

CITY OF IRON MOUNTAIN*CITY COUNCIL*APRIL 19, 2021

City of Iron Mountain

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Regular Meeting of the City Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, April 19, 2021 at 6:00 p.m. in the Council Room.

Presiding: Mayor Alessandrini

Present: Members Maule, Revord, Blomquist, Zemar & Clawson

Absent: Member Schinderle

Also Present: City Manager Stanchina & Chief Financial Officer Lieburn

Approval of Agenda

Stanchina asked that "Consideration of Invoice Re: Teck Solutions" be added as item nine under New Business.

It was moved by Revord and supported by Zemar to approve the agenda, as amended.

Motion Prevailed Unanimously

Approval of Minutes

It was moved by Blomquist and supported by Zemar to approve the minutes of April 5, 2021, as submitted.

Motion Prevailed Unanimously

Public Comment

None

Old Business

None

New Business

Marijuana Facility License Progress Evaluations

Stanchina explained the process of evaluating Marijuana Facility Licensee progress.

Stanchina imparted that RIZE was awarded medical marihuana growing, medical marihuana processing, medical marihuana provisioning, recreational marijuana growing, recreational marijuana processing and recreational marijuana dispensary licenses. He expressed concern for the lack of project completion estimates.

Stanchina indicated that Lume was awarded medical marihuana growing, medical marihuana processing, medical marihuana provisioning, recreational marijuana growing, recreational marijuana processing and recreational marijuana dispensary licenses. He relayed that the project will be complete by June 1, 2021.

Stanchina stated that Superior Selections was awarded a medical marihuana growing and recreational marijuana growing licenses and that they have completed their project.

Stanchina noted that the Source 906 was awarded medical marihuana growing, medical marihuana processing, recreational marijuana growing and recreational marijuana processing licenses. He conveyed that the project would be complete on July 1, 2021.

Stanchina communicated that Life Long Natural Solutions was awarded a medical marihuana growing license and that the estimated project completion date was not stated.

Alessandrini expressed his concern for the reduced size of the new growing facility, 12,000 SQR. Ft. instead of 38,000 SQR. Ft., wages being paid below \$16.75/hour, employee benefits not being offered and the lack of an estimated completion dates. Clawson asserted that RIZE is the only licensee paying any employees.

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Julie Wentworth – RIZE owner

Wentworth informed the City Council that RIZE has a six-month employee probation period due to the amount of training needed. She reported that the starting wage with tip sharing is \$19.16/hour. Wentworth raised the concern that raising pay too quickly could reward bad behavior. Zemar stressed the importance of the employees getting a written employee handbook. Wentworth voiced her concern for the constant threat of losing her licenses and the changing business environment.

It was concluded that RIZE would be awarded a time extension and that the City would receive an updated copy of the employee handbook.

Revord requested that all licensee provide an updated employee handbook.

Dan Kreider – Superior Selections Owner

Kreider updated the City Council on the success of their current business operations. He confirmed that the odor problem they were experiencing has been fixed with a filter system and that they are planning to add more growing space to address a decrease in product pricing. He highlighted the fact that their business values the quality of their product over the quantity they produce. Kreider verified that he would open a dispensary if the opportunity was available. Maule indicated that she was not opposed to offering more licenses, she was just speaking for those who were not for them at that time.

Lisa Riley – Life Long Natural Solutions Owner

Riley imparted that all the other groups got a four-month head start on their project and that she wanted to see how this meeting went before spending on her project. Alessandrini expressed his concern that Life Long Natural Solutions is holding up a license opportunity for another firm. Stanchina and Zemar relayed that the project could have been completed by now. Riley confirmed that she has seven employees that she is paying on a cash basis while the grow is closed. Revord asserted that several components of the project could have been completed by now and that there does not seem to be attempts to move forward. Stanchina conveyed that the first step is to get a prequalification from the State of Michigan. Riley verified that she could have construction plans drawn up, the prequalification process complete, and an updated employee handbook available with a 120-day extension. Maule stressed the importance of the Council enforcing rules fairly.

