

City Council

Regular Meeting Minutes

**Monday, June 3, 2013
7:00 p.m., Council Chambers**



1. Call to Order by Mayor Burr at 7:00 p.m.

2. Invocation

Council observed a moment of silence.

3. Roll Call

Present: Arnold, Gruber, Klavins, Kozlik Wall, Patterson, Burr
Absent: Fitzgibbon

Moved by Patterson to excuse Councilmember Fitzgibbon due to absence from community.
Seconded by Kozlik Wall.

Voted Yes: All. Motion carried.

4. Approval of Agenda

Moved by Patterson, to approve the agenda. Seconded by Klavins.

Voted Yes: All. Motion Carried.

5. Proclamation

Mayor Burr presented a proclamation recognizing Golden Brown Bakery for 75 years of business.

6. Consent Agenda: Items A thru E (Roll Call Vote Required)

Moved by Kozlik Wall, seconded by Patterson to approve the Consent Agenda as follows:

- A. Council will be requested to approve the City Council Minutes of May 20, 2013.
- B. Bills totaling \$549,083.53 for the period ending June 2, 2013 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve the South Street sidewalk improvement project in the amount of \$29,080.
- D. Council will be asked to approve \$33,708 of additional patching work for the Cape Seal Project.

- E. Council will be asked to receive the following administrative reports and approved minutes to be placed on file:
- 1) Zoning Board of Appeals: Minutes, February 25, 2013.
 - 2) South Haven Memorial Library Board:
 - a. Minutes, March 12, 2013.
 - b. Minutes, April 9, 2013
 - 3) Harbor Commission:
 - a. Minutes, March 16, 2013.
 - b. Workshop Minutes, March 16, 2013.
 - 4) Liberty Hyde Bailey Museum Board: Minutes, April 16, 2013.

A Roll Call Vote was taken:

Yeas: Arnold, Gruber, Klavins, Kozlik Wall, Patterson, Burr

Nays: None

Motion carried

UNFINISHED BUSINESS

7. **City Council will be asked to consider the following items regarding the Fiscal Year 2013/2014 Budget:**
- A. Resolution 2013-29: A Resolution adopting the 2013/2014 Fiscal Year Budget for Component Unit Funds of the City of South Haven, Michigan.**
 - B. Resolution 2013-30: A Resolution adopting the 2013/2014 Fiscal Year Budget for Enterprise and Internal Service Funds of the City of South Haven, Michigan.**
 - C. Resolution 2013-31: A Resolution adopting the 2013/2014 Fiscal Year Budget for General, Special Revenue, Debt Service, Capital Projects, and Fiduciary Funds of the City of South Haven, Michigan.**
 - D. Resolution 2013-32: A Resolution setting the 2013 Property Tax Millage.**

Background Information: The budget process begins in earnest in January with department heads preparing budget concerns and requests for the City Manager's review. The Finance Department compiles and reviews these requests. As staff works through the various budget projections, a series of reports are distributed for the City Council's review. This year workshop sessions were held by the City Council to make sure the budget is reflecting the adopted policy priorities of City Council.

The manager's proposed budget for 2013-14 is complete and is now presented to the City Council for consideration. It is available for the public to review, and can be downloaded from the city's website at <http://www.south-haven.com/> or can be obtained in print form at City Hall.

The City Charter requires a public hearing on the proposed budget, which was conducted at the May 20th regular meeting of the City Council. The City Charter requires adoption of a budget to occur at the first council meeting in June. For tonight's meeting, the City Council is requested to adopt the attached budget document for the Fiscal Year 2013-14.

Item A: Resolution 2013-29: A Resolution adopting the 2013/2014 Fiscal Year Budget for Component Unit Funds of the City of South Haven, Michigan.

Moved by Kozlik Wall, seconded by Patterson to approve Resolution 2013-29: A Resolution adopting the 2013/2014 Fiscal Year Budget for Component Unit Funds of the City of South Haven, Michigan.

Voted Yes: All. Motion Carried.

Item B: Resolution 2013-30: A Resolution adopting the 2013/2014 Fiscal Year Budget for Enterprise and Internal Service Funds of the City of South Haven, Michigan.

Moved by Kozlik Wall, seconded by Patterson to approve Resolution 2013-30: A Resolution adopting the 2013/2014 Fiscal Year Budget for Enterprise and Internal Service Funds of the City of South Haven, Michigan.

