

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
APRIL 9, 2013**

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 Linda Socha, Bruce Gauthier, Pete Redmond, Cal Gouine, John Wallace, and Sue Allor

Absent: Commissioner Tony Matelski

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

Commissioner Wallace noted corrections to be made to the Committee of the Whole meeting Minutes from March 26, 2013. Commissioner Redmond stated recommendations for an appointment and a re-appointment would be presented with his Committee Reports for the Board Appointments and Procedures Committee. Commissioner Allor requested monthly finance claims and the Delta County Resolution for the Preservation of the Second Amendment be removed from the consent agenda and added to new business.

Motion by Commissioner Allor, seconded by Commissioner Wallace, to approve the amended agenda with the above additions moved. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

Motion by Commissioner Gouine, seconded by Commissioner Redmond, to approve the amended consent agenda as follows:

- A. ~~Approve Monthly Finance Claims~~ (*Moved to New Business*)
- B. Budget Adjustments
- C. Cheboygan County Road Commission 2011 Annual Report
- D. NMSAS 2012 Annual Report
- E. Fairgrounds Use Agreement – Relay for Life
- F. Correspondence
 1. ~~Delta County Resolution for the Preservation of the Second Amendment~~ (*Moved to New Business*)
 2. Oceana County and Van Buren County Resolutions Requesting Legislature to Implement a Plan to Improve Michigan Roads and Highways
- G. Minutes:
 1. Finance/Business Meeting of March 12, 2013 and Committee of the Whole Meeting of March 26, 2013
 2. Health Board – 2/19/13
 3. NEMCSA – 3/1/13
 4. North Country Community Mental Health – 2/21/13
 5. CCE 9-1-1 Director's Report; Board of Directors Minutes of January 16, 2013; and Financial Reports for January and February 2013
 6. Northern Lakes Economic Alliance
 - 1) April - President's Report
 - 2) March 2013 Newsletter
 7. Cheboygan County Fair Board – 3/4/13
 8. Cheboygan County Road Commission – 3/4/13 (2 sets) & 3/11/13
 9. Cheboygan City Council – 3/12/13
 10. Planning Commission Meeting – 2/20/13 & 3/6/13
 11. ZBA – 1/23/13

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A roll call vote was taken. Motion carried with 7 yes, 0 no and 1 absent (Commissioner Matelski).

Commissioner Wallace stated that there is a correction to be made to the March 26, 2013 Committee of the Whole Meeting official minutes, Page 3, Paragraph 2. The Kendall Collingwood Shale well is located in Koehler Township, not Gaylord, Michigan as was originally stated in the minutes. Commissioner Allor stated that there is a correction to be made to the March 12, 2013 Finance/Business Meeting minutes, Page 3, Paragraph 6. It is stated that a sequestration would cause an estimated reduction in revenues of 5.2% and that that information was gleaned from an "Area Agency on Aging" meeting, not the "Cheboygan County Council on Aging" meeting, as was stated in the official minutes. Another correction to be made was on Page 3, Paragraph 6 of the official minutes. It is stated that there was report from Commissioner Allor on the "Mental Health Area Agency on Aging" meeting, where it should actually state that the report was from the "North Country Community Mental Health" meeting.

Motion by Commissioner Wallace, seconded by Commissioner Allor to approve the Cheboygan County Board of Commissioners Finance/Business meeting minutes of March 12, 2013 and the Committee of the Whole meeting minutes of March 26, 2013 as amended. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

CITIZENS COMMENTS – None

SCHEDULED VISITORS – None

FINANCE DIRECTOR'S REPORT – Director of Finance Kari Kortz reported that the revenue and expenditures report on the general fund are presented in a format slightly different than has been previously presented. The new format saves the Finance Department time in generating reports, but contains the same information. Kari Kortz reported that the ending balances of the amounts reported for the end of December 31st, 2012 are unaudited numbers. They do not reflect suggested audit adjustments and the Finance Department is still making adjustments to some of those figures at this time.

Kari Kortz reported that the revenues Year-to-Date for the period ending February 28, 2013 were \$328,000, compared to last year at the same time which was \$508,000. There has been a decrease in revenue of approximately \$180,000. That decrease is made up of five different budgetary line items that have fluctuated greater than \$15,000. Three of those fluctuations have been previously mentioned at other meetings, which are the Current Tax, the Cheboygan County Jail inmate telephone signing bonus and the Insurance and Surety Premium refund accounts. Two new budgetary line item fluctuations have come to the Finance Department's attention, one of them is the Convention and Tourism tax (Line 101.400.404.00) which is showing an increase of around \$23,000. That is due to the timing of when we received the Convention and Tourism tax monies. Last year the County had received four payments from that tax versus only having received three payments applicable now from the previous year. That line item is showing revenue in this year because of that fourth payment. The Finance Department does not record that fourth payment as a receivable because it is unknown when the County would be receiving that payment. The other budgetary line item that has shown substantial fluctuation is the salary of the Probate Judge (Line 101.400.541.00), which is showing a decrease. It is showing a decrease of approximately \$23,000, which is due to the timing of when the County received payment for the salary of the Probate Judge from the State of Michigan. In 2012, the County received that payment in February, and in 2013, that payment was received in March. Currently, the County has operated at 3.13% of revenue. Last year at this time, the County had operated at 4.8%.

