

**City of Marine City
City Commission
May 16, 2013**

A regular meeting of the Marine City Commission was held on Thursday, May 16, 2013, in the Fire Hall, 200 South Parker Street, Marine City, and was called to order by Mayor Charles R. Browne at 7:00 PM.

After observing a moment of silence, the Pledge of Allegiance was led by Mayor Browne.

Present: Mayor Browne; Commissioners Hendrick, Lovett, Meli, Phelan, Skotarczyk and Turner; City Manager Gabor; and, City Clerk Kade.

Absent: None

Communications

There were no Communications presented.

Public Comment

No residents addressed the Commission.

Approve Agenda

Motion by Commissioner Phelan, seconded by Commissioner Turner, to approve the Agenda, as presented. All Ayes. Motion Carried.

Approve Minutes

Motion by Commissioner Phelan, seconded by Commissioner Skotarczyk, to approve the following Minutes:

- City Commission Budget Workshop held April 29, 2013;
- City Commission Budget Workshop held April 30, 2013; and,

- City Commission Regular Meeting held May 2, 2013

as presented. All Ayes. Motion Carried.

Consent Agenda

The following Consent Agenda items were presented:

- Departmental Activity Reports
- Marine City Area Fire Authority Run Report ~ April 2013
- Special Event ~ Beautification Day & Flower Sale
- Special Event ~ "Nothing to Lose" Student Thesis Film

Motion by Commissioner Lovett, seconded by Commissioner Phelan, to approve the Consent Agenda, and place it on file. All Ayes. Motion Carried.

Public Hearing

2013 / 2014 Proposed Budget

Mayor Browne opened the Public Hearing to receive public comments for and against the proposed Fiscal Year 2013 / 2014 Budget at 7:04 PM.

No residents addressed the Commission.

Mayor Browne closed the Public Hearing at 7:04 PM.

Unfinished Business

None.

New Business

2013/2014 Fiscal Year Budget

Commissioner Hendrick noted that the Marine City Area Fire Authority line was still included in the City's Budget.

City Manager Gabor responded that it would be removed July 1st.

Commissioner Hendrick asked if the City could not do the Department of Public Works layoff, and suggested that the savings from the resignation of a full-time police officer could help offset the costs.

City Manager Gabor responded that although the full-time police officer's position would be replaced, the layoff would be reviewed, but he could not make a guarantee. He said that keeping the Public Works employee between October 1st and January 31st would add another \$10,000 to the City's budget.

Commissioner Hendrick asked that the City give the Public Works employee adequate notification of the layoff.

Commissioner Phelan inquired as to the over-time wages in the Police Department's budget, and what drove those costs. He noted that \$17,000 was under the Stonegarden Grant.

City Manager Gabor responded that a major part of the over-time costs were associated with court action required by a police officer and that they had contractual obligations to meet.

Commissioner Phelan recommended that the sooner the City could figure out what would happen with the Public Works employee, the better.

City Manager Gabor commented briefly on property values and revenue sharing.

Commissioner Phelan noted that revenue sharing was up slightly, but that the property values had still declined in the area, which had cost the City approximately \$830,000 in revenues since 2008/2009. He said there was no where left to go, and he suggested that they consider going to the voters for additional revenues in order to have sustainable public services.

Commissioner Skotarczyk agreed that they needed to prepare the residents for the future, but said they could not just look at the tax rates because property values keep going down.

City Manager Gabor said that the City had been doing smart things to help keep the costs down. In response to Commissioner Hendrick's inquiry about a change in civil infractions, he said that it would be adjusted out in July because they were losing the 4 to 4 car. City Manager Gabor said that the loss of this patrol would hurt public service to the residents.

Mayor Browne commented that this was a very difficult budget. He noted that they were required to provide public services, but that monies were gone and continually draining away. He said it would take forever to get the funding back.

Motion by Commissioner Skotarczyk, seconded by Commissioner Lovett, to approve a Resolution to Adopt Fiscal Year 2013/2014 Budget/Appropriations Act, as presented; Resolution No. 013-13. All Ayes. Motion Carried.

Resolution of Commitment ~ Paving Project

Motion by Commissioner Phelan, seconded by Commissioner Skotarczyk, to approve a Resolution of Commitment for MDOT Contract No. 13-5191, and Designation of City Representatives, as presented; Resolution No. 014-13. All Ayes. Motion Carried.

