City Manager's Bits & Pieces

TO: St. Joseph City Commissioners

FROM: Richard I. Lewis, City Manager

DATE: November 21, 2013

If you haven't noticed, there is a transformation taking place in our downtown. There are these snowmen greeting people, greenery on light fixtures and in flower pots, structures on the bluff waiting for someone to turn on the switch. Now if we can get just a little bit of snow ... Remember the events taking place this Friday and the weekend of December 6-8. Let the holiday season begin.

Before getting into the general items, our congratulations and thanks goes out to Mark Boelcke for completing 25 years of service to the City. Mark is a Public Safety Officer and started with the City on October 28, 1988. He was presented with his 25 year pin last week.

City Hall Closed

Just a reminder that City Hall will be closed Thanksgiving and the Friday following. The Library is also closed on Thanksgiving but will be open the Friday after.

Library Event for December 7

Downtown fun extends to the library on December 7. There will be candy and frosting galore for Gingerbread Houses. Registration is required as space is limited for this perennially popular program. Children can register for one of three sessions at 10:30 a.m., 1:00 p.m., or 3:00 p.m. There is also a special session just for the Tween builders (grades 4-6 only) at 3:00 p.m. Cost is $2 per child for the younger sessions and $3 per child for the Tween session. The Library provides the supplies, kids provide the creativity!

St. Joseph High School Vending Request – Friday, December 6th

Just to make you aware, the St. Joseph High School 2014 After Graduation Party Committee has registered with the City Clerk and will be selling hot chocolate, popcorn, and nuts in the Fiskars parking lot on Friday, December 6th from 6 – 9 p.m. during the *Light Up the Bluff* and *Live! Mannequin's* events. This is a non-profit charitable group and not required to apply for a vendor's license to sell on private property, however they were required to register with the City Clerk and did so.

October Revenue and Expenditure Report

Attached is a memorandum from Finance Director Deb Koroch regarding the City financial picture for the month ending October 31, 2013. There are twenty-eight sheets providing more detailed information by department so if you would like a copy, please let us know. Of course, if you have any questions, give Deb a call.

Health Care Premium Increase

Provisions of the Affordable Care Act called for health care providers to pay additional taxes on health care benefits. The City was notified that beginning in January that the additional federal and state taxes will be $73,230.00 for the calendar year. Attached is a spreadsheet which outlines the effect on the City. As you can see, the Health Care Fund has ample funds to deal with the effect for the remainder of this fiscal year and that includes picking up the employee share. We will be sending out letters to the employees letting them know and explaining that with the start of the fiscal year on July 1, 2014 the employee portion of premiums will be back in full effect.

Carpeting-Fire Station

The recently approved vendor, Benson's Carpet, will begin replacing the old carpeting at the fire station the week of December 9, 2013.

Upgrade to Motorola In Car Video System

On Monday, November 25, 2013, Motorola will install an upgrade to the in car video system in use by the department of public safety. The upgrade, which is free as part of the contract with Motorola, should enhance some programming areas and fix others. The department of public safety has experienced frustration with the speed of the video download which could negatively impact court cases. If the upgrade does not significantly improve that issue, the department will look at other vendors to replace the Motorola equipment. No money has been paid to Motorola for the system and none will if the problem is not corrected.

Downtown Christmas Foot Patrols

As in years past, from the Friday following Thanksgiving through Christmas, the Department of Public Safety will provide foot patrols to the downtown.

School Lockdown Drills

The Department of Public Safety, along with the Berrien County Emergency Management Department, has participated in lockdown drills at the schools during the past weeks. The drills help sharpen the skills of both school staff and first responders.

July 4th Fireworks

Gayle Olson with WSJM requested a meeting with Mayor Garey and me to discuss the future of the July 4th Fireworks and the City's continued support. He would like to have a more formal multi-year commitment as well as an increase of the current financial support from the current $7,000 to $10,000. The goal is to increase the financial support in order to improve the quality of the event. We indicated we would put something together for the City Commission to consider at the December 16, 2013 Commission meeting.

Downtown Kiosks

Last week a question was raised regarding the five kiosks within the downtown area. Three of the kiosks were built through the Downtown Development Authority and the other two through the Lakefront TIFA (which no longer exist). In 1999 each of these organizations entered in Lease Agreements with St. Joseph Today. In that the Lakefront TIFA is non-existent, it may be prudent we consider entering into a new lease. I will be discussing this further with Jill Stone, St. Joseph Today Executive Director and will report back at the December 16 City Commission meeting.

Downtown Development Authority

There were two actions taken at the November 17, 2013 Board meeting which might be of interest.

- A discussion was held regarding the configuration of parking within the district. The Board recommended a change in the configuration for consideration by the City Commission. Attached are two maps showing the current and proposed setup. This will be on the December 16 agenda for further discussion.
- Approved the expenditure of $8,500 to undertake a demonstration project to convert the lighting on Broad Street between State and Lake Boulevard to LED. The memorandum from Derek Perry, Director Public Works & Service, is attached to provide further explanation.

Defined Benefit vs. Defined Contribution

This is a topic several of the Commission members have suggested a discussion be held and I would like to so early in 2014. It is generally acknowledged that in making the conversion, there is an increase in pension cost for a number of years to the governmental unit. So that we have can a meaningful discussion, Deb Koroch is getting a quote from Gabriel Roeder Smith & Company to complete an actuarial estimate on the effect of going to a defined contribution plan for new employees. Once we have that quote, we will bring it to the City Commission for further discussion and authorization.

Various Items

- Agenda for the November 14, 2013 and background memorandum for St. Joseph Commission meeting is attached for your information.
- Letter from Harbor Shores Paddlesports, LLC regarding the completion of their fourth year of operation.
- Email exchange with County Administrator Bill Wolf regarding life rings.
- Email exchange regarding truck traffic on Upton Drive.
- Agenda for the November 21, 2013 meeting and minutes of October 17, 2013 meeting of the Benton Harbor – St. Joseph Joint Wastewater Treatment Plant

Closing Thought

Be positive. Whether you are at home, in the workplace, or among friends, be the person who exudes optimism and you will find it reflected right back at you.

Have a great weekend and Thanksgiving Holiday. We look forward to seeing everyone downtown Friday night for the Luminary Festival.

Memorandum

To: Mayor Michael Garey and City Commissioners
Richard I. Lewis, City Manager

From: Deb Koroch, Finance Director

Re: October 2013 Revenue and Expenditure Reports

Date: November 20, 2013

Attached are the October 31, 2013 Financial Reports. These statements are complete, with the exception of month ending journal entries for materials and motor pool rent, which were posted in November for October.

