March 7, 1989

The Marquette County Board of Commissioners Finance/Personnel Committee met on Tuesday, March 7, 1989 at 4:00 p.m. in Room 231 of the Henry A. Skewis Annex, Marquette, Michigan.

Chairperson Arsenault called the meeting to order, roll call was taken and the following roll recorded: Present: Comm. Corkin, Comm. Seppanen and Comm. Arsenault. Absent: None.

It was moved by Comm. Seppanen, supported by Comm. Corkin and unanimously carried that the minutes of the Finance/Personnel Committee meeting held on February 21, 1989 be approved.

Chairperson Arsenault opened the meeting for public comment. James Sodergren, Marquette County Treasurer, was present and addressed the Committee on two things. First, the preliminary estimates are that delinquent taxes will be down to $3,500,000.00 compared to the usually $4,000,000.00. That's good news. Second, the interest rates are up and it would cost Mr. Sodergren 10-1/2% to borrow right now. That's bad news. Mr. Sodergren anticipates that he will have approximately $3,000,000.00 on hand of which the County needs $600,000.00 for the 1989 budget year.

Mr. Sodergren reported on the transfer tax issue. The Michigan Association of County Treasurers set up a Committee with Mr. Sodergren as Chairperson to meet with Mr. Balderman of the State Treasurer's Office. The Committee met the 5th of February with Mr. Balderman and it was agreed that a change is needed. As a result, Mr. Sodergren has postponed ordering the new $2,500.00 transfer tax machine.

Ed Sloan, Director, Eastern U.P. Substance Abuse Coordinating Agency, expressed thanks to the County Board for continuing their support by providing a share of the Liquor Tax funding.

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

It was moved by Comm. Seppanen, seconded by Comm. Corkin and unanimously carried that the agenda be approved with the following change; that item 5, the review of claims and accounts, be moved to the end of the agenda under item 11.

The Committee took under consideration FY 1989 budget amendments #7 and #8 presented by Gary R. Yoder, Finance Manager. First, Mr. Yoder explained budget amendment #7 is to adjust the Employment Programs Fund. Due to differing fiscal years for various grant programs, and the County being on a calendar year budget, the amendment is necessary to "carry forward" budget balances from the County's 1988 Employment Programs budget into the 1989 budget. This carry forward amount is $8,796.51. In addition, the Title II-A Program was increased by $4,646.00 effective January 1, 1989. This amount was not included in the 1989 budget and the total increase to the 1989 budget is $13,442.51, all of which is covered by increased revenue, therefore no use of Contingency will be required. Second, Mr. Yoder explained budget amount #8 allows for an increase in revenue received by the County from the State for liquor taxes. Past practice has been that one-half of the liquor tax revenue is to be appropriated to Substance Abuse Services. The proposed amendment increases the liquor tax revenue budget by
Finance/Personnel Committee Minutes
March 7, 1989 - Page 2

$19,787.00, with half the revenue being appropriated to Eastern U.P. Substance Abuse in the amount of $9,894.00, and increases the County Contingency amount by $9,893.00. It was moved by Comm. Corkin, seconded by Comm. Arsenault and unanimously carried that the Finance/Personnel Committee recommend that budget amendments #7 and #8 be approved by the County Board. Comm. Seppanen suggested that Substance Abuse be given more than half, and asked Ed Sloan, Director, Eastern U.P. Substance Abuse Advisory Agency, for an update on their financial situation. Mr. Sloan pointed out that in 1987 the liquor tax provided $67,000.00 to Substance Abuse, 1988 provided $57,000.00, and during the FY 1989 budget process Substance Abuse requested the same as 1988, however the County Board could only approve conservatively $43,000.00. There has been no decrease in the need for Substance Abuse Services, and if additional resources were available Mr. Sloan indicated efforts for treatment and prevention could be easily increased, and also, a program entitled "Children are People" could receive support. Comm. Seppanen offered an amendment to the motion, to increase the portion of the appropriation to the Eastern U.P. Substance Abuse Program by $2,000.00. The amendment was accepted.

