

FY 1998 BUDGET HEARINGS

The Marquette County Board of Commissioners met as a Committee of the Whole for Departmental Budget Hearings on Monday, August 25, 1997 at 1:00 p.m. in Room 231 of the Henry A. Skewis Annex, Marquette, Michigan.

Chairperson Corkin called the Meeting to order. Present: Comm. Angeli, Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Joseph, Comm. Rapport, Comm. Roberts, Comm. Seppanen, Comm. Tuominen, and Comm. Corkin. Absent: None.

Steve Powers, County Administrator, began the Departmental Budget Hearings by presenting his summary of his FY 1998 Recommended General Fund and Capital Improvement Fund Budget. Administrator Powers noted that with considerable assistance from Gary Yoder, Finance Manager, and the thoughtful consideration of Department Directors and Elected Officials, the 1998 Operating and Capital Improvement Budgets are balanced. The 1998 budget relies on current revenues, no budget stabilization funds are need to balance the budget. Budget stabilization will continue to be used to correct any year-end deficits that might occur. The 1998 recommended budget also includes no fee increases, no increase in staff, and no layoffs.

On the expenditure side, the recommended budget preserves the traditional programs and departments, continues the Marquette County Airport relocation and KI Sawyer redevelopment, and provides a small amount of funding to improve the quality of services by responding to strategic priorities and needs. General Fund expenditures are up 3.36% from 1997 to a total of \$13,907,607. Personnel costs comprise over 60% of the General Fund budget. Increased expenditure costs are primarily in personnel, costs are up 5.93% or \$467,161 from 1997. The recommended 1998 contingency is \$186,889 or \$42,845 more than the 1997 adopted budget.

Administrator Powers also noted that requests for capital improvements total \$1.3 million however the recommended CIP budget is \$572,244. Revenue sources for the 1998 CIP budget include several areas, one of which is \$219,000 from the Tax Delinquent Revolving Fund, but only \$21,782 from the General Fund.

The line item detail of each department, including 1996 actual expenditures, the current 1997 budgeted expenditures, and the departmental 1998 requested expenditures, and the 1998 Administrator recommended expenditures are found in the computer printouts distributed to each Commissioner. The 1998 budget recommendation complies with the General Appropriations Act (P.A. 621 of 1978).

1:15 P.M. DISTRICT COURT

District Court Judges James Collins and Patricia Micklow, along with Court Magistrate Jennifer Bennon, were present to discuss their Departmental Budget. District Court is concerned with two areas not in the Administrator's Recommended Budget. They request one more position, a bailiff, and also the construction of a security wall in the District Court Office. The estimated additional cost for these requests is \$50,000.

It was noted that the District Court's 1997 revenues were well in excess of those budgeted. The Judges also noted that more revenues could be found in areas such as domestic violence violations, first time drug offenders, bench warrants, and contempts of court. Judge Micklow praised Court Magistrate Jennifer Bennon on a 94% collection rate on tickets. This is the highest in the State of Michigan.

1:30 P.M. COUNTY TREASURER

County Treasurer James Sodergren and Chief Deputy Marilyn Hult were present. Treasurer Sodergren is requesting an additional half-time position. His department had 4-1/2 full-time positions but when Proposal A passed he lost a half-time clerk. All Michigan County Treasurers have difficulty administering the tax process under Proposal A while at the same time are threatened by the Michigan Department of Treasury with the loss of revenue sharing if taxes aren't properly administrated.

Treasurer Sodergren will do the best with the budget that is provided him by the County. He noted that the Tax Delinquent Revolving Fund currently has a balance of about \$3 million which would generate approximately \$120,000 per year through the 4% administrative fee. Treasurer Sodergren appreciates the cooperation of the County Board in keeping the costs of borrowing down. This year the legal administrative costs for borrowing were only \$10,000. A half-time position in his department would cost approximately \$16,000 per year.

1:45 P.M. FRIEND OF THE COURT

Carolyn Hanson, Friend of the Court, was present. She requested two additional employees to complete her statutorial duties required under the Child Support Enforcement System which was established legislatively in December of 1993. Everything takes longer because of the computer system. Since 1993 Delta County has added 3 employees in the Friend of the Court, Houghton County 2, Luce/Schoolcraft/Alger 3, Ontonagon 1-1/2, Menominee 1/2, but Marquette County has not added any employees.

Additional mandates are legislatively required for two areas which will create more work in 1998. In June the Uniform Interstate Child Support Act takes effect in all 50 States. Michigan is expected to adopt similar legislation in order to continue to receive federal funding. In addition 32 additional State mandates are required of the Friend of the Court, these cannot be done with the present staff.

Two additional employees would cost approximately \$66,732 of which the State's Cooperative Reimbursement Program would pay for 2/3 or \$41,400 leaving the County with a balance of \$25,332. Also, incentives are in place to encourage the collection of child support but the State keeps reducing these numbers from 12% to 10% and now 8%.

Carolyn Hanson requested that the County Board consider its commitment to the families of Marquette County. Her department has the duty and responsibility to these families to collect child support.

