

A regular meeting of the Ishpeming City Council was held on Wednesday, November 9, 2011 at the Ishpeming Senior Center. Mayor Pat Scanlon called the meeting to order at 7:00 p.m.

Present: Mayor Pat Scanlon, Council Members Claudia Demarest, Elaine Racine, John Stone, and Mike Tall. Present: Five (5). Absent: None (0). Also present were City Manager Jered Ottenwess and City Attorney David Savu.

PUBLIC COMMENT

Mr. Robert Clark, 1104 Cooper Lake Road, addressed the City Council to speak to the controversy surrounding Mr. Jim Bjorne's retirement transfer request. Mr. Clark stated that although three of the Council Members voted to reject the transfer request, Councilwoman Racine has been particularly vocal about this subject. Mr. Clark stated that he does not believe she fully understands the Act 345 Fund and how the unfunded liability would affect the Retirement Fund and the City's General Fund. He feels that Mr. Bjorne deserved much better from the City Council, especially after serving for a six-month period as both Police Chief and Interim City Manager. Mr. Clark submitted a written copy of his statement for the record.

Mrs. Rebecca Olds, 812 N. Pine Street, stated that she is the sponsor of the recall petitions against Councilwoman Demarest, Councilwoman Racine and Councilman Tall. Mrs. Olds stated that she feels the decision to deny Mr. Bjorne his retirement request is beyond her comprehension and believes that the Ishpeming taxpayers want and deserve better. Mrs. Olds submitted a written copy of her statement for the record.

Ms. Amy Hodgins, 200 Hill Street, spoke in favor of the City Council's decision to deny Mr. Bjorne's request for the transfer of service credit from Marquette County to the City of Ishpeming. The Marquette County Commissioners were wise to approve Mr. Bjorne's request because it transferred the responsibility of the unfunded liability from Marquette County to the City. Ms. Hodgins also stated that approving this request would have set precedence. She supports the decision of the City Council and believes it was made in the best interest of the citizens and the City employees. She encouraged the City Council to not succumb to threats or bullying; voters focus on facts and she is confident they will support the Council.

Mr. Paul Olson, 623 E. Michigan Street and Chairman of the Library Board, reported that the Library is currently under transition as the process to hire a new Head Librarian continues. Mr. Olson presented an update on recent events and activities at the Library. The Children's Librarian, Mrs. Danielson, does an amazing job of providing engaging activities which attract young people to the Library and attendance at the Saturday puppet shows is the highest that it has ever been. The teen area continues to be successful also. Efforts have been made to provide a comfortable area for the teens and to keep their library collection relevant, interesting and appropriate.

Mr. Olson stated that circulation numbers continue to increase. It is likely that the numbers have increased due in part to the current economy. Patrons are choosing to check out library books rather than purchasing them and they are using the library's resources to explore career opportunities.

As the City Council considers the FY2012 Budget, the Library Board has concerns about potential reductions in the library hours. Several years ago, the Library was open 55 hours per week and currently the Library is only open for 42 hours per week. Mr. Olson stated that the Library is important to our community and we need to make sure that the Library continues to be accessible to the patrons.

AGENDA COMMENT

None.

CONSENT AGENDA

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

- a. Approve Minutes of Previous Meetings (October 4 and 5, 2011)
- b. Approve Disbursements
- c. Approve reappointment of Harry Weikel to the Marq-Tran Board
- d. Approve reappointment of Elyse Bertucci and Jim Bertucci to the Zoning Board of Appeals
- e. Approve reappointment of Bruce Houghton to the Planning Commission
- f. Approve reappointment of Jim Bertucci to the Wastewater Treatment Board
- g. Approve reappointment of Scott Martin to the Housing Appeals Board
- h. Approve MGHS Noquemanon Ski Marathon Trail Access Agreement, as amended by the City Attorney, for the MGHS Noquemanon Ski Marathon to be held on January 27 and 28, 2012
- i. Approve list of delinquent utility and other special assessments to be added to the December 2011 property tax billings

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

A motion was made by Councilwoman Demarest and seconded by Councilwoman Racine to amend the meeting agenda and move the Mayor and Council Reports to agenda item No. 7B. Roll Call Vote: Ayes: Councilwoman Demarest, Councilwoman Racine, and Councilman Tall. Three (3). Nays: Councilman Stone and Mayor Scanlon. Two (2). Motion carried.

PUBLIC HEARING ON THE 2012 BUDGET

Mayor Scanlon opened the public hearing at 7:22 p.m. to hear and receive comments regarding the 2012 Budget. Hearing no comments, Mayor Scanlon closed the public hearing at 7:23 p.m.

COUNCILWOMAN DEMAREST

Councilwoman Demarest reported that she attended the Cemetery Board meeting.

