

A special meeting of the Ishpeming City Council was held on Wednesday, May 19, 2010 at the Ishpeming City Hall. Mayor Gary Nelson called the meeting to order at 3:05 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 was City Manager Jered Ottenwess.

APPROVAL OF DISBURSEMENTS

A motion was made by Councilwoman Bureau and seconded by Councilwoman Demarest that the disbursements be approved as presented and ordered paid. Ayes: Five (5). Nays: None (0). Motion carried.

AGENDA COMMENT

None.

WORK SESSION

City Manager Jered Ottenwess stated that he provided a memo to the DPW staff to summarize the key financial figures that are of concern to the City Council. The City Manager stated that the areas of concern include the general fund balance, state revenue sharing, and expected cost increases from the union agreements.

A discussion ensued regarding the potential reductions in state revenue sharing, the cost of the wage increases, the cost to operate the recycling center, and the cost to operate the tube slide and ski hill.

Mayor Nelson stated that the City ended the FY2009 with a general fund balance of \$411,000. Mayor Nelson stated that with reductions in state revenue sharing and wage increases, the general fund balance will be down by \$150,000 at the end of FY2010.

Councilman Scanlon recommended that the City Council consider closing the recycling center. Councilman Scanlon stated that the new solid waste collection contract should include the collection of recyclables also.

Councilman Stone stated that it may be necessary to reduce our workforce in order to recover a portion of the \$150,000 loss in the general fund.

Councilman Stone reminded the City Council that the pension fund is underfunded and the City may be required to increase the annual contributions for the next few years.

Councilman Scanlon stated that until the City Council sees the proposed 2011 budget, he does not think the Council can do much at this time.

Councilwoman Bureau questioned whether or not the winter sport activities at Al Quaal generate enough revenue to sustain these programs. DPW Director Kangas suggested that we close the south tow for downhill skiing and only operate the tube slide.

Mayor Nelson reminded the City Council that we still need to cut \$150,000 from the budget and suggested that the staff be asked to look for ways to reduce costs.

Councilman Scanlon stated that before any decisions can be made about employee layoffs, he wants to know exactly how much would be saved.

DPW Director Kangas stated that in the event of layoffs, it is likely that the City will lose the prison trustees and the college students. DPW Director Kangas stated that the wages for DPW employees are paid from some of the other funds; not just the general fund.

Mayor Nelson requested that each department head be requested to submit their suggestions for reductions in the budget. Mayor Nelson requested that the information be provided to the City Manager prior to the next regular meeting scheduled for June 9, 2010.

City Treasurer Keto reminded the City Council that the FY2009 final audit report will not be available until June and it may not be a realistic time frame to require the department heads to have these figures prepared by the June 9, 2010 meeting.

Police Chief Bjorne stated that the department heads need specific direction from the Council as to what programs or services the Council wants eliminated or reduced.

Councilman Stone stated that the City needs to install fencing around the old landfill and the project should not be delayed any longer. Councilman Stone questioned the status of the roof repair at the Police and Fire Hall. Councilman Stone stated that the City may want to research the option of upgrading the water meters to the "drive-by" system in order to reduce labor costs. Mr. Carr Baldwin stated that other communities using this new technology usually see a three year payoff.

Mayor Nelson requested that all department heads review their budgets and provide recommendations for reducing costs. Mayor Nelson stated that each Council Member should also review the budget and prioritize services. Mayor Nelson requested that this information be provided to the City Manager prior to the June meeting of the City Council.

City Manager Ottenwess reminded the City Council that 85% of the general fund is related to personnel costs.

OLD BUSINESS

Councilman Stone questioned whether or not there has been any news from the Department of Natural Resources regarding the status of the Lake Angeline property. City Manager Ottenwess stated that he will look into the matter and will prepare a report for the City Council.

At the recommendation of the City Manager, a motion was made by Councilman Scanlon and seconded by Councilman Stone to accept the \$20,000.00 Blue Cross Blue Shield of Michigan Building Healthy Communities Grant and authorize the City Manager to execute the agreement as presented. Ayes: Five (5). Nays: None (0). Motion carried.

City Manager Ottenwess reported that he had been directed by the City Council to re-advertise the Wabash Heights II subdivision project. The City Manager stated that after a careful review of the project, it is his opinion that the project is not realistic at this time. The City Manager requested permission to modify the original bid solicitation to just the first seven (7) lots. The City Manager stated that the first seven (7) lots would be an extension off of the existing Wabash Heights.

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 modify the bid proposal for the proposed Wabash Heights II subdivision development to include only the first seven (7) lots with future options to be built into the proposal. Ayes: Five (5). Nays: None (0). Motion carried.

NEW BUSINESS

Councilman Stone questioned whether or not the City has received the environmental report for the Brownstone property. Public Works Director Kangas stated that he was told that the report will be delivered to the City at the end of May 2010.

A motion was made by Councilman Scanlon and seconded by Councilman Stone to authorize the closure of South Main Street between Johnson Street and Bluff Street from June 4 through June 20, 2010 for the installation of the wind turbine at the Bluff Street Apartments. 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 5:40 p.m. Ayes: Five (5). Nays: None (0). Motion carried.

Jenifer M. Rajala
City Clerk