

IMLAY CITY COMMISSION
150 N. Main Street
IMLAY CITY, MI 48444
REGULAR MEETING
December 5, 2017

1. CALL TO ORDER

Mayor Bargaen called the meeting to order at 7:01 p.m.

2. PLEDGE OF ALLEGIANCE

Mayor Bargaen led the Pledge of Allegiance.

3. ROLL CALL

Present:

Mayor Walt Bargaen

Commissioner Amy Planck

Commissioner Frank Demske

Commissioner Al Ramirez

Absent: Pro-Tem Joi Kempf, Commissioner Mike Romine, and Commissioner Robert Tanis.

Also Present: City Manager Tom Youatt; City Attorney Brian Garner; Doug Skylis of ROWE Engineering; Auditor Rob Klaczkiewicz; two members of the community and one member of the media.

4. APPROVAL OF AGENDA

Moved by Ramirez, seconded by Demske, to approve the agenda as presented.

Ayes: 4

Nays: 0

Unanimously carried

5. APPROVAL OF CONSENT AGENDA ITEMS

Motion by Planck, seconded by Ramirez, to approve the following Consent Agenda Items as presented:

A. Approval of Minutes – Regular Meeting – November 21, 2017

B. Other Minutes - ZBA Meeting – November 27, 2017
Planning – November 28, 2017

C. Payment of Bills - Payroll totaling \$92,194.74
Accounts Payable and Trust & Agency totaling \$ 160,005.39

ROLL CALL VOTE

Ayes: Planck, Demske, Ramirez, Bargaen
Nays: None
Unanimously carried

6. CITIZENS FROM THE FLOOR – None

7. OLD BUSINESS

A. M-53 Gateway – Spicer Invoice (pg. 25)

City Manager Tom Youatt presented the invoice from Spicer Group for \$1,540.80. Mr. Youatt stated this invoice with the Commission's approval will wrap up the design phase for the M-53 Gateway project. The design was submitted to M-DOT and the Federal Highway Administration for approval and once approval is received the bidding process can start. Mr. Youatt anticipates this being a 2018 summer project.

Motion by Planck, seconded by Demske to approve payment of \$1,540.80 to Spicer Group for the Imlay City Median/Gateway Landscaping Design.

ROLL CALL VOTE

Ayes: Demske, Ramirez, Planck, Bargaen
Nays: None
Unanimously carried

B. Spicer Invoice – CIP (pg. 26)

City Manager Tom Youatt presented the invoice from Spicer Group for \$3,162.50. Mr. Youatt stated this invoice is for CIP progress payment. Mr. Youatt informed the Commission John Olson from Spicer Group is heading up the project and the draft plan will be presented to the Planning Commission at the January meeting, it will then be presented to the Commission for review and approval at the February meeting. Mr. Youatt stated the CIP plan is critical to applying for Community Block Grant funding and for Redevelopment Ready Community funds as identified by MEDC. We are engaged in the process and making progress, once the City has completed status we can see a reduction in grant matching funds. Mr. Youatt informed the Commission Dana Walker is heading the committee for the RRC. Mr. Youatt stated the CIP Plan is making great progress and is recommending approval of payment

Motion by Ramirez, seconded by Planck, to approve payment of \$3,162.50 to Spicer Group for CIP engineering.

ROLL CALL VOTE

Ayes: Demske, Ramirez, Planck, Bargaen
Nays: None
Unanimously carried

8. NEW BUSINESS

A. FYE 2016-17 Audit

Rob Klackiewicz from Smith & Klackiewicz, PC presented their findings from the audit year ending on June 30, 2017. Mr. Klackiewicz wanted to first point out on page 2 of the report that the City received the auditor's highest level of opinion. On page 14, Mr. Klackiewicz presented the Balance Sheet of Governmental Funds, in general funds there is \$2.9 mil in total assets, liabilities of \$132,452 in total liabilities, leaving \$2.8 mil total fund balance. On page 16, Mr. Klackiewicz explained the revenue general funds is \$2.9 mil, expenses is \$2.5 mil making a net change of \$187,000 added to the general fund balance on the Equity Income Statement. On page 19 of the report, Mr. Klackiewicz highlighted the income statement for the water/sewer fund and stated there was a \$85,000 loss but pointed out that this takes into account \$358,000 in depreciation expenses and there were a lot of Capital Improvements in the water/sewer. On page 47, Mr. Klackiewicz explained the new tax abatements which is in accordance with GASB 77, the City has to disclose how many abatements they have each year. In 2016-17, the City had \$53,687 in tax abatements. Mr. Klackiewicz stated the City also implemented two other standards in accordance with GASB 68, schedule of change in pension and GASB 75, OPEB retiree health care. Schedule of change in pension shows a net pension liability of \$3 mil and gives information with a three year trend. The City is 63% funded as of June 30, 2016. Mr. Klackiewicz explained OPEB retiree health care liability is not required yet but the City implemented a year early. The net OPEB liability is \$150,000 this year.

