

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
March 11, 2014**

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, Tony Matelski, John Wallace, and Sue Allor

Absent: None

Commissioner Socha requested a moment of silence in remembrance and memory of Commissioner Wallace's wife, Mary Kraywinkel, who recently passed away.

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

Commissioner Matelski requested for the removal of 5A *Approve Monthly Finance Claims*, 5G-3 *North Country Community Mental Health Minutes of 1/16/14*, 5G-4 *NEMCSA Minutes of 2/7/14*, and 5G-11 *Cheboygan City Council Minutes of 2/11/14* from Consent Agenda and move them under New Business on the Agenda.

Motion by Commissioner Allor, seconded by Commissioner Gouine, to approve the agenda as amended. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Matelski, 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. Top O Michigan Outboard Racing Club Request for Waiver of "No Wake"
- D. Amendment to 2014 Attorney Contract for Delinquency and Child Protection Proceedings
- E. Fairgrounds Event Agreements
 1. Animal Shelter
 2. Soil Conservation
 3. Relay for Life
- F. Correspondence:
 1. Bay County, Huron County, Livingston County and Oscoda County Resolutions in Support of County Revenue Sharing
 2. Bay County Resolution Re: Road Commission Funding
 3. Huron County Resolution in Opposition to HB 5210
 4. Huron County and Oscoda County Resolutions in Opposition to SB 552
 5. Huron County Resolution in Support of Convention to Amend U.S. Constitution
 6. Oceana County Resolution in Support of HB 5215
- G. Minutes:
 1. Finance/Business Meeting of February 11, 2014, and the Committee of the Whole Meeting of February 25, 2014
 2. Health Board – 1/21/14
 3. ~~North Country Community Mental Health – 1/16/14~~ (Moved to New Business)
 4. ~~NEMCSA – 2/7/14~~ (Moved to New Business)
 5. NMSAS – 11/4/13 & 1/6/14
 6. C.C.E. 9-1-1 Director's Report & Board Minutes – 1/15/14
 7. NLEA February-March 2014 Newsletter, February & March President's Report
 8. Cheboygan County Fair Board – 2/3/14
 9. Office of Emergency Management – 10/16/13

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10. Cheboygan County Road Commission – 2/6/14
11. Cheboygan City Council – 1/28/14 & ~~2/11/14~~ (Moved to New Business)
12. Planning Commission Meeting – 2/5/14, 2/12/14, 2/19/14
13. ZBA – 1/22/14

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

CITIZENS COMMENTS

Janet Vance, a citizen of Tuscarora Township, addressed the Board stating that she noticed backlash in the Cheboygan Tribune regarding the board's action concerning the Great Up North Initiative. Ms. Vance read a letter she prepared that she plans to submit as a letter to the editor in the Cheboygan Tribune and the Straitsland Resorter. The letter was regarding her support of this Board's action regarding the G.U.N. initiative. Ms. Vance stated that she appreciated the transparency.

Prosecuting Attorney Daryl Vizina addressed the Board regarding a negative comment against him made by Commissioner Matelski at the February 25, 2014 Committee of the Whole meeting after the prosecutor presented his department's annual report and had left the meeting. Mr. Vizina explained his concern with such comments being made regarding other elected officials when they are not in attendance. Discussion was held about the appropriateness of the setting and context. Commissioner Matelski stated he thinks the Prosecutor makes too much money.

Stephenie Jacobson, a citizen of Inverness Township, addressed the Board by stating she was present at the February 25th meeting and could see how Commissioner Matelski's comments were taken out of context to seem disparaging. Also, Ms. Jacobson stated that she still supports the action of the Board they took regarding the Great Up North initiative. She noted that the Cheboygan Tribune sponsored an online poll regarding the Board's decision on the Great Up North initiative and that 98% of those participating in the poll supported the Board's decision. Paula Paolino, a citizen of Burt Township, thanked the Board for its decision at the last meeting. Rory Reinke, a citizen of Aloha Township, stated he is concerned whether the Great Up North proposal to local governments is constitutional or legal under the act.

Commissioner Allor stated that with regard to the Great Up North initiative, a newspaper article indicated that this Board was not aware of what the Great Up North initiative is or what they hope to do. Commissioner Allor stated that Tom O'Hare gave a full presentation of the Great Up North initiative at an MTA meeting which several commissioners were present for. Commissioner Socha stated that it is a misconception that this Board does not know about or had exposure to the G.U.N. initiative. Commissioner Gauthier commented that whether or not it is appropriate for the Board to support non-profit organizations that are in line with the goals of the Board, that they do support the NLEA which is a non-profit organization. Commissioner Socha stated that the Board is legally a part of NLEA.

