The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, September 26, 2000, 6:00 p.m., in Room 231 of the Henry A. Skewis Annex, Baraga Avenue, Marquette, Michigan.


It was moved by Comm. Arsenault, seconded by Comm. Wallace, and unanimously carried by voice vote that the minutes of the Committee of the Whole Budget Work Session on August 28, 29, and September 5, 2000 and the Committee of the Whole Meeting held on September 12, 2000 be approved.

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

It was moved by Comm. Seppanen, seconded by Comm. Joseph, and unanimously carried by voice vote that the agenda be approved with the following additions: Item 15) Purchase/Lease Agreement with Schneider Real Estate, and Item 16) Rental Agreement with the State of Michigan for Sawyer Hangar Space.

It was moved by Comm. Curto, seconded by Comm. Seppanen, and unanimously carried by voice vote that Claims and Accounts for the period September 5, 2000 through September 21, 2000 in the amount of $717,663.27 be approved.

The Committee considered an Amended Purchase Agreement between Marquette County and Schneider Real Estate II, LLC. Harley Andrews, Chief Civil Counsel, noted that this agreement incorporates protection for Marquette County with regards to the environmental issues. The agreement covers the entire 28 acres, however only a lease agreement is being granted for the west eight acres. Schneider Iron may operate for 300 days while the Pellestar Brownfield Redevelopment Grant Application is pending. Schneider may also enter into the building to winterize, repair the roof, and prepare the building for future occupation.

Ron Greenlee, Attorney, who drafted the Amended Purchase Agreement, further noted that because Schneider has a license to occupy, but is not the owner of the property, the Brownfield Redevelopment Grant will not be jeopardized. The license applies to only the eight acres. He also noted that the purchase agreement waives contingency upon the buyer obtaining zoning approval from Negaunee Township. Negaunee Township is working with Schneider Iron & Metal on the property's zoning.

It was moved by Comm. Tuominen, seconded by Comm. Bergdahl, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Amended Purchase Agreement between Schneider Real Estate II, LLC and Marquette County for 28 acres in Negaunee Township known as the former Pellestar Property.

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The Committee considered an Amendment to the Lease with Pathways for additional space in the DeFant Building. The Dental Clinic has vacated 900 sq. ft. of space in the DeFant Building and Pathways has agreed to lease the space to house the consolidation of the Eastern U.P. Substance Abuse Services Administrative Staff.

Doug Morton, Pathways CEO, was present to discuss the Lease Amendment and answer questions. The Lease Amendment is effective October 1, 2000 with the term of the lease continuing until January 31, 2011. The present lease payment schedule will provide for Pathways paying $14.17 per sq. ft. until January 31, 2001. The cost of repairing plumbing and carpeting is estimated to be less than $1,000. Even though the Lease continues until 2011 the rental rate will have to be renegotiated as provided for in the lease. Rental income is used to pay the Building Authority Fund for the repayment of bonds issued for the renovation of the DeFant Building.

It was moved by Comm. Seppanen, seconded by Comm. Joseph, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Amendment to the Lease with Pathways for space in the DeFant Building.

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The Committee considered a proposed Landing Fee Schedule for Sawyer International Airport. Hal Pawley, Airport Manager, was present and noted that currently only scheduled airlines and special charters with large aircraft pay landing fees at SIA. Aircraft based at all airports or routinely buy fuel and pay hangar rental fees are exempt from paying landing fees. Also the State of Michigan and federally owned aircraft are exempt in accordance with grant provisions.

Mr. Pawley further explained that there are many other aircraft (UPS, air taxis, and small charter aircraft, and corporate privately owned aircraft) that use the airport without paying any fees. SIA proposes to begin charging these aircraft a landing fee based upon size and weight. This fee could be waived with the purchase of a minimum amount of fuel as shown on a chart distributed by Mr. Pawley. Very small aircraft would be typically exempt.

Landing fee data was obtained from airports in the Upper Peninsula and Northern Lower Michigan. The proposed fees are similar to fees charged in Escanaba and Traverse City. Boreal Aviation, in accordance with their fixed based operator agreement, would collect the fees and split them 50/50. Mr. Pawley anticipates the fees would increase airport revenues by $10,000 to $15,000 annually.

