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Special Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, June 25, 2007 at 6:00 p.m. in the Council Room:

Presiding: Mayor Tousignant
 Present: Council Members Burke, Tchokreff, VanLaanen and Rigoni
 Excused: Council Member Caudell

The agenda was approved with the addition of the following:

Agenda

VI. New Business

2. Street Name Change

Presentation moved to before the Public Hearing.

Tom Johnson – 220 Lincoln St./Community Schools Director – made a presentation on behalf of the Izzo-Mariucci Golf Committee to rename the 200 block of W A St. and the 500 block of Prospect Ave. Izzo-Mariucci Way.

Public Hearing

Mayor Tousignant opened a Public Hearing for the S2 Grant Program.

Adam Steinbrecher an engineer with STS Consultants gave a presentation pertaining to the S2 Grant Program. The sanitary system needs were identified as follows:

1.	“W” Pump Station Replacement	\$673,660.00
2.	East “A” Street Sanitary Sewer Replacement	\$296,861.50
3.	West “B” & “C” Streets Sanitary Sewer Replacement	\$410,752.55
4.	Sewer Pump Station Radio Telemetry	\$130,000.00
5.	Auto Alarm Dialers	\$ 16,250.00
6.	“S,D,T,I, & K Pump Station Backup Generator Receptacles and Transfer Switches	\$ 26,000.00
7.	Backup Power Portable Generator	\$ 58,500.00
8.	Wellhead Area Sewer Installation (Not Eligible)	\$1,315,145.00

Council Member Rigoni asked if the projects can be spread over the 3 year life of the program. Mr. Steinbrecher said there are two ways to approach the spending. Submit a complete project plan assigning projects to each year or submit a partial project plan each year and redo the public hearing each time. Council Member Rigoni asked about submitting a complete project plan and then opting out after the first year. Mr. Steinbrecher said there is a chance that the original S2 Study grant would have to be repaid if this was done.

Mayor Tousignant asked if the 1.625% borrowing rate was locked in for the 3 years, Mr. Steinbrecher responded that 1.625% was the 2007 rate but the rate changes very little.

Council Member VanLaanen asked about the scope of the sanitary sewer system study. Mr. Steinbrecher said areas of the City’s sanitary sewer were studied and examined based on

Public Hearing(cont.)

recommendations from the Department of Public Works. Council Member VanLaanen felt that \$58,500 was expensive for a generator.

Council Member Rigoni confirmed with Mr. Steinbrecher that the two high priority repairs are the East “A” Street Sanitary Sewer and the “W” Pump Station located on West “B” St. East “A” St. will be repaved in 2008 making it a good time to replace the sanitary sewer. Council Member Rigoni stated that if the rate of 1.625% is available for the next three years there is no hurry to do it all in the first year.

Council Member VanLaanen asked if the City would be able to repay the borrowed Block Grant money with the current sewer rates. City Manager Marquart noted the recent sewer increase will provide an additional \$20,000 a year and is confident the current rate structure could fund the \$57,255 payment for the #1 and #2 projects. Council Member VanLaanen wanted to know what would be the increase to the sewer bills if the complete project plan of \$1.6 million was borrowed. City Manager Marquart said the #1 and #2 projects could be funded for 20 years doing no other projects. He said no increase for 3 to 5 years even with additional projects done to the sanitary sewer system.

Council Member Rigoni would be comfortable with the East “A” Street Sanitary project in 2008 and then evaluate other projects for the remaining two years. Mayor Tousignant agrees with East “A” being the #1 project.

Council Member VanLaanen asked how much sanitary sewer will be replace with the West “B” and “C” St. project. Mr. Steinbrecher stated that it would be from Tamarack St. west to Harding Ave.

Council Member Jacobs stated that with the problems with the recent sewer backups and the low interest rate this is something the Council should put on their agenda. Council Member Rigoni agrees with Council Member Jacobs but reiterated that the Council has 3 years to look at the possible projects.

Council Member Rigoni asked about the service area of the “W” Pump Station. Mr. Steinbrecher believes it covers a large portion of the West Side. Mayor Tousignant thinks the City should look at maintenance costs associated with the “W” Pump Station.

Council Member VanLaanen asked if one generator could be circulated around to all the pump stations during a power outage. Mr. Steinbrecher did not think this would work but it could be possible if used in combination with the bypass at the pump stations.

Public Comment of the Public Hearing

John Ellis - 626 East Smith St. – said the “W” Pump Station would be the priority from his point of view having worked at the City until seven years ago. He asked about the Wellhead Protection and wanted to know what it had to do with this project. The engineers said that if contamination had been found in the Wellhead Protection area of the four service wells located on Lehman Ave., the area would have been eligible for sanitary system through the block grant program.

