CITY OF IRON RIVER
PUBLIC HEARING
Wednesday, May 15, 2019
2 PM
Minutes

Mayor Terry Tarsi called the hearing to order at 2 p.m., in the Council Chambers of the Iron River City Hall.

Roll Call: Rodney Dood, Jere Fritsche, Tricia Mercier, Dennis Powell and Tarsi.
Absent: None.
Also present: Attorney Mark Tousignant, Manager David Thayer and Clerk Rachel Andreski.

Public in attendance: Vicky Powell, Mike Stafford, Adam Stender (WIKB), Craig Richardson (GEI Consultants) and Jeremy Johnson (Iron County Reporter).

PURPOSE OF PUBLIC HEARING: To receive public comment on Truth-in-Taxation. Thayer explained this year our taxable value increased, therefore the City will be collecting more tax monies. Per state statute, a public hearing is required to inform the public the City will collect the increase. Thayer recommends adopting the same existing millage, which is the same as last year.

Mercier asked where the extra money goes. Thayer stated we do not collect the extra money. Dood stated in the long run, it could be detrimental. Thayer agreed and stated next year we will most likely run into this issue again.

There being no further comment, Mayor Tarsi closed the Public Hearing at 2:07 p.m.

CITY OF IRON RIVER
REGULAR MEETING
Wednesday, May 15, 2019
2 PM
Minutes

Mayor Terry Tarsi called the meeting to order at 2:07 p.m., in the Council Chambers of the Iron River City Hall. The Pledge of Allegiance was recited.

Roll Call: Rodney Dood, Jere Fritsche, Tricia Mercier, Dennis Powell and Tarsi.
Absent: None.
Also present: Attorney Mark Tousignant, Manager David Thayer and Clerk Rachel Andreski.

Public in attendance: Vicky Powell, Mike Stafford, Craig Richardson (GEI Consultants), Adam Stender (WIKB) and Jeremy Johnson (Iron County Reporter).

PUBLIC COMMENT
None.
CITY OF IRON RIVER

NOTICE OF PUBLIC HEARING ON
INCREASING PROPERTY TAXES

The City Council of the City of Iron River will hold a public hearing on a proposed increase of .2128 mills in the operating tax millage rate to be levied in 2019. The hearing will be held on Wednesday, May 15, 2019 at 2 p.m. at Iron River City Hall Council Chambers, 106 W. Genesee Street, Iron River, MI 49935.

The City Council will take action on the proposed additional millage at their regularly scheduled meeting following the public hearing.

If adopted, the proposed additional millage will increase operating revenues from ad valorem property taxes .011% over such revenues generated by levies permitted without holding a hearing. The additional millage will generate $11,165. If the proposed additional millage rate is not approved the operating revenue will increase by .0035% over the preceding year’s operating revenue.

The taxing unit publishing this notice, and identified below, has complete authority to establish the number of mills to be levied from within its authorized millage rate.

The proposed General Fund budget is planned at $2,192,735. The Downtown Development Authority budget is planned at $181,078 supported in part by 1.9966 mills levied over the DDA District. A copy of the City Budget is available for public inspection at the office of the City Clerk.

This notice is published by:

City of Iron River
106 W. Genesee Street
Iron River, MI 49935
906-265-4719

(30)

DAT
050319
APPROVE AGENDA
Fritsche moved, with support from Mercier, to approve the Agenda with the following additions: New Business: f) Nanaimo Park Playground Equipment Proposal. All were in favor; Motion carried.

APPROVE MINUTES
Powell moved to approve the April 17, 2019 Regular Meeting Minutes as written. Dood supported. All were in favor; Motion carried.

