

Crystal Falls, Michigan

January 12, 2009

A regular meeting of the Council for the City of Crystal Falls was held in the Council Chambers of the City Hall on Monday, January 12, 2009 at 5:00 P.M. Central Time.

Roll Call: Mayor Hendrickson, Councilors Hagglund, Burke, Bicigo, and Smokevitch.

Absent: None

Also Present: City Manager Nordeman, City Attorney Lawrence, and City Clerk/Treasurer Olson.

Visitors: Tony DeMuri, Shannon Kritz, Jessica Phillips, Andy Boussum, Elisha Oleksy, Gina Kosmopoulos, Tara Peltoma, Robert Rafferty, Jake Jacobson, Jeff Sartori, Bob Reid, Mick Valesano, Scott Kenney, Larry Bicigo, Donna Nelson, Randy Hegstrom, Lindsay Harmon, Bruce Rampage, Jane Bal, Kelly Stankewicz, Lisa Waldo, Luke Curnow, Marlene Bicigo, Cody Ponchaud, Brian Caroen, Paul Hegstrom, Adam Takala, Randy Curnow, Gerard Valesano, Jim Wheeler, Andrew Bosk, Jeff Bal, Mary Jean Thoreson, and Lynn Perry

Mayor Hendrickson led the reciting of the Pledge of Allegiance. Councilor Burke seconded by Councilor Smokevitch moved that the items on the Consent Agenda be approved as noted below:

1. The minutes of the regular meeting of December 8, 2008 as written.
2. The following reports for the month of December 2008:
  - A. Joint Fire Authority report, as submitted by Fire Chief Ahola, indicating answering one (1) fire call; spending approximately 10 man-hours fighting fires; and holding one (1) practice and training sessions.
  - B. Police report, as submitted by Police Chief Robert Sherwin, indicating 178 complaints, of which 5 were closed by arrest, and logging of 2,295 miles on patrol duty.
  - C. Electric Department activity report as submitted by David Graff, Chief Electrician.
  - D. Public Works Department activity report as submitted by Foreman Kelly Stankewicz.
  - E. Treasurer's Revenue Report as submitted by Clerk/Treasurer Dorothea Olson.
3. Payrolls and disbursements in the amount of \$461,888.04, be approved, and instruct the City Clerk to draw checks on the City Treasury in payment of same.

Motion carried.

A contingent of citizens including Mary Jean Thoreson, Paul Hegstrom, Jeff Bal, Lisa Waldo, and Marlene Bicigo commented and addressed the Council regarding Crystella Ski Hill, urging the Council to make the ski hill a top priority for the winter months

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and perhaps have the hill open more hours than currently scheduled.

Mayor Hendrickson called a brief recess at 5:32 pm

Meeting reconvened at 5:35 pm

Public Works Foreman Kelly Stankewicz noted that he did not think the city crews could man the ski hill full time due to a reduced workforce.

Mayor Hendrickson thanked everyone and noted that their comments would be taken under advisement.

Robert Rafferty, TRICO Opportunities, presented the annual TRICO maintenance contract for the River walk with the addition of caring for the pocket park.

Mayor Hendrickson seconded by Councilor Hagglund moved to approve the 2009 contract with TRICO for the maintenance of the River walk and also the City Hall pocket park for a total of \$1,860.00.

Ayes: Mayor Hendrickson, Councilors Smokevitch, Hagglund, and Bicigo. Nays: Councilor Burke

Motion carried.

Lindsay Harmon & Bruce Rampage, representing the Iron County Community Hospital, gave a presentation on the new addition plans for the hospital.

Donna Nelson of 501 Fairway Road addressed the Council regarding a water line problem that was prolonged because the City refused to believe that the shut off was leaking. Mrs. Nelson noted that the problem was corrected at an added expense to her. Mayor Hendrickson apologized for Mrs. Nelson's inconvenience in the matter.

Randy Hegstrom requested the answers to several questions regarding retiree's health insurance, the power plant, longevity payments, and the golf course funding.