Bill Calcari – 605 Pewabic St. – would like the forced main explained. Mr. Steinbrecher said that the forced main cannot be funded because there was no ground water contamination. Mr. Calcari thought that all pump stations were upgraded and standpipes installed. The City

Public Comment of the Public Hearing(cont.)

Manager said there was nothing major done to any of the pump stations in the last 4 years. Mr. Calacari thought the Council had previously approved money for a generator. Mr. Calcari asked if the names on the sign up sheet would be put as for or against the project. Mr. Steinbrecher stated name and address only.

Dave Farragh – 1212 W. Flesheim Street – said the “W” Pump Station is in bad shape. He said it services W “D” St. to Walker St. and the 25 location. He believes a generator would be a waste of money. He thought \$25,000 a year was set aside in the Capital Improvement Fund to rebuild the “W” Pump Station.

Dale Alessandrini - 1120 Iron Mountain St. – thinks the “W” Pump Station does need to be replaced. He said the sewer rates are scheduled to be increased by a \$1 on January 1, 2008. He wouldn't purchase the generators.

Ted Corombos – 1115 Wells St. – said that City Manager Marquart's explanation of the Bolt Decision was incorrect. He explained the Bolt Decision addresses user fees where the City of Lansing implemented a user fee and Bolt challenged the fee all the way to the Supreme Court where he received a 4 to 1 decision. The Bolt Decision described a user fee as voluntary, close to the cost of the service and a third issue. He does not feel any of the user fees charged by the City are voluntary. He wants to know if the Council understands the Bolt Decision.

Rick Zolner – 300 West “D” Street – said if the Pump Station is a mess take care of it. He wanted to know if there was a fund to set aside money, where did the money go.

Public Comment portion closed.

Council Member Rigoni believes the Pump Station should be fixed from what was said during Public Comment. He asked if some of the more minor repairs could be done in house. Mr. Steinbrecher did not know if this could be done.

Public Hearing was closed by the Mayor.

New Business

Council Member Rigoni project #1 and #2 would create a repayment of \$57,000 and CFO Bartolameoli stated that the sewer fund has revenue of \$250,000 to \$260,000. Mayor Tousignant feels from public comment the “W” Pump Station is top priority and then the East “A” Street Sanitary System. Council Member VanLaanen stated that he would like the telemetry included and purchase a generator. Council Member Burke agrees that the “W” Pump Station should be replaced and East “A” Street since the street is scheduled to be replace anyway. Council Member Rigoni thinks the City should apply for #1 and #2 and then look at other projects in the future.

S2 Grant

It was moved by Rigoni and supported by Jacobs to submit an application for the “W” Pump Station project at an estimated cost of \$673,660.00 and the East “A” Street Sanitary Sewer Replacement at an estimated cost of \$296,861.50.

Roll was called:

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

Nays: (0)

Absent: (1) Caudell

Motion Carries

New Business(cont.)

Council Member Rigoni said that changing the names of 200 blk W “A” St. and 500 blk of Prospect Ave. needs to be looked at further but could be done as a symbolic vote tonight. He feels it may be better to change only Prospect Ave. and not W “A” St. Mayor Tousignant agrees that the Council could have a symbolic vote.

It was moved by Burke and supported by Tchokreff for symbolic approval to change the 200 block of West “A” St. and the 500 block of Prospect Ave. to Izzo-Mariucci Way, pending further review.

Motion prevailed unanimously.

**Street Name
Change**

Old Business

City Manager Marquart discussed the budget amendments and he noted that items in the amendment have been previously discussed. Council Member VanLaanen said this can't be done all at once and should be done more frequently. He said combining the TIFA Budget with the City budget creates confusion. He noted the biggest change was for the reappraisal. City Manager Marquart stated that the cost of the reappraisal should be recoup in two years due to new discoveries from the reappraisal adding \$10 million in taxable value. Council Member Rigoni agrees that budget amendments should take place when known. Also, if TIFA does not want to do projects than the Council may have to look at reallocating the numbers. Mayor Tousignant would also like budget amendments done more frequently. Council Member VanLaanen said Mr. Marquart has done a good job at getting State grant money. He noted that the Council is looking at bad feedback by some of the fees that were recently set.

It was moved by Rigoni and supported by VanLaanen to approve the budget amendment as submitted.

Motion prevailed unanimously.

**FY 2007
Budget
Amendment**

Public Comment

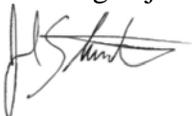
None

Council Member Privilege

Council Member Rigoni said the Bolt decision was brought up and after discussion with the City Attorney, his understanding of the decision says you can't charge more for water and sewer than the cost to maintain it.

Mayor Tousignant stated he discussed the Bolt decision with Miller, Canfield and they have opinion papers on the decision. He noted that in his discussions with lawyers, the City is not in violation of the Bolt decision.

Meeting adjourned at 7:32 p.m.



Jordan Stanchina
Clerk-Treasurer