

**IRON RIVER CITY COUNCIL
REGULAR MEETING
Wednesday, December 19, 2007
2:00 P.M.
MINUTES**

Mayor Charlotte Soderbloom called the meeting to order at 2:00 p.m. in the Council Chambers at the Iron River City Hall. The Pledge of Allegiance was recited.

Council members present: Edward Marcell, Ray Coates, Thomas Beber, Roger Zanon and Mayor Soderbloom.

Also present: City Manager John Archocosky, Attorney Mark Tousignant and Deputy Clerk Kathy Anderson.

Citizens in attendance: David Culver, Craig Richardson of STS Consultants and the press (WIKB and IC Reporter).

Amendments to the Agenda: Soderbloom requested the Finance Audit Committee packet be moved to be included in the Consent Agenda. Additions: 8. c) Apple Blossom Trail Pay Request; d) Trimedia Project-Cloverland; 11. g) Clerk's Appointment; h) Executive Session-possible litigation; i) Worker's Compensation & Health Insurance Issues.

Zanon moved to approve the agenda as amended. Coates supported. All were in favor. Motion carried

**APPROVE
AMENDED
AGENDA**

Coates moved with support from Zanon to approve the following Iron River City Council Minutes:

**APPROVE IR
CITY
COUNCIL
MINUTES**

- November 14, 2007 Public Hearing USDA Patrol Car Grant Application
- November 14, 2007 Regular Meeting
- November 27, 2007 Special/Workshop Review Personnel Policy

All were in favor. Motion carried.

PUBLIC COMMENT

Mr. David Culver owns property at 1016 6th Avenue. It appears the contactors working on the sanitary sewer interceptor replacement project may have disturbed his property and restoration may be needed. Craig Richardson of STS Consultants advised that the area was televised prior to construction. The contract between the City and the Contractor requires restoration prior to the City's final payment.

**CULVER
PROP 1016
6TH AVE**

Restoration is anticipated to take place in spring/summer 2008. Archocosky and Culver were given this information in the form of a letter from Richardson. The letter is placed on file.

CONSENT AGENDA

Zanon moved to accept the Consent agenda. Coates supported.
Roll Call: Ayes: 5: Beber, Marcell, Coates, Zanon, Soderbloom.
Nays: 0. Motion carried.

ACCEPT
CONSENT
AGENDA

FINANCIALS

Marcell moved to approve November 2007 Financials. Zanon supported.
Roll Call: Ayes: 5: Beber, Coates, Zanon, Marcell, Soderbloom.
Nays: 0. Motion carried.

APP NOV 07
FINANCIALS

Marcell moved to approve November 2007 Check Register. Zanon supported.
Roll Call: Ayes: 5: Beber, Coates, Zanon, Marcell, Soderbloom.
Nays: 0. Motion carried.

APP NOV 07
CHECK REG

A pay request in the amount of \$57,087.29 was received from U.P. Engineers and Architects for the Apple Blossom Trail Project. A change order in the amount of \$5600.00 is included in the total requested. The funds will pass through the City but will be paid by the Watershed Council who funds the project.
Coates moved with support from Marcell to grant the pay request for the Apple Blossom Trail project, in the amount of \$57,087.29.
Roll Call: Ayes: 5: Beber, Zanon, Marcell, Coates, Soderbloom.
Nays: 0. Motion carried.

APP APPLE
BLOSUM
TRAIL PAY
REQ

The Cloverland Hotel demolition project is complete with the exception of final site fill, compaction, and site completion. An issue still exists concerning the potential of a common/party wall with the Martin Accounting Building. This determination will be made in the spring of 2008.

Invoice #417 from Eckert Wrecking, Inc. has been submitted to TriMedia for this project in the amount of \$137,400.00, for work completed through December 6, 2007. The balance of the contract (\$10,000.00) will be held as a retainer for fill and for site completion scheduled for spring 2008. TriMedia recommended payment.
Coates moved with support from Marcell to approve the recommendation from TriMedia and pay the invoice from Eckert Wrecking Inc. in the amount of \$137,400.00.

APP
ECKERT
WRECKIN
INV
CLOVER-
LAND
PROJECT

Roll Call: Ayes: 5: Beber, Zanon, Marcell, Coates, Soderbloom.
Nays: 0. Motion carried.

REPORTS

The attorney’s report was discussed.

A lot of time and effort has been spent on the Stambaugh Housing Commission’s zoning/variance request to construct a 10-bay garage at 208 Jefferson Avenue. Contractors were asked to move frost wall formation back, to comply with the variance request approved by the Zoning Board of Appeals. Tousignant asked if someone from the Council was in a position to open dialog with any board member, to do so, to resolve the issue.

**ST HOUSING
GARAGE**

Tousignant has been in contact with HUD. He and Archocosky will begin the procedure to realign the Iron River and Stambaugh Housing Commission boards down to one board, which HUD has authorized. Archocosky will contact Director Jane Gustafson and outline the procedure.

**REALIGN
STAMB & IR
HOUSING
COMM**

The sale of the property located at 330 Cherry Street is resolved.

Archocosky has received word from Tim Hovey of the Hovey Companies that MSHDA has elected to accept the application for mortgage loan financing for the Central School Development Project.

**MSHDA APP
FINANCING
CENTRAL
SCHOOL**

Marcell moved with support from Zanon to accept the Attorney’s report. All were in favor. Motion carried.