SCHEDULED VISITORS – None

FINANCE DIRECTOR'S REPORT

Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ending January 31, 2014. She reported total year-to-date revenue of \$147,336.66 or 1.3% of budget compared to \$165,658.60, or 1.6% of budget, last year as of the end of January. Ms. Kortz reported expenditures year-to-date of \$968,758.67, or 8.58% of budget, compared to \$788,174.09, or 7.51% of budget, last year as of the end of January. There is no cash report included because information is being prepared for the audit.

Finance Director Kari Kortz addressed several follow-up items from the February 25th, 2014 meeting which included a cost comparison for individual elected officials' salary/benefits costs, cost of current County Master Plan, hard drives on used copiers being traded in, and group life insurance policies for elected officials and that the policy amounts change with age. Legal counsel is going to be doing research

on elected officials' salaries and benefits changes during their term. The results of that research will be supplied to the Board Appointments & Procedures committee. Commissioner Socha commented on life insurance policies for the Board commissioners. Commissioner Matelski stated he is not in favor of paying more for life insurance and he would like to look into eliminating the life insurance policy for the County Commissioners.

ADMINISTRATOR'S REPORT

Administrator Lawson updated the Board on several projects. He stated that the website development project is near completion in design. The next phase will be to transfer and add content, which will begin in April, and once the basic content is migrated the site will be activated while work continues on developing new content areas. He reported that the Community Development department is working with the State of Michigan to complete a plan to do a review of the area and get input on where to focus Home Improvement Loan Program funding.

Commissioner Matelski asked how the State's focus on "place-making" will effect where the funds are allocated. Administrator Lawson stated that "place-making" is a requirement from the State of Michigan and an element of that is creating a centralized core where people would live and create a sense of place. He stated there are a lot of elements to "place-making", focused mainly on housing for this area at this time. The two areas that have been traditionally qualified for loans are the City of Cheboygan and the Village of Wolverine as they are areas with a more dense population and we need to determine a third area. Commissioner Gauthier asked when these new priorities for home loans will begin. Administrator Lawson stated that after July of this year the primary loans will be based on that plan.

COMMITTEE REPORTS

Commissioner Gauthier attended a Trailways meeting, two City Council meetings and a NEMCSA meeting. He clarified that the resolution that was passed by the City Council regarding the Great Up North initiative was to support the Great Up North Campaign in an amount to be determined.

Commissioner Gouine attended a Mullett Township meeting, an Inverness Township meeting, and a MTA meeting.

Commissioner Matelski attended three Planning Commission meetings, two Road Commission meetings, a Zoning Board of Appeals meeting, an Aloha, Waverly and Koehler Township meeting and an MTA meeting. Commissioner Matelski stated that at the Aloha Township meeting the Great Up North initiative was discussed. He reported that Aloha Township is committing \$2500 annually for three years to G.U.N and are upset that the County has declined to contribute. Commissioner Matelski commented about the availability of County maps. Administrator Lawson stated that County maps are being reprinted right now and there is a finite number of existing maps for distributing.

Commissioner Allor attended a Forest Township meeting, two Planning Commission meetings, a Cheboygan County Council on Aging meeting, a Wilmot Township meeting, a District No. 4 Health Board meeting and an Area Agency on Aging meeting. Both the CCCOA and the Area Agency on Aging meetings discussed the State of Michigan's proposal to increase funding for meals on wheels programs. Commissioner Allor stated that the Planning Commission meeting have been interesting, especially regarding the Griswold Mountain discussions. She reported that at the District No. 4 Health Board meeting there have been having discussions on cross district sharing of common resources with cost reduction in mind.

Commissioner Wallace reported that Tuscarora Township has awarded the bids for the sewer project to begin in the spring.

Commissioner Redmond attended a District No. 4 Health Board meeting, a Benton Township meeting, and a Fair Board meeting. Commissioner Redmond reminded everyone that the administrator evaluation forms are due by Friday, March 14th.

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Commissioner Socha attended Mackinaw and Hebron Township meetings. She Socha reported that there was a representative from Presque Isle Electric and Gas Co-op at the Hebron Township meeting. Commissioner Socha attended a special Straits Area Narcotics Enforcement meeting. S.A.N.E. is still sorting out equitable funding issues and team members. She reported that there have been changes in fiscal commitment to S.A.N.E. and costs associated.

OLD BUSINESS – None

NEW BUSINESS

Legal Counsel Bryan Graham presented Resolution 14-04 to Authorize the Conveyance of the Fairgrounds Property to Cheboygan County. Mr. Graham stated that the main parcel of the property was conveyed 1949 to the Cheboygan County Fair Association. He said the resolution was reviewed by a title company and the title company agreed that if the resolution was adopted by the County Board of Commissioners, and the Cheboygan County Fair Board, the Fair Board then could deed the property to the County of Cheboygan. Discussion was held.

