

CITY OF NORTON SHORES  
CITY COUNCIL WORK SESSION  
January 24, 2023

A regular work session of the Norton Shores City Council was held at the Norton Branch Library Community Room, 705 Seminole Road, on Tuesday, January 24, 2023 at 5:30 p.m.

Present: Mayor Nelund, Council Members Hylland, Jurkas, Kasher, Olson and Moulatsiotis; also, Mark Meyers, Taylor Hobby, Doug Hughes, Anthony Chandler, Jim Murphy, Chris Lyonnais, Jon Gale, Bob Gagnon and Matt Anderson

1. Fusion Development Brownfield/TIF Proposal

City Administrator Mark Meyers addressed City Council about the buy/sell agreement with Fusion Development for several city owned lots in the Eastowne Development. The Eastowne site condominium exists on a former fly ash disposal facility. There are known contaminations in the soils as well as vapor issues that must be managed for any future re-development to progress. Fusion Development is proposing that the City establish a Tax Increment Financing (TIF) plan for this Brownfield site to both manage the vapors as well as deal with the fill soil on site. The proposed tax capture would be used to reimburse the developer for costs unique to re-developing the Brownfield site such as the vapor barriers and potential foundational piers. Council Member Moulatsiotis asked what type of remediation would need to be done. Jared Belka, Warner Norcross & Judd LLP, and Doug Gulker, Fusion Development, explained how the vapor barriers and foundational piers work to remedy the contamination. Mr. Meyers recommended that the approximately \$250,000 project of constructing an ingress and egress to/from Peninsula Drive on the east side of the site also be included in the Brownfield/TIF plan.

The total of the capture would be approximately \$2,000,000 over a 14-year period. The plan provides 10% reimbursement to the City for administrative costs. It also includes a 15% contingency and 6% interest to the developer.

Mr. Meyers stated that the closing deadline on the sale of the property is February 28, 2023. Although the Brownfield/TIF is not a condition of purchase, the developer would like an indication from City Council whether or not they support a Brownfield/TIF on the sites being purchased. The consensus of Council was to move forward and staff will move the proposal on to the Brownfield Authority.

2. Local Street Improvement Program

Public Works Director Jim Murphy gave City Council an overview of upcoming road projects planned in year 15 of the Municipal Road Fund and funds collected from previous road projects as a result of favorable project bids for a total estimated budget of \$1,532,631. As outlined, streets based on the Asset Management Plan criteria scheduled for hot-in-place recycling include sections of South Brookside Drive, North Brookside Drive, Brookridge Drive, Leif Avenue, Lawnel Avenue, Wendover/Quinton and Wendover Boulevard. Milling and resurfacing portions of

Lawnel Avenue is being planned as well. Council members were agreeable to the proposed projects.

### 3. Proposed Water Meter Replacements

Water and Sewer Superintendent Matt Anderson presented to City Council staff's proposal to change the sole-source water meter brand. Mr. Anderson stated that currently the residential meter is a Sensus Iperl and the commercial meter is a Sensus Omni. Both meters require a separate radio unit whose total costs are included in the current tap fees. The reasons for considering replacing these meters with the Metron brand is due to long lead times, warranty issues with both meters and radios and that the City has found that Omni meters are needing to be replaced just outside of the meter's 10-year warranty period which seems to be typical for other communities as well. Staff is proposing switching to Metron meters which are within the American Water Works Association's requirements. The meters have the same accuracy and warranty as the competitors and, rather than being separate, the radios are built into each unit. The Metron meter prices are \$365/\$580 (3/4-inch/1-inch) for the Spectrum 30A and \$810 (1.5-inch) for the 88DL. This price includes the built-in radio. The current sole-source brand, Omni, prices are \$140/\$235 (3/4-inch/1-inch) for the Sensus Iperl and \$1,325 (1.5-inch) for the Omni. Both require radio units at \$185.

Council Member Hylland raised a couple concerns with the proposal. The first being the price difference between the two. The greater concern is the fact that once the warranty is up on the Metron meters after ten years the City would be forced into buying new meters to avoid the \$120 per meter data fee. Council Members Jurkas and Olson echoed those same concerns. It was determined that Council would like to have staff come back with more specific numbers pertaining to annual fee comparisons, a projection of if all Sensus were replaced how would that look not needing the manpower in the field reading meters and the difference of cost between replacement cycles of the two meters.

