



MEMORANDUM

TO: St. Joseph City Commissioners

FROM: Richard I. Lewis, City Manager

A handwritten signature in blue ink, appearing to be "R. Lewis", is written over the name "Richard I. Lewis" in the "FROM" line.

DATE: September 23, 2013

RE: UPDATE

Race of the Cup

Well, we didn't win the competition at the Michigan Municipal League last week. It wasn't due to the lack of effort. I want to give my thanks to Suz Schalon, Susan Solon, Patrick Bosse, David Knight, Jill Stone, Mayor Bob Judd, and Commissioner Mary Goff for going the extra mile in providing their time and talents to make our presentation topnotch. The City of Ironwood won the Cup and had a very worthwhile project, so if we had to lose, at least it was to a worthy community.

HUD Complaint

While the City took action to remove the residency section from the Code of Ordinances regarding the Housing Commission, HUD is still required to perform an investigation to make a determination as to whether discrimination took place due to the residency requirement being in place. The City Attorney, City staff, and Housing Commission staff have reviewed and discussed the issues and we believe we should be in fairly good shape, but that doesn't mean there isn't room for improvement. We will be meeting with the HUD investigator this week to see where this goes and we are hopeful that a reconciliation agreement to move forward will be the end result.

Housing Commission Meeting

On a similar note, attached is the Memorandum prepared by Nancy Walker, Housing Commission Executive Director, to the Housing Commissioners for their September meeting. The Memorandum provides a good overview of what is taking place. I have requested to be copied on all packets provided to the Commission and will be attending the meetings.

Invasive Species Survey

Kathleen and Bill Hanley brought to our attention that Japanese knotweed, an aggressive invasive plant, has been growing in the ravines within the City. City staff met with the Hanleys, Nate Fuller who is with the Southwest Michigan Land Conservancy, Randy Counterman, formerly with SWMLC, and Commissioner Goff to discuss treatment options. From the discussion, we realized there are no simple remedies and we do not have a good handle as to the extent of the problem, especially if we are to seek grant funds.

I requested a quote from Randy Counterman to perform an invasive species survey and assessment for the City. The survey will include:

1. All areas in and along the large ravine running from the Langley Avenue and Ann Street intersection and southwest to the railroad line between Cleveland Avenue and Lakeshore Drive.
2. Public parks inside the City limits (Tiscornia, Silver Beach, Kiwanis, Lion's, St. Joseph City, Point, Milton, Botham, Whittlesey, and Dickensen Parks).
3. Waterways inside the City limits (Paw Paw and St. Joseph rivers, Morrison Channel, and the Lake Michigan shoreline).
4. Roadways that are mowed/maintained by State and/or City employees or contracted workers.

The cost will be approximately \$4,000 and will be completed in about four weeks. Unless there is objection, I will proceed with the survey and will have the results presented at a future City Commission meeting.

Financial Update

(1) Attached is a one-page Cash Balance Report for all the funds the City is responsible for. The Report is for the period ending August 31, 2013. It is our intent to supply you with this information on a monthly basis. If you have any questions, please feel free to contact me or Deb Koroch.

- (2) The Fiscal Year Audit is almost completed and is planned to be presented at the October 14th City Commission. The Audit Committee will review the audit prior to the formal presentation.
- (3) We have received a copy of the Benton Harbor – St. Joseph Joint Wastewater Treatment Plant Financial Report (audit) for June 30, 2013. If you would like a copy, please let Deb Koroch or me know.

Even Year Elections

Chapter 11 of the City Code of Ordinances provides for the City of St. Joseph to hold city commissioner elections in Odd years; pursuant to State Law. Section 542a (4) of Public Act 523 of December 28, 2012 (effective March 28, 2013) provides that cities wishing to change their regular election date from Odd years to Even years may now do so. Moving City Commissioner elections from Odd years to Even years would have the effect of eliminating all Odd year elections; City Commissioners would be elected with the Governor and/or President in Even years. Of course, the basic advantage of this change is the time and cost associated with Odd year City Commissioner elections, which would also be eliminated in those Odd years. Voter turnout is considerably less in Odd years, so the cost per participant is much higher in Odd years and Even year election costs are shared by the County; whereas Odd year election costs are bore solely by the City.

