

A regular meeting of the Ishpeming City Council was held on Wednesday, May 5, 2010 at the Ishpeming Senior Center. Mayor Gary Nelson called the meeting to order at 7:00 p.m.

Present: Mayor Gary Nelson, Council Members Patricia Bureau, Claudia Demarest, Pat Scanlon and John Stone. Present: Five (5). Absent: None (0). Also present were City Manager Jered Ottenwess and City Attorney David Savu.

#### PUBLIC COMMENT

Mr. Tom Casperson, Escanaba, announced that he is a candidate for the Michigan Senate in the 38<sup>th</sup> District.

Mr. Robert Delongchamp, member of the Ishpeming Volunteer Fire Department, stated that about five years ago, the Ishpeming Fire Department acquired an antique Seagrave fire truck. Mr. Delongchamp stated that this 1923 vehicle was the first gas powered fire truck in the City. Mr. Delongchamp stated that the City loaned the funds to the Volunteer Fire Department to purchase the vehicle. Mr. Delongchamp reported that several fundraisers have been held over the last five years. Mr. Delongchamp presented a check to the City Council as full and final payment for the loan to purchase the antique fire truck. Mr. Delongchamp thanked Mr. Kurt Kipling for his fundraising efforts.

Mr. Charlie Anderson, Chairman of the Ishpeming Business Association, announced that the IBA is moving forward with their plan to create an Ishpeming Chamber of Commerce. Mr. Anderson stated that the Downtown Development Authority has offered a \$20,000 contribution for the Chamber. Mr. Anderson stated that the next organizational meeting for the Chamber will be held at City Hall on Thursday, May 13, 2010.

Mr. Anderson reported that City Manager Ottenwess has requested the IBA to participate in the City's long range planning for future development.

Mr. Anderson announced that the IBA will sponsor a spring clean-up day on Saturday, May 15, 2010. Mr. Anderson stated that students from Phelps Middle School and members of the Boy Scouts have already volunteered to help with the spring clean-up. Mr. Anderson stated that the committee will meet at 10:00 a.m. on the corner of Cleveland Avenue and First Street and he encouraged the public to participate.

#### AGENDA COMMENT

None.

#### CONSENT AGENDA

A motion was made by Councilman Scanlon and seconded by Councilwoman Bureau to approve the Consent Agenda as presented:

- a. Minutes of Previous Meeting (April 7 and 22, 2010)
- b. Approval of Disbursements (Council Members Bureau and Scanlon)
- c. Monthly Financial Report

- d. Request of Fourth of July Committee to use Al Quaal Recreation Area on July 3, 2010
- e. Reappoint Mary Valenti to the Cemetery Board, Darren Boldt to the Library Board, and Norman Andrew to the Parks and Recreation Commission

Ayes: Five (5). Nays: None (0). Motion carried.

GREAT LAKES RECOVERY CENTER PRESENTATION

Mr. Greg Toutant, CEO of Great Lakes Recovery Center, stated that the Great Lake Recovery Center (GLRC) has developed a plan for the reuse of the former Bell Hospital building in downtown Ishpeming. Mr. Toutant introduced the architects of the project, Mr. John Larson and Mr. Mike Lempinen, and also introduced Mrs. Wendy Penhale, GLRC Business Manager.

Mr. Toutant stated that Great Lakes Recovery Center has been an active treatment and rehabilitative provider in Marquette County for over 30 years. Mr. Toutant stated that GLRC currently has an outreach center at KI Sawyer, an adult residential facility in Marquette, a youth residential facility in Marquette, and outpatient services in both Ishpeming and Marquette. Mr. Toutant stated that their administrative offices are located in Marquette. Mr. Toutant stated that GLRC also has 14 other clinic locations across the Upper Peninsula and into Wisconsin. Mr. Toutant stated that the former Bell Hospital building offers Great Lakes Recovery Center the opportunity to compartmentalize their residential and clinic services.

