

Worksession
June 17, 2009
6:30 p.m.

Present: Councilors Gemignani, Freeman, Laitila, Belej (late), Slivon and Hainault.

Absent: Councilors McKenzie

Also present: Manager Anderson, City Clerk Haischer, Police Chief Mike Beaudoin and DPW Director Doug Hayrynen. Kurt Hauglie (late)

Reviewed and Discussed:

1. Canal Crossing Update.
 - MDOT driveway easement by next week
 2. UPPCO incubator bids were delayed 30 days.
 3. Dikeman lawsuit (Cemetery property)
 - Dikeman hired an attorney out of Iron River
 - trial date is set for 9-29-09
 4. Lakeview Manor paid their \$4000 towards the transit system.
 5. Planning Commission reviewed the site plan for a rental cabin on M203 near the old Northshore building. Would be a two story cabin with garage.
 6. Portage Health is planning a 2 million addition to the clinic at the SDC.
 7. AE Seaman Mineral Museum is looking to move to the basement floor of the Citizens Bank Building under the parking deck.
 8. Memorial Chapel water damage was over \$7000 and turned over to our insurance company.
 9. Northern Auto claims are still pending. Damage to their vehicles by our sander.
 10. City Picnic is Friday, July 10th starting at noon at the Hancock Beach.
 11. City Manager will be in Sault Ste. Marie from July 29th -July 31st.
 12. Jims' Pizza put up a new deck.
 13. The Waterfront Restaurant might expand their outside seating.
 14. Jim Donahue put in a claim with his insurance company and they have a settlement. He is working on the inside of the home and living in the house at this time.
 15. Houghton County purchased a 1.85 A parcel from Finlandia University for \$156,000 to expand their parking lot and possible future development. (near the Jutila Building)
 16. Finlandia University has delayed the Condon Field start date for later this fall.
 17. Entrance sign committee is reviewing entries.
 - members from FU, DDA, HBPA and Council
 18. ZBA scheduled for Monday for a request from 1401 Jasberg Street.
 19. Mark Korpela building update.
 20. FU update. Duane Aho from Citizens Bank has taken a job with Finlandia.
 21. 4 million financing - Osceola Twp. for sewer project.
 22. Closed on the City Garbage Truck 6-3 and should be in service today 6-17.
 23. Camp Kitwen - closing. Work crew will be out of Baraga. Would the City still be interested in using them?
 24. FYI - Home owner Steward Sintkowski (owner of 906 Third Street) moved to E. Atlantic Street. Neighborhood complaints about the condition of 906 Third Street.
 25. City is still in the running for a NSG grant from MSHDA for \$210,000
 26. \$60,000 planning grant for the Arts Center (Phase I)
 27. Personnel Committee to meet to review City Manager contract within the next month.
 28. RD water project probably will get funded and the sewer project is still out there in the running.
 29. MDOT preliminary computer modeling presentation.
 - Planning Commission and traffic sub-committee
 30. Finlandia University Steam District. City as applicant?
 31. Transit update.
- Next week Joe/ will be out of the office for a vehicle maintenance meeting in Rosscommon. Manager will be out of town on July 14th at Central in Mt. Pleasant for a transit meeting (which is required).
32. SS Peter and Paul Lutheran Church update.
 33. PLWSA union negotiations stalled - went thru mediation.
 34. KBIC has a new beer named after Houghton City Manager (Scotts Demolition Pale)
 35. Quincy Smelter Update.
 - two day discussion July 29th and 30th (Senator Levin)

36. DPW Public Works monthly report for May, 2009.

-City picnic July 10th at noon. City will have two guys out soliciting for donations.

-Clean up went well, speed bumps are in place. Hired four guys for the summer parks crew.

