

**OFFICIAL PROCEEDINGS  
CITY COUNCIL  
CITY OF ESCANABA, MICHIGAN  
Regular Council Meeting  
Thursday, May 17, 2018**

The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Peggy O. Schumann, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: None

Also Present: City Manager Patrick S. Jordan, City Department Heads, media, and members of the public.

Clerk Richards led Council in the Pledge of Allegiance.

Sattem moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from May 3, 2018, and special minutes from May 1, 2018, as submitted.

**ADJUSTMENTS TO THE AGENDA**

Beauchamp moved, Schumann seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as submitted.

**CONFLICT OF INTEREST DECLARATION** – None

**BRIEF PUBLIC COMMENT**

City resident Frances Balcerak commented on the Daily Press editorial on the recent School Millage, and the increase in utilities which she believed was too high. Senior citizens could not afford increases in utility rates.

Daniel Phalen commented on the communication tower at Ness Field. He asked for more information regarding the project.

**PUBLIC HEARINGS**

**Public Hearing and Adoption – FY2018-19 Operating Budget.**

The Council has conducted four (4) public hearings and two (2) budget work sessions to set a proposed FY2018-19 operating budget. This was the final public hearing on the FY2018-19 City operating budget and established a City millage rate of 17.00 mills. Administration recommended Council approval of the FY2018-19 Operating Budget and approval of the FY2018-19 Master Fee Schedule.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no further public comment, Mayor Tall closed the public hearing.

**PH-1a** Sattem moved, Schumann seconded, to establish the City millage rate at 17.00 mills for 2018-2019 Budget Year and to adopt the 2018-2019 City Budget as published.

Upon a call of the roll, the vote was as follows:

Ayes: Sattem, Schumann, Beauchamp, Blasier, Tall  
Nays: None

**MOTION CARRIED.**

This being a public hearing, Mayor Tall asked if there was any public comment regarding the Master Fee Schedule.

Hearing no further public comment, Mayor Tall closed the public hearing.

**PH-1b** Schumann moved, Beauchamp seconded, to establish approval of the FY 2018-19 Master Fee Schedule.

Upon a call of the roll, the vote was as follows:

Ayes: Schumann, Beauchamp, Sattem, Blasier, Tall  
Nays: None

**MOTION CARRIED.**

**Public Hearing - Notice of Special Assessment - 21st Avenue South from Lakeshore Drive to the west right-of-way line of South 18th Street.**

The City of Escanaba received a petition for the construction of a 22 foot wide chip-seal paved street without curb and gutter for 21st Avenue South from Lakeshore Drive to the west right-of-way line of South 18th Street. On May 3, 2018, the City of Escanaba held a public hearing on the proposed improvement. The City of Escanaba is now holding public hearing on the proposed special assessment roll.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no further public comment, Mayor Tall closed the public hearing.

**PH-2** Schumann moved, Blasier seconded, to approve the special assessment for the construction of a 22 foot wide chip-seal paved street without curb and gutter for 21st Avenue South from Lakeshore Drive to the west right-of-way line of South 18th Street.

Upon a call of the roll, the vote was as follows:

Ayes: Schumann, Blasier, Beauchamp, Sattem, Tall

Nays: None

**MOTION CARRIED.**

**UNFINISHED BUSINESS** – None

**NEW BUSINESS**

**First Reading of Ordinance No. 1192, the Appropriations Ordinance, Including the Millage Rate of 17.00 Mills and Setting the Date of Wednesday, May 23, 2018, for the Second Reading, Public Hearing, and Adoption.**

Once the City Council approves the budget, the Council must approve a tax levy and authorize appropriations to implement the budget. Administration recommended a special meeting of the Council for Wednesday, May 23, 2018, at 9:00 a.m. be scheduled for the second reading, public hearing, and adoption of Appropriations Ordinance No. 1192.

**NB-1** Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to set the date of May 23, 2018, at 9:00 a.m. for the second reading, public hearing, and adoption of the Appropriations Ordinance No. 1192 and millage rate of 17 mills.

**First Reading of Ordinance No. 1193, the Tax Levy Ordinance, and Setting the Date of Wednesday, May 23, 2018, for the Second Reading, Public Hearing and Adoption.**

Section 9, Chapter VIII, of the City Charter requires the City, by Ordinance, to levy taxes that may be necessary to meet the appropriations' needs for the upcoming fiscal year budget. Administration recommended a special meeting of the Council for Wednesday, May 23, 2018, at 9:00 a.m. be scheduled for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1193.

**NB-2** Sattem moved, Schumann seconded, **CARRIED UNANIMOUSLY**, to set the date of May 23, 2018, at 9:00 a.m. for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1193.

**First Reading of Ordinance No. 1194, the Electric Rate Ordinance, and Setting the Date of Monday, June 4, 2018, for Second Reading, Public Hearing, and Adoption.**

Annually, the City Council sets electric utility rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1194 and to schedule the second reading and public hearing for June 4, 2018, at 9:00 a.m.

