

501 S. Stephenson Ave
 Iron Mountain, MI 49801
 Telephone: 906-774-8530
 Fax: 906-774-3774

Email: clerktreasurer@cityofironmountain.com
 Website: www.cityofironmountain.com

Special Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, January 14, 2008 at 6:30 p.m. in the Council Room:

Presiding: Mayor VanLaanen
 Present: Council Members Burke, Tchokreff, Caudell, Rosen, Farragh and Peterson

Public Comment

None

New Business

Mayor VanLaanen discussed Regular and Special Meetings. He stated that Committees **Committees** are the work horses for the Council. Mayor VanLaanen discussed procedures for committee meetings in the City of Iron Mountain. The Mayor handed out recommendations for Council Member appointments to various committees. Member Farragh would like the Streets and Utilities Committee to include Fleet Management. Mayor VanLaanen agreed to this addition. Mayor VanLaanen listed the various Committees and their duties. The Council continued to discussed committees and board appointments. Member Farragh asked about notification of committee meetings and Mayor VanLaanen thought of e-mailing all Members of all committee meetings.

Member Rosen referred to page 56 of the City's audit report. He is concerned with the variances between the originally budgeted and actual expenditures. The City Manager stated approximately \$200,000 of the variance was related to the reappraisal which was not budgeted for. The City Manager will provide the Council copies of the budget amendment. The City Manager highlighted some of the funds and the expenditures of those funds. **Discussion of City Budget**

Member Peterson thought there were paragraphs in the Management Report of the audit report that were exactly the same as the prior year. She stated if the City has cash on hand why is financing being used to purchase equipment. Mayor VanLaanen stated that is an issue that can be addressed during the budget process. Member Peterson was concerned about an Anderson Tackman comment and recommendation pertaining to segregation of duties. City Manager Marquart stated that this is a comment due to the limited number of office staff available for duties.

Member Rosen asked where the money in the Health Insurance Fund has gone. The City Manager stated it paid for retiree health care. Member Rosen's concern was line by line there are a lot of losses that are continuing. Member Rosen recognized the City received a score of 2 on a report that measures fiscal stress from the Michigan Department of Treasury. He stated the score of 2 was attained with 2006 numbers and the score would probably increase in 2007 due to a significantly reduced fund balance.

No action taken.

City Manager Marquart explained the East A St. project. He said the City has received approximately \$160,000 from MDOT's Small Urban Program to repave East A St. from Park Ave. to Washington St. The City also received \$41,000 in Jobs Today money but the project must be started by the end of

New Business (cont.)

2008. He stated the S2 Grant Study identify potential projects to be funded under the revolving loan program. The two priorities were the B St. pump station for \$670,000 and the other project was the East A St. sanitary sewer at a total project cost of \$1.2 million. The City Manager stated the City submitted the East A St. project but is low on the list of projects to be funded. The sanitary sewer portion would be \$440,000. The City Manager said the City could possibly borrow the money internally and hope the project would be funded in 2009 which would transfer the debt to the State's revolving loan fund. City Manager Marquart said the City could delay the project to 2009 but would lose the Jobs Today money. He said the Small Urban money is available for a couple years. Member Peterson said it might be better to wait one more year instead of jumping into a \$1.2 million project to save a \$41,000 grant. She feels we need to wait for the revolving loan fund money. The City Manager stated many projects are higher on the list than the City's and there is no guarantee the City will receive revolving loan fund money. Mayor VanLaanen feels that further discussion could be held at the committee level. Member Farragh said that borrowing internally would put the budget in jeopardy. Member Farragh feels that the pump station on B St. is in far worse condition than the East A St. sanitary sewer. Member Peterson would like more time for decisions than approximately one week before the decision is needed. Member Caudell stated we were given our options tonight with no plans for a decision at this time. The Street and Utilities Committee will meet to discuss the project. Member Peterson is concerned about the legality of borrowing internally.

Member Rosen addressed the Council about a list he considers the critical issues facing the City of Iron Mountain. Member Caudell agrees with all Council members prioritizing their critical issues for the City.

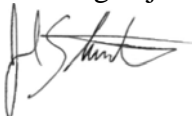
Public Comment

Ted Corombos – 1115 Wells St. – said with either option there will still be a loan to pay back. The only difference is the revolving loan fund offers a lower interest rate. He said if East A St. is not in horrible shape it would be better to fix the B St. pump station.

Dale Alessandrini – 1120 Iron Mountain St. – was wondering if any action has been taken to know what properties were completed under the reappraisal. He feels the City needs to find out if the parcels completed match the money paid out and if not, the City has an obligation to get the money back from Mr. Brook.

John Nienstadt – 717 East A St. – asked if the Planning Board could be included in the Council's Strategic Planning for the City. He commented that the sewer on East A St. is in bad condition and needs to be repaired.

Meeting adjourned at 8:21 p.m.



Jordan Stanchina
Clerk-Treasurer