

CITY COUNCIL MEMBERS
Melissa A. Johnson, Mayor
Cheri Albertson
Rick Catherman
Peter Feeney
Frank Hammer
Tony Iannelli
Jane Pacheco

DRAFT
CITY OF CHELSEA
REGULAR COUNCIL MEETING
MONDAY, JUNE 18, 2018
311 S. MAIN ST.
CHELSEA, MI 48118

CITY MANAGER
John P. Hanifan

CITY CLERK
Laura Kaiser

DEPUTY CLERK
Karon Barbour

Call to Order

Present: Mayor Johnson, Council Members Albertson, Catherman, Feeney, Hammer, Iannelli, City Manager Hanifan, City Clerk Kaiser
Absent: Council Member Pacheco

Mayor Johnson called the meeting to order at 7:00 pm.

Pledge of Allegiance to the Flag of the United States

Approval of Consent Agenda

1. Meeting minutes of the June 4, 2018 regular meeting
2. Approval of Bills
3. Chelsea Senior Center Agreement
4. Community Education Agreement
5. WAVE Agreement
6. AATA Agreement

MOVED Hammer SECONDED Albertson to approve the consent agenda. All Ayes.
Motion Carried.

Approval of Regular Agenda

MOVED Feeney SECONDED Hammer to approve the regular agenda with an amendment to move the Gun Safety Week Proclamation from Presentations to Council Business item #1. All Ayes. Motion carried.

Public Comments

1. Chelsea resident, Erin Lightfoot expressed her concerns regarding drainage problems on her street.
2. Lisa Allmendinger of the Chelsea Update told Council that she and her dog, Buzz will be representing Chelsea at the Rally National Championships in Ohio.
3. Chelsea resident, Susanne VandenBosch thanked the City crews for cleaning up the tree that was hit by a piece of farm equipment.

Presentations

1. Proclamation (Gun Safety Week) – This item has been moved to Council Business item #1.

Public Hearing -none

Council Business

1. **Proclamation – Gun Safety Week**
(Submitted by Mayor Johnson)

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MOVED Albertson SECONDED Hammer to adopt the June 17, 2018 – June 23, 2018 Gun Safety Week proclamation. All Ayes. Motion Carried.

2. Zoning Board of Appeals (Alternate) Appointment

(Submitted by Mayor Johnson)

The Zoning Board of Appeals (ZBA) has an open position for Alternate with a term expiring 9/30/2020. The application period was open for 30 days and has expired. An application was received from Chelsea resident, Andrew Dunn. That application was forwarded to City Council. No other applications have been received.

MOVED Hammer SECONDED Catherman to appoint Andrew Dunn to the Zoning Board of Appeals as Alternate for the term ending September 30, 2020. All Ayes. Motion Carried.

3. Human Rights Commission Appointment

(submitted by Mayor Johnson)

The Human Rights Commission has one open board member position for a term ending 2/1/2021. The application period closing date has expired. An application was received from Lori Klein-Shapiro and was forwarded to City Council.

MOVED Catherman SECONDED Albertson to appoint Lori Klein-Shapiro to the Human Rights Commission for the term ending 2/1/2021. All Ayes. Motion Carried.

4. Ratification of Agreement between Local 214 and City of Chelsea

(submitted by City Manager Hanifan)

Negotiations have been on-going since April. Attached is the agreement summary of changes to the contract with Teamsters and the City of Chelsea. The new agreement is three-year term from July 1, 2018 to June 30, 2021. There are several small changes, but the most significant economic changes are:

1. \$500 signing bonus (a one-time payment in July 2018)
2. A \$100 increase in boot allowance (from \$100 to \$200)
3. 3% Wage increase in 2018
4. 2% Wage increase in 2019
5. 2% Wage increase in 2020
6. City of Chelsea will offer a High Deductible Health Savings Arrangement option for healthcare, in addition to current medical plan.
7. A 1.75% multiplier for retiree healthcare, contingent upon the two remaining eligible employees receiving this benefit retiring prior to 7/1/2021.

MOVED Feeney SECONDED Catherman to ratify the Collective Bargaining agreement with Teamsters Local 214 with the proposed changes for the period of July 1, 2018 to June 30, 2021. All Ayes. Motion Carried.

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5. Part-time Employee Wage Increase

(submitted by City Manager Hanifan)

The City is proposing a wage increase of 2% for part-time City employees. This increase is in the range with the proposed increases effective July, 2018 for Teamsters Local 214 and the tentative agreement with POAM Union employees.

