

**CITY OF GRAND HAVEN
519 WASHINGTON AVE.
GRAND HAVEN, MICHIGAN
REGULAR CITY COUNCIL MEETING
MONDAY, JANUARY 3, 2022**

The Regular Meeting of the Grand Haven City Council was called to order at 7:32 p.m. by Mayor Cathy McNally in the Council Chambers of City Hall.

Present: Council Members Karen Lowe, Ryan Cummins, Kevin McLaughlin, Mike Fritz, and Mayor Cathy McNally.

Absent: None.

Others Present: City Manager Patrick McGinnis, City Clerk Kelly M. Beattie, Assistant City Manager Ashley Latsch, Director of Public Works Derek Gajdos; Community Development Manager Jennifer Howland; Human Resources Manager Zac VanOsdol; and Finance Director Amy Bessinger;

INVOCATION/PLEDGE OF ALLEGIANCE

The invocation was given by Roger Bergman, Covenant Life Church, Grand Haven and was followed by the Pledge of Allegiance as led by Mayor McNally.

APPOINTMENTS TO BOARDS & COMMISSIONS

None

APPROVAL OF CONSENT AND REGULAR AGENDAS

22-001 Moved by Council Member Cummins, seconded by Council Member Fritz, to approve the consent and regular agendas, as amended. The Council removed New Business Item A and requested that the City Attorney Opinion relating to the removal of the item be printed in full in the minutes. This motion carried unanimously.

The opinion from the City Attorney reads as follows:

Good morning, all, and happy New Year!

I have given some thought to the City Council placing on the ballot a proposed ordinance for adoption or rejection by the City electors. My further review has confirmed my initial concern that the Council does not have the authority to take such action, and that any following vote by the electors would not be a valid mechanism for adopting an expanded marihuana ordinance.

The City Charter allows the electors of the City to referendum an ordinance already adopted by the Council, and the Charter allows the electors to petition for

the adoption of a new ordinance. These procedures are described in Sections 6.9 through 6.13 of the Charter. Essentially, if the Council adopts an ordinance, and if a referendum petition with enough valid signatures is submitted, the Council has the choice to repeal the ordinance or submit it a vote of the electors. With an initiatory petition, submitted with enough valid signatures and a proposed ordinance, the Council has the choice to adopt the ordinance as submitted or submit the ordinance to the electors for a vote. However, there is nothing in the Charter, or in state law, that would give the Council the adoption of placing a proposed ordinance on the ballot, for consideration by the electors, without either a referendum petition or an initiative petition. Further, of course, with a referendum petition, the Council has already adopted an ordinance and the electors are seeking a referendum vote, while with an initiative petition, the electors submitting the petition prepare the proposed ordinance.

There is authority to indicate that the Council could do an informal poll of its electors to see what their collective thoughts are on a topic. However, any such poll would not be binding, and it would simply be an answer to a question, which may or may not give a clear indication of what the electors think as a group on a subject matter.

Finally, the state has a constitutional provision that allows the legislature to condition an adopted law on a vote of the people. There is no such provision in state law for cities in general, nor is there such a provision in the Charter for this City.

Per all of the above, I do not believe it is possible for the Council to consider a proposed ordinance, and then submit it to the electors without the Council adopting the ordinance in the first place. Please advise if this raises any further questions or comments. Thanks very much.

Ronald A. Bultje

GENERAL BUSINESS/CALL TO AUDIENCE

Mayor McNally made a call to the audience, allowing audience members to address Council on any issue. There were six speakers:

1. Jim Hagen, 400 Lake Ave, spoke on pension funding, raising concerns of the increase in per capita unfunded liability approaching 2030.
2. Carolyn Taylor, 15177 Ferris St., shared a personal story of her son, as a cautionary testament against marijuana use by youth in the community.
3. Mike Westbrook, 234 Lafayette, Board of Light and Power Vice Chairperson, requested that the City Council delay the consideration by City Council of Agenda Item E under

New Business until the City Council has had a joint public meeting with the BLP. The City Council was invited the City Council to a joint public meeting on Thursday, January 13.

4. Jay Whitelaw, 104 Poplar Rdg., spoke in support of a joint meeting between the City Council and BLP that the public could attend.
5. Andrea Hendrick, 1514 Pennoyer Ave., (VIA PHONE), BLP Board Director, spoke in support of delaying a vote on Agenda Item E until the BLP and City Council have had a joint meeting.
6. Jamie Cooper, 518 Friant, spoke in support of the current medical marijuana ordinance, and is supportive of adding social services and education to address concerns arising from increases in marijuana accessibility.

WORK SESSION CONTINUED

The work session resumed at 7:54 p.m.

Mike Overly, Regional Manager, Municipal Employees' Retirement System of Michigan (MERS) continued his presentation.

CM Cummins questioned the MERS strategy for minimizing risks during another major economic downtown. In response to this question, Mike Overly, shared changes to MERS investment strategies in the past several years, including adjustments to computations of assumed rate of returns.

CM Lowe raised concerns that Grand Haven is ranked the 13th worst in pension health as measured by unfunded liabilities worst on the Michigan Department of Treasury Community Financial Dashboard. Lowe also spoke to the unaffordability of a defined benefit plan for the City of Grand Haven compared to a defined contribution plan.

CM McLaughlin raised concerns on the rates that the employees are paying is high and is concerned that the current rate employees contribute is too high (17%) for employee recruitment and retention and asked for options that alleviate the high employee contributions.

CM Fritz expressed appreciation at the options presented.

Mayor McNally asked if MERS also administers defined contribution plans and how the investment works for individual employees. In response to this question, Mike Overly, provided an overview of the define contributions plan, a 401a plan, that empowers employees to make investment decisions.

Work session concluded at 8:08 p.m.

