**City of Marine City**

**City Commission Minutes**

**February 2, 2023**

A regular meeting of the Marine City Commission was held on Thursday, February 2, 2023 at 260 South Parker Street, Marine City, and was called to order by Mayor Vandenbossche at 7:00 P.M.

Present: Mayor Jennifer Vandenbossche; Commissioners Jacob Bryson, Elizabeth Hendrick, Michael Hilferink, William Klaassen, Rita G. Roehrig, Brian Ross; Interim City Manager James Heaslip; City Clerk Shannon Adams.

Also Present: City Attorney Robert Davis

**AUDIO/VIDEO AVAILABLE**

For complete audio/video of meeting, visit the following link: <https://www.youtube.com/watch?v=Mcuu3ZiGV0w>

**APPROVE AGENDA**

Motion by Commissioner Ross, seconded by Commissioner Klaassen, to approve the Agenda with the addition of 11d Proclamation for Ron Glodich. All Ayes. Motion Carried.

**PRESENTATION**

Curtis McBride of McBride, Manley, & Miller, P.C. reported on the financial status of the City as of June 30, 2022.

Total Assets: $3,128,000

 Total Liabilities: $1,121,000

 Net Fund Balance: $2,007,000

Mr. McBride said the City received an unmodified opinion with a fund balance that was in excess of the recommended minimum. Mr. McBride informed the Board that the audit examination included a study and evaluation of internal controls and said the study identified certain deficiencies in the City’s internal controls that they considered to be material weaknesses and significant deficiencies. Several findings were reported as:

* Financial Statements
* Tax Fund Reconciliation
* Bank Reconciliations
* Segregation of Duties
* Budget Amendments
* Sidewalk Special Assessments
* Timeliness of Audit Report

He recommended that information required for the Pension and Retiree Health Care obligations be requested from the City’s Actuary on a timelier basis and that the City implement a security awareness training program related to an attempted direct deposit scam.

Mr. McBride commented on the working relationship he had established with the City’s Treasure, Nichole Lasecki, and felt stability and consistency in the City’s treasury department would aid in reducing future audit findings.

The audit documents can be found on the City’s website at: <https://www.cityofmarinecity.org/treasurers-department/pages/budget-audit-information>

Motion by Commissioner Ross, seconded by Commissioner Klaassen, to approve receive and file the audit and associated communications. All Ayes. Motion Carried.

**PUBLIC COMMENT**

Roland Woelkers made comment related to his extensive law enforcement experience, the effects of marijuana on children and his objection to dispensaries in the City.

Cheryl Ross inquired of the process related to the termination of City Manager Holly Tatman and the appointment of Police Chief Heaslip as Interim City Manager. She commented on the statements made related to the administrative staff being dispensable. She also inquired to know what the Commissioners’ visions and priorities for the City were.

Paul Merchant asked what the Commission would do to be open and honest in their communications with the public and when they would explain the reasons for the termination of Holly Tatman’s contract in specific details, and how the Commission planned to stop special interests, such as those involved in the cannabis industry.

Laura Merchant spoke of questions and concerns brought to her by community stakeholders following the previous meeting with the termination of Holly Tatman. The questions she brought from these individuals with a request for follow up included:

* Do you think what occurred at the January 16, 2023 meeting is going to help move/fill the properties that are for sale/lease?
* What is your plan for damage control?
* How will you, as a Commission, help re-instill confidence with our businesses, residents, visitors, investors, and in the blue water area?
* What does the Commission have planned to change the negative view people have on Marine City?
* Will the Commission and Interim City Manager follow through with changes in the Code of Ethics governing Commissioners holding office and running for office?
* What are the qualifications of a City Manager?
* Will background checks for those running for or seeking a seat on the City Commission be added to the Code of Ethics?
* Will there be ramifications such as suspension included in the Code of Ethics for Commissioners under investigation?
* Will provisions be included in the Code of Ethics for Commissioners decorum that spells out how a Commissioner should represent the City in a favorable way that promotes goodwill and prosperity? If so, will this include the use and misuse of social media?
* Concerns were stated related to side conversations during meetings. Will side conversations continue at future meetings?

