

**OFFICIAL PROCEEDINGS  
CITY COUNCIL  
CITY OF ESCANABA, MICHIGAN  
Regular Council Meeting  
Thursday, October 19, 2023**

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

Present: Mayor Mark Ammel, Council Members, Ronald J. Beauchamp, Tyler DuBord, Todd Flath, and Karen Moore

Absent: None

Also Present: City Manager James R. McNeil, City Clerk Phil DeMay, Department Heads, media, and members of the public.

City Clerk DeMay led Council in the Pledge of Allegiance.

DuBord moved, Moore seconded, **CARRIED UNANIMOUSLY**, to approve Joint Work Session minutes from October 5, 2023, as submitted.

DuBord moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from October 5, 2023, as submitted.

**ADJUSTMENTS TO THE AGENDA**

DuBord moved, Flath seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

**CONFLICT OF INTEREST DECLARATION** – None

**BRIEF PUBLIC COMMENT**

- Terra Langham – Regional Manager of MERS discussed NB-6.

**PUBLIC HEARINGS** – None

**UNFINISHED BUSINESS** – None

**NEW BUSINESS**

**NB-1 Approval – PFAS Retainer Agreement – Manager.**

Administration requested City Council approval of a retention agreement with Edelson PC and Goodman Acker PC. The firms would represent the city in the ongoing PFAS litigation. Administration sent three proposals to Foster Swift for review, and this agreement was recommended.

**NB-1** DuBord moved, Moore seconded, to approve of a retention agreement with Edelson PC and Goodman Acker PC to represent the city in the ongoing PFAS litigation.

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

Ayes: DuBord, Moore, Beauchamp, Flath, Mayor Ammel  
Nays: None

**MOTION CARRIED.**

**NB-2 Approval – Two (2) 2023 GMC Savana Cargo Vans RWD 2500 – Water.**

Administration requested City Council approval to purchase two (2) 2023 GMC Savana Cargo Vans RWD 2500 complete with ladder racks and shelving from Todd Wenzel Buick-GMC of Westland, Michigan at a cost of \$82,764.00 (\$41,382.00 per cargo van) with contingencies of \$5,236 (\$2,618.00 per cargo van) to include signage, amber lighting, and city 2-way radios in an amount not to exceed \$88,000.00. Money was not budgeted but is available for this purchase in the water fund.

**NB-2** Beauchamp moved, Moore seconded, to approve to purchase two (2) 2023 GMC Savana Cargo Vans RWD 2500 complete with ladder racks and shelving from Todd Wenzel Buick-GMC of Westland, Michigan at a cost of \$82,764.00 (\$41,382.00 per cargo van) with contingencies of \$5,236 (\$2,618.00 per cargo van) to include signage, amber lighting, and city 2-way radios in an amount not to exceed \$88,000.00.

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

Ayes: Beauchamp, Moore, DuBord, Flath, Mayor Ammel  
Nays: None

**MOTION CARRIED.**

**NB-3 Approval – Engineering Services for DWSRF – ARPA-2 Project – Water.**

Administration requested City Council approval to retain C2AE from Escanaba, MI, for engineering services with regard to the City of Escanaba DWSRF ARPA-2 Project in an amount not to exceed \$2,320,900.00.

**NB-3** Moore moved, Beauchamp seconded, to approve to retain C2AE from Escanaba, MI, for engineering services with regard to the City of Escanaba DWSRF ARPA-2 Project in an amount not to exceed \$2,320,900.00.

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

Ayes: Moore, Beauchamp, DuBord, Flath, Mayor Ammel  
Nays: None

**MOTION CARRIED.**

**NB-4 Approval – Engineering Services for WTP Filter Bed Rehabilitation – Water.**

Administration requested City Council approval to retain C2AE from Escanaba, MI, for engineering services with regard to the City of Escanaba Water Treatment Plant Filter Bed Rehabilitation in an amount not to exceed \$8,000.00. Money was not budgeted but is available in the water fund under professional services for this type of work.