Councilwoman Demarest responded to the remarks made during Public Comment. The City Council voted four times on the transfer request from Jim Bjerne and it was defeated each time. She stated that she is getting tired of hearing about it. Mr. Bjerne was fired from his position for sending a threatening email to her claiming that she was stalking him. This is a dead issue and people should let it go.

COUNCILWOMAN RACINE

Councilwoman Racine reported that she attended the Downtown Development Authority meeting and a Hematite Heights Development Committee meeting. She stated that the Fire Department is in need of an aerial truck and encouraged residents to view a demonstration of an aerial fire truck on the internet.

Councilwoman Racine stated that there continues to be much confusion about Mr. Bjorne's retirement transfer request. Referring to comments made in a recent letter to the editor in the *Mining Journal*, Councilwoman Racine responded to several of the statements presented in the letter. The City Council had approved retirement transfer requests in the past however those retirement requests did not require the City to assume a retirement liability from any other entity. Councilwoman Racine stated that there is no way to determine the exact cost of this unfunded liability and because it is unknown, she feels it would be like writing a blank check.

Councilwoman Racine stated that the Act 345 Retirement Fund is underfunded this year and the City will need to contribute \$162,000 from the General Fund to the Retirement Fund. She is very concerned about setting precedence. It is true that the City is getting sued, but the City carries insurance for this type of situation.

COUNCILMAN TALL

Councilman Tall reported that he attended the Planning Commission meeting. The Planning Commission discussed the future development of Malton Road and the plans to create a scenic outlook on the water tower bluff.

Councilman Tall addressed the issue of Mr. Bjorne's retirement request. It appears that this situation has become a battle between two different entities. Councilman Tall cautioned everyone to keep this matter in perspective and not allow it to become personal. He has heard many rumors out in the public and he urged the public to keep this matter a political one and not a personal matter.

COUNCILMAN STONE

Councilman Stone stated that the City Manager and the staff developed a fact sheet with details pertaining to Mr. Bjorne's retirement and transfer request. These facts were compiled by professionals and the facts have not changed since last February. He stated that the fact sheet is public information and encouraged the public to request a copy of the document at City Hall. Councilman Stone read aloud the details of Mr. Bjorne's retirement and transfer request as outlined in the fact sheet.

Councilman Stone stated that there has been much talk about the Act 345 Fund, how it is funded, and the condition of the Fund. If the City had accepted the transfer of service credit, the unfunded liability associated with the transfer would have been borne by the City's Act 345 Retirement Fund, not the City's General Fund. Councilman Stone stated that it is important for people to know that several years ago, the voters of this City voted in a millage to support the Act 345 Fund and a large portion of the funding for the Act 345 Fund comes from that millage.

Councilman Stone stated that he is upset about the inaccurate information presented by Councilwoman Racine at previous meetings and in her comments to the media. Councilman Stone stated that it is not true that the retirement transfer would take money out of the Retirement Fund and stated that it is not true that the Retirement Fund is in trouble. He requested Councilwoman Racine to retract her statements.

Councilman Stone reported that he attended his committee meetings.

Councilman Stone encouraged everyone to honor Veteranø Day this Friday, November 11, 2011, and he reminded everyone to thank the veterans for our freedom. He also expressed his gratitude to all those that currently serve in the military and to all their families.

MAYOR SCANLON

Mayor Scanlon stated that the retirement issue is over for him and the City needs to move forward. We now need to focus on the lawsuits that have been filed against the City. He corrected a comment made by Councilwoman Racine in her report. The City does not have insurance that pays for the lawsuits. The MML will represent us, go to court for us, and tell us what we need to provide. Every minute of staff time that goes into these legal preparations will come out of the General Fund. When it is all over, MML will send us a bill for their attorney fees and that expense will come out of the General Fund.

Mayor Scanlon stated that Councilwoman Racine has said that approving the transfer request would hurt the other employees and their pensions. Mayor Scanlon stated that he was contacted by both the Police Union and the DPW Union, and both unions are supportive of the retirement transfer request.

Mayor Scanlon stated that when he started on the City Council seven years ago, the City only had \$35,000 in the General Fund. Today, the General Fund has over \$400,000; it is recommended that City have a minimum of \$500,000. The City Manager and City Attorney have told this Council on multiple occasions that we need to settle this issue. The unfunded liability associated with Mr. Bjorneø transfer request may have cost the City up to \$25,283, but the forthcoming legal expenses will most definitely be a drain on the Cityø General Fund.

