

Worksession
October 21, 2009
6:30 p.m.

DRAFT

Present: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon, and Hainault.

Absent: None

Also present: DPW Director Doug Hayrynen.

Reviewed and Discussed:

1. Police Chief Mike Beaudoin is on vacation this week.
2. Justus Randolph complaint update. He may be coming to tonight's meeting.
3. Update on Portage Drive utilities.
4. Tonne Property behind Sylvan Estates. 29.64 acres more/less. Offered it to the City for \$175,000.00. On the open market \$278,000.00.
5. City logo sign contest review.
6. New director at the Portage Lake Library.
7. November meeting we will elect a Mayor and Mayor Pro-Tem for a one year term.
8. Have received 24 + applications for the DPW opening.
 - mechanic/heavy equipment operator
9. K&W Landfill Update.
10. Arts Center parking lot proposal review.
11. Osceola Twp. and their 45 day referendum which expires on 10-31 for their sewer project.
12. Hancock 45 day referendum for water and sewer expires 11-5-09.
13. Portage Twp. update.
14. November 6th retirement dinner for Ernie Luttinen at Gino's 6-7 cocktails and 7 dinner.
15. Sewer spill in Sylvan Estates was very minimal.
16. UPP CO line extension on Portage Drive.
 - Council approved \$13,300.00
 - Actual cost \$11,439.00
17. Campus Drive extension from Elevation to Poplar.
 - re-construct
18. October issue of snowboarder magazine featured Houghton and Hancock.
19. Area Marketing Committee Update.
20. Quincy Smelter Advisory Committee.
 - Mayor Laitila is on this committee as the City Rep.
21. Federal Stimulus update.
22. Interest cost for OHM is water \$429.00 and sewer \$332.00
23. HBPA
 - no chairperson for the Christmas Walk
 - no volunteers to coordinate the walk
24. Doug Hayrynen monthly report for September, 2009
 - Update on sewer overflow on Crestwood Drive
 - published in the Gazette, reported to the DEQ and Health Department
 - Sewer back-up at City Hall today
 - OHM has hired Tunnel Vision to televise some of our sewers.
 - Ernie Luttinen last day will be 10-31 (retired)
 - dinner at Gino's 11-6
 - Taking applications for DPW position mechanic/heavy equipment operator. Applications are due by 10-31-09.
 - Old DPW infrastructure is now completed.
 - Guard rail is up on Hecla, Navy and Forest Streets.
 - SnoGo purchase is a must. Current machine is 12 years old. RD is offering a \$50,000 grant. City is soliciting bids.
 - Water shut-offs scheduled for 10-19, leaf bags will be picked up, need to mark hydrants and culverts. One more day of blacktopping. Salt is in and the sand is on the way.

Regular Meeting
October 21, 2009
7:30 p.m.

The regular meeting of the Hancock City Council was held in the Council Chambers on Wednesday, October 21, 2009 at 7:30 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, McKenzie and Gemignani.

Absent: None

Moved by Councilor Freeman and Seconded by Councilor Belej approving the October 21, 2009 Agenda as presented.

Yes: All

No: None

Motion Carried.

Shawn Leche, new Director of the Portage Lake Public Library could not make tonight's meeting.

correspondence

Thank You from Lisa Curnard

Thank You from the Hancock Housing Commission

UPSET contribution required for services

Letter from Justus and Kaisa Randolph, 1232 Jasberg Street re: zoning procedures

Letter from Pasi Lautala, 1236 Jasberg Street re: zoning procedures

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

Yes: All

No: None

Motion Carried.

guests

Public Comment

1. Cynthia Cote Ex. Director of the CC Arts Center.

-Bldg Renovation \$60,000 planning grant

-City lot located behind their building is needed for expansion (South facing access)

2. John Bruinsloot, "A" Street

-CC Arts expansion public or private funds? \$60,000 from the Kreske Foundation

3. Justus Randolph and Kaisa Randolph 1232 Jasberg Street (zoning procedures)

4. Pasi Lautala, 1236 Jasberg Street re: zoning procedures

Both waiting to hear a response from the City regarding their concerns with the issuance of a zoning permit for 151 Birch Street (Jukuri Property)

5. John Haeusseler, 1203 Portage Drive Thank You for the Portage Dr. Signs

minutes approval

Moved by Councilor Belej and seconded by Councilor McKenzie approving the minutes of the September 16, 2009 worksession and regular meeting; and the September 23, 2009 Joint Meeting with the Cities of Hancock, Houghton and the County Board as presented.