NEW BUSINESS

Coates moved with support from Marcell to follow STS recommendation to pay the fourth draw request for the North District Water System Improvements project, which includes:

- \$312.50 – Tousignant
- 12,806.00 – STS Consultants
- \$95,834.31 – Snow Country Contracting
- Change Order No. 2 - \$24,673.56

**APP 4TH REQ
N DISTRICT
SWR
PROJECT**

Roll Call: Ayes: 5: Beber, Zanon, Marcell, Coates, Soderbloom.
Nays: 0. Motion carried.

Coates moved with support from Marcell to follow STS recommendation and approve Pay Request No. 1 to Barley Excavating, in the amount of \$361,568.02 and Change Order No. 2 in the amount of \$6,986.09, for MEDC Sanitary Sewer Interceptor Replacement – Phase II project.

**APP PAY
REQ #1 & CH
ORDER #2
SWR INTER-
CEPTOR PH
II**

Roll Call: Ayes: 5: Beber, Zanon, Marcell, Coates, Soderbloom.
Nays: 0. Motion carried.

A request was received from UPSET for \$3,686.00 (one dollar per capita), to assist with drug enforcement. Coates moved to approve the request, Beber supported.

**UPSET REQ
APPROVED**

Roll Call: Ayes: 5: Marcell, Zanon, Beber, Coates, Soderbloom.
Nays: 0. Motion carried.

Ed Lindwall's seat on the Downtown Development Authority (DDA) expires on 12-31-07. One letter to fill the vacancy was received, (Lindwall). Archocosky recommended Lindwall's re-appointment.

**RE-APPOINT
LINDALL
DDA**

Soderbloom moved with support from Coates to follow Archocosky's recommendation and re-appoint Ed Lindwall to the DDA, term expiring 12-31-2011.

Roll Call: Ayes: 5: Beber, Marcell, Zanon, Coates, Soderbloom.
Nays: 0. Motion carried.

The Oath of Office was administered to re-elected Mayor Charlotte Soderbloom, and Council members Ray Coates and Roger Zanon.

**OATH OF
OFFICE
MAYOR
AND
COUNCIL**

Archocosky recommended the appointment of Kathy Anderson to the City Clerk's position.

Coates moved with support from Marcell to appoint Anderson to the City Clerk's position beginning January 1, 2008.

**APPOINT
ANDERSON
CITY
CLERK**

Roll Call: Ayes: 5: Beber, Zanon, Marcell, Coates, Soderbloom.
Nays: 0. Motion carried.

Beber moved with support from Coates to adjourn the Regular Meeting at 2:55 p.m. and enter into Executive Session to discuss potential litigation.

**EXEC
SESSION**

Roll Call: Ayes: 5: Marcell, Zanon, Coates, Beber, Soderbloom.
Nays: 0. Motion carried.

Beber moved to resume the Regular Meeting at 4:25 p.m. Marcell supported.

Roll Call: Ayes: 5: Coates, Zanon, Marcell, Beber, Soderbloom.
Nays: 0. Motion carried.

WORKER'S COMPENSATION & HEALTH INSURANCE

Beber moved with support from Zanon to amend the Personnel Policy to provide that for any employee who has been receiving Worker's Compensation payments for 30 consecutive calendar days; fringe benefits shall cease until such time as they return to work.

**AMEND
PERSONNEL
POLICY
WORKER'S
COMP**

Roll Call: Ayes: 5: Coates, Marcell, Zanon, Beber, Soderbloom.
Nays: 0. Motion carried.

Coates moved with support from Marcell to amend the personnel policy as follows:

Non-union employees who retire from the city through the Michigan Employees Retirement System (MERS) are eligible to receive 2/3 of the cost of City's health insurance coverage from the date of retirement for three (3) consecutive years. Or alternatively could request the early out insurance subsidy benefit defined below:

AMEND
PERSONNEL
POLICY
HEALTH INS
EARLY OUT
NON-UNION
EMPLOYEES

Employees who are between the age of 50 and 60 years old; fully vested in the City's retirement program (MERS); and upon approval of the Council on a case by case basis, will be eligible for insurance assistance consistent with the following formula.

The years of MERS credited service (x) the final annual salary, (or hourly rate times 2080 hrs.) divided by the number of months from the date of retirement until the employee reaches the age of 65 years based on the following schedule:

15 years = 50%
16 years = 60%
17 years = 70%
18 years = 80%
19 years = 90%
20 (and over) years = 100%

Example 1.

Employee "A" is 55 years old, has worked for the city for 16 years and is fully vested in MERS. His current annual salary is \$38,750. He is 9 years and 6 months (114 months.) from his 65th birthday.

70% (17 years) times \$38,750 = \$27,125.00, divided by 114 months = 237.94 per month.

Example 2.

Employee "B" is 51 years old and is vested with 30 of credited MERS service upon her retirement. She will turn 65 in 13 years and 6 months. (162 months). Her current annual salary is \$43,950 therefore:

100% x \$43,950 = \$43,950, divided by 162 months = \$271.30 per month.

Roll Call: Ayes: 4: Beber, Marcell, Coates, Soderbloom.
Nays: 1: Zanon. Motion carried.

The Special Meeting scheduled for Friday December 21, 2007, was re-scheduled for January 10, 2008 at 10:00 a.m.

Beber moved to adjourn at 5:00 p.m. Zanon supported. All were in favor. Motion carried.

Kathy L. Anderson, Deputy Clerk