



**CITY COUNCIL
MEETING AGENDA**
1st and 3rd Thursday of the Month

Marc D. Tall, Council Member
Ronald J. Beauchamp, Council Member
Patricia A. Baribeau, Council Member
Ralph B. Blasier, Council Member
Michael R. Sattem, Council Member

James V. O'Toole, City Manager
Robert S. Richards, CMC City Clerk
Ralph B. K. Peterson, City Attorney

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba MI 49829

The Council has adopted a policy to use a Consent Agenda, when appropriate. All items with an asterisk (*) are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event, the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Regular Meeting

Thursday, June 1, 2017, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE -

Pastor Jason Janich of New Life Assembly of God

APPROVAL/CORRECTION(S) TO MINUTES -

Regular Meeting - May 18, 2017, Special Meeting - May 24, 2017.

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION

BEIRF PUBLIC COMMENT

PUBLIC HEARINGS

NEW BUSINESS

- 1. Approval - Resolution of Support – Bonifas Art Center – 2018 Music Mondays Summer Concerts.**
Explanation: The Bonifas Art Center is seeking Council approval of a resolution supporting their grant application to the Michigan Council for Arts and Cultural Affairs seeking funds for the “Music Mondays” Summer Concert Series. If approved, the City of Escanaba will serve as the Administrator for the funds. Administration is recommending approval.

- 2. First Reading of Ordinance No. 1187 – An Ordinance to Amend Chapter 18 (Offenses) and 19 (Parks and Recreation), of the City Code of Ordinances to Prohibit Smoking and Apply Park Rules to the Escanaba Market Place.**
Explanation: The Escanaba Downtown Development Authority is requesting the City Council to amend Chapter 18 (Offenses), Section 18.203 (1) and Chapter 19 (Parks and Recreation), Section 19-2, of the City Code of Ordinances to prohibit smoking at the newly constructed Escanaba Market Place and apply park rules to the same facility. Administration is requesting that the City Council set June 15, 2017, for the second reading, public hearing and adoption of Ordinance No. 1187.

- 3. Approval – Workers Compensation Excess Coverage Insurance.**
Explanation: Administration is seeking Council approval of a two (2) year contract renewal with Midwest Employers Casualty Company, of Chesterfield, MO in the amount of \$45,925 annually. This purchase is included in the upcoming fiscal year budget.

- 4. Approval – Professional Services – Comprehensive Risk Services – Worker Compensation Claims.**
Explanation: Administration is seeking Council approval to retain Comprehensive Risk Services of Marquette, MI to administer the City of Escanaba Workers Compensation claims in the amount of \$7,200 annually over three (3) years. This purchase is included in the upcoming fiscal year budget.

- 5. Update – City Manager Interview Process.**
Explanation: Council will update the status of filling the upcoming City Manager position vacancy.

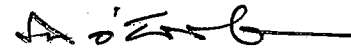
Agenda – June 1, 2017

6. **Discussion/Action - Collective Bargaining Agreement - Teamsters Local 406 - Public Safety Command Unit.**
Explanation: Administration is requesting Council go into closed session to discuss a 3 year collective bargaining agreement between the City of Escanaba and Teamsters Local 406, Public Safety Command Unit.

7. **Discussion/Action - Collective Bargaining Agreement - Teamsters Local 406 - Public Safety Officers and Dispatchers.**
Explanation: Administration is requesting Council go into closed session to discuss a 3 year collective bargaining agreement between the City of Escanaba and Teamsters Local 406, Public Safety Officers and Dispatchers.

APPOINTMENTS
BOARD, COMMISSION, AND COMMITTEE REPORTS
GENERAL PUBLIC COMMENT
ANNOUNCEMENTS
ADJOURNMENT

Respectfully Submitted



James V. O'Toole
City Manager

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, May 18, 2017**

The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O'Toole, City Department Heads, media, and members of the public.

Clerk Richards led in the Pledge of Allegiance.

Sattem moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from May 4, 2017, as submitted.

ADJUSTMENTS TO THE AGENDA

Council Member Beauchamp asked to add a City Manager Update.

Beauchamp moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to approve the agenda as amended.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Public Hearing and Adoption – FY2017-18 Operating Budget.

The Council has conducted four (4) public hearings and two (2) budget work sessions to set a proposed FY2017-18 operating budget. This was the final public hearing on the FY2017-18 City operating budget and established a City millage rate of 17.00 mills. Administration recommended Council approval of the FY2017-18 Operating Budget and approval of the FY2017-18 Master Fee Schedule.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no further public comment, Mayor Tall closed the public hearing.

