

**AGENDA
CITY OF NEGAUNEE REGULAR MEETING
JANUARY 18, 2023 @ 6:30 P.M.
NEGAUNEE SENIOR CENTER, 410 JACKSON ST (TOBIN St. ENTRANCE)**

- 1. CALL TO ORDER**
- 2. PLEDGE TO FLAG**
- 3. ROLL CALL**
- 4. APPROVAL OF AGENDA**
- 5. PUBLIC COMMENT (3 min. limit)**
- 6. PUBLIC HEARING**
 - 6.1 REZONING – ORDINANCE AMENDMENT #156-2ND READING**
- 7. UNFINISHED BUSINESS**
- 8. NEW BUSINESS**
 - 8.1 COUNCIL ORIENTATION**
 - a. Procedures and Code of Ethics**
 - b. Attendance**
 - c. Professional decorum and communications**
 - 8.2 ORDINANCE #94.04 AMENDMENT – TREE ORDINANCE 1ST READING**
 - 8.3 VISTA AGREEMENT**
 - 8.4 MARQUETTE COUNTY LANDBANK VISTA ROOF AGREEMENT**
 - 8.5 VISTA PROFESSIONAL SERVICES AGREEMENT – NORTHERN DESIGN WORKS**
 - 8.6 FIRE HALL DRAIN EMERGENCY REPAIRS**
 - 8.7 LSCP AGREEMENT**
- 9. CONSENT AGENDA**
 - 9.1 MINUTES – DECEMBER 14 2023 REGULAR MINUTES**
 - 9.2 CLAIMS AND ACCOUNTS**
 - 9.3 REVENUE/EXPENDITURE REPORTS -ESTIMATED TRIAL BALANCES**
 - 9.4 FEE SCHEDULE – PARKING PERMIT FEES**
 - 9.5 MERS RESOLUTION – CITY MANAGER DEFINED CONTRIBUTION PLAN**
- 10. PUBLIC COMMENT (3 min. limit)**
- 11. COUNCIL MEMBERS**
 - CITY MANAGER**
 - CITY ATTORNEY**
- 12. ADJOURNMENT**

6.1

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

- Public Hearing
- Agenda Items
- Consent Agenda

To: Old Towne Rezone – Public Hearing 2nd Reading

BACKGROUND:

Rezone a parcel within Old Town from a Public Area District (PA) to a Multi-Family Residential District (R2).

This proposed Ordinance amendment has been on our website and in the City Library for citizens to review and has already been approved by the Planning Commission. The amendment will be to the newly created Chapter 156 following the recent codification, and a zoning map is attached hereto for reference.

Hold a Public Hearing

First Reading:
Second Reading:
Publication:
Effective:

AMENDMENT TO CODIFIED ORDINANCE OF
THE CITY OF NEGAUNEE, CHAPTER 156.031

The City of Negaunee ORDAINS:

That Chapter 156 of the Codified Ordinances of Negaunee, Michigan, shall be, and the same hereby is, amended and renumbered to read as follows:

REPEALER

Section 156.031 and the City of Negaunee Zoning Map of the Codified Ordinances of Negaunee, Michigan, and any other ordinance, resolution, order or parts thereof in conflict with the provisions of these Amendments are, to the extent of such conflict, hereby repealed. This repeal shall be effective as of the effective date of the following Amendments.

AMENDMENT

1. Section 156.031 of the Codified Ordinances of Negaunee, Michigan, shall be, and hereby is, amended and renumbered, adding the following:

The map entitled "Zoning Map, City of Negaunee, Michigan" dated December 12, 2019 is amended to rezone the following described parcels from Public Area District (PA) to Multi-Family Residential District (R2) as set forth in Chapter 156 of the Codified Ordinances of Negaunee, Michigan:

Parcel 2 – A parcel of land being part of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), Section 1, T47N-R27W, City of Negaunee, Marquette County, Michigan described as:

Commencing at the Northeast corner of Section 1; thence S00° 31' 46" West, 1220.10 feet along the East line of Section 1 to the North 1/16 corner on the East line of Section 1; thence S00° 28; 46" West, 1312.88 feet along the East line of Section 1 to the East ¼ corner of Section 1; thence N89° 07' 41" West, 1314.09 feet along the East-West ¼ line of Section 1 to the Center-East 1/16 corner of Section 1; thence N00° 15' 18" East, 870.33 feet along the East 1/16 line of Section 1 to the Point of Beginning 3; thence continuing N00° 15' 18" East, 192.84 feet to the South line of Lot 30, Block 5 of the Jackson Iron Company's Addition to the City of Negaunee, and the North right of way line to a curve; thence 365.98 feet along the South line of Lot 30 and the abandoned North right of way line on a curve to the Right, having a Radius of 1268.62 feet, a Delta angle of 16° 31' 45" and a chord bearing S87° 41' 07" East, 364.71 feet; thence

S02° 00' 53" East, 177.69 feet; thence S89° 17' 54" West, 411.21 feet to the Point of Beginning 3, containing 1.832 acres and subject to restrictions, reservations, rights of way and easements of record.

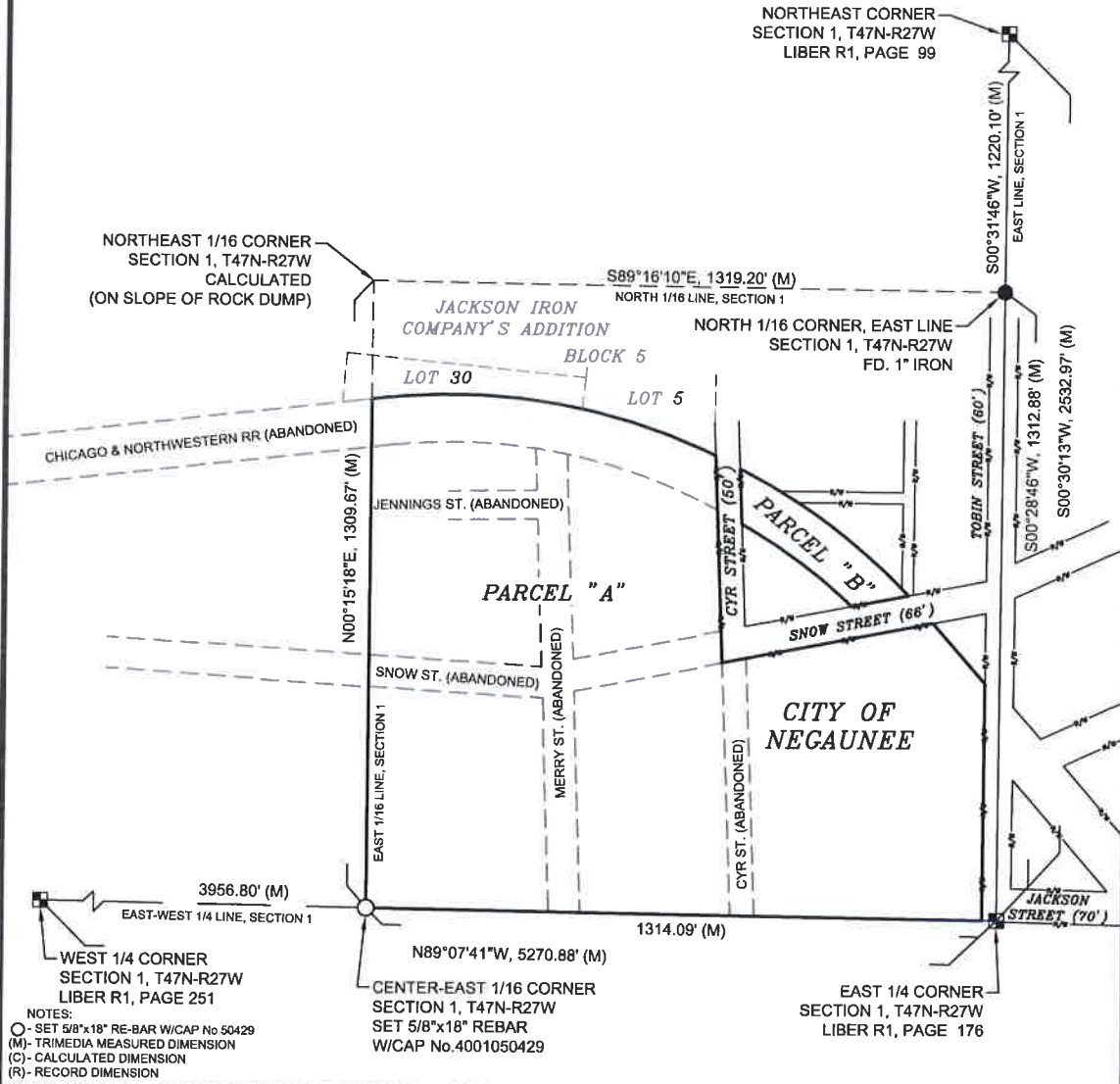
Parcel 3 – A parcel of land being part of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), Section 1, T47N-R27W, City of Negaunee, Marquette County, Michigan described as:

Commencing at the Northeast corner of Section 1; thence S00° 31' 46" West, 1220.10 feet along the East line of Section 1 to the North 1/16 corner on the East line of Section 1; thence S00° 28' 46" West, 1312.88 feet along the East line of Section 1 to the East ¼ corner of Section 1; thence N89° 07' 41" West, 1314.09 feet along the East-West ¼ line of Section 1 to the Center-East 1/16 corner of Section 1; thence N00° 15' 18" East, 870.33 feet along the East 1/16 line of Section 1; thence N89° 17' 54" East, 411.21 feet to the Point of Beginning 4; thence N02° 00' 53" West, 177.69 feet to a curve on the South line of Lot 30, Block 5 of the Jackson Iron Company's Addition to the City of Negaunee, and the North right of way line of the abandoned Chicago and Northwestern Railroad; thence 333.54 feet along the South lines of Lot 30 and Lot 5, and the abandoned North right of way line on a curve to the right, having a radius of 1268.62 feet, a Delta angle of 15° 03' 51" and a chord bearing S71° 53' 19" East, 332.58 feet to the West right of way line of Cyr Street; thence S02° 05' 47" East, 366.27 feet along the West right of way line; thence S79° 09' 51" West, 316.54 feet; thence N02° 00' 53" West, 351.56 feet to the Point of Beginning 4, containing 3.268 acres and subject to restrictions, reservations, rights of way and easements of record.

The Zoning Map can be viewed on at www.cityofnegaunee.com.

CERTIFICATE OF SURVEY

PART OF THE SE 1/4 OF THE NE 1/4, SECTION 1, T47N-R27W,
CITY OF NEGAUNEE, MARQUETTE COUNTY, MICHIGAN



TRIMEDIA ENVIRONMENTAL & ENGINEERING
830 WEST WASHINGTON STREET
MARQUETTE, MICHIGAN 49855
(906)228-5125

ESCANABA, MICHIGAN PHOENIX, ARIZONA MARSHALL, MICHIGAN SUPERIOR, WISCONSIN

SURVEYORS CERTIFICATE: I hereby certify that I have surveyed and mapped the hereon described parcel of land and that the relative positional precision of each corner is within the limits accepted by the practice of professional surveying; and that this survey complies with the requirements of Public Act No. 132, of 1970 as amended.

SCALE: 1"= 300'
APPROVED BY: SDK
DRAWN BY: SJB

CLIENT: CITY OF NEGAUNEE
JOB NO.: 2022-0430
DATE: 07/19/2023

NORTH

BEARING BASIS:
NAD 83 (2011)
MICHIGAN STATE
PLANE NORTH (2111)

