

A special meeting of the Ishpeming City Council was held on Tuesday, June 1, 2010 at the Ishpeming City Hall. Mayor Gary Nelson called the meeting to order at 4:02 p.m.

Present: Mayor Gary Nelson, Council Members Patricia Bureau, Claudia Demarest, and John Stone. Present: Four (4). Absent: Council Member Pat Scanlon. One (1). Also present were City Manager Jered Ottenwess and City Attorney David Savu.

AGENDA COMMENT

Mr. Robert Airaudi reserved time for comment on Agenda Item No. 1.

ROBERT AIRAUDI/EVERLAST INDUSTRIES LEASE AMENDMENTS

Mayor Nelson reported that Mr. Robert Airaudi, Everlast Industries, submitted a request for the City of Ishpeming to cancel the existing lease agreement for the 2.3 acres of property near Malton Road. Mayor Nelson stated that Mr. Airaudi is requesting clear title to the property in order to finalize his financing package with the bank and the Small Business Association.

Mayor Nelson referred the City Council to the memos from the City Manager and the City Attorney. Mayor Nelson recommended that the City deed the property to Mr. Airaudi with a reverter clause stating that if Mr. Airaudi fails to construct the building within a certain period of time, the property would revert back to the City.

Mr. Robert Airaudi stated that due to all of the delays he has experienced, it has become necessary for him to temporarily lease another building until he can get the permanent building constructed. Mr. Airaudi stated that it is not possible for him to locate a contractor that is available in the summer. Mr. Airaudi stated that in order to meet his deadlines, he would need the building constructed by August 1st. Mr. Airaudi stated that these delays have cost him money, time and grief.

City Attorney Savu expressed his concerns about deeding the property with a reverter clause. The City Attorney stated that in the event that the property was reverted back to the City, the City could be subject to the mortgage.

City Manager Ottenwess stated that the grant is on hold at this time. City Manager Ottenwess stated that he is concerned that if the City does not take some action on this project, the MEDC could close the grant file. The City Manager stated that the grant is contingent upon the creation of jobs at Mr. Airaudi's facility. City Manager Ottenwess stated that it is important for us to see some conclusion to this issue.

Mr. Airaudi stated that he does not understand why the City is so reluctant to transfer ownership of the property to him. Mr. Airaudi stated that he has shown his commitment to the City of Ishpeming. Mr. Airaudi stated that his building should have been constructed by last October.

Mayor Nelson stated that it has been a complicated project. Mayor Nelson stated that the City chose to have a lease for the property so the City could apply for the grant for the road improvements.

A motion was made by Mayor Nelson to deed the 2.3 acres of property to Robert Airaudi. Receiving no support, the motion died.

OLD BUSINESS

None.

NEW BUSINESS

Councilman Stone questioned whether or not Habitat for Humanity has acquired the property located at 630 Vine Street. City Attorney Savu stated that he drafted the agreement and it was sent to Habitat for Humanity.

City Manager Ottenwess stated that we have the opportunity to have a Masters in Public Administration student from Northern Michigan University here during the month of June to work for the City of Ishpeming as a student intern. The City Manager stated that he intends to have the student intern conduct research and assist staff with existing projects. Hearing no objections from the City Council, City Manager Ottenwess stated that he will make the arrangements.

ADJOURN TO CLOSED SESSION TO CONSIDER CONFIDENTIAL CITY ATTORNEY COMMUNICATION AND UNION NEGOTIATIONS

A motion was made by Councilwoman Bureau and seconded by Councilwoman Demarest to enter into closed session at 4:20 p.m. to consider confidential City Attorney communication and union negotiations. Roll Call Vote: Ayes: Councilwoman Bureau, Councilwoman Demarest, Councilman Stone and Mayor Nelson. Four (4). Nays: None (0). Absent: Councilman Scanlon. One (1). Motion carried.

A motion was made by Councilwoman Demarest and seconded by Councilwoman Bureau to return to open session at 5:15 p.m. Ayes: Four (4). Nays: None (0). Absent: Councilman Scanlon. One (1). Motion carried.

A motion was made by Councilwoman Bureau and seconded by Councilwoman Demarest to accept the City Manager's recommendations for the DPW union contract as presented. Ayes: Four (4). Nays: None (0). Absent: Councilman Scanlon. One (1). Motion carried.

ADJOURNMENT

A motion was made by Councilwoman Demarest and seconded by Councilwoman Bureau to adjourn the meeting at 5:16 p.m. Ayes: Four (4). Nays: None (0). Absent: Councilman Scanlon. One (1). Motion carried.

Jenifer M. Rajala
City Clerk