

Proceedings of the Ironwood City Commission

A Regular Meeting of the Ironwood City Commission was held in person and via Zoom at 5:30 P.M., along with a Public Hearing at 5:10 P.M. and 5:20 P.M. on Monday, June 13, 2022.

1. Mayor Corcoran called the public hearing to order at 5:10 P.M.
2. Recording of the Roll.

PRESENT: Commissioner Andresen, Korpela, Mildren, Semo, and Mayor Corcoran.

ABSENT: None.

3. Public Hearing: To receive public comment relative to the 2022-2023 Fiscal Year Proposed Budget and the 2022-2023 Fee Schedule for City Services.

Finance Director/City Treasurer Paul Linn presented the 2022-2023 Fiscal Year Proposed Budget as described in proposed Resolution #022-13. He defined the 2022 City Tax Levy, the General Appropriations Act for Fiscal 2022-23, and the collection of a 1% Tax Administration Fee. The proposed fee increases were also noted in the City Fee Schedule.

In addition, Paul Linn shared a 2022-2023 Recommended Appropriations Report, which listed a comparison of current 2021-2022 and projected 2022-2023 revenues and expenditures. Commission requested an explanation on the decrease in commercial tax properties, and City Assessor/Blight Officer Jason Alonen spoke on the decrease. He noted taxes will be based on last year's sales. Another request from Commission was an update on the 2015 Street Bond, and Mr. Linn noted this is a 10-year bond. In 2025 it will be paid off, and the millage will drop off at that same time. Fee Schedule increases were discussed, particularly in regard to increases in water and sewer rates. Paul Linn noted there was a 7.5% CPI increase this year which reflects the increase in water and sewer rates. Commissioner Semo noted this increase on the utility bill will be the most noticeable increase to our citizens.

No additional comments were received.

4. Mayor Corcoran closed the public hearing at 5:34 P.M.

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1. Mayor Corcoran called the public hearing to order at 5:34 P.M.
 2. Public Hearing: To receive public comment on proposed Ordinance No. 535, and Ordinance to Amend Ordinance No. 523, Book 5, City of Ironwood, Chapter 37 "Marihuana Establishments".

Community Development Director Tom Bergman gave a brief overview of the changes. The addition of two marihuana retail establishment licenses. Addition of Class A Microbusiness Marihuana Establishment. A small change to setback requirements for Microbusinesses in the downtown, so they are similar to the setbacks of other downtown buildings. Changes to the sign

requirements. This proposed amendment to Ordinance 523 has been reviewed by the Planning Commission. The Ordinance cannot be passed at this meeting. At another City Commission meeting, if the Commission wishes, they can approve all the changes, some, or none. If approved, the recommendation would be to pass a resolution to determine how the new licenses will be distributed, create an expiration for the current rubric scores, and create a minimum score for future rubric responses. This could all take place at the same meeting the Ordinance is adopted. It was noted Commissioner Semo will not be able to attend next City Commission Meeting. Statement was made the second licensed store is not open yet; it is still in full construction. It would be good to have recommended resolution language at the same meeting where ordinance is considered for adoption.

Gene Henning of 148 E. Southland Avenue had concerns with the currently open establishment and the traffic problems. He requested to the Commission, please do not allow retail sales in the old Black Bear Sports area. The neighborhood does not want it in that area. He brought up the old Wells Fargo Bank building downtown and asked what is being done regarding that property. He questioned how many retail stores we need in our City.

Eldred Clemens of 1312 North Lowell, noted he lives right across from the Black Bear establishment. He stated he is against the additional retail establishments. It is a health and traffic hazard. He questioned the alleyways going to the west from Black Bear and how it will affect those residents. He is concerned about the neighborhood. Finance Director/Treasurer Paul Linn explained the taxes that will be generated and licensing fees for the marihuana establishments per Mr. Clemens request. Community Development Director Tom Bergman noted he can share site plans for the establishments, it is public information if someone is interested. He also stated that Fire Station, LLC is the next highest on the rubric and is located in the old Western Auto Building. QPS Holdings was the 4th highest, where Black Bear is located.

