July 9, 1985

The Finance/Personnel Committee of the Marquette County Board of Commissioners met in Special Session on Tuesday, July 9, 1985 at 7:30 P.M. in Room 231 of the Courthouse Annex, Marquette, Michigan.

The purpose of the meeting was to discuss with local attorneys, realtors, abstractors and appraisers, the proposed Commercial User Fees for the Register of Deeds Commercial Tract Index.

Roll call was held by the County Clerk and the following roll recorded:
Absent: None.
Also Present: Comm. DeFaut and Roberts.

The users of the Tract Index were represented by Steven Adamini, attorney, representing the Marquette County Bar Association, Dawn McGladdery, owner of Great Northern Abstract and Title Co., Sam Elder, President of the U.P. Board of Realtors, Steven Morski, President of U.P. Title Co., and Paul Nykanen, Marquette County Register of Deeds.

Chairperson Valente opened the meeting for public comment, none was forthcoming and the public comment section was closed.

It was moved by Comm. Berglund, supported by Comm. Lowe and carried on a roll call vote that the agenda for the meeting be approved as printed.

Chairperson Valente opened the meeting for comment and discussion regarding the proposed Commercial User Fee for the Register of Deeds Commercial Tract Index.

The minutes of this meeting reflect the general thoughts of those persons in attendance and not necessarily a word for word running account of the statements as they were made. Some of the comments expressed by users of the Commercial Tract Index were as follows: 1) user fees if charged would be passed on to the customer; 2) some agreement would be needed as to a fair and equitable fee for large and small users; 3) it was felt that it was a bad policy to use a user fee of the Commercial Tract Index to gather additional revenue; 4) it is a service that has been and should be provided to the taxpayer; 5) private companies can maintain a tract index of their own; 6) the cost of maintaining the tract index is reported to be 1/5 the cost of the operation of the Register of Deeds Office. This seems not to be an understandable issue with the users of the Tract Index; 7) it would seem that the County Board had made up their mind to charge a users fee in some form or another, regardless what comments were made; 8) it did not seem fair that for the use of a few minutes a day of the tract index that a $12.00 fee would be charged; 9) no increase in recording fees is allowable in our State, this charging of fees for recording is set by State law at the amount now charged; 10) large amounts of money have been spent in the last fiscal year for copies by all users, copies were received at $1.00 per page of copy from the Register of Deeds Office, this price in itself seemed overly high and not a sensible cost, particularly when the copies are being made on a xerox machine at very little cost.

Other comments made in regard to the passing on of users fees to the customers were as follows: 1) it would be almost impossible to charge the customer the proper costs because it would involve too much of a bookkeeping system; 2) if a user fee is charged then they should have a time clock where the user can check in and check out when using the tract index and thereby having a record of time spent at the end of
each month; 3) it would be a hardship for small buyers to have any additional charges placed on their abstracts, mortgage money is not easy to get at this particular time; 4) some searches need to be done four or five times, especially if they are for the government before the final closing, this would all add to the cost; 5) update of abstracts are needed each time the period of loan runs out, banks take twenty year mortgages and refinance every three to four years, new abstracts are needed and that involves extra cost to the taxpayer; 6) all department revenues should be reviewed at budget times for some saving and any special fees that can be collected should be collected; 7) charges for use should be to the company they represent and not to the individual persons when they are working from the same company.

One of the complaints registered against the Office of Register of Deeds was the possibility of personnel in the office giving legal advice on documents that could cause the County a liability if the information is not interpreted properly, these items are such things as mineral rights, easements, ownership and property lines, and so on.

Users of the Tract Index stated that in the material supplied by the County Administrator's Office to them reflect the cost of operation of the Tract Index at $11.40 per hour cost, whereby the proposed cost by the County would be $12.00 an hour or any part of the hour. It was explained by the County Administrator that this figure is the cost of maintaining the Tract Index every hour that the Office is open during the year and unless there is someone in the office using the Tract Index at $12.00 an hour every hour of the day that the office is open, this figure would not apply as to being related with the $12.00 figure. The cost to maintain the Tract Index is approximately $25,000.00 a year, which would mean that in order to recoup those costs, the County would have to obtain a users fee of $12.00 for every hour that the office is open.

