

Minutes are Subject to Correction and Approval

MINUTES OF THE COMMITTEE OF THE WHOLE MEETING – TUESDAY, FEBRUARY 8, 2011 – 6:30 P.M. – ROOM 231, HENRY A. SKEWIS ANNEX, MARQUETTE, MI 49855

1. ROLL CALL.

- Call to Order by Chair at 6:30 p.m. – Room 231 Henry A. Skewis Annex, Marquette.
- Roll Call: Present: Commissioner Cihak, Commissioner Quayle, Commissioner Heikkila, Commissioner Corkin, Commissioner Joseph, Commissioner Pellow, Commissioner Nordeen, and Chairperson Bergdahl. - Absent: Commissioner Arsenault.

2. APPROVAL OF THE MINUTES OF THE COMMITTEE OF THE WHOLE MEETING HELD ON JANUARY 11, 2011.

Committee of the Whole Action: Commissioner Corkin moved to approve the minutes of the Committee of the Whole Meeting held on January 11, 2011. Second by Commissioner Heikkila. Motion adopted.

3. APPROVAL OF THE AGENDA.

Committee of the Whole Action: Commissioner Pellow moved to approve the Agenda as presented. Second by Commissioner Nordeen. Motion adopted.

4. PUBLIC COMMENT.

Chairperson Bergdahl opened the meeting for public comment.

- Jim Gallant, Skandia, spoke regarding vaccination requirements for children.
- Dale Trembly, Sawyer, Ava Miller, Marquette, William Ulmsted, Ely Twp., Richard Sloke, Iron River, Barb Bradley, Skandia, Gabriel Caplett, Skandia, all spoke in opposition of the Kennecott Eagle Mine Project.

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

5. REVIEW OF CLAIMS AND ACCOUNTS.

Committee of the Whole Action: Commissioner Corkin moved to approve Claims and Accounts for the period January 28, 2011 through February 3, 2011 in the amount of \$359,948.84. Second by Commissioner Cihak. Motion adopted.

6. AGENDA ITEMS:

a. "W" Discussion.

Steve Powers, County Administrator, provided a memo to Commissioners which explained that there have been requests for information regarding Marquette County involvement and support of the fitness center at Sawyer. The memo provided the requested information. He also provided a memo from Scott Erbisch, Sawyer Operations Manager, dated November 12, 2010 regarding the West Branch Fitness Center. In that memo staff does not recommend that the County purchase the Fitness Center facility as it does not have a need for the property and there are additional costs and liabilities that come with the property.

Bonnie Fuller, Skandia, Bill Hill, Gwinn, Dale Trombley, Sawyer, Richard Slope, Iron River, Michael Grossman, Negaunee, and Teresa Bartossi, Marquette, all spoke in favor of reopening the "W".

Lisa Johnson, Community Hand Up, provided a video presentation explaining the positive impact the "W" has had on the community. She made several suggestions on how the facility could reopen. She recommends the Board purchase the building back from West Branch Township (West Branch Township still being responsible for their loan debt); that Marquette County work directly with Community Hand Up; and draft a five-year plan to get a viable, sustainable facility up and running.

Commissioner Nordeen provided a brief history of K.I. Sawyer and the "W".

Committee of the Whole Action: Commissioner Nordeen moved to recommend the County Board form an Ad Hoc Committee consisting of three Commissioners, Forsyth and West Branch Townships, and Community Hand Up, to meet and come back to the Board in three weeks with a recommendation. Second by Commissioner Pellow. A roll call vote was recorded: 6 Ayes (Commissioner Nordeen, Commissioner Cihak, Commissioner Quayle, Commissioner Heikkila, Commissioner Pellow, Chairperson Bergdahl) to 2 Nays (Commissioner Corkin, Commissioner Joseph). Motion adopted.

b. Sawyer Wastewater Project Update.

