

Regular Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, May 21, 2007 at 6:30 p.m. in the Council Room:

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

The agenda was approved as submitted with the addition of the following:

## Agenda

- VI. Old Business
  - 2. Discussion of TIFA budget
- VII. New Business
  - 5. Resolution in recognition of IMHS Volleyball Team

The minutes of the previous meeting of May 7, 2007, approved as submitted.

## Minutes

### Public Comment

Ronald Giguere – 111 W. Fleshiem St. – would like the Council to go back to the City Attorney and come back with a more reasonable offer for the damage done to his house by a sewer backup. He said the damage was more extensive than the average water damage.

Carol Schneider – 405 W. D St. – noted that this is the second time in a year that Mr. Corombos was slammed by a newspaper article. She felt that Council Member Burke should have addressed Mr. Corombos personally, instead of through an article in the Daily News. Ms. Schneider feels the article was tacky and a cheap shot.

### Public Hearing

Mayor Tousignant opened a public hearing for the 2007/2008 City Budget.

Dale Alessandrini – 1120 Iron Mountain St. – stated a 5% cable franchise fee as proposed in the budget, falls back on the taxpayers. He feels that the City should not implement the fee, if the money is not needed. Mr. Alessandrini believes removal of the deer pen would be detrimental to the City of Iron Mountain. He noted that there was only \$212,000 in the retiree health care fund and remembers that being higher in previous years. The Water Fund has 1.804 million, believes the City is getting close to that being considered a tax instead of a water fee due to the Boldt decision. He also noted that the Cemetery Trust Fund revenue of \$33,000 but \$33,600 was transferred to the General Fund.

Tina Peterson – 616 East B St. – noted that removal of the deer pen at City Park was included in this year's budget. She feels that many residents spoke in favor of keeping the deer pen and those residents are not being listened to. She wonders why removal of the deer pen is included in the budget when so many residents enjoy it. She would like to see a poll about the deer pen on the City of Iron Mountain's website.

Mayor Tousignant closed the Public Hearing.

## Old Business

City Manager Marquart gave an overview of the 2007/2008 budget and noted a .10 of a mill decrease in the City Operating millage.

**2007/2008  
City Budget**

Council Member Rigoni stated the deer pen has not been eliminated but a master plan for City Park is being developed. There would be another public hearing for citizen input if changes were to be made to City Park.

Council Member Caudell said that more people are coming to her and looking for a greater use for City Park. She said the deer pen needs many improvements and the deer inside do not look like real deer and it seems inhumane to keep them there. An expansion of City Park is the feedback that she is receiving.

Mayor Tousignant asked about the cable franchise fee. City Marquart noted that this was discussed during the budget workshops and that Iron Mountain was in a minority of communities that do not assess this fee. Mayor Tousignant asked City Manager Marquart to address the Health Care Fund. City Manager said that fund was used to pay retiree health insurance and health insurance premiums for active and retired employees cost the City \$1.4 million which is about 25% of the City's general fund budget. He noted that the retiree health insurance cost is \$650,000 to \$675,000 per year and is 100% funded by the City. Also, he stated that GASB 43 and 45 which addresses OPEB (Other Post Employment Benefits) will be included in the City's financial statements for the fiscal year ending in 2009. This requires an actuarial calculation of OPEB with the long-term liability to go on the financial statements. The actuarial study that the City had as of FY 2004 showed a balance of \$13.3 million which represents an amount the City owes for benefits already pledged. The number of people covered and other adjustments can change the amount due as the actuarial study is required every two years. City Manager Marquart said the provider of the health insurance gave the City a dividend of \$100,000 which went into the health insurance fund and a Medicare drug subsidy of \$13,000 for a half year was added to the fund.

Council Member Rigoni asked about the Boldt decision because the City did not raise water rates this year. City Manager Marquart explained that the Boldt case had to do with a City reselling water to receivers outside the community at double the regular rate and the Court ruled a reasonable rate must be charged. The City Manager noted that sewer rates will increase to address capital improvement needs and the increase to the average user will be about \$9.00 over a two month period.