Mr. Toutant stated that the renovation project is estimated to be approximately \$4 million. Mr. Toutant stated that GLRC is requesting a letter of recommendation from the City of Ishpeming in order to secure the financing and proceed with the project.

Mr. Mike Lempinen and Mr. John Larson presented a virtual, animated model of the former Bell Memorial Hospital. The animated model depicted the building as it exists today, the removal of several portions of the former hospital and how the building would look after the completion of the renovations.

A motion was made by Councilman Scanlon and seconded by Councilman Stone to authorize the City Manager to draft a letter of support for the Great Lakes Recovery Center to be included with their financing package. Ayes: Five (5). Nays: None (0). Motion carried.

REQUEST TO AMEND ROBERT AIRAUDI LEASE AGREEMENT

Mayor Nelson reported that he and the City Manager met with Mr. Airaudi a couple of weeks ago to discuss Mr. Airaudi's project. City Manager Ottenwess stated that the next step is to satisfy the financing concerns of the project. The City Manager stated that Mr. Airaudi has requested to amend the lease agreement that he has with the City of Ishpeming. Mr. Airaudi has requested that the City transfer ownership of the property to him and has requested tax abatement.

Mayor Nelson stated that the original lease agreement with Mr. Airaudi did not allow the City to offer tax abatement because the City had invested in the infrastructure improvements. Mayor Nelson stated that because the grant for the roadway has been delayed, Mr. Airaudi would like to amend the lease. Mayor Nelson stated that because Mr. Airaudi does not own the property yet,

he understands that it could be more difficult for Mr. Airaudi to get his financial arrangements in order.

Mr. Airaudi stated that he appreciates the support of the city officials. Mr. Airaudi stated that the \$300,000 grant will help the entire City of Ishpeming. Mr. Airaudi stated that the project was supposed to be completed in September 2009. Mr. Airaudi stated that tax abatement is very important to him and the property title is equally important so that he can move forward with the financing.

A motion was made by Councilman Scanlon and seconded by Mayor Nelson to authorize the City Manager, the City Attorney and the Mayor to meet with Mr. Robert Airaudi for the purpose of working out the details of the lease and/or purchase agreement and to then submit the agreement to the City Council for final approval. Ayes: Five (5). Nays: None (0). Motion carried.

#### WOODCLIFF APARTMENT PILOT REQUEST

City Manager Ottenwess reported that TJ Woodcliff, LP, intends to renovate the Woodcliff Apartments on West Empire Street at Lakeshore Drive. The City Manager stated that in order to move forward with their plan, they are requesting a Payment In Lieu Of Taxes (PILOT).

Mr. Jeff Gates, TJ Development, introduced Mr. Dan Young from UPCAP Services. Mr. Gates stated that TJ Development and UPCAP Services have partnered in an effort to acquire and renovate the Woodcliff Apartment property. Mr. Gates stated that the property was very close to going into foreclosure.

Mr. Gates reported that Woodcliff Apartments is an existing USDA/Rural Development affordable housing project that was built in the late 1980s. Mr. Gates stated that they have created a proposal for a PILOT for Woodcliff Apartments. Mr. Gates stated that the PILOT is not unique to this community and stated that there are at least one or two other developments in the City that have a PILOT.

Mr. Gates stated that the benefits of the PILOT will accrue first to the residents and the ability to keep the property affordable; accrues to the property in that it allows TJ Development to stabilize the budget and maintain the property at a level at which it should have been; and allows them to preserve and provide affordable housing to the community.

Councilman Scanlon questioned the occupancy history at Woodcliff Apartments. Mr. Gates stated that Woodcliff Apartments has suffered from some vacancy issues over the last few years. Mr. Gates stated that vacant units could not be turned because of lack of funds. Mr. Gates stated that over the past year and a half, they have worked to stabilize those issues and they are back above 90% occupancy.

Mayor Nelson stated that the decrease in tax revenue for the City would be approximately \$1,900.00 per year for the term of the mortgage. City Manager Ottenwess stated that the term of the mortgage is 20 years and that is how long the PILOT would be in place.