CONSENT AGENDA
Dood moved, Fritsche seconded, to receive and file, the Consent Agenda which included the following:

a) April 10, 2019 Parks and Recreation Committee Regular Meeting Minutes
b) DPW Report
c) Police Report

Dood stated it’s nice to see another police officer, especially out in the public. Tarsi added it’s also nice to have a Parks and Recreation Committee. The group is meeting faithfully and getting things done being led by a great chairperson, Craig Richardson. Fritsche stated he has witnessed Chief Bristol and Officer Kempainen patrolling the City and it is very nice to see. Tarsi asked if the City still has the radar machine. Thayer stated we use it all the time.
Roll Call: Ayes – 5: Mercier, Powell, Fritsche, Dood and Tarsi. Nays – 0. Motion carried.

REPORTS
Attorney’s Report: Tousignant stated he had nothing to add to his written report.
Mercier moved, Powell supported, to approve the Attorney’s Report. All were in favor; Motion carried.

Manager’s Report: Thayer presented to Tarsi the Loss Control Achievement Award that the City was selected to receive from the Michigan Municipal League (MML) Worker’s Compensation Fund. The City was 1 of 34 in the State to receive the award which are given to members with outstanding dedication to employee health and safety.

Thayer announced the Veteran’s War Memorial refurbishment is complete, with over $43,000 raised to support the project. The last item is to hire a stone mason to perform some repairs to the foundation along with a few electrical upgrades. Thayer expects to have enough funds to cover these items, and what is collected in excess, will be turned over to the Iron River Veteran’s Memorial Association for their maintenance fund. The unveiling will take place at 9:30 on May 27th (Memorial Day).

Thayer also reported:

- The auction for the surplus vehicles and trailers has ended and $6,411 was received. Thayer indicated we will be more proactive about getting rid of equipment we don’t have a use for.
• Blue Cross Blue Shield health insurance premium costs have increased 7.88%. Thayer followed 44N, our plan administrator, recommendation to increase the amount the City co-insures from $1,000/$4,000 to $1,000/$5,000. This increase will save us over 2% in premium costs.

• Settled the K&D lawsuit filed for excessive costs for sewer services.

• Hired Mike Kmiecik as the new custodian at City Hall who started May 1st. Also hired Tony Starkweather as a DPW Generalist who starts May 13th and Dawson Bongi and Turner Bociek as temporary summer workers.

• The large item disposal program is scheduled for June 1st from 8-noon. We will be accepting up to six domestic tires (off of the rims) per household. No loose used shingles will be accepted. Participants must show proof of residency. Fritzsche stated that this will help eliminate blight. Thayer tasked the IRPD to provide to him the 25 most blighted properties in town. Owners of these properties will receive a notice about the clean up and will start ticketing on June 3rd if they are not in compliance.

• This spring’s brush pickup program to date has been the largest collection ever.

• On Monday at 12:30 p.m., a joint meeting of the Iron River City Council, DDA and Planning Commission will meet to discuss our economic development plans and prosperity. This is a required meeting as part of the RRC.

• City Hall is 103 years old and the 7 windows on the east side of the second floor are in disrepair. Thayer has spent a year and half searching for a vendor and an estimate is included under new business. Looking down the road, the breaker box on the third floor needs to be replaced along with electrical work at Nelson Field, Wellhouse #2 and new parking lot lights. Thayer has located an electrician in Iron Mountain as he was unsuccessful obtaining one locally. Dood asked if this will include the outside lights on the City Hall building itself. Thayer will include it.

• At the last meeting, he discussed the Michigan Land Bank Fast Track Authority properties he’s trying to obtain from the State. Our proposal was rejected because they want a larger sale price, like $300 for each property. Of the nine properties, Thayer feels there are maybe two that are worth that price. Thayer will continue to negotiate.

• A policy is in effect for purchasing City property. Thayer has received a bonafide written offer from Jeff Andreski to purchase 32 acres of property for $12,800 located off of the old City dump. Thayer has conducted a review, and said it is reasonable offer for property that is swampy, landlocked and has no future use to the City. Without objection of Council, he will accept the offer. Powell stated it’s a good offer and has no objection. The rest agreed. Thayer will accept the offer.

