

**COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
August 14, 2018**

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

Roll called and a quorum present

Present: Commissioners Karen Johnson, Richard Sangster, Michael Newman, Cal Gouine, Roberta Matelski, John Wallace, and Robert Bolinger.

Absent: None

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

Motion by Commissioner Bolinger, seconded by Commissioner Sangster, to approve the agenda as presented. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gouine, second by Commissioner Bolinger, to approve the consent agenda as follows:

- A. Approve Monthly Finance Claims (Finance Total = \$222,122.10; Prepaid Total = \$1,195,201.03).
- B. Budget Adjustments as follows:
 - 2018 Raise Revenue and Expenditures
 - 1) Fund 101 Total Budget Increase of \$14,500
 - 2018 Payroll Inter-budget Transfer
 - 1) From 588-599 to 588-599 Totaling \$5,000
- C. Investment Report
- D. Crime Victim Rights FY 2019 Grant Application
- E. Secondary Road Patrol Grant
- F. Straits Regional Ride – COP-ESD Rogers City to Onaway School Contract 2018 -19 School Year
- G. Correspondence
 1. Bay County Resolution in Opposition to HB 6049 and SB 1025
 2. Huron County Resolution Banning Baiting and the Sale of Bait
 3. Huron County Resolution in Opposition to SB 1031
 4. Kalkaska Resolution Opposing SB 1031
 5. Leelanau County Resolution in Opposition of SB 1031
 6. Marquette Letter of Support amending the State Constitution to create an Independent Citizens Redistricting Commission
 7. Mecosta County Resolution in Opposition to HB 6049 and SB 1025
 8. Otsego County Resolution Opposing the Legalization of Marijuana for Independent Citizens Redistricting Commission
 9. Sanilac County Resolution Opposing SB 1031
 10. Washtenaw County Resolution Opposing Extraction of MI Waters by Nestle and Banning the Purchase of Nestle Brand Bottled Water
 11. NLEA President's Report – July 2018
 12. A. Department of Treasury's Request for Improvement of Deficiencies-Corrective Action Plan - SRR

H. B. County's Response to Department of Treasury's Request
Minutes:

1. Finance/Business Meeting of July 10, 2018
2. Fair Board – 6/4/18
3. District Health Department #4 – 6/19/18
4. Cheboygan City Council – 6/26/18 & 7/10/18
5. NEMCSA – 6/1/18
6. Planning Commission Meeting – 6/20/18, 6/26/18 & 7/11/18
7. ZBA – 3/28/18, 4/25/18, 5/29/18 & 6/27/18

CITIZENS COMMENTS

Roger Nash citizen of Waverly Township addressed an incident that occurred with the Cheboygan County Fair Manager, Dan O'Henley during Fair Week. Commissioner Wallace suggested that he meet with the County Administrator to discuss this matter.

Wendy Dixon citizen of Tuscarora Township addressed the Cheboygan Dam issue. She displayed a map of the watershed and stated that she has met with Drain Commissioner Cam Cavitt and Administrator Jeff Lawson with her concerns about flooding and water levels of the lakes. Administrator stated that there was a meeting scheduled for tomorrow at 11 a.m. with the DNR. She asked the Board to please review the letter that she submitted.

SCHEDULED VISITORS - None

Finance Director's Report

Finance Director James Manko presented the Revenue and Expenditure Report for the General Fund for the month ending June 30, 2018. He reported total year-to-date revenue of \$2,008,903.35, or 12.75% of the budget, compared to \$2,271,722.21, or 18.68% of the budget last year at this same time. He reviewed each line item number that was fluctuating greater than \$10,000. Mr. Manko reported expenditures year-to-date of \$ 5,495,584.86 or 34.88% of the budget, compared to \$5,457,055.43 or 44.87%, last year as of the end of June 2017. He reviewed each department that was fluctuating less than \$17,000. Mr. Manko reported on the Cash Summary by Fund Cash for June 2018, which totaled \$19,132,952.67. An explanation of the deficit balance accounts was given. The Quarterly Fund Balance Report as of June 30, 2018 was given with a beginning balance of \$23,515,914 and a year-to-date fund balance of \$22,837.647. An explanation of the deficit balance accounts was given. Mr. Manko reported on the Summary of Expenses by Category for June 30, 2018. Summary of Budget Adjustments posted from January 1, 2018 through June 30, 2018 will be presented at the September 11, 2018 Board of Commissioner's Meeting.

