

**City of Marine City
City Commission
December 6, 2018**

A regular meeting of the Marine City Commission was held on Thursday, December 6, 2018 in the Fire Hall, 200 South Parker Street, Marine City, Michigan, and was called to order by Mayor Vandebossche at 7:00 pm.

After a moment of silence, the Pledge of Allegiance was led by Mayor Vandebossche.

Present: Mayor Dave Vandebossche; Commissioners Jacob Bryson, Elizabeth Hendrick, Wendy Kellehan, William Klaassen; City Manager Elaine Leven, City Clerk Kristen Baxter

Absent: Commissioner Vercammen

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen, to excuse Commissioner Vercammen from the meeting. All Ayes. Motion Carried.

Also in Attendance: City Attorney Robert Davis

Communications

Received:

- DEQ 2018 Water System Sanitary Survey
- TIFA Board Meeting Minutes – October 16, 2018
- Electric Service – 300 Broadway
- Jelsch Paving Company

Motion by Commissioner Klaassen, seconded by Commissioner Kellehan, to receive the Communications. All Ayes. Motion Carried.

Public Comment

Rosalie Skwiers, 211 Michigan, announced fundraisers for the Old Newsboys and asked that the community support their efforts.

Heather Warner, 345 N. Elizabeth, asked that the discussion on the Agenda for recreational marijuana be tabled until the state required a response, enabling the city to

be better informed. She also inquired why TIFA Board Meetings were held at 4:00 pm when everyone was at work.

Roland Woelkers, 519 S. Elizabeth, said he strongly supported the City opting out of allowing the sale of recreational marijuana. He said to do so was sending the wrong message to the State of what Marine City was all about.

Mike Hilferink, 525 Woodworth, spoke in support of recreational marijuana and said it would bring tax money to the City that was badly needed. He recommended K-mart Plaza as an ideal location for a dispensary.

Milton Hintz, 435 S. Main Street, spoke in opposition to allowing the sale of recreational marijuana in the City. He also commented on the parking ordinance and said the City didn't use common sense when they wrote it.

Tamara Harris, 512 Westminster, commented on the parking ordinance and said there should be a parking waiver for those who didn't have a driveway. She questioned where family members should park during the holidays.

APPROVE AGENDA

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen, to approve the Agenda. All Ayes. Motion Carried.

APPROVE MINUTES

Motion by Commissioner Kellehan, seconded by Commissioner Hendrick, to approve the City Commission Meeting Minutes of November 15, 2018. All Ayes. Motion Carried.

CONSENT AGENDA

Presented:

- 2019 Meeting Schedule

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen, to accept the Consent Agenda and file.

Roll Call Vote.

Ayes: Vandenbossche, Bryson, Hendrick, Kellehan, Klaassen

Nays: None
Motion Carried.

2017-2018 AUDIT PRESENTATION – McBride Manley & Company, PC

Curtis McBride and Samantha Hudson, of McBride-Manley & Company, PC reported on the financial status of the City as of June 30, 2018, as follows:

Total Assets:	\$1,739,000
Total Liabilities:	<u>\$ 135,000</u>
Net Fund Balance:	\$1,604,000

Mr. McBride said the City received a clean/unmodified opinion with a fund balance that was in excess of the recommended minimum. Mr. McBride explained that this was the highest opinion you could receive. The opinion meant that they believe that the City's financial statements were accurate and in compliance with their standards.

Mr. McBride spoke about the General Fund and reported that the State recommended minimum fund balance was ten percent of total annual expenditures. He reported that, at the end of 2018, the City had a healthy fund balance of approximately sixty-one percent.

Major Street Funds and Local Street Funds were discussed with Mr. McBride stating that both had healthy fund balances.

Mr. McBride stated the Water and Sewer Fund also had a healthy fund balance with a solid net position of \$4,528,000.

For Retiree Health Care Mr. McBride reported that, for the first time, accounting standards required recognition of the Net OPEB liability in financial statements. He reported the following:

Total OPEB liability 6/30/2018:	\$4,271,964
Total Fund Balance of Retiree Health Care Fund:	<u>\$ 186,000</u>
Net OPEB Liability:	\$4,085,867

Mr. McBride advised that since the City adopted a manageable corrective action plan for Retiree Health Care, the fund status was 4.4%.

