

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
June 8, 2010**

The regular meeting of the Cheboygan County Board of Commissioners was called to order in the Commissioners Room by Chairperson Linda Socha at 9:30 a.m.

Roll called and a quorum present.

PRESENT: Commissioners Socha, Makima, Redmond, Mushlock, Page, Wallace and Bolinger

ABSENT: None

Commissioner Bolinger gave the invocation and Commissioner Wallace led the Pledge of Allegiance.

Administrator Overton requested Item 11F, Office of Emergency Management Inter-local Agreement, be removed from the agenda for discussion at the Committee of the Whole Meeting.

Motion by Commissioner Makima, seconded by Commissioner Mushlock, to approve the agenda with Item 11F, Office of Emergency Management Inter-local Agreement, removed. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Makima, seconded by Commissioner Mushlock, to approve the consent agenda as follows:

- A. Approve Monthly Finance Claims: Finance = \$21,270.92 – Prepays = \$857,996.43
- B. Budget Adjustments – Inter-budget Transfer Payroll Related for Administrator's Office decreases the carried forward fund equity expenditure line item by \$4,827 and increases the Administrator's Fringe expenditure line item by \$2,020 and \$2,807, respectively; Raise Revenues and Expenditures various funds – Fund 101 total budget increase of \$143,599, Fund 211 total budget increase of \$140, Fund 215 total budget increase of \$1,012.15, and Fund 264 total budget increase of \$1,500 – Total budget increase of \$146,251.51
- C. Investment Report
- D. Correspondence:
 - 1. Lake County Resolutions in Opposition to State Reduction of Secondary Road Patrol Funds and to Call for the Modification of State Act 312 of 1969
 - 2. Livingston County Resolution in Support of Efforts to Stop the Migration of Asian Carp into Great Lakes
 - 3. Letter from State Rep Kevin Elsenheimer Regarding Resolution 10-16 Secondary Road Patrol
- E. Minutes:
 - 1. Commissioners Finance/Business Meeting of May 11, 2010, Tri-County 9-1-1 Meeting of May 19, 2010, and Committee of the Whole Meeting of May 25, 2010
 - 2. Health Board Meeting – April 20, 2010 and April 29, 2010
 - 3. Michigan Northern Counties Association – May 17, 2010
 - 4. Northern Lakes Economic Board of Directors – March 18, 2010 and President's Report May, 2010
 - 5. Board Appointments & Procedures Committee Meeting – June 2, 2010
 - 6. Cheboygan County Road Commission – April 15, 2010
 - 7. Cheboygan City Council – April 27, 2010
 - 8. Planning Commission Meeting – April 21, 2010 and May 5, 2010
 - 9. ZBA Meeting – April 28, 2010

A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS – None

SCHEDULED VISITORS – None

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FINANCE DIRECTOR'S REPORT - Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ended April 30, 2010. She reported total year-to-date revenue of \$914,994.47 versus \$1,459,750.52 last year at that time. Ms. Kortz reported expenditures year-to-date of \$3,316,740.65, or 29.65% of budget, compared to \$3,059,811.01 last year as of the end April.

COMMITTEE REPORTS

Commissioner Redmond presented a recommendation from the Board Appointments & Procedures Committee which met on June 2, 2010.

Motion, by Commissioner Redmond, seconded by Commissioner Mushlock, to accept the recommendation from the Board Appointments & Procedures Committee and appoint Molly Paquin to the Cheboygan County Department of Human Services Board for the remainder of the term held by Allen VanSlembrouck, effective June 1, 2010 through October 31, 2011. Motion carried with 7 yes, 0 no and 0 absent.

Motion, by Commissioner Redmond, seconded by Commissioner Wallace, to accept the recommendation from the Board Appointments & Procedures Committee and appoint Paul Neumann to the Cheboygan County Department of Public Works effective June 1, 2010 through December 31, 2012. Motion carried with 7 yes, 0 no and 0 absent.