PH-1a Sattem moved, Blasier seconded, to establish the City millage rate at 17.00 mills for 2017-2018 Budget Year and to adopt the 2017-2018 City Budget as

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published.

Upon a call of the roll, the vote was as follows:

Ayes: Sattem, Blasier, Baribeau, Beauchamp, Tall
Nays: None

MOTION CARRIED.

PH-1b Beauchamp moved, Baribeau seconded, to establish approval of the FY 2017-18 Master Fee Schedule.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Baribeau, Sattem, Blasier, Tall
Nays: None

MOTION CARRIED.

UNFINISHED BUSINESS – None

NEW BUSINESS

First Reading of Ordinance No. 1177, the Appropriations Ordinance, Including the Millage Rate of 17.00 Mills and Setting the Date of Wednesday, May 24, 2017, for the Second Reading, Public Hearing, and Adoption.

Once the City Council approves the budget, the Council must approve a tax levy and authorize appropriations to implement the budget. Administration recommended a special meeting of the Council for Wednesday, May 24, 2017, at 8:00 a.m. be scheduled for the second reading, public hearing, and adoption of Appropriations Ordinance No. 1177.

NB-1 Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to set the date of May 24, 2017, at 8:00 a.m. for the second reading, public hearing, and adoption of the Appropriations Ordinance No. 1177 and millage rate of 17 mills.

First Reading of Ordinance No. 1178, the Tax Levy Ordinance, and Setting the Date of Wednesday, May 24, 2017, for the Second Reading, Public Hearing and Adoption.

Section 9, Chapter VIII, of the City Charter requires the City, by Ordinance, to levy taxes that may be necessary to meet the appropriations' needs for the upcoming fiscal year budget. Administration recommended a special meeting of the Council for Wednesday, May 24, 2017, at 8:00 a.m. be scheduled for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1178.

Blasier moved, Baribeau seconded, to set the date of May 24, 2017, at 8:05 a.m. for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1178.

After discussion, Tall moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to amend the main motion stating the start time to be 8:00 a.m. for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1178.

NB-2 Blasier moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to set the date of May 24, 2017, at 8:00 a.m. for the second reading, public hearing, and adoption of Tax Levy Ordinance No. 1178.

First Reading of Ordinance No. 1180, the Electric Rate Ordinance, and Setting the Date of Monday, June 5, 2017, for Second Reading, Public Hearing, and Adoption.

Annually, the City Council sets electric utility rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1180 and to schedule the second reading and public hearing for June 5, 2017, at 8:00 a.m.

NB-3 Satttem moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2017, at 8:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1180.

First Reading of Ordinance No. 1181, the Wastewater Rate Ordinance, and Setting the Date of Monday, June 5, 2017, for the Second Reading, Public Hearing, and Adoption.

Annually, the City Council sets wastewater utility rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1181 and to schedule the second reading and public hearing for June 5, 2017, at 8:00 a.m.

NB-4 Beauchamp moved, Satttem seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2017, at 8:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1181.

First Reading of Ordinance No. 1182, the Water Rate Ordinance, and Setting the Date of Monday, June 5, 2017, for Second Reading, Public Hearing, and Adoption.

Annually, the City Council sets water utility rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1182 and to schedule the second reading and public hearing for June 5, 2017, at 8:00 a.m.

NB-5 Satttem moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2017, at 8:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1182.

First Reading of Ordinance No. 1183, the Solid Waste Ordinance, and Setting the Date of Monday, June 5, 2017, for the Second Reading, Public Hearing, and Adoption.

Annually, the City Council sets solid waste rates for the next fiscal year. Council was asked to consider this the first reading of Ordinance No. 1183 and to schedule the second reading and public hearing for June 5, 2017, at 8:00 a.m.

NB-6 Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to set the date of June 5, 2017, at 8:00 a.m. for the second reading, public hearing, and adoption of Ordinance No. 1183.

Approval – Annual Water/Wastewater Chemical Purchases.