Year to Date Revenues by Class – General Fund

Comparison of General Fund revenues-to-budget by budgetary center with comparative prior year percentages are as follows:

Revenues Class	2013-2014 Amended Budget	2013-2014 YTD Actual	2013-2014 Actual Revenues as a % of Budget	2012-2013 Actual Revenues as a % of Budget
City Operating Taxes	$5,197,600	$4,876,774	94%	92%
Licenses & Permits	4,800	244	5%	16%
State Revenues	835,000	294,143	35%	24%
Statutory Fees	146,000	1,954	22%	29%
Administration Fees	1,042,300	0	.19%	.26%
Charges for Services	182,000	109,540	60%	59%
Fines & Forfeits	85,000	39,707	47%	41%
Interest Earned	10,000	2,095	21%	7%
Contributions	2,000	1,000	50%	30%
Other Revenue	25,600	12,199	48%	28%
Total Revenue	**$7,530,300**	**$5,369,189**	**73%**	**70%**

- Overall, revenue in the General Fund was budgeted to be $222,500 (about 3%) more for this fiscal year as compared to last year.
- Total General Fund revenues collected represent 73% of the budget amount, which is up from last year and higher the anticipated budget level for the current fiscal year.
- Property tax revenue was just 94% of the budgeted amount; the current year budgeted amount is $115,764 more than the prior year.

- Licenses and permit revenue is normally collected in April when vending permits are issued.
- As in prior years, administrative fees will be allocated in December.
- Charges for services, including parking fees continue to exceed the prior year for the same period.
- Revenue from fines and forfeits continues to show an increase over the same period last year; with 5.93% more revenue collected through October. This is particularly apparent in downtown parking tickets where receipts are nearing 30% higher than for the same period last year.
- Interest income is 56% higher this year than last.

Year to Date Expenditures by Function – General Fund

Comparisons of General Fund expenditures-to-budget by department with prior year actual percentages are as follows:

Function	2013-2014 Amended Budget	2013-2014 YTD Actual	2013-2014 Actual Revenues as a % of Budget	2012-2013 Actual Revenues as a % of Budget
Legislative	$26,800	$12,167	45%	44%
General Government	1,052,500	313,357	30%	38%
Public Safety	3,429,700	1,066,205	31%	34%
Public Works	983,900	324,952	32%	29%
Health & Welfare	50,000	16,033	32%	33%
Community Development	342,200	87,033	25%	27%
Recreation & Culture	643,800	266,761	37%	41%
Other Functions	260,700	117,301	42%	43%
Debt Service	128,100	64,024	50%	50%
Transfers Out	213,000	72,771	34%	60%
Total Expenditures	**$7,130,700**	**2,340,604**	**32%**	**37%**

- Overall, the General Fund budgeted expenditures are down $153,712 from the prior year.
- Expenditures-to-date total 32% of the budgeted amount, which is less than the 37% for the same period last year.
- Seven of the ten cost centers are tracking below last year's actual expenditures; four are above the benchmark through October:
  - Legislative – Dues paid to the Michigan Municipal League in July
  - Recreation & Culture – Summer recreation expenses and seasonal park employees
  - Other Functions – Annual liability Insurance paid in July and September
  - Debt Service – Semi-annual payment paid in August each year
- Public Safety accounts for 46% of General Fund spending or roughly the same as last year.
- Budgets within the Public Works function were revised this year to include items that were formerly paid in Municipal Streets.

Capital Project Fund

Of the $908,200 budgeted for Capital Projects this year, $450,586 has been expended, including:

- Lions Beach Restrooms - $118.448
- Boat Launch Improvements - $189,696
- Property Purchase - $23,512
- MTT Appeals - $23,500

The current cash balance in the Capital Project Fund is $418,975 including escrow funds of $342,200 for the Harbor Village Inn. The City has expended $213,781 for the Harbor Inn project; grant reimbursement in the amount of $176,000 was received on November 20, 2013 and is not reflected in this report.

Year-to-Date Revenues and Expenditures – Other Funds

Year-to-date revenues in all Special Revenue, Debt Service and Enterprise funds are within anticipated levels when compared to their budget and historical levels.

Year-to-date expenditures in Special Revenue, Debt Service and Enterprise funds at October 31st are within anticipated budget levels when debt service and capital outlay requirements are considered and compared to historical levels, with the following exceptions:

Fund	Total Expended	Percentage	Notes
209 – Cemetery	$40,454	35%	Tree Removal Service
591 – Water Distribution	$470,136	37%	Unanticipated Valve Repair
661 – Motor Pool	$416,252	51%	New Radios / Squad Car Change-out
667- Self Insurance	$82,129	41%	Unanticipated Retirement Benefit Payouts

Department Heads have been notified of these areas of concern; we are hopeful that the annual expenditures will still not exceed the approved overall budgeted amounts. If you have any questions or concerns about these reports, please do not hesitate to contact me.

Attachment

CITY OF ST. JOSEPH
CASH BALANCE REPORT
FOR THE PERIOD ENDING OCTOBER 31, 2013

Fund	Description	Beginning Balance 07/01/2013	Total Debits	Total Credits	Ending Balance 10/31/2013
101	General Fund	2,042,438.34	5,557,775.95	2,409,812.53	5,190,401.76
150	Cemetery Perpetual Care Fund	167,573.35	79.33	0.00	167,652.68
155	Library Endowment Fund	714,866.15	1,223.34	0.00	716,089.49
202	Major Street Fund	679,175.65	146,626.97	38,481.61	787,321.01
203	Local Street Fund	79,981.97	58,598.52	26,713.08	111,867.41
204	Street Improvement Fund	1,014,692.43	406,722.66	211,658.28	1,209,756.81
209	Cemetery Fund	12,443.20	82,219.34	51,268.55	43,393.99
214	Depot Fund	107,305.62	8,571.29	2,193.72	113,683.19
226	Solid Waste Fund	170,733.69	734,668.59	245,113.96	660,288.32
243	Brownfield Redevelopment Auth	33,485.44	12.80	0.00	33,498.24
248	Downtown Development Authority	78,091.53	47,929.56	14,075.75	111,945.34
249	Inspection Fund	201,789.32	104,789.17	80,931.93	225,646.56
257	Budget Stabilization Fund	1,000,000.00	20,000.00	20,000.00	1,000,000.00
265	Drug Forfeiture Fund	16,413.99	330.28	2,832.20	13,912.07
266	Criminal Forfeiture	3,193.21	2.51	1,154.97	2,040.75
270	Band Fund	122,322.27	108,189.78	88,329.70	142,182.35
271	Library Fund	124,975.71	527,664.38	245,683.59	406,956.50
274	Justice Training Fund	6,823.43	1,580.27	2,126.61	6,277.09
301	Debt Service Fund	518,581.03	597,306.39	184,487.83	931,399.59
401	Special Project Fund	472,912.40	614,919.96	668,857.16	418,975.20
403	Library Capital Improvement	8,633.20	0.00	0.00	8,633.20
508	Ice Arena Fund	60,996.52	1,690.00	20,431.95	42,254.57
590	Sewer Fund	1,249,153.63	2,141,493.20	1,887,660.92	1,502,985.91
591	Water System Fund	2,999,535.61	2,348,752.87	1,930,234.13	3,418,054.35
592	City Water Fund	1,360,310.89	331,184.36	51,185.90	1,640,309.35
594	Marina Fund	76,769.66	563,131.70	360,438.99	279,462.37
661	Motor Pool Fund	627,803.24	275,084.10	524,019.14	378,868.20
667	Self Insurance Fund	183,065.79	46,256.23	82,205.33	147,116.69
690	Health Care Reimbursement Fund	295,114.74	531,024.09	517,629.51	308,509.32
731	Pension Fund (Non-Investment funds)	290,009.17	1,342,830.53	1,064,082.30	568,757.40
	TOTAL - ALL FUNDS	14,719,191.18	16,600,658.17	10,731,609.64	20,588,239.71

