April 13, 1982

Honorable Chair and Members of the
Marquette County Board of Commissioners
Marquette, Michigan

Ladies and Gentlemen:

A meeting of your Executive Committee was duly called and held on
April 13, 1982 and copies of the minutes of that meeting have been
furnished to all members of the Board of Commissioners and a copy of the
minutes is attached hereto and made a part of this report.

Respectfully submitted,

EXECUTIVE COMMITTEE

__________________________________________ Chair
April 13, 1982

Honorable Chair and Members of the
Marquette County Board of Commissioners
Marquette, Michigan

Ladies and Gentlemen:

At the April 13, 1982 meeting of the Executive Committee, Commissioner Berle LaPin suggested that the County Board request that the State Tax Commission conduct hearings on the state equalized values of Upper Peninsula counties in the Upper Peninsula in order to make it more convenient for residents of this area to participate in the hearings.

Other members of the Executive Committee agreed with Commissioner LaPin, therefore, the Committee recommends that the County Board write to the State Tax Commission to determine if it is possible for the Commission to conduct hearings on state equalized values of Upper Peninsula counties in the Upper Peninsula; and, further, that copies of the Board's letter be sent to all counties in the Upper Peninsula.

Respectfully submitted,

EXECUTIVE COMMITTEE

________________________________________________________________________
Chair
The Executive Committee meeting was duly called and held on April 13, 1982 at 7:00 p.m. in the Courthouse Annex.

Present: Commissioners May, LaPin Racine and Villeneuve.

Absent: Commissioner Cheatham.

In Attendance: Taisto Tuominen, Republic Township; Bruce Rukkila, Finance Officer; Darwin Heikkila, Forsyth Township Assessor; Joe DeJuliannie, Supervisor, Forsyth Township; Henry Schneider, Equalization Director; Gary Trudgeon, Equalization Department; and Ted Oslin, Community Development Coordinator.

The meeting was called to order by Chair LaPin.

The public comment section was opened. Darwin Heikkila said he had a short presentation he would like to make to the Committee. It was decided to allow Mr. Heikkila an opportunity to speak when the Committee reviewed his communication to Schneider on equalization.

Approval of the minutes of the March 5, 1982 and March 9, 1982 meetings was the next item of business. The following corrections were made to the March 5, 1982 minutes:

1. Page 2, Paragraph 3: Change the sentence, "He said the typical range of disagreement between county and unit figures is 5%", to read, "He said an acceptable range of value between appraisers is 5%".

2. Page 3, Last Paragraph: Change "The basis for the value is what the land can produce", to "The basis for the value if not what the land can produce".

3. Page 4, Fourth Paragraph: Change "...the definition of 'highest and best use'...as contained in the Assessors Manual..." to "...the definition of 'highest and best use'...as contained in the 'Real Estate Appraisal Terminology' by The American Institute of Real Estate Appraisers and The Society of Real Estate Appraisers".

It was moved by Commissioner May, supported by Commissioner Villeneuve and carried unanimously to approve the minutes of the March 5, 1982 meeting as corrected.

It was moved by Commissioner May, supported by Commissioner Racine and carried unanimously to approve the minutes of the March 9, 1982 meeting as presented.

Approval of the agenda was the next item of business. It was moved by Commissioner Villeneuve, supported by Commissioner May and carried unanimously to approve the agenda as presented.
A communication from Schneider advising the Board Chair of the submission deadline for the County Equalized Value (CEV), and adoption of the CEV by the Board prior to that deadline was read. Schneider said in the past, because of the Board's meeting schedule, the county has submitted their CEV after the deadline, which is the first Monday in May. He also said that by statute the Board is required to meet on the second Tuesday of April on equalization (the present date). He said by recessing the present meeting to another date the statutory requirement will be met. He added that by the Committee's April 20 equalization meeting all the recommendations of his department on equalized values will be prepared, and copies will have been provided to each unit for review. He said they will also be advised of the April 20 meeting.

If the Committee develops its recommendation on CEV during the meeting of April 20, the County could consider it on April 21, and it would not be necessary to defer action until the April 28 Board/Committee of the Whole meeting. Commissioner LaPin noted Board members may want time to review the recommendation after April 21 and act on it on April 28.

