

**CITY OF EVART  
REGULAR COUNCIL MEETING**

January 6, 2014

Meeting called to order at 7:00 p.m.

Present: **Mayor** - Eric Schmidt; **Council** - Dan Elliott, BJ Foster, Casey Keysor, Gregg Sherman; **City Clerk** – Seraphim Leemon; **City Manager** – Zack Szakacs; **City Treasurer** – Sarah Bigelow. Absent: (none)

Guests: Ralph Carlson, Miranda Lorenz, Ryan Douglas, Jim White – City Attorney, James Holihan

**Citizenry Comments:**

(no remarks)

**Moved** by Keysor, seconded by Foster to amend the agenda ...

...adding City Manager requesting Healthcare benefit-sharing for City Clerk

...adding need for Special Council Meeting 5:30 p.m. Monday, 1/13/14

**Passed** unanimously.

**Moved** by Foster, seconded by Keysor to approve the minutes of December 16, 2013

**Passed** unanimously.

**The Fire Board – Councilman Dan Elliott reporting**

- Chairman for 12/17/13 meeting was Brad Morgan, as Elliott was running late.
- Elliott is deeply concerned about methodology/thoroughness of Fire Department Budget; qualifies the Auditors' criticisms as "kind" in the face of troubling elements and he desires access to their raw data. Cites example of budget not having allowance for equipment replacement (bringing into question depreciation calculations) and bemoans Board's extended 20-minute discussion about telephone and internet bills. Current process is illegal when, as has apparently repeatedly been done, some Revenues fail to go through the Budget while the related Expenditures do.
  - Recommends Budget in future be subdivided into at least three separate funds:
    - 1) General Operating Fund
    - 2) Equipment Fund
    - 3) Debt Replacement Fund (one truck still has debt)
  - Concerned that with the future and emergencies in mind, the City still has about \$25,000 in reserve for the Fire Fund but it isn't reflected in Board's Budget and that even once it is, Evert will soon discover that that dollar amount is grossly insufficient to support a Fire Department and modern replacement costs (\$500,000 and \$1-million dollar fire truck purchase prices).
  - Elliott suggests that down the road if the Fire Department financing collapses, the recovery plan might be that the burden return to the City (which has some financing options) unlike the townships (only 1 mil for all their obligations) and that the Council's starting point would be creating a 2014 inventory; Elliott seeks City Manager's aide in that.

- Wants to review Auditor's depreciation schedule.
- Is not confident that enough time exists to make all corrections in time to meet Budget deadlines. Anticipates even more questions as he unearths more and as he orients to the board appointment.

**The LDFA - Director Melora Theunick not in attendance.**

LDFA Board's letter of December 17 distributed addressing historical achievements of organization; their fiscal year budget highlights; pointed concerns that City Manager fails to work in harmony with either LDFA or DDA; point-by-point responses to City Manager's November 26, 2013 letter; concluding with plea not to dissolve Evert Local Development Finance Authority.

**The DDA – Director Al Weinberg not in attendance.**

Unfinished Business:

- **LDFA / DDA Future Budgetary Concerns**

All discussion postponed until after the fact-finding Special Council Meeting of January 8, 2014 – 6:00 p.m. City Clerk emphasized the additional outreach steps she'd taken with ADs in 12/15/13 "Herald" plus 1/2/14 "Weekly Voice" Events Page utilizing city logo as attention-getter and verbiage reflecting desire for public participation and documentation.

- **Appointments to Boards & Commissions**

1) City Manager addressed the city's 22 boards/committees with a report reflecting new appointments and corresponding terms. Correction was made to Finance Committee to reflect Elliott having replaced Carlson and the type-o of LDFA's Dave Rayburn's omission and the erroneous inclusion of Molly Cataldo.

2) Szakacs reassures Elliott and others that his list, as presented, is a work-in-progress with a DDA vacancy (Diane Beach) and LDFA pending resignation (Mike Swales) yet to be filled, etcetera.

