

Special Meeting of the Common Council, City of Iron Mountain, County of Dickinson, Michigan held on Monday, July 28, 2008 at 6:30 p.m. in the Council Room:

Presiding: Mayor VanLaanen

Present: Council Members Burke(6:40 p.m.), Peterson, Caudell, Tchokreff, Rosen, and Farragh

Also Present: CFO Bartolameolli, Assessor Vicki Esch, and County Equalization Director Larry Swartout

## Public Comment

Kevin Pirlot – 603 W. Fleshiem St. – stated that the Fire Department’s Collective Bargaining Agreement allows for the City, Police and Fire Department to meet monthly and discuss the change in fire protection. He said the MIOSHA and ISO issues have not gone away and need to be addressed. He encouraged the City to have a meeting with both departments to discuss the issues before them.

Lola Johnson – 409 Maple St. Kingsford – stated she has been heavily involved in collective bargaining and the letter in the Daily News is correct in that you cannot individually bargain but it is legal to meet and discuss issues as they arise during a contract.

## Old Business

### Reassessment Investigation

Mayor VanLaanen recognized City Assessor Vicki Esch and County Equalization Director Larry Swartout who were available to answer questions pertaining to the reassessment.

Member Peterson asked about the basic things to accomplish for a reassessment. Mr. Swartout discussed the basic things and noted that Mr. Brook had many discrepancies in the setting of land values. Member Peterson asked if the work was acceptable for a Level III Assessor and Mr. Swartout felt it was not. Member Caudell asked City Assessor Esch if a reassessment was necessary and she commented it was necessary. Member Rosen asked Mr. Swartout if he had informed the City of the 80 omitted personal property parcels and Mr. Swartout responded he had.

Member Peterson started questioning if the reappraisal should all be done within one year and where it is at now. Ms. Esch and Mr. Swartout agreed that every parcel would need at least a field review at a minimum to verify the information is correct. Member Farragh noted that he reviewed his own parcel cards and the information on them was incomplete. Member Peterson stated that the reassessment should have been applied to the 2007 tax roll and this did not happen. She feels the City Manager should have been the first safety net and the Council should be the final safety net.

Member Burke asked what we got for the money from Mr. Brook. Ms. Esch stated that Apex drawings of parcels were something of value that was completed. She noted it is difficult to estimate the value of what Mr. Brook accomplished. Member Peterson asked if the Apex drawings were correct and Ms. Esch said the drawings would need to be verified. Member Rosen was concerned that the reassessment was at ground zero. Ms. Esch stated that wasn’t necessarily true because revisits of parcels would take less time than starting from scratch. Member Peterson would like an analysis of what needs to be done and costs for part-time help to complete it. Mr. Swartout reiterated that every parcel will need a field review to verify accuracy.

The Council recessed for five minutes.

Member Rosen started a discussion of the contracts signed by Mr. Brook both as the City Assessor and for the Reassessment. Members Rosen and Peterson asked why Mr. Brook's payments were switched from Payroll to AP. Member Peterson stated that Mr. Brook wanted to be paid through AP so he could deduct his expenses through his business known as Eagle Appraisals. City Manager Marquart said that no checks went to Eagle Appraisals. Member Peterson stated that multiple articles in the Daily News reference Eagle Appraisals. Members Rosen and Farragh feel that Section 13.10 does not allow for Mr. Brook to be a subcontractor. City Attorney Pirkola felt that 13.10 does not apply in this situation.

Member Rosen started a discussion and questioning of the bidding process and hiring of additional employees. He felt both efforts were inadequate and not done properly. Member Rosen said the reassessment was supposed to be done in house yet Mr. Brook hired employees on his own. Member Farragh voiced concern that employees of Mr. Brook were out doing field work prior to being hired or a contract being signed.

The Council discussed the total cost of the reassessment. Member Rosen felt the total cost was \$209,000 and Mayor VanLaanen stated it was closer to \$182,000. CFO Bartolameolli said the reassessment was closer to \$182,000 and the cost Member Rosen is quoting is due to funds that were paid to Mr. Brook for doing work as the City Assessor. [Member Peterson noted that the \$5,057 the City paid for Worker's Compensation Insurance would need to be added to the \$182,000.] CFO Bartolameolli stated that 3,685 parcels were paid for. She stated she has sheets from Mr. Brook for pay requests but cannot verify that the parcels were completed. CFO Bartolameolli said for ease of accounting she would pay \$15 to \$20 per parcel to those working for Mr. Brook and would then pay Mr. Brook the difference for a total of \$50 per parcel.

Member Farragh discussed his concern that there were no contracts with any of the subcontractors and the fact that Mr. Brook or the subcontractors were not bonded. He stated that the City even paid the worker's compensation insurance for the subcontractors. Member Farragh would like the City Attorney to investigate if we could go after Mr. Brook to get some money back. Member Tchokreff feels we could go after the portion of the parcel total that was paid to Mr. Brook. City Attorney Pirkola felt there is a good case against Mr. Brook but is concerned that Mr. Brook may not be collectible. Member Farragh asked for a time frame for City Attorney Pirkola to investigate the City Council's options. City Attorney Pirkola felt he would need two to three weeks to determine the Council's options.

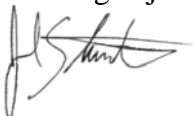
### **Public Comment**

Bill Toedter – 631 East C St. – was disgusted with what he heard tonight and feels that action needs to be taken to correct the reassessment issues.

Ted Corombos – 1115 Wells St. – believed the City Manager should have acted on the letter from Mr. Larry Swartout that stated there were problems with the reassessment. He feels there should not have been a presumption that a parcel was complete because a payment was requested. Mr. Corombos would request that Rich Brook should come and show us which parcels were completed. He does not understand how things got to this point. He did not agree with the contract that Rich Brook signed. Mr. Corombos felt the City Manager should have had better supervision of the reassessment.

Kevin Pirlot – 603 W. Fleshier St. – stated that policies and procedures are in place for governments and the reassessment is a prime example of not following those rules.

Meeting adjourned at 9:35 p.m.



Jordan Stanchina  
Clerk-Treasurer