

REGULAR CITY COUNCIL MEETING
December 13, 2016

The Regular City Council Meeting was called to order by Mayor Bronson in the Council Chambers at City Hall at 7:00 p.m.

Roll Call:

Present: Couture, Kwiatkowski, Bronson and Temple

Absent: Riddle, Lavender and King

Mayor Bronson led the Pledge of Allegiance to the Flag.

Approval of Agenda, and Receive and File all Communications:

City Manager Eustice stated he has given Council a memo regarding non-union hourly employee increases and would like to add this to the Agenda. This includes the hourly employees in the Parks & Recreation Department and the part-time clerical person in the Department of Public Safety. He is proposing a 1% increase, which is consistent with the AFSCME Union Contract. This will be added to the Agenda as 9-C.

Mayor Pro Tem Couture moved to approve the Agenda, as amended with the addition of 9-C, and receive and file all communications; supported by Councilman Temple. Motion carried unanimously.

Approval of Prior Meeting Minutes:

Mayor Pro Tem Couture moved to approve the Regular City Council Meeting Minutes of November 15, 2016 as presented; supported by Councilwoman Kwiatkowski. Motion carried unanimously.

Councilwoman Kwiatkowski moved to approve the Regular City Council Meeting Minutes of November 22, 2016 as presented; supported by Mayor Pro Tem Couture. Motion carried unanimously.

Bills and Disbursements:

▪ **Prepaid Bills and Disbursements for the Month of November 2016.**

Mayor Pro Tem Couture inquired as to the payment to Blue Care Network, stating he has noticed that a lot of groups will be taking a pretty big increase come the first of the year, asking if the City has seen that. Clerk/Treasurer Kwiatkowski stated fortunately our renewal date is December 1, so we did not get hit with that. Our biggest increase for any contract holder was 5%. Mayor Pro Tem Couture stated this is something to think about for the future.

Mayor Pro Tem Couture moved to approve the prepaid bills and disbursements for the month of November 2016 in the amount of \$447,520.70; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Unpaid Bills and Disbursements for the Month of November 2016.**

Councilwoman Kwiatkowski moved to approve the unpaid bills and disbursements for the month of November 2016 in the amount of \$29,049.35; supported by Councilman Temple. A roll call vote was taken; motion carried unanimously.

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Excusing of Absent Council Members:

Mayor Pro Tem Couture moved to excuse Council Members Riddle, Lavender and King; supported by Councilman Temple. Motion carried unanimously.

Department, Board and Commission Reports:

▪ **Planning Commission, November 21, 2016** – City Manager Eustice stated the Commission meets again December 19, noting there is a site plan review on the agenda for CarQuest. They purchased a home on Huron Street (behind Alice’s Restaurant) and want to put up additional warehousing for their existing business. There has not been a site plan review since the Straits Area Federal Credit Union.

Resolutions:

▪ **Consideration of Resolution Adopting the Charlevoix, Cheboygan and Emmet County Hazard Mitigation Plan** – City Manager Eustice commented the Plan is on file and is required by CCEOEM and must be approved by City Council. Mayor Bronson asked if the Council only needs to approve that they are on board with the Plan. City Manager Eustice replied yes. Councilwoman Kwiatkowski asked if City Manager Eustice has read the Plan. City Manager Eustice replied, not entirely. Chief Jones knows more about the Plan. One can go to the cceoem.net site to read the Plan.

Councilwoman Kwiatkowski moved to adopt the Resolution adopting the Charlevoix, Cheboygan and Emmet County Hazard Mitigation Plan; supported by Mayor Pro Tem Couture. A roll call vote was taken; motion carried unanimously.

General Business:

▪ **Consideration of City Council 2017 Regular Meeting Schedule** – City Manager Eustice pointed out there is one potential conflict on the schedule, which is December 26, 2017. We may want to look at that later, but the Schedule can be approved.

Mayor Pro Tem Couture moved to approve the City Council 2017 Regular Meeting Schedule; supported by Councilman Temple. Motion carried unanimously.

▪ **Consideration to Take Proposals for City Attorney Services – Governmental Business and Ordinance Enforcement/Criminal Prosecution** – City Manager Eustice explained this is a request to take Proposals for City Attorney Services as the current contracts expire January 31, 2017. Mayor Bronson asked when the last time was the City took bids for these services. City Manager Eustice replied 2009, which was a three year contract (beginning in 2010), they were then renewed for three years and last year they were renewed for one year. Mayor Pro Tem Couture commented last year Council asked to have them re-bid this year.