Voted Yes: All. Motion Carried.

Item C: Resolution 2013-31: A Resolution adopting the 2013/2014 Fiscal Year Budget for General, Special Revenue, Debt Service, Capital Projects, and Fiduciary Funds of the City of South Haven, Michigan.

Moved by Patterson, seconded by Klavins to approve Resolution 2013-31: A Resolution adopting the 2013/2014 Fiscal Year Budget for General, Special Revenue, Debt Service, Capital Projects, and Fiduciary Funds of the City of South Haven, Michigan.

Voted Yes: All. Motion Carried.

Item D: Resolution 2013-32: A Resolution setting the 2013 Property Tax Millage.

Moved by Patterson, seconded by Klavins to approve Resolution 2013-32: A Resolution setting the 2013 Property Tax Millage.

Voted Yes: All. Motion Carried.

NEW BUSINESS

8. City Council will be asked to consider introduction of an ordinance to amend rates for the City of South Haven Utilities.

Background Information: During this year's rate setting process, the Board of Public Utilities (BPU) approved an increase of 2% for the various components of the sewer utility rate. There were no increases proposed for the water or electric rates for the upcoming fiscal year. The average utility customer will see an increase in their monthly utility bill of less than \$1.00.

Regarding the Electric rates, as discussed in last year's rate setting meeting, our contract with American Electric Power (AEP) provides us with competitive pricing per kilowatt hour. However, the contract cannot prevent market forces from impacting the overall cost of power. Over the past several years the City has observed increases in the cost of purchased power from AEP. Staff is pleased to report that although the City was assessed \$192,833 during the annual rate adjustment for 2012, the charges will be offset by a portion of the credit balance on account with AEP from the previous year. Because of prior year rebate and a slight change in the cost of power, staff and the BPU have recommended no increase in electric rates for the upcoming fiscal year.

Please note that our cost of power is still quite reasonable, when compared to other communities. Staff has prepared a description of how South Haven's utility costs compare to others in the area. Our residential service is over 26% lower than Consumer's Energy.

Moved by Patterson, seconded by Gruber to introduction of an ordinance to amend rates for the City of South Haven Utilities.

Voted Yes: All. Motion carried.

- 9. City Council will be asked to consider the following Special Events:**
A. Special Event 2013-20: Blueberry Festival (August 8-11, 2013).
B. Special Event 2013-12 Amendment: Waterfront Film Festival.

Item A: Special Event 2013-20: Blueberry Festival (August 8-11, 2013).

Background Information: The special event application for the Blueberry Festival has been processed and is ready for City Council's approval. This years Blueberry Festival is scheduled for August 8 -11, 2013. The application appears to be in order and consistent with past applications, with an additional request to keep Water St. closed through Sunday evening for the tractor pull and a Sunday afternoon/evening concert. Streets to be closed are identified on the application. Blueberry Festivals insurance, naming the City of South Haven as "additionally insured" expires at the end of July and the new proof of insurance certificate will be provided to the city when the current insurance policy expires.

Moved by Patterson to approve 2013-20: Blueberry Festival (August 8-11, 2013). Seconded by Arnold.

Voted Yes: All. Motion carried.

Item B: Special Event 2013-12 Amendment: Waterfront Film Festival.

Background Information: The Waterfront Film Festival is requesting to make an amendment to their special event. The event will kick off on Thursday, June 13th at South Beach with an outdoor film. They are now requesting that in case of inclement weather, to move the event from South Beach to the Huron St. Pavilion/ Parking Lot.

Just as with South beach they would close off the parking lot on Thursday morning for set up with the event beginning at 6:00 pm. Clean-up will occur that night following the event. City staff will work with the festival to fence off and barricade this area. The event will continue throughout the weekend at indoor venues at the following locations; Michigan Theater, Foundry Hall, South Haven High School Audio Visual Room and the Listiak Auditorium.

The event has requested a temporary liquor license for this location just like they did for South Beach. An application has been received by the City. Should City Council approve the event, they will be approving the request for the liquor license contingent upon meeting all the stipulations of the Special Event alcohol policy and approval by the Chief of Police and Liquor Control Commission.

Moved by Gruber to approve Special Event 2013-12 Amendment: Waterfront Film Festival. Seconded by Patterson.

Voted Yes: All. Motion carried.