Commissioner Gauthier inquired as to why Cheboygan County was behind in its revenues Year-to-Date. Kari Kortz responded by stating it was due to the five budgetary line item fluctuations mentioned, which are mostly due to timing issues compared from year-to-year. The one difference being that the signing bonus received in 2012 for the County Jail inmate telephone service would not be additionally received in 2013.

Kari Kortz reported that the expenditures Year-to-Date for the period ending February 28, 2013 were \$1,466,000, compared to last year at the same time which was \$1,396,000. There has been an increase in expenses of approximately \$70,000. The increase in expenses is primarily found in three different

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budgetary line items. The General County department fund 285 and Appropriations department fund 902 increases have been mentioned in previous presentations before the Board. The new budgetary line item which has seen an increase in expenses was Major Equipment and Building Improvements department 267 which has been mainly due to the timing of the County's gasoline purchase. The previous purchase of the same had been made at the end of 2011, and had been purchased again in February of 2013. Currently, the County has funded 13.96% of expenditures. Last year at this time, the County had operated at 13.21%.

Commissioner Allor inquired about the Special Appropriations (account 900). Ms. Kortz stated that this mostly includes the Cheboygan County Airport appropriation.

Ms. Kortz also reported on a summarization of all budget adjustments posted for Fiscal Year 2012. In June 2012, she worked with BS&A to cut down on the prep time of this report, as it is labor and time intensive. It is required because of the State of Michigan's Budget Adoption and Amendment Policy which requires that the County Board of Commissioners be made aware of all of the budget adjustments that are posted in the Annual Budget for the County. The required report that had been developed in previous years by the Finance Department was very time consuming, and so Ms. Kortz worked on developing new reporting options this year to achieve the same end with simpler means. Kari Kortz presented that the summarization in the new format shows every budget adjustment that was posted, so it is easy to see if multiple changes are taking place in a particular account and what those changes totaled. Every expenditure and revenue line that had been increased or decreased is totaled on the summarization report. The report also designates if there is new line items or new funds (lines or funds that didn't exist when the 2012 County budget was adopted), what type of budget adjustment it was (interdepartmental budget transfer, raise revenue/expenditure, lower revenue/expenditure) and whether the Board of Commissioners has already approved the budget adjustment or if they are seeing it for the first time. If the Board is seeing the budget adjustment for the first time, it is because the adjustment was less than \$10,000 and the State of Michigan's Budget Adoption and Amendment Policy allows for interdepartmental transfers to be approved up to \$5,000 (approval by Ms. Kortz), and up to \$10,000 (approval by the County Administrator).

Commissioner Socha complimented Kari Kortz on the new format. She supports that it will be more efficient for auditing purposes and for general review of the Board.

Commissioner Gauthier inquired whether or not this type of summarization of budget adjustments report has been done previously. Kari Kortz stated that it is the first report done in this format, but that the summarization report is run twice a year – in June and December. Albeit, the previous Fiscal Year was so busy that it had not been run in June of 2012.

Ms. Kortz reported that the total amount of budget adjustments that took place in 2012 came to \$4,324,786.92. The figure is somewhat deceiving as the report shows all interdepartmental transfer raises in revenues *and* expenses as a positive number, essentially doubling the activity and the total value of the adjustments. This is shown for all budgets, and all funds. She stated that she will add in a Department Name column for the next time this report is run.

ADMINISTRATOR'S REPORT – Administrator Jeff Lawson did not have a written report for this meeting, but gave an update regarding the dredging grant agreement. A dredging grant agreement was received from the State of Michigan for the county marina dredge project. The project still needs review and design development by the engineer. Administrator Lawson does expect the agreement to be brought up for special consideration at the April 23, 2013 Committee of the Whole meeting, as the project is time sensitive.

COMMITTEE REPORTS

Commissioner Redmond reported on the Board Appointments and Procedures Committee meeting that had occurred immediately preceding the Board meeting. The committee met to appoint and re-appoint two individuals to various committees. The Tax Allocation Board member, Alice Mushlock, is to be re-

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appointed to her position for the 2013 one year term. The term is to commence January 1, 2013 – December 31, 2013.

Motion by Commissioner Redmond, seconded by Commissioner Gauthier to accept the recommendation from the Board Appointments and Procedures Committee to re-appoint Alice Mushlock to the Cheboygan County Tax Allocation Board for a one year 2013 fiscal year term commencing January 1, 2013 and ending on December 31, 2013. Motion carries with 6 yes, 0 no and 1 absent (Commissioner Matelski). The Tax Allocation Board has a meeting scheduled for April 15, 2013 at 2:00 p.m.

Commissioner Redmond reported that the Board Appointments and Procedures Committee also recommends the appointment of Barbara Lennon to the Cheboygan County Department of Public Works Board. Ms. Lennon's term would run from April 1, 2013 carried through December 31, 2015.

Motion by Commissioner Redmond, seconded by Commissioner Allor to accept the recommendation from the Board Appointments and Procedures Committee to appoint Barbara Lennon to the Cheboygan County Department of Public Works Board for a term starting April 1, 2013 carried through December 31, 2015. Motion carries with 6 yes, 0 no and 1 absent (Commissioner Matelski).