This impacts 13 City employees as follows:

1. Eight part-time Police staff (4 dispatchers, 4 crossing guards)
2. Four part-time Police Officers
3. One part-time Administrative staff member

MOVED Albertson SECONDED Iannelli to approve a 2% wage increase for all part-time City of Chelsea employees effective July 1, 2018. All Ayes. Motion Carried.

6. Non-Union, Salaried Employee Wage Increase

(submitted by City Manager Hanifan)

The City is proposing a wage increase of 2% for Non-Union, Salaried Employees effective July 1, 2018. This increase is in the range with the proposed increase effective July 1, 2018 for Teamsters Local 214 and the tentative agreement with POAM Union employees.

The City's historical practice has been to keep non-union, salaried employee wage increases in the line with full-time, union employee wage increases. However, an increase for non-union, salaried employees requires the approval of City Council. The purpose of this agenda item is to formally request approval for the implementation of a 2% increase for all non-union, salaried employees effective July 1, 2018. This impacts 12 non-union salaried employees.

MOVED Albertson SECONDED to approve a 2% wage increase for non-union salaried employees effective July 1, 2018. All Ayes. Motion Carried.

7. Annual Other Post-Employment Benefit (OPEB) Liability Funding

(submitted by Administrative Director Garber)

The purpose of this agenda item is to request the budgeted transfer to the Retirement fund to support post-retirement health insurance costs for eligible City employees and retirees. The City established a trust fund for these benefits through the ICMA with the approval of City Council during the 2008-2009 budget year. With this contribution, the estimated net OPEB asset balance (with the accumulated gain/loss on investment) is approximately \$1,923,213.

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The \$25,000 is made up of contributions by each fund based on the number of employees eligible for this retirement benefit. This year's contribution by fund is as follows:

General Fund	\$14,750 (59%)
Solid Waste	\$2,250 (9%)
Streets	\$1,000 (4%)
Electric	\$4,000 (16%)
Wastewater	\$1,750 (7%)
Water	\$1,250 (5%)

The \$25,000 is in addition to the actual cost paid annually for current retirees, although actual costs were also lower as current retirees transition to Medicare and the City's Medicare Advantage plan. The \$25,000 is in line with our adopted policy.

MOVED Hammer SECONDED Feeney to allow the City to transfer \$25,000 to its established ICMA OPEB investment trust fund as budgeted for eligible employee and retiree health insurance benefits. All Ayes. Motion Carried.

8. Annual Electric Payment In lieu of Taxes (PILOT) Transfer
(submitted by Administrative Director Garber)

The City requests approval to transfer the budgeted PILOT from the Electric Fund to the General Fund. The amount is \$440,000 or 5% of budgeted electric sales as approved in the City's 2017-2018 budget. This transfer relates to the February 1992 City Council resolution establishing a payment in lieu of taxes (PILOT) by the Electric Fund to the General Fund for property taxes on poles, lines and equipment used in the distribution of City electric power. This resolution was amended in May 2016 to reduce the PILOT amount to 5%. PILOT payments are common among municipal power systems across the country. This transfer impacts the following budget line items:

- 582-538-955000 Electric Payment in Lieu of Taxes (expense)
- 101-000-405000 General Fund Payment In lieu of Taxes (revenue)

MOVED Feeney SECONDED Albertson to complete the budgeted PILOT transfer as approved for the 2017-2018 budget year. All Ayes. Motion Carried.

9. Appointment of Employer Delegates to MERS Annual Meeting
(submitted by City Manager Hanifan)

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Each year, the Municipal Employees' Retirement System (MERS) conducts an Annual Meeting addressing changes and updates relating to their defined benefit and defined contribution plans. Every member municipality has the option of sending an Employer and an Employee Delegate. Full-time, union employees elect the Employee Delegate. The City Council appoints the Employer Delegate (referred to as the Officer Delegate).

MOVED Albertson SECONDED Hammer to appoint Amanda Garber as the City of Chelsea's Officer Delegate and Chuck Stevens as Alternate Officer Delegate to the Michigan Municipal Employee's Retirement System Annual Meeting. All Ayes. Motion Carried.

