

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
NOVEMBER 10, 2015**

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

Roll called and a quorum present.

Present: Commissioners Bruce Gauthier, Pete Redmond, Cal Gouine, Tony Matelski, John Wallace, and Sue Allor.

Absent: Commissioner Chris Brown

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

Public hearing opened at 9:31 AM

Administrator Lawson explained the public hearing gives notice of the Michigan Community Development Block Grant received by the Cheboygan County Road Commission awarded for the urgent need funding. The grant is for culvert replacement which occurred as result of the 2013-2014 winter "deep freeze". The Road Commission received \$15,094.33 in grant funding and Cheboygan County is fiduciary agent for the Road Commission. Administrator Lawson stated that the grant will be audited by the State of Michigan through both the Road Commission and Cheboygan County.

No public comment.

Public hearing closed at 9:33 AM

Motion by Commissioner Wallace, seconded by Commissioner Allor, to approve the agenda as presented. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

Motion by Commissioner Matelski, seconded by Commissioner Allor, to approve the consent agenda as follows:

- A. Approve Monthly Finance Claim (Finance total = \$58,328.20; Prepays total = \$772,570.35)
- B. Budget Adjustments
- C. Investment Report
- D. Cheboygan County Fair Contract – Skerbeck Entertainment Group, Inc. 2016-2019
- E. Michigan State Police – Office of Highway Safety Seatbelt Grant
- F. Minutes
 - 1. Finance/Business Meeting of October 13, 2015 and Committee of the Whole Meeting of October 27, 2015.
 - 2. Health Board – 9/15/15
 - 3. NEMCOG – 9/17/15
 - 4. NEMCSA – 10/2/15
 - 5. NLEA November President's Report
 - 6. North Country Community Mental Health – 9/24/15
 - 7. Board Appointments & Procedures – 10/26/15
 - 8. Cheboygan County Fair Board – 9/14/15 & 10/5/15
 - 9. Cheboygan County Road Commission – 10/1/15
 - 10. Cheboygan City Council – 9/22/15, 9/29/15 & 10/13/15
 - 11. Planning Commission Meeting – 9/16/15 & 10/7/15
 - 12. ZBA – 8/26/15

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

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CITIZENS COMMENTS – None

SCHEDULED VISITORS – None

FINANCE DIRECTOR'S REPORT – Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ended September 30, 2015. She reported total year-to-date revenue of \$6,359,654.32, or 53.92% of budget, compared to \$6,041,613.91, or 53.24% of budget last year at the same time. Ms. Kortz reported expenditures year-to-date of \$7,737,655.80 or 65.60% of budget, compared to \$7,745,259.83, or 68.25%, last year as of the end September.

Commissioner Matelski asked if there are final figures available from the Fair or the Marina. Finance Director Kortz responded that she will be reporting on that.

Finance Director Kortz presented the Cash and Investment Reports for all funds for September 2015, Quarterly Fund Balance Report as of 9/30/15, and the Summary of Expenses by Category Report as of 9/30/15.

ADMINISTRATOR'S REPORT

Administrator Lawson provided the Board with several updates. He stated that the contractor has completed the structure for the animal shelter storage building and that the engineer has provided a bid for the septic system but that it won't be completed before winter arrives. Administrator Lawson said he would like for the contractor to add more fill to the site as there is a heavy slope. He reported that the county crew will do renovations through the winter at the animal shelter site and wrap up the project by next construction season. Mr. Lawson stated that the county is having difficulty finding contractors but there has been skilled labor coming from jail inmates to help with projects. Mr. Lawson said that the county has received correspondence from the DNR looking for input regarding a Cheboygan County land swap transaction with a private citizen who has land in Presque Isle County. Board consensus was to support the transaction. Mr. Lawson said that NEMCOG and Michigan Works are looking for collaborative integration. Commissioner Wallace commented that effective yesterday the collaboration has come to a full stop because of complications.

Commissioner Redmond congratulated Administrator Lawson for being reappointed to the Michigan Municipal Risk Management Authority State Committee.

COMMITTEE REPORTS

Commissioner Gauthier participated in a District No. 4 Health Department "community conversation" as part of a Community Health Improvement Initiative for planning over the next 3 years, attended a presentation at Northern Care Clinic regarding a grant they received, attended a Trails Forum and a Planning Commission meeting regarding Heritage Cove. He also attended the monthly NEMCSA meeting, a presentation by Pure Michigan and the Great Up North Initiative, and a Board Appointments and Procedures Committee meeting to review the salaries of the elected officials.