Administration sought Council purchasing approval on the following annual chemical bids:

- a. Wausau Chemical Co, Wausau, WI. Award of a bid to furnish approximately 35,000 pounds of Hydro-fluosilicic acid for use in drinking water treatment of \$41.547 /cwt in 2750 pound totes.
- b. ChemTrade Chemicals US, LLC, Parsippany, NJ. Award of bid to furnish approximately 100 net tons of Aluminum Sulfate liquid in the amount of \$267.00 per dry ton.
- c. BHS Marketing, LLC. Salt Lake City, UT. Award of bid to furnish approximately 95 tons of Dense Soda Ash in 50 pound bags for use in drinking water treatment in the amount of \$18.0915/ cwt 50lb bags.
- d. Kirmira Water Solutions, Inc. Lawrence, KS. Award of bid to furnish approximately 50 tons of dry weight Ferric Chloride in the amount of \$598.00 / dry ton.
- e. Hawkins, Inc., Roseville, MN. Award of bid to furnish approximately 10 tons of liquid Chlorine in amount of \$61.50 per cwt in 150 pound cylinders.
- f. Hydrite Chemical Company, Brookfield, WI. Award of bid to furnish approximately 10 tons of liquid Chlorine in amount of \$62.50 per cwt in ton cylinders.
- g. Carbon Activated Corp. Compton, CA. Award of bid to furnish Powdered Activated Carbon in the amount of \$0.73 per pound bagged.

NB-7(a-g) After a discussion on spending limits, Council Member Blasier, seconded by Council Member Sattem, that the Chemical Bid agenda items be approved as proposed in the unit prices as stated.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Sattlem, Baribeau, Beauchamp, Tall
Nays: None

MOTION CARRIED.

City Manager Update

- City Manager O'Toole provided a brief update on the new City Manager Search;
- Received 20 new applicants and heard from 5 applicants from the original submissions who wish to be reconsidered;
- Resumes were due May 26, 2017;
- Suggested a study session to review the applicant list.

Blasier moved, Beauchamp seconded, to schedule a special meeting on May 31, 2017, at 3:00 p.m. to assess the City Manager applications and develop a possible interview pool.

It was suggested that at the May 31, 2017 at 3:00 p.m. meeting to have a discussion to consider appointing Ralph B.K. Peterson as an interim City Manager.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES

Mayor Tall, with Council Consensus, made the following appointments:

Patricia Woerpel to the City Recreation Advisory Board, term ending June 1, 2020;

Marla Perryman to the City Housing Commission, term ending June 1, 2019.

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS

- Animal Shelter Annual Fund raiser was scheduled for May 19th and 20th;
- Downtown Clean-up was scheduled for Saturday May 20th.

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Hearing no further public comment, the Council adjourned at 7:31 p.m.

Respectfully submitted

Robert S. Richards
City Clerk

Approved: _____
Marc D. Tall, Mayor

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Special Council Meeting
Wednesday, May 24, 2017**

Pursuant to a meeting notice posted on May 18, 2017, the meeting was called to order by the Honorable Mayor Marc D. Tall at 8:00 a.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O'Toole, Clerk Robert S. Richards, media, and members of the public.

ADJUSTMENTS TO THE AGENDA

Beauchamp moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

UNFINISHED BUSINESS – None

PUBLIC HEARINGS

Second Reading, Public Hearing of Ordinance No. 1177, the Appropriations Ordinance, Including the Millage Rate of 17.00 Mills.

In accordance with Chapter VIII. General Finance of the City Charter, Section 9, Council was required by ordinance to levy taxes that are necessary to meet the appropriations made for the upcoming fiscal year.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no public comment, Mayor Tall closed the public hearing and the following resolution was made:

PH-1 "By Council Member Sattem, seconded by Council Member Blasier;

Resolved, That Ordinance No. 1177, the Appropriations Ordinance, given its second reading and public hearing at this meeting, be and is hereby adopted and that it be published in accordance with the requirements of the City Charter."

Upon a call of the roll, the vote was as follows:

Ayes: Sattem, Blasier, Baribeau, Beauchamp, Tall
Nays: None

RESOLUTION DECLARED ADOPTED.

Herewith Ordinance No. 1177 adopted by title:

"AN ORDINANCE TO MAKE APPROPRIATIONS AND CORRESPONDING REVENUES FOR THE YEAR ENDED JUNE 30, 2018."

Full text in Ordinance Record "K"

Second Reading, Public Hearing of Ordinance No. 1178, the Tax Levy Ordinance.

In accordance with Chapter VIII. General Finance of the City Charter, Section 9, Council must approve a tax levy and authorize appropriations to implement the budget for the upcoming fiscal year.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no public comment, Mayor Tall closed the public hearing.