Estimated ACA Tax Ramification

Department	2013 Monthly Premium	2013 Annual Total	2014 Estimated Federal Tax	2014 Estimate Michigan Tax	2014 Monthly Total	2014 Annual Total w/ Taxes	Total Annual Difference
General	$ 36,330.00	$ 435,960.00	$ 1,313.20	$ 479.56	$ 38,122.76	$ 457,473.12	$ 21,513.12
DPW	$ 31,542.00	$ 378,504.00	$ 1,165.59	$ 416.35	$ 33,123.94	$ 397,487.28	$ 18,983.28
Patrol	$ 16,371.00	$ 196,452.00	$ 625.68	$ 216.10	$ 17,212.78	$ 206,553.36	$ 10,101.36
Command	$ 5,360.00	$ 64,320.00	$ 206.01	$ 70.75	$ 5,636.76	$ 67,641.12	$ 3,321.12
Fire	$ 11,115.00	$ 133,380.00	$ 236.75	$ 146.72	$ 11,498.47	$ 137,981.64	$ 4,601.64
Library	$ 4,407.00	$ 52,884.00	$ 159.26	$ 58.17	$ 4,624.43	$ 55,493.16	$ 2,609.16
Retirees	$ 21,000.00	$ 252,000.00	$ 731.16	$ 277.20	$ 22,008.36	$ 264,100.32	$ 12,100.32
	$ 126,125.00	$ 1,513,500.00	$ 4,437.65	$ 1,664.85	$ 132,227.50	$ 1,586,730.00	$ 73,230.00

Jan- June $ 36,615.00

Employer	$ 29,292.00
Employee	$ 7,323.00

Health Care Fund

July 1, 2013	$ 330,401.26
Anticipated Revenue	$ 1,542,800.00
Anticipated Expenditures	$ 1,552,882.53
June 30, 2014	$ 320,318.73
Less Taxes	$ 36,615.00
Anticipated Ending Balance	$ 283,703.73

LEASE AGREEMENT

The LAKEFRONT TIFA, an agency of the City of St. Joseph, whose address is 700 Broad Street, St. Joseph, Michigan, 49085, and ST. JOSEPH TODAY, whose address is 520 Pleasant Street, St. Joseph, Michigan, 49085, have entered into this Lease Agreement, to be effective October 21, 1999.

1. **Premises.** The premises to be leased are the two (2) information kiosks located below the bluff of downtown St. Joseph, located on the northerly side of the railroad depot, and in the Upton Arboretum just west of the former State Street bridge abutment.

2. **Term.** The initial term of this Lease shall be beginning October 21, 1999, continuing through June 30, 2000. Subsequently, the Lease will automatically renew for succeeding one-year terms.

3. **Termination of Lease.** Either party may terminate this Lease upon thirty (30) days written notice to the other, at any time during the original or any succeeding Lease term.

4. **Rent.** St. Joseph Today shall pay the sum of $1.00 for the term of this lease as rent to the Lakefront TIFA, that amount to be paid in advance.

5. **Maintenance.** The Lakefront TIFA retains the responsibility for all routine maintenance of the kiosks, and all decisions regarding that maintenance shall be within the sole discretion of the Lakefront TIFA.

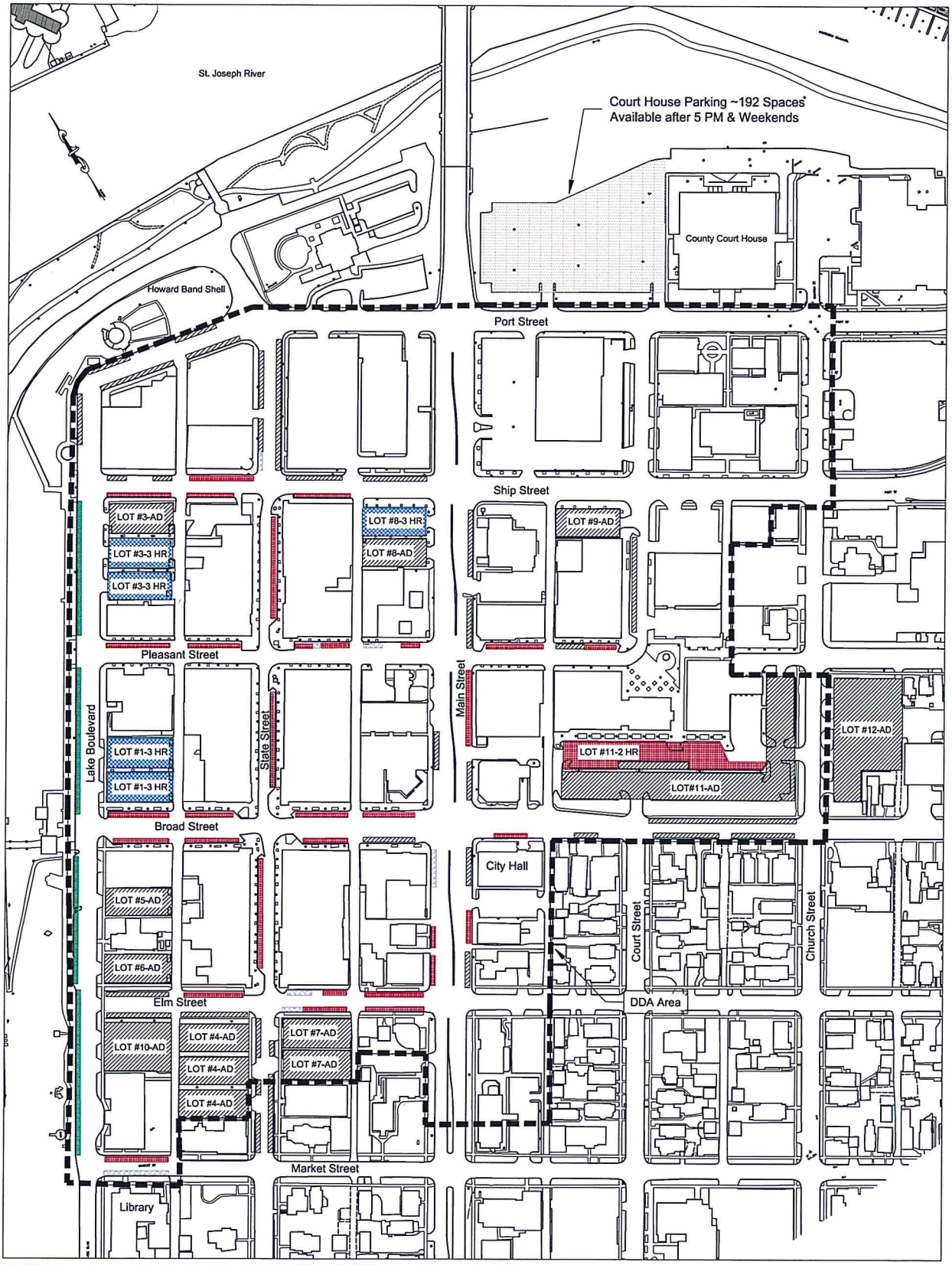
6. **Use of the Premises.** St. Joseph Today's use of the kiosks shall be limited to civic and municipal purposes, including but not limited to the promotion of St. Joseph Today activities and events, and for providing related information to the general public.