Jackie Powers of 171 East Michigan Avenue expressed opposition to raising the retail marijuana licenses from 2 to 4. Her reasoning was the two that have been approved along with the 2 microbusinesses were part of a very competitive process. It is unfair to businesses to increase the number when they placed their plans based on the idea that they would be part of a smaller market. They have put a lot of money into their buildings. Higher Love has sponsored events around the community. She felt it was unfair to current establishments to add more licenses until they have had a chance to open. We don't know the demand or environment in our town in a year. It is premature to move that way at this point in time. This would double the amount of plants microbusinesses can grow. We should move slowly.

Chris Detray of 315 West Francis Street spoke regarding current wait times. Higher Love is the third busiest store in Ironwood. People drive here, see the line, and keep driving to Crystal Falls. They drive away to avoid the wait time which is two to three hours. With more stores, prices will drop for the customer. These businesses are waiting and have potentially hundreds of thousands of dollars invested, so it's not necessarily good to wait.

Tyler Varnadore of 10452 Belmont Avenue stated every time we come to a meeting we are waiting. Opening more is the right thing to do. These places are trying to buy the buildings and be turned into something good. Traffic jams can be taken away if you open up more licensing.

Let the facilities be built. It will lift the burden of having to go to another town. Keep the money here. You have the means to do this. These facilities look sharp, clean, and get people in and out. If you open up other places in the city, there won't be a jam. It increases revenue for coffee shops, restaurants, and other businesses in town.

Logan Stauber, 2 Pinehurst Drive, Marquette, MI and co-owner of Fire Station Cannabis Company commented on the importance of not waiting. Tax revenue examples were given of for Negaunee and Marquette. Ironwood can capitalize on the biggest opportunity to receive more tax revenue if they act quickly. Cannabis tourism is huge in Michigan with increased traffic, hotels, and restaurants. There is safety and security in neighborhoods with the reduction in amounts at each store. Fire Station has reviewed the concerns in the community. They are re-doing the parking lot plan to meet the needs of community.

Nate Price 232 East Ayer, spoke on the fact there is only two cultivation facilities which are owned by the retail establishments. There is a supply statewide as well as local. Consider adding cultivation and not specifically for retail. There will be more employment with this. Mayor Corcoran thanked him but noted this is not being considered at this time. He thanked everyone for their efforts.

Stash Wasik, 722 Horizons Drive Marquette, MI with Fire Station Cannabis Company commented this is a no-brainer for the tax revenue for every license. It is a great opportunity to bring in more retailers and bring prices down. It was noted more licenses should alleviate parking concerns. They will offer more than 20 jobs with full benefits, and the Planning Commission took this into consideration in the past.

Mark Abraham 2052 Center Street, Marquette – commented on developing the future farm for cannabis, processing and provisioning. He is interested in seeing if the Commission will consider, not just a microbusiness, but a real true multiple Class C grow licenses and processing and provisioning licenses. He urged to consider this before making a final decision whether to only move forward on 2 retail licenses. There is a potential for 200 – 300 jobs over the next ten years.

Tyler Kane of 128 N. Lake Street *commented via Zoom*. He stated he hates to see the City pass up this opportunity right now. You have multiple accidents and issues with traffic. This will bring in more tax dollars, and there will be less traffic at each location. Consider the fact that this will bring in more business.

Solomon Adams of 222 Ayer Street *commented via Zoom*, stating he has a small business in Ironwood. He stated he would support expanding the number of grow licenses, potentially at the same time. He stated there is a benefit from grow license expansions. He liked the rubric scoring to focus on high-end quality businesses. He requested to consider this now instead of bringing it up later. He vocalized support for what has been done already.

Jacie Daronso 74 Midway Drive Negaunee, MI *commented via Zoom* to show support to the City for increasing the number of licenses from 2 to 4, stating you will see a great benefit from doing so. More job opportunities will be created. The city would earn double from the state excise tax

fund. This would alleviate the overflow the current establishment is experiencing. Minimum of 4 is the perfect size for Ironwood.

John Ames, 7884 Carlson Drive, Minocqua, WI, one of the owners and founders of Cultivatd, LLC *commented via Zoom*. He was excited to still be pushing forward on the build out of the facility. He voiced support for additional retail licenses in town with regards to the traffic. He commented that Cultivatd had applied for a vertically integrated licensing that included cultivation, processing, and retail. The proposed McLeod location is off US 2, and he is more than happy to assist with dispensary location parking. They would like to update their application to reflect how they have evolved as a company. He is hoping to grow and manufacture product in the industrial park. They are open to bringing more jobs to the local community, hoping to bring over 80 jobs, and they have spent over \$500,000 on the 40,000 square foot facility in the industrial park. They look forward to the potential in grow, manufacturing, and cultivation. He stated they want to pursue some true entrepreneurship and grow what customers are consuming in city limits.