• Bid openings for the 2019 Housing Demolition Project and Evergreen Street Stormwater Project were held this past week. Friday, bid openings will take place for the DDA Rain Garden Improvements Project and DDA Welcome Sign Landscaping Project. Next Tuesday, Cedar Street Improvement Project bids are due. Thayer feels we will need to hold
a special meeting if the Cedar Street bids are reasonable for the end of next week. Fritsche stated the new signs are very nice.

Dood moved, Mercier seconded, to approve the Manager’s Report. All were in favor; Motion carried.

FINANCIALS
City Financial Reports – April 2019: Dood moved to accept the April 2019 Financial Reports. Mercier seconded.
Roll Call: Ayes–5: Fritsche, Powell, Mercier, Dood and Tarsi. Nays – 0. Motion carried.

Accounts Payable Report – April 2019: Thayer stated some of the projects he had budgeted for this year will not transpire, therefore, the funds will remain in the General Fund. In the Fall, as these projects move forward, we will have to amend the new budget to make allowances for them.
Powell moved to accept the April 2019 Accounts Payable Report. Dood seconded.
Roll Call: Ayes–5: Fritsche, Mercier, Dood, Powell and Tarsi. Nays – 0. Motion carried.

City Attorney Invoice – April 2019: Fritsche moved to accept the City Attorney’s invoice in the amount of $1,312.75. Mercier seconded.
Roll Call: Ayes–5: Dood, Powell, Mercier, Fritsche and Tarsi. Nays – 0. Motion carried.

UNFINISHED BUSINESS
None.

NEW BUSINESS
Adopt FY19-20 Budget Resolution: Thayer has prepared the Fiscal Year 2019/2020 Appropriations Resolution which is the adoption of the budget. He stated this budget was compiled on a fund/cost center line item basis.

The total Citywide appropriations of all funds is $5,504,673. Compared to last year, this year’s budget is $525,158 less. As in the last three years, Thayer provided a list of policies and administrative functions to support certain FY20 Appropriations (see attached).

Tarsi asked what funds do we have that are self-sustaining? Water and Sewer? Thayer stated yes. They are called Enterprise Funds, meaning we can’t collect the water portion of the utility bill and move it into the street funds. Tarsi asked if the phase two of the Nanaimo Park Drainage Project will take place this summer. Thayer stated yes, he is waiting for it to dry up.

Thayer reported that in the proposed budget, he found an error in the Water Fund, specifically 591-000,000-690,000 Penalties. The line item was unintentionally left blank, however, should have $23,000 listed. Also, because Thayer won’t be meeting with our MML Insurance Representative until June, he is estimating the line item 925,000-Insurance portion of the budget. Dood moved, Mercier seconded, to adopt the FY19-20 Budget Resolution with amendments (see attached).
Roll Call: Ayes–5: Fritsche, Powell, Mercier, Dood and Tarsi. Nays – 0. Motion carried.

Acceptance of Housing Demolition Bid: Thayer reported four bids were received for his estimated $100,000 project. The City has spent $21,000 for asbestos testing and abatement. The
Fiscal Year 2020 Appropriations Resolution

The Iron River City Council received the City Manager’s Revenue and Expenditure Plan for Fiscal Year 2020 on May 1, 2019 and accepts that spending plan as the basis for the City’s FY 20 Appropriation Resolution as may be amended by Council and reflected in subsequent minutes. The City Manager’s recommendation was presented on a fund, cost center, and line item basis. The FY 20 Appropriations Resolution is adopted on a Fund/Cost Center basis.

This year, the City’s taxable value increased over last year by $751,537. Truth-in-taxation calculations caused the allowable millage rate to fall to 19.3078 mills, or otherwise stated, .2127 mills less than the current millage rate. The City held a Truth-in-Taxation public hearing and, after listening to all testimony, resolved to continue the current millage rate of 19.5205 with the adoption of this resolution. The amount of revenue collected from this action is $11,165.

