

## City Council

### Regular Meeting Minutes

**Monday, May 19, 2014**  
**7:00 p.m., Council Chambers**



- 1. Call to Order by Mayor Burr at 7:00 p.m.**
- 2. Invocation by Pastor Curry Pikkaart – Hope Reformed**
- 3. Roll Call**

Present: Arnold, Fitzgibbon, Gruber, Klavins, Kozlik Wall, Patterson, Burr  
Absent: None

- 4. Approval of Agenda**

Moved by Fitzgibbon to approve the agenda. Seconded by Patterson.

Voted Yes: All. Motion carried.

- 5. Consent Agenda: Items A thru E (Roll Call Vote Required)**

Moved by Fitzgibbon, seconded by Klavins to approve the Consent Agenda as follows:

- A. Council will be requested to approve the City Council Minutes of May 5, 2014.
- B. Bills totaling \$1,209,256.21 for the period ending May 20, 2014 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve the contract with Progressive Engineering to complete the traffic study for \$12,470.
- D. Council will be asked to approve a license agreement with 601 Kalamazoo Street to allow the construction of a residential driveway.
- E. Council will be asked to receive the following administrative reports and approved minutes to be placed on file:
  - 1) 02-06-2014 Planning Minutes
  - 2) 02-12-2014 DDA Minutes
  - 3) 03-06-2014 Planning Workshop Minutes
  - 4) 03-19-2014 Airport Authority Minutes
  - 5) 03-31-2014 BPU Minutes

A Roll Call Vote was taken:

Yeas: Arnold, Fitzgibbon, Gruber, Klavins, Kozlik Wall, Patterson, Burr  
Nays: None

Motion carried.

**BOARD & COMMISSION APPOINTMENTS**

**6. City Council will be asked to consider the following annual board and commission appointments/reappointments:**

**A. Confirm the Mayor's reappointments as follows:**

<u>Name</u>	<u>Board</u>	<u>Term</u>
Dave Paull	Planning Commission	3-year term
Brian Peterson	Planning Commission	3-year term
Sharon Fanger	Community Development Commission	4-year term

**B. Reappoint board and commission members as follows:**

<u>Name</u>	<u>Board</u>	<u>Term</u>
Robert Stickland	Board of Public Utilities	5-year term
Brian Dissette	Building Authority	4-year term
Mark Dibble	Construction Board of Appeals	5-year term
Cathy Pyle	Harbor Commission	3-year term
Greg Sullivan	Harbor Commission	3-year term
Tom Thomson	Housing Commission	5-year term
Robin Reva	Liberty Hyde Bailey Board	4-year term
Robin McAlear	Library Board	5-year term
Art Bolt	LDFA/BRDA Board	4-year term
Christine Valentine	LDFA/BRDA Board	4-year term
Marilyn White	Parks Commission	3-year term
Patti Reinert-Montgomery	Parks Commission	3-year term

**Item A: Council will be asked to confirm the Mayor's reappointments to boards and commissions.**

Moved by Kozlik Wall seconded by Gruber to confirm Mayor's reappointments as follows:

<u>Name</u>	<u>Board</u>	<u>Term</u>
Dave Paull	Planning Commission	3-year term
Brian Peterson	Planning Commission	3-year term
Sharon Fanger	Community Development Commission	4-year term

Voted Yes: All. Motion carried.

**Item B: Council will be asked to reappoint board and commission members.**

Moved by Fitzgibbon seconded by Kozlik Wall to reappoint board and commission members as follows:

<u>Name</u>	<u>Board</u>	<u>Term</u>
Robert Stickland	Board of Public Utilities	5-year term
Brian Dissette	Building Authority	4-year term
Mark Dibble	Construction Board of Appeals	5-year term
Cathy Pyle	Harbor Commission	3-year term
Greg Sullivan	Harbor Commission	3-year term
Tom Thomson	Housing Commission	5-year term
Robin Reva	Liberty Hyde Bailey Board	4-year term
Robin McAlear	Library Board	5-year term
Art Bolt	L DFA/BRDA Board	4-year term
Christine Valentine	L DFA/BRDA Board	4-year term
Marilyn White	Parks Commission	3-year term
Patti Reinert- Montgomery	Parks Commission	3-year term

Voted Yes: All. Motion carried.

