

Worksession
January 21, 2009
6:30 p.m.

Present: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.
Absent: None

Also present: Manager Anderson, City Clerk Haischer, Doug Hayrynen, Mike Beaudoin, Bruce Rukkila, Joe Kaplan and Susan Burack.

Reviewed and Discussed:

1. Federal Stimulus Update.
2. Hancock Police Non-Traffic Accidents
 - * 1-1-2009 Police Department will no longer take non-traffic accidents which occur in non-traffic areas such as parking lots.
3. MDOT Traffic Model should be completed within two months.
4. Health Department Grant.
 - to promote healthy communities
 - non-motorized trail from Chassell to Hancock.
5. HBPA Drawing 1-27-09.
 - DDA will pay for 1/2
 - enter sign contest for the entrance to Hancock @ the Bridge
6. Franklin Twp. and EPA
 - eight acre cover of stamp sand area
7. 1 to 4 match down to 1 to 1 match @ KNHP money
8. Lakeview Manor Update.
 - James Addition 5 duplex building for sale
 - Prospective buyer with proceeds to go to Quincy Haven
9. City is still responsible for ½ the cost of a new snowmobile for the Maasto Hiihto.
 - Ski Club may be interested in purchasing a 4-wheeler with ATV Tracks for winter and wheels for summer use. (City committed \$4500)
10. Mike Beaudoin, Chief of Police, Hancock Police Department monthly report for December, 2008
 - 275 complaints, 1 driving while suspended, 2 B&E's, 1 no pay at the gas station from a snowmobiler, 2 car fires, 1 larceny, 1 domestic, 25 accidents, 4 medical assists, assisted other departments 12 times. Parking Meter \$975.00 ; Police Reports \$55.00
 - Department will not take non-traffic accidents in parking lots. Will still investigate injury and hit and run. Dept. is receiving a laptop from the MI State Police at no charge, however, there is a \$30/monthly charge for the lien hook-up. Wal-Mart Foundation sent in a check for \$1250.00.
11. Doug Hayrynen, DPW Director, monthly report for December, 2008.
 - See Equipment List and needs.
 - Water leak at the Old Main will be repaired next week (Quincy Street).
 - Snow removal is slow, as our equipment keeps breaking down and need repairs.
 - RPM Tech needs radiator repairs.
 - 2 frozen sewers
 - Sanders need servicing constantly.
 - Sander did vehicle damage to three of Northern Auto's cars that were parked on Scott Street in their parking lot. (probably in the ROW)
 - Garbage Truck needs to be replaced.
 - Need to purchase a valve turner for the Water Department (\$5000 - \$6000)
12. Bruce Rukkila, CPA Audit Report
 - Three funds with deficits. Major, Local and Sylvan Estates/Development
 - Clean audit opinion

Regular Meeting
January 21, 2009
7:30 p.m.

The regular meeting of the Hancock City Council was held in the Council Chambers on Wednesday, January 21, 2009 at 7:30 p.m. with Mayor William Laitila presiding. The United States Flag was honored by all in attendance with the following duly qualified

Councilors being present: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.
Absent: None

Moved by Councilor Belej and seconded by Councilor Freeman to amend the 1-21-09 Agenda as follows:
New Business: Delete #7 and Add #9. Thank You to the Wal-Mart Foundation for donation.
Yes: All
No: None
Motion Carried.

correspondence

Memo from Lt. Randy Mayra re: Non Traffic Accidents
Estimated Federal House Stimulus Funds
Walmart Foundation donation of \$1250.00

guests

Public Comment:
None at this time.

minutes approval

Moved by Councilor McKenzie and seconded by Councilor Freeman approving the minutes of the December 17th, 2008 worksession, public hearing and regular meeting as presented and placing them on file.
Yes: All
No: None
Motion Carried.

reports

HBPA minutes of December 9, 2008
M-26 / US 41 minutes of December 16, 2008
DPW Equipment Purchasing Recommendations 1-19-09
-Doug Hayrynen
Hancock Housing Commission minutes of November 19, 2008
PLWSA minutes of December 9, 2008