Zemar requested that the City Council consider a dispensary license for Superior Sections as they were the only ones to do all the items they promised. Alessandrini cautioned that expanding license opportunities could hurt those that are currently investing in projects.

It was moved by Alessandrini and supported by Clawson to extend RIZE's deadline for completing the new growing facility from April 1, 2021, to November 1, 2021, and place a deadline of May 19, 2021, to submit an updated employee handbook to the City.

Roll-call vote was taken:

Aye: Maule, Revord, Alessandrini, Zemar & Clawson

Nay: None

Abstain: Blomquist

Motion Prevailed (Aye-5, Nay-0, Abstain-1)

It was moved by Alessandrini and supported by Zemar to extend LUME's building completion deadline from April 1, 2021, to November 1, 2021, and place a deadline of May 19, 2021, and place a deadline 30 days after opening to submit an updated employee handbook to the City.

Roll-call vote was taken:

Aye: Maule, Revord, Alessandrini, Zemar & Clawson

Nay: None

Abstain: Blomquist

Motion Prevailed (Aye-5, Nay-0, Abstain-1)

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It was moved by Alessandrini and supported by Zemar to extend Source 906's building completion deadline from April 1, 2021, to November 1, 2021, and place a deadline of 30 days after opening to submit an updated employee handbook to the City.

Roll-call vote was taken:

Aye: Maule, Revord, Alessandrini, Zemar & Clawson

Nay: None

Abstain: Blomquist

Motion Prevailed (Aye-5, Nay-0, Abstain-1)

Revord noted that progress must be shown by the deadline.

It was moved by Alessandrini and supported by Clawson to establish Life Long Natural Solution's deadline for providing the City proof of submitting a prequalification to the State of Michigan by May 19, 2021, *and receive a prequalification within to extend the deadline for completing their building project by 90 days from the date of submission.*

Roll-call vote was taken:

Aye: Maule, Revord, Alessandrini, Zemar & Clawson

Nay: None

Abstain: Blomquist

Motion Prevailed (Aye-5, Nay-0, Abstain-1)

Zemar moved that in six months Superior Selections be awarded a dispensary license. The motion failed due to lack of a second. Alessandrini and Stanchina stated that the City can't jump skip the third-place business in line and award that license to Superior Selections.

Michelle Willis – RIZE General Manager

Willis suggested that it would be better to buy local than to increase supply. Alessandrini explained that not building a new facility could jeopardize their dispensary license.

Blomquist expressed the opinion that the City is being trapped by the rubric in order to avoid a bad situation.

Consideration of FY2021 Membership Dues Re: CUPPAD

Stanchina detailed the benefits CUPPAD offers the City.

It was moved by Blomquist and supported by Maule to pay the October 1, 2020, to September 30, 2021, CUPPAD membership dues in the amount of \$1,525.00.

Motion Prevailed Unanimously

Adoption of Special Assessment Resolution Re: Blight Remediation and Rental Inspections

Stanchina reviewed the proposed special assessment resolutions.

It was moved by Zemar and supported by Blomquist to approve a special assessment on 312 W. Ludington Street in the amount of \$25.00 for certificate fees; 312 W. Ludington Street in the amount of \$25.00 for certificate fees; 9 Milwaukee Avenue Court. in the amount of \$97.21 for blight fees; and 520 E. D Street in the amount of \$357.77 for blight fees.

Motion Prevailed Unanimously

Letter of Understanding Re: Fire Department Comp Time

Stanchina detailed the letter of understanding regarding the usage of Fire Department Comp Time after the conclusion of the current fiscal year, until July 31, 2021.

It was moved by Maule and supported by Alessandrini to approve the letter of understanding regarding compensatory time in Section 3, subsection H, of the work agreement between the City of Iron Mountain and the IAFF Local #554 of Iron Mountain.

Motion Prevailed Unanimously

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Approval of Charitable Gaming License Re: Friends of Iron Mountain DDA

Stanchina presented a request by the Friends of Iron Mountain DDA to apply for a charitable gaming license. It was moved by Clawson and supported by Blomquist to approve the Local Gaming Body Resolution for a Charitable Gaming Licenses on behalf of the Friends of Iron Mountain DDA.