A copy of a communication from Schneider to Joseph DeJulianne, Supervisor, Forsyth Township, on audit of Forsyth Township's assessment roll, and a communication from Darwin Heikkila, Assessor, Forsyth Township, in response to Schneider's letter were read. Mr. Heikkila's letter had been referred to the Committee by the Board.

Heikkila also supplied the Committee with two communications on equalization appeal of 1981 assessment, which including a list of residential property sales and commercial property sales which sold for less than their assessed values; and a list of decisions of the Michigan Tax Tribunal on appeals by township residents on their property assessments. Heikkila also asked the Board to accept the Forsyth Township 1982 assessment roll. Heikkila said information available indicates that Forsyth Township's assessments are above 50%.

Discussion was held on Mr. Heikkila's letters and his comments on the Equalization Department's figures. An earlier letter from Heikkila to Schneider on Forsyth Township assessments was mentioned. The letter had not been by Schneider to the Committee and Commissioner LaPin felt the Committee should receive any letters from townships on assessments. Commissioner May said past practice has been for the department and units to work together on the assessment figures that are eventually submitted to the Committee.

Schneider said he had difficulty in working with Forsyth Township because unlike other units Forsyth Township refused to review any studies done by the Equalization Department. Heikkila said that was not the case since information on the county's appraisal cards on Forsyth Township was the same as the unit's cards. Appraisal cards are only one source of the information used by his department, according to Schneider.
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Heikkila said he did not want to review the studies of the department because of the manner they were conducted. He noted he reduced the township's valuation by 10%. He said the status quo cannot be maintained during a depression.

In response to a question by Commissioner LaPin, Schneider said some studies included in Heikkila's listings were probably used in the Equalization Department's studies.

Re the Tribunal's decision on Forsyth properties. Schneider said Heikkila, as Forsyth Township Assessor, was responsible for defending the previous assessor's figures before the Tribunal. He said there are 3,000 properties in Forsyth Township and 600 of those were appealed at the Board of Review level. A total of 80 properties were appealed to the Tax Tribunal, which is less than 1% of the total properties in Forsyth Township, and were probably the most legitimate, therefore resulting in a higher percentage of assessment reductions. He said Tribunal decisions are set for only one year. He said he would increase the valuations of those reduced by the Tribunal if he felt an increase was warranted.

Joe DeJuliannie said he beleives Schneider was discrediting the decisions of the Tax Tribunal. Re the small proportion of property owners who went before the Tribunal, he noted that to do so required, for many, a day of lost work. He believes the Tribunal is comprised of experts.

Schneider, in response to a question by Commissioner LaPin, said none of the cases that went before the Tribunal were used in his department's studies.

Schneider said the local assessor did not defend the studies done by the prior assessor before the Tribunal. The Tribunal must base their decisions on the taxpayer's information and the assessor's information. The assessor informed the Tribunal he did not agree with the appraisal cards prepared by the previous assessor.

Commissioner Racine noted he resides in Forsyth Township and has never been happy with the market value assigned to his home, which has increased steadily over the years. He said he does not intend to sell his home yet must pay taxes based on the sale value.

Commissioner LaPin questioned whether any of the residential or commercial sales included in Heikkila's letter were used in the Equalization Department's studies. Schneider said his department considers each sale; whether it is used or not in the study depends on its validity as a sale. The definitions of a valid and an invalid sale were discussed. A valid sale is one in which the seller is not under pressure to sell. An invalid one is when a bank is foreclosing, the owner must sell quickly because he/she is moving out of the area, because the husband and wife are divorcing, etc.

Commissioner LaPin said he wants to know what sales in the lists provided by Heikkila on commercial and residential property sales were used by the Equalization Department in their studies. Schneider said properties reduced by the Tribunal were not used in his department's study. He said
his responsibility is to study the work of the assessors not the Tribunal. Commissioner LaPin said he would like to have a legal opinion on whether parcels that went before the Tribunal could be legally used in the department's study.