City Auditor, Scott Kenney, suggested the city use TIF funds for the Manor parking lot project. He noted that the Manor project is a cornerstone project to assist in the development of the downtown area. Questions regarding the procedure to do this were left for future discussions with Attorney Geoffrey Lawrence.

Auditor Kenney further recommended the elimination of the MERS

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plan for new hires by offering a defined contribution plan instead to keep the cost to the city down and allow the employees to contribute to the plan. He also cautioned the Council that by opening a window for employees to take an early out the City will most likely be spending more money unless those employees are never replaced.

Manager Nordeman and Mayor Hendrickson updated the Council on the issues discussed at the DDA meeting held earlier in the afternoon. Manager Nordeman gave a brief update of the Crystal Manor redevelopment status noting that Hovey Co. is currently taking another look at the construction bids.

Mayor Hendrickson temporarily adjourned the meeting to conduct a Public Hearing at 7:00 p.m.

PUBLIC HEARING:

Manager Nordeman explained the proposed swap of property with Larry Bicigo. The swap would include parcel #36-052-200-083-00 (Lot 83 of Glendale Addition), currently owned by Larry Bicigo for the City owned abandoned right-of-way at the end of Jackson Street.

There were no public comments regarding this issue.

There were no Council comments regarding this issue.

The Public Hearing was closed at 7:03 p.m.

Mayor Hendrickson seconded by Councilor Smokevitch to approve the land swap of the City owned abandoned right-of way at the end of Jackson Street for parcel #36-052-200-083-00 (Lot 83 of Glendale Addition) with Larry Bicigo.

Ayes: Mayor Hendrickson, Councilors Burke, Smokevitch, and Hagglund. Nays: None Abstain: Councilor Bicigo.

Motion carried.

Jeff Bal, STS, engineer for the City for the S2 Project which is slated to replace the Western Lift Station and its force main under the Paint River, presented the project Milestone Schedule for approval of the Council along with a contract for the design and construction observation services for the project.

Mayor Hendrickson seconded by Councilor Burke moved to accept the Michigan Department of Environmental Quality (MDEQ) State

Revolving Fund (SRF) Project Milestone Schedule for 4<sup>th</sup> Quarter Financing in Fiscal Year 2009 with the anticipated loan closing set for September 21, 2009.

Motion carried.

Mayor Hendrickson seconded by Councilor Bicigo moved to approve the proposal for Design and Construction Services for the S2 SRF Sewer System Improvements Project with STS/AECOM (STS Project #200805145) in the amount not to exceed \$45,800.00 as presented, contingent on determination of the use of sewer funds for the engineering cost prior to the closing of the loan.

Motion carried.

Regarding the proposal for the City to join WPPI, Manager Nordeman indicated that a special meeting will be needed to discuss this further with the Council.

Manager Nordeman recommended postponement of action on the proposed 5-step non-union payroll scale as it would not become effective until 10/1/09.

Councilor Hagglund seconded by Councilor Hendrickson moved to adopt the following resolution:

RESOLUTION  
CITY OF CRYSTAL FALLS  
CREDIT CARD/ELECTRONIC PAYMENT

WHEREAS, Act 280 of the Public Acts of 1995, as amended (MCLA 129.221, et seq.) ("Act") permits a local unit of government to accept payment by a financial transaction device for a tax, assessment, or fee if the governing body of the local unit adopts a resolution authorizing said transactions; and

WHEREAS, the City of Crystal Falls desires to accept payment by financial transaction devices for certain fees and charges for the City of Crystal Falls; and

WHEREAS, the City Council has reviewed the recommendations submitted by the staff of the City Clerk/Treasurer's office, recommending the acceptance of payments through Discover/Visa/Mastercard credit and debit cards and Automated Clearing House (ACH) electronic transfers for the following items:

- \* Utility billings (water, sewer, electric and cable TV)
- \* Property taxes
- \* Permit fees
- \* Service Deposits
- \* Cemetery fees
- \* Recreation fees
- \* Accounts receivable billings
- \* Ordinance fines
- \* Other fees and charges assessed by the city (at this time no items with the City of Crystal Falls are exempted from payment by credit/debit cards or ACH transfers)

WHEREAS, the City Clerk/Treasurer and Deputy Clerk/Treasurer are charged with overseeing the payment methods and credit/debit card charges to the City of Crystal Falls, and the City shall coordinate such methods through the First National Bank of Crystal Falls,

NOW THEREFORE BE IT RESOLVED, the City of Crystal Falls hereby authorizes the acceptance of credit/debit cards and ACH transfers for payments to the City.