ST. JOSEPH TODAY

By: _____
Kim Gallagher, Executive Director

LAKEFRONT TIFA

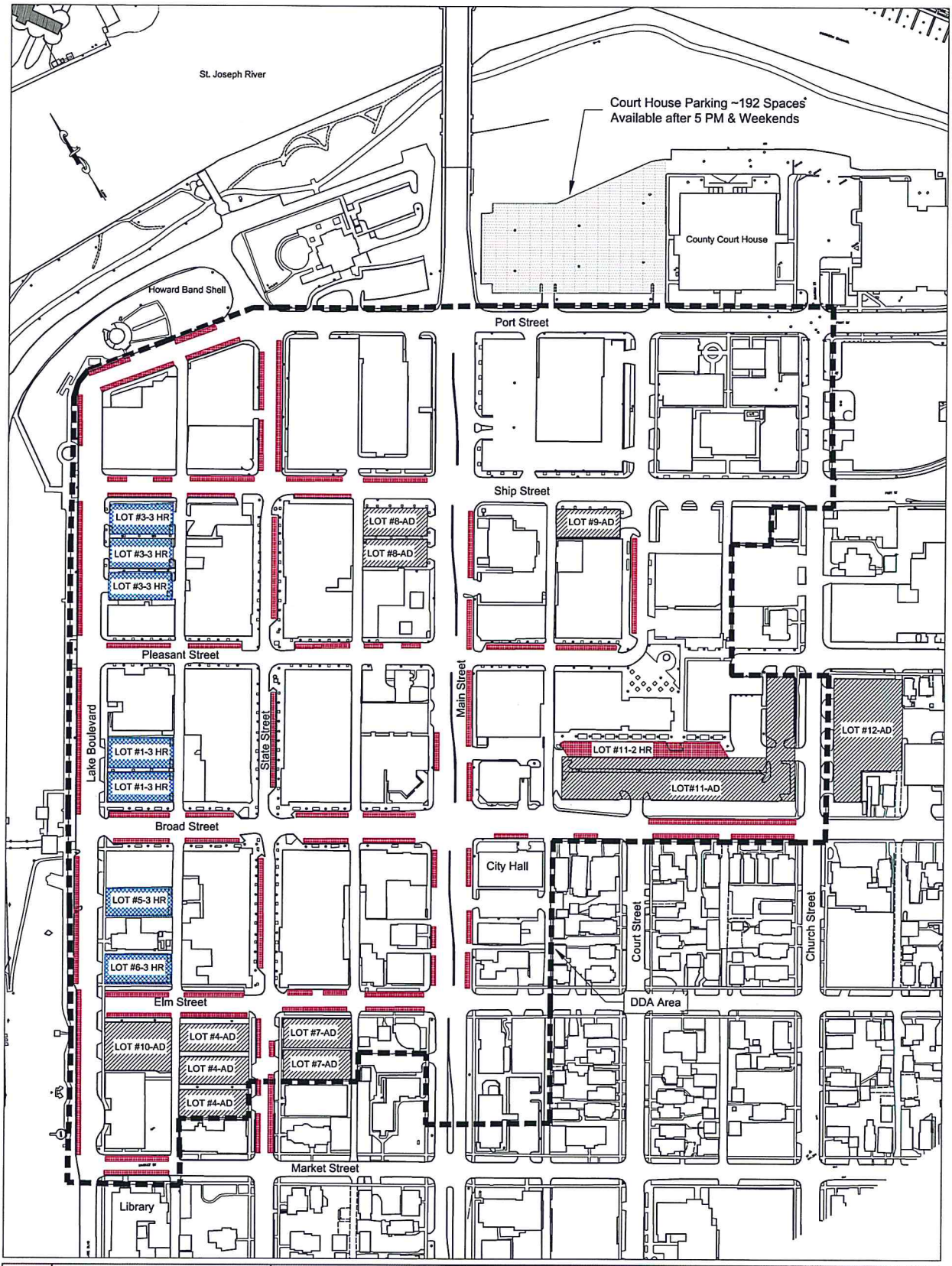
By: _____
John Hodgson, Executive Director (Acting)



Legend	Parking Duration	Location																					Total
		Parking Lots											Street										
		1	3	4	5	6	7	8	9	10	11	12	Broad	Court	Elm	Lake Blvd	Main	Market	Pleasant	Port	Ship	State	
	All Day		28	87	55	30	56	27	25	42	111	96	26	14	42	5	18		12	10	3	24	711
	Three Hour - Memorial to Labor Day	58	54					27															139
	Two Hour - Memorial to Labor Day															106							106
	Two Hour										69		60		32		13	10	36		28	24	272
	Other - 1 Hour or Less																3	10					13
	Total	58	82	87	55	30	56	54	25	42	180	96	86	14	74	111	34	20	48	10	31	48	1241

Current Parking

Note: Base Map 1999 Aerial Topographic Map



Legend	Parking Duration	Location																					Total
		Parking Lots											Street										
		1	3	4	5	6	7	8	9	10	11	12	Broad	Court	Elm	Lake Blvd	Main	Market	Pleasant	Port	Ship	State	
	All Day			87			56	54	25	42	153	96											513
	Three Hour - Memorial to Labor Day	58	82		55	30																	225
	~~Two Hour - Memorial to Labor Day~~																						0
	Two Hour										27		86	14	74	111	34	20	48	10	31	48	503
	Other - 1 Hour or Less																						0
	Total	58	82	87	55	30	56	54	25	42	180	96	86	14	74	111	34	20	48	10	31	48	1241

MAY 1 - SEPT 30

Option One

Note: Base Map 1999 Aerial Topographic Map

CITY OF St. Joseph

Memorandum

Public Works & Service

To: Richard Lewis, City Manager

From: Derek N. Perry, Director

RE: DDA LIGHT CONVERSION PROJECT REQUEST

Date: November 14, 2013

For the past several years the City has discussed replacing the light poles and globes in the downtown business district. Although the City did at one time have difficulty locating replacement parts this is no longer the case. In short, we can continue to have the same style of poles and globes in the downtown for the foreseeable future.

