

Worksession
January 16, 2013
6:30 p.m.

DRAFT

Present: Councilors Givens, Slivon, Laitila, Moore, McKenzie (late) and Haeussler.

Absent: Councilor Belej.

Also present: Manager Glenn Anderson, City Clerk Karen Haischer, Chief Mike Beaudoin, Susan Burack, Bruce Rukkila, and Christina Smigowski.

Reviewed and Discussed:

1. Ray Sharp gave a presentation on Complete Streets.
 - MDOT – Complete Street Policy
 - Cost of Complete Streets
 - MI Complete Street Coalition – Policy Center
 - Ordinance vs Resolution
2. Bonnie Holland gave an update on Reshape Downtown Hancock Spring Projects.
 - There are groups available to help (Phi Kappa Tau, FU Baseball Team)
 - Working on FU group to spruce up the storefronts
 - Getting pricing for the Quincy lot landscape (\$2500-\$3700)
 - Waterfront is a bigger project and the cost is going up
3. Police Chief Mike Beaudoin, Quarterly Report
October, November and December 2012
591 complaints yearly total 2362
6 traffic arrests, 4 DD, 6 MDOP, 9 domestics, 2 money fraud, 1 ID theft, 1 B&E, 1 officer was assaulted, 3 bad checks, 3 MIP, 6 larcenies, 5 outstanding warrants, 42 traffic accidents, 227 traffic stops, 2 attempted suicide's, assisted other departments 30 times, and 22 medical assists. Parking Meter brought in \$328.
4. Bruce Rukkila- Rukkila and Negro CPA's
Overview – Clean Audit Opinion
Operating cash is tight
4.2 million 18 million fixed assets
\$785,000 unrestricted
Start making budget amendments in May
Adjusted Journal entries always play a part in the final audit.
5. Susan Burack – Comments regarding the Hancock Ordinances Simplified.
6. Cost estimate to repair the East Hancock Stairway (Barry is working on this project)
7. Saturday, January 26th is the Heikinpaiva Dinner.

Public Comment period on M-203 Speed Zones in the City of Hancock.

Police Chief Beaudoin stated that his department monitored the speed on M-203 and 10 out of 10 cars were moving close to the posted speed limit

Councilor Haeussler noted that in 1969/1970 the City Council was concerned with the speed limit on M-203 and asked for a study, the State came back with a recommendation of 65mph.

Regular Meeting
January 16, 2013

The regular meeting of the Hancock City Council was held in the Council Chambers on Wednesday, January 16, 2013 at 7:30 p.m. with Mayor Laitila presiding. The United States Flag was honored by all in attendance with the following duly qualified Councilors being present: Givens, Slivon, Laitila, Moore, McKenzie and Haeussler.
Absent: Councilor Belej

Moved by Councilor McKenzie and seconded by Councilor Haeussler to excuse Councilor Belej from tonight's meeting due to illness.

Yes: All

No: None

Motion Carried.

Moved by Councilor McKenzie and seconded by Councilor Haeussler to amend the January 16, 2013 agenda as follows:

New business: add #7. MDOT Resolution #3-13

correspondence

USDA – RD re: Quarterly report for the water system. Monitoring is closed.

Letter to Residents re: M-203 Speed Limits

Department of Treasury re: auditing procedures report (APR)

Letter to Mayor Laitila re: Appointment to the Planning Commission or DDA from Deborah Mann

Notice of Public Hearing re: Semco Energy

Moved by Councilor Moore and seconded by Councilor McKenzie to acknowledge the correspondence as presented and place them on file.

Yes: All

No: None

Motion Carried.

guests

Public Comment:

- 1.
- 2.

minutes approval

Moved by Councilor McKenzie and seconded by Councilor Moore approving the minutes of the December 19, 2012 worksession and regular meeting as presented.

Yes: All

No: None

Motion Carried.

reports

October Finances

-Cash Balances – All Funds

-Due to/from – All Funds

-Interest Earned – All Funds

-Revenue & Expense Report – All Funds

Moved by Councilor Slivon and seconded by Councilor McKenzie to acknowledge the financial reports as presented and place them on file.

Yes: All

No: None

Motion Carried.

FinnFest 2013 minutes of 12-12-12

US-41/M26 Corridor Advisory Team minutes of 11-8-12

PLWSA minutes of December 11, 2012

US-41/M26 Site Plan Review Comments

-AutoZone Site, M-26 Houghton

Hancock Bike & Pedestrian Committee meeting of 1-24-2013

Moved by Councilor Moore and seconded by Councilor Haeussler to acknowledge the reports as presented and place them on file.

