

City Council

Regular Meeting Minutes

Monday, June 20, 2016
7:00 p.m., Council Chambers



1. **Call to Order by Mayor Burr at 7:00 p.m.**
2. **Invocation – Reverend Curry Pikkaart, Retired – President of South Haven Area Ministerial Services (SHAMA)**
3. **Proclamation for Albermarle Corporation**
4. **Roll Call**

Present: Jeff Arnold, Clark Gruber, Andy Klavins, Steve Schlack, Scott Smith, Bob Burr

Absent: Vickiy Kozlik Wall

Moved by Gruber, seconded by Smith, to excuse Councilmember Kozlik Wall due to personal reasons.

Voted Yes: All. Motion carried.

5. **Approval of Agenda**

Moved by Arnold, seconded by Smith, to approve the agenda.

Voted Yes: All. Motion carried.

6. **Consent Agenda: Items A through F (Roll Call Vote Required)**

Moved by Smith, seconded by Gruber, to approve the Consent Agenda as follows:

- A. Council will be asked to approve the City Council Regular meeting minutes for June 6, 2016.
- B. Council will be asked to approve invoices totaling \$778,056.75 for the period ending June 5, 2016 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to approve budget adjustments for FY 2015-16.
- D. Council will be asked to approve the Household Chemical Waste Program Agreement with Van Buren Conservation District.
- E. Council will be asked to approve a Special Event Sign Request for the Bark-B-Que Fundraiser sponsored by the Al-Van Humane Society.
- F. Council will be asked to accept the following minutes:
 - 1) November 18, 2015 Construction Board of Appeals minutes;
 - 2) April 27, 2016 Housing Commission minutes;

- 3) April 28, 2016 Special Meeting Planning Minutes; and
- 4) May 5, 2016, Planning Commission meeting minutes.

A Roll Call Vote was taken:

Yeas: Arnold, Gruber, Klavins, Schlack, Smith, Burr

Nays: None

Motion carried.

OLD BUSINESS

7. Council will be asked to take the following actions related to utility rate setting:

A. The City Council should consider a motion to host a public hearing on the proposed amendments to the utility rate ordinance.

Moved by Gruber, seconded by Smith, to open the public hearing on the proposed amendments to the utility rate ordinance.

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

City Manager Brian Dissette spoke on the proposed changes to the water & sewer rates.

Mayor Bob Burr spoke on the electric rate classifications and the reasons for the rate increases, specifically increases in the demand charge and the transmission charge. The increase is around 4%.

No public comment.

Moved by Arnold, seconded by Schlack, to close the public hearing on the proposed amendments to the utility rate ordinance.

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

B. The City Council should consider approval of the proposed amendments to the utility rate ordinance.

Moved by Smith, seconded by Klavins, to adopt the proposed amendments to the utility rate ordinance.

Voted Yes: All. Motion carried.

NEW BUSINESS

8. Council will be asked to receive an update from South Haven Health Systems.

Council received an update from Joanne Schroeder of South Haven Health Systems (SHHS). See the attached handout at the end of the minutes.

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

A. Reappoint board and commission members as follows:

Moved by Arnold, seconded by Klavins, to reappoint the board and commission members as follows:

<u>Name</u>	<u>Board</u>	<u>Term</u>
Catherine Jarvie	Library Board	5 years
Charles Moore	Parks Commission	3 years
Craig Neiphaus	Construction Board of Appeals	5 years
Tim Reineck	Harbor Commission	3 years
Stephanie Timmer	LDFA-BRA	4 years

Voted Yes: All. Motion carried.

B. Appoint new members to the board and commissions as follows:

<u>Name</u>	<u>Board</u>	<u>Term</u>
Ashley Deming	Harbor Commission	3 years
John DeCardy	Housing Commission	5 years
Kate Hosier	Building Authority	4 years
Wendi Onuki	Parks Commission	3 years

Ashley Deming, introduced herself to the Council and spoke on her qualifications for the Harbor Commission.

Moved by Gruber, seconded by Smith, to appoint Ashley Deming to the Harbor Commission for a 3-year term.

Voted Yes: All. Motion carried.

John DeCardy introduced himself the Council and his qualifications for the Housing Commission.

Moved by Smith, seconded by Arnold, to appoint John DeCardy to the Housing Commission for a 5-year term.

Voted Yes: All. Motion carried.

Moved by Klavins, seconded by Arnold, to appoint Kate Hosier to the Building Authority for a 4-year term.

Voted Yes: All. Motion carried.

Wendi Onuki, introduced herself to the Council and spoke on her qualifications for the Parks Committee.

Moved by Arnold, seconded by Klavins, to appoint Wendi Onuki to the Harbor Commission for a 3-year term.