Motion, by Commissioner Redmond, seconded by Commissioner Makima, to accept the recommendation from the Board Appointments & Procedures Committee and appoint Kelsey Kennedy to the Cheboygan County Fair Board effective June 1, 2010 through November 30, 2011. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Mushlock reported attending the Fair Board meeting and the Inverness and Mullett Township meetings.

Commissioner Makima attended the Cheboygan City Council meeting and the Board Appointments & Procedures Committee meeting.

Commissioner Socha attended two Planning Commission meeting, a NLEA meeting, several meetings regarding SARA Title III Plan Development, and the Mackinaw Township Board meeting. She said the need for adequate disaster plans has grown and with the world today have become more important than ever. She said a citizens voiced concern at the Mackinaw Township meeting regarding township blight issues and zoning enforcement. She was also asked the status of an updated County Directory. Clerk Tryban said she plans to have those printed following this year's elections.

OLD BUSINESS - None

NEW BUSINESS

Ken Talsma of Anderson, Tackman & Company presented a report on the County Audit for Fiscal Year ending December 31, 2009. Mr. Talsma reviewed and explained several charts of assets, revenues and expenses for 2009. The County's financial statements were free of notable budget violations and deficit fund balances. The auditors provided a comments and recommendation letter with two topics. The first issue was informational only; GASB Statement No. 54 will impact the categories of reported fund balance on the December 31, 2010 financial statements. The second was a recommendation to move two federal grant revenue line items from our trust and agency fund to the General Fund for reporting on the Schedule of Expenditures of Federal Awards. This will be done before the December 31, 2010 audit. Discussion held.

Motion by Commissioner Mushlock, seconded by Commissioner Redmond, to accept the fiscal year 2009 audited financial statements from Anderson, Tackman & Company for Cheboygan County. Motion carried with 7 yes, 0 no and 0 absent.

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Mr. Talsma briefly reviewed the Straits Regional Ride Audit. No cash is shown on the financial statements as a negative cash balance existed at year end and therefore the balance is recorded as Due To Other Funds. This cash flow issue is caused by timing of the receipts from all Counties involved (one quarter behind), timing of receipts from invoiced customers, and timing of grant reimbursements from the federal government. These shortages are not remedied until the federal and state level program audits are complete, which are one to two years out.

Motion by Commissioner Mushlock, seconded by Commissioner Bolinger, to accept the fiscal year 2009 audited financial statements from Anderson, Tackman & Company for Straits Regional Ride. Motion carried with 7 yes, 0 no and 0 absent.

Judge Scott Pavlich requested approval of the pending grant application for the MDCGP grant for the County's Drug Court. He said this grant would not require matching funds and the amount applied for would be \$80,000 based on a drug court population of 30 to 35. Judge Pavlich gave a brief update on the Drug Court. He said there are now 13 participants in the Drug Court and additional participants will no be taken at this time. He said there are more female participants than male participants; and if all resources were available 30 to 40 participants could be handled. He reported out of the original 6 participants, 5 now have job.

Motion by Commissioner Redmond, seconded by Commissioner Bolinger, to approve the pending grant application for the 2011 Michigan Drug Court Grant Program, as well as all other documentation, after review by the Finance Director. Motion carried with 7 yes, 0 and 0 absent.

Motion by Commissioner Page, seconded by Commissioner Mushlock, to approve the FY 2010 Independent Contractor Agreement between Cheboygan County and Cynthia Mitchell for the Drug Court, and authorize the Chairperson to sign. Motion carried with 7 yes, 0 and 0 absent.

Motion by Commissioner Redmond, seconded by Commissioner Mushlock, to approve the MDOT contract Agreement No. 2007-0191, Authorization No. Z4/R1, Project No. 100682, Revised Project Authorization Cheboygan County Board of Commissioners FY 2007 Section 5309 Statewide and authorize the chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Housing Director Shar Grawey presented the pre-application and application for the 2010 USDA Rural Development Housing Preservation Grant. She said the pre-application will be in the amount of \$50, but the actual award amount is based on available funds.

