

The regular meeting of the Clare City Commission was called to order at 6:00 p.m. in the Commission Chambers by Mayor Pat Humphrey who led the Pledge of Allegiance. Present were: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch, and Jean McConnell. Absent: None. Also present were Ken Hibl, City Manager; Steve Kingsbury Treasurer and Finance Director; Greg Rynearson, Police Officer; Al Jessup, DPW Superintendent; Dick Acker, Airport Manager; and Diane Schmidt, City Clerk.

2. CONSENT AGENDA:

Moved by Commissioner John Koch second by Commissioner Bill Horwood to approve the items listed with an asterisk (*) (Agenda, Minutes, Communications, Department Reports, and Accounts Payable list), that are considered to be routine by the City Commission. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

3. *APPROVAL OF MINUTES:

Approved by Consent Agenda.

4. *APPROVAL OF AGENDA:

Approved by Consent Agenda.

5. PUBLIC COMMENT: None.

6. OLD BUSINESS/UNFINISHED BUSINESS: None.

7. NEW BUSINESS:

A. VOLUNTARY EMPLOYEE RETIREMENT PROGRAM CHANGES/UPDATE

The City of Clare has for several years provided an elective retirement savings program for its employee's through the use of a municipal 457 deferred compensation program. The income tax provisions of a 457 deferred compensation program are very similar to the more commonly known 401(k) program available in the private employment sector and the 403(b) program available in the public school system. Each of these deferred compensation program designations are simply different sections of the IRS tax code that allow deferred compensation. Currently the City of Clare uses the services of two providers for these programs, Security Benefit and Nationwide.

As part of the Small Business Jobs and Credit Act of 2010 the option of making a Roth contribution was made available to municipal employees participating in a 457 deferred compensation program. Prior to the passing of this law only participants of 401(k) and 403(b) programs could make an elective contribution to a Roth. A Roth contribution is simply an after-tax contribution made by the participating employee instead of being a pre-tax contribution.

In addition to this recent IRS tax code change Security Benefit has also informed the City that they have made the decision to replace the ABN AMRO Income Plus investment option that they had previously offered participants with the Security Benefit Fixed Income Account.

Finally, due to changes in the tax code Security Benefit has recommended that the City adopt a governmental 401(a) deferred compensation program to replace the 457(b) program for the participants of that section of the City's employee retirement program.

Motion by Commissioner Bill Horwood second by Commissioner Jean McConnell to approve the deferred compensation plan amendments with both Security Benefit and Nationwide by adoption of Resolution 2010-043. Roll call vote: Yeas: Commissioners Bill Horwood, Pat Humphrey, John Koch, Tom Koch and Jean McConnell. Nays: None. Absent: None. *Motion Carried.*

B. AMENDMENT TO EMPLOYEE BARGAINING AGREEMENT – MECHANIC SALARY

The City was required to terminate the employment of its mechanic in early March due to a penal conviction and his resultant inability to obtain an operator's license required of the position. We advertised for the position internally as

required by our current employee bargaining agreements; no bids were received. We concurrently advertised the position externally and received twelve applications. Our DPW Director and Deputy Director (Al Jessup & Luke Potter) selected and interviewed eight of the twelve applicants and determined that four of those individuals met the City's requirements. The position was sequentially offered to the best qualified applicants; all four applicants declined the position – all for the same reason: insufficient starting wage. One applicant agreed to take the position with the caveat that we ask the Commission to increase the starting wage.

Our current employee bargaining agreement stipulates the starting wage for our mechanic position is \$13.41 per hour; our recently retired mechanic (Bill Droomer) was earning \$18.69 per hour when he retired due to 35 years of longevity increases.

Al has polled four of the major vehicle repair/maintenance establishments in an attempt to determine average starting salaries for licensed mechanics in our local area. He found that the average starting wage for a licensed mechanic is approximately \$25 per hour; all four of the dealerships/repair businesses polled offer some type of retirement and health care benefits for their mechanics. Al's informal survey clearly indicates that the City simply is not competitive/that our starting mechanic wage is too low. I attribute this in great part to the fact that we only have one mechanic position and have not had the need to hire a mechanic for the past 35 years, thus we have "lost touch" with the wage market for this particular profession.

C/M Hibl directed Al to go back to the four applicants he considers most qualified to determine whether they would accept the position if we offered them \$16 per hour. Additionally, we have commenced the process to determine whether Teamsters Local 214 would agree to this proposed wage increase for the mechanic, as a Letter Agreement will have to be executed to modify the contract if both parties (the City and the Teamsters) agree to the proposed wage increase.

This is a critical position within the City. We have already started to feel the impact of the lack of a mechanic. Al has been forced to contract out significant maintenance services just to keep critical equipment (police vehicles and DPW heavy equipment) operating, and we now have a significant backlog of secondary maintenance repairs that need to be accomplished.