The following sums are the appropriations by Fund Account for FY 19:

<table>
<thead>
<tr>
<th>Fund Account</th>
<th>Appropriation</th>
<th>Support (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>101 General Fund</td>
<td>$2,192,735</td>
<td>supported in part by 19.5205 mills</td>
</tr>
<tr>
<td>202 Major Streets Fund</td>
<td>$745,370</td>
<td></td>
</tr>
<tr>
<td>203 Local Streets Fund</td>
<td>$373,329</td>
<td></td>
</tr>
<tr>
<td>204 Muni Streets Fund</td>
<td>$42,100</td>
<td></td>
</tr>
<tr>
<td>209 Cemetery Fund</td>
<td>$10,800</td>
<td></td>
</tr>
<tr>
<td>245 DDA Fund</td>
<td>$181,078</td>
<td>supported in part by 1.9966 mills</td>
</tr>
<tr>
<td>249 Surplus Prop Fund</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
<td>499 RV Park Fund</td>
<td>$2,600</td>
<td></td>
</tr>
<tr>
<td>512 Building Auth Fund</td>
<td>$21,538</td>
<td></td>
</tr>
<tr>
<td>591 Water Fund</td>
<td>$851,255 + 23,000 = 874,255</td>
<td></td>
</tr>
<tr>
<td>593 Sewer Fund</td>
<td>$876,700</td>
<td></td>
</tr>
<tr>
<td>641 Motor Pool Fund</td>
<td>$121,320</td>
<td></td>
</tr>
<tr>
<td>726 Health ABS</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>951 Debt Retirement Fund</td>
<td>$65,748</td>
<td></td>
</tr>
</tbody>
</table>

The Citywide Fiscal Year 2020 Appropriations are $5,504,673.

The Fiscal Year 2019 appropriation was $4,979,515 or $525,158 less than FY 20.
The following policies and administrative functions to support the FY 20 Appropriations are authorized:

1. Replacement of the electrical breaker box in City Hall.
2. Replacement of the electrical breaker box at Nelson Field.
3. Contract for the upgrading of electrical service at the RV park to 50 Amp service for up to 6 sites.
4. Replace the roof on the pavilion and bathroom stalls in Nanaimo Park.
5. Contract for rebuilding of Well #1 and replacing the roof on Wellhouse #1.
6. Replacing the roof on Wellhouse #2.
7. Purchase new commercial water meters.
8. Purchase a zero-turn lawn mower.
9. Purchase a F-250 pickup for the DPW.
10. Purchase an Explorer Patrol Vehicle for the Police Department.
11. Contract for water and electrical service upgrades for the Ice Lake Park bathhouse.
12. Hiring a consultant to assist the Planning Commission updating the Master Plan.
13. Contracting to have up to 50 headstones reset in the Cemetery.
14. To pay routine bills presented to the City and pay other specific budgeted items provided for in this year’s appropriations.
Acceptance of Evergreen Street Storm Sewer Project Bid: Thayer stated three bids were received, with Ryan’s Excavating being the low bid. Craig Richardson of GEI Consultants performed his review of the bids and recommends Ryan’s Excavating in the amount of $26,103. Thayer concurs with Richardson’s recommendation. Fritsche moved to award the Evergreen Street Storm Sewer Project Bid to Ryan’s Excavating in the amount of $26,103. Dood supported. Roll Call: Ayes–5: Mercier, Powell, Dood, Fritsche and Tarsi. Nays – 0. Motion carried.