**NB-4** Flath moved, DuBord seconded, to approve to retain C2AE from Escanaba, MI, for engineering services with regard to the City of Escanaba Water Treatment Plant Filter Bed Rehabilitation in an amount not to exceed \$8,000.00.

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

Ayes: Flath, DuBord, Moore, Beauchamp, Mayor Ammel  
Nays: None

**MOTION CARRIED.**

**NB-5 Approval – Ludington Lift Station Inspection - Asbestos – Wastewater.**

Administration requested City Council approval to obtain the services of Pearson Asbestos Abatement of Escanaba, Michigan to carry out non-destructive inspection of the Ludington Lift Station building for asbestos containing materials and paint for lead and cadmium in an amount not to exceed \$2,000.00. Money was budgeted and available for this type of activity.

**NB-5** Moore moved, Flath seconded, to approve to obtain the services of Pearson Asbestos Abatement of Escanaba, Michigan to carry out non-destructive inspection of the Ludington Lift Station building for asbestos containing materials and paint for lead and cadmium in an amount not to exceed \$2,000.00.

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

Ayes: Moore, Flath, Beauchamp, DuBord, Mayor Ammel  
Nays: None

**MOTION CARRIED.**

**NB-6 Approval – Resolution 23-22 – Termination of Participation in MERS Defined Benefit Plan - Manager.**

Administration requested City Council approval of a resolution terminating participation in the MERS Defined Benefit Plan. This resolution was in accordance with the MERS Plan Termination Policy. Assets, liabilities, and fiduciary duties will

transfer to the successor plan.

**NB-6** “By Council Member DuBord, seconded by Council Member Moore;

**Resolution 23-22**

**Resolution by the City of Escanaba**

**Regarding Termination of Participation in MERS’ Defined Benefit Plan**

Whereas, on October 19, 2023, the City Council of the City of Escanaba elected, by two-thirds vote of its membership, to terminate participation for all divisions of the MERS Defined Benefit Plan and transfer assets, liabilities and fiduciary duties to the City of Escanaba Defined Benefit Retirement Plan (“Successor Plan”), a governmental pension plan qualified under Section 401(a) of the Internal Revenue Code (“IRC”);

Whereas, MERS Plan Document Section 11 and MERS’ Termination Policy and Procedure require that the City Council certify and affirm certain information as a condition of termination of participation in the MERS Defined Benefit Plan; and

Whereas, the City Council has reviewed MERS Plan Document Section 11 and MERS’ Termination Policy and Procedure and affirms it satisfies all requirements and conditions for termination of participation from the MERS Defined Benefit Plan;

Now, therefore, the City Council hereby resolves:

1. Termination of participation in the MERS Defined Benefit will not result in a diminishment of any accrued financial benefit by members, deferred vested former members, retirees or beneficiaries, as defined under the MERS Plan Document, under Article 9, Section 24 of the Michigan Constitution;
2. The City of Escanaba acknowledges the requirement to fund the Successor Plan for the benefit of its participants, as required by all applicable laws and regulations and agrees to so fund the plan;
3. The City of Escanaba and its designees will be the fiduciary for the Successor Plan to administer the Successor Plan, receive and invest the assets and liabilities to be transferred from the MERS Defined Benefit Plan to the Successor Plan, as set forth in the termination valuation conducted by MERS.
4. The Successor Plan is a qualified plan under IRC section 401(a); it has, to the best of City Council’s knowledge, maintained that qualified status through the date of this Agreement, and intends to maintain such status until final plan termination;
5. As the plan sponsor of the Successor Plan, City of Escanaba has adopted or has directed the adoption of reasonable actuarial assumptions for the Successor Plan, developed using the Actuarial Standards of Practice of the Actuarial Standards Board.
6. On the effective date of termination of participation in the MERS Defined Benefit Plan, to be determined by MERS, all responsibilities and liabilities of investment fiduciaries as set forth under the Public Employees

- Retirement Investment Security Act, Act 314 of 1965, as amended, and fiduciary, plan administrator and trustee (under all other applicable state or federal common or statutory laws or regulations) will transfer from MERS to the Successor Plan and its Fiduciary Officials as defined below; and
7. In accordance with MERS Plan Document Section 11 and the MERS' Termination Policy and Procedure, the City Council directs the Fiduciary Officials for the Successor Plan to execute this resolution as an acknowledgment of the fiduciary duties being transferred.