FIVE YEAR STREET CAPITAL IMPROVEMENT PLAN PRESENTATION

Mr. Ray Roberts reported that the Cityø Master Plan identifies the transportation goals as a safe, well-maintained, and efficient street system. Mr. Roberts reviewed the details of the *Five Year Capital Improvement and Preservation Plan for Streets*. In 2010, only 70% of the Cityø street system was found to be in good or better condition. A reasonable goal for street system improvements and preservation is to have at least 85% of the streets in good to better condition.

Mr. Roberts explained that without a comprehensive plan in place, the streets will deteriorate. The *Five Year Capital Improvement and Preservation Plan for Streets* outlines the planning basis and the development of a multi-year, rolling, capital improvement and preservation plan for major and local streets.

At the recommendation of the City Manager, a motion was made by Mayor Scanlon and seconded by Councilwoman Racine to approve the *Five Year Capital Improvement and Presentation Plan for Streets*, in concept and as presented by Mr. Ray Roberts. Ayes: Five (5). Nays: None (0). Motion carried.

WATER/SEWER RATE STUDY PRESENTATION 6 MICHIGAN RURAL WATER ASSOCIATION

City Manager Ottenwess reported that approximately one year ago, the City Council approved an increase in water and sewer rates for FY2011. The City Council received some criticism for the rate increases and for the lack of a formal study to justify the increase. As a member of the Michigan Rural Water Association (MRWA), the City requested the Association to conduct a water and sewer rate study. The City Manager stated that MRWA provides a professional recommendation about how to set a logical and defensible rate structure to generate the revenue needed to maintain the system. This study was conducted at no cost to the City.

Mr. Mike Engels of the Michigan Rural Water Association explained the methodology that was used to gather the data and to determine the water and sewer rate structure. Every community charges a different rate and it is common for communities to compare their rates with the rates of the neighboring communities. The objective is collect enough money to maintain the water and sewer systems and to do it as fairly as possible for everyone involved in the system.

Mr. Engels reviewed the details of the rate analysis and presented the results of the water and sewer rate study.

A motion was made by Mayor Scanlon and seconded by Councilwoman Demarest to direct the City Manager to develop a water and sewer rate schedule pursuant to the recommendations from the Michigan Rural Water Association and to direct the City Manager to build in an annual rate increase of 3% or a rate equal to the CPI, whichever is lower. These rates are to be presented at the next regular meeting of the City Council. Ayes: Five (5). Nays: None (0). Motion carried.

LAKE BANCROFT PRESENTATION 6 CARR BALDWIN

The Lake Bancroft presentation by Mr. Carr Baldwin was deferred to the December meeting.

CONTRACT FOR 2011, 2012 AND 2013 AUDITING SERVICES

At the recommendation of the City Manager, a motion was made by Mayor Scanlon and seconded by Councilwoman Demarest to waive competitive bidding, to approve the proposal as submitted by Anderson, Tackman & Company, PLC for auditing services for FY2011, FY2012, and FY2013, and to authorize the City Manager to sign the contract on behalf of the City of Ishpeming. Ayes: Five (5). Nays: None (0). Motion carried.

DECLARE OLD MAIN TOW MOTOR AS SURPLUS EQUIPMENT

At the recommendation of the City Manager and the Public Works Director, a motion was made by Mayor Scanlon and seconded Councilman Tall to declare the old main tow motor as surplus property and to advertise the motor for sale to the highest bidder. Ayes: Five (5). Nays: None (0). Motion carried.

TUBE SLIDE REPORT

Public Works Director Jon Kangas presented the Tube Slide Report to the City Council. The tube slide has been operating at a loss, but the numbers have been improving. He discussed some of the changes that will be made in the way that the DPW records the labor and maintenance costs for park related expenses. At the end of the season, they will have a more accurate account of the tube slide operations. The Parks and Recreation Commission recommended a modest increase in fees and the rate adjustments will help offset past revenue shortfalls.

Councilman Tall questioned whether or not there are any plans to reopen the old Al Quaal toboggan slide. Public Works Director Kangas stated that it is unlikely that the toboggan slide will be reopened because of the costs associated with the preparation and maintenance of the slide.

Councilwoman Racine stated that there seems to be a need for more tubes at the tube slide because on busy days, the riders have to wait in line at the top of the hill. Councilwoman Racine suggested that the local service organizations be contacted for donations to help purchase additional tubes.

Public Works Director Kangas stated that the Parks and Recreation Commission discussed this item at its last meeting and the Commission feels that the current number of tubes is appropriate for providing a safe environment for the riders. Additional tubes would create longer lines at the bottom of the hill as the riders wait for the towrope. That situation would create an additional safety concern and increase the likelihood of injury.

Public Works Director Kangas stated that he is supportive of having additional tubes available to replace the tubes as the wear out. Councilwoman Racine offered to contact the community service organizations for donations to help purchase new tubes.

