

VILLAGE OF SARANAC  
REGULAR MEETING MINUTES  
February 15, 2021

The Saranac Village Council Regular Meeting was called to order by President Darby at 7:00 p.m. via Zoom, a virtual platform.

The meeting was opened with the Pledge of Allegiance.

Present: President Darby, Straubel, DPW Simmons; Trustees – Doll, Klutman, Mulnix, Simmons, Whorley

Absent: Ricket

Guests: Dr. Michael Silver, Evan Smith, Dave Washburn

Motion was made by Simmons, supported by Doll, to approve the Regular Agenda. All yeas.

Public Comments

Village resident Dave Washburn was present, inquiring whether the Streets Committee had met to discuss his request to adopt an ordinance allowing golf carts on Village streets. Darby reported that the committee did meet and looked at statistics, safety concerns and neighboring communities. They found that a golf cart would have to meet safety requirements of operating on the street, which would add significant cost to users. The maximum speed of a golf cart is not fast enough for street use and a basic golf cart does not come with the required safety features. Furthermore, a golf cart is not crash worthy, is not designed for street use and there are no marked golf cart lanes. Additionally, golf carts do not have to be registered or insured, which would be required if operated on the street.

Based on requirements to make a golf cart street legal and the cost involved, the committee is recommending that council not adopt an ordinance to allow them on Village streets. Council members did not propose otherwise and no motion was made to adopt an ordinance.

Doll inquired whether Washburn has researched what it takes to make a golf cart street legal. Per Washburn, he has not. Doll encouraged him to do so.

Washburn thanked council for looking into and considering his request.

Motion was made by Mulnix at 7:13 p.m., supported by Simmons, to open the Public Hearing to set the 2021 property tax millage and approve the 2021/2022 budget. All yeas.

No public comments were offered on the proposed budget and millage rate to support it.

Motion was made by Mulnix at 7:15 p.m., supported by Klutman, to close the Public Hearing. All yeas.

Michael Silver of KISA Enterprises MI LLC was in attendance to introduce himself to council members. He expressed that he is excited to be in front of council and explain what Pinnacle is all about.

Silver is a physician by trade and has been involved in minor league baseball ownership. He owns several properties in Michigan, but resides in Las Vegas. He employs a team of 40 people in the state of Michigan and intends to hire locally for the Saranac location should it be approved. He currently has Michigan locations in Buchanan, Morenci, Addison, Camden, Edmore and Colon.

Silver further explained that his business operations are unique in the state of Michigan. His stores have a Vintage Americana feel to them and are like a mini-museum that pays homage to the legalization of cannabis and Michigan's place in that story.

Silver plans to lease 9 E Main Street from its current owner Evan Smith, to operate a medical marihuana provisioning center and an adult use retail establishment. The street level will be renovated to include a lobby, showroom and an office for staff, while the basement will house a vault for product storage.

Silver intends to create relationships with local retailers and work closely with council, fire and police. He looks forward to supporting the village and to being involved in the community. Given an approval, he believes his business would be a nice addition to the Village of Saranac.

Evan Smith, owner of 9 E Main Street, stated that he fully supports Silver establishing his business in his building. He has researched the company and feels like they would be a great tenant. He is comfortable knowing that they are an established company, with multiple locations in Michigan. His opinion is that Pinnacle will be a long-term tenant and provide benefit to the community.

Darby inquired how Silver came to look for a location in the Village of Saranac. Per Silver, Smith reached out to him. Silver visited Saranac, walked/drove the streets and visited businesses. He said it just "felt right". Silver commended Straubel on her assistance throughout the application process. Straubel stated that Silver and his team have been great to work with.

Straubel provided council with budget reports as follows: Summary and Detail Budget (with notes) for 2020/2021 and 2021/2022, Cash/Reserve Balances by Year and Fund, Net Income/Loss Estimates for 2020/2021 and 2021/2022 and Projected Vehicle/Equipment Replacement Timeline with Projected Costs.

Straubel provided a narrative on key points of the reports. General Fund is expected to use approximately \$22,000 in reserve funds for the fiscal year ending 2/28/21. This number is substantially less than forecasted last year at this time. It was expected that General Fund would use over \$172,000 in reserve funds. The difference is due to the Center Street project coming in under budget, Major Street contributing more to Local Street than expected and normal operating expenses coming in under budget. Straubel projects that the Water Fund will use approximately \$35,000 in reserve funds for fiscal year ending 2/28/21. Sewer Fund reserves will take the biggest hit this year at approximately \$227,000. This is due to the Center Street project.

The proposed 2021/2022 budget projects that Sewer Fund will have to dip into reserves by approximately \$80,450 due to a projected \$100,000 in various sewer line repairs. Other funds are projected to replace reserves as follows: General Fund \$49,795, Major Street \$47,300, Local Street \$16,900 and Water Fund \$65,220. The only capital outlay budgeted for the year is \$50,000 to replace the 2005 GMC truck and \$100,000 in sewer line repairs.

