BOARD OF COMMISSIONERS  COUNTY OF MARQUETTE  AUGUST 13, 1996

The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, August 13, 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. Trudell, and unanimously carried by voice vote that the minutes of the Committee of the Whole meeting held on July 23, 1996 be approved.

Chairperson Corkin opened the meeting for public comment.

Sam Elder, W. Grove Street, Marquette, attended a Base Conversion Authority Meeting at which the governance issue was discussed. He is concerned about the September 30th deadline and urged the County Board to get the governance issue resolved earlier.

Mr. Elder is a member of the Lake Superior Jobs Coalition and praised the County vote to support AMR. It is a vote to keep 167 jobs in Marquette County. There have been letters in the newspaper indicating that AMR has room to expand at the County Airport. This is not true. They need 70,000 square feet and room to grow so the present Airport is not suitable. They must move and the only alternative is KI Sawyer. He urged the County Board to support moving the Airport to KI Sawyer also. This is the single most opportunity for development in Marquette County that has come along in Mr. Elder’s 27 years of real estate experience.

Father Louis Cappo, Marquette, appeared 35 years ago before the Gogebic County Board of Commissioners regarding the White Pine Mine. He appealed to the County Board to do the right thing. He believes it is vital to create new job opportunities. He has lived in Marquette County for 21 years, and loves it here. It always has been a progressive community.

KI Sawyer is a gold mine of opportunity. KI Sawyer will someday be a world class airport provided the County Board has vision. The Air Force thought it was the right place to build an airport. The conversion process provides a one time chance for federal funding. If a regional airport is ever established in the Upper Peninsula, KI Sawyer is it. It is the right thing to do for the future of our community. Marquette General Hospital became a regional facility because of people with vision, now it employees over 2,000 people. Sam Cohodas had a vision for banking and Marquette has become the center of U.P. banking. We need to continue this type of leadership on today. On behalf of the Jobs Coalition Father Cappo urged the County Board to move the Airport.

Frank Honkala, Ishpeming, Michigan, contended that there were options at the present County Airport. A ramp was constructed years ago for expansion but then the airline moved out. The airplanes kept getting larger and larger, six, twelve, eighteen, and now 72 passengers but the airline moved out.

Mr. Honkala pointed out that on July 23rd the County Treasurer questioned the legality of using public funds at KI Sawyer for private concerns. The County Civil Counsel also had concerns regarding the governance agreement. Attorney, Steve Adamini, a member of the Airport Commission, advised the Board not to sign the governance agreement because the language was much to vague. The County Board must consider the future of Marquette County. Who is going to pay? This move will cost millions and millions of dollars.

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

It was moved by Comm. Braamse, seconded by Comm. Minelli and unanimously carried by voice vote that the agenda be approved with the following late additions: That Item 18) A Notice of Intent CDBG Applications for AMR Project and Item 19) An EDC Director Staffing Request.

It was moved by Comm. Arsenault, seconded by Comm. Minelli and unanimously carried by voice vote that Claims and Accounts for the period July 20, 1996 through August 8, 1996 in the amount of $1,282,343.13 be approved.
The Committee of the Whole reviewed the final draft of the Marquette County Airport Reuse Study which was presented by William Malinkowski, Associate Vice-President, Greiner, Inc. Mr. Malinkowski’s presentation detailed the basic tasks of the study which included: Task A - Environmental, Task B - Legal Concerns, Task C - Tenants, and Task D - Reuse and Marketing Strategy.

After discussion of the final debt, Jim Kippola, Senior Planner, recommended that the County Board not give final approval for payment for the study until two concerns are addressed: A) We need detailed financial information on specifics, and B) We need a specific reuse recommendation. Mr. Malinkowski reported that Greiner has been paid for 50% of the work by the Jobs Commission.

It was moved by Comm. Seppanen, seconded by Comm. Trudell and unanimously carried by voice vote to accept the report for file and request that Greiner provide answers to the Planning Staff questions.

Dave Gillis, Executive Director, CUPPAD, provided a report on the Renaissance Zone Legislation. Mr. Gillis distributed a summary of service costs spread over a fifteen year period showing that in the first full year of operating at KI Sawyer the various utility and service costs would amount to about $3.3 million which would grow at a projected rate of approximately 3% a year for the 15 years that a Renaissance zone would be in place.

Also, Mr. Gillis distributed a series of graphs showing the existing and projected leases and other revenues that will be generated at KI Sawyer over the next 15 years. Projected revenue in the first year of operation is approximately $490,000. There is still more work to do to finalize the cost figures for water and sewage user fees, etc. Mr. Gillis should have the final figures in approximately a week.

