

CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
Finance/Business Meeting May 9, 2017

The Finance/Business Meeting of the Cheboygan County Board of Commissioners was called to order in the Commissioners Room by Commissioner Brown at 9:30 a.m.

Roll called and a quorum present.

Present: Commissioner Chris Brown, Richard Sangster, Michael Newman, Cal Gouine, John Wallace and Robert Bolinger.

Absent: Commissioner Matelski (Excused)

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

Motion by Commissioner Wallace, seconded by Commissioner Bolinger to approve the agenda. Motion carried with 6 yes, 0 no and 1 absent.

Motion by Commissioner Sangster, seconded by Commissioner Bolinger, to approve the consent agenda as follows:

- A. Approve Monthly Finance Claims (Finance Total = \$0; Prepaid Total = \$990,081.49.)
- B. Budget Adjustments as follows:
 - 2017 Raise Revenue/Expenditures
 - 1. Fund 101 Total Budget Increase of \$8,818
- C. Fairground Usage Agreement
 - 1. Cheboygan County Riders (Weekend Events)
 - 2. Cheboygan County Riders (Practice Dates)
- D. Cheboygan County Fair – Thumb Tractor Pulling Association, Inc.
- E. School Inspector Delegation Request – Cheboygan Area Schools
- F. MDOT Contract 2017-0032/P1/R1
- G. Correspondence
 - 1. Cheboygan County Road Commission 2016 Annual Financial Report
 - 2. NEMCOG Regional Project Review April 2017
- H. Minutes:
 - 1. Finance/Business Meeting of April 11, 2017 and Committee of the Whole/Board Planning Session of April 25, 2017
 - 2. ZBA – 3/22/17
 - 3. Planning Commission Minutes – 4/5/17 & 4/19/17
 - 4. District #4 Health Department – 3/21/17
 - 5. City Council Minutes – 3/28/17 & 4/11/17
 - 6. County Road Commission Minutes – 4/6/17
 - 7. NEMSCA – 4/7/17

A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Citizens Comments- Carl Muscott commented on the invocation which stated, “making wise decisions”. During his years of business, he has been involved in lease agreements, purchase agreements, land contracts, and all kind of things like that. He stated he would not look at the Waterways agreement with a \$400,000 match from the DNR.

President of Beaugrand Estates Association, Toni Linn questioned when the short – term rental agreement would be brought before the Board of Commissioners. Administrator Lawson stated that he had not received the language from Community Development to date. If he received it within the next couple of weeks, it would be placed on the agenda for the June Finance/Business meeting. Commissioner Brown stated that there were two bills introduced in the House and Senate right now. Ms. Linn stated that many of the people that she has spoken with were against it. This was based on their experiences, where they have had problems with people who were violating their own ordinances such as renting their houses on a weekly basis and violating their Articles of Incorporation. The problems were numerous including trespassing, stealing fire wood and parties being held late at night when working people had to get up the next day. They wanted to be able to express their point of view. It was understood that they were a small subdivision and didn't represent the entire county, but was coming to the Board on their point of view. She asked the Board if they would consider having their meetings at 7:00 P.M.

Scheduled Visitors - None

Finance Director's Report

Finance Director Kari Kortz presented the General Fund Revenue and Expenditure Report for March 31, 2017. She reported total year-to-date revenue of \$1,053,862.88, or 8.70% of the budget, compared to \$968,730.28 or 8.17% of the budget last year at the same time. She also reported on the total year-to-date expenditures of \$2,441,652.48, or 20.16% of budget, compared to \$2,431,577.38 or 20.51% last year as of the end of March. Discussion held on the County Fair funding and record keeping. Also Cash Summary by Fund Cash and Investment Report for March 2017 would not be presented until all the 2016 adjusting entries were posted, as cash balances could be affected. An explanation of the Quarterly Fund Balance Report for Cheboygan County as of 3/31/2017 and the summarization of all budget adjustments posted from December 31, 2016 through March 31, 2017 were given. She reported the year-to-date revenues of \$6,325,535, year-to-date expenditures of \$5,327,917, year-to-date fund balance of \$23,722,941 and a net change in fund balances of \$997,618. Ms. Kortz stated that the Auditors completed their audit last week and she was wrapping up a few things, and that the financial statement should be presented at the June meeting. Commissioner Brown thanked her for her excellent work.

