

The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, March 22, 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. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Struck, Comm. Wallace and Chairperson Corkin. Absent: None.

It was moved by Comm. Wallace, seconded by Comm. Cihak, and unanimously carried by voice vote that the minutes of the Committee of the Whole Meetings held on February 22, 2005 and March 9, 2005 be approved.

Chairperson Corkin opened the meeting for public comment

Gene Champagne, Big Bay, spoke on behalf of the Concerned Citizens of Big Bay, and thanked the Commission for their support.

Richard Hendrickson, Big Bay, spoke regarding the mining issue. He has been attending the rules committee meetings and will provide copies of his notes to Commissioners for their information. He has been in contact with Steve Hoffman, a representative from the EPA, who would be willing to speak to Commissioners and the community if asked.

Paul Hytinen, Ishpeming, spoke as a concerned citizen regarding the mining issue. He has questions and concerns regarding taxation and a possible loophole in the Mining Bill.

Al Pierce, Little Lake, ECI Inc., addressed the meeting, requesting permission to speak on Item 9) Remonumentation Survey Firm Selection.

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

The Committee heard public comment from Richard Hendrickson, Big Bay. Mr. Hendrickson has been attending the rules committee meetings regarding mining, specifically sulfite mining, in Big Bay. Mr. Hendrickson has spoken with Mr. Steve Hoffman from the EPA. Mr. Hendrickson feels Mr. Hoffman would have valuable information for the Board and the community. Commissioners agreed, and they would like to have Mr. Hoffman speak.

It was moved by Comm. Pellow, seconded by Comm. Struck, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board invite Mr. Steve Hoffman from the EPA to speak in Marquette at a date and time to be arranged by County Administrator Steve Powers and Mr. Hendrickson.

The Committee heard public comment from Paul Hytinen, who is a concerned citizen regarding sulfite mining in Big Bay. Mr. Hytinen had questions and concerns regarding taxation issues and a possible loophole in the Mining Bill regarding a mine leaving/quitting production in an area. He has sent letters to various individuals, including Senator Prusi. Commissioners shared similar questions and concerns.

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It was moved by Comm. Pellow, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board send a letter to Mr. Finch addressing taxes and what value he would place on the mining operation and also send a letter to Senator Prusi addressing a loophole that may exist in the Mining Bill.

It was moved by Comm. Wallace, seconded by Comm. Pellow, and unanimously carried by voice vote that the agenda be approved with the following additions: 11) Bid Award for Hangar Improvements; 12) Northwest Air Service to Minneapolis; 13) Request from Wells Fargo to Terminate and Disburse Trust Funds; 13a) Sale of Paint Booth/Sandblasting Unit to Great Lakes Meter Proving, Inc.; 13b) Commissioner Appointment to MAC Transportation Committee; 13c) Code of Ethics; and 13d) Non-Sufficient Funds Checks – Water/Sewer Department at Sawyer.

It was moved by Comm. Pellow, seconded by Comm. Heikkila, and unanimously carried by voice vote that Claims and Accounts for the period March 11, 2005 through March 17, 2005 in the amount of \$724,288.03 and bi-weekly payroll for the period ending March 12, 2005 in the amount of \$559,784.34 be approved.

The Committee considered a letter from James F. Sodergren, retired Marquette County Treasurer, regarding the annual specific tax and state payment on commercial forests. The law regarding these payments has been changed. Mr. Sodergren feels proper notice was not given to all concerned parties. Because of this law change, a loss of \$13,265,410, throughout the State of Michigan is anticipated. Most of these lands are in the Upper Peninsula. The loss to Marquette County, for all units of government, is anticipated to be \$3,976,990 over two years. The County portion, about 20%, would amount to a loss of \$400,000 for 2004 and 2005, for a total of \$800,000.

It was moved by Comm. Cihak, seconded by Comm. Joseph, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board distribute Mr. Sodergren's letter to the 14 U.P. counties making them aware that the law regarding annual specific tax and state payment on commercial forests has been changed.

The Committee considered a Washtenaw County Board of Commissioners Resolution urging the Federal Government to maintain Community Development Funding in fiscal year 2006. Community Development programs supported by the Federal Government have been among the most successful national strategies for addressing poverty, homelessness, and creating and retaining jobs. The executive budget for fiscal year 2006 presented to Congress proposes a 50% cut in funding and the elimination of other similar programs.

It was moved by Comm. Pellow, seconded by Comm. Heikkila, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board support the Resolution urging the Federal Government to maintain Community Development Funding in fiscal year 2006.

The Committee considered a request from Forsyth Township for Light Poles. Steve Powers, County Administrator, explained that Forsyth Township requested 13 stainless steel light poles situated on the former Air Force Base for the sum of \$1,625. A Bill of Sale was drafted. Forsyth Township is now requesting the light poles as an intergovernmental no-cost transfer. The light poles will be used by Forsyth Township in the Little Lake area for flag poles in a Veteran's memorial park. The poles being requested have not been used in some time, and there are no plans for re-use of the poles. Forsyth Township will be responsible for removing and resetting the poles.