It was moved by Comm. Seppanen, seconded by Comm. Rapport and unanimously carried by voice vote to place the information received on file.

The Committee considered a letter from C. Robert Sawyer, Regional Director, U.S. Department of Commerce, EDA, Chicago Office. Mr. Sawyer acknowledged receipt of Marquette County’s grant proposal for $3.3 million to assist in the reuse of KI Sawyer, however, listed twelve issues concerning the Reuse Proposal which must be addressed before the grant is approved.

Ron Koshorek, Interim Administrator, explained that the EDC is working with the EDA to resolve a number of these issues.

Jay Scherbenske, EDC Director, was present and explained that as long as the State of Michigan is a participant in the grant proposal, a local match would be required. The reason being, it would be difficult to convince the federal government the State of Michigan could not afford to pay a local match, however, if the County stands alone as the applicant, a waiver of the local match could be approved. Marquette County has suffered economic distress because of the close of KI Sawyer.

Rosemary Forester, U.S. Senator Carl Levin’s Aide, reiterated Mr. Scherbenske’s comments. The State of Michigan is under no economic distress, whereas, Marquette County is. For a solo grant the local match could be waived or considerably reduced.

Chairperson Corkin questioned why was it important six months ago that the State of Michigan be the applicant to the EDA? Now that the grant application process must be streamlined.

It was moved by Comm. Rapport, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board adopt a resolution requesting that the Michigan Jobs Commission withdraw as co-applicant on the EDA Application for the Reuse of KI Sawyer.
The Committee considered a letter from Hal Pawley, Airport Manager, regarding an application to use passenger facility charges (PFC) for a local share of airport improvement projects. In 1992 the County Airport received approval from the FAA to collect $415,000 in PFC, however, Federal Aviation regulations required that collected PFC funds must be used within three years. That expiration date was December 1, 1995, but Marquette County was granted an extension so the expiration date is now September 1, 1996. Mr. Pawley is concerned whether a decision on relocation of the Airport will be made in time to develop the necessary application and submit it to the FAA by September 1st. If not, it is necessary for the Airport to ask for another extension, however, he cannot guarantee its approval. The County could risk the loss of the use of these funds and would have to return them to the airlines.

Comm. Seppanen pointed out that the long-term interests of the County would be best served by the Marquette County Airport moving to KI Sawyer. With that in mind he made a motion, seconded by Comm. Minelli that the Marquette County Board of Commissioners designate KI Sawyer as the future home of the County Airport and direct staff to prepare the plans to facilitate this move as soon as possible.

Several Commissioners spoke against the motion. Comm. Rapport felt there are a number of issues that must be resolved including governance, the heating plant conversion, and we won’t receive revenue projections from CUPPAD for another week. Comm. Rapport expressed concern about the County budget as a whole, not just the Airport budget. The County Board must determine if the move is economically feasible. Comm. Rapport does not have an answer to that question this evening, therefore, she must vote no.

Comm. Joseph also would like more information before voting to move the Airport. He thought that expenses are generally estimated to be low, and revenues estimated to be high.

Chairperson Corkin indicated his constituents in his District are overwhelming against moving the Airport.

Several Commissioners spoke in favor of the motion. Comm. Seppanen suggested that when the Board voted several weeks ago to support the move of American Eagle, this was just a beginning step, the Airport must also move. We cannot operate the County Airport with AMR being at KI Sawyer, and we cannot move AMR without moving the County Airport.

Comm. Minelli pointed out that we are not taking on the whole base at this time, just the Airport. No way can AMR be at KI Sawyer and the County support two airports.

Comm. Braamse supported moving the County Airport to KI Sawyer three years ago. The EDA needs our decision and we are just putting it off. Let’s vote to move the Airport just like we did with AMR.

Comm. Bergdahl agreed we must move the County Airport to KI Sawyer. Governance is not directly related to this move. All we are voting on is to move the Airport and then we put this matter into the hands of the FAA.

Comm. Trudell contended we will never have all the answers, even if we delay voting on the move for six months. He believes moving the Airport will be for the best for Marquette County in the long run.

Comm. Arsenault read from the May 16, 1995 minutes where the County Board voted 9 to 1 over a year ago to move the Airport, if economically feasible. There were also eight concerns attached to that motion of which seven have already been addressed. He contended there is no difference between the motion made then and the one being made now.

A roll call vote was called on the Motion that the Committee of the Whole recommend the County Board move the County Airport to KI Sawyer.


