The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, July 23, 1996 at 6:00 p.m. in Room 231 of the Henry A. Skewis Annex, Marquette, Michigan.


It was moved by Comm. Arsenault, seconded by Comm. Rapport, and unanimously carried by voice vote that the minutes of the Committee of the Whole meeting held on July 9, 1996 be approved.

Chairperson Corkin opened the meeting for public comment.

Jim Sodergren, Marquette County Treasurer, read a prepared statement and requested that it be printed in the minutes as follows:

I have a prepared statement regarding AMR Eagle's move to Sawyer.

More recently the Lake Superior Job Coalition has been lobbying the County Board in support of the AMR Eagle project and has offered to continue their lobbying efforts in seeking the necessary funds from State and Federal representatives.

The Coalition was successful in lobbying on behalf of Cleveland Cliffs in 1978 when they convinced a democratic majority to pass the Iron Ore Specific Tax law which greatly reduced the amount of taxes on iron ore. The coalition has a strong track record in lobbying for the business community and I am happy that they have offered their support in seeking federal funds for the successful conversion of KI Sawyer to civilian use.

I am concerned, however, about the statement made by Commissioner Arsenault and the Marquette County AFL CIO Labor Council where they request the County Board to do "what ever it takes" to sign an agreement with AMR Eagle. Using county funds to meet their demands, which could exceed $4,000,000 (four million dollars), should not be considered. As elected officials you and I have been given the public trust in managing County money and property. Forgiving an AMR debt or giving away County monies to subsidize a company that hasn't been incorporated yet, is poor management. Before I deposit County monies in banks, I demand a financial statement from that bank. Since the Orange County bankruptcy, I also require information on how that bank is investing County monies. I would like to suggest that the Board require a financial statement from whoever this company is before any County monies are committed.

I am getting mixed signals from the business community. For example, the County should not be competing with private business in providing home health care. They preach free enterprise and less government control! On the other hand, business wants government to contribute start up money to AMR Eagle and next week business will be asking for a renaissance zone so they won't have to pay any taxes.

We have learned that it is illegal to use County monies for kids christmas candy. We have learned that it is illegal to use County monies to support Bay Cliff Health Camp. If it is legal to provide County monies to subsidize AMR Eagle, I would suggest that the electorate make that decision via a millage proposal. The magnitude and liability in funding the AMR Eagle project with local tax dollars needs their approval.

Submitted by,
James F. Sodergren
Marquette County Treasurer
BOARD OF COMMISSIONERS  COUNTY OF MARQUETTE  JULY 23, 1996

Steve Adamini, Marquette Township, and a candidate for the County Board of Commissioners 6th District applauded the County Board’s concern over the job status in Marquette County, however, raised three questions regarding the AMR Eagle move to KI Sawyer. First, the legality of subsidizing AMR Eagle. Strict rules exist for using public funds to benefit private concerns, however, methods can be fashioned to get around such laws if they can be deemed for the general good. Mr. Adamini urged the Board not to rush into doing something illegal but first to obtain a written legal opinion from civil counsel. Second, a time frame of the subsidy must be established. In the short run AMR Eagle needs assistance, but for how long? This proposal calls for a 25 year fixed lease rate and he urged the County Board to be careful of creating a corporate welfare queen which continues to suck up public tax dollars. Third, the AMR Eagle proposal needs a comprehensive plan because as soon as the Board gives approval other companies will request assistance. How can you distinguish them from AMR? They deserve an answer. Policy must be established for all and not just one.

John DeRocher, Marquette, opposed efforts to relocate AMR Eagle to KI Sawyer. Mr. DeRocher contended there is plenty of room left at the County Airport and it would be cheaper to expand there. Preserving jobs should be done at the lowest cost to taxpayers. AMR Eagle will actually be a new company and will pay $60,000 a year lease which only amounts of 45 cents per square foot. The Greiner Report suggested $2.25 per square foot with a 3% annual escalator. None of the leases at KI Sawyer are even close to this rate. Where will the funds come from in five years? Most of the buildings at KI Sawyer are 40 years old and will need repairs. He urged the Board not to rush into this matter because the only winner will be AMR with no benefits to the taxpayers.