Administrator's Report

Administrator Lawson continued on the County Fair discussion regarding funding. He reported that he wanted to talk with the Fair Board during the budget process so that when events were planned, these would be programmed into the budget with the first mission of breaking even on the events. The Rodeo was scheduled at a different time of the year, which brought in higher proceeds versus being held during Fair week. These were issues that would be talked about. In meeting with them, they would go over projects in the future, talk about maintenance level type of improvements, and long term capital improvements. It was difficult when the Fair Board sees the allocated costs moving, but every department in the county or any large organizations have to track these costs. They would like to break even on the events, but they don't want them to be discouraged if they cannot meet that mark. He reported that the Fairground facility wasn't being utilized to its fullest and they want to maintain those partnerships with the Fair Board or any other groups that was invested in the Fairgrounds to keep things going .

Administrator Lawson reported on the Jail Expansion – Storage Project. He stated that pursuant to the discussion from the Board of Commissioners work session, staff was requesting authorization to prepare an RFP to request firms to provide a bid to complete the final architectural and engineering plans for the construction.

Motion by Commissioner Sangster seconded by Commissioner Wallace to authorize Administrator Lawson to prepare an RFP to request firms to provide a bid to complete the final architectural and engineering plans for the construction of the Jail Expansion – Storage Project. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson reported that on the matter of the PUD Zoning Amendment, the Planning Commission would soon be reviewing proposed amendments at a June meeting. The staff was preparing two revisions for consideration. One version would require find PUD approve by the Planning Commission and one version would require final approve by the Board of Commissioners. Once a recommendation was provided by the Planning Commission, both language revision formats would be provided to the Board of Commissioners for consideration.

Administrator Lawson reported on the Circuit Court grant applications. He stated that the Circuit Court was currently preparing grant applications under three State programs. Two of the grant applications, MDCGP and the Edward Byrne Memorial Justice Assistant Grants, had been applied for in the past and were to pursue funding to support the Drug Court. The third grant application, Swift and Sure Sanctions Probation Program Grant provided supplies funding toward intensive probation supervision program that targets felony offenders with a history of probation violations. Due to the grant submittal deadline, the applications would be placed on the Commissioner's May 23rd agenda for action.

Committee Reports

Commissioner Sangster attended a NEMSCA meeting last week. He reported that out of 83 counties in the State, Cheboygan was the 82nd highest unemployed county. He found this interesting as well as troubling as they continue to develop growth and talk about a lot of issues. Unemployment was a big one and poverty continues to trend in that direction.

Commissioner Gouine attended a Fair Board meeting, Planning Commission meeting and a Inverness Township meeting. He reported that Meijer was still planning on coming into the county.

Commissioner Newman attended a Cheboygan County Council on Aging meeting where they were working on getting a new sign at the junction, a Northern Michigan County Association Meeting where they had quite the discussion on the taxes veterans were not required to pay and about the State reimbursing the counties for the lost revenue, a District #4 Health Board meeting, a Region #9 Council on Aging, a North County Community Mental Health Board meeting, Fair Board meeting, Benton Township meeting and a CCE 911 Board Meeting.

Commissioner Wallace attended his normal committee meetings, a Northeast MI Consortium, and a CCE 911 Board meeting where there was continued discussion on replacing the radio system to the 800 MHz and how it was going to be funded. Also he attended the Northern Michigan Regional Entity meeting, which was the group that allocations monies to the Substance Abuse Treatment Education and Services. He reported that half of the liquor tax monies went to them and they keep the other half. The liquor tax money that was collected had to be spent in the county that it came from. To date, the liquor tax fund in Cheboygan County totaled \$210,000. A May 2017 Michigan Works Newsletter was handed out.

Commissioner Brown attended a Beaugrand Township meeting, a Burt Township meeting, a Mackinaw Township meeting, a Village of Mackinaw meeting, a Planning Commission meeting, LEPC/LPT meeting and a Tri-County Office Emergency Management meeting. At the Planning Commission meeting there was interesting discussion held on the short-term rental agreement and items from the solid waste management plan.

