

City of Iron Mountain

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Regular Meeting of the City Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, September 19, 2016 at 6:30 p.m. in the Council Room.

Presiding: Mayor Alessandrini

Present: Council Members Maule, List, Revord, Stohl, Coe & Blomquist

Absent: None

Also Present: City Manager Stanchina, Chief Financial Officer Lieburn & City Attorney Pirkola

Approval of Agenda

Alessandrini asked that the "Minutes of the Special Meeting of the Iron Mountain-Kingsford Joint Sewage Authority for August 29, 2016" be added as item number two under section three, Approval of Minutes.

It was moved by Stohl and supported by Blomquist to approve the agenda, as amended.

Motion Prevailed Unanimously

Approval of Minutes

Minutes of the Regular Meeting of September 6, 2016

It was moved by Revord and supported by Maule to approve the minutes of September 6, 2016, as presented.

Motion Prevailed Unanimously

Minutes of the Special Meeting of the Iron Mountain-Kingsford Joint Sewage Authority for August 29, 2016

It was moved by Alessandrini and supported by Maule to approve the minutes of August 29, 2016, as submitted.

Motion Prevailed Unanimously

Public Comment

Jonathan Ringel – 814 W. Fleshiem St.

Ringel thanked the City for helping to improve the Kiwanis 25 Location Park.

Public Hearing

Sale of City-Owned Real Estate Re: 214 W. F St.

Stanchina stated that the City-owned property located at 214 W. F St. would be sold to the adjacent neighbors to the West, Terry and Tracy Krans, for \$1.00, contingent on the building being demolished by January 1, 2017.

Alessandrini opened the Public Hearing.

No comment was received.

Alessandrini closed the Public Hearing.

Old Business

None

New Business

Consider Sale of City-Owned Real Estate Re: 214 W. F St.

It was moved by Alessandrini and supported by Revord to sell City-owned property located at 214 W. F St. to Terry and Tracy Krans, for \$1.00, contingent on the building being demolished by January 1, 2017.

Motion Prevailed Unanimously

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Planned Unit Development Approval Re: Commonwealth Development

It was moved by Alessandrini and supported by Coe to table this item until the September 28, 2016, City Council meeting.
Motion Prevailed Unanimously

Resolution of Appreciation Re: IM-K Kiwanis Playground Equipment Donation

Alessandrini presented the Iron Mountain – Kingsford Kiwanis representatives with a resolution denoting the City’s appreciation for their efforts to improve the Kiwanis 25 Location Park.

It was moved by Revord and supported by List to approve Iron Mountain – Kingsford Kiwanis Resolution of Appreciation for their efforts to improve the Kiwanis 25 Location Park, as submitted.

Motion Prevailed Unanimously

Bid Opening Re: Plow Truck

Stanchina opened the following bids:

		w/o Trade	w/ Trade
Truck Country Kaukauna, WI	2017 Freightliner 114 SD w/Body w/ Monroe Body	\$148,240 \$147,207	\$145,240 \$144,207
UP Truck Center Quinnesec, MI	2017 Western Star 4700 SF w/ Olson Body w/Monroe Body w/Truck Equipment Body	\$147,641 \$150,156 \$151,056	\$144,141 \$146,656 \$147,556
UP International Trucks Iron Mountain, MI	International 7600 SFA 4x2 w/Monroe Body w/Olson Body w/Casper’s Body	\$158,457 \$155,942 \$163,116	\$154,957 \$152,442 \$159,616

It was moved by Revord and supported by List to refer the bids to staff and the Infrastructure Committee for review.

Motion Prevailed Unanimously

Introduce Payment in Lieu of Taxes and Set Public Hearing Re: Commonwealth Development Central School Apartment Homes

Stanchina clarified that the purpose of this agenda item is to introduce and set a public hearing for a payment in lieu of tax ordinance.

Bruce Rosen – 1307 S. Hemlock St.

Rosen complimented the City Council on their management of the City’s budget and questioned the City’s financial ability to offer generous tax breaks.

Mary Ann Corombos – 1115 Wells St.

Corombos read a letter by Bill Toedter of 517 W. F Street conveying his concerns that Commonwealth Development being granted a payment in lieu of taxes due is discriminatory against landlords paying full-rate taxes, the potential importing of additional tenants, background checking procedures and the effect on the Iron Mountain Housing Commission.