Commissioners requested a report on the landing fees and associated fuel costs charged at other airports in the Upper Peninsula and Northern Lower Michigan.

It was moved by Comm. Rapport, seconded by Comm. Wallace, and carried by voice vote 8 Ayes to 2 Nays (Comm. Joseph and Tuominen), that the Committee of the Whole recommend the County Board approve of the proposed Landing Fee Schedule for Sawyer International Airport.

The Committee considered a report on the Child Care Fund expenditures as part of the Mid-Year Budget Review from Probate Judge Michael Anderegg and Barry Sullivan, Director of Juvenile Services. The Probate Child Care Fund is projected to exceed the 2000 budget by $482,494 with a total projected expense for the year of $877,992. The General Fund appropriation to the Probate Child Care Fund will need to be increased by $341,305 to cover the balance.

Judge Anderegg distributed several items of information including: A chart showing Child Care Fund placement costs for the years 1985 through 1999, a chart showing delinquency, abuse and neglect referrals for the period 1985 through 1989, and the Placement Screen Committee criteria for the placement of youth into detention or foster care. From approximately 1988 through 1999 the child placement costs show a general upward trend with an unusually high spike year in 1993. In 1999 Child Placement Costs total $558,000 but the 2000 costs will be a spike year at $877,000.

At present Marquette County has 13 juveniles placed in very expensive facilities. These juveniles cannot be placed in foster homes. Their criminal offense history demonstrates they would be dangerous out on the street and must be placed in a private or court operated detention facility. A facility such as Bay Pines cost $230 per day. For example, of one of the youth's offense history: A juvenile 14 years old has 12 offenses including multiple assault and batteries, malicious destruction of property, and domestic violence.

Judge Anderegg distributed Child Care Fund statistics for FY 1999 by the State of Michigan Family Independence Agency Data Reporting Unit showing the State average cost for foster care, private and court operated detention facilities for each county in Michigan. Marquette County’s costs in 1999 were slightly above State average but by no means the most expensive cost per day in the State of Michigan.

Judge Anderegg noted that Marquette County has the worst juvenile problems compared to any other Upper Peninsula County. The reasons for this include: A higher population which provides for more incidents of severe emotional or psychological problems, magnet institutions in Marquette County which includes Marquette General Hospital, low income housing, the prison, and substance abuse treatment facilities. Right now Marquette County is experiencing an unusual high number of dangerous youths who need to be in placement. Judge Anderegg is not pleased with presenting these expenditures to the County Board but without institutions these youth would be on the street.

Barry Sullivan explained the unpredictable nature of juvenile crime. Recently, within a week, two Marquette County youths ran away from the away from the Newberry facility and in the process stole five cars, while four youths were charged with threatening to bomb Marquette High School, and two youths ran away from the Marquette County Youth Home. He noted that youth tend to commit crimes in groups rather than as individuals.

Chairperson Corkin explained the County Board is not critical of Marquette County juvenile programs. They are ranked with the best in the State of Michigan. He commended Judge Anderegg for making every effort to contain these costs in past years. The State of Michigan provides approximately $6,600 per year for the education of our youth but it costs $60,000 to $70,000 per year to keep one such youth in a detention facility. The County must get a handle on these costs.

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Administrator Powers further noted for this year and next year staff will monitor the Child Care Fund very closely. The funding provided for FY 2001 is a good target. Although it may be a difficult decision to treat kids or stay within the budget, the bottom line is that there are only so many dollars available. He will take seriously Judge Anderegg's suggestion that perhaps an analysis provided by an outside agency ought to be done.

Commissioners thanked Judge Anderegg and Barry Sullivan for their report.

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The Committee considered the Mid-Year Budget Amendments from Susan Vercoe, Finance Manager. Sue Vercoe presented six budget amendments to the 2000 budget for the Probate Child Care Fund, General Fund, Airport Fund, KI Sawyer Development, KI Caretaker, and Budget Stabilization Funds.

The most significant amendment is to the Probate Child Care Fund with their projected expenses exceeding the budget by a total of $482,494. This amount is primarily comprised of increases to State ward charge backs, foster care, private in-state care, and private out of state care. Through August $524,094 had been spent on these line items with projected expenses for the year to total $877,992.