Resolution adopted

Councilor Smokevitch seconded by Councilor Hagglund moved to include Edward Jones and CoVantage Credit Union as designated depositories for City funds in accordance with the City's Investment Policy.

Motion carried.

Councilor Burke seconded by Councilor Hagglund moved to approve the purchase of a Magikist pulse jet de-icer line thawer from HD Waterworks Supply in the amount of \$2,350.

Motion carried.

Councilor Bicigo seconded by Councilor Burke moved to increase the CATV rates by \$2.50 (to \$23.00) for basic and by \$.25 (to \$11.25) for HBO effective immediately with the billings mailed January 2009.

Motion carried.

Councilor Bicigo seconded by Councilor Hagglund moved to accept the negotiated three (3) year contract with WLUK TV.

Motion carried.

Councilor Bicigo seconded by Mayor Hendrickson moved to approve the following:

PERFORMANCE  
RESOLUTION  
FOR GOVERNMENTAL AGENCIES

RESOLVED WHEREAS, the City of Crystal Falls, hereinafter referred to as the "GOVERNMENTAL AGENCY", periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utility or other facilities, or to conduct other activities, on, over, and under state trunkline right of way at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the GOVERNMENTAL AGENCY agrees that:

Each party to this Agreement shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Agreement, as provided by law.

This Agreement is not intended to increase either party's liability for, or immunity from, tort claims.

This Agreement is not intended nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.

1. Any work performed for the GOVERNMENTAL AGENCY by a contractor or subcontractor will be solely as a contractor for the GOVERNMENTAL AGENCY and not as a contractor or agent of the DEPARTMENT. Any claims by any contractor or subcontractor will be the sole responsibility of the GOVERNMENTAL AGENCY. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL AGENCY, or their subcontractors or any other person not a party to the PERMIT without its specific prior written consent and notwithstanding the issuance of the PERMIT.
2. The GOVERNMENTAL AGENCY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of

Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the Stat of Michigan, the DEPARMENT, and /or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation , a judgment for money damages.

3. It will, by its own volition and/or request by the DEPARMTNE, promptly restore and/or correct physical or operating damages to any State trunkline right of way resulting from the installation construction, operation and/or maintenance of the GOVERNMENTAL AGENCIES facilities according to a PERMIT issued by the DEPARTMENT.
4. With respect to any activities authorized by PERMIT, when the GOVERNMENTAL AGENCIES requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.
5. The incorporation by the DEPARTMENT of this resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
6. This resolution shall continue in force from this date until cancelled by the GOVERNMENTAL AGENCY or the DEPARMTENT with no less than thirty (30) days prior written notice to the other party. It will not be cancelled or otherwise terminated by the GOVERNMENTAL AGENCY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED, that the following positions(s) are authorized to apply to the Michigan Department of Transportation for the necessary permit to work within state trunkline right of way on behalf of the GOVERNMENTAL AGENCY:

- Charles Nordeman - City Manager
- Kelly Stankewicz - Public Works Foreman
- David Graff - Chief Electrician

Resolution adopted.

Attorney Lawrence offered to review the amended Iron County 911 plan and report back to the Council with advice regarding any action they may need to take on the plan.

Clerk/Treasurer Olson was directed to develop a "Poverty Exemption Policy" for the Council to consider for adoption.

Councilor Burke moved that the City Attorney & City Manager draft a long term contract for the City Manager (not salary) for future consideration.

This motion died for lack of support.

Councilor Hagglund seconded by Councilor Bicigo moved to adjourn this meeting.

Motion carried.

Meeting adjourned at 8:45 p.m.

PRESIDING OFFICER \_\_\_\_\_

PRESIDING CLERK \_\_\_\_\_