

Worksession
February 17, 2010
6:30 p.m.

DRAFT

Present: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.
Absent: None

Also Present: Glenn Anderson, Karen Haischer, Mike Beaudoin, Doug Hayrynen, John Haeussler, Mr. Curnard and Susan Burack.

Reviewed and Discussed:

1. City received our Transit Cost Allocation Study from Maximus on 2-16-10.
2. Quincy Smelter Update.
 - should schedule a joint meeting with Houghton in March or April to discuss moving Isle Royale National Park from the Houghton waterfront to the Quincy Smelter site.
3. Citizens Bank may have a buyer for 424 Hancock Street.
4. Had a request to sell the Sampson Street Water Tank property (located in Quincy Twp).
 - would the Council like to put this property up for sale
5. Franklin Street (ROW) where the school garage is located
 - might need a lot split
6. Jay Ruohonen Hawke Technology started a second business BridgeGuard (the study of bridge decks)
7. RD and the City will be closing on the snowblower on 3-2 (financing)
8. Franklin Twp. is exploring applying for additional sewer money for sewer in Ripley.
9. PLWSA - Chair Bob Balliod is looking to resign within the next few months from the Board.
10. ISD is looking at the reuse of the Bridge School.
11. SHPO has a phone conference call scheduled for tomorrow to discuss the Hancock Industrial Park (north of the High School)
12. City should receive the annual Act 51 snow payment this week.
13. DPW January, 2010 monthly report - Doug Hayrynen DPW Director
 - cleaned up the downtown area, supported OHM and Tunnel Vision (water and sewer) for upcoming projects, DPW garage maintenance (cleaning and painting), Doug, LeRoy and Ken are planning a trip to Duluth, MN in March for Vactor Truck training, Forced sewer main for the DPW garage froze (no sewer to building).
14. Police January, 2010 monthly report - Mike Beaudoin Police Chief
 - 189 reports were taken: 14 traffic, 1 snowmobile accident (death) 2 bad checks , 3 attempted B&E's 3 larcenies, 1 embezzlement, 2 domestics, 1 Misc. destruction of property, 2 on witness deaths, 4 medical assists, 1 attempted suicide, dispatch 1 deer, 1 snowmobile thru the ice near the Ramada. Wal-Mart donated \$500 to the Police Department. Parking meters \$855 and Police Reports \$15.
15. Councilor's don't forget to turn in your goals for 2010 to the Mayor.

Public Hearing
7:30 p.m.

1. On proposed Ordinance #273 to increase the water rate from \$5.75 per 1000 gallons to \$6.85 per 1000 gallons and to increase the turn on / turn off fees to \$60 each.

Mayor Laitila opened the Public Hearing at 7:30 p.m.

Present: Councilors Hainault, Slivon, Belej, Laitila, Freeman, McKenzie and Gemignani.
Also Present: Glenn Anderson, Karen Haischer, Mike Beaudoin, Doug Hayrynen, John Haeussler, Mr. Curnard, Susan Burack, Lou Meyette, Mitch Lake and Kurt Hauglie.

Manager Anderson explained that this ordinance will do the following two things:

1. Increase the water rate from \$5.75 to \$6.85 per 1000 gallons of water.
2. Increase the water turn on / turn off fees from \$10 and \$20 to \$60 each

No public comment.

Mayor Laitila closed this public hearing at 7:32 p.m.

Presentation:

SPECIAL CITY OF HANCOCK LIFE SAVING AWARD PRESENTATION TO MARK LAITILA.

-for pulling a MTU student from a burning car that crashed into the Front Street Wall-

Regular Meeting
February 17, 2010
7:32 p.m.

The regular meeting of the Hancock City Council was held in the Council Chambers on Wednesday, February 17, 2010 at 7:32 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 Gemignani, McKenzie, Freeman, Laitila, Belej, Slivon, and Hainault.

