

**MINUTES
ST. CLAIR SHORES CITY COUNCIL MEETING
JUNE 20, 2011**

Regular Meeting of the City Council, held in the Council Chambers, located at 27600 Jefferson Circle Dr., St. Clair Shores, Michigan.

Present: Mayor Hison, Council Members Frederick, Rubello, Rubino, Rusie and Walby

Absent/Excused: Council Member McFadyen

Also Present: City Manager Hughes, City Clerk Kotowski, Directors, Haney, Rayes, City Planner Koto and City Attorney Ihrle

1. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Hison called the meeting to order at 7:00 p.m. Ms. Kotowski, City Clerk called the roll with a quorum present and noted that Beverly McFadyen asked to be excused, Council Member Walby will be late

Motion by Rubino, seconded by Frederick to excuse Council Member McFadyen from this evening's meeting.

Ayes: All - 5
Absent: McFadyen

The Pledge of Allegiance was recited by Boy Scouts Troop #1438 and those in attendance.

Mayor Hison announced that agenda Item #7a, #8a and #8b were removed from the agenda, and Item #11 was added to the agenda.

2. PROCLAMATIONS & PRESENTATIONS

a. St. Clair Shores Memorial Day Parade Committee "Trophy Presentation for Award Winners"

Mr. Dennis Krasnicki, Parade Committee, commended American Veterans for putting their lives on the line and giving us freedom. He thanked the residents of St. Clair Shores for all their donations and volunteering for the Parade. Mr. Krasnicki also thanked our Fire Department for donating their time and Color Guard. He thanked Council Member Walby's church for cleaning up after the parade, and Ted Stahl for donating shirts. Mr. Krasnicki also thanked Fishbones, the Department of Public Works and Brian Babcock, and all the participants.

Mr. Robert Montgomery, Parade Chairman, introduced Vince Carr, who was the Grand Marshal for the Parade.

Mr. Montgomery introduced the following Award Winners:

Best Marching Band – Runner-Up - Plymouth Fife Marching Drum
First Place - Lake Shore High School

Best Special Entry – Runner-Up - Kiwanis Boy Scouts Pack #1438
First Place - Word Story Marching Band

Best Overall – Runner up - Ardmore Boy Scouts Pack #1970
First Place - Viviano Flower Shop

Mr. Montgomery presented a plaque to Vince Carr, as the Grand Marshall of the Memorial Day Parade.

Mayor Hison thanked all the members of the Parade Committee, along with the liaisons and volunteers.

b. Activities Committee 2011 Fireworks

Ms. Maureen Antushevich and Mr. Bill Miller, Activities Committee members, stated that there have been some changes this year. There will be a \$2 admission fee at the gate of the park for the fireworks. This year the fireworks are funded by sponsors and the sale of wristbands. In addition to the Committee selling the wristbands, First State Banks sell them and the Parks and Recreation Department also. There will be a special gate at the park for people who purchased wristbands in advance, which will allow for easier entry. There will be no pets or alcohol

allowed. There will be a \$5 parking charge, but parking passes can be purchased in advance at the Civic Arena. The park itself opens at 1:00 p.m., the parking lot opens at Noon, and the Splash Zone will open at 1:00 p.m. Elite Entertainment will begin performing at 4:00 p.m. Food and ice cream will be available for purchase.

PROCLAMATIONS & PRESENTATIONS (cont'd)

Ms. Antushevich thanked the many sponsors of the Fireworks, and also stated she was allowed to sell the wristbands at the Village Market.

City Manager Hughes stated this will be a signature event for St. Clair Shores. There was a lot of hard work done by volunteers and City employees. Mr. Hughes announced a rain date of Saturday, June 25. In addition, if it does rain on Friday, every media outlet will be used to notify everyone. The public can call 586-447-3344 for up to date information.

Mayor Hison added that no general fund tax money will be used for this event.

3. AUDIENCE PARTICIPATION ON AGENDA ITEMS (2 MINUTE TIME LIMIT)

Jim Goodfellow, St. Clair Shores resident, spoke regarding Item #7b. Mr. Goodfellow feels the price for the bocce ball canopy is excessive, especially since it is only used for 3 or 4 months out of the year. He would rather see that money going toward fixing up the streets.

Chuck Hall, St. Clair Shores resident, spoke regarding Items #7a, b, and c. Mr. Hall stated he doesn't have a problem with the fitness room updates or Brys Park Disc Golf Course Markers, but he would like to see the Bocce Ball Court Canopy go out to bid.

4. ADOPTION OF GENERAL EMPLOYEES RETIREMENT HEALTH CARE TRUST PLAN AND POLICE AND FIRE EMPLOYEES RETIREMENT HEALTH CARE TRUST PLAN COMPLIANT WITH IRS STANDARDS

Mayor Hison explained that several years ago, Mayor and City Council created the Retirement Health Care Trust Board to start the prefunding of the retiree health care benefits. The General Employee Retiree Health Care Board adopted this Trust Plan at their April 29, 2011 meeting, and is recommending approval by City Council. In addition, the Police and Fire Employees Retirement Health Care Board adopted the Trust Plan at their March 1, 2011 meeting, and is also recommending approval by City Council.

Mr. Tom Michaud, Vanoverbeke, Michaud & Timmony, P.C, Attorneys, volunteered to answer any questions that Council may have, and stated he recommended Council adopting this plan.

Mayor Hison added that this is the tool to keep the City in check with the IRS.

Motion by Frederick, seconded by Rubino to adopt the City of St. Clair Shores Employees Retirement Care Trust Plan, and the City of St. Clair Shores Police and Fire Employees Retirement Care Trust Plan which read as follows:

**CITY OF ST. CLAIR SHORES
GENERAL EMPLOYEES RETIREE HEALTH CARE TRUST**

CHAPTER 1. GENERAL PROVISIONS

1:100. Purpose.

This Retiree Health Care Trust (the "Trust") is created, under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL §38.1211 et seq.). The Trust shall constitute a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The Trust is established to allow the City of St. Clair Shores (the "City") to fund required retiree health care benefits as provided by the Plan – an essential governmental function.

1:101. Short Title.

This Trust may be known and cited as the City of St. Clair Shores General Employees Retiree Health Care Trust.

1:102. Definitions.

For the purposes of this Trust, the following words shall have the meanings respectively ascribed to them by this section:

- (1) *City* means the City of St. Clair Shores, Michigan.

- (2) *Code* means the Internal Revenue Code of 1986, as amended. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provision of any legislation which amends or replaces such section or subsection and any regulations thereto.

4. (cont'd)

- (3) *Collective Bargaining Agreement* means any written agreement, supplemental agreement, memorandum of understanding, final arbitrator's decision, judicial decision or decision of any public board or agency, by and between applicable Collective Bargaining Associations and the City; and any amendments, continuations, or renewals, which require the City or any other entity to make payments into group health insurance programs for employees of the City.
- (4) *Collective Bargaining Associations* means those collective bargaining associations that have negotiated to participate in the Plan.
- (5) *Contributions* means the payment required to be made to the Trust by employees or the City under the terms of the Plan or under any applicable existing Collective Bargaining Agreements or any future Collective Bargaining Agreements for the purpose of providing group health insurance for Retirees and beneficiaries covered by the Plan.
- (6) *Dependent* generally means a Participant's or Retiree's unmarried child until the end of the calendar year in which he or she reaches 19 years of age and a Participant's or Retiree's unmarried child who is totally and permanently disabled by either a physical or mental condition prior to 18 years of age. The definition applies unless the Participant or Retiree selects an alternate insurance policy offered by the City, in which case the definition is controlled by the insurance policy covering the Participant or Retiree, which may or may not vary from the definition listed above.
- (7) *Employee* means a person employed by the City who is a member of a Collective Bargaining Association which has negotiated to participate in the Plan, or those elected, appointed and non-union employees who are members of the Plan. Employee shall not include part-time employees, retired employees, or persons employed on a retainer or fee basis.
- (8) *Employer* means the City of St. Clair Shores, Michigan and all of its employer groups.
- (9) *Health Care Benefits* means group health care benefits as currently provided and any other future health care related benefits as may be determined to be part of the Plan pursuant to City decisions and applicable Collective Bargaining Agreements.
- (10) *Insurance Agreement* means the health insurance plan or plans and any amendments thereto, including any substitute insurance agreement with a commercial insurance carrier, health maintenance organization, preferred provider organization, or any other qualified entity currently existing or created for the purpose of providing benefits under the Plan.
- (11) *Participant* means an individual who is granted health care coverage under an applicable Collective Bargaining Agreement, administrative regulation, separation agreement, settlement or court order. No person shall be considered a Participant of the Plan who is compensated for services to the City on a fee or independent contractual basis. In all cases of doubt, the Board of Trustees shall decide who is a Participant within the meaning of the provisions of this Plan provided such decision is consistent with any established City policy.
- (12) *Plan* means the post-retirement health care benefits as described in any Insurance Agreements, Collective Bargaining Agreements, administrative regulations, or other applicable insurance policy documents. A description of the health benefits provided to Retirees, Spouses and Dependents under the Plan is maintained by the Plan Administrator.
- (13) *Plan Administrator* means the person, persons, firm, corporation or insurance company or companies, appointed by the City to administer the Plan. The Plan Administrator shall be responsible for the day-to-day operations of the Plan and shall carry out the directives of the City and the Board of Trustees.
- (14) *Qualified Beneficiary* means any person satisfying the benefit eligibility requirements of the Plan as determined by the Board of Trustees and shall be in accordance with the resolutions and decisions of the Board of Trustees.
- (15) *Retiree* means an individual who satisfies the requirements of a Collective Bargaining Agreement, administrative regulation, or personal services contract in effect at the time of the individual's termination of City employment.
- (16) *Retirement System* means the City of St. Clair Shores General Employees Retirement System.