Joe Moran, Chairperson of the Community and Economic Development Board and Planning Commission, spoke of getting a haircut by a barber outside of the City and that their entire conversation was about the chaos in the City. He spoke to the lack of transparency related to the termination of the City Manager, Holly Tatman, and the disregard of the concerns of the administrative staff who do the work involved in preparation of the meetings.

Cheryl Vercammen highly encouraged the public review her interview with former City Manager Holly Tatman in October 2022 on her Mayor Minute C-TV program, the financial mess City Manager Tatman inherited upon hiring in with the City, and stated the taxpayers want to know the facts involved in the termination of City Manager Tatman.

**APPROVE MINUTES**

City Clerk Adams indicated before the minutes were disseminated to the public, they were in draft form and any edits after that point would be identified in red and labeled as amended.

Motion by Commissioner Hendrick, seconded by Commissioner Ross, to approve the City Commission Meeting minutes of January 16, 2023 as amended. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

**CONSENT AGENDA**

Presented:

1. Cottrellville Sewer Rate Computation Estimate Year End June 30, 2023
2. Cottrellville Sewer Rate Computation Year End June 30, 2022
3. Planning Commission Annual Report
4. Historical Commission Minutes – October 18, 2022
5. Planning Commission Minutes – November 14, 2022
6. 300 Broadway Committee Minutes – November 28, 2022
7. Business License – Marine City Auto Sales
8. Business License – SJAF Incorporated d/b/a Achatz Catering

Motion by Commissioner Ross, seconded by Commissioner Klaassen, to approve the Consent Agenda A-H. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

**FINANCIAL BUSINESS**

Expenditures

Commissioner Ross inquired about a shipping fee that was added related to the road paving. Interim City Manager Heaslip requested he contact DPW Superintendent Mike Itrich to inquire about the fee.

Motion by Commissioner Hilferink, seconded by Commissioner Bryson, to approve total expenditures including payroll, in the amount of $507,146.27. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

Preliminary Financial Statements

Commissioner Ross inquired about a line item related to an equipment lease in the 28 page pack on page 13 and whether or not there was a number transposed. Finance Director Nichole Lasecki, from the audience, stated she would verify the entry.

Motion by Commissioner Bryson, seconded by Commissioner Ross, to receive and file the Preliminary Financial Statements. All Ayes. Motion Carried.

**UNFINISHED BUSINESS**

23-001 Purchasing Ordinance (2nd Reading/Adoption)

Commissioner Hilferink stated his opinion related to problems with the Ordinance regarding the purchasing amounts and competitive bidding process. City Attorney Davis explained the Charter had a provision requiring a purchasing ordinance but that once the City undertook the process of amending or revising the Charter, the Ordinance would, therefore, be amended or revised as well.

Motion by Commissioner Bryson, seconded by Commissioner Ross, to approve and adopt 23-001 Purchasing Ordinance. All Ayes. Motion Carried. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

City Manager Committee – Resident Application

Commissioner Ross identified that 17 days had elapsed since the termination of the City Manager and the Charter dictated 90 days to hire a replacement City Manager.

Motion by Commissioner Bryson, seconded by Commissioner Ross, to approve the form as presented and set the deadline for residents to apply for a seat on the Committee at February 8, 2023 at 12-noon. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

Approve Amended Budget Schedule

Commissioner Hilferink inquired about when a discussion related to hiring assistance for the Treasurer’s office would occur. Commissioner Ross responded that discussion should occur during the budget sessions, and that the matter at hand was to approve the schedule related to the budget process.

Motion by Commissioner Hendrick, seconded by Commissioner Ross, to approve the Amended Budget Schedule as presented. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

Structure of Town Hall & Rescheduled Date

City Attorney Davis stated he had spoken with Commissioner Hilferink and Interim City Manager Heaslip related to the structure and what the purpose of the Town Hall was, which was for the City Commissioners to hear those who wanted to speak their opinions on adult use recreational marijuana facilities. He advised setting a date and time and hosting the event in compliance with the Open Meetings Act. He also advised using a sign in sheet for those who wished to speak, and to avoid cross communications and polarizing debate. He stated that Commissioner Hilferink would open the meeting with a 10-15 minute presentation then the Commission would receive public comment. City Attorney Davis explained that if the Commission decided to move forward with the matter, then a panel of professionals could be brought in to answer and discuss different aspects of the issue.