-Porvoo bathrooms are open, tori tent is up, flower baskets are out and planted. Crew is busy at the driving park. Update on MJO rapping up the water project. Vactor truck training was completed and truck has been out every day this week. Tested Houghton water source. Summer projects include: contract out pressure reducing valves, test large water meter users, blacktop bids and repair leaks. City can purchase an extended warranty for 5 years at a cost of \$4,436.00. We have 6 months from date of delivery to decide.

37. Police monthly report for May, 2009

-188 complaints.

2 DD (both on orv's), B&E at the Houghton County Arena, wire transfer fraud was sent to the FBI, 4 MDOP, 2 larcenies from a building, 1 MIP for drinking, embezzlement from a local contractor, child abuse May 30th (3 month old). The child is at U of M with 3 skull fractures, 11 broken ribs. Could be shaken baby syndrome. Lock down at the high school, Parade of Thanks, Bridgefest coming up this Friday, one attempted suicide, 11 traffic accidents, bear was seen on Summit Street and in Sylvan Estates, injured on the bridge.

7:42 p.m.

1. - Public Hearing on the proposed 2009/2010 Budget, All Funds FYE 6-30-2010 with \$6,584,578 in Revenue and \$6,366,206 in Expenditures and adopting millage of 13.4917 for General Fund operations and .7847 for Fire Department capital equipment.

2. -Public Hearing on proposed ordinance "AN ORDINANCE TO REPLACE ORDINANCE NO. 255 AND AMENDED SECTION FOUR (4) OF ORINANCE 123; SEWER USE MINIMUM CHARGE AND RATE AND MANDATORY CONNECTION AS AMENDED: This Ordinance raises the sewer from \$4.88 to \$5.65 starting with the June billing.

Also present: Ray and Crissy Gerhart.

Mayor Laitila opened this Public Hearing at 7:42 p.m. and hearing no public comments, closed this public hearing at 7:44 p.m.

Regular Meeting

June 17, 2009

7:44 p.m.

The regular meeting of the Hancock City Council was held in the Council Chambers on Wednesday, June 17, 2009 at 7:44 p.m. with Mayor William Laitila presiding. The United States Flag was honored by all in attendance with the following duly qualified Councilors being present. Councilors Hainault, Slivon, Belej, Laitila, Freeman and Gemignani.

Absent: Councilor McKenzie

Moved by Councilor Belej and seconded by Councilor Freeman to excuse Councilor Lisa McKenzie from the June 17th and July 15th regular meeting and Councilor Ted Belej from the June 30th special meeting.

Yes: All

No: None

Motion Carried.

Moved by Councilor Hainault and seconded by Councilor Belej approving the June 17, 2009 Agenda as presented.

Yes: All

No: None

Motion Carried.

correspondence

MI Public Service Commission

Letter from Semco Energy

Letter to Mark Hannula re: Memorial Chapel

Letter to Hancock Housing Commission for donation to the Transit System \$4000.

Letter from Finlandia University

Letter to Glenn Anderson from Rick Loduha and Barbara Hardy re: neighborhood

Moved by Councilor Freeman and seconded by Councilor Hainault to acknowledge the correspondence as presented and place them on file.

Yes: All

No: None

Motion Carried.

guests

Public Comment:

1.

2.

minutes approval

Moved by Councilor Belej and seconded by Councilor Freeman approving the minutes of the May 13, 2009 Budget Worksession and the May 20, 2009 regular meeting as presented.

Yes: All

No: None

Motion Carried.

reports

May, 2009 Financials all funds

Cash Balances

Due to/from

Interest Earned Report

Revenue and Expense Reports

Moved by Councilor Hainault and seconded by Councilor Belej to acknowledge the May, 2009 Financials as presented and place them on file.

Yes: All

No: None

Motion Carried.

DDA minutes of May 4, 2009

PLWSA minutes of April 14, 2009

US41/M26 Corridor minutes of May 19, 2009

Hancock Housing Commission minutes of April 22, 2009

Moved by Councilor Freeman and seconded by Councilor Belej to acknowledge the reports as presented and place them on file.