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

Ayes: DuBord, Moore, Beauchamp, Mayor Ammel

Nays: Flath

**RESOLUTION DECLARED ADOPTED.”**

**NB-7 Approval – Resolution 23-23 – Adoption of City of Escanaba Defined Benefit Retirement Plan - Manager.**

Administration requested City Council approval of a resolution adopting all the components of the City of Escanaba Defined Benefit Retirement Plan. This approval includes the Plan document, establishment of the Retirement Board, Board Rules of Procedure, and Statement of Investment Policy.

**NB-7** “By Council Member DuBord, seconded by Council Member Beauchamp;

**Resolution 23-23**

**CITY OF ESCANABA**  
**CITY COUNCIL**

**RESOLUTION ADOPTING THE CITY OF ESCANABA’S DEFINED BENEFIT RETIREMENT PLAN AND ESTABLISHMENT OF RETIREMENT BOARD**

WHEREAS, the City currently participates in the Municipal Employees’ Retirement System of Michigan (“MERS”) Defined Benefit Plan (the “MERS Plan”). The MERS Plan is administered by MERS, a professional retirement services company that was created to administer retirement plans for Michigan’s local units of government;

WHEREAS, the lack of funding progress of the MERS Plan has contributed to financial stress on the City that has intensified in recent years. City management has lost confidence in MERS and believes that it could achieve better financial outcomes by terminating participation in the MERS Defined Benefit Plan and establishing a successor plan that would be overseen by a retirement board established by the City;

WHEREAS, pursuant to the MERS Retirement Board Termination Policy and Procedure, this City Council voted by resolution to terminate participation in the MERS Defined Benefit Plan and to transfer all of its MERS Plan assets and liabilities to a

successor defined benefit plan.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of City of Escanaba that:

1. The City Council adopts the City of Escanaba Defined Benefit Retirement Plan (the “Plan”), a copy of which is attached hereto.
2. The City Council approves the transfer of assets and liabilities from the MERS Defined Benefit Plan to the Plan.
3. The City Council adopts the City of Escanaba Defined Benefit Retirement Plan Statement of Investment Policy, a copy of which is attached hereto.
4. The City Council establishes the City of Escanaba Defined Benefit Retirement Plan Board (the “Retirement Board”). The Retirement Board will be a five-member board consisting of the City Manager, the City Controller, the City Treasurer, one member of the City Council, and one member of the public with preference to any Plan member. The Retirement Board is responsible for oversight and decision making relating to the general operation of the Plan in accordance with the Statement of Investment Policy.
5. The City Council adopts the City of Escanaba Defined Benefit Retirement Plan Board Rules of Procedure, a copy of which is attached hereto.
6. The City Manager is authorized to execute the Plan document and any other documents necessary to implement the foregoing Resolutions.

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

Ayes: DuBord, Beauchamp, Moore, Mayor Ammel

Nays: Flath

**RESOLUTION DECLARED ADOPTED.”**

*DuBord moved, seconded Beauchamp, along with council consensus to direct legal counsel to correct any additional or grammatical errors within the Defined Benefit Retirement Plan document (not the actual “resolution”)*

**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**

- Scott Aughney – discussed elections.

**ANNOUNCEMENTS**

- Trick or Treat Tuesday October 31<sup>st</sup> 5:00-7:00pm.
- DDA will be holding Trunk or Treat on October 22<sup>nd</sup>.
- Happy Halloween!

Hearing no further public comment, Flath moved, DuBord seconded, the Council adjourned at 7:42 p.m.

Respectfully submitted,

Phil DeMay  
City Clerk

Approved: \_\_\_\_\_  
Mark Ammel, Mayor