Jean Shaltz – Iron Mountain Housing Commission Director

Shaltz asserted that the Iron Mountain Housing Commission has not had their facilities at full capacity in the last four years and that there is a more frequent police presence occurring in their family units. She expressed the opinion that property values adjacent to the Housing Commission’s developments have declined since their inception.

Jeff Michaud – 801 Wells St. (Iron Mountain Public Schools Board President)

Michaud encouraged the City Council to support this issue due to the negative impact the ownership of the former Central School has on the Iron Mountain Public Schools. He voiced the opinion that it would be better for the City to collect some taxes rather than nothing.

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Raphael Rittenhouse – 1025 N. Evergreen Dr. (Iron Mountain Public Schools Superintendent)

Rittenhouse clarified that the taxpayers would receive a reduction in the school debt millage if the project is approved. He confirmed that the School Board reviewed Commonwealth Development's background and is not concerned with this project being a low-income project. Rittenhouse informed the City Council that the school being in close proximity to this development will increase the screening criteria.

David Ritchay - Vice President of Development for Commonwealth Development Corporation

Ritchay verified that all the units will be handicapped accessible. He indicated that the intention of this development is to be primarily for 55 and better. Ritchay outlined the process that was used to determine the 10.32% payment in lieu of taxes (PILT) rate. He highlighted that it is more costly to perform an adaptive reuse than it is new construction. Ritchay conveyed that Commonwealth Development's goal would be to have a payment in lieu of taxes as long as the rents are artificially reduced. He explained how background checks are performed, property will be managed, Section 8 vouchers will be accepted and excluding factors for applicants will be applied. Blomquist noted that the PILT would be helping to allow Commonwealth Development to maintain their facility while offering subsidized rents. Ritchay imparted that an annual audit is performed and made available to the City.

Foz Burgoon – 1665 Parkview Dr. (Iron Mountain Public Schools Board Member)

Burgoon relayed the opinion that it would be good business practice for Commonwealth Management to utilize subsidies. She communicated the opinion that there is not ample senior housing available and that it is beneficial to support the Iron Mountain Public School system.

Alessandrini reviewed how much tax revenue will not be realized if the payment in lieu of taxes is approved as proposed.

Lisa Carollo – 506 W. B St. (Iron Mountain Public Schools Board Member)

Carollo supported the approval of the payment in lieu of taxes request based on saving the historic school building and helping the Iron Mountain Public Schools.

Bob Moraska – 224 W. D St.

Moraska raised his concerns for landlord discrimination, additional traffic in the school area, increases usage of City services and that there is no really good way to vet tenants. He stressed the value of the children's safety over the school's need to sell the former Central School facility and that it is not the City's concern as to whether or not the development makes money. Moraska indicated his objection to Mr. Porier's statement regarding the City Council's pending approval of this tax abatement.

Alessandrini stated that the purpose of this agenda item is to consider a tax abatement, not permission to develop the units.

Blomquist rejected the notion that the development of a low-income development will negatively affect the quality of the residence living near the school.

Jerry Erdmann - 406 W. Hughitt St.

Erdmann recommended that the City Council should be doing additional due diligence, including on-site visits and interviews, prior to considering the approval of this project.

Don Christy – 1310 E. Grant St.

Christy offered the opinion that he is not concerned with losing tenants due to the quality of his rentals, but the fact that they are being taxed at a substantially higher rate.

Robert Langsford – 903 Wells St. (Iron Mountain Public School's Vice President)

Langsford asserted that the school will still be stuck with the former Central School if this development is not approved.

Katie Maxon – 1300 E. Grand Blvd.

Maxon communicated her support for this development due to its positive effect on the downtown.

James Carollo – 506 W. B St.

Carollo supported this development due to Commonwealth Development's credentials, a need to save a historic building, increased tax revenue, better housing options for local veterans and increased traffic in the downtown area.

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Stanchina detailed how Commonwealth Development is funding the project.

Ritchay reviewed the cost breakdown for the project. He imparted that his company just oversees the construction and that it is ideal to utilize local contractors when possible. Ritchay explained Commonwealth Development's risk on the project.

It was moved by Revord and supported by Alessandrini to set a public hearing on September 28, 2016, at 6:30 P.M. to consider the approval of a payment in lieu of taxes for Commonwealth Development to redevelop the Central School and two adjoining blocks.