Absent: None

Moved by Councilor Belej and seconded by Councilor Freeman to amend the February 17, 2010 Agenda as follows:

new business: #10. Excuse Councilor Laitila from the March 17, 2010 meeting as he will be out of town.

Yes: All

No: None

Motion Carried.

correspondence

Map of HCH Franklin Street ROW

Memo from Chief Beaudoin re: Mark Laitila

Charter Communications re: rate changes

Quincy Mine Hoist Association, Inc. re: request for financial support

State of MI Department of Transportation re: Reasonable Suspicion Workshop to Glenn Anderson

Thank you from the FTC

Thank you from MTU Multi Cultural Festival donation \$500

Letter from Mike Prusi re: award of an Energy Efficiency & Conservation Block Grant for 2010

Thank you from Water Street property owners for cutting trees down in front of their homes

Moved by Councilor McKenzie and seconded by Councilor Belej 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 Hainault and seconded by Councilor Freeman approving the minutes of the January 20, 2010 worksession, public hearing and regular meeting as presented.

Yes: All

No: None

Motion Carried.

reports

City Financials: (All Funds)

Cash Balances - September, October, November and December

Due to/from - September, October, November and December

Interest Earned Report - September, October, November and December
Revenue and Expense Report - September, October, November and December
Note: September, October, and November are on file.
Council received a copy of the December reports

Moved by Councilor McKenzie and seconded by Councilor Belej to acknowledge the Financial Reports (September - December) and place them on file.

Yes: All

No: None

Motion Carried.

DDA minutes of 12-7-2009

HBPA minutes of 1-12-2010

US-41 / M-26 Corridor Advisory Team meeting notes of 1-21-2010

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

Yes: All

No: None

Motion Carried.

administrative report

1. \$244,000 grant application for Beach Storm Water Run-off Improvements to the DPA Great Lakes Restoration Initiative Program.
-Submitted in January 2010
2. Close out of DEQ DWRF financing.
-This project received final close out. Completed.
3. Small Urban Grants Updates.
-ARRA project \$90,000; reconstruction of one block of Campus Drive.
-FY 11 \$125,000 repaving ½ mile of Campus Drive.
-FY 12/14 call for projects by July 1st, 2010
These projects require a 25% match by the City.
4. Wal-Mart Foundation donated \$500 to the Police Department to use as they feel fit.
5. Water Project (3.8 million amendment)
-Transmission main ROW and design
-SHPO report for archaeological survey of transmission main route
-Easement acquisition (14 easements needed)
-Update on application status
6. Sewer Project Update (\$4 million)
7. St. Patrick's Day Parade is scheduled for Saturday, March 13th at 11:30 a.m.
8. 2009/2010 MSHDA Rental and Single Family Grant Update.

old business
ordinance #273

Moved by Councilor McKenzie seconded by Councilor Belej adopting Resolution #273 and authorize publication in the Gazette as follows:

ORDINANCE #273

"AN ORDINANCE TO REPLACE ORDINANCE NO. 267 AND AMEND ORDINANCE 198 RELATING TO WATER CHARGES AND AMEND THE APPENDIX TO ORDINANCE #159 (PART E) RELATING TO WATER SHUT-OFF AND TURN-ON FEES.

THE CITY OF HANCOCK ORDAINS:

Part B. METER CHARGE IN ADDITION TO THE SERVICE CHARGE SHALL BE:

Section 1. The water rate shall be \$6.85 per one thousand (1000) gallons of metered water. However, the minimum bill shall be \$6.85 per month.

Section 2. This rate increase will commence with the January, 2010 utility billing.

Section 3. The Council has deemed it necessary to charge a flat water debt fee on the utility bill based on meter size. Charge to be determined by Council Resolution.

Part E. WATER SHUT-OFF AND TURN-ON

Section 4. The turn-on and turn-off fee for water services will be raised to \$60.00 for turn-on and \$60.00 for turn-off.

Section 5. Publication and Effective Date.

This ordinance was introduced by the City Council of the City of Hancock, Houghton County, Michigan on the 20th day of January, 2010.