Commissioner Redmond was pleased to report that all board, committee and authority vacancies have now been filled and operation of them is at full strength. Commissioner Redmond attended a Cheboygan County Fair Board meeting, a Benton Township meeting, and a Local Emergency Planning Committee meeting.

Commissioner Allor attended a Straits Area Youth Promotion Academy quarterly meeting, a District No. 4 Health Department meeting, a North Country Community Mental Health meeting, an Emergency Management Pipeline Safety Information and training program in Petoskey, an Area Agency on Aging meeting, Forest Township meeting and a Village of Wolverine meeting. Regarding the District No. 4 Health Department meeting, it was stated that the home health care with Alpena General Hospital has encountered financial difficulties. Despite the unfortunate news, the District No. 4 Health Department is anticipating that it would ultimately have a positive impact on the funding and participation in the home health care program they provide.

Environmental Health is starting a new program where restaurant inspections are going to be conducting risk-based inspections rather than a regular mandate of inspections. Regarding the North Country Community Mental health meeting, a draft of their operating agreement has been distributed for review. Nothing has been approved at this point. Articles of Organization were mailed out to all of the relevant clerks. Commissioner Allor received a copy of those Articles yesterday. Regarding the Area Agency on Aging meeting, information on the sequester was distributed. The Agency is still hoping that the State of Michigan may be able to absorb some of the sequester amount. The process for which funds are distributed to various Agencies on Aging around the state is based on a formula configured at the state level. The Detroit Metropolitan area is calling for the revision of that fund distribution formula. The Detroit area stands to lose a significant amount of money based on the current formula presented, so there is a re-evaluation of the formula occurring. The drive for the re-evaluation of the formula is coming from the Detroit area so that they may receive more of the funds collected.

Commissioner Socha inquired about the North Country Community Mental Health meeting report from Commissioner Allor regarding the minutes which state that Dennis Preiss is now a board member and who he is representing. Commissioner Allor stated that she thinks he is representing Charlevoix County on that Board. Commissioner Socha compliments that she supports his attendance on that board, as he was the director of NEMSAS for what was thought to be approximately 25 years.

Commissioner Gouine attended a Mullett Township meeting and an Inverness Township meeting. He reported that Inverness Township is still in conflict with the City of Cheboygan regarding the sewer project. Mullett Township is moving forward with their park improvements and the general citizenry has been contributing a noticeable amount of financial support to see the project through.

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Commissioner Gauthier commented regarding the dispute between Inverness Township and City of Cheboygan. From the City of Cheboygan's point of view, Commissioner Gauthier offered that maybe the Board of Commissioners could tender its good offices as a way of resolving the problem. Additionally, because of the failed efforts from the City of Cheboygan to receive funds from the dredging of the port development, maybe the Board of Commissioner developing a resolution of support for the City of Cheboygan's efforts to get funds may be in order. Commissioner Socha stated that from what she is seeing, one of the dredging projects was stopped up in the Upper Peninsula, Cedarville area because of the diversion of the money to make sure that the emergency dredging is done first. The emergency dredging funds are going for the already existing marinas/ports. Commissioner Socha is surprised to see the City of Cheboygan taking the lead on the federal boat area for Mackinaw being dredged because it seems as though the momentum behind it should be coming from the Coast Guard or some other federal entity.

Commissioner Gauthier stated that he did not attend the monthly NEMCSA meeting because of it's location in Au Gres, Michigan and he could not justify driving that far for a meeting for the cost of transportation to the County and where his contributions would be limited. Commissioner Gauthier did attend a Trailways Advisory Committee meeting. Commissioner Socha suggested that Commissioner Gauthier could potentially phone conference into large and distant board meetings, like NEMCSA. Commissioner Socha supports being reserved on traveling far distances to attend meetings, especially in the winter.

Commissioner Wallace attended a NMSAS financial meeting. Commissioner Wallace supported that there will be a Sunrise Side in-patient residential treatment for drug addiction recovery for women and a women and children program opening up. The residential in-patient treatment facility for men is being refurbished. There has not been a residential treatment facility for women in the Cheboygan area for some time and it will be funded by NMSAS. NMSAS is downsizing their outreach from 30 to 21 counties. Commissioner Socha commended Commissioner Wallace on his commitment in representing Cheboygan County to NMSAS. Commissioner Socha also stated that the key to keeping a women's in-patient treatment center afloat was to accommodate to small children, as women do not wish to leave their children in order to enter treatment for drug addiction.