**NB-3** Beauchamp moved, Sattem seconded, to set the date of June 4, 2018, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1194.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Sattem, Blasier, Schumann, Tall  
Nays: None

**MOTION CARRIED.**

**First Reading of Ordinance No. 1195, the Wastewater Rate Ordinance, and Setting the Date of Monday, June 4, 2018, for the Second Reading, Public Hearing, and Adoption.**

Annually, the City Council sets wastewater utility rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1195 and to schedule the second reading and public hearing for June 4, 2018, at 9:00 a.m.

**NB-4** Sattem moved, Beauchamp seconded, to set the date of June 4, 2018, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1195.

Upon a call of the roll, the vote was as follows:

Ayes: Sattem, Beauchamp, Schumann, Blasier, Tall  
Nays: None

**MOTION CARRIED.**

**First Reading of Ordinance No. 1196, the Water Rate Ordinance, and Setting the Date of Monday, June 4, 2018, for Second Reading, Public Hearing, and Adoption.**

Annually, the City Council sets water utility rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1196 and to schedule the second reading and public hearing for June 4, 2018, at 9:00 a.m.

**NB-5** Sattem moved, Beauchamp seconded, to set the date of June 4, 2018, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1196.

Upon a call of the roll, the vote was as follows:

Ayes: Sattem, Beauchamp, Schumann, Blasier, Tall  
Nays: None

**MOTION CARRIED.**

**First Reading of Ordinance No. 1197, the Solid Waste Ordinance, and Setting the Date of Monday, June 4, 2018, for the Second Reading, Public Hearing, and Adoption.**

Annually, the City Council sets solid waste rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1197 and to schedule the second reading and public hearing for June 4, 2018, at 9:00 a.m.

**NB-6** Blasier moved, Schumann seconded, to set the date of June 4, 2018, at 9:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1197.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Schumann, Beauchamp, Sattlem, Tall  
Nays: None

**MOTION CARRIED.**

**Approval – Lease Renewal with Lakestate Industries.**

Administration sought Council approval for the renewal of a lease agreement between Lakestate Industries and the City of Escanaba for a 10-year term, with all other terms of the lease remaining the same, including the \$1 per year rental fee. This renewal was due to the expiring of a 25-year lease agreement that was agreed upon in 1993 for property in which Lakestate Industries uses as a parking lot.

**NB-7** Schumann moved, Blasier seconded, to renew a lease agreement between Lakestate Industries and the City of Escanaba for a 10-year term, with all other terms of the lease remaining the same, including the \$1 per year rental fee.

Upon a call of the roll, the vote was as follows:

Ayes: Schumann, Blasier, Beauchamp, Sattlem, Tall  
Nays: None

**MOTION CARRIED.**

**Approval – Replacement of City Side Water Services – Water.**

Administration sought Council approval to allow the Water Department to implement the same adopted policy from 2017 into 2018 concerning the replacement of City side water services. Last year Administration recorded 16 water services were replaced at an estimation of around \$20,000 to the department.

Water/WasteWater Superintendent Jeff Lampi briefly reviewed the adopted City policy.

**NB-8** Sattem moved, Schumann seconded, to allow the Water Department to implement the same adopted policy from 2017 into 2018 concerning the replacement of City side water services.

Upon a call of the roll the vote was as follows:

Ayes: Sattem, Schumann, Beauchamp, Blasier, Tall  
Nays: None

**MOTION CARRIED.**

**Approval – Aeration Blower Replacement – Wastewater.**

Administration sought Council approval to retain Ld DOCSO of Kalamazoo, MI to conduct the repairs as written in the RFP, along with an additional 10% for contingencies at a cost not to exceed \$357,500. A grant of \$99,300 has been awarded to the City for work associated with this project; please note that the grant money amount is not currently deducted from the request. Money is available within the 2018/19 fiscal year budget, once the grant money would be deducted.

**NB-9** After discussion, Blasier moved, Beauchamp seconded, to retain Ld DOCSO of Kalamazoo, MI to conduct the repairs as written in the RFP, along with an additional 10% for contingencies at a cost not to exceed \$357,500, with approval of the grant.

Upon a call of the roll the vote was as follows:

Ayes: Blasier, Beauchamp, Schumann, Sattem, Tall  
Nays: None

**MOTION CARRIED.**

**Approval – Pole Replacement Bid – Electric.**

Administration sought Council approval to retain Fox Power of Gladstone, MI to replace 41 wooden poles for the cost of \$92,800. This item was budgeted in both the 2017/18 and 2018/19 fiscal year budgets. Electric Superintendent Mike Furmanski briefly reviewed the project.

Blasier moved, Sattem seconded, to retain Fox Power of Gladstone, MI to replace 41 wooden poles for the cost not to exceed \$92,800 as part of the annual pole replacement project.