- (17) *Spouse* means a Participant's or Retiree's spouse by legal marriage who is the Participant's spouse on the date the Participant retires from employment with the City.
- (18) *Trust* means the City of St. Clair Shores General Employees Retiree Health Care Trust.
- (19) *Trustee(s)* or *Board* means the Board of Trustees of the Trust or a member of the Board of Trustees of the Trust as provided for in the City of St. Clair Shores General Employees Retiree Health Care Trust.

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1:103. Interpretation and law; Construction.

- (1) The Trust is established in accordance with the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL §38.1211 et seq.), and shall be administered consistent with applicable Federal and Michigan law.
- (2) The Trust shall constitute a governmental trust pursuant to Section 115 of the Code, as amended and shall be construed, enforced and administered and the validity thereof determined in accordance with the Code and the laws of the State of Michigan. If any provision of the Trust is held to violate the Code or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect the Trust.
- (3) Neither the establishment of the Trust, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any person covered under the Plan, or any other person, any legal or equitable right against the City, its elected or appointed officials or employees, the Trustees or any individual Trustee, except as may otherwise be provided in this Trust.
- (4) The headings and subheadings in this Trust are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Trust.
- (5) Words herein in the masculine gender shall be construed to include the feminine gender where appropriate, and words used herein in the singular or plural shall be construed as being in the plural or singular where appropriate.
- (6) In resolving any conflict among provisions of this Trust or any uncertainty as to the meaning or intention of any provision of this Trust, the interpretation that causes both the Trust to be exempt from tax and the Trust to comply with all applicable requirements of the Code shall prevail over any different interpretation.
- (7) This Trust shall be binding upon all Participants and Qualified Beneficiaries under the Plan, or their applicable heirs, executors, administrators, successors, and assigns.

1:104. Collective Bargaining Agreements.

The provisions of this Trust are subject to relevant provisions of applicable Collective Bargaining Agreements between the City and the various Collective Bargaining Associations of the City. The provisions of a Collective Bargaining Agreement relative to retiree health care benefits are controlling in the event of a conflict between the terms of the Collective Bargaining Agreement and the Trust.

Nothing contained in this Plan and Trust shall be deemed to modify or limit in any way the rights that the parties to a Collective Bargaining Agreement may have, any supplements or memoranda thereto, or any arbitrator's award to enforce the terms of the Trust, inclusive of the collection of any amounts due to the Trust and the right of the parties to sue for same.

1:105. Administrative Regulations.

The provisions of this Trust are subject to relevant provisions of any administrative regulations that the City may have for non-union Employees and personal service contracts between the City and an individual employee. The provisions of any administrative regulations for non-union Employees and personal service contracts relative to retiree health care benefits are controlling in the event of a conflict between the terms of the administrative regulations or applicable personal service contract and the Trust.

1:106. Notice.

Notice given to all interested parties shall, unless otherwise specified in this Trust, be sufficient if in writing and delivered or sent by prepaid first class mail. Except as otherwise noted, the distribution or delivery of any statements or documents required under the Trust shall be sufficient if delivered in person or prepaid first class mail.

1:107. Reporting and Disclosure.

The Plan Administrator shall complete and provide to Participants, Retirees, Spouses and Dependents and to the appropriate government agencies any reports as may be required by the Code, applicable federal, state or local law.

1:108. Amendments.

The provisions of the Trust may be amended at anytime by the City of St. Clair Shores City Council in accordance with applicable law.

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CHAPTER 2. RETIREE HEALTH CARE TRUST

1:200. Irrevocable Trust, Established.

The Trust, established in accordance with the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999, as amended (MCL §38.1211 et seq.), shall be an irrevocable trust administered consistent with applicable federal and Michigan law, and shall constitute a governmental trust under Section 115 of the Code, as amended, Revenue Rulings 77-261 and 90-74, and other relevant guidance. The Trust is intended to fund the City's accident and health plan, which is a group health plan established under applicable provisions of the Internal Revenue Code, the regulations promulgated under each, and applicable federal and Michigan law. The Trust shall conform to all applicable sections of the Internal Revenue Code, the applicable Collective Bargaining Agreements, the statement of purpose in this Trust, and all statutes, ordinances, rules, administrative regulations, arbitrators' awards and judicial decisions interpreting the foregoing provisions.

The Trust shall consist of City Contributions, any Contributions which may be paid by Employees, Retirees and other Qualified Beneficiaries pursuant to the provisions of an applicable Collective Bargaining Agreement or City administrative regulation, all investments made or held under Trust, and all income there from, both received and accrued, and any other property, which may be received or held by reason of this Trust. Any funds paid by Retirees and other Qualified Beneficiaries as a result of premium sharing required pursuant to an applicable Collective Bargaining Agreement or City policy, shall be paid directly to the City or the applicable Insurance carrier and shall not be paid into the Trust.

The income accruing to the Trust shall be excluded from gross income as such trust income is derived from the exercise of an essential governmental function as provided for under Section 115(1) of the Code, as amended, Revenue Rulings 77-261 and 90-74, and other relevant guidance.

1:201. Use of Trust Assets.

- (1) No part of the principal or income of the Trust may inure to the benefit of the City, any Participant or any Qualified Beneficiary other than by benefit payments or for services provided to the Trustees in their administration of the Trust. The Trust assets shall not be used for or diverted to purposes other than to provide the benefits contemplated under the Plan or to pay for reasonable and necessary services, costs and expenses related to assisting the Trustees in the operation of the Trust.
- (2) All income, profits, recoveries, contributions, forfeitures and any and all monies, securities and properties of any kind at anytime received or held by the Trustees hereunder, shall become part of the Trust when received, and shall be held for the use and purposes hereof.

1:202. Funding.

- (1) For the purpose of creating and maintaining a fund for the payment of health care benefits payable as provided in the Plan, the City will pay to the Trust an amount consistent with the actuarial valuations and calculations made by the Actuary for the Trust to result in a pre-funded plan. The City reserves the right to fund these health care benefits on a "pay-as-you-go" basis and the right to provide such lesser amount as the City determines. Such contributions shall also be made in accordance with any regulations of the Board of Trustees as are not inconsistent with the authority stated in the Plan, this Trust and any Collective Bargaining Agreements between the City and the Collective Bargaining Associations.
- (2) Subject to the tax provisions of applicable ordinances, resolutions and state law, the Trustees may, to the extent matters are not set forth in the Trust, in their discretion decide the manner and means of payments, the procedures to be followed in making the payments, and the forms required to accompany the payments to the Trust. Upon determination by the Trustees of these matters, the Trustees shall provide written notice to the City and will provide for payments by the City to be made pursuant to the rules and regulations of the Trust.

- (3) Time is of the essence in making and processing all payments to the Trust. The parties recognize that the regular and timely payments of Contributions are essential to the operation of the Trust and the providing of benefits under various insurance programs.

1:203. Board of Trustees.

- (1) The Board of Trustees shall be the Board of Trustees of the City of St. Clair Shores General Retiree Health Care Fund and shall consist of the following members:
 - (a) the Mayor or the Mayor's designee;
 - (b) the City Treasurer, by virtue of the office;
 - (c) the City Clerk, by virtue of the office;
 - (d) the City Controller, by virtue of the office; and

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- (e) a citizen who is a resident and taxpayer of the City, to be appointed by the Mayor subject to the approval of the Council.
- (2) The general administration, management and responsibility for the proper operation of the Trust and for making effective and construing the provisions of the Trust shall be vested in the Board of Trustees established by this Section, consistent with applicable state and federal laws and regulations. A Trustee or other fiduciary under the Trust shall discharge his or her duties with respect to the Trust solely in the interest of the Participants and Qualified Beneficiaries for the exclusive purpose of providing benefits to Participants and Qualified Beneficiaries and paying reasonable expenses of administering the Trust. A Trustee shall discharge his or her duties with the care, skill, and caution under the circumstances then prevailing which a prudent person, acting in a like capacity and familiar with those matters, would use in the conduct of an activity of like character and purpose.

1:204. Trustees' Terms of Office.

- (1) The regular term of office of the citizen Trustee shall be a three-year term of office.
- (2) Each Trustee shall serve until the expiration of his or her term of office or until his or her death, incapacity, resignation or removal.
- (3) A vacancy or vacancies in the office of the Trustees shall not impair the powers of the remaining Trustees to administer the affairs of the Trust, provided there are sufficient Trustees to constitute a quorum. If a vacancy occurs on the Board of Trustees of the Retirement System, it shall automatically create a vacancy on the Board of Trustees, which shall be filled by the person designated to fill the vacancy on the Board of Trustees of the Retirement System.
- (4) Each successor Trustee, upon accepting such appointment, shall have and enjoy all the powers, both discretionary and ministerial, and shall be charged with all of the duties and responsibilities herein conferred upon his predecessor.

1:205. Officers and Administration.

- (1) At its first meeting in the calendar year, the Trustees shall elect a chairman and a chairman pro-tem. The chairman and chairman pro-tem shall serve a term of one year or until a new chairman and chairman pro-tem are elected.
- (2) The Board of Trustees shall designate an officer or Employee of the City to serve as secretary of the Board of Trustees. The secretary's term shall be at the pleasure of the Board of Trustees.
- (3) The City Treasurer shall be the Treasurer of the Trust.
- (4) The Board of Trustees may employ such other clerical staff or administrative staffs to perform whatever administrative activities are required in the proper performance of the Trust. In addition thereto, the Trustees may, if they desire, utilize other staff to perform such clerical and administrative duties as they may, in their sole discretion, determine is reasonably and prudently necessary to carry out the Trust's activities and purposes. Under no circumstances shall said staff have control or authority with respect to the management of the Trust or its assets. The said staff shall not be clothed with any type of authority or power which will constitute the staff as a fiduciary. Said staff will not have the power or authority to act as an investment counselor or manager and will not be authorized to furnish investment advice. Said staff shall also not have the power or authority to render the staff a fiduciary to the Trust.
- (5) The Board of Trustees may utilize City staff for such functions as personnel administration, accounting, banking and purchasing and will comply with all established City control procedures and policies related to these services. The Board will annually reimburse the City for actual costs of these services as determined by a method jointly agreed upon by the Board of Trustees and the City.

