

Regular Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, January 7, 2008 at 6:30 p.m. in the Council Room:

Presiding:

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

Also Present: City Attorney Pirkola

Clerk Stanchina called the meeting to order and gave the Oath of Office to Members Farragh, Peterson, Rosen and VanLaanen.

Clerk Stanchina asked for nominations for the position of Mayor. Member Peterson nominated Member Rosen for Mayor and Member Burke nominated Member VanLaanen for Mayor. Clerk Stanchina closed nominations. **Mayor**

Clerk Stanchina called for a vote for the nomination of Member Rosen as Mayor. **Member Rosen for Mayor**
Roll call vote was taken:
Ayes: (3) Rosen, Farragh and Peterson
Nays: (4) Tchokreff, Burke, VanLaanen and Caudell
Nomination failed.

Clerk Stanchina called for a vote for the nomination of Member VanLaanen as Mayor. **Member VanLaanen for Mayor**
Roll call vote was taken:
Ayes: (4) Caudell, Burke, Tchokreff and VanLaanen
Nays: (3) Farragh, Peterson and Rosen
Nomination carried.

Mayor VanLaanen asked for nominations for Mayor Pro-Tem. Member Peterson nominated Member Rosen for Mayor Pro-Tem and Member Tchokreff nominated Member Caudell for Mayor Pro-Tem. Mayor VanLaanen closed nominations. **Mayor Pro-Tem**

Mayor VanLaanen called for a vote for the nomination of Member Rosen as Mayor Pro-Tem. **Member Rosen for Mayor Pro-Tem**
Roll call vote was taken:
Ayes: (3) Farragh, Peterson and Rosen
Nays: (4) Burke, Tchokreff, VanLaanen and Caudell
Nomination failed.

Mayor VanLaanen called for a vote for the nomination of Member Caudell as Mayor Pro-Tem. **Member Caudell for Mayor Pro-Tem**
Roll call vote was taken:
Ayes: (4) Tchokreff, VanLaanen, Burke and Caudell
Nays: (3) Peterson, Farragh and Rosen
Nomination carried.

The agenda was approved as submitted with changes as follows:

Agenda

- Add: VI. New Business 2. Discussion of 5% cable franchise fee
3. Discussion of City Budget

Ayes: (6) VanLaanen, Peterson, Farragh, Caudell, Rosen and Burke **Nay: (1)** Tchokreff

The minutes of the previous meeting of December 17, 2007 stand approved as submitted **Minutes**

Public Comment

Samantha Coron – Breitung Township Clerk – welcomed new Council Members and looks forward to working with the new Council.

Old Business

None

New Business

City Manager Marquart stated that Dr. Auer from Michigan Technological University has offered to study Crystal Lake as part of a Senior Design Project in the Department of Civil & Environmental Engineering during the Spring Semester of 2008. Member Rosen stated he brought the paperwork for a possible grant to help with Crystal Lake. It was moved by Burke and supported by Rosen to approve the Crystal Lake Proposal from Dr. Auer in the amount of \$2,000.

**Crystal Lake
Study Proposal**

Motion prevailed unanimously.

Member Rosen read Sec. 18-228 from the City of Iron Mountain Code of Ordinances. He said this section outlines the acceptable use of funds for cable franchise fee revenue. Mayor VanLaanen felt that the 5% fee was done under a recent State statute that would supersede local ordinances. City Attorney Pirkola believes that the section Member Rosen referred to deals with allowing cable operators to buy a permit for building structures in the right of way. He believes the fees generated from the permitting process are restricted by Sec. 18-228. Member Rosen would like to know why a 5% franchise fee was imposed.

**Cable Franchise
Fee**

It was moved by Rosen and supported by Farragh to rescind the 5% cable franchise fee.

Member Peterson and Member Burke would like the City Council and School Board to discuss the options for funding the liaison position. Mayor VanLaanen stated the City pays one half of the liaison position and it is up to the City to decide how it is funded. He agrees with having the Council and School Board meet.

Roll call vote:

Ayes: (3) Farragh, Peterson and Rosen

Nays: (4) Caudell, Burke, Tchokreff and VanLaanen

Motion failed.

Member Rosen distributed a handout concerning the Budget. He feels the City is in dire straits financially. He is concerned that expenditures to STS Consultants for engineering are excessive.

**Budget
Discussion**

It was moved by Rosen to freeze all nonessential spending until further review. He would like to review projects the City is undertaking. Mayor VanLaanen suggested a meeting next Monday to discuss these issues. Member Rosen withdrew his motion to freeze all nonessential spending. Member Peterson is concerned about projects sent to

New Business (cont.)

STS without approval of the Council. Member Caudell feels the engineering work helps in making more informed decisions.

Motion prevailed unanimously.

