

Regular Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, September 17, 2007 at 6:30 p.m. in the Council Room:

Presiding: Mayor Pro-Tem Rigoni
Present: Council Members Burke, Caudell, Tchokreff, VanLaanen and Jacobs
Excused: Mayor Tousignant
Also Present: City Atty. Pirkola

The agenda was approved as submitted. **Agenda**

The minutes of the previous meeting of September 4, 2007 stand approved as submitted. **Minutes**

Public Comment

None

Old Business

City Manager Marquart said the revised purchase agreement removed page 3, item #8 covenants and they became contractual items. The agreement added a letter of binding intent between Mr. Blomquist and Mr. Bouche. Mayor Pro-Tem Rigoni stated item #9 was added that states the property reverts back to the City if the listed items are not completed. Council Member Jacobs asked about a time frame and Mayor Pro-Tem Rigoni said the development must start within one year. Council Member VanLaanen said he originally objected to this development because of highway access and he still has reservations about access in the rear of the building. Council Member Jacobs asked about opening up the alley behind the Fire Station. City Manager Marquart stated that conversations with the railroad and a review of the Quiet Zone status would be necessary. It was moved by Tchokreff and supported by Burke to approve the purchase agreement between Mr. Mark Blomquist and the City of Iron Mountain with the binding letter of intent for easements between Mr. Robert Bouche and Mr. Mark Blomquist to attach to the property. **Purchase Agreement Mark Blomquist**

Roll call vote taken:

Ayes: (6) Burke, VanLaanen, Tchokreff, Rigoni and Jacobs

Nays: (0)

Abstain: (1) Caudell

Motion carried.

New Business

It was moved by Burke and supported by Caudell to adopt a Resolution for the transfer of a liquor license from escrow to Blackstone Pizza. **Blackstone Pizza**

Motion prevailed unanimously.

City Manager Marquart stated that the 425 Agreements consist of Area #1 and Area #2. Area #1 is a twelve year agreement covering property that is currently in the process of annexation. The agreement provides for the Township receiving their operating millage with the property staying with the City at the end of the agreement. Area #2 is a fifty **425 Agreement Public Hearing**

New Business (cont.)

year agreement and provides for tax sharing but the agreement does not start until property owner opts in, sale of property or change of use. Council Member Caudell asked if the larger property owners were in favor of the 425 Agreements. Mayor Pro-Tem Rigoni stated Champion would prefer a 425 Agreement over annexation and Mr. Quick who owns over 300 acres of the property is in favor. Council Member Burke believes that the agreement is good for both the Township and the City. Council Member VanLaanen feels that we are losing full millage that annexation would provide the City. He feels that this agreement benefits the Township more than the City and would like to know what the Township is giving up. Mayor Pro-Tem said they are giving up 1,000 plus acres. Council Member Caudell feels that the 425 Agreements will provide a more attractive situation for developers on the perimeter of the City limits. Mayor Pro-Tem Rigoni feels that these agreements will alleviate the disagreements between the City and Township every time a parcel is developed.

It was moved by Burke and supported by Jacobs to establish a date and time of Monday, September 24, 2007 at 6:30 p.m. for the purpose of a public hearing pertaining to 425 Agreements for Area I and Area II with Breitung Township.

Ayes: (5) Burke, Jacobs, Rigoni, Tchokreff and Caudell

Nays (1) VanLaanen

Motion carried.

