The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, October 27, 1998 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. Seppanen, and unanimously carried by voice vote that the minutes of the Committee of the Whole meeting held on October 13, 1998 be approved.

Chairperson Corkin opened the meeting for public comment. None was forthcoming.

It was moved by Comm. Rapport, seconded by Comm. Roberts and unanimously carried by voice vote that the agenda be approved with the following late additions: Item 13) Recommendations from the KISED C to Approve Three Loan Requests from the IRP Revolving Loan Fund, Item 14) Consideration of a Subtenant for Tilden Valley Electric, Sawyer Building No. 409, Item 15) Ramrod Negotiations.

It was moved by Comm. Seppanen, seconded by Comm. Roberts and unanimously carried by voice vote that Claims and Accounts for the period October 10, 1998, through October 22, 1998 in the amount of $1,019,760.08 be approved.

Judi Bailey and John Marshall, Co-Chairs of the Lake Superior Community Partnership made a presentation to the Committee of the Whole. The presentation focused on LSCP's progress to date and its impact on the Community Economic Development since its transition from the Lake Superior Jobs Coalition in late 1997.

The presentation outlined the LSCP Organization, its economic development initiatives, tourism, community development, education and human services, culture and recreation, and the future direction of the LSCP.

Commissioners commended the Lake Superior Community Partnership in its efforts in organizing community leadership. It will be a tremendous asset to Marquette County and the whole U.P. More will be accomplished in the next decade than has been accomplished in the past 100 years.

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The Committee considered the 1998/99 Snow Removal and Plowing Contract. Administration recommendation is for the following: 1) Award the bid to Associated Constructors for a 1-year agreement for the snow removal and plowing at the County Courthouse Complex and 2) Purchase a snowplow for use at Sawyer by Emergency Management and Special Operations.

George Wright, Facilities Manager, was present and explained that the County placed their request for bids for snowplowing in the newspaper which appeared Sunday, September 26, and the County also mailed bid packages to three companies that showed interest in the County's last bid request. Only one bid was received from Associated Constructors. Associated Constructors has provided very adequate snowplowing and removal services for Marquette County for many years. The previous contract was a multi year contract, however, Staff recommends this contract be a 1-year agreement, there may be more competitive bidding the following year. Funds are available in the 1998 Facilities Maintenance Budget and $17,000 is budgeted for 1999.

Regarding snowplowing for Emergency Services and Search and Rescue at Sawyer. Last winter plowing was provided by Associated Constructors but the arrangement was not satisfactory for the County or the contractor. This year's bid would include a $45 per trip mobilization fee. Another alternative is to rely on the County Caretaker and Road Commission for plowing roads leading to Building 1210 and then to contract with a local company in the Gwinn/Skandia area to plow around the building. The difficulty with this is that the emergency response nature of both operations require access to the buildings and equipment at times when the contractor is not available.

The recommendation by Staff is to purchase a snowplow at a cost of $3,000 for use by County employees or volunteers. The snowplow purchase would be more cost effective than the bid provided by Associated Constructors and pay for itself in 8 years.
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It was moved by Comm. Seppanen, seconded by Comm. Arsenault, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of the 1998/99 Snow Removal and Plowing Contract and award the bid to Associated Constructors for a 1-year agreement for snow removal and plowing at the County Courthouse Complex and further, that a snowplow be purchased at a cost of $3,000 for use by Emergency Services Employees and Search and Rescue Volunteers for plowing the road leading to Building 1210.

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The Committee considered a Contract Amendment for Engineering Services. Hal Pawley, Airport Manager, was present and explained that the design of the FY 1998 Airport Improvement Program Project were accomplished under a Contract Agreement with URS Greiner dated June 17, 1997. Amendment 1 to the Agreement was executed December 2, 1997 for design of MAP Projects and on July 7, 1998 the County Board approved Amendment No. 2 to Greiner to provide construction, inspection, and contract administration for the AIP and MAP Projects.

URS Greiner is providing additional survey work for the piping and parking area grades as well as inspection and materials testing. The fee for these additional engineering services is $62,500 which is provided in Contract Amendment No. 3. Mr. Pawley believes these fees to be reasonable for the type and amount of services being provided.