Commissioner Socha attended an Emergency Management Board meeting and a Local Emergency Planning Committee. Code Spear, a notification alert system for Emergency Operation Centers members, would produce an alert for officials in all three participating counties, a span of nearly 300 people. Code Spear will alert members by home phone, cellular phone, ipad, or anything that could receive an automated message of alert and would continue to alert until a code is entered by the member verifying that the alert has been received. The Emergency Management Department would then know who did and who did not receive the notification and who has responded. Code Spear is being funded by the state, and financially maintained by the tri-county participants. The Emergency Management Board voted to spend the maintenance fees when Code Spear is operational. The program is still in fine tuning stages, but Code Spear is currently running in demonstration mode and it is running really well. When the Code Spear program has been finalized, hopefully in a few months, the general public will be able to opt for receiving free alerts via telephone in emergency situations. There will be news releases with more information up and coming. Sheriff Dale Clarmont has worked with the Code Spear system via the National Guard. Sheriff Clarmont stated that he has received two Code Spear messages so far through Emergency Management here in Cheboygan County and the system worked as advertised. Commissioner Socha stated that Megan from the Emergency Management will be contacting the townships in all three counties and the MTA relative to the Hazard Mitigation plans. The construction of a tri-county operations level HazMat team is also going well, another good partnership for all three participating counties. The State of Michigan and the Federal government has expressed being impressed with the all the various partnerships. Commissioner Socha also attended a District No. 4 Health Department meeting and a Cheboygan County Airport Authority meeting. Minutes will be provided for those meetings. She also attended a Emergency Management Pipeline Safety information and training program in St. Ignace. This meeting is put on by various pipeline companies, mainly focused on our in-bridge pipe in this area. The purpose and scope of the program for this area is to identify the responsibility and resources of government organizations who would respond to a pipeline emergency, acquaint officials with the operators abilities in responding, identifying the different types of pipeline

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emergencies, and advising officials who may engage in mutual assistance programs to minimize hazards to life and property. The program is held annually in several different locations and it is advisable to attend if notification of it is received. There is a dual pipeline that runs beneath the Mackinaw Bridge and through Cheboygan County, so there is justification for being concerned about the pipeline. Commissioner Socha supports the continuation of these outreach programs.

Commissioner Allor stated that she attended the Village of Wolverine meeting and there it was mentioned that a pipeline near their main street was recently struck. A neighbor smelled gas and proceeded to call 9-1-1 and then attempted to contact the Village President but was not successful. Commissioner Allor stated that she would like to get a list of contacts to the various township and villages in the event of a pipeline emergency that could be contacted. Commissioner Socha added that the pipeline contact number is 8-1-1. Sheriff Dale Clarmont stated that by calling 9-1-1 in an emergency situation with a pipeline, it is protocol for dispatch to contact any and all necessary pipeline and gas emergency officials. He stated that the 9-1-1 center, no matter where they are contacted from, they are going to know of the necessary connections and steps to take. Most importantly, it puts the first responders on notice whatever area it is. If there is a particular smell, the first thing to be done is to set up a security perimeter scheme, and that would be done by local first responders, not a pipeline company. Commissioner Wallace stated that the administrative phone number for 9-1-1 is 231-439-3300.

Commissioner Socha attended the Hebron Township meeting. [REDACTED]

[REDACTED] A resident that was there [REDACTED]

reported that Lignin (a complex chemical compound derived from wood and pulp mill waste) is more environmentally safe, but triple the cost, of brine. Lignin is currently being used in portions of Emmet County. The aforementioned citizen asked the Hebron Township Board to consider using Lignin on the roadways near the shores of Paradise Lake, using the status quo on the remaining roadways. Hebron Township reported that it is a costly alternative, and if the citizen inquiring would do the research in coming up with the costs and a plan, then possibly when Emmet County does the Emmet County side of Paradise Lake Road then maybe Hebron Township can contract with that same company to do the Hebron Township side as well in conjunction with Emmet County, as it may be cheaper to partner up. The cost of brine is twelve cents a gallon versus Lignin is approximately sixty cents a gallon, nearly three times the cost.

OLD BUSINESS - None

NEW BUSINESS

Michael Couture presented the project authorization from MDOT for fiscal year 2012, project 0061. There is leftover money from last year's 2012 State of Good Repair program. Straits Regional Ride was one of the fortunate recipients to receive the extra funding to be put towards a new bus. The total funding is for \$115,605. \$92,484 would be covered by federal dollars, \$23,121 by state dollars. These monies would replace up to one 30-foot bus. The contract has been reviewed by Civil Counsel with no legal issues found as well as the Straits Regional Ride Board.

Motion by Commissioner Redmond, seconded by Commissioner Gouine to approve the MDOT project authorization 2012-0061/P6 for FY 2012 from Section 5309 State of Good Repair program, Federal Grant year 2013, Michigan 0400601 for the replacement of one Straits Regional Ride vehicles, authorize the chairperson to sign the agreement and also authorize any necessary budget adjustments. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

Executive Director of the Cheboygan County Council on Aging, Mike Bur, presented the Cheboygan County Council on Aging 3-year Community Plan for NEMCSA. Every three years a multi year community plan must be initiated by the Cheboygan County Council on Aging for a 3 year funding period from the NEMCSA funding sources. The funding accounts for approximately one-third of the resources that allow for the program to provide homemaker services, respite care, personal care and home delivered meals to the home bound seniors in the Cheboygan area. The funding also subsidizes the congregate meal program. The baby boomers are entering the retirement community. Since 1974, the number of seniors in

