

**SCHOOLCRAFT COUNTY BOARD OF COMMISSIONERS**  
**AUDIT FINANCE COMMITTEE**

The Schoolcraft County Audit Finance Committee met on Thursday September 9, 2010 in the District Court Room of the Schoolcraft County Building, City of Manistique, Michigan, commencing at 7:00 P.M. Audit Finance Chairperson Daniel J. LaFoille called the meeting to order with the following members present and/or absent:

Present:     Audit Finance Chairperson Daniel J. LaFoille  
              Audit Finance Vice-Chairperson George Ecclesine  
              Chairperson Gerald Zellar  
              Schoolcraft County Clerk Dan McKinney

Absent: Commissioner John Zellar (Excused), Commissioner Allen Grimm (Excused)

Audit Finance Chairperson Daniel J. LaFoille led the Schoolcraft County Audit Finance Committee and the members of the audience in the Pledge of Allegiance to the Flag of the United States of America.

Approval of Minutes: **It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to approve the minutes from the August 5, 2010 Audit Finance Committee Meeting. The motion carried by a unanimous aye vote of the Committee members present.

Audit Finance Chairperson Daniel J. LaFoille asked if there were any corrections, additions or deletions to the Agenda. Commissioners asked that Jail MDOC Inspection be added to the Agenda under "New Business". **It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to adopt the amended agenda. The motion carried by a unanimous aye vote of the Committee members present.

Purchase Requisitions: **It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to approve a purchase requisition from Public Transit in the amount of \$207.45 for a circuit board. The motion carried by unanimous aye vote of the Committee members present.

**It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to approve a purchase requisition from Public Transit in the amount of \$329.22 for repair of air conditioning units on two buses and heating and air conditioning units on another bus. The motion carried by unanimous aye vote of the Committee members present.

**It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to approve a purchase requisition from the Airport in the amount of \$10,600.00 for purchase of 4,000 gallons of jet "A" fuel. The motion carried by unanimous aye vote of the Committee members present.

**It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to approve the claims and vouchers numbered 3739 through 3950 inclusive. The motion carried by unanimous aye vote of the Committee members present.

Old Business: **None.**

New Business: **It was moved** by Commissioner Gerald Zellar and was seconded by Commissioner Ecclesine to open the Public Hearing on the FY 2011 Budget. The motion carried by a unanimous aye vote of the Committee members present.

Chairperson LaFoilie made an opening statement regarding amendments made to the FY 2011 budget by the finance committee today which include; removing department head raises at a savings of \$8,125.00, reducing transfer in fund balance by \$8,125.00 because raises for FY 2010 were not included in the budget for department heads, increasing the appropriation to the Law Library by \$5,000.00, increasing the line item for copy paper by \$4,000.00, and eliminating the allocation to CUPPAD at a savings of \$9,000.00. Chairperson LaFoilie opened up the floor for comment on the FY 2011 Budget.

MSU Extension Director Dave Anderson address the Board, reading letters of support from Al Unger and Russ and Susan King. Mr. Anderson then read a letter from himself and Jim Lucas, MSU District 2 Coordinator.

MSU employee Chris Rantanen addressed the Board stating that MSU provides services to every household in the County and the Board is being conservative to the point of cutting these services.

Butch Yurk of Manistique spoke in support of MSU and indicated all that MSU does for Manistique Public Schools.

Jason Lockwood of Manistique spoke in support of MSU and all the services they provide the Manistique elementary students.

Craig Reiter of Gulliver spoke in support of MSU and all they do for farmers.

Sheila Aldrich informed the Board that they have a letter of support for MSU from the City of Manistique.

Paul Wood Tax Equalization Director addressed the Board regarding Mr. Anderson's comments and said he has a hard time believing there is a big surplus in the budget when the Board has asked departments to curtail spending for the last two years. Mr. Wood further stated that he believes department heads need to be taken care of and he hopes the Board will address the issues of raises at some point in time. Mr. Wood also spoke regarding the estimate of tax revenue by Mr. Anderson and related that the portion of taxes paid to the DDA must be taken into account.

Chairperson LaFoilie asked Mr. Wood if in fact tax revenues are going to be flat this year as indicated in the proposed FY 2011 Budget.

Mr. Wood said yes that is the way it looks to him. Mr. Wood said he would like to see MSU run a millage and he thinks it would pass.

Dick Ketcik of Manistique spoke in response to Mr. Wood's comment regarding the DDA and the perception of some people that the City is part of the County, but the County is not part of the City.

Chairperson LaFoilie called for any further comment on the FY 2011 Budget. There was none.