Motion Prevailed Unanimously

IM-K Joint Sewage Authority Support Request Re: Plant Upgrades

Stanchina presented a request by the Iron Mountain – Kingsford Joint Sewage Authority for support to move forward with the water filtration plant upgrade project in the amount of \$5,400,000. He detailed the proposed rate increase. Revord and Alessandrini offered their support for the program.

It was moved by Alessandrini and supported by Maule to prepare bid documents and solicit bids for the Iron Mountain – Kingsford Joint Sewage Authority's filter plant upgrades.

Motion Prevailed Unanimously

Street and Alley Closure Request by First National Bank Re: "Hometown Rivalry Kickoff"

Stanchina submitted a request by the First National Bank and Trust to close a portion of Ludington Street from the intersection of US Highway 2 to the alley on October 5, 2016, from 4:00 PM to 6:00 PM for the Hometown Rivalry Kickoff.

It was moved by Stohl and supported by List to close a portion of Ludington Street from the intersection of US Highway 2 to the alley on October 5, 2016, from 4:00 PM to 6:00 PM for the Hometown Rivalry Kickoff.

Motion Prevailed Unanimously

Approval to Attend Fall UP Managers Meeting in Hancock/Houghton

It was moved by Maule and supported by List to authorize the City Manager to attend the Upper Peninsula Managers meeting from October 6, 2016, to October 7, 2016, with expenses not to exceed \$250.

Motion Prevailed Unanimously

Discuss an MDNR Grant Application for Midwest Glacial Lakes Fish Habitat Partnership Re: Lake Antoine

Stanchina outlined a request by Michigan Department of Natural Resources to support a grant application to place fish habitats on the shore of Lake Antoine.

It was moved by List and supported by Coe to support a grant application by the Michigan Department of Natural Resources to place fish habitats on the shore of Lake Antoine and grant them permission to install them.

Motion Prevailed Unanimously

Resolution for a Municipal Installment Purchase Agreement Re: Pierce Fire Truck

Stanchina provided the City Council with the proposed municipal installment purchase agreement and detailed the borrowing process. He suggested that the City put down enough principal as to allow the annual cost of the fire truck to equal what the City currently budgeted.

It was moved by Alessandrini and supported by Revord to adopt the Municipal Installment Purchase Agreement, as prepared.

Motion Prevailed Unanimously

Authorization to Solicit Bids Re: Timber Harvest

Stanchina conveyed that it would be preferable to not harvest the City's Pine Mountain and Millie Hill properties at this time as timber prices are not ideal. He asked that the City Council approve the solicitation of bids at a time when timber prices have improved.

It was moved by Blomquist and supported by Stohl to authorize Mr. Brock VanOss to solicit bids when he determines the timber market is most advantageous for the City.

Motion Prevailed Unanimously

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Authorization to Conduct a Surplus Equipment Auction

Stanchina requested authorization to hold a surplus equipment auction for City equipment from September 20, 2016, to October 17, 2016. He submitted a list of items for approval with the exception of item number 29.

It was moved by Alessandrini and supported by Maule to authorize a surplus equipment auction for City equipment from September 20, 2016, to October 17, 2016.

Motion Prevailed Unanimously

Reports

Financial Reports

August Claims and Payroll

It was moved by Blomquist and supported by Stohl to approve Payroll in the amount of \$297,441.52 and Claims in the amount of \$8,595,961.34 with net claims being \$509,807.65.

Motion Prevailed Unanimously

City Manager Reports

Deer Management Program Update

Stanchina reported on the progress of the 2016 Deer Management Program.

Squad Car Purchase

Stanchina announced that the City has been awarded a Rural Development grant for the purchase of a squad car.

City Attorney Reports

None

Committee Reports

None

Public Comment

None

Council Member Privilege

Revord relayed that the Infrastructure Committee should review the sale of the Khoury property as it has not sold.

It was moved by Revord and supported by Alessandrini to refer the sale of the Khoury property to the Infrastructure Committee for review.

Motion Prevailed Unanimously

Revord requested that List, Alessandrini and he be appointed to a Public Safety Committee to address issues planning and concerns as they arise.

It was moved by Revord and supported by Alessandrini to appoint Revord, List and Alessandrini to a Public Safety Committee.

Motion Prevailed Unanimously

List questioned the amount being charged for providing water to a vacant property.

Adjournment

It was moved by List and supported by Stohl to adjourn.

Motion Prevailed Unanimously

Meeting adjourned at 9:20 p.m.



Isaac Micheau
Clerk-Treasurer