PH-2 "By Council Member Beauchamp, seconded by Council Member Baribeau;

Resolved, That Ordinance No. 1178, the Tax Levy Ordinance setting the millage rate at 17 mills, given its second reading and public hearing at this meeting, be and is hereby adopted and that it be published in accordance with the requirements of the City Charter."

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Baribeau, Sattem, Blasier, Tall
Nays: None

RESOLUTION DECLARED ADOPTED.

Herewith Ordinance No. 1178 adopted by title:

"AN ORDINANCE TO LEVY SUCH TAXES AS MAY BE NECESSARY TO MEET APPROPRIATIONS MADE AND ALL SUMS REQUIRED BY LAW TO BE RAISED TO DEFRAY THE DEBTS, EXPENDITURES, AND LIABILITIES OF SAID CITY FOR THE FISCAL YEAR ENDING ON THE 30TH DAY OF JUNE, 2018, AND REQUIRING AN AUTHORIZED LEVY ON THE JULY, 2017, CITY TAX ROLL OF RETURNED UNPAID SPECIAL ASSESSMENTS, TOGETHER WITH SUCH PENALTIES THEREON AS IS PROVIDED BY THE CITY CHARTER."

Full text in Ordinance Record “K”

NEW BUSINESS – None

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 8:02 a.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor



May 16, 2017

Escanaba City Council
c/o: Jim O'Toole, City Manager

Dear City Council:

The Bonifas Arts Center requests that the Council adopt the attached Resolution in support of a grant application to the Michigan Council for the Arts and Cultural Affairs seeking matching funds for the Music Mondays Summer Concert Series.

The grant proposes a collaborative effort between the City and the Bonifas to enrich the cultural lives of area residents through exposure to new music. The Bonifas is requesting that the City serve as lead applicant for this grant application since we have already received grant monies in this funding cycle and cannot receive a Mini Grant in 2017. The Resolution is a required component of the grant to confirm the City's approval to seek the grant and to comply with administering it (if awarded).

The grant proposes six "Music Mondays" in the evenings throughout June, July and August featuring artists/bands in the City band shell in Ludington Park along with a brief music appreciation segment led by some of the area's finest educators. The 2018 schedule will begin on the last Monday in June and continue until the first Monday in August. The Bonifas will coordinate the artists and educators and promote the events across the region.

The grant recipient's obligation under the grant is to serve as administrator of the funds which would entail; tracking and reporting on the grant funds received/expended from MCACA, documenting the City's in-kind contribution of facility use and staff time, compensating artists for their services and the Bonifas for organizing and promoting the events. The Bonifas would be happy to perform these tasks on behalf of the city.

For the Council's reference, included are supporting materials from the 2017 Music Mondays season. The following link is a video is from 2016 Music Mondays MCACA Mini Grant application: <https://youtu.be/ky42O-OQUsw>.

If there are any questions regarding this request please contact me.

Sincerely,

Sue Roll
Business Director
906-786-3833
sue@bonifasarts.org

**Resolution in Support of a Grant Application to the
Michigan Council for Arts and Cultural Affairs**

AT A MEETING OF THE CITY COUNCIL OF THE CITY OF ESCANABA, MICHIGAN,
HELD ON JUNE 1, 2017

RESOLUTION - SUPPORTING THE GRANT APPLICATION TO THE MICHIGAN
COUNCIL FOR ARTS AND CULTURAL AFFAIRS SEEKING MATCHING FUNDS
FOR THE "MUSIC MONDAYS" SUMMER CONCERT SERIES.

WHEREAS, the City Council of the City of Escanaba, Michigan, does
hereby find as follows:

WHEREAS, the City desires to support the cultural lives of area residents
through opportunities to be exposed to new art and music;

WHEREAS, the City has an excellent partner in the Bonifas Arts Center to
successfully organize and promote community events, and educate the
public through music appreciation programming;

WHEREAS, the City will administer the grant funds, if awarded, as set forth
in the application;

WHEREAS, the City has a policy detailing equal opportunity provisions for
job applicants and public accommodations and agrees to conform to the
Assurances and Guidelines set forth in the application;

NOW, THEREFORE, BE IT HEREBY PROCLAIMED by the City Council of the City
of Escanaba, Michigan, that the grant application should be made to the Michigan
Council for Arts and Cultural Affairs for the August 3, 2017 deadline.