Scott Erbisch, Sawyer Operations Manager, and Scott Richards, AECOM, provided a slide presentation and explained the following:

Summary

The County Board of Commissioners authorized staff to proceed with the submittal of an application to the United States Department of Agriculture Rural Development (USDA RD) for a low-interest loan and grant for wastewater treatment plant improvements with a cost estimate of \$3.272 million dollars. The application is at a point where it is necessary for the County Board to again review the project and make a determination as to whether or not to proceed further with the process. At the February 8, 2011, Committee of the Whole meeting, AECOM, the County's consulting engineer, will provide an update on the project.

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Recommendation

Staff recommends continuing to proceed with the proposed project and to seek loan and grant assistance from the USDA RD.

Background

In May of 2010, the County Board of Commissioners was given a presentation by AECOM on the K.I. Sawyer Wastewater Treatment Plant Master Plan Study. The purpose of the Master Plan is to provide an overview and evaluation of the wastewater treatment plant and to identify capital improvement needs over the next 20 years. Please see staff memo to the County Board (Attachment 1) for a summary.

The study found that the Sawyer wastewater treatment plant "is not optimally configured to serve the current customer base. The treatment process is complicated, requiring significant labor for operation and maintenance activities and has very high energy costs."... "The most critical element that limits performance and long-term reliable treatment is the condition of the "old" and "new" Rotating Biological Contactors (RBC's) batteries. The old RBC battery, installed in the 1970's, is in reasonably good condition, but does not have adequate capacity alone to achieve effluent quality requirements. The New RBC battery has not been in service for over 10 years and will require significant rehabilitation to re-commission these units. Installed in the 1980's, the new RBC's are part of a generation of RBC units that are now being replaced within the industry. Long-term viability of the RBC process, in general, is questionable."

Application Status

In October of 2010, the application was submitted to the USDA RD offices in Gladstone, Michigan. In December of 2010, the County received a letter from the USDA RD stating that the project is eligible for loan and grant funding. The USDA RD said "it is anticipated Rural Development would provide \$2,450,000 in loan funds and \$822,000 in grant funds at that poverty interest rate based upon information supporting the application." (Attachment 2)

The letter further states that "Rural Development will require a Sewer Revenue Bond with the additional security that the County will pledge its Limited Tax Full Faith and Credit for the bond payment."

The application is complete except for the comment period on the required Environmental Assessment. The Environmental Assessment review comment period closes February 17, 2011. As stated in the staff memo dated April 23, 2010, at any time during the application process, and until there has been an acceptance of funds, the process can be discontinued.

According to Duane Reid with the USDA RD, funding is being held for this project. After the environmental review period is complete, it is anticipated that a commitment letter will be sent to Marquette County. The County will need to make a determination as to whether or not to proceed. It is anticipated that the commitment letter terms will be similar to what has been stated in Attachment 2. (Attachment not included).

Key Points for Consideration:

When AECOM made its presentation in May of 2010, the financial modeling presented was based on the potential of a 50% grant and 50% loan scenario. With a 50/50 split of grant and loan, the potential cost savings based on energy efficiencies gained from the improvements and the reduction of one full-time staff person indicated that the USDA project would not cause sanitary sewer rates to increase.

Based on the anticipated funding levels as presented in Attachment 2, the grant funding is approximately 25% of the total project with the remaining 75% coming from a low interest loan. Current calculations, which will be discussed in AECOM's presentation, indicate that the annual budget will have a small surplus. The calculations to determine whether or not there would be a budget surplus or a need for a rate increase assumed that the recommended plant improvements will generate energy savings. The savings were reflected in the calculation. The calculation assumes existing customer base. Due to a retirement in early 2010, and by not filling the position, the water and wastewater

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department has already reduced its staff by one full-time position as per the anticipated staffing levels should the wwtp become an activated sludge plant.

The USDA RD will require Marquette County issue a sewer revenue bond. The USDA RD will require that this bond be backed by the Limited Tax Full Faith and Credit of Marquette County. Should the County accept loan and grant funds from the USDA RD, the USDA RD will have input in future wastewater rate setting.

The USDA RD also reserves the option to require a grant/loan recipient to seek other funding in the future. The USDA RD is a lender of last resort.