Voted Yes: All. Motion carried.

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

A. Special Event Application 2016-22 – Fourth of July Parade, to be held on July 4, 2016 at 11:00 a.m. with parade route on Kalamazoo, Huron, Michigan, and Center Streets. (Streets closed by 10:30 a.m.)

City Manager Brian Dissette introduced this item and explained the change in the parade route.

Moved by Gruber, seconded by Schlack, to approve Special Event Application 2016-22 – Fourth of July Parade, to be held on July 4, 2016 at 11:00 a.m. with parade route on Kalamazoo, Huron, Michigan, and Center Streets. (Streets closed by 10:30 a.m.)

Voted Yes: All. Motion carried.

B. Special Event Application 2016-23 – Michigander Bicycle Tour, to be held on July 22, 2016 from 9:00 a.m. to 4:00 p.m., in Stanley Johnston Park, sponsored by the Michigan Fitness Foundation.

City Manager Brian Dissette introduced this item and offered details on the event.

Moved by Smith, seconded by Klavins, to approve Special Event Application 2016-23 – Michigander Bicycle Tour, to be held on July 22, 2016 from 9:00 a.m. to 4:00 p.m., in Stanley Johnston Park, sponsored by the Michigan Fitness Foundation.

Voted Yes: All. Motion carried.

11. Council will be asked to approve Resolution 2016-43, a resolution recommending local government approval of an application for a brewpub license by Ballock's Bar & Grill.

Daniel Ballock of Ballock's Bar & Grill addressed the Council regarding his plans for adding a brewpub license to his Class C Resort liquor license.

Moved by Gruber, seconded by Arnold, to approve Resolution 2016-43, a resolution recommending local government approval of an application for a brewpub license by Ballock's Bar & Grill.

Voted Yes: All. Motion carried.

12. Council will be asked to consider for approval the following traffic control orders:

City Engineer, Larry Halberstadt, spoke on these traffic control orders giving background information.

A. Traffic Control Order 16-003, Cook Street Parking

Sharon Fanger, 351 Jones, spoke to Council on the difficulties on her street caused by cars parking on both sides of the street.

Moved by Arnold, seconded by Klavins, to approve Traffic Control Order 16-003, Cook Street Parking.

Voted Yes: All. Motion carried.

B. Traffic Control Order 16-004, Cass Street Parking

City Manager Brian Dissette spoke on this Traffic Control Order and introduced 2016-004 Alternative and explained the changes and rationale behind the changes.

Mary Ellen McDermott, 52 Cass Street, spoke to Council on how difficult it is to get in and out of her driveway with vehicles parked directly across from her driveway.

Moved by Smith, seconded by Klavins, to approve Traffic Control Order 16-004 Alternative Version, Cass Street Parking.

Voted Yes: All. Motion carried.

13. Interested Citizens in the Audience Will Be Heard on Items Not on the Agenda

Mike Henry, County Commissioner for Van Buren County, gave an update on county business for city residents, specifically speaking on construction projects. He described the work to be done to the County Jail and explained the millage proposal.

Cirilo Martinez, candidate for District Court Judge for Van Buren County, introduced himself and his qualifications for the office, specifically his civil and criminal defense work at the state and federal levels.

Phil Oretsky, candidate for the Van Buren County Sheriff, introduced himself and spoke on his qualifications for the office of Sheriff of Van Buren County.

Bill Fries, 310 Eagle Street, spoke on the Paws on Parade, a fundraiser for the Al-Van Animal Shelter, to be held on Sunday, June 26, 2016 at 8:00 a.m. He also requested that the Council review the violations for parking in no-parking areas as it is rampantly abused, noting that the ticket is only \$10.

Brian Thompson, adult volunteer for Boy Scout Troop #198, and his son, Brian Thompson, Eagle Scout #198, spoke on their attendance to the City Council meeting to fulfill requirements for an eagle scout merit badge.

14. City Manager's Comments

Public works has added more beach cleaning times based on negative feedback from Memorial Day. Compliments Acting Chief Natalie Thompson for stepped up enforcement on city's beaches and public spaces. She has been meeting with community groups addressing the specific needs and concerns.

15. Mayor and Councilperson's Comments

Schlack: No comment.

Gruber: Thanked Mr. Fries on local feedback and wanted more information on investigating parking violations and possible adjustment of that ordinance.

Arnold: No comment.

Smith: Thanked Mr. Henry for the update. Appreciated staff's responsiveness in parking issues. Thanked DPW for their work with the storm last week.

Klavins: Thanked Acting Chief Thompson for her efforts. Reiterated the zero-tolerance policy for no alcohol on the beach.

