

Date: March 16, 2011

To: Mayor and Council Members

From: John Archocosky, Manager

RE: Monthly Activity Report

A good amount of time has been devoted this past month to finalizing plans for the construction projects we have scheduled for this summer. We are now down to the final planning stages and have been making last minute changes as the project budgets are being refined by our engineers, GEI. With three different major projects being undertaken during the upcoming construction season, there is much to accomplish before the projects can be released for bids. We have also been involved with some of the planning that MDOT is doing for the US-2 and M-189 corridor projects. MDOT has asked for our input on various issues, and we appreciate the opportunity to offer our opinion.

As a result of the major changes that have taken place in both Lansing and Washington, we have been trying to remain on top of those issues that will have a direct impact on the City's operations. Our Governor, Rick Schneider believes the way to return Michigan to prosperity is to cut business taxes, and plans to do so by more than half. To be able to accomplish this, several of the State's programs that Iron River has benefited from in the past will be reduced or cut. The current method of distributing Revenue Sharing is proposed to be changed to a program that awards communities for finding ways to be more fiscally responsible. If a past accomplishment such as the consolidation of our three former communities is given credit, Iron River may not notice much of an impact from the Revenue Sharing changes. This is an issue I hope to promote with our Senator and State Representative. Last week while in Washington DC, I had an opportunity to sit in a meeting with both Senator Levin and Stabenow and a small U.P. delegation. It was interesting and helpful to get their perspective on the changes that are taking place in DC that affect us in the Upper Peninsula. We also met with Congressman Benishek and heard what his thoughts are now, after serving his first eight weeks as a Legislator. Having recently spent this time in DC and Lansing, I am convinced that we need to remain very current and knowledgeable about the changes that will be forthcoming, so the City can adapt in a timely fashion. It will be important to stay ahead of the changes, so we can be proactive instead of reactionary to those changes that will impact our Long Range planning and budgets.

Since my last month's report, we have been able to meet with both of the Unions which represent our Police and Public Works departments. I'm pleased to inform you that we now have agreements in place with both units. Although the length of the agreements is for a three year period, the major issues will perpetuate long term. The agreements will result in considerable savings for the City, both now and in future years to come. I would publicly like to thank Mayor Zanon for spending a great deal of his personal time working on these negotiations along with me and the City's labor attorney, Steve Girard. It should also be noted that our employees have recognized the necessity of saving the City's funds, and have done their part by agreeing to future reductions that have been proposed.