

Date: March 18, 2009

To: Mayor and Council Members

From: John Archocosky, Manager

RE: Monthly Activity Report

During the past month, I traveled to Lansing and Washington DC to help further several of our projects through face to face meetings, and to learn more about how the "Stimulus Package" may be used to the City's advantage.

While in Lansing, Jeff Bal (AECOM) and I met with representatives of the USDA/RD program, to present the City of Iron River's request for grant funds for additional work, which is needed to upgrade our sewer system. Although we have already secured a low interest loan in the amount 2.25 million through the S2 program, the work that has been proposed will only meet a small portion of our real needs. As a result of the Federal Stimulus Package, RD has begun to actively seek "shovel ready projects" for which they can obligate funds by early summer. For the first time in several years, RD is once again able to offer grant dollars up to a maximum of 75% of total project costs.

Because of our current rate structure and medium household income level, the City of Iron River is currently eligible to receive substantial grant funding **without having to increase** our existing charge. The money that has become available from the Feds is on a "first come, first serve" basis, which means we will have to move quickly to get our project submitted. This is a great opportunity for the City to reconstruct much more of its antiquated sewer system, which will need replacement in the near future. Because there is such a huge demand throughout the State, we will be competing with several other communities to receive funding approval. Our engineers have begun processing the necessary paperwork and reports, and I will be developing a plan to receive the largest amount of grant funds we can possibly secure. This will continue to be at the top of my "To Do List" for the next several weeks, as it literally could mean millions of dollars of savings for our current and future customers and taxpayers.

Also while in Lansing, we learned of more good news. Again, as a result of the "Stimulus Package," the City is now eligible to receive a 25% reduction in the payback of the principal amount of our S2 loan. This of course will result in substantial savings over the course of the loan. While in Lansing, I met with our Bond Attorney to discuss the ramifications of these recent developments, and to plan a strategy of how the City will have to manage the bond rating for each of these projects.

Traveling on from Lansing to Washington DC, we had an opportunity to hear a presentation from Senator Carl Levin regarding the economy and how it may impact the State of Michigan. The Senator explained, in detail, some problems that they are dealing with daily, and how it affects the federal budget deficit, and ultimately our own community. Following Senator Levin, Senator Debbie Stabenow visited our delegation and gave her perspective on several of the same issues, and also explained her objectives with regard to the healthcare programs that are being discussed on a national level. I visited Representative Bart Stupak's office, and discussed with his staff the Council's concerns with the growing threat of the wolf population in our immediate area, and asked that he support delisting wolves from the protected species list.