

**The attached minutes are subject to correction and approval**

The Marquette County Board of Commissioners held their Regular Meeting on Wednesday, March 7, 2007, at 6:00 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. Bergdahl, Comm. Pellow, Comm. Struck, Comm. Wallace, and Comm. Corkin. Absent and excused: Comm. Arsenault, Comm. Cihak, Comm. Heikkila, and Comm. Joseph.

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

It was moved by Comm. Pellow, seconded by Comm. Wallace, and unanimously carried by voice vote that the minutes of the County Board of Commissioners Regular meeting held on Tuesday, February 20, 2007 be approved.

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

It was moved by Comm. Wallace, seconded by Comm. Pellow, and unanimously carried by voice vote that Claims and Accounts for the period February 24, 2007 through March 2, 2007 in the amount of \$136,174.21 and bi-weekly payroll for the period ending February 24, 2007 in the amount of \$577,549.00 be approved.

It was moved by Comm. Bergdahl, seconded by Comm. Wallace, and unanimously carried by voice vote that the agenda be approved as presented.

**PUBLIC HEARINGS**

Chairperson Corkin convened the Public Hearing for the Possible Expansion of the Marquette County Road Commission from three members to five. He informed the public of the rules and procedures regarding the Public Hearing.

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

Chairperson Corkin explained that he received letters from the Road Commission Board and the Union Employees supporting the expansion.

Comm. Wallace reminded Commissioners of the Road Commission Task Force recommendations regarding the make-up of the Commission. He suggested individuals understand road engineering, construction, finance, human resources, and also those who might have connections with the Department of Transportation in Lansing.

Comm. Pellow stated she attended the MCTA Meeting last week and they are in favor of a larger Road Commission, but asked the Board to consider someone from the east and west end of the County.

Comm. Bergdahl checked into the expense of the expansion. It would cost approximately \$10,000 per year. He also had questions from his constituents regarding members spending money wisely with a limited budget. He supports the expansion.

Comm. Struck believes the current Road Commissioners has very good individuals. With two more people on the Road Commission it will make it even stronger. In terms of policy and how the Road Commission operation is run, the new members will be able to add to and strengthen the Road Commission.

Chairperson Corkin feels strongly that a five person Board is a better deliberating body than a three person Board. A five member board will have more input into decision making, and the right decision. It adds diversity on important expenditures.

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It was moved by Comm. Pellow, seconded by Comm. Struck, and unanimously carried by voice vote that the County Board approve the expansion of the Marquette County Road Commission from three to five members.

**INFORMATIONAL ITEMS**

There were no informational items for approval.

**ACTION ITEMS**

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

10a) Committee of the Whole Recommendation to Approve the Pathways FY2007 Aging Well/Prevention Services Contract in the amount of \$20,095.50 and the UPCAP FY2007 Supplemental Funds in the amount of \$16,098.00.

10b) Committee of the Whole Recommendation to adopt the following Resolution of Concurrence with the 2006 Comprehensive Economic Development Strategy (CEDS) Document:

**RESOLUTION OF CONCURRENCE WITH THE  
2006 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY  
(CEDS) DOCUMENT**

WHEREAS, the Central Upper Peninsula Planning and Development Regional Commission has prepared a Comprehensive Economic Development Strategy document for the six-county planning area; and,

WHEREAS, the 2006 CEDS provides adequate coverage and represents the needs of Marquette County.

NOW THEREFORE BE IT RESOLVED, the Marquette County Board of Commissioners concurs with the CEDS document as prepared by the CUPPAD Regional Commission.

Adopted this 7<sup>th</sup> day of March, 2007  
Gerald O. Corkin, Chairperson  
Marquette County Board of Commissioners

10c) Committee of the Whole Recommendation to move the long term disability coverage to Lincoln National/Jefferson Pilot Financial for a guaranteed three year rate of \$.43/\$100.

10d) Committee of the Whole Recommendation to award the Ishpeming Service Center Contract to A & F Construction Company in the amount of \$275,000.

**ACTION ITEMS CONTINUED**

10e) The Board considered Canusa, Inc., IRP Review and Canusa Financial Matters. Scott Erbsich, Sawyer Operations Manager, was present and explained that at the February 14, 2007 Committee of the Whole Meeting, County Commissioners requested that the IRP Loan Committee review Canusa's financial documents and report back to the County Board.

Financial documents requested include Federal tax returns for 2002, 2003, 2004, and 2005, profit and loss statements, last quarter of 2005 and all of 2006 General Ledgers, Balance Sheets, list of outstanding loans, a listing of Canusa assets and Mr. Fournier's personal tax returns and other personal financial data.

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The Federal tax return shows that Gross receipts or sales continued to increase each year beginning in 2003, 2004, 2005, and 2006. However, only 2005 showed a profit.

Mr. Erbisch stated that without a professional audit of the books and records, it would be difficult to determine whether the company has the ability to remain current in its rental obligations to the County. The real question may be one of company priorities. It appears that the company is at this time current on various loan obligations, including the County IRP loan and a loan from the EDC. Remaining current on those obligations may be at the expense of remaining current on rent payments to the County. It has also been learned that the general industry in which the company is involved has been in a period of market decline, which has had an adverse effect on its profitability and its ability to meet all of its financial obligations.

It appears that even if some decisions had been made differently with regard to priorities for payment, the company is experience financial difficulties, which may be due in part to management practices, and in part to market factors beyond the control of the company. Even if the County grants some form of relief to this company, its future viability may be uncertain.