On the other hand, it is becoming more and more difficult to recruit and engage election inspectors and moving to an every-other-year format may make it even more difficult, especially in keeping these inspectors trained (experience is the best trainer). In addition, ballots are becoming increasingly crowded and moving City Commissioner elections to Even years will certainly mean that Commissioners will appear on the back of the ballot.

The County Clerk is pushing cities to move to Even year elections, which must be done before January 1st of the year the election will be held. Should the CC wish to move to Even year elections, Chapter 11 of the Code of Ordinances would need to be amended and approved (two readings). The Resolution to approve the amendment would need to include language to extend the 2015 term expirations to 2016 and to extend the 2017 term expirations to 2018.

There are only three cities in Berrien County who have not yet gone to the Even year elections; Coloma, St. Joseph and Benton Harbor.

This topic will be on the October 14th City Commission agenda for further discussion and direction.

Community Meetings

Attached is a draft of the Agenda for the October 7, 8, & 9 Community meetings. If there is a topic you feel needs to be specifically addressed, please let me know. Notices of the meetings are going to be included in the City water bills, which will go out this week.

508 Pleasant Street, LLC (Lake Park Place)

John Hodgson and I met with a developer who was reviewing the plans for this project on behalf of the owners. As expected, there was discussion regarding the underground parking component of the project and inquiry regarding the construction of a parking deck on City parcels. We made it known what the City Commission's feelings are regarding the use of City property and the City did not have the financial resources to participate in any event. We did learn from the meeting that in order for Brownfield Redevelopment Credits to be extended, the State may be requiring a specific start date of May or June of 2014. If anything more develops, we will let you know.

Solid Waste Contract

The City's contract will expire in March, 2014. I will be meeting with other units of local government this week to explore the possibility of undertaking a joint Request for Proposal for solid waste services. The goal is that with a common provider and a larger base, we may need an increase in services while holding the price at or below what we are paying currently. I will have a further update in the coming weeks.

Inspections Department

The United Way Agency located at 2015 Lakeview is anticipating an expansion of the facility to the east of their current structure. This parcel, however, is zoned R1-A, single family, which makes the structure per our current zoning ordinance non-conforming. Abonmarche Consultants has been hired for planning and design work for the addition, and they have applied for a Conditional Use permit under the "Limited Neighborhood Business" provisions. In order for staff to determine the neighborhood impact, invitations were sent out to neighbors within 300 feet to attend an open house at the site. This would provide the opportunity to see the proposed expansion plans, ask questions and voice any concerns they may have, both pro and con. United Way staff, architects, Saylor and Burczak from Abonmarche and City staff conducted the open house on September 4, 2013. A total of 2 neighbors attended; specifically, the couple living directly across the street and had nothing but compliments for the agency and were actually excited for the expansion opportunity. The "Conditional Use" permit will be issued and construction anticipated to begin this fall.

Training-Public Safety Department

Several members of the public safety department, both firefighters and public safety officers, had the opportunity to participate in "live fire" training utilizing the newly acquired Burn Trailer. The Burn trailer, owned by the Berrien County Firefighters Association, was set up at the Southwest Michigan Regional Airport where members of the Benton Harbor Department of Public Safety and the St. Joseph Township Fire Department were able to join each other.

Retired Senior Volunteer Interviews

On Wednesday, September 18, 2013, interviews with three (3) interested candidates for the Retired Senior Volunteer Patrol program were conducted. Some of the candidates are already involved with the Victims Services Unit administered by the County and would make great additions to our program.

Women's Locker Room-Department of Public Safety

Work has begun on the completion of the women's locker room at the fire station.