- (6) Employees of the City, upon the request of the Board of Trustees, may also be assigned to the Trust for the proper operation of the Trust. Said employees shall be subject to the supervision of the Board of Trustees. The Board of Trustees shall have the authority to establish job descriptions and promulgate rules and regulations appropriate for the Trust in addition to those adopted by the City. The Board will annually reimburse the City for the actual costs of these employees as determined by a method jointly agreed upon by the Board and the City.
- (7) The Board of Trustees may employ an investment manager or investment managers to manage some or all of the assets of the Trust. Each investment manager must be registered under the Investment Advisor's Act of 1940, as amended, (15 USC 80b-1) and must meet any applicable state and federal requirements to act as an investment manager. The Trustees may, if they deem proper in their discretion, or if the circumstances require it, appoint such investment manager, managers, banks or insurance companies as fiduciaries and enter into an agreement with such institutions, naming it a fiduciary and conveying to such fiduciary all or a portion of the assets of the Trust, so that said fiduciary may handle, manage and hold those assets conveyed to it. All assets conveyed to said fiduciary shall be subject to the provision of the agreement or agreements between the Trustees and the fiduciary.

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- (8) The Board of Trustees may employ legal counsel with whom they may seek advice, consult, require attendance at meetings, and to otherwise represent the Trustees in matters relating to the Trust.
- (9) The Board of Trustees shall appoint an Actuary who shall advise the Trustees on the actuarial operation of the Trust. The Trustees shall, from time to time, adopt such mortality and other tables of experience and a rate or rates of regular interest as are necessary in the operation of the Trust on an actuarial basis.

1:206. Board Meetings.

- (1) The Trustees shall meet at least once quarterly. The Trustees shall determine the time for the regular meetings of the Trustees and the place or places where such meetings shall be held. The Plan Administrator or his or her designee shall be responsible for giving notice of the time and place of such meetings to the other Trustees.
- (2) Notice and conduct of all meetings of the Trustees, both regular and special, shall be given in accordance with applicable law including the Michigan Open Meetings Act (MCL §15.261 et seq.).
- (3) The Board of Trustees shall adopt its own rules of procedure and shall keep a record of its proceedings. Three (3) Trustees shall constitute a quorum at any meeting of the Board of Trustees. Each Trustee shall be entitled to one vote on each question before the Board of Trustees and at least three (3) concurring votes shall be necessary for a decision of the Board.

1:207. Compensation.

All Trustees shall serve without compensation as members of the Board of Trustees, except that employee Trustees shall suffer no loss in compensation on account of their services as Trustees. Trustees may also be reimbursed by the Trust for reasonable and necessary costs and expenses of the Trustees in performing their duties as Trustees as related to the operation of the Trust.

1:208. Trustees' Powers and Responsibilities.

The Trustees shall hold all the powers that are necessary to carry out the purposes of the Trust and are generally available to Trustees under the laws of the State of Michigan, except as limited by the Trust and by Federal law and regulations. It is intended that the Trust shall be tax exempt and shall qualify under the Code and any amendments of the Code applicable to plans of this type. The Trustees shall have the continuing duty to propose, to the City, amendments to this Plan to the extent it becomes necessary to qualify said Plan under the Code and to continue the tax exempt status of the Trust. The Trustees shall take no action nor make any determination inconsistent with any qualification or ruling of the Internal Revenue Service, an arbitrator or the courts with respect to the Trust. In the case of amendments to the Code or changes of regulations by the Internal Revenue Service or the Labor Department, the Trustees are empowered to take all necessary action authorized by the Plan and the Trust, Federal and state law and regulations, to continue the qualification of the Trust as a qualified Trust. In carrying out the purposes of the Trust, the Trustees shall have the following powers and duties:

- (1) The Trustees shall, in order to effectuate the purposes of the Trust, be bound by the terms of the Plan and any applicable Collective Bargaining Agreements between the City and the Collective Bargaining Associations, or applicable administrative regulations.
- (2) Consistent with applicable state and Federal laws and regulations, the Trustees shall have the power to promulgate rules and regulations for the day-to-day management of the Trust, the investment of monies held by the Trust, to determine all questions regarding the interpretation of the Trust, and such other Trust related subjects as shall be deemed necessary and proper by the Trustees. If any rule or regulation of the Trust or part thereof is found to be in conflict

with any law, statute, judicial decision, arbitration decision or any other competent body or tribunal, such rule or regulation or part thereof shall be deemed void and all other rules and regulations of the Trust shall remain in effect.

- (3) Whenever the signature of a Trustee is required on any document, signature of the chairman or the Plan Administrator, only as authorized by the Board of Trustees, shall be required.

1:209. Investment of Trust Assets.

Except as otherwise provided, the Board shall have complete control of the management and administration of the Trust and shall have all powers necessary or convenient to enable it to exercise such control.

- (1) The Trustees shall be authorized, pursuant to the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999, as amended, (MCL §38.1211 et seq.) to invest the assets of the Trust in accordance with the provisions of the Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended (MCL §38.1132 et seq.).

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- (2) The Board shall invest and reinvest the principal and income of the Trust, without distinction between principal and income, in its sole discretion. The Board in its sole discretion may keep such portion of the Trust in cash or cash balances as the Board may from time to time deem to be in the best interests of the Trust.
- (3) To the extent permitted by law, the Board may commingle the investment of the Trust with other funds that it administers.

1:210. Board Liabilities.

The Board's responsibilities and liabilities shall be subject to the following limitations and other limitations as set forth in the Trust:

- (1) The Board shall have no duties other than those expressly set forth in this Trust and those imposed on the Board by applicable laws.
- (2) The Board shall be responsible only for money and property actually received by the Board, and then to the extent described in this Trust.
- (3) The Board shall not be responsible for the correctness of any determination of payments or disbursements from the Trust.
- (4) The Board shall have no liability for the acts or omissions of any predecessor or successor in office.
- (5) The Board shall have no liability for the acts or omissions of any (a) Investment Manager or Managers; (b) insurance company; (c) investment fund; or (d) contractor.
- (6) In the event of any suit brought against the Trustees arising out of the acts within the scope and powers and duties of the Trustees, or in the event of any lawsuit brought by the Trustees, the cost of defense or prosecution of such lawsuit shall be charged to the Trust, and shall be paid directly from the Trust, provided such costs are not incurred by reason of bad faith, gross negligence, or breach of a fiduciary obligation to the Trust or to the beneficiaries thereof.
- (7) The Board may authorize the purchase of insurance for the Trust and for the Trustees to cover liability or losses occurring for any reason, including, but not limited to, an act or omission (errors or omissions) of a fiduciary, including the Trustees; provided however, that such insurance policy permits recourse by the insured against the fiduciary, including the Trustee or Trustees involved, in case of breach of fiduciary obligation by the fiduciary.

1:211. Trust Liabilities.

- (1) The City shall not be liable for payment to the Trust of any amount. Neither the City, nor any Participant, Qualified Beneficiary or Trustee shall be liable for any debts, liabilities nor obligations of the Trust except as provided herein. Neither the City nor any Participant nor any Qualified Beneficiary shall have any right to the return of any money properly paid into the Trust, except as otherwise specifically provided in this Plan and Trust, or to money improperly paid which has already been invested or distributed. Any contribution improperly paid into the Trust by the City or on behalf of a Participant or Qualified Beneficiary shall be returned by the City upon written request of the Trustees with copy of approved motion, the Participant or the Qualified Beneficiary or upon discovery by the Trustees that such monies have been improperly paid into the Trust, unless those monies have already been invested or distributed.

- (2) Neither the City nor the Board or its Trustees shall be responsible for the validity of any Insurance Agreement issued in connection with the Trust or for the failure on the part of the Insurer to make payments provided by such Insurance Agreement, or for the action of any person which may delay payment or render an Insurance Agreement null and void or unenforceable in whole or in part. Notwithstanding the establishment of the Trust or anything contained in this agreement, the Trustees shall not be empowered to interpret the rights and obligation of the City or any Collective Bargaining Agreements.
- (3) No part of the Trust or any benefits payable by the Trustees shall be subject to alienation, sale, transfer, assignment, pledge or encumbrance charge by any person. No Participant or Qualified Beneficiary shall be entitled to receive any part of the Contributions made by the City or payments required to be made by the Trust, in lieu of such benefits provided under the Plan as determined by the Trustees in accordance with the Trust.

1:212. Reports.

- (1) The Trustees, or their respective designees, shall establish a uniform system for the timely transmission of required reports and contributions.

