

The Marquette County Board of Commissioners held their Regular Meeting on Tuesday, October 18, 2005, at 6:30 P.M., in Room 231 of the Henry A. Skewis Annex, 234 West Baraga Avenue, Marquette, Michigan.

Chairperson Corkin called the meeting to order. Present: Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Wallace, and Comm. Corkin. Absent and excused: Comm. Struck.

A Salute to the Flag was given followed by the Pledge of Allegiance.

It was moved by Comm. Wallace, seconded by Comm. Pellow, and unanimously carried by voice vote that the minutes of the County Board of Commissioners Regular Meeting held on October 4, 2005 be approved.

Chairperson Corkin opened the meeting for public comment, none was forthcoming

It was moved by Comm. Joseph, seconded by Comm. Arsenault, and unanimously carried by voice vote that Claims and Accounts for the period October 7, 2005 through October 13, 2005 in the amount of \$375,460.27 (corrected amount), and bi-weekly payroll for the period ending October 8, 2005 in the amount of \$566,078.96 be approved.

It was moved by Comm. Wallace, seconded by Comm. Bergdahl,, and unanimously carried by voice vote that the Agenda be approved with the following additions: Item 11b) Lease to USA Hunting Supplies, 11c) USA Hunting IRP Loan Request, and 11d) TSA Lease Renewal; change 13b to 13c; and add 13b) Attorney/Client Privileged Material – Twork vs. County of Marquette.

### **INFORMATIONAL ITEMS**

It was moved by Comm. Pellow, seconded by Comm. Joseph, and unanimously carried by voice vote that the following informational items be accepted and placed on file:

- a. Invitation to Attend Central Lake Superior Watershed Partnership Quarterly Meeting.
- b. Final Plat and Restrictive Covenants Approval of Light House Point Site Condominium Project.
- c. Communication from Pathways Oversight Council Members regarding PA 2 Liquor Tax Funds.
- d. Pathways Customer Services Open Forum.
- e. Thank You from the Charter Township of Chocolay for Action Taken regarding U.S. 41/M-28 Corridor.
- f. Communications from Michigan Office of Highway Safety Planning regarding Federal Funds for Highway Safety Projects.
- g. Seventh Biennial Report to the Legislature on Activities and Progress of Survey and Remonumentation.

### **ACTION ITEMS**

It was moved by Comm. Arsenault, seconded by Comm. Heikkila, and unanimously carried by voice vote that Action Items 10a and 10b be approved as follows:

10a) Committee of the Whole Recommendation to approve a lower rental rate on t-hangars to an adjusted lease rate of \$100 per month for the single t-hangars, and \$135 per month for the twin t-hangars.

10b) Committee of the Whole Recommendation to approve Design and Engineering Services for FAA Funded Airport Projects Contract Amendments 4 and 5 with URS.

**ACTION ITEMS CONTINUED:**

10c) The County Board considered the DEQ Lease Assignment. Steve Powers, County Administrator, explained that the State of Michigan Department of Environmental Quality is requiring County approval of an Assignment of Lease Document for the DEQ Building at KI Sawyer. The building has been sold by the County to Telkite, and the County will be assigning its lease interests to Telkite. The Assignment will release the County from its obligations under the DEQ Lease Agreement and will allow the State to make rental payments directly to Telkite.

It was moved by Comm. Pellow, seconded by Comm. Joseph, and unanimously carried by voice vote that the County Board approve the DEQ Lease Assignment.

10d) The County Board considered a Notice of Bid Award for Emergency Airfield Electrical and Lighting System. Keith Kaspari, Airport Manager, explained that during a routine daily inspection of the airfield in late September, Airport Maintenance Staff noticed in a number of locations that the conduit providing electricity to the Airfield's lighting system had become exposed above the pavement. With the winter season quickly approaching, this would cause a significant safety hazard to airport personnel performing snow removal operations.

Staff brought this safety concern to the attention of the FAA and Sawyer's Engineering Consultant, URS, and as a result, a fast-track project was set in motion to execute temporary repairs. The project was advertised locally with bids opened on Monday, October 17<sup>th</sup>.