Bob Beams, Richmond Township, a candidate for County Commissioner in the 7th District, distributed a copy of an editorial in the newspaper written by David G. Aldrich, Marquette, which raises concerns he contends should be addressed in a public hearing regarding the AMR move to Sawyer. Mr. Beams noted that in the "review of the KI Sawyer Interlocal Agreement" from Civil Counsel Payant, Paragraph A, second sentence, reads "An Airport which meets the demands of the users is an asset which has far reaching direct and indirect benefits to the community as a whole. Consider, by example, support jobs with airlines (we have this) and car rentals (we have this) or the willingness of new development to come to Marquette County because we have an airport with connectivity to major hubs (we have this)." Marquette County already has all these things with the present County Airport.

Mr. Beams also pointed out that there are no $2.2 million sitting in a Michigan Aeronautics Fund waiting to be used by Marquette County. He noted that there are no escalating clauses provided in the lease agreements to AMR, however, a number of years back the County granted a lease to a Commissioner for a building which has a 5% annual escalator clause.

Mr. Beams also related that an ad has appeared in the newspaper "Wanted, two person team to assemble ice shanties in their own space." This company is going the same route as Marplex. He urged Commissioners not be believe in pie in the sky.

Barry Bahrman, West Branch Township Supervisor, responded to a previous comment: Who is going to ultimately benefit from the AMR proposal? My children, and other people’s children! He urged the Board to keep up the good work, that they are right on target in helping AMR to relocate to KI Sawyer.

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

It was moved by Comm. Seppanen, seconded by Comm. Minelli and unanimously carried by voice vote that the agenda be approved as presented:

It was moved by Comm. Seppanen, seconded by Comm. Joseph and unanimously carried by voice vote that Claims and Accounts for the period July 6, 1996, through July 19, 1996 in the amount of $988,428.32 be approved.
The Committee considered a presentation of the annual audit by John Blumberg, CPA, Anderson, Tackman & Co. Mr. Blumberg pointed out that Anderson, Tackman audits 12 counties in Michigan and introduced Marvin Henderson, CPA, who has lived and worked through the Kinclooe Air Force Base Closing in Chippewa County.

Mr. Blumberg distributed graphic charts showing Marquette County’s fund balance revenues and expenditures for the past five years and also read the Independent Auditor’s Report. For 1995 Marquette County’s expenditures were 8% less than previous years and revenues were 4% less. On hand is a cash balance of $890,000 and a General Fund balance of $385,000.

Mr. Henderson noted that the average expenditure for counties is 26% for law enforcement, so Marquette County’s 28.1% is right around the average. The average for Court expenditures is 20% and so Marquette County’s expenditure of 21% is about average. Revenues are much the same as other counties with about 60% coming from taxes, 25% from State and Federal funding, and 15% generated by user fees.

Mr. Blumberg reported that Marquette County is in a stable financial condition and thanked the Board and County Staff, especially Gary Yoder, Finance Manager, for their cooperation in conducting the audit.

It was moved by Comm. Rapport, seconded by Comm. Trudell, and unanimously carried by voice vote that the County Board accept the 1995 Audit Report and place it on file.

* * * * *

The Committee considered a review of the KI Sawyer Interlocal Agreement proposed by Forsyth, Sands, and West Branch Township from David A. Payant, Civil Counsel, and Jim Kippola, Senior Planner. Gary Walker, Marquette County Prosecutor, was present to discuss the report and noted that should the County Board decide on moving the County Airport to KI Sawyer that the County should look at each of the prospective parties’ separate interests and maintain a proportional representation according to responsibility. The County would be the most vulnerable and have the most risk financially. Many details have to be worked out in this agreement.

Barry Bahrmann, West Branch Township Supervisor, was present and pointed out the agreement has not yet been finalized by the Townships and it is their intent to work out the agreement details with the County.

It was moved by Comm. Rapport, seconded by Comm. Arsenaumt and unanimously carried by voice vote that the Committee of the Whole direct Civil Counsel and County Staff to meet with the Township Attorney and Township Representatives to work out the details in the KI Sawyer Interlocal Agreement for Governance.

