

**HOUGHTON COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
JUNE 3, 2022**

The Houghton County Board of Commissioners held a Special meeting on Friday, June 3, 2022 at 11:00 a.m. in the 5th Floor Conference Room of the Courthouse, City of Houghton with the public in person and by Zoom.

Call to Order:

The meeting was called to order by Chairman Tom Tikkanen at 11:00 a.m.

Pledge of Allegiance:

The Pledge of Allegiance was led by Chairman Tikkanen.

Roll call:

The following Commissioners responded to roll call done by the Deputy County Clerk, Renee Cunningham:

Tom Tikkanen, District 1; Kevin Codere, District 2; Glenn Anderson District 3, Gretchen Janssen, District 4; Roy Britz, District 5.

Approval of Agenda/Additions:

A Motion was made by Commissioner Anderson, seconded by Commissioner Britz to approve the Agenda as presented.

The Motion carried by a voice vote: Ayes 5, Nays 0.

E. Public Comments-Agenda Items only *(5 minute limit):

None.

F. Correspondence:

None.

G. Old Business:

1. American Rescue Plan (CSLFRF) \$6.8 million

The Board discussed a proposal from the townships and the Houghton County Road Commission.

Kevin Harju, Road Commission Manager, gave a proposal with the townships having funds and the County matching over \$1 million. Construction season is short and the reason for the meeting.

Commissioner Anderson asked how many were done this year. Kevin Harju stated 3 of the 9 due to limited staff. Cost would go up if contractors are used.

Commissioner Codere stated costs are up 30%. Fuels costs could delay projects. If the proposal was approved this year could some projects be delayed to next year if costs go down.

The Board has discussion on the ARPA monies in every County. Townships and villages have been given money per capita. Commissioner Codere stated Adams Township has been spending funds on a sewer system. Townships have elected to do other projects with their money. County is willing to match entities to fix roads. All townships have an

equal opportunity on how they use the funds. Townships can change the direction on where they put the funds. The Board had discussion that Kevin Harju should have a deadline on the changes, then he can give a definite money amount at that time.

Commissioner Britz stated Elm River has plans to get roads repaired. Roads were not a part of funding. Elm River refused the funds at this time.

Commissioner Anderson asked why the County would match the money if any township refused the funds. Commissioner Britz stated Elm River is in a hard spot at the time.

Commissioner Anderson asked why villages and cities have not had ARPA funds.

Chairman Tikkanen stated Laird, Calumet and Portage have asked for funds. Portage Township has \$32,600.00 in road improvements. They discussed when a decision needs to be made. Kevin Harju needs to prepare bids for paving materials. Paving ends the middle of October. The Board discussed having all in by February 2023, and recommended doing 3-4 projects a year.

A Motion was made for 1 to 1 match, and have the townships cash match, Engineering by December 23, 2026 Townships cannot decline after agreement.

Administrator Bjorn will prepare an accounting spreadsheet and work with Kevin Harju and the Treasurer on tracking the funds.

The Board discussed a February deadline. No monies will be released until Kevin Harju has all contracts in place. Portage Township will use all money this year.

Chairman Tikkanen stated 30% of ARPA funds will be allocated to the proposals by the Road Commission. Give strong consideration to projects with a match. The numbers impact our citizens.

Commissioner Britz thanked Kevin Harju for his participation.

Commissioner Codere discussed a concept of countywide 1 time funds. And for the Board to focus more on the whole and not one meeting at a time. There is about \$4 million left.

Chairman Tikkanen stated Commissioner Codere made a good point, and security is always at the top. Those funds for body cameras and security are needed.

A Motion was made by Commissioner Anderson and seconded by Commissioner Janssen for 1 to 1 match, and have the townships cash match. Engineering to be done by December 23, 2026. Townships cannot decline after agreement.

The Motion carried by the following voice vote:

YES: Anderson, Janssen, Tikkanen, Codere, Britz 5.

NO: None 0.