Commissioner Gouine attended a Straits Regional Ride Board meeting, Fair Board meeting, a Planning Commission meeting, and a Mullett Township meeting.

Commissioner Matelski attended two Planning Commission meetings, a ZBA meeting, a Waterways Commission meeting, a Road Commission meeting, three Township meetings and a Planning Commission meeting regarding Heritage Cove Farm public hearing.

Commissioner Wallace updated the Board on the liquor sales tax report and attended a Northeast Consortium meeting in Gaylord.

Commissioner Allor attended an Area Agency on Aging meeting, Cheboygan County Council on Aging meeting, a District No. 4 Health Board meeting, a Community Mental Health meeting, an Ellis, Nunda, Forest and Walker Townships meetings, a Planning Commission meeting on the Heritage Cove and an

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LEPC meeting. Commissioner Allor stated that the new health department director will be starting on January 1, 2016 and that it is a shared position with the Northwestern District.

Commissioner Redmond attended a Waterways Commission meeting, a District No. 4 Health Board meeting, an Emergency Management meeting, a Straits Regional Ride Board meeting, a SANE meeting, a Benton Township meeting, and an LEPC meeting.

OLD BUSINESS – None

NEW BUSINESS

County Planner Scott McNeil presented Cheboygan County Zoning Ordinance Amendment No. 131 regarding rezoning of property currently zoned lake and stream protection; property within 500 feet of lake, stream or pond. Mr. McNeil stated that the Planning Commission identified some concerns with this zoning designation because it conflicts with agricultural uses for property and that this was a priority in the master plan regarding this zoning district. Commissioner Allor asked about the 100 foot setback change to properties already relying on the 50 or 75 foot current setback requirements. Mr. McNeil stated that property owners are “grandfathered” in who are already zoned before the amendment.

Motion by Commissioner Matelski, seconded by Commissioner Gauthier to adopt Cheboygan County Zoning Ordinance Amendment #131 and in connection to the amendment of the zoning map and rezoning of property currently zoned Lake and Stream Protection to Agriculture and Forestry Management District (M-AF), Residential Development District (D-RS), Rural Character/Country Living (D-RC) and Resource Protection District (P-RC) the Cheboygan County Board of Commissioners hereby incorporates into this record all planning commission public hearing minutes and all documents submitted to the planning commission in connection with this consideration of the rezoning amendment and the Cheboygan County Board of Commissioners hereby adopts as its own the findings made by the Cheboygan County Planning Commission at its meeting on October 7, 2015 on the rezoning factors considered by the Planning Commission on the rezoning. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

Community Development Director Steve Schnell presented the Application for the 2015 Michigan State Housing Development Authority (MSHDA) – Community Development Block Grant (CDBG) – Housing Resource Fund (HRF). Mr. Schnell discussed the motivation behind program target areas. Discussion was held regarding program specifics. Mr. Schnell noted changes to the program including funding is now a competitive process, allows for some portion of loans to be forgiven, and loans are no longer between the homeowner and the county, but are now made between the homeowner and MSHDA.

Motion by Commissioner Gauthier, seconded by Commissioner Matelski to approve the 2015 Cheboygan County revised Housing Program Guidelines. Motion carried with 5 yes, 1 no (Commissioner Wallace) and 1 absent (Commissioner Brown).

Motion by Commissioner Matelski, seconded by Commissioner Gauthier to approve Cheboygan County
Resolution No. 15-13

**2015 Michigan State Housing Development Authority
Housing Resource Fund (HRF) Community Development Block Grant Application**

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

WHEREAS, said Cheboygan County Board of Commissioners intends to apply for \$158,000 from the Housing Resource Fund in Community Development Block Grant funds from the Michigan State Housing Development Authority, to provide Homeowner Rehabilitation assistance and;

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

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NOW, THEREFORE, BE IT RESOLVED that the Cheboygan County Board of Commissioners authorizes preparation and submittal of the application for funding through the Michigan State Housing Development Authority Housing Resource Fund program.

and authorize the Finance Director to submit the application for the 2015 Michigan State Housing Development Authority Community Development Block Grant – Housing Resource Fund online, using OPAL/MATT online grant management system. Furthermore, we authorize the Chairperson to sign the application and any forthcoming or required documentation upon the review and approval of the Finance Director and legal counsel, if applicable and authorize the Finance Director to submit using the OPAL/MATT online grant management system any future reporting requirements on behalf of the County. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

Judge Robert Butts presented the 2015 Wage and Salary Resolution Amendment #12 regarding SAYPA Program Byrne Grant allocation of funding for a part-time SAYPA classroom aide.