At the recommendation of the City Manager, a motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to grant the PILOT (Payment in Lieu Of Taxes) program for 708 and 710 W. Empire Street, also known as Woodcliff Apartments. Ayes: Five (5). Nays: None (0). Motion carried.

SUBORDINATE MORTGAGE AND SECURITY POSITION FOR PCBM MANAGEMENT COMPANY

At the recommendation of the City Manager, a motion was made by Councilman Scanlon and seconded by Councilwoman Bureau to grant the request from PCBM Management for the City of Ishpeming to approve the subordination agreement and take a second position for the mortgage of the Country Inn. Ayes: Five (5). Nays: None (0). Motion carried.

DISPOSAL OF LOTS 67, 68 AND 69 OF CLEVELAND IRON MINING COMPANY'S ADDITION (CLEVELAND AVENUE PROPERTY OWNED BY THE CITY, SCHOOL DISTRICT, AND BELL HOSPITAL)

At the recommendation of the City Manager, a motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to authorize the City Manager to schedule a public hearing on Wednesday, June 9, 2010 at 7:00 p.m. at the Ishpeming Senior Center to hear and receive comments regarding the disposal of lots 67, 68 and 69 of Cleveland Iron Mining Company's Addition and to authorize the City Manager to proceed with the sale of the lots as presented. Proceeds from the sale of the property shall be shared equally among the City of Ishpeming, the Ishpeming School District and Bell Hospital. Ayes: Five (5). Nays: None (0). Motion carried.

LIBRARY GRANT THROUGH THE BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM

Head Librarian Cindy Mack reported that the Ishpeming Carnegie Public Library, along with 68 other libraries across the state, have been awarded a grant through the Broadband Technology Opportunities Program (BTOP). Head Librarian Mack stated that the funds will provide the Carnegie Library with eight (8) additional computers and software, funding for electrical and data updates, and funding for computer tables and chairs.

At the recommendation of the City Manager and the Head Librarian, a motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to accept the Broadband Technology Opportunities Program Grant in the amount of \$14,000 and to authorize a local match of \$5,500 to be paid from the library's Special Funds Campaign. Ayes: Five (5). Nays: None (0). Motion carried.

AMENDMENT TO ORDINANCE NO. 4-500, NOXIOUS WEEDS, LONG GRASS, AND MISCELLANEOUS DEBRIS

Police Chief Jim Bjorne reported that Ordinance No. 4-500 addresses the issue of long grass, noxious weeds and miscellaneous debris. Police Chief Bjorne stated that the current language makes it lawful to have long grass and miscellaneous debris in areas that are zoned as industrial districts. Police Chief Bjorne stated that there is an industrial area around Stone Street and Houghton Street that contains residential structures. Police Chief Bjorne requested the City

Council to consider an amendment to Ordinance No. 4-500 to include residential properties within an industrial district.

Mr. Mark Dallas commented on the proposed amendment to Ordinance No. 4-500. Mr. Dallas stated that the amendment would take away his right to operate his business out of his home. Mr. Dallas stated that the materials in his yard are necessary for him to run his business, but to others it may appear as debris.

Councilwoman Bureau stated that the Planning Commission discussed the proposed amendment to Ordinance No. 4-500. Councilwoman Bureau stated that the Planning Commission opposes the amendment to Ordinance No. 4-500 because it is their opinion that an ordinance should not target a specific area.

At the recommendation of the City Manager, a motion was made by Councilman Scanlon and seconded by Councilman Stone to authorize the City Attorney to draft an amendment to Ordinance No. 4-503(a) to include residential buildings located within industrial districts. Ayes: Four (4). Nays: None (0). Abstained: Councilwoman Demarest. One (1). Motion carried.

AMENDMENT TO ORDINANCE NO. 7-500, RENTAL CODE ENFORCEMENT, AND FEE SCHEDULE FOR BOARDING HOUSES

City Manager Ottenwess reported that the City Council received a request from Mr. Houseman, owner of 213 and 215 E. Division Street, to reduce the rental inspection fees for his rental property. Mr. Houseman stated in his letter that he offers eight (8) boarding rooms, not full apartments. Mr. Houseman stated that his tenants are required to share bathroom and kitchen areas. The City Manager stated that Mr. Houseman feels that the fees are excessive for the type of units he provides to his tenants.

