

PUBLIC HEARING
KEWEENAW COUNTY BOARD OF COMMISSIONERS
December 19, 2012

Present: Randy Eckloff, Frank Stubenrauch, Ernie Mooney, Don Piche, Del Rajala.

The Keweenaw County Board of Commissioners held a public hearing on December 19, 2012 at 6:00 p.m. to hear public comment on the 2013 County budgets including the General Fund and all Special Funds. The public hearing was closed at 6:15 p.m.

OFFICIAL PROCEEDINGS
KEWEENAW COUNTY BOARD OF COMMISSIONERS
December 19, 2012

The regular monthly meeting of the Keweenaw County Board of Commissioners held December 19, 2012, 6:30 p.m. at the Courthouse in Eagle River, MI., opened with the pledge of allegiance.

Commissioners present: Randy Eckloff, Frank Stubenrauch, Ernie Mooney, Don Piche, Del Rajala.

Motion by Rajala supported by Piche and unanimously carried to approve the agenda with one correction. Under New Business, i) The Recreation Authority resolution cannot be passed until the Articles of Incorporation are published.

Motion by Piche supported by Eckloff and unanimously carried to approve the minutes from the regular meeting on November 21, 2012 and the budget meeting held on December 11, 2012.

The Sheriff, Treasurer and Mine Inspector reports were received.

Joe Finch, member of the County Veterans Affairs addressed the County Board following concerns about a letter received by the County regarding a veteran. The Veterans Affairs felt that a response was necessary to put the issue to rest. Motion by Piche supported by Stubenrauch and unanimously carried to allow Rajala and Finch to write a response to the letter.

Time was allowed for public comment. Dan Harri, General Manager of the Keweenaw Mountain Lodge gave a report on the Lodge from 2012 and also for the upcoming 2013. All in all, things are moving in a positive direction.

Motion by Stubenrauch supported by Eckloff to pay the approved and audited bills in the following amounts: General Fund=\$125,998.25 Construction Codes Fund=\$3,866.64 911 Fund=\$812.77 EDC Fund=\$1,084.50 Law Library=\$297.34 Medical Care Fund=\$0 County Veterans Affairs Fund=\$664.40. Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried.

Motion by Rajala supported by Piche and unanimously carried to table the Pasty.net agreement to the January meeting.

Motion by Piche supported by Eckloff and unanimously carried to table the appraisal for Mt. Horace Greeley indefinitely as other avenues may be possible.

Motion by Piche supported by Rajala to adopt the following budgets for 2013: General Fund, Keweenaw Mountain Lodge, 911, Economic Development, Friend of the Court, Register of Deeds Automation, Budget Stabilization, Sheriff Training, Jail Commissary, Law Library, Revenue Sharing, Medical Care Facility, Probate Child Care, Veterans Trust, Veteran Affairs, and Building Codes and Building Repair and Maintenance. Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried.

Motion by Stubenrauch supported by Piche to adopt the following salary schedule:

POSITION	WAGE FOR 2012	WAGE FOR 2013	INCREASE
COUNTY CLERK	41,172	41,995	823
COUNTY TREASURER	39,095	42,095	3,000
DEPUTY TREASURER	26,885	27,685	800
DISTRICT COURT CLERK	30,920	31,720	800
ASST EQUALIZATION DIRECTOR	31,000	31800	800
EQUALIZATION ASSIST	18,258	18658	400
911 COORDINATOR	5,492	5892	400
BUILDING CODES CLERK	5,050	5050	0
ZONING ADMINISTRATOR			0

JUVENILE OFFICER	31,850	33,650	1,800
SHERIFF	49,829	50,826	997
UNDER SHERIFF	45,501	46,411	910
JAIL MATRON	9,530	9,930	400
JAIL COOK	12,510	12,910	400
PROS ATTORNEY	43,813	44,689	876
PROBATE JUDGE	43,284	44,150	866
MINE INSPECTOR	5,850	5,967	117
EMERGENCY SERVICE COORDINATOR	7,445	7,594	149

Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried.

Motion by Piche supported by Stubenrauch to adopt a resolution for Keweenaw County to opt out of P.A. 152 of 2011 that reads:

WHEREAS, on September 27, 2011, P.A. 152 of 2011, an act to limit a public employer's expenditures for employee medical benefits plans, became immediately effective; and

WHEREAS, the County Board of Commissioners have reviewed the requirements of that Act; and

WHEREAS, in keeping with the County's established, long-range budgeting practices that actively balance the interests of taxpayers and County employees, and in keeping with the long established practice of Keweenaw County employees working with the County to defray escalating costs associated with employees' medical benefit plans and having made wage and salary concessions; and

WHEREAS, Section 8 of Act 152 authorizes a local unit of government, defined to include a county government, upon a 2/3 vote of the governing body, to exempt itself from the requirements of the Act for the next succeeding year; and

WHEREAS, by exempting itself under Section 8 of Act 152 for calendar year 2013, Keweenaw County is allowed prudent time to continue making changes over time that yield significant reductions in health care costs in a manner that is fair to both taxpayers and employees; and