Motion by Commissioner Gauthier, seconded by Commissioner Wallace to adopt Amendment #12 to the 2015 Salary and Wage Resolution – Non-Union General Employees #14-021 for SAYPA to be effective November 10, 2015 and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

Administrator Lawson presented the annual Senior Millage Appropriation Agreements. Mr. Lawson stated that participation in these programs has been increasing and recommends approving each of the agreements. Commissioner Allor questioned a provision of the agreements regarding submission of audits with applications for millage. Commissioner Allor stated that audits should be received before or as part of the application process. Legal counsel stated he would fix the sentence referencing the timing for submission of audits by the programs to the county.

Motion by Commissioner Allor, seconded by Commissioner Matelski to approve the Senior Millage Appropriation Agreement for \$510,975 with Cheboygan County Council on Aging and authorize the Chairperson to sign with the language changes Legal Counsel will make to paragraph 5. The agreement becomes effective December 1, 2015. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

Motion by Commissioner Matelski, seconded by Commissioner Gouine to approve the Senior Millage Appropriation Agreement for \$7,500 with MSU-E Project Fresh and authorize the Chairperson to sign the agreement. The appropriation shall be paid to MSU-E in a lump sum in April 2016. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

Motion by Commissioner Wallace, seconded by Commissioner Allor to approve the Senior Millage Appropriation Agreement for \$49,704 with Wawatam Area Senior Center, Inc. and authorize the Chairperson to sign with the language changes Legal Counsel will make to paragraph 5. The agreement becomes effective December 1, 2015. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

Administrator Lawson presented the agreements for Drug Court services. The agreements are with NEMCOG for case management services; Little Traverse Psychiatric Associates, PC, Diane Lissfelt; Catholic Human Services and Harbor Hal for counseling services; the Salvation Army for transitional housing; and Michael Ekdahl, Attorney at Law, for defense attorney services to participants. Discussion was held regarding invoice submission.

Motion by Commission Gauthier, seconded by Commissioner Wallace to approve the agreements for Drug Court Services with NEMCOG, Little Traverse Psychiatric Associates, P.C., Ms. Diane Lissfelt, Catholic Human Services, Harbor Hall, Salvation Army and Mr. Mike Ekdahl and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown).

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Commissioner Gauthier presented Resolution 15-14 the 2016 Salary & Wage Resolution for Elected Officials. Commissioner Gauthier stated that the Board Appointments and Procedures Committee convened several times to consider salary increases for elected officials. The Committee is recommending a 3.8% increase for all elected official and a \$200 annual increase for the Drain Commissioner and County Surveyor. Commissioner Matelski asked how 3.8% became the recommendation. Commissioner Gauthier stated that the committee compromised on that amount. Commissioner Matelski stated that the cost of living increase for this year is zero and the recommendation is quite the jump. Commissioner Gauthier stated that the recommendation is based on the policy to compare salaries to like-positions in other counties and bring them to midrange. Commissioner Allor stated that a township board member commented to her that Cheboygan is a low income-earning; low median-wage county in comparison to Emmet and Charlevoix county and that the employees of the Cheboygan County government are being compared to counties where there is more revenue coming in. Commissioner Allor stated that those are concerns being expressed by individuals in the county. Commissioner Wallace stated that that person is wrong. Commissioner Redmond said the elected officials are doing the same job and have the same responsibilities as elected officials in neighboring counties and that he doesn't think it's fair to say that Cheboygan is a poor county so we should not pay employees at comparable wages to do the same kind of work. Commissioner Redmond stated that Cheboygan County employees are still not at the top of the scale. Commissioner Gauthier stated that the township board member's argument mentioned by Commissioner Allor is an argument to see how quickly Cheboygan County can get to the bottom and assumes that Cheboygan is a second rate county. Commissioner Wallace stated that the Board Appointments and Procedures Committee is established to make the compromises for the whole board.

