

Council Proceedings, October 25, 2023
Ishpeming, MI 49849

The special meeting of the Ishpeming City Council was held on Wednesday, October 25, 2023, in the Ishpeming City Hall Council Chambers. Mayor Jason Chapman called the meeting to order at 6:00 p.m.

ROLL CALL

Present: Mayor Jason Chapman, Council Members Lindsay Bean, Elizabeth Firby, Renelle Halverson, and Pat Scanlon (5). Also present was City Manager Craig Cugini.

APPROVAL OF AGENDA

A motion was made by Councilmember Scanlon, supported by Councilmember Firby and carried unanimously to approve the agenda as presented.

AWARD OF ENGINEERING SERVICES CONTRACT TO UPEA FOR THE DRINKING WATER STATE REVOLVING FUND (DWSRF) PROJECT

Manager Cugini advised the City was awarded the DWSRF funding and staff recommends the engineering professional services contract be awarded to UPEA since they have prepared the grant application and this would allow work to continue so bonding could be obtained in the spring.

A motion was made by Councilmember Scanlon, supported by Mayor Chapman and carried unanimously to waive competitive bidding and award the contract to UPEA for the Drinking Water State Revolving Fund as they have been working on the project and prepared the funding application, contingent upon legal review of the contract by the City Attorney.

DISCUSSION ON THE PROPOSED 2024 BUDGET

Councilmember Scanlon felt the budget was a living document and was continually reviewed and amended as needed. He thought the budget was acceptable and could move forward to the public hearing.

Councilmember Firby expressed her concerns with the suggestion of a health insurance premium share for employees. She did not want to be in a situation where the proposed budget includes a health insurance premium share; and, if the premium share was not approved by Council, then having an issue with the proposed 2024 budget.

Manager Cugini advised the resolution for acting on PA 152 would be on the November 8th Council agenda. Staff's recommendation was to again opt-out of PA 152 as was done in prior years. This would still allow for an employee premium share, but it could then be less than 20%. In the budget proposal, staff suggested a 20% employee premium share to offset the approximate \$40-60,000 deficit in the General Fund.

Councilmember Bean noted the recommendation in the budget message was to look at a premium share as a possibility and to understand how it impacts the General fund. This would impact employees; however, this has been talked about for a number of years. This would not be acted on tonight as Council has not acted on PA 152 yet.

Mayor Chapman felt there had to be ways to save money in the general fund so employees would not be required to pay a premium share towards their health care. He would like to look at the budget in more detail to find some savings/cuts.

There was discussion related to the Library budget which included the cost of supplies and the library contracts with surrounding municipalities. Library Director Jesse Shirtz would provide additional information on the township contracts for library service and statistics on library use.

Finance Director Getschow advised that the equipment rentals to the General Fund would be paused for 2024 due to the Motor Pool fund balance. Discussion took place on the Motor Pool Fund. It was noted by Council that each piece of equipment recommended for purchase was looked at on an individual basis.

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Discussion followed related to various alternatives to an employee health insurance premium share including finding saving in the budget with utilities, cutting in various line items in the budget, looking for other health insurance plans; asking each Department to reduce their budget, and the possibility of restructuring the millages between general operating and public improvement.

Councilmembers Scanlon, Firby, and Mayor Chapman felt incorporating an employee premium share at this time should not be an option. Premium shares should be discussed during negotiations.

Councilmember Bean added most organizations have an employee premium share and if the City opts out like it has in past, the premium share would not have to be set at 20%. She felt a more reasonable approach would be to have an incremental approach versus the 20% immediately; that would still put some cost to employees and but would relieve some employer costs. If a premium share is implemented, the City would not be shouldering the full burden of the insurance costs. Council should be looking at the organization as a whole.

Discussion continued and Councilmembers would review the budget and send any recommended cuts or changes to staff. Several Councilmembers did not want to implement an employee health insurance premium share for 2024. Staff would provide some alternative options for consideration.

ANDERSON TACKMAN INVOICE FOR EXTRA HOURS FOR THE 2022 AUDIT

Manager Cugini advised this invoice was to cover some additional hours needed for correcting various issues during the audit. The additional hours totaled \$3,600.

A motion was made by Councilmember Scanlon supported by Mayor Chapman and carried unanimously to approve the extra hours for the 2022 audit in the amount of \$3,600.

DPW REQUEST TO PURCHASE A 2023 JOHN DEERE BACKHOE

DPW General Foreman Bill Anderson advised the backhoe was for use by the Cemetery. John Deere was currently offering discounted prices and he was requesting the purchase of the 2023 John Deere Backhoe with two payments of \$5,000 to be made in November/December 2023 and one lump sum payment of \$143,977 to be made in January 2024. He further advised staff recommends that backhoe #340 be declared surplus and sold on bids with a minimum bid starting at \$20,000.

A motion was made by Councilmember Scanlon supported by Mayor Chapman and carried unanimously to approve the purchase of the John Deere 315SL Backhoe as presented including the vendor, payment structuring, and pricing.

A motion was made by Councilmember Firby, supported by Councilmember Scanlon and carried unanimously to declare backhoe #340 as surplus and to be sold on bids with minimum bid starting at \$20,000.

PUBLIC COMMENT

Claudia Demarest, 821 Maurice Street, felt the health insurance premium share of 20% would be too costly for employees, particularly union employees; questioned when the contract with North Country Disposal was up and expressed concern over the disposal of recyclables; asked if the 2024 budget would be adopted with a deficit; and thought the Siren contract and Lake Superior Community Partnership should be cut from the 2024 budget.

Chris Holmes, from UP Engineers and Architects, introduced himself to the City Council and thanked the Council for approving the UPEA contract for the DWSRF Water Project.

There was discussion among Council with regards to responding to public comment and it was the consensus of Council to not respond to public comment as public comment was not for a debate/discussion.

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Mike Tonkin, 612 N. Third Street, advised in going through the budget he questioned the Brasswire Campground in the DDA budget; asked if there was going to be training for the City Council in the budget; felt the budget was a living document but certain line items should be monitored; and would like to see the budget meetings begin sooner.

ADJOURNMENT

At 7:21 p.m., a motion was made by Councilmember Firby supported by Councilmember Scanlon and carried unanimously to adjourn.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Cathy Smith", written in dark ink.

Cathy Smith
City Clerk