This ordinance was adopted/enacted by the City Council of the City of Hancock, Houghton County, Michigan on the 17th day of February, 2010.

This ordinance shall take effect 30 days from the date of adoption according to the Hancock City Charter.

Effective date: March 17, 2010.

Roll Call Vote:

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

No: None

Motion Carried.

cemetery board appointment

Moved by Councilor McKenzie and seconded by Councilor Belej appointing John Haeussler to the Cemetery Board of Trustees, term ending May of 2013.

Yes: All

No: None

Motion Carried.

new business

january a/p

Moved by Councilor Belej and seconded by Councilor Freeman approving the January 2010 accounts payable in the amount of \$118,639.44 and authorize payment as follows as funds become available.

General \$24,788.25

Major 2,475.00

Transit 4,479.50

Sewer 40,129.34

Water 18,798.03

MV 25,469.32

DDA 2,500.00

Total \$118,639.44

Roll Call Vote:

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

No: None

Motion Carried.

add's checks typed in january

Moved by Councilor Hainault and seconded by Councilor Belej approving the additional checks typed in January, 2010 in the amount of \$734,283.79 and authorize payment as follows:

Expenses \$150,011.68

Transfers 584,272.11

Total \$734,283.79

Roll Call Vote:

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

No: None

Motion Carried.

proposed ordinance

quincy haven

Moved by Councilor Belej and seconded by Councilor Freeman approving the proposed ordinance amendment for Quincy Haven, authorizing publication in the Gazette and setting March 17, 2010 for a Public Hearing as follows:

NOTICE TO CITY OF HANCOCK

RESIDENTS

PROPOSED ORDINANCE

**CITY OF HANCOCK
ORDINANCE #**

**"AN ORDINANCE TO AMEND ORDINANCE NO. 268, KNOWN AS THE
"HANCOCK HOUSING FOUNDATION TAX EXEMPTION ORDINANCE"
THE CITY OF HANCOCK ORDAINS:**

Section 1. Amend Section 9, Titled Duration contained in Ordinance #268 by **deleting** "provided that construction of the Housing Development commences within eighteen (18) months from the effective date of this ordinance" **and adding** "provided that construction of the Housing Development commences by December 31, 2010".

(The foregoing proposed ordinance was introduced in writing at the regular meeting of the Hancock City Council held on Wednesday, February 17, 2010 at 7:30 p.m.

A Public Hearing is scheduled for Wednesday, March 17th, 2010 in the Council Chambers at 7:30 p.m.

This Ordinance will be presented to the Hancock City Council for adoption or rejection at the regular meeting of the Hancock City Council to be held on Wednesday, March 17th, 2010 following the Public Hearing.)

Roll Call Vote:

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

No: None

Motion Carried.

resolution #3-10
rd financing motor grader

Moved by Councilor Hainault and seconded by Councilor Belej approving Resolution #3-10, USDA Financing Loan Resolution for \$187,700.00 for a 15 year loan at 4% from Rural Development for a new motor grader with snow wing. This financing includes a \$33,000 grant from RD. (copy of resolution is on file)

Roll Call Vote:

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

No: None

Motion Carried.

ohm transit design bill

Moved by Councilor Hainault and seconded by Councilor Belej approving a pay request of \$498.00 to OHM for transit design.

Roll Call Vote:

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

No: None

Motion Carried.

addendum to agreement for
water adams twp.

Moved by Councilor Belej and seconded by Councilor Gemignani approving the addendum to the water supply agreement with the Township of Adams as follows:

This Agreement, entered into the ____ day of _____, 2010 by and between the Township of Adams, a municipal corporation, hereinafter referred to as the "Seller" and the City of Hancock, a municipal corporation, hereinafter referred to as the "Buyer";

WITNESSETH as follows:

WHEREAS, the parties entered into an agreement for the sale and purchase of water by means of a Contract dated June 1, 1992; and which Contract was amended and extended by an addendum dated June 1, 1008;

WHEREAS, it is the desire of the City of Hancock to extend the terms of the Contract;
NOW, THEREFORE, IT IS HEREBY AGREED, by and between the parties hereto as follows to-wit:

1. That Section 4 of the Contract entitled "Term of Contract" shall be amended to read: "Forty-one (41) years from and after the date of this addendum to the Contract."