Regardless of whether or not USDA funds are accepted, additional rate increases will need to be considered in the future as other operational expenses such as chemical costs and utility costs continue to increase.

Risk of Not Proceeding with the Project Funding

If it is decided not to continue to proceed with the USDA RD loan and grant funding, the USDA RD will not be able to guarantee the same low interest rate. Interest rates are at historic lows. There are limited USDA RD grant funds available in Michigan. There is no guarantee when funds will become available for a future project. The level of grant funding cannot guaranteed.

Next Steps

If the decision is to continue to proceed with the project and seek the USDA RD loan and grant, an engineering firm and bond counsel will be needed. Also, legal review of the ownership of the wastewater treatment plant and collection system is required by USDA RD. These costs are paid up front by Marquette County. These expenses are eligible for reimbursement by the loan and grant funds and have been built into the total cost estimate for the project.

Committee of the Whole Action: Commissioner Corkin moved to continue to proceed with the project and seek the USDA RD loan and grant. Second by Commissioner Pellow. Motion adopted.

c. MERS Transfer Rules.

John Greenberg, Human Resources and Risk Manager, provided the following:

When the County changed to a Defined Contribution retirement plan in the year 2000, our Defined Benefit plan was closed to new members. During that time period, MERS had a transfer rule in effect that didn't allow employees who moved from one union to another, or who moved from a union to the non-union group, to transfer their retirement plan into a closed Defined Benefit plan. However, up until recently MERS has not enforced that rule, and members have routinely transferred from one bargaining group to another and remained in the Defined Benefit plan.

Since MERS began enforcing the rule, they have realized that it can discourage employees from applying for a new position. Of particular concern would be a lack of interest in moving from a union to a management position due to the fact that they couldn't continue in their Defined Benefit plan. At their November 2010 meeting, the MERS Retirement Board approved a new provision giving employers the alternative of allowing employees to transfer into a closed plan.

I believe it is in our best interest as an employer to encourage upward mobility and self-improvement. Mr. Greenberg recommended the approval of the resolution, which would allow Defined Benefit participants to move to a different employee group without having to change retirement plans.

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Committee of the Whole Action: Commissioner Corkin moved that the County Board approve the recommendation from John Greenberg, Human Resources and Risk Manager, to adopt the resolution establishing a Uniform Transfer Provision. Second by Commissioner Cihak. A roll call vote was recorded: 6 Ayes (Commissioner Nordeen, Commissioner Cihak, Commissioner Corkin, Commissioner Joseph, Commissioner Pellow, Chairperson Bergdahl) to 2 Nays (Commissioner Quayle, Commissioner Heikkila). Motion adopted.

d. Recommendation to Amend the Airport Advisory Bylaws.

Scott Erbisch, Sawyer Operations Manager, provided the following:

Section 1, Subsection C6, of the Airport Advisory Bylaws currently states, "Members of the Committee who miss more than four meetings a year shall have their names automatically referred to the County Board for possible removal and appointment of another person to take their place."

Over calendar year 2010, Airport Advisory Committee members Steve Rodgers and Frank Rosado missed more than four meetings. These were excused absences primarily due to work-related matters. Both members wish to continue on the Airport Advisory Committee. Airport staff and the Airport Advisory Committee do not recommend removal but offers the following modification to the bylaws for County Board review and consideration.

The Airport Advisory Committee reviewed the existing language for Section 1, Subsection C6, and is recommending that this language be modified as shown below. The committee is also recommending that the existing Subsection C7 become C8 and be replaced with the proposed new Subsection C7 below.

- 6. Members of the Committee who have more than four unexcused absences in a calendar year shall have their names automatically referred to the County Board for possible removal and appointment of another person to take their place.*

Members shall be considered unexcused if they fail to attend a meeting without providing Airport staff with a notification that they will be unable to attend before any meeting occurs.

