IRON RIVER—As it plans to put a county-wide road millage renewal on the November ballot, the Iron County Road Commission agreed to modify its disbursement of the collected taxes to four cities and the village of Alpha or risk, quite plainly, losing the support of the voters in those municipalities.

The recommendation and action to accept the agreement was reached after a lengthy discussion with representatives of Iron River, Caspian and Crystal Falls, along with their attorneys, at the Road Board's Aug. 14 meeting.

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The issue arose when the municipalities became aware they were not receiving 100 percent of the revenue generated in their communities back to the communities.

"We relied on the statue on how the money is distributed," said attorney Steve Polich, representing Caspian and Gaastra.

"We are receiving from 72 to 75 percent of the money generated. The roads in these municipalities are needy of this money."

The return of millage money to the municipalities was agreed upon in the ballot language three years ago because the cities and the village of Alpha maintain jurisdiction over their roads, not the Road Commission.

The discrepancy arose in the manner of disbursement, with the county collecting the millage based on the state taxable value and disbursing the money using the state equalized value.

The municipalities, overall, estimate they have not received approximately $11,000 in revenue in 2012.

"Our auditor brought it to our attention," said Geoffrey Lawrence, attorney for Crystal Falls. "We have to fix our roads, too."

"So you're asking for about 25 percent more?" asked Road Commission Chairman Carl Sholander, noting that "municipal drivers use county roads, too."

"The opposite is also true," said Polich. He said a similar agreement is in place in Dickinson County, "That's fair in this way.

"It's not as though we can't have agreements. That's what other municipalities are doing."

Sholander questioned if the issue was political, in that the municipalities indicated they would vote the millage down if they didn't receive the requested funds.

"If you don't support the millage," he said, "you'll lose the whole amount."

Polich said any municipality can seek a millage on its own.

"We're not subverting your millage," he said. "It's not a huge amount of money."

Commissioner Ernie Schmidt commented that the townships are paying 100 percent of the cost of repairs on their own roads.

"The townships are doing roads on an elective basis," Polich said. "They can choose. The cities have more responsibilities for their roads."

"We've removed the 8 ½ percent administration fee on our township projects," said Sholander. "We've been able to absorb that through the millage. We've had layoffs, and we've managed the millage money. I appreciate your needs."

Crystal Falls Township Supervisor Tom Lesandrini said in the first conversations about the

millage, it was thought that the money should be spent in the municipalities from where it came.
"Eleven thousand dollars and you can pass the millage? Don't jeopardize that. It might be a spiteful thing to do."
Crystal Falls City Manager Dorothea Olson added that her residents, "when they voted, expected the money to stay in the city. It's not staying in the city.
Iron River City Manager Perry Franzoi agreed, saying the voters were under the impression that the millage voted in the city would stay in the city.
"It's a matter of fairness for the voters in Iron River. We can all use help," he said. "The state won't help us. If I had that$7,000 (estimated annual loss), I could do some little projects."
the county-wide millage generates approximately $193,000 per year, $204,000 with the municipalities' portion added in.
"It would be nice to have that $11,000," said Road Commission Superintendent Doug Tomasoski, "but we'd be looking at losing $193,000.
"A lot of people didn't understand the distribution statue," he said.
Iron County Treasurer Marcia Cornelia agreed.
"The law says to distribute the money based on the SEV, and it is collected on the taxable value, so there is a discrepancy."
Sholander asked if the agreement could be handled after the election.
"We all want the same thing," he said. "Why can't we wait to change the agreement?"
"If I were a betting person," said Tomasoski, "depending on how hard it's pushed by the municipalities, I think it would be a real gamble.
"The ballot language won't change, but support would come with the agreement."
"The municipalities didn't think they wouldn't get the money," said Polich. "So they said, let's just go ask the Road Commission.
"It's positive to do it the way they thought it was going to be four years ago."
"I recommend an agreement," Tomasoski said. "I don't want to lose the whole millage. I hope there will be verbal support from the municipalities."
"I would support it, pending the passing of the millage," Sholander said.
Commissioner Joe Sabol made a motion to agree with the cities; Schmidt supported it. It passed, four to one, with Sholander voting no.
The agreement language will supersede the ballot language, and will begin with the millage renewal.