10. 2017-2018 Yearend Budget Amendments
(submitted by Administrator Director Garber)

Request that the City Council adopt the attached budget amendments for the 2017-2018 budget. These amendments reflect changes that occurred during the course of business to date for this fiscal year. The attached spreadsheet provides explanation of significant line items requiring an adjustment. Most the amendments requested are simply due to monies not used or shifting of monies between line items to more accurately reflect actual monies spent. Budgeting is not an exact science. Communication of expenditures, review of expenditures and approval of amendments to budget estimates is part of the normal cycle of City finance of which City Council plays a key role.

MOVED Albertson SECONDED Hammer to resolve that the City Council of the City of Chelsea hereby adopts the attached line item budget amendments for the fiscal year 2016 – 2017. Roll Call Vote. All Ayes. Motion Carried.

Staff Reports

- City Manager Hanifan reported that the Police Officers Association of Michigan has reached a tentative agreement with the City of Chelsea. He expects to present the agreement at the next council meeting. The next council meeting will be Monday, July 9, 2018.
- Police Chief Toth presented the May 2018 police report and reminded drivers that school is out and to please drive safely and obey the speed limit.

Council Reports

- Council Member Iannelli reported that the next Sustainability Advisory Commission meeting is Wednesday, June 20th at the City Office conference room.

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- Council Member Albertson reported on the June 6th Human Rights Commission meeting. The surveys will be picked up and the data will be processed. The Planning Commission meeting was cancelled. ZBA is meeting on Wednesday, June 20th.
- Council Member Feeney reported on the Housing Research Advisory Commission where they are looking at assembling information from various sources. He also met with the Master Plan Working Group. CAFA meets Tuesday, June 19th.
- Council Member Catherman participated in the Gay Pride March in Chelsea on June 10th. On June 12th Mr. Catherman had the opportunity to attend the ribbon cutting ceremony at the St. Louis Center Guanella Village. He toured the facility and said it was absolutely remarkable. On June 14th Mr. Catherman attended the ribbon cutting at the Sharon Ann Apartments / Avalon Housing project. He was able to speak on behalf of the City. A number of collaborators worked together on this project. He thanked Nancy Paul and Doug Smith of Faith in Action for their involvement. On June 15th Mr. Catherman attended the Housing Research Advisory Commission. Their next meeting is July 13th at 4:00pm at the City Council Chambers. He attended the Chelsea Forum on June 16th. Their next meeting is July 21st at 10:15am in the McKune Room at the library.
- Council Member Hammer commented about supporting the LGBTQ efforts in Chelsea. He said the Sustainability Advisory Commission is still interested in Council putting together at table presentation at Sights and Sounds.
- Council Member Pacheco was absent.
- Mayor Johnson had the opportunity to participate in a bike Ride-a-long with Washtenaw County Parks and HWPI executive director. She was invited to a Question & Answer format discussion with Silver Maples residents. She said they are a well-informed group and had an enjoyable discussion. Mayor Johnson attended the School Board meeting where they are discussing school of choice. The School Board is taking input from the public. On June 12th SEMCOG RC2 Grant Review committee made grant awards. They look forward to formally announcing the recipients. Mayor Johnson attended the St. Louis Guanella Village open house. She encourages you to visit the center. On June 13th Mayor Johnson and City Manager Hanifan had an update meeting with SPARK regarding the Federal Screw property. The Master Plan Working Group has reached the final text agreement. It will be brought to Council and Planning Commission for approvals. Mayor Johnson attended the tail end of the Sharon Apartment / Avalon Housing open house. She thanked Mr. Catherman for representing the City at that event. Mayor Johnson spoke about the 'Why You Matter' campaign and encourages you to look at the flags that are being displayed downtown Chelsea.

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Parks & Recreation Commission meets on Tuesday at 9:00am. DDA meets on Thursday at 7:30am. The Transportation Working Group meets on June 28th at 9:00am. Mayor Johnson explained the Transportation Working Group continues to work on a variety of transportation issues, including road planning, non-motorized planning and traffic calming. The traffic calming campaign focuses on Education, Enforcement and Engineering and she talked about that effort. She said each of us should take personal responsibility to obey the speed limits, come to complete stops and be conscience of driving behavior. Please share any traffic safety concerns with the police department or contact a City representative. Mayor Johnson reported on a communication she received from Chelsea resident, Ms. Lightfoot. Mayor Johnson said she spoke to Ms. Lightfoot and let council know that City staff is examining the issue.

Adjournment

MOVED Hammer SECONDED Feeney to adjourn at 7:58 pm. All Ayes. Motion Carried.

Approved:

Melissa A. Johnson, Mayor

Laura Kaiser, Clerk