### 4. Proposed Utility Rates and Fees Adjustments

Water and Sewer Superintendent Matt Anderson presented to City Council a proposed change in the current water and sewer rates. The last commodity water rate increase was in January 2021 and both water and sewer debt charges have not changed since January 2019. A change in rate is necessary to keep the water and sewer funds in balance. Mr. Anderson is proposing the following changes: 1. Increase the water debt from \$17.56 to \$18.06 and increase the sewer debt to \$16.36. This would in turn help create additional revenue for future improvements to the water and sewer system; 2. That the commodity rate be used to cover Water Supply/Sewage Treatment and the depreciation expense. The rates would be reduced from \$4.43 to \$3.32/1,000 gallons and from \$4.38 to \$3.86/1,000 gallons for sewer; 3. Implement a new Ready-to-Serve charge of \$54.95/quarter for water and \$30.96/quarter for sewer. These charges would pay for Management and Maintenance budgets for corresponding utilities; and, 5. Create a charge for maintaining fire suppression systems. Overall, if proposed changes were adopted, it

would be a 31% increase on a typical residential quarterly bill, however, the changes are estimated to balance the water and sewer budget. Council raised concerns about the significance of the increase and how it would affect all residents, especially those on fixed incomes. Staff now will take into consideration Council's comments and concerns and work to refine portions of the proposed rates and fees adjustments.

5. Residential Cross Connection Proposal

In February of 2022 Water and Sewer Superintendent Matt Anderson informed City Council that after the State Department of Environment, Great Lakes, and Energy (EGLE) performed our Water System Sanitary Survey in May of 2021 the City's Cross Connection Control Program (CCCP) was found to be in violation of Public Act 399 of 1976 which requires that the CCCP addresses all public water accounts, which includes residential. At that time, it was proposed that the revised CCCP be included in the FY2024 budget. As budget time for FY2024 is approaching Staff is seeking direction on how Council wishes to proceed with the revision of the written cross connection program and implementing the residential inspections and device testing. In order to implement the program for residential inspections Mr. Anderson is proposing hiring two additional employees. If the CCCP is not revised to include residential accounts, EGLE will document our system with a deficiency. After an unknown number of deficiencies, EGLE will turn the system over to the United States Environmental Protection Agency (EPA) for enforcement of the residential inspections. Staff will look into how other municipalities are implementing this program and Council would like to look into the legalities of the program before moving forward.

6. Fire Apparatus Discussion

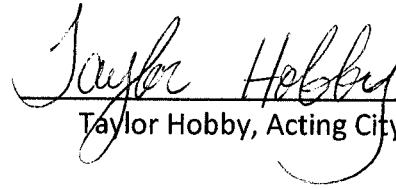
Fire Chief Bob Gagnon approached Council about the early replacement of fire apparatus unit 424. This particular unit is not due for replacement until fiscal year 2025, however due to the age of the apparatus, the current inflationary climate and lead times for purchasing an apparatus the department put together an apparatus committee to begin researching and discussing the design of the next engine. Through their research a stock-built apparatus by Pierce was found to be available for purchase for \$932,284. This particular unit could be available in the Spring of 2023 and there are currently funds available in the Capital Improvement Fund assigned fund balance for the department's apparatus replacement for the purchase.

Chief Gagnon also presented the possibility of purchasing a new squad unit as part of the four-year TIFA plan prior to the actual FY 2024 budget due to the availability of a vehicle that suits the departments needs. An abundance of research had been done by the apparatus committee and a vehicle was found that is currently available from Emergency Vehicles Plus of Holland, MI at a cost of \$371, 013. This particular unit will serve a multitude of uses now and in the future. The consensus of Council was to move forward and bring both vehicle purchases to the next meeting for formal action.

General Comments

Mr. Meyers reminded Council of no meeting on January 31 due to it being a fifth Tuesday.

Meeting adjourned at 7:57 p.m.

  
Taylor Hobby, Acting City Clerk