

CITY OF CRYSTAL FALLS

April 14, 2014

A regular meeting of the Council for the City of Crystal Falls was held in the Council Chambers of the City Hall on Monday, April 14, 2014 at 5:30 P.M. Central Time.

Roll Call: Mayor Hendrickson, Councilors Schiavo, Sherby, Sommers and Bicigo

Absent: None

Also Present: City Manager Olson, Clerk/Treasurer Peltoma, and City Attorney Lawrence.

Visitors: Kurt Anderson asked for permission to have a 18 hole golf scramble to benefit the weight room at school.

Councilor Sommers supported by Councilor Sherby moved to allow an 18 hole golf scramble to benefit the weight room at school. Date will be set for June 14 and the amount paid to the city will be \$400 to close the course to the public on that date.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

Rhonda Wickerham asked to have the side street between theatre and Infield bar closed for an event on May 16th.

Mayor Hendrickson supported by Councilor Sommers moved to authorize permit application to MDOT on May 16th for a publicity stunt in support of the Crystal Theatre for closure of Superior Ave and to approve the closure of N 3rd Street North of Superior Ave for the event.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

Terra Langham of MERS presented an introduction of the Health Care Savings Program.

Scott R. Kenney, CPT Presented the 2012-2013 Fiscal Year Audit Mayor Hendrickson supported by Councilor Sommers moved to approve the 2012-2013 Fiscal Year Audit.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

Councilor Sherby supported by Mayor Hendrickson moved to submit the Corrective Action Plan to the State of MI:

Pursuant to the request of the State of Michigan, Department of Treasury, the City of Crystal Falls hereby submits this Corrective Action Plan (CAP) to address issues identified by Scott R. Kenney, CPA, who was engaged by the City to conduct the audit of the 2013 fiscal year. The CPA noted the following issue corresponding to questions on the auditing procedures report (APR), our response and/or corrective action plan follows:

❖ **#18 There were reported deficiencies included with the audit report.**

Auditors comments: Other Matters for Consideration:

1. Condition – During the implementation of the new (BS&A) accounting software, an emphasis was correctly placed on getting the primary systems established to bill customer, generate payroll and related reports, pay obligation, etc. The reconciliation of bank accounts within the accounting software was not established during the audit period.

Criteria - The reconciliation of bank accounts is a key internal control feature for any system.

Effect – The bank accounts were reconciled to various documents maintained by the City and the general ledger was adjusted where necessary.

Recommendation – Auditor recommended the bank reconciliation part of the accounting system be utilized by management.

CORRECTIVE ACTION - The use of the accounting system for reconciliation of bank statements was implemented in the 2013-2014 fiscal year and is working well.

2. Condition – Some payments by the City were inappropriately recorded as capital items.

Criteria – The City has adopted a policy defining the criteria for classifying an item as capital.

Effect – Some items that should have been classified as debt service, repairs, and maintenance or supplies were reported as capital.

Recommendation – Auditor recommended that the capital policy be discussed with the various department managers and accounts payable staff and that only items fitting the criteria for capitalization be recorded as such.

CORRECTIVE ACTION – Management will conduct training with the department heads and accounting staff on the capital policy to insure that items are capitalized correctly in the 2013-2014 fiscal year.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and

Bicigo. Nays: None Absent: None

Motion carried.

Councilor Sommers supported by Mayor Hendrickson moved to approve the following resolution and submit it to the State of MI Dept of Treasury:

WHEREAS, the City of Crystal Falls Golf Fund has a \$15,173 unrestricted deficit at fiscal year-end September 30, 2013 and,

WHEREAS, The Glenn Steil State Revenue Sharing Act of 1971, Public Act 140 of 1971, Section 21(2) states that unit of local government that end their fiscal year in a deficit condition shall formulate a deficit elimination plan and file said plan with the Michigan Department of Treasury;

NOW THEREFORE, BE IT RESOLVED that the City of Crystal Falls City Council adopts the following as the City of Crystal Falls Golf Fund Deficit Elimination Plan:

CITY OF CRYSTAL FALLS (36-2020) GOLF FUND DEFICIT ELIMINATION PLAN

	2014 ORIGINAL BUDGET	2014 AMENDED BUDGET
UNRESTRICTED DEFICIT AT 9/30/13	-\$15,173.00	-\$15,173.00
REVENUE		
CONCESSIONS	\$4,000.00	\$3,000.00
MEMBERSHIP DUES	\$50,000.00	\$45,000.00
GREEN FEES	\$37,000.00	\$30,000.00
TRAIL FEES	\$700.00	\$1,000.00
CART STORAGE	\$12,000.00	\$14,000.00
CART RENTAL	\$7,500.00	\$6,000.00
INTEREST ON BONDS, CDS	\$200.00	\$0.00
RENTS AND ROYALTIES	\$3,000.00	\$3,000.00
TOTAL REVENUES	\$114,400.00	\$102,000.00
EXPENSES		
SALARIES & WAGES	\$65,000.00	\$50,000.00
SUPPLIES	\$1,000.00	\$1,000.00
MATERIALS	\$1,000.00	\$1,000.00
TOOLS	\$1,000.00	\$1,000.00
RESALE ITEMS	\$2,000.00	\$2,000.00
CONTRACTS & SERVICES	\$200.00	\$200.00
TRAINING/SAFETY	\$500.00	\$100.00
GARBAGE DISPOSAL	\$500.00	\$500.00

TELEPHONE	\$200.00	\$350.00
GAS & OIL	\$3,500.00	\$3,500.00
GENERAL INSURANCE	\$1,000.00	\$1,000.00
HEATING	\$1,800.00	\$1,000.00
UTILITIES	\$6,300.00	\$5,000.00
EQUIPMENT RENT & REPAIR	\$5,200.00	\$5,000.00
BUILDING MAINT & REPAIR	\$1,000.00	\$0.00
DUES & SUBSCRIPTIONS	\$200.00	\$200.00
EQUIPMENT	\$24,000.00	\$0.00
TOTAL EXPENSES	\$114,400.00	\$71,850.00
PROFIT (-LOSS)	-\$15,173.00	\$14,977.00

The above plan will eliminate the deficit in the golf fund in the current fiscal year. The revenues were adjusted to more closely reflect the actual audited revenues of the 2013 fiscal year which were less than the original budget in most cases.

The expenditures were adjusted to reflect the reduction in the use of full time employees at the golf course. Also dropped from the expenses is the planned equipment purchase.

The golf fund will be closely monitored throughout the year and a subsidy from the General Fund will be made if needed.

Ayes: Mayor Hendrickson, Councilors: Sherby, Schiavo, Sommers, and Bicigo Nays: None Absent: None

Resolution adopted.

Mayor Hendrickson reported on events that happened at the DDA meeting held earlier in the day.

Councilor Bicigo supported by Councilor Sherby moved to award the demolition of the JD's bar bid to Williams Redi Mix in the amount of \$9,850.00.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

(There was one other bid submitted from T & G United Inc. in the amount of \$12,210)

City Manager Olson updated the Council on the Saw grant and the Scrap Tire Grant.

Scrap Tire collection will be set up for Saturday, June 7th.

Councilor Sommers supported by Councilor Bicigo moved to

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participate in the Second 2014 ATC additional Capital Call for the amount of \$2,676.79.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

City Manager Olson will make a recommendation to the Council regarding the Proposals on Phase I Environmental Study of Malkin property next meeting following a thorough review of the proposals received.

Councilor Sherby supported by Councilor Bicigo moved to accept the 2014 Park rates as follows:

SITES	DESCRIPTION	2014 RATE
#1- #17:	ELECTRIC/WATER/SEWER	\$20.00/DAY \$100.00/WEEK \$350.00/MONTH
#18 - #57:	ELECTRIC/WATER	\$12.00/DAY \$70.00/WEEK \$225.00/MONTH

***WEEKLY AND MONTHLY RATES INCLUDE A PASS FOR 18 HOLES OF GOLF
AT THE CRYSTAL VIEW GOLF COURSE (CART NOT INCLUDED)**

WEEK: SEVEN (7) CONSECUTIVE DAYS OF CAMPING

MONTH: THIRTY (30) CONSECUTIVE DAYS OF CAMPING

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and
Bicigo. Nays: None Absent: None

Motion carried.