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Cheboygan County serviced by NEMCSA has gone up over 275% and that increase is expected to continue. The Cheboygan County Council on Aging is focused on the issues and needs arising for area seniors including nutrition, medications, loneliness, depression and mobility. The biggest financial struggle currently facing the Cheboygan County Council on Aging is the delay in federal funding. The Council has been anticipating a payment of \$115,000 from NEMCSA for the second half of their fiscal year. The Council has only received verification on a partial payment; a payment of only \$44,000, a far cry from the original commitment of \$115,000. The Council on Aging does acknowledge the importance of the quality of life held by senior citizens today so they incorporate various activities to enhance what it is that seniors look forward to on a day-to-day basis and provide a social club atmosphere. The core services of the Council on Aging deal with the challenges that the NEMCSA and the Area Agencies, Councils and Commissions on aging have identified as needs but the County Council on Aging still needs to market itself to the “younger generation” of baby boomer seniors up and coming. The inward appearance of both facilities has been modernized and made more attractive. The programs and recreational activities have been updated. NEMCSA has changed the requirements due to regulations regarding background checks every three years for employees. This is another added cost. There is an added licensing requirement for home health care assistants. This is another added cost. All of this and more has been incorporated into the Cheboygan County Council on Aging Community Plan, which must be reviewed and approved by the County Board of Commissioners. The Council on Aging is also receiving 5310 funds in 2014 fiscal year so they are going to be replacing unused buses with vans for senior transportation.

Commissioner Gauthier inquired about the vast difference between the once committed \$115,000 to the Cheboygan County Council on Aging and the modified commitment of \$44,000, how that is a much greater difference than the sequestration cuts which are supposed to be around 5.4%, and if it is just a timing issue. Mike Bur stated that the payments they generally receive have never been this late before. The 5.4% sequester funding reduction is a correct observation but the federal monies have not flowed through the state to the Council. They are held up somewhere in the system. In the statement of grand award stated they would be receiving \$44,062. Commissioner Gauthier also questioned the cuts that are necessitated by sequestration, regarding what programs Mike Bur feels are going to be affected the most by the cuts. Mike Bur stated that he forecasts that the hardest hit amenity would be the home delivered meal function. Mike Bur supports that this is a core function of the organization in that it is not just a meal, but a face-to-face contact (sometimes the only face-to-face contact) that is received by seniors in our community on a daily basis.

Mike Bur stated that the Cheboygan County Council on Aging is having a “Sailing into Spring/Summer” party on Thursday, April 18th, 2013.

Commissioner Wallace commended Mike Bur for his commitment, contributions and good work for the Cheboygan County Council on Aging.

Motion by Commissioner Gauthier, seconded by Commissioner Wallace to approve the 2014-2016 Cheboygan County Council on Aging Community Plan as presented, and noting the receipt of above. Motion carried with 6 yes, 0 No and 1 absent (Commissioner Wallace).

Commissioner Socha suggested tabling the DHS Social Services Board Wage/Reimbursement Budget Adjustment agenda item because of Commissioner Matelski’s absence and because the Board has not received the additional information which has been requested from Kari Kortz/Department of Finance. The salaries would remain tabled as well as there is no resolution in place to authorize their allotment.

Motion by Commissioner Redmond, supported by Commissioner Wallace to table the DHS Social Services Board Wage/Reimbursement Budget Adjustment until the May Finance/Business meeting. Commissioner Gauthier wished to engage in discussion on this tabled issue; Civil Counsel granted the request. Commissioner Gauthier inquired about what basis the Board has to withhold salaries. Commissioner Socha affirmed that the resolution has not been approved to be paid at this time. Commissioner Gauthier objected stating that approval must have been received in the past in order for the compensation to be distributed up to this point. Commissioner Socha stated that salary resolutions require annual approval and a previous Board’s decision regarding a salary resolution does not affect the

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decisions of the Board today and the DHS Social Services Wage/Reimbursement resolution was not in the wage resolution already authorized for the County of Cheboygan this year. She stated that what has been paid thus far should not have been without the approval of the wage resolution. Commissioner Socha supported holding the funds until the appropriate approvals and legal permissions have been made. Commissioner Allor contributed her support for holding the funds. Commissioner Redmond stated that he is confused regarding the various requests for funding because it has been paid out for a very long time and even in the process of working on the Board Appointments and Procedures Committee, whenever there has been an appointment that has come open, part of the understanding and discussion of assuming an appointment on the DHS Social Services Board is the \$1200 per year salary. Commissioner Socha objected stating that simply knowing about the salary means that it should have been brought forth on the Salary Resolution as would every other board, department, etc. She stated that simply because the process of getting a salary for this board was not done correctly does not mean it is okay to continue today. Commissioner Redmond was under the impression that the salary that the DHS Social Services Board was being paid was funded by the Department of Human Services or the State of Michigan. Commissioner Socha stated that the original questions surrounding the DHS Social Services Board Wage Resolution came out of questions from the state looking for a wage resolution for those wages, only to discover that the County does not have a wage resolution for that Board and it is overpaid most years. Commissioner Socha would like more information for the Board to review, for Commissioner Matelski to be present for discussion and more time for Civil Counsel to review some legality issues. Civil Counsel stated that compensation has to be approved by statute each year. Commissioner Socha stated that even if salaries are eliminated there will need to be a discretionary fund to cover exemplary costs unforeseen. Commissioner Wallace stated that there may be charitable contributions spent from the particular discretionary fund which may be depended upon in this area. Commissioner Socha stated that it does not matter what the money is for, if the payment of these particular funds are not legal to begin with, than the Board of Commissioners cannot allow it to continue. Commissioner Socha stated that since Act 280 of 1939, various social programs have been developed by the state that have assumed the burden of a lot of what used to be the obligations of County governments. Cheboygan County cannot be financially or legally responsible for the financial sustenance of extraneous social programs in the County. Commissioner Gauthier stated that he feels as though the DHS Social Services Board was established to respond to the needs of the indigent and that those needs have not changed today. Commissioner Gauthier questioned if the Board of Commissioners is actually taking action or tabling this issue. Commissioner Socha wanted discussion to cease at this time and commence when there is more information and when Commissioner Matelski is present. Commissioner Gauthier felt as though Board action is taking place because the Board is ceasing the salary and discretionary fund spending for the DHS Social Services Board that had been previously paid out. Commissioner Socha stated that the Board of Commissioners has no legal authority to continue what was occurring regarding the salary and discretionary fund spending which they have discovered was not legitimate. Motion carried with 5 yes, 1 no (Commissioner Gauthier), 1 absent (Commissioner Matelski).