He also spoke of the audit process and the focus on all accounting functions, which included:

- Purchasing (including electronic and credit cards, as applicable)
- Cash receipts
- Utility billing
- Adjusting journal entries
- Payroll
- Bank reconciliation

Mr. McBride commented on the great working relationship his firm had with the City, and reported that they spend typically 425-450 hours on the City's business, which helps them identify things throughout the year and gives them a better understanding of what was going on.

***Full audit available on the City of Marine City website: www.cityofmarinecity.org.**

Recess

The Board took a short recess at 7:47 pm to allow the City Auditors time to remove their equipment. They reconvened at 7:53 pm.

UNFINISHED BUSINESS

Residential Solid Waste Collection & Disposal Bids

City Manager Leven reported that the City's contract with Emterra for residential solid waste collection and disposal was up at the end of the year and that bids had been received from Emterra and Marcotte. She noted that the rates from Emterra were lower than Marcotte.

Mayor Vandebossche commented that he didn't want to renew with Emterra because of the quality City residents have been receiving, but due to a 23-24% difference in cost he said he would have to support Emterra's bid.

Commissioner Hendrick said the residents shouldn't have to pay for a replacement recycle bin when Emterra employees were throwing them on the ground and smashing them. She asked if there was anything the City could put in the contracts when they don't get proper service.

City Attorney Davis replied that the City could add service standards and stipulated penalties to the contract.

Emterra representative, Gary Varista, agreed that the service provided by Emterra had diminished and said it was due to a very competitive work force. He stated they were going to improve their services and said that Emterra gave the City a price that would urge them to give them a chance to do better.

City Manager Leven commented that in the Request for Proposals, the City had asked for a 30-day cancellation clause, but Emterra's proposal stated a 90-day clause.

City Attorney Davis responded and said the City could accept the 90-day cancellation in exchange for stipulated penalties.

Motion by Commissioner Kellehan, seconded by Commissioner Bryson, to accept Emterra's bid for solid waste collection for 3.5 years with a 90-day termination clause in exchange for service standards and stipulations being added to the contract.

Roll Call Vote.

Ayes: Vandenbossche, Bryson, Hendrick, Kellehan, Klaassen

Nays: None

Motion Carried.

Board Vacancies (Updated List)

Mayor Vandenbossche announced the following board vacancies:

- Zoning Board of Appeals – 1 vacancy and 1 alternate vacancy
- Board of Review – 1 vacancy
- Historical Commission – 2 vacancies
- TIFA Board – 2 vacancies
- Pension Board – 1 vacancy
- Dangerous Building Board of Appeals – 4 vacancies
(2 Citizens; 1 Building Contractor; 1 State Registered Architect or Engineer)
- Planning Commission – 1 vacancy

Interested applicants should submit an application by December 12, 2018 to the Clerk's office.

TIFA Subcommittee

Motion by Commissioner Kellehan, seconded by Commissioner Klaassen, to appoint Commissioner Bryson and Commissioner Hendrick to the TIFA Board Subcommittee. All Ayes. Motion Carried.

NEW BUSINESS

Audit Engagement Letter – McBride Manley & Company, PC

Motion by Commissioner Hendrick, seconded by Commissioner Kellehan, to approve the proposal to continue services with McBride Manley & Company, PC for three years at an annual cost of \$29,225.

Roll Call Vote.

Ayes: Vandenbossche, Bryson, Hendrick, Kellehan, Klaassen

Nays: None

Motion Carried.

Hi-Tech Server Proposal

City Manager Leven stated that the City had been experiencing problems for several years with the email server located at the Police Department. In addition, the server would no longer be supported for updates and virus protection.

Jay St. James, representing Hi-Tech, reported that the system that the City was currently operating goes end-of-life in 2019. This presents a security risk, affects performance, and causes device incompatibility. He said the new server would be faster, have better security, and would give Hi-Tech the opportunity to efficiently restructure the email infrastructure.

City Manager Leven questioned Hi-Tech's quote for transferring the systems and said the number of hours estimated seemed high. Mr. St. James replied and said it was only an estimate and they may come under the quoted amount if they finished the job sooner.

Motion by Commissioner Hendrick, seconded by Commissioner Kellehan, to approve Hi-Tech's proposal for a new email server not to exceed \$22,542.

