

**ALGER COUNTY BOARD OF COMMISSIONERS**  
**REGULAR BOARD MEETING**

**October 11, 2010**

**Minutes are subject to corrections and approval**

Pursuant to recess, the Alger County Board of Commissioners convened in the conference room of the county building at 4:00 p.m. on the above date.

The meeting was called to order by Chairwoman Pullen with the following Commissioners present: Commissioners Doucette, Lindstrom, Mattson, and Pullen. Absent – Commissioner VanLandschoot.

The Board of Commissioners said the Pledge of Allegiance.

Public comment session was open. Jim Seppanen and Scott Widmar from Rock River Township Fire Department were present to discuss the Local Emergency Planning Committee (LEPC). Mr. Seppanen stated that every county is required by law to have an LEPC, but Alger County does not have this committee in place yet. In the event that an emergency should happen in Alger County the LEPC would respond by providing contact information for the hospital, health department, road commission, phone company, gas company, power company, etc. He went on to say that they have had several meetings with Becky Wilder and Chuck Booth from Alpine Enterprises trying to set up this LEPC. The last of these meeting took place on June 21, 2010. The information gathered in these initial meetings and bylaws for this committee was to be turned over to the Board of Commissioners, but as of yet there has not been any response.

Commissioner VanLandschoot arrived at 4:08 p.m.

Mr. Seppanen also added that any grant money that they may ask for needs to be directed through the LEPC, and without having this committee in place their funds are cut. Undersheriff Hughes stated that part of the reason the committee had not been formed yet was contingent on Deputy Wilder, and what was going to happen with the proposed restructuring of emergency management. Commissioner Pullen stated that she had Chuck Booth's contact information and that the formation of this committee should definitely get rolling. There was no other public comment from the floor; thus, the public comment session was closed.

It was moved by Commissioner VanLandschoot and seconded by Commissioner Doucette to approve the agenda as presented. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Doucette and seconded by Commissioner VanLandschoot to approve the Committee of the Whole minutes from September 9, 2010, the Regular Board meeting minutes from September 13, 2010, and the Special Board of Commissioners meeting minutes from September 30, 2010. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

Jim Olsen was present from MGT to discuss the cost allocation plan. He explained that the contract that MGT has with the county is a contingent contract which means that they (MGT) would receive 50% up to the maximum of the contract of any money that the county receives back as a result of cost allocation billings. He noted that both the prosecutor's office and the friend of the court have existing Cooperative Reimbursement Program (CRP) plans with the state. In a nutshell, the central service departments such as the clerk's office, the treasurer's office, and maintenance, who provide services to other departments, shall be reimbursed by these other departments for those services. Maintenance is allocated out on square footage, accounting is based on transactions, etc. Mr. Olson stated that at present, utilities, liability insurance, etc. were divided out between departments at the time of payment. MGT then would have to re-tabulate the distribution for a total so they could then figure out the correct distribution according to federal guidelines. Mike Greutz from Anderson Tackman stated that it would be more efficient to pay these billings wholly from the 101 fund. Then MGT would come in with their cost allocation figures showing the correct distribution. The one problem with this is that the 2011 budget would be based on the cost allocation figures from 2009 and we'd have to be careful because we're also going to have the actual 2011 costs showing up in the central services as well. According to Mr. Olson, in the long run, once it's fully implemented, the indirect cost plan is the best way of doing it because you can capture all of the costs and allocate them. There is a timing delay involved but it works out over the long term. He stated that there are three programs that are un-kept by the county: the friend of the court fund, the child care fund, and the prosecutor's CRP. Whatever MGT identifies for those programs can bring back 66% from the child care fund. MGT does not recommend charging any funds that would not be a direct benefit to the general fund; such as DARE, because then the general fund would have to appropriate money to pay it back. He did reinforce that some grants do not allow you to charge indirect charges. Lastly, Mr. Olson explained what internal service funds were (of which Alger County has none). He said that many counties

operate their motor pool, telephones, duplicating machines, postage and IT departments through internal service funds. Every time a department uses services in that particular fund, they are charged for the service accordingly.