2:15 P.M. COUNTY CLERK

County Clerk Dave Roberts was present. Clerk Roberts requested an additional half-time Court Clerk. The County Clerk's Office currently has 2-1/2 Court Clerks but several years ago had three full-time Court Clerks. During the layoffs of 1995 the County Clerk lost one full-time Court Clerk but was successful in re-establishing a half-time position in 1996. The additional responsibilities in the County Clerk's Office include passports and personal protection orders. These have occurred since that 1995 layoff. Now with Family Court becoming part of Circuit Court the County Clerk's office will be required to handle an additional 400 filings that were formerly in the Probate Court's office.

Clerk Roberts distributed a letter from Probate Judge Michael Anderegg and a copy of the Circuit Court Clerk's duties contained in the Family Court Reorganization Plan that was submitted to the Michigan Supreme Court. The Circuit Court Judges and Probate Judge Anderegg concur that at least one-half time additional Court Clerk will be necessary in the County Clerk's office.

2:30 TO 2:45 BREAK

2:45 P.M. RETIREES

Mary Ellen Belmore and Elsie Cardoni were present. They request that the Commissioners consider an improvement in the retirement for a group of 14 Marquette County Retirees who retired prior to the establishment of the present MERS system.

Commissioners noted that in the past the County has raised the monthly threshold for these employees. Some of them have very small monthly pensions. If the County were to raise the base pension to \$200 a month it would cost approximately \$4,700. If the County was to include these fourteen retirees into the MERS system it would cost the County \$107,000.

Chairperson Corkin noted that the retirees' request will be considered during budget deliberations.

2:55 P.M. PROSECUTOR

Prosecutor Gary Walker was present. He noted that the Sawyer OEA Grant provides some funding for legal expenses. The redevelopment of KI Sawyer is taking 40+ hours per week of staff time in the Prosecutor's Office. Prosecutor Walker also noted that the Community Mental Health Budget is very large but they only provide \$10,000 for Civil Counsel. If they were to receive legal services from outside of the Prosecutor's Office it would cost much more.

3:05 P.M. ECONOMIC DEVELOPMENT CORPORATION

EDC Director Jay Scherbenske along with EDC Board Members Larry Mosca, Karen Williams, and Lloyd Bushong were present.

Larry Mosca gave a brief background on the EDC accomplishments. Since 1993 the EDC has leveraged \$36 million or \$7.2 million per year of investments in Marquette County. In 1996/1997 an additional \$7 million in revolving loan funds will be approved. These include the \$2.6 million in the EDA Grant and a \$4 million bond issue for the Pioneer Labs. Economic development is an ongoing process and figures cannot be precisely nailed down every year.

Mr. Mosca pointed out that the EDC's FY 1998 request of \$169,394 was reduced to \$50,000 by the Administrator's Recommended Budget. The Administrator is looking for the EDC to increase its revenue sources from outside of the County. This has been an ongoing goal but they are not quite there yet. He noted that a strong EDC will provide a first good impression to any business considering locating in Marquette County.

Lloyd Bushong noted that the EDC is looking for support from the County Board. Some tough discussions have been held but the EDC has maintained its credibility through the audit process. A strong EDC is vital to the growth of Marquette County. They continue looking for new sources. The audits came out well despite skepticism.

County Administrator Powers noted that the County Board must rethink its EDC policy. The County should be only one of many agencies that fund the EDC. If we continue to be the only funding source we will be in the same position with the EDC next year.

Jay Scherbenske, EDC Director, noted that in late 1995 the EDC approved by-law changes which were to facilitate the private/public partnership concept that was being pursued. The Lake Superior Jobs Coalition efforts were parallel to the EDC, however, as time has gone on they have become closer together. A public/private partnership needs proper timing, competition can be disruptive. Two separate inadequately funded economic development efforts might result in two failures. The EDC has had other contributors in the past but not on a continuing basis.

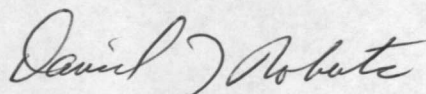
Comm. Rapport congratulated the EDC on surviving the recent audit. Difficult decisions must be made on all levels regarding funding.

Chairperson Corkin noted that he was a member on the County EDC when it first organized in 1986 and it was noted back then that the EDC was to become a self-supporting organization by 1990. He encouraged Commissioners to give their best thoughts regarding the issue. There have been people who have been members of the EDC and have quit over the years and expressed serious concerns. It will not be business as usual.

Chairperson Corkin thanked all the departments for their presentations.

The Departmental Budget Hearings were adjourned at 3:47 p.m.

Respectfully Submitted,



David J. Roberts
Marquette County Clerk

C.O.W.

distributed 8/21

1998 BUDGET HEARING SCHEDULE - Room 231

MONDAY, AUGUST 25, 1997

- 1:00 - 1:15 Steve Powers, Introduction
- 1:15 - 1:30 District Court
- 1:30 - 1:45 Treasurer
- 1:45 - 2:00 Friend of the Court
- 2:00 - 2:15 County Clerk
- 2:15 - 2:45 Break
- 2:45 - 3:00 Retirees
- 3:00 - 3:15 Prosecutor
- 3:15 - 3:30 Economic Development Corporation

TOURS OF SAWYER LUMBER AND AMR FACILITY

TUESDAY, AUGUST 26, 1997

- 2:00 - 3:00 Tour of Sawyer Lumber - Dave Holli
Commissioners should meet at the Sawyer Lumber Company Office
- 3:00 - 4:00 Tour of the AMR Facility - Kim Bertram
Commissioners should meet at the main hangar, building 664, which is the farthest left hand door on the street side.