Mayor Corcoran thanked everyone for their comments.

3. Mayor Corcoran closed the public hearing at 6:29 P.M.

A. Mayor Corcoran called the regular meeting to order at 6:29 P.M.

B. Recording of the Roll.

PRESENT: Commissioner Andresen, Korpela, Mildren, Semo, and Mayor Corcoran

ABSENT: None.

C. Approval of the Consent Agenda. *

*1) Approval of Minutes.

- a. Regular City Commission Meeting Minutes of May 23, 2022
- b. Special City Commission Meeting Minutes of May 24, 2022.

*2) Review and Place on File:

- a. Ironwood Housing Commission Meeting Minutes of May 20, 2022.
- b. Ironwood Planning Commission Meeting Minutes of February 3, 2022.
- c. Ironwood Planning Commission Meeting Minutes of March 3, 2022.
- d. Ironwood Planning Commission Meeting Minutes of April 7, 2022.
- e. Ironwood Planning Commission Meeting Minutes of May 5, 2022.

***Motion** was made by Semo, seconded by Korpela, to approve the consent agenda as presented. Unanimously passed by roll call vote.*

D. Approval of the Agenda.

Mayor Corcoran requested to amend the Agenda, under Old Business, removing Item H to discuss and consider adoption of Ordinance No. 535, an Ordinance to Amend Ordinance No. 5523, Book 5, City of Ironwood, Chapter 37 “Marihuana Establishments”.

***Motion** was made by Semo, seconded by Mildren, and carried to amend the Agenda, under Old Business, removing Item H to discuss and consider adoption of Ordinance No. 535, an Ordinance to Amend Ordinance No. 5523, Book 5, City of Ironwood, Chapter 37 “Marihuana Establishments”, and approve the Agenda.*

E. Citizens wishing to address the Commission on Items on the Agenda. (Three Minute Limit)

There were none.

F. Citizens wishing to address the Commission on Items not on the Agenda. (Three Minute Limit)

There were none.

OLD BUSINESS

G. Discuss and consider adopting Resolution #022-013, authorizing the General Appropriations Act for Fiscal Year 2022-2023, and adopt the 2022-2023 Fee Schedule.

Finance Director/Treasurer Paul Linn had one an additional comment on the Budget, noting it can be amended at any time. He also had a thank you for the City staff for their time as well as the City Commission with the work sessions involve. It is a long process.

***Motion** was made by Mildren, seconded by Korpela to adopt Resolution #022-013, authorizing the General Appropriations Act for Fiscal Year 2022-2023, and adopt the 2022-2023 Fee Schedule. Unanimously passed by roll call vote.*

H Discuss and consider adoption of Ordinance No. 535, an Ordinance to Amend Ordinance No. 523, Book 5, City of Ironwood, Chapter 37 “Marihuana Establishments”.

Amended to remove Item H from the Agenda.

I. Discuss and consider awarding bid to Liquid Engineering Corporation in the amount of \$17,735.00 for tank cleaning at the Mt. Zion and Jessieville water tanks as well as the clear well at the Pump Station using Water Funds.

DPW Supervisor Bob Richards requested and recommended awarding the bid to Liquid Engineering Corporation. In past years, the price has actually been higher. They have been pleased with their service in the past.

***Motion** was made by Mildren, seconded by Korpela, to award a bid to Liquid Engineering Corporation in the amount of \$17,735.00 for tank cleaning at the Mt. Zion and Jessieville water tanks as well as the clear well at the Pump Station using Water Funds. Unanimously passed by roll call vote.*

NEW BUSINESS

- J. Discuss and consider declaring scrap metal at the DPW shop as surplus property and authorize advertisement for bids.

DPW Supervisor Bob Richards requested the authorization to declare scrap metal as surplus property and advertise for bids, noting it has been 3-4 years since surplus scrap has been bid out.

Motion was made by Mildren, seconded by Korpela, to declare scrap metal at the DPW shop as surplus property and authorize advertisement for bids. Unanimously passed by roll call vote.

- K. Discuss and consider authorizing bids on Variable Frequency Drive (VFD) for Jessieville Booster Station using Water Funds.