Motion by Commissioner Gauthier, seconded by Commissioner Wallace to adopt Cheboygan County

Resolution No. 14-04

RESOLUTION OF THE BOARD FOR THE CORPORATION,
CHEBOYGAN COUNTY FAIR,
TO AUTHORIZE THE CONVEYANCE OF THE FAIRGROUND
PROPERTY TO CHEBOYGAN COUNTY

Recitals

- A. This Resolution concerns property situated in the City of Cheboygan, Cheboygan County, Michigan and described as:

The Point and Place of Beginning being the Section corner, common to Sections 5 and 6, T37N, R1W, and Sections 31 and 32, T38N, R1W; thence West on a North line of said Section 6, 996.5 feet; thence South 4^o12' West (departure 92^o12' left) 935.00 feet to an iron marker; thence South 44^o East (departure 48^o17' left) 800 feet to iron marker; thence South 59^o20' East (departure 15^o10' left) 400 feet to an iron marker; thence South 84^o East (departure 23^o10' left) 69.6 feet to iron marker on east line of section; thence North 3^o12' on section line 1615 feet to point and place of beginning.

(This property will be referred to in this Resolution as the "Fairground Property.") B. On October 25,

1909 a group of 36 individuals incorporated the Cheboygan County Fair Association under the provisions of Chapter 157 of the Compiled Laws of 1897 Section 5953 and other sections of said chapter.

- C. Article II of the Articles of Association of the Cheboygan County Fair Association states as follows:

The business and object of the organization is to promote agricultural and horticulture in Cheboygan County, by holding a County fair annually; or as may be determined by its members or officers; to own grounds; erect buildings thereon; charge admission to grounds; sell memberships; offer and pay premiums etc.

- D. The reference to Section 5953 in the Articles of Association of the Cheboygan County Fair Association is a direct reference to Public Act 80 of 1855; MCL 453.231 et seq.

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E. MCL 453.232 provides in pertinent part:

Upon filing such articles of association, the persons who have signed the same, and their associates and successors shall become a body corporate by the name stated in such articles. No 2 societies shall assume the same name. By that corporate name the signers of the articles and their successors may have succession and shall be persons in law capable of suing and being sued, and they and their successors may have and use a common seal, which they may alter and change at pleasure, and they and their successors, by their corporate name, shall be capable of purchasing and holding, taking and receiving, by gift, devise or otherwise, exempt from taxation, real estate for the purpose of their incorporation; and they may make all necessary bylaws for the management of such societies not inconsistent with the laws of this state or of the United States. . . .

F. On April 8, 1966 the Association created in 1909 filed with the then Michigan Department of Commerce Articles of Revival and Extension of Association. These Articles provided, in part:

1. The name of the association is: NORTHERN MICHIGAN FAIR.

7. Its original Certificate of Association that was issued in 1909, and its period of existence then specified by the Michigan Constitution was for a period of thirty (30) years.

8. Its period of duration as provided in these Articles is "in perpetuity."

9. Through inadvertence or oversight, the officers of the association failed to affect an extension of its period of existence before the expiration thereof, and it has been the intention of the officers and directors of the association to continue the existence of such association.

G. On February 11, 1988 the NORTHERN MICHIGAN FAIR filed with the then Michigan Department of Commerce a Certificate of Amendment to the Articles of Incorporation in which the name of the Association was changed to the "Cheboygan County Fair."

H. According to the records of the Michigan Departments of Licensing and Regulatory Affairs, Bureau of Commercial Services, Corporation Division, the Cheboygan County Fair remains a corporation in good standing under the laws of the State of Michigan as of the date of this Resolution.

I. Independent of the corporate existence of the Cheboygan County Fair Association (created in 1909 and now known as the Cheboygan County Fair), on December 11, 1951 the then Cheboygan County Board of Supervisors (now known as the Cheboygan County Board of Commissioners) passed a motion adopting a recommendation from its Committee on County Affairs that provided for the establishment of an eleven member County Fair Board charged with the responsibility to "[p]romote and hold at the Fair Grounds located in the City of Cheboygan, an annual agricultural and 4-H Fair consistent with the agricultural and 4-H development of this county." The adopted recommendation also provided in part:

The Board of Supervisors, under its proper statutory authority, grants the Cheboygan County Fair Board the necessary authority, and directs the Fair Board to:

1. Be custodians of the real estate property now held in the name of the County, and commonly known as, the Cheboygan County Fair Grounds . . .

J. The Fairground Property was conveyed to the Cheboygan County Fair Association, pursuant to a warranty deed dated January 27, 1949, recorded at Liber 140, Page 194, Cheboygan County Records.

K. The Fairground Property, however, has never been conveyed to Cheboygan County. The last record title holder of the Fairground Property is the Cheboygan County Fair Association

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pursuant to the above warranty deed.