10. City Council will be asked to consider Resolution 2013-33: Declaration of intent to make public improvements; tentative designation of special assessment district; notice of public hearing for the Kalamazoo Street Reconstruction Phase 2 Project.

Background Information: Within the last several years, the City of South Haven has experienced a number of sanitary sewer overflow events in the residential area located west of Monroe Boulevard near Lovejoy Avenue. In response to these events, a series of construction projects have been planned in an effort to increase the capacity of the sewer system in this area and substantially reduce the risk of such overflows reoccurring. Once completed, these projects will include a new larger and deeper gravity sewer in Kalamazoo Street from Clinton to Lovejoy, new gravity sewer and forcemain under portions of Monroe Boulevard and Lovejoy, and a new Indian Grove lift station. These projects must begin at Clinton Street and continue upstream toward Lovejoy. The first phase of these projects is now completed and the second phase, now ready for construction, is described in further detail below.

Phase 2 Project Scope

This project will be a complete reconstruction of Kalamazoo Street from Lyon Street to Elkenburg Street. The work on Kalamazoo Street will include all new sanitary sewer, storm sewer, watermain, curb & gutter, driveway approaches, and asphalt pavement. The existing sidewalks will remain, but broken or uneven pieces will be replaced. The existing sidewalks will also be upgraded with new ADA compliant curb ramps at each crosswalk.

Phase 2 Project Budget and Special Assessments

This project was planned in the upcoming FY2014 budget. With design work now completed and bids in hand, the cost estimate has been refined with a summary provided below:

	Budget Amount	Total Project Cost
Water Fund	\$272,000	\$229,033
Sewer Fund	\$192,000	\$148,150
<u>Street Fund</u>	<u>\$488,000</u>	<u>\$554,401</u>
Total	\$952,000	\$925,584

We have prepared the necessary documents for the City Council to approve special assessments in keeping with similar past projects. The most recent similar projects have been Kalamazoo Street Phase1 in 2012, South Haven Place in 2009 and Superior Street in 2008. Each of these projects was funded in part through special assessments in the amount of 25% of the water and sewer cost. Based on that practice, the special assessments for this project would be \$2,313.15 for water plus \$1,320.48 for sewer, or a total of \$3,633.63 for most⁽¹⁾ properties.

Schedule

This project is scheduled for construction from July 9 through October 18, 2013, pending the necessary City Council approvals.

Moved by Patterson to approve Resolution 2013-33: Declaration of intent to make public improvements; tentative designation of special assessment district; notice of public hearing for the Kalamazoo Street Reconstruction Phase 2 Project. Seconded by Klavins.

Voted Yes: All. Motion carried.

11. City Council will be asked to consider approving a proposal for professional services from Abonmarche for Elkenburg Park Phase II.

Background Information: It appears that there will be additional funds available in the Elkenburg Park grant funded project. The total project amount in the grant agreement is \$339,800. The current costs of the project are estimated to be \$253,000. This leaves \$86,800 unallocated grant funding.

I have asked Abonmarche to provide a proposal for cost estimates for a number of additional improvements to Elkenburg Park. The additional improvements were identified by the Elkenburg Park Redevelopment Committee. The proposal amount is \$13,400. This would leave about \$73,400 for Phase II improvements. Staff will recommend a package of improvements to Parks Commission which meet the available budget, after consulting with the Elkenburg Redevelopment Committee.

The proposal includes presenting the cost estimates and options to the Parks Commission on July 9.

The Parks Commission will review the remaining budget for the project and cost estimates for the additional items. The Commission will be asked to recommend items to be added to Phase II of the Elkenburg Park project.

Upon recommendation by the Parks Commission, City Council could then approve the additional items as part of the grant project.

The Abonmarche proposal includes communication with MDNR regarding adding the items as grant funded project improvements. It also includes bid services for Phase II.

Moved by Patterson to approve a proposal for professional services from Abonmarche for Elkenburg Park Phase II. Seconded by Arnold.

Voted Yes: All. Motion carried.

12. City Council will be asked to ratify the Supervisory and Non-Supervisory union contracts for the members of the South Haven Police Department.

Background Information: The City Council will be asked to consider authorizing the approval of union contracts with the Supervisory and Non-Supervisory units of the South Haven Police Department. The overall percentage increase for the agreement is estimated to be 8.49% over the life of the contract, or an average of 2.12% per year for each year of the agreement.

