

# Village of Bellaire

## ADMINISTRATION AND PERSONNEL COMMITTEE

David Schulz, Chairman

Dan Bennett

Bryan Hardy

### COMMITTEE MEETING MINUTES

October 11, 2016

7:45 a.m.

1. **Call to Order:** Chairman Schulz called the meeting to order at 7:45 a.m.
2. **Attendance**
  - Members Present:** Chairman Schulz, Trustee Bennett and Trustee Hardy
  - Members Absent:** None
  - Staff Present:** Lori Lockett, Clerk; Cathy Odom, Treasurer at 7:48 a.m.
  - Others Present:** None
3. **Approval of Agenda:** The agenda was approved as presented.  
**Motion by Trustee Hardy, seconded by Trustee Bennett, to approve the agenda as presented. Motion carried by unanimous voice vote.**
4. **Approval of Minutes:** The Administration and Personnel Committee minutes of the September 13, 2016 meeting were approved as presented.  
**Motion by Trustee Bennett, seconded by Trustee Hardy, to approve the minutes of the September 13, 2016 meeting as presented. Motion carried by unanimous voice vote.**
5. **Public Comment on Agenda Items:** None presented.
6. **Old Business:**
  - a) **DOL New Overtime Pay Rules:** Chairman Schulz advised that he had received emailed correspondence from an insurance company out of Cadillac, notifying him that 21 states had filed suit against the Department of Labor over the new overtime rules that are to go into effect December 1, 2016. The letter explained that even though they are being challenged, there will not be a closure on the matter by the deadline. The insurance company was therefore recommending the adoption of new rules to be in compliance. Chairman Schulz indicated that Treasurer Odom had emailed the committee wage and meeting per diem information for the two employees affected by the new rules. The overall compensation was not close to the new base level salary of \$47,476 established in the DOL rules. Trustee Hardy asked why the new salary rules had been established? Chairman Schulz opined that some employers had been taking advantage of “salaried” employees; requiring more hours for little pay. The committee reviewed the options identified by village legal counsel in a previous memorandum, including compensatory time and flexible work schedules. It was noted that the current employee handbook contains provisions for compensatory time that would apply to the two as nonexempt employees. The current handbook, compensatory time is earned at the rate of 1.5 hours for every hour worked over 40 in a work week. Chairman Schulz explained that office staff has already used flexible scheduling on occasion. So long as there is someone in the office during regular business hours, he thought flexible scheduling was an option. Chairman Schulz made the motion to recommend to village council that it adopt a combination of offering

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compensatory time off, along with the ability for staff to adjust work schedules, in lieu of overtime pay.

**Motion by Chairman Schulz, seconded by Trustee Hardy, to recommend to village council that it adopt a combination of offering compensatory time off, along with the ability for staff to adjust work schedules, in lieu of overtime pay. Motion carried by unanimous voice vote.**

- b) **Additions to Village of Bellaire Personnel Policy:** Clerk Luckett explained that she had received additional information, including sample policies, from the worker's compensation carrier about incident reporting. She noted that the sample policies appeared more simple but that committee had reviewed the proposed policy at the last meeting and, with exception of formatting the forms, their requested corrections had been made. Chairman Schulz made a motion to recommend to the village council to adopt the bloodborne pathogens policy as part of the employee handbook.

**Motion by Chairman Schulz, seconded by Trustee Bennett, to recommend to village council to adopt the bloodborne pathogens policy as part of the employee handbook. Motion carried by unanimous voice vote.**

Chairman Schulz then made the motion to recommend to village council the adoption of the Village of Bellaire Personnel Policy with all of the effected changes, deletions and additions, including Addendum A and Addendum B.

**Motion by Chairman Schulz, seconded by Trustee Hardy, to recommend to village council the adoption of the Village of Bellaire Personnel Policy with all of the effected changes, deletions and additions, including Addendum A and Addendum B. Motion carried by unanimous voice vote.**

**7. New Business:**

- a) **Tax Abatement – Crusecom:** The committee reviewed the request made during the October village council meeting. Chairman Schulz thanked Treasurer Odom for putting together the current tax amounts collected on the four subject properties. Trustee Bennett expressed his concern about the company staying in Bellaire if a tax abatement is granted. Trustee Hardy agreed, indicating that the question had been asked at the village council meeting and not answered. Additionally, the request will have to be reviewed by legal counsel and the procedures are not in place for the village to be able to do this. A district will have to be established and a public hearing held. There was some confusion expressed about the number of properties affected. Chairman Schulz reviewed the MEDC synopsis of the Commercial Rehabilitation Act provided by Mr. Cruse for the village council meeting. A district will have to be established. Trustee Bennett suggested that an impact study needed to be done, paid for by the applicant, to address the effects the tax abatement could have on the police, fire department, water services and schools; on our Village and housing. Trustee Hardy wondered about whether the DEQ would be involved. Clerk Luckett indicated that he is working with someone to determine whether there are regulated wetlands. Chairman Schulz read from the MEDC handout:

The legislative body must establish a Commercial Rehabilitation District. The establishment of the district may be initiated by the local government unit or by owners of property comprising 50 percent of all taxable value of the property in the proposed

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district. The district must be at least three acres in size unless it is located in a downtown or business area or contains a qualified retail food establishment.

