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MINUTES OF THE COMMITTEE OF THE WHOLE MEETING – TUESDAY, SEPTEMBER 14, 2010 – 6:00 P.M. – ROOM 231, HENRY A. SKEWIS ANNEX, MARQUETTE, MI 49855

1. ROLL CALL.

- Call to Order by Chair at 6:00 p.m. – Room 231 Henry A. Skewis Annex, Marquette.
- Roll Call: Present: Commissioner Arsenault, Commissioner Bergdahl, Commissioner Heikkila, Commissioner Joseph, Commissioner Struck, Commissioner Wallace, and Chairperson Corkin. Absent and Excused: Commissioner Cihak and Commissioner Pellow.

2. APPROVAL OF THE MINUTES OF THE COMMITTEE OF THE WHOLE MEETING HELD ON AUGUST 10, 2010.

Committee of the Whole Action: Commissioner Wallace moved to approve the minutes. Second by Commissioner Struck. Motion adopted.

3. APPROVAL OF THE AGENDA.

Committee of the Whole Action: Commissioner Wallace moved to approve the Agenda with the following late addition: item 13) Terminal Bathroom Addition Project – Bid Recommendation. Second by Commissioner Heikkila. Motion adopted.

4. PUBLIC COMMENT.

Chairperson Corkin opened the meeting for public comment. Arnold Sirtola, Ewing Township Supervisor, asked to speak to item 12; and Dale Throehle, Sawyer Community Alliance, asked to speak to item 11. There being no further public comment, Chairperson Corkin closed this portion of the meeting.

5. REVIEW OF CLAIMS AND ACCOUNTS.

Committee of the Whole Action: Commissioner Arsenault moved by to approve Claims and Accounts for the period September 4, 2010 through September 9, 2010, in the amount of \$148,281.65, including Expenditure Check #114558 in the amount of \$110.05 made payable to Bergdahl's Inc. (Affidavit of Disclosure follows); and Bi-Weekly Payroll for the period ending September 4, 2010, in the amount of \$678,766.93; be approved. Second by Commissioner Struck. Motion adopted 6-1 with Commissioner Bergdahl abstaining.

6. Landbank Authority Option to Purchase. Anne Giroux, County Treasurer, was present to answer questions. Ms. Giroux provided the following communication explaining the Option to Purchase including a recommendation:

The County Treasurer's Property Tax Auction was held on August 13. Of the 13 properties included in the auction, five sold. The Land Bank Authority is currently in discussions with local units of government, adjoining property owners, and others with interest, to determine the desired course of action with the remaining eight properties.

One of those properties is parcel 52-05-020-016-00, a vacant lot located in Forsyth Township. A nearby property owner has expressed an interest in acquiring this property for \$1,100. The Land Bank Authority is requesting the County Board exercise its option to purchase this property in order to sell it to the interested party. The Land Bank Authority has funds available to pay the minimum bid/delinquent tax amount of \$1,032.00.

Recommendation: Exercise county option under MCL211.78m to purchase one tax foreclosed property (52-05-020-016-00) for a total minimum bid amount of \$1,032.00, and transfer this property to the KBA. The LBA will fund this purchase.

Committee of the Whole Action: Commissioner Bergdahl moved to recommend the County Board exercise the county option under MCL 211.78m to purchase one tax foreclosed property (52-05-020-016-00) for a total minimum bid amount of \$1,032.00, and transfer this property to the LBA, with the LBA funding this purchase. Second by Commissioner Struck. Motion adopted.

7. **Brownfield By-Laws and Resolution.** Anne Giroux, County Treasurer, was present to answer questions. Ms. Giroux provided the following communication explaining the Brownfield Bylaws including a recommendation:

*Per MCL 125.2655 Section 5, of the Brownfield Redevelopment Financing Act, "The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body." At its initial meeting on August 26, 2010, the Brownfield Redevelopment Authority adopted the attached bylaws. A resolution by the County Board of Commissioners is also attached accepting these bylaws.
Recommendation: Adopt attached Resolution Approving Brownfield Redevelopment Authority Bylaws.*

Note: Attachments not included in minutes.

Committee of the Whole Action: Commissioner Arsenault moved by to recommend the County Board adopt the Resolution approving the Brownfield Redevelopment Authority Bylaws. Second by Commissioner Wallace. Motion adopted.