Administrator Lawson presented the International Rock and Wrestling Xperience Contract for the 2013 fair year. The International Rock and Wrestling Xperience is a new event for the 2013 fair week occurring on August 3rd, 2013. Artists will perform music and a wrestling entertainment show for a period of 2 ½ hours beginning at 7:00 p.m. The performance will specifically consist of live music and big time wrestling. The County would be responsible for \$1500 as compensation at the completion of said performance. The show cooperative agrees to provide a copy of liability insurance by July 1, 2013. The Cheboygan County Fair Board has recommended this event for approval. Legal Counsel has reviewed and supplemented any necessary County stipulations into the contract. Commissioner Socha inquired as to why Dan O'Henley had the advertisements sent out highlighting this event before it was brought before this Board. Administrator Lawson verified that he believed it was just oversight in timing. Commissioner Redmond commented on the same by stating that it has been brought up to the Fair Board and it was their belief that this would be the event that would be one event sought for this upcoming year and it was explained that the preemptive advertising did not sit well with this Board. Commissioner Wallace confirmed that it is not a wrestling competition, merely entertainment.

Motion by Commissioner Redmond, seconded by Commissioner Gouine to approve the performance contract and the 2013 addendum to the exhibitor contract as presented between the Cheboygan County Fair Board and the International Rock and Wrestling Xperience, LLC for August 3rd, 2013 at the

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Fairgrounds and authorize a chairperson to sign. Motion carried with 6 yes, 0 no, 1 absent (Commissioner Matelski).

Administrator Lawson presented the County Building Boiler Replacement AIA Owner-Contract Agreement. Boiler replacement bids were sent out in November 2012. Bids were opened on February 25, 2013 at 1:00 p.m. with seven bids received. The confirmed low bid was received by John E. Green of Petoskey, MI in the amount of \$128,375. John E. Green has submitted all required review information to confirm their bid as well as the cost to obtain a performance and payment bond for the project. Commissioner Socha inquired as to what point in time that the performance and payment bond for the project are received. Administrator Lawson confirmed that they are received and verified at the beginning of the process approved by the architect. Commissioner Wallace inquired as to whether the new boilers are going to be natural gas and propane. Administrator Lawson confirmed that there will be a series of four new boilers which are all natural gas. Commissioner Wallace, on an aside, informed that at 9-1-1 the power generator uses natural gas, so extra propane was buried in the ground in case of a disaster as there may not be gas distribution. The Cheboygan County Building is a communication center for the Emergency Operations Center. Sheriff Dale Clarmont does not have concerns for backup fuel in that regard because if a state of emergency came to such a point that there would be various other resources available, i.e. generators. Commissioner Socha confirmed that the new boilers will be available to generator backup. Administrator Lawson confirmed that the generators will be set up such that it can get the boilers to ignite, and that in an emergency only a portion of the building would be serviced under generator power.

Motion by Commissioner Allor, seconded by Commissioner Gauthier to approve the AIA Owner-Contractor Agreement with John E. Green in the amount of \$128,375 for Boiler Replacement, authorizing necessary budget adjustments and authorizing the Chairperson to sign. Motion carried with 6 yes, 0 no, and 1 absent (Commissioner Matelski).

Administrator Lawson presented the County Building Boiler Room Asbestos Removal AIA Owner-Contractor Agreement. Asbestos removal bids were posted and sent to known asbestos removal companies. Bids were opened on March 27, 2013 at 2:10 p.m. with three bids received. The confirmed low bid was received by Trust Thermal Abatement Inc. of Owosso MI in the amount of \$5,800. Commissioner Redmond stated the John E. Green company was the company responsible for all of the construction in the Cheboygan Area Middle and High school.

Motion by Commissioner Wallace, seconded by Commissioner Redmond to approve the AIA Owner-Contractor Agreement with Trust Thermal Abatement in the amount of \$5,800 for asbestos removal, authorizing necessary budget adjustments and authorizing the Chairperson to sign. Motion carried with 6 yes, 0 no, and 1 absent (Commissioner Matelski).