Moved by Councilor McKenzie and seconded by Councilor Hainault to acknowledge the reports as presented and place them on file.
Yes: All
No: None
Motion Carried.

administrative report

1. Review Fire Chief Gedda's 2008 Annual Fire Department Report. (on file)
 - 62 calls
 - 5 structure fires
2. Update on current MSHDA Rental Rehab. Grant Program from Ray Gerhart, Northern Consultants.
 - 2007 Rental Rehab
 - 8 projects, total of 10 units
 - MSHDA \$197,752.74, Owner \$71,123.23 total \$268,875.97
 - 7-1-07 to 6-30-09
3. New Grant 2009 Rental Rehabilitation Program
 - Grant Request to MSHDA \$200,000
 - Central Hancock
 - Application due sometime in February
4. Government Lot 5 volume survey, 2.47 acres with about 75,957 cubic yards of material or an estimated 106,340 to 118,000 tons.
5. 2009 Heikinpaiva activities including the parade at 11 a.m. on Saturday, January 24th.

- 6. Quincy Haven Apts. Update.
-MSHDA has issued a Reservation for Low Income Housing Tax Credits to Quincy Haven Apartments LDHP LP
- 7. HBPA Entrance Sign Contest.
entries must be received by April 1, 2009
award for winner will be \$300

old business
bids for navy street .21 A

Bids:

Dale Kero

751 Navy Street

\$41,110.00

10% down \$4,111.00

Minimum Bid: \$40,500.00

Moved by Councilor Belej and seconded by Councilor Gemignani to accept the Bid from Dale J. Kero in the amount of \$41,110.00 for a parcel situated in Section 35, Township 55, Range 34 West, City of Hancock, Houghton County, Michigan, described as follows: From an iron pit set in Traprock marking the corner of Sections 26, 27 and 34, Township 55 North, Range 34 West, thence South 994.00 feet along the section line between Sections 34 and 35, thence East 234.0 feet to the POB of said land, thence East 54.0 feet, thence South 175 feet more or less to the shore of Portage Lake, thence Westerly 54.0 feet along the shore of Portage Lake, thence North 175.0 feet more or less to the POB of said land.

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

fy 07/08 audit report
bruce rukkila, cpa

Moved by Councilor Belej and seconded by Councilor McKenzie to accept the 2007/2008 Audit Report as presented from Bruce Rukkila, CPA. This Audit with FYE 6-30-08 had three fund deficits (Major, Local and Sylvan Estates/Development) and representatives a clean audit report.

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.

No: None

Motion Carried.

2007/2008 fye 6-30-08
deficit reduction plan
& 2008-2009 fye 6-30-08
budget amendments

Moved by Councilor Hainault and Seconded by Councilor Belej approving the City of Hancock 2007-2008 Deficit Reduction Plan for the Major Street, Local Street and Sylvan Estates/Development Funds and the 2008-2009 Budget Amendments for FYE 6-30-09 as follows:

Deficit Reduction Plan for the Major Street Fund: Deficit amount of \$39,356.00,
Local Street Fund: Deficit amount of \$131,648.00 and Sylvan
Estates/Development Fund: Deficit amount of \$75,671.00

1. Transfer \$39,356.00 from the General Fund to the Major Street Fund.

Amendment: General Fund-Transfer Out 10199999202 \$.00 to \$39,356.00

Major Street Fund-Transfer In 202000699101 \$.00 to \$39,356.00

2. Transfer \$131,648.00 from the General Fund to Local Street Fund

Amendment: General Fund-Transfer Out 10199999203 \$110,000.00 to
\$241,648.00

Local Street Fund-Transfer In 203000699101 \$110,000.00 to \$241,648.00

3. Sylvan Estates/Development Fund Transfer \$75,681.00 from the General Fund
to the Sylvan Estates/Development Fund. Amendment:

General Fund-Transfer Out 101999999599 \$.00 to \$75,681.00 Transit Fund-Transfer In 599000699101 \$.00 to \$75,681.00