3) City Clerk has volunteered to aggressively assume responsibility for updating/maintaining the list, having noted serious gaps in its current form (examples offered): (a) Housing Commission requires new member each year – but review shows none was appointed in 2013 and one will be required in 2014. She dismisses concerns that there are limited numbers of active citizen-volunteers citing the fact that the same individuals may be "recycled" if circumstances dictate but that the appointments nonetheless need to be made in accordance with protocols. (b) Library Board – list reflects only 2 of the 6 members' term expiration dates. (c) multiple contact addresses and telephone numbers are currently blank. Moved by Elliott, seconded by Sherman to accept the Appointments Summary as presented. Passed unanimously

New Business:

- **Authorizing City Manager to sign Streetlight Contract**

Now saving approximately \$5.00 per light per month. City Manager reviews circumstances for new Council members, citing audit of early 2013, discovery of 400wt bulbs (\$\$), 111 bulbs replaced with new wattages ranging from 100 to 250 high pressure sodium lights eliminating all 400 watt bulbs in order to reduce monthly billing with added bonus of a Consumers Energy Company credit (which is being reflected in current bill). His signature of new contract would validate City's confirmation that Consumers completed all the corresponding work, that bulbs were exchanged as promised, and that the May 6, 2013 agreements were applicable to the February 2, 2013 preexisting Standard Lighting Contract. **Moved** by Keysor, seconded by Sherman to agree to resolution request.

**Passed** unanimously

**ROLL CALL VOTE RESOLUTION** (#1-2014) called, authorizing City Manager to sign Streetlight Contract: **Passed** unanimously:

Ayes: Elliott, Foster, Keysor, Schmidt, Sherman

Nays: (none)

Abstentions: (none)

(see attached two page resolution)

- **ACH Authorization Forms** Mayor suggests that the paperless electronic billing/pay system is going well. City Treasurer concurs noting one to two citizens signing up weekly. Mayor points out he was City's "guinea pig" for the automatic bank withdrawal payments of utilities and it has been flawless. Schmidt laments the mailing-in component with hope that email could be an alternate option; Bigelow reports that that is already in the works and system is being updated. She adds that the form will be revised to offer mail/email preferences for when the technology becomes available in the Spring. (City's goal is to reduce check processing, printing, postage fees.)

**Moved** by Foster, seconded by Schmidt to approve the administrative form.

**Passed** unanimously

- **Healthcare Insurance for City Clerk** City Manager paints history of situation to reflect that the decades-long serving predecessor never needed inclusion in the City's Blue Cross since she benefitted from her husband's. Said the newly elected Clerk had approached him inquiring if she could buy into the coverage program. He contacted insurance company which has said "yes" and Szakacs is proposing Leemon pay 50/50 for a \$7,000 total cost.

1) City Manager presents 2013 and 2014 Citywide Blue Cross per-individual cost reports. Goes on to describe impact of "Obama Care" (Affordable Care Act) (\$56,000 increases to \$70,000/yr).

2) Highlights Evert's adoption a few years earlier of the "Hard Cap Program" which prevents City from paying in excess of \$15,000-ish per employee before said employee must begin to "cost share". Notes that he, the Police Chief, and Treasurer only pay 10%; Police Union currently pays 4%, as of July 2014 6%, and in fourth year of their contract this jumps to 50%. Emphasizes that City will soon recoup a tremendous savings that will drop the aforementioned \$70,000 into the \$60,000 range "which is way cheaper than we have ever paid for our employees in the past ... having been in the \$90,000s in 2007 through 2010."

3) Calls upon Council to decide if Leemon can buy into City's Blue Cross coverage

at 50%, noting that it is legal and other communities provide for the Clerk and officials if the Council so chooses, it simply hasn't been a need heretofore.

4) Mayor asks Clerk if, since she is recently engaged, if forthcoming marriage would mean Blue Cross coverage would be short-term. Leemon notes that no date is set and therefore coverage should be considered independently of engagement, but it is possible that her need would be short term. She adds that pre-election and pre-engagement she had specifically inquired if City policy could be reviewed to allow the Clerk's position to participate in Health coverage and had been told it was a likely scenario.

5) City Manager offers the forthcoming November election as an opportunity, should the Council desire it, to amend the City Charter and eliminate the City Clerk post as an elected position in favor of an appointed position, giving Council direct control over the post instead of having Clerk answerable to the electorate directly. Szakacs allows for possibility that this Council may not want to pursue the option although the City Attorney and previous Councils have attempted the change in order to exercise control over the post. Foster enthusiastically acknowledges the advantages of change.

6) Szakacs suggests that under that scenario healthcare could become part of the part time position's negotiation package.

7) Leemon pointed out that her pre-November decision to serve the city if elected was predicated upon the conversations which suggested the 50/50 scenario was probable and that follow-up conversations post-election have reinforced that likelihood including the most recent presentation to her of actual costs which would reduce her "barely \$200 paycheck" by \$70 – all of which she felt was a lamentable but worthwhile tradeoff in favor of satisfying a very real personal need while aiding Evert's transition between Clerks.