2013 CSO Project

Contractor: B&Z Company

Consulting Engineer: Abonmarche Consultants

The 2013 CSO Project is approximately one week behind schedule, mostly due to utility conflicts. During the first days of construction, a conflict between the water main on State Street and the proposed storm sewer on Elm Street was discovered. The water main was lowered in order to lay the storm sewer at the required grade. Since that time, B&Z Company has had to work around multiple gas mains, significantly slowing progress. To further complicate matters, the Michigan Gas Miss Dig crew did not identify which mains were active and which were not. On Friday, B&Z Company, Abonmarche and City staff all contacted Michigan Gas to communicate our concern. Michigan Gas responded by sending a crew out to differentiate the active gas mains versus abandoned gas mains. B&Z Company also worked Saturday in an effort to make up lost time.

The roof drain disconnection side of the project is proceeding well as nearly all of the downtown business owners are cooperating with City staff. One exception is the owner of the BP Gas Station, recently renamed AGO. The point of contact for the gas station, headquartered in Sparta, Michigan, has been mostly non-responsive. As a result, staff is now following up telephone communication with written confirmation in preparation for legal action, should it come to that.

St. Joseph Drive Reconstruction Project

Contractor: B&Z Company

Consulting Engineer: Abonmarche Consultants

The St. Joseph Drive Project is currently on schedule and under budget. The sanitary sewer has been laid and water main construction is underway. Storm sewer work will follow the water main work.

West Highland Avenue Reconstruction Project

Contractor: Kalin Construction

Consulting Engineer: Abonmarche Consultants

Kalin Construction will commence work on Monday, September 21, 2013. This is two weeks behind the start date allowed in the contract and one week later than Kalin communicated to the City at the Preconstruction Meeting. Kalin plans to make quick work of the project and staff is comfortable that Kalin can meet the early November project completion requirement. Kalin has informed staff that they will work Saturdays, if needed, to meet the schedule.

Harbor Village at Harbor Shores – Site Improvements for the Inn at Harbor Shores

Contractor: B&Z Company

Consulting Engineer: Edgewater Resources

Harbor Village site infrastructure work began last Monday. B&Z Company has laid the sanitary sewer under the future entrance road as well as the public portion of the road to the east. Water main work is anticipated in the coming week in areas that are open to/available for underground work. Given the numerous construction crews on the site working on the hotel as well as the city parking lot and road project, the site infrastructure work has to be closely coordinated with the other activities. Since B&Z Company is also performing similar work on the hotel property for Lamar Construction Company, the general contractor on the hotel project, we hope this will simplify coordination for this project. Although not a city project, the hotel itself is coming along well, with the deck for the 5th floor scheduled to be poured this week.



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 *Nancy*

SUBJECT: Meeting of September 19, 2013

DATE: September 6, 2013

List of Previously Paid Liabilities

The total of the July List of Previously Paid Liabilities is \$39,959.80. There was a payment to Alliance Architects (\$3,180.83) that comes from the 2011 CFP for work done on the two projects (storm door replacement and bi-fold door replacement). We also had some unexpected computer repair expenses because of a Trojan virus on my computer and purchase of better computer virus scan software for both computers in the office. We paid a quarterly pension payment to the City (\$3,470.90). All other expenses were normal.

The total of the August List of Previously Paid Liabilities is \$44,438.22. The total is skewed higher this month partially due to an additional payroll. We paid another \$4,416.40 out of CFP funds to Alliance Architects for work performed on the two projects. There was also a quarterly payment made to Griffin Pest Solutions (\$4,687.00). One final out-of-the-norm expense is the payment of \$1,797.00 to W. Soule & Company. This payment is for extending the boiler exhaust pipes further from the building. When the new pipes were run during the boiler replacement project, there was only one spot that they could come out of the building. Unfortunately, this was directly below the office and apartment windows. It gave off a very gaseous smell at times and caused headaches even though there was not a dangerous amount of carbon monoxide.

July 2013 Financial Report

The benchmark for July financials is 33.3%. Revenues are \$176,702.16 (33.5%) and operating expenditures are \$139,833.85 (26.6%). This leaves a net operating gain of \$36,868.31. The overall percentages for both revenues and expenses are in line with the budget. There are a couple of under-budget revenue items but they are revenue line items that are out of our control, e.g. Investment Income, Other Charges for Services and Laundry Income. The CFP Operations line item will remain low until we receive the 2013 CFP funds. I've explained the expenditure overages in the past.