Mr. Kaspari further explained that this will be a two-phased project with Phase I temporary repairs being performed this fall, and Phase II permanent repairs scheduled for the construction season of 2006. The Engineer's estimate was estimated to be approximately \$30,000. Only one bid was received, with the bid of \$28,500 from Fahrner Asphalt Sealers, Inc. of Plover, Wisconsin. Fahrner has a branch office located in Gwinn.

Rather than wait for the FAA to execute a grant, and to expedite repairs, funding for Phase I will need to be funded entirely by Marquette County. Marquette County will then seek reimbursement through the FAA via MDOT, as MDOT will show a credit on a project statement for AIP Grant No: 3-26-0153-1906. Staff anticipates completion of this project by October 28, 2005 weather permitting.

Commissions and Staff engaged in a brief discussion regarding the old electrical system and why it was faulty. Commissioners directed Staff to investigate who the contractor and engineer were at that time and why the system was faulty so these emergency repairs need not happen again.

It was moved by Comm. Wallace, seconded by Comm. Arsenaault, and unanimously carried by voice vote that the County Board approve the bid award to Fahrner Asphalt Sealers, Inc. of Plover, Wisconsin for emergency repairs to the Airfield Electrical System in the amount of \$28,500, and further the Board allow Staff to fast-track the contracts with the bidder to ensure timely completion of the project.

**LATE ADDITIONS**

11a) The County Board considered a request for a MERS Resolution for Purchase/Restoration of Former Service Time. John Greenberg, Human Resources and Risk Manager, indicated a MERS Resolution has been received from Cynthia Cope in the 96<sup>th</sup> District Court to restore former Marquette County service time of 4 years and 6 months. Ms. Cope's request is consistent with a blanket resolution adopted by the Board of Commissioners on February 19, 1997. The employee will be responsible for the full amount of the actuarial cost of the additional credited service.

It was moved by Comm. Cihak, seconded by Comm. Wallace, and unanimously carried by voice vote that the County Board authorize Ms. Cope to purchase this former service time towards retirement.

11b) The County Board considered a request from USA Hunting Supplies to lease Building 731. Scott Erbisch, Sawyer Operations Manager, explained that Mr. Dennis Anderson, President/CEO is a lifelong resident of the U.P. He has been a CCI employee for over 30 years. He has developed a product known as Baitsense and has been successfully marketing and distributing it for over three years. The research and development of this project was approximately ten years ago. Mr. Anderson will have the support of Steve Gonyou. Mr. Gonyou has over 20 years experience in IT design, information systems, security and internet marketing. He received his bachelors degree in E-Business, and masters in information systems security. In 2005, Mr. Gonyou received the highest award through the Association Information Technology Professional's National Conference in a programming assessment out of 600 participants.

Approximately one year ago, Mr. Anderson and Mr. Gonyou created [www.usahuntingsupplies.com](http://www.usahuntingsupplies.com) to market the Baitsense product, as well as other U.P. products such as Bay De Noc Lures, Stormy Kromer, Aldo's Spices, and Rapid River Knife Works. They have since developed relationships with approximately 200 other national manufacturers. Many of these national manufacturers, such as Carhartt, require that the business have an outlet center as well as minimum startup inventory purchases.

Mr. Erbisch was present and explained that Building 731 is a 4,088 sq. ft. building currently 50% occupied by the Transportation Security Administration (TSA). TSA will vacate the premises when it relocates into the Airport offices soon to be vacated by County Staff. This building is owned by the County and subject to the Marketing Agreement with Telkite.

Lease terms are as follows:

- Term: 5 Years
- Lease Expiration Date: 10/31/2010
- Occupancy: Tenant will occupy the space by October 19, 2005 or as soon as possible.
- Triple Net: The Lease structure is based on a triple net lease. Tenant is responsible for janitorial, snow removal, lawn care, building maintenance, utilities, etc.
- Rate: \$500 per month for the first three months; \$1,000 per month for months 4-6; \$1,500 per months for months 7-12; and \$2,000 per month for months thereafter escalating annually thereafter by 5%.
- Security Deposition: \$1,000
- Termination Option: Tenant shall have the right to terminate the lease, provided that it is expanding into a larger facility at KI Sawyer by giving Landlord 90 days written notice of its intent.
- Personal Property: To the extent that such furnishings are available, tenant shall have the right to use those furnishings during the term of the lease, but those furnishings shall remain the property of Marquette County.