City Council, Escanaba, MI

Dated:

Attest

Clerk, City Council
City of Escanaba, Delta County, State of Michigan

Dated: _____

thebonifas
arts center



MUSIC MONDAYS



Escanaba's Ludington Park, Karas Band Shell

Ask the Band at 6:30 PM

Concert begins at 7:00 PM

***Raining? Head to the Bonifas Arts Center—700 First Ave. South, Escanaba**

June 26

Jim & Ray

July 10

Speedy Beef

July 17

Say What?

July 24

ToHuBoHu

July 31

Kraig Kenning

August 7

The Cadillacs

Sponsors



thebonifas
arts center

700 1st Avenue South
Escanaba, MI 49829
www.bonifasarts.org



NB#2
cc. 6/1/17



May 18, 2017

Jim O'Toole
City Manager

Jim:

The Escanaba Downtown Development Authority would like to hold required public hearings at the City Council Meetings June 1st & June 15th with the intent to add the Escanaba Market Place Grounds to the City Codes under Ordinance 1187.

I have met with the City Clerk and provided additional information that was needed for this agenda item.

Sincerely,

Ed

Ed Legault
Executive Director
Escanaba Downtown Development Authority
edwarddda@att.net
W) 906-789-8696
F) 906-789-6182

ORDINANCE NO. 1187

AN ORDINANCE TO AMEND CHAPTER 18, SECTION 18.203(1) and
CHAPTER 19, SECTION 19-2, OF THE CODE OF ORDINANCES
TO PROHIBIT SMOKING AND APPLY PARK RULES TO
THE JOHN D. BESSE PARK

THE CITY OF ESCANABA ORDAINS:

CHAPTER I

Chapter 18, Section 18.203(1) of the Escanaba Code of Ordinances is hereby amended to read as follows:

Section 18.203(1). - Prohibition of Smoking on City of Escanaba Owned Outdoor Property

Smoking shall be prohibited on the following outdoor city-owned or leased property:

- (1) Smoking shall be prohibited within one hundred (100) feet of the following city playgrounds:

Harbor Hideout
Royce Playground
Rose Playground
Stephenson Playground
Jefferson Playground
Veterans Playground
Beach Playground
Westside Playground
Silvan Point Playground
John D. Besse Playground
And, Escanaba Market Place

CHAPTER II

Section 19-2, Definitions:

Public outdoor recreation areas is hereby amended by adding the following:

(10) The Escanaba Market Place Playground & Public Gathering Area

All the area of the DDA Property between 15th Street South & Ludington Street. West Boarder is 1513 Ludington Street (Jim's Music Property.) The playground area South of the Pavilion Structure is between 15th Street and borders residential property prior to 1st Ave South. The property includes a parking lot that is located north of 1st Ave South.

CHAPTER III

SAVINGS CLAUSE:

If any section, subsection, sentence, clause or phrase of the within Ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

CHAPTER IV

CONFLICTING ORDINANCES REPEALING CHAPTER

All Ordinances or parts of Ordinances in conflict with the provisions of this Ordinance are hereby repealed.

CHAPTER V

EFFECTIVE DATE

This Ordinance shall be in full force and effect ten (10) days after its passage and publication.

APPROVED

APPROVED

Ralph B.K. Peterson
City Attorney

Marc D. Tall
Mayor

Date Approved: June XX, 2017

ATTEST:

Date Published: June XX, 2017

Robert S. Richards, CMC
City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a Regular Meeting held on Thursday the XXX day of June 2017, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on Thursday, June XX, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Robert S. Richards, CMC
City Clerk

NB# 3
cc 6/1/17

MEMORANDUM

MAY 18, 2017

TO: JIM O'TOOLE

FROM: BOB VALENTINE

RE: WORKERS COMPENSATION EXCESS COVERAGE

I am requesting that the Council grant authorization for renewal of our workers comp. excess coverage policy with Midwest Employers Casualty Company. I am further recommending the two year contract option with annual premiums of \$45,925 during each year of the agreement. Our current annual premium for the same option is \$47,345.

In this case, we are unable to obtain bids or competitive quotes, as there is only one provider able to service our needs. CRS, our workers comp. third party administrator, is responsible for procuring excess coverage on our behalf. CRS has advised that there are only two insurance companies willing to write our excess coverage, Midwest and Safety National. Safety National is not a viable option, because they have a minimum annual premium of \$60,000, which far exceeds our quote from Midwest. Due to the tenuous nature of the excess market, I am recommending that we lock into a two year agreement with Midwest, which is the longest term available to us.

The City self-insures its worker's comp. risk, but we have historically purchased excess coverage to protect us from the financial impact of a catastrophic event or series of events resulting in catastrophic expense.