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

meters pension

Moved by Councilor Hainault and seconded by Councilor Belej approving the recommendation of the personnel committee to modify the WPPA and AFSCME Union Agreements to only adopt the E-2 MERS Pension Effective January 1, 2009 with no wage increase for 2009, add a 2.2% wage increase for 2010 from no increase, and agree to implement the B-3 MERS Pension during 2011, if feasible, and if feasible provide the difference from the actuarial cost of the B-3 and 3.25% as a wage increase for 2011, or if the B-3 cannot be implemented, incorporate a 3.25 wage increase for 2011.

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.

No: None

Motion Carried.

meters rescind prior resolution
& adopt new meters resolution

Moved by Councilor McKenzie and seconded by Councilor Freeman to rescind the MERS resolution for changing MERS Benefits adopted at the December 17, 2008 meeting and adopt a new MERS Resolution for changing MERS Benefits to add an E-2 affecting future retirees effective 1-1-2009 for WPPA, AFSCME and Non-Union Employees and authorize the City Manager to execute the document.

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

sohlden residence 922 summit

Moved by Councilor Belej and seconded by Councilor Hainault directing the City Manager to send a letter to Wells Fargo, the lien holder on the residence at 922 Summit, asking them to clean up the property and make it safe.

Yes: All

No: None

Motion Carried.

new business
december, 2008 a/p

Moved by Councilor Hainault and seconded by Councilor Belej approving the December, 2008 accounts payable in the amount of \$137,686.95 and authorize payment as funds become available as follows:

| | |
|----------------|------------------|
| General | \$52,320.18 |
| Major | 4,682.50 |
| Transit | 2,595.57 |
| Sewer | 38,953.74 |
| Water | 18,769.12 |
| <u>Motor V</u> | <u>20,365.84</u> |
| Total | \$137,686.95 |

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.

No: None

Motion Carried.

add'l checks typed in December

Moved by Councilor Freeman and seconded by Councilor Gemignani approving the additional checks typed in the month of December, 2008 in the amount of \$539,685.74 and authorize payment as follows:

| | |
|------------------|-------------------|
| Expenses | \$129,772.97 |
| <u>Transfers</u> | <u>409,912.77</u> |
| Total | \$539,685.74 |

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

identity theft prevention
program policy & procedures

Moved by Councilor McKenzie and seconded by Councilor Freeman adopting the City of Hancock Identity Theft Prevention Program Policy and Procedures as follows:

IDENTITY THEFT PREVENTION PROGRAM

Effective 01-21-09

Purpose

To establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance with the Federal Trade Commission's Red Flags Rule (Part 681 of Title 16 of the Code of Federal Regulations) implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003.

Under the Red Flag Rule, every financial institution and creditor is required to establish an "Identity Theft Prevention Program" tailored to its size, complexity and the nature of its operation. Each program must contain reasonable policies and procedures to:

1. Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
2. Detect Red Flags that have been incorporated into the Program;
3. Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
4. Ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from Identity Theft.

Definitions

Identifying information means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including: name, address, telephone number, social security number, date of birth, government issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer's Internet Protocol address, or routing code.

Identify theft means fraud committed or attempted using the identifying information of another person without authority.

A covered account means:

1. An account that a financial institution or creditor offers or maintains, primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions. Covered accounts include credit card accounts, mortgage loans, automobile loans, margin accounts, cell phone accounts, utility accounts, checking accounts and savings accounts; and
2. Any other account that the financial institution or creditor offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation or litigation risks.

A red flag means a pattern, practice or specific activity that indicates the possible existence of identity theft.