Motion Prevailed Unanimously

DDA Appointment Re: Elsa Pontbriand and Holly DeGroot

Stanchina reviewed the Downtown Development Authority (DDA) Board re-appointment of Elsa Pontbriand and Holly DeGroot. He communicated that Mark Klossner has resigned and a replacement board member will need to be appointed.

It was moved by Zemar and supported by Revord to re-appoint Elsa Pontbriand and Holly DeGroot to the DDA Board for a term to expire on April 4, 2025.

Motion Prevailed Unanimously

Approval to Solicit Bids Re: Air Conditioning Unit at City Hall

Stanchina presented a request to solicit bids for a replacement air-conditioning unit for the interior office area at City Hall.

It was moved by Revord and supported by Maule to solicit bids for a replacement air-conditioning unit for the interior office area at City Hall with bids to be due by 4:00 P.M. on May 3, 2021.

Motion Prevailed Unanimously

Consideration of Invoice Re: Teck Solutions

Stanchina informed the City Council that the City's server needs to be upgraded due to age and to free up equipment to install a LEIN required log in tracker. He relayed that the cost of the tracking software is \$1,950.00 and the new server will cost \$3,259.07.

It was moved by Zemar and supported by Blomquist to approve the payment of Sales Order number 24721 in the amount of \$5,209.07 to Teck Solutions, Inc.

Motion Prevailed Unanimously

Reports

Financial Reports

March Payroll and 03/11/2021-04/14/2021 Claims

Blomquist reviewed the March payroll and 3/11/2021-04/14/2021 claims. Stanchina explained that MRI Property transactions are due to the rental rehab program and the Stanton Street Park fence is for noise reduction at the pickleball court.

It was moved by Blomquist and supported by Zemar to approve Payroll in the amount of \$329,874.22 and Claims in the amount of \$398,279.73 with net claims being \$302,115.94.

Motion Prevailed Unanimously

City Manager Reports

Stanchina reported that the Lilja Memorial Trust awarded \$25,000 to rehabilitate the ranger's cabin at City Park; an Upper Peninsula regional housing discussion was fascinated by Invest UP; re-paving of US-2 will begin at Michigan Avenue in Iron Mountain and end at the church in Vulcan beginning April 26, 2021; there was a sink hole on W. B St. adjacent to the City's lift station that required a contractor to be called in due to equipment limitations; and the City is installing a fence to reduce the noise being heard by adjoining property owners from the pickleball court;

The Council concluded that a budget meeting would be held at 6:00 P.M. on June 22, 2021.

Alessandrini reiterated his concern for the amount of blight in the City.

Zemar expressed the opinion that trailer and boat parking should not be an issue compared to the City's other blight issues. Stanchina verified that trailer and boat parking issues are handled on a complaint basis.

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City Attorney Reports

Maule questioned how long the rubric will be locking the City into the current licensing level. Pirkola detailed the situation surrounding the letter from RIZE. Maule expressed concern for those who have complied as promised and can't get a dispensary license. Alessandrini and Stanchina conveyed that promised projects can't just be dropped. Revord noted that the City can't change the licensing level's part way through. Alessandrini advised that the City should stay the course at this time. Stanchina raised the opinion that the scope of each project needs to be considered when looking at the completion deadline. Blomquist indicated that he was impressed with Superior Selections' thoroughness, cooperative attitude and time frame of project completion. Stanchina voiced the opinion that the City does not want to scare of the current license holders when an extension was just issued.

Committee Reports

None

Public Comment

None

Council Member Privilege

Maule stated that the bridge on the City Park playground equipment needs to be replaced and the pickers at the end of the East Side Park slide need to be removed. Alessandrini imparted that the Friends of City Park will pay to repair the playground equipment.

Adjournment

It was moved by Maule and supported by Zemar to adjourn.

Motion Prevailed Unanimously

Meeting adjourned at 8:06 P.M.



Isaac Micheau
Clerk-Treasurer