

Special Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, January 12, 2009 at 6:30 p.m. in the Council Room:

Presiding: Mayor VanLaanen

Present: Council Members Burke, Peterson, Alessandrini, Corombos, Rosen and Farragh

Also Present: Acting City Manager Stanchina and CFO Bartolameolli

Public Comment

None

Old Business

DROP Program Policy

Member Peterson was asked if this policy would just be for the police or still include the firefighters. Acting City Manager Stanchina this is the program offered to all the eligible employees because it is cost neutral to the City. Member Peterson said the program may need to be altered because the fire department has different working conditions than a possible desk job in the police department. Member Rosen thinks that this program is tilted in favor of the employee. He said the savings to the City for one less health insurance coverage is the savings to the City. Mayor VanLaanen said the program is not supposed to be a benefit but an additional option for the employee. Member Corombos said that we could negotiate something different with the fire department but the program needs to remain cost neutral. Mr. Kevin Pirlot of the IAFF stated that a five year vesting schedule would not work for their group. He felt a way to adjust for the firefighters would be to possibly lower the percentage contribution to the DROP Account to help keep the program cost neutral. Member Rosen stated that we could look at different alternatives. It was moved by Rosen and supported by Alessandrini to adopt the DROP Program as presented, as a City Policy.

Ayes: 6 (Burke, Alessandrini, Corombos, Rosen, VanLaanen and Farragh)

Nays: 1 (Peterson)

Motion carried.

New Business

Budget Discussion

The Council began discussing the budget. Member Alessandrini would like to remove the \$40,000 budgeted for Rental Housing revenue because he feels this is not reasonable to collect. He asked about zoning permits and the PILOT payment. He asked if the grave opening revenue was realistic and CFO Bartolameolli thought it was. He asked about the interest income line. CFO Bartolameolli said that lowering the interest income by \$15,000 would make that number more realistic. Member Alessandrini asked about Rental Income at \$55,000 and Acting City Manager Stanchina said that was for the tower leases which have not been settled yet. Member Corombos felt that the Council needs to look at the \$1 million coming from the TIFA pass through. Member Alessandrini does not want to use any of the TIFA pass through money to cover any shortfalls in the general fund. Acting City Manager Stanchina stated that the Fire Department budget needed an increase to the overtime because the overtime for the year was all expended in the first six months. He stated that overtime in the fire department was budgeted lower this year than the actual amount of the previous year, with no proposed procedural changes in the Fire Department. Member Alessandrini would like to see less expenditures for legal fees.

Member Rosen began a discussion of the Planning and Community Development Department. Member Corombos stated that the Code Enforcement Officer and the Director cost the City a \$120,000 per year. Member Rosen discussed adjusting staffing in this department to help reduce costs. He feels that staffing could be adjusted to eliminate positions. He suggested moving Mr. Becotte the DPW Director and put him into the City Planning position and engineering. Acting City Manager Stanchina said we could also use a coordinator for the GIS software. Member Rosen feels that code enforcement could be shared with Breitung Township. Member Alessandrini would prefer code enforcement to be part-time to eliminate retirement and health insurance expenses. Mayor VanLaanen feels that reductions should be made by the City Manager. He would like to talk about percentage reductions and not reference specific employees. He feels the Planning Director could be valuable for rewriting some of the out dated ordinances. Member Peterson feels that we need to have aggressive economic development and feels that Planning and Community Development should be working on this.

Mayor VanLaanen asked how the TIFA pass through should be spent. Member Rosen said that the health insurance and retirement are under funded, and streets need to be repaired. The Council discussed the reduction of Health Insurance Fund and ways the TIFA capture could be spent. Member Rosen would like to establish a yearly road paving program. Member Corombos asked if there was any official action on the original \$200,000 pass through by the TIFA Board or was it buried in the budget approval process. CFO Bartolameolli stated it was in the budget and she believed TIFA was aware of it.

Mr. Urbany was concerned that the City needs to make sure it can financially support any additional planning or code enforcement activities. He said that the administrative staff should prepare a budget proposal and then the Council can analyze the City's position. Member Peterson said this budget was difficult because some Council members had no say so in the budget preparation. Mayor VanLaanen asked if the City knew what the increased contribution to the pension fund would be due to the poor performance of the stock market. Member Corombos said that the actuarial analysis evens out any increase or decreases of a certain year over a thirty year period. Mr. Urbany said the pension funds are approximately 70% funded and that the City is meeting their contribution requirement. Member Corombos brought up the discussion of the Police and Fire Pension fund financial manager. He said the City needs to look if the fund manager is showing a return on investment that is at least one percent greater than the benchmarks that the manager is trying to beat. Member Rosen asked about the City's Main Street Coordinator. Acting City Manager Stanchina stated that the City contributes \$20,000 to the program and the program pays all wages and benefit expenses. CFO Bartolameolli stated that we will prepare a budget amendment for a special meeting on January 26, 2009.

Mayor VanLaanen asked about setting a meeting to discuss the City Manager search. The Council decided to meet on Wednesday, January 14, 2009 at 5:00 p.m.

No action taken.

Public Comment

None

Meeting adjourned at 8:37 p.m.



Jordan Stanchina
Clerk-Treasurer