We have not yet had a response from the Teamsters Bargaining Unit regarding the proposed wage increase of this position to \$16 per hour, but ask for the Commission's guidance on the matter of a wage increase for the mechanic position. If the Teamsters agree to the proposed wage increase, and the Commission is amenable to a wage increase, we will provide a proposed Letter of Agreement and adopting resolution for the Commission's consideration.

After discussion regarding the fringe benefits packages offered by the vehicle repair/maintenance establishments polled versus what the city offers, union scale wages, and the potential outcome of approving a wage increase, the Commission determined that the City should begin discussion with the Teamster's Bargaining Unit regarding a proposed increased starting wage for the mechanic's position.

8. AIRPORT MANAGER'S REPORT

Dick Acker, our Airport Manager, provided the City Commission an update of activities he is working on/proposing for our airport. One of those initiatives is revamping the City's current lease agreements to simplify them and incorporate annual Cost of Living Increases; a copy of the revised agreement that will be used for all future leases was included in the Commission's packet. Four of the six T-hangers are presently rented and the City should see the \$9,500.00 investment made returned within the next ten months. Cracks in the runway need to be sealed and the runways need to be painted. Dick will be offering overnight camping at the airport for a nominal fee to pilots who fly in to the city airport. The city airport is now hosting Joel Johnson's Town Hall meetings on the second Monday of each month.

9. TREASURER'S REPORT

Treasurer's Report Received.

10. *DEPARTMENT HEAD REPORTS

Consent Agenda Approved.

11. CITY MANAGER'S REPORT

Michigan Works Programs. The City is taking advantage of two Michigan Works Programs that offer employment opportunities to local community residents at no cost to the employer. We currently receive the benefits of the programs in two of our departments (one part-time clerical worker in the Clare Police Department and two part-time clerical employees in our Water & Waste Water Department) with other departments.

Clare County Trustee Program. We will take advantage of this program again this year; we have hired Mr. Tom Drury (a retired lieutenant from our police department) to supervise the trustee labor.

Change in Polling Locations. We are working to change the City's polling location from our Public Works Building to the basement of the Pere Marquette District Library. The newly renovated basement of the library is far more conducive for this use than our garage bays at our safety building. We anticipate holding our first elections at this new location in November. Our last anticipated election at our current polling location will be the May school elections (MidMichigan Community College Board of Directors).

Planning Commission Date Change. The date of our April Planning Commission meeting has been changed from its regularly scheduled second Wednesday (Apr 13th) to April 27th in an attempt to accommodate a request for a site plan application. The site plan will now tentatively be submitted to the City for consideration in May. But the Planning Commission will still meet on April 27th to receive the presentations from the City's Department Heads regarding proposed capital improvement projects for the 2011-2012 budget year.

Annual Easter Egg Drop. Weather permitting we will again host our annual Easter Egg Drop at the Clare Municipal Airport on Saturday, April 16th.

Clare Depot Update. We have thus far raised \$22K for the depot renovation project through donations and fund-raising events (brick, patch, and pin sales). We hope to have the depot reroofed by the end of May. We have corresponded with State Historic Preservation Office advising them of our intent to demolish the warehouse building at 141 West Fifth Street to accommodate the relocation of the depot to this site.

Easter Holiday Schedule. City offices will be closed on Good Friday, April 22nd.

Annual PILOT Report. Our ordinance codes require that the City Assessor provide the City Commission a report regarding a listing of all current Payment in Lieu of Taxes (PILOT) in the City; the required report is attached.

ADDENDUMS:

Transportation Summit Sponsored by TSC. The Mt. Pleasant TSC covers Gratiot, Isabella, Clare, Midland, Gladwin Counties. Four of the five road commissions attended and provide presentations at the summit. All of the counties report that they expect roads (with the exception of primary roads) to be in serious disrepair within the next ten years. MDOT currently has 240 million dollars worth of projects but they do not have enough local matching funds (93 million dollars) to cover all of the projects. MDOT is committed to repairing the road and sidewalk problems created in the downtown area when they worked on the road project last summer and will make those sidewalks ADA compatible.

Tax Tribunal. The City lost the 2006 tax tribunal case with Briarwood and will be required to refund (\$50,000 plus) in taxes and interest.

Janitorial Contract. The janitorial services contract for cleaning city offices was terminated April 18, so we will be putting the contract back out for bids. In the interim, we will be using trustee labor to clean offices.

12. *COMMUNICATIONS:

USDA Correspondence. We received a letter from USDA related to the qualification of our audit report.

Michigan Liquor Control Commission (LCC) Correspondence. We've received correspondence from LCC informing us of additional business establishments in Clare that have elected to apply for an early Sunday liquor sales license

13. *APPROVAL OF BILLS:

Consent Agenda Approved.

14. EXTENDED PUBLIC COMMENT: None.

15. COMMISSION DISCUSSION TOPICS: None.

16. ADJOURNMENT:

Motion by Commissioner Jean McConnell second by Commissioner Bill Horwood to adjourn. Ayes: All. Nays: None. Absent: None. *Motion Carried.*

Meeting adjourned at 6:48 p.m.

Pat Humphrey, Mayor

Diane Schmidt, City Clerk