A motion was made by Councilman Scanlon and seconded by Councilman Stone to adopt the amendments to Ordinance No. 7-500 Section 6(f), Section 6(i), and the fee schedule, as presented by the City Attorney and as of the first reading. Ayes: Five (5). Nays: None (0). Motion carried.

A motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to deny Mr. Frank Houseman's request for the City to make a distinction between boarding rooms and apartments as it pertains to the rental inspection fees. Ayes: Five (5). Nays: None (0). Motion carried.

407 ELY STREET

Mayor Nelson reported that Mr. and Mrs. Corradina have expressed an interest to purchase the property at 407 Ely Street. Mayor Nelson stated that Wells Fargo holds a lien against the property in the amount of \$6,648.89.

A motion was made by Councilman Scanlon and seconded by Councilwoman Bureau to offer Mr. and Mrs. Robert Corradina the option to pay \$6,648.89, as the sum of the lien on the property located at 407 Ely Street. In the event that Mr. and Mrs. Corradina are willing to satisfy

the lien on the property, the City shall agree to sell the property to Mr. and Mrs. Corradina for \$1.00. Ayes: Five (5). Nays: None (0). Motion carried.

RESOLUTION REGARDING RIO TINTO EAGLE PROJECT

At the recommendation of the City Manager, a motion was made by Councilwoman Bureau and seconded by Councilman Scanlon to adopt the *Resolution Regarding Rio Tinto Eagle Project* as presented. Ayes: Five (5). Nays: None (0). Motion carried.

NEGAUNEE 30" SEWER MAIN CONNECTION

Mrs. Deborah Pellow, Director of the Ishpeming Area Wastewater Authority, presented the latest information and details regarding the proposed sewer transmission line from Negaunee to the Ishpeming Area Wastewater Treatment Facility. A lengthy discussion ensued regarding the request from the City of Negaunee to tap into the 30" sewer main, the life expectancy of the main, the maximum capacity of the lines and the facility, and effluent monitoring. Mrs. Pellow stated that the Wastewater Treatment Facility will sample the flow on a routine basis.

At the recommendation of the City Manager, a motion was made by Councilman Scanlon and seconded by Councilwoman Bureau to approve Exhibit B, as presented, as the proposed route for the sanitary sewer line and to agree, in concept, the Sanitary Sewer Transmission Agreement, with further details to be presented at a future meeting. Ayes: Five (5). Nays: None (0). Motion carried.

FOURTH OF JULY ACTIVITIES AT AL QUAAL RECREATION AREA

A motion was made by Councilman Scanlon and seconded by Councilwoman Bureau to approve the plan for restricted access, enforcement and control of the Al Quaal Recreation Area on Saturday, July 3, 2010, as prepared and presented by Public Works Director Kangas and Police Chief Bjorne. Ayes: Five (5). Nays: None (0). Motion carried.

RANGE MOUNTAIN BIKE ASSOCIATION REQUESTS IN HEMATITE HEIGHTS AREA

At the recommendation of the City Manager, a motion was made by Councilwoman Bureau and seconded by Councilman Scanlon to approve the request from the Range Mountain Bike Association to map and create signage for the existing biking trails located within the Hematite Heights Area. Ayes: Five (5). Nays: None (0). Motion carried.

RATIFY DPW UNION CONTRACT

A motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to ratify the proposed labor agreement between the City of Ishpeming and the DPW union, as amended by the City Attorney. Ayes: Five (5). Nays: None (0). Motion carried.

OLD BUSINESS

Mayor Nelson reported that he received a letter from Mr. Shawn Seelen regarding the Wabash Heights II subdivision project. Mayor Nelson stated that Mr. Seelen submitted a proposal to purchase the property a couple of years ago, but then removed his offer because of the poor economic conditions. Mayor Nelson stated that Mr. Seelen would now like to revisit the proposal.