8. **Brownfield Project and Resolution.** Anne Giroux, County Treasurer, was present to answer questions. Ms. Giroux provided the following communication explaining the Brownfield Project including a recommendation:

Brownfield Plan – Attached is a Brownfield plan, along with an associated resolution of approval for your consideration. The plan includes demolition of the former West Ishpeming School, along with the demolition of residential structures located at 423 and 425 W. Spring Street in the City of Marquette. The plan was approved by the Marquette County Brownfield Redevelopment authority on August 26 and is being presented at the Marquette City Commission at its September 13 meeting and the Ishpeming Township Board at its September 14 meeting. The public hearing concerning the plan will be held at the Marquette County Board of Commissioners meeting on September 21.

Funding of project – Proposed funding of the project is from the County Treasurer's Foreclosure/Tax Reversion fund. The fund balance as of 12/31/09 was \$437,001. Total cost of the project is \$201,950.

Recommendation: Adopt Resolution approving the attached Brownfield Plan for the Marquette County Land Bank Authority. Approve funding of \$201,950 from the Treasurer's Foreclosure fund.

Note: Attachments not included in minutes.

Committee of the Whole Action: Commissioner Arsenault moved to recommend the County Board adopt the Resolution approving the Brownfield Plan for the Marquette County Land Bank Authority and approve funding of \$201,950.00 from the Treasurer's Foreclosure fund. Second by Commissioner Wallace. Motion adopted.

9. Proposed Terms of Lease with BWI North America, Inc. Harley Andrews, Chief Civil Counsel/Sawyer, and Scott Erbish, Operations Manager, were present to answer questions. They provided the following memo explaining the Proposed Terms of Lease with BWI North America, Inc. including a recommendation:

While a draft Lease Agreement is currently being reviewed by counsel for BWI North America, Inc., we believe that tentative agreement has been reached on the substantive terms of that Lease, to be entered into between the County and BWI North America, Inc., subject to your approval. Those basic terms are as follows:

Term

The Lease will be for an initial term of five years, beginning October 1, 2010, with BWI having the right to extend for one additional five year term upon giving notice to the County not later than June 1, 2015, of its intent to do so. However, anytime after the first full year BWI would have the right to terminate the Lease, without cause, by giving the County notice of its intent to do so not less than six months prior to the proposed termination date. In that event, BWI would pay to the County an early termination fee of \$105,640, which is equivalent to an additional six months rent. Given the volatility of the national and international auto industry, BWI feels it needs this termination option in this Lease.

Rent

For the first ten (10) months of the new Lease the rent structure would remain essentially the same as it has been for the previous five (5) years, and would amount to \$23,534.67 per month, plus a monthly payment of \$220.00 to reimburse the County for the amortized cost of prior repairs to the facilities. Of that \$23,534.67 the sum of \$7,080.00 per month passes through the County directly to the Wells Fargo Bank, to pay off the debt incurred by the Marquette County EDC to cover the cost of constructing the new heated garage requested by Delphi and completed in 2001.

That debt for the garage building will be paid off in July, 2011, so at that point the proposed rent will decrease to \$17,606.67 per month, plus the small monthly payment for the amortized cost of prior repairs to the facilities. That reduction results from the fact that the \$7,080.00 will no longer be a component of the rent, but instead BWI will then begin paying to the County \$2.00 psf for the garage building. Subject to the rent abatement provisions to be discussed below, that new monthly rent of \$17,606.67 would continue through the rest of the first five year term. If the lease is extended that rent would be increased by 2% during the first two years of that extension, and by another 2% for the remaining three years of that extension.

Cash Allowance

BWI presented staff with a list of requested maintenance/repair items for the Leased Premises, the estimated total cost of which was \$374,500. Some of those items appeared to be necessary generic improvements to these County owned buildings, such as a new boiler, a new roof, repairs to the air handler, safety improvements to the electrical

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system, and replacements for ceiling tiles, carpeting and some interior painting. The total estimated cost of these items is \$76,000. Other items on that list were either specifically unique to BWI's operations, or were for building improvements deemed "wants" rather than "necessities." The estimated cost of those items amounted to approximately \$298,500.