Mayor Pro Tem Couture moved to take Requests for Proposals for City Attorney Services for Governmental Business and Ordinance Enforcement/Criminal Prosecution; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

▪ **Consideration of Non-Union Employee Wage Increases (Parks & Recreation and DPS Part-Time Clerical)** – City Manager Eustice stated Parks & Recreation Director Hancock was always under the assumption, and thought Council made a motion, that his staff, full and part-time, would get pay increases consistent with the AFSCME Union automatically. Director Hancock thought the

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previous City Manager took this to Council, but there is no record of that. He has told his staff that their increases were consistent with the AFSCME Union Contract, and came to City Manager Eustice in August and asked if his staff could get pay increases. Once it was determined it was not automatic, City Manager Eustice said he would look at it. City Manager Eustice stated he has not had a chance to get it on an Agenda, but told Director Hancock it would be put on tonight's Agenda before the end of the year. He then explained the last time we had any pay increases, other than Union personnel, was in December 2014 (non-union personnel and salaried personnel). In December 2014 the full-time employees in the Parks & Recreation Department received a 1% increase and the part-time employees received a significant increase from \$8.89 to \$10.20 an hour based on conversation Council had that there level of work warranted it. The salaried management personnel received a 2% increase. City Manager Eustice noted Ms. Michelle Corsault, the full-time employee in Parks & Recreation, does manage the Community Service people and workers from the jail; therefore, he is recommending a 1% increase for Ms. Corsault and a 1% increase for the part-time employees. Two part-time employees work 29 hours a week, otherwise we have to provide healthcare. Also, there is a part-time clerical employee in the Department of Public Safety and he feels this hourly wage needs to be increased by 1%, as well. Mayor Bronson asked if these increases would be retroactive to the beginning of the pay year. City Manager Eustice replied it doesn't have to be, but they thought they would receive their increase July 1. Mayor Pro Tem Couture asked if the 1% is still in the AFSCME Contract. City Manager Eustice replied yes, noting the POLC and AFSCME Union Contracts are up July 1, 2017. For the next budget year we are going to have to look at the Union Contracts, management contracts, and non-union personnel. Mayor Pro Tem Couture asked at that time will the Council have information for new health insurance. Clerk/Treasurer Kwiatkowski stated he will get the new health insurance information next October, as the anniversary date is December 1. Mayor Bronson inquired since they will be looking at budgets, can Council have another meeting about finances. Mayor Pro Tem Couture stated that was kind of where his thought process was, adding wasn't it asked at a meeting to have another meeting about the budget. He knows they requested to see the salaries as it was hard to gather this from the budget document. Mayor Pro Tem Couture suggested a budget workshop that just deals with staff salaries as to where each one came from and the total that is being paid to each employee. He thinks if we are going to be stepping into renegotiation of contracts soon, whatever we do with non-union employees sets precedence and vice-versa indirectly. He stated he is not saying he is against the Parks & Recreation increases, but feels it can all be handled in one conversation. City Manager Eustice commented there are certain things we all need to look at; for example, 20% of his salary is paid by the DDA. The staff needs to break all of that out so Council can have a good understanding. Mayor Pro Tem Couture stated it is time and would like to revisit what we are paying people and what kind of job we are getting done from those people, including the DDA and the City Manager's position in the DDA. There is a lot he's a little unclear on because they have not sat down and reviewed this, so questions can be asked. Mayor Pro Tem Couture then asked if management wants this budget meeting before the first of the year because the City Manager is asking for increases in the middle of December. Also, can they wait until the budget meeting? City Manager Eustice commented the Parks & Recreation and DPS Clerical recommendations are mainly because they didn't get what they thought they were supposed to. Clerk/Treasurer Kwiatkowski commented he has been at the City for 22 years this coming March and there has never been an agreement regarding non-union and part-time people and those have always been addressed in June, and if an increase was given it was given July 1, the beginning of the fiscal year. He does not know where Director Hancock got his information. Mayor Pro Tem Couture stated even though the recommendation is not a huge increase, every little bit we are doing and every decision to spend money comes from the General Fund, the operational fund. He wants to know where the City is at. City Manager Eustice stated the requested increases today are due to the fact that he failed to take it to Council in June for the current budget. Mayor Pro Tem Couture asked how many people the increase affects. City Manager Eustice

