

Regular Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, August 4, 2008 at 6:30 p.m. in the Council Room:

Presiding: Mayor VanLaanen

Present: Council Members Burke, Tchokreff, Peterson, Caudell, Rosen, and Farragh

Also Present: City Attorney Carlson

Agenda

It was moved by Burke and supported by Peterson to approve the agenda as submitted with the addition of the following:

New Business

6. Approval of City Park Pavilion usage at No Charge Re: Elks Lodge Fundraiser

Minutes

The minutes of the Special Meeting of July 18, 2008 and Regular Meeting of July 21, 2008 are approved as submitted.

Public Comment

Bruce Varda – PO Box 2 – stated that Member Rosen was in support of the Events Center in face to face discussions but has a different opinion elsewhere. Mr. Varda stated that Mariucci Ventures will not participate in any more TIFA Executive Sessions if Member Rosen is present. Mr. Varda discussed the background of the project. He stated that Member Peterson was actively pursuing a business to put in the place of the Events Center.

Ed Mattson – 904 E Margaret St. – thanked the Council for consideration of waiving the City Park Pavilion fee for Elk's Lodge fundraiser.

Toni Strutz – Vision 2020 Coordinator – thanked the City Manager for his support of the Vision 2020 program.

Debbie Manderfield – 606 Fairbanks – would like the Council to treat all businesses and developments equally.

Ted Corombos – 1115 Wells St. – stated that Member Caudell should have reviewed the vendor's report and known that her mother was receiving payments. He discussed the 3-2 vote of Member Burke on the Police and Fire Pension Board and Mr. Corombos said that no one has ever been allowed to retire early. Mr. Corombos said the TIFA Board purchased the Khoury Property for \$875,000 and was told that Mariucci Ventures would purchase the land from TIFA last December. He said there is still no agreement at this time.

Russell Game – 709 7th St. – said it was a small contingent of people that are preventing the City of Iron Mountain to grow. He does not feel the Council has done anything wrong.

Kristine Leonard – 102 S. Pine St – said it is hypocritical of Mr. Corombos to pick on Eden's mother for two \$600 payments, when he took many times that amount while on the Council and running the Police and Fire Pension.

Bob Moraska – 224 West D St. – disagrees with Mr. Varda’s comments. He said that no one is against the Mariucci Project but they are against the City putting up too much money upfront.

Old Business

None

New Business

Alternate Designee for S2 Grant

City Manager Marquart stated this was a resolution to change the S2 grant designated representative to the Director of Public Works, currently held by Mr. Bob Becotte.

It as moved by Tchokreff and supported by Burke to designate the Director of Public Works, Mr. Bob Becotte as the designated representative for the S2, Sanitary Sewer State Revolving Loan Fund Project.

Motion prevailed unanimously.

Metro Act Permit, Kentucky Data Link

City Manager Marquart stated that Kentucky Data Link was applying for a permit through the Metro Act for fiber optic cable work in the right of way. Member Peterson asked if the City was within the 45 day period for the approval of the permit. City Manager Marquart stated we were within the 45 day period. It was moved by Farragh and supported by Caudell to approve the Metro Act Permit for Kentucky Data Link.

Motion prevailed unanimously.

Memorandums of Understanding

City Manager Marquart stated that the Memorandums of Understanding address the procedures if a flu pandemic or other disaster struck the area.

It was moved by Tchokreff and supported by Burke to approve the two Memorandums of Understanding between the City of Iron Mountain and the Dickinson-Iron District Health Department.

Motion prevailed unanimously.

Parking Lot Closure for Farmer’s Market

It was moved by Farragh and supported by Peterson to close the City owned parking lot behind Millie Hill Market on Saturday, August 16, 2008, from 7:30 a.m. until 12:30 p.m. for the Farmer’s Market.

Motion prevailed unanimously.

Appointment of Acting City Manager

Member Peterson asked about the possibility of using a part-time consultant as acting City Manager.

Member Caudell said that Mr. Stanchina would be open to using a consultant to some of the issues that may come forward. Member Rosen said he spent several hours with Mr. Urbany and he would offer his help as a consultant. Member Rosen would be in favor of using him as a consultant. Mayor VanLaanen said this designation would be for acting manager.

It was moved by Burke and supported by Farragh to appoint Mr. Jordan Stanchina as the acting City Manager.

Motion prevailed unanimously.

No Charge City Park Pavilion Usage

It was moved by Burke and supported by Farragh to allow the Elk’s Lodge #700 use of the City Park Pavilion at no charge on Sunday, August 24th for a fundraiser in support of Bridget Brock.