**7. Council will be asked to consider the appointment of Judy Stimson to fill a 3-year term on the Planning Commission expiring in 2017.**

Judy Stimson – introduced herself and spoke about her qualifications.

Moved by Patterson to appoint Judy Stimson to fill a 3-year term on the Planning Commission expiring in 2017. Seconded by Fitzgibbon.

Voted Yes: All. Motion Carried.

**UNFINISHED BUSINESS**

**8. City Council will be asked to hold a public hearing regarding the FY 2014/2015 Budget.**

*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 will compile and review these requests. As staff works through the various budget projections, a series of reports are distributed for the City Council's review. This year one workshop session was 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 2014/15 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. The City Council is required to adopt a budget at the first meeting in June.

Moved by Patterson to open the public hearing. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried. Public hearing declared open.

No public comment at this time.

Moved by Kozlik Wall to close the public hearing. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried. Public hearing closed.

**9. Council will be asked to consider the following Special Events:**

- A. Consider Special Event 2014-02, Elkenburg Park Basketball Reunion (July 4-6, 2014).**
- B. Consider Special Event 2014-18, The Session Basketball (June 28-29, 2014).**
- C. Consider Special Event 2014-20, Blueberry Fest Craft Fair (August 9-10, 2014).**
- D. Consider Special Event 2014-21, All Crafts Fair (August 30-31, 2014).**
- E. Consider Special Event 2014-22, North Shore Elementary 5K (June 3, 2014).**
- F. Consider Special Event 2014-25, Summer Kickoff 2014 (June 14, 2014).**
- G. Consider Special Event 2014-26, 2014 Independence Day Fireworks (July 3, 2014).**
- H. Consider Special Event 2014-27, Memorial Day Parade 2014 (May 26, 2014).**

**Item A: Special Event 2014-02, Elkenburg Park Basketball Reunion (July 4-6, 2014).**

*Background Information:* W.O.R.D. Impact is requesting to use Elkenburg Park on July 4, 5, & 6, 2014 from 9:00 am to 11:00 pm each day for basketball games. They are also requesting to bring in additional lights from 9:00 pm to 11:00 pm.

Last year the City worked with the organizers of this event to ensure that the event ended and the park was cleared out no later than 11:00 pm, that neighbors were not effected by the noise and lights of the event and that the park was cleaned up following the event. All of these requests from the City were met. The event was successful and the City did not receive complaints about this event.

Moved by Gruber to approve Special Event 2014-02, Elkenburg Park Basketball Reunion (July 4-6, 2014). Seconded by Patterson

Voted Yes: All. Motion carried.

**Item B: Special Event 2014-18, The Session Basketball (June 28-29, 2014).**

*Background Information:* The event would be June 28 - 29, 2014. The Session would be using Elkenburg Park for this event. They will begin at 8:00 am on June 28<sup>th</sup> with a

basketball tournament. They will also have food/vendors on sight along with a live DJ ending at 10:00 pm both nights. They request to have 2 portable toilet facilities on site.

Amad Goodwin – Spoke about the Session basketball event and also the Summer Kickoff event.

Moved by Patterson to approve Special Event 2014-18, The Session Basketball (June 28-29, 2014). Seconded by Klavins.

Voted Yes: All. Motion carried.

**Item C: Special Event 2014-20, Blueberry Festival Craft Fair (August 9-10, 2014).**

*Background Information:* As in past years the Blueberry Festival Craft Fair is being run by the South Haven Area Chamber of Commerce. The event is scheduled for August 9-10, 2014. Their requests appear to be in order and consistent with past requests. Including overnight police patrol on both Friday and Saturday nights. Proof of insurance has already been provided.

Moved by Patterson to approve Special Event 2014-20, Blueberry Festival Craft Fair (August 9-10, 2014). Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

**Item D: Special Event 2014-21, All Crafts Fair (August 30-31, 2014).**

*Background Information:* The All Crafts Fair event is scheduled for August 30<sup>th</sup> and August 31<sup>st</sup>. It is the same as it has been in the previous years. They are requesting snow fencing to be placed as it has in previous years. They also requested additional police patrols over night on August 30<sup>th</sup> and August 31<sup>st</sup>. Proof of insurance has already been provided.