City Manager Marquart stated that the agreement provides a labor arrangement for the next five years. Council Member VanLaanen questioned the contribution to health care costs. City Manager Marquart stated that the contract has a new provision for a \$300 yearly contribution by the patrol officer and lieutenant agreements. The agreement also changes the drug card from a 10/20 to a 10/40 card. Council Member VanLaanen has a concern with the health coverage because the employees do not have to worry about future health care increases. He stated in the past employees took a smaller wage increase to keep their health insurance. Council Member VanLaanen would like a larger wage increase but also an increased responsibility for health insurance. He cannot support a five year contract with health insurance on the rise. Council Member Caudell said that any contribution towards health insurance is a start compared with no employee contribution up to this point. Council Member Caudell asked if the agreement can be renegotiated within the five years. City Manager Marquart stated that both parties can agree to open the agreement. Council Member Jacobs was concerned that with increases in health insurance a five year contract could result in a big bite to the City. City Manager Marquart stated the City has been fortunate to have single digit increases the past years. Mayor Pro-Tem Rigoni stated that if health insurance drastically increased the City could asked to renegotiate. He said a drastic increase could result in layoffs without any renegotiation. Mayor Pro-Tem Rigoni feels it is a good agreement for the officers and the City and the agreement averages out to a 2.7% wage increase. Council Member VanLaanen is concerned that this agreement does nothing to address the large unfunded retiree health insurance and setting aside money to address it.

**Patrol Officer
Union**

It was moved by Burke and supported by Rigoni to approve the Collective Bargaining Agreement between the City of Iron Mountain and the Patrol Officer Union.

Ayes: (5) Burke, Jacobs, Rigoni, Tchokreff and Caudell

Nays (1) VanLaanen

Motion carried.

New Business (cont.)

Council Member VanLaanen reiterated that they deserve this benefit package but this should be an agreement that changes the course of employee health insurance funding. It was moved by Burke and supported by Caudell to approve the Collective Bargaining Agreement between the City of Iron Mountain and the Police Officer Labor Council.

Police Officer Labor Council (Lt.s)

Ayes: (5) Burke, Jacobs, Rigoni, Tchokreff and Caudell

Nays (1) VanLaanen

Motion carried.

It was moved by Tchokreff and supported by Burke to authorize solicitation of bids for winter sand.

Winter Sand Bids

Motion prevailed unanimously.

It was moved by Burke and supported by VanLaanen to approve a contribution of \$3,000 to the Iron Mountain-Kingsford Community Schools 2007 Summer Recreation Program.

IM-K Summer Rec. Contribution

Motion prevailed unanimously.

City Manager Marquart stated this is an updated Resolution that would grant the City approximately \$114,000 towards purchase of the old Champion Inc. building. The goal of the grant is to revitalize the building. He stated the City's portion of the purchase has been approved by TIFA and the City would be required to own the building for five years. He said the City would see its' funds returned to it. Council Member Caudell feels that revitalizing the building will be a benefit to downtown. Mayor Pro-Tem reiterated that the City's contribution would be fully recouped through the agreement with the developer.

Signature Building Program

It was moved by Jacobs and supported by VanLaanen to adopt a Resolution for the Signature Building Program.

Motion prevailed unanimously.

Financial Reports

The Council reviewed the Payroll Report for the Month of August with regular wages in the amount of \$297,867.36 and OT in the amount of \$22,673.79. The Council also reviewed Claims in the amount of \$684,536.08. It was moved by Jacobs and supported by VanLaanen to approve claims and payroll in the amounts noted above.

Claims and Payroll

Motion prevailed unanimously.

Invoice paid through automated clearing, MERS \$ \$24,455.10 08/15/07 was placed on file.

City Manager Report

The City has received results from the second round of testing on Crystal Lake. They are being analyzed by the engineers to determine what the results mean.

City Attorney Reports

None

Committee Reports

None

Public Comment

Dale Alessandrini – 1120 Iron Mountain St. – wanted clarification on the signature building program, if the grant is for \$114,375 and the building is selling for \$350,000, is the City's portion \$236,000.

Council Member Privilege

Mayor Pro-Tem Rigoni stated the Signature Building Grant has a City match of \$30,000 to \$35,000 with the developer having to make up the difference. City Manager Marquart stated two appraisals on the building gave an average value of \$152,500, the State contribution is \$114,000 and the City would contribute the difference between the average value and the State contribution.

Meeting adjourned at 7:49 p.m.



Jordan Stanchina
Clerk-Treasurer