

Date: September 16, 2009

To: Mayor and Council Members

From: John Archocosky, Manager

RE: Monthly Activity Report

Last month I was appointed as a Director to the Michigan Municipal League's Liability & Property Insurance Pool, and am currently the only representative from the U.P. I attended my first meeting with that group this past week and found it to be quite informative. Much of the information we received dealt with investment fund results, exposures, changes in the laws, and claims over the past year. Following the business meeting, several directors and staff got together and discussed the health insurance trends that are affecting almost every municipality in the state. It was interesting to learn that almost everyone in the discussion expected to be negotiating reductions in coverage with their union representatives. Although there seemed to be a wide variety of existing coverage for employees, many were considering the Hybrid Plan, which we have already adopted for all new non-union employees. Some individuals mentioned that they are offering early-out options to reduce the size of their work force, while others were cutting costs through direct layoffs. Services to the public are generally being reduced to cut expenses, and communities are being forced to increase rates for services they continue to deliver. Very few individuals spoke about expansion in their communities, and several mentioned the fact that many jobs had recently been lost. By comparison, it would appear that Iron River, like many of the U.P. communities, are holding their own and only experiencing limited contraction. Considering the fact that we have several improvement projects scheduled to begin in the near future, and have already implemented some cost reduction programs, it's obvious that Iron River is doing better than the average community statewide. The opportunity of some additional jobs at Global and recent interest of one or two "new" small businesses in our area is a sign that Iron River can remain stable through this tough economy. Although these types of meetings often require substantial travel and time away from the office, they always seem to be informative and an opportunity to learn.

The DPW has begun the fall cleanup activities and have completed hauling the ice control sand. Much has been done to prepare for the upcoming winter. Plow routes are being checked and cleared of brush and overhanging trees. Sewer lines are being flushed along with cold patching of the streets.

We have been considering the replacement of our only four wheel drive plow truck. The existing one is on its last leg and could become expensive to maintain for another winter. Rural Development is currently offering a grant of 50% for such equipment, to a maximum of \$50,000, with favorable loan rates on the balance. I will be completing an application for funding through this program and reporting the results to the Council before the end of the month.

The Treasurer's office has been busy preparing for the audit which will begin this week. Hopefully the issues with the county can be resolved so the audit can be completed.

The Clerk's office has been very busy with normal activity including the utility billing and preparation for the upcoming city election.