Property Donations to Museum

Commissioner Skotarczyk reported that the Pride & Heritage Museum was interested in a couple of the items from 300 Broadway to be used in the Museum. Those items were described as follows:

- Original Ballot Box
- Old Bookshelf
- Windows

Commissioner Skotarczyk recommended gifting the bookshelf and windows to the Museum, and loaning the ballot box to the Museum.

Commissioner Meli, as a member of the Museum, spoke at length about the Museum's policy not to accept anything on loan.

Commissioner Skotarczyk said that he had spoken directly with Mr. Beals about the items.

Mayor Browne said that the Commission could offer the ballot box as a loan to the Museum, and if the Museum would not accept the loan, the City would keep the ballot box.

Motion by Commissioner Skotarczyk, seconded by Commission Lovett, to call for the question. All Ayes. Motion Carried.

Motion by Commissioner Skotarczyk, seconded by Commissioner Lovett, to loan one ballot box, and gift an old bookshelf and windows to the Pride & Heritage Museum. All Ayes. Motion Carried.

Request for Full Retirement ~ Michael Itrich

The City received a letter from City employee, Michael Itrich, on April 22, 2013, requesting full retirement effective February 6, 2014, with 30 years of service to the City of Marine City. Mr. Itrich's letter provided that six City employees had been granted retirement, and that two other City employees had been provided separation agreements – none of whom had met the criteria for retirement by age or years of service according to the pension plan. Mr. Itrich was requesting the same recognition and consideration.

City Manager Gabor had responded to Mr. Itrich's request, in writing, on May 1st, as follows: *There are currently NO "Voluntary Early Retirement Programs" being offered by the City of Marine City. In past years a number of targeted programs were offered to meet specific organizational and/or financial objectives. These programs were designed to address a specific objective for the city and not an individual employee request.*

Mr. Gabor advised the Commission that Mr. Itrich's request was for a specific retirement of five years early. He said Mr. Itrich had the years of service, but did not meet the age requirement. Mr. Gabor discussed the other early retirements and the cost impact on the City. City Manager Gabor estimated the cost impact of Mr. Itrich's requested retirement, as follows:

- \$75,000 for health care, plus health care for a new employee, totaling \$150,000 over five years
- \$165,000 (rough estimate) on benefit plan over employee's life in the plan
- Bank payouts – amounts minimal, but unknown

Mayor Browne asked why this was being asked of the Commission when the Commission did not have the authority to deal with personnel issues and policies.

City Manager Gabor responded that Mr. Itrich's request was to the Commission.

Michael Itrich addressed the City Commission, and explained that in May 2010 he had asked for an early retirement and was denied. He also spoke of the retirements and separation agreements that were then offered to other employees after that date.

City Manager Gabor commented that the City had saved over \$750,000 over the five-year contract with regards to those early retirements and separation agreements, and that the City would continue to make those savings. These were decisions made to save the City money, he said. City Manager Gabor also discussed the decisions made at the police department which allowed replacing full-time employees with part-time employees. He said they were all good financial decisions, both reviewed by the City's pension plan advisor and City's auditors.

Commissioner Hendrick asked why others were allowed to retire after Mr. Itrich had asked and was denied.

City Manager Gabor responded that when they opened up special retirements, there was an agreement between the City and the Union and it was for a certain age bracket with specific years of service. He said there were only one or two employees that met the criteria when it was offered because it was a very narrow window.

Commissioner Meli inquired as to the difference between Mr. Itrich's retirement and the wages of a new employee, noting that there would be numerous individuals eager to get a city job.

City Manager Gabor responded that he did not look at the wage aspect, which would only be a temporary fix. He said that they needed to save \$250,000, and they would not get that on one employee.

Commissioner Skotarczyk said that the previous decisions had been made to benefit the City and not one employee.

Commissioner Meli inquired if Mr. Itrich could retire and work part-time, comparing the situation to that of the City's Finance Director Mary Ellen McDonald who had taken her retirement from the City but was still working for the City part-time.

City Manager Gabor said that Mr. Itrich could retire now, but would not be able to collect his retirement until age 60 with no health care benefits. However, Mr. Itrich was asking to retire early at age 50 with full pension and health care benefits, he said.

