

Minutes are Subject to Correction and Approval

The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, April 26, 2005, at 6:30 P.M., in Room 231 of the Henry A. Skewis Annex, 234 W. Baraga Avenue, Marquette, Michigan.

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

It was moved by Comm. Wallace, seconded by Comm. Pellow, and unanimously carried by voice vote that the minutes of the Committee of the Whole Meeting held on April 12, 2005 be approved.

Chairperson Corkin opened the meeting for public comment.

Dennis Boe, Big Bay, Michigan, requested to speak to Agenda Item 8) Sulfide Mining.

There being no further public comment, Chairperson Corkin closed this portion of the meeting.

It was moved by Comm. Pellow, seconded by Comm. Joseph, and unanimously carried by voice vote that the agenda be approved with the following additions: Item 11) Caretaker Agreement, and Item 12) Delphi Automotive Lease Negotiations.

It was moved by Comm. Bergdahl, seconded by Comm. Wallace, and unanimously carried by voice vote that Claims and Accounts for the period April 15, 2005 through April 21, 2005 in the amount of \$620,437.33 be approved.

The Committee considered CY 2005 Quarterly Update Reports from Keith Kaspari, Airport Manager, and Sawyer Financial Reports submitted by Anne Giroux, Business Manager, SBC. Mr. Kaspari was present and described the total number of airline passengers and total air cargo carried on a monthly basis, by each tenant airline, for the first quarter of CY 2005. Mr. Kaspari also announced that scheduled passenger service to Minneapolis begins on June 9th. He explained this will be one trip per day, Monday through Friday, and at least one trip over the weekend, as agreed to in the Air Service Development Agreement, yet the service is currently scheduled on a daily frequency. Passengers can begin booking fares on Saturday, April 9th.

Commissioners and Staff briefly discussed fuel costs, the service to Minneapolis beginning in June, and the inplane and deplane tables presented.

It was moved by Comm. Bergdahl, seconded by Comm. Wallace and unanimously carried by voice vote that the CY 2005 Quarterly Update Report and the Sawyer Financial Reports be accepted and placed on file.

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The Committee was presented the Annual Report for 2004 from John E. Carlson, Marquette County Mine Inspector. Mr. Carlson explained the abandoned mines and pits inspected in 2004, the inspections of active mines in 2004 and addressed school safety problems. He also presented a 2004 Inactive Mine Inspection Report.

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It was moved by Comm. Wallace, seconded by Comm. Struck, and unanimously carried by voice vote that the Annual Report for 2004 presented by John E. Carlson (Yogi), Marquette County Mine Inspector, be accepted and placed on file.

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The Committee considered a draft letter to Mr. Harold Finch, Chief, Office of Geological Survey, DEQ. The communication addresses concerns regarding Part 632 of the Rules. The Committee requested the concerns be considered by the DEQ before April 30, 2005.

Dennis Boe, HCR 1, Box 302, Marquette, thanked the County Board for considering the issue of Sulfide Mining and presented a map pointing out the magnitude of the land being discussed and the land that Kenecott owns the mineral rights to. He also introduced Cynthia Prior, resident of Big Bay and the Rules Committee.

Cynthia Prior, PO Box 236, Big Bay, addressed the Committee regarding Sulfide Mining. She presented materials that were found in their investigation of the mineral leasing and mineral ownership and surface ownership relative to the taxation process. She also addressed the lists of concerns that the concerned citizens of Big Bay have which was presented on April 19, 2005 and explained each one. She also listed in the materials presented what she would like answered by the State of Michigan.

Also addressing the Committee on Sulfide Mining were Lori Kallio, Kelly Mathews, and Barb Bradley.

Jim Kippola, Senior Planner, was also present and explained the socioeconomic impact and taxation section of the memo to Mr. Harold Fitch.

Chairperson Corkin read the draft letter prepared by Staff. Steve Powers, County Administrator, explained that the sentence "*The bonding requirements on landfills may an appropriate comparison*" is being deleted from the financial security and bonding section.

Commissioners and Staff discussed various amendments and changes to the draft communication.

It was moved by Comm. Wallace, seconded by Comm. Struck, and unanimously carried by voice vote that the Committee of the Whole direct Staff to send the letter to Mr. Harold R. Fitch, State Geologist and Chief, DEQ, immediately with the changes discussed by Commissioners.