August 2013 Financial Report

The benchmark for August financials is 41.7%. Revenues are \$220,495.90 (41.8%) and operating expenditures are \$181,501.67 (34.5%). There is a net operating gain of \$38,994.23.

The total revenues received are aligned with the budget at a percentage of 41.8%. The concerted effort of staff to turn over vacant apartments as quickly as possible is evidenced in the Tenant Revenues-Rent line item – we have collected \$6,561 more than budgeted. We have an occupancy percentage of 99.4% for the first five months of this fiscal year. The Tenant Revenue-Other line item is the collection of the air conditioning fee. The charge is \$10 a month, from May through October, for those installing air conditioners. About 50% of the residents have air conditioners. We are running about \$800 less than budgeted at this time for Laundry Revenues. When the funds are released for the 2013 CFP, I will be able to transfer the funds for CFP Operations and it will be at 100%. The funds should be released fairly early in September. The Operating Subsidy line item continues to get hit as the Federal government tries to figure out how to balance their own budget. The September drawdown is \$550 less than what we have been receiving to date this fiscal year.

Overall expenses are less than budgeted by about \$39,000. Of course, as the weather begins to get colder we will see that profit begin to diminish in utility charges. The majority of the expense line items are at budget or below. We have discussed the over-budget line items in previous financial reports.

In August, we had several mechanical failures for which we will have to adjust the expense budget upward when we do a budget revision. Following is a list of issues that we had in the last couple of weeks of August:

- In addition to the exhaust pipe extension, we lost the air compressor that operates the pneumatic hallway air make-up system. It developed a leak. It will cost \$2,002 to replace this compressor as it has a pump attached and the refrigeration unit that helps keep the moisture out of the pneumatic lines. It is cheaper to buy the complete set-up than to pay labor to remove the pump, etc. from the old compressor and attach them to the new compressor. We will remove the old pump and save it for backup. We have certainly gotten our money's worth out of this compressor as it is believed to be the original one. The part takes three weeks to fabricate. Our mechanical contractor wired another old compressor that we had into the system with hopes that it will last until we install the new one.
- We also lost a burner on one of the domestic water heaters. We have not received a cost for that part yet. It was replaced on August 30th.
- We lost a part in the television system during a storm that transmits messages from the office to residents.

- Our air conditioner in the elevator room iced up – we let it thaw and it appears to be working fine now.
- We had to bring in D.A. Dodd to rod the sewer main to remove clogs.

Vacancy Report

There were no vacant apartments entering July. There was one vacancy in July (703-S), due to the individual moving in with family because of health issues. This was not filled in July.

There was one vacancy entering August (703-S). We had four more vacancies in August (408-E, 808-L, 1002-S, 1301-L) – one due to death, one went into a nursing home, one moved back to a previous address and one was an internal move. We filled four apartments in August (408-E, 703-S, 1002-S, 1301-L). This left one vacancy entering September (808-L). Our occupancy percentage was 99.07% at the end of August.

We have a waiting list of 44 people: 12 pending, 0 for an efficiency apartment, 24 requesting large one-bedroom apartments, 8 for a small one-bedroom apartment, 0 for a handicapped apartment and 0 for a two-bedroom apartment.

Resolution 2013-18 Closet Door Replacement Project

Enclosed is Resolution 2013-18 – a resolution to award a contract for the replacement of the metal bi-fold closet doors in the apartments. We will be replacing them with white laminated wooden doors. There is also a letter of recommendation from Alliance Architects and a spreadsheet tallying the bids.

We let bids for the project – advertising twice in the local newspaper. The bids were due on Thursday, August 29, 2013, at 2:00 p.m. We received three bids as shown on the enclosed spreadsheet.

We were not sure of the total amount of money that we had available for the complete project because we did not receive information about the 2013 CFP funds until after the bid was let. The RFP required a base bid for replacing the doors on five floors (11th-15th) and then broken down by cost for each subsequent floor. As you can see by the spreadsheet, First Contracting, Inc. had the low bid in the amount of \$130,000. Our architect recommends that we accept the bid of First Contracting, as do I.

