

**IRON RIVER CITY COUNCIL
SPECIAL MEETING
MONDAY, OCTOBER 22, 2001
10:00 A.M.**

The meeting was called to order at 10:00 a.m. in the Legion Room of the Iron River City Hall, with Mayor Charlotte Soderbloom presiding.

Members present included Councilmen Alfred Perlongo, Klint Safford, Ray Coates (10:01) Tom Beber (10:25), Mayor Charlotte Soderbloom, City Manager Rosalie King and City Clerk Peggy Shamion.

Virgil Thompson, Leo Pisoni, Mike Gatzow and Tom Mayo also attended.

Tom Mayo of Sundberg/Carlson gave an update on the Iron River Water Project.

Safford moved with Coates supporting to pay an invoice from Sundberg/Carlson for \$23,403.48 (Iron River Water Project) minus 10% if paid by 10-25-01.

Roll Call: Ayes: 4 Nays: 0 Absent: 1 – Beber Motion carried.

**SCA
INVOICE
FOR I.R.
CENTRAL
H2O
PROJECT**

Manger King informed the board that a meeting was held with Diane Rostagno, Suzanne Johnson (Treasurer) and King to discuss the financials for Iron River North. The remaining sewer debt in Iron River North is \$37,000. Rostagno stated that if the \$26,782 (after attorney fees were subtracted from the money received from Iron River Township for personal property) a remaining balance would be \$10,218.00 on the debt. Johnson checked with Duane Reid at Rural Development to see if money could be taken out of the bond reserve to pay off the remaining sewer debt. He didn't see any problem with it.

**IRON RIVER
NORTH
SEWER
DEBT PAY
OFF WITH
MONEY
FROM I.R.
TWP. FOR
PERSONAL
PROPERTY
TAXES**

Safford felt that the residents in Iron River North want to see the \$8.25 off of the water/sewer bill once the debt is paid in full.

King reminded the board that the water and sewer accounts have to remain separated, and about the DEQ's mandate of the \$10.00 for sewers. She suggested keeping the \$8.25 on the bill and designate it for operation and maintenance which would be put in a separate line item in the books. The money then would be used for repairs on Iron River North sewers.

Rostagno compiled figures for both the debt service and operation and maintenance. (see attached) The money that has been collected from the residents minus the operation and maintenance expenses minus the engineering and professional services, leaves a debt of

approximately \$6000.00.

First, Leo Pisoni felt that the \$8.25 should be removed from their bills, then he suggested that it stay on until their water project begins. After some discussion, he thought that it seemed logical that the \$8.25 stay on the bill to build the equity in the sewer fund.

Coates moved with Perlongo supporting to follow the recommendation of the City Manager, Auditor and Treasurer and pay the sewer debt completely off, but increase the operation, maintenance and repair (OMR) for Iron River North by \$8.25 on the bill to be put as a separate line item in the books and be earmarked for Iron River North sewers.

**APPROVAL
TO PAY OFF
MINERAL
HILLS
SEWER
DEBT**

Roll Call: Ayes: 5 Nays: 0 Motion passed unanimously.

Water meters for Iron River North were discussed again. Safford told the board that the Iron River North residents he has spoken to, don't want to be billed by the meter readings once the meters are installed.

When King and Mike Gatzow met with Duane Reid to discuss a \$2.5 million water project for Iron River North residents, the increase suggested would be approximately \$25.00 per household above what they are paying presently. The city will have to scale back the project to make it affordable for the residents. King said that there should be a uniform charge throughout the city. A minimum amount of gallons should be set up the same as it is for Iron River Central and South.

**MINERAL
HILLS
WATER
METERS**

Beber moved with Coates supporting to adjourn the meeting at 10:58 a.m. All were in favor. Motion carried.

Peggy Shamion, CMC
City Clerk