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replied mainly four people, although there are a couple of part-timers at Parks & Recreation. Clerk/Treasurer Kwiatkowski then clarified there are also a couple part-time employees at the Ice Pavilion, as well. Mayor Pro Tem Couture asked the other Council Members their thought on this. Mayor Bronson commented 1% of a \$10.00 wage is \$.10 an hour. City Manager stated for the part-time employees it equals to \$2.90 per week for 29 hours. Mayor Bronson stated his feeling is it probably should have been done in June, so we should make it retroactive, but at the very least we should do it now forward. Mayor Pro Tem Couture asked if there are any negative aspects to making it retroactive, such as setting a precedence. Clerk/Treasurer Kwiatkowski stated we have had Union Contracts go well in to the fiscal year and the increases were always retroactive. He will be able to run a report out of payroll to get the hours accurately and will do it on a one-time basis to catch it up, noting it is a little bit of work on his part. Councilman Temple stated he does not understand why we have City Manager that only makes \$2,000.00 more than a department head, asking how that happens. Also, we have an employee that has been here for 30+ years, DPS Chief, and makes less money than a person we hired 2 to 3 years ago, the DPW Superintendent. He asked where the City Manager comes up with this. City Manager Eustice replied mainly because the DPW position is the DPW Department, Water Superintendent and Wastewater Superintendent; he is basically three department heads. At one time the DPW Superintendent was at a \$55,000.00 a year salary and the Water/Wastewater Superintendent was basically at the same salary, so we were paying over \$110,000.00 for those positions. Councilman Temple then stated although the current DPW Superintendent watches three departments, he only has about a total of seven people in those departments. Mayor Pro Tem Couture stated that is exactly what type of questions to be answered in the budget workshops. Clerk/Treasurer Kwiatkowski commented the big thing when DPW Director Karmol was hired, it was virtually impossible to find anyone in the State of Michigan that has his licenses, and if you find them you are going to pay them. He thinks he is worth every single penny that we pay him. If we had to replace DPW Superintendent Karmol right now, it would be really, really difficult. Mayor Bronson stated this would be part of the bigger conversation we would have later. Mayor Pro Tem Couture agreed, stating he does want to have that conversation. He then stated the request is for full-time and part-time Parks & Recreation and part-time DPS clerical. Mayor Bronson stated the increase could either be retroactive or could be from now. Mayor Pro Tem Couture then asked what the City Manager's recommendation is. City Manager Eustice answered he thinks it is fair, if Council wishes, to make the increase retroactive.

Councilman Temple moved to make a change in salary of one percent (1%) for Parks & Recreation full-time, Parks & Recreation part-time and the Police Department's part-time clerical to be retroactive to the beginning of the fiscal year, July 1, 2016; supported by Councilwoman Kwiatkowski. A roll call vote was taken; motion carried unanimously.

Mayor Bronson stated hopefully in late January, early February 2017 we can have the budget workshop, as he would like to get some of the information digested before getting into Contract negotiations. Mayor Pro Tem Couture commented it may take a few meetings in a short span. Mayor Bronson then stated it was when former City Manager McNeil was here that we had meetings on this.

Public Comments: None.

City Clerk/Treasurer's Comments:

- **Audit** – Clerk/Treasurer Kwiatkowski informed Council they are about to wrap up the audit and will be getting in reports that are due to the State Treasury by the end of the year. Shortly after that, it will be tax season and he will be doing W-2s and 1099s, and wrapping up the payroll year with the Feds and the State. He is hoping by the second meeting in January he will have an updated Budget for

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the current fiscal year. There are a couple of financial reports that the auditors want him to provide to Council every month, one being an income statement. He will begin providing these every month to Council.

City Manager's Report:

- **Passing of Former Mayor Jim Muschell** - City Manager Eustice stated Mayor Pro Tem Couture mentioned the passing of Former Mayor Jim Muschell before tonight's meeting started. He passed away Saturday, December 3, 2016 and believes he was Mayor for eight terms from the 1960's to the 2000's. City Manager Eustice stated he thinks we should draft a Resolution for his family and also post it here in City Hall, because he sat on City Council for over parts of 50 years. Mayor Bronson commented Mr. Muschell sat on a lot of committees and also was City Engineer. City Manager Eustice stated he will put something together for Council for the December 27, 2016 meeting. Mayor Pro Tem Couture suggested presenting it to the family, if feasible and the family is willing.
- **Little Traverse Conservancy Land Transaction/Port Properties** - City Manager Eustice stated City Council has a memo from him with regard to this subject. He reported with the Port property that we purchased on the River, we also obtained a 63-acre parcel on the eastside that is basically wetlands. He has been in negotiations with Little Traverse Conservancy to sell them about 50 acres of that parcel, with the City retaining around 13 acres of uplands that can be built on mainly in the corner of First Street and Coast Guard Drive. The Conservancy is okay with this and has been trying to raise funding to purchase the 50 acres. The Conservancy also owns a 35 acre piece east of the piece the City has, which they obtained in 2015. In between these two pieces is a piece of property the City has had since purchasing it for \$200.00 in 1899. City Manager Eustice went on to state in his conversations with Karen Fleming several month ago, he suggested that the Conservancy buy that piece, as well, and connect both their properties (property they currently own and the property the City is going to sell them). If the City throws the additional piece of property into the mix, the Conservancy will have a connection between all those properties. The piece the City has had since 1899 is all wetlands. There is no use for it other than conserving it. City Manager Eustice explained he does not recall discussing this property with Council, although he has had some discussion with the Mayor and Port Commission regarding it. There is no need for action tonight; he only wants the Council to be aware that the Purchase Agreement that will come from Little Traverse Conservancy will likely include that property. By including the additional property, the Conservancy has gotten a grant from Huron Pines to add an additional \$30,000.00 to the purchase, so the City will now get \$130,000.00 for two parcels. He thinks the price is fair, noting the second piece could not be sold for anything else. There are no restrictions on the deed so it does not have to be used for a public purpose nor is there a reversion clause. He stated it has clear title so we can move it along to the Conservancy. He believes Granger & Associates is currently doing a survey and it should be completed this week, so the Conservancy has legal descriptions of what they are going to buy. The Conservancy is going to write the Purchase Agreement and the City should have it before the end of the year.