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The city, village or township must hold a hearing to establish a Commercial Rehabilitation District. Notification of the hearing must be given to the county board of commissioners and all real property owners in the proposed district.

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Once the district is established, the property owners may file an application with the local clerk for a Commercial Rehabilitation Exemption Certificate. Applications are available from the Michigan Department of Treasury. The local clerk shall provide written notification to the assessor of the local unit of government and each taxing jurisdictions that levies ad valorem property taxes of the application hearing.

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The property owner must pay a Commercial Rehabilitation Tax rather than the normal property tax. The certificate must be issued for a period of at least one year, but cannot exceed 10 years. Certificates initially issued for less than 10 years may be extended, but shall not exceed 10 years.

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The Commercial Rehabilitation Tax freezes the taxable value of the building and exempts the new investment from local taxes. The school operating tax and the Stated Education Tax (SET) are still levied on the new investment. Land and personal property cannot be abated under this act.

Chairman Schulz suggested that the Village get an interpretation from village counsel because the request for an abatement of both real and personal property taxes. Treasurer Odom noted that with the new personal property tax laws, the Village has very few who pay personal property taxes. There was a question about the size of the parcels involved; and that if they totaled three acres or more the four parcels could make up the district. While 100% had been requested for 10 years and then 50% for years 11 and 12, Chairman Schulz wondered if an abatement could be any percentage? This will be directed to village counsel. Chairman Schulz reminded committee members of the Oscoda resident who had attended the village council meeting and commented that the business had been a boon for the local community. Was this going to be a relocation of the business? Chairman Schulz noted that there are surrounding areas that are somewhat more economically distressed. The Village is an “eligible distressed area” while other local communities are not. Chairman Schulz suggested that at \$10 an hour it will be hard to get the quality of employee Mr. Cruse is looking for. Additionally, Mr. Cruse wants to staff it with 100 per shift, up to 300 per day; affordable housing is limited. The potential is for people in the surrounding areas; there is potentially a larger benefit to Antrim County. Chairman Schulz expressed his concern that the Village budget is tight. There was discussion about the effect on other businesses. What will be the impact on the Village? The committee acknowledged that a process has to be established and that process cannot be completed by the end of the month. Trustee Bennett suggested that the required process could be presented to the village council; the village council could then decide whether it wanted to proceed further. Chairman Schulz suggested that a letter to Mr. Cruse be prepared explaining that under the process outlined by the MEDC, the steps cannot be met within the requested time frame. The committee will have to

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make a recommendation to proceed or not. Chairman Schulz made a motion to send a letter to Mr. Cruse explaining that decision on his request could not be made by the end of October.

**Motion by Chairman Schulz, seconded by Trustee Hardy, that a letter be sent to Mr. Cruse explaining that a decision on his request could not be made by the end of October. Motion carried by unanimous voice vote.**

There was continued discussion that village counsel be requested to look the ability to offer tax abatements and create generic process and policies so in the future the Village is prepared to address potential requests. Also ask legal counsel how creative the structure of abatements can be and whether there is a way of guaranteeing that businesses stay after the expiration of the abatement period? The committee agreed that the Village is not prepared to make a decision on the request at this time. Clerk Lockett was directed to contact the neighboring community regarding an abatement it had offered to a local business. Chairman Schulz wondered if an abatement could be stepped down on current taxable value? The committee agreed that at the special meeting, the village council will be able to review the requirements and potential scenarios to decide whether it wishes to proceed. Trustee Bennett asked what would happen if Kearney Township turned down the request? With the requirement that any resolution be sent to the County; the committee further noted that the requested deadline definitely could not be met. There has to be communication with the Kearney Township and Antrim County.

8. **Discussion Items:** Chairman Schulz asked if the committee employee review process could be done during a longer late afternoon or evening session in order to save on the meeting fees? Clerk Lockett asked whether the evaluations should be returned sooner than previously suggested? Trustee Bennett asked whether the process was getting the desired results? Staff indicated that in one area it had helped; in another area it had not. Chairman Schulz stated that he can see there is an impediment to it not being taken seriously. He thought that if the evaluations could be returned by November 15, the results could be tabulated and the committee could meet at the end of the month.
9. **Communications/Informational:** None presented.
10. **Member/Public Comment:** Chairman Schulz and Trustee Bennett commented on recent experiences. A final comment was made about the tax abatement and the development of a process should village council decide include them in its tool box.
11. **Adjourn:** The meeting was adjourned at 8:43 a.m.

Minutes compiled by:  
Lori Lockett, Clerk  
Minutes are subject to approval.

**Approved:** \_\_\_\_\_

**Date:** \_\_\_\_\_