Administrator's Report

Administrator Jeff Lawson gave an update on the Gold Front/Gold Dust Demolition of Buildings. He stated the contractor is currently completing the lot restoration as well as grouting the remaining portions of the north and south walls for weatherization. The tops of the remaining walls will be covered with material to weatherize. Once the wall grouting and capping have been completed, Quit Claim Deeds will be prepared to reset the property lines along the walls to place ownership to adjacent property owners. The north property owner has identified that their intent is to side the walls over the next year. The County will be

seeking quotes to paint the south wall. Cost associated with grouting, patching, painting and weatherizing will come from the Treasurer's Tax Foreclosure Fund.

Administrator Jeff Lawson gave an update on the Solid Waste Plan Amendment. Staff has discussed the County's intent to amend the solid waste plan with the DEQ. The State has identified that they are currently working on new plan standards, but do not anticipate that the standards will be implemented for the next three (3) years. Staff will secure a quote from NEMCOG as the Designated Planning Agency to provide assistance to complete the plan amendment.

Administrator Jeff Lawson gave an update on Straits Regional Ride stating the staff is currently working with Emmet County staff to develop a draft agreement for review and approve for route expansion in Emmet County to launch in 2019. Route expansion costs will be paid for by Emmet County contributions as well as state and federal transit match reimbursements. Staff will submit an amendment to the Straits Regional Ride's transit budget for 2019 with the State of Michigan by mid-August to plan for the route extensions.

Administrator Jeff Lawson gave an update on the Planning Commission. Legal Counsel is currently reviewing the solar regulation language prior to the Planning Commission setting a public hearing for language consideration.

Administrator Jeff Lawson gave an update on the City of Cheboygan and the Inverness Township. In July, staff met with the City and Township Representatives to review and discuss specific information on the sewer agreement and areas of change. He believed that they were working on this at this point and time. City Council has voted to bill the township sewer customers in October for operation and maintenance. He would be working with legal counsel for information on the contracts because the County was a party to the original sewer agreement and there were several amendments the County would have to also approve any amendments.

Administrator Jeff Lawson gave an update on the Jail Project stating the contractor is currently starting work on the roof of the addition as well as completing the final block wall sections. Internal work on cell areas area is under construction in various areas of the jail. Staff is working with the architect and contractor on a change order to relocate the new control room area within the jail. This area does not provide visual access to the jail area for the employee stationed there to operate the jail cameras and control systems while also being able to process bookings. This area would require two employees to be stationed where only one would be needed in the control room if moved to the current booking area. This will require a block wall construction as well as security glass to be installed.

Administrator Jeff Lawson gave an update on the storage building stating the contractor has received the steel shipment. Installation of the steel and the utilities are being worked. The architect has provided the contractor with a revised drainage plan for the drive approaches to the building. This plan will be reviewed with the paving contractor. Discussion was held on the drainage plan and any legal action needed in the future.

Administrator Jeff Lawson gave an update on the Animal Shelter. Requests for proposals are currently available to complete the remodeling in the final kennel area as well as a separate proposal to install mechanical equipment for a heating and cooling system.

Administrator Jeff Lawson gave an update on the Solar System Agreement. Planning Commission would have to notice for the fifteen (15) days out for the Public Hearing. This could possibly happen sometime in September. Legal Counsel, Bryan Graham stated that he should have his review done later this week or early next week. Unless there were significant issues, it would be brought back to the Board sometime in October.

COMMITTEE REPORTS

Commissioner Sangster stated that Alcona Health was celebrating their 40th Anniversary in the health care business. He attended a NEMSCA Meeting, where they were looking at and researching getting into some housing.

Commissioner Gouine attended a Zoning Board of Appeals Meeting.

Commissioner Newman attended several meetings last month including a SANE Meeting.

Commissioner Matelski attended several Township Meetings, a Planning Commission Meeting and an MTA Meeting.

Commissioner Johnson attended a Planning Commission and an Airport Authority Board Meeting. At the Planning Commission Meeting the members made a motion to come to the Board of Commissioners for the hiring of an Enforcement Officer for the Planning and Zoning Department. This would be someone solely for that position and not someone that would be utilized in numerous departments. At the Airport Authority Board Meeting, capital improvement projects were high on their priority list and the updating of lighting. Also the SRE Building was moving forward.

Commissioner Wallace commented on the hand out of the CCE Central Dispatch June 2018 CADS events for Cheboygan County.

OLD BUSINESS

Administrator Jeff Lawson presented the Resolution in opposition to HB 6049 and SB 1025 concerning the restructuring of the tax assessing qualifications, process and boundaries of local assessing units. A letter was submitted a couple months ago to the State in opposition and today there is a meeting being held in Gaylord concerning this topic and he hoped to get some feedback.