Yes: All

No: None

Motion Carried.

reports

Cemetery Board of Trustees, October 13 minutes

Finnish Theme Committee, April 13, 2009 minutes

Hancock Housing Commission, August 19, 2009 minutes

PLWSA, August 11, 2009 minutes

M26/US41 September 15, 2009 meeting notes

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

Yes: All
No: None
Motion Carried.

administrative report

1. 100 block of Quincy Street roof drain removal project. This will be part of our sewer project. Sanitary sewer replacement in alley of the 100 block of Quincy Street behind Gartners.
Private alley.
2. Sewer cleaning and televising for sewer design. (Tunnel Vision is the sub-contractor)
-7 miles of sanitary sewer, will take 3-5 weeks.
-working 6 days/week 12hrs/day
-this hasn't been done for 20 years
3. FY 09/10 State Budget Shared Revenue cut of 11%
budgeted \$425,000 cut down to \$392,463
4. MDOT Traffic modeling study.
5. DDA preliminary design for Navy Street walkway project.
-walkway from the Beach Clubhouse to the Ramada Inn
-OHM estimated the permit application \$1900.00 to submit
-Pay as we go, city to do the work. Looking for a 75% DNR or Coastal Zone Grant.
6. Ingot Street water pumping electrical damage update.
-\$11,000 in damages (Insurance Claim)
7. Campground Revenues are up this year.
8. Maasto Hiihto Ski Trail.
-Groomer is in. City share of cost \$4650.00. This was budgeted.
9. Transit Design Update.
-Environment Review
-Final Design to MDOT (reviewing)
-Final Construction Budget - \$120,000 - \$40,000 = \$70,000
MDOT deducted \$40,000
-\$616,542.00 towards building cost
est. \$616,000 w/o contingency
-Bid out in January-February for the spring 2010 construction season to be completed in September
10. Scallon Street PRV valve upgrade
-cost \$3500.00
11. Paid the final bill to Northend Excavating for \$25,000 this Friday.

old business

None at this time

new business
October accounts payable

Moved by Councilor McKenzie and seconded by Councilor Freeman approving the September, 2009 accounts payable in the amount of \$179,120.65 and authorize payment as follows as funds become available:

General	\$51,933.72
Major	2,398.57
Local	7,113.22
Transit	3,610.58
Sewer	47,436.31
Water	51,134.35
Motor V.	12,501.58
<u>DDA</u>	<u>2,992.32</u>
Total	\$179,120.65

and the additional checks typed in the month of September in the amount of \$714,693.23 and authorize payment as follows:

Expenses	\$233,972.99
<u>Transfers</u>	<u>480,720.24</u>

Total \$714,693.23

Roll Call Vote:

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

Absent: None

Motion Carried.

baraga max agreement

Moved by Councilor Hainault and seconded by Councilor Gemignani authorizing the City Manager to execute the new Public Works Agreement for FY 2009/2010 with Baraga Max Correction Facility. Effective 10-01-09 to 9-30-10.

Yes: All

No: None

Motion Carried.

audit engagement letters

Moved by Councilor Hainault and seconded by Councilor Gemignani authorizing the City Manager to execute the two audit engagement letters for a contract with Bruce Rukkila, CPA, PC for FY 2010 and 2011. (single audit is included in fees)

FY 2010 Not to exceed \$21,650.00

FY 2011 Not to exceed \$22,300.00

Roll Call Vote:

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

No: None

Motion Carried.

manager contract

Moved by Councilor McKenzie and seconded by Councilor Hainault approving a six year contract with Manager Glenn Anderson and authorizing the Mayor and City Clerk to execute the document as follows:

**HANCOCK CITY MANAGER
EMPLOYMENT AGREEMENT**

This agreement is made this 21st day of October, 2009 between the City of Hancock, a Michigan Municipal Corporation, 399 Quincy St., Hancock, MI 49930 and Glenn D. Anderson, 740 Lake Avenue, Hancock, MI 49930.