2. It is further agreed that all other provisions of the Contract dated June 1, 1992 and the addendum dated June 1, 1998 shall remain in full force and effect.

3. That the following provision be added to the Contract: "As long as there is an outstanding Rural Development loan balance in connection with the financing of the system, this agreement shall be subject to all present and future Rural Development regulations:

It is further agreed that all provisions of the Contract dated June 1, 1992 and the addendum dated June 1, 1998 shall remain in full force and effect.

Roll Call Vote:

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

No: None

Motion Carried.

plwsa amendment to
contract

Moved by Councilor Belej and seconded by Councilor McKenzie approving the agreement with the with PLWSA as follows:

This Agreement is made this ____ day of _____, 2010, between the City of Hancock, a Michigan municipal corporation, the address of which is City Hall, 399 Quincy Street, Hancock, MI 49930, hereinafter "the City" and the PLWSA, a Michigan municipal corporation, the address of which is 100 Princess Point Drive, Houghton, MI 49931, hereinafter "the Authority".

Recitals

1. The Authority is organized under Public Act 233 of Public Acts of 1955, as amended, Its constitute members are the City of Hancock and the City of Houghton. The Authority operates a wastewater treatment authority and related transport, hereinafter "the Wastewater Treatment Authority", located within the City of Hancock. The Portage Lake Water and Sewage Authority also owns and maintains the sewer lift station located west of the Portage Lake Lift Bridge and the sewer interceptor from the lift station to the sewage treatment plant.

2. For a period of 41 years from and after the date of execution of this Agreement, the City proposed to deliver sewage from the Collection System for treatment to the Wastewater Treatment Facility, and the Authority agrees to accept and treat such sewage.

COVENANTS

Consequently, the Parties agree as follows:

1. The City shall reimburse the Authority for its share of the Authority's annual cost of operation and debt service. The City's costs shall be based on a pro-rata share of the total flows of sewage for treatment to the Wastewater Treatment Facility. The fiscal year of the Authority commences on Jul1st of each year and ends on June 30th of the following year. For each of its fiscal years, the Authority shall estimate in advance its budget for operational debt service costs. The Authority shall estimate pro-rata the contributions of each City and of the Township of Franklin for each of its fiscal years on the basis of flows from the Township and from each City for the prior fiscal year. The Authority shall send an invoice for each month of service to the City of Hancock prior to the first day of each month and the City shall pay this invoice, in advance, on the first day of each month. Following the end of each fiscal year of the Authority, the Authority shall calculate its operational and debt service costs for the fiscal year and the ultimate charges to the respective Cities and to the Township for that fiscal year shall be determined on the basis of actual flows from the Township and from each of the Cities. The City shall be responsible for that fraction of the Authority's operational and debt service costs for the fiscal year, except for a direct allocation of the payment on only the 2005 Series Refinancing Bonds and their refinanced successors of which Houghton is responsible for 2.85% and Hancock 1.71% with the balance of the debt service to be determined by multiplying the total costs by a fraction, the numerator of which is the total flow from the City of Hancock for that fiscal year and the denominator which is the total of all flows to the Wastewater Treatment Facility for that fiscal year. If the monthly estimated payments made by the City of Hancock to the Authority for the fiscal year exceed that amount due from the City to the Authority for that fiscal year as finally determined by the Authority (and typically sent out in the annual report of the Authority's auditor), the Authority shall reimburse the City of the excess of its payments within 30 days after the date of final determination of the Authority's costs for the fiscal year. If the City's share of the cost of the Authority for the preceding fiscal year

exceed the monthly estimated payments made by the City of Hancock for that fiscal year, the Authority shall send (on the date of the invoice by first-class mail) an invoice to the City for the additional amount due from the City and the City shall pay this invoice within 30 days of the date of this invoice.