Chairperson Corkin thanked all those who addressed the Committee of the Whole.

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The Committee considered a resolution to support Upper Peninsula Substance Abuse Team (UPSET) in its efforts to continue federal funding (Byrne Grant). The Upper Peninsula Substance Abuse Team has been fighting the war on drugs in 12 of the Upper Peninsula Counties since 1988, covering 13,200 square miles. The Byrne Grant is a federal funded program with five agencies participating under the grant (50/50 match). They also have two federal agencies, ATF and DEA in-house with UPSET, due to the increased demand for drug and gun investigations. President Bush has just announced the cutting of the Byrne Grant and the Senate approved this cut as well. With the cutting of the Byrne Grant UPSET believes most every narcotics team in Michigan and other states will shut down and the drug problem will explode nation-wide.

The UPSET team and all other drug teams around Michigan and the Country, need the support of local government and communities to help keep this federal grant in place to protect the future of our children and our communities.

Comm. Wallace explained that the sample resolution as presented is rather harsh. He definitely supports the UPSET Team and their efforts but requested the resolution be redrafted.

It was moved by Comm. Joseph, seconded by Comm. Heikkila, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board adopt a similar resolution supporting the UPSET Team and all other drug teams around Michigan and the Country to help keep this federal grant in place.

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The Committee considered First Quarter Budget Amendments presented by Sue Vercoe, Finance Manager. She explained that all departments were requested to review their revenues and expenditures. The recommendations presented were prepared based on requests and information from the departments and review of the March Budget Reports. Ms. Vercoe explained #12 General Fund. The General Fund Revenue has increased by \$778,987, the majority of this being Emergency Management/Homeland Security Grants of \$483,488. The 2005 budget was developed prior to the voter approved millage increase for MarqTran. Included in the revenue increase is an additional \$186,448 in tax revenue from MarqTran. Net adjustments to County tax and other revenue accounts for the balance of the revenue increase.

On the expenditure side, the appropriation to the Friend of the Court Fund is increased by \$23,111. Effective April 1, 2004 the State reduced their funding of the Friend of the Court and Medical Support Operations and require an amendment to the CRP Contract. This amendment provides for maintaining the Medical Support Enforcement position under the FOC Cooperative Reimbursement and maintains the current level of operations for the duration of the grant year ending September 30th. In 2004, ADC incentive revenue exceeded the amount budgeted by \$34,000. It is recommended that these funds be used to support the current level of Friend of the Court operations for the duration of this grant.

To meet the 72-hour target for building inspections, an additional \$74,000 is included to increase overtime expenses for the Building Inspectors (5-hours per week for 21 weeks), hire temporary inspectors (estimated 1,848 hours), and provide for additional support staff and operating costs. It is recommended that fund balance be used to cover these additional expenses. In 2004, Building Code revenues exceeded expenses by \$75,000. The sustainability of this level of staffing will need to be reviewed for the 2006 budget.

Commissioners discussed and had questions regarding the \$74,000 increase adjustment to the Building Codes Department. Commissioner consensus was to remove this section from the Budget Amendment and address it separately.

Ms. Vercoe explained other adjustments in the following areas: #13 Airport Fund, #14 Airport Stabilization, # 15 Water and Sewer Fund, #16 Public Improvement Fund, #17 Technology (Copy, Computer, Telephone Fund, #18 Commission on Aging, #19 Friend of the Court, #20 Remonumentation, #21 Probate Child Care Fund, #22 MCTV Fund, and #23 Service Center Fund.

Commissioners requested that the \$74,000 to increase overtime expenses for the Building Inspectors be pulled from this budget amendment and addressed as a separate item.

It was moved by Comm. Pellow, seconded by Comm. Joseph, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board approve the First Quarter Budget

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Amendments as presented by Sue Vercoe, Finance Manager, deleting the section regarding the \$74,000 increase adjustment to the Building Codes Department. This will be taken under consideration as a separate Budget Amendment.

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Carolyn Hanson, Friend of the Court, and Judge Thomas Solka were present to emphasize the need for the Friend of the Court increase.