DeJuliannie said financial arrangements (such as land contracts) should be taken into consideration when deciding whether a property should be used in a sales study. Commissioner May said at the recommendation of Henry Schneider the Board proposed to the State Tax Commission that provision be made to take creative financing arrangements under consideration in the assessment of properties.

Heikkila indicated he was not provided support data used by the Equalization Department in preparing the township's study. Schneider noted Heikkila was asked to look at his department's study two months ago but would not do so. Now he is asking for the support data that was included in the study. Heikkila said that was not true; he did not want the study, just the support information. Schneider said the study includes the sales used to develop the market value. All support data Heikkila is now requesting is part of that study.

A letter from Schneider to Closser-Bullock Realty Co. requesting information on an appraisal they conducted for the First National Bank, Marquette, on a parcel of land in Sands Township, and a communication from Closser-Bullock Realty Co. in response to Schneider's letter were noted. The Committee Chair ordered that they be placed on the April 20, 1982 meeting agenda, along with a communication from Schneider to Earl Yelle, Sands Township Assessor, on the appraisal of that same piece of property. The above appraisal was discussed at the Committee's special meeting of March 5 regarding equalization, hence it was felt the communications should be discussed at the Committee's equalization meeting.

A copy of a letter from Berle LaPin to Schneider requesting information on equalization was noted and placed on file.

A communication from the Macomb County Board on 1982 residential assessments was read and placed on file.

A communication from Oakland County on 1982 residential assessments was read. The communication expressed their concern that because of the current financial conditions of the state the use of a 12 month or 30 month study for establishing residential property values will place the values above the 50% constitutionally allowed level. They asked Marquette County to determine if the situation is occurring in Marquette County, and asked for any suggestions or comments the County might have on the matter. Commissioner LaPin suggested this be referred to Schneider for the purpose of determining whether it is pertinent to Marquette County. Schneider said he agrees with Oakland's point.
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Commissioner LaPin said he would like to get information from bankers that indicate they anticipate lower valuations, or lower property costs. He believes this is occurring in Marquette County but not being recognized by the Equalization Department.

Schneider said he agrees that there is a problem with the methodologies used but he still must use those methodologies. Commissioner LaPin believes common sense must be used also.

Communications from Gladys Rajala, Ishpeming Township, on the equalization process; from Wes Larson, Negaunee Township, on equalization; and from the City of Ishpeming on the Equalization Department's procedures and 1982 studies were received by the Committee from the Board. These will be placed on the Committee's April 20 agenda.

Commissioner LaPin suggested that the State Tax Commission be invited to attend a meeting of the Committee to discuss the findings of their investigation into the procedures used by the Equalization Department. It was moved by Commissioner May, supported by Commissioner Racine and carried unanimously to write to the Chair of the State Tax Commission inviting him to attend the May 11 or June 8 meeting of the Committee to discuss their investigation of the Equalization Department.

Henry Schneider left the meeting.

Ted Oslin, Community Development Coordinator, was present to discuss the proposed Marquette County Economic Development Strategy prepared by the Planning Commission. The document was referred to the Committee by the Committee of the Whole.

Oslin said the Economic Development Strategy for the county is for use with the CDBG Program. He is not sure at this time whether it will be required but thought it should be available in case it was. He thought the document could be used by the EDC of the County of Marquette in determining priorities.

The Committee reviewed the document with Mr. Oslin. Oslin said the Planning Commission would like the document adopted or to receive suggestions on modifying it. Commissioner LaPin suggested that a statement on tax-incentives or concessions for seasonal, tourist related industries be contained in the report. Oslin said the report mentions working with the EDC to develop economic development strategies.

Commissioner LaPin also felt a statement should be included on the requirement that an individual who wishes to sell wood to corporations, such as Mead, must have workers compensation insurance.

Discussion was held on the lay offs at the mines, and the effect this will have on mining related businesses in the area. It was noted the Cities of Cleveland and Baltimore used economic incentives to build their economies back up. Commissioner May suggested that it be determined what these cities did to turn around their economies.
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Commissioner May noted in Page 14, No. 7, the language is unclear.