Mayor Tousignant asked about a City policy from 1991 that retirees could add a new spouse to the health insurance benefit of the City after they retired and the City would be responsible to cover that person until the day they die. City Manager Marquart stated the city is looking at revising this policy. The Mayor also asked about the Cemetery Trust Fund. The City Manager said that the City transfers the interest earned from the Trust Fund and will use it for improvements in the Cemetery. The City Manager said the money can be used in the cemetery and in other general fund operations. Mayor Tousignant noted that the Arts Council and DDA recommended a permanent band facility and the City will apply for DNR grants to help fund the construction.

Council Member VanLaanen noted that bargaining sessions in the past promised fully funded retiree health insurance but did not set aside enough money to fund it. He believes the biggest task of the Council will be addressing the unfunded health insurance liability and will need to discuss with retirees and active employees. He also stated that he remembers Kingsford

reinstating their 3% cable franchise fee and believes that if our fee is promised for roads it may be easier for residents to accept. Council Member Rigoni noted that the State has been cutting revenue sharing and the cable franchise fee is a way to make up some of that loss.

Council Member Rigoni said that this budget tows the line with what the City has available and that the budget is getting tighter and tighter every day.

Mayor Tousignant said that large healthcare expenses is something that all communities are dealing with and the City must find creative ways to deal with these expenses.

Council Member VanLaanen would like to discuss some of the items in the TIFA budget. He noted the largest budget amount of \$650,000 for Hydraulic Falls Rd. would help development by straightening that road. The downtown parking lots need to be more than just parking lots such as public use space. Land acquisition, TIFA can buy odd shaped parcels, combined them and then resell the parcels. Chapin Pit, where TIFA is able to do work with trails or beautification of the north shore of the east pit, TIFA should. Bellagamba Rd. extension looks to run a road from Pine Mountain to US 2 and Council Member VanLaanen feels spending some money on engineering for a feasibility study is a good idea, same with Terminal Ave. Mayor Tousignant agrees that the Bellagamba Rd. project is a good idea because of the potential development at Pine Mountain. Council Member Rigoni commented that the Terminal Ave. project would look at if it is possible to connect Woodward Ave. to the K-Mart plaza.

It was moved by Rigoni and supported by Jacobs to approve the 2007/2008 City budget.

**Motion prevailed unanimously.**

### **New Business**

It was moved by Jacobs and supported by VanLaanen to approve a resolution granting a Certificate of Exemption to Habitat for Humanity. The Certificate of Exemption allows a 15 year tax abatement through the Neighborhood Enterprise Zone program for the house to be built at 416 Seventh St.

**Motion prevailed unanimously.**

**NEZ Exemption  
416 Seventh St.**

It was moved by VanLaanen and supported by Caudell to approve the annual Michigan Municipal League dues in the amount of \$4,747.

**Motion prevailed unanimously**

**MML Annual  
Dues**

It was moved by Rigoni and supported by Tchokreff to approve seeking sealed bids for approximately 850' of fencing to specifications. The fencing is for Chapin Field.

**Motion prevailed unanimously**

**Chapin Field  
Fencing**

It was moved by Tchokreff and supported by Jacobs to approve a 4<sup>th</sup> of July parade request. The route remains the same as in prior years.

**Motion prevailed unanimously**

**4<sup>th</sup> of July  
Parade Request**

It was moved by Tchokreff and supported by Jacobs to approve a Resolution of Acclaim for the 2006/2007 IMHS Girls Volleyball team.

**Motion prevailed unanimously**

**IMHS Girls  
Volleyball**

## Financial Reports

## Claims and Payroll

The Council reviewed the Payroll Report for the Month of April with regular wages in the amount of \$255,506.52 and OT in the amount of \$25,711.46. The Council also reviewed April Claims in the amount of \$847,414.52.

It was moved by Rigoni and supported by Tchokreff to approve claims and payroll in the amounts noted above.

**Motion prevailed unanimously.**

Place on file MERS payment through automated clearing.

## City Manager Reports

The developer on East D St. east of Park Ave. was there today doing landscaping and pavement removal and the City will pave the street with the project to be completed by the end of next week.

The first draft of a plan for the testing of Crystal Lake is complete. The cost of testing would be approximately \$12,000.

Lake Antoine Association will be treating for milfoil on May 30, 2007 and the City would like to reduce boat traffic for at least a week at the west side boat launch. At this point, there are no plans to permanently close the boat launch.