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- (2) The Trustees, in accordance with the requirements of law, may direct an impartial firm of independent certified public accountants to act as agent of the Trustees to examine the payroll records and reports as may be necessary to determine the monies due on behalf of a Participant or Qualified Beneficiary covered by this Trust and to make a written report to the Trustees.
- (3) The Trustees shall maintain, or cause to be maintained, proper books of accounts and records of and for the administration of the Trust, including the minutes of all meetings, make them available for inspection during reasonable business hours by the City, or any Participant or Qualified Beneficiary covered by the Plan and Trust.
- (4) The financial records of the Trust shall be subject to the annual audit of the City. The Trustees shall fully comply with all applicable statutory and municipal budgetary and accounting procedures and provide access to or documentation of all assets and liabilities of the Trust and a resume of the operations of the Trust for the preceding year together with such other data as may be required by law or as part of the City's annual financial report.
- (5) The records of the Trust shall be maintained to protect the confidentiality of Participants and Qualified Beneficiaries. The following shall be excluded from the above reporting requirements, except with the written authorization of the individual concerned:
 - (a) An individual's statement of previous service and other information that must or may be kept confidential under Michigan or Federal law;
 - (b) The amount of a benefit paid from the Trust for an individual's Medical Expenses;
 - (c) The individual's personal history record, which means information maintained by the Plan Administrator on an individual who is a Participant or Qualified Beneficiary, that includes the address, telephone number, social security number, record of contributions, correspondence with the Plan Administrator, or other information the Plan Administrator determines to be confidential.
 - (d) For purposes of this section, all medical reports and recommendations required by the Plan are privileged, except that copies of such medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release from the individual or the individual's agent, or when necessary for the proper administration of the Plan, to the physician or medical personnel assigned by the Plan Administrator.

1:213. Termination of the Trust.

- (1) Subject to the limitations of the Plan and the Trust, the parties hereby contemplate that new employment benefit decisions may be made by the City and new Collective Bargaining Agreements may be entered into which continue or modify the provisions of the Trust. The Trust shall continue during such period of time as may be necessary to carry out the provisions of any Plan or Collective Bargaining Agreement requiring payment to the Trust and the fact that such Collective Bargaining Agreements or employment benefit decisions are not extended, shall not by itself terminate the Trust, which shall continue for a period of time sufficient to wind up the affairs of the Trust.

- (2) Provided there are no longer any Retirees or Qualified Beneficiaries eligible for benefits from the Trust, the Trust may be terminated at any time by the Trustees so long as the termination is consistent with any then existing City decisions. It shall not be necessary for the City to execute such an agreement for the Trust to terminate.
- (3) If the Trust terminates, the Trustees shall notify any Insurance carrier then providing insurance to Retirees and Qualified Beneficiaries in the Trust as soon as administratively feasible.
- (4) If the Trust terminates, the remaining funds available after providing for all the outstanding obligations shall be used in a manner as will, in the opinion of the Trustees, best effectuate the purposes of the Trust, including, but not limited to, the purchase of insurance benefits.

I, Mary A. Kotowski, City Clerk for the City of St. Clair Shores hereby certify that the foregoing constitutes a true and complete copy of the St. Clair Shores Employees Retirement Care Trust Plan that was adopted by the City of St. Clair Shores City Council, City of St. Clair Shores, County of Macomb, Michigan, at the Regular Meeting held on June 20, 2011.

Mary A. Kotowski, City Clerk

Ayes: All – 5
Absent: McFadyen

**CITY OF ST. CLAIR SHORES
POLICE AND FIRE RETIREE HEALTH CARE TRUST**

CHAPTER 1. GENERAL PROVISIONS

1:100. Purpose.

This Retiree Health Care Trust (the “Trust”) is created, under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL §38.1211 *et seq.*). The Trust shall constitute a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The Trust is established to allow the City of St. Clair Shores (the “City”) to fund required retiree health care benefits as provided by the Plan – an essential governmental function.

1:101. Short Title.

This Trust may be known and cited as the City of St. Clair Shores Police and Fire Retiree Health Care Trust.

1:102. Definitions.

For the purposes of this Trust, the following words shall have the meanings respectively ascribed to them by this section:

- (1) *City* means the City of St. Clair Shores, Michigan.
- (2) *Code* means the Internal Revenue Code of 1986, as amended. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provision of any legislation which amends or replaces such section or subsection and any regulations thereto.
- (3) *Collective Bargaining Agreement* means any written agreement, supplemental agreement, memorandum of understanding, final arbitrator’s decision, judicial decision or decision of any public board or agency, by and between applicable Collective Bargaining Associations and the City; and any amendments, continuations, or renewals, which require the City or any other entity to make payments into group health insurance programs for employees of the City.
- (4) *Collective Bargaining Associations* means those collective bargaining associations that have negotiated to participate in the Plan.
- (5) *Contributions* mean the payment required to be made to the Trust by employees or the City under the terms of the Plan or under any applicable existing Collective Bargaining Agreements or any future Collective Bargaining Agreements for the purpose of providing group health insurance for Retirees and beneficiaries covered by the Plan.

- (6) *Dependent* generally means a Participant's or Retiree's unmarried child until the end of the calendar year in which he or she reaches 19 years of age and a Participant's or Retiree's unmarried child who is totally and permanently disabled by either a physical or mental condition prior to 18 years of age. The definition applies unless the Participant or Retiree selects an alternate insurance policy offered by the City, in which case the definition is controlled by the insurance policy covering the Participant or Retiree, which may or may not vary from the definition listed above.
- (7) *Employee* means a person employed by the City who is a member of a Collective Bargaining Association which has negotiated to participate in the Plan, or those elected, appointed and non-union employees who are members of the Plan. Employee shall not include part-time employees, retired employees, or persons employed on a retainer or fee basis.
- (8) *Employer* means the City of St. Clair Shores, Michigan and all of its employer groups.
- (9) *Health Care Benefits* means group health care benefits as currently provided and any other future health care related benefits as may be determined to be part of the Plan pursuant to City decisions and applicable Collective Bargaining Agreements.
- (10) *Insurance Agreement* means the health insurance plan or plans and any amendments thereto, including any substitute insurance agreement with a commercial insurance carrier, health maintenance organization, preferred provider organization, or any other qualified entity currently existing or created for the purpose of providing benefits under the Plan.
- (11) *Participant* means an individual who is granted health care coverage under an applicable Collective Bargaining Agreement, administrative regulation, separation agreement, settlement or court order. No person shall be considered a Participant of the Plan who is compensated for services to the City on a fee or independent contractual basis. In all

4. (cont'd)

cases of doubt, the Board of Trustees shall decide who is a Participant within the meaning of the provisions of this Plan, provided such decision is consistent with any established City policy.

- (12) *Plan* means the post-retirement health care benefits as described in any Insurance Agreements, Collective Bargaining Agreements, administrative regulations, or other applicable insurance policy documents. A description of the health benefits provided to Retirees, Spouses and Dependents under the Plan is maintained by the Plan Administrator.
- (13) *Plan Administrator* means the person, persons, firm, corporation or insurance company or companies, appointed by the City to administer the Plan. The Plan Administrator shall be responsible for the day-to-day operations of the Plan and shall carry out the directives of the City and the Board of Trustees.
- (14) *Qualified Beneficiary* means any person satisfying the benefit eligibility requirements of the Plan as determined by the Board of Trustees and shall be in accordance with the resolutions and decisions of the Board of Trustees.
- (15) *Retiree* means an individual who satisfies the requirements of a Collective Bargaining Agreement, administrative regulation, or personal services contract in effect at the time of the individual's termination of City employment.
- (16) *Retirement System* means the City of St. Clair Shores General Employees Retirement System.
- (17) *Spouse* means a Participant's or Retiree's spouse by legal marriage who is the Participant's spouse on the date the Participant retires from employment with the City.
- (18) *Trust* means the City of St. Clair Shores General Employees Retiree Health Care Trust.
- (19) *Trustee(s) or Board* means the Board of Trustees of the Trust or a member of the Board of Trustees of the Trust as provided for in the City of St. Clair Shores General Employees Retiree Health Care Trust.

1:103. Interpretation and law; Construction.

- (1) The Trust is established in accordance with the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL §38.1211 et seq.), and shall be administered consistent with applicable Federal and Michigan law.
- (2) The Trust shall constitute a governmental trust pursuant to Section 115 of the Code, as amended and shall be construed, enforced and administered and the validity thereof determined in accordance with the Code and the laws of the State of Michigan. If any provision of the Trust is held to violate the Code or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect the Trust.
- (3) Neither the establishment of the Trust, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any person covered under the Plan, or any other person, any

legal or equitable right against the City, its elected or appointed officials or employees, the Trustees or any individual Trustee, except as may otherwise be provided in this Trust.

- (4) The headings and subheadings in this Trust are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Trust.
- (5) Words herein in the masculine gender shall be construed to include the feminine gender where appropriate, and words used herein in the singular or plural shall be construed as being in the plural or singular where appropriate.
- (6) In resolving any conflict among provisions of this Trust or any uncertainty as to the meaning or intention of any provision of this Trust, the interpretation that causes both the Trust to be exempt from tax and the Trust to comply with all applicable requirements of the Code shall prevail over any different interpretation.
- (7) This Trust shall be binding upon all Participants and Qualified Beneficiaries under the Plan, or their applicable heirs, executors, administrators, successors, and assigns.

1:104. Collective Bargaining Agreements.

The provisions of this Trust are subject to relevant provisions of applicable Collective Bargaining Agreements between the City and the various Collective Bargaining Associations of the City. The provisions of a Collective Bargaining Agreement relative to retiree health care benefits are controlling in the event of a conflict between the terms of the Collective Bargaining Agreement and the Trust.

Nothing contained in this Plan and Trust shall be deemed to modify or limit in any way the rights that the parties to a Collective Bargaining Agreement may have, any supplements or memoranda thereto, or any arbitrator's award to enforce the terms of the Trust, inclusive of the collection of any amounts due to the Trust and the right of the parties to sue for same.

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1:105. Administrative Regulations.

The provisions of this Trust are subject to relevant provisions of any administrative regulations that the City may have for non-union Employees and personal service contracts between the City and an individual employee. The provisions of any administrative regulations for non-union Employees and personal service contracts relative to retiree health care benefits are controlling in the event of a conflict between the terms of the administrative regulations or applicable personal service contract and the Trust.

1:106. Notice.