Financial Reports

Invoice paid through automated clearing \$29,187.13 MERS 12/18/07

City Manager Report

Member Rosen asked the City Manager for an update on the ISO. The City Manager said the latest report from ISO showed the City would receive a rating of 6 but the City still has time for corrective action to remain a rating of 4. The City Manager has asked the Fire Department for a list of suggested changes or improvements. He also asked Mr. Mulka to review the report due to his experience in this area. Member Rosen asked the City Manager if he had responded to the ISO in writing and he stated he had. The City Manager anticipates the City to retain the 4 rating. Member Peterson asked for an explanation of divergence relating to the ISO report. The City Manager could not explain at this time but the report is still being reviewed. Member Peterson felt that adding personnel is the only way to retain a rating of 4. She believes the most the City could hope for is a rating of 5. Member Caudell reiterated that the report stated action can be taken to retain the rating of 4.

Member Rosen asked about the status of the two \$10,000 MIOSHA fines received on August 7, 2007. The City Manager said the fines have not been paid and the City is trying to abate them. Member Rosen felt the abatement period has expired and believes we will have to pay the fines. Member Rosen would like a committee of Council Members and the Police and Fire Chiefs to study abatement. Member Farragh would like this done as soon as possible. Member Peterson stated that this should be an emergency short term committee.

Member Peterson asked if the Dixon Engineering report of the east side water tank was forwarded to STS. The City Manager stated the report was forwarded to STS. Member Peterson asked why it was sent to STS for review when the report from Dixon Engineering was able to be put to bid. The City Manager wanted another analysis of the report to see if some of the recommendations can be completed in a more cost efficient manner. Member Farragh asked why the Director of Public Works could not review it instead of sending it to STS and incurring more expenses. City Manager Marquart said Dixon is a consultant that made recommendations and he wanted STS to review the recommendations for alternatives. Member Peterson stated that tank analysis is all Dixon Engineering does.

City Attorney Reports

None

Committee Reports

None

Public Comment

Dale Alessandrini – 1120 Iron Mountain St. – felt that Mr. Rosen received the most votes and should be Mayor. He stated school liaison position should be funded by all taxpayers. Mr. Alessandrini questioned why the City needed to hire an engineer. He feels the engineering by STS on City Park and the downtown parking lots was a waste of money. The Council needs to vote on these expenditures. He said the travel of the City Manager should be approved by

Public Comment(cont.)

the Council and that has not happened lately. Mr. Alessandrini asked if there has been a meeting of the Center for Regional Excellence. He feels the Council should answer questions during public comment.

Bob Moraska – 224 West D St. – stated the Council should answer questions during public comment.

Doug Johnson – W7978 Sportsmens Club Rd. – asked what a pre-meeting was as referred to by Member Caudell.

Kevin Pirlot – 603 W. Flesheim – offered the assistance of the Fire Union in dealing with the ISO. He stated Chief Johnson is the foremost expert on ISO ratings. He said small business will be affected with a higher insurance rating because there will be a 20% increase of insurance costs.

Joe LaFave – W8025 Millie Hill Estates Rd. – stated Kingsford had a 2% cable franchise fee to pay for legal fees incurred throughout the years. He said he lives in the Township and is unsure why he was charged the 5% cable franchise fee. Also, he will be at the next meeting with his final plat and expects it to be approved.

Council Member Privilege

Member Caudell clarified she was referring to having Council meetings in between the regular meetings to discuss various issues. She stated the Council has come together with the landlords on the Rental Housing Ordinance. She feels both sides of the issues must work together on issues facing the City.

Member Rosen thinks Public Comment should be addressed during Council Member Privilege. Member Rosen asked what gives the City Manager the ability to approve \$129,000 in STS claims. He feels the Council should approve these first. He thinks the Council could have open dialogue with someone at the podium. Member Rosen stated the 5% cable franchise fee is inappropriate and unjustified.

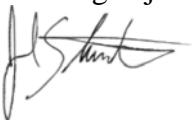
Member Peterson thinks that the City needs to address the inoperable hydrants and repairs could be paid with money left in the water bond. She agrees that resident questions must be addressed and would like more interaction between residents and the Council. Ms. Peterson would like to look into televising Council meetings.

She said the new Council members want what is best for the City.

Member Burke thanked DPW for the work on the ice rinks and plowing this winter. He stated that although the rescinding of the 5% franchise fee was voted down, the Council can still look at alternatives. Member Burke felt the meetings with the landlords went well and things were accomplished.

Member Farragh said he is here for all the citizens of the City. He believes questions by residents at Council Meetings should be addressed. Member Farragh stated that the City Manager works for the Council and he cannot spend over \$3,500 without Council approval.

Mayor VanLaanen discussed Public Comment time and we can look at changing Public Comment.
Meeting adjourned at 8:03 p.m.



Jordan Stanchina
Clerk-Treasurer