Moved by Fitzgibbon to approve Special Event 2014-21, All Crafts Fair (August 30-31, 2014). Seconded by Klavins.

Voted Yes: All. Motion carried.

**Item E: Special Event 2014-22, North Shore Elementary 5K (June 3, 2014).**

*Background Information:* This event will be held at North Shore Elementary and on the north side race route. The event will begin at 9:00 am and will end at 11:00 am.

This event is an end of the school year 5K celebration. This will be the 4th year for this event and will be the same race route and set up as previous years.

Moved by Patterson to approve Special Event 2014-22, North Shore Elementary 5K (June 3, 2014). Seconded by Klavins.

Voted Yes: All. Motion carried.

**Item F: Special Event 2014-25, Summer Kickoff 2014 (June 7, 2014).**

*Background Information:* Summer Kickoff is a church organized event for children and adults. Solomon's Temple Ministries is hosting this event and there will be dunk tanks, a bouncer, food, music, relay races, sack races, face painting, etc. This event will be held on June 7<sup>th</sup>, 2014 between the hours of 12 noon and 6:00 pm.

Moved by Kozlik Wall to approve Special Event 2014-25, Summer Kickoff 2014 (June 7, 2014) contingent on nothing else being scheduled that day. Seconded by Patterson.

Voted Yes: All. Motion carried.

**Item G: Special Event 2014-26, 2014 Independence Day Fireworks (July 3, 2014).**

*Background Information:* This event is sponsored by the South Haven Fireworks Committee. The Fireworks Committee and city staff is working together to ensure that town is prepared for the show and the increased crowds. The Fireworks Committee will also be working with the bridge tender to make sure there are no problems with backups at the bridge. The attached maps illustrate the proposed locations of portable trash receptacles, dumpsters, and porta-potties. Clean up will begin early the next morning to ensure everything is ready for the 4<sup>th</sup> of July parade. SHAES is asking for very strict parking enforcement all day to keep fire and ambulance access open on the temporary no parking routes throughout town. Proof of insurance has been provided.

Public Comment:

Moved by Fitzgibbon to approve Special Event 2014-26, 2014 Independence Day Fireworks (July 3, 2014) with the addition of two more porta-potties. Seconded by Klavins.

Voted Yes: All. Motion carried.

**Item H: Special Event 2014-27, Memorial Day Parade 2014 (May 26, 2014).**

*Background Information:* The South Haven American Legion sponsors this event this year which is scheduled for May 26, 2014. The parade is being done in the same way it has been done in the previous years. The parade route is identified on the event application. Usually proof of insurance is required with the City named as co-insured however as in the past they are requesting to waive insurance.

Moved by Kozlik Wall to approve Special Event 2014-27, Memorial Day Parade 2014 (May 26, 2014). Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

**10. Council will be asked to approve Resolution 2014-22, a resolution to set a public hearing for an Industrial Facilities Tax Abatement for System Components.**

*Background Information:* The City Council will be asked to set a public hearing for consideration of an Industrial Facilities Tax Exemption Certificate for System Components, Inc., located at 1635 Stieve Drive.

The tax exemption request, which totals \$531,885, is for new construction and personal property acquired by the company. The applicant notes that the company anticipates creating 3 new jobs at their facility as a result of the project.

System Components, Inc. was founded in the City of South Haven in 1967. System Components, Inc. features a range of standard and custom designed couplings for power transmission applications. The company currently employs 44 full time staff members. Currently, the company is running three shifts to keep pace with production demands.

The estimated total value of the Industrial Facilities Tax Exemption Certificate for System Components is \$17,216 over the 12 year life of agreement if all machinery is included in the certificate. The tax exemption does include a "claw-back" provision, which allows the City of South Haven to seek the abated tax amount if the terms of the abatement are not met by the business.

Moved by Fitzgibbon to approve Resolution 2014-22, a resolution to set a public hearing for an Industrial Facilities Tax Abatement for System Components. Seconded by Patterson.

Voted Yes: All. Motion carried.

**11. Council will be asked to approve an outdoor dining license agreement with Taste, 402 Phoenix Street.**

*Background Information:* The City Council will be asked to authorize staff to issue a license agreement, to add outdoor dining along Phoenix Street, to the restaurant owners of Taste.