Roll Call Vote.

Ayes: Vandenbossche, Bryson, Hendrick, Kellehan, Klaassen

Nays: None

Motion Carried.

Recreational Marijuana Discussion

City Attorney Davis updated the Board on what was happening with the Recreational Marijuana law that went into effect on December 6, 2018.

He reported that the Marijuana Act stated that a municipality had the right to prohibit marijuana establishments and if the municipality decided to prohibit, they shall do so by enacting an ordinance. He said the municipality may not, however, adopt an ordinance that restricted the transportation of marijuana through the municipality.

City Attorney Davis advised that the City would soon need to make a decision of whether to prohibit marijuana establishments or begin to look at mechanisms and controls to allow them. He advised that the State had one year from this date to develop, implement, administer, and enforce the Act, but he recommended that the City not wait until that time to decide which direction they wanted to go.

Mayor Vandenbossche commented that the law was poorly written with the tax rate amount miniscule for what municipalities were going to get back. He also said that the State was not restrictive on where marijuana establishments were located.

City Manager Leven reported that the Michigan Municipal League had preliminary numbers of approximately \$25,000 of revenue per facility in communities.

City Attorney Davis commented that the State of Michigan would like to know as early as possible if the City was going to prohibit establishments and explained that if the City took prohibitive action, they could later repeal the ordinance and allow them. However, if the City took the stance of allowing the establishments, they could not reverse their decision.

No action was taken at this time.

Non-Union Lump Sum Payment

City Manager Leven reported that non-union employees were lagging behind union employees for raises. She proposed a 2% lump sum payment to non-union employees, similar to a cost of living increase.

Commissioner Hendrick asked if evaluations had been completed on employees and said the evaluations were used to prove the employee's worth. Without evaluations, she said, it was difficult because some employees deserved the increase and others did not.

Motion by Commissioner Kellehan, seconded by Commissioner Bryson, to accept the non-union employee lump sum payout of 2%.

Roll Call Vote.

Ayes: Vandenbossche, Bryson, Kellehan, Klaassen

Nays: Hendrick

Motion Carried.

Cancellation of December 20, 2018 or January 3, 2019 Meeting

Motion by Commissioner Hendrick, seconded by Commissioner Klaassen, to cancel the January 3, 2019 meeting. All Ayes. Motion Carried.

City Commission Vacancy

Mayor Vandenbossche read the announcement for persons interested in serving on the City Commission. Board applications are due to the City Clerk on or before December 19, 2018. The City Commission will vote to fill the vacancy at their December 20, 2018 meeting.

FINANCIAL BUSINESS

Disbursements

Motion by Commissioner Kellehan, seconded by Commissioner Klaassen, to approve total disbursements, including payroll, in the amount of \$232,635.86.

Roll Call Vote.

Ayes: Vandenbossche, Bryson, Hendrick, Kellehan, Klaassen

Nays: None

Motion Carried.

CITY MANAGER REPORT

City Manager Leven reported on the following:

- Attended Zoning Board of Appeals, Department Head Meeting
- Finalized reports and submitted to the State on Revenue Sharing
- Attended meeting regarding possible grant funding for County-Wide Trail Projects
- Distributing flyer for First Impressions Grant Forum on January 31st at 5:30-8:00 pm

COMMISSIONER PRIVILEGE

Commissioner Klaassen announced that the Rotary Club sponsored a run last weekend, which was a success. He asked that everyone be careful and enjoy the upcoming holiday season.

Commissioner Kellehan asked that everyone enjoy their families and the holiday.

Commissioner Hendrick announced unofficial Jo-Dog sales at 6,120. She said that the Old Newsboys would be out this weekend collecting and asked that everyone watch out for them.

Commissioner Bryson reminded people to be aware of federal laws regarding recreational marijuana, particularly how it may affect their job.

Mayor Vandebossche asked people to be careful with recreational marijuana as it was much more effective these days. He said he was looking forward to see what the State of Michigan was going to do to regulate it.

ADJOURNMENT

Motion by Commissioner Klaassen, seconded by Commissioner Kellehan, to adjourn at 9:04 pm. All Ayes. Motion Carried.

Respectfully submitted,

Kristen Baxter

Kristen Baxter
City Clerk