Policy

A. **IDENTIFICATION OF RED FLAGS.** The City identifies the following red flags, in each of the listed categories:

1. Suspicious Documents

- i. Identification document or card that appears to be forged, altered or inauthentic;
 - ii. Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
 - iii. Other document with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
 - iv. Application for service that appears to have been altered or forged.
- 2. Suspicious Personal Identifying Information
 - i. Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates);
 - ii. Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a credit report);
 - iii. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
 - iv. Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
 - v. An address or phone number presented that is the same as that of another person;
 - vi. A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required); and
 - vii. A person's identifying information is not consistent with the information that is on file for the customer.
- 3. Suspicious Account Activity or Unusual Use of Account
 - i. Change of address for an account followed by a request to change the account holder's name;
 - ii. Payments stop on an otherwise consistently up-to-date account;
 - iii. Account used in a way that is not consistent with prior use (example: very high activity);
 - iv. Mail sent to the account holder is repeatedly returned as undeliverable;
 - v. Notice to the City that a customer is not receiving mail sent by the City;
 - vi. Notice to the City that an account has unauthorized activity;
 - vii. Breach in the City's computer system security; and
 - viii. Unauthorized access to or use of customer account information.
- 4. Alerts from Others
 - i. Notice to the City from a customer, identity theft victim, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

B. DETECTING RED FLAGS.

- 1. **New Accounts.** In order to detect any of the Red Flags identified above associated with the opening of a new account, City personnel will take the following steps to obtain and verify the identity of the person opening the account:
 - i. Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
 - ii. Verify the customer's identity (for instance, review a driver's license or other identification card);
 - iii. Review documentation showing the existence of a business entity; and/or
 - iv. Independently contact the customer.
- 2. **Existing Accounts.** In order to detect any of the Red Flags identified above for an existing account, City personnel will take the following steps to monitor transactions with an account:
 - i. Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
 - ii. Verify the validity of requests to change billing addresses; and
 - iii. Verify changes in banking information given for billing and payment purposes.

- C. **PREVENTING AND MITIGATING IDENTITY THEFT.** In the event City personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:
1. **Prevent and Mitigate**
 - i. Continue to monitor an account for evidence of Identity Theft;
 - ii. Contact the customer;
 - iii. Change any passwords or other security devices that permit access to accounts;
 - iv. Not open a new account;
 - v. Close an existing account;
 - vi. Reopen an account with a new number;
 - vii. Notify the City Manager for determination of the appropriate step(s) to take;
 - viii. Notify law enforcement; and/or
 - ix. Determine that no response is warranted under the particular circumstances.
 2. **Protect customer identifying information**
 - i. In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City will take the following steps with respect to its internal operating procedures to protect customer identifying information:
 - ii. Ensure that its website is secure or provide clear notice that the website is not secure;
 - iii. Ensure complete and secure destruction of paper documents and computer files containing customer information;
 - iv. Ensure that office computers are password protected and that computer screens lock after a set period of time;
 - v. Keep offices clear of papers containing customer information;
 - vi. Request only the last 4 digits of social security numbers (if any);
 - vii. Ensure computer virus protection is up to date; and
 - viii. Require and keep only the kinds of customer information that are necessary for utility purposes.
- D. **PROGRAM UPDATES.** This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the City from Identity Theft. The City Manager will consider the City's experiences with Identity Theft situations, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of accounts the City maintains and changes in the City's business arrangements with other entities. After considering these factors, the City Manager will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the City Manager will present the City Council with his/her recommended changes and the Council will make a determination of whether to accept, modify or reject those changes to the Program.
- E. **PROGRAM ADMINISTRATION.**
1. **Oversight.** Responsibility for developing, implementing and updating this Program lies with an Identity Theft Committee for the City. The Committee is headed by the City Manager, with the City Treasurer and Mayor comprising the remainder of the committee membership. The City Manager will be responsible for the Program administration, for ensuring appropriate training of City staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.
 2. **Staff Training and Reports.** City staff responsible for implementing the Program shall be trained either by or under the direction of the City Manager in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected. City staff is required to provide reports to the Program Administrator on incidents of Identity Theft, the City's compliance with the Program and the effectiveness of the Program.
 3. **Specific Program Elements and Confidentiality.** For the effectiveness of Identity Theft prevention Programs, the Red Flag Rule envisions a degree of confidentiality regarding the City's specific practices relating to Identity Theft detection, prevention and mitigation. Therefore, under this Program, knowledge

of such specific practices are to be limited to the Identity Theft Committee and those employees who need to know them for purposes of preventing Identity Theft. Because this Program is to be adopted by a public body and thus publicly available, it would be counterproductive to list these specific practices here. Therefore, only the Program's general red flag detection, implementation and prevention practices are listed in this document.