General Fund revenues have been adjusted in the convention/tourism tax of $8,949 and also State shared revenue of $96,250. The reductions are offset in part by an increase in the Real Estate Transfer Tax revenue of $59,000. Jury fees and legal fees are expected to exceed the budget by $69,700. It is recommended that $105,837 from Contingency, $150,000 from the Budget Stabilization Fund, and $173,509 from Fund Balance be used to offset the changes.

Airport revenues for 2000 are expected to $139,863 less than budgeted. Projected expenditures are $16,100 lower and is recommended the difference of $123,763 be subsidized by the KI Sawyer Development Department.

The KISDD budgets adjustments total $713,252 including the expenditures for the ACN Project of $561,880, and the transfer to subsidize the Airport of $123,763. Revenue adjustments total $497,000 with the balance of $216,252 recommended from fund balance of which $201,880 has already been approved for the ACN Project.

Susan Vercoe noted that the Child Care Fund accounts for 89% of the Mid-Year Budget adjustments. She further noted that Blue Cross/Blue Shield expenses will be over budget, however the Retiree Budget will be under. She will provide a budget update for the Committee of the Whole at the end of October.

It was moved by Comm. Curto, seconded by Comm. Rapport, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve Mid-Year Budget Amendments No.'s 8 through 13.

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The Committee considered the award of a Construction Contract for the renovation of Hangars 662 and 666 at Sawyer International Airport. Hal Pawley, Airport Manager, was present and explained that Marquette County has received a MAP Grant for this work which includes the replacement of the large doors that cannot be opened easily or safely, correction of ADA and Construction Code deficiencies, removal of poorly constructed and unwanted partitioning, and installation of electrical meters.

Hangar 662 will be used to store Mesaba and Skyway Airlines aircraft this winter and Hangar 666 has potential use for aircraft maintenance with two possible users.

URS Greiner, contract administrator, recommends award to the low bidder, Closer Construction, for $435,750. Hal Pawley concurs with this recommendation and noted that SIA has FAA approval for collection of passenger facility charges for the local share of the project.

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 award the construction contract for the renovation of Hangars 662 and 666 to Closer Construction in the amount of $435,750.

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The Committee was provided an Airport Update from Hal Pawley, Airport Manager. Mr. Pawley recently had a meeting with the President of Skyway Airlines, James Rankin. Assistant Airport Manager Larry Coelhoorn met with him and gave him a tour of the facilities. They showed him the available nose dock hangars which could be used for maintenance of the aircraft fleet. Mr. Rankin indicated that Skyways was probably going to build a hangar in Milwaukee for overnight routine maintenance but they may have an interest in using one of our hangars to do heavy maintenance in the future, similar to what American Eagle RAMCI does.
Mr. Rankin also indicated that Skyways has no intention of providing flights to Chicago O’Hare. Skyways is marketed as an alternative airport to the crowded O’Hare facility.

Mr. Pawley reported that Skyway Airlines has three daily round trip flights to Milwaukee Monday through Friday, the morning and afternoon flight continue on to Lansing and all three returning flights start in Lansing. There are two round trips on Saturday and Sunday.

Mesaba Airlines has seven round trip flights six days a week, four are to and from Detroit and three are to and from Minneapolis. There is one less flight on the seventh day.

The number of passengers at Sawyer continues to increase. Since relocation total passengers have increased 6.25% and at this rate total passengers projected for 2000 will be 90,000 plus.

Chairperson Corkin noted that the County Board would like to be provided monthly budget updates regarding the Airport and thanked Hal Pawley for the Airport update.

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The Committee considered a Jail Phone Services Agreement with Evercom which will provide a phone system for all inmate calls.

Jack Schneider, Jail Captain, was present to discuss the agreement and answer questions. The agreement with Evercom will be for five years and provide a 40% commission rate to Marquette County with a signing bonus of $40,000. Evercom is a national company and has contracts with over 2,500 facilities, including 26 Michigan counties. The estimated annual revenue for the inmate phone system to Marquette County is $36,000.

The Sheriff’s Department has reviewed two proposals, one from Evercom and an updated Ameritech system. Civil Counsel Harley Andrews and Risk Manager John Greenberg have worked hard on getting the agreement acceptable for County standards. The present provider is Ameritech, however their proposal is not competitive with Evercom’s. The Ameritech contract expires on September 30th, but will extend the Agreement until the new system is in place.