- L. In 2003 a question arose whether the Cheboygan County Fair Board acted as an independent corporation under Public Act 80 of 1855 or acted as a committee of Cheboygan County under Public Act 11 of 1929.
- M. Public Act 11 of 1929; MCL 46.151 et seq, authorizes the Board of Commissioners in counties where title to fairgrounds is held by the county to appoint a fair board to have control of the operation and management of the county fair.
- N. On March 9, 2004 the Cheboygan County Board of Commissioners adopted Resolution 04-010 in which the Cheboygan County Board of Commissioners and the Cheboygan County Fair Board amicably resolved the legal status of the Cheboygan County Fair Board by resolving that the Cheboygan County Fair Board would continue its operation as an Act 11 entity pursuant to Act 11 of the Public Acts of 1929.
- O. This Resolution is intended to document that the current corporation, Cheboygan County Fair, is the successor corporation to the Cheboygan County Fair Association, a corporation created in 1909, whose the current record owner of the Fairground Property.
- P. As the successor corporation to the Cheboygan County Fair Association, the Cheboygan County Fair has the legal authority to convey title to the Fairgrounds Property.
- Q. The current President and Secretary of the corporation, Cheboygan County Fair, are Chuck Robiadek and Lisa Duncan, respectively.
- R. This Resolution is also intended to document that as a county with the authority to create an Act 11 entity pursuant to Act 11 of the Public Acts of 1929, the Cheboygan County Board of Commissioners approves and authorizes the conveyance of the Fairground Property by the Cheboygan County Fair Board.

Resolution

NOW, THEREFORE, BE IT RESOLVED by both the Cheboygan County Board of Commissioners and by the Board for the corporation, Cheboygan County Fair, that title to the above described Fairground Property may be conveyed to Cheboygan County and that the President and Secretary of the corporation, Cheboygan County Fair, and the President and Secretary of the Act 11 entity known as the Cheboygan County Fair Board (who are the same individuals) are hereby authorized to sign a quit claim deed conveying the Fairground Property to Cheboygan County.

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

Motion by Commissioner Redmond, seconded by Commissioner Gauthier to proclaim April 2014 as Social Host Awareness Month for Cheboygan County. Commissioner Socha stated that townships also pass this resolution and post it in a public place. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented the vehicle bid award for Building Safety. Mr. Lawson stated that low bid was received from Fernelius and the recommendation is to award the bid to them.

Motion by Commissioner Matelski, seconded by Commissioner Wallace, to approve the purchase of a 2014 Jeep Patriot from Fernelius Auto Group in the amount of \$21,250.00 and authorize the necessary budget adjustments. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Matelski had requested the Monthly Finance Claims be removed from the Consent and asked a question about a monthly claim regarding an engineering charge. Finance Director Kari Kortz clarified that it is just a "pass-through" grant charge.

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Motion by Commissioner Matelski, seconded by Commissioner Guine, to approve the monthly finance claims as presented, Finance = \$44,930.10, Prepaid = \$807,066.56. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Matelski asked for clarification about the North Country Community Mental Health Board minutes from 1/16/14 that referenced “two types of Medicaid”. Finance Director Kari Kortz advised it is her impression that there are two levels within Medicaid program that have to do with income and contribution abilities.

Commissioner Matelski asked for more information about the NEMCSA minutes from 2/7/14 where there is mention of a “School Success Program” and how it has expanded to Cheboygan High School. Commissioner Gauthier commented that he knows the individual who is implementing that program locally but has not had a chance to speak with him yet. Commissioner Socha asked Commissioner Gauthier if he would be willing to bring forth more information on it. Commissioner Gauthier stated he would.

Commissioner Matelski stated his questions were answered regarding the City Council meeting minutes from 2/11/14.

Motion by Commissioner Matelski, seconded by Commissioner Allor, to receive and file the North Country Community Mental Health Minutes of January 16th, 2014, the NEMCSA Minutes of February 7th, 2014 and the Cheboygan City Council Minutes of February 11th, 2014. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS – None

BOARD MEMBER COMMENTS

Commissioner Wallace commented that the truancy age for high school students is increasing to eighteen and that the Cheboygan Community lost a valued member of the community, Pat Watson.

Commissioner Socha stated three letters of resignation were received recently and will be given to the Board Appointments and Procedures Committee to seek interested persons to fill the position. Civil Counsel Graham said successor cannot be appointed until this Board accepts the letters of resignation. The matter will be placed on the agenda for the April Finance and Business meeting.

Commissioner Socha said she would like the Board Appointments and Procedures to look into developing of Code of Ethics for Conflict of Interests for unappointed Boards.

Motion by Commissioner Matelski, seconded by Commissioner Redmond, to adjourn to the call of the Chair. Motion carried with 7 yes, 0 no and 0 absent. Meeting adjourned at 11:35 a.m.

Mary Ellen Tryban
County Clerk/Registrar

Linda Socha
Chairperson