Roadwork is currently in progress on Prospect Ave. and H Street. Park Ave. will undergo a complete reconstruction with utilities. Handicapped ramps on H St. were part of the overall construction project on H Street. Those three streets are approximately 95% grant funded.

MDOT has let a contract for repair of all of the railroad crossings in the City. The work will start in the middle of June and end in July.

Council Member VanLaanen asked if multiple contractors will be used for testing Crystal Lake in regard to having to bid out the work. City Manager Marquart stated that the City engineers will do the testing but it will not be bid out because it is considered professional services. Member VanLaanen also asked about piles of debris made by the developer at the start of the East D St. utility work. City Manager Marquart noted that the piles are still there but the developer knows that they must be removed as part of the developers final responsibility for that project.

Council Member Tchokreff asked what the goal of the Crystal Lake testing was. City Manager Marquart noted it will be a maintenance issue of best water quality possible but not for uses such as swimming. Council Member Rigoni said this is not something the City wants to spend money on but e-coli was found in the water last year and now must be tested.

## City Attorney Reports

None

## Committee Reports

None

## **Public Comment**

Dale Alessandrini – 1120 Iron Mountain St. – addressed the letter in the Daily News by Council Member Burke, that said he is watching Mr. Corombos. Mr. Alessandrini said there is 300 to 400 people watching this Council. He stated the Council is spending money but the neighborhood roads are in terrible shape and need to be fixed. The roads should be fixed instead of downtown parking lots, 9% bonus for the City Manager and \$25,000 each on Bellgamba Rd. and Terminal Ave. when the City doesn't own the property.

Virginia Feleppa – 1136 Crystal Lake Blvd. – Crystal Lake could not be a recreational area because it is used as a receiving area for storm water. Catch basins must be cleaned twice a year and that has been neglected since the inception of the contract. Dr. Feleppa stated that Crystal Lake is very polluted and it must be maintained so it is not a health threat. Dr. Feleppa appreciates the attention that the Council is giving to Crystal Lake.

Tina Peterson – 616 East B St. – she doesn't feel reassured about the deer pen because the City Manager stated that the Master Plan for City Park shows the pen being eliminated. She feels that the public opinion of residents is that the deer pen is precious. Ms. Peterson believes that there is other places in the City to put athletic fields instead of City Park. She agreed that healthcare is a large expense that the City is facing. She feels that raising co-pays and putting a max on prescriptions could help lower expenses to the City. Ms. Peterson commented on the \$600,000 for downtown parking lots through the TIFA Budget. She wondered how much of that amount were for designs that were not put past the residents. Also, she asked if the City should reconsider trails around Chapin Pit if sewage materials have been dumped there for years.

David Gordon – 424 Broadway St. – would like any decision on the deer pen to wait until after November so that the next Council can make the decision.

Ronald Giguere – 111 West Fleshiem St. – feels the offer by the City for his sewer backup is unacceptable because he has suffered other losses and inconveniences besides the loss to his house from the backup.

## **Council Member Privilege**

Council Member Rigoni said that the Council is addressing the sewage backup situation but the Council must look at the situation thoroughly, with the amount of money being requested. He also noted that Council Member Burke's letter to the Daily News addressed issue for issue, on a factual basis, a letter that was placed in the Daily News by Mr. Corombos.

Mayor Tousignant said that TIFA money must be spent in the TIFA district and cannot be spent on streets outside of the district. He said the City must think outside the box for health care expenses. He stated that the City Manager did not eliminate the deer pen at City Park. The Master Plan of City Park is to get a basic working plan to receive public feedback on.

Council Member Tchokreff noted that this Council and Management has done a good job at balancing the budget in difficult economic times for the state and local municipalities.

Council Member Jacobs agrees that the City should have a deer pen poll on the City website but have a comment section for what else City Park could be used for. She said the deer look pathetic, the habitat is poor and it is cruel to keep them in the pen.

### **Council Member Privilege(cont.)**

Council Member Caudell believes listening to both sides is important and she respects all residents opinions. She feels the City needs to look into alternative uses for City Park. Council Member Caudell would like to replace roads but a rough estimate of paving all City roads would be \$15 million. The City is replacing parts of three roads now and she noted we have to start somewhere.

Meeting adjourned at 8:26 p.m.

A handwritten signature in black ink, appearing to read 'J Stanchina', written over a horizontal line.

Jordan Stanchina  
Clerk-Treasurer