CONSENT AGENDA

22-002 Moved by Council Member McLaughlin, seconded by Council Member Lowe, to approve the Consent Agenda.

22-003 Moved by Council Member McLaughlin, seconded by Council Member Lowe, to approve the City Council minutes for the special work session and regular meeting held on December 20, 2021. This motion carried unanimously.

22-004 Moved by Council Member McLaughlin, seconded by Council Member Lowe, to approve the bills memo in the amount of \$715,448.09. This motion carried unanimously.

22-005 Moved by Council Member McLaughlin, seconded by Council Member Lowe, to approve Change Order 01 for the Robinson Landing Utility Extension to Jackson Merkey Contractors, of Muskegon Michigan in the not to exceed amount of \$3,207.69 and authorize the Mayor and Clerk to execute the necessary documents. This motion carried unanimously.

PRESENTATIONS

A. Four Pointes - Overview of 2021

Presentation by: Kim Kroll, Executive Director; Kate Laughlin, Social Services Director; Alex Brown, Wellness Center Director; and Lisa Lucky, Chair of the Board of Directors. This presentation included:

- Presentation on the mission and philosophy of Four Pointes.
- Activity opportunities offered at the Wellness Center in Grand Haven
- Community living services, including age in place and case coordination
- Consumer support services provided to the older adult community
- Volunteer opportunities open to members of the community with Four Pointes
- Covered FAQs and Accomplishments from 2021

CM Fritz thanked the staff of Four Pointes for their commitment to the community

B. FY2020-21 Audit Presentation – Peter Haefner, Vredeveld Haefner

Peter Haefner presented on the recent audit of City Finances. This presentation included:

- An explanation of the scope of the annual financial reports and the overview of the opinions contained therein. Opinions on three areas: financial statements, system of internal controls over financial reporting, and compliance with federal grant requirements.

CM Lowe asked about best practices, what improvements have been made over the years, and what other items are of note and what is upcoming as well as the Audit Committee makeup and if there are suggestions to improve this committee.

Peter Haefner, responded that control processes are in line with standards, issues are addressed; there will be many coming standards in the future years from the Government Accounting Board; Audit Committees are not common, but Grand Haven has good members and that the committee is very helpful.

CM Cummins and CM McLaughlin questioned the expenditures in excess of appropriations throughout the year (budget overages) and asked the auditors opinion on this topic. Peter Haefner responded that budget overages are fairly common and occur in about half of entities in his experience.

CM Fritz and Mayor McNally Thanked the audit firm and City finance department for their hard work.

C. EGLE Water Distribution and Filtration Licensing Presentation

Derek Gajdos announced new license for three members of the Department of Public Work staff

- Matt Wade received an S-1 License (Distribution)
- Adam VanOeveren received an F-2 License (Filtration)
- Clayton Zimmerman received an S-4 License (Distribution)

The City Council congratulated and praised the above employees for their work in obtaining these licenses.

NEW BUSINESS

22-006 Moved by Council Member Frtiz, seconded by Council Member Lowe, to approve a resolution to receive and place on file, the annual financial reports for June 30, 2021, as presented by Vredeveld Haefner. This motion carried unanimously.

22-007 Moved by Council Member McLaughlin, seconded by Council Member Cummins, to approve a resolution to grant a one-year extension (to April 13, 2023) to complete construction and commence business operations of a medical marihuana provisioning center located at 1021 Jackson Avenue. This motion carried unanimously.

Mayor McNally inquired about the number of applicants in this process and if an extension would open the City to litigation from those not selected to move forward in the process and expressed concerns about litigation in numerous other cities.

Jennifer Howland responded to the Mayor's question with the following information: seven businesses applied and four were selected through the lottery process during the summer of 2020.

The City Attorney responded to this concern via text message which was read out loud by the City Manager, the City Attorney comments was, "My answer is no, it doesn't. Someone could

make the claim but I don't think it would be valid. If we give an extension because we are thinking that in working through the ordinance for the first time, the deadlines should be studied further, that is a reasonable approach."

CM Lowe suggested a moratorium on applications for provisioning centers be placed on an upcoming agenda.

22-008 Moved by Council Member Cummins, seconded by Council Member Fritz, to approve a resolution to increase seasonal employee wages by 5.5% to attract and retain talent effective January 3, 2022. This motion carried unanimously.

Zachary VanOsdol spoke to the increase in frontline worker wages in the area; March will be the start of the hiring process, when the City will hire around 40 employees for seasonal positions. Mayor McNally asked how these are advertised and the minimum ages requirements to fill these positions. Zachary VanOsdol responded that most positions have a minimum age of 18, and the recruitment strategy includes referrals, working with school staff, and general postings.

CM Lowe asked about seasonal employee opportunities to transition into non-seasonal positions with the city suggesting an orientation program that introduces the seasonal employees to the scope of City operations.

22-009 Moved by Council Member McLaughlin, seconded by Council Member Fritz, to approve a to select HDR, Ann Arbor, MI to be the Environmental Consultant of record and authorize City Staff to negotiate a service contract for holistic environmental consultation and remediation services. Council Member Cummins, seconded by Council Member Lowe made a motion to postpone this motion until the January 18 meeting of the City Council. The motion to postpone passed unanimously.

Mike Westbrook, Vice Chair of the Board of Light and Power was invited to comment on this item and spoke in support of postponement until a joint meeting could be held indicating that the BLP has a lot of information to share.

In response to inquiries from the City Council, the City Manager stated that there were no hard deadlines for this motion to be adopted tonight.

UNFINISHED BUSINESS

None

REPORTS BY CITY COUNCIL

CM Fritz thanked the staff for the New Year's Eve party. Expressed concern over the lack of information shared prior to a recent closed session of the City Council.

CM McLaughlin provided no report.