With that background in mind, and the discussion not to waive the past due rent by Commissioners during the February 14, 2007 Committee of the Whole meeting, there are alternatives with regard to the company's obligations to the County which could be considered. Those alternatives include, but are not limited, to the following:

- 1) Reduce the monthly lease payment to \$2,158.83 (\$2.00sf) and require full payment of the past due rent before the rent reduction takes effect.
- 2) Reduce the monthly lease payment to \$2,158.83 and apply a portion of that payment towards the past due rent. For example, \$500 of each monthly lease payment could go toward the past due lease. In this scenario, the payback of the past due rent would be just over five (5) years. This would also reduce the square foot cost to approximately \$1.54. (Mr. Fournier is agreeable to this alternative).
- 3) Same as alternative #2, but increase the monthly payment by \$1,079.00 in approximately 12 months. This alternative assumes all IRP loan payments were made thus paying off the loan within 12 months. Now that the loan obligation has been met, those dollars could be applied to the past due rent. The monthly lease payment would be \$2,158.83 (\$2.00 sf) and none of this payment would apply towards the past due rent. *Mr. Erbisch stated he has not discussed this alternative with Mr. Fournier.*
- 4) Other alternative as agreed to by the County Board of Commissioners.

Staff recommends that any modification to the lease be contingent upon Canusa remaining current and timely in all future payments of this rent, IRP loan, and their water sanitary sewer utility bills.

Commissioners and Staff entered into a lengthy discussion.

Chairperson Corkin stated they took into consideration the Board's wishes to have the rent paid and to find a way to keep Canusa in business instead of ending up with an empty building and receiving nothing.

Comm. Pellow stated she has a problem with forgiving the rent. She questioned whether a new lease would be entered into. She would also like to require a personal guarantee with regard to the past due rent and that if Mr. Fournier becomes delinquent the County won't have to wait this long to collect.

It was moved by Comm. Pellow, seconded by Comm. Wallace to adopt Alternative #3 with the addition of requiring a personal guarantee. A voice vote was recorded 2 Nays (Comm. Bergdahl and Comm. Struck) to 3 Ayes (Comm. Pellow, Comm. Wallace, and Comm. Corkin). (Five votes are required for final approval). Motion failed.

It was moved by Comm. Wallace to accept Alternative #3 as written. No Support. Motion withdrawn.

It was moved by Comm. Bergdahl, seconded by Comm. Struck to accept Alternative #2. A voice vote was recorded with 1 Nay (Comm. Pellow) to 4 Ayes (Comm. Bergdahl, Comm. Struck, Comm. Wallace, and

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Comm. Corkin). (Five votes are required for final approval). The issue will be placed on the March 20, 2007 agenda for further consideration and recommendation.

10f) The County Board considered the Iron Ore Heritage Recreation Authority. The Lake Superior Community Partnership is requesting assistance from Marquette County. The Articles of Incorporation state the authority must have an odd number of directors, as required by state statute. If a local government is added or subtracted, the LSCP is asking the Board of Commissioners to appoint a director to keep the Recreation Authority Board at an odd number of members.

Since Marquette County is not a signatory to the Articles of Incorporation, an agreement will be necessary between the Authority and the Board by which the Board would agree to serve in this function in the manner specified in the Articles of Incorporation.

Carol Fulsher, LSCP, was present to discuss the Recreation Authority By-laws and answer any questions.

Chairperson Corkin inquired as to the financial liability to the County.

It was moved by Comm. Pellow, seconded by Comm. Bergdahl, and unanimously carried by voice vote that the County Board authorize participation on the Board of Directors of the Recreation Authority.

Chairperson Corkin opened the meeting for public comment.

Anne Giroux, Marquette County Road Commission, provided information to Commissioners regarding the drivemi campaign. She stated the campaign represents a comprehensive strategy for funding the Michigan Transportation System in the 21<sup>st</sup> Century. It is fully supported by the Michigan Transportation Team which is made up of businesses, associations, and citizens, including the County Road Association of Michigan. She asked that Commissioners visit the drivemi web site at [www.drivemi.org](http://www.drivemi.org) to send a post card to our Legislature and Governor.

Comm. Wallace asked for Ms. Giroux's comments regarding the expansion of the Road Commission. She feels there are pros and cons both ways.

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

**COMMISSIONERS COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS**

Chairperson Corkin updated the Commissioners regarding Marquette County Airport issues. The Contract Tower Program is not presently in the President's budget. He is working with the Legislators to get it in the budget. He is also working to obtain reauthorization for the Military Airport Program, which is one of the reasons Marquette County has been able to make improvements at the Airport over the past eight years.

Comm. Wallace updated Commissioners with regard to the Contract between local Health Departments and the Michigan Department of Community Health and the risk of losing 50% of the cost based reimbursement for Medicaid. The federal government performed an audit which claimed the State of Michigan was not entitled to at least 50% of the Medicaid dollars that the State had contracted and paid. He was happy to report that in negotiations between Local Health Departments and the Director of the Michigan Department of Community Health, the Department has determined they can cover the missing 50%. The total is between \$7 and \$9 million.

There being no further business to come before the County Board of Commissioners, the meeting adjourned at approximately 6:35 P.M.

Respectfully Submitted,

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Janice R. Mason  
Deputy County Clerk