Comm. Joseph questioned why the Contract Amendment for these engineering services were not bid separately? Hal Pawley explained that the FAA process requires that a contractor that is most qualified to do the work is first selected. Then the contract price is negotiated and if the fee seems reasonable the work proceeds. If the fee does not seem reasonable then negotiations proceed with the second most qualified contractor. URS Greiner was determined to be the most qualified contractor for the original contract, and subsequently the two amendments. Mr. Pawley believes their fee is reasonable for the amount and type of services being provided for the additional surveying work in Amendment 3. This contract has also been approved by the Bureau of Aeronautics Project Manager. 95% of the fee will be paid from AIP, MAP, and BOA funding with a local 5% share covered by Passenger Facility Charges.

It was moved by Comm. Roberts, seconded by Comm. Rapport, and carried by voice vote 9 Ayes to 1 Nay (Comm. Joseph), that the Committee of the Whole recommend the County Board approve of Contract Amendment No. 3 for Engineering Services with URS Greiner.

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The Committee considered a memo from Ed Bailey, KI Sawyer Operations Manager, regarding bids received for the operation of the heating system which serves Building 708 and 709. The Air Force Base Conversion Agency has agreed to pay the heating cost for these buildings because they remain potential locations for the U.S. Customs Service Data Center. One bid was received from Industrial Piping in the amount of $8,400 and Mr. Bailey recommends awarding them the bid.

It was moved by Comm. Arsenault, seconded by Comm. Tuominen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board award the Heat System Operation Bid for Buildings 708/709 at KI Sawyer to Industrial Piping Company of Marquette.

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The Committee considered a request from the John H. Lewis, Executive Director of the Upper Great Lakes Educational Technologies, Inc. (UGLETI). Mr. Lewis explained that UGLETI was formed in the spring of 1988 and is the culmination of over 10 years of intensive and voluntary planning efforts by Upper Peninsula of Michigan educators and community leaders. UGLETI is a Michigan non-profit consortium of K-12 schools, intermediate school districts, regional education media centers, native american tribal centers, community colleges, universities, libraries, and hospitals. The purpose of the corporation is to champion information technology and regional telecommunication initiatives that can benefit the Upper Peninsula.

UGLETI has embarked on a new telecommunications project which is to build a state-of-the-art-high-speed fiber optic network backbone throughout the region. The infrastructure brought about by this project will have a significant and positive impact on the long term economic health and social well being of the Upper Peninsula.

UGLETI is presently in the process of building consensus to support the idea and is not soliciting any financial or any other form of commitment. UGLETI requests that the County Board provide a letter supporting the project be addressed to the Board of Directors.
It was moved by Comm. Seppanen, seconded by Comm. Rapport, and unanimously carried by voice vote, that the Committee of the Whole provide a letter of support to the Upper Great Lakes Educational Technologies, Inc. Project to build a state-of-the-art high-speed fiber optic network backbone throughout the region.

The Committee considered an update from P. Mike Farrell, Marquette County Drain Commissioner, regarding Drain Code legislation development. Mr. Farrell noted that the legislation has been moving very slowly. The Drain Code involves hundreds of pages and there is no one person who is an expert on all aspects of it. The Michigan Drain Commissioners Association support a Senate version, however, a memo from the Michigan Association of Counties is supporting a House version.

Drain Commissioner Farrell noted one positive proposed change to the Drain Code which would require one "petitioning and hearing" process for all types of drains. Under the old Code a different process was required for different types of drains. Mr. Farrell also noted that assessment increases required to maintain existing drains, storm water management, and Deputy Drain Commissioner problems will have a minimal effect in Marquette County and the whole Upper Peninsula. Marquette County is very fortunate because the Planning Commissions from townships, cities, and the County, along with agencies such as the Soil Conservation District, and Road Commission have worked together and usually find a solution to a drainage problem before a district is required.

Chairperson Corkin thanked Drain Commissioner Farrell for the update.

It was moved by Comm. Rapport, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole place the Michigan Association of Counties memo regarding Drain Code Legislation on file and further, that a letter be sent by the County Board to Rep. Howard Wetters indicating Marquette County’s support to the Michigan Association of Counties Drain Code Subcommittee regarding House Bill 4337.

Chairperson Corkin read a notice for vacancies for various County Boards and Commissions. Interested and qualified citizens are encouraged to apply. Deadline for filing applications is Monday, November 30th and forms are available and to be filed in the County Clerk’s Office. This notice will be distributed amongst the media, local units of government and many community organizations.