What I would like the DDA to consider is funding a small scale LED light demonstration project in the downtown. As I am sure you are aware, many communities have switched from traditional light bulbs with high energy use to LED's, which have a much lower energy requirement. We have investigated several LED options for many of our lighting systems, but never at this scale.

Our request is for **$8,500** to replace 24-175 watt metal halide bulbs with 24- 45 watt LED lamps. The proposed project light poles are located on Broad Street west of State to Lake Boulevard. Our thought is that this is large enough foot print to provide a good demonstration, but also manageable if we need to experiment with the LED lamps. In addition to the energy savings reducing from 175 to 45 (130 watts), we would also be eliminating the ballast starters which consumes approximately 19 watts each. The budget of $8,500, if approved, would also allow us to replace all 24 of the white globes, which will enhance and provide a consistent look for the demonstration project.

If the project is successful we could then discuss a comprehensive project that would convert all of the remaining street lights (114 poles) to LED's over a set period of time. If the total conversion project is ultimately approved we would also request authorization to seek funding from our electrical provider (AEP) through their energy savings incentive program to help offset the cost of the larger project.

Thank you for considering the proposal and please let me know if you have any questions.

AGENDA
ST. JOSEPH HOUSING COMMISSION
REGULAR MEETING

COMMUNITY ROOM
LAKE VIEW TERRACE HIGHRISE

Thursday, November 14, 2013, at 8:30 a.m.

1. Approval of Minutes.

    a. Regular meeting of September 12, 2013.
    b. Special meeting of October 24, 2013.

2. Executive Director:

    a. September 2013 Previously Paid Liabilities
    b. October 2013 Previously Paid Liabilities
    c. Financial Report for September 2013
    d. Financial Report for October 2013
    e. Vacancy Report for September/October 2013

3. Guests: None.

4. Comments from Audience.

5. Housing Commission Comments.

St. Joseph Housing Commission
Lake View Terrace Highrise
601 Port Street
St. Joseph, MI 49085
A Special Place on the Lake

Nancy E. Walker
Executive Director
PHONE (269) 983-2814
FAX (269) 983-2340
TDD/TTY (800) 545-1833 ext. 942

MEMORANDUM

TO: St. Joseph Housing Commissioners

FROM: Nancy E. Walker, Executive Director

SUBJECT: Meeting of November 14, 2013

DATE: November 8, 2013

List of Previously Paid Liabilities

The total of the September List of Previously Paid Liabilities is $60,754.17. Two items are expenses that are paid out of the 2011 CFP grant: 1) A check to Alliance Architects, in the amount of $6,353.11. This is for architectural fees for both projects – the storm door replacement ($1,552.85) and the closet door replacement ($4,830.26) projects. 2) A check to First Contracting, Inc., in the amount of $26,808.30. This is the first payment to them for the installation of the storm doors and painting the frames and inner patio doors. There is still $21,714.70 owed to them. Another large expense is a payment to Midwest Glass, in the amount of $998.85. This is for glass to replace windows where the seals have broken. We replaced these during nice weather in our preparation of the HUD inspection next year. We never know when this inspection will be held and did not want to get caught changing them in the cold. All other expenses were normal.

The total of the October List of Previously Paid Liabilities is $97,614.84. We had quite a few expenses in one month that make the list of bills appear out of line. We had the quarterly water bill ($7,302), quarterly pension contribution ($5,024), and quarterly worker's compensation contribution ($1,060) – all due to the City. We paid Alliance Architects for the A/E for the closet door replacement project ($1,892) – this is reimbursed from the 2011 CFP. We paid the final billing for First Contracting, Inc. for the storm door project ($21,714) – this also is reimbursed from the 2011 and 2012 CFPs. We had two repairs on the heat system – one in the amount of $1,824 to replace the domestic water heater burner and one for the replacement of the pressure tank in the amount of $2,066. Finally, we paid Mall City Mechanical ($30,888) for the replacement of the valves on the heat system for the EPC project. This is the portion of the project that was not included in the Energy Performance Contract and we covered out of operations. All other expenses are normal.

September 2013 Financial Report

The benchmark for September financials is 50%. Revenues are $279,328.06 (52.9%) and operating expenditures are $215,847.05 (41.1%). This leaves a net operating gain of $63,481.01. The overall percentages for both revenues and expenses are in line with the budget.

I was able to drawdown the money that we budgeted for Operations from the 2013 CFP in September. This is why CFP Operations (3690.00) is at 100%. We still show low percentages for Interest Income, Laundry Income and Operating Subsidy. As I mentioned previously, these line items are out of our control.

The Heating and Cooling (4430.01) expense line item is at 62% of the budget. This is high as we have not done a budget revision for the extension of the exhaust pipe away from the building ($1,797) or for the costs to wire the old compressor ($435) to the system until the new compressor was built. There will also be the cost of installation and fabrication of the new compressor added to this line item ($2,066) in October. They installed the new compressor on October 1, 2013. Elevator Maintenance (4430.03) is also a little high (52.6%). I will need to amend this budget also. Payment in Lieu of Taxes (4520.00) is a little high (57.8%). This is the expense of the yearly payment that we make to the City of St. Joseph in lieu of taxes. The payment is based on 10% of tenant revenues minus utilities and levied taxes of our area (City and County). It is calculated by our fee accountant. Usually, we receive a small portion of this back after the City sends a report to the State of Michigan regarding the tax levy at the end of the year. Other line items are in line with the expense budget.

October 2013 Financial Report

The benchmark for October financials is 58.3%. Revenues are $321,994.93 (61%) and operating expenditures are $262,999.03 (50.1%). There is a net operating gain of $58,995.90.

The revenues are above budget, even considering the loss of operating subsidy. The Operating Subsidy loss is only about $3,400 at this time. I'm still not certain where we will end up by the end of the fiscal year. The Federal government still has not adopted a budget at this time. Tenant Revenue – Other is the collection of excess utility for residents that have air conditioners in the summer. There will be no more revenues added to this account for the rest of the year.

Most of the expenditures are still in line with the budget except for Heating & Cooling. The repairs done on the heat system (compressor for pneumatics) and the domestic water boiler (burner) this month increased this line item above budget. This will be corrected with a budget amendment. I normally present a budget amendment in November to take care of any items that need to be changed but there are only a couple of items that I would change at this time so I will present it at a later date.

Vacancy Report

There was one vacant apartment entering September (808-L). That vacancy was filled on September 1, 2013, with an internal move due to reasonable accommodation. This left one unit vacant (608-E) and it was filled in September, entering October with no vacancies.

There were no vacancies entering October. We had two vacancies in October (307-SH, 903-S) – one due to death and one entered a nursing home. We received the keys to these apartments on the last two days of the month, thus entering November with two vacancies. Our occupancy percentage was 98.13% at the end of October.

