

"Menominee – Where the best of Michigan begins"

MENOMINEE COUNTY BOARD OF COMMISSIONERS

*Menominee County Courthouse
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Menominee, Michigan 49858-3000*

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The Menominee County Board of Commissioners
will meet as a ***Committee of the Whole***
on **Wednesday, August 29, 2012 @ 1:00 PM (central time)**
At the Menominee County Courthouse - Courtroom B

(A Quorum of the Menominee County Board will be present)

AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of the Agenda
- E. Approval of the Previous Meeting Minutes
- F. Public Comment (statements not debate, limited to 5 minutes per person on agenda items only)
- G. Department Head Reports/Comments
- H. Business
 - 1. MAC Representative – Timothy McGuire, Executive Director
- K. Public Comment
- L. Adjournment

James Furlong - Chairperson

Charlie Meintz - Vice Chairperson

Bernie Lang

Mark Jasper

Jim Pearson



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Timothy K. McGuire, Executive Director

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June 28, 2012

The Honorable Deborah Pellow, Chair
Marquette County Board of Commissioners
Courthouse Complex
234 W. Baraga Avenue
Marquette, MI 49855

Dear Chairperson Pellow:

Thank you for your letter of May 8, requesting that the Michigan Association of Counties (MAC) take legal action to insure counties receive full funding for mandated services per the requirements of the Headlee Amendment to the Constitution.

Please know that counties statewide and the staff at your association share your frustration with the state over unfunded mandates. MAC worked very hard to establish the Legislative Commission on Unfunded Mandates, co-chaired by a county official, in order to outline the problem: \$2.5 billion statewide across all units of local government. As a result, legislation has been introduced over the past two sessions to help eliminate future unfunded mandates, and MAC is still working with Rep. Eileen Kowall on trying to find a way to move this legislation. Counties have been successful in each of the past two budget cycles in returning more of what is owed to them by the state in the form of revenue sharing payments and payments in lieu of taxes (PILT). While partial funding from the state is still unacceptable, it must be noted that due to county efforts these payments are moving in the right direction. PILT payments have been nearly fully restored for the first time since 2010 after being cut by nearly 30% for the current year, and legislation (SB 1021, 1022) has been championed by Senators Boohar and Casperson that would increase PILT payment rates themselves.

Finally, and most importantly, MAC has been working with county commissioners, administrators, and finance officers from across the state on a plan to turn court employees into state employees, thereby relieving counties of their largest unfunded mandate. MAC has recently secured a commitment from the Senate to look at this unprecedented and groundbreaking proposal, and Senate leadership has ordered bills to be drafted. The proposal would also solve the funding issues surrounding revenue sharing and personal property tax elimination by crediting counties with what the state owes, rather than appropriating what it wishes. While this is a major change, and will be difficult, the MAC Board believes that it must be pushed with all due haste in order to relieve counties their largest unfunded mandate.

The MAC Board of Directors met on Friday, June 15, and discussed your letter. The Board decided that it would be premature to bring suit against the state due to the potential solution embodied in the current proposal on courts that would also solve revenue sharing payment and personal property tax elimination funding issues. Coupled with the high cost, years of litigation, and unknown outcome involved in a lawsuit on already cash-strapped member counties, the Board believes that working on the court proposal is the right solution *at this time*. The Board voted unanimously to send a response back to you with the reasoning for the decision it made, on a motion made by Director Rosalie King (Iron County) and supported by Director Jerry Doucette (Alger County). The Board of Directors does reserve the right to legal action in the future, should it deem that process the last, best way to protect counties.

I hope this letter satisfies the intent of your request for legal action, that MAC work to resolve the problem of unfunded mandates, if not the means by which you wished it to occur. Again, thank you for your correspondence on behalf of the MAC Board of Directors. I look forward to moving Michigan's counties forward with Marquette County through these proposals. If there is anything more MAC may do for you, please do not hesitate to contact me.

Warm personal regards,



Mattie Hatchett
President

cc: Upper Peninsula County Board Chairs
CUPPAD
UPCAP