The City of Hancock hereby agrees to employ Glenn D. Anderson as City Manager of the City of Hancock, pursuant to the following terms and conditions:

1. This agreement shall take effect July 1, 2009 and shall remain in effect for a period of six years, ending June 30, 2015.
2. The city shall pay the City Manager an annual salary of \$81,162 for the first year beginning July 1, 2009, which is the same salary that has been in effect since July 1, 2007. For the year beginning July, 1, 2008, the City Manager along with other MERS/City Employees received a MERS/E-2 enhancement in lieu of a raise. Annual raise adjustments shall be:

<u>Contract year starting</u>	<u>% Increase</u>
July 1, 2010	2%
July 1, 2011	3% or adoption of B-3 MERS upgrade plan
July 1, 2012	2%
July 1, 2013	2%
July 1, 2014	2%
3. The city will provide a vehicle for the City Manager for city business, and reimburse him for gas purchases when provided with a receipt for out of town travel. The manager may use the vehicle for local personal use defined within a 40 mile radius of Hancock. Family members may accompany the City Manager in the vehicle when attending conferences or out of town meetings.
4. The City Manager shall receive four (4) weeks vacation annually, and two (2) personal days per year with no carry over of personal days into the next year.
5. City Manager shall receive the same fringe benefits as other nonunion full-time City Employees.

6. The City agrees to pay Hancock Rotary dues for the City Manager's membership and International City Manager Association dues, and the Michigan Local Government Management Association dues.
7. The City agrees to make a payment of \$2,756 annually toward the ICMA 457 retirement program.
8. Employment shall be at the will of either party and employment can be terminated at the option of either the City Manager or the City without cause, subject to Section 7.2 (c) of the City Charter.
9. In the event the City Council terminates employment of the City Manager during the term of the agreement, the City Manager shall be entitled to six months severance pay based on his annual salary in effect at the time of termination, payable in bi-weekly payments. This severance payment would terminate at the time the City Manager accepted a new employment position during this six month period. During this period, the City Manager is required to pay one-half the health insurance premiums, with no other fringe benefits. This section does not apply if the City Manager quits.
10. This agreement, after the six year term is automatically renewable on an annual basis unless the City gives the City Manager a six month written Notice of Termination by January 1, 2015 or the contract is renegotiated by mutual consent.
11. Approved by the City Council on this 21st day of October, 2009.

Roll Call Vote:

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

No: None

Motion Carried.

water project bills

Moved by Councilor Freeman and seconded by Councilor Belej approving water project bills for MJO Contracting in the amount of \$16,472.87 and OHM in the amount of \$2,104.12 as funds become available.

Roll Call Vote:

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

No: None

Motion Carried.

de leg grant application

Moved by Councilor Belej and seconded by Councilor McKenzie authorizing the City Manager to submit a grant application to the DE LEG for \$47,450.00 for the Hancock District Heating System and Energy Efficiency Feasibility Study.

Roll Call Vote:

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

No: Councilor Hainault.

Motion Carried.

ingot street water pump electrical upgrade

Moved by Councilor Hainault and seconded by Councilor McKenzie approving additional electrical upgrade work for the Ingot Street water pump station to the new 2010 water project and authorize additional design costs not to exceed \$45,000.00.

Roll Call Vote:

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

No: None

Motion Carried.

donation to the smelter

Moved by Councilor Belej and seconded by Councilor Slivon approving a \$5000.00 donation to the Copper Country Preservation, Inc. for building stabilization work at the Quincy Smelter. (City pledged in September 2008 and is Budgeted)

Roll Call Vote:

Yes: Councilors Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon and Hainault.
No: None
Motion Carried.

memorial chapel water
damage claim

Moved by Councilor Hainault and seconded by Councilor Slivon approving a payment in the amount of \$6,000.00 to Memorial Chapel Funeral Home, Inc. for water damage caused by a broken water main. Original request \$7,942.04.

Roll Call Vote:

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

No: None

Motion Carried.

snow-go rd loan grant

Moved by Councilor Freeman and seconded by Councilor Belej authorizing a loan/grant submission from the City to Rural Development not to exceed \$130,000.00 for a new endloader mounted snow blower at an interest rate of 4.375% for up to 15 years.

Possible grant amount of \$50,000.00.

Roll Call Vote:

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

No: None

Motion Carried.

2008 water system improvement
change order

Moved by Councilor Hainault and seconded by Councilor Belej approving the 2008 water system improvement change order #6 for the Vivian Street project in the amount of +\$14,752.30.

Roll Call Vote:

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

No: None

Motion Carried.

Moved by Councilor Belej and seconded by Councilor Freeman that this regular meeting of the Hancock City Council be adjourned. Time: 9:30 a.m.

Yes: All

No: None

Motion Carried.

William Laitila, Mayor

Karen Haischer, CMC City Clerk