Fire Chief Slankster indicated concerns about the capacity of the Commission Meeting Room and that he and Building Official Kallek would determine the correct capacity. Interim City Manager Heaslip indicated he would reach out to some locations in the City with larger venues related to availability to host the event if the capacity of the Commission Meeting Room was too small.

**NEW BUSINESS**

Establishment of a Social District

City Attorney Davis indicated he had spoken to Interim City Manager Heaslip and that they had reviewed the controlling. He advised that the Commission may need to take under consideration what they wanted to see related to a social district, signage for the district, what the boundaries would be, and that there needed to be two participating businesses to support the district who were within or adjacent to the boundaries.

Commissioner Bryson inquired if any businesses had requested the social district. Interim City Manager Heaslip stated he had received communication from one. Commissioner Bryson stated that it should be the responsibility of the business owners to send a letter indicating whether they wanted or needed a social district and if two such businesses were to reply, then the Commission should move forward, otherwise the Commission should not waste its time if there were no businesses reaching out to them for this action.

Mayor Vandenbossche indicated if the City was moving forward with a social district, it may learn some helpful information from looking at successful surrounding area communities, such as Port Huron. She indicated that she believed Water Street would be the appropriate location. Commissioner Bryson recommended including Broadway as part of the proposed district. Commissioner Ross suggested that the special stickers to be adhered to the “to-go” cups could be printed with a map of the district and indicated a preference to dis-include the beach as part of the district.

Commissioner Ross inquired about the related fees to having a social district and where those monies went to. City Attorney Davis indicated his belief there was a share in the revenue with the Michigan Department of Licensing and Regulatory Affairs (LARA) and that he would provide the Commission with that information.

Commissioner Ross inquired of Interim City Manager Heaslip, in his capacity of police chief, if he was familiar with social districts being troublesome. Interim City Manager Heaslip responded that it was actually easier than the moratorium on the Ordinance the City currently had in place because then his officers didn’t have to be the “cup police”.

Commissioner Roehrig suggested a need for more waste receptacles to make sure the “to-go” cups weren’t just thrown on the ground.

No action was taken but it was agreed that the current moratorium on the Ordinance related to liquor being consumed in the parks needed to be addressed in short order as City Attorney Davis advised a moratorium was meant to be a short-term action, therefore the Commission would continue discussions related to the matter of a social district.

Status Update RE: City Owned Property - 300 Broadway

Commissioner Bryson stated he had requested this agenda item to get an idea of the progress the 300 Broadway Committee had made, what was happening with the building, and what the existing needs were and he inquired about the fire suppression line that had burst. Interim City Manager Heaslip stated that the contractor who had installed the fire suppression system was going to cover the cost of repair to the system to be a dry system and that it was too early to tell costs related to damages. Commissioner Bryson indicated the water was off to the entire building and wanted to know what would be required to turn the water back on. Interim City Manager Heaslip stated he would make an inquiry of DPW Superintendent Mike Itrich related to the matter.

Commissioner Bryson questioned when the electrical lines would be run to the bandstand and whether or not the tree that was typically lit for Christmas was included. Interim City Manager Heaslip replied that Sideline Electric would be running the line to the bandstand but not the tree, but that he did not know the timeframe of when that would occur.

Commissioner Bryson asked what the capacity of the building was to be Americans with Disabilities Act (ADA) compliant. Interim City Manager Heaslip stated Building Official Kallek had stated with 1 bathroom, 15 people, however that number may be different once the Teen Zone vacated. City Attorney Davis indicated the second floor would be off-limits in the existing condition.

Commissioner Ross, as the City Commissioner assigned to the 300 Broadway Committee, stated that at the January 23, 2023 meeting of the Committee, the architect who had done one of the sets of drawings had meet with the Committee via Zoom and indicated some options related to ADA compliance, that the business plan was being updated with new and modern numbers, that a grant related to public gathering spaces had just become known which could be a significant sum of money with an opening date for applications in mid-February with a 60-day application window and a 10% match. Mayor Vandenbossche suggested funds for the match might be able to come from the sale proceeds of 303 S. Water Street. Commissioner Hilferink inquired if the grant was specific to municipalities. Commissioner Ross indicated it was geared towards municipalities but that a non-profit could help the municipality in the process of applying for the grant.