It was explained by the County Administrator and the Finance Officer that the proposed user fees would be as follows. They would charge $12.00 for any part of an hour used or $250.00 per month as a monthly fee for all members of a firm. There would be one billing each month to the company and the company would have the option of using the $12.00 per hour or the $250.00 per month fee subject to change on a 30 day notice. The other sixteen counties in Michigan that charge a user fee for the tract index have success with the user fees and the system here would be patterned some what after their successful use. It is not the purpose of the County to subsidize the large users of the Tract Index. It is common throughout Michigan that user fees are being charged for special services not mandated.

Any action taken would have to be reviewed and evaluated periodically to reflect the need of change and the effect it would have on the using of the Tract Index and the maintenance of the Tract Index.

Possible alternates suggested by the users were: 1) combine the office of County Clerk and Register of Deeds as one administrative position with a possible saving of approximately $30,000.00; 2) levy a small tax on every taxpayer for the Tract Index maintenance. Tract Index is a index used by all taxpayers at some time or another in their lifetime; 3) eliminate over staffing in the Register of Deeds Office during the winter months; 4) look to other departments for possible savings by more streamlining the methods of operation; 5) the probable need of a person to be stationed in
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the Register of Deeds Office to keep check on the use of the Tract Index for a period of time so a further study could be made as to who and how long the Tract Index is being used.

Comm. Roberts stated that it was his understanding originally that the use of Tract Index charges had been planned to be three free hours of use per month with the $12.00 per hour fee charged for hours used after or a $250.00 per month fee for any individuals wanting to use the Tract Index. Comm. Roberts stated that he did not feel the need to recover the full costs of the maintenance of the Tract Index in one year, probably a fee should be set and this would be reviewed as times changed.

Comm. Berglund agreed in part with Comm. Roberts and stated that he felt that to pay $12.00 for the use of the Tract Index for a few minutes did seem a little bit high.

Comm. Lowe stated that he understood that there are 9,000 entries a year into the Tract Index and asked would it be possible to charge $1.50 per single use and thereby get approximately $27,000.00 back at the end of the year in new revenue.

Comm. Defant stated that where as everything in the May 18, 1985 action of the County Board was accepted in concept it did not necessarily mean that the staff would not be asked to make a further review of the matter. She stated that the staff had been asked to review and evaluate what other counties are doing and do further research. This is not a mandated service, user fees are not uncommon in government, and it is realized that some people would use it more than others would use it, but each person should pay their fair share for use of the Index.

It was moved by Comm. Berglund, supported by Comm. Lowe and unanimously carried that the staff be directed to make a further study and evaluation of the Commercial Users Fee of the Commercial Tract Index and those results to be brought back to the Finance/Personnel Committee at their August 13, 1985 meeting.

Chairperson Valente opened the meeting for public comment, none was forthcoming and the public comment section was closed.

There being no further business to come before the Special Meeting of the Finance/Personnel Committee the meeting was adjourned.

Respectfully submitted,

Henry A. Skewis
Marquette County Clerk
SPECIAL FINANCE/PERSONNEL COMMITTEE
Tuesday, July 9, 1985, 7:30 P.M.
Room 231, Courthouse Annex
Marquette, Michigan 49855

1. ROLL CALL.
2. PUBLIC COMMENT.
3. APPROVAL OF MINUTES. (none)
4. APPROVAL OF THE AGENDA.
5. Consideration and discussion regarding the Proposed Commercial User Fee - Register of Deeds Commercial Tract Index.
6. A communication from E. Nickolas Bridges, Attorney, Bridges and Houghton, to Timothy J. Lowe, Chairperson, opposing this Commercial User Fee.
7.
8.
9.
10. PUBLIC COMMENT.
11. ANNOUNCEMENTS.
12. ADJOURNMENT.