The Supervisory and Non-Supervisory units, both units are members of the Police Officers Labor Council (POLC), have ratified their union contracts. The current agreements will expire on June 30, 2013. Provisions regarding hospitalization insurance, pension, and percent pay increase are the same for both contracts. Highlights of the contracts are:

- The term of the contracts will be four (4) years. The current contracts are three year agreements.
- A provision was added to both contracts for a cost share for health insurance that complies with P.A. 152. Employees will pay the lesser of the amount above the State of

Michigan's established public employer hard cap or twenty percent (20%) of the cost of health insurance. Employees currently pay 15% of the cost of their health insurance.

- Members of the POLC bargaining units will be offered the health insurance plans available to other city employees and two additional insurance plans through COPS Trust. The plans offered through COPS Trust will include a high deductible plan with maximum out of pocket costs of \$2,300 for single and \$4,600 for two-person and family with an employee funded health savings account (HSA) and a 90/10 PPO plan with lower out of pocket costs. The costs of the two COPS Trust plans are comparable to plans currently under consideration by the City to be offered to non-bargaining unit and TPOAM unit employees. COPS Trust eligibility rules restrict eligibility to POLC union groups.
- A health care savings program (HCSP) will be offered to POLC bargaining unit members. The plan will be funded entirely by employee contributions.
- Pay rate increases are: 2.75% on July 1, 2013; 3.25% on July 1, 2014; 3.5% on July 1, 2015 and 3.5% on July 1, 2016.
- Members of both union groups will also contribute more to their MERS pension. Both units currently contribute three percent (3%) of their gross wages to their MERS pension fund. Employee contributions will increase one-half percent (.5%) per year for each year of the agreement, up to five percent (5%) for the last year of the agreement.

The POLC non-supervisory unit includes fourteen sworn full-time police officers and one full-time operations center operator. The overall percentage increase for the agreement is estimated to be 8.49% over the life of the contract, or an average of 2.12% per year for each year of the agreement. Increases to base wages of 13.65% over the life of the contract are partially offset by lower employer contributions to pension and health insurance. The contract has a total value of \$1,244,666 for the Supervisory unit, over the four year term. The contract has a total value of \$4,269,156 for the Non-Supervisory unit, over the four year term.

Some cost increases are due to factors outside of the settlement agreement. Merit bonuses are expected to increase by about \$6,808 over the life of the contract as recently hired employees reach their three year anniversary and become eligible for the bonus. Anticipated increases for dental, life and disability insurance have also been included.

The POLC supervisory unit includes four sergeants. The overall percentage increase for the agreement is estimated to be 10.39% over the life of the contract, or an average of 2.60% per year for each year of the agreement. Increases to base wages of 13.65% over the life of the contract are partially offset by lower employer contributions to pension and health insurance. The impact of the change to health insurance cost share is less with the supervisory unit because three of the four members currently opt out of the City group insurance.

The primary goals of the City during the bargaining process were to insert language which required health insurance cost share to comply with P.A. 152 and to increase the employee contributions to pension. Both goals were met. As a result, staff recommends the City Council approve the agreements with the POLC, and authorize staff to finalize the contracts.

Moved by Kozlik Wall to ratify the Supervisory and Non-Supervisory union contracts for the members of the South Haven Police Department. Seconded by Arnold.

Voted Yes: All. Motion carried.

13. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda
(You will be given up to 5 minutes to address your concerns.)

None at this time.

14. City Manager's Comments

15. Mayor and Councilperson's Comments

- Klavins: Thank you to the Braschlers and the Golden Brown Bakery.
Arnold: Thanks to team Thunder and Lightning Car Club for great Festival of Cars event. Congratulations to Class of 2013.
Patterson: Thanked the members of City Staff for work on Elkenburg Park Phase 1 project. Waterfront Film Festival is June 13-16th.
Gruber: Congratulations to the graduates.
Kozlik Wall: Thank you from the merchants for moving the Festival of Cars. Reminder that school is out on Friday.
Burr: Thank you for local support for children film festival during the Waterfront Film Festival. Tickets for the film festival will be available online beginning June 4th.

16. Adjourn

Moved by Patterson to adjourn. Seconded by Klavins.

Voted Yes: All. Motion carried. Meeting adjourned at 7:37 p.m.

RESPECTFULLY SUBMITTED,



Amanda Morgan, CMC
City Clerk

Approved by City Council: **DRAFT**