

The Marquette County Board of Commissioners met as a Committee of the Whole in order to hold Budget Work Sessions on Thursday, August 29, 2002 and Tuesday, September 2, 2002 in Room 231 of the Henry A. Skewis Annex, Marquette, Michigan.

Chairperson Corkin called the Thursday, August 29, 2002, Committee of the Whole Budget Work Session to order at 1:00 P.M. Present: Comm. Arsenault, Comm. Bergdahl, Comm. Moore, Comm. Tuominen, Comm. Wallace, and Comm. Corkin. Absent and Excused: Comm. Girard, Comm. Joseph, Comm. Nordeen, and Comm. Seppanen.

Steve Powers, County Administrator, presented his FY 2003 Recommended County Budget. The recommended budget is balanced, however achievement of a balanced budget was not easy. Contractual expense increases, specifically projected increases in health insurance, exceeding the projected general fund revenue increase. Closing the gap required reducing expenditures and a small use of reserves. The recommended budget assumes State Revenue Sharing continues as approved by the Legislature. If Revenue Sharing is reduced or eliminated, the 2003 budget will have to be revised.

The Strategic Plan 2001-2006 adopted by the Board of Commissioners provided guidance in preparing the recommended budget. The 2003 budget provides funding to complete the 2001 top and high priorities. The recommended budget also includes funds to update the strategic plan in 2003.

REVENUES: Total General Fund revenues are \$16,988,000, a 2% increase from the 2002 amended budget. The revenue increases amounts to \$399,000 with state revenues being flat or declining. The 2003 budget continues the implementation of the fees recommended in the Costs of Services Study approved by the Board last year. Recommended fee increase for Building Codes are 2%. The recommended budget also continues the indirect cost allocations from other funds.

The use of Delinquent Tax Fund revenue is \$594,000. This fund generates approximately \$675,000 in annual revenue above what is needed for tax payments to cities, townships, and schools. No Budget Stabilization Fund reserves are needed to balance the general fund budget and no reserves are being added.

EXPENDITURES: Maintaining existing programs was challenging. No additional programs or personnel are recommended. The cost to provide health insurance to employees and retirees is estimated to be \$475,000 more than in 2002. The health insurance line item increase alone is greater than the general fund revenue growth.

Other larger expenditure changes include increasing an appropriation for childcare by \$45,000, and the payment for services from the Lake Superior Community Partnership and EDC has been moved from the Forest and Recreation Fund back to the General Fund amounting to \$61,000. Balancing the 2003 General Fund Budget required \$400,000 in expenditure reductions from 2002 levels.

The recommended General Fund expenditures are estimated to be \$16,988,155 which includes a \$114,000 contingency and reserves \$45,000 from the Delinquent Tax Fund for the refund payment to utilities.

CAPITAL IMPROVEMENT PROGRAM: The 2003 Capital Improvement Program is intentionally vague, pending the Committee of the Whole's review and consideration of the Marquette County Space Needs Study. The 2003 CIP Budget sets aside \$200,000 for implementation of its recommendations. Total request for Capital Improvement Projects amounted to \$2.3 million. The recommended CIP Budget is \$799,338. Sufficient revenue is available to fund the 2003 Capital Improvement Program which includes the use of the Delinquent Tax Fund interest of \$326,000 which is the same as 2002.

Administrator Powers also noted several miscellaneous items: The Sheriff had requested 3 not 4 full-time employees. The Youth /Diversion Program is still under review. The 2003 recommended budget does not provide for membership in NACo. No funding is provided in 2003 for DARE.

Commissioners engaged in a discussion on health care costs.

1:30 P.M. – SOIL CONSERVATION

Laurie Dhondt, Administrator of the Soil Conservation District was present to discuss funding for the Conservation District and the Soil Erosion Program. There is an approximately \$32,000 fund balance in the Soil Erosion Program which will provide for approximately seven months of operation, however the Soil Erosion Program will receive revenue from projects and residents. Ms. Dhondt noted this is the slowest the Soil Erosion Program has been in the past five years.

Ms. Dhondt requested the \$10,000 the Administrator eliminated from the budget be restored to the Conservation District. The County-wide Watershed Program leverages \$50,485 into \$1 million and

currently there are \$526,000 pending in grants. Success depends upon County funding. The Michigan Department of Agriculture will match dollar for dollar.

Chairperson Corkin noted the County Board will continue to work with the Conservation District regarding the Soil Erosion Program should they need assistance during 2003.