Motion by Commissioner Johnson, seconded by Commissioner Bolinger, to adopt

RESOLUTION 18-11

IN OPPOSITION TO HB 6049 and SB 1025

WHEREAS, House Bill (HB) 6049 and Senate Bill (SB) 1025 seeks to completely restructure the tax assessing qualifications, process and boundaries of local assessing units in Michigan; and

WHEREAS, HB 6049/SB 1025 will impose a huge financial burden on Cheboygan County as well as Michigan's other counties and local units because its mandates will require increased staffing levels and office space while providing a woefully inadequate 1% administrative fee and undefined "start-up funding" to compensate the counties and other local units for the drastic expenses that will surely accompany the new mandates; and

WHEREAS, HB 6049/SB 1025 will put Cheboygan County at odds with its local townships by

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requiring us to take the 1% administration fee from the local units to pay for our increased costs; and

WHEREAS, HB 6049/SB 1025 changes the manner in which local boards of review (BOR) are conducted. By putting specialized BORs at the county level, HB 6049/SB 1025 has the potential to strip elected township supervisors and local assessing units of control over the tax assessing process, depriving them of the ability to account for unique conditions and values unknown to county-wide, regional and/or statewide assessing units but well known in the local units; and

WHEREAS, HB 6049/SB 1025 appears to have been designed without any input from existing assessors or their associations and the previous drafts were not made public to the counties and townships directly affected by its sweeping changes until nearly ready for introduction into the Michigan Legislature. In this context, it is difficult to view HB 6049/SB 1025 as anything other than a power grab generating from Lansing; and

WHEREAS, there are no guarantees that quality education will be available locally or even regionally to allow for the increased certification levels imposed by HB 6049/SB 1025; and

WHEREAS, HB 6049/SB 1025's proposed levels of certification for assessors will not achieve the results that are being sought. The real problem is bad assessors, not their levels of certification. The solution lies in better policing of assessors by the State Tax Commission, not simply imposing increased educational requirements that may be impossible to achieve and that do nothing to weed out the bad actors; and

WHEREAS, Cheboygan County views HB 6049/SB 1025 in its current form as an unconstitutional unfunded mandate which does little or nothing to accomplish its stated goals.

NOW, THEREFORE, BE IT RESOLVED, that the Cheboygan County Board of Commissioners hereby opposes HB 6049/SB 1025 and asks that it be withdrawn from consideration until the funding issues and other problems identified above can be properly addressed.

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

NEW BUSINESS

Finance Director James Manko presented the 2018 Salary & Wage Resolution – Non-General Employees #17-009 - Amendment #6. With the new COPESD contract beginning in September, SRR will need to increase staff by adding one new bus driver and one bus transportation monitor to meet its obligation from September 1, 2018 to December 31, 2018. The wage for a full time bus driver pay is \$14.36 per hour and full time bus transportation monitor is \$11.25 per hour.

Motion by Commissioner Sangster, seconded by Commissioner Gouine, to approve the hiring of a new bus driver and bus transportation monitor for the new COPESD contract at an addition cost in wage and fringe of \$19,297. Also, Adopt Amendment #6 to the 2018 Salary and Wage Resolution – Non-Union General Employee #17-009 to be effective August 15, 2018, authorize any necessary budget adjustments and authorize the Chair to sign.

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

Straits Regional Ride Transportation Director Michael Couture presented the COP-ESD Afton/Tower to Onaway School Contract 2018/2019 School Year. This is to provide one Bus with Aide and Driver to transport children from Afton/Tower to Onaway classroom in the morning by 8:00 a.m. and return in the afternoon after school at 2:45 P.M. This contract was written and reviewed by Legal Counsel.

Motion by Commissioner Gouine, seconded by Commissioner Newman, to approve the Afton/Tower to Onaway School contract in the amount of \$71,550.88 per year to be paid in

quarterly installments of \$17,887,72, authorize the Chair to sign and approve any necessary budget adjustments to the SRR budget.

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

Straits Regional Ride Transportation Director Michael Couture presented the MDOT Contract 2017-0032/P6 Purchase of Plow Truck for Straits Regional Ride. The 5311 Rural Task Force capital grant for the purchase of a 2500 series regular cab pickup truck with 8 foot box, V-8 engine and 8 foot western v-plow from the Rural Task Force Funds. SRR will receive \$28,000 Federal and \$7,000 State for a total cost of \$35,000. This will be added to the SRR maintenance equipment line item in PTMS and have straight line depreciation for 60 months. Discussion was held.