Steve Powers, County Administrator, concurs with awarding the contract to Evercom, but recommends that the $40,000 signing bonus be used to help fund existing prioritized projects such as closed circuit cameras in the jail, jail kitchen equipment, or improvements to facilities; not the live scan finger print system. The fingerprint scanning system was not requested by the Sheriff’s Department in the 2000 or 2001 CIP budgets.

It was moved by Comm. Rapport, seconded by Comm. Tuominen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Jail Phone Services Agreement with Evercom and further that the $40,000 signing bonus be used for existing prioritized CIP Jail Projects and not for the purchase of a live scan fingerprint system.

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The Committee 2000 considered the official appointment of a Building Code Official. Greg Sicotte has been Acting Building Official since August 18, 2000 and as of September 18, 2000 he has been selected as Marquette County’s regular Building Official.

Steve Powers, County Administrator, noted that Mr. Sicotte is well qualified for the position and he will work with Mr. Sicotte to improve building code service to the public.

It was moved by Comm. Wallace, seconded by Comm. Seppanen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the appointment of Mr. Greg Sicotte as Marquette County Building Official and notification be forwarded to the Michigan Bureau of Construction Codes.

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It was moved by Comm. Wallace, seconded by Comm. Seppanen, and unanimously carried by voice vote that a communication from Lyn Nelson, Community Corrections Coordinator, regarding the Day Parole Program be placed on file.

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The Committee considered a memo from the Michigan Association of Counties regarding U.S. Senate Resolution 1608. The Michigan Association of Counties urges support of Senate Resolution 1608 and opposition to the “opt out” amendment of the Boxer/Torricelli Amendment. This bill will benefit students in Northern Michigan’s rural school districts, as well as roads and other public services in those counties that have not shared equally in the recent prosperity enjoyed by more urban areas.

It was moved by Comm. Roberts, seconded by Comm. Tuominen, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board send a letter to our Federal Legislators supporting Senate Bill 1608 and opposing the “opt out” amendment.
The Committee considered an agreement between the County of Marquette and the Michigan Department of Natural Resources for hangar space at Sawyer International Airport. The agreement provides for payment to the County for five months of hangar space rental going back to April 1, 2000 at the rate of $704.17 per month or a total of approximately $3,500.

Steve Powers, County Administrator, explained that the Michigan DNR plane is now out of the hangar. A permanent hangar space rental agreement has yet to be agreed upon. Part of the problem are requirements by the State regarding liability. The State would also like to renovate the hangar facility as they see fit with costs going to the County.

It was moved by Comm. Roberts, seconded by Comm. Curto, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve of an Agreement with the Michigan Department of Natural Resources for five months of hangar space rental at Sawyer International Airport going back to April 1, 2000 at a rate of $704.17 per month, and further that the Board Chairperson be authorized to execute all documents.

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

COMMISSIONER COMMENTS, STAFF COMMENTS, AND ANNOUNCEMENTS

Chairperson Corkin attended the ACN Call Center Grand Opening. It was a well attended event and a very impressive facility. He recommended any interested Commissioner call Lance Beck at ACN and he will be happy to provide a tour.

Chairperson Corkin declared a 10 minute recess at 8:07 P.M.

The Committee came back into open session at 8:17 P.M. Comm. Curto was excused from the meeting.

The Committee considered the 2001 County Budget recommendation from Steve Powers, County Administrator. On September 5, 2000 the Committee of the Whole recessed its budget work session until September 26th. Administrator Powers presented a memo and chart summarizing the General Fund changes directed by the Committee of the Whole and additional changes recommended by Administrative Staff.

On September 15, 2000 Blue Cross/Blue Shield informed Marquette County that health insurance premiums would be increasing by 25%, the 2001 budget included a 15% increase. The difference is $180,000 and Administrator Powers recommends the Insurance Fund be used to fund the difference.