Motion by Commissioner Mushlock, seconded by Commissioner Bolinger, to adopt the following Resolution and authorize the Chairperson to sign the pre-application documents for the 2010 USDA Rural Development Housing Preservation Grant and all other required documentation after review by the Finance Director:

**Resolution 10-20
2010 USDA Rural Development
Housing Preservation Grant Pre-Application & Application**

WHEREAS, Cheboygan County is interested in the continuing efforts to upgrade housing conditions for its low and very low income residents, and;

WHEREAS, said Cheboygan County Board of Commissioners accepts recommendation of the Cheboygan County Housing Commission to apply for \$50,000 in USDA Rural Development Housing Preservation Grant funds, and;

WHEREAS, said County Board of Commissioners authorizes the Chief Elected Official to sign said application and required forms,

THEREFORE, BE IT RESOLVED, that the Cheboygan County Board of Commissioners authorize the Cheboygan County Housing Commission Director, to prepare and submit the pre-application and application for funding through the USDA Rural Development, Housing Preservation Grant on its behalf.

A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Maintenance Director Tim Mason and Fair Manager Dan O'Henely presented an agreement to provide security at the County Fair August 9th – 14th, 2010. The agreement with North Central Security provides for two uniformed guards on those days from 8 p.m. to 6 p.m. each day.

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Motion by Commissioner Mushlock, seconded by Commissioner Makima, to approve the agreement between the Cheboygan County Fair Board and North Central Security to provide security for the County Fair August 9th – 14th, 2010 for the total cost of \$1,845.00 and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

County Treasurer Linda Cronan presented a list of properties that were foreclosed on as of March 31, 2010. Prior to selling these properties at a public auction, the County Treasurer must first offer them to the DNR who has the right to purchase any and all properties at fair market value. Any properties remaining must then be offered to the local municipality who has the right to purchase by paying minimum bid as set by the County Treasurer. Any property purchased by the local municipality or County must be used for public purposes. She said she has received right of refusals from four townships and Burt and Hebron Townships both have indicated interest in purchasing parcels. Any properties sold at public auction will be put back on the tax roll. She also informed the Board of a possible lawsuit against her regarding property in Hebron Township that was foreclosed.

Motion by Commissioner Bolinger, seconded by Commissioner Redmond, to authorize the Chairperson to sign the property foreclosures waiver of First Right of Refusal in accordance with Act 123 P.A. 1999. Motion carried with 7 yes, 0 no and 0 absent.

Treasurer Cronan presented a written report on the Foreclosure Fund. She said although the law only requires the County Treasurer to report the remaining balance from the sales proceeds, her report showed all revenues and all expenses that have reported in this fund. She reported a balance of \$732,895.19.

Motion by Commissioner Redmond, seconded by Commissioner Bolinger, to accept the Cheboygan County Treasurer's Foreclosure Report and instruction the County Treasurer to move funds in the amount of \$732,895.19 from the Foreclosure Fund into the General Fund. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Mushlock, seconded by Commissioner Bolinger, to commit \$100,000 of general fund balance for capital improvements on county owned property. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS – Mullett Township Supervisor Bill Morgan said that Mullett Township and Tuscarora Township have provided funding to spray for gypsy moth on the west side of Mullett Lake. He said the County should be aware that it appears gypsy moths are coming back like a few years ago. Chairperson Socha said the MSU-E sees tent caterpillars, not gypsy moths.

BOARD MEMBER COMMENTS – Chairperson Socha said she received a letter from MSU-E regarding a meeting on the statewide restructuring of MSU-E. She said she has concerns with the proposed template not being reviewed by the County's Civil Counsel. The meeting will be held on June 23rd from 2 pm to 4 pm at the University Center in Gaylord.

Commissioner Wallace reminded everyone that about 30years ago there was a gas blow out in a well east of I-75 in the middle of a wooded section, so these kind of incidents can happen.

Motion by Commissioner Mushlock, seconded by Commissioner Makima, to adjourn to the call of the Chair. Meeting adjourned at 11:40 a.m.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Linda Socha
Chairperson