Commissioner Skotarczyk noted that Mr. Itrich would still be entitled to his retirement because he had been vested.

Commissioner Turner referred to the Pension Ordinance and commented that Mr. Itrich would have to take a half percent reduction for the next five years.

Commissioner Phelan said that Mr. Itrich was asking the Commission to set those requirements aside.

Commissioner Turner also asked why this matter was coming to the Commission, and if Mr. Itrich had been given an opportunity to sit down with City Manager Gabor and his supervisor.

City Manager Gabor stated that he responded to Mr. Itrich's request in writing, a copy of which was included in the Commission packet, and that Mr. Itrich was not happy with the City's response.

Commissioner Phelan commented that the City's Charter allowed an employee to petition the Commission for a hearing.

Discussion concluded, and there was no action taken by the Commission.

City Manager Evaluation~ Format Discussion

Several sample Manager Performance Evaluation forms were presented from various communities for review. The Commission members discussed the types of detail they were looking for in the evaluation forms.

Commissioner Turner commented that goal setting seemed to be lacking in the formats, and suggested goals be set at the beginning of the year and an evaluation completed at the end of the year.

Commissioner Phelan suggested keeping it simple. He commented that the City Commission was a part-time board and not always there. He did not want to micro-manage the City Manager, and noted that they all have opinions.

Due to the numerous samples provided, the Commission agreed that a sub-committee could look at all the examples and make a determination as to an evaluation format. It was also discussed that perhaps the City's employees could be included in the evaluation.

Motion by Mayor Browne, seconded by Commissioner Phelan, to postpone approving a City Manager Evaluation Format until the next meeting to allow a review of the sample forms. All Ayes. Motion Carried.

Motion by Commissioner Skotarczyk, seconded by Commissioner Lovett, to form a sub-committee of two to refine the evaluation format, and to bring it back to the Commission for approval. All Ayes. Motion Carried.

Motion by Commissioner Skotarczyk, seconded by Commissioner Turner, to appoint Commissioners Hendrick and Lovett to the sub-committee. All Ayes. Motion Carried.

Financial Business

Disbursements

Motion by Commissioner Phelan, seconded by Commissioner Lovett, to approve total disbursements, including payroll, in the amount of \$580,092.25, as presented. Roll Call Vote. All Ayes. Motion Carried.

Preliminary Financial Statements

Motion by Commissioner Lovett, seconded by Commissioner Turner, to accept the Preliminary Financial Statements for April 2013, and place them on file. All Ayes. Motion Carried.

City Manager's Report

City Manager Gabor provided updates on the following items:

- Congresswoman Miller will be in attendance at the Maritime Center in Port Huron promoting lighthouses on May 24th
- Third EVIP payment has been submitted
- LaBuhn Bridge Project – 8 days behind schedule due to weather
- Rental Rehabilitation Grant to be finalized next week for three more apartments
- Façade updates – moving forward for two grants ~ Snug Theater and Riviera Restaurant
- South Belle River Avenue paving on schedule

Commissioner Privilege

Commissioner Lovett announced that Holy Cross Elementary School was inviting the Commission to its Holy Cross Circus; that the 3 in 1 Concert would be held on May 28th; and, that Canadian Appreciation Day would be May 20th.

Commissioner Skotarczyk welcomed Commissioner Lovett back; and, encouraged citizens to buy flowers from the MC Arts & Garden Club this weekend.

Executive Session

Motion by Commissioner Phelan, seconded by Commissioner Skotarczyk, to enter into Executive Session for the purpose of receiving a review of the Police Department Contract Negotiations, and to consider the Executive Session Minutes of October 20, 2011. Roll Call Vote. All Ayes. Motion Carried.

Motion by Commissioner Phelan, seconded by Commissioner Skotarczyk, to return to Open Session at 9:08 PM. All Ayes. Motion Carried.

Motion by Commissioner Lovett, seconded by Commissioner Skotarczyk, to approve the Executive Session Minutes of October 20, 2011, as presented. All Ayes. Motion Carried.

Adjournment

Motion by Commissioner Lovett, seconded by Commissioner Phelan, to adjourn at 9:10 PM. All Ayes. Motion Carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Diana S. Kade". The signature is written in black ink and is positioned above the printed name and title.

Diana S. Kade
City Clerk