Taste is a local restaurant, located at 402 Phoenix Street. The owners of Taste, Mr. Joel Gesiakowski and Mrs. Heidi Gesiakowski, are seeking a license agreement to add outdoor dining along Phoenix Street. The Planning Commission approved the special use permit for outdoor dining at their regular meeting on December 5, 2013. Two (2) conditions were placed on the approval: the noise level currently heard outside the building may not increase with the outdoor seating and that the Downtown Development Authority (DDA) approved the outdoor furniture. The DDA approved the outdoor furniture plan at the February 12, 2014 regular meeting. Please note that the City Council originally approved a motion to authorize staff to effectuate an agreement with Taste, at the March 3, 2014 regular meeting of the Council. Staff is requesting an additional approval from the City Council because it was determined that the original Taste license agreement did not include the building owner and liquor license holder, Mr. Joe Wiltgen, JWilco, Inc. As staff worked to complete the original license agreement, it was determined that JWilco should be an included party in the agreement. As a result, the secondary approval is being sought from the City Council.

The draft license agreement for Taste has been actively reviewed by staff, the city's attorney, and the restaurant owners. The license agreement requires a payment of \$250 per year to the City of South Haven. The fee is based on comparison to other lake front communities, and mirrors the fees charged by the City of Grand Haven. The agreement has a variety of requirements. Some of the highlights of the agreement are:

- The agreement allow customer seating to occur until 11:00 p.m.,
- The agreement require the city be provided with certificates of insurance,

- The agreement require that a designated clear path be maintained, to allow pedestrians to use the city's sidewalks,
- The agreement also requires that if alcohol service is to be provided, at the outdoor dining location, and that the owner be in compliance with Michigan Liquor Control Commission rules and regulations.

Moved by Patterson to approve an outdoor dining license agreement with Taste, 402 Phoenix Street. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

**12. Council will be asked to consider several approvals related to the proposed downtown and public marina Wi-Fi project.**

- A. Council will be asked to approve Resolution 2014-23, a resolution to use Marina fund to repay the cost of providing Wi-Fi capability to Marina users.**
- B. Council will be asked to award electrical work to Severance Electric in the amount of \$34,820.**
- C. Council will be asked to award the cable infrastructure to Turn-Key Networks in the amount of \$56,742.**
- D. Council will be asked to award professional services to Secant Technologies in the amount of \$41,550.**
- E. Council will be asked to award the network electronics purchase to Secant Technologies in the amount of \$38,309.31.**

*Background Information:* The City Council will be asked to consider several approvals related to the proposed downtown and public marina WIFI project.

Over the past several months, the city's staff and information technology consultant, Secant Technologies, have actively worked to finalize plans and to seek bids for the development of a WIFI system for the downtown and public marinas. The project is designed to provide WIFI service which covers portions of the downtown and public marinas. The service is designed to provide internet service for people using computers, laptops, tablets, phones and WIFI enabled devices.

The total project cost, at the time of launch, is estimated at \$212,000 (including a \$25,000 contingency.) Ongoing expenses for bandwidth and system management are estimated at \$2,900 per month. The Downtown Development Authority (DDA) and Marina funds have budgeted the monthly expenses to ensure the system will have bandwidth and support.

The Board of Public Utilities (BPU) reviewed the WIFI project at the board's February 21, 2014 special meeting. At that meeting, the BPU approved a resolution which recommended the use of electric system funds for the construction and development of the WIFI projects in the downtown and at the public marinas. That resolution notes that the DDA and Marina funds will repay the electric system fund over a five year period, beginning 2015. The DDA

adopted a resolution at the board's May 7, 2014 regular meeting. At that meeting, the DDA approved a resolution which confirms the DDA's commitment to repay the cost of providing WIFI service in the downtown.

**Item A: Council will be asked to approve Resolution 2014-23, a resolution to use Marina fund to repay the cost of providing Wi-Fi capability to Marina users.**

Moved by Patterson to approve Resolution 2014-23, a resolution to use Marina fund to repay the cost of providing Wi-Fi capability to Marina users. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

**Item B: Council will be asked to award electrical work to Severance Electric in the amount of \$34,820.**

Moved by Fitzgibbon to award electrical work to Severance Electric in the amount of \$34,820. Seconded by Klavins.

Voted Yes: All. Motion carried.