	EXCESS TERMS				
	Midwest Emp. Current Plan 7-1-15 / 7-1-17 (Two Year)	Midwest Emp. Option I 7-1-17 / 7-1-19 (Two Year)	Midwest Emp. Option II 7-1-17 / 7-1-19 (Two Year)	Midwest Emp. Option III 7-1-17 / 7-1-18 (One Year)	Midwest Emp. Option IV 7-1-17 / 7-1-18 (One Year)
Normal Premium Development					
Estimated Payroll (Annual)	\$ 6,220,419	\$ 6,181,867	\$ 6,181,867	\$ 6,181,867	\$ 6,181,867
Normal Premium (Policy Term)	294,618	249,458	249,458	124,729	124,729
Aggregate					
Retention (Loss Fund)	568.19%	647.09%	653.48%	718.99%	726.09%
Minimum Retention	1,673,190	1,614,218	1,630,158	896,789	905,645
Excess Insurance Limit	1,640,510	1,581,933	1,597,555	878,853	887,532
	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Loss Limitation					
a) Workers' Compensation	450,000	450,000	500,000	450,000	500,000
b) Employers Liability	See Specific	See Specific	500,000	See Specific	500,000
Specific					
Retention Per Occurrence	450,000	450,000	500,000	450,000	500,000
Class Code 7704 & 7720	500,000	500,000	500,000	500,000	500,000
Excess Insurance Limit					
a) Workers' Compensation	Statutory	Statutory	Statutory	Statutory	Statutory
b) Employers Liability	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Excess Insurance Fee					
a) Rate per \$100 Payroll	0.7283	0.7429	0.6804	0.7429	0.6804
b) % of Normal Premium	32.14%	36.82%	33.72%	36.82%	33.72%
c) Estimated Annual Premium	47,345	45,925	42,059	45,925	42,059
d) Minimum Contract Premium	85,221	82,665	75,706	41,333	37,853
Terrorism Risk Ins Act of 2002 Included in c) above	1,420	1,378	1,262	1,378	1,262
Endorsements and Contingencies per attached sheet.					

CC. NB# 4

6/1/17

MEMORANDUM

MAY 19, 2017

TO: JIM O'TOOLE

FROM: BOB VALENTINE

RE: PROFESSIONAL SERVICES REQUEST

As you are aware, for the past 10 years, the City has retained Comprehensive Risk Services (CRS) to administer our workers compensation claims. Our current agreement with CRS expires on June 30th of this year. I am requesting renewal of the agreement for three years at the same base rate of \$7,200 per year.

I am requesting an exemption from obtaining competitive quotes under the "professional services" provisions of the purchasing policy. CRS has an extensive history with our workers compensation program, and changing providers at this juncture could compromise claims processing. Furthermore, the fee charged is very reasonable in light of the services provided.

SERVICE FEES

Claim Services:

Option I (Fees are guaranteed for a Service Agreement of up to three (3) years).

Minimum Annual Fee \$7,200
(Includes up to 5 "All Other" and 40 "Medical Only Claims")

Additional claims would be subject to the following:

1. "Medical Only" Claims at	110
2. "All Other" Claims at	525

1. "Medical Only" Claims shall be defined as those claims resulting in medical only, i.e. first aid or non-extensive medical expenses under \$750. It will not include claims which result in lost time in excess of seven (7) days or allegations of disability, extensive medical care in excess of \$750 or claims resulting in any type of legal proceedings or requiring appearance before an employee of the Workers' Compensation Bureau.

2. "All Other" Claims shall be defined as claims not properly classified as "Medical Only".

Loss Prevention:

Loss Prevention Services are on a "Request Only" basis at an hourly rate of \$150.00. Billing is for travel, survey, research and preparation time spent in conjunction with written reports. Any lab fees shall be billed separately. Additional expenses for meals, hotel and incidentals would be billed at actual cost.

NOTES

1. Commissions received by Comprehensive Risk Services, Inc. for marketing and placement of Excess Insurance, if provided, would be in addition to the Service Fees quoted above.

2. Fees quoted in Options I would be subject to an additional \$300 per claim for "All Other" claims remaining open two (2) years following each annual term and annually, thereafter.

3. The Minimum Annual Fee quoted under Option I would be billed in two (2) equal semi-annual installments in each annual term with the first installment due and payable at contract inception. Any per claim audits shall be billed sixty (60) days following the end of each annual term and quarterly thereafter.

4. Fees for Loss Prevention Services would be billed following completion of each visit.