Commissioner Anderson requested a Committee of Whole or Special meeting to draft where any remaining funds will go. Have Department heads give a priority list.

Chairman Tikkanen recommended Commissioners Anderson and Britz get the meeting set up.

Kevin Harju thanked the Board.

H. New Business

1. Airport Operations

Dennis Hext, Manager, stated SkyWest Airlines have filed to withdraw. Boutique Airline has approximately 22,462 seats a year. EAS Contract plane has to be a certain type of engine. SkyWest has proposed a one (1) flight a day. A 30 seat flight pilot does not have as many hours. One flight a day will hurt Houghton County. Dennis Hext has asked SkyWest to wait until December to go to one (1) flight a day. He stated he needs a decision today from the Board.

The options are:

1. Agree to 1 flight a day
2. Agree to 1 flight after 11/1/22, and work with other carriers
3. Deny request and live out contract that ends January 2023

Dennis Hext stated he prefers option #2, and the Board needs to consider a fall back decision and work hard to get another airline in SkyWest's place.

Commissioner Anderson discussed a 135 option and discussed that the County had an airline that bid on them and that we need twin engine planes. Recommended drawing this out to September. Inflation is unknown for that time. The Board discussed if they would brand the flights and if there would be a ticket and baggage agreement and if possible it is better to have a ticket and baggage agreement in place with an airline that has main hubs.

The Board looked at how attractive Houghton County is as a prospect to airlines. Houghton is the 4th largest for traffic and is attractive to EAS airlines according to Mike Mooney. Houghton County is not attractive given the pilot shortage and fuel costs.

The Board agreed to keep 2 trips till the end of the contact. If the Board does not agree, SkyWest will put pressure on the DOT.

5 carriers have gone to the 135 model. 1 airline is running a 30 seat in Nashville. Contour has interest in Houghton County.

Commissioner Codere suggested negotiating with SkyWest, and hope that an airline will be influenced to bid in September.

Mike Money stated DOT determines what they will subsidize. He is unsure if DOT will subsidize. DOT looks at this globally. He stated the government recognizes Houghton County is not the same as other counties and that more seats are needed during the summer, and 3 round trips. DOT follows law makers.

Dennis Hext stated common sense has to be used and that the County would have to go through DOT to get rules changed.

The Board had a discussion on contacting the State and US Congressmen and Senators. Total subsidy and passengers totaled to see if there is a violation for subsidy requirements. The total was 3 million and is now 5 million. Could see 10 million being asked for in next contracts.

Bid will be large from other airlines. Chairman Tikkanen and Dennis Hext want decisions and like proposal #2. The Board discussed what SkyWest is doing for Houghton County. The Board is not in agreement with SkyWest walking out of our contact and find it unreasonable to drop to 1 flight a day.

Mike Mooney stated it would take months for the 135 to be approved. 380 applications will take until August or September to be approved. The Board discussed asking if the DOT can put bids out earlier. Commissioner Anderson stated SkyWest is playing hard ball. Mike Mooney does not believe SkyWest will leave. DOT Would be quick to get an emergency airline in. Chairman Tikkanen stated we have the numbers to support 2 flights per day. Commissioner Anderson and Chairman Tikkanen agreed to not make changes at this time.

A Motion was made by Commissioner Anderson and seconded by Chairman Tikkanen to deny the request for one (1) flight and keep two (2) flights per day (option #3).

Commissioner Codere discussed wanting 2 flights per day.

Mike Mooney, consultant, does not think they will take a hard line with the County.

The Motion carried by the following voice vote:

YES: Anderson, Tikkanen, Codere, Janssen, Britz 5.

NO: None 0.

Public Comments: *(5 minute limit)

KEDA-ARPA agrees to sharing funds with townships for road and would like some of the funds for the Land Bank.

Announcements:

None.

Adjournment:

A Motion was made by Commissioner Codere and seconded by Commissioner Tikkanen to adjourn.

The Motion carried by a voice vote. Ayes 5, Nays 0.

Tom Tikkanen, Chairman

Jennifer Kelly, County Clerk