Motion prevailed unanimously.

Financial Reports

Invoice Paid Through Automated Clearing \$26,573.45, MERS 07/17/08.

City Manager Report

City Manager Marquart read a statement pertaining to his tenure as the City Manager for the City of Iron Mountain.

City Attorney Reports

None

Committee Reports

Health Care Committee

Member Peterson reported that the Health Care Committee met with Mr. Gano to discuss the actuarial study of the Other Post Employment Benefits. She said the unfunded amount was \$20 million. Member Peterson said part of the reason the unfunded amount went up was due to a \$1.3 million dollar pre-funding account being reduced. Additionally, the City was not contributing the needed annual required contribution and led to an increase in the unfunded amount. She stated that this resulted in the unfunded liability going from \$13 million four years ago to the \$20 million it is at now.

Public Comment

Ted Corombos -1115 Wells St. – commented on different types of visionaries. He stated that he took the pension plan from \$550,000 to \$5.5 million. He stated he took a nominal fee from the plan because the SEC said he must charge the City's plan the same fees as other plans that he managed. Mr. Corombos said the Council at the time discussed this and agreed to pay the fees.

Bill Verette – PO Box 490 – he is concerned with the under funding of the medical and retirement plan. He said the unions deserve what they negotiated but where does the money come from to pay for it.

Mary Couper – 633 Detroit Ave. – discussed local visionaries that were responsible for keeping the community going after the mines closed. She believes the City is headed in the right direction and thanked Mr. Marquart.

Virginia Feleppa – 1136 Crystal Lake Blvd. – asked Members Peterson and Rosen if they have taken the MML Training for new Council Members. She asked Member Rosen how he can effectively use the MML Executive Search if he has not taken the time to meet members of the MML.

Joan Game – 709 7th St. – thanked Mr. Marquart for his assistance with Chapin Field and thanked him for his time as City Manager.

Brian Game – 709 7th St. – stated that the roads in Lower Michigan are in poor condition. He said that every city in Michigan has road problems. He thanked Mr. Marquart for his assistance with Vision 2020.

Kevin Pirlot – 603 W. Fleshier – said the yearly pre-funding amount including current retiree health costs would be \$900,000 should the City choose to fund this. He said the retiree health is \$660,000 of the \$900,000. Mr. Pirlot said the Police and Fire Pension Fund was 132% funded in 1989, 99% funded in 1999 and in the last 9 years it has gone down to 66% funded. He said the pension benefits have not

Public Comment(cont.)

changed since 1991 and that this reduction is not the fault of the employees or the union. Mr. Pirlot said that Mr. Urbany recognized and started to fund retiree health insurance in 1994.

Council Member Privilege

Member Farragh asked on the status of the East A St. sewer project. City Manager Marquart said it is on the schedule. Member Farragh asked about an update on the north side water tank. City Manager Marquart said DPW Director Becotte was working obtaining information to determine the best plan to deal with the tank.

Member Peterson said she is not against the Events Center project but is against using all the remaining TIFA funds for one project. She said there was \$1.3 million in a pre-funding account that generated an investment return and therefore lowered the unfunded liability. She stated this account was reduced to zero in the last four years. She said pre-funding would cost \$300,000 to \$400,000 a year which Member Peterson feels the City can do. She addressed Dr. Feleppa's concerns and stated that she has met with many agencies trying to get grants for economic development. She said she attended a MML Conference in Baraga but has not been to one of their training sessions.

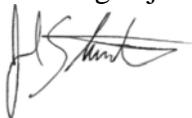
Member Caudell said the town needs to heal. She said John has helped her with many questions and it is the Councils job to learn. Member Caudell felt that her mother was made an issue to help in getting rid of the City Manager. She feels the loss of John damages the community because it is a loss of leadership and she thinks we need to focus on the future. Member Caudell feels that John leaves the legacy of a vision for Iron Mountain.

Member Rosen said he has never distorted the facts and stated what he could without involving discussions held during Executive Session. He addressed Mr. Verette and stated that the Council will be looking for solutions to solve the unfunded retiree health insurance. Member Rosen said so many wrong things have happened within the City that need to be corrected.

Member Burke said Mr. Revord came to him and asked about the possibility of an early retirement. He feels that an early retirement saves the City money. Member Burke said Mr. Mariucci has done a lot for the community and he feels that Steve Mariucci would not do anything to harm the community.

Mayor VanLaanen stated that Mr. Marquart pushed the envelope and he feels the City needed that.

Meeting adjourned at 9:13 p.m.



Jordan Stanchina
Clerk-Treasurer