City Manager Eustice then informed Council the City is also very close to having the Purchase Agreements for Kokosing and Ryba for the River front property, which should occur before the end of the year.

Mayor Couture asked if all three Purchase Agreements come before Council for final approval. City Manager Eustice replied yes, all seven Council Members have to be present, and there must be a majority vote to basically sell these properties, and permission must be given by Council for the City Manager to sign the Purchase Agreements and all closing documents. Currently we are at, on the agreed upon sales, equal to just over a little over \$702,000.00. Kokosing is purchasing 767 feet at

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\$428,000.00; Ryba is purchasing an additional 362 feet for \$144,800.00; and the Little Traverse Conservancy is purchasing basically the wetlands for \$130,000.00. With the original sale to Ryba at \$225,000.00, that puts us at about \$927,000.00 for the sale of property, although there are other expenses, etc. For all intended purposes, the City bought property at \$850,000.00 that we are going to sell for \$927,000.00. We are close, but the expenses will be higher. Mayor Bronson asked if there are tax advantages for the City to wrap these sales up before the end of the year. City Manager Eustice replied the City will not have to pay property taxes next year, noting the closing will not take place for at least 60 days once the Purchase Agreements are signed. The first piece that Ryba purchased this year will be on the tax roll for 2017. It will not be until 2018 that the rest of the property goes on the tax rolls, with the exception of Little Traverse Conservancy. City Manager Eustice then noted that both Kokosing and Ryba will be making significant improvements to the properties, and long term we will get tax revenues from those properties, as well. City Manager Eustice stated Mayor Bronson has the deed in front of him for the property purchased by the City in 1899, noting title work will be done, as well.

Messages and Communications from Mayor Pro Tem and Council Members:

▪ **Budget Workshop** - Mayor Pro Tem Couture asked if a date can be scheduled for the budget workshop so staff can let the other Council Members who are not here know. Clerk/Treasurer Kwiatkowski stated he would hope by the first meeting in January Council can give staff an idea of what they want copies of for the budget meeting, suggesting staff can give Council copies of the wage pages from the Union Contracts. Mayor Bronson suggested a budget workshop at 5:15 p.m. before the January 24, 2017 City Council meeting. Councilman Temple asked City Manager Eustice if he will mail Council information before the budget workshop. City Manager Eustice replied yes, stating he is also redrafting the Capital Improvement Plan, because the Redevelopment Ready Communities like to see a six-year CIP, noting there have been a lot of changes in one year, and he will get that done before the January 24, 2017 meeting. He stated once the pedestrian bridge debt is paid off, there will be additional monies in the DDA for projects. Mayor Pro Tem Couture asked if it is possible for the DDA to vote so the City can recoup some of the costs of the footbridge for maintenance. City Manager Eustice stated that is possible as the City's General Fund is paying all the costs. Mayor Pro Tem Couture stated we are still operating on a tight budget.

Adjournment:

Councilman temple moved to adjourn the meeting at 7:48 p.m.; supported by Mayor Pro Tem Couture. Motion carried unanimously.

Mayor Mark C. Bronson

Clerk/Treasurer Kenneth J. Kwiatkowski

Councilman Joseph Lavender

Councilwoman Winifred L. Riddle

Councilman Vaughn Temple

Councilman Nathan H. King

Mayor Pro Tem Nicholas C. Couture

Councilwoman Betty A. Kwiatkowski