Old Business – None

New Business

Administrator Lawson stated pursuant to our succession and restructuring plan for the Equalization Department, Ms. Zabik had obtained her Michigan Advanced Assessing Office certification and could now hold the position of Equalization Director for the County of Cheboygan. Ms Eaton was officially retired from the position of Cheboygan County Equalization Director with the appointment of Ms. Zabik. The position has a

salary of \$63,000 plus benefits. This salary was the average amount the salaries of the other comparables minus Emmet County. Emmet County has a higher level of authorization needed for equalization. That was the competitive mark for their comparable counties. She does do some other assessing work for several other units. There had been other equalization directors in the past who have worked for the county and also assessed for other entities as well.

Motion by Commissioner Newman, seconded by Commissioner Bolinger to approve the employment agreement with and appoint Elizabeth Zabik as Equalization Director. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson presented the 2017 Salary & Wage Resolution – Non-Union General Employees #16-021 – Amendment #3 – Equalization. Ms. Zabik's current position as Deputy Equalization Director would not be filled. The Department had also had a retirement at the Senior Property Appraiser position. Staff was recommending that the Senior Property Appraiser Position not be refilled and that two 40 hour per week Property Appraiser position be funded for the department allowing for the promotion of the Clerk II position to a Property Appraiser Position. It was recommended that the Clerk II position not be refilled. The county has also moved its Geographic Information System specialist into the Equalization Department, although she was still a part of the Community Development. This employee also has her second level assessing license so she was able to work closely with the staff and answer questions from the public. This has created good staff camaraderie and was a good move for the department and the public. The financial impact would be a savings from moving from the current structure to the proposed structure as follows: Annually - \$23,233.60 wage, \$10,961.77 fringe, total \$34,195.37.

Motion by Commissioner Wallace, seconded by Commissioner Bolinger to adopt Amendment #3 to the 2017 Salary and Wage Resolution – Non-Union Employee #16-021 to be effective May 10, 2017 and authorize the Vice-Chair to sign and approve the necessary budget adjustments. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Prosecuting Attorney Vizina presented the 2017 Wage and Salary Reduction #16-021 – Amendment #4 – Prosecutor's Office. Upon the retirement of Chief Assistant Prosecutor Anthony Damiano in the fall of 2016, Assistant Prosecutor Alfred Feleppa was promoted to the position of Chief Assistant Prosecutor and assumed the salary of this position. Prior to Tony's retirement, the Prosecutor's office interviewed candidates and Melissa Goodrich, who had been licensed to practice law in Michigan since 2003 and worked in both the Montmorency and Presque Isle County Prosecutor's Offices, was the top candidate. On August 12, 2016 relying on the 2016 Salary and Wage Resolution for Non-Union Employees approved on January 12, 2016, Melissa was offered the position with a starting annual salary of \$68,680 with health insurance and retirement plan and a 1% increase on January 1, 2017.

In January of 2017, Melissa Goodrich brought to the attention of the Office Manager and myself that she was not getting paid the amount agreed upon at the time of her hire. In researching the matter, he found that the Board had approved a second 2016 Salary and Wage Resolution on October 11, 2016 without informing the Office of Prosecuting Attorney that they had reduced the salary of Melissa Goodrich by \$680 annually. At no time was anything put into writing for Melissa Goodrich to acknowledge and accept other than the offer made by myself via text message on August 12, 2016 as agreed upon verbally with the County Administration. Ms. Goodrich deserves a salary commensurate to the requirements of her position. Retro Pay for 2016 - \$186 wage, \$29 fringe, total \$215. Amended Pay for 2017- \$687 wage, \$109 fringe, total \$796. 2017 Budget Adjustment - \$873 wage, \$138 fringe, total \$1,011.

Motion by Commissioner Sangster seconded by Commissioner Gouine to adopt Amendment #4 to the 2017 Salary and Wage Resolution – Non-Union General Employee #16-021 to be effective January 1, 2017, authorize the Vice-Chair to sign and approve the necessary budget adjustments (From 101-700 to 101-229 Totaling \$1,011). A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Finance Director Kari Kortz presented the 2017 Salary and Wage Resolution – Non – Union General Employees #16-021 - Amendment #5. Discussion was held at the Board Planning Session held on April 27, 2017 to place this on the agenda for consideration raising the hourly wage of the Administrative Assistant from \$19.21 to \$20.44 to provide for equity with internal comparable positions. The financial impact would be as follows: Annually - \$2,558.40 wage, \$650.16 fringe, total \$3,208.56. 2017 Budget Adjustment - \$1,604 wage, \$408 fringe, total \$2,012.