* * * * *

The Committee considered a resolution supporting the existing Upper Peninsula Area Agency on Aging. Comm. Braamse explained that the Sault Ste. Marie Tribe of Chippewa Indians is trying to develop a new Area Agency on Aging in the Upper Peninsula. The U.P. cannot have two Area Agencies on Aging. A resolution has been drafted to support the existing U.P. Area Agency on Aging in that they already include minority services and provide for representation from the Keweenaw Bay Indian Community, Bay Mills, Sault Ste. Marie Tribe of Chippewa Indians, and the Inter-Tribal Organization. Splitting up and fragmenting the UPAAA could prove to be detrimental to the services provided among Upper Peninsula Counties.

Jonathan Mead, Executive Director, UPCAP Services, Inc., was present and distributed the 1995 Annual Report for UPCAP services. He requested the County Board support the Upper Peninsula Area Agency on Aging by adopting the resolution and forwarding it to each of the 15 Upper Peninsula County Board Chairpersons, the U.P. AAA, and the Michigan Office of Services to the Aging.

It was moved by Comm. Braamse, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board adopt the resolution supporting the existing U.P. Area Agency on Aging as presented and distribute it as required.

* * * * *
The County Board considered a memo from Michael McDonald, Supervisor, Recreation Grant Section, Department of Natural Resources, regarding the Perkins Park Development Grant.

Ron Koshorek pointed out that the County has applied for grant funds for various improvements at the Perkins Park Boat Ramp and barrier free facilities. The grant is for $132,000 of State funds with a $44,000 local match that has already been budgeted. Mr. Koshorek will come to the Board with the appropriate budget amendments from the Land Acquisition Fund so work can be commenced in 1997. It will be too late to start construction in 1996.

It was moved by Comm. Joseph, seconded by Comm. Rapport and unanimously carried by voice vote to place the communication on file.

* * * * * * *

The Committee considered an oral report from Ron Koshorek, Interim Administrator, on the Suncliffe Development issue. Mr. Koshorek explained that 6 to 8 home owners in Suncliffe Subdivision in the City of Ishpeming have experienced flooding and water damage. They have filed a complaint against the contractor with the State of Michigan. As part of the process the Building Codes Department inspected the buildings and on May 16th reported their findings. The foundation drain tiles did not have proper discharge to either a storm sewer system or a sump pump system.

Ron Koshorek further reported that the contractor claims the home owners covered some of the drains during landscaping. Mr. Koshorek is confident that the State process will result in the Contractor making the necessary repairs, however, the time frame may not be fast enough for the home owners. Such matters can take a long time. Meanwhile the State has sent a mediator to seek a possible settlement between the home owners and the contractor. If no settlement is reached then the matter goes before an Administrative Law Judge.

Gordon Uren, Building Codes Department, was present to explain that a home is normally inspected four times during construction. Drain tile is not an item that is specifically checked and is installed only if the contractor believes it is necessary. Typically drain tile discharges are not in place when the inspector checks the foundation.

Scott Etelamaki, of the Suncliffe Subdivision, Ishpeming, was present and explained that at his property the drain tiles were clogged and the system was not working. He received major damage to his home. He believes the building code system has failed the home owners and has requested that State Representative Mike Prusi contact the Attorney General’s Office to investigate the matter. Mediation has begun but if the home owners accept a settlement then no legal action is allowed.

Mr. Etelamaki is interested that such a thing never happens again. The landscaping at their homes was done by the Contractor. Possible code violations exist because the drain tile was not discharged to a pump or to a storm sewer. Mr. Etelamaki in good faith purchased land in a subdivision located within the City of Ishpeming and was not aware that the subdivision was being built in a swampy area and was also under the assumption that the Building Codes Department was doing the necessary inspections. The home owners were relying on a system that failed them.

It was moved by Comm. Seppanen, seconded by Comm. Braamse and unanimously carried by voice vote that Administrative Staff send a written report to the home owners on its findings on the Suncliffe Subdivision.