Yes: All

No: None

Motion Carried.

administrative report

1. Received update on 2007 MSHDA Rehab Grant Project from Ray Gerhart.
 - 8 rental homes are near completion for a total MSHDA money of \$200,000; owner money of \$71,623.23. Total project money of \$271,623.23
2. Received update on new 2009 MSHDA Grant for \$305,500.
 - target area Weldon, Shafter, Finn, Olds, Ryan, White, Wright, Holland and Franklin
 - 60% rental 50% of grant \$137,500
 - 40% rental 50% of grant \$137,500
 - HOME Funds
 - \$14,999 per rental unit with a 5 year lien
 - can do about 9 rentals
 - can do about 4-6 homes
 - direct mailing to target area residents. Award on a first come basis or lottery?
 - Program 7-1-2009 to 6-30-2011.
3. Bridgefest Schedule
4. RD 4.2 million for water. Application to RD on 5-27, waiting decision 75% grant.

5. RD 4.0 million for sewer. Application to Environmental people (30 days behind the water project.)
6. MEDC ICE \$750,000 to Adams Twp. \$486,000 for transmission main.
7. COPS application submitted. To be awarded 9-30-09.
8. Project Updates.

old business
ordinance #272

Moved by Councilor Hainault and seconded by Councilor Belej adopting Ordinance #272 as follows and authorizing publication in the Daily Mining Gazette:

CITY OF HANCOCK
ORDINANCE #272

"AN ORDINANCE TO REPLACE ORDINANCE NO. 255 AND AMENDED SECTION FOUR (4) OF ORDINANCE 123; SEWER USE MINIMUM CHARGE AND RATE AND MANDATORY CONNECTION AS AMENDED:

THE CITY OF HANCOCK ORDAINS:

Section 1. The sewer use charge for all premises shall be \$5.65 per thousand (1000) gallons of water metered. The readiness to service charge shall be \$3.95 for all premises.

Section 2. This rate increase will commence with the June, 2009 utility billing.

This ordinance was introduced by the City Council of the City of Hancock, Houghton County, Michigan on the 20th day of May, 2009.

This ordinance was adopted/enacted by the City Council of the City of Hancock, Houghton County, Michigan on the 17th day of June, 2009.

This Ordinance shall become effective thirty (30) days from the date of adoption according to the Hancock City Charter.

Effective this 17th day of July, 2009.

CLERK'S CERTIFICATION

I, Karen Haischer, Clerk of the City of Hancock, hereby certify that the above ordinance as published in the Daily Mining Gazette, a newspaper having general circulation in the City of Hancock on the 10th day of June, and the 24th day of June and that a public hearing was held on the 17th day of June, 2009.

Roll Call Vote:

Yes: Councilors Gemignani, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

mshda home grant \$305,500

Moved by Councilor Hainault and seconded by Councilor Freeman approving the MSHDA Home Grant agreement #1 M-2008-0657 for \$305,500 and authorizing the City Manager and City Clerk to execute the grant agreement..

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman and Gemignani.

No: None

Motion Carried.

mshda amendment #1

Moved by Councilor Hainault and seconded by Councilor Belej approving a grant amendment #1 for MSHDA Grant Agreement #M-2008-0657 as presented.

Roll Call Vote:

Yes: Councilors Gemignani, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

resolution #11-09
budget resolution

Moved by Councilor Hainault and seconded by Councilor Gemignani adopting Budget Resolution #11-09 as follows:

BUDGET ADOPTION RESOLUTION #11-09

City of Hancock Financial Plan
2009/2010

Adopted 06-17-09

Pursuant to the laws of the State of Michigan governing Home Rule Cities, the State Budget Act, and the City Charter, the following Budget Resolution for Fiscal Year July 1, 2009 to June 30, 2010, is hereby submitted for adoption;

Whereas, it has been determined that the attached (revenues) Property Taxes, State Shared Revenues, Rates, Charges and Transfers shall be available and necessary for the 2009-2010 Budget Year, and

Furthermore, it is ordered that the attached level of expenditures are approved for each of the below Activities and Funds;

It is further ordered that the City Council approve the required millage rate of 13.4917 for the General Fund and .7847 for the Fire Department for the Fiscal Year July 1, 2009 to June 30, 2010 for a total levy of 14.2764.

