

**CITY OF IRON RIVER  
SPECIAL MEETING  
IRON RIVER CITY COUNCIL  
Friday, August 7, 2015  
9 AM  
Minutes**

Mayor Terry Tarsi called the meeting to order at 9 a.m., in the Council Chambers at the Iron River City Hall.

Roll Call: Rick Commenator, Jere Fritsche and Tarsi.

Absent: Daniel Baumgartner and Edward Marcell.

Also present: Attorney Mark Tousignant and Interim City Manager/Clerk Rachel Andreski.

Public in attendance: Craig Richardson, GEI Consultants, Ltd.

**APPROVE AGENDA:** Commenator moved, with support from Fritsche to move 6. Old Business b) Availability and Proceeds from Bond to a) and move a) Sidewalk Completion on Corner of Genesee Street and 3<sup>rd</sup> Avenue to b). All in favor; motion carried. Absent: Baumgartner and Marcell.

**PUBLIC COMMENT:**

None.

**OLD BUSINESS**

**Availability and Proceeds from Bond:** Tousignant and Andreski have had discussions about the surplus of monies that are left over from the bond and what they can be used for. You cannot pre-pay these bonds and you cannot invest it more than the interest rate that is being paid (called arbitrage). Steve Mann was contacted from Miller Canfield, the bonding agency, and he confirmed you cannot pay down the principal of the loan with the money you have left over or arbitrage, or invest in higher interest. Tousignant asked what can these funds be used for and he was told that it can be used anywhere in the City for demolition, sidewalks, streets, etc. Tarsi was under the impression from the former City Manager we could give that money back, but Tousignant responded that it is an IRS issue which does not allow the pay down. Commenator asked if we could use the money for a payment and Tousignant stated that you cannot. Tarsi noted that there is a Cost Sharing Agreement with the DDA of 66% re-payment, but the Agreement will be reviewed. No action was taken.

**Sidewalk Completion on Corner of Genesee Street and 3<sup>rd</sup> Avenue:** Richardson stated that the amount of \$11,250 which was the contract value and was escrowed was to finish the improvements in front of the former Coast to Coast building. Ruotsala provided a bid to perform the work to complete the items which was held back and came back with a bid of \$25,173. Richardson had contacted General Concrete for a price and they had not returned his call. Richardson stated he could contact another contractor to see if they could get a better price for the concrete work, and perhaps, be able to utilize Ruotsala's landscaper, but is not sure because of the time of year, a better price would be obtained. Ruotsala guarantees they will be here and complete the work in the

timeline the City wants done. Richardson will set a fair completion date of something like October 15, 2015 for plantings so they have a chance to root and a separate one for the concrete.

Tarsi asked if this contract would extend the sidewalk and curb south to the alley. Richardson said it does not, and he feels the City should obtain separate bids to perform that work. Commenator moved to accept the quote from Ruotsala in the amount of \$25,173 with funds from the proceeds of the bond and what was held in escrow. Fritsche seconded.

Roll Call: Ayes – 3: Fritsche, Commenator and Tarsi. Nays – 0. Absent – 2: Baumgartner and Marcell. Motion passed.

**Council Member Comments:** Tarsi asked Tousignant for an update on the Anderson lawsuit. Tousignant responded that he spoke with Steve Tinti, attorney for Mr. Anderson, and they rejected our last offer. Since then, he sent a letter advising the offer that was on the table is no longer there, and wrote a letter to the judge requesting a date for a pre-trial and schedule a trial.

Andreski informed the Council that on Tuesday afternoon, the sewer televising crew was on the 700 block of Washington Avenue and ran into some roots in the main. In an attempt to cut the roots, Kim Busakowski had sewer back-up in her basement. Richardson added it happened very quickly, and in his opinion, was on the verge of a back-up again soon. There are many large trees in that area it's a compilation of problems. Andreski and Sheltrou immediately arrived on scene, where they conducted an immediate clean up. Andreski followed up with her the following morning to make sure there weren't any more issues. Andreski advised her that the televising crew had to stop because of the back-up so an accurate picture cannot be obtained. Busakowski noted she had a tree near her house and could that be entering her service line. Andreski said there is a good possibility, however, unless it's televised, you won't know for sure. Andreski reported the incident to MML insurance representative Tracy Hardy.

Richardson questioned if the school has any lines that run into that main other than from the bus garage. When the back-up occurred in December, it was observed by members of the DPW that there were shop rags and grease in the manhole. An inspection performed by Sheltrou proved the school did not have a proper grease trap installed. Tarsi advised Andreski to have Sheltrou meet with the maintenance superintendent and Chris Thompson and get the ball rolling to get into compliance. It is likely the trees are not within the City right-of-way.

**Adjournment:** Fritsche moved to adjourn at 10:14 a.m., with support from Commenator. All in favor; motion carried.

  
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Rachel Andreski, Interim City Manager/Clerk