Burr: Reminded everyone that this is fireworks season. If you haven't donated yet, please consider doing so. Our 34,000 fireworks show is held on Sunday, July 3, 2016 at 10:30 for 28 minutes. Channel 3 will be live at the show, interviewing community members.

16. Adjourn

Moved by Gruber, seconded by Klavins, to adjourn the meeting.
Voted Yes: All. Motion carried meeting adjourned at 8:17 p.m.

RESPECTFULLY SUBMITTED,



Kate Hosier, Assistant City Manager
Approved by City Council:

SOUTH HAVEN HEALTH SYSTEM (SHHS)
Q&A Regarding SHHS Forming a New Partnership

Why is the SHHS looking for a strategic healthcare partner?

For almost two years, the Board has been considering the future of the health system. Like many health care organizations, SHHS is challenged by a number of economic realities including declining volumes, shrinking reimbursement, high deductible plans, the Affordable Care Act, market share, payer mix. While we have made many improvements over the years, we must plan for the future to ensure that our community continues to have access to quality local healthcare. It is bigger than being an efficient, well run organization.

In order to ensure SHHS's long-term growth and success, the organization needs capital to fund improvements for the hospital. Plans for a new medical office building (MOB) already exist. People want the most up to date health care available and a pleasant environment to receive it in. A strong strategic partner can help improve the hospital's financial position by investing in upgrades such as a new MOB or expanded ED or surgical suites.

The five reasons for independent hospitals (large and small) forming or joining systems are: Access to capital, scale, intellectual capital, improving patient services, and coordination of care.

"Access to Capital": includes many aspects of financial management.

"Scale" reflects the real world reality that more volume may get better pricing. A very obvious case in hospitals is the decreased cost of supplies and equipment if you are buying millions of dollars' worth of goods rather than thousands.

"Intellectual Capital" recognizes that two heads are better than one. Hospitals are going through amazing change and compounding that is specialization required in healthcare today.

"Improving Patient Services" with size comes involvement of medical schools. Access to physicians to recruit to the community as well as access to physician specialists to consult with is a necessity today.

"Coordination of Care" is especially important to rural communities. Rural communities cannot, and should not, try to provide all levels of care and services. Making a move within a community and between communities is very important for patient comfort and quality of care.

What was the purpose of the Request for Proposal (RFP)?

The RFP was intended to gather information about potential partners and assess their interest in a variety of partnerships arrangements. The hospital's first priority is to ensure the continued availability of high quality healthcare services in the community.

Who received an RFP?

The RFP was sent to several hospitals and healthcare systems. Out of respect for the confidentiality of the process, we will not disclose the names of these providers.

What is a letter of intent?

A letter of intent (LOI) is a document drawn up by two or more parties to formalize a process that can create a framework for a new partnership. LOI resembles a legal contract, but is not binding. In spite of that, most LOIs do contain provisions that include nondisclosure agreements and the desire to bargain in good faith.

What is due diligence?

Due diligence is the process of conducting an intensive investigation of a corporation as one of the first steps in a pending partnership. This investigation would include fully understanding all of the obligations of the company: debts, pending and potential lawsuits, leases, finances, pension plans, employment contracts, compensation arrangements, and so forth.

What is a hospital authority and why would SHHS's participation in it need to be discontinued?

A hospital authority is a public legal entity that is authorized to levy taxes for the support of a hospital that serves two or more communities in the authority. SHHS's participation in the authority must be discontinued if SHHS is to become part of another healthcare system. If SHHS's participation in the hospital authority is discontinued, citizens in the communities that make up the authority will be relieved of all current and any future tax obligations that stem from being in an authority.

What regulatory approvals are required?

The transaction is subject to various regulatory approvals. On a state level, the parties will need the approval of the Michigan Department of Community Health Licensing Division and the Certificate of Need Department.

Are there any anti-trust issues?

The Federal Trade Commission and the Department of Justice Anti-Trust Division have established thresholds around the net worth of an organization and this transaction does not reach that threshold.

Why did SHHS choose to partner with Bronson?

SHHS and Bronson have a 30-plus year history of working together. The hospital has partnered with Bronson on many initiatives in the past including the electronic health record (EHR)-Epic, hospitalist services, pathology services.

How did the hospital choose Bronson?

The Hospital Board conducted a series of discussions and interviews with various entities. Three different assessment tools were utilized to rank each RFP response. It was very important to the Board to complete a due diligence process in the selection of a partner. This is the biggest decision the Board will be making on behalf of the communities SHHS serves.

What is the timeline associated with this partnership?

It is too early to tell if enough details will be completed in time for the ballot request to go before voters in the November 8, 2016 election or if the vote will occur in 2017. SHHS will keep the community informed as work toward formalizing the partnership progresses and a timeline is established.