It was moved by Comm. Rapport, seconded by Comm. Joseph and unanimously carried by voice vote that the Notice for Vacancies be placed on file.

The Committee considered a request from Superior Extrusion, Inc. (SEI) for an additional $100,000 for a total commitment of $250,000 from the IRP Revolving Loan Fund. Comm. Arsenault, KISEDC Chairperson, noted that SEI has elected to purchase a new billet oven at a cost of $127,000. The Company originally projected a cost of $55,000 for a used oven. Balance of the funds will be used for other cost overruns.

The terms of the loan will include monthly payments of principal plus interest over five years with the rate of interest being the Wall Street Journal Prime (currently 8%), rate to be set at the time of loan closing. The loan will be secured by an all asset filing subordinated to the Small Business Administration and Northern Michigan Bank. The equity investors will be subordinate to the County. Myron DeBolt and Randy DeBolt will also personally guarantee the loan.

The loan has been reviewed by MFC, the KI Sawyer Economic Development Committee, and the Revolving Loan Fund Committee. All recommend its approval. A repayment of the loan will be generated through operations of SEI which will begin production in November, 1998.

It was moved by Comm. Joseph, seconded by Comm. Tuominen, and carried by voice vote 9 Ayes, 0 Nays, 1 Abstention (Comm. Arsenault), that the Committee of the Whole recommend the County Board approve of Superior Extrusion Inc.’s request for an additional $100,000 loan from the IRP Revolving Loan Fund.
The Committee considered a request from KI Processing for a $100,000 loan from the IRP Revolving Loan Fund to finance their salvage removal process. Comm. Arsenault, KISEDC Chairperson, noted that this request provides financing through Phase I of the project which entails hiring a project manager and a 5-7 person demolition crew. KI Processing projects future employment of 35 employees. All proceeds from the salvage will be reinvested in the project which are estimated to exceed the loan amount.

The term of loan will be for one year with a rate of Wall Street Prime less 2% (to be set at the time of closing). The loan request has the personal guarantee of Barry and Steve Bahman.

It was moved by Comm. Roberts, seconded by Comm. Rapport, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of a $100,000 IRP Revolving Loan Fund Request to KI Processing.

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The Committee considered a request from Catherine Kroll, D.O., P.C. (Sawyer Medical Center) for $95,000 from the IRP Revolving Loan Fund. Comm. Arsenault, KISEDC Chair, noted that the requested funds will be used for Building No. 949 renovations and startup expenses associated with the opening of the Sawyer Medical Center. Terms of the loan will include monthly payments of principal plus interest, loan to be amortized over the average life of assets required with two possible rate options: 1) For a term of 1-3 years/Wall Street Prime less 1% (to be set at time of closing) or 2) For a term of 3-5 years/Wall Street Prime (to be set at the time of closing). The loan will be personally guaranteed by Dr. Kroll, leasehold improvements and equipment to be purchased. Repayment will be provided by revenues generated through the Sawyer Medical Center Operations and subleases to other tenants.

It was moved by Comm. Rapport, seconded by Comm. Roberts, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of Catherine A. Kroll, D.O., P.C., request for a $95,000 loan from the IRP Revolving Loan Fund for Sawyer Building No. 949 renovations.

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The Committee considered approval of a Subtenant for Tilden Valley Electric, Building No. 409. Comm. Arsenault, Chairperson of the KISEDC, noted that the Tilden Valley Electric does not need all the space in their building at this time. They have arranged to sublease the extra space to Johnson's Printing Service which would operate a satellite office and work area.

Sawyer Staff does not object to the proposed use in that KI Sawyer Development Department Staff has found it necessary on a number of occasions to drive into Marquette to use printing services. A satellite printing shop would be a convenience to other commercial, industrial, and residential tenants at Sawyer. The sublease document has been sent to the Air Force Base Conversion Agency and Civil Counsel Harley Andrews for their review, consistent with the terms of the Prime Lease and the County Policy on Subleases.

It was moved by Comm. Arsenault, seconded by Comm. Tuominen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Tilden Valley Electric Sublease to a portion of their building for Johnson's Printing Services Satellite Printing Shop pending administrative and legal review.