Councilor Sommers supported by Councilor Schiavo moved to set the
2014 Golf Rates as follows:

ANNUAL MEMBERSHIPS

SINGLE	\$350.00
HUSBAND & WIFE	\$550.00
COLLEGE STUDENT (19-23 YR OLD)	\$100.00
SUTDENT (18 AND UNDER)	\$50.00
SENIOR CITIZEN (SINGLE (60 + YR OLD)	\$300.00

GREEN FEES**WITH CART**

9 HOLES	\$15.00	\$25.00
18 HOLES	\$20.00	\$35.00
ALL DAY	\$35.00	\$65.00

GOLF CART RENTAL FEES

9 HOLES	\$12.00
18 HOLES	\$17.00
ALL DAY	\$35.00

GOLF CART STORAGE

ELECTRIC CART	\$200.00
GAS CART	\$170.00

ANNUAL TRAIL FEE	\$100.00
DAILY TRAIL FEE	\$15.00

Ayes: Councilors Sherby, Schiavo, and Sommers.

Nays: Mayor Hendrickson and Councilor Bicigo

Absent: None

Motion carried.

Councilor Sommers supported by Councilor Schiavo moved to increase Basic TV rates \$1.50 (from \$29 to \$30.50) effective April 1, 2014 and billed with the next billing.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

Mayor Hendrickson supported by Councilor Bicigo moved to add to the Burials section #7, "Management reserves the right to suspend winter burials when warranted due to adverse weather conditions."

Also under Burials section #8, change "Charge for each as individual burial. (cost equals amount of two (2) single ash burials)" to "Charge for one (1) burial of ashes + administrative fee (for record keeping)."

Also under Burials section #11, add "Use of canopies during funeral services is not permitted." And #12 "Mausoleum charges will be waived for burials at Evergreen Memorial."

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

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Spring cleanup issue will be postponed until the May meeting. Councilor Sherby supported by Councilor Schiavo moved to contribute \$2,000 to the Community Schools Summer Recreation Program.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

Councilor Sommers supported by Councilor Bicigo moved to continue with an ad size of 1/8 of a page for \$115 in the Summer Fun guide with changes to add accepting credit cards and adding \$1 a hole on Mondays and Tuesdays for the Golf Course.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

Councilor Sherby supported by Mayor Hendrickson moved to place an ad in Advertiser's "Best Golf & Dining at area Golf Courses" for the amount of \$\$163.50 for 6 months of advertising.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo Nays: None Absent: None

Motion carried.

Councilor Sommers supported by Mayor Hendrickson moved to contribute three separate gift certificates to the Lion's club to be used for their gift baskets for one night stay at Runkle Lake campground to expire at the end of the 2014 season.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None

Motion carried.

The request from the Lion's Club regarding new signs will be brought to the Planning Commission for further examination before Council action.

Councilor Bicigo seconded by Councilor Sommers moved that the items on the Consent Agenda be approved as noted below:

1. The following reports for the month of March 2014:
 - A. Regular meeting of March 10, 2014 and the Special meeting of April 10, 2014.
 - B. Police report, as submitted by Police Chief Robert Sherwin, indicating 98 complaints, of which 5 were closed by arrest, 7 parking ticket issued, and logging of 1,288 miles on patrol duty.
 - C. Public Works Department activity report as submitted by Foreman Kelly Stankewicz.
 - D. Electrical Department Summary as submitted by Dave Graff for February and March 2014
 - E. Treasurer's Revenue Report as submitted City Treasurer Tara Peltoma.
 - F. Payrolls and disbursements in the amount of \$500,068.55, and instruct the City Clerk to draw checks on the City Treasury in payment of same.

Ayes: Mayor Hendrickson, Councilors Sherby, Schiavo, Sommers, and Bicigo. Nays: None Absent: None Motion carried.

Councilor Sommers seconded by Councilor Bicigo moved to adjourn this meeting.

Motion carried.

Meeting adjourned at 8:57 p.m.

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PRESIDING OFFICER _____

PRESIDING CLERK _____