Motion by Ramirez, seconded by Demske, to accept the FYE 2016-17 Audit.

Ayes: 4

Nays: 0

Unanimously carried

B. MERS Defined Benefit Additional Contribution (pgs. 27-32)

City Manager Tom Youatt presented information on creating the Surplus Division Addendum. Mr. Youatt recommended creating the Surplus Division so the City could make additional payments that could be allocated to raise funding percentage rather than lower the monthly payment. Last year the City made an additional payment of \$100,000 but did not go into a surplus division, it lowered the monthly payments. Mr. Youatt explained if the surplus division was created and if the Commission approved making another additional \$100,000 payment into the new division, the funding would increase from 64.8% to 66%. Mr. Youatt further explained if the City made an additional payment of \$125,000 the percentage would go to 66.3% but Mr. Youatt does not feel

the additional \$25,000 contributed is worth the .3% increase. Mr. Youatt stated the goal is to increase funding percentage, Michigan legislation is changing pension reform but it mainly targets communities who fall below 60% funded. The City is being proactive in OPEB and pension liability. Mr. Youatt informed the Commission employees contributed 2% to their pensions last year and are contributing 3% this year. He is hopeful contributions from employees will continue to increase. The average employee contributions is 6%. Mr. Youatt recommends two things, 1.) Approve newly defined Surplus Division identified by MERS and 2.) Contribute \$100,000 to the Surplus Division. Mr. Youatt also informed the Commission there was an increase in fund balance in General funds by \$300,000 and by contributing to the Surplus Division is shows very good faith towards City employees to ensure funds will be there when they retire and it will encourage the employees to contribute to their retirements.

Mayor Barga wanted to make clear the 64.8% on MERS is at the end of 2016 with \$100,000 contributed, the audit shows 63.18%. Mr. Youatt stated the 66% MERS stated was an estimate and MERS is one year behind and the percentage would be recalculated in June of 2018 but we do not anticipate anyone retiring this year or for a few years.

Commissioner Demske questioned what the funding percentage goal is. Mr. Youatt stated that at the end of 15 to 20 years the City would like to be fully funded.

Commissioner Ramirez questioned why the City did not know that adding the additional \$100,000 last year would lower the percentage. Mr. Youatt explained the City did not anticipate three employees retiring and the additional \$100,000 actually made the percentage be not as low as it would have been if the contribution had not been made.

Motion by Planck, seconded by Demske, to establish the Surplus Division Plan and adoption of the addendum as presented by City Manager Tom Youatt and give him the authorization to sign the addendum.

Unanimously carried

Ayes: 4

Nays: 0

Motion by Demske, seconded by Planck, to assign \$100,000 from Fund Balance in General Fund into the Surplus Division.

ROLL CALL VOTE

Ayes: Demske, Ramirez, Planck, Barga

Nays: None

Unanimously carried

C. Approve Proclamation – Nicole Frost (pg. 33)

City Manager Tom Youatt presented the proclamation for Treasurer/Clerk Nicole Frost for the Commission's approval. Mr. Youatt recognized the contributions Ms. Frost made to the City and what an outstanding job she did in the three years she worked for the City.

Motion by Demske, seconded by Planck, to approve the proclamation for resigning Treasurer/ Clerk Nicole Frost.

Ayes: 4

Nays: 0

Unanimously carried

D. Approve Proclamation – Andrew Kustowski (pg. 34)

City Manager Tom Youatt presented the proclamation for Assistant Fire Chief Andrew Kustowski for the Commission's approval. Mr. Kustowski has been serving on the fire department since 2005 and has provided outstanding leadership and guidance. He will continue to service on the department until January 1, 2018.

Motion by Ramirez, seconded by Demske, to approve the proclamation for resigning Assistant Fire Chief Andrew Kustowski.

