VILLAGE OF SHELBY
REGULAR COUNCIL MEETING OF MONDAY, JANUARY 12, 2026 at 6:00 P.M.
COUNCIL PROCEEDINGS

1. CALL TO ORDER:

The regular meeting of the Common Council of the Village of Shelby was called to order at 6:04 P.M. by President John Sutton.

2. ROLL CALL:

Answering the roll call: Mike Termer, Steve Crothers, John Sutton, Dan Zaverl, Crystal Heykoop and Curt Trott.
Absent: Samantha Gottschalk.

Staff present: Village Administrator Phil Morse, Village Clerk/Treasurer Miraya Gissell Diaz, DPW Supervisor Jeremiah Helenhouse, and Police Chief Dean Roesler.

3. PLEDGE OF ALLEGIANCE: All stood for the pledge.

4. INVOCATION: Invocation was shared.

5. MINUTES:

a) December 22, 2025

Steve Crothers moved to approve the minutes of the Regular Council Meeting of December 22, 2025 as presented.
Seconded by: Curt Trott.

Voice Vote: All in favor.
Motion Carried.
Absent: Samantha Gottschalk.

6. ADDITIONS TO THE AGENDA: None.

7. PRESIDENT'S REPORT:

President Sutton expressed his appreciation for DPW Supervisor Helenhouse and the DPW crew for their work on snow removal. He also noted that, thankfully, no one was hurt from the house fire that occurred the previous week on W Fourth St.

8. ADMINISTRATOR'S REPORT:

VA Morse commended DPW staff member Simons for calling 911 to report the house fire on W. Fourth St, and for knocking on doors to ensure all residents got out safely.

VA Morse reported that a recent study conducted by Michigan Rural Water Association identified that certain entities had not been properly charged the Ready-to-Serve fee, including the Fire Department and Shelby Public Schools. He has since met with both organizations to address this issue and has reached a mutually agreeable arrangement with Fire Chief Jack White regarding the Fire Department's water bill.

VA Morse requested Council feedback on creating a policy that would allow certain entities to sell raffle tickets through the Village Hall Office, noting that the policy would not apply to all entities. After discussion, Council concluded that establishing clear and consistent criteria would be difficult and agreed that the Village should not move forward with such a policy.

VA Morse reported that the fire at the apartment building located at 55 W. Fourth Street renewed a focus on the importance of rental ordinance enforcement. While preliminary information suggests the fire was not caused by property-maintenance neglect, it reinforces concerns that some rental units in the Village may not be in full compliance with code requirements, presenting potential risks to public safety. In a coincidental and timely development, the day prior to the fire, VA Morse met with Nichole Kleiner (City Manager, Hart), Catalina Burillo (Shelby Hospital – housing initiatives), Richard Raffaelli (Township Supervisor), to re-engage a discussion initially started several years ago regarding the exploration of a shared code-enforcement staff position. This concept will continue to be evaluated as a means to improve consistency and capacity in enforcement.

VA Morse shared that he presented funding requests for the Downtown Redesign Project to the Shelby Chamber of Commerce, Shelby Rotary, and Shelby Optimist. Each organization has referred the request to its respective board for consideration.

He also reported that, in collaboration with Dan Leonard (MEDC RRC), Teresa Gillotti (CEDAM), and a representative from the nonprofit development group investing downtown, discussions are underway to identify funding and technical-assistance opportunities to support their project. As a result of this meeting, the development group will be connected with:

- Fishbeck for support related to Brownfield Housing TIF components, and
- Great Lakes Housing Commission to explore housing-funding opportunities through MSHDA.

Additionally, Deputy Clerk/Treasurer Lynnea compiled and submitted the required documentation for the MEDC Match on Main Street program, allowing the Village to receive $25,000 to pass through to Tienda La Palma.

9. DEPARTMENT HEADS' REPORTS:

DPW Supervisor Helenhouse had nothing to report.

Chief Roesler had nothing to report.

10. CORRESPONDENCE: No Correspondence.

11. CITIZEN PARTICIPATION:

Sharon Hallack from the Oceana Echo shared that she agrees the Village would not want to sell tickets

from the Village office, but noted that the Village can support organizations in other ways that do not involve money.

