

RESOLUTION

WHEREAS, the West Iron County Public School District's jurisdiction includes Iron River Township, Bates Township, Stambaugh Townships, the Cities of Gaastra, Caspian and Iron River; and

WHEREAS, the West Iron County Public School District owns real property in the City of Iron River, formally known as the Iron River High School and now known as the West Iron County Middle School; and

WHEREAS, the West Iron County Public School District has closed the aforementioned Middle School and intends to sell and/or convey the property; and

WHEREAS, the West Iron County Public School District has, in the past, closed and conveyed other properties on which abandoned school buildings were located in the City of Iron River insolvent and/or irresponsible individuals or entities which allowed these buildings to go into disrepair and become a blight on the community; and

WHEREAS, the City of Iron River has incurred significant expenses to remedy and alleviate previous school buildings abandoned by the West Iron County Public School District which fell into disrepair; and

WHEREAS, the West Iron County Public School District, should it convey or sell the Middle School building to an insolvent and/or irresponsible party would be doing so for the purpose of avoiding a potential liability, contrary to the Michigan Statute of Frauds; and

WHEREAS, the sale or conveyance of the Middle School to an insolvent or irresponsible party will ultimately result in another abandoned school building to become in disrepair; and

WHEREAS, if the West Iron County Public Schools conveys the Middle School building to an insolvent and/or irresponsible individual or entity, the City of Iron River would again be faced with having, at great expense to the tax payers of the City of Iron River, to take actions to alleviate the blighted conditions and/or raze the building.

THEREFORE, BE IT RESOLVED that the City of Iron River decrees as follows:

That the Iron River City Assessor be directed to place the West Iron County Middle School building on the tax rolls at full market value as soon as it is no longer owned by a tax-exempt entity.

That the Iron River City Police Department, City Manager and City Attorney take all necessary and appropriate enforcement actions as permitted by the City's Code to prevent and/or correct blighted conditions or conditions which render the Middle School structurally defective and/or to be in disrepair.

Date: July 15, 2009

To: Mayor and Council Members

From: John Archocosky, Manager

RE: Monthly Activity Report

Once again, the City departments have been quite busy with preparing the town for the various summer events. The Rum Rebellion will start this coming weekend; followed soon after by the Rodeo.

The collection service for solid waste from Waste Management to Great American Disposal occurred at the beginning of this month. In general, the change was relatively smooth despite the fact that both the route and pickup days had changed. Our City Clerk and Treasurer's offices did a good job of getting the word out to the public in advance. For the most part there was minimal confusion, and the majority of calls that came into the office were handled quite easily and without any real problem.

Representatives from the City and West Iron County Schools met to renew the contractual agreement for the schools use of Nelson Field. Although most issues were easily resolved, the School is unwilling to pay their rent for the use of the field. Prior to consolidation the school was paying \$9,500 per year. The first year of consolidation the school was struggling with their athletic program, and asked the City to forgo the rent for a year or two, and the City agreed. More recently, the school asked the City to not charge rent to offset the cost of some repair work the school undertook on the grandstand. Now that the latest 5 year contract has ended, the school feels it no longer should be charged rent whatsoever. Over the past 10 years, the City has forgone about \$95,000 in rent alone, not to mention all the other capital improvement projects it has undertaken; primarily for the School's purpose. Having experienced substantial increase in our own expenses and revenue cuts from the State, the City can no longer continue to forgive the rental income. Although this is likely to be a heated issue for the next few weeks, I'm sure that it will work itself out prior to the onset of the school year.

The City's plan to implement a GIS mapping system once again seems to be on the move. The City has been waiting for several months for this project to move forward, with the County taking the lead. Last week however, one County Board Commissioner indicated that the County will not participate financially in this undertaking unless all of the governmental units accept the single proposal that was offered last year by WUPPDR. Since that proposal was made, other companies have also shown an interest in providing the professional service. Like many of the other governmental units, I do not believe the County has taken adequate steps to assure that the product they are contracting to purchase is in fact the best for the dollars being invested. By doing some additional price comparisons, it appears there are other firms that are willing to offer more deliverables for almost the same cost. I have suggested the County take a closer look at a second proposal submitted by a local firm, but the County seems unwilling to take the necessary time to explore the second option, even though this project will cost in excess of \$32,000 for the first phase of work. I will continue to keep the Council informed on this issue. It may mean that the City of Iron River will have to consider moving forward without the County's participation to get a better end product.

July 30, 2009

**Marcia Cornelia
County Treasurer
Iron County Courthouse
2 South Sixth Street
Crystal Falls, MI 49920**

RE: Caspian City & Iron River City Delinquent Tax Payment

Marcia:

We've discussed your refusal to make tax delinquent payments to Caspian and Iron River. During these discussions we have reviewed the following:

1. The County Settlement for all units was completed approximately 2 weeks ago with your finalization of settlement for Iron River. Caspian's settlement was completed in late April.
2. The settlement for Iron River City and Caspian verify the treasures' work, with zero balances, due to County.
3. The County has a revolving fund and is not now borrowing.
4. MCL 211.87b(3) specifies that the Treasurer shall pay within 10 days of settlement.
5. Attorney Tinti as County Civil Counsel to the Iron County Board of Commissioners has advised not to pay Iron River and/or Caspian.
6. All other units have been paid.
7. MCL 211.87b(3) requires payment by the County of interest at 12% on payments not made within 10 days.

Letter to Marcia Cornelia
July 30, 2009
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We also discussed the fact that neither municipality has received any notification formal or informal as to why the payments are being withheld. And, there have been no notifications as to the issues that have caused you to withhold payment.

Under the circumstances it seems most appropriate for the payments to be made. If there are issues those can be defined and worked on in a routine and professional manner without the duress created by limiting cash flow to the cities. As such please consider this letter as demand by the City of Caspian and the City of Iron River for immediate payment.

Thank you.

Sincerely,

Steve J. Polich

Mark D. Tousignant

SJP:kr

Cc: Attorney Tinti, John Archocosky,
Sue Johnson, John Stokoski,
Sandy Sundquist

P.S. We are writing directly to you because we believe that attorney Tinti is counsel to the Iron County Board of Commissioners, not the Iron County Treasurer. However we are proving a copy to his office, for his information.

July 30, 2009

Mr. Steven Tinti
LAW OFFICE OF STEVEN TINTI
P.O. Box 98
Crystal Falls, MI 49920

Re: County Delinquent Tax Payment

Steven:

Early this week we learned that the County Treasurer was not making payment of delinquent tax funds to Caspian City and Iron River City. This information originated from inquiry calls by Sue and Sandy, the City Treasurers. There have been several subsequent phone conversation with Marcia. She says she has been directed not to pay. When asked by "who?" she referred to Jan Huising and advise (direction) you gave him.

We've received no notice of any dispute or rational for nonpayment. In fact the settlement statements have been done for some time and show zero owed.

At any rate you'll be reading this as you return from vacation on August 3rd. We are of the impression that you represent the County Board of Commissioners not the County Treasurer. Please confirm and/or clarify.

Also please recognize that the cities can not properly function without these payments. The County Treasurer and/or the various entities have adequate recourse to any issues without this drastic and illegal measure. As such, action to compel payment must be taken if we don't reach common ground immediately.

Please call us as soon as you review this situation toward reaching a solution.

Thank you.

Sincerely,

Steve J. Polich
for Caspian City

Mark D. Tousignant
for Iron River City