It is further ordered that upon setting the City Tax Rate, the City Treasurer shall proceed to collect the sums ordered in accordance with the City Charter and the Laws of the State of Michigan.

Further, it is ordered that the City Manager shall be designated the Chief Financial Officer of the City of Hancock in accordance with the State Uniform Budget Act and shall implement this Financial Plan as adopted or amended in accordance with generally accepted accounting principals and the State Budget Act.

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman and Gemignani.

No: None

Motion Carried.

922 summit street

Moved by Councilor Freeman and seconded by Councilor Belej to schedule a public hearing on acquiring interest in the property located at 922 Summit Street based on the findings of the asbestos survey and lead cadmium report completed by UP Engineers. Public Hearing for Wednesday, July 15th at 7:30 p.m.

Yes: All

No: None

Motion Carried.

new business
may a/p

Moved by Councilor Hainault and seconded by Councilor Belej approving the May, 2009 accounts payable in the amount of \$127,987.65 and authorizing payment as follows as funds become available.

| | |
|--------------|-----------------|
| General | \$35,037.27 |
| Major Street | 1,715.54 |
| Local | 461.79 |
| Transit | 3,094.11 |
| Sewer | 40,778.55 |
| Water | 33,174.69 |
| Motor V. | 10,919.38 |
| <u>DDA</u> | <u>2,806.32</u> |
| Total | \$127,987.65 |

Roll Call Vote:

Yes: Councilors Gemignani, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

add'l checks typed in may

Moved by Councilor Gemignani and seconded by Councilor Belej approving the additional checks typed in the month of May, 2009 in the amount of \$652,314.64 and authorize payment as follows:

Expenses \$232,721.54
Transfers 419,593.10
Total \$652,314.64

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman and Gemignani.

No: None

Motion Carried.

resolution #12-09
transit

Moved by Councilor Hainault and seconded by Councilor Freeman approving Resolution #12-09 as follows:

CITY OF HANCOCK
RESOLUTION #12 - 09

PROJECT AUTHORIZATION RESOLUTION

WHEREAS, this resolution shall approve execution of the revised Project Authorization No. Z4/R2 with the Michigan Department of Transportation which it issues under Agreement No. 2007-0219, Project No. 105221.

NOW, THEREFORE, be it resolved that Glenn Anderson, City Manager and Karen Haischer, City Clerk of the City of Hancock are authorized to enter into and execute on behalf of the City of Hancock, the revised Project Authorization No. Z4/R2 with the Michigan Department of Transportation for Federal Operating Funds related to Section 5311 Funds for FY 2009.

Yes: All

No: None

Motion Carried.

resolution #13-09
mdot 5 yr maint. agreement

Moved by Councilor Freeman and seconded by Councilor Belej approving Resolution #13-09 as follows:

CITY OF HANCOCK
RESOLUTION #13 - 09

STATE TRUNKLINE CONTRACT AUTHORIZATION RESOLUTION

WHEREAS, this resolution shall approve execution of State Trunkline Contract 2009-0302 with the Michigan Department of Transportation.

NOW, THEREFORE, be it resolved that Glenn Anderson, City Manager and Karen Haischer, City Clerk of the City of Hancock are authorized to enter into and execute on behalf of the City of Hancock, State Trunkline Contract #2009-0302 with the Michigan Department of Transportation, for the period October 1, 2009 to September 30, 2014.

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman and Gemignani.

No: None

Motion Carried.

county foreclosed property
right of refusal

Moved by Councilor Belej and seconded by Councilor Slivon to decline the offer of Houghton County and execute the right of refusal for parcel #31-051-403-014-00, Hillside Athletic Club of Hancock.