Revenue estimates for Sawyer International Airport have been reduced by $152,000 most of which is hangar and lease revenues. While these revenues are still achievable, reductions are necessary to provide for a realistic 2001 revenue estimate. Expenditures have been reduced by $11,020. The Airport budget should provide the necessary resources to maintain and operate the airport. The funding sources for Sawyer International Airport include: Lease revenue - $302,800, lease/sale revenue from KI Sawyer Development Fund - $216,525, terminal rent and concessions - $205,100, fuel sales and landing fees - $114,000, transfer from General Fund - $104,611, hangar rents - $90,880, parking permits - $68,000, investment income - $60,000, and other revenues - $39,590 for a total of $1,201,416.

Administrator Powers pointed out other likely changes in 2001 and 2002. The County’s population is declining causing probable decrease in state revenue sharing. Personal property taxes may yet be reduced from utility company tax appeals. The retention of the COPS Grant positions will continue to be a challenge while the Courts continue to seek improvements to facilities.

Balancing the 2001 budget was a challenge and over $500,000 was cut from Department requests. In future budgets, traditional programs and services will compete with newer initiatives and needs. Without Board direction budget preparation will not necessarily be what best serves the Board of Commissioners and Marquette County citizens and customers. The Health Department recently completed a prioritization of all its programs. Other counties have attempted program reviews and priority setting and a County Board Planning Work Session will be held in early 2001.
Revised recommended 2001 General Fund Budget changes:

**CHANGES TO GENERAL FUND SUMMARY**
8/15 Recommended General Fund Contingency 155,022

**COMMITTEE OF THE WHOLE ACTIONS**
- Hazard Mitigation Plan 25,000
- Tax Billing Services 7,800
- Reduce General Fund transfer to Airport Fund 75,000
- Sheriff’s Department reduction 24,738

General Fund Contingency 221,960

**ADMINISTRATOR’S RECOMMENDATIONS**
- District Court revenue 46,300
- Jail revenue 5,000
- Emergency Management expenses 12,516
- Cigarette and convention taxes 9,723
- Indirect costs 33,140

General Fund Contingency 181,561

Administrator Powers also distributed the KI Sawyer Development Department salary expenses for positions with multiple funding sources for the years 1999, 2000 and 2001. Commissioners discussed several areas of concern regarding the FY 2001 budget including projected revenues generated from the sale of KI Sawyer housing. It was noted that no Sawyer utility revenues were projected into the 2001 budget. Other areas of concern were the continued increase of health insurance costs and Child Care Fund expenditures.

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 direct the Administrator to delay expenditures of $175,000 of the recommended FY 2001 CIP Budget of $922,723 until after the second half of the year 2001 because of potential mid-year budget adjustments. (Administrator Powers will review the CIP Budget and provide a list of projects to be delayed.)

It was moved by Comm. Rapport, seconded by Comm. Wallace, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board adopt the FY 2001 General Fund Budget in the amount of $16,160,998.

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

There being no further business, the meeting was adjourned at 8:45 P.M.

Respectfully Submitted,

David J. Roberts
Marquette County Clerk
MARQUETTE COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE
Tuesday, September 26, 2000, 6:00 P.M.
Room 231, Henry A. Skewes Annex, Marquette, MI 49855

1. ROLL CALL.

2. APPROVAL OF THE MINUTES OF THE COMMITTEE OF THE WHOLE
   BUDGET WORK SESSIONS ON AUGUST 28, 2000, AUGUST 29, 2000,
   SEPTEMBER 5, 2000, AND THE COMMITTEE OF THE WHOLE MEETING
   HELD ON SEPTEMBER 12, 2000.

3. PUBLIC COMMENT.

4. APPROVAL OF THE AGENDA.

5. Review of Claims and Accounts.

6. Mid-Year Budget Amendments.

7. Lease with Pathways for Former Dental Clinic Space in the DeFant Building.

8. Sawyer International Airport Proposed Landing Fees.

9. Project Bids to Rehab Hangars 662 and 666 at Sawyer International Airport.

10. Airport Update.


13. Letter from Community Corrections Advisory Board regarding Day Parole Program.


15. Purchase/Lease agent w. Schneider Real Estate

16. Rental Agent in St. Louis MI

17. 

18. PUBLIC COMMENT.

19. COMMISSIONER COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS.

.........................................................RECESS.................................

FY 2001 Budget Work Session

20. ADJOURNMENT.