Ayes: 4

Nays: 0

Unanimously carried

E. Approve Proclamation – James Meitling (pg. 35)

City Manager Tom Youatt presented the proclamation for Firefighter James Meitling. Mr. Meitling retired last August after serving 13 years on the department. Mr. Youatt would like to recognize Mr. Meitling for his many years of service to the City and the fire department.

Motion by Planck, seconded by Ramirez, to approve the proclamation for retiring firefighter James Meitling.

Ayes: 4

Nays: 0

Unanimously carried

F. Personnel Policy Amendment #2017-2 (pg. 36)

City Manager Tom Youatt stated the current compensatory time does not allow more than 40 hours compensatory time and no payout to exempt employees. Mr. Youatt informed the Commission Nicole Frost took care of everything so the City was in a very good position before she left, she worked late and even came in on the weekends to get

things wrapped up, she did an extraordinary service to the city. Mr. Youatt suggests changes be made to the policy contingent on two requirements, 1.) The exempt employee gives two weeks' notice, and 2.) The exempt employee works the entire two weeks to receive the payout for compensatory time. City Attorney Brian Garner pointed out the change would be retroactive to November 15, 2017.

Motion by Ramirez, seconded by Demske, to amend personnel policy on compensatory time and it be retroactive to November 15, 2017, as presented.

ROLL CALL VOTE

Ayes: Ramirez, Demske, Bargaen

Nays: Planck

Motion carried 3-Ayes, 1-Nay

9. MANAGER'S REPORT

City Manager Tom Youatt reported Nicole Frost appointed him on a temporary basis as the new FOIA coordinator. Ms. Frost instituted a policy when receiving FOIA requests and explained it to Mr. Youatt. Mr. Youatt is amazed at how many FOIA requests the City receives. City Attorney Brian Garner informed Mr. Youatt and the Commission footage from body cameras will soon fall under FOIA, he believes it goes into effect on January 5 or 8, 2018. Mr. Youatt stated the City received payment for the Local Community Stabilization Fund. The City budgeted \$177,000, we received \$465,834.93 from the State of Michigan from state sale tax in lieu of revenue sharing. The City received \$371,000 last year and at that time the City was told not to expect that much each year, it was a one time increase. Mr. Youatt reminded and invited all the Commissioners to come to the Polly Ann Trail ribbon cutting being held on Thursday, December 7, 2017 at 5:00 p.m. Mr. Youatt stated he also invited the Friends of the Polly Ann Trail, the youth group from Gateway Assembly of God church, Chief Pike and a few other citizens. Commissioner Planck questioned what kind of lights were installed and Mr. Youatt stated they were photocell LED lights and that we also have trail cameras. Mr. Youatt informed the Commission he talked with Meghan Stevens from the DNR on the purchase of the property and she stated the Natural Resource committee meets on December 14, 2017 and she does not feel Mr. Youatt is needed at the meeting, she expects it will go through without difficulty, the DNR is not using building and the building is pretty empty. Mr. Youatt stated the proposed assisted living facility goes before the Zoning Board of Appeals on December 28, 2017 for a second variance to change the set back from the parking lot to the building to 15' rather than the required 20'. Mr. Youatt stated they have were granted a variance on the building length at the last ZBA meeting. After the ZBA meeting, they will present the revised site plan to the Planning Commission on January 9, 2018. Mr. Youatt informed the commission the Planning Commission has looked at the preliminary plans and DeShano's engineer, Scott Bell from Lapham Associates will make suggested changes to the plans and present at the next meeting. The project will cost about \$3 million and will create about 40 jobs, 20 full time and 20 part-time positions. Mr. Youatt stated the Clerk/Treasurer applications are due Friday December 8, 2017 and the opening was advertised in the local papers and on the

MML website. Mr. Youatt is hopeful to have position filled by January 1, 2018. Mr. Youatt informed the Commission he and Chief Pike would be performing interviews for Code Enforcement on December 13, 2017, three applications were received and they would be interviewing all three applicants. In the meantime Dave Eady, who took at position at County Animal Control will continue to work with us.

10. OTHER BUSINESS

Commissioner Ramirez inquired as to if all our officers wear body cameras. Mr. Youatt affirmed all the officers wear body cameras.

11. ADJOURNMENT

Motion by Planck, seconded by Ramirez, to adjourn the meeting at 7:54 p.m.

Ayes: 4

Nays: 0

Unanimously carried

Respectfully submitted by: Anne McAvoy: _____
City Deputy Clerk/Utility Billing Clerk

Approved: December 19, 2017