Administrator Lawson presented the AIA Standard Agreement for Architect Services for Fairgrounds Midway restrooms. The County issued request for proposals from qualified architectural consultants to provide the County with preliminary design, construction design and project administration services for renovations to the Midway restrooms at the Fairgrounds. Three proposals were received from architectural firms. The low bid was received by The Architect Forum located in Mackinaw City, a Cheboygan County based firm. The agreement cost is \$2,100. Funds were appropriated in the 2013 budget.

Motion by Commissioner Redmond, seconded by Commissioner Allor to approve the AIA Document B101-2007 Standard Form Agreement in the amount of \$2,100 with The Architect Forum for architect services related to preliminary design, construction design and project administration for renovations to the Midway restrooms located at the Cheboygan County Fairgrounds and authorize the Chairperson to sign. Motion carried with 6 yes, 0 no, and 1 absent (Commissioner Matelski).

Administrator Lawson presented the Northern Star Broadcasting Advertising Agreement. Northern Star Broadcasting has offered to produce and air a number of 30 second and 60 second advertisements promoting Cheboygan County's Great Up North website during the time of the agreement in exchange for

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the County to provide advertising space in the Great Up North website promoting Northern Star Broadcasting radio stations over the term of the agreement. There is no financial impact.

Motion by Commissioner Gouine, seconded by Commissioner Gauthier to approve the three year advertising agreement with Northern Star Broadcasting LLC from April 10, 2013 through April 10, 2016 and authorize the Chairperson to sign. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

Director of Finance Kari Kortz presented the 53rd Circuit Family Court legal files purchase. The 53rd Circuit Family Court is in need of legal files that hold all legal documents filed in each individual case. The request is for juvenile case files. The Court did not anticipate needing folders at this time, and they did not realize how low the supply of files had gotten. Therefore, the Court did not request a budget appropriation for files in the 2013 budget. The Court has not ordered a supply of the juvenile case files in eight years. The Court is requesting an additional appropriation in the amount of \$2,000. The Court does not have any contingency funds regarding available.

Motion by Commissioner Redmond, seconded by Commissioner Wallace to approve the additional appropriation for \$2,000 for 53rd Circuit Family Court juvenile case files and the necessary budget adjustment. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

Administrator Lawson presented the Reid Building Lease Addendum for North Country Community Mental Health. North Country Community Mental Health (NCCMH) is requesting an addendum to the Reid Building Lease to comply with Federal Circular A87. The circular prevents NCCMH as the Lessee from making lease payments in amounts that exceed the County's cost attributed to the portion of the leased premises occupied by NCCMH. Cost allocation calculations are to be provided to NCCMH. No change in rent expected. Commissioner Allor inquired what the county would be charging for. Administrator Lawson stated that it would be fixed costs such as utilities, maintenance as well as forecasted depreciation and debt that would be built into the rent. With these calculations built in, the cost of the rental is cheaper than before the change.

Motion by Commissioner Redmond, seconded by Commissioner Allor to approve the first lease addendum to the Reid Building Lease with North Country Community Mental Health and authorize the Chairperson to sign. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

Administrator Lawson presented proposed Cheboygan County Internet Website Policy 400-3. The purpose of the policy is to establish regulations for the development, operation and administration of County websites and to ensure that County websites remain a non-public forum subject to the County's exclusive use and control. The purposes of the County's websites are as follows: (a) to provide a convenient and information-rich resource for residents, visitors, businesses, non-profit organizations, other public agencies, and schools to access their County government, (b) to provide information and resources that contributes to the health, safety and welfare of the citizens of and visitors to Cheboygan County, Michigan, (c) to contribute to the improvement of County services, foster economic development as well as promote Cheboygan County and enhance the sense of community within the County, (d) to establish and strengthen long-term partnerships between the County and individuals and entities in the public and private sectors where such partnerships further the public health, safety and welfare, (e) to provide information about the County and its local services in a manner that is as manageable, efficient and organized as possible. There is no financial impact. Commissioner Allor inquired regarding the use of internet "cookies" on the Cheboygan County website. Administrator Lawson confirmed that the internet "cookies" use is for the Cheboygan County website only so the County can glean how citizens use the County website only. Commissioner Socha informed the Commissioners that there may be benefit to looking into Cyber Insurance, as more and more information goes online, cyber security may be more necessary than before.

Motion by Commissioner Gauthier, seconded by Commissioner Wallace to approve the Cheboygan County Internet Website Policy 400-3, place policy within the Cheboygan County Policy Manual and

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authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no, 1 absent (Commissioner Matelski).

Commissioner Allor addressed the Monthly Finance Claims moved from the Consent Agenda. Specifically, Commissioner Allor questioned a check issued to Cheboygan Memorial Hospital (Check #151618) and how the County issues checks to non-existent entities. Commissioner Socha added that the bills previously issued by the Cheboygan Memorial Hospital may be enforced by a collection agency at this point in time. Commissioner Allor also questioned a check issued to Northern Michigan Independent (Check #151568) and the time frame that check covered. Director of Finance, Kari Kortz, stated that the check covers drug tests for January and February 2013. There were 206 tests administered in January, and 179 tests administered in February. Commissioner Allor inquired about the amount of money being paid to Eagle Village, a residential treatment center for troubled youth. Director of Finance, Kari Kortz stated that there is going to be general budget issues with child care across the board. There are state wards and in-county youth in really high dollar placements. Commissioner Socha commented regarding the high number of placements/abuse/parental termination that occurs in Cheboygan County. Ms. Kortz attributes some of the high rate to the depressed economic climate in the County.