The City Attorney stated that there could be other potential developers interested in the project and recommended that the City re-advertise the project.

A motion was made by Mayor Nelson and seconded by Councilman Scanlon to authorize the City Manager to re-bid the Wabash Heights II Subdivision Project. Ayes: Five (5). Nays: None (0). Motion carried.

### NEW BUSINESS

By Mayoral proclamation, Mayor Nelson declared the week of May 16-22, 2010 as EMS Week in the City of Ishpeming.

Mayor Nelson stated that former employees that had retired prior to 1996 do not receive a regular, annual cost of living increase (COLA). Mayor Nelson reported that he had been questioned by a DPW employee regarding the (COLA) increase for the current City retirees. City Treasurer Keto stated that once a year, the City Council is presented with the option to provide a cost of living adjustment to those retirees. The City Treasurer stated that the COLA option is only available in October of each year and due to financial constraints the City Council did not approve the COLA last year.

City Manager Ottenwess reported that the Ishpeming Volunteer Fire Department has requested permission to submit the Assistance to Firefighters Grant in order to purchase a \$9,000.00 control deck monitor for the 2005 Pierce Fire Truck. City Manager Ottenwess stated that the grant requires a \$450.00 local match.

At the recommendation of Fire Chief Anderson, a motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to authorize Ms. Alyson Sundberg to prepare and submit a 2010 Assistance to Firefighters Grant on behalf of the City of Ishpeming for the purchase of a control deck monitor for the 2005 Pierce Fire Truck and to authorize the local match of \$450.00. Ayes: Five (5). Nays: None (0). Motion carried.

At the recommendation of the City Manager, a motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to approve the applications for temporary outdoor space as submitted by Jack's Tee Pee and Congress Pizza, Inc. from July 1 through July 3, 2010; terms and conditions to be the same as previous years. Ayes: Five (5). Nays: None (0). Motion carried.

### COUNCILWOMAN DEMAREST

Councilwoman Demarest reported that she attended an EMS meeting last night.

Councilwoman Demarest reported that she attended the Skerbeck Carnival. Councilwoman Demarest stated that the Ishpeming Volunteer Fire Department and Bay Cliff Health Camp will each receive a check in the amount of \$3,318.00 from the proceeds. Councilwoman Demarest thanked Mr. Kurt Kipling for making the carnival arrangements.

COUNCILWOMAN BUREAU

Councilwoman Bureau reported that she attended the District Library Committee meeting, the Neighborhood Watch meeting, the Ishpeming Business Association meeting and the Downtown Development Authority meeting.

Councilwoman Bureau reported that she attended the MML Legislative Conference last week. Councilwoman Bureau stated that cities all across the state are experiencing serious financial problems. Councilwoman Bureau stated that she was appointed to the MML Legislative Conference Committee. Councilwoman Bureau reviewed several of the topics that were discussed at the conference.

Councilwoman Bureau reported that she attended a CUPPAD meeting. Councilwoman Bureau stated that there was much discussion about offshore wind farms and stated that Lake Huron and Lake Erie are the most favorable locations.

Councilwoman Bureau reported that she attended the carnival and that it was well-attended.

Councilwoman Bureau reported that the disc golf course in the Al Quaal Recreation Area is extremely popular. Councilwoman Bureau stated that the course is used everyday by people of all ages.

COUNCILMAN STONE

Councilman Stone reported that he attended the Ishpeming Housing Authority meeting and the District Library Committee meeting.

Councilman Stone reported that he attended the MML Legislative Conference last week. Councilman Stone stated that the State of Michigan will continue to experience serious financial conditions over the next few years. Councilman Stone stated that it is imperative that the City of Ishpeming maintain a healthy fund balance. Councilman Stone stated that the City cannot rely on State Revenue Sharing until the State's financial condition improves.