First Contracting has done several projects for us. They were awarded the storm door replacement project also. They have extensive experience in the HUD contracting regulations, of the reports to be submitted to satisfy HUD requirements and in working in elderly and disabled

facilities. They understand the importance of scheduling in a way to prevent disturbing the residents as little as possible. The employees are always polite and courteous to staff and residents.

I talked to several Housing Commission directors that have installed the same doors and I did not receive a single bad comment. All of them were very pleased with the sturdiness, the ease of cleaning and normal maintenance, and less work orders to put the doors back on track. Currently, we spend about \$22.00-\$32.00 an apartment to paint the closet doors when we turn a unit (4-6 cans depending on number of closets per apt.). There isn't a week that goes by that we are not sending maintenance to an apartment (or more) to put the bi-folds back on their tracks. They are the original doors and are just plain worn out! The track and guiding hardware is much stronger and sturdier on the new doors. A couple of the directors mentioned that it has completely cut out their maintenance trips to put them back on track and that they never have to order more hardware. There may be a chip or so once in a while because of wheelchairs but it only takes a dab of white paint to repair them. One director comically said that it was the best project she has ever done!

We have a budget of \$5,477 from 2011 CFP grant, \$63,000 from 2012 CFP grant and \$68,495 from the 2013 CFP - which gives us a total of \$136,972 - to paint the patio doors and frames (\$10,523-an addendum to the storm door replacement project) and to replace the closet doors (\$130,000). This means that we will be able to to replace the closet doors on all floors except one (Floor 2). I recommend that we take the remainder of the money from operations (\$3,551) to complete the total door project - Floors 2-15.

Resolution 2013-18 authorizes the Executive Director to enter into a contract with First Contracting, Inc., in the amount of \$130,000, for replacement of all metal bi-fold closet doors in the building.

Resolution 2013-19 – Boiler Maintenance Agreement

The three-year boiler maintenance agreement with W. Soule & Company expires on September 30, 2013. We requested proposals that were due on Friday, August 30, 2013, at 2:00 p.m. We received six proposals as outlined on the spreadsheet that I have enclosed, along with Resolution 2013-19 – a resolution authorizing the Executive Director to sign a new three-year maintenance agreement.

I recommend that we execute a three-year maintenance agreement with Suburban Mechanical in the amount of \$948 per year. You will notice that the date says September 4, 2013 on the final proposal sheet. I asked him to clarify that it was \$948.00 per year so that there would be no confusion. While we have been very happy with W. Soule & Company, the Suburban proposal saves us \$2,448 over the three years and their hourly rate is less than \$6.00 above W. Soule. I

have checked references and have heard that Suburban is very quick to respond and they can handle a larger scale of work. I talked to Allegan County, Kalamazoo School District, Kalamazoo Arts Center (awarded them a \$250,000 boiler upgrade contract), and North Pointe Woods (150 elderly units in Battle Creek). Also one of the other respondents to the request for proposal stated that Suburban and W. Soule are their biggest competitors in the boiler maintenance market. He stated that Suburban was a very good company – very comparable to W. Soule & Company. I was concerned that their location might present a problem but they assured me that they have local servicemen available – one in Hartford and one in Dowagiac. Even though Suburban is located further away, we have more confidence in their ability to maintain the steam heat and pneumatics system.

Storm Door Project

The storm door replacement project began on August 26th and has been moving along very well. The contractor began with five workers on this project but after a couple of weeks took the number down to three. The old doors are removed; then the frame, inside and outside of the inner door are painted; and then, the new storm door is installed. They are averaging about 2-3 floors a day. We have gotten many compliments on the new doors. As I mentioned in the past, the screen and window are self-storing and the residents no longer have to find room to store them in their apartments. The original doors were black but we have gone with a dark brown color. We don't believe that the outside of the patio doors have ever been painted so they look very fresh and new. This project should be completed before the Housing Commission meeting on the 19th.

Bedbugs

During the August inspection of the building by Griffin Pest Solutions, we were informed that there were no live bed bugs sighted in the building. Let's all cross our fingers and all hope that it remains that way!