It was moved by Comm. Corkin, seconded by Comm. Arsenault and unanimously carried that the Finance/Personnel Committee recommend the County Board approve budget amendment #7 for the Employment Programs totaling $13,442.51, and also budget amendment #8 which would provide additional revenue for the Eastern U.P. Substance Abuse Program of $11,894.00, and additional revenue to the Contingency Fund of $7,893.00 from monies received from the State Liquor Tax.

The Committee took under consideration a letter from Marquette County Treasurer, James F. Sodergren, to Dr. William Birch, Director, Community Mental Health, regarding timely transmittals of monies deposited by Community Mental Health. Mr. Sodergren has requested that all checks/monies be deposited in his office on Thursday of each week beginning March 15th and thereafter so that he can maximize earnings on his investments. Dennis Aloia, County Administrator, indicated this has been discussed with Community Mental Health previously, and is confident the transmittals will be dealt with in a timely fashion in the future. It was moved by Comm. Corkin, seconded by Comm. Seppanen and unanimously carried that the Finance/Personnel Committee direct Administrator Aloia to send a letter reminding Dr. Birch of the timely transmittals.

The Committee took under consideration a letter from Probate Judge, Michael J. Anderegg, Probate Judge, and a memo from Randell Girard, Director of Human Resources, regarding 1989 Judicial Salaries. Randell Girard explained that Judicial Salaries are comprised of three separate components; direct State payment, local County supplement, and Judicial Salary Standardization Reimbursement. The State payment is made directly to the Circuit and District Judges, however payment to the Probate Judge is channeled through the County General Fund. The County Board cannot impact
Finance/Personnel Committee Minutes
March 7, 1989 - Page 3

these payments. The County portion must be at least equal to the amount of
the Judicial Salary Standardization Reimbursement in a given year, however
the Judicial Salary Standardization Reimbursement can be used by the County
for any purpose. The Marquette County Board has historically "passed
through" the Judicial Salary Standardization Reimbursement on to the Judges
as recommended by the State Court Administrators Office which keeps their
salaries at the maximum allowable cap.

Judge Anderegg's letter further noted that the reduction in the Blue
Cross Master Medical Coverage recently negotiated represents a net loss to
him. Judge Anderegg requested compensation for this change by having the
County Board purchase additional life insurance on the Company's Group
Policy to the extent of 1-1/2 times his total compensation for 1989.

District Court Judges, James Collins and Patricia Micklow, were present
to discuss the Judicial Salaries with the Committee. Judge Collins urged
the Committee to recommend the County continue to approve the Judicial
Salaries for Circuit, District and Probate Judges at the maximum allowable
cap. In regards to life insurance Judge Collins indicated that the State
provides life insurance to the Judges for that portion of their salary, and
the County provides life insurance equal to 1-1/2 times the County portion.
Administrator, Dennis Aloia, thought perhaps this may be different in the
Probate Judge's case because the State portion of his salary is channeled
through the County's General Fund, however he will have to investigate. The
recommendation by the Committee will not include any action regarding life
insurance.

It was moved by Comm. Corkin, seconded by Comm. Seppanen and
unanimously carried that the Finance/Personnel Committee recommend the
County Board approve the 1989 Judicial Salaries for Circuit Court Judges,
District Court Judges, and Probate Judge for Marquette County at the maximum
allowable cap as provided by the Judicial Salary Standardization
Reimbursement and approve the appropriate budget amendment.

The Committee took under consideration a Financial Policy presented by
Dennis Aloia, County Administrator, regarding small change orders. Mr.
Aloia indicated that routine County Capital Improvement Projects from time
to time require small change orders for a variety of reasons, and the County
Board instructed him to develop a policy that would authorize the
Administrator to approve them on behalf of the County Board. This would be
a benefit in small change order items by preventing delays in completion of
projects. It was moved by Comm. Corkin, seconded by Comm. Seppanen and
unanimously carried that the Finance/Personnel Committee recommend the
County Board approve the Financial Policy - Change Orders as presented by
Administrator Aloia.