COUNCILMAN SCANLON

Councilman Scanlon expressed his disappointment regarding the derogatory comments posted on a social networking site about the members of the Ishpeming City Council. Councilman Scanlon stated that at yesterday's election, a majority of Ishpeming voters chose to not support a millage increase for the Ishpeming School District. Councilman Scanlon stated that some members of the community are blaming the City Council Members for the defeat. Councilman Scanlon stated that each member of the City Council was elected to serve in the best interest of the Ishpeming residents and stated that this City Council has taken a position to not support tax increases for its residents.

MAYOR NELSON

Mayor Nelson reported that he attended the Downtown Development Authority meeting. Mayor Nelson stated that the DDA approved \$4,000.00 for the Carnegie Library and \$20,000.00 for the new Ishpeming Chamber of Commerce.

Mayor Nelson reported that he attended an ACT 345 meeting. Mayor Nelson stated that the City must be prepared for future pension fund liabilities. Mayor Nelson stated that the City must be prepared to pay larger contributions into the pension fund over the next several years.

Mayor Nelson reported that he attended the Partridge Creek Committee meeting. Mayor Nelson stated that the City will need grant money to pay for this project and it will be necessary for the City to budget the matching funds for the grants.

Mayor Nelson reported that he attended a meeting with representatives of both Ishpeming and Negaunee for the purpose of discussing and pursuing a joint solid waste collection contract.

Mayor Nelson stated that he is hopeful that the Mather Inn project can get back on track.

Mayor Nelson stated that the City Council will be reviewing the financial report for the Recycling Center and will need to consider whether or not it is feasible to maintain this service.

Mayor Nelson stated that each of the City Council Members try to do the best that they can and make decisions that are in the best interest of the community for the long term. Mayor Nelson stated that there have been some negative and hurtful comments made about him and the other members of the City Council. Mayor Nelson stated that he is very disappointed that some individuals chose to make inaccurate statements and personal attacks against the City Council Members.

#### MANAGER'S REPORT

City Manager Ottenwess reported that NMU has received preliminary approval from Cliffs Shaft to install the WiMax antennae on their property and NMU will no longer need to use Ishpeming's water tower. City Manager Ottenwess stated that as part of the agreement with NMU, the City will assume the cost of the electric service to the WiMAX tower.

City Manager Ottenwess reported that he has been asked to serve on the board for the new Ishpeming Chamber of Commerce.

City Manager Ottenwess reported that he will attend a CDBG Seminar on Wednesday, June 9, 2010 in Ste. Saint Marie. City Manager Ottenwess reported that he will attend the U.P. City Manager's Conference in Iron Mountain on Thursday, June 10 and Friday, June 11, 2010.

#### PUBLIC WORKS DIRECTOR / CITY ENGINEER REPORT

The Public Works Director's monthly report was submitted to the City Council Members for their review.

#### ATTORNEY'S REPORT

None.

ADJOURN TO CLOSED SESSION TO DISCUSS STATUS OF CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION

A motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to enter into closed session at 10:04 p.m. to discuss the status of confidential attorney-client communication and to approve an extension of the meeting time until 10:30 p.m. Roll Call Vote: Councilwoman Bureau, Councilwoman Demarest, Councilman Scanlon, Councilman Stone and Mayor Nelson. Ayes: Five (5). Nays: None (0). Motion carried unanimously.

A motion was made by Councilman Scanlon and seconded by Councilwoman Bureau to return to open session at 10:35 p.m. Ayes: Five (5). Nays: None (0). Motion carried.

A motion was made by Councilman Scanlon and seconded by Councilwoman Demarest to authorize the City Manager to coordinate with the ECI engineers for the purpose of identifying the developable property within the City-owned property known as the Wabash Heights II area. Ayes: Five (5). Nays: None (0). Motion carried.

ADJOURNMENT

A motion was made by Councilman Scanlon and seconded by Councilwoman Bureau to adjourn the meeting at 10:40 p.m. Ayes: Five (5). Nays: None (0). Motion carried.

Jenifer M. Rajala  
City Clerk