It was moved by Commissioner Racine, supported by Commissioner May and
carried unanimously to recommend to the Board that they approve the
document with the revisions suggested by the Committee. Oslin will
make the requested revisions to the document before it is submitted to
the Board.

The Committee discussed whether Chief Civil Counsel should be part of the
Prosecuting Attorney's Office or under the County Board, and whether the
labor relations responsibility should be assigned to Civil Counsel. These
items were referred to the Committee by the Committee of the Whole. The
Committee felt financial and legal information as well as information on
the duties of a corporate counsel (civil counsel) should be obtained before
any discussion on the matter is held. Bruce Rukkila said such changes
would have an impact on mandated programs, and the extent of that impact
should be determined. It may create a loss in revenue.

It was moved by Commissioner Racine, supported by Commissioner May and
carried unanimously to ask the Government Support Division for financial
information on the effect of the above proposal, encompassing the
job classification of corporate counsel; cost of labor relations to the
County; cost of creating a corporate counsel position, whose responsibilities
would include labor relations; and to request a legal opinion from Chief
Civil Counsel as to whether there is any legal impediment to the proposal.

It was noted that if a new Prosecuting Attorney was elected that person may
not wish to carry out the labor negotiations responsibility. It was also
noted that that responsibility was taken into consideration when setting
the present Prosecutor's salary.

The Committee received an Opinion from Chief Civil Counsel on Road
Races: Application and Enforcement of Driveways, Banners, and
Parades Act to Big Bay Relay Race, as well as a communication from
Mary Lou Marsh, Race Director, of the Big Bay Relay on the date of the
race and race guidelines. In her Opinion Micklow said the race does
not require a permit since the road is not closed, and that the race may
not be interrupted or stopped by the application of the Driveways, Banners
and Parades Act provisions. A copy of these materials will be provided to
each commissioner for informational purposes.

An Opinion and Order from the Public Service Commission on Michigan Bell
Telephone Co.'s application to revise its Tariffs MPSC Nos. 6 and 19 as they
pertain to the offering of mobile telephone services was noted and placed
on file. A notice from Wisconsin Electric Power Co. on a public hearing
to consider adjustment for cost of fuel and purchase power to be applied to
monthly billings was presented. The Board Chair has already written in
opposition of the request.

A resolution from Cass County on creative financing of property was
presented. The Board has already acted on this subject and the resolution
was filed.

A resolution from Mecosta County on ad valorem property taxation was
presented. It was moved by Commissioner Villeneuve, supported by
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Commissioner May and carried unanimously to ask Chief Civil Counsel if it is legal for a county to place a ballot proposal before the voters to limit the increase of revenue raised by ad valorem property taxation as proposed by Mecosta County in its resolution.

A resolution from Lake County on TRIM (taxation) proposal for the November ballot was presented. The Committee has already dealt with this and the resolution was filed.

A resolution from Midland County on CETA rewrite legislation was received. A copy will be sent to Commissioners Farrell and Juidici, the Board's representatives on the Consortium, for their views on the resolution.

The Committee was asked to consider urging our legislators to present legislation to the effect that at a general election of a census year the voters be given an opportunity to indicate how many commission districts they wish to have. This was referred by the Board. The Committee will come prepared at the next meeting to discuss developing a resolution on the subject.

A notice from Rep. Richard Fitzpatrick on an April 22 meeting on H.B. 4182, self-insurance, was noted and filed.

The Committee received a copy of S.B. 617, regarding forest lands. The Committee will review the legislation for discussion at the next meeting.

Commissioner LaPin said he felt the State Tax Commission should hold equalization hearings on counties in the Upper Peninsula in the Upper Peninsula. He believed it was discriminatory to have the meetings downstate. It was moved by Commissioner Racine, supported by Commissioner Villeneuve and carried unanimously to recommend to the Board to ask the State Tax Commission to find out if it is possible to hold hearings on SEV for counties in the Upper Peninsula in the Upper Peninsula.

There was no public comment.

It was moved by Commissioner Villeneuve, supported by Commissioner May and carried unanimously to recess until April 20, 1982 at 7:00 p.m.

The meeting recessed at 11:05 p.m.

Respectfully submitted,

Karen Chubb, Commission Aide