Yes: All

No: None

Motion Carried.

admin report

1. Heikinpaiva 2013 Schedule with parade on Saturday, January 26th
2. Local County Road millage is up for a countywide renewal.
 - voted on August 3, 2004 (2004 to 2013)
3. Update on HB No. 5673 (Sanitary and storm water systems)
 - 90% grant with a 10% local match
4. Federal MDOT FY 12 State of Good Repair Transit Small Bus Grant for \$72,000.
 - approved a new bus for the City, will replace the 12 year old van
5. Update on the City Sesquicentennial Events.
 - 1st Event was very well attended and everyone enjoyed themselves.
 - Next presentation is Wednesday, February 27th at 6:00 p.m. at the Finnish Am. Heritage Center.
 - March presentation will be the Hancock Fire Department & Hancock Fires.
 - April is the Gala Dinner.
 - Tickets will be on sale at City Hall by the end of this week \$60/one \$100/two
 - Contributions are around \$18,000.00
6. Update on Finn Fest 2013
 - On line registration
 - Nordic Walking
7. Update on 116 Quincy Street building renovations.
 - Window and doors are in (December and January)
 - Cabinets, appliances and carpeting within the next few weeks.
 - Ready for rental mid February (7 apt. units and 1 commercial unit)
 - Council would like to tour the building when completed.
8. MDOT FY 09/10 Audit findings for maintenance contract.
 - State owes us \$3,219.00, payable to the Major Street Fund.

old business

11/12 audit presentation

Bruce Rukkila, of Rukkila & Negro CPA's gave the Council an overview of the FY 11/12 audit FYE 6-30-12.

- Financial Report is Unqualified (clean opinion)
- Cash is stable
- Comment that some accounts were either over or under budget. City should monitor budget closely and make adjustments.
- No non-compliance issues were found.
- Two funds have deficits and are being addressed.

audit acceptance

Moved by Councilor Haeussler and seconded Councilor Moore to accept the FYE 6-30-12 Audit, Audit Findings and governance letter as presented by Rukkila & Negro CPA's and place on file.

Roll Call Vote:

Yes: Councilors Haeussler, McKenzie, Moore, Laitila, Slivon and Givens.

No: None

Motion Carried.

fye 6-30-12 deficit
reduction plan

Moved by Councilor Givens and seconded by Councilor McKenzie approving the proposed deficit reduction plan for the Local Street and Parking Meter Funds as follows:

Note: The 2012/2013 Budget (FYE 6-30-2013) adopted on 6-20-2012 has a projected \$101,040.01 General Fund balance of Revenues over Expenses. This action would reduce that project fund balance down to \$89,475.67.

Deficit Reduction Plan for the Local Street Fund: Deficit amount of \$23,298.00.
(1/3 reduction \$7,766.00) over 2013, 2014, 2015

1. Transfer \$107,766.00 from the General Fund to Local Street Fund.
Amendment: General Fund-Transfer Out 101999999203 \$100,000.00 to \$107,766.00.
Local Street Fund-Transfer In 203000699101 \$100,000.00 to \$107,766.00

Deficit Reduction Plan for the Parking Meter Fund: Deficit amount of \$11,395.00.
(1/3 reduction \$3,798.34) over 2013, 2014, 2015

2. Transfer \$13,798.34 from the General Fund to Parking Meter Fund.
Amendment: General Fund-Transfer Out 101999999516 \$10,000.00 to \$13,798.34.
Parking Meter Fund-Transfer In 516000699101 \$10,000.00 to \$13,798.34
Roll Call Vote:
Yes: Councilors Givens, Slivon, Laitila, Moore, McKenzie and Haeussler.
No: None
Motion Carried.

updated recycling brochure

Moved by Councilor Givens and seconded by Councilor McKenzie to accept the revised
City Recycling Brochure as presented.
Yes: All
No: None
Motion Carried.

new business
december 12 a/p

Moved by Councilor McKenzie and seconded by Councilor Moore approving the December
2012 accounts payable in the amount of \$155,958.37 and authorizing payment as follows as
funds become available.

General	69,208.89
Major	1,802.00
Transit	2,406.52
Sewer	35,362.81
Water	24,351.06
Emp Ben	3,472.14
Motor V	13,612.37
DDA	3,720.00
<u>Local TIFA</u>	<u>2,022.58</u>
Total	\$155,958.37

Roll Call Vote:
Yes: Councilors Haeussler, McKenzie, Moore, Laitila, Slivon and Givens.
No: None
Motion Carried.

add'l checks typed

Moved by Councilor Moore and seconded by Councilor McKenzie approving the additional
checks typed in the month of December, 2012 in the amount of \$619,153.80 and authorize
payment as follows:

Expenses	\$185,337.30
<u>Transfers</u>	<u>433,816.50</u>
Total	\$619,153.80

Roll Call Vote:
Yes: Councilors Givens, Slivon, Laitila, Moore, McKenzie and Haeussler.
No: None
Motion Carried.

resolution #1-13

Moved by Councilor Givens and seconded by Councilor McKenzie approving and adopting
Resolution #1-13 that the request from FinnFest USA 2013 Comm. Of Hancock, County of

Houghton, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining gaming licenses, be considered for approval.