SEC. TWP. RANGE
1 47N 27W

MUNICIPALITY:
CITY OF
NEGAUNEE

ENCROACHMENTS:
GARAGE
SEE SHEET 2 OF 3

SHEET 1 OF 3

TRIMEDIA ENVIRONMENTAL AND ENGINEERING, LLC

BY: *Stacey J. Bluse*
Stacey J. Bluse, P.S. No. 4001050429

DATE: 07/19/2023

STATE OF MICHIGAN

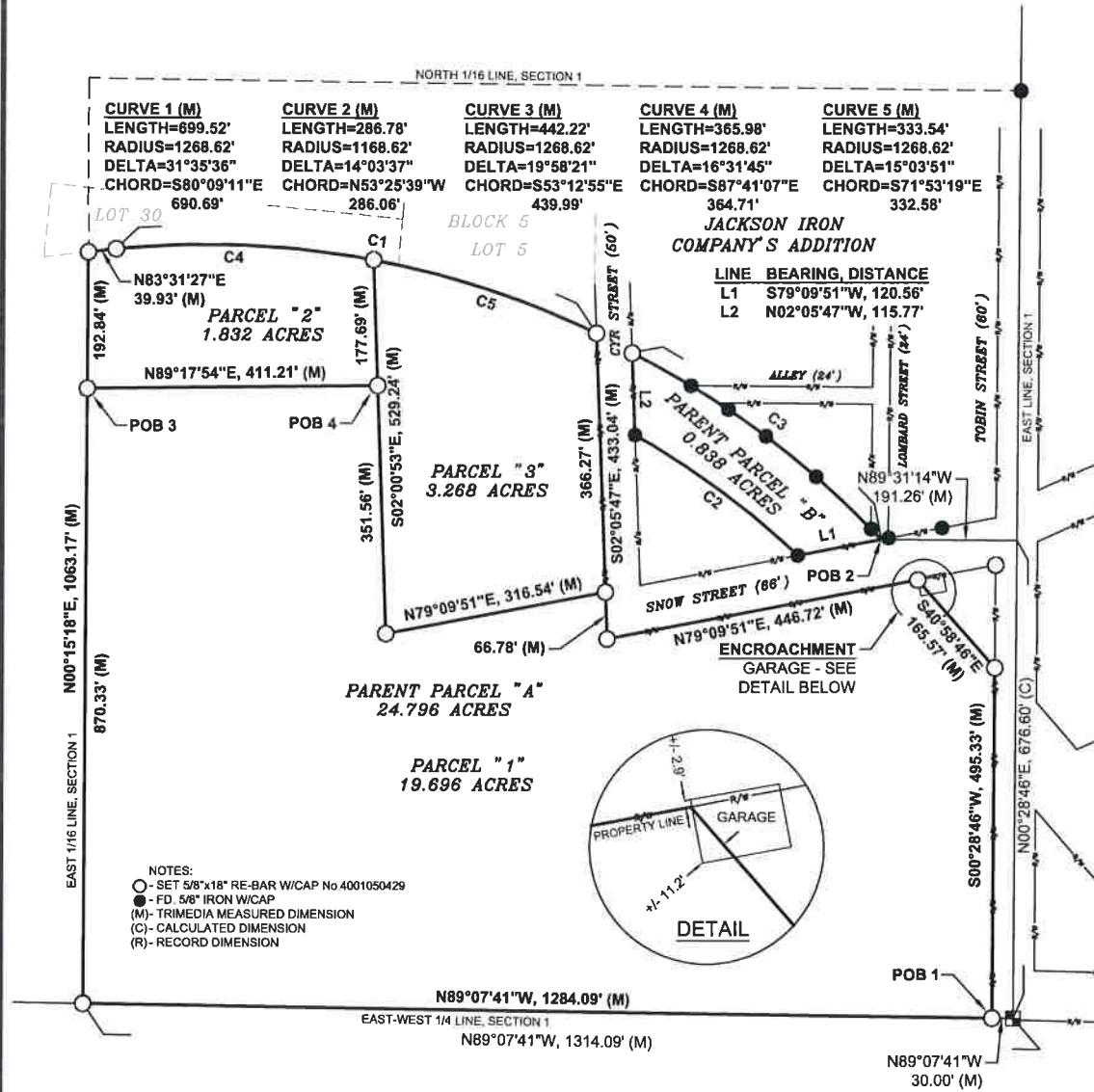
★ STACEY JAMES BLUSE ★

License No. 4001050429





LICENSED PROFESSIONAL SURVEYOR

CERTIFICATE OF SURVEY

PART OF THE SE 1/4 OF THE NE 1/4, SECTION 1, T47N-R27W,
CITY OF NEGAUNEE, MARQUETTE COUNTY, MICHIGAN



P:\2023\2023-0430 City of Negaunee - Surveying & Environmental Services\Drawings\2023-0430 City of Negaunee - COB.dwg

 <p>830 WEST WASHINGTON STREET MARQUETTE, MICHIGAN 49855 (906)228-5125</p> <p>ESCANABA, MICHIGAN PHOENIX, ARIZONA MARSHALL, MICHIGAN SUPERIOR, WISCONSIN</p>	 NORTH	TRIMEDIA ENVIRONMENTAL AND ENGINEERING, LLC BY:  Stacey J. Bluse, P.S. No. 4001050429 DATE: 07/19/2023
<p>SURVEYORS CERTIFICATE: I hereby certify that I have surveyed and mapped the hereon described parcel of land and that the relative positional precision of each corner is within the limits accepted by the practice of professional surveying; and that this survey complies with the requirements of Public Act No. 132, of 1970 as amended.</p>		BEARING BASIS: NAD 83 (2011) MICHIGAN STATE PLANE NORTH (2111) SEC. TWP. RANGE 1 47N 27W MUNICIPALITY: CITY OF NEGAUNEE ENCROACHMENTS: GARAGE SEE ABOVE SHEET 2 OF 3
SCALE: 1"= 200' APPROVED BY: SDK DRAWN BY: SJB	CLIENT: CITY OF NEGAUNEE JOB NO.: 2022-0430 DATE: 07/19/2023	

CERTIFICATE OF SURVEY

PART OF THE SE 1/4 OF THE NE 1/4, SECTION 1, T47N-R27W,
CITY OF NEGAUNEE, MARQUETTE COUNTY, MICHIGAN

LEGAL DESCRIPTIONS

PARENT PARCEL "A"

A parcel of land being part of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), Section 1, T47N-R27W, City of Negaunee, Marquette County, Michigan described as:
Commencing at the Northeast corner of Section 1; thence S00°31'46"W, 1220.10 feet along the East line of Section 1 to the North 1/16 corner on the East line of Section 1; thence S00°28'46"W, 1312.88 feet along the East line of Section 1 to the East 1/4 corner of Section 1; thence N89°07'41"W, 30.00 feet along the East-West 1/4 line of Section 1 to the West right of way line of Tobin Street and the **Point of Beginning 1**; thence continuing **N89°07'41"W, 1284.09 feet** along the East-West 1/4 line to the Center-East 1/16 corner of Section 1; thence **N00°15'18"E, 1063.17 feet** along the East 1/16 line of Section 1 to the South line of Lot 30, Block 5 of the Jackson Iron Company's Addition to the City of Negaunee, and the North right of way line of the abandoned Chicago and Northwestern Railroad; thence **N83°31'27"E, 39.93 feet** along the South line of Lot 30, and the abandoned North right of way line to a curve; thence **699.52 feet** along the South lines of Lot 30 and Lot 5, and the abandoned North right of way line on a curve to the **Right**, having a **Radius of 1268.62 feet**, a **Delta angle of 31°35'36"** and a **Chord bearing S80°09'11"E, 690.69 feet** to the West right of way line of Cyr Street; thence **S02°05'47"E, 433.04 feet** along the West right of way line to the South right of way line of Snow Street; thence **N79°09'51"E, 446.72 feet** along the South right of way line to the North right of way line of the abandoned railroad; thence **S40°58'46"E, 165.57 feet** to the West right of way line of Tobin Street; thence **S00°28'46"W, 495.33 feet** along the West right of way line to the **Point of Beginning 1**, containing **24.796 acres** and subject to restrictions, reservations, rights of way and easements of record.

PARENT PARCEL "B"

A parcel of land being part of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), Section 1, T47N-R27W, City of Negaunee, Marquette County, Michigan described as:
Commencing at the East Quarter corner of Section 1; thence N00°28'46"E, 676.60 feet along the East line of Section 1; thence N89°31'14"W, 191.26 feet to the intersection of the North right of way line of Snow Street with the North right of way line of the abandoned Chicago and Northwestern Railroad, and the **Point of Beginning 2**; thence **S79°09'51"W, 120.56 feet** along the North right of way line of Snow Street to a curve on the South right of way line of the abandoned railroad; thence **286.78 feet** along the South right of way line on a curve to the **Left**, having a **Radius of 1168.62 feet**, a **Delta angle of 14°03'37"** and a **Chord bearing N53°25'39"W, 286.06 feet** to the East right of way line of Cyr Street; thence **N02°05'47"W, 115.77 feet** along the East right of way line to a curve on the North right of way line of the abandoned Chicago and Northwestern Railroad; thence **442.22 feet** along the North right of way line on a curve to the **Right**, having a **Radius of 1268.62 feet**, a **Delta angle of 19°58'21"** and a **Chord bearing S53°12'55"E, 439.99 feet** to the **Point of Beginning 2**, containing **0.838 acres** and subject to restrictions, reservations, rights of way and easements of record.

PARCEL 1

A parcel of land being part of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), Section 1, T47N-R27W, City of Negaunee, Marquette County, Michigan described as:
Commencing at the Northeast corner of Section 1; thence S00°31'46"W, 1220.10 feet along the East line of Section 1 to the North 1/16 corner on the East line of Section 1; thence S00°28'46"W, 1312.88 feet along the East line of Section 1 to the East 1/4 corner of Section 1; thence N89°07'41"W, 30.00 feet along the East-West 1/4 line of Section 1 to the West right of way line of Tobin Street and the **Point of Beginning 1**; thence continuing **N89°07'41"W, 1284.09 feet** along the East-West 1/4 line to the Center-East 1/16 corner of Section 1; thence **N00°15'18"E, 870.33 feet** along the East 1/16 line of Section 1; thence **N89°17'54"E, 411.21 feet**; thence **S02°00'53"E, 351.56 feet**; thence **N79°09'51"E, 316.54 feet** to the West right of way line of Cyr Street; thence **S02°05'47"E, 66.78 feet** along the West right of way line to the South right of way line of Snow Street; thence **N79°09'51"E, 446.72 feet** along the South right of way line; thence **S40°58'46"E, 165.57 feet** to the West right of way line of Tobin Street; thence **S00°28'46"W, 495.33 feet** along the West right of way line to the **Point of Beginning 1**, containing **19.696 acres** and subject to restrictions, reservations, rights of way and easements of record.





PARCEL 2

A parcel of land being part of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), Section 1, T47N-R27W, City of Negaunee, Marquette County, Michigan described as:
Commencing at the Northeast corner of Section 1; thence S00°31'46"W, 1220.10 feet along the East line of Section 1 to the North 1/16 corner on the East line of Section 1; thence S00°28'46"W, 1312.88 feet along the East line of Section 1 to the East 1/4 corner of Section 1; thence N89°07'41"W, 1314.09 feet along the East-West 1/4 line of Section 1 to the Center-East 1/16 corner of Section 1; thence **N00°15'18"E, 870.33 feet** along the East 1/16 line of Section 1 to the **Point of Beginning 3**; thence continuing **N00°15'18"E, 192.84 feet** to the South line of Lot 30, Block 5 of the Jackson Iron Company's Addition to the City of Negaunee, and the North right of way line of the abandoned Chicago and Northwestern Railroad; thence **N83°31'27"E, 39.93 feet** along the South line of Lot 30 and the abandoned North right of way line to a curve; thence **365.98 feet** along the South line of Lot 30 and the abandoned North right of way line on a curve to the **Right**, having a **Radius of 1268.62 feet**, a **Delta angle of 16°31'45"** and a **Chord bearing S87°41'07"E, 364.71 feet**; thence **S02°00'53"E, 177.69 feet**; thence **S89°17'54"W, 411.21 feet** to the **Point of Beginning 3**, containing **1.832 acres** and subject to restrictions, reservations, rights of way and easements of record.

PARCEL 3

A parcel of land being part of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4), Section 1, T47N-R27W, City of Negaunee, Marquette County, Michigan described as:
Commencing at the Northeast corner of Section 1; thence S00°31'46"W, 1220.10 feet along the East line of Section 1 to the North 1/16 corner on the East line of Section 1; thence S00°28'46"W, 1312.88 feet along the East line of Section 1 to the East 1/4 corner of Section 1; thence N89°07'41"W, 1314.09 feet along the East-West 1/4 line of Section 1 to the Center-East 1/16 corner of Section 1; thence **N00°15'18"E, 870.33 feet** along the East 1/16 line of Section 1; thence **N89°17'54"E, 411.21 feet** to the **Point of Beginning 4**; thence **N02°00'53"W, 177.69 feet** to a curve on the South line of Lot 30, Block 5 of the Jackson Iron Company's Addition to the City of Negaunee, and the North right of way line of the abandoned Chicago and Northwestern Railroad; thence **333.54 feet** along the South lines of Lot 30 and Lot 5, and the abandoned North right of way line on a curve to the **Right**, having a **Radius of 1268.62 feet**, a **Delta angle of 15°03'51"** and a **Chord bearing S71°53'19"E, 332.58 feet** to the West right of way line of Cyr Street; thence **S02°05'47"E, 366.27 feet** along the West right of way line; thence **S79°09'51"W, 316.54 feet**; thence **N02°00'53"W, 351.56 feet** to the **Point of Beginning 4**, containing **3.268 acres** and subject to restrictions, reservations, rights of way and easements of record.

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 <p>830 WEST WASHINGTON STREET MARQUETTE, MICHIGAN 49855 (906)228-5125</p> <p>ESCANABA, MICHIGAN PHOENIX, ARIZONA MARSHALL, MICHIGAN SUPERIOR, WISCONSIN</p>	 NORTH	TRIMEDIA ENVIRONMENTAL AND ENGINEERING, LLC BY:  Stacey J. Bluse, P.S. No. 4001050429 DATE: <u>07/19/2023</u>
SURVEYORS CERTIFICATE: I hereby certify that I have surveyed and mapped the hereon described parcel of land and that the relative positional precision of each corner is within the limits accepted by the practice of professional surveying; and that this survey complies with the requirements of Public Act No. 132, of 1970 as amended.		
SCALE: N/A	CLIENT: CITY OF NEGAUNEE	
APPROVED BY: SDK	JOB NO.: 2022-0430	
DRAWN BY: SJB	DATE: 07/19/2023	
ENCROACHMENTS: GARAGE SEE SHEET 2 OF 3		SHEET 3 OF 3

zone area (Old Towne)

Legend

Re:



Lombard St

Bufi St

Snow St

Gyl St

Gyl St

Mill St

Snow St

Snow St

Bufi St

Mill St

8.1

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

- Public Hearing** **Agenda Items** **Consent Agenda**

To: City Council Orientation

BACKGROUND:

Enclosed are the City Council rules of procedure and the Ethics policy

CITY COUNCIL POLICY AND PROCEDURES

REGULAR AND SPECIAL MEETINGS

1. Regular Meetings

Regular meetings of the City Council shall be held at least once per month at the usual place of holding meetings of the City Council, at 6:300 p.m.