Mike Grentz from Anderson Tackman was present to discuss findings of the 2009 audit. He started by saying that there was one thing a little different this year when it came to the audit. If you have over \$500,000 of federal awards, there must be an alliance test, or additional little audit. It doesn't necessarily mean that the courthouse, the Commission on Aging, or the road commission individually had over \$500,000 in rewards, but when you put them together it adds up to \$500,000. He stated that this little audit went very smoothly and that nothing big came out of it. He also said that we could probably expect this alliance test next year as well. He stated that the general fund had a net loss of \$48,500 which isn't bad. He went on to say that the revenue sharing fund had a net loss of \$185,000 because we are no longer putting money into that fund; just drawing it out. He predicts that midway through the year 2012 this fund will dry out and we'll need to start asking for revenue sharing again. He added that from what he's seen so far the state is honoring that promise. He commented that the ambulance fund suffered a \$60,000 loss but that was due to the purchase of a new ambulance, and the wireless came in with a loss of \$53,000 which was attributed to fringes now coming out of that fund. The three biggest players for general fund expenditures were general government at 34.83%, public safety at 29.9%, and the judicial at 20.97%. He then talked about violations. Out of a random 25 time cards pulled, four of them lacked a supervisor's approval on the amount of hours worked. He did note that these four time cards had come from the Sheriff's Department. He also noted that one of the elected officials showed as having leave time. That had been corrected at the time it was discovered during the audit. He also noted a few budget violations, but did not go into detail. Lastly, he spoke about the implementation of GASB 45: where the county has to start recording liability for the post employment benefits that it pays for its retirees. An actuarial would have to be done on this to determine an amount, and then we would have to record it in our financials. We then would have to decide whether to fund this internally or externally. By law we would not have to actually set aside the money, but we would have to have the actuarial done. This would be another area where we could use internal service funds. Liabilities could be recorded here; money transferred into this fund to cover it, and then pay the retirees portion out of it. After the audit was finished the state sent a letter to Alger County asking how they would address the violations. Pam has already sent a response letter back either stating that the violations had been corrected already, or informing them on the procedure in which they would be corrected. In closing, he added that since he's taken over the county has come a long way in cleaning up their accounting and is doing a lot more things correctly than in the past.

It was moved by Commissioner VanLandschoot and seconded by Commissioner Doucette to recommend that the clerk sign for option B on the county jail reimbursement program. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner VanLandschoot and seconded by Commissioner Lindstrom to appoint Richard Bowerman as the new airport manager pending his passing the test. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

Motion was made by Commissioner Mattson and seconded by Commissioner Doucette to go with the Sheriff's compensation package that was listed in the first two paragraphs of the October 11, 2010 letter co-authored by Under Sheriff Hughes and Karen Bahrman, and that we would charge each fund accordingly per the Sheriff's recommended breakdown which was submitted on September 30, 2010. This would come in two separate payouts of \$13,841 each. Monies are to come from the Sheriff's budget for \$8,841, the ambulance for \$2,500 and 911 for \$2,500 per payout. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner VanLandschoot and seconded by Commissioner Lindstrom to postpone payment of the GMBPCD (Greater Munising Bay Partnership for Community Development) dues until the time that the 2010 – 2011 budgets were worked out. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

There was no old business to discuss.

Motion was made by Commissioner Lindstrom and seconded by Commissioner Mattson to pay the Pathways quarterly appropriation of \$8,305. Questions arose as to our commitment of this payment. Due to the Marquette General lawsuit and our conflict with Pathways concerning this lawsuit, there was much discussion on not making this payment at this time. Commissioner Lindstrom rescinded his earlier motion for payment, and Commissioner Mattson rescinded his second. It was moved by Commissioner Mattson and seconded by Commissioner Lindstrom to postpone payment to Pathways until the November Board meeting which would give ample time to contact Cheryl Hill. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Mattson and seconded by Commissioner Doucette to approve payment of all of the board bills as recommended by the audit committee. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

