

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, January 17, 2019**

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, Ronald J. Beauchamp, Michael R. Sattem, and Peggy O'Connell Schumann.

Absent: Council Member Ralph B. Blasier.

Schumann moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Blasier.

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

Interim Clerk Weissert led Council in the Pledge of Allegiance.

Sattem moved, Schumann seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from January 3, 2019, and Special Meeting Minutes from January 9, 2019, as submitted.

ADJUSTMENTS TO THE AGENDA

Beauchamp stated he would like an update on the new City Clerk placed on the agenda.

Tall stated he would like to ask Representative Beau LaFave to brief the Council on what is going on in Lansing.

Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve the Agenda as amended.

CONFLICT OF INTEREST DECLARATION – None

STATE REPRESENTATIVE BEAU LAFAVE

State Representative Beau LaFave gave a brief overview on what is going on in Lansing, also discussed what committees he has been assigned to.

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Public Hearing – Citizen Participation – 2019/20 Fiscal Year Budget Preparation.

Each year, Council holds public hearings to facilitate input from citizens for the upcoming FY2019/20 fiscal year budget. This was the first of five (5) scheduled public hearings.

This being a public hearing, Mayor Tall asked for public comment.

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

UNFINISHED BUSINESS – None

NEW BUSINESS

Discussion – Fiscal Year 2018/19 City Audit.

Michael Sparling, CPA, a representative from the Accounting Firm Rehmann Robson provided an overview of the June 30, 2018 independent audit of the City of Escanaba's financial statements prepared in accordance with generally accepted accounting principles in the United States and the Single Audit Act.

Approval - Deficit Elimination Plan - Controller/Downtown Development Authority.

City Controller Melissa Becotte advised the Downtown Development Authority ended the fiscal year with a deficit fund balance of \$246,046. This was the result of the internal loan provided by the City to assist in payment for construction of the Marketplace. Controller Becotte advised the DDA would remain in a deficit position for the next couple of years. Controller Becotte recommended Council approval of a resolution for a deficit elimination plan as required by the Michigan Department of Treasury.

“**NB-2** Resolved by Council Member Beauchamp, seconded by Council Member Schumann;

**RESOLUTION
DEFICIT ELIMINATION PLAN
FOR THE DOWNTOWN DEVELOPMENT AUTHORITY FUND**

Whereas, The City of Escanaba’s Downtown Development Authority Fund has a \$246,046 deficit fund balance on June 30, 2018, and;

Whereas, 1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government and file with the Michigan Department of Treasury;

Now therefore be it Resolved, That the City of Escanaba’s City Council adopts the following as the City of Escanaba’s Downtown Development Authority Fund Deficit Elimination Plan:

	2019	2020	2021	2022	2023
Unrestricted Net Position					
(Deficit) July 1	(\$246,046)	(\$168,477)	(\$102,020)	(\$30,050)	\$47,514
Revenue					
Taxes	285,000	285,600	291,312	297,138	303,081
Investment Earnings (Loss)	7,000	7,000	7,000	7,000	7,000
Other	27,000	12,000	12,000	12,000	12,000
Total Revenue	319,000	304,600	310,312	316,138	322,081
Expenditures					
Salaries, Wages and	92,346	94,193	96,077	97,999	99,959
Supplies	5,500	5,000	5,000	5,000	5,000
Professional Services	36,600	36,000	36,000	36,000	36,000
Telephones	2,650	2,650	2,650	2,650	2,650
Travel	250	250	250	250	250
Public Relations	20,100	20,100	20,100	20,100	20,100
Printing and Publishing	200	200	200	200	200
Insurance	2,570	2,100	2,100	2,100	2,100
Utilities	6,000	6,000	6,000	6,000	6,000
Maintenance of	19,500	18,000	18,000	18,000	12,000
Repairs to Structures	15,000	15,000	15,000	15,000	15,000
Repairs to Equipment	2,000	2,000	2,000	2,000	2,000
Rental of Equipment	3,000	3,000	3,000	3,000	3,000
Memberships and Dues	250	250	250	250	250
Education and Training	500	250	250	250	250
Capital Outlay	17,500	17,500	17,500	17,500	17,500
Books, Magazines and	500	250	250	250	250
Interest Expense	14,465	12,900	11,215	9,525	9,505
Contributions to Other Funds	2,500	2,500	2,500	2,500	2,500
Total Expenditures	241,431	238,143	238,342	238,574	234,514
Revenue Over Expenditures	77,569	66,457	71,970	77,564	87,567
Ending Net Position	(\$168,477)	(\$102,020)	(\$30,050)	\$47,514	\$135,081

Be it further Resolved, That the City of Escanaba’s City Controller submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

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

Ayes: Beauchamp, Schumann, Sattem, Tall

Nays: None

RESOLUTION DECLARED ADOPTED.”

Approval – Purchase of (1) Water Service Truck – Water Department.

Administration requested approval to purchase one (1) Water Service Truck at a cost not to exceed \$27,000 from Riverside Chevrolet in Escanaba. Money for this purchase was budgeted in the 2018/2019 FY Budget.

NB-3 Sattem moved, Schumann seconded, to approve to purchase one (1) Water Service Truck at a cost not to exceed \$27,000 from Riverside Chevrolet in Escanaba.

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

Ayes: Sattem, Schumann, Beauchamp, Tall

Nays: None

MOTION CARRIED.

Approval – Marina Fees – Marina Department.

Administration requested approval to raise Transient rates by one step of the Waterways Rate Schedule, which would equate to a two dollar per night increase; also approve seasonal rates increase by 4%. This was presented and approved by the Harbor Advisory Committee on January 8, 2019.

NB-4 Beauchamp moved, Sattem seconded, to approve to raise Transient rates by one step of the Waterways Rate Schedule, which would equate to a two dollar per night increase; also approve seasonal rates increase by 4%.

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

Ayes: Beauchamp, Sattem, Schumann, Tall

Nays: None

MOTION CARRIED.

Approval – Service Contract – City Telephone Services.

Administration sought Council approval to retain TelNet Worldwide for continued telephone line service in the City Hall/Library Complex through January 2021 in an amount not to exceed \$12,600. This item was included in the current fiscal year budget.

NB-5 Schumann moved, Sattlem seconded, to approve to retain TelNet Worldwide for continued telephone line service in the City Hall/Library Complex through January 2021 in an amount not to exceed \$12,600.

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

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

MOTION CARRIED.

Approval – Flooring Replacement Bid - Library.

Administration sought Council approval to accept the Carpet Removal and Disposal, Flooring Purchase and Installation bid received from Henyssen-Selins at a cost not to exceed \$59,040.

NB-6 Schumann moved, Sattlem seconded, to approve to accept the Carpet Removal and Disposal, Flooring Purchase and Installation bid received from Henyssen-Selins at a cost not to exceed \$59,040.

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

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

MOTION CARRIED.

Update - New City Clerk

Manager Jordan stated new City Clerk Phil DeMay has completed the pre-employment testing and is set to start January 25, 2019.

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

- Photography Club will be starting on January 23, 2019 at 6:00p.m. at the Library.

Hearing no further public comment, the Council adjourned at 7:27 p.m.

Respectfully submitted

Tammy A. Weissert, CMC
Interim City Clerk

Approved: _____
Marc D. Tall, Mayor