AL QUAAL FEES

At the recommendation of the Parks and Recreation Commission, a motion was made by Mayor Scanlon and seconded by Councilman Stone to adopt the following parks and recreation fee increases:

Al Quaal Lodge and Teal Lake Lodge Resident Fee:	\$110
Al Quaal Lodge and Teal Lake Lodge Non-Resident Fee:	\$165
Cross Country Ski Trail Family Pass ó Season	\$80
Cross Country Ski Trail Adult Pass ó Season	\$35
Cross Country Ski Trail Student Pass ó Season	\$25
Tube Slide ó Individual	\$8
Tube Slide ó Group of 10	\$60
Tube Slide Rental with Teal Lake Lodge 0-25 People	\$200
Tube Slide Rental with Teal Lake Lodge 26-100 People	\$250
Tube Slide Rental with Teal Lake Lodge 101 or more People	\$300

The winter fees shall be effective immediately and the lodge rental fees shall be effective beginning January 1, 2012. Ayes: Five (5) Nays: None (0). Motion carried.

FIREFIGHTER JOB DESCRIPTIONS AND RESCIND BY-LAWS

At the recommendation of the City Manager, a motion was made by Mayor Scanlon and seconded by Councilwoman Demarest to approve the job descriptions and employment agreements for the Volunteer Firefighter Fire Chief position, the Volunteer Firefighter Assistant Fire Chief position, and the Volunteer Firefighter position, as amended by the City Attorney, and to rescind the Ishpeming Volunteer Fire Department Rules and Regulations dated June 7, 2006. Ayes: Five (5). Nays: None (0). Motion carried.

SENIOR CENTER LEASE

At the recommendation of the City Manager, a motion was made by Mayor Scanlon and seconded by Councilwoman Demarest to approve the lease agreement between the City of Ishpeming and the Greater Ishpeming Commission on Aging for the building located at 320 S. Pine Street, Ishpeming, Michigan, and to authorize the Mayor and the City Clerk to sign the agreement on behalf of the City of Ishpeming. Ayes: Five (5). Nays: None (0). Motion carried.

LIBRARY DESIGN PROPOSAL 6 OHM

At the recommendation of the City Manager, a motion was made by Mayor Scanlon and seconded by Councilwoman Demarest to waive the competitive bidding process and accept the proposal from OHM in the amount of \$2,900 for the design of the Carnegie Library Lower Level Renovations, as presented. The \$2,900 expense for this proposal will be paid from the Library Special Fund. Ayes: Five (5). Nays: None (0). Motion carried.

LOADER ATTACHMENT BID AWARD

At the recommendation of the City Manager, a motion was made by Mayor Scanlon and seconded by Councilwoman Racine to waive the competitive bidding process and approve the purchase of a 5 cubic yard, light material bucket for the John Deere loader in the amount of \$9,455.50 from Nortrax; expense to be paid from the loader attachment line item of the FY2012 Budget. Ayes: Five (5). Nays: None (0). Motion carried.

OLD BUSINESS

None.

NEW BUSINESS

A motion was made by Mayor Scanlon and seconded by Councilwoman Demarest to allow the Ishpeming School District to install an irrigation well at the Ishpeming Playgrounds for the purpose of watering the athletic fields. All expenses associated with the irrigation well will be paid by the Ishpeming School District. Ayes: Five (5). Nays: None (0). Motion carried.

Councilman Stone stated that the King Koin Launderette was destroyed in a fire a few weeks ago. He complimented the owners, Mr. and Mrs. Harold Richards, for ensuring that the property was restored to a safe condition in a timely fashion.

MANAGER'S REPORT

None.

PUBLIC WORKS DIRECTOR/CITY ENGINEER REPORT

Public Works Director Kangas reported that the City is advertising for the seasonal, tube slide operator positions.

Public Works Director Kangas reported that a pile of brush remains on the Teal Lake Trail and Holli Forest Products has offered to clear away the brush pile at no cost to the City.

ATTORNEY'S REPORT

City Attorney Savu corrected a statement made by the Mayor earlier in the meeting. The City's insurance is through the Michigan Municipal Risk Management Authority (MMRMA), not the Michigan Municipal League (MML).

City Attorney Savu stated that the City will be billed for all the attorney fees that MMRMA's lawyer will incur in defending any circuit court action filed by Mr. Bjorne. In the event of a judgment, it is still unknown what provisions are in our policy for reimbursing MMRMA other than the expected premium increases.

ADJOURNMENT

A motion was made by Councilwoman Demarest and seconded by Councilman Tall to adjourn the meeting at 9:40 p.m. Ayes: Five (5). Nays: None (0). Motion carried.

Jenifer M. Rajala
City Clerk