Motion by Commissioner Newman, seconded by Commissioner Gouine, to approve the MDOT Contract 2017-0032/P6 for the purchase of a maintenance plow truck for SRR and to approve any necessary budget adjustments to SRR's budget.

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

Straits Regional Ride Transportation Director Michael Couture presented the M-DOT Contract 2017-032/P8 from funding source 2018/8870/1120. This is a 100% State funded contract to provide SRR with one (1) bus up to 30 feet. This is a fourteen (14) seat bus, which would maneuver better in a congested area.

Motion by Commissioner Sangster, seconded by Commissioner Gouine, to approve the purchase of a bus for SRR and approve any necessary budget adjustments and authorize the Chair to sign.

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

NLEA Community Director Janet Koch presented the City of Cheboygan's Establishment of a Commercial Rehabilitation District. On July 24, 2018, the City of Cheboygan approved resolutions to establish two tax abatement districts, a Commercial Rehabilitation District under Public Act 2019 of 2005 and a Commercial Redevelopment District under Public Act 255 of 1978. The boundaries of both districts are the legal boundaries of the City's Downtown Development Authority (DDA).

The intent of both PA 210 and PA 255 is to incentivize growth through an abatement of property taxes for a defined period of time (PA 210 = up to 10 years, PA 255 = up to 12 years). The two types of tax abatement districts also function similarly; both require the property owner to submit a tax abatement application to the City, and if the City approves it, the application is sent to the State Tax Commission.

Taxable Values are frozen from 1-10 years for each parcel that is issued a certificate. The benefit for the property owner is to have a frozen taxable value so taxes are not increasing year to year as the property transforms. The DDS's captured value is the difference between the taxable value and the base value so it should remain constant.

If the parcel qualified for a "Restored Facility" the millage calculates by 100% on the frozen taxable value (current year's TV & 50% millage levied) so the DDA and the County would continue to receive the same tax dollars as the prior years.

If the parcel qualifies for “New or Replacement Facility” the millage calculates by 50% on the frozen taxable value (current years TV 50% millage levied) so the DDA and the County would receive 50% less tax dollars than prior years. Only State Education Tax would be calculated at 100% the millage rate.

Under PA 210 of 2005, the County can by resolution of the County Board of Commissioner reject the establishment of a district, but cannot reject under PA 255 of 1978.

The City of Cheboygan is requesting the Board of Commissioners to approve the establishment of the City of Cheboygan Commercial Rehabilitation District under PA 210 of 2005.

Motion by Commissioner Sangster, seconded by Commissioner Johnson, to approve the City of Cheboygan’s request to establish a Commercial Rehabilitation District under the Commercial Rehabilitation Act 210 of 2005.

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

BOARD MATTERS FOR DISCUSSION - None

CITIZENS COMMENTS - None

BOARD MEMBERS COMMENTS

Commissioner Newman addressed the recall with Inverness Township and asked the County Clerk for an update. County Clerk Karen Brewster stated that the Inverness recall was moving forward and she outlined the process. He also addressed the repair at the Veteran’s Memorial Park.

Commissioner Gouine addressed the District Health Department #4 being overwhelmed with telephone calls and inspections. He brought it up the Board and they were going to try to get someone from Atlanta or Rogers City to fill in. He asked for the Board of Commissioners to send a letter requesting another person for a floater or a part-time inspector for this area. While in the building, he noticed a lot of loose ends from the construction project. Administrator Lawson stated that the County was trying to do the work, but if maintenance does not have the time, then an RFP will be sent out to have the work completed. Commissioner Gouine stated that he has been hearing a lot of complaints from the fish cleaning station at the marina.

Motion by Commissioner Gouine, seconded by Commissioner Sangster, to send a letter to the District Health Department #4 to hire more staffing. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Sangster addressed the Cheboygan County Marine improvement issues. Also he has had several concerns brought to him about the front of the County Building. These are issues that the Board has talked about and there definitely needs to be something done.

Commissioner Wallace stated that he has been talking to the County Administrator about scheduling another half day of the Planning Session on the topics that were not finished in the next month.

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Motion by Commissioner Sangster, seconded by Commissioner Bolinger, to adjourn to the call of the Chair. Motion carried with 7 yes, 0 no and 0 absent. Meeting adjourned at 11:18 a.m.

Karen L. Brewster
Cheboygan County Clerk/Register

John B. Wallace
Chairperson