It was moved by Comm. Struck, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board sell the poles to Forsyth Township at a cost of \$1 per pole.

The Committee considered a recommendation from Steve Powers, County Administrator, regarding Remonumentation Survey Firm Selection. The State Survey and Remonumentation Act provides for remonumentation of property controlling corners throughout the state. Implementation of the program is facilitated at the County level through a grant.

Qualification Based Selection (QBS) is the process used to select a survey firm to perform the field work. A team of County staff consisting of Pat Manley, Register of Deeds, Larry Bussone, Remonumentation Representative, and Al Feldhauser, Senior Planner, considered the proposals submitted. Criteria used to assess the potential firm included number and experience of surveyors, work on related projects, and availability to meet County schedules. The team, both individually and as a group, selected STS Consultants.

Al Pierce, ECI, was present and addressed the Committee. His firm submitted a proposal for a partial contract but was not selected. He felt the selection process excluded small to medium sized firms such as ECI. Mr. Feldhauser, Mr. Bussone, and Ms. Manley all stressed the QBS process and the need to follow this criteria. They felt the best firm for the job was STS.

Funds are budgeted for the surveying work. The estimated cost is \$151,600. The proposed amount is \$149,500 and is within budget.

It was moved by Comm. Wallace, seconded by Comm. Heikkila, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board authorize a three-year contract with STS Consultants for remonumentation survey work.

Jim Iwaniki, Marquette County Road Commission, provided an update regarding the progress of the Road Commission to accomplish the objectives of the Task Force. Mr. Iwaniki advised that the 2004 audit has been completed. The auditor was very pleased with the progress made by the Road Commission. Commissioners thanked and applauded Anne Giroux for her fine work in this regard. Significant strides have been made to correct deficiencies. Revenues exceeded expenditures by more than \$1 million, due in part to deferral of equipment purchases, reimbursement from MDOT, and taking care of past billings. The budget for this year is on track.

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Communication among staff is also improving. An Engineer-Manager's Communications Forum has been established and is active. This forum has enabled both management and employees to talk about many issues.

Although new equipment will be added, equipment management is still being evaluated so that improvements can be made.

Commissioner Joseph advised that he has spoken with Ms. Giroux, and she will be providing Commissioners with a complete copy of the audit report for their information.

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The Committee considered a recommendation from Steve Powers, County Administrator, for a Bid for Hangar Improvements for American Eagle's Regional Aircraft Maintenance Center (RAMCI) Hangars 664 and 665 and additional Hangar Improvements to Hangar 667. During the summer of 2003, the County applied for and was successful in obtaining a three-year extension to the FAA's Military Airport Program for Fiscal Years 2004, 2005, and 2006 for a combined project total of \$3,755,264 for projects including hangar door replacement on Hangar 665; heating system replacement for Hangar 664; exterior panels on Hangar 667; electrical and interior insulation on Hangars 661, 662, 663, 664, 665, 666, and 667; water utility enhancements; fuel storage tank/gas boy system for ARFF/SRE Building; and hangar improvements. Hangar improvements to Hangars 664 & 665 and exterior improvements to Hangar 667 should reduce heat loss during the winter and save current and future tenants money in heating utilities.

Funding for this hangar door has already been approved by the FAA with the County's acceptance of AIP Grant No. 3-26-0153-1504 and three-year FY2004, 2005, and 2006 MAP application, with funding formula of 95% FAA and 5% County. Marquette County's sponsor match will be derived from the sale proceeds of the former Marquette County Airport in Negaunee.

It was moved by Comm. Bergdahl, seconded by Comm. Heikkila, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board approve the bid award to Premeau Construction, Inc. for hangar improvements for American Eagle's Regional Aircraft Maintenance Center (RAMCI) Hangars 664 and 665 and additional hangar improvements to Hangar 667 in the amount of \$831,511.

The Committee considered a recommendation for Steve Powers, County Administrator, regarding Northwest Airlines Service to Minneapolis. A grant was obtained in 2004 from the USDOT's Small Community Air Service Development Program. Marquette County received \$700,000 to be matched with \$40,000 local funds. Of the total \$600,000 is available to airlines to enhance service. The top priority in the air service grant is the return of daily scheduled passenger service from Sawyer International Airport to Minneapolis-St. Paul International Airport via a 34-seat Saab 340 turboprop airplane. In September, 2003 Sawyer International Airport lost its service to Minneapolis that connected with an intermediate stop at the Houghton County Airport. The grant was submitted with the intent to maximize the use of funds for all three tenant airlines, with the number one priority to restore service to Minneapolis-St. Paul, allowing passengers significant choices for connections to western airports.

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This service should continue the momentum build up over the last 12 to 18 months and will result in an increase in revenue to the County from passenger facility charges and parking and rental car revenue.

