

Crystal Falls, Michigan

March 22, 2007

A special meeting of the Council for the City of Crystal Falls was held in the Council Chamber of the City Hall on Thursday, March 22, 2007 at 5:00 pm Central Time.

Present: Mayor Hendrickson, Councilors Heikkinen, Smokevitch, Valesano, and Bicigo

Absent: None

Also present were City Manager Nordeman, and City Clerk/Treasurer Olson.

Visitors in attendance included: Mark Simeoni, Larry Bicigo, Julie Melchiori, David Graff, Merle Lebakken, and Mr. and Mrs. Walter Trzeciak.

The purpose of this special meeting was to discuss and consider the following items:

- Electric Rate Issues
- Iron County Economic Development Corp billing to City
- Iron County Economic Development Corp consulting contract
- Wage/Salary Committee report

Mayor Hendrickson led the reciting of the Pledge of Allegiance.

David Graff, Chief Electrician for the City, gave some background information on the energy market, the City's rate structure, and the effect of P.A. 141 on the City. He suggested the City needed to consider purchasing electronic metering to minimize the loss of electricity, implementing demand meters, and adjusting the rate schedule to encourage the bigger users to assist in the use of electricity during off-peak hours. He then turned the program over to the consultant, Merle Lebakken. Mr. Lebakken reviewed a handout that explained the billings received by the City from WE Energies and agreed with Mr. Graff regarding the use of demand meters by the bigger consumers. He gave some suggestions on how to structure rates using customer charges, energy charges, and demand charges. Mr. Lebakken suggested that the electronic metering would certainly make the monitoring of the demand usage more efficient.

The Council asked various questions and then thanked Mr. Lebakken for his report.

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The Wage/Salary issue discussion was postponed to a special meeting set for Tuesday, April 3, 2007 at 5:00 pm.

Mayor Hendrickson seconded by Councilor Valesano moved to approve the payment of a billing in the amount of \$900.89 to the Iron County Economic Development Corporation for various services in connection with the Crystal Manor Marketing.

Motion carried.

Mayor Hendrickson seconded by Councilor Heikkinen moved to enter into a consulting agreement with Iron County Economic Development Corporation (ICEDC) for consultant and grant administration services to facilitate the redevelopment of the Crystal Manor building by Hovey Companies. Said agreement will become effective April 1, 2007 and will cover 20 hours of ICEDC services at \$50.00/hour.

Motion carried.

Meeting adjourned at 7:37 pm.

Presiding Officer

Presiding Clerk