Further under "New Business": **It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to authorize the Chairperson to sign Public Transit contracts #2007-0288/Z12/R1 and #2007-0288/Z5/R1. The motion carried by unanimous aye vote of the Committee members

present.

Further under “New Business”: County Clerk Dan McKinney informed the Board that the next for items on the agenda; Great Lakes Lease, LMAS Lease, Community Action Agency Lease and Community Corrections Contract are for the Board’s information and not intended for action tonight. Mr. McKinney said he did research on the issue of Worker Compensation for contractual workers and found that there is an exemption which these individuals may apply for with the state. Further, Mr. McKinney said he spoke with Labor Relations Attorney Bonnie Toskey about this issue and she is confident that the contractual workers could get this exemption.

Greg Toutant Director of Great Lakes Recovery Centers informed the Board that Great Lakes has now paid their rent through August. Mr. Toutant asked the Board for consideration of rent reduction in the upcoming lease agreement.

Further under “New Business”: Health Professionals Ltd. gave a presentation to the Board regarding medical services at the Schoolcraft County Jail.

Further under “New Business”: **It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to approve and authorize the Chairperson to sign the District Energy Contract with Integrated Designs Inc. of Marquette. The motion carried by unanimous aye vote of the Committee members present.

Further under “New Business”: Chairperson LaFoille informed the Board that he and Julie Roscioli and Cindy Nelson met with Sheriff Harris and Michigan Department of Corrections Officials on September 7<sup>th</sup> regarding the Jail Inspection Report which was conducted on July 7, 2010. Chairperson LaFoille said the County is being required to comply with recommendations by MDOC or face legal action. Chairperson LaFoille said these are demands not requests. Further, Chairperson LaFoille said we have two options, either close the jail or comply with the Department of Corrections demands. Chairperson LaFoille said MDOC is not taking into consideration the fact that we are looking into building a new jail. Chairperson LaFoille said MDOC is requiring that a letter be sent to them by next Tuesday outlining an action plan for compliance with the Jail Inspection Report demands. Sheriff Harris said the biggest bone of contention by MDOC is the hardwired smoke detectors which are needed on the second floor for the jail. Chairperson LaFoille said we are not going to spend one thin dime until we know exactly what MDOC is wanting so that we do not make improvements that don’t comply. Commissioner Ecclesine we need to know what code they are talking about. Commissioner Gerald Zellar asked if installing the smoke detectors would appease MDOC while we are doing the Jail Study. Chairperson LaFoille said MDOC does not care about the Jail Study. Sheriff Harris said MDOC said all of the requirements are equally important. **It was moved** by Commissioner Ecclesine and was seconded by Commissioner Gerald Zellar to move forward with a letter to MDOC stating the intentions of the County and outlining an action plan for compliance with Jail Inspection Report demands. Commissioner Gerald Zellar said he has provided a list of mandated and non-mandated services to the Commissioners present and he thinks we may need to eliminate all non-mandated services at the jail in order to come up with the \$50,000.00 it is estimated to cost to make the improvements demanded by MDOC. Chairperson LaFoille said MDOC has informed us that the current list is not the end, there will be more required improvements. Chairperson LaFoille said that he feels \$50,000.00 is a conservative estimate for the cost of the current demanded improvements and this is not in the current budget proposed for FY2011. Chairperson LaFoille also said he feels that part of the plan the County submits to MDOC has to be the position these demands puts Schoolcraft County in. Chairperson LaFoille said it is not that we do not want to be safe at the jail, we do. The motion carried by unanimous aye vote of the Committee members present.

There was no further “New business”.

Public Comment: Dave Anderson addressed the Board regarding the District Energy Grant.

Chris Rantanen thanked the Board for keeping the doors open on the issue of budget for MSU.

No further “Public Comment”.

Communications: Schoolcraft County Clerk Dan McKinney informed the Board that the County has been notified that we have a credit at MERS for overpayment of retirement costs in the amount of \$1,345.90.

**It was moved** by Commissioner Gerald Zellar and was seconded by Commissioner Ecclesine to request a refund from MERS in the amount of \$1,345.90 and use it for MSU. The motion carried by unanimous aye vote of the Committee members present.

Commissioner Gerald Zellar informed the public that the Public Hearing on the FY 2011 Budget will remain open until the Board Meeting on September 21, 2010.

Audit Finance Chairperson Daniel J. LaFoilie adjourned the meeting of the Schoolcraft County Audit Finance Committee at 8:49 P.M.

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Audit Finance Chairperson Daniel J. LaFoilie

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Daniel R. McKinney, County Clerk