Comm. Bergdahl was excused from the meeting at 8:47 p.m.

It was moved by Comm. Trudell, seconded by Comm. Seppanen and unanimously carried by voice vote that the County Board accept and file a communication from Sheriff Joe Maino regarding a contract adjustment to the 1995/1996 Secondary Road Patrol and Traffic Accident Prevention Program Grant (PA 416) showing an increased amount of $8,154 from the Office of Highway Safety Planning, funds to supplement Marquette County’s Secondary Road Patrol Program.

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The Committee considered the final billing of $2,094.80 for consulting services and expenses from K. Ross Childs in the search for a new County Administrator. Randell Girard, Human Resources Director, report that the total cost for the K. Ross Childs Consulting Services was less than budgeted.

It was moved by Comm. Seppanen, seconded by Comm. Trudell, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board pay the final billing for consulting services to K. Ross Childs.

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The Committee considered a letter from Rodger Whitener, Acting Division Chief and State Geologist, regarding the assessment of the Republic Mine. Civil Counsel David Payant explained that the State Geologist believes they do not have to assess the Republic Mine. It is the Geologist’s interpretation that the Republic Mining Property does not qualify as a "metallic mining properties and mineral rights ... that are either producing, developed, or have a known commercial mineral value..." Civil Counsel Payant contended that the Republic Mine has operated for many years as a developed mine and recommended that the County Board request an Attorney General’s Opinion on the matter.

It was moved by Comm. Seppanen, seconded by Comm. Rapport, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board direct staff to request and Attorney General’s Opinion on the assessment of the Republic Mine Property by the State Geologist.

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Comm. Minelli was excused from the meeting at 8:55 p.m.

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The Committee considered a letter from James Sodergren, County Treasurer, regarding the possible repeal of the Mine Reclamation Act (PA 92-1970). Chairperson Corkin reported that he, Civil Counsel Payant, and Equalization Director Girard Markey, attended the Geological Survey Division Hearing in Lansing on the matter. There were also representatives from other counties opposed to rescinding the Mine Reclamation Act. Marquette County’s delegation showed pictures and requested that a hearing be held in Marquette County where the vast majority of the mining occurs in the State of Michigan. Representative Prusi will bring the matter before the State Legislature.

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

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The Committee of the Whole met on Tuesday, August 13, 1996, they considered a grant agreement from the Michigan Department of Natural Resources for improvements at Perkins Park. Ron Koshorek, Interim County Administrator, explained that the grant was applied for in 1995 to do the first phase of work outlined in the Park Master Plan, including a boat launch, fishing facilities, parking, and landscaping. The State is providing $132,000 which must have a local match of $44,000. These funds could come from the Land Acquisition Fund which has an uncommitted balance of $280,000 as of August 1, 1996.

It was moved by Comm. Braamse, seconded by Comm. Minelli, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Grant Agreement from the Michigan DNR for improvements at Perkins Park with a local match of $44,000 to come from the Land Acquisition Fund.

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The Committee considered the Financial Condition Projection Report and the Mid-year Budget Review Amendments from Gary Yoder, Finance Manager. Mr. Yoder was present and explained that the Projection Report is prepared based on General Fund financial data at the end of June and indicates a negative balance of $173,599. Revenues are projected to decrease by $438,638, however, expenses are also expected to increase by $265,039 leaving the net shortfall. To keep the budget in balance Mr. Yoder recommends that the County use $150,000 of the General Fund unreserved Fund Balance and use $23,599 of the Contingency Account (leaving a balance of $43,170). This will allow the remaining $150,000 from last year’s $300,000 fund balance to be transferred into the Budget Stabilization Fund as previously mentioned during the 1995 Audit Report.

It was moved by Comm. Arsenault, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board accept the Financial Condition Projection Report and adopt the various mid-year budget amendments (Numbers 30 through 46).

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The Committee considered the calendar for reviewing and approving the FY 1997 budget. It was moved by Comm. Seppanen, seconded by Comm. Trudell and unanimously carried by voice vote to place the communication on file.

It was moved by Comm. Arsenault, seconded by Comm. Seppanen and unanimously carried by voice vote that the Administrator invite just those departments to attend the budget hearings that wish to speak to the County Board.

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The Committee considered a Notice of Intent to apply for a Michigan CDBG Grant amounting to $1,815,000 which is part of a total American Eagle infrastructure project cost of $4,029,000.

It was moved by Comm. Seppanen, seconded by Comm. Trudell, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Notice of Intent for the Michigan Community Block Grant Program as presented.