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

City of St. Joseph
Cash Balance Report for Period Ending August 31, 2013

Fund	Description	Includes Cash and Cash Equivalents			Balance 08/31/2013
		Audited 07/01/2013	Total Debits	Total Credits	
101	General Fund	\$2,042,438	\$1,188,406	\$1,233,834	\$1,997,011
150	Cemetery Perpetual Care Fund	\$167,573	\$32	\$0	\$167,605
155	Library Endowment Fund	\$714,866	\$612	\$0	\$715,478
202	Major Street Fund	\$679,176	\$75,368	\$21,350	\$733,193
203	Local Street Fund	\$79,982	\$27,745	\$15,816	\$91,911
204	Street Improvement Fund	\$1,014,692	\$70,255	\$9,865	\$1,075,082
209	Cemetery Fund	\$12,443	\$51,721	\$27,401	\$36,763
214	Depot Fund	\$107,306	\$4,761	\$1,443	\$110,624
226	Garbage & Rubbish Collection	\$170,734	\$135,252	\$118,288	\$187,698
243	Brownfield Redevelopment Auth	\$33,485	\$5	\$0	\$33,491
248	Downtown Development Authority	\$78,092	\$6,715	\$9,816	\$74,990
249	Inspection Fund	\$201,789	\$43,991	\$42,533	\$203,247
257	Budget Stabilization Fund	\$1,000,000	\$20,000	\$20,000	\$1,000,000
265	Drug Forfeiture Fund	\$16,414	\$325	\$32	\$16,707
266	Criminal Forfeiture	\$3,193	\$1	\$476	\$2,718
270	Band Fund	\$122,322	\$20,255	\$67,330	\$75,248
271	Library Fund	\$124,976	\$257,515	\$139,074	\$243,417
274	Justice Training Fund	\$6,823	\$2	\$995	\$5,830
301	Debt Service Fund	\$518,581	\$100,268	\$122,916	\$495,933
401	Special Project Fund	\$472,912	\$132,116	\$224,948	\$380,080
403	Library Capital Improvement	\$8,633	\$0	\$0	\$8,633
508	Ice Arena Fund	\$60,997	\$1,540	\$13,005	\$49,531
590	Sewer Fund	\$1,249,154	\$976,036	\$826,414	\$1,398,775
591	Water System Fund	\$2,999,536	\$899,254	\$982,082	\$2,916,707
592	City Water Fund	\$1,360,311	\$167,179	\$47,771	\$1,479,719
594	Marina Fund	\$76,770	\$233,653	\$244,269	\$66,154
661	Motor Pool Fund	\$627,803	\$172,091	\$211,554	\$588,340
667	Self Insurance Fund	\$183,066	\$1,111	\$47,653	\$136,524
690	Health Care Reimbursement Fund	\$295,115	\$270,696	\$259,225	\$306,585
731	Pension Fund Savings	\$290,009	\$789,938	\$555,879	\$524,068
	TOTAL MAJOR FUNDS	\$14,719,191	\$5,646,843	\$5,243,968	\$15,122,066

St. Joseph Community Meetings

October 7, 8, & 9, 2013

7:00 – 9:00 PM

AGENDA

1. Introductions and Purpose
 - a. Commission and Staff
 - b. Change from having a formal precinct meeting to an informal discussion
2. City Updates: (45 min)
 - a. Public Safety Program – Mark Clapp, Director of Public Safety
 - b. Combine Sewer Overflow Project – Tim Zebell, City Engineer
 - c. City Financials – Deb Koroch, City Clerk / Finance Director
 - d. Master Plan Update – John Hodgson, Community Development Director
 - e. Website – Susan Solon – Marketing and Communication Director (Commission Agendas and Bits & Pieces Memo)
 - f. Lighthouse Restoration Project – Richard Lewis, City Manager
 - g. Issues: Richard Lewis, City Manager
 - i. Downtown Parking – Lot maintenance
 - ii. Solid Waste Contract renewal and recycling
 - iii. Invasive Species – Japanese Knotweed
3. Community Discussion – Topics / Questions / Concerns (1:15 hour)
4. Closing
 - a. Reminder to vote on November 5