Motion by Commissioner Gauthier, seconded by Commissioner Wallace to adopt Resolution 15-14 the 2016 Salary and Wage Resolution – Elected Officials and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 4 yes, 2 no (Commissioner Allor and Commissioner Matelski) and 1 absent (Commissioner Brown).

CITIZENS COMMENTS

Carl Muscott, a citizen of Tuscarora Township, stated that Michigan has recently been scored at the bottom of government integrity and ethics by a national organization – not so much from local officials but at the state level. Mr. Muscott stated that he is a senior citizen and that he is not sure if the senior millage and senior centers work for everyone because he and neighbors don't use the facilities. Discussion was held.

BOARD MEMBER COMMENTS

Commissioner Gouine said the Veteran's Park sign looks very good.

Commissioner Gauthier said "Happy Birthday" to the United States Marine Corps.

Commissioner Matelski commented on glacial ice.

BOARD MATTERS FOR DISCUSSION

The 2016 Budget discussion continued. Administrator Lawson stated that Finance Director Kortz reviewed a bulk of the budget at the last meeting and that there will be a few revisions with ongoing union contract negotiations.

Finance Director Kortz updated the Board on a few budget figures. Ms. Kortz received a request from District Court to reclassify an employee – the court bailiff as a combined position as probation officer/court bailiff to mirror the job responsibilities he has. Ms. Kortz stated she is still waiting on various grant information and animal control contract. Ms. Kortz stated she is unsure about the timing of any wage changes implemented in the budget – they'll either be noted as a contingency amount or plugged into the budget. Administrator Lawson said he is also unsure about timing of wage negotiations as negotiations are still occurring and with the upcoming holidays.

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Administrator Lawson went through an overview of the structure of the budget. Mr. Lawson stated that the format of the budget structure won't change but there may be additional statistical information included based on GFOA standards. Finance Director Kortz noted the additional statistical information may include the top ten taxpayers in Cheboygan County, top ten employers in Cheboygan County, population change graphs, and possibly key demographic information.

Administrator Lawson stated that Cheboygan County is back into full revenue sharing. Discussion was held. Administrator Lawson stated that we are breaking even.

Administrator Lawson stated that wages have been discussed extensively and that they currently have a tentative agreement with one union. He stated that the intent moving forward is go over the factors of the wage analysis that go through the criteria of what comparables are utilized and touch base with issues with pension and health insurance. Mr. Lawson stated that as of this morning there is a predicted \$270,000 range of movement regarding a wage adjustment. Mr. Lawson stated that the Board can ask MERS to consider a non-compounding cost of living increase for retiree benefits. Mr. Lawson affirmed that an actuarial would need to be completed. Board consensus was to evaluate the cost of a cost of living increase for retirees.

Mr. Lawson commented on department goals and objectives as they relate back to the budget document.

Mr. Lawson commented on capital projects including the continuation of the Animal Shelter and the Reid Building renovations. Administrator Lawson stated that they don't see them tackling the Reid Building renovation this year. He stated that when we do that, we're going to have to get the project done quicker because we don't have anywhere else to put them. Commissioner Wallace asked if the Fair Board has backed away from ownership altogether. Commissioner Redmond stated that there has been a long-standing discrepancy with the deed to the fairgrounds and that the goal is make that signed, sealed and transferred by Christmas. Administrator Lawson commented on the county building itself including window replacement, an elevator project, replacing air conditioner units, a 5 – 10 cell extension in the jail and a possible kitchen installation in the jail to reduce the cost of food preparation. Discussion was held regarding county vehicle fleet.

Administrator Lawson discussed the issues with locating and hiring an Equalization Director. He stated that the State of Michigan will be releasing a list of Assessors with Level III or Level IV assessing certifications. Commissioner Gouine asked if the department is well staffed currently. Mr. Lawson stated that they are pushing the envelope now and there is an employee leaving on maternity leave soon.

Motion by Commissioner Gouine, seconded by Commissioner Allor, to go into closed session for the purpose of discussion connected with the union negotiation of a collective bargaining agreement as authorized by Section 8 (c) of the Open Meetings Act, being MCL 15.268 (c). A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown). Discussion was held.

ENTERED INTO CLOSED SESSION AT 1:25 P.M.

RETURNED TO OPEN SESSION AT 1:48 P.M.

Motion by Commissioner Matelski, seconded by Commissioner Allor to adjourn this meeting to the call of the chair. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Brown). Meeting adjourned at 1:48 P.M.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Pete Redmond
Chairperson