Mr. Erbisch explained other considerations: Supporting this lease does not only add to the operating fund, but it maintains a beautiful facility, supports local entrepreneurship, increases the shipping activities in Marquette County which will eventually help woo a UPS or Federal Express Hub, and supports the growth of not only one U.P. manufacturer but several.

Commissioners and Staff engaged in a brief discussion regarding the termination option. Commissioner consensus was that when the lease terminates that USA Hunting stay in ALP Properties. Comm. Joseph requested the square footage rental rate breakdown for USA Hunting.

It was moved by Comm. Joseph, seconded by Comm. Pellow, and unanimously carried by voice vote that the County Board enter into a Lease Agreement with USA Hunting Supplies, LLC, for Building 731.

11c) The County Board considered a request from USA Hunting for an IRP Loan. Scott Erbisch, Sawyer Operations Manager, explained that USA Hunting Supplies is a privately held firm located in Marquette County. The company distributes hunting and fishing products via the internet and is looking for a facility to have a store front and distribution center (currently interest in Building 730).

Comm. Arsenault, IRP Loan Committee, explained USDA specifies a maximum loan amount of \$250,000. The current IRP Policy specifies the maximum loan amount of \$200,000. The Loan Committee recommends that the inventory to maximum loan be 50% - 75%. However, the Loan Committee is authorized to deviate from these percentages. Comm. Arsenault stated the Loan Committee is recommending waiving the 50% - 75% loan amount to inventory.

Loan terms as follows:

- Borrower:* USA Hunting Supplies
- Amount:* \$105,000
- Purpose:* Purchase inventory and startup expenses.
- Rate:* Wall Street Journal Prime floating (prime is currently 6.75 percent; rate will be determined at closing).
- Term:* 5-year term, monthly payments of principal and interest.
- Collateral:* Blanket lien on all assets of USA Hunting’s Sawyer Operation and the personal guarantee of the principal.
- Source of Repayment:* Revenues generated through operations.
- Contingencies:* Prior to loan closing, the County must receive the following: Signed document of USA Hunting that the business will be physically located at Sawyer.
- Loan Distribution:* Loan Funds would be distributed upon receipt of invoices, or other appropriate documentation from USA Hunting, identifying expenditures directly associated with the startup of its Sawyer Operation.

It was moved by Comm. Arsenault, seconded by Comm. Wallace, and unanimously carried by voice vote that the County Board approve the \$105,000 loan to USA Hunting Supplies according to terms and contingencies outlined, waiving the 50% - 75% loan amount to inventory.

11d) The County Board considered a Transportation Security Administration Lease Renewal. Scott Erbisch, Sawyer Operations Manager, was present and explained that on October 31, 2005, the Lease with the Transportation Security Administration (TSA) expires. Staff has been in discussions with the General Service Administration (GSA) for the past several months in an attempt to extend this lease. The GSA had a specific mandate to reduce the total square footage leased at all the TSA locations. At Sawyer, they wanted to reduce the square footage from just over 2,200 sq. ft. down to 1,400 sq. ft.

Mr. Erbisch further explained that to accomplish this goal, County Staff recommended relocating the TSA Offices into the soon to be vacant Airport Manager’s Office. This office suite is 1,770 sq. ft. and is an optimal location for them. TSA currently occupies 2,000 sq. ft. in Building 731 and approximately 200 sq. ft. in the terminal.

GSA has notified the County that they have been authorized to proceed with the relocation of the TSA Offices with a 5-year agreement, one year firm, at the following rates: Years 1 through 3 – total gross rental

per year at \$32.31 sq. ft. Years 4 through 5 – total gross rental of \$33.93. Staff recommends approval of the lease with the terms outlined.

It was moved by Comm. Bergdahl, seconded by Comm. Arsenault, and unanimously carried by voice vote that the County Board approve the Transportation Security Administration Lease Renewal with the terms as outlined and recommended by Staff.