We have a waiting list of 47 people: 21 pending, 0 for an efficiency apartment, 20 requesting large one-bedroom apartments, 6 for a small one-bedroom apartment, 0 for a handicapped apartment and 0 for a two-bedroom apartment.

Storm Door Project

This project is complete. These doors work very well in helping to keep the cold and wind out. Of course, you can never do a project without complaints. The biggest complaint that I have heard is that you can't sit in your chair and look out the patio door anymore to see what is going on. The old doors had more glass – but also more chance for damage and breakage. The metal bottom of the new doors comes up much higher. This also helps prevent the screen damage from pets and children.

EPC Project

We began installing the EPC measures at the end of September. Mall City Mechanical replaced the valves and thermostats. As we anticipated, this has not gone over very well with the residents. As you may remember, the thermostats are set-back. They are set to go down to 70 degrees at 9:00 p.m. and back up to 75 degrees at 7:00 a.m. Since installation we have been deluged with complaints of no heat! James Higgins, Wind, Water and Energy Conservation, has visited every apartment to make sure the thermostats were operational. As with any project, there were a few installation issues but most complaints investigated found that the thermostats are doing exactly as they should. We have tools to help prove this to residents, e.g. temperature gun, thermometers that we leave in the apartments, data monitors, etc. I have enclosed a copy of an excerpt from HUD guidelines for mechanical systems that shows what HUD requires when set-back thermostats replace the old ones. We are being more than fair per these guidelines. The issue is caused by having thermostats in the past that had no temperature reading – only a one to five setting. When people were cold they hiked it up as high as they could with no regard to conserving or even knowing what the temperature was set on. We went to apartments many

times in the past when people complained about being cold and had to show them that it was 88 degrees in their apartments. They had many years to get used to that temperature so 75 feels cold to them. We are finding that many residents are getting space heaters – sometimes more than one in an apartment and they are heating with their ovens with the oven door open. We have a policy that states the following:

b. Electric Heaters

1. Operation and/or installation of heating units, in addition to what is provided by the St. Joseph Housing Commission, without prior management approval is expressly prohibited.

I have sent a memo to the residents stating that they will receive a lease violation for using their ovens to heat their apartments. Not only is this the opposite of what we are trying to accomplish with the energy savings, it is very dangerous practice and a safety hazard to everyone else in the building. We are also in the process of determining what to do about the space heaters. I also notified the residents that we have not decided what to do about space heaters yet but at the very least heaters should be inspected by staff for safety. I am inclined to inform the residents that we will be issuing lease violations for space heaters also based on the same premise of being a safety hazard and it will undermine the project. We know that it is something that will be very difficult to monitor, as will be the ovens, but the knowledge that it is against policies and could lead to eviction per their lease may hinder some residents from using them. I have already issued a lease violation for using the oven as it was done within twenty-four hours of the memo. I am hoping that others will see that we are serious about this project. We have been threatened with petitions being sent to John Proos and Fred Upton and calls to HUD. Since Mr. Upton is Chairman of the Energy Committee, I don't think it would go far with him. I am not concerned about these threats because we are well within guidelines.

The other energy savings measures have also been installed to include weather-stripping around patio doors, new toilets in 74 of 100 apartments (we had already changed other toilets to low-flow before this project), new aerators on the kitchen and bathroom sink faucets, new hand-held low-flow showerheads in all apartments, CFL lighting put in all permanent fixtures in the apartments, new energy efficient lighting in hallways and common areas, an energy saver on the pop machine, a damper in the laundry room and a new energy efficient motor on the make-up air unit for the hallways. Installation was completed on November 1, 2013.

We recently reduced the time on the dryers. We had charged $.75 for 54 minutes. We found that quite often time is left on the dryer and that 54 minutes is not needed. We also know that some people do not take their clothes out of the dryer until the time is finished – without checking to see if the clothes are dry or not before that. After we lowered the time, we ran a test load of several heavy items, to include jeans, sweaters, corduroy pants, long underwear and a few other

items. The clothes were dry. With these machines, you can put in an additional quarter for ten more minutes if needed. To me, this is more of an issue of wasted energy than additional revenue. We believe that the residents will find that they don't need that much time. We will monitor it to see if we begin receiving complaints. It can always be changed back if it isn't working as we hope it will.

Closet Door Project

The measurements have been taken and the doors have been ordered. It takes about 6-8 weeks to manufacture them so the anticipated start date for installation is the week after Thanksgiving. This will be the last project that we will do for a while. The majority of the CFP grant funds will have been used with the completion of this project. There will only be some funding for training and management improvements left. We will not receive another grant until next year.

The residents have put up with a lot of disturbance in the last few weeks. There have been a lot of contractors in and out of their apartments and they deserve a break. We plan to let them relax for a few weeks and then we have to begin preparation for our physical inspection. We never find out when it will be until about three weeks before, but we normally spend several months preparing for it. The replacement of some of the energy measures have helped cut out some of the maintenance issues that we may have had otherwise, e.g. we have been fixing leaky faucets as we install the new aerators; most of the toilets are new; we have all new refrigerators; we replaced any broken sealed windows before the weather got cold, etc. These inspections are very comprehensive, but we achieved 99/100 on the last one that we had in 2011. Because we did so well we were able to skip a year – normally we would have one every two years.

Bedbugs

Still no sign of the little critters!

Vacation

I will be on vacation out of state the week of Thanksgiving (11/22-12/1/2013), returning Monday, November 2, 2013. I will also be on vacation out of state for the Christmas holiday (12/19/13-1/1/14), returning January 2, 2014.

As always, please contact me if you have any questions.

RECEIVED
NOV 12 2013
CITY OF ST. JOSEPH
INSPECTION DEPT.

Mr. John Hodgson
Community Development Director
City of St. Joseph

October 30, 2013 RE: Harbor Shores Paddlesports, LLC

Dear John:

I am pleased to report that Harbor Shores Canoe and Kayak Rentals have just completed our fourth year of operations at Harbor Shores Resort in the City of St. Joseph. In 2012, we had 473 paddlers, a 24% increase over 2011. This year, we had 278 paddlers, a 41% decrease from 2012. The reason for the increase was due to increased competition. When we started the business, there was only one kayak rental operation. Now, there are four. Two of the four were offering "rent one, get one free" promotions in order to gain market share. We have maintained our pricing the same at $20 per paddler since we opened.

Your decision to partner with us again this year has been a large part of our success. For that, we thank you. In return, we have provided a safe, affordable, family recreational opportunity for visitors to the City of St. Joseph. Safety and service are our two top priorities. We have now completed our fourth year with a perfect safety record. We continue to strive to provide service levels that meet or exceed the expectations of our guests.

I have included a check payable to The City of St. Joseph for $278.00 that represents the 5% licensing fee per our agreement.

We will open for the 2014 season after the Senior PGA Championship is over. If you have any questions, please contact me at 269-985-3747.