* * * * * * *

The County Board considered its appeal on the Conditional Use Permit that was approved for the A&L Recycling Plant within the City of Ishpeming. Comm. Joseph requested the County Board reconsider the matter because much misinformation has been spread regarding this project. Comm. Joseph has personally checked into the matter and spoke with many of the adjacent property owners to find out what is going on. The project is located on 62 acres of land for steel recycling. A&L already has a contract with Cleveland-Cliffs and a deal with another contractor to haul the materials out. Comm. Joseph went to the site to see what clearing has been done and reviewed all the City’s information. A similar site in another city downstate has nothing but good to report. The only fault with the A&L Recycling Plant project is that a poor job was done on selling the project to begin with. The owner has invested $500,000 of his own money and it will employ 6-8 people at the $8 to $10 an hour range.
Comm. Joseph questioned what the County is exactly appealing. Is it the process to approve the Conditional Use Permit or the project itself.

Jim Kippola, Senior Planner, was present and pointed out that he and Civil Counsel will be attending the Ishpeming City Council Meeting on July 31, 1996. Their appeal is primarily dealing with the process. When a Conditional Use Permit is granted findings of fact must be in writing as to why a conditional use is allowed. Many measurable items have not been documented in writing. If the concerns of the appeal are answered then it may well be the end of the matter and the project will continue.

Brad Cory, Administrator, Marquette County Medical Care Facility, was present and reported that on June 3, 1996 he received a call regarding the building of the scrap yard. His main concern is for the safety of the residents and staff of the Medical Care Facility. He had received no previous contact from the City at any time and had no information in order to make an informed decision to be for or against the project. Some of the questions that should be answered in the appeal include: Are there any toxic chemicals to be used or stored on site? What type of noise will be generated? What type of traffic will be on Saginaw or Washington Street? Will there be any railroad traffic? What type of security will the facility have? What type of water use will be necessary for the project and its fire protection? What are the hours of operation? If these questions are satisfactorily answered then the Medical Care Facility may not be opposed to the Conditional Use Permit.

Mr. Cory further reported that he was contacted by the project owner, Martin Tasson, and taken on a tour. Many of the questions seemed to be reasonably answered by Mr. Tasson. Much controversy could have been avoided if there had been better communications by the City of Ishpeming and those involved with the project. Mr. Cory believed that the appeals process should still run its course to that the answers to all these questions could be received in writing.

* * * * *

Chairperson Corkin opened the meeting for public comment.

Bob Beams, Richmond Township, expressed an additional concern regarding the proposed Governance Agreement, that being that the Board of Directors would serve until they resign or were kicked off. This means that they could end up serving indefinitely.

Joe Poirier, Tilden Township, raised concerns regarding the A&L Recycling Project. He wondered why the City did not talk to the people who live in North Lake and live near the Ishpeming Steel Recycling Plant? He would like to know how big this project is going to be? What type of steel they are going to be recycling? And has the DNR been contacted about water runoff? He has been able to hear men talking early in the morning who are working to clear the trees off the property so he's sure he'll be able to hear noise from the Steel Recycling Project.

Don Potvin, Front Street, Marquette, explained that his services on the Presque Isle Advisory Committee are now complete and the Little Presque Isle Plan has been signed by Frank Opolka. Two things were not included that should have been in his opinion: Hikers should be allowed to camp along the lake, and a small boat launch should have been allowed.

Mr. Potvin’s main reason for addressing the Board is regarding the KI Sawyer Governance issue. First of all, the County has nothing to gain by joining the KI Sawyer Governance. It would be outvoted and be at higher risk because it has deeper pockets. It is Township land, so let them run KI Sawyer.

Mr. Potvin contended that it okay to support AMR but not financially. Very little is known about the new company they are forming. We don’t even know who they are dealing with. How would the County Board treat other companies? Why not forgive Northern Michigan Aviation their debt? AMR promised expansion if the sales tax waiver on parts was approved by the Legislature. The County Board supported the legislation it did pass, however, the expansion never did occur. The County Board is being pressed very hard by citizens who have no stake in the issue.
Mr. Potvin further explained that he is not in favor nor against moving the County Airport, however, he urges the Board to hang back regardless of what the media or other groups of people are saying. He realizes the Jobs Commission is pressing unmercifully to move the Airport. There is very little probable cause and effect for the redevelopment of KI Sawyer if the County Airport moves. The Base Conversion Authority needs some type of success, and they need the move if only to save face. He suggested that the County Board reject the July 15th proposal from Father Coppo and the Lake Superior Jobs Coalition.