2. Special Meetings of City Council

Special meetings shall be called on written request of the Mayor, the City Manager or any three (3) Council Members. At least six (6) hours written notice shall be given to each Councilmember. Such notice shall contain a statement of the purpose of such meeting; such notice shall be delivered to each Councilmember personally. If this is not possible, then it shall be delivered to some responsible person at his or her residence. If this is not possible, then it must be left at his or her residence in some conspicuous place. Any special meeting shall be a legal meeting for all purposes without such notice, provided that all Council Members are present thereat or have waived notice thereof in writing, as to the purpose of said meeting not included in the notice thereof.

3. Posting requirements for Regular and Special Meetings

By law within 10 days of the first meeting of the Council in each calendar or fiscal year a posting of the Regular Council Meetings including dates, times and places will be posted on the bulletin board at City Hall, the back door of the Senior Center and on our website.

Special Meeting postings will be posted at least 18 hours before meetings on the bulletin board at City Hall, the back door of the Senior Center and the City's website.

As a courtesy Agenda's for Regular Meetings will be posted on the City Hall bulletin board and the City's website for each month's meeting the Friday before the Regular Council Meetings and emailed to the media. Special meeting agenda's will be posted on the back door of the Senior Center as well as City Hall and the City's website 18 hours before the meeting and emailed to the media.

4. Publishing of Notices and Proceedings.

A summary of the proceedings of every meeting of the Council shall be published in a newspaper to be designated by the Council (Mining Journal). Any special publication of ordinances or notices requiring City-wide attention shall be published in such manner as the Council shall arrange (Mining Journal).

5. Minutes of Regular and Special Meetings

The Deputy Clerk/City Clerk shall attend the Council Meetings and record all the proceedings and resolutions of the Council in accordance with the Open Meetings Act and keep a Journal of same. It is required that the minutes of the preceding regular meeting and any special meetings held in the interim shall be reviewed, corrected, if necessary, and approved at the next succeeding regular meeting.

CONDUCT OF MEETINGS

1. Meetings to be Public

All regular and special meetings of the Council shall be open to the public. There shall be no standing committees of the Council. Citizens shall have a reasonable opportunity to be heard in accordance with the Public Comment Policy posted at the podium of every Regular and Special Meeting.

2. Agenda Preparation

The City Manager shall prepare an agenda for each Regular City Council meeting. The agenda deadline is noon on the Wednesday one week before the meeting.

The Order of Business shall be as follows:

- Call To Order
- Pledge to Flag
- Roll Call
- Approval of Agenda
- Public Comment (3 minutes)
- Unfinished Business
- New Business
- Consent Agenda
- Council Comments
- City Manager Comments
- City Attorney Comments
- Adjournment

3. Consent Agenda

A consent agenda shall be used to allow the Council to act on numerous administrative and noncontroversial items at one time. Included on this agenda shall be approval of minutes, claims and accounts (payment of bills), revenue/expenditure trial balance reports, approval of resolutions, contract approvals, recurring business etc. Upon request by any member of the Council, an item shall be removed from the consent agenda and placed on the regular agenda

for discussion or action. The Consent Agenda is approved with a motion and a second with no discussion.

4. Agenda Distribution

Agendas along with appropriate support information will be provided to the City Council no later than the Friday prior to the meeting. A Supplemental packet will be provided the Tuesday prior to the Council meeting. The Council Packets will be delivered by the City Police Department.

As a professional courtesy to staff, Council Members shall make every effort to ask questions regarding the Agenda, Bills etc before the meeting so that staff can provide accurate information.

COUNCIL MEMBERS

5. Presiding Officer

The presiding officer shall be the Mayor and responsible for enforcing these rules of procedure and for enforcing orderly conduct at meetings. The Mayor Pro Tem shall preside in the absence of the Mayor.

6. Quorum

A majority of the Council shall be a quorum for the transaction of business.

7. Attendance at Council Meetings

Election to the City Council is a privilege freely sought by the nominee. It carries with it the responsibility to participate in council activities and represent the residents of the City. Attendance at Council meetings is critical to fulfilling this responsibility.

8. Disorderly Conduct

The Mayor may call to order any person who is being disorderly by speaking out of order or otherwise disrupting the proceedings, speaking longer than the allotted time or speaking vulgarities. Such person shall be seated until the chair determines whether the person is in order. If the person so engaged in presentation is called out of order, he or she shall be removed by the sergeant at arms. No person shall be removed from a public meeting except for an actual breach of the peace committed at the meeting. A designated Police Officer shall serve as the sergeant at arms.

C. Closed Session Meetings

1. Purpose

Closed Session Meetings may be held only for the reasons authorized in the Open Meetings Act.

2. Calling Closed Meetings

At a Regular or Special Meeting Council Members by a two-thirds roll call vote may call a Closed Session under the conditions outlined in the Open Meetings Act. The roll call vote and purpose of the meeting shall be entered into the minutes of the Regular Minutes at which the vote was taken.

3. Closed Session Minutes

A separate set of minutes shall be taken by the secretary of the Council. By approving the Regular Minutes at which the Closed Session was held the Closed Session minutes are automatically approved.

D. DISCUSSION AND VOTING

1. Parliamentary Procedure

The rules of parliamentary practice as contained in the latest edition of Robert's Rules of Order or an alternative source of procedural rules shall govern the Council in all cases to which they are applicable provided that they are not in conflict with these rules, City Ordinances or applicable state statutes.

2. Ordinances and Resolutions

On all votes which are not unanimous, the yea or nay vote of each member shall be recorded by roll call, but where the vote is unanimous, it shall be necessary to so state. (Charter 5.4)

3. Roll Call

In all roll votes, the Secretary shall rotate the roll call with the presiding officer voting last.

4. Duty to Vote

Election to a deliberative body carries with it the obligation to vote. Council members present at a Council meeting shall vote on every matter before the body, unless otherwise excused or prohibited from voting by law. A Council Member who is present and abstains or

does not respond to a roll call vote shall be counted as voting with the prevailing side and shall be so recorded unless otherwise excused or prohibited by law from voting.

Conflict of interest, as defined by law, shall be the sole reason for a member to abstain from voting. The opinion of the City Attorney shall be binding on the Council with respect to the existence of a conflict of interest. A vote may be tabled, if necessary, to obtain the opinion of the City Attorney.

The right to vote is limited to the members of Council present at the time the vote is taken. Voting by proxy or telephone is not permitted.

MISCELLANEOUS

1. Adoption and Amendment of Rules of Procedure

These Rules of Procedure of the Council will usually be placed on the agenda at the first meeting of the Commission following the seating of the newly-elected Council members for review and adoption.

2. Committees

There shall be no standing committees of the Council.

The Council may create an Ad Hoc Committee of up to three members to examine a specific subject for a specific period of time.

3. Electronic Devices During Meetings

In the spirit of the Open Meeting Act and in furtherance of the City Council's commitment to conducting government business with as much order and transparency as possible, electronic devices belonging to a Councilor shall be turned off or set on airplane mode during City Council meetings. Use of electronic devices by City Council members for talking, texting, email or otherwise during City Council meetings is, except for emergency communications, prohibited. It is the City Council's intent to prohibit electronic communications between members of the Council and other persons during City Council meetings. Prohibiting communications of this type enables the Council to operate with maximum transparency and allows the Council to avoid any appearance or perception of engaging in discussions or deliberations not open to the public during City Council meetings.

NEGAUNEE CITY COUNCIL
CODE OF ETHICS AND CONDUCT

Guiding Principles of Communication

The City Council shall adhere to high levels of professionalism and ethical standards, both individually and as a Council, in all its communications and interactions both formal and informal within their official capacities. These communications will be guided by the following general principles:

The City Council commits to treat all individuals who appear before them or do business with or on behalf of the City with respect, courtesy, honesty and integrity.

The City Council shall strictly adhere to and abide by the requirements of the Michigan Open Meetings Laws and strive for complete transparency and accountability in its decision making and conduct of day-to-day City business.

Communication By and Between Council Members

The City Council holds itself to the highest standards of honesty and integrity and commits to abide by both the spirit and the letter of the Negaunee City Code of Ethics. The City Council recognizes that the actions of one City Council member can affect the reputation and integrity of the City Council as a whole. If a City Council member suspects a violation of City Council policy or applicable law by another City Council member, s/he shall bring the matter to the attention of the City Council member and the City Council, and work to resolve the matter expeditiously.

If an interpersonal conflict or problem develops amongst individual members of the City Council, initially, such members shall work with only the people involved and strive to settle the conflict or problem in a constructive manner.

Full disclosure and communication amongst City Council members is necessary to enable the City Council to work together to advance the interest of Negaunee City citizens, taxpayers, and government. To insure that all City Council members are informed, the City Council commits to promptly communicate with one another concerning issues affecting the integrity, interests, and/or operation of Negaunee City government.

Citizen trust in government is critically important, and the City Council recognizes that a key to building and maintaining that trust is to place a high value on respecting other City Council members and those with whom the City Council works and serves. To that end, the City Council agrees to communicate openly with one another, to take others' concerns seriously, to work together as a team, and to make an effort not just to listen but to try to understand the points of views of others.

Members of the City Council must represent unconflicted loyalty and accountability to the interests of all citizens of Negaunee City. City Council members will respect and support the legitimacy and authority of all City Council decisions, regardless of any City Council member's personal position on a matter.

Compliance with all Laws

City Council Members shall comply with the laws of the United States, The State of Michigan and the City of Negaunee in performance of their public duties. Such laws include but are not limited to: the United States and State of Michigan Constitutions, the City of Negaunee Charter, all laws pertaining to conflicts of interest, election campaigns, financial disclosures, open meeting law, open records law, the City of Negaunee Ordinances and all policies adopted by the City Council.

Integrity and Accuracy

City Council Members are expected to perform their duties with absolute integrity. No member of the City Council shall under any circumstances make a statement of any purpose that is known by the member to be inaccurate or intended to be misleading.

Conduct of Members

It is acceptable and expected that City Council Members may disagree about issues brought before them. However it is not acceptable for any City Council Member to make derogatory comments and gestures about other council members, their opinions or their actions. City Council Members shall refrain from exhibiting abusive conduct, personal allegations or verbal attacks upon the character or motives of other members of the City Council, members of City Boards or commissions, the staff and the public.

The professional and personal conduct of City Council Members should be above reproach and should avoid even the appearance of impropriety. City Council Members should conduct their official and personal affairs in such a manner that does not in any way suggest that they may be improperly influenced in the performance of their official duties. City Council Members shall, to the best of their ability, serve the citizens of Negaunee conscientiously and with honesty and impartiality. City Council Members shall seek to perform their duties with diligence, efficiency and courtesy. Members of the City Council shall each make impartial decisions based upon consideration and analysis of the facts, circumstances, merits and laws of each case without taking into account unrelated considerations.

Respect for Process

City Council Members shall perform their duties with the processes and rules of order established by the City Council. Upon a "Call to Order" of each meeting, Councilors will respect that a meeting is in progress and recognize that it is inappropriate to temporarily exit the meeting unless a recess or adjournment has been called by the mayor. While a meeting is in progress, Council Members should refrain from having 'side bar' conversations with each other or with city staff.

Public Meeting

City Council Members have a right to personally endorse candidates for elected offices. However, it is inappropriate to mention endorsements during city council meetings, advisory board meetings, or other official City meetings or hearings.

City Council Members shall prepare themselves for discussions of public issues brought before the City Council or Advisory Board. City Council Members shall listen courteously and attentively to all discussion and comment on the issue by the public, City staff and other Council Board Members.

Council Members shall refrain from interrupting other speakers unless compelled to do so to ensure compliance with City Council policies or processes for public meetings and shall additionally refrain from interfering with the orderly conduct of City Council meetings.

To Avoid Open Meeting Violation: Get it on the Agenda.

The open meetings act requires posting notice of meetings and for special meetings the agenda items that will be covered. The manager and staff can assemble the information for the item along with possible courses of action. The public and the press can review the agenda to see if any items of interest will be discussed. Anyone with an ongoing issue with the City can see if their issue is on the agenda. The agenda is approved by the Council at the beginning of the meeting and last minute items can be added, though of course there will not be background information. If you have an item of business you want discussed, call the manager or mayor and get it on the agenda. Raising a new issue or an old issue not on the agenda in Council Comment invites liability or can suggest an intent to ambush or surprise and can be seen as a violation of the Open Meetings Act.

If something is important enough to you and/or a constituent to be brought up at a Council Meeting, it should be made an agenda item, researched by staff, and available for public discussion.

Charter and Personnel Matters.

Ask the manager for information or address your concerns before the meeting. Both the City Charter and the labor agreements with the several unions channel information gathering and discipline through the City Manager which is why the manager constantly repeats that his door is always open to hear your concerns and why he encourages you to get him questions or requests for information before a meeting so he can investigate the issue, supply the information to the full council, talk to the employee (and perhaps the union) and take any appropriate action. Raising employee issues during Council Comment, particularly on a regular basis, could be considered a violation of Charter Section 6.6 as interference by the Councilperson in the personnel administration of the City.