Sincerely,

Joseph Dick
Harbor Shores Paddlesports, LLC
www.harborshorespaddle.com

Richard Lewis

From: Richard Lewis
Sent: Monday, November 18, 2013 5:49 PM
To: 'William Wolf'
Subject: RE: Pier Safety

I think my sentence structure could have been a little better. Hope it made sense.

R

Richard I. Lewis
City Manager
City of St. Joseph, MI
Office – (269) 983-5541
Cell – (231) 883-8162

"Relationships are primary; all else is derivative." Ron James

-----Original Message-----
From: Richard Lewis
Sent: Monday, November 18, 2013 4:59 PM
To: 'William Wolf'
Subject: RE: Pier Safety

Bill,

The City has not taken this rather I have suggested a position to wait and see what the County is going to do. However, I did meet with Cathy Thieneman, Janette Lahey, and Bob Wolley on October 30 regarding their proposal of life rings. I did indicate that if the lighthouses are going to open to the public, safety issues will have to be included and addressed as a part of the capital campaign. What those safety features are will be a part of the design process.

Hope this helps.

Richard

Richard I. Lewis
City Manager
City of St. Joseph, MI
Office – (269) 983-5541
Cell – (231) 883-8162

"Relationships are primary; all else is derivative." Ron James

-----Original Message-----
From: William Wolf [mailto:wwolf@berriencounty.org]
Sent: Monday, November 18, 2013 10:01 AM
To: Richard Lewis
Subject: Pier Safety

Richard, life rings are coming back as a topic in the coming weeks. This pre-dates your employment. Because of the Lighthouse purchase, has the City re-thought its position of life rings on the pier(s)?

Richard Lewis

From: Richard Lewis
Sent: Tuesday, November 19, 2013 6:34 PM
To: Jeff Noel; 'rsmith@kempersports.com'; 'jlsperbeck@aol.com'; 'bmcfeeter@evgnmanagement.com'
Cc: 'Chris Heugel'; 'Fran Chickering'; 'Jeff Richards'; 'Mary Goff'; 'Mike Garey'
Subject: FW: Upton Dr / Whitwam Dr

Jeff,

What follows is the results of the question you asked of me yesterday morning. I have included Mr. Smith, Mr. McFeeter, and Mr. Beck (?) on this response whom I assume you suggested should contact me directly. I am willing to meet and discuss further if that will be helpful. Please let me know.

Jeff, thanks for getting hold of me.

Richard

Richard I. Lewis
City Manager
City of St. Joseph, MI
Office – (269) 983-5541
Cell – (231) 883-8162

"Relationships are primary; all else is derivative." Ron James

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From: Deb Koroch
Sent: Monday, November 18, 2013 1:25 PM
To: Derek Perry; Tim Zebell; John Hodgson; Mark Clapp
Subject: RE: Upton Dr / Whitwam Dr

I have not received any complaints directly but have heard of complaints second hand.

My recollection of the phase one Whitwam Drive construction (previously Edgewater Drive) was that the road was necessary to replace the access for trucks to and from LaFarge and Anderson and prevent them from using Upton Drive to M63 through the residential neighborhood. My understanding was there was great concern from the Edgewater/Upton Drive residents that trucks would use the Upton Drive route to M63 once the old exchange was removed. It seems that the complaints did not begin until after the round-a-bouts were constructed.

Deb

From: Derek Perry
Sent: Monday, November 18, 2013 1:09 PM
To: Tim Zebell; John Hodgson; Mark Clapp; Deb Koroch
Subject: RE: Upton Dr / Whitwam Dr

Last summer at the Edgewater Association meeting a few residents asked the same question/complained about truck traffic on Upton and I gave them the information everyone has stated below (major street, contractors choose the easiest route, etc.). They mentioned an "agreement", but I am not aware of any such document or promise.

DP

From: Tim Zebell
Sent: Monday, November 18, 2013 12:15 PM
To: John Hodgson; Derek Perry; Mark Clapp (mclapp@sjcity.com)
Cc: Richard Lewis
Subject: RE: Upton Dr / Whitwam Dr

I don't recall being contacted directly with regard to truck traffic on Upton Drive however the issue does seem to re-emerge a couple times a year as John has indicated below. Both Upton Drive and Whitwam Drives are major streets on our Act 51 Map, again already identified by John. I know that Upton Drive is a federal aid eligible route and believe that Whitwam Drive is one as well. I have not heard of any agreements or understandings with regard to limitations of truck traffic on Upton Drive.

From: John Hodgson
Sent: Monday, November 18, 2013 10:58 AM
To: Tim Zebell
Subject: FW: Upton Dr / Whitwam Dr

I believe I have heard concerns once or twice each year since Whitwam opened. In the past—before Whitwam was completed--I have a number of times heard statements that the city would require LaFarge and Anderson would use Whitwam for truck traffic, rather than Upton Drive. I am not aware that either company has ever agreed to do anything more than ask—not insist—that their delivery drivers do so, and as Upton Drive is a major street I am not aware the city could compel either company to stop driving trucks on the street.

My understanding is the same as Mark's—that trucks accessing LaFarge are not LaFarge's own trucks to direct off-property even if they wished. Depending on where the truck is coming from or going to, using BL-94 and Whitwam Drive for traffic to/from the north could mean a significant detour for the trucks.

I do not know that I could say I have heard more or fewer complaints since Main Street - Benton Harbor was reconstructed with the roundabouts.

From: Mark Clapp
Sent: Monday, November 18, 2013 9:27 AM
To: John Hodgson; Richard Lewis; Tim Zebell; Derek Perry; Deb Koroch
Subject: RE: Upton Dr / Whitwam Dr

I have received a couple complaints over the last 5 months or so.

My understanding is that Upton and Whitwam are both major streets and I'm not aware of any promises.

We have been in contact with LaFarge and they have been very accommodating but most of the truck traffic is not LaFarg; Rather, it is other vendors. I believe most of those vendors come from the north and using Upton is the easiest, most efficient route. They have let the vendors know of the complaints but, of course, the truckers wish to use the most direct route.

MC

From: John Hodgson
Sent: Monday, November 18, 2013 9:12 AM
To: Richard Lewis; Tim Zebell; Derek Perry; Deb Koroch; Mark Clapp
Subject: RE: Upton Dr / Whitwam Dr

Will do. I've added Mark Clapp to this—my impression is that he receives as many of these as anyone. Maybe insert between Derek and Deb? John

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From: Richard Lewis
Sent: Monday, November 18, 2013 8:45 AM
To: John Hodgson; Tim Zebell; Derek Perry; Deb Koroch
Subject: Upton Dr / Whitwam Dr

Jeff Noel called and asked if we have been receiving complaints regarding truck traffic on Upton Dr. It seems that when Whitwam Dr. was built, there was an agreement (or understanding) with LaFarge Corp. would use Whitwam Dr. for their deliveries and shipping. With the construction of the traffic circles on Main St. in Benton Harbor, the trucks have difficulty in navigating the circles which is causing an increase of use on Upton Dr.