Upon a call of the roll the vote was as follows:

Ayes: Blasier, Sattem, Schumann, Beauchamp, Tall  
Nays: None

**MOTION CARRIED.**

**Contract Agreement and Oath of Office for new City Clerk**

Council reviewed the proposed contract for the new City Clerk, Lisa M. Glish, followed by Oath of Office.

Mayor Tall reviewed the City Clerk contract that the Committee recommended and had a printed copy for each Council Member. After discussion of Items 3 and 4 of the contract, Council Member Beauchamp read the following statement;

“Councilmember Beauchamp’s Recollection of and Opinion on the Process of Filling the City Clerk Position

1. The hiring process began with an internal posting for the position in early March. The position was posted without the knowledge or consent of the City Council. Council therefore had no input as to the qualifications that were listed in the original job posting even though the City Clerk works directly for the City Council. It remains unclear who asked for the internal posting to be prepared, who authorized its release, and why this posting was not brought to council for prior review and approval.

2. The internal posting came to council’s attention for the first time when applications from within the city were distributed to council beginning on March 12th. Council was given a copy of the job posting a few days later at the request of a councilmember.

3. When the subject of posting the job externally was discussed by council at a later date, the qualifications for the position were reviewed for the first time. At that time, a recommendation was made to include a Certified Municipal Clerk (CMC) reference in the job description. Yet, that certification was deemed unnecessary by most councilmembers, and therefore was not included in the job description.

4. The matter of advertising the position was also discussed. The venues for advertising the position were set. The deadline was left as being open until the position was filled.

5. After two weeks of running the ads, council had received a total of eighteen applications. A suggestion was made for council to close the application process early the following week. I specifically requested that the posting not be closed since the vast majority of the candidates to date lacked basic credentials. Nevertheless, the deadline was set and councilmembers were asked to submit their rankings, of up to four candidates, to the Human Resources Director for final tabulation.

6. Within days of one another, two councilmembers emailed their rankings to the *entire* city council instead of the HR Director. Oversight or not, in my opinion these emails can be construed as attempts to build a consensus outside of an open meeting in violation of the Open Meetings Act.

7. When the final rankings were compiled by the HR Director and presented for discussion by council at a subsequent meeting, these same two council members then made and seconded a motion to throw out the rankings on the grounds that the total possible points did not add up, and that some council members had therefore cheated. The motion failed.

8. Interviews were later scheduled and conducted. During the interviews, an obvious conflict of interest for one of the candidates was brought to the attention of council. That candidate not only handled each and every one of the resumes and applications; she admitted to reading each of them.

9. At another meeting, when it was time for council to decide how to proceed, once again the same two councilmembers who emailed their rankings to council and later moved to throw out the overall rankings, moved to offer the position to the lower ranked candidate with the conflict of interest.

10. During discussion, the point was raised that for more than a decade previous councils and administrations had invested a lot of time and public money in preparing the Deputy Clerk for the clerk position when the City Clerk retires. A counterpoint was made which essentially expressed the opinion that *this* council knows best.

11. AND LASTLY... After rejecting a councilmember's request to add the Certified Municipal Clerk (CMC) designation to the job posting, and after rejecting the only candidate that already has the CMC designation and city clerk experience, it is quite unbelievable to say the least, that the newly hired city clerk will be required to obtain a CMC designation in the coming years.

In my opinion, based on the circumstances I have just summarized, the integrity of this entire hiring process is highly questionable. It has demonstrated a serious lack of council leadership and stinks of improprieties. Such decisions will only erode employee morale, make it more difficult to fill other city vacancies such as the city assessor position, and will drastically reduce the level of confidence the residents of Escanaba will have in the judgement of this city council in the future. Inasmuch as this situation looks like a lawsuit waiting to happen, I am abstaining from voting on the matter of the new city clerk's terms and conditions.

Sincerely,  
Ronald J. Beauchamp  
Mayor Pro-tem  
City of Escanaba  
May 17, 2018"

Blasier moved, Tall seconded, to approve the new City Clerk Contract.



Upon a call of the roll the vote was as follows:

Ayes: Blasier, Tall, Schumann, Sattem

Nays: None

Abstain: Beauchamp

**MOTION CARRIED.**

**APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES - None**

**BOARD, COMMISSION, AND COMMITTEE REPORTS**

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

**GENERAL PUBLIC COMMENT – None**

**ANNOUNCEMENTS**

- Grant from the Besse Foundation for the Chamber of Commerce;
- Downtown Clean-up was scheduled for Saturday May 19<sup>th</sup>.

Hearing no further public comment, the Council adjourned at 7:47 p.m.

Respectfully submitted

Lisa M. Glish  
City Clerk

Approved: \_\_\_\_\_  
Marc D. Tall, Mayor