The tentative agreement would provide an immediate cash allowance of \$76,000 to be used by BWI to implement the necessary generic building improvements described above. That amount will be recovered through the rent paid during the first 4 1/2 months of the new Lease. This is in contrast to the beginning of the most recent five year term of the lease with Delphi beginning in 2005, when the County granted a cash allowance of \$461,240.00 for the construction of the snow and ice circle and for maintenance and repairs to the premises, which took approximately 2 1/2 years of rent payments to recover.

Rent Abatement

BWI will have the option of prioritizing and completing, if it wishes to do so, any of the other items on its list, up to the approximately \$298,500 estimated cost. BWI will pay for those items in the first instance, but will have the opportunity to be reimbursed for those expenses through a rent abatement of \$2,000 per month, which will commence with the rent payment due on November 1, 2011. That means that of the \$17,606.67 rent per month, \$2,000.00 per month will be either returned to BWI as reimbursement for costs it has incurred, or reserved to reimburse BWI for future costs it might incur, in completing those remaining items on its list. During the first five year term of the Lease, the maximum amount of abatement would be \$94,000, and if BWI extends for the additional five years the total maximum abatement would be \$214,000. If, at the end of the lease, there are reserved abatement funds which have not been needed to reimburse BWI, then those funds will be retained by the County as unabated rent.

Summary

The payoff in July, 2011, of the indebtedness relating to the construction of the garage building in 2001, results in significant benefits to both BWI and the County.

If BWI does not exercise its option to terminate this new lease and the first five year term is fully completed, BWI will pay in rent approximately \$320,000 less than was paid in rent during the last five year term.

Conversely, because of the reduced Cash Allowance, the net rental income to the County (after deduction for the Cash Allowance and Rent Abatement of \$94,000) will be approximately \$324,000 greater than it was during the last five year term, assuming that the termination option is not exercised by BWI.

Recommendation

Staff recommends that the Board approve of the Lease terms described in this Memo, and authorize the Board Chair to execute the Lease upon final review and approval by Civil Counsel.

Committee of the Whole Action: Commissioner Bergdahl moved to recommend the County Board approve the Lease terms described in the Memo, and authorize the Board Chair to execute the Lease upon final review and approval by Civil Counsel. Second by Commissioner Arsenaault. Motion adopted.

10. Draft Letter regarding Proposed DHS Public Per Diem Fee. A letter from Judge Michael J. Andereg to Senator Michael Prusi regarding this issue was also provided. The following draft letter was read:

Dear Senator Prusi,

The Marquette County Board of Commissioners is asking that you oppose the proposed Department of Human Services (DHS) public per diem fee. The Senate is considering an \$18-per-day administrative fee for foster children under the court's jurisdiction who are supervised by DHS workers.

Child welfare cases are placed under the supervision of the Department of Human Services, however, they may be administered either by DHS or contracted by DHS with a private agency. Counties pay 50% of the cost of

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care for children in foster care. In cases administered by DHS case workers, the counties are not currently required to pay towards the administration of the cases since the case workers are state employees. The Senate Appropriations Committee is now recommending that a fee be imposed on counties for foster care cases administered by DHS and funded through the County Child Care Fund.

The proposed fee would provide no benefit to Marquette County foster care children, would shift administrative costs from DHS to the county, and quite possibly violate the Headlee Amendment. The estimated annual cost to Marquette County is \$100,000 - \$150,000.

Please oppose these new costs for state services on county governments.

Sincerely,

Committee of the Whole Action: Commissioner Wallace moved to recommend the County Board send the letter to State Senator Mike Prusi asking that he oppose these new costs for state services on county governments. Seconded by Commissioner Arsenault. Motion adopted.

11. MNRTF Grant Application for Enhancements to Little Trout Lake Park. Dottie LaJoye, Planner, was present to answer questions. Ms. LaJoye provided the following communication explaining the MNRTF Grant Application including a recommendation:

BACKGROUND

In March 2010, a Michigan Natural Resources Trust Fund (MNRTF) grant application was submitted to the Department of Natural Resources for the development of a restroom facility, playground equipment, and ADA trails linking all park activities for Little Trout Lake Park. The total estimated cost of the project was \$238,000. Grant applicants are required to provide a minimum 25% match and positive points are given to grantees that provide funds greater than 25%. At the time the grant application was submitted, Marquette County committed 25% or up to \$59,500 in matching funds from the Forestry and Recreation fund.