12. OLD BUSINESS: No Old Business.

13. NEW BUSINESS:

a) Downtown Renovation Project Commitment Proposal

As previously discussed at Council meetings, a financial commitment from the Village is critical to advancing this project. As outlined in the accompanying presentation, the proposed funding plan includes a formal commitment of up to $200,000 from General Fund Balance and $300,000 from the Major Streets Fund through the Local Streets allocation. In addition, the Village's fundraising team anticipates raising $100,000 in private contributions. All funds raised through this effort will be matched dollar-for-dollar, with no cap, by a private donor.

The remaining project balance, approximately $800,000, is anticipated to be funded through a Brownfield Housing Tax Increment Financing (TIF) capture arrangement, which will be brought forward to the Council for consideration at a future date to support a portion of the downtown renovation costs. It is also important to note that this initiative has stimulated private investment in downtown Shelby. A nonprofit organization has committed to investing locally and is willing to participate in and share the proposed Brownfield Housing TIF capture arrangement, further strengthening the financial viability of the project.

Approval of this request represents a critical and foundational step in advancing downtown revitalization efforts, positioning Shelby for long-term economic growth, community vitality, and enhanced quality of place.

Steve Crothers moved to approve Res No. 01-26 (See attached).
Seconded by: Crystal Heykoop.

Roll Call Vote:
Ayes: Crothers, Heykoop, Termer, Trott and Sutton.
Nays: Zaverl.
Motion Carried 5-1.
Absent: Samantha Gottschalk.

b) Transfer to Local Streets Fund in FY 2025/26 and FY 2026/27

In connection with the previous agenda item and contingent upon Council consideration and approval of the accompanying resolution, the Village Council is being requested to authorize a transfer of funds from the Major Streets Fund to the Local Streets Fund. Specifically, approval is requested for the transfer of $150,000 in Fiscal Year 2025/26 and an additional $150,000 in Fiscal Year 2026/27. This transfer is necessary to support the proposed downtown improvement efforts and to ensure adequate local funding is available for project implementation consistent with the Village's broader downtown revitalization strategy.

Steve Crothers moved to approve Res No. 02-26 (See attached).
Seconded by: Crystal Heykoop.

Roll Call Vote:
Ayes: Crothers, Heykoop, Termer, Trott and Sutton.
Nays: Zaverl.
Motion Carried 5-1.
Absent: Samantha Gottschalk.

c) Resolution Certifying Non-Federal Matching Funds for SRTS

This item was removed from the agenda.

d) Proposal for Kubota Repairs

In early December, the Kubota snow blower experienced a mechanical failure while in operation. Upon inspection, the equipment was brought into the Wolf Kubota shop in Free Soil where it was discovered that the clutch was allowing hydraulic pressure to bypass. Further investigation determined that the engine shaft failed, and the universal joints are significantly worn. The scope of necessary repairs includes removal and replacement of the clutch assembly, associated O-rings, and seal. This repair requires the unit to be split in half, repaired, and reassembled. Additionally, replacement of the drive shaft and cooling fan is required.
Three repair estimates were solicited. Two have been received to date:

- Pell's: $5,001.71
- Wolf Kubota: $3,843.46

Mike Termer moved to approve the proposal from Wolf Kubota of Free Soil, MI 49411 in the amount of $3,843.36 to repair the Kubota snow blower.
Seconded by: Steve Crothers.

Roll Call Vote:
Ayes: Termer, Crothers, Zaverl, Heykoop, Trott and Sutton.
Motion Carried 6-0.
Absent: Samantha Gottschalk.

14. COMMITTEE REPORTS:

a. **PLANNING COMMISSION: Ex-Officio: John Sutton, Samantha Gottschalk:**

The Planning Commission will hold a Public Hearing at its January 20, 2026 meeting at 6:00 P.M.

for the Master Plan Update. The Planning Commission will be reviewing step 2 of the Zoning

Ordinance.

b. WATER & SANITATION: Chair: Curt Trott, Crystal Heykoop:

The Water and Sanitation Committee met today, January 12, 2026, at 4:30 P.M. prior to the Council meeting to review the Water and Sewer Rate Presentation with representatives from the Michigan Rural Water Association. The findings from the Water and Sewer Rate Study will be brought to Council at a later date.

c. STREETS AND SIDEWALKS: Chair: Dan Zaverl, Curt Trott:

Nothing to report.

d. PARKS, REC. & BLDGS: Chair: Samantha Gottschalk, Steve Crothers:

Nothing to report.

e. FINANCE and INSURANCE: Chair: Steve Crothers, Mike Termer:

Nothing to report.

f. PERSONNEL: Chair: Mike Termer, Samantha Gottschalk:

Nothing to report.

g. ORDINANCES – Chair Crystal Heykoop, Dan Zaverl:

Nothing to report.