Motion by Commissioner Allor, Commissioner Gouine to approve the monthly finance claims as presented, Finance = \$70,734.35 Prepaid = \$766,224.63. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

Commissioner Allor presented the Delta County Resolution for the Preservation of the Second Amendment, in hopes to have a similar resolution of support of the second amendment drafted for Cheboygan County. Commissioner Socha requested that it be placed on a future agenda in the form of a resolution for a board vote. Commissioner Allor stated that there is no timing issue. Commissioner Socha would like a similar resolution of support drafted and placed on the agenda for the May 14, 2013 Finance/Business meeting.

Commissioner Wallace stated that there is a Second Amendment rally at the Cheboygan Eagle's Club on April 15, 2013 at 7 p.m. with Sheriff Dale Clarmont as speaker. Sheriff Clarmont clarified by stating that he was approached by Tea Party representatives to give a presentation of the constitutional role of a Michigan Sheriff. Commissioner Gauthier questioned Sheriff Clarmont regarding what he feels is the opinion of law enforcement officials regarding reasonable regulation in response to recent Connecticut shootings. Sheriff Clarmont stated that he would assume that opinions regarding this are probably split down the middle. He stated that Michigan is unique in that Michigan has already implemented and uses certain regulations that are still being debated at the national level of government, i.e. universal background checks. Michigan is one of the more stringent states in the union regarding gun control. Sheriff Clarmont feels that if the laws that are in effect today are actually enforced at the State and Federal levels, that there would be a sufficient increase in protection. Sheriff Clarmont stated that one of the issues he would like to see fixed is the decrepit mental health system throughout the State of Michigan and in the United States. Additionally, Michigan already has "Constitutional" Sheriffs. When a Sheriff is sworn in in this State, they are sworn by the Constitution of the State and the United States.

Motion by Commissioner Allor, seconded by Commissioner Wallace to receive and file the Delta County Board of Commissioners Resolution for the Preservation of the Second Amendment. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Matelski).

CITIZENS COMMENTS – None

BOARD MEMBER COMMENTS

Commissioner Wallace commented regarding the dissatisfaction of certain businesses in Indian River that are having difficulty retrieving their liquor licenses. Commissioner Wallace would like the Board to prompt the State of Michigan officials responsible for issuing such licenses to do so. Commissioner Socha stated that the boards that should be doing the prompting are the Township Boards as they are the ones responsible for liquor control and licenses. Commissioner Allor has also heard some of the distain with

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the difficulty to get an appropriate license for distributing liquor. Commissioner Socha would like to see the township boards take action before the Board of Commissioners moved on it since the township boards have the contacts, clout and responsibility.

Commissioner Socha commended Chief Deputy Clerk/Register Amber Libby for a job well done while filling in for County Clerk Mary Ellen Tryban.

Motion by Commissioner Redmond, seconded by Commissioner Allor to go into closed session at the request of the County Administrator, Jeff Lawson, and employee of Cheboygan County, and pursuant to Section 8(a) of the Open Meetings Act, being MCL 15.268(a), to consider a periodic personnel evaluation of Mr. Lawson. A roll call vote was taken. Motion carried with 6 yes, 0 no, and 1 absent (Commissioner Matelski).

Commission Entered into Closed Session

Commission Returned to Open Session

Commissioner Matelski returned to the meeting.

Commissioner Redmond stated that the County Administrator's evaluation and analysis has been reviewed by the Board of Commissioners and the overall results of the analysis was that Administrator Lawson is doing a very good job in his position for Cheboygan County and its residents. Commissioner Socha confirmed that that is the consensus of the Board. Commissioner Socha stated that the evaluation also entails consideration for salary review. Commissioner Redmond stated that in general when an evaluation is completed, the salary and the length of the individual employment contract is reviewed. After speaking with Administrator Lawson, the Administrator has declined any increase in salary at this time. Currently, Cheboygan County employees are working without any increases and Administrator Lawson did not feel as though it was right for him to receive an increase due to the remaining staff compensation status. Administrator Lawson was appreciative of the consideration for a review in compensation, but he would like to postpone review of his own compensation until the remaining staff compensation is also being reviewed. Commissioner Redmond stated that if the County Administrator's employment agreement were to be extended for an additional three years, the new term could run through July 11th, 2017, since the current agreement does not expire until July 11, 2014. Commissioner Socha stated that there could be an addition in the form of an addendum to the contract that the salary of the County Administrator would be reviewed along with the annual salary/wage negotiations that take place for all three unions representing employees in Cheboygan County so that the salary is not stagnant for the renewed employment term, as the County Administrator is a contracted employee.

Motion by Commissioner Allor, seconded by Commissioner Gouine, to adjourn to the call of the Chair. Motion carried with 7 yes, 0 no and 0 absent. Meeting adjourned at 12:42 p.m.

Amber L. Libby
Cheboygan County Chief Deputy Clerk/Register

Linda Socha
Chairperson