DPW Supervisor Bob Richards presented information on the Variable Frequency Drive (VFD) and requested to allow the City to go out for bids.

Motion was made by Semo, seconded by Mildren, and carried to authorize bids on a Variable Frequency Drive (VFD) for the Jessieville Booster Station using Water Funds.

- L. Discuss and consider authorizing Coleman Engineering Work Order in the amount of \$8,400.00 for the Michigan Department of Natural Resources Trust Fund Grant for the Southern Beltline Trail Acquisition Phase 2.

Community Development Director Tom Bergman noted this acquisition will connect Miners Memorial Park to Norrie Park. It is also part of the SISU Ski Fest route. It will be reviewed by the DNR. The goal is to complete this by the end of the calendar year.

Motion was made by Semo, seconded by Andresen, to authorize Coleman Engineering Work Order in the amount of \$8,400.00 for the Michigan Department of Natural Resources Trust Fund Grant for the Southern Beltline Trail Acquisition Phase 2. Unanimously passed by roll call vote.

- M. Discuss and consider authorizing bids for the relocation of the sidewalk along the north side of the Pat O'Donnell Civic Center using funds previously provided by the insurance carrier.

Scott Erickson, City Engineer requested authorization to go out to bids to put a sidewalk out further from the building. They are looking at the project extending into next year to give the contractors an opportunity for better pricing for the bids. It was noted currently the water from the roof hits the sidewalk, resulting in the location being saturated. Mr. Erickson also affirmed that a sidewalk is needed to allow people to come out the emergency door.

Motion was made by Mildren, seconded by Korpela, and carried to authorize bids for the relocation of the sidewalk along the north side of the Pat O'Donnell Civic Center using funds previously provided by the insurance carrier.

- N. Discuss and consider approving a professional services agreement with C2AE to conduct a city-wide street pavement evaluation utilizing the MDOT approved Pavement Surface Evaluation and Rating Study (PASER) road rating system.

Scott Erickson, City Engineer, noted it is a perfect time to have the road rating done. It is a very effective tool. He is recommending C2AE. There are not too many companies knowledgeable in this type of evaluation. It is an important tool to assist with the management of the street infrastructure and should be performed periodically to assess and document the condition of the streets within the community. Commissioners noted it is money well spent and a very good project. We will always be fixing streets.

***Motion** was made by Semo, seconded by Mildren, to approve a professional services agreement with C2AE to conduct a city-wide street pavement evaluation utilizing the MDOT approved Pavement Surface Evaluation and Rating Study (PASER) road rating system. Unanimously passed by roll call vote.*

- O. Discuss and consider authorizing Payment #1 to Flowtrack Mountain Bike Trails, LLC in the amount of \$28,750.80 for the MDNR Trust Fund Mountain Bike Trail Project in Miners Memorial Park.

City Engineer Scott Erickson noted what a nice job Flowtrack is doing right now. Commissioners can take a look now. It is really a great asset to the Miners Memorial Park and City. Commissioners commented, and it was noted they hired local people for this project.

***Motion** was made by Semo, seconded by Andresen, to authorize Payment #1 to Flowtrack Mountain Bike Trails, LLC in the amount of \$28,750.80 for the MDNR Trust Fund Mountain Bike Trail Project in Miners Memorial Park. Unanimously passed by roll call vote.*

- P. Discuss and consider adopting Resolution #022-012 to transfer delinquent invoices for ordinance violations to the July 2022 City Tax Roll.

Finance Director/Treasurer Paul Linn stated this is for invoices greater than 6 months in arrears. He addressed the special assessment. If the tax is not paid, it would then get turned over to Gogebic County. City Assessor and Blight Officer Jason Alonen explained how often the letters of notification, cutting of grass and invoicing occurs.

***Motion** was made by Semo, seconded by Mildren, to adopt Resolution #022-012, authorizing the transfer of delinquent invoices for ordinance violations to the July 2022 City Tax Roll. Unanimously passed by roll call vote.*

- Q. Discuss and consider approving cost of living salary adjustment for non-union employees.