The Committee discussed the additional \$74,000 increase to the Building Codes Department pulled from the First Quarter Budget Amendments. To meet the 72 hour target for building inspections, an additional \$74,000 was included in the budget amendment to increase overtime expenses for the Building Inspectors (5 hours per week for 21 2weeks), hire temporary inspectors (estimated 1,848 hours), and provide for additional support staff and operating costs. It was recommended that the fund balance be used to cover these additional expenses. In 2004, the Building Code revenues exceeded expenses by \$75,000. The sustainability of this level of staffing will need to be reviewed for the 2006 budget. Commissioners requested a summary from Staff on how the \$74,000 increase to meet the 72-hour target was arrived at.

Steve Powers, County Administrator, explained that the first step was to look at approximately 14 years of data on the number of inspections, the number of permits, and when the inspection occurred to arrive at a peak time period, what months are busiest and then make some assumptions regarding what is a reasonable amount of time for inspectors to arrive at the full-time equivalent that would be needed to reach the 72-hour target. He further explained that in combination of bringing on some additional seasonal temporary assistance as well as some additional overtime money. Mr. Powers further explained that the upcoming construction season will be a test of how well the Department is doing regarding the target set. He doesn't feel it is realistic to expect that the 72-hour target will be met without some additional resources.

Commissioners and Staff discussed and questioned recommendations from the Building Codes Task Force. They also discussed contracting out inspections rather than the County doing them.

Comm. consensus was to wait for the Task Force recommendations before voting on Budget Amendment 12a, the \$74,000 increase to the Building Codes Department. The Building Codes Task Force recommendation is expected within two weeks.

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The Committee considered a Caretaker Agreement presented by Scott Erbish, Sawyer Operations Manager. Prior to the end of the original Caretaker Agreement in September of 2004, the County Staff advised the Air Force that the roof of Building 850 (former Base Hospital), was leaking heavily and was in need of significant repair. Because the estimated cost of the repair was approximately \$572,000, and the funding available in the approved Caretaker Budget did not include this expense, Staff requested additional funding. Original requests were denied. Senator Levin's office was asked to assist with the request and has been diligently advocating that the Air Force pay for the necessary repairs.

Mr. Erbish further explained that it now appears that Senator Levin and his Staff have been successful in obtaining the requested funding. He has recently received a revised draft "Department of the Air Force Base Caretaker Cooperative Agreement" for review. Article IV of this agreement indicates that "*the maximum funding obligation of the Air Force for the Caretaker to perform all obligation under this*

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Agreement will be the sum of Six Hundred Fifty Thousand Dollars (\$650,000).” It further stipulates that “the Caretaker understands and agrees that the Air Force will not make additional funding available, now or in the future, for maintenance of any property or facilities located on KI Sawyer.” The \$650,000 amount includes \$572,000 for the proposed roof project, \$26,895 for the amount the Caretaker budget was over, and \$49,870 for layoff expenses for former Caretaker employees. The Air Force still has title to Building 850. Once the hospital project is complete, the property will be transferred to the County and then directed to Telkite. The roof project will greatly enhance the marketability of the hospital and will compliment the heat conversion project already underway.

The Agreement has been reviewed by Civil Counsel and Risk Management. The Agreement is available for review at the County Administrator’s Office. Staff recommends a letter be sent to Senator Levin’s Office thanking him for all of his assistance in securing this funding.

It was moved by Comm. Bergdahl, seconded by Comm. Pellow, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board approve the proposed Caretaker Agreement and authorize the Board Chair to execute the Agreement on behalf of the County.

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The Committee considered Delphi Automotive Lease negotiations. Steve Powers, County Administrator, and Scott Erbish, Sawyer Operations Manager, explained that for the past several months they have been negotiating a lease renewal for Delphi Automotive with Equis Corporation. The current lease expired July 31, 2005, and provides \$202,400 in annual lease payments to the County. The reason for the early push from Delphi was due to their need to have a one-mile snow/ice circle test track constructed before the winter of 2005/2006. Delphi representatives explained that the snow/ice circle test track is required for them to continue testing at Sawyer. They are requesting that Marquette County construct the track. Delphi also identified a number of needed parking lot and building repairs and is requesting that the County make these improvements. The total estimated cost of the new test track and requested repairs is \$640,000. Under the current lease, Delphi Automotive is responsible for all maintenance and repairs.

