

The Special Meeting of the Ishpeming City Council was held on Wednesday, July 25, 2018 in the Ishpeming City Hall Conference Room. Mayor Juidici called the meeting to order at 10:00 a.m.

Present: Mayor Joseph Juidici, Councilmembers Karl Lehmann, Stuart Skauge, and Mike Tonkin (4).
Absent: Councilman Justin Koski (1). Also present was City Manager Mark Slown and City Attorney Bonnie Hoff.

AGENDA COMMENT – It was suggested item 8 additional water project work be discussed first on the agenda.

ADDITIONAL WATER PROJECT WORK ON PEARL STREET

Brian Fabbri, GEI Consultants, explained there was a section of sidewalk on Pearl Street that was out of the scope of the project which should be replaced. It was the section across from the W.C. Peterson Auditorium at the Ishpeming High School entering into the St. Vincent DePaul parking lot. The estimate for the work was approximately \$4,500 and would be included in Contract III.

Councilman Lehmann expressed his concern with receiving this information on such short notice; Councilman Skauge did not think the dollars should be spent on this section of sidewalk until the end of the project; Mayor Juidici felt that since it was located across from High School Auditorium it should be replaced.

A motion was made by Mayor Juidici and supported by Councilman Tonkin to approve the additional sidewalk work on Pearl Street for the amount not to exceed \$4,500. Ayes: Mayor Juidici, Council Members Lehman and Tonkin (3). Nays: Councilman Stuart Skauge (1). Motion passed.

PRESENTATION OF THE 2017 AUDIT

Michael Greutz, Anderson, Tackman and Company, reviewed the financial statements for the year ending December 31, 2017. He summarized the individual funds, fund balances, assets and liabilities, and fund transfers. There was discussion regarding MERS pension plans, unfunded liability, and regulations on recording the unfunded liability.

Councilman Lehmann was pleased that after buying much needed equipment the City still had 90+ days of fund balance.

Mr. Greutz noted there were two instances of non-compliance; first, the deficit in the Water Fund which was being addressed with the Deficit Elimination Plan and second, the City did not fully fund the annual required contribution to the Police Fire Pension System due to a miscalculation in the DDA recapture. The City was in good health overall and in a much better position than five years ago because of management of expenses.

A motion was made by Councilman Lehmann, supported by Councilman Skauge and carried unanimously to accept and approve the 2017 Audit report as presented.

Mr. Greutz noted their contract with the City was expiring this year and asked that the City to consider renewing their contract.

MERS DISCUSSION

Terra Langham, Regional Manager with MERS, reviewed the status of MERS overall for the City and also reviewed the requirements of Public Act 202. She is currently meeting with the City's MERS Sub-

Committee to review possible options for the Corrective Action Plan to help reduce the unfunded liability. There was discussion regarding what other municipalities have done. Also, she talked about the various options including reducing benefits for new hires, bridging benefits, and allocating more dollars to reduce the unfunded liability.

Mrs. Langham advised MERS is requiring the retroactive enrollment of the City Attorney as the position met the day of work definition in the MERS Plan documents. Retroactive enrollment for this position would go back to 2016 when the position became a part-time position with the City. She reported that the issue arose during discussion regarding the Chief of Police position. Mrs. Langham stated that Council action and City Manager action was not required; this retro-active enrollment could be done as a corrective action.

Attorney Hoff noted this issue had been discussed for approximately one year and the City was currently out of compliance with the MERS Plan document.

It was the consensus of Council to hold off on making a decision to allow time to review the information provided.

FINALIZE 2019 CAPITAL IMPROVEMENT PROJECTS AND GOALS

A motion was made by Councilman Lehmann, supported by Councilman Tonkin and carried unanimously to accept the 2019 Capital Improvement Project and Goals as presented and the documents are not based on available funding.

DISCUSSION OF MALTON ROAD DEVELOPMENT

Manager Slown suggested staff prepare a Request for Proposals seeking development on Malton Road.

Al Pierce, Zoning Administrator, advised the Planning Commission discussed proposed development on Malton Road and they encouraged Council to distribute the proposal outside of the immediate area. The Planning Commission also had mixed opinions regarding any municipal statement addressing applicable Phase One or Phase Two environmental status as the property was purchased from CCI with the City assuming responsibility for the environmental condition.

There was discussion among Council and staff regarding possible development; utilities to that area; and the Planning Commission's discussion.

A motion was made by Councilman Skauge, supported by Mayor Juidici and carried unanimously to proceed with seeking proposals for the Malton Road area.

CITY OF ESCANABA REQUEST – DARK STORE

Manager Slown reported the County of Marquette supported funding to Escanaba for this effort.

Councilman Skauge explained his opinion of the Dark Store issue which he felt would affect Ishpeming as well as the entire State of Michigan. He suggested a donation should be made to Escanaba in support, even if it were minimal. Discussion followed regarding the possible impacts. Councilman Lehmann felt if the County had made a donation, the City was included.

A motion was made by Councilman Skauge and supported by Councilman Lehmann to contribute \$500 to the City of Escanaba towards the Dark Store effort. Ayes: Councilman Skauge (1). Nays: Mayor Juidici, Council Members Lehmann and Tonkin (3). Motion failed.

REPORT ON PROGRESS OF DIVISION STREET PROPERTY

Manager Slown advised this property sale is still being worked on.

PK CONTRACTING QUOTE FOR PAVEMENT MARKING

A motion was made by Councilman Skauge, supported by Councilman Lehmann and carried unanimously to waive competitive bidding on the recommendation of the City Manager and approve the quote from PK Contracting for pavement marking in the amount of \$4,832.10.

ADJOURNMENT

At 12:05 p.m., a motion was made by Councilman Lehmann, supported by Councilman Tonkin and carried unanimously to adjourn.

Respectfully submitted,



Cathy Smith
Recording Secretary