**Item C: Council will be asked to award the cable infrastructure to Turn-Key Networks in the amount of \$56,742.**

Moved by Fitzgibbon to award the cable infrastructure to Turn-Key Networks in the amount of \$56,742. Seconded by Klavins.

Voted Yes: All. Motion carried.

**Item D: Council will be asked to award professional services to Secant Technologies in the amount of \$41,550.**

Moved by Patterson to award professional services to Secant Technologies in the amount of \$41,550. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried.

**Item E: Council will be asked to award the network electronics purchase to Secant Technologies in the amount of \$38,309.31.**

Moved by Fitzgibbon to award the network electronics purchase to Secant Technologies in the amount of \$38,309.31. Seconded by Patterson.

Voted Yes: All. Motion carried.

- 13. Council will be asked to approve part three of the Economic Incentive Plan – Unfunded Accrued Liability and authorize staff to submit the plan to the State by the June 1, 2014 deadline.**

*Background Information:* The State of Michigan has mandated three sets of requirements in its Economic Vitality Incentive Program (EVIP) that cities must comply with in order to continue to receive revenue sharing. Part Three of the Economic Vitality Incentive Program addresses issues related to unfunded accrued liability (UAL) plans for pension and other post-employment benefits (OPEB). Cities must submit a plan to the State by June 1, 2014 that outlines actions taken to address unfunded accrued liabilities in pension and OPEB (retiree insurance) plans. A copy of the City's plan is attached for your reference.

The pension unfunded accrued liability (UAL) as of December 31, 2012 is \$487,123, with a pension funded ratio of 97.9%. Actions taken to address the unfunded accrued liability in the pension plans include:

- Included language in two collective bargaining agreements to increase employee contributions from 3% of gross wages to 5% of gross wages over the life of a four-year contract. While the impact will not result in changes to the UAL it will lower normal pension costs for the employer.
- A bridged benefit was put into place for one employee group which reduced the benefit multiplier from 2.5% to 2.25%. The impact will reduce future liabilities.
- MERS reviews the funding status annually with an Annual Actuarial Valuation (AAV) and employer normal pension costs and amortization of unfunded accrued liability are adjusted based on the AAV. The City of South Haven makes the annual required contribution to the plan based on the information provided by MERS.

Going forward the City will continue to monitor and review its pension plans. As part of the review process the City requested a 25-year projection from MERS which will show the projected actuarial and market values of the assets and funded ratio over the next 25 years. Changes to the pension plans may be recommended based on the information provided.

The other post-employment benefits (OPEB) for retiree insurance UAL as of June 30, 2013 is \$1,087,967, with a funded ration of 0%. The City's practice has been to pay for the retiree insurance liability as it comes due and has not set funds aside to pay for future liabilities. Actions taken to address the unfunded accrued liability in the OPEB plans include:

- Included language in one collective bargaining agreement that employees who retire after June 30, 2016 are not eligible for retiree insurance. The impact will be a significant reduction in the future liability for retiree insurance.

As with the pension plans the City will continue to monitor and review the plans. Future changes to the retiree insurance plans may be recommended based on the results of the review process.

Moved by Patterson to approve part three of the Economic Incentive Plan – Unfunded Accrued Liability and authorize Staff to submit the plan to the State by the June 1, 2014 deadline. Seconded by Klavins.

Voted Yes: All. Motion Carried.

#### **14. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda**

#### **15. City Manager's Comments**

## **16. Mayor and Councilperson's Comments**

Klavins: Spoke about Memorial Day Parade. Spoke about school field trip to City Hall.

Arnold: Senior Class of 2014 has 3 days left. Congratulations!

Patterson: Congrats Class of 2014. Thanked staff and merchants for getting through Phoenix Street.

Fitzgibbon: Glad Phoenix Street is open. Good job.

Gruber: Spoke about Phoenix Street. Spoke about constituents mailing and emailing. We do listen.

Kozlik Wall: Spoke about Phoenix Street. Kudos to City staff.

Burr: Thanked staff for making Phoenix Street safe.

## **17. Adjourn**

Moved by Patterson to adjourn. Seconded by Fitzgibbon.

Voted Yes: All. Motion carried. Meeting adjourned at 7:57 p.m.

RESPECTFULLY SUBMITTED,



Michelle Coffey  
Deputy City Clerk

Approved by City Council: June 2, 2014