

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE MEETING
June 24, 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, John Wallace, Cal Gouine, and Tony Matelski

Absent: Commissioner Sue Allor (excused)

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

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

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

- A. Approve Monthly Finance Claims (Finance total = \$160,739.37; Prepaid total = \$702,152.33)
- B. Budget Adjustments
- C. School Inspection Delegation Form – Inland Lakes Schools

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

CITIZENS COMMENTS - None

SCHEDULED VISITORS/DEPARTMENT HEAD REPORTS – None

FINANCE DIRECTOR'S REPORT – Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ended April 30, 2014. She reported total year-to-date revenue of \$1,199,541.25, or 10.61% of budget, compared to \$850,617.81, or 8.1% of budget, last year at the same time. Ms. Kortz reported expenditures year-to-date of \$3,366,837.64, or 29.78% of budget, compared to \$3,265,250.10, or 31.08% of budget, last year as of the end April. Finance Director Kari Kortz also presented the Cash Summary Report through April 30, 2014.

Commissioner Gauthier asked if Ms. Kortz expects the Building Department's revenues to match its expenses at some point in the future. Ms. Kortz stated that she expects it a few years out, but not this year.

ADMINISTRATOR'S REPORT

Administrator Lawson reported that there are several grant applications that will be coming up including the Drug Court Grant application due for approval at the July 22, 2014 Commissioner's meeting. Administrator Lawson stated that there is a trend with grant applications that they have a smaller window for action. There will also be the Byrne Justice Assistance Grant application presented for approval at the August 12, 2014 Commissioner's meeting and the Victim's Rights Grant for Prosecutor's office that will also be presented at that meeting.

Administrator Lawson reported the county building parking lot is scheduled for the final paving this weekend, however there is one area of concern near the sheriff's department entrance that may need to be re-compacted. He stated the Animal Control project is being completed by the

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architect. The septic field has to be relocated and the county is waiting for an estimate of that additional expense to move the field over. Administrator Lawson stated that the objective is to redo the storage building and relocate the septic field this year before winter and then do the building addition next spring.

Administrator Lawson reported that the county has received two bids for the security entrance system and has made arrangements with both companies to view the systems. The base bid was \$117,000 from Diebold for the entry system.

Administrator Lawson reported that the estimate for the Sand Road Senior Center septic system repairs is \$50,000.

Administrator Lawson reported that the Top of Michigan Trails Council has donated seven bike carrying systems for the Straits Regional Ride buses. A “thank you” letter has been prepared to send.

Administrator Lawson reported that there was a State Supreme Court ruling that courts can no longer charge “court fees”. Each county needs to develop an impact analysis.

Motion by Commissioner Gauthier, seconded by Commissioner Redmond to send the Top of Michigan Trails Council a “thank you” letter from the Board of Commissioners on behalf of the county for the donation in the value amount of \$10,185 for bicycle racks for the Straits Regional Ride buses. Motion carried with 6 yes, 0 no and 1 absent.

OLD BUSINESS – None

NEW BUSINESS

Sheena Andrzejak of Anderson, Tackman & Company presented a report on the County Audit for Fiscal Year ending December 31, 2013. Ms. Andrzejak reviewed and explained several charts of assets, revenues and expenses for 2013.

The county received an unqualified opinion which denotes a very good audit. Ms. Andrzejak reviewed Supplementary Information and stated that effective for December 31, 2014, there is new pension reporting requirements as liability on financial statements. Ms. Andrzejak stated that this could have a large impact on the face of the report for the bottom line of the county. Ms. Andrzejak stated there were no disagreements with management and no issues in conducting the audit. Ms. Andrzejak stated that there