

CITY OF ST. JOHNS

CITY COMMISSION MINUTES

SPECIAL MEETING

FEBRUARY 15, 2023

The special meeting of the St. Johns City Commission was called to order by Mayor Cocco at 6:00 p.m. at the Clinton County Courthouse, 100 East State Street, 2nd Floor, Room #2200, St. Johns, Michigan.

COMMISSIONERS PRESENT: Eric Hufnagel, Brad Gurski, Roberta Cocco, Scott Dzurka

COMMISSIONERS ABSENT: Jean Ruestman

STAFF PRESENT: Dave Kudwa, City Manager; Mindy J. Seavey, City Clerk; Kristina Kinde, Treasurer; Justin Smith, Director of Public Services; Michael Homier, Attorney; Scott Hogan, Attorney

Mayor Cocco called for a moment of silence and said there is a vigil tonight at the MSU Campus.

APPROVAL OF AGENDA

Motion by Commissioner Dzurka seconded by Commissioner Gurski that the city commission approve the agenda as presented.

YEA: Hufnagel, Gurski, Cocco, Dzurka

NAY: None

Motion carried.

PUBLIC COMMENT

Tom Webb, city resident since 1988, was present. He discussed his involvement with Wilson Center: committee that renovated the auditorium, represents arts council, tenants of school district, manager of the auditorium when the school district owned it; tenants with developer, but the developer acted as partners and labeled the gym and auditorium as community assets; met with students that went to school there who told us how great we were able to use building; historic and important landmark; wanted it used as a venue for recreation and different events and plays; home for Home Grown Productions. He discussed they believe moving forward with project is a clear investment for St. Johns; believe everyone has a legacy. He said they can be forward looking and be a model of

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how private enterprise and government can work together or be a commission that didn't feel the landmark was worth saving.

Rachel, Clapsadle-Lynch, 509 S. Traver, was present. She said thank you. She said she has been in contact with almost all of you for the past 6 months. She knows this job is not easy and said thanks for listening and hopefully you do what's best for everybody. She said nobody is going to be 100% happy, except when we got rid of the green bags. Good luck.

Bill Tennant said he started teaching in St. Johns in 1968 and has lived here for almost 50 years. He discussed: teaching at the Wilson Center; the school system had 3 or 4 offers and vetted Dymaxion and went with their offer; will provide necessary housing we are short on; recreational activities; 14 years spent with the committee renovating the auditorium and major donors; how much it means to the community. He said he was at the meeting in September, when you agreed on the purchase agreement; the next step is to approve the condominium document and get the project off the ground. He discussed people needing to get back in the gym; a concert series he wanted to bring in this winter; having facility play an important part in the future of the city: city offices, auditorium, gym, and apartments in the building; has so much potential for our community members.

Tom Irrer, Bengal Township, was present. He discussed: the city is the hub; iconic building here; a historic grain mill near Alpena they are saving because it means something to them. He said he hope you can save our building; it means something to us.

CLOSED SESSION TO DISCUSS A WRITTEN ATTORNEY/CLIENT COMMUNICATION

Motion by Commissioner Gurski seconded by Commissioner Dzurka that the city commission go into closed session to discuss a written attorney/client communication.

Roll call vote:

YEA: Dzurka

YEA: Gurski

YEA: Hufnagel

YEA: Cocco

Motion carried.

The commission went into closed session at 6:12 p.m.

Motion by Commissioner Dzurka seconded by Commissioner Hufnagel that the city commission go into open session.

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YEA: Hufnagel, Gurski, Cocco, Dzurka

NAY: None

Motion carried.

The meeting went back into open session at 7:53 p.m.

Motion by Commissioner Dzurka seconded by Commissioner Gurski that the city commission switch the agenda to move forward with discuss all options for Wilson Center to address what was discussed in closed session.

Mayor Cocco said we can't discuss what was in closed session, but we can move that item to #4 instead of #5.

YEA: Hufnagel, Gurski, Cocco, Dzurka

NAY: None

Motion carried.

DISCUSS ALL OPTIONS FOR WILSON CENTER

Mayor Cocco said this is something we have been working on for several months. She asked if there were any questions.

There was a discussion of:

- Looking out for the best interest of the city.
- Balancing the liability and future of the school building.
- Mitigating risks and exploring options.

Commissioner Hufnagel discussed his objection to having a discussion about this issue without having all 5 commissioners in attendance.

Mayor Cocco said she appreciated that and discussed the Open Meetings Act.

There was a discussion of:

- The change in the purpose of the special meeting and that Commissioner Ruestman was not available.
- Having 30 days to get started with negotiations on these documents.
- Staff needed direction on the documents.

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Motion by Commissioner Dzurka seconded by Commissioner Hufnagel that the city commission move forward with negotiations of the condo documents as were set forth in closed session.

Mayor Cocco asked that we briefly discuss why we would want to move city hall.

Treasurer Kinde said the original discussion started with the gym and auditorium and then went into city office space as an option to oversee spaces by being there. Discussion of community room/chambers, utilizing a kitchen as part of the gym that would relate and work well with the gym and auditorium and give oversight to that space. She said it was also discussed because of the office space here. She discussed the ground lease; purchased over \$1 million and how we sold back a portion of our space for \$200,000 in 2018/19 (in fund balance); if we ever sell back this space there is \$850,000 remaining today or 20 years from now (losing value on that space); we pay about \$90,000 per year in operating costs to be here; considerations of moving office space over.

City Manager Kudwa said Kristina hit on the synergy between the gym, auditorium and that space as you come into the building. He said it could be used for voting space too, additional parking, new windows in auditorium, and a new entryway (ADA friendly). He said we are not making anything on our money here and it made sense to go into that building and it would enhance the gym and auditorium. He said if others groups wanted to use space, there could be a kitchen and community room space.

Mayor Cocco asked for a vote on the motion on the table.

YEA: Hufnagel, Gurski, Cocco, Dzurka

NAY: None

Motion carried.

DISCUSSION OF CURRENT GROUND LEASE AGREEMENT WITH CLINTON COUNTY AND OPTIONS

Treasurer Kinde said we hold a \$1 ground lease with Clinton County; agreement put place in 1998; the city was 9.2% of original \$11.6 million; we reduced our space in January 2019 and received \$205,000 back; will receive \$862,000 back; initiating our put notice to county no later than 2 years. She discussed the 3 different options to propose to the county regarding our lease: option 1: the City requests to be paid our pro-rata share (\$862,810.65) and sign a new five-year lease with the County for the City's indirect cost allocation portion; option 2: the City requests to keep our current pro-rata amount, with an increase in value of 2% annually. Our indirect costs would remain the same as they are

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today; option 3: the City requests to keep our current pro-rata share with no change, with a request for a decrease in our annual indirect cost allocation by 25%.

There was a discussion of the options by the city commission.

City Manager Kudwa discussed the process of offering those options to Clinton County Administrator Fuentes, it would then go through their Ways and Means Committee and then to the Clinton County Board.

Motion by Commissioner Dzurka seconded by Commissioner Hufnagel that the city commission authorize staff to enter into conversations with the county to look at lease options moving forward.

YEA: Hufnagel, Gurski, Cocco, Dzurka

NAY: None

Motion carried.

NEXT STEPS/STAFF ACTION ITEMS

There were no further steps/staff action items.

ADJOURNMENT

Motion by Commissioner Gurski seconded by Commissioner Dzurka that the meeting be adjourned.

YEA: Hufnagel, Gurski, Cocco, Dzurka

NAY: None

Motion carried.

The meeting was adjourned at 8:20 p.m.