A motion was made by Commissioner Lindstrom and seconded by Commissioner Mattson to approve the financial reports for all funds. A full 30-page report is available upon request with the treasurer. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none

It was moved by Commissioner Mattson and seconded by Commissioner VanLandschoot to amend the revenues in the transfer of the summer tax collection 101-000-444.200 in the amount of \$1,365.26. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Mattson and seconded by Commissioner Lindstrom to amend the expenditures in the treasurer's budget in the amount of \$1,365.26. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Doucette and seconded by Commissioner Mattson to amend the revenues in the transfer of the foreclosure fund, 101-000-446.000 in the amount of \$9,892.94. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Doucette and seconded by Commissioner VanLandschoot to amend the expenditures in the treasurer's budget in the amount of \$9,892.94. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Lindstrom and seconded by Commissioner VanLandschoot to amend the revenues in the federal park patrol budget in the amount of \$4,003. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Doucette and seconded by Commissioner VanLandschoot to amend the expenditures in the federal park patrol budget in the amount of \$4,003. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Mattson and seconded by Commissioner VanLandschoot to amend revenues in reimbursements in the amount of \$6,172.63. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner VanLandschoot and seconded by Commissioner Lindstrom to amend the expenditures in the motor pool budget in the amount of \$6,172.63. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner VanLandschoot and seconded by Commissioner Doucette to amend the expenditures in the probate child care account in the amount of \$10,000. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Doucette and seconded by Commissioner VanLandschoot to amend revenues in payment in lieu of taxes. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

It was moved by Commissioner Doucette and seconded by Commissioner VanLandschoot to authorize the treasurer to transfer \$10,000 to probate child care fund. Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

There was no miscellaneous.

There were no resolutions.

Committee reports were next. Commissioners Doucette and Lindstrom attended the U.P. Commissioners 15 counties conference. They reported that all of the counties are having the same budget problems that we are. Federally, there has been a lot of concern over the R.A. (Recovery Act). The five hospitals throughout the U.P. that were looking for rural grants through the USDA were all denied. One thing that all counties are considering is shared services; cooperative accident insurance, legal help, etc.

Commissioner Pullen read a letter from Judge Carmody regarding usage of the law library. Along with the letter was a cost allocation billing for online library expenses in the amount of \$168.05. These amounts are based on caseload percentages. These billings have been discussed in the past, and Commissioner Mattson would like to know what Alger County's actual percentage is. He stated that at one time we used to get a pie chart that showed what our percentage was. The clerk's office will contact Jill Maddox to try and get the percentage information. Commissioner Pullen had the minutes from the DHS September 16, 2010 board meeting available for anyone who wanted to read them. A letter was read from

MAC which was soliciting members for various MAC committees. And lastly a letter from CUPPAD was read. They are looking for input from rural elected, and appointed officials, and tribal leaders regarding future road projects in the U.P.'s highway system.

Board comments were next. Commissioner Doucette stated that he and Commissioner Lindstrom had the opportunity to meet the new MAC president over the weekend. They were optimistic about his leadership capabilities. Commissioner Doucette said that the president warned counties not to be spending any type of nest egg that they may have as he was seeing continued difficulties through the year 2014. Commissioner Doucette also stated that Kim from Mazzali Agency had given us a target date of Friday, October 15, 2010 to receive our new 2011 health insurance premium costs. Our first budget meeting is coming up on October 13<sup>th</sup> and it would be nice to have those figures in place for that meeting.

Public comment session was open. There was no public comment; thus, the public comment session was closed.

It was moved by Commissioner Mattson and seconded by Commissioner VanLandschoot to adjourn this meeting.

Motion carried by the following vote: Ayes – Commissioners Doucette, Lindstrom, Mattson, and Pullen. Nays – none. Absent – none.

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Catherine A. Pullen, Chairwoman  
Alger County Board of Commissioners

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Mary Ann Froberg  
Alger County Clerk