If Delphi leaves, Sawyer International Airport and Business Center will see a reduction in annual lease revenue of \$202,000. The job loss equates to 25 seasonal Delphi employees that come to the testing site. Local companies at Sawyer providing maintenance support and housing to Delphi would be impacted by the loss of the Delphi Lease. Delphi’s site consultant has said the Company will locate elsewhere if a satisfactory lease cannot be reached.

Mr. Erbish further explained that Delphi has requested that the County provide a response by April 30, 2005. Staff is at a point in the negotiations that Board direction is needed. Delphi will renew the lease for an additional five years with the following conditions: 1) Base rental will remain at current levels. \$202,400 annually; 2) Five-year lease with the further option for two consecutive 5-year periods; 3) The County is to provide up to a \$480,000 allowance so that Delphi can construct a 1-mile circle snow and ice circle test track, make needed parking lot and building and improvements, and other site selection costs as identified and agreed upon with County Staff; 4) The County will have the responsibility to make structural repairs on the facility and Delphi will be responsible for reimbursement of said repairs as additional rent; and 5) The County is to pay Equis Corporation a 2% commission on the aggregate base rental paid by tenant for the renewal term. That amount is \$28,736.

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Commissioners and Staff discussed at length the proposal presented by Delphi. Mr. Erbisch further explained that Staff has denied the 2% commission request throughout the negotiation process and is seeking Board direction. Equis has made it clear that this is a make or break point for the lease to be renewed.

It was moved by Comm. Joseph, seconded by Comm. Pellow, that the Committee of the Whole recommend the County Board approve the proposal as submitted but amend option No. 2 – A 5-year lease with no options; and delete No. 5 – a 2% commission on the aggregate base rental paid by the tenant for the renewal term. On voice vote the motion was defeated.

It was moved by Comm. Wallace, seconded by Comm. Bergdahl and carried by voice vote 5 Ayes (Comm. Bergdahl, Comm. Cihak, Comm. Struck, Comm. Wallace, and Comm. Corkin) to 3 Nays (Comm. Heikkila, Comm. Joseph, and Comm. Pellow) that the Committee of the Whole recommend the County Board authorize Staff to submit a response to Equis Corporation agreeing to the renewal terms as presented for the Delphi Automotive Lease.

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Chairperson Corkin opened the meeting for public comment.

Cynthia Prior, Big Bay, Michigan, and member of the Rules Committee, further explained to Commissioners of the need to understand the science of the area. We need to recognize the caving of underground mines is an issue in the U.P.

There being no further public comment, Chairperson Corkin closed this portion of the meeting.

COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS

Chairperson Corkin read a letter from MDOT announcing the installation of fire station advanced warning signs with beacons in the Champion/Humboldt Township area. It is anticipated the signs will be installed in June, 2005. Warning beacons would be installed after the signs are installed but will be completed this summer. MDOT will furnish and install signs and equipment. Chairperson Corkin stated this is great news for Champion/Humboldt Township and thanked Mr. LaPin of Champion, Comm. Struck, Comm. Pellow, Comm. Wallace, and MDOT for their work on this issue.

Comm. Struck commended MDOT and the U.P. Staff of MDOT who looked into the issue and worked with the community.

Comm. Pellow questioned the status of the Telkite documents.

Chairperson Corkin questioned the status of the Customs issue at Sawyer. Steve Powers, County Administrator, explained the Custom’s Commission is meeting on Friday. He contacted the offices of Congressman Stupak and Congressman Stabenow and is expecting a response.

It was moved by Comm. Bergdahl, seconded by Comm. Pellow and unanimously carried on a roll call vote 8 Ayes (Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm.

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Struck, Comm. Wallace and Comm. Corkin) to 0 Nays that the Committee of the Whole go into Closed Session to consider material exempt from discussion or disclosure by state or federal statute, attorney/client privileged material, MCL 152.68(h).

Chairperson Corkin declared a five minute recess to clear commission chambers.

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

The Committee came back into open session.

It was moved by Comm. Bergdahl, seconded by Comm. Pellow, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board authorize filing an Application for Leave to Appeal to the Supreme Court.

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There being no further business to come before the Committee of the Whole, the meeting adjourned at approximately 8:45 P.M.

Respectfully submitted,

Connie M. Branam
Marquette County Clerk