asked to approve contract agreement 22-5568 authorizing MDOT to commence and complete the pathway project construction. The City Commission is further asked to authorize its City Manager to sign the contractual agreement, to sign any and all related documents, and to authorize the City Treasurer to complete any necessary budget amendments and process payments related to the project.

Motion by Commissioner Murphy second by Commissioner Bussell to approve the contractual agreement with MDOT by adoption of Resolution 2023-077. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried*.

F. JURISDICTIONAL TRANSFER OF PARCEL ID 015-026-100-22 AND 015-026-100-26 FROM GRANT TOWNSHIP TO THE CITY OF CLARE UNDER THE PROVISIONS OF ITS URBAN COOPERATION AGREEMENT

The City enjoys the provisions of an Urban Cooperation Agreement (UCA) with Grant Township. The Agreement, which was approved by both governmental entities in 2008, outlines the process, terms, and procedures of transfer of jurisdictional control of property from Grant Township to the City for those lands within District I of the UCA to the area designated as District II of the Urban Cooperation Agreement.

We have received a request from ALDI, Inc. to transfer jurisdictional control of approximately 5 acres of property on "Hamburger Hill", presently owned by Jim Paetschow, to the City.

In condensed terms, the UCA provides any property owner within the geographical boundaries of the area defined as District I the opportunity to request the transfer of jurisdictional control of their property to the City. Once the transfer is approved, it moves the property to District II which enables the property owner to receive available city services. If such a request is received, both governmental entities are required to post a notice of a public hearing in order to receive comments pertaining to the request. Following the conduct of the hearing, the governmental units are obliged to enter into an agreement transferring the jurisdictional control of the property within 30 days.

While there is a provision for petition and referendum regarding the transfer of jurisdiction in the UCA, that provision is not applicable to this particular request as there are no eligible petitioners who reside within the boundaries of the property to be transferred.

The City has posted notice of the requisite hearing. Grant Township has received notice of the public hearing.

The City Commission is requested to hold the hearing and approve the agreement for the transfer of jurisdictional control of the requested property.

Motion by Commissioner Bussell second by Commissioner Murphy to open the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

Public Comment: None.

Motion by Commissioner Murphy second by Commissioner Jenkins to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

Motion by Commissioner Bussell second by Commissioner Murphy to approve the jurisdictional transfer of properties 015-026-100-22 and 015-026-100-26 from Grant Township to the City of Clare by adoption of Resolution 2023-078. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

G. JURISDICTIONAL TRANSFER OF PARCEL ID 015-027400-10, 10674 S CLARE AVE, FROM GRANT TOWNSHIP TO THE CITY OF CLARE UNDER THE PROVISIONS OF ITS URBAN COOPERATION AGREEMENT

The City enjoys the provisions of an Urban Cooperation Agreement (UCA) with Grant Township. The Agreement, which was approved by both governmental entities in 2008, outlines the process, terms, and procedures of transfer of jurisdictional control of property from Grant Township to the City for those lands within District I of the UCA to the area designated as District II of the Urban Cooperation Agreement.

We have received a request from Jim Paetschow to transfer jurisdictional control of property commonly known as 10674 South Clare Avenue to the City.

In condensed terms, the UCA provides any property owner within the geographical boundaries of the area defined as District I the opportunity to request the transfer of jurisdictional control of their property to the City. Once the transfer is approved, it moves the property to District II which enables the property owner to receive available city services. If such a request is received, both governmental entities are required to post a notice of a public hearing in order to receive comments pertaining to the request. Following the conduct of the hearing, the governmental units are obliged to enter into an agreement transferring the jurisdictional control of the property within 30 days.

While there is a provision for petition and referendum regarding the transfer of jurisdiction in the UCA, that provision is not applicable to this particular request as there are no eligible petitioners who reside within the boundaries of the property to be transferred.

The City has posted notice of the requisite hearing. Grant Township has received notice of the public hearing.

The City Commission is requested to hold the hearing and approve the agreement for the transfer of jurisdictional control of the requested property.

Motion by Commissioner Murphy second by Commissioner Bussell to open the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

Public Comment: None.

Motion by Commissioner Murphy second by Commissioner Bussell to close the public hearing. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

Motion by Commissioner Bussell second by Commissioner Murphy to approve the jurisdictional transfer of properties 015-027-400-10, 10674 S Clare Avenue, from Grant Township to the City of Clare by adoption of Resolution 2023-079. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.*

H. *BOARD & COMMITTEE REAPPOINTMENT-GLENDA CARMONEY AND ANGIE COZAT TO THE CITY PLANNING COMMISSION

Resolution 2023-080 Approved by Consent Agenda.

I. ***BOARD & COMMITTEE REAPPOINTMENT-MR. PETE SPITZLEY TO THE PARKS & RECREATION ADVISORY BOARD**

Resolution 2023-081 Approved by Consent Agenda.

8. **TREASURER'S REPORT:** The Treasurer provided a report to the Commission.

9. **CITY MANAGER'S REPORT**

Lake Shamrock Dredging and Dam Project. We continue to make progress on the mechanical dredging. The barge staging site and the hauling road have been relocated to the end of Shamrock Court. The operator will be working on the area in front of what used to be the public beach at Shamrock Park removing the sediment and the island that has formed there. Savin Lake Services is still waiting on EGLE for the permit so that they can put the hydraulic dredging equipment in the water. Work on the (spoils) holding cell at the airport has begun. The Dam feasibility study work is continuing. Luke and I recently met with the dam engineers to continue moving the project forward; we also met with EGLE who was onsite completing an inspection of the dam.

Street Reconstruction Project. Malley Construction has completed the work on the North Rainbow Drive street project.

Airport. The Commission approved rehab work on the Airport Apron and Taxiway. That work has now started. Fuel sales will be shut down for a few weeks during the project, but overall, there will be little interruption to the airport and pilots flying in or out.

City of Clare Pitch Competition. The Downtown Pitch Competition by MMDC and hosted at the Ideal Theater was a huge success. The winner of the night and the first-place prize of \$10,000 was Back Alley Pizza. Second place and also people's choice was Sweet Louise Candy & Gifts. They won \$1,420 in prize money (\$1,000 from sponsors and \$420 raised by the crowd that night). They also received a \$2,500 media package. Wildflower and Wren Market also won a \$2,500 media package. Make sure and stop in and congratulate them once they open up to the public.

Clare Family Fun Night. Clare's Family Night Out is taking place on Tuesday, October 3rd from 3pm – 8pm in the Wood's Household Parking lot and all around the Clare Area.

11. ***COMMUNICATIONS:** *Approved by Consent Agenda.*

12. **EXTENDED PUBLIC COMMENT:** Mark Schefsky of Surrey Township expressed that it was very impressive to see a professionally run government meeting and that it (the meeting) was well done.

13. **COMMISSION DISCUSSION TOPICS:** None.

14. ***APPROVAL OF BILLS:** *Approved by Consent Agenda.*

15. ***PROFESSIONAL & EDUCATIONAL TRAINING OPPORTUNITIES:** *Approved by Consent Agenda.*

16. **ADJOURNMENT:** Motion by Commissioner Bussell seconded by Commissioner Murphy to adjourn the meeting. Roll call vote: Yeas: Commissioners Bob Bonham, Kim Bussell, Maegan Jenkins, and Carolyn (Gus) Murphy. Nays: None. Absent: Pat Humphrey. None. *Motion Carried.* The meeting adjourned at 6:31 p.m.

Bob Bonham, Mayor Pro Tem

Diane Lyon, City Clerk