Either the County or Northwest Airlines can terminate the agreement at any time by giving an agreed upon notice of termination if the service cannot justify positive revenue numbers.

There is no financial risk to Sawyer International Airport from this agreement. Marquette County is only liable for the \$600,000 as approved by the USDOT. Northwest Airlines would be responsible for any additional costs over the \$600,000.

It was moved by Comm. Wallace, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board allow approval to Northwest Airlines to schedule aircraft for passenger service to begin on or about June 9, 2005 serving Minneapolis and authorize approval of the Air Service Development Agreement between Marquette County and Northwest Airlines, Inc. subject to administrative and legal review.

The Committee considered a recommendation from Steve Powers, County Administrator, regarding a Request from Wells Fargo to Terminate and Disburse Trust Funds. Wells Fargo, as trustee for Annie M. Flannigan, wishes to terminate a trust that had been providing annual income to the Health Department through a Trust Agreement dated December 22, 1932. Distribution of annual income to the Health Department will continue according to the terms of the Trust. By distributing the balance of the Trust to the County, administrative expenses will be avoided.

Civil Counsel has reviewed the Trust document, the petition to distribute, and the waiver and consent form provided by the Bank's attorney. County approval of the petition and waiver will expedite the process to terminate the Trust.

The Health Department has been budgeting and receiving approximately \$2,700 minus trustee expenses per year from the Trust. These funds are used to help support programs that provide subsidized care for low income people.

The Trust Fund principal (currently \$70,000) can be placed in a sub account within the County's savings and investment account, thereby eliminating trustee expenses. The Health Department would continue to receive income from the principal.

It was moved by Comm. Heikkila, seconded by Comm. Joseph, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board authorize approval of distribution and termination of the Trust account and actions necessary to receive the funds for Health Department services.

The Committee considered Sale of Paint Booth/Sandblasting Unit to Great Lakes Meter Proving, Inc. In accordance with the K. I. Sawyer Personal Property Disposal Policy, the remaining items are to be sold on a first-come, first-serve basis prior to being declared as scrap. The Air Force valuation of this equipment is approximately \$24,000. One-third value is equal to the offered sum of \$8,000.

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Great Lakes Meter Proving, Inc. will be responsible for the removal/relocation of the equipment. County staff time required to disconnect the equipment will equate to a few hours, and clean-up/restoration will be minimal.

This offer is the highest and best offer, putting the equipment to good use, alleviating any continued deterioration, and eliminates a substantial cost burden to the County for future removal.

It was moved by Comm. Joseph, seconded by Comm. Pellow, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board sell the paint booth/sandblasting unit to Great Lakes Meter Proving, Inc. in the amount of \$8,000, and complete the transaction by preparing a formal Bill of Sale.

The Committee considered appointing Commissioner Bob Struck to the MAC Transportation Committee.

It was moved by Comm. Wallace, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board appoint Commissioner Bob Struck to the MAC Transportation Committee.

Comm. Pellow requested that items 13c) Code of Ethics and 13d) Non-Sufficient Check be added to the next Committee of the Whole agenda as the meeting was running long with several items still to be discussed. Commissioners concurred.

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

It was moved by Comm. Heikkila, seconded by Comm. Arsenault, and unanimously carried on a roll call vote 9 Ayes (Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Struck, Comm. Wallace, and Comm. Corkin) to 0 Nays that the County Board go into Closed Session to consider material exempt from discussion or disclosure by state or federal statute, to-wit attorney/client privileged material pursuant to MCL 15268(h).

Chairperson Corkin declared a five minute recess to clear Commission Chambers at approximately 7:45 p.m.

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

The County Board came back into Open Session at approximately 8:10 p.m.

It was moved by Comm. Wallace, seconded by Comm. Pellow, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board proceed with Civil Counsel Cheryl Hill's recommendations as discussed in Closed Session.

It was moved by Comm. Cihak, seconded by Comm. Pellow, and unanimously carried on a roll call vote 9 Ayes (Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, Comm. Struck, Comm. Wallace, and Comm. Corkin) to 0 Nays that the County Board go into Closed Session to discuss confidential attorney/client correspondence regarding Telkite.

Chairperson Corkin declared a five minute recess to clear Commission Chambers at approximately 8:20 p.m.

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

The County Board came back into Open Session at approximately 9:05 p.m.

It was moved by Comm. Wallace, seconded by Comm. Pellow, and carried on a roll call vote 6 Ayes (Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, and Comm. Wallace) to 3 Nays (Comm. Arsenault, Comm. Struck, and Chairperson Corkin) that the Committee of the Whole recommend the County Board approve an amendment to the Agreement for Sale, Purchase, Lease and Development of Real Estate with Telkite, Inc.

There being no further business to come before the Committee of the Whole, the meeting adjourned at approximately 9:20 P.M.

Respectfully Submitted,

Laurie A. Skytta