WHEREAS, exempting Keweenaw County from Act 152 for calendar year 2013 is equitable considering that Keweenaw County's employees have already demonstrated by their actions a continuing willingness to fairly share in the burden of meeting the significant economic challenges associated with Michigan's long recession;

NOW, THEREFORE BE IT RESOLVED, that acting pursuant to the authority granted a county under Section 8 of Act 152, the Keweenaw County Board of Commissioners hereby exempts Keweenaw County government from the requirements of P.A. 152 of 2011 for calendar year 2013. Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried. (#12-9)

Motion by Eckloff supported by Rajala to adopt the following budget amendments:

General Fund Class	Budgeted	Change to	Amount Amended
Board of Commissioners	\$31,100	\$32,227	\$1,127
District Court	\$61,876	\$65,652	\$3,776
Friend of the Court	\$7,500	\$7,521	\$21
Audit	\$14,500	\$17,058	\$2,558
Equalization	\$93,699	\$122,311	\$28,612
Courthouse and Grounds	\$58,025	\$96,280	\$38,255
Miscellaneous	\$6,000	\$11,100	\$5,100
Sheriff	\$422,091	\$426,680	\$4,589
Secondary Road Patrol	\$27,014	\$31,743	\$4,729
Planning Commission	9,389	\$14,449	\$5,060
Miscellaneous	\$69,589	\$79,038	\$9,449
Capital Outlay	\$0	\$37,339	<u>\$37,399</u>
			\$140,615

Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried.

Motion by Eckloff supported by Stubenrauch to enter into the contract with Robert Mikesch for the 2012 Financials as presented by Mr. Mikesch. Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried.

Motion by Rajala supported by Piche to approve the Sheriff Union Contract and the Custodian Union Contract with a 2.0% raise and leaving the hospitalization the same as 2012. Both union contracts are for one year. Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried.

Motion by Mooney supported by Eckloff to transfer the balance from the EDC Fund to the General Fund at 2012 year end. Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried. The County will then appropriate money into the EDC Fund for January 2013.

Motion by Piche supported by Eckloff and unanimously supported to appoint Dan Harri to the EDC. The term will expire on 12/31/15.

Motion by Eckloff supported by Rajala and unanimously carried to approve the 2013 Survey and Remonumentation Grant Application in the amount of \$27,641.

Motion by Piche supported by Rajala and unanimously carried to allow the Articles of Incorporation for the Houghton Keweenaw Recreation Authority to be published in the Daily Mining Gazette.

Motion by Piche supported by Rajala and unanimously carried to postpone the adoption of the Recreation Authority resolution until January.

Motion by Piche supported by Eckloff to approve the Keweenaw Mountain Lodge Reimbursement request from Rural Development in the amount of \$41,327.48. Board polled. Ayes: Eckloff, Stubenrauch, Piche, Rajala, Mooney. Nays: None. Motion carried.

Motion by Eckloff supported by Stubenrauch and unanimously carried to appoint the following:
Planning Commission (Tom Hall, Jim Huovinen, Richard Shaefer, Steve Siira) 3 yr term expiring 12/31/2015
Veterans Affairs (Joe Finch) 3 yr term expiring 12/31/2015
Brownfield (Steve Karpiak, Michael Musiel) 3 yr term expiring 12/31/2015
EDC terms that are expiring will be appointed at a later date.

This being Ernie Mooney's last meeting, he read the following and asked that they be a part of the minutes:

It has been an honor for me to have served the people of Keweenaw County these past years. I will look back at the past two years with many good memories.

When I retired from public life and relocated here and built my home in 2008, I had no intention of ever being involved in government again. It was my intention to spend my retirement doing enjoyable things that did not involve local government in any way. The best laid plans don't always work out as intended, and since there was not a committed candidate from my district, I was talked into filing for election.

Once involved, it became apparent that the county had some serious problems that had to be addressed. Among them were the hemorrhage of cash from the county general fund to the KML, the rapid deterioration of county buildings because of lack of action by former boards, the complete dysfunction of the Equalization Dept., the potential loss of state funding because previous boards had ignored corrections that were mandated by the state in annual audits, and the fact that the county was delinquent in the bonds for KML.

I am happy to say tonight that this board has been very successful in meeting and resolving these problems.

These are not my accomplishments, but are the accomplishments of this board, county officers, various committees, and the Road Commission working together. If my leadership has been effective in these accomplishments, I am grateful for having the opportunity to serve and lead.

However, the job is a long way from being done. The new commission that will begin serving in January will be faced with some serious problems. The main problem that I see this county facing over the next several years will be fiscal. The budget that was adopted tonight is a deficit budget. That is anticipated expenses may well be greater than revenues. The budget is balanced by including a revenue, reserve money from the general fund. This may be OK over the short term since we should have a surplus this year. However, since the county has spent the majority of accumulated surplus in bailing out the KML, deficit budgets cannot continue.

Over the next several years, I anticipate that revenues will at best remain stagnant, and may in fact be declining depending on state and federal funding. The reason being, stagnant property values that are not showing any real signs of major increase. At the same time the county can expect expenses to increase.

Hard decisions will be required in the future. These decisions will affect all areas of county government.