On June 11, 2010, the MNRTF Grants Coordinator visited Little Trout Lake Park. She discussed additional opportunities that would strengthen the grant application by providing greater access to Little Trout Lake and Little Trout Lake Park area through development with non-motorized trails leading to the park, signage directing drivers to the park and a rubberized mat system that would allow people of various abilities to have easier access into the lake.

GRANT ENHANCEMENTS

On August 19, Resource Management received a preliminary review of the April 2010 grant application which includes an opportunity to submit additional, supplemental material by October 8, 2010. The review showed that the original grant application only scored 250 points out of 540. As such, staff began to pursue ways to implement the MNRTF Grants Coordinator's earlier suggestions.

Jim Iwanaki, Engineer Manager of the Marquette County Road Commission suggested an Enhancement Grant for a bike path from the school and signage. He offered to write and submit the grant if the Marquette County Board pays the required 25% matching funds and engineering costs. According to the MNRTF Grant Coordinator, Enhancement Grant funds can be used as leverage on MNRTF grants instead of the original matching funds of \$59,500 from the County's forest and recreation fund.

The Marquette County Road Commission estimates the paved bike path and four signs to cost approximately \$70,000 and engineering costs to be no more than \$10,000. The \$70,000 Enhancement Grant would become the matching funds for the MNRTF grant application for Little Trout Lake. The County would pay 25% of the Enhancement Grant and up to \$10,000 for engineering to the Marquette County Road Commission or approximately \$27,500 in accordance to the Project Agreement between the County of Marquette and the Marquette County Road Commission (see attached).

Accessibility into Little Trout Lake can be accomplished by adding a rubberized roll up mat system that would lay across the sand and into the water. Estimated additional cost to the grant would be \$5,000.

SUMMARY

The original MNRTF grant submitted in March 2010 included a restroom facility, playground equipment, and ADA trails linking all park activities.

Total Grant	\$178,500
Matching Funds (Forest/Rec. Fund)	\$59,500 = 25%
Total Project Costs	\$ 238,000

The revised MNRTF grant to be submitted by October 8, 2010 includes a restroom facility, playground equipment, ADA trails linking all park activities, plus a bike path from the school to the park, road signs directing drivers to the park and removable ADA accessible mats into Little Trout Lake.

Total Grant	\$243,000 (includes \$5,000 for ADA lake access)
Matching Funds (Enhancement Grant)	\$70,000

Engineering Fees	\$10,000	= 25%
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Additional Matching Fee	\$750.00
Total Project Costs	\$323,000
Estimated Cost to Marquette County (Forest/Rec. Fund)	\$28,250

RECOMMENDATION

Staff recommends the Marquette County Board of Commissioners approve the changes to the original MNRTF grant application for Little Trout Lake Park, authorize Gerald Corkin as the signatory for a resolution and Project Agreement committing the Marquette County Board to pay 25% matching funds for the Enhancement Grant and up to \$10,000 in engineering fees to the Marquette County Road Commission.

Note: Attachments not included in minutes.

Dale Throenle, representing members of the Sawyer Community Alliance, was present and spoke in support of the Little Trout Lake Park project.

Committee of the Whole Action: Commissioner Struck moved to recommend the County Board approve the changes to the original MNRTF Grant Application for Little Trout Lake Park, authorize Gerald Corkin as the signatory for a resolution and Project Agreement committing the Marquette County Board to pay 25% matching funds for the Enhancement Grant and up to \$10,000 in engineering fees to the Marquette County Road Commission. Second by Commissioner Heikkila. Motion adopted.

12. Resolution Supporting Ewing Township Road. The Resolution is as follows:

Resolution in Support of Ewing Township Road

WHEREAS, Ewing Township is one of nineteen townships in Marquette County, and

WHEREAS, Ewing Township cannot be reached directly by road from the rest of Marquette County, because vehicular traffic must travel through Delta County to reach Ewing Township, and

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WHEREAS, Ewing Township is the only township in Marquette County without any paved roads, and

WHEREAS, County Road DA is the main route used by logging trucks to transport forest products from state forest lands in the township to mills and other locations, and

WHEREAS, this movement of logging trucks and related equipment over County Road DA creates extremely dusty and hazardous conditions for residents and other vehicular traffic, and

WHEREAS, the cost to maintain County Road DA is shouldered by Ewing Township and the Marquette County Road Commission.