Authority & Revisions

This policy is enacted immediately upon approval of the City Council, as reflected in the regular meeting minutes dated December 17, 2008. Revisions to this policy shall only be enacted when approved by the City Council and reflected in the applicable meeting minutes. This policy shall be reviewed at least annually by the City Manager and updated as appropriate.

Revision History

| <u>Date</u> | <u>Revision #</u> | <u>Nature of Revision</u> |
|-------------|-------------------|---------------------------|
| 01/21/09 | 00 | Original document. |

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.

No: None

Motion Carried.

mary tuisku resignation
from the housing
commission

Moved by Councilor Hainault and seconded by Councilor McKenzie to accept with regret the resignation of Mary Tuisku from the Hancock Housing Commission and directing the City Manager to send a letter of appreciation.

Yes: All

No: None

Motion Carried.

fu 1 year pilot transit
agreement

Moved by Councilor McKenzie and seconded by Councilor Slivon approving a one year agreement with Finlandia University for transit services as follows:

City of Hancock:

1. Provide daily transport for Finlandia University students from Finlandia Hall (our residence facility) to the Jutula Center (old Portage Hospital); and
2. Transport will be available from the main doors of Finlandia Hall Monday-Friday at 8:00 a.m. with drop off at the main doors in front of the Jutula Center and again from the front doors of the Jutula Center at 5:00 p.m. with drop off at Finlandia Hall.

Finlandia University:

1. Pay \$100/month for twelve months to the City of Hancock; and
2. Report to the appropriate City offices when regularly scheduled classes are interrupted and service is not required.

This agreement will be reviewed at the completion of one year. Changes may be suggested and adopted at anytime with the approval of both parties.

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

| Dealer | Make | | transit administrative vehicle quotes Price | Specs |
|---------------------------|--------|------------------|---|-------|
| Big Valley Ford, Ewen | Dodge | Grand Caravan SE | \$19,644. | yes |
| Riverside Auto, Marquette | Dodge | Grand Caravan SE | \$22,000. | yes |
| Riverside Auto, Marquette | Toyota | Sienna LE | \$25,000 | yes |
| Riverside Auto, Marquette | Honda | Odyssey EX | \$26,750 | yes |
| Northern Auto, Hancock | Dodge | Grand Caravan SE | \$19,094 | yes |

Tentative low bidder: Northern Auto, Grand Caravan SE \$19,094.00

Moved by Councilor McKenzie and seconded by Councilor Belej approving the purchase of a Transit Administrative Vehicle from the tentative low bidder Northern Auto, Hancock for a Dodge, Grand Caravan SE in the amount of \$19,094.00.

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.

No: None

Motion Carried.

dda façade grants
reimbursement requests

| | |
|--|---------------------|
| Book Concern Printers, 129 Franklin Street | request \$ 1,837.65 |
| Harrington Ridge, 301 Front Street | request \$10,000.00 |

Moved by Councilor McKenzie and seconded by Councilor Freeman approving the reimbursement from the DDA Building Façade Matching Grant Program as follows:

Book Concern Printers \$1,837.65

Harrington Ridge \$10,000.00

Payment is from the DDA/TIF account.

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

walmart foundation

Moved by Councilor Freeman and seconded by Councilor Belej directing the City Manager to send a letter of thanks to the Walmart Foundation for their donation of \$1250.00 to the Hancock Police Department.

Yes: All

No: None

Motion Carried.

Moved by Councilor Hainault and seconded by Councilor Freeman that this regular meeting of the Hancock City Council be adjourned. Time 9:05 p.m.

Yes: All

No: None

Motion Carried.

William Laitila, Mayor

Karen Haischer, CMC City Clerk