Notice given to all interested parties shall, unless otherwise specified in this Trust, be sufficient if in writing and delivered or sent by prepaid first class mail. Except as otherwise noted, the distribution or delivery of any statements or documents required under the Trust shall be sufficient if delivered in person or prepaid first class mail.

1:107. Reporting and Disclosure.

The Plan Administrator shall complete and provide to Participants, Retirees, Spouses and Dependents and to the appropriate government agencies any reports as may be required by the Code, applicable federal, state or local law.

1:108. Amendments.

The provisions of the Trust may be amended at anytime by the City of St. Clair Shores City Council in accordance with applicable law.

CHAPTER 2. RETIREE HEALTH CARE TRUST

1:200. Irrevocable Trust, Established.

The Trust, established in accordance with the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999, as amended (MCL §38.1211 et seq.), shall be an irrevocable trust administered consistent with applicable federal and Michigan law, and shall constitute a governmental trust under Section 115 of the Code, as amended, Revenue Rulings 77-261 and 90-74, and other relevant guidance. The Trust is intended to fund the City's accident and health plan, which is a group health plan established under applicable provisions of the Internal Revenue Code, the regulations promulgated under each, and applicable federal and Michigan law. The Trust shall conform to all applicable sections of the Internal Revenue Code, the applicable Collective Bargaining Agreements, the statement of purpose in this Trust, and all statutes, ordinances, rules, administrative regulations, arbitrators' awards and judicial decisions interpreting the foregoing provisions.

The Trust shall consist of City Contributions, any Contributions which may be paid by Employees, Retirees and other Qualified Beneficiaries pursuant to the provisions of an applicable Collective Bargaining Agreement or City administrative regulation, all investments made or held under Trust, and all income there from, both received and accrued, and any other property, which may be received or held by reason of this Trust. Any funds paid by Retirees and other Qualified Beneficiaries as a result of premium sharing required pursuant to an applicable Collective Bargaining Agreement or City policy, shall be paid directly to the City or the applicable Insurance carrier and shall not be paid into the Trust.

The income accruing to the Trust shall be excluded from gross income as such trust income is derived from the exercise of an essential governmental function as provided for under Section 115(1) of the Code, as amended, Revenue Rulings 77-261 and 90-74, and other relevant guidance.

1:201. Use of Trust Assets.

- (1) No part of the principal or income of the Trust may inure to the benefit of the City, any Participant or any Qualified Beneficiary other than by benefit payments or for services provided to the Trustees in their administration of the Trust. The Trust assets shall not be used for or diverted to purposes other than to provide the benefits contemplated under the Plan or to pay for reasonable and necessary services, costs and expenses related to assisting the Trustees in the operation of the Trust.
- (2) All income, profits, recoveries, contributions, forfeitures and any and all monies, securities and properties of any kind at anytime received or held by the Trustees hereunder, shall become part of the Trust when received, and shall be held for the use and purposes hereof.

1:202. Funding.

- (1) For the purpose of creating and maintaining a fund for the payment of health care benefits payable as provided in the Plan, the City will pay to the Trust an amount consistent with the actuarial valuations and calculations made by the Actuary for the Trust to result in a pre-funded plan. The City reserves the right to fund these health care benefits on a “pay-as-you-go” basis and the right to provide such lesser amount as the City determines. Such contributions shall also

4. (cont'd)

be made in accordance with any regulations of the Board of Trustees as are not inconsistent with the authority stated in the Plan, this Trust and any Collective Bargaining Agreements between the City and the Collective Bargaining Associations.

- (2) Subject to the tax provisions of applicable ordinances, resolutions and state law, the Trustees may, to the extent matters are not set forth in the Trust, in their discretion decide the manner and means of payments, the procedures to be followed in making the payments, and the forms required to accompany the payments to the Trust. Upon determination by the Trustees of these matters, the Trustees shall provide written notice to the City and will provide for payments by the City to be made pursuant to the rules and regulations of the Trust.
- (3) Time is of the essence in making and processing all payments to the Trust. The parties recognize that the regular and timely payments of Contributions are essential to the operation of the Trust and the providing of benefits under various insurance programs.

1:203. Board of Trustees.

- (1) The Board of Trustees shall be the Board of Trustees of the City of St. Clair Shores Police and Fire Health Care Fund and shall consist of the following members:
- (2) The general administration, management and responsibility for the proper operation of the Trust and for making effective and construing the provisions of the Trust shall be vested in the Board of Trustees established by this Section, consistent with applicable state and federal laws and regulations. A Trustee or other fiduciary under the Trust shall discharge his or her duties with respect to the Trust solely in the interest of the Participants and Qualified Beneficiaries for the exclusive purpose of providing benefits to Participants and Qualified Beneficiaries and paying reasonable expenses of administering the Trust. A Trustee shall discharge his or her duties with the care, skill, and caution under the circumstances then prevailing which a prudent person, acting in a like capacity and familiar with those matters, would use in the conduct of an activity of like character and purpose.

1:204. Trustees' Terms of Office.

- (1) The regular term of office of the citizen Trustee shall be a three-year term of office.
- (2) Each Trustee shall serve until the expiration of his or her term of office or until his or her death, incapacity, resignation or removal.

- (3) A vacancy or vacancies in the office of the Trustees shall not impair the powers of the remaining Trustees to administer the affairs of the Trust, provided there are sufficient Trustees to constitute a quorum. If a vacancy occurs on the Board of Trustees of the Retirement System, it shall automatically create a vacancy on the Board of Trustees, which shall be filled by the person designated to fill the vacancy on the Board of Trustees of the Retirement System.
- (4) Each successor Trustee, upon accepting such appointment, shall have and enjoy all the powers, both discretionary and ministerial, and shall be charged with all of the duties and responsibilities herein conferred upon his predecessor.

1:205. Officers and Administration.

- (1) At its first meeting in the calendar year, the Trustees shall elect a chairman and a chairman pro-tem. The chairman and chairman pro-tem shall serve a term of one year or until a new chairman and chairman pro-tem is elected.
- (2) The Board of Trustees shall designate an officer or Employee of the City to serve as secretary of the Board of Trustees. The secretary's term shall be at the pleasure of the Board of Trustees.
- (3) The City Treasurer shall be the Treasurer of the Trust.
- (4) The Board of Trustees may employ such other clerical staff or administrative staff to perform whatever administrative activities is required in the proper performance of the Trust. In addition thereto, the Trustees may, if they desire, utilize other staff to perform such clerical and administrative duties as they may, in their sole discretion, determine is reasonably and prudently necessary to carry out the Trust's activities and purposes. Under no circumstances shall said staff have control or authority with respect to the management of the Trust or its assets. The said staff shall not be clothed with any type of authority or power which will constitute the staff as a fiduciary. Said staff will not have the power or authority to act as an investment counselor or manager and will not be authorized to furnish investment advice. Said staff shall also not have the power or authority to render the staff a fiduciary to the Trust.
- (5) The Board of Trustees may utilize City staff for such functions as personnel administration, accounting, banking and purchasing and will comply with all established City control procedures and policies related to these services. The Board will annually reimburse the City for actual costs of these services as determined by a method jointly agreed upon by the Board of Trustees and the City.

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- (6) Employees of the City, upon the request of the Board of Trustees, may also be assigned to the Trust for the proper operation of the Trust. Said employees shall be subject to the supervision of the Board of Trustees. The Board of Trustees shall have the authority to establish job descriptions and promulgate rules and regulations appropriate for the Trust in addition to those adopted by the City. The Board will annually reimburse the City for the actual costs of these employees as determined by a method jointly agreed upon by the Board and the City.
- (7) The Board of Trustees may employ an investment manager or investment managers to manage some or all of the assets of the Trust. Each investment manager must be registered under the Investment Advisor's Act of 1940, as amended, (15 USC 80b-1) and must meet any applicable state and federal requirements to act as an investment manager. The Trustees may, if they deem proper in their discretion, or if the circumstances require it, appoint such investment manager, managers, banks or insurance companies as fiduciaries and enter into an agreement with such institutions, naming it a fiduciary and conveying to such fiduciary all or a portion of the assets of the Trust, so that said fiduciary may handle, manage and hold those assets conveyed to it. All assets conveyed to said fiduciary shall be subject to the provision of the agreement or agreements between the Trustees and the fiduciary.
- (8) The Board of Trustees may employ legal counsel with whom they may seek advice, consult, require attendance at meetings, and to otherwise represent the Trustees in matters relating to the Trust.
- (9) The Board of Trustees shall appoint an Actuary who shall advise the Trustees on the actuarial operation of the Trust. The Trustees shall, from time to time, adopt such mortality and other tables of experience and a rate or rates of regular interest as are necessary in the operation of the Trust on an actuarial basis.

1:206. Board Meetings.

- (1) The Trustees shall meet at least once quarterly. The Trustees shall determine the time for the regular meetings of the Trustees and the place or places where such meetings shall be held. The Plan Administrator or his or her designee shall be responsible for giving notice of the time and place of such meetings to the other Trustees.
- (2) Notice and conduct of all meetings of the Trustees, both regular and special, shall be given in accordance with applicable law including the Michigan Open Meetings Act (MCL §15.261 et seq.).
- (3) The Board of Trustees shall adopt its own rules of procedure and shall keep a record of its proceedings. Three (3) Trustees shall constitute a quorum at any meeting of the Board of Trustees. Each Trustee shall be entitled to one vote

on each question before the Board of Trustees and at least three (3) concurring votes shall be necessary for a decision of the Board.

1:207. Compensation.

All Trustees shall serve without compensation as members of the Board of Trustees, except that employee Trustees shall suffer no loss in compensation on account of their services as Trustees. Trustees may also be reimbursed by the Trust for reasonable and necessary costs and expenses of the Trustees in performing their duties as Trustees as related to the operation of the Trust.

