



MEMORANDUM

TO: Mayor Burch and City Council Members

FROM: Gregg Guetschow, City Manager

SUBJECT: City Manager's Report

DATE: July 24, 2015

School District's Share of O-I Funds. You might recall that the Michigan Department of Treasury has suggested that some or all of the funds that the City distributed to the Charlotte Public Schools might have the effect of reducing future State aid payments. City Attorney Tom Hitch and I accompanied various school officials and their attorney to a meeting with Treasury officials on July 15 at which this matter was discussed. I believe that we adequately conveyed our position that the amount paid by Owens-Brockway was damages and not taxes and was dictated by the terms of the agreement with Owens-Brockway. It appears that Treasury will be making an effort to give a final answer on this matter soon.

Embezzlement Case. An article appears in this weekend's edition of The County Journal regarding a former City employee pleading guilty to a charge of embezzlement from the City. Sentencing is scheduled to take place in mid-August. As I said for the article, we will not be making any detailed comments about the matter until after sentencing has occurred.

329 S. Lincoln Street. This address is the location of a building damaged by fire several years ago. You might recall that it was declared a dangerous building and ordered demolished. For several years we have worked with PNC Bank and the Michigan State Housing Development Authority on the discharge of mortgage liens on the property. We received notification recently that both of these have been completed which paved the way for the sale of the property. We are confident that the new owner will be demolishing the property in the near future.