If you have questions about the status of a matter referred to the Manager and/or Attorney for action, call and ask about the status and if necessary it can be made an agenda item. Asking in Council Comment about the status of discussions or negotiations can damage the City's position by forcing premature disclosure of strategy or otherwise interfere with the resolution of the matter.

Do not publicly criticize an individual employee.

Council should never express concerns about the performance of a City employee in public, to the employee directly or to the employee's manager. Comments about staff performance should only be made to the City Manager through private correspondence or conversation. There is only a qualified immunity for statements made in the course of discussion or in obtaining the necessary information to make an informed decision. A council meeting cannot be used as an opportunity to embarrass or humiliate anyone whether they are present at the meeting or not. Any action that could be perceived as a personal attack or a vendetta directed at someone at a Council meeting can give rise to a lawsuit for defamation or intentional infliction of mental distress, interference with contractual relationships or other causes of action. Then a Court would need to review tapes of Council Meetings, review witness deposition testimony, and examine other evidence to determine the "real" purpose of the comments or questions and whether the speaker should be immune from suit, and further, whether the statements or questions were intended to defame or humiliate someone rather than further the business of the city. There is generally no insurance coverage for intended harm so a council person would end up paying a defense attorney and any judgment entered against them.

Limit Council Comment to "non business items".

Council comment is an opportunity for Council to commend citizens or employees for accomplishments or address items that do not lend themselves to official council action. No council action can be taken on something raised in Council Comment until the next meeting. Remember, if it is important enough to be brought up at a Council Meeting, it should be made an agenda item, researched by staff, and available for public discussion.

Referencing Individuals by Name.

Do not name individuals but instead refer to the address. The problem can also arise in connection with the Council considering a condition existing in the City and, when hearing a presentation and wanting additional information. The safest course of action would be to request the manager to obtain additional information on "125 E. Iron Street" and report back to the Council. A "Joe McCarthy" style interrogation of a presenter, even if a presenter to the Council is vague in details and leaves many questions unanswered, is probably not helpful in obtaining the necessary information and might not be seen as "furthering the business of the city" by a reviewing judge on a lawsuit.

Impartiality

All City Council Members shall be conducted fairly and impartially. City Council Members shall not show favoritism in carrying out the City's business. The receipt of campaign contributions shall not in any circumstance constitute a basis for preferential treatment.

Acting in the Public Interest

The primary goal and concern of each member of the City Council is to serve the public interest and uphold the public trust to the very best of their abilities. Therefore, City Council Members will work together for the common good of the citizens of Negaunee and not for any private or personal interest, and City Council Members will strive to assure fair and equal treatment of all persons, claims, issues or transactions brought before the Negaunee City Council or Advisory Board. No City Council Member shall engage in any dishonest or criminal act or any other conduct prejudicial to the government of the City of Negaunee or that reflects discredit upon the government of the City of Negaunee.

Conflict of Interest

Any member of the City Council who has a conflict of interest, financial or otherwise, in any matter brought before them for consideration or action shall declare and disclose the conflict of interest to the City Council and shall not participate in discussion or voting on the matter. A conflict of interest shall be defined as any situation, circumstance or financial interest that has the potential, in the City Council Member's opinion and judgment, to interfere with the proper exercise of public duty. **** Please refer to #5.4 of your Charter.**

The minutes of a meeting wherein a declaration of a conflict was made shall not record a vote of behalf of a Council Member who leaves the room during discussion and voting upon the issue. The minutes of such meeting shall, however, record a "abstain" vote if the City Council Member remains in the room and abstains from voting.

Gifts and Favors

City Council Members shall not directly or indirectly solicit, receive or accept any gift if 1) a reasonable inference could be drawn that the gift was intended to influence them in the performance of their official duties, or, 2) the gift is intended to serve as a reward or in appreciation of any official action taken by the City Council Member. City Council Members shall not solicit or accept any gifts, favors or promises of future benefits which might compromise the independent judgment and action or which might give the appearance of being compromised. City Council Members shall not take special advantage of services or opportunities for personal gain, by virtue of their public offices that are not available to the public in general. This provision of the policy shall not apply to:

- a. An occasional nonpecuniary gift, insignificant in value; or
- b. An award publicly presented in recognition of public service; or
- c. Any gift which would have been offered or given to the Council/Advisory board member or his or her spouse if he/she were not a City Council Member.
- d. Any travel and related expenses to attend ceremonial functions provided that such acceptance and attendance have been approved by the City Council prior to the occurrence of the ceremonial function.

Political Fundraising Activities

Nothing here is intended to preclude Council Members from political fundraising activities, but to ensure that these activities are undertaken only at private initiative and expenses in their role as private citizens and thus do not reflect upon the official activities of the City.

Communication

City Council Members shall endeavor to share with all other council members in a timely manner any substantive information that is relevant to a matter under consideration by the City Council or Advisory Board which was received by the Council Member from sources external to the public decision-making process.

Moreover, the use of electronic communications for discussions or deliberations, which are not, at a minimum, able to be heard by the public in attendance at an open meeting are contrary to the OMA's core purpose – the promotion of openness in government. The mere receipt of an email by a public body quorum does not, itself, constitute “deliberation” and that there must be some level of discussion on the issue of public policy being presented.

Confidential Information

City Council Members shall respect and preserve the confidentiality of information concerning the property, personnel or affairs of the City. City Council Members shall neither disclose confidential information without proper legal authorization nor use such information in any way to advance or further their personal, financial or private gain. Confidential information shall not include any information that is or becomes public available other than as a result of disclosure by recipient, which is disclosed by any third-party not known by recipient, and who recipient has no reason to believe to be under any contractual or fiduciary obligation not to disclose such information; was in the recipient's possession prior to disclosure, or is independently developed by the recipient.

A member's dissemination of closed session minutes to the public is a violation of the OMA, and the member risks criminal prosecution and civil penalties.

Advocacy

City Council Members shall represent the official policies or positions of the City Council to the best of their ability when designated as delegates or representatives of the City. If a City Council or Advisory Board member acting as a delegate or representative of the City presents their personal opinions or positions on such an issue the member shall explicitly state that their comments do not represent the City of Negaunee or the City Council.

Policy Role of City Council Members

City Council members shall respect and adhere to the Council-Manager form of municipal government implemented by the City of Negaunee through its charter and as outlined in Michigan Statutes. The Council-Manager form of government provides for the City Council to determine all matters of policy for the City of Negaunee. Additionally, the Council-Manager form of municipal government provides that the City Manager shall be responsible for all day-to-day operations of the City. Accordingly, City Council members shall not interfere with or impair the ability of the City Manager and other City Staff to determine and implement day-to-day operational matters. This does not preclude a council member asking questions of department heads as long as the proper protocol of informing the City Manager and said department head is followed. Direction and decision-making by the City Council shall occur as a council. Individual members of the Council shall not attempt to exercise independent authority over the City Manager, City Attorney, director, supervisor, official or employee thereof. **** Please refer to #6.6 of the Charter**

Penalties for Violations

Except where otherwise provide by state law, it is not the intent of this policy to violations of this policy be subjected to criminal penalties. The City Council shall have the primary responsibility for the enforcement of this policy as it relates to members of city council/boards, commissions, and committees. Any person who believes that a violation by a member of the City of any portion of the code of conduct policy has occurred may file a complaint with the Mayor.

Whenever the City Council has determined that any council member has violated any provision of this policy, such board member shall be subject to admonishment or censure. The City Council may remove from office any board member from their position for violating any provision of this policy. Any complaint or charge against a city employee for violating this policy shall be referred to the City Manager for further investigation and/or discipline in accordance with the City's personnel policies. *****
****Please refer to #3.1 and #6.6 of Charter**

Reports

All persons appointed to any county board, Negaunee/Ishpeming Water Authority, Negaunee/Ishpeming Wastewater Authority and Solid Waste Landfill Authority shall report to the

Negaunee City Council either via writing or in person at least quarterly to update the City Council members to their activity.

Implementation of Code of Ethics and Conduct

This Code of Ethics and Conduct is intended to be self-enforcing by members of the City Council and Advisory board members. City Council Members shall be thoroughly familiar with this Code and shall make every reasonable effort to adhere to its provisions. The Code of Ethics and Conduct shall be included in the orientation training for newly elected Council Members and shall be delivered to each newly appointed/elected City Board member prior to their first meeting. All Council Members shall sign a statement affirming they have read and understand the City of Negaunee Code of Ethics and Conduct.

To ensure that every citizen can have complete confidence in the integrity of city government, each official shall respect and adhere to the following principles of ethical service.

- (A) Public service is a public trust requiring officials and employees to place loyalty to laws, ordinances, rules and policies above private gain.
- (B) Officials and employees shall not hold financial interests that conflict with the conscientious performance of duty.
- (C) Officials and employees shall not engage in financial transactions using nonpublic city information or allow the improper use of such information to further any private interest.
- (D) Officials and employees shall not, except pursuant to such reasonable exceptions as are provided by policy promulgated by the City Council, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the city, or whose interest may be substantially affected by the performance or nonperformance of the official's duties.
- (E) Officials and employees shall put forth honest effort in the performance of their duties.
- (F) Officials and employees shall make no unauthorized commitments or promises of any kind purporting to bind the government.
- (G) Officials and employees shall not use public office for private gain for themselves or their relatives.
- (H) Officials and employees shall act impartially and not give preferential treatment to any private organization or individual.
- (I) Officials and employees shall protect and conserve city property and shall not use it for other than authorized activities.

(J) Officials and employees shall not engage in outside employment or activities, including seeking or negotiating employment, that conflict with official city duties and responsibilities.

(K) Officials and employees shall disclose waste, fraud, abuse and corruption to appropriate authorities.

(L) Officials and employees shall adhere to all laws and regulations that provide equal opportunity for all regardless of race, color, religion, sex, national origin, age or disability.

(M) Officials and employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards promulgated pursuant to this article.

Date Received:

ARTICLE IV: COUNCIL

SECTION 4.1 NUMBER, SELECTION AND TERM.

The Council shall consist of seven (7) members elected from the City at large in the manner provided in Article II, for a term of three (3) years, except as provided in Section 20.2 hereof, or until their successors have been elected and qualified as provided in this Charter.

SECTION 4.2 POWERS.

The Council shall constitute the legislative and governing body of the City, possessing all the powers herein provided for, with power and authority to pass such ordinances and adopt such resolutions as it shall deem necessary and proper in order to exercise any or all of the powers possessed by the City, and for the public peace, health and safety of persons and property.

SECTION 4.3 MAYOR AS PRESIDING OFFICER; MAYOR PRO-TEM.

The Mayor of the City of Negaunee shall be elected from the City at large. He or she shall preside at meetings of the Council and shall be the head of the City government for all ceremonial purposes and for purposes of military law, but shall have no regular administrative duties. The Mayor Pro-Tern shall be elected from the City at large. The Mayor Pro-Tern shall act as Mayor during the absence or disability of the Mayor and if a vacancy occurs shall become Mayor for the completion of the unexpired term. The Mayor and Mayor Pro-Tern may speak and vote in meetings the same as any other member of the Council, but shall not have the power of veto. At each general City election commencing with the November, 1992, election, only those Councilmembers whose terms do not expire immediately following this election, and no other persons, may be candidates for the office of Mayor. The candidate receiving the most votes shall become Mayor for a term not to exceed two years. The candidate receiving the next highest number of votes for Mayor shall be the Mayor Pro-Tern for a term not to exceed two years.

(Amended November 5, 1991)

SECTION 4.4 COMPENSATION.

Each member of the Council shall be compensated quarterly at the rate of six dollars (\$6.00) per meeting attended of which minutes are kept and duly entered in the Journal, but not to exceed one hundred fifty dollars (\$150.00) per year. The Mayor shall be compensated quarterly at the rate of fifty dollars (\$50.00) per year over and above his or her compensation as a Councilmember.

SECTION 4.5 TERM LIMITS.

Councilmembers are hereby limited to serve two (2) consecutive terms upon the Council.

(Adopted November 5, 1991)

SECTION 6.6 INTERFERENCE BY COUNCIL IN APPOINTMENTS OR REMOVALS.

Neither the Council nor any of its members shall direct or request of the City Manager or any of his or her subordinates the appointment of any person to, or the removal of any person from, office or employment. Except for the purpose of inquiry, the Council and its members shall deal with the administrative service solely through the Manager and neither the Council, nor any member thereof, shall give orders to any subordinate of the Manager, either publicly or privately.

Any violation of the provisions of this section by a Councilmember shall be a misdemeanor, conviction of which shall result in immediate forfeiture of his or her office.

SECTION 5.5 LIMITATIONS ON POWER OF THE CITY COUNCIL.

No office shall be created or abolished, expenditures authorized, taxes or assessments imposed, contract approved, franchise granted, street, alley or public grounds vacated, real estate or interest therein acquired, sold or disposed of, nor any private property taken for public use, unless a majority of the Council-elect shall vote in favor of the same, except as herein provided by the use of initiative and referendum. No action of the Council shall be rescinded or reconsidered at a special meeting, unless there be present as many members as were present when such action was taken.

8.2

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

- Public Hearing Agenda Items Consent Agenda

To: Ordinance #94.04 Public Tree Care Amendment – 1st reading

BACKGROUND:

This amendment will incorporate the wording for the “Tree Owner’s Manual” for the Tree City USA designation.

RECOMMENDATION:

Approve the 1st reading the set a public hearing for the February 8, 2024 Regular meeting.

First Reading:
Second Reading:
Publication:
Effective:

**AMENDMENT TO THE CITY OF NEGAUNEE TREE AND FORESTRY
MANAGEMENT ORDINANCE**

CHAPTER 94.04, Public tree care

The City of Negaunee ORDAINS:

That the City of Negaunee's Tree and Forestry Management Ordinance, Chapter 94, of the Codified Ordinances of Negaunee, Michigan, shall be, and the same hereby is, amended to read as follows:

REPEALER

The City of Negaunee's Tree and Forestry Management Ordinance, Chapter 94.04, as amended, of the Codified Ordinances of Negaunee, Michigan, and any other ordinance, resolution, order or parts thereof in conflict with the provisions of these Amendments are, to the extent of such conflict, hereby repealed. The repeal date shall be the effective date of the following Amendments.

AMENDMENT

Chapter 94.04 of the Codified Ordinances of Negaunee, Michigan, shall be, and hereby is, amended to read as follows:

"The City shall have the right to plant, prune, maintain, and remove trees, plants, and shrubs within the lines of all streets, alleys, avenues, lanes, squares, and public grounds, as may be necessary to ensure public safety or to preserve or enhance the symmetry and beauty of such public grounds guided by the standards found within the "Tree Owner's Manual for North Eastern and Midwestern United States," published by the United States Department of Agriculture, Forestry Service, November, 2008. The City may remove, or cause or order to be removed, any tree or part thereof which is in an unsafe condition or which by reason of its nature is injurious to sewers, electric power lines, gas lines, water lines, or other public improvements, or is affected with any injurious fungus, insect, or other pest."

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**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

- Public Hearing Agenda Items Consent Agenda

To: VISTA Grant Agreement

BACKGROUND:

The City of Negaunee was successful in a direct allocation of 3 Million dollars from the State of Michigan for the revitalization of the Vista Theater. The grant agreement has been reviewed by City Staff and the City Attorneys. This money is to be used solely for the Vista project.

No Match is required for this grant.

RECOMMENDATION:

Approve the grant agreement with the State.

8.5

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

- Public Hearing Agenda Items Consent Agenda

To: VISTA Theater Professional Services Agreement – Northern Design Works

BACKGROUND:

The presented proposal for \$210,000 from Northern Design Works is for Engineering and Architectural services for the Revitalization of the Vista theater project. This firm is also the handling the roof replacement project for the Vista and has been involved in the Vista

RECOMMENDATION:

Approve the attached agreement with Northern Design Work for proffeinal services in the amount of \$210,000 with the monies being paid out of the 3 million dollar grant received from the State of Michigan.



420 Rail Street
Negaunee, MI 49866
906-475-6616
WWW.NDW.US

City of Negaunee
PO Box 70
Negaunee, MI 49866

December 27, 2023

Northern Design Works is providing this proposal for professional services for design of renovations to the Vista Theater and adjacent building at 300 Iron Street. We understand the project to include interior and exterior restoration of the theater and conversion of the building at 300 Iron Street to provide supporting spaces. The project will also include a building addition as required to meet the building program and provide barrier free access.

The work on this project will begin with meetings to develop a program for the functional spaces to be included in the design along with a review of applicable codes and regulations. A schematic design will then be prepared. This will include a preliminary estimate of construction costs for budgeting purposes. This will be reviewed with you and changes made as desired.

Upon approval of a schematic design, we will proceed with design development. This phase of the design will include design of structural systems, interior room layouts, and preliminary HVAC, plumbing, and electrical system designs. The construction cost estimate will be updated. The design development documents will be reviewed with you and changes made as requested.

Upon approval of the design development documents we will prepare construction documents for the project. These will include the detailed design drawings for permitting and construction along with bidding and technical specifications.

During bidding of the project we will distribute construction documents to builders exchanges and interested bidders. We will conduct a pre-bid walkthrough of the project site. We will answer contractor questions and prepare addenda as needed. When bids are received, we will review the bids and provide a recommendation for award. During bidding we will also submit the drawings for zoning and building codes plan reviews. Once the project is awarded, we will assist in the preparation of a contract for construction.

During construction this proposal includes review of contractor submittals, shop drawings, and applications for payment. We will visit the project site periodically to review the work for conformance to the construction documents. We will answer contractor questions and prepare bulletins and change orders as needed. At substantial completion of construction, we will prepare a punch list of items to be completed or corrected before final completion.

As the scope of the project is not well defined, the fee for the above services is proposed to be 7% of the owner's budget for the cost of the work. Based on a \$3 Million budget the fee will be \$210,000.

The fee will be adjusted as the project progresses if the budget is revised. This breaks down by phase as follows:

Programming & Schematic Design @ 15%	\$31,500
Design Development @ 20%	\$42,000
Construction Documents @ 40%	\$84,000
Bidding @ 5%	\$10,500
Construction Phase Services @ 20%	\$42,000
<hr/> Total	<hr/> \$210,000

This fee will be billed monthly on a percent complete basis and due within 30 days. Accounts unpaid after 30 days are charged a late fee of 1.5% per month.

If this proposal is acceptable to you, a contract will be prepared for your approval on an AIA B101 standard form of agreement between owner and architect. Thank you for the opportunity to propose on this work.

Sincerely,



Richard Uren RA
Architect - Owner

NDW proposal P2338

8.6

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

Public Hearing x Agenda Items Consent Agenda

To: The Honorable Mayor and City Council

Re: Fire Dept. Basement Drain Pipe.

BACKGROUND:

In December several floor drains backed up in the basement of the Firehall. MJ Sewer was called to clean the main drain and to attempt to clean drain pipe in the basement floor. They could not get through the drain pipe. Prime Specialty Contracting was called to inspect and advise on repairs needed. This repair is estimated to be \$6,537.00.

Due to the chance of further damage this is an Emergency Repair and is not budgeted.

RECOMMENDATION:

Approve the quote from Prime Specialty Contracting in the amount of \$6,537. Approve a budget adjustment to pay the monies from the drawdown of the Building Fund.

902 W. Baraga Avenue
Marquette, MI 49855
Office: 906.226.8381
Email: Office@PrimeMQT.com



Prime Specialty Contracting, LLC
Prime Mechanical Contracting
Prime Plumbing, Heating, & Cooling
Prime Metals & Materials

January 4, 2024

Negaunee City Fire
200 S Pioneer Ave
Negaunee MI 49855

RE: Proposal S-24-002
Job

We appreciate the opportunity to provide this proposal to repair the floor drains in the lower level of the fire hall

Sump Pump Lump Sum: \$6,537⁰⁰

Our assumptions and inclusions are:

- Cut and remove concrete sufficient enough to install croc
- Furnish and install new groundwater sump pump system
 - This system will serve the floor drain in the sauna shower, floor drain from main level, and floor drain in the small storage area (this was discussed during the drain camera work)
 - This proposal includes the camera and locating of the existing drain lines that was performed on 1/2/2024
- Furnish and install new PVC drain and vent piping
 - Drain water will pumped from croc into near by existing drain piping
- Patch concrete floor in areas concrete was removed to install croc
- Perform start-up and discuss operating procedures with owner

Exclusions

- Carpentry work of any type
- Required electrical outlet by others
- Floor coverings of any type
- Engineering, detailing, design, drawings, etc.
- All work to be performed during normal business hours 8am- 4:30pm Mon-Fri.

Our team at Prime appreciates this opportunity. Should you have any questions, or if you would like to discuss, never hesitate to call.

Sincerely,

Don Schetter
Associate Project Manager / Estimator
906-250-2706
Don@primemqt.com

902 W. Baraga Avenue
Marquette, MI 49855
Office: 906.226.8381
Email: Office@PrimeMQT.com



Prime Specialty Contracting, LLC
Prime Mechanical Contracting
Prime Plumbing, Heating, & Cooling
Prime Metals & Materials

TERMS & CONDITIONS

- This proposal is valid for 30 days and shall be considered withdrawn if a deposit is not provided prior to its expiration
- When applicable, all taxes and permit fees are included in this proposal.
- All material is guaranteed to be installed according to all state and local codes and in a professional manner.
- All material and labor supplied by us is warranted for one-year from the date of installation.
- Employees are fully covered by workmen's compensation insurance and general liability insurance.
- Liability of products sold by us are limited to manufacturer's guarantee period and terms.

ACCEPTANCE OF PROPOSAL

PAYMENT SCHEDULE TO BE MADE AS FOLLOWS:


Acceptance of Proposal	50% deposit
Balance Due	Immediately Upon Installation
	Progress Billings if applicable
	A late fee of 1.5% (minimum \$25) will be
	Incurred every 30 days past the invoice date.

The above prices, specifications and conditions are satisfactory and are hereby accepted. Field changes are subject to current install rates at per hour/per man, plus materials. Please note, once materials are ordered for this job, not all items can be returned, and some may incur a re-stocking charge. You are authorized to do the work as specified.

Signature: _____

Print Name: _____

Date of Acceptance: _____


~~1-8-24~~ Dale Helfrey
1-8-24

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

8.17

- Public Hearing Agenda Items Consent Agenda

To: LSCP Agreement

BACKGROUND:

Attached is a new agreement for the Lake Superior Community Partnership.

Their old agreement will expire on February 10, 2024. The previous cost for this agreement was \$6,000/year. The new agreement will reflect a cost of \$10,000/yr.

There is currently \$6,000 in the 2024 budget. If approved a budget adjustment will need to be made for the balance of \$4,000 by drawing down the fund balance.



AGREEMENT BETWEEN THE CITY OF NEGAUNEE AND THE LAKE SUPERIOR COMMUNITY PARTNERSHIP, INC.

This Agreement is entered into this day of February, 2024, by and between the City of Negaunee, a municipal corporation, pursuant to MCL 45.3, located at 319 W Case St, Negaunee, MI 49866, and the Lake Superior Community Partnership, Inc., (LSCP) a non-profit 501(c)6 corporation in the State of Michigan, located at 501 S. Front Street, Marquette, MI 49855.

WHEREAS, the City desires to assist and retain local industrial and commercial enterprises, encourage new enterprises, and create/retain jobs for all income ranges; and,

WHEREAS, the LSCP has been established to implement and carry out community and economic development; and,

WHEREAS, the City has encouraged the privatization of the City's economic development effort but still maintains a strong interest in accomplishing the public goals of economic development; and,

WHEREAS, the City wishes for economic development efforts to continue and goals to be attained; and,

WHEREAS, the City is empowered under the statutes of the State of Michigan to contract for services with private corporations; and,

NOW, THEREFORE, the parties agree as follows:

1. Economic development services to be provided by the LSCP:
 - a. Apprise the City Council via written reports and/or presentation(s) on current issues affecting the economic environment of the county. Conduct data and policy analyses and provide technical support when requested by the Negaunee City Council and/or City Manager;
 - b. Develop reports of an economic development nature, maintain databases in order to compile and assimilate requested information, conduct trend analysis to determine the impact of various changes at

the local, regional, state, federal, and international levels upon the county;

- c. Conduct follow-up action to assure the needs of potential businesses considering relocation or expansion within the city are met, act as the contact for individuals or companies seeking information on available buildings and building sites, incentives, and other economic development agencies within the city in an equitable manner;
 - d. Remain current on pertinent research and literature of economic development and local government issues, and continuously update knowledge and skills that are necessary for the proficient functioning of the economic development effort;
2. Tasks to be performed by the LSCP for City of Negaunee will be updated in subsequent agreements if the City chooses to renew the agreement and will be included as an attachment to the agreement.
 3. For the term of the agreement, the City will pay the LSCP the amount of Ten Thousand and 00/100 (\$10,000) Dollars with payments to be made in equal twice-yearly installments.
 4. General Terms and Conditions of the Agreement
 - a. In performance of this Agreement, the LSCP shall be acting in the capacity of an independent contractor and not as an agent, employee, partner, joint venture or associate of the City. The LSCP shall be solely responsible for the means, methods, techniques, sequences and procedures utilized in full performance of this agreement.
 - b. The LSCP shall comply with all federal, state and county requirements, including, but not limited to, MCL 141.421-141.440A (the ***Uniform Budgeting and Accounting Act***).
 - c. At least biannually, the LSCP shall provide updates to the City regarding progress toward accomplishing the goals set out in this agreement.
 - d. An independent financial audit shall be made available for review and inspection by the City Manager and City Council on an annual basis.
 - e. City of Negaunee shall have a seat on the LSCP Board of Directors.

- f. To the fullest extent permitted by law, each of the parties agree to indemnify, pay on behalf of, defend, and hold harmless the other party from and against any and all actions or causes of action, claims, demands, liabilities, lawsuits, or damages of whatsoever kind and nature, and from all losses, costs, and expenses arising out of any liability, or claim of liability, or injuries or damage to persons or property sustained or claimed to have been sustained by anyone whomsoever arising, on account of, or by reason of the acts or omissions of the indemnifying party, or any employee, agent, contractor, or invitee of the indemnifying party. This indemnification obligation shall be limited to the same extent, and in the same proportion, that the negligent act or omission of the indemnifying party bears to the total liability for such claims, losses or damages.

- g. This Agreement will terminate effective _____, and may be extended for successive two-year periods upon such terms and conditions agreed upon in writing.

- h. This City or LSCP may terminate this Agreement upon 90-day written notice to the other party.

Dated: _____

Christopher Germain
Lake Superior Community Partnership

Dated: _____

Nate Heffron
Negaunee City Manager

Attachment A

2024/2025 Agreed Upon Tasks

- a. Provide retention/expansion visits with a minimum of 15 businesses quarterly in the City of Negaunee. Follow up with any business development services required to assist them.
- b. Market available private sites & properties within the city to site selector database a minimum of 2 times per year.
- c. Provide support for Moving Forward event or 16-page magazine. *
- d. Provide appropriate staff and commissioners legislative updates applicable to city priorities.
- e. Support the City in successfully implementing their economic development strategy as agreed upon. *

*additional fees may apply, depending on scope of work

Gundlach Champion, Inc.
180 Traders Mine Road - PO Box 490
Iron Mountain, MI 49801

INVOICE

1/1/2024

To:
Dave Nelson
City of Negaunee
Vista Theater
300 Iron Street
Neagunee, MI 49866

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	Hog Leg Wall Bracing System At Vista Theatre January, 2024	200.00	200.00
TOTAL DUE			200.00

Make Check payable to Gundlach Champion Inc.

**MINUTES
CITY OF NEGAUNEE REGULAR MEETING
DECEMBER 14, 2023**

DRAFT
9.1

A Regular meeting of the Negaunee City Council was held on Thursday December 14, 2023 at 6:30 p.m. in the Negaunee Senior Center.

Members Present: Mayor Kangas, Council Members Smith, Howard (arrived at 6:40 p.m.), Ilmonen and Flohe

Members Absent: Council Member Karki

APPROVAL OF AGENDA

A motion was made by Council Member Ilmonen, supported by Council Member Smith, and unanimously carried to approve the agenda as presented.

PUBLIC COMMENT

Jeff Plummer was present to read a letter regarding the re zoning of land in the Old Towne Area. He expressed his concerns and stated there should have been more public input.

Carrie Plumber addressed the Council with her concerns regarding the re zoning of the land in Old Towne and that the public should have been more aware.

Blake Becker addressed the Council with his support of Jon Becker for the vacant council seat and thanked everyone for the improvements to Iron Street.

Glenn Lerlie, RAMBA addressed the Council echoing the Plummer's concerns and stated that RAMBA has always had a good working relationship with the city.

Floyd Johns addressed the Council with his concerns regarding the re zoning.

Scott Harmon addressed the Council with his concerns regarding the re zoning.

Jon Becker addressed the Council and explained the process the Planning Commission went through in regards to the re zoning.

PUBLIC HEARING – CRD 400 IRON STREET

The mayor opened the public hearing. One of the partners in the business at 400 Iron Street was present to answer any questions. No one from the public wished to comment. The public hearing was closed.

A motion was made by Council Member Smith and supported by Council Member Flohe to approve the abatement for 4 years for 400 Iron Street.

The following roll call vote was taken:

Ayes: Council Member Smith, Ilmonen, Flohe and Mayor Kangas

Nays: Council Member Howard

The motion passed on a 4-1 vote.

VACANT COUNCIL SEAT

Diana Menhennick addressed the Council. She stated that she had been on the council in the past. She commented on her 30 years in the public sector her knowledge of government, working budgets and public policy and her desire to serve her community.

Dean Maki addressed the Council and stated that he has served on various boards in the community and would like to get involved with the operation of the city government.

Jon Becker addressed the Council and stated that he had served on the City Council in the past and has been on the Planning Commission for over 10 years. He stated that he is up to speed on current projects in the city and feels he would make a good council member.

Tracy Dietz addressed the Council and stated she is currently on the Planning Commission and that the best candidate would be Mr. Becker because of his knowledge.

A motion was made by Council Member Smith, supported by Council Member Flohe, and unanimously carried to appoint Jon Becker to the vacancy until the next regular election.

CITY ATTORNEY AGREEMENT

A motion was made by Council Member Smith, supported by Council Member Ilmonen, and unanimously carried to approve the agreement.

BOARDS AND COMMISSIONS

A motion was made by Mayor Kangas, supported by Council Member Smith, and unanimously carried to appoint Jeff Gardyko to the Planning Commission, John Thomas and Dale Rogers to the Parks and Recreation Commission.

A motion was made by Council Member Smith, supported by Council Member Flohe, and unanimously carried to appoint Melissa Kuhlman to the DDA, Larry Dillman and Allan Rautio to the Commission on Aging and Josh Fruik and Terry Tincknell to the Board of Review.

A motion was made by Council Member Smith and supported by Council Member Ilmonen to appoint Dave Kangas to the Zoning Board of Appeals. This motion passed 3-1 with Mayor Kangas abstaining.

USDA DRAW #12 AND CHANGE ORDER #5 – PHASE I WATER PROJECT

A motion was made by Council Member Ilmonen and supported by Council Member Flohe to approve Draw #12 in the amount of \$696,659.99 participation and \$531,247.99 non-participating.

The following roll call vote was taken:

Ayes: Council Members Ilmonen, Flohe, Smith and Mayor Kangas

Nays: Council Member Howard

The motion passed on a 4-1 vote.

A motion was made by Council Member Ilmonen and supported by Council Member Smith to approve Change Order #5 in the amount of \$301,435.94.

The following roll call vote was taken:

Ayes: Council Members Ilmonen, Flohe, Smith, Howard, and Mayor Kangas

Nays: None

The motion passed on a 5-0 vote.

REZONING ORDINANCE AMENDMENT – 1ST READING

City Manager Heffron and Planner Dave Nelson gave a presentation on the re zoning of the property in Old Towne.

A motion was made by Council Member Ilmonen, supported by Council Member Flohe, and unanimously carried to approve the 1st read and set a public hearing and 2nd reading for the January 18, 2023 regular meeting.

TRAILER BIDS

The DPW Recreation Dept needs a bigger trailer for hauling equipment, tables, streetscape items. There is currently \$8,000 budgeted in the equipment fund for this purchase.

A motion was made by Council Member Smith and supported by Council Member Ilmonen to award the trailer bid to the lowest bidder Midway Rentals in the amount of \$10,339.99 with

\$8,000 coming from the equipment millage and the balance being paid out of the streetscape fund.

VISTA ROOF REPAIR

The Marquette Landbank was awarded \$418,924 in a grant for the replacement of the VISTA Roof. Two bids were received from Closner \$779,934 and Premeau \$714,000. City Staff is requesting to use \$295,076 of the 3 million that was allocated to the city by the State to make up the difference.

A motion was made by Council Member Ilmonen and supported by Council Member Smith to use \$295,076 of the 3 million VISTA allocation to make up the difference for the VISTA roof repair.

The following roll call vote was taken:

Ayes: Council Member Smith, Ilmonen, Flohe and Mayor Smith

Nays: Council Member Howard

The motion passed on a 4-1 vote.

CONSENT AGENDA

A motion was made by Council Member Ilmonen and supported by Council Member Smith to approve the Consent Agenda as follows: November 9th regular minutes, Claims and Accounts in the amount of \$605,422.87 AP, \$390,566.67 Substation, Revenue/Expenditure Trial Balance Reports, PA 152 Resolution, Delinquent utilities to the tax rolls, set meeting dates, financial depositories, CIP resolution and the WPPI loan application for the substation.

PUBLIC COMMENT

No one from the public wished to comment.

COUNCIL COMMENT

Council Member Flohe excited to be back on the council.

Council Member Ilmonen commented on missing Tinseltown and wished everyone Happy Holiday's.

Council Member Howard commented that he was a little off today and that it had been a long week. He felt a lot of topics were skimmed over quickly and that he had gotten a phone call from Adam Karki that he had relayed to the mayor.

City of Negaunee regular Meeting

Thursday December 14, 2023

Page 5 of 5

Mayor Kangas commented on Tinseltown and that Heikki Lunta was coming up. He also welcomed Council Members Flohe and Becker.

CITY MANAGER

City Manager Heffron commented on the good showing for Tinseltown, Heikki Lunta is coming soon, trailers committee and parking program.

ADJOURNMENT

There being no further business to discuss a motion was made by Council Member Flohe, supported by Council Member Howard, and unanimously carried to adjourn the meeting at 8 p.m.

Ann Ducoli
Deputy Clerk

94

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

- Public Hearing Agenda Items Consent Agenda

To: 2024 Fee Schedule – Parking Permit Fes

BACKGROUND:

Attached is the Parking Permit Program for Long-Term, Short-Term, and Owner Occupied Residential Housing in the Downtown area.

Fees associated with this program will need to be in our City Fee Schedule.

PERMIT FEES

Season Pass (November 1-April 30) \$600/space – proration available

**Temporary Permits \$10/day
 \$50/week
 \$100/month**

CITY OF NEGAUNEE
Permitted Parking Program
FOR LONG-TERM, SHORT-TERM, AND OWNER-OCCUPIED
RESIDENTIAL HOUSING

I. Overview.

On November 9, 2023, the Negaunee City Council adopted a compiled traffic code ordinance (the “Code”) to codify and update City of Negaunee’s traffic and parking laws, and make the laws more user-friendly to the residents, business owners and visitors to the City. Pursuant to Section 9.4 of the Code, the City Manager was tasked with creating permitted parking, as needed, within City owned public parking areas to further the goals of the City’s Master Plan and Downtown Plan, which among other things, includes promoting economic development. These goals, however, must be balanced against preserving as much public parking as possible during general business hours (7AM to 8PM, daily).

Permitted parking for long-term (apartment rental), short-term (short-term rentals), and owner-occupied residential units within the City is one area specifically, that can further the dual goals of promoting economic development, while preserving public parking during business hours. Current planning and zoning requirements require a certain number of parking spaces be available for residential units, whether this be long-term, short-term, or owner-occupied unit. Many property owners cannot meet these zoning requirements with their own property, and private parking is limited. The lack of available parking has been found to negatively impact rental desirability, thereby discouraging economic development and activity within the City.

To help address this issue, while still conserving public parking during business hours, a permitted parking program has been designed whereby signs will be affixed to poles indicating which parking spaces are available for permitted parking. Each permitted space will be assigned a number. A parking permit holder can reserve a specific numbered parking space, and their permit number will match the parking space number. The holder of the permit will then be guaranteed parking from 8:00 PM to 7:00 AM while they hold a valid permit. All spaces, permitted or otherwise, shall remain available to the public between the hours of 7:00 AM to 8:00 PM. The permit holder does not necessarily need to move their car at 7:00 AM each morning, but if they move their car, they are not guaranteed their permitted space back until after 8:00 PM, but are still subject to the general parking regulations and the rules promulgated by this program.

Permitted parking spaces must be applied for, are limited, and will only be granted to City property owners for long-term, short-term, or owner-occupied residential rentals. Landlords are responsible for providing the City with the vehicle and owner information associated with each permit, and are responsible, along with the vehicle’s owner, for appropriate use of the permit. Repeated violations will terminate the permit (Three {3} or more of the same offense or combinations thereof).

II. Regulations.

1. Eligibility. Owners of properties found within the boundaries, Jackson Street from Tobin Street to N. Pioneer Street (see inclusion), Division Street to Rail Street, Rail Street from Division Street to Gold Street, and Tobin Street from Iron Street to Jackson Street (see map 2) may receive up to two (2) parking permits per unit annually under this program on a first-come-first serve basis, and only those properties that are currently, or will be within reasonable time, being used as residential long-term, short-term, or owner-occupied rental units are eligible to participate. Proof of ownership, such as a deed or tax statement, must be presented at the time of the application. A separate application must be submitted for each permit.

2. Rights to Permit. Permits may be issued in the name of the Property Owner and are non-transferrable. Any material or equitable change in ownership of the property associated therewith automatically revokes the permit and requires the owner to re-apply for a new permit. Repeated violations of these parking permit rules, or multiple violations of City Traffic Code, by either the Property Owner or the Tenant or a combination thereof, shall result in revocation of the permit

3. Permits Assigned to Vehicle. All permits must be registered and associated with one (1) vehicle, and must identify the vehicle's owner, license plate number and VIN. Temporary permits do not need to be associated with a specific vehicle.

4. Assigned Parking Space. All parking spaces are to be assigned at the sole the discretion of the issuing City employee. Parking in a space that does not match a parking permit may result in a civil infraction and towing (at owners' expense).

5. Permit Duration. All parking seasonal permits will be valid November 1st of each year and terminate on April 30th of each year and must be renewed annually. Prior issuance of a permit does not guarantee future issuance of a permit. Temporary permits, with an expiration date, may be purchased and are designed for short-term rentals. Tenant parking may be revoked by the landlord or manager of said short-term rentals at any time. A temporary replacement permit will need to be replaced once expired.

6. Parking Times. Permit holders are guaranteed parking in their assigned space from 8:00 PM to 7:00 AM only. Vehicles without a parking permit and that are parked in an assigned space should be reported to the City of Negaunee Police Department between the hours of 8:00 PM and 7:00 AM. Such vehicle may be towed (at owners' expense) and are subject to a civil infraction.

7. Snow. In the event of snowfall where three (3") inches or more of accumulation occurs, the permit holder shall be required to move and/or advise their tenant move their vehicle from the assigned space to allow for snow removal by the City

of Negaunee DPW. Such vehicle must be moved by 7:00 AM, or upon request of the city.

8. Replacement Permit. Should a permit be lost, stolen, or otherwise damaged, the Negaunee City Police Department should be notified and a new permit will be issued upon payment of a replacement fee.

9. Condition of Vehicle. All vehicles subject to a parking permit under this program must be operable and in street legal condition and have valid license plates and valid insurance.

10. Display of Parking Permit. The parking permit shall be affixed to the interior, lower-lefthand side of the windshield (driver's side) of the vehicle. Failure to display parking permit properly may result in a civil infraction.

11. Excluded Vehicles. Parking permits may not be purchased for campers, trailers, boats, box trucks, commercial vehicle, and/or recreational vehicles.

12. Liability. Participants in this program that display parking passes do so at their own risk, and in consideration for same, agree to release the City from all damages and/or liabilities that may occur to their vehicle. Participants further acknowledge the parking lots available for this program are public spaces, and that any occurrences or omissions that occur in such public spaces are subject to the laws of the State of Michigan and the City Ordinance. The lots are not regularly patrolled, do not offer security, and do not have cameras. All belongings within a vehicle utilizing permitted parking are stored at the owner's sole risk. The permit holder and the permit user are responsible to familiarize themselves with this program's rules and regulations annually, as such rules may change from time-to-time, at the City's sole discretion.

III. Fees and Fines.

The following fee and fine structure apply to the Permitted Parking Program.

1. Permit Fee.
 - A. Season Pass (November 1-April 30) \$600.00/space
- Proration available
 - B. Temporary permits
 - i. Daily \$10/day
 - ii. Weekly \$50/week
 - iii. Monthly \$100/month
 - C. Lost/Damaged Permit Fee \$25.00/replacement

IV. Permit Samples.

2023/2024 PARKING PERMIT			
NO. <input type="text"/>	P		

TEMPORARY PARKING PERMIT			
NO. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	EXPIRES	PLATE ID	STATE

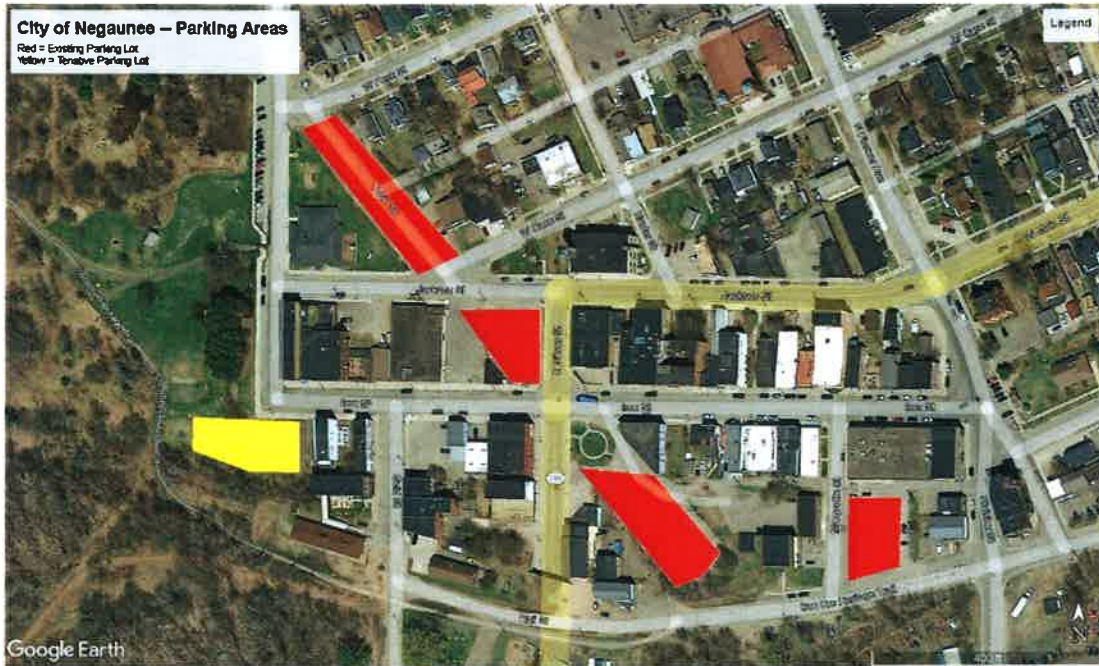
For example purposes only, the following is the proposed signage:

PARKING BY PERMIT ONLY
NOVEMBER-APRIL 8PM-7AM
ALL OTHERS TOWED AT OWNER'S EXPENSE
<input type="text"/>
PERMIT SPACE

V. Maps.

The following map indicates City owned parking lots where permitted parking program may occur and where one (1) future site is identified. The number of parking spaces may change depending upon year-to-year needs of applicants. Twenty-five (25) parking spaces have been identified as available at the inception of this program.

MAP 1



The following map indicates a boundary of which properties found therein are eligible to participate under this program.

MAP 2



9.5

**AGENDA SUPPLEMENT
CITY OF NEGAUNEE REGULAR MEETING
January 18, 2024**

Public Hearing Agenda Items Consent Agenda

To: The Honorable Mayor and City Council

Re: Resolution Adopting the MERS Defined Contribution Plan
MERS Defined Contribution Plan Adoption Agreement
Contribution Addendum for MERS Defined Contribution
MERS Defined Contribution & 457 Loan Addendum

BACKGROUND:

The MERS Defined Contribution Plan is a plan to allow for saving for retirement, that is different than 457 plan which the City currently offers.

Following is a summary of the Plan:

- 1. Eligible Employee is the City Manager hired in 2018**
- 2. Compensation Definition is Gross Wages**
- 3. Vesting is Immediate**
- 4. Contributions will be submitted bi-weekly**
- 5. Loans shall be permitted**
- 6. Employee's required DC Contribution will be _____ (\$ or %)**
- 7. Employer will contribute 10% per pay period**

RECOMMENDATION:

Approve the requested Resolution Adopting the MERS Defined Contribution Plan, Agreement and Addendums to allow for additional retirement savings options.

ALTERNATIVE:

None recommended this was approved during budget for the City Manager's Agreement.

Resolution Adopting the MERS Defined Contribution Plan



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

WHEREAS, the participating entity desires to adopt the MERS Defined Contribution Plan for its designated employees;

WHEREAS, the participating entity has furnished MERS with required data regarding each eligible employee and retiree;

WHEREAS, as a condition of MERS membership, and pursuant to the MERS Retirement Board's power as plan administrator and trustee under Plan Document Section 71 and MCL 38.1536, as each may be amended, it is appropriate and necessary to enter into a binding agreement providing for the administration of the Defined Contribution Plan, the reporting of wages, and the payment of the required contributions of a participating entity and withholding of employee contributions; now, therefore,

IT IS HEREBY RESOLVED:

On behalf of the participating entity, the governing body of
City of Negaunee _____ adopts the MERS Defined
Contribution Plan in accordance with Plan Section 4 for its eligible employees as described
in the MERS Defined Contribution Adoption Agreement, subject to the MERS Plan
Document and as authorized by 1996 PA 220, as both may be amended;

I hereby certify that the above is a true copy of the Defined Contribution Resolution adopted at the official meeting held by the governing body of this municipality:

Dated: _____, 20____. _____
(Signature of Authorized Official)

Printed name: _____
(Authorized Official - printed)

This Resolution shall have no legal effect under the MERS Plan Document until a certified copy of this adopting Resolution is filed with MERS, MERS determines that all necessary requirements under the Plan Document, the Adoption Agreement, and this Resolution have been met, and MERS certifies the Resolution below.

Received and Approved by the Municipal Employees' Retirement System of Michigan:

Dated: _____, 20____. _____
(Signature of Authorized MERS Representative)

MERS Defined Contribution Plan Adoption Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

The Employer, a participating municipality or court within the state of Michigan that has adopted MERS coverage, hereby establishes the following Defined Contribution Plan provided by MERS of Michigan, as authorized by 1996 PA 220 in accordance with the MERS Plan Document.

I. **Employer Name** City of Negaunee **Municipality #:** 5203

Division name City Manager hired 2018

Note: This division should reflect how you currently define employees who are eligible to participate, for example, All full-time Employees, New hires after 1/1/2019, etc.

II. Effective Date

Check one:

A. If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of January, 2024.

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited as follows (choose one):

Vesting credit from date of hire No vesting credit

This division is for new hires, rehires, and transfers of current Defined Benefit* division # _____ and/or current Hybrid division # _____

For divisions that are closing or freezing with or without conversion, the Employer must complete the Addendum for Plan Freeze, Closure and Conversions

B. If this is an **amendment** of an existing Adoption Agreement (existing division number _____), the effective date shall be the first day of _____, 20____.

Note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

C. If this is to **separate employees from an existing Defined Contribution division** (existing division number(s) _____) into a new division,

the effective date shall be the first day of _____, 20____.

D. If this is to **merge division(s)** _____ into division(s) _____, the effective date shall be the first of _____, 20____.

E. If this is an amendment to close Defined Benefit division(s) # _____ or Hybrid division(s) _____ with new hires, rehires, and transfers going into existing Defined Contribution division # _____, the effective date shall be _____ (month/year).

Note: Closing this Defined Benefit or Hybrid division(s) will change future invoices to a flat dollar amount instead of a percentage of payroll, as provided in your most recent annual actuarial valuation.

(The amount may be adjusted for any benefit modifications that may have taken place since then).

MERS Defined Contribution Plan Adoption Agreement

III. Plan Eligibility

Only those employees eligible for MERS membership may participate in the MERS Defined Contribution Plan. If an employee classification is **included** in the plan, then employees that meet this definition are required to participate in the plan and earn time toward vesting. All eligible employees must be reported to MERS and earn time toward vesting. Some excluded classifications require additional information below. Please describe the specific classifications that are eligible for MERS within this division:

City Manager hired 2018

(For example: e.g., Full-time employees, Clerical staff, Union Employees participating in XXXX union)

This Division includes **public safety employees**: Yes No

To further define eligibility (select all that apply):

Employee Classification	Included	Excluded	Not Employed
Temporary Employees: Those who will work for the municipality fewer than <u>9</u> months in total	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Part-Time Employees: Those who regularly work fewer than <u>20 hrs</u> per <u>week</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seasonal Employees: Those who are employed for tasks that occur at specific times of the year	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Voter-Elected Officials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Appointed Officials: An official appointed to a voter-elected office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Contract Employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other 2: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Probationary Periods (select one):

- Contributions will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, contributions will not be reported and service toward vesting will begin when probationary period has ended.

The probationary period will be _____ month(s).

Comments:

- Contributions will begin with the employee's date of hire (no Probationary Period). Effective with the date of hire, wages and any associated contributions must be submitted to MERS.

MERS Defined Contribution Plan Adoption Agreement

IV. Provisions

1. Leaves of Absence

Regardless of whether an employee is earning a wage while on the following types of leave:

- Third-party wages are not used in determining contributions for periods of leave.
- Vesting under elapsed time continues to accrue even if wages are not earned and contributions are zero.

Note: Employers who determine vesting based on an “hours-reported” method, should report actual worked hours for the month where there was a leave.

Types of leave include:

- Short Term and Long Term Disability
- Workers Compensation
- Unpaid Family Medical Leave Act (FMLA)

Leaves of absence due to military service are governed by the federal *Uniformed Services Employment and Reemployment Rights Act* of 1994 (USERRA), IRC 414(u), effective January 1, 2007, IRC 401(a)(37). Military reporting requires historical wage and contribution reporting for Defined Contribution as applicable.

2. Definition of Compensation

The Definition of Compensation selected must be used when determining both employer and employee contributions. Employers may include wage information along with employee and employer contributions when submitting wage/contribution reports to MERS.

Select your Definition of Compensation:

Base Wages Box 1 Wages of W-2 Gross Wages

Custom Definition

(To customize your definition, please complete the [Custom Definition of Compensation Addendum](#).)

[Click here to view details of Base, Box 1, and Gross Wages](#)

3. Forfeiture

A forfeiture occurs when a participant separates from employment prior to meeting the associated elapsed time (or hours reported) to receive vesting. The percentage of his/her employer contribution account balance that has not vested as of the date of termination will forfeit after 12 consecutive months following the termination date reported by the employer, or earlier, if the System distributes the participant’s vested portion. MERS will utilize any available forfeiture balance as an automatic funding source applied to reported employer contributions at the time of reporting.

4. Vesting

Vesting will be credited using (check one):

- Elapsed time method – Employees will be credited with one vesting year for each 12 months of continuous employment from the date of hire.
- Hours reported method – Employees will be credited with one vesting year for each calendar year in which _____ hours are worked

MERS Defined Contribution Plan Adoption Agreement

Vesting schedule will be (check one):

- Immediate
- Cliff vesting (fully vested after a specified number of years, not to exceed 15 years) will be ___ years.
- Graded Vesting (the % of vesting acquired after employment for the designated number of years, not to exceed 10 years; or, where full vesting is attained between 10 and 20 years, graded vesting must commence no later than 3 years of service)

% Vested	Years of Service

In the event of disability or death, an employee's (or his/her beneficiary's) entire employer contribution account shall be 100% vested, to the extent that the balance of such account has not previously been forfeited.

Normal Retirement Age (presumed to be age 60 unless otherwise specified) _____

If an employee is still employed with the municipality at the age specified here, their entire employer contribution balance will become 100% vested regardless of years of service.

5. Contributions

- a. **Contributions will be submitted** (check one):
 Contributions will be remitted according to Employer's "Payroll Period" which represents the actual period amounts are withheld from participant paychecks, or within the month during which amounts are withheld.

- Weekly
- Bi-Weekly (every other week)
- Semi-Monthly (twice each month)
- Monthly

- b. **Employer Contributions**
 Required Employee Contributions and Employer Contributions are outlined using associated *Contribution Addendum for MERS Defined Contribution (MD-073)*.

- c. Post-tax voluntary employee contributions are allowable into a Defined Contribution account subject to Section 415(c) limitations of the Internal Revenue Code.

6. Loans: shall be permitted shall not be permitted

If Loans are elected, please refer to the *Defined Contribution & 457 Loan Addendum*.

7. Rollovers from qualified plans are permitted and the plan will account separately for pre-tax and post-tax contributions and earnings thereon.

V. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Contribution Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Contribution Plan Adoption Agreement, the provisions of the Plan Document control.

MERS Defined Contribution Plan Adoption Agreement

VI. Modification of the terms of the Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of this Agreement is not effective until approved by MERS.

VII. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. The Employer acknowledges that employee contributions (if any) and employer contributions must be submitted in accordance with the *MERS Reporting and Contribution Enforcement Policy*, the terms of which are incorporated herein by reference;
4. The Employer acknowledges that late or missed contributions will be required to be made up, including any applicable gains, pursuant to the Internal Revenue Code;
5. Should the Employer fail to make its required contribution(s) when due, MERS may implement any applicable interest charges and penalties pursuant to the *MERS Reporting and Contribution Enforcement Policy* and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. It is expressly agreed and understood as an integral and non-severable part of this Agreement that Section 43 of the Plan Document shall not apply to this Agreement and its administration or interpretation. In the event any alteration of the terms or conditions of this Agreement is made or occurs, under Section 43 or other plan provision or law, MERS and the Retirement Board, as sole trustee and fiduciary of the MERS plan and its trust reserves, and whose authority is non-delegable, shall have no obligation or duty to administer (or to have administered) the MERS Defined Contribution Plan, to authorize the transfer of any defined benefit assets to the MERS Defined Contribution Plan, or to continue administration by MERS or any third-party administrator of the MERS Defined Contribution Plan.

VIII. Execution

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by City of Negaunee on
the ____ day of _____, 20²³.
(Name of Approving Employer)

Authorized signature: _____

Title: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ Signature: _____
(Authorized MERS Signatory)

Contribution Addendum for MERS Defined Contribution (and DC portion of Hybrid)



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711 www.mersofmich.com

This is an Addendum to the Adoption Agreement completed by City of Negaunee
Name of Participating Employer

for the following:

City Manager hired 2018
Employee Group Name

Division Code: _____

The Addendum accompanies the MERS 401(a) Defined Contribution (DC) Adoption Agreement. Please complete this addendum for each contribution structure associated with the covered employee group.

Section 1: Matching Contributions

The Participating Employer will make matching contributions into the DC Plan based on

(CHECK ALL THAT APPLY):

- Employee's MERS 457 program election
- Employee's non-MERS 457 program election
- Employee's one-time election of MERS Defined Contribution required employee contributions
- Other _____

For each payroll period in which employee contributions described in Section 1 are made, the Participating Employer will contribute _____% of the employee contribution amount.

For example, if an Employer elects a 50% match, then for every 1% the participant defers to the Program, the Employer will contribute 0.5% to the Program.

Employer Cap: The Employer elects the following matching contribution cap:

- Percentage Cap:** In no event will matching contributions made on behalf of a participant exceed _____% of the participant's IRS Section 401(a)(17) includable compensation as defined by the Employers' Adoption Agreement. Match cannot exceed 100% of participant's income.
- Flat Dollar Cap:** In no event will matching contributions made on behalf of a participant exceed a flat dollar amount equal to \$ _____ per _____.

Contribution Addendum for MERS Defined Contribution (and DC portion of Hybrid)



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Section 2: Required DC Contributions

Select one:

- Employees are required to contribute per pay period: _____ (specify \$ or %)
- Range from _____ to _____ (specify \$ or %) per pay period
 - Employee contributions must be in whole numbers
 - Employee contribution election may be in increments of _____% (for example, 0.5% increments)
- Choice of contribution amounts per pay period:

Employee Contribution (\$ or %)	Employer Contribution (\$ or %)
	Council Determine ?

The Employer designates 0 (specify \$ or %) as the default contribution.

Federal law requires employees only be offered a contribution choice at the time of first eligibility. Therefore, the default will apply when an eligible employee fails to make an election prior to the first payroll reporting in which they qualified for the plan, and those employees who are transferred, rehired, or previously covered under a non-MERS plan.

Direct Required Employee Contributions: Pre-tax After-tax

Section 3: Non-Matching Contributions

The Employer hereby elects to make contributions to the participants' accounts without regard to a participant's contribution amount (check all that apply):

- Annual:** A one-time annual contribution of \$ _____ or _____% of compensation per participant.
- Pay Period:** \$ _____ or ¹⁰ _____% of compensation per participant for each payroll period.
- One time:** \$ _____.

I. Loan Reference

This addendum is applicable to all employers that participate in the MERS Defined Contribution (DC) Plan (or DC portion of Hybrid) or 457 and offer loans as a provision in any division.

II. Loan Procedures

1. **Availability.** Any participant who is an active employee may apply to the Employer for a loan from the employee's account balance in the Plan. Loans will be available to all such participants on a uniform and nondiscriminatory basis upon submission of the required loan application forms. All loans are subject to the approval of the Employer and MERS.
2. **Purpose.** A general purpose loan may be obtained for any purpose.
3. **Restrictions on Availability.** A participant may not have more than two (2) outstanding loan(s) at any one time.
4. **Frequency.** A participant may not apply for a loan any more frequently than once per a rolling 12-month period.
5. **Minimum Amount.** The minimum loan amount is One Thousand Dollars (\$1,000.00).
6. **Maximum Amount**

The maximum amount for all outstanding loans to the participant from the Plan and all other plans participated in is the lesser of:

- (a) Fifty Thousand Dollars (\$50,000.00), reduced by the highest outstanding balance of loans from all the plans in which the participant participates during the one (1) year period ending on the day before the date on which the loan is to be made; or
- (b) One-half (1/2) of the sum of the vested account balance, reduced by the participant's current outstanding balance of all loans from all plans of the participant for that participant, determined as of the loan application date.

The maximum amount will also be reduced by the amount of any existing loan balance (including accrued interest).

7. **Domestic Relations Orders**

No loans will be made during a period when MERS is determining whether a domestic relations order affecting the participant's accounts is an "eligible domestic relations order" as defined by the Eligible Domestic Relations Order Act, MCL 38.1701, *et seq.*

8. **Interest Rate**

- (a) The interest rate to be charged on a loan will be the prime interest rate (as reported by the Wall Street Journal or any successor thereto) plus two percent (2.00%) and is fixed for the life of the loan. The interest rate will be the established rate in effect on the date the loan application becomes effective and is approved by MERS.

(b) Interest payments on the loans by participants are not deductible for tax purposes.

MERS Defined Contribution & 457 Loan Addendum

9. **Term**

- (a) The term of the loan must extend for at least one (1) year from the date of the loan but must not exceed five (5) years.
- (b) The term of the loan will end prior to the end of the applicable period and the outstanding balance (principal and accrued interest) will become immediately due and payable on the earlier of:
 - (1) in the case of a participant who becomes eligible for a plan distribution (other than an in-service distribution beginning at age 70½) which begins after the beginning date of the loan, the date such distribution begins;
 - (2) the date of distribution or separation of (1) the participant's accounts pursuant to an eligible domestic relations order, or (2) any portion of the accounts which causes the remaining portion of the accounts to be less than the security interest established at the time of inception of the loan;
 - (3) the date of termination of employment of the participant as provided in paragraph 15; or
 - (4) the date of a default on the loan as provided in paragraph 16.
- (c) The term of the loan shall not exceed a period which would cause the payment to be less than Five Dollars (\$5.00) per week.
- (d) Loans may not be refinanced for any reason.

10. **Repayment**

- (a) Each loan must be repaid in substantially equal installments, with payments not less frequently than each payroll period beginning as specified in loan document but no later than 30 days from receipt of payment.
- (b) The participant must authorize repayment of the principal and interest of each loan to be made by regular payroll deduction payments and reported to MERS according to reporting cycle selected in Adoption Agreement. If the scheduled repayment amount is greater than the participant's payroll, the participant must make payment in full for any remaining repayment amount not collected through payroll deduction by delivering to the Employer a check or other negotiable instrument (not cash) payable to the Employer.
- (c) Repayments will be reallocated to the participant's account according to the investment election made by the participant, and in effect at the time the payment is processed to the participant's account.

11. **Unpaid Leave of Absence**

During the term of a loan, if a participant takes an approved leave of absence without pay, the participant may choose to suspend regular loan payments for up to one year during such unpaid leave of absence. Suspension of payments will not cause the term of the loan to be extended beyond its original term, and such suspended payments (and accrued interest) will become due and payable at the end of the original loan term in one lump sum payment. If a participant on a leave of absence without pay chooses to continue regular payments during such unpaid leave of absence, payments may be made by check or other negotiable instrument (not cash) made payable to the Employer and delivered to the Employer.

12. **Military Service**

As permitted under Code Section 414(u), if a participant with an outstanding plan loan takes a leave of absence for a period of military service; such participant may elect to suspend regular loan payments during such period of military service, regardless of the duration of such service. Upon completion of such military service, the participant must resume making loan repayments in an amount which is not less than the original repayment amount, and in installments which are not less frequent than the frequency required under the terms of the original loan. The loan must be repaid in full (including interest that accrues during the period of military service at a rate not to exceed 6% compounded annually) by no later than the date of the original loan plus the period of military service. Any balance due and payable at the end of the adjusted loan term must be paid in one lump sum payment. Such lump sum payments may be made by check or other negotiable instrument (not cash) made payable to the Employer and delivered to the Employer.

13. **Prepayments**

The participant may repay, without penalty, the entire outstanding principal balance of the loan and accrued interest to date of repayment. Prepayments should be made by check or other negotiable instrument (not cash) made payable to the Employer and delivered to the Employer who shall report the payment to MERS.

14. **Loan Processing Fees**

Any loan processing fee charged by MERS will be paid by the participant. Following loan issuance, MERS will deduct an initial processing fee of \$150.00 from the participant's remaining vested account balance. MERS reserves the right to charge an annual maintenance fee.

15. **Termination of Employment**

- (a) The entire amount outstanding on the participant's loan will be due and payable on the date of the participant's termination of employment. The date a participant terminates employment is the date on which the participant quits, retires, is discharged, or dies. If the loan is not paid in full at termination, default will occur and paragraph 16 applies.
- (b) No distributions to a participant (other than in-service withdrawals, as limited under paragraph 18(b)) will be made prior to repayment of all outstanding loans, including interest, costs, and expenses due thereon regardless of termination of employment. If there is a distributable event with respect to the participant, the accounts of the participant will be applied against any outstanding loans to the extent necessary to fully repay the same as provided in paragraph 17.

16. **Defaults and Remedies**

- (a) The Plan may declare a default on a loan as of the last day of the quarter following the quarter in which either of the following occurs:
 - (1) the participant fails to make a payment (other than due to an unpaid leave of absence as provided in item 11 or military service as provided in item 12 of these Loan Procedures); or
 - (2) MERS in good faith deems the Benefit Program DC insecure with respect to the repayment of the loan and notifies the participant of this deemed insecurity.

MERS Defined Contribution & 457 Loan Addendum

- (b) If a default occurs prior to a distributable event, the defaulted loan amount will be a taxable “deemed” distribution. When the participant is later eligible for a distribution, the amount distributed will be net of the loan balance, adjusted for interest. This “offset” at the time of distribution is not taxable.
- (c) When a default occurs simultaneously with a distributable event, the defaulted loan balance will be treated as part of the actual taxable distribution.
- (d) A participant will not be eligible to receive any subsequent loans if the participant has ever defaulted on a plan loan.

17. **Source of Loan Funds**

Any loan to a participant will be considered a separate asset of the trust fund segregated for the benefit of such participant. The loan proceeds will come from the fund or funds of the participant in which the vested accumulated balance is invested on a pro-rata basis.

18. **Security**

- (a) The participant must pledge his or her remaining vested account balance as the security interest for the loan, which will be reduced by the amount of loan plus any accrued interest should the loan be defaulted.
- (b) The unpaid portion of the loan is not available for the participant in-service withdrawals.
- (c) No loans will be permitted to a participant who has previously defaulted on a loan.

19. **Loan Application and Processing**

- (a) Loan applications may be made by completing the required forms obtained from the Employer and submitting them to the Employer.
- (b) All loans will be subject to approval by the Employer. The Employer will designate the individual or individuals authorized to approve loans.
- (c) If a loan application is approved, the Employer will forward the approved application materials to MERS. The amount of the loan will be issued to the participant as soon as administratively feasible after the completed application is submitted to MERS and MERS determines that the participant is eligible for the requested loan.
- (d) If a loan application is denied, the Employer will notify the participant in writing.

III. Enforcement

In the event a filing under the IRS Employee Plans Compliance Resolution System becomes necessary with respect to a loan, the filing may, at MERS’ discretion, be managed by MERS; however, the Employer shall be responsible for paying all costs and fees associated with such filing, including legal fees.