8) Foster acknowledges skyrocketing expenses of holding a self-paid policy but is concerned that Leemon's buying into the City policy wasn't pre-disclosed as a benefit of office and in the tight budget year facing this Council, the expense is a difficult one to justify.

9) Szakacs asks if they'd consider tabling it until he can take it to the Pay Commission. Points out that previous Clerk, Ann Pattee, hadn't called a Commission meeting when it would have been expected (2013) and that at their last meeting three years earlier the Clerk was granted a raise to \$14,000. Adding that it is his intent to see Pay Commission called this year as it is overdue.

10) City Attorney offers to review charter but believes Pay Commission is only empowered to make decisions impacting future office holders. Leemon offers White the charter for review.

11) Leemon points out that she has been told by the Treasurer and City Manager that Blue Cross is requiring a decision by next week (and that she has allowed her own insurance which expired 12/31/13 to lapse in anticipation of the mere two week gap). Adding that it is in no way her intent to "hold anyone's hand over a candle" but that she had been having these coverage conversations for months and only recently learned that it would require a Council vote and then that it would be a vote delayed into the new year. She summarized that she felt all parties had now been caught off guard by these pressing deadlines.

12) Sherman expresses concern that two months after assuming the post, Leemon suddenly expects new perks.

13) Leemon revisits what she sees as one of the integral considerations: if she hadn't had the pre-election canvassing which resulted in the strong assurance that healthcare was probable, then a healthcare conversation would never have been brought before them mid-term. She had evaluated the pros and cons of running. The nominal rate of pay she saw as being out balanced by the City's need created in the vacuum of Pattee's

retirement. And her investment of time in her community could be offset by her very real need for more affordable health coverage. Tonight's issue has zero to do with having spent chaotic days on the job only to determine that she should be entitled to "something more".

14) City Attorney was unable to locate within Charter a prohibition. He and Elliott then address possible state prohibition. White revisited Ewart history of Elliott as City Manager and the failure at the polls to convert the City Clerk position to an appointed post and of how that era is when the City Charter had been drafted in anticipation that the conversion of Clerk from elected to appointed would succeed, hence the Charter's language is somewhat muddled in areas like this.

15) White and Elliott continued to review nuances, with White suspecting that Pay Commission decisions have no impact on current office holders and Elliott suggesting that legally the question of healthcare for a Clerk isn't even within the Commission's domain. The confusion centering around "elected officials" versus "city employees", with White asserting that this hadn't arisen previously but certainly should have been addressed long ago.

16) Sherman expresses concern that by statute Pay Commission is required to meet prior to each election, but that that obviously failed to happen.

17) Elliott wants to refer City Manager's request on behalf of Clerk to City Attorney with added goal of clarifying rules governing elected officials' access to fringe benefit policy so that this Council can adopt it as Ewart policy beyond that merely impacting the Clerk.

18) Leemon requests that they do a motion contingent upon White's research because the window of opportunity for her being covered is closing. It was decided that the Special Meetings already on the books could be amended to include the making of a decision. Szakacs questions Blue Cross's insistence that a decision be made immediately, citing new-hires being able to be added year round.

19) Sherman says he questions the ethical part of this, Szakacs insists there's nothing unethical about this. Sherman says she ran on terms which did not formally include healthcare and therefore, her current (3 year) term of office is predetermined on this issue.

20) White said he could give a legal opinion by midweek.

21) Szakacs emphasized that this is a brand new issue. That even the percentages can be different. That they can opt to act or not act. And that when it comes time for a Pay Commission report, the City Council retains the authority to accept or deny even those recommendations.

22) County officials' compensation and benefits were also questioned as a possible guide to action in this case.

23) Leemon asked for clarification as to how the matter was being left. It was determined that if by Wednesday White's opinion is that her co-purchase of benefits is legal, the decision could be added to the next Monday night's agenda.

24) Foster and Leemon emphasize that in the best interest of the City, full attendance of the Council vs. a mere quorum would be preferable.

• **Special City Council Meeting for BLOCK Grant Public Hearing** In order to authorize part II of the DIG Grant, to satisfy the public hearing considerations, all future DIG grant signings, and to address environmental considerations, meeting was called for Monday, January 13, 2014 5:30 p.m.

- **Treasurer - Sarah Bigelow reported:**

Submission of Manual Check Report December 19 through December 31, 2013 (regardless of type-o suggesting December 31 of 2014); Revenue/Expenditures Report for July 1, 2013 through January 1, 2014; and Vendor List.

Moved by Foster, seconded by Keysor to accept Vendor List as submitted  
Passed unanimously

- **City Manager – Zack Szakacs Reported:**

1) Has signed the permit applications for Nestle/Ice Mountain to put in the new well replacing #5.