Chairperson Corkin opened the meeting for public comment, none was forthcoming.

There were no Commissioner Comments, Staff Comments or Announcements.

It was moved by Comm. Arsenault, seconded by Comm. Joseph, and unanimously carried on a roll call vote 8 Ayes (Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Wallace, and Comm. Corkin) to 0 Nays that the County Board go into Closed Session to discuss material exempt from discussion or disclosure by State or Federal Statute (MCL 15.268(h): a) Attorney/Client Privileged Material – Marquette County Humane Society Claim Resolution, and b) Attorney/Client Privileged Material - Twork vs. County of Marquette.

Chairperson Corkin declared a brief recess to clear Commission Chambers at approximately 6:55 P.M.

.....CLOSED SESSION.....

The County Board came back into open session at approximately 7:25 P.M.

It was moved by Comm. Wallace, seconded by Comm. Cihak and unanimously carried by voice vote that the County Board approve the recommendation presented by Civil Counsel regarding the Marquette County Humane Society Claim Resolution.

It was moved by Comm. Wallace, seconded by Comm. Pellow, and unanimously carried by voice vote that the County Board accept Civil Counsel’s recommendation regarding Twork vs. County of Marquette.

Commissioners and Staff discussed the Contract with the Humane Society. Steve Powers, County Administrator, explained that the draft of the Contract with the Humane Society has been discussed, but the first focus was the Humane Society Claim.

Cheryl Hill, Civil Counsel, explained that a letter went to the Humane Society requesting a copy of the Humane Society’s most recent financial statements. That information has yet to be provided.

Comm. Arsenault questioned the financial documentation. He stated if we request financial documentation from the Humane Society then we should be asking for all financial information from any entity.

Comm. Pellow stated that she wants to see resolution to this contract. She stated that if the County Board and the Humane Society cannot come to an agreement then there may be a possibility of soliciting bids.

It was moved by Comm. Pellow, seconded by Comm. Wallace and carried by voice vote 6 Ayes (Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Pellow, Comm. Wallace, and Comm. Corkin) to 2 Nays (Comm. Arsenault and Comm. Joseph) that the County Board place the Humane Society Contract discussion on the next Committee of the Whole Agenda, and further that the Contract be prepared for final agreement within 30 days.

Chairperson Corkin excused Comm. Arsenault from the meeting.

It was moved by Comm. Pellow, seconded by Comm. Bergdahl, and unanimously carried on a roll call vote 7 Ayes (Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Wallace, and Comm. Corkin) to 0 Nays that the County Board go into Closed Session to discuss Attorney/Client privileged material – Pioneer Square Litigation.

.....CLOSED SESSION.....

The County Board came back into open session.

It was moved by Comm. Pellow, seconded by Comm. Bergdahl, and carried by voice vote 6 Ayes (Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Pellow, Comm. Wallace and Comm. Corkin) to 1 Nay (Comm. Joseph) that the County Board accept recommendation No. 1 from Civil Counsel regarding Pioneer Square Litigation

Comm. Joseph stated for the record he disagreed with the recommendation of Civil Counsel.

Chairperson Corkin opened the meeting for public comment. Judge Girard, 96<sup>th</sup> District Court, was present to request a security officer for the 96<sup>th</sup> District Court. He explained that he has indicated in all correspondence to the County Board that Ishpeming District Court has no security whatsoever. Ishpeming City does not have much of a police department to respond and there is no road patrol. He explained that he understands the County’s financial restraints but emphasized that the public and the employees need to be protected.

It was moved by Comm. Wallace, seconded by Comm. Cihak and unanimously carried by voice vote that the County Board direct Administrator Powers to explore how to provide Ishpeming District Court with a security officer and report back to the County Board as soon as possible.

Comm. Pellow requested a walkthrough of the Ishpeming District Court. Judge Girard welcomed Comm. Pellow and extended the invitation to any Commissioners who wishes to participate.

There being no further business to become before the County Board the meeting adjourned at approximately 8:07 P.M.

Respectfully Submitted,

Connie M. Branam  
Marquette County Clerk