THEREFORE, BE IT RESOLVED, that the Marquette County Board of Commissioners Support Ewing Township's quest for an improved, paved, primary road to replace County Road DA, and to provide other assistance when possible.

Arnold Sirtola, Ewing Township Supervisor, was present and spoke regarding the condition of roads in Ewing Township. He also spoke in support of the Resolution.

Committee of the Whole Action: Commissioner Struck moved to recommend the County Board approve the Resolution in Support of Ewing Township Road. Second by Commissioner Arsenault. Motion adopted.

- 13. Terminal Bathroom Addition Project – Bid Recommendation. Scott Erbisch, Sawyer Operations Manager was present the answer questions. Mr. Erbisch provided the following memo explaining the project including a recommendation:

In March of 2010, the County Board of Commissioners approved proceeding with the engineering design and bidding for the addition of a single or double restroom in the secure area of the airport. This project is to be paid for with County funds and will be reimbursed with Passenger Facility Charges (PFC's) funds.

In late August, a request for bids for the terminal bathroom project was placed in The Mining Journal, at the Builders Exchange, and on the County's web site. Bids were received and opened on Friday, September 10, 2010, at 3:00 p.m. The responsive low bid was received from Closner Construction with a total bid of \$75,130.00.

Bids received:

- > Closner Construction, Marquette, Michigan \$ 75,130.00*
- > Hall Contracting, Munising, Michigan \$ 94,075.00*
- > A Plus Industries, Inc., Newberry, Michigan \$118,149.00*

RECOMMENDATION:

Award the project to Closner Construction with the total low bid of \$75,130.00 and authorize the County Board Chairman to sign the Construction Agreement.

Committee of the Whole Action: Commissioner Bergdahl moved to recommend the County Board award the project to Closner Construction with the total low bid of \$75,130.00 and authorize the County Board Chairman to sign the Construction Agreement. Second by Commissioner Heikkila. Motion adopted.

14. PUBLIC COMMENT.

Chairperson Corkin opened the meeting for public comment. Dave Hall, member of the County Road Commission, addressed Commissioners regarding the efforts of Ewing Township and others on the condition of the roads in Ewing Township. He thanked Commissioners for their support of the Resolution. Mr. Hall also announced that a special ceremony will be held at the Jacobetti Veteran's Home on Friday, September 17, 2010 at 10:00 a.m., recognizing POW's and MIA's from all wars.

Tammy Murray, Sawyer Community Alliance, also thanked Comm. Struck and Scott Erbisch for reaching out to families at Sawyer. She stated there are a lot of issues at Sawyer and slowly but surely they are being resolved. She also thanked Commissioners for their action tonight regarding Little Trout Lake. There being no further public comment, Chairperson Corkin closed this portion of the meeting.

15. COMMISSIONERS COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.

Chairperson Corkin announced a ribbon cutting ceremony at the Cliff's Shaft for the Ishpeming portion of the Heritage Trail on Wednesday, September 15, 2010, at 4:00 p.m.

Comm. Heikkila announced that Comm. Cihak is attending the MAC Super Committee Meeting tomorrow in Lansing.

Comm. Struck reported on the recent Sawyer Community Alliance Committee Meeting. A letter was received from the Gwinn School Board thanking the organization for doing a considerable amount of work.

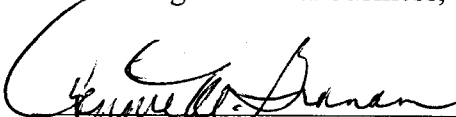
Comm. Wallace reported that three Marquette County Health Department employees received their 25-year pin.

Administrator Powers announced that the Binders for the 2011 Recommended Budget are in the Administrator's Office. The Work Session of the Committee of the Whole for the 2011 Budget will be held on Thursday, September 23, 2010 beginning 1:00 p.m. in Room 231.

Sue Vercoe, Finance Manager, announced that Commissioners should have received an invitation to the Recognition Dinner for the Senior Volunteers to be held Thursday, September 23, 2010 at the Holiday Inn. Please RSVP to Sue or Mary Jo by Friday, September 17, 2010.

16. ADJOURNMENT.

There being no further business, the meeting adjourned at approximately 7:15 p.m.



Connie M. Branam
Marquette County Clerk

Gerald O. Corkin, Chairperson
Marquette County Board of Commissioners

Minutes Proposed for Approval on September 28, 2010.