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The Committee considered negotiations with Ramrod. Comm. Arsenault, KISEDC Chair, noted that Ramrod has been difficult to deal with. Currently they provide 16 manufacturing jobs and have the potential of adding 32 more jobs. They are currently paying 50 cents per square foot, however their lease expired on February 28, 1997. Since that time the KI Sawyer Development Department has made three reasonable proposals for a lease renewal.

The original two lease proposals to Ramrod included a purchase option. On September 29th, 1998 a third proposal was presented with the Option to Purchase being withdrawn based upon recommendations in the JBF Report. The proposed rental rate was $1.75 per sq. ft. for the first five years and renewable with increases of 3% for each of the following five years.

Ramrod has not responded to the proposal and indicated that in the past ownership of the building was an important part of their plans for their KI Sawyer facility. Their original lease was negotiated with the previous Base Conversion Agency, and it has been since learned that the building is inside the public benefit transfer zone and the County cannot sell it.
Sawyer Development Department Staff are proposing that the next step in negotiations will be to inform Ramrod that their month to month occupancy will be changed effective December 31, 1998 unless terms for a new sublease are reached by that date. It would also like County Board preapproval of lease terms with minimum acceptable rate would be an average of $1.50 per sq. ft. for each of the first ten years, lower rates at the beginning of the lease would be tied to Ramrod making improvements which would encourage them to stay the entire 10 years. The average $1.50 for each of the ten years would generate a minimum of $380,000 for the ten year period.

It was moved by Comm. Arsenault, seconded by Comm. Rapport, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board concur with the KISEDAC proposed course of action and direct the KISDD Staff to inform Ramrod that their month to month lease occupancy of Building No. 610 will be changed effective December 31, 1998 unless terms for a new sublease are reached by that date, and further that sublease terms be preapproved (minimum acceptable rate to average $1.50 per sq. ft. for each of the first 10 years) as described in the lease parameters.

Chairperson Corkin opened the meeting for public comment. None was forthcoming.

COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS

Chairperson Corkin reported that the County Board Legislative Committee met with State Representative Mike Prusi on Monday. In attendance besides himself were Comm. Joseph, Comm. Rapport, Comm. Roberts, and Dr. Randall Johnson. The same issues that were discussed the previous week with Senator Koivisto were discussed with Rep. Prusi, mainly the cost shifting by the State to the local units of government, especially for the Health Department.

Chairperson Corkin noted that it was an excellent meeting and on behalf of the County Board thanked Rep. Prusi for his efforts in obtaining $300,000 for Sawyer redevelopment efforts.

Chairperson Corkin also attended a CUPPAD meeting last Friday on the 2000 census. He placed information from the meeting in the Commissioner’s mailroom.

Comm. Roberts further reported that the 2000 census will be upon us in less than two years. The census not only counts people but provides basic facts regarding people, which are important to local units of government for revenue sharing, business development, and education. He urged all citizens to willingly participate.

Comm. Rapport pointed out that Monday’s Mining Journal contained an article on the history of the Philo Everett family. Mr. Everett was one of Marquette County’s early pioneers and vital to the discovery and development of the Iron Ore Mining Industry. This is one of a series of articles that have appeared and will continue to appear on behalf of Marquette County’s Sesquicentennial.

Comm. Rapport also noted that October is Domestic Violence Month. There is a domestic violence vigil being held this evening at 7:00 P.M., at the Northern Michigan University Center, Brule Room.

There being no further business, the meeting was adjourned at 7:04 P.M.

Respectfully Submitted,

David J. Roberts
Marquette County Clerk
MARQUETTE COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE
Tuesday, October 27, 1998, 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 OCTOBER 13, 1998.
3. PUBLIC COMMENT.
4. APPROVAL OF THE AGENDA.
5. Review of Claims and Accounts.
8. Contract Amendment with URS Greiner for Engineering Services Agreement
(Amendment #3).
10. Request for Letter of Support on Behalf of the Upper Great Lakes Educational
Technologies, Inc.
13. PISERI Requests for $ from IRC Revolving Loan Fund
14. Sub-Sub Tenant for Tilden Valley Electric #1
15. Contract Negotiations
16. PUBLIC COMMENT.
17. ANNOUNCEMENTS.
18. ADJOURNMENT.