Yes: All

No: None

Motion Carried.

evip compensation plan

Moved by Councilor McKenzie and seconded by Councilor Moore approving the January 16, 2013 EVIP Compensation Plan as follows:

CITY OF HANCOCK EVIP EMPLOYEE COMPENSATION PLAN, PURSUANT TO PA 63 OF 2011

The City of Hancock hereby adopts this Employee Compensation Plan pursuant to the State of Michigan's Economic Vitality Incentive Compensation Plan (EVIP). The City intends to implement the following employee compensation measures:

A. Cap On New Hire Retirement Plans.

The State is mandating a maximum of 10% of base salary cap on annual employer retirement plan contributions. The City currently has a B-2 MERS(2.0% multiplier) retirement plan for full time city employees, and the new July 1, 2013 employer contribution rate is 10.96%. The City intends to implement a 10% cap for new hires, subject to upcoming union contract negotiations. Currently, employees contribute 3.3% of their annual wage toward the MERS plan. As of December 31, 2010, employees have contributed \$562,407 toward the cost of the retirement plan.

B. Maximum Retirement Multiplier.

The State is mandating a maximum retirement multiplier of 2.25%, for city's like Hancock that has employees eligible for social security but does not offer retiree health care. Currently, the city offers full time employees the MERS B-2 plan, which has a 2.0% multiplier, and therefore currently meets the requirement set forth.

C. Final Average Compensation (FAC)

The City's MERS retirement plan for full time employees has 5 year final average compensation. Therefore, the city meets the minimum State EVIP mandate of 3 years. The City does not combine sick leave and vacation so does not offer paid time off. Unused sick leave at the time of retirement is excluded from the final average compensation. Unused vacation at the time of retirement is included in the final average compensation, but the maximum accumulation is below 240 hours, and therefore the City meets the EVIP mandate.

Regarding the EVIP mandate that the final average compensation does not contain any overtime, this we currently don't meet. Even though the city does not have any significant overtime hours for any employee, and does not regularly schedule overtime shifts, it is possible for a current employee to have some hours counted in a final average compensation. To make this EVIP mandate, it would take action by MERS to implement this change. Once MERS changes its policy, the city's intent will be to implement this mandate.

D. Health Care Premium

The EVIP mandate for new hires for health care insurance premium is for an employee to pay 20%, or the employer's share shall be cost competitive with the new state preferred provider organization health plan on a per-employee basis. The City on December 19, 2012 approved a resolution opting out of PA 152 of 2011.

Roll Call Vote:

Yes: Councilors Haeussler, McKenzie, Moore, Laitila, Slivon and Givens.

No: None

Motion Carried.

committee appointments

Moved by Councilor McKenzie and seconded by Councilor Moore approving the following Mayoral appointments to commissions and committees:

Building Authority	3 year term	Thomas Vichich
Board of Cemetery Trustees	5 year term	Thomas Vichich (Barkell term)
		John Haeussler
Recreation Commission		
Planning Commission	3 year term	David Lucchesi
		Deborah Mann

DDA	4 year term	Pete Wickley (one opening)
Finnish Theme Committee		
Zoning Board of Appeals	3 year term	Bill Baxendall Ray Gerhart
Hospital Finance Authority	3 year term	Mark Dennis
Hancock Housing Comm.	5 year term	Ron Antilla

Yes: All
No: None
Motion Carried.

Moved by Councilor Haeussler and seconded by Councilor Givens to appoint James Hainault to a 4 year term on the LDFA effective 6-30-2012.

Yes: All
No: None
Motion Carried.

Resolution #2-13

Moved by Councilor McKenzie and seconded by Councilor Moore approving and adopting Resolution #2-13 as follows:

MDOT PROJECT AUTHORIZATION RESOLUTION

WHEREAS, this resolution shall approve execution of the MDOT Project Authorization, Agreement #2012-0093, authorization #P2, Project # 118374;

NOW, THEREFORE, be it resolved that Glenn Anderson, City Manager and Karen Haischer, City Clerk of the City of Hancock, are authorized to enter into and execute on behalf of the City of Hancock, a MDOT project authorization Agreement 2012-0093 with the Michigan Department of Transportation for FY 2013 Section 5311 Operating Funds for the City's Transit Operation.

Roll Call Vote:

Yes: Councilors Givens, Slivon, Laitila, Moore, McKenzie and Haeussler.
No: None
Motion Carried.

Moved by Councilor Moore and seconded by Councilor McKenzie that this regular meeting of the Hancock City Council be adjourned. Time: 8:43 p.m

Yes: All
No: None
Motion Carried.

William Laitila, Mayor

Karen Haischer, CMC City Clerk