1:40 P.M. – MSU EXTENSION

Linda Rossberg, Executive Director, expressed her concern regarding elimination of the Secretary I position. Penny Streeter, Secretary II, retired and Roberta Hampton will be moving into that position but also continuing with the duties of her Secretary I position. Ms. Hampton receives 20 days vacation plus 5 personal leave days per year. During her absence the MSU Extension will need secretarial support.

1:45 P.M. – MARQUETTE COUNTY TRANSIT AUTHORITY

Bob Niemi, Executive Director, Marquette County Transit Authority, was present and noted the Interlocal Agreement dictates the MarqTran per diem to be the same as all other County Boards and Commissions. The County's \$30 per diem for a meeting has been in existence for over 20 years. Mr. Niemi requested the County Board consider raising the per diem to \$40. This would cost MarqTran an additional \$1,800 per year. The Marquette County Transit Authority Board of Directors works very hard and deserves this modest increase.

Chairperson Corkin directed Administrator Powers to review the cost of raising the per diem for all County Boards and Commissions.

1:50 P.M. – ELECTED OFFICIALS

The Committee considered a request from Marquette County Elected Officials (Excluding the Prosecutor) for a 3% salary increase for 2003.

It was moved by Comm. Wallace, seconded by Comm. Bergdahl, and unanimously carried by voice vote that the Committee direct approval of the 3% salary increase for Elected Official for FY 2003.

GENERAL DISCUSSION

Commissions participated in general committee discussions regarding various line items in the FY 2003 Budget including tax administration fees, the County's bomb dog, and KI Sawyer sewer system.

CAPITAL BUDGET IMPROVEMENT BUDGET FY 2003

Chairperson Corkin requested the Staff and Commissioners seriously consider a \$50,000 Capital Improvement Project for a Marquette County Emergency Services Training Center to be located somewhere in Marquette County, most likely KI Sawyer.

The Committee recessed its Budget Session AT 2:20 P.M. until Tuesday, September 3rd at 6:00 P.M.

SEPTEMBER 3, 2002

The Committee of the Whole reconvened its Budget Work Session on Tuesday, September 3, 2002, 6:00 P.M. in Room 231 of the Henry A. Skewis Courthouse Annex, Baraga Avenue, Marquette, Michigan.

Chairperson Corkin called the meeting to order. Present: Comm. Arsenault, Comm. Bergdahl, Comm. Joseph, Comm. Moore, Comm. Seppanen, Comm. Tuominen, Comm. Wallace, and Comm. Corkin. Absent and excused: Comm. Girard and Comm. Nordeen.

SAWYER INTERNATIONAL AIRPORT AND BUSINESS CENTER

Hal Pawley, SIABC Director, and Ann Giroux, SIABC Finance Manager, were present to discuss the SIABC Budget and answer questions. The discussions centered around projected revenues and expenditures over the next five years for SIABC, Caretaker funding, the Sawyer Fitness Center, and Utility Disposition.

PER DIEMS

The Committee considered a memo from Sue Vercoe, Finance Manager, regarding increasing the County per diem from \$30 to \$40. After review of the various County Boards and Commissions affected, it was moved by Comm. Seppanen, seconded by Comm. Arsenault and unanimously carried by voice vote that the Committee direct Staff to include in the FY 2003 budget an increase in the per diems to \$40 per meeting.

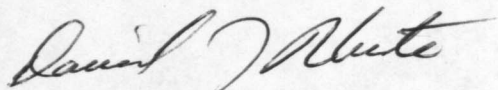
EMERGENCY SERVICES TRAINING CENTER

The Committee considered the EMS Training Center. It was moved by Comm. Wallace, seconded by Comm. Arsenault, and unanimously carried by voice vote that the County Board approve \$40,000 to be taken from the KI Sawyer Development Department Budget to begin the planning and development of an EMS Training Center at Sawyer.

It was moved by Comm. Arsenault, seconded by Comm. Seppanen, and carried by voice vote 7 Ayes to 1 Nay (Comm. Joseph) that the Committee direct Administrative Staff to present the FY 2003 General Fund and Capital Improvements Budget to the September 24th Committee of the Whole meeting with the recommended adjustments made during the Committee of the Whole budget work sessions.

There being no further business, the meeting was adjourned at 7:00 P.M.

Respectfully submitted,



David J. Roberts
Marquette County Clerk