Yes: All

No: None

Motion Carried.

blacktop quotes

Superior Paving \$58.00/ton

Hancock Blacktop \$60.35/ton

DPW recommendation: Award blacktop quote to Superior Paving at \$58.00/ton

Moved by Councilor Freeman and seconded by Councilor Gemignani to award the miscellaneous blacktop patching to Superior Paving at \$58.00/ton.

Roll Call Vote:

Yes: Councilors Gemignani, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

checker cab & messenger

Moved by Councilor Freeman and seconded by Councilor Belej approving the following taxicab applications for Checker Cab & Messenger LLC:

Term: July 1, 2009 to June 30, 2010

1. Jesse Schramm

2. Kirk Toutant

3. Keith Haggerty

Yes: All

No: None

Motion Carried.

water system improvements
project

Moved by Councilor Belej and seconded by Councilor Hainault approving the following bills from MJO and Hitch, OHM for the water system improvements project and authorize payment as funds become available:

MJO \$87,789.01

Hitch, ohm \$12,702.63

Roll Call Vote:

Yes: Councilors Hainault, Slivon, Belej, Laitila, Freeman and Gemignani.

No: None

Motion Carried.

transit bill from hitch, ohm

Moved by Councilor Slivon and seconded by Councilor Belej approving payment to Hitch, division of OHM for professional services through 5-9-09 in the amount of \$7,968.00 as funds become available.

Roll Call Vote:

Yes: Councilors Gemignani, Freeman, Laitila, Belej, Slivon and Hainault.

No: None

Motion Carried.

Moved by Councilor Hainault and seconded by Councilor Gemignani to excuse Councilor Ted Belej from the 6-30-09 special meeting.

Yes: All

No: None

Motion Carried.

Moved by Councilor Freeman and seconded by Councilor Belej to schedule a special meeting for Tuesday, June 30, 2009 at 6:00 p.m. for FY 08/09 budget amendments and payment of bills.

Yes: All

No: None

Motion Carried.

fee recommendations

Moved by Councilor Belej and seconded by Councilor Hainault approving the recommendation of the Manager, Ordinance Committee and Finance/Personnel Committee as follows:

1. Remove pay phones from the Hancock Beach and Campground.
 2. Increase water turn off/turn on fees as follows:
turn on \$20 to \$60
turn off \$10 to \$60
 3. Add new overtime rate for water turn off/on when requested outside the regular work hours at \$200.
 4. Increase the campground rates for the 2010 calendar as follows:
-50 amp sites #4, 48, 52, 53, 54, 55, and 56 to \$22.00
-water service sites #1, 3, 4, 6, 8, 9, 18, 41, 42 and 46 to \$22.00
-increase regular RV rate from \$16 and \$18 to \$20.00
(eliminate city rate)
-increase tent rate from \$12 to \$14.00
-Research the cost of accepting credit cards at City Hall and Campground
- *Increase wages effective July 1, 2009 for non-union employees who are not covered by the MERS retirement a 3% increase or \$.25 per hour, whichever is higher. Excluding starting minimum wage positions at \$7.40, the ski trail groomers, skating rink attendant, misc. worker and parking meter person.

Yes: All

No: None

Motion Carried.

resolution #14-09
bleachers entertainment permit

Moved by Councilor Belej and seconded by Councilor Hainault adopting Resolution #14-09 for a request from R Y, Inc. for a new entertainment permit to be held in conjunction with the 2009 Class C licensed business located at 307 Quincy Street, Hancock, MI 49930, Houghton County be considered for approval and it is the consensus of this legislative body that the application be recommended for issuance.

Yes: All

No: None

Motion Carried.

Moved by Councilor Hainault and seconded by Councilor Freeman that this regular meeting of the Hancock City Council be adjourned. Time: 9:10 p.m.

Yes: All

No: None

Motion Carried.

William Laitila, Mayor

Karen Haischer, CMC City Clerk