Motion by Commissioner Wallace, seconded by Commissioner Newman to adopt Amendment #5 to the 2017 Salary and Wage Resolution – Non-Union General Employee #16-021 to be effective May 10, 2017 and authorize the Vice-Chair to sign and approve the necessary budget adjustments (From 101-700 to 101-212 totaling \$2,012). A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Finance Director Kari Kortz presented the Purchasing Policy Revision – Sole Vendor Listing 300-2A. The revised copy of the Purchasing Policy previously adopted by the Cheboygan County Board of Commissioners included removing Swanson – Inmate Commissary Supplies and Services and adding Stellar Services - Inmate Commissary Supplies and Services for timely payments. This change makes for better cash management and they offered a wider range of commissary supplies.

Motion by Commissioner Newman , seconded by Commissioner Gouine to adopt the revised Sole Vendor Listing 300-2A, which was to become effective May 9, 2017. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson presented the Waterways Grant Agreement and Resolution #17-05 – Harbor and Docks - Mooring Construction. The County was awarded a \$400,000 grant for the replacement of fuel tanks, piping, sidewalks, landscaping, 50” ADA

gangway to pier and floating fuel dock area including fuel service building, fuel dispenser and pump out system. The financial impact of the grant would be to pay for 50% of engineering and contract cost for the estimated \$800,000 project up to \$400,000. The County was responsible for a minimum match of \$400,000. Commissioner Brown stated there was no competition for the fuel market on the lower part of the Cheboygan River for vessels. So it was vital if they were going to stay in the business, for fuel to be their main concern. Discussion held. 2017 Raise Revenue and Expenditures - total \$760,000.

Motion by Commissioner Newman, seconded by Commissioner Bolinger to adopt Resolution #17-05 approving Waterways Grant Agreement - Harbors and Docks – Mooring Construction with the State of Michigan authorizing the Vice-Chair to sign the Resolution - Grant Agreement and any future grant documents, and authorize all necessary budget adjustments (Fund 509 Total Budget Increase of \$760,000). A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson presented the amendment to the Public Defender's Contract. An amendment was necessary to substitute James L. Gilbert for Ronald J. Varga for the remainder of the agreement, which expires at the end of 2017. Discussion held on the change, terms of the agreement and the process of becoming a Public Defender.

Motion by Commissioner Sangster, seconded by Commissioner Wallace to approve the amendment to the 2015-2017 Cheboygan Public Defender Contract and authorize the Vice-Chair to sign. A roll vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Citizens Comments

Carl Muscott commended the County and the Fair Board because they have been trying to resolve these issues for years. The Cheboygan County Fair represents the rural feeling. He commended the Sheriff Department on the work program, which was running at a small deficit. He thought it was a great asset to the community and was working out well in Cheboygan County for many groups of people. It was a really worthy program. He cautioned the Board on moving ahead with the Waterways grant application because he didn't think that it was an essential service for the government to provide fuel service.

Board Member Comments

Commissioner Sangster commented that he was trying to learn something new and move on. One of the things he has been working on was trying to listen to understand and not to reply. He has been out and about talking with the citizens and he has not had any concerns regarding the marina. A matter of fact, he has had just the opposite. He stated that there have been some interesting stories that have come from the marina. Yes, they have less attendance in several, but those people have purchased homes on the river. They were wondering now if they would have been cheaper to rent

a boat slip rather than what they were paying for property taxes to dock their boat in front of their houses. Several of the people who have come to the marina have several million dollars invested. He stated that they were in the game now and cannot stop at this point to let the marina become dilapidated because this was the first thing visitors see when coming into the river.

Commissioner Brown commented on the marina. He also has had input from many constituents within the county who stated that it was an asset and more want it verse those that don't. Michigan Harbors of this nature were run by the government and were just like airports where they were in charge of taking care of them.

Motion by Commissioner Wallace, seconded by Commissioner Newman, to adjourn to the call of the Chair. Motion carried with 6 yes, 0 no and 1 absent. Meeting adjourned at 10:59 a.m.

Karen L. Brewster
Cheboygan County Clerk/Register

Chris Brown
Vice Chairperson Board of Commissioners