Commissioner Bryson stated a request for the 300 Broadway Committee to submit a document containing the vision for the building, the roadmap of how to achieve the vision, the cost to achieve the vision, summary for consideration in the 2023-2024 budget to include what was needed to stabilize the building and prevent further damage from occurring, and advise of available grants or past grants that could potentially come available in the future.

Interim City Manager Contract

Commissioner Ross inquired who had drafted the contract. City Attorney Davis stated he had collaborated with Interim City Manager Heaslip on the contract.

Motion by Commissioner Bryson, seconded by Commissioner Klaassen, to approve the contract as drafted between the City and James Heaslip as Interim City Manager. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

Proclamation – Ron Glodich

Mayor Vandenbossche made a Proclamation for Ron Glodich for his accomplishments.

**ITEMS REMOVED FROM CONSENT AGENDA**

None.

**CITY MANAGER’S REPORT**

Interim City Manager Heaslip stated it had been a long 17 days. He apologized for cancelling the Community and Economic Development Board meeting in January but felt it was a necessity for the safety of the City staff in light of the snow storm. He reported having attended meetings for the 300 Broadway Committee, the Historical Commission, and the Pension and Retiree Healthcare Boards. He further stated he had communication with the DNR related to the grant reimbursement and that they had replied they were working through their process of reimbursement. Interim City Manager Heaslip reported he had a Zoom meeting with MDOT and PCE related to one of the grants and updates had to be made to the grant, but that PCE was handling it. He also spoke of the road diet that was slated for 2025, but that there would need to be a resolution and support from the Commission for it to happen, but that those talks were not expected until later in the year or into 2024. He praised the City staff for their hard work.

Commissioner Bryson requested the addition of an agenda item for the next meeting to include the City Manager’s compensation. Commissioner Ross added to include discussing the committee meeting intervals related to the search for a new City Manager.

**COMMISSIONER PRIVILEGE/LIAISON REPORTS**

Commissioner Klaassen referenced contact he had received from the community related to his vote to terminate the contract of the City Manager and stated that he had made his own decision.

Commissioner Hilferink stated everyone needed to get on the same team and spoke of wanting to sit down with members of the community to discuss wants for the City and mentioned reaching compromises.

Commissioner Ross stated he always made requests for the public to reach out to him and the other commissioners and that he has always been open and honest and that if there was anything he could clarify, he would be happy to do so.

Commissioner Roehrig mentioned a desire to see the City’s website revamped. She stated she had attended an informative meeting related to cannabis on Zoom and referenced the need for an Ordinance to protect the City from a citizens initiative.

Commissioner Hendrick stated she had always been honest and to look to facts not fiction, advised people to not listen to rumors, lies, misinformation and stated that the City needed to move forward.

Mayor Vandenbossche indicated a need to work together, that people could agree to disagree and that she was trying to do her best for everyone. She thanked Interim City Manager Heaslip, the City staff, Curtis McBride and his staff. She also indicated there would be a book signing by Ron Glodich at the Mariner on Saturday, February 4, 2023 from 10:00 a.m. to 1:00 p.m.

**CLOSED SESSION – CONFIDENTIAL GRANT INFORMATION**

Motion by Commissioner Hendrick, seconded by Commissioner Ross, to enter into Closed Session at 9:45 p.m. under 15.268(h)to consider material exempt from discussion or disclosure by state or federal statute RE: Confidential Grant Information. **Roll Call Vote.** Ayes: Bryson, Hendrick, Hilferink, Klaassen, Roehrig, Ross, Vandenbossche. Nays: None. Motion Carried.

Motion by Commissioner Hendrick, seconded by Commissioner Ross, to return to Open Session at 10:15 p.m. with no action to be taken. All Ayes. Motion Carried.

**OPEN SESSION**

**ADJOURNMENT**

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen to adjourn at 10:16 p.m. All Ayes**.** Motion Carried.

 Respectfully submitted,

 Shannon M. Adams City Clerk