- 7. Members of the Committee who are unable to attend a meeting shall notify Airport staff. Airport staff shall determine as soon as possible whether or not there will be a quorum. When staff determines that a quorum will not be present for a meeting, they shall contact all Committee Members and cancel the upcoming meeting.*

Recommendation: *Approve the proposed modifications to the Airport Advisory Bylaws as detailed above.*

Committee of the Whole Action: Commissioner Cihak moved that the Committee of the Whole recommend the County Board approve the recommendation from Scott Erbisch, Sawyer Operations Manager, and amend the Airport Advisory Bylaws. Second by Commissioner Corkin. Motion adopted.

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e. **K.A.R.S. Program Fee Structure.**

Fred Benzie, Health Officer, and Diane Curry, Health Department Employee, provided the following:

Ms. Jamie Dolan, Northern Michigan Region Coordinator for the Michigan's Office of Highway Safety and Planning (OHSP) wrote the Board of Health on January 19, 2011 to request the development of two pilot programs which would provide car seat education and low-cost options for acquiring child safety seats in Marquette County.

Health Department employee Diane Curry is proposing two new car seat education programs called Kids Always Ride Safely (K.A.R.S.) which requires Board of Commissioner approval to adopt program fees.

The KARS for WIC Program would enable anyone enrolled in the WIC program to obtain a 70% to 75% discount off car seat acquisition costs provided they participate in a mandatory thirty minute car seat education program.

The KARS for Extended Family Program would enable anyone in the community the opportunity to participate in the same education program and receive a car seat at cost. Although this program is open to anyone, it will be marketed towards extended families who are caretakers of children which do not qualify for the KARS WIC program above.

The Marquette County Board of Health at their January 26, 2011 meeting unanimously passed a motion approving both programs along with a recommendation that the Board of Commissioners adopt the following fees:

KARS for WIC Program: \$5.00 for Booster Seats, and \$15.00 for Combination, Convertible and Infant Car Seats

KARS for Extended Family Program: \$15.00 for Booster Seats, and \$40.00 for Combination, Convertible and Infant Car Seats

All program participants must participate in a thirty minute education program to qualify for the above pricing.

Board Action Desired: Approval of the two Kids Always Ride Safely (K.A.R.S.) programs as presented along with fees for the WIC Program of \$5 and \$15 and the Extended Family Program of \$15 and \$40.

Committee of the Whole Action: Commissioner Cihak moved that the County Board approve the K.A.R.S. Program Fee Structure as presented by Fred Benzie, Health Officer, and Diane Curry, Health Department Employee. Second by Commissioner Quayle. Motion adopted.

7. PUBLIC COMMENT.

Chairperson Bergdahl opened the meeting for public comment:

- James Gallant, Skandia, spoke regarding posting meetings on the County Website, and he would like the Ad Hoc Committee's to be open to the public.
- Gordon Seely, Delphi (BWI), thanked the Board for passing the lease agreement last week and invited the Board to tour the facility.
- Lisa Johnson, Skandia, thanked the Board for their time concerning the West Branch Fitness Center.

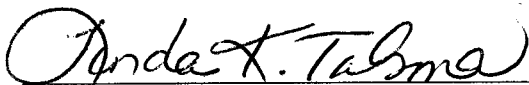
There being no further public comment, Chairperson Bergdahl closed this portion of the meeting.

8. COMMISSIONERS COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.

- Commissioner Quayle asked for an update on the recording system. He also questioned uploading meetings onto the County Website, and the process regarding County Board Priorities.
- Commissioner Nordeen passed on comments from a constituent regarding Airport Advisory Minutes.
- Commissioner Cihak announced that President Obama will visit the Upper Peninsula on Thursday, February 10, 2011. All Commissioners were invited to N.M.U. to hear him speak.
- Chairperson Bergdahl reminded Commissioners to submit the County Administrator evaluation.
- Steve Powers, County Administrator, commented on Mining Journal Article regarding Skill Development Programs at Community Corrections Detention Center.

9. ADJOURNMENT.

There being no further business to come before the Committee of the Whole, the meeting adjourned at approximately 9:10 p.m.



Linda K. Talsma
Deputy County Clerk

Charles Bergdahl, Chairperson
Marquette County Board of Commissioners

Minutes Proposed for Approval on February 22, 2011.