Comm. Potvin also urged that should the County Board decide to move the County Airport that they only run the Airport portion of KI Sawyer and leave the rest to the Townships.

Frank Honkala, County Road 581, Ishpeming, explained that he has been a taxpayer since 1950 and he too would like his taxes to be as then. He commended Jim Sodergren and Steve Adamini for their comments. The $4,000,000 it costs to move AMR would average $20,000 per employee. What happens if other companies want to be there also? It is a misconception that the County Airport could someday be a Regional Airport. The FAA does not tell where to put airports, the local people do. The FAA will never say we have to have a bigger airport or move the airport. The Marquette County Airport had jet service years ago until deregulation came along. There is no way we will get jet service again in Marquette County until federal subsidies are put back in place, and should we go back to jet service there would only be one or two flights a day. An airplane must have a 50% or greater occupancy rate to break even. Marquette County cannot go wrong to maintain the present airport.

John DeRocher, Marquette Michigan, pointed out that losing AMR Eagle would not be a major catastrophe or the end of the world. Many businesses have closed down over the years in Marquette County including Cliffs Dow, Lake Shore, and Michigan Bell. We need businesses that can stand on their own two feet. Lets look for healthy companies.

Bill Jacobson, County Road 478, Tilden Township, commended the County Board for supporting the AMR Eagle Project. The Board has made the right decision. With care and direction the project will work.

Bill Malinkowski, Greiner Consulting, Inc., was present and reported that the Second Working Draft on the final report on the reuse of the Marquette County Airport should be available to this Board in two weeks. Hopefully there will be enough information for the Board to make a final decision on the relocation of the Airport.

David Aldrich, Sands Township, was present and raised three issues concerning the moving of the Airport: 1) A plan must be developed for KI Sawyer. Greiner will not provide the plan for the end result, only locals can provide that vision. 2) KI Sawyer needs some kind of a centralized agency. At present there are so many organizations in the works and all are doing something but the end result is not much. 3) The plan needs sound fiscal management which includes a tax base and funding for water, sewer, heat, roads, etc. The present Sawyer businesses won’t generate enough revenue to cover the cost of infrastructure.

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

COMMISSIONER COMMENTS

Comm. Arsenault responded to a number of public comments by pointing out that the Marquette County population is down to approximately 65,000 people. The County has not felt the full economic ripple just yet, however, 40% of all cars purchased in Marquette County were purchased by personnel at KI Sawyer. Marquette County is in a debt spiral and it is important that we save the 167 jobs. The workers have families, they own homes, and their kids go to school and the school districts receive support from the State for every student. All the money in the AMR Eagle Project is not County dollars. This County Board is not like Orange County, California.
We have been conservative and we will not let Marquette County go bankrupt. Hundreds of hours have been spent at meetings discussing these various issues and Marquette County is not alone in this project. Community leaders will secure help from other funding agencies and we are putting faith in the citizens of Marquette County. Yes we are taking a risk but it is a calculated risk. We are not just jumping at this project. Should another proposal come along that will provide 100, 200, 300 jobs, yes we will do our best to help them also.

Chairperson Corkin pointed out that Marquette County citizens should be proud of the financial responsibility shown by the County Board. AMR is an exceptional proposal. The federal and governments will be helping. We are taking a reasonable risk. We need another anchor at KI Sawyer besides the Sawyer Lumber Project. The County Board is not a big proponent of incentives but we have to do something. We will be financially responsible as we have been in the past and in the future.

There being no further business, the meeting was adjourned at 8:36 P.M.

Respectfully Submitted,

David J. Roberts
Marquette County Clerk
1. **ROLL CALL.**
2. **APPROVAL OF THE MINUTES OF THE COMMITTEE OF THE WHOLE MEETING HELD ON JULY 9, 1996.**
3. **PUBLIC COMMENT.**
4. **APPROVAL OF THE AGENDA.**
5. Review of Claims and Accounts.
9. Perkins Park Development Information.
10. Oral Report from Ron Koshorek, Interim Administrator, on Suncliffe Development Issue.
12. 
13. 
14. 
15. 
16. **PUBLIC COMMENT.**
17. **ANNOUNCEMENTS.**
18. **ADJOURNMENT.**