So here are the questions:

1) Have there been complaints of truck traffic on Upton?
2) How is Upton St. classified, major or minor street?
3) Are there any agreements / understandings in place with LaFarge Corp. regarding their truck traffic.

I would suggest that in responding, let's do a round robin. John, you respond to Tim, Tim adds any comments he may have, then responds to Derrick, etc. with Deb providing the final email to me. If possible, if we can have completed by the close of business Thursday, it would be appreciated.

Thanks.

Richard

Richard I. Lewis
City Manager
City of St. Joseph, MI
Office – (269) 983-5541
Cell – (231) 883-8162

"Relationships are primary; all else is derivative." Ron James

JOINT BOARD OF COMMISSIONERS

Benton Harbor - St. Joseph
Joint Wastewater Treatment Plant

REGULAR MEETING

NOVEMBER 21, 2013

TENTATIVE AGENDA

CALL TO ORDER.

1. **APPROVAL OF THE AGENDA**
2. **APPROVAL OF MINUTES OCTOBER 17, 2013 REGULAR MEETING.**
3. **APPROVAL OF VOUCHERS.**
4. **CORRESPONDENCE.**
5. **SAW GRANT RESOLUTION.**
6. **MATERIAL & SERVICES PROPOSALS**
7. **BENTON HARBOR RECEIVABLES UPDATE.**
8. **MONTHLY OPERATION REPORTS.**
9. **MANAGER'S REPORT.**
10. **OLD BUSINESS.**
11. **NEW BUSINESS.**
12. **COMMISSIONERS' COMMENTS.**
13. **PUBLIC COMMENTS.**

DATE: NOVEMBER 21, 2013

TIME: 11:00 A.M.

PLACE: JOINT WASTEWATER TREATMENT PLANT
269 ANCHORS WAY
ST. JOSEPH, MI 49085

A regular meeting of the Joint Board of Commissioners of the Benton Harbor - St. Joseph Joint Wastewater Treatment Plant was held at the plant on October 17, 2013.

A record of attendance follows:

Name	Position	Community	Present	Absent
Ray Mak	Chairman	LMSW&STA	x	
Tim Zebell	Vice-Chairman	St. Joseph		x
Steve Archibald	Secretary	Benton Harbor		x
Tom Baldwin	Treasurer	Benton Township		x
Darwin Watson	Member	Benton Harbor	x	
Lorraine Thomas	Member	St. Joseph	x	
John Hodgson	Alternate Member	St. Joseph	x	
Richard Lewis	Member	St. Joseph	x	

Also in attendance: Timothy Lynch, Plant Manager.

1. **Call to Order:** Mr. Mak called the meeting to order at 11:08 a.m. Due to a lack of a quorum, approval of the minutes of the September 19, 2013 regular meeting was delayed. Note: The minutes were approved later in the meeting. See below Item 6.

2. **Approval of Vouchers:** The following vouchers were presented. Due to a lack of a quorum, approval was delayed: Note: The vouchers were approved later in the meeting – see below Item 6.

September 25, 2013	Vouchers # 32542-32569	$ 116,456.66
October 11, 2013	Vouchers # 32570-32592	61,423.86

3. **Correspondence:** Correspondence relating to the 2014 Power Supply Cost Recovery Factor to be applied to 2014 electric utility bills was reviewed. The rate will drop from 5.66 mills to 2.55 mills per kWH according to the communication received from Dave Krieger of Indiana Michigan Power. A total chlorine residual (TCR) retest result was reviewed that indicated the Joint Plant's laboratory performed a successful analysis on that analyte included in the EPA's quality assurance testing program.

4. **Quarterly Financials:** Mr. Lynch reviewed and commented on the financial reports for the quarter ending September 30, 2013. Operating revenue for the quarter was below budget by $116,354 at $880,021. Operating expenses totaled $606,085 and were under budget by $126,194. In addition, $171,101 was expended for capital improvements. The plant's investment portfolio was also reviewed.

5. **Electric Blower #4 Update:** Mr. Lynch reported contractors have been retained to remove and relocate Blower #4 and associated electric motor to the Joint Plant's Main Equipment Building. The plant's insurance carrier (Michigan Municipal League and Hartford Steam Boiler) has retained a subrogation attorney to coordinate the investigation into the cause of the blower failure. Several parties have been placed on notice and will be provided the opportunity to visually inspect the blower prior to its relocation. The date of relocation is scheduled for October 22, 2013.

   11:27 a.m., Mr. Lewis entered the meeting.

6. **Approval of Minutes and Vouchers:** Moved by Hodgson, seconded by Lewis to approve the minutes of September 19, 2013 regular meeting as presented. The motion carried unanimously. Moved by Thomas, seconded by Watson to approve the vouchers as presented. The motion carried unanimously.

7. **Annual Operations Report:** Mr. Lynch reviewed the Operating and Maintenance Report for Fiscal Year 2012-13. Removal rates were excellent throughout the year averaging 97% for BOD, 96% for Suspended Solids and 82% for Phosphorus. These rates translate into effluent concentrations of 6.4 mg/l of BOD, 8.3 mg/l of Suspended Solids and 0.68 mg/l of Phosphorus – well below the plant's NPDES permit limits. River sample data upstream and downstream from the plant as well as from the Morrison Channel was reviewed. Plant Influent and Tributary Governmental Flows for the past ten year period were reviewed in addition to plant influent industrial loadings. Charts illustrating historical usage of purchased gas and electricity were reviewed. Mr. Lynch also provided information relating to chemical applications and the plant's land application of biosolids program.

8. **Monthly Operation Reports:** The monthly operating reports were reviewed. The plant met all NPDES permit requirements for the month of September 2013.

9. **Manager's Report:**
   a) **Grit Collector rehabilitation:** Mr. Lynch reported chain & sprocket replacement and associated rehabilitation work has begun on the grit collector system. L.D. Docsa Construction has been retained to work with plant personnel on the rehabilitation.
   b) **WEF Technical Conference:** Mr. Lynch reported on his recent attendance at Water Environment Federation (WEF) Technical Conference in Chicago.
   c) **Land Application Agreement:** The biosolids land application agreement with Synagro expires December 31st. Mr. Lynch reported he is in discussions with the firm concerning an agreement beyond that date.

10. **Old Business:** Mr. Mak suggested the Board again consider the purchase of the property at 221 Anchors Way. A discussion on that matter then took place.

11. **New Business:** None

12. **Commissioners' Comments:** Mr. Hodgson commented that he received an odor complaint relating to the Joint Plant from a resident of the neighborhood bordering the south side of the Joint Plant. Mr. Lynch reported plant staff would continue to review and implement all prudent operation and maintenance practices as they relate to minimizing such odors. Ms. Thomas questioned the status of the City of Benton Harbor receivables balance. Mr. Lynch reported the amount due now is approximately $111,000, down from approximately $206,000 in November 2012.

13. **Public Comments:** None

The meeting was adjourned.

_____
Steve Archibald, Secretary

Date: _____