The Committee took under consideration a Financial Policy presented by
Dennis Aloia, County Administrator, regarding Capital Improvement Program
Fund Transfers. The draft policy presented by Administrator Aloia limits
the amount of money that could be transferred to $500.00 from the unexpended
balances of completed projects. Furthermore, the policy would only apply to
projects that have been previously approved by the County Board.
Finance/Personnel Committee Minutes
March 7, 1989 - Page 4

Administrator Aloia recommends that this policy be utilized as a time
saving measure. Comm. Seppanen indicated he did not believe CIP Fund
transfers took up much of the Commissioners time and felt that this
Financial Policy to be unnecessary, and could not support it.

It was moved by Comm. Corkin, seconded by Comm. Arsenault and carried
Seppanen voting nay, that the Finance/Personnel Committee recommend the
County Board approve the Financial Policy - CIP Fund Transfers as presented
by Administrator Aloia.

The Committee took under consideration the review of claims and
accounts. Several questions were asked regarding the various bills paid
such as Soldiers and Sailors Relief Commission, Employment Programs, and the
Veterans Trust Fund. It was then moved by Comm. Corkin, seconded by Comm.
Seppanen and unanimously carried that claims and accounts for the period
February 17, 1989 thru March 3, 1989 in the amount of $529,736.24 be
approved and ordered paid.

Chairperson Arsenault opened the meeting for public comment. Randell
Girard, Human Resources Director, pointed out to the Committee that the
budget amendment approved for the Employment Programs under item 6 includes
increased funding of monies that other programs from other counties were
unable to spend. These funds therefore were redistributed to successful
programs like the Marquette County Employment Programs. There being no
further public comment, Chairperson Arsenault closed this portion of the
meeting.

Announcements: Dennis Aloia, County Administrator, reminded the
Commissioners of the Special Meeting tonight at 7:00 p.m. at Negaunee High
School regarding Specific Ore Taxes. Mr. Aloia also reminded the
Commissioners of the Committee of the Whole meeting to be held tomorrow
evening, Wednesday, March 8, 1989 at 5:00 p.m., Second Floor of the
Marquette County Airport Terminal.

Comm. Corkin briefly commented on the latest developments in the
Specific Ore Tax issue. Richmond Township and Tilden Township Assessors
have agreed to use the negotiated price that C.C.I. has offered, however
Republic Township is going to use the published price and is willing to
legally challenge Cleveland Cliffs Iron Co. if necessary. Republic Township
will be looking for support from other units of government as the issue
unfolds.

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

Respectfully submitted,

David J. Roberts
Marquette County Clerk
1. ROLL CALL.
3. PUBLIC COMMENT.
4. APPROVAL OF THE AGENDA.
5. Review of Claims and accounts.
6. A memo from Gary Yoder, Finance Manager, regarding two budget amendments; one for Employment Programs, and one regarding the Liquor Tax.
7. A letter from James Sodergren, County Treasurer, to Dr. William Birch, Director, Marquette Alger Community Mental Health, regarding timely transmittals.
8. A letter from Probate Judge, Michael J. Anderegg, regarding judicial salaries.
9. A memo from Dennis Aloia, County Administrator, regarding Financial Policy - Change Orders.
10. A memo from Dennis Aloia, County Administrator, regarding Financial Policy - CIP Fund Transfers.

13. PUBLIC COMMENT.
14. ANNOUNCEMENTS.
15. ADJOURNMENT.
NOTICE

The Marquette County Executive/Intergovernmental Relations Committee meeting scheduled for Tuesday, March 7, 1989 has been cancelled.

David J. Roberts
Marquette County Clerk
SPECIAL NOTICE

The Marquette County Board of Commissioners will meet as a Committee of the Whole on Wednesday, March 8, 1989 at 5:00 p.m. in the Conference Room, Second Floor of the Marquette County Airport Terminal, for the purpose of discussing a proposal for the Expansion of the Airport Terminal and other related Airport matters with the County Airport Committee.

David J. Roberts
Marquette County Clerk