FY19 Budget Amendments III: Thayer explained at the last meeting, Council approved some amendments, however, he made an error on the application of where the funds should be allocated. For transparency and clean record keeping, he reversed last month’s activities and then transferred them to the Surplus Fund Account as where they needed to go. He stated he was very hopeful we would see a grant from MSHDA for playground equipment and previously set funds aside for the local match. Thayer will discuss that further later in the meeting. Another amendment is for the DDA to cover the two bid proposals for landscaping of the new welcome signs and rain garden in Genesee Street. Dood moved, Mercier supported, to approve the FY2019 Budget Amendments Set #3 as presented. Roll Call: Ayes–5: Fritsche, Powell, Mercier, Dood and Tarsi. Nays – 0. Motion carried.

Window Replacement Bid: As Thayer explained in his report, seven windows located on the east side of the building on the 2nd floor are in dire need of replacement. After a year and a half, he was finally able to obtain a proposal from St. George Glass and Window in the amount of $7,360 for the removal and disposal of the existing windows, new windows and installation. Thayer added the cost is a bit high, but it must be done. Mercier moved, Dood seconded, to approve the proposal from St. George Glass & Window in the amount $7,360. Roll Call: Ayes–5: Fritsche, Powell, Dood, Mercier and Tarsi. Nays – 0. Motion carried.

Nanaimo Park Playground Equipment: Thayer recently had discussions with MSHDA regarding the grant the City applied for that would purchase new playground equipment. This was the fourth round of funding, but the first time Thayer had heard about it. He applied but was not successful in obtaining the grant. Thayer has a proposal for the purchase and installation of playground equipment at Nanaimo Park from Penchura in the amount of $35,113. Thayer stated the excavation portion of the bid ($3,750) can be done cheaper by bidding it or doing it in house. Tarsi moved to grant Thayer the authority to spend up to $35,500 for the Nanaimo Park Playground Project. Dood seconded.

Mercier asked what type of equipment does this proposal include? Thayer responded a merry go round, slide and swing set. Roll Call: Ayes–5: Fritsche, Mercier, Powell, Dood and Tarsi. Nays – 0. Motion carried.
### BUDGET AMENDMENTS

**FY 2019  Set #3**  
May 8, 2019 presented  
May 15, 2019 adopted

**GENERAL FUND**  

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Add/Sub</th>
<th>New Total</th>
</tr>
</thead>
</table>
| 267 Other City Property  
  101.267.801 Professional Services | (21,000) | 3,000 |
| 101.267.818 Contracted Services | (125,000) | 41,509 |
| 708 Community Recreation  
  101.708.970 Capital Outlay | 21,000 | 46,632 |
| (Playground Equipment Match) |         |           |
| 999 Transfer to Other Accounts  
  101.999.999.249 Transfer to Surplus Property | 125,000 | 130,000 |

**DDA FUND**  

**EXPENDITURES**

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Add/Sub</th>
<th>New Total</th>
</tr>
</thead>
</table>
| 210 Administration  
  245-210-818 Contracted Services | 20,000 | 48,789 |
| (Raingarden and WS Landscaping Projects from Fund Balance) |         |           |

**SURPLUS PROPERTY FUND**  

**REVENUES**

<table>
<thead>
<tr>
<th>Income</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>249.000.000.669.101 Transfer from General Fund</td>
<td>125,000</td>
</tr>
</tbody>
</table>

**EXPENDITURES**

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Add/Sub</th>
<th>New Total</th>
</tr>
</thead>
</table>
| 267 Other City Properties  
  249.267.818 Contracted Services | 125,000 | 140,000 |

| DAT | 050819 |

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*Approved 5/16/19*  
*Randuski*  
*34*
PUBLIC COMMENT
None.

COUNCIL MEMBER COMMENTS
Thayer said that St. George Glass and Window caulked the main entryway around windows on the east side of City Hall as it was leaking. He added that once construction projects start, he will launch the alley study as promised. In order to make the necessary repairs, the only solution may be to ask for a special millage as street funding cannot be used, just General Fund monies.

ADJOURNMENT
Fritsche moved to adjourn at 3:22 p.m. Dood seconded. All in favor; Motion carried.

Rachel Andreski, City Clerk