Darby mentioned that the dryvit on the fire station is looking bad, and that maybe we should put money in the budget to repaint it this year. DPW Simmons and Straubel will research the cost involved last time it was repainted, and adjust the budget accordingly if necessary.

Doll reported that the Water/Sewer Committee met with Todd Richter and discussed suggested stormwater and wastewater improvements that were identified as part of the SAW Grant project.

The committee also discussed the recommendation of a 10% sewer rate increase that resulted from a sewer rate study done in conjunction with the SAW Grant project.

Per Doll, the committee discussed a zero to cost of living rate increase, and are recommending a 3% rate increase, possibly per year, beginning this year or next.

Richter suggested that the Sewer Fund allocate \$150,000 per year over the next 15 years, to address the items identified in the SAW Grant project. Sewer Fund has a current cash reserve balance of approximately \$575,000, which is just shy of 4 years at \$150,000/year. While increasing rates alone will not cover future projected expenditures, Straubel noted that it would be less burdensome to customers if rates we raised annually starting now, as opposed to waiting until the reserve situation demands a large rate increase. Per Straubel's calculations, a 3% rate increase would only generate approximately \$7,750 in additional sewer revenue per year.

Motion was made by Mulnix, supported by Doll, to increase sewer rates by 5%, effective 1/1/21. Roll call vote: yeas – Doll, Mulnix, Simmons, Whorley, Darby; nays – Klutman; absent – Ricket.

Motion was made by Mulnix, supported by Doll, to approve property tax mills for 2021 of 13.9321 as well as a 1% administrative fee and to approve the budget for fiscal year March 1, 2021 through February 28, 2022 in the amount of \$1,356,140.

Roll call vote: yeas – Doll, Klutman, Mulnix, Simmons, Whorley, Darby; nays – none; absent – Ricket.

Per Village Ordinance #'s 109 and 110, the Village Council must establish by resolution, the amount of the application fee for a Medical Marihuana Facility and an Adult-Use (Recreational) Marihuana Establishment. Council reviewed a proposed resolution drafted by Attorney Laura Genovich.

Motion was made by Mulnix, supported by Doll, to set the application fee at \$500 for each application and to adopt the Resolution to Establish Amount of Application Fees for Recreational Marihuana Establishments and Medical Marihuana Facilities, as presented.

Roll call vote: yeas – Doll, Klutman, Mulnix, Simmons, Whorley, Darby; nays – none; absent – Ricket.

#### Law Enforcement Report

Council reviewed Ionia County Sheriff Office stats for Village of Saranac patrol for the month of January 2021. Darby to contact Sheriff Noll regarding coverage concerns expressed by council members.

Motion was made by Mulnix, supported by Klutman, to accept the minutes of the January 11, 2021 Regular Meeting. All yeas.

Motion was made by Doll, supported by Whorley, to accept the Treasurer's Report of January 31, 2021. All yeas.

Various Accounts Payable items were reviewed and questions answered.

Motion was made by Mulnix, supported by Doll, to approve the Accounts Payable of February 15, 2021, in the amount of \$142,004.50.

Roll call vote: yeas – Doll, Klutman, Mulnix, Simmons, Whorley, Darby; nays – none; absent – Ricket.

#### Zoning Administrator Report

The Zoning Administrator's Report of Services for January 2021 was reviewed.

Planning Commission Report

Klutman reported that the PC is holding an electronic PH on 3/8/21 to review a SUP submitted by KISA Enterprises to operate a Medical Marihuana Provisioning Center and an Adult Use Retail Establishment at 9 E Main Street.

Committee Reports

Budget

The Budget Committee met and recommended the budget that was approved tonight after the Public Hearing that was held to receive public comments on said budget.

Public Safety

Darby reported that the annual Fire Board meeting is scheduled for Monday 2/22, via Zoom.

Parks & Recreation

Straubel reported that Fleis & VandenBrink's proposal for a site plan and grant preparation for a new restroom facility at Scheid Park was \$3,800.00. Straubel accepted and signed the proposal to expedite work on the grant application.

Streets

Klutman reported that the Streets Committee met and discussed allowing golf carts on Village streets. Committee members also talked about updating Paser ratings on streets.

Buildings & Grounds – No report.

Water & Sewer

Straubel informed council members of a "Demand for Payment" submitted by an insurance company in regard to their client's expenses due to a broken water line on Mill Street. Village attorney Jim Doezeema will respond to the demand.

Personnel – No report.

Public Comments – None.

Additional Business

Straubel informed council of a potential property line issue at 43 S Center Street, and will keep them apprised of the situation.

Meeting adjourned at 8:43 p.m.



Becky A. Straubel, Treasurer/Deputy Clerk