This commission must try to identify new sources of revenue for the county. This county cannot continue to provide the level of services it has in the past without additional revenue. Economic development must be reorganized with people who understand what needs to be done and how to accomplish it.

The most important thing this county needs to meet the new challenges is proper and timely accounting and reporting of income and expenses. It will be all but impossible to properly manage the finances of the county without this. It is absolutely necessary to track both income and expenditures on an immediate and continuing basis, and to make continual comparisons to the adopted budget.

Last year I generated these reports manually which is rather time consuming. This year I have given this responsibility to staff to resolve through our computer accounting system.

Our system does have the capability to generate the needed reports. It will be the responsibility of the commission to see that this is accomplished by having additional computer training for staff or whatever is necessary.

On another matter, this board has been successful in getting the KML back on the right track. However, this problem will require constant vigilance in the years to come to make sure the KML is operating in the most efficient manner. Using the best case scenario, it will be thirty years before this matter is resolved. We have worked for over a year in an effort to restructure the bond payment schedule. It is just about done. It is imperative that the county not default on these bonds. While they are revenue bonds that are only payable from revenues generated by the KML, and the full faith and credit of the county is not involved, default would very badly reflect on the credit rating of the county.

All this being said, I will take my leave, and go back into retirement. I wish you all well, and while I have no interest of again being involved in local or any other government, I will help in any way I can.

I thank all of you for your help, your cooperation, and for serving with me. (Ernest J. Mooney)

Time was allowed for public comment.

Motion by Stubenrauch to adjourn at 7:50 p.m. Meeting adjourned sine die.

Ernie Mooney, Chairman

Julie A. Carlson, Clerk

	REVENUES AND OTHER SOURCES	EXPENDITURES AND OTHER SOURCES
GENERAL FUND		
Taxes and Penalties	1,259,300	
License and Permits	2,950	
Federal Grants	5,250	
State Grants	149,448	
Charges for Services	41,400	
Fines and Forfeits	300	
Interests and Rents	55,490	
Other Revenue	17,700	
Operating Transfer In	45,000	
Appropriations		56,860
Legislative		32,419
Judicial		275,656
General Government		506,145
Public Safety		678,222
Health and Welfare		21,296
Other		65,900
Capital Outlay		0
Operating Transfer Out		64,200
Appropriation from Fund Balance	123,860	
TOTAL GENERAL FUND	1,700,698	1,700,698
	SPECIAL REVENUE FUNDS	
ECONOMIC DEVELOPMENT FUND 283		
Appropriation from General Fund	12,050	
Recreation and Cultural		12,050
TOTAL	12,050	12,050
MEDICAL CARE FACILITY FUND 291		
Interest	6,500	
Medical Care Facility		20,500
Appropriation from Fund Balance	14,000	
TOTAL	20,500	20,500
REVENUE SHARING FUND 285		
Interest	7,000	
Transfer Out		46,000
Appropriation from Fund Balance	39,000	
TOTAL	46,000	46,000
REGISTER OF DEEDS AUTO FUND 256		
Register of Deeds Services	3,200	
Interest	500	
General Government		0
TOTAL	3,700	0

	REVENUES AND OTHER SOURCES	EXPENDITURES AND OTHER SOURCES
LAW LIBRARY FUND 269		
Penal Fines	1,800	
Operating Transfer In	500	
Judicial		2,300
TOTAL	2,300	2,300
VETERANS TRUST FUND 294		
State Grants	3,000	
Health and Welfare		2,000
TOTAL	3,000	2,000
911 FUND 261		
State Grants	111,500	
Public Safety		81,676
TOTAL	111,500	81,676
SHERIFFS TRAINING FUND 264		
Charges for Services	150	
Training		300
Appropriation from Fund Balance	150	
TOTAL	300	300
CONSTRUCTION CODES FUND 249		
Permits	40,250	
Public Safety		44,751
Appropriation from Fund Balance	4,501	
TOTAL	44,751	44,751
BUDGET STABILIZATION FUND 257		
Transfer In	2,000	
Transfer Out		0
TOTAL	2,000	0
FRIEND OF COURT FUND 215		
Charges for Services	400	
Judicial		0
TOTAL	400	0
KEWEENAW PARK FUND 208		
Charges for Services	811,549	
Interests and Rents		738,770
Recreation and Cultural		12,000
Capital Outlay		
Debt Services		
TOTAL	811,549	750,770
PROBATE CHILD CARE AND JUVENILE FUND 292		
Grants	65,000	
Operating Transfer In	50,000	
Health and Welfare		115,000
TOTAL	115,000	115,000
JAIL COMMISSARY 265		
Charges for Services	2,200	
Expenditures		2,200
TOTAL	2,200	2,200
VETERANS AFFAIRS 295		
Taxes	11,805	
Commercial Forest	940	
Interest	50	
Expenditures		7,068
TOTAL	12,795	7,068
BUILDING REPAIR AND MAINTENANCE 248		
Taxes	42,000	
Commercial Forest	250	
Tax Collection Fees	500	
Expenditures		42,750
TOTAL	42,750	42,750