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The Committee of the Whole met on Tuesday, August 13, 1996, they considered a resolution regarding EDC Director staffing from Comm. Seppanen. Comm. Seppanen explained that the time lines for the grant process through the EDA and other agencies are extremely short and the need for quick action and communication with the County Board is required.

It was moved by Comm. Seppanen, seconded by Comm. Trudell, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board request that the EDC Board of Directors allow Jay Scherbenske, the EDC Director, to take the responsibility for being the lead County employee to coordinate County efforts to gain funding through the different federal and state agencies, and that he work directly with the County Board of Commissioners while sharing and communicating with his Board and our County Staff.

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Chairperson Corkin opened the meeting for public comment.

Attorney Kevin Koch, Negaunee, is representing the three Townships on the governance matter. A short time line exists. The Townships are anxious to form an entity with the County. He would like to do this in a week and a half. He and Civil Counsel Payant have met once but they must meet again to review the County’s concerns on the Governance Agreement. Ray Forester, U.S. Senator Carl Levin’s Upper Peninsula Aide, was present and read a letter from Mr. Michael Canter, Secretary of Commerce, expressing support for the State of Michigan’s Revised Preapplication for Funding from the EDA to help with the conversion of KI Sawyer. Carl Levin has committed his help to conversion of KI Sawyer and the citizens of Marquette County over the long haul. Mr. Canter’s letter indicates that the Department of Commerce is committed to assisting with the conversion of KI Sawyer to the fullest extent possible this year.
There being no further business, this portion of the meeting was closed.

It was moved by Comm. Braamse, seconded by Comm. Angeli and unanimously carried on a roll call vote 8 Ayes (Comm. Braamse, Angeli, Arsenault, Joseph, Rapport, Seppanen, Trudell, and Corkin) to 0 Nays that the Committee of the Whole go into closed session to discuss:

A) Labor Contract with Courthouse Employees, AFSCME Local 2914, and
B) Quarter Litigation Report.
Carlson v. County, Sheriff’s Dept. Grasso, Small (lawsuit and worker’s compensation).
Waarala v. County
Maki v. Alger/Marquette CMH Board; County, et al.
Sundberg v. Gibbs v. Sundberg and Menard
Rochon v. Marquette County
Brandon v. Walker and County of Marquette

Chairperson Corkin declared a brief recess at 9:25 P.M. to clear commission chambers.

CLOSSED SESSION

The Committee of the Whole came back into open session. No action was forthcoming as a result of the closed session.

There being no further business, the meeting was adjourned at 10:15 p.m.

Respectfully Submitted,

David J. Roberts
Marquette County Clerk
MÁRQUETTE COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE
Tuesday, August 13, 1996, 6:00 P.M.
Room 231, Henry A. Skewis Annex, Marquette, MI 49855

1. ROLL CALL.
2. APPROVAL OF THE MINUTES OF THE COMMITTEE OF THE WHOLE
   MEETING HELD ON JULY 23, 1996.
3. PUBLIC COMMENT.
4. APPROVAL OF THE AGENDA.
5. Review of Claims and Accounts.
6. File: Final Draft: Marquette County Airport Reuse Study from William Malinowski,
   Associate Vice-President, Greiner, Inc.
7. File: Report on Renaissance Zone from Dave Gillis, Executive Director, CUPPAD.
8. File: Correspondence from AMR Eagle.
9. File: Memo from EDA regarding Grant to Assist in the Reuse of KI Sawyer.
10. File: Application to Use PFC Funds from Hal Pawley, Airport Manager.
    Secondary Road Patrol Funds (PA 416).
13. R Response from Rodger Whitener, Acting State Geologist, regarding Assessment of the
    Republic Mine.
14. File: Memo from James Sodergren, County Treasurer, regarding the Mine Rehabilitation
    Act.
15. R Grant Agreement Perkins Park.
16. R Mid-Year Budget Review from Gary Yoder, Finance Manager.
17. R FY 1997 Budget Calendar.
18. Notice of intent to close minutes.
19. .

20. PUBLIC COMMENT.
21. ANNOUNCEMENTS.
22. CLOSED SESSION:
   RE: Labor Contract with Courthouse Employees, AFSCME Local 2914.
   RE: Quarterly Litigation Report:
      Carlson v. County, Sheriff’s Dept. Grasso, Small (lawsuit and worker’s
      compensation).
      Waarala v. County
      Makl v. Alger/Marquette CMH Board; County, et al.
      Sundberg v. Giggs v. Sundberg and Menard
      Rochon v. County
      Brandon v. Walker and County of Marquette
23. ADJOURNMENT.