15. PAYMENT OF BILLS:

a) January 12, 2026

Steve Crothers moved to approve the payment of bills of January 12, 2026 in the amount of $81,019.88.
Seconded by: Mike Termer

Roll Call Vote:
Ayes: Crothers, Termer, Zaverl, Heykoop, Trott and Sutton.
Motion Carried 6-0.
Absent: Samantha Gottschalk.

16. ADJOURNMENT: President Sutton adjourned the meeting at 7:16 P.M.

Council minutes are not official until approved at the January 26, 2026 Council meeting.

Approved ☑

Minutes Respectfully Submitted by Miraya Gissell Diaz, Village Clerk/Treasurer — Date 1/28/26

January 12, 2026 **RESOLUTION** No. 02-26

RESOLVED BY THE COUNCIL OF THE VILLAGE OF SHELBY to approve the authorization to transfer funds from the Major Streets Fund to the Local Streets Fund.

BE IT FURTHER RESOLVED to approve the authorization of the transfer of $150,000 from the Major Streets Fund to the Local Streets Fund in Fiscal Year 2025/26 and an additional $150,000 in Fiscal Year 2026/27.

Moved: Steve Crothers

Seconded: Crystal Heykoop

Yes: Crothers, Heykoop, Termer, Trott & Sutton.

No: 2 over 1

ABSENT: Samantha Gottschalk.

RESOLUTION No. 02-26 Declared ADOPTED.
ADOPTED ON: January 12, 2026

VILLAGE OF SHELBY

RESOLUTION NO. 01-26

A RESOLUTION COMMITTING VILLAGE FUNDS TOWARD THE DOWNTOWN RENOVATION PROJECT

WHEREAS, the Village Council, in collaboration with community members, has developed a shared vision for a revitalized downtown Shelby that is welcoming, vibrant, and designed to attract residents and visitors to gather, participate in community activities, and support local businesses; and

WHEREAS, the estimated upper-end cost of the proposed downtown improvement project is $2.0 million; and

WHEREAS, the Village Council has previously discussed the necessity of a financial commitment from the Village in order to advance this transformative project; and

WHEREAS, the proposed funding plan includes a commitment of up to $200,000 from the General Fund and $300,000 from the Major Streets Fund through the Local Streets allocation; and

WHEREAS, the Village's fundraising team anticipates raising $100,000 in private contributions, which will be matched dollar-for-dollar, without cap, by a private donor; and

WHEREAS, the remaining project balance of approximately $800,000 is anticipated to be funded through a Brownfield Housing Tax Increment Financing (TIF) capture arrangement, which will be presented to the Village Council for consideration at a future date; and

WHEREAS, this initiative has already stimulated private investment interest in downtown Shelby, including a commitment from a nonprofit organization to invest locally and participate in the proposed Brownfield Housing TIF capture arrangement; and

WHEREAS, the Village Council recognizes that committing these funds represents a foundational step toward advancing downtown revitalization efforts and positioning Shelby for long-term economic growth, community vitality, and enhanced quality of place.

NOW, THEREFORE, BE IT RESOLVED, that the Village Council of the Village of Shelby hereby formally commits up to $200,000 from the General Fund and $300,000 from the Major Streets Fund through the Local Streets allocation toward the downtown revitalization project; and

BE IT FURTHER RESOLVED, that the Village Council acknowledges and supports the ongoing private fundraising efforts and the associated dollar-for-dollar match pledged by a private donor; and

BE IT FURTHER RESOLVED, that the Village Council affirms its intent to consider the proposed Brownfield Housing TIF capture arrangement, anticipated to fund approximately $800,000 of the remaining project costs, when brought forward at a future meeting; and

BE IT FINALLY RESOLVED, that the Village Council expresses its support for continued collaboration with community partners, private donors, and nonprofit organizations to ensure the successful implementation of the downtown revitalization project.

Adopted this 12th **day of** January, **2026.**

AYES: Crothers, Heykoop, Termer, Trott & Sutton.

NAYS: Zaverl

ABSENT: Samantha Gottschalk

CERTIFICATION

I, Miraya Gissell Diaz, Clerk/Treasurer of the Village of Shelby, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Village Council at a regular meeting held on January 12, 2026.

Miraya Gissell Diaz

Village Clerk/Treasurer