2) Wonders if Council requires anything be gathered or put together on their behalf for the Special Council Meeting this Wednesday, January 8, in addition to all the charts and reports previously submitted. Pointed out LDFA Director's letter which had been distributed to each member. Keysor requested bylaws of LDFA and DDA since online versions seem incomplete.

3) Szakacs has been contacted by Grand Rapids company Unison (Brian Myles), a brokerage type business, as to possible lease of the water towers for antennae placements. Expects to meet with them and explore revenue possibilities. Attempted some preliminary research on the company this morning.

4) The new Council Meetings Calendar was distributed.

5) Received proposal from Dan Joyce. Joyce is currently building the Chamber's new website. His City Hall proposal would be to enhance the City's website calendar to become "THE" reference calendar for all-things-Evart serving residents as well as tourists with a partnership via the Chamber. Proposal includes a call for token fees to be paid by churches and organizations for authorized listings, for a City point person to actively review language and expiration dates of postings, but for citizens to be able to post directly into either the "community calendar" or the "city calendar". Szakacs shared this with Kelly Marsh (current part time City web master through July – Facebook page and Evart.org); Szakacs offers the additional perspective of municipalities across the U.S. leaning in favor by about 60% but with the added requirement of hiring a moderator and there is Szakacs' additional concern of the legal aspects of having to permit, for instance, the KKK to list while wondering if it is equally legal to list/refuse dates of a church's anti-homosexual seminar, etcetera.

(a) Sherman's understanding of the original proposal was that Marsh would simply create a link from the City's page(s) to the Chamber's calendar.

(b) Szakacs enthusiastically suggests this is far more in line with his own recommendation since it eliminates time demands, criticisms for misspellings and time type-os, as well as editorial danger zones, although Joyce's letter argues it would mean the loss of multiple "hits" (visits) to the City's Evart.org site. Szakacs interprets the Joyce remarks as a somewhat inflated threat, although the Mayor asserts that it should instead be interpreted as a factual likelihood.

(c) Elliott is perfectly happy that people "get the information" without being concerned about which Evart website (Chamber vs. City) provided it, adding that maintaining a site is far more complicated than creating it.

City Manager was left with instruction to reply to Joyce proposal with enthusiasm for City creating a link to the Chamber's Community Calendar.

- **City Attorney – Jim White Reported:**

Still no response from Dean's as to unpaid sewer obligations. He and City Manager have developed a plan and will be acting upon it.

Moved by Schmidt, seconded by Keysor ...

... Adjournment at 7:49 p.m.

Passed unanimously

**Resolution #1 – 2014**  
**Authorizing City Manager to Sign Revisions to Lighting Contract**

Date: January 7, 2014

WHEREAS, the City Manager, Zackary Szakacs, sought authorization from the City Council to sign the Consumers Energy documents amending the February 1, 2013 Standard Lighting Contract for the City; and

WHEREAS in excess of 100 bulbs “luminaries” will be exchanged for more cost-efficient options; and

WHEREAS this in no additional way impacts the preexisting Standard Lighting Contract;

NOW THEREFORE, BE IT RESOLVED:

By unanimous Roll Call Vote, the City Council of Ewart at its regular meeting of January 6, 2014, authorizes the City Manager to sign and authorize the contract amendment (see attached).

Motion made by Keysor , seconded by Sherman to adopt the Resolution.

RESOLUTION DECLARED ADOPTED.

YEAS: Elliott, Foster, Keysor, Schmidt, Sherman

NAYS: (none)

ABSTAINS: (none)

  
Seraphim S. Leemon, City Clerk



RESOLUTION

RESOLVED, that it is hereby deemed advisable to authorize Consumers Energy Company to make changes in the lighting service as provided in the Standard Lighting Contract between the Company, and the  City  Village  Township of Ewart, dated 2/1/2013, in accordance with the Authorization for Change in Standard Lighting Contract dated as of 5/6/2013, heretofore submitted to and considered by this  Commission  Council  Board; and

RESOLVED, further, that the City Clerk be and are authorized to execute such authorization for change on behalf of the  City  Village  Township.

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF Osceola )

I Seraphim S. Leemon, Clerk of the  City  Village  Township of EWART, MICHIGAN do hereby certify that the foregoing resolution was duly adopted by the  Commission  Council  Board of said municipality, at the meeting held on 1-6-2014.

Seraphim S. Leemon  
 City  Village  Township Clerk

SERAPHIM S. LEEMON

Dated: 1/7/2014