Interim City Manager Andrew DiGiorgio addressed the City Commission with regard to the non-union employee salary adjustment in conjunction with the recently ratified AFSCME bargaining agreement in effect July 1, 2022. Historically the non-union employees have mirrored what AFSCME contract negotiations have been approved. He requested a 3 % increase in Fiscal Year 2022-2023, a 2 ½ % increase in Fiscal Year 2023-2024, and a \$5,000 stipend payment on July 1,

2022 as well as July 1, 2023 for all non-union employees. The birthday holiday will be replaced with Juneteenth. This increase is budgeted for in this cycle. Finance Director/Treasurer Paul Linn noted this includes non-union employees that work at the Memorial Building and the Managers for Public Works. For permanent part-time staff, there will be a pro-rated stipend amount that will be determined. Permanent part-time staff would include Marketing, City Engineer, and the Building Inspector.

***Motion** was made by Mildren, seconded by Semo, to approve cost of living salary adjustment for non-union employees to mirror the AFSCME bargaining agreement as presented.*

ROLL CALL:

Yes (4): Commissioner Korpela, Mildren, Semo, and Mayor Corcoran.

No (1): Commissioner Andresen.

***Motion** carried on a 4 to 1 vote.*

R. City Manager's Appointment.

Interim City Manager Andrew DiGiorgio confirmed the following Appointment:

Interim City Manager Andrew DiGiorgio appointed Kristine Perry to the Ironwood Housing Commission to replace the vacant term of Anne Davey, for a 6-year term (term expiring June 30, 2026.)

***Motion** was made by Semo, seconded by Korpela, and carried to approve the City Manager's appointment of Kristine Perry to the Ironwood Housing Commission to replace the vacant term of Anne Davey, for a 6-year term (term expiring June 30, 2026).*

S. Manager's Report.

Interim City Manager Andrew DiGiorgio verbally gave the Manager's report noting the following items:

- * The Code Red notification system has been selected by City staff, and we will be moving forward, working on a strategy of what the Commission envisions it be used for.
- * The HREC Application has been completed. An Ordinance was passed to develop that committee. Interim City Manager will work to develop an ad and seek applications to start that process.
- * Residents should have seen or should see shortly a rebate for their garbage/recycling of \$6.52.
- * Executive Search Update was given regarding the Draft of the Advertisement that was just sent out. If any Commissioner has questions or comments, please let the City Clerk know by the end of the week.
- * Pride Events took place over the weekend. They were very well attended and positive. They are progressive events for our community. It was a great turnout.

- * Water Treatment Update. The bids have gone out for this project. At the end of June, bids will be submitted to the City Clerk for review.
- * Moving Commission meetings back upstairs to Chambers was addressed. The City Manager requested input from Commission to continue meeting in the Auditorium or move back to Chambers. It was noted Commissioner Mildren felt the larger space makes everyone feel better. The sound system in place in the auditorium did help with participation. It was then noted meetings will remain in the Auditorium of the Memorial Building.
- * Commissioner Mildren also questioned the Interim City Manager regarding working with the young people to respect our parks in the community and somehow educate them of everything we are doing at the Depot Park and the importance to our community. Andrew DiGiorgio did note he is promoting the positive, working with Parks and Recreation and noted although it is fighting an uphill battle, it's a battle worth fighting for.

T. Other Matters.

Commissioner Semo requested an excused absence for the next City Commission meeting.

Motion was made by Mildren, seconded by Andresen, and carried to excuse Commissioner Semo from the June 27, 2022 Regular City Commission Meeting.

Commissioner Mildren expressed a thank you to the Ironwood Kiwanis who recently hosted an event at the Gogebic Community College for the Wisconsin All Stars versus the Upper Michigan All Stars basketball teams, noting the advantage of exposure to Gogebic Community College for those who may want to play here. He stated it was a rainy day in June today, but coming up Silver Street into Ironwood, flags waiving, flowers hanging, every parking spot was taken. Kids were playing in City Square. It is worth noting.

Mayor Corcoran stated she is excited about CodeRed and moving forward with the notification system. She commented on ensuring there is a full Commission when scheduling the adoption of Ordinance 535.

U. Consider Closed Session to discuss labor negotiations with Ironwood Professional Police Association (IPPA).

Motion was made by Semo, seconded by Mildren, to enter closed session at 7:09 p.m. Unanimously passed by roll call vote.

V. Return to Open Session.

Motion was made by Semo, seconded by Mildren, and carried to return to open session at 8:08 p.m.

W. Adjournment.

***Motion** was made by Semo, seconded by Andresen, and carried to adjourn the meeting at 8:11 P.M.*

Kim S. Corcoran, Mayor

Wendy L. Hagstrom, City Clerk