2. The authority shall be responsible for maintenance and repair of the pumping station that is located just west of the Portage Lake Lift Bridge, of the interceptor extending from the pumping station to the treatment plant, as well as the meter at the treatment plant.

3. City shall be responsible for maintenance and repair of its collection system.

4. The City of Hancock sewage flows shall be determined by taking the meter reading at the Hancock Lift Station.

The Authority shall determine all matters related to the meter and related equipment used to measure these flows, their replacement, repair, maintenance and time of calibration of the meter and related equipment but, in any event, such equipment and the administration, maintenance, repair, replacement and calibration of the meter and related equipment shall be accomplished in such a manner that it achieves a reasonably accurate measurement of flow. The Authority shall bear the cost of the meter and related equipment installed and used to measure flows from the Collection System as well as all costs to repair, maintain and replace the meter, related measuring equipment and installation and operation, including the costs of all supporting utilities services.

5. The Authority shall provide sewage treatment services for the City of Hancock at the Wastewater Treatment Plant of the Authority which is located at 100 Princess Point Drive, Houghton, MI 49931. The Authority shall assume responsibility for sewage from the City which flows into the Wastewater Treatment Facility.

6. The parties agree that all rights and obligations of the City of Hancock under this contract are pledged to the United States Department of Agriculture, Rural Development.

This contract shall be effective for a period of 41 years from the date of execution hereof.

7. The Authority will, at all times, operate and maintain its wastewater treatment facility in an efficient manner and will take such action as may be necessary so that there will be a facility available to the City of Hancock to treat its sewage from its Collection System, but, in any event, subject to limitations contained in this Agreement. Temporary or partial failures to accept sewage will be remedied with all reasonable dispatch.

8. This contract is subject to such rules, regulations or laws as may be applicable to similar agreements in the State of Michigan.

9. That in the event of any occurrence rendering the City incapable of performing under this contract, any successor of the City, whether the results of legal process, assignment, or otherwise shall succeed to the right of the City hereunder.

10. This Agreement does not supersede or affect agreements made by the City and the City of Houghton regarding the formation of the Authority such as the Articles of Incorporation of the Authority and its By-laws, as amended, nor does this Agreement supersede or affect any other presently existing agreements made by the City, the City of Houghton, or the Authority (any two or all three of them), in particular those agreements regarding the financing of projects for the construction and maintenance of additions and improvements to the physical plant of the Authority; all of these agreements remain in full force and effect.

11. As long as there is an outstanding Rural Development loan balance in connection with the financing of the system, this agreement shall be subject to all present and future Rural Development regulations.

Roll Call Vote:

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

No: None

Motion Carried.

deleg bureau of energy grant
\$47,450

Moved by Councilor Freeman and seconded by Councilor Belej accepting a DELEG Bureau of Energy Systems Grant for \$47,450.00 for a District Heating Feasibility Study.

Roll Call Vote:

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

No: Councilor Slivon

Motion Carried.

Moved by Councilor Freeman and seconded by Councilor Belej to excuse Councilor Laitila from the next regular meeting (March 17th) as he will be out of town.

Yes: All

No: None

Motion Carried.

Moved by Councilor Hainault and seconded by Councilor Belej to go into closed session to discuss acquisition of real property and pending litigation with no action to follow: Time: 8:15 p.m.

Yes: All

No: None

Motion Carried.

Moved by Councilor Belej and seconded by Councilor Freeman to come out of closed session at 9:01 p.m.

Yes: All

No: None

Motion Carried.

Moved by Councilor Hainault and seconded by Councilor Freeman that this regular meeting of the Hancock Council be adjourned. Time: 9:02 p.m.

Yes: All

No: None

Motion Carried.

William Laitila, Mayor

Karen Haischer, CMC City Clerk