1:208. Trustees' Powers and Responsibilities.

The Trustees shall hold all the powers that are necessary to carry out the purposes of the Trust and are generally available to Trustees under the laws of the State of Michigan, except as limited by the Trust and by Federal law and regulations. It is intended that the Trust shall be tax exempt and shall qualify under the Code and any amendments of the Code applicable to plans of this type. The Trustees shall have the continuing duty to propose, to the City, amendments to this Plan to the extent it becomes necessary to qualify said Plan under the Code and to continue the tax exempt status of the Trust. The Trustees shall take no action nor make any determination inconsistent with any qualification or ruling of the Internal Revenue Service, an arbitrator or the courts with respect to the Trust. In the case of amendments to the Code or changes of regulations by the Internal Revenue Service or the Labor Department, the Trustees are empowered to take all necessary action authorized by the Plan and the Trust, Federal and state law and regulations, to continue the qualification of the Trust as a qualified Trust. In carrying out the purposes of the Trust, the Trustees shall have the following powers and duties:

- (1) The Trustees shall, in order to effectuate the purposes of the Trust, be bound by the terms of the Plan and any applicable Collective Bargaining Agreements between the City and the Collective Bargaining Associations, or applicable administrative regulations.
- (2) Consistent with applicable state and Federal laws and regulations, the Trustees shall have the power to promulgate rules and regulations for the day-to-day management of the Trust, the investment of monies held by the Trust, to determine all questions regarding the interpretation of the Trust, and such other Trust related subjects as shall be deemed necessary and proper by the Trustees. If any rule or regulation of the Trust or part thereof is found to be in conflict with any law, statute, judicial decision, arbitration decision or any other competent body or tribunal, such rule or regulation or part thereof shall be deemed void and all other rules and regulations of the Trust shall remain in effect.

4. (cont'd)

- (3) Whenever the signature of a Trustee is required on any document, signature of the chairman or the Plan Administrator, only as authorized by the Board of Trustees, shall be required.

1:209. Investment of Trust Assets.

Except as otherwise provided, the Board shall have complete control of the management and administration of the Trust and shall have all powers necessary or convenient to enable it to exercise such control.

- (1) The Trustees shall be authorized, pursuant to the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999, as amended, (MCL §38.1211 et seq.) to invest the assets of the Trust in accordance with the provisions of the Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended (MCL §38.1132 et seq.).
- (2) The Board shall invest and reinvest the principal and income of the Trust, without distinction between principal and income, in its sole discretion. The Board in its sole discretion may keep such portion of the Trust in cash or cash balances as the Board may from time to time deem to be in the best interests of the Trust.
- (3) To the extent permitted by law, the Board may commingle the investment of the Trust with other funds that it administers.

1:210. Board Liabilities.

The Board's responsibilities and liabilities shall be subject to the following limitations and other limitations as set forth in the Trust:

- (1) The Board shall have no duties other than those expressly set forth in this Trust and those imposed on the Board by applicable laws.
- (2) The Board shall be responsible only for money and property actually received by the Board, and then to the extent described in this Trust.

- (3) The Board shall not be responsible for the correctness of any determination of payments or disbursements from the Trust.
- (4) The Board shall have no liability for the acts or omissions of any predecessor or successor in office.
- (5) The Board shall have no liability for the acts or omissions of any (a) Investment Manager or Managers; (b) insurance company; (c) investment fund; or (d) contractor.
- (6) In the event of any suit brought against the Trustees arising out of the acts within the scope and powers and duties of the Trustees, or in the event of any lawsuit brought by the Trustees, the cost of defense or prosecution of such lawsuit shall be charged to the Trust, and shall be paid directly from the Trust, provided such costs are not incurred by reason of bad faith, gross negligence, or breach of a fiduciary obligation to the Trust or to the beneficiaries thereof.
- (7) The Board may authorize the purchase of insurance for the Trust and for the Trustees to cover liability or losses occurring for any reason, including, but not limited to, an act or omission (errors or omissions) of a fiduciary, including the Trustees; provided however, that such insurance policy permits recourse by the insured against the fiduciary, including the Trustee or Trustees involved, in case of breach of fiduciary obligation by the fiduciary.

1:211. Trust Liabilities.

- (1) The City shall not be liable for payment to the Trust of any amount. Neither the City, nor any Participant, Qualified Beneficiary, or Trustee shall be liable for any debts, liabilities nor obligations of the Trust except as provided herein. Neither the City nor any Participant nor any Qualified Beneficiary shall have any right to the return of any money properly paid into the Trust, except as otherwise specifically provided in this Plan and Trust, or to money improperly paid which has already been invested or distributed. Any contribution improperly paid into the Trust by the City or on behalf of a Participant or Qualified Beneficiary shall be returned by the City upon written request of the Trustees with copy of approved motion, the Participant or the Qualified Beneficiary or upon discovery by the Trustees that such monies have been improperly paid into the Trust, unless those monies have already been invested or distributed.
- (2) Neither the City nor the Board or its Trustees shall be responsible for the validity of any Insurance Agreement issued in connection with the Trust or for the failure on the part of the Insurer to make payments provided by such Insurance Agreement, or for the action of any person which may delay payment or render an Insurance Agreement null and void or unenforceable in whole or in part. Notwithstanding the establishment of the Trust or anything contained in this agreement, the Trustees shall not be empowered to interpret the rights and obligation of the City or any Collective Bargaining Agreements.

4. (cont'd)

- (3) No part of the Trust or any benefits payable by the Trustees shall be subject to alienation, sale, transfer, assignment, and pledge or encumbrance charge by any person. No Participant or Qualified Beneficiary shall be entitled to receive any part of the Contributions made by the City or payments required to be made by the Trust, in lieu of such benefits provided under the Plan as determined by the Trustees in accordance with the Trust.

1:212. Reports.

- (1) The Trustees, or their respective designees, shall establish a uniform system for the timely transmission of required reports and contributions.
- (2) The Trustees, in accordance with the requirements of law, may direct an impartial firm of independent certified public accountants to act as agent of the Trustees to examine the payroll records and reports as may be necessary to determine the monies due on behalf of a Participant or Qualified Beneficiary covered by this Trust and to make a written report to the Trustees.
- (3) The Trustees shall maintain, or cause to be maintained, proper books of accounts and records of and for the administration of the Trust, including the minutes of all meetings, make them available for inspection during reasonable business hours by the City, or any Participant or Qualified Beneficiary covered by the Plan and Trust.
- (4) The financial records of the Trust shall be subject to the annual audit of the City. The Trustees shall fully comply with all applicable statutory and municipal budgetary and accounting procedures and provide access to or documentation of all assets and liabilities of the Trust and a resume of the operations of the Trust for the preceding year together with such other data as may be required by law or as part of the City's annual financial report.

- (5) The records of the Trust shall be maintained to protect the confidentiality of Participants and Qualified Beneficiaries. The following shall be excluded from the above reporting requirements, except with the written authorization of the individual concerned:
- (a) An individual's statement of previous service and other information that must or may be kept confidential under Michigan or Federal law;
 - (b) The amount of a benefit paid from the Trust for an individual's Medical Expenses;
 - (c) The individual's personal history record, which means information maintained by the Plan Administrator on an individual who is a Participant or Qualified Beneficiary, that includes the address, telephone number, social security number, record of contributions, correspondence with the Plan Administrator, or other information the Plan Administrator determines to be confidential.
 - (d) For purposes of this section, all medical reports and recommendations required by the Plan are privileged, except that copies of such medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release from the individual or the individual's agent, or when necessary for the proper administration of the Plan, to the physician or medical personnel assigned by the Plan Administrator.

1:213. Termination of the Trust.

- (1) Subject to the limitations of the Plan and the Trust, the parties hereby contemplate that new employment benefit decisions may be made by the City and new Collective Bargaining Agreements may be entered into which continue or modify the provisions of the Trust. The Trust shall continue during such period of time as may be necessary to carry out the provisions of any Plan or Collective Bargaining Agreement requiring payment to the Trust and the fact that such Collective Bargaining Agreements or employment benefit decisions are not extended, shall not by itself terminate the Trust, which shall continue for a period of time sufficient to wind up the affairs of the Trust.
- (2) Provided there are no longer any Retirees or Qualified Beneficiaries eligible for benefits from the Trust, the Trust may be terminated at any time by the Trustees so long as the termination is consistent with any then existing City decisions. It shall not be necessary for the City to execute such an agreement for the Trust to terminate.
- (3) If the Trust terminates, the Trustees shall notify any Insurance carrier then providing insurance to Retirees and Qualified Beneficiaries in the Trust as soon as administratively feasible.

4. (cont'd)

- (4) If the Trust terminates, the remaining funds available after providing for all the outstanding obligations shall be used in a manner as will, in the opinion of the Trustees, best effectuate the purposes of the Trust, including, but not limited to, the purchase of insurance benefits.

Ayes: All-5
Absent: McFadyen, Walby

I, Mary A. Kotowski, City Clerk for the City of St. Clair Shores hereby certify that the foregoing constitutes a true and complete copy of the St. Clair Shores Police and Fire Retirement Care Trust Plan that was adopted by the City of St. Clair Shores City Council, City of St. Clair Shores, County of Macomb, Michigan, at the Regular Meeting held on June 20, 2011.

CITY OF ST. CLAIR SHORES

Mary A. Kotowski, City Clerk

5. BEARHOOKS, LLC REQUESTS TO TRANSFER OWNERSHIP OF AN ESCROWED 2010 RESORT CLASS C WITH DANCE ENTERTAINMENT PERMIT AND OUTDOOR SERVICE, LOCATED AT 35434 GROESBECK, CLINTON TWP., MI 48035, MACOMB COUNTY FROM DIBBS INC.; TO 23018 GREATER MACK AND REQUEST NEW OFFICIAL PERMIT (FOOD, MEETINGS, SPECIAL ACTIVITIES AND DROP OUTDOOR SERVICE, 1 AREA)

Mr. Frank Palazzolo, Corporate Counsel for the applicant, Mr. Ronald Draper, sole owner of Bearhooks, LLC a Michigan Limited Liability Company. Bear Hooks is the property owner of the location where Huck's was located; who had also transferred a Class C License as an alternative to meeting the City's current ordinance seating requirement.

The Petitioner has purchased this license and is requesting to transfer the license to his building location in St. Clair Shores where it will remain in escrow until they have a new tenant. This is Step 1 in the transfer of this license. In the future, Council will see a Step 2 request for the transfer from Bearhooks, LLC to their new tenant.

Council Member Walby arrived at 7:35 p.m.

It is noted that there are a few outstanding inspection items which will be resolved in entirety once there is a new tenant who will be required to meet all the criteria for obtaining a Certificate of Occupancy.

Mr. Palazzolo stated they would also like to include a Sunday sales permit with this request.

Motion by Rubello, seconded by Rubino that the request of Bearhooks, LLC to transfer ownership of an escrowed 2010 Resort Class C issued under MCL 436.1531(2) with dance entertainment permit and outdoor service (1 area), located at 36434 Groesbeck, Clinton Township, MI 48035, Clinton Township Macomb County from Dibbs Incorporated; transfer location governmental unit to 23018 Greater Mack, St. Clair Shores, MI 48080, St. Clair Shores Macomb County; and requests Sunday sales permit, new official permit (food, meetings, special activities and drop outdoor service, 1 area be approved "above all others", and that it is the consensus of the legislative body that this application be recommended for issuance.

Ayes: All – 6
Absent: McFadyen

6. REQUEST TO APPROVE THE SALE OF NSP HOME AT 20319 AVALON

Ms. Liz Koto, City Planner, explained that this was presented a couple of months ago, and the buyer backed out of the deal. The new bid is \$10,000 more than the last bid, and there is a \$79,200 net income from the sale. The total cost of rehab for this home was \$149,000. This home was totally demolished and rebuilt. It is the last NSP home.

Mr. Rubello asked what this has done for the neighborhood. Ms. Koto replied that the home next door was also a NSP home and they have both improved the neighborhood.

6. REQUEST TO APPROVE THE SALE OF NSP HOME AT 20319 AVALON (cont'd)

Motion by Walby, seconded by Rubino to approve the request to sell 20319 Avalon to Client Identifier O for \$110,000.

Ayes: Walby, Rubino, Frederick, Walby, Hison

Nays: Rusie
Absent : McFadyen

7. PHASE II RECOMMENDATIONS FOR USE OF THE \$1 HUD PROCEEDS

a. ~~Civic Arena Fitness Room Upgrades~~

This item will be rescheduled for a future meeting.

b. Bocce Ball Court Canopy

Mr. Rayes explained that the Parks and Recreation staff, along with members of the bocce ball team from th Senior Center, met to discuss the canopy at the Senior Center courts. They agreed to the installation of canopies at each end of the court to provide shade. The cost to provide this shade is approximately \$18,000 for two canopies. Now that everyone is in agreement, staff will put the canopies out to bid, and bring back for final approval.

Council Member Rubello stated that approximately 50% of the residents of St. Clair Shores are senior citizens and he supports it.

Mayor Hison added that the goal to have this completed is the second week of July.

Motion by Rubino, seconded by Walby to approve the request to proceed with the bocce ball canopy project process.

Ayes: All – 6

Absent: McFadyen

c. Brys Park Disc Golf Course Markers

Mr. Rayes explained that staff has secured two prices and is waiting for a third quote on this project. With Council's concurrence to do this project, staff can begin immediately upon securing the third quote.

Ms. Rusie asked if this would increase usage of the golf course. Council Member Rubello replied it would depend on how it is marketed.

Mr. Walby stated that before we had the dog park, there were six run down tennis courts. There has been much more activity in that area since the dog park and soccer area were put in. People are out there all the time.

Mr. Rubino stated that when you are golfing, markers are a part of the game.

Council Member Frederick added that markers are another way to attract more people, but there is always the possibility of vandalism.

Motion by Rubino, seconded by Rusie to proceed with the Brys Park disc golf course markers project process.

Ayes: All – 6

Absent: McFadyen

8. BIDS/CONTRACTS/PURCHASE ORDERS

~~a. Request to award bid(s) for Exercise Room Project (bids opened 6/14/11)~~

8. BIDS/CONTRACTS/PURCHASE ORDERS (cont'd)

This item was removed from the agenda.

~~b. Request to award bid(s) for Annual Service Contract for Motorola Radios (bids opened 6/7/11) – (rescheduled to 7/5/11 meeting)~~

This item was removed from the agenda and rescheduled to 7/5/11.

9. REQUEST TO APPROVE THE THIRD QUARTER BUDGET REPORT AND BUDGET AMENDMENT 11-08

Mr. Tim Haney addressed Council. He stated he is proposing large amendments that were noticed during their review. Mayor Hison added that some were anticipated. One is the 5 percent reduction for the Police Department that they weren't sure of until the arbitration was awarded.

Mr. Hughes stated there was also the unanticipated dredging of the canal behind City Hall where \$47,700 was spent.

Motion by Walby, seconded by Rubino to receive and approve the March 31, 2011 Quarterly Report and Budget Amendment 11-8 which reads as follows:

Dept.	Account	Description	BUDGET AMENDMENT 11-08	Increase	Decrease
101	General Fund				

201	701.000	Finance Wages	35,000
Fbal	390.000	Fund Balance	35,000

To account for resignation of Controller and replacement at a lesser wage and fringe cost

253	950.000	General Government Contingencies	52,000
701	960.000	Transfer to recreation revenue	52,000

To reduce Contingency and increase transfer to cover dredging costs

300	701.000	Police Wages	200,000
Fbal	390.000	Fund Balance	200,000

To recognize the police contract

580 Recreation Revenue

709	980.000	Dredging	52,000
Rev	693100	Transfer from General Fund	52,000

To set up an account for Dredging

Rev	600.500	Parade Revenue	50,000
255	950510	Parade Costs	50,000

To establish a budget for the parade.

Ayes: All – 6
Absent: McFadyen

10. CONSENT AGENDA – All items listed on the consent agenda are considered to be routine and will be enacted by one motion and approved by a vote of City Council. There will be no separate discussion of the items unless the Mayor and or a Council Member so requests, in which event the item will be removed from the general order of business and considered under the last item of the Consent Agenda.

Motion by Rubino, seconded by Walby to approve the Consent Agenda items a – f, which include the following:

a. **Bills**

June 2, 2011 **\$1,344,534.28**

To approve the release of checks in the amount of \$1,344,534.28, of the report that is 16 pages in length and of the grand total amount of \$1,344,534.28, \$0 went to other taxing authorities.

b. **Fees**

Roumell & Lange	\$ 743.26
Ihrle & O'Brien	\$ 6,979.00

c. **Progress Payments**

Galui Construction Company	\$ 81,213.03
Galui Construction Company	\$ 23,410.8
T.R. Pieprzak Company	\$ 22,000.00
R.S. Contracting, Inc.	\$ 12,619.68
Tiseo Brothers, Inc.	\$459,348.25

d. Approval of Minutes

City Council - None

e. Receive & File Boards, Commissions & Committee Minutes

To receive and file the following minutes:

Minutes

Meeting Date

Council Sub-Committee on Boards & Commissions
Cultural Committee
Historical Commission
Older Persons Advisory Committee
Older Persons Advisory Committee
Older Persons Advisory Committee
Older Persons Advisory Committee
Parks and Recreation Commission
Water Resources & Advisory Board
Zoning Board of Appeals

April 26, 2011
May 11, 2011
May 3, 2011
January 20, 2011
February 17, 2011
March 21, 2011
April 21, 2011
May 12, 2011
May 3, 2011
May 5, 2011

f. Request to reschedule the Public Hearing set for June 20, 2011 to vacate portion of Bon Brae, a public street, from Jefferson Avenue west approximately 288 feet, retaining all public and private easements, PPC 110006 to August 1, 2011.

Ayes: All – 6
Absent: McFadyen

11. RECOMMENDATION FROM THE CITY CLERK TO TEMPORARILY RELOCATE PRECINCT 15, JEFFERSON MIDDLE SCHOOL, TO GREENWOOD SCHOOL FOR THE AUGUST 2, 2011 CITY PRIMARY ELECTION

Mary Kotowski, City Clerk, advised that this move is the result of the parking lot reconstruction project that we just received information on. There is no recommendation from the Election Commission as we found out about this matter

11. RECOMMENDATION FROM THE CITY CLERK TO TEMPORARILY RELOCATE PRECINCT 15, JEFFERSON MIDDLE SCHOOL, TO GREENWOOD SCHOOL FOR THE AUGUST 2, 2011 CITY PRIMARY ELECTION (cont'd)

on Friday, June 17, and are coming directly to the legislative body for approval. It is noted that signs will be posted at Jefferson Middle School and notification will be mailed to every voter prior to the upcoming Election Day.

Motion by Frederick, seconded by Rubino to adopt a Resolution for the temporary relocation of Precinct 15, Jefferson Middle School, to Greenwood School for the August 2, 2011 City Primary Election, as recommended by the City Clerk.

Ayes: All – 6
Absent: McFadyen

12. UPDATES AND FOLLOW-UPS FROM COUNCIL MEETING

PCB's – Mr. Manager Hughes advised there was an informational meeting with the EPA on June 15 regarding the fish advisory. The EPA will be back in St. Clair Shores sometime before Labor Day to hold another town hall meeting.

Harper Avenue – Mr. Rayes advised that patching is almost finished between 13 and 14 Mile Roads. Asphalt will be done in a couple of weeks.

Little Mack – Mr. Rayes stated he anticipates the changeover sometime early next week. The first side is finished between 10 and 12 Mile Roads.

Harper – Mr. Rayes advised that because of the amount of rain we have received, the seal cracking has been pushed up all over the road between 8 and 9 Mile. Mr. Hughes stated he has contacted the Macomb County Road

Commission and most of it has been cut up, removed, then resealed.

FEMA Request – Mr. Hughes advised that there are certain sections of the City where the government mandates that homeowners purchase flood insurance. The City has been fighting this mandate for several years. Mr. Hughes stated that today we learned that we are getting 1,600 to 1,700 homes released from that mandate. Most of them are south of 9 Mile from Jefferson to Mack. Lakeshore Village and neighboring could not get out of that mandate at this time. Mayor Hison asked if residents who were previously in the flood plain, and are not now, could get reimbursed for expenses paid in previous years. Mr. Rayes replied that will have to be investigated.

Mr. Rubello stated is it good to have residents voicing their opinions.

Mayor Hison advised that letters will be sent out to the residents

13. COMMENTS BY INDIVIDUAL COUNCILPERSONS

Ms. Rusie stated that All About Animals Rescue contacted her asking her to announce they had two dogs that need homes. Ms. Rusie stated that pets need our help. This rescue has many dogs and cats. The organization can be contacted by email allaboutanimalsrescue.org or at petfinders.com. The phone number is 1-248-212-0781.

Ms. Rusie also announced that her sister, Cassandra, is a finalist in the Detroit News Photography contest.

Mr. Rubino stated that is great news about FEMA. It will save money and help property values.

Mr. Rubino asked about the ordinance that states residents cannot pour their own driveway. City Manager Hughes replied this item will be discussed at the July 5, 2011 Council Meeting.

Mr. Rubino stated there is a deep hole in Elmdale Street that is causing the curb to cave in. Mr. Rayes will investigate.

Mr. Rubino stated that it is his son's Cub Scout Pack that won the award for the Memorial Day Parade. He added that they will also be working at the fireworks collecting returnables and cleaning up after.

Mr. Rubello asked Mr. Rayes about the policy for storing pods, and how long they can be kept in front of someone's home. Mr. Rayes replied there is no definite time frame, but it has to be reasonable. If left there long enough, the pod could eventually be counted as an accessory structure.

13. COMMENTS BY INDIVIDUAL COUNCILPERSONS (cont'd)

Mr. Rubello asked about the policy concerning commercial vehicles and trucks being parked in driveways. Mr. 13. Rayes replied that work vehicles or vans with ladders cannot be left in the driveway.

Mr. Rubello asked what if the van has the name of a business on it. Mr. Rayes replied that small vans or trucks are permissible. If there is equipment hanging, it has to be either in the garage or off site.

Mr. Rayes added that there are provisions for this type of vehicle in the industrial district.

Mr. Rubello advised that the new budget is on line, providing a wealth of information.

Mr. Rubello thanked everyone who was involved with the Parade.

Mr. Frederick wished his son his first "Happy Fathers Day".

Mr. Frederick stated that the Miss Teen Michigan Pageant was held last week, and Miss Teen St. Clair Shores was crowned Miss Michigan Outstanding Teen 2011. Her name is Marissa Collins.

Mr. Frederick stated the 4th of July Fireworks are this Friday, June 24.

Mr. Frederick thanked Mr. Rayes for the work involved in the mandate for flood insurance.

Mr. Frederick thanked Paul Doppke and Sean Nicholson for all they did for Sgt. Osmand's family at St. Isaac's. Sgt. Osmand recently lost his life in combat.

Mr. Frederick stated a resident mentioned to him that street signs are spelled two different ways on Trombly. Mr. Hughes stated the changes have already been made.

Mr. Walby thanked everyone involved in putting together the fundraiser for the family of Sgt. Osmand. The fundraiser raised \$8,000.

Mr. Walby asked about the new pricing from Waste Management. Mr. Hughes replied he does not have the figures yet, but he has been assured he will receive them next week.

Mr. Walby stated there are a lot of weeds along the Nautical Mile. The City has a contract, and there shouldn't be any weeds.

Mr. Hison advised that City Offices will be closed on Monday, July 4, and the Council Meeting will be held on Tuesday, July 5. Also, trash pickup will be delayed one day that whole week.

Mayor Hison stated that Meet the Candidates will be held on Wednesday, June 29, at City Hall at 7:00 p.m. It is sponsored by the Women's Civic League.

14. CITY MANAGER'S REPORT

Mr. Hughes stated that St. Clair Shores has been working with the Macomb County Health Department with regard to Household Hazardous Waste Day, which was May 21, 2011. On that day, there were over 670 cars and 22,600 pounds of hazardous waste were collected, 500 gallons of motor oil, and 60 car batteries. The oil and batteries were sold for approximately \$370.

15. AUDIENCE PARTICIPATION (5 MINUTE TIME LIMIT)

Joe Backus, resident of St. Clair Shores, stated the PCB Meeting was very good and all the questions were answered. He also complimented the fishing pier cleanup, and advised to get a fishing license for \$15 if you plan on fishing. Mr. Backus stated there are now over 7,100 fans on Facebook and he would like to see more postings for events and activities in St. Clair Shores.

Doris Faye, resident of St. Clair Shores, complained about not having a harassment ordinance in the City. She has been having trouble with neighborhood kids dumping trash and making a mess on her property. She stated she has met with the Police and they have been doing surveillance. Mr. Hughes stated he would obtain further information from her. **AUDIENCE**
15 AUDIENCE PARTICIPATION (5 MINUTE (cont'd))

Information from her.

Joann Rivard, resident of St. Clair Shores, stated that she lives on Jefferson, and in the lake behind her home is a mess of decomposition from seaweed. She stated she has contacted the DNR, DEQ, and the Michigan Health Department, and no one seems to know how to get rid of it. She stated it is nasty smelling and feels it is detrimental to her health. She thought possibly a harvester could be used. Mayor Hison told Ms. Rivard she would be contacted for more details.

Duane Michno, resident of St. Clair Shores, stated that people who are soliciting don't pay any attention to non-soliciting stickers.

Mike Gutow, resident of St. Clair Shores, stated he lives by Joann Rivard, and the issue is that its not just seaweed north of Memorial Park, there is a huge washoff in that area. He stated that what is growing in front of their properties affects all the residents. Mr. Gutow stated that you can physically stand on the muck in the water. It is a mass of something that is not natural. He added that no one is to blame, they are only asking for help.

Mary Cipriano, Senior Center Scots Board Officer, stated they are selling \$2,000 tickets for \$10 each to help in feeding meals to seniors. Every ticket sold will feed three meals to a senior.

Debbie Mleczo, resident of St Clair Shores, stated she has an issue with the dogs running loose on her street. There was a pitbull that recently killed her dog in front of her children. She asked what can be done. The person with the four pitbulls also has three other dogs. Mayor Hison stated that St. Clair Shores has a vicious dog ordinance. It is the owners, not the dogs, who are at fault. Need to go after the owners. Mayor Hison advised the City Manager and City Attorney to review the ordinance as it needs more strength.

Mr. Ihrie replied that our ordinance is very efficient, it needs to be enforced. Mayor Hison stated this needs to be followed up because an animal was killed.

Chuck Hall, resident of St. Clair Shores, felt that disc golf markers are a good idea. Mr. Hall also stated he thought the dredging done behind City Hall included some kind of cap for \$35,000.

Mr. Hall stated he saw the scout car from the accident that an officer was in when he was hit from behind. He questioned why the airbags did not deploy.

Jan Opris, resident of St. Clair Shores, stated she is surprised to hear that no one has reported seaweed on the lake. She has lived in her house for 24 years, and stated that this mess typically doesn't happen until August. Part of the problem is that the water level is higher this year.

Keith Ealy stated he bought a house for his mother in St. Clair Shores, and pays all the bills including taxes, and doesn't have the amenities of living here even though he lives on the property sometimes. Mr. Ealy was advised to call City Manager Hughes.

Henry Castro, resident of St. Clair Shores, stated there was a recital at Turning Pointe for Special Needs children, and thanked Vanessa and Ashley for helping.

Sheila Connolly, resident of St. Clair Shores, stated she has a block party every year, and there are always problems with the seaweed.

John Opris, resident of St. Clair Shores, feels this is a new kind of vegetation, not a weed. He stated maybe the EPA or DNR can identify what it is.

Jack Downey, resident of St. Clair Shores, stated there have been meetings regarding the renovation of the Senior Center. The bids were opened on June 14, but rumor has it that there is an organization somewhere stating they want the Senior Center kept as it is.

16. REQUEST TO ENTER CLOSED SESSION AS PERMITTED BY STATE STATUTE MCLA 15.268 SECTION 8(e) POSSIBLE LITIGATION

Motion by Walby, seconded by Rusie to enter Closed Session as permitted by State Statute MCLA 15.268, Section 8(e) at 9:38 p.m.

16. REQUEST TO ENTER CLOSED SESSION AS PERMITTED BY STATE STATUTE MCLA 15.268 SECTION 8(e) POSSIBLE LITIGATION (cont'd)

Roll call vote

Ayes: All – 6
Absent: McFadyen

Motion by Frederick, seconded by Rubino to return to Open Session at 10:30 p.m.

Ayes: All – 6
Absent: McFadyen

17. ADJOURNMENT

Motion by Frederick, seconded by Rubino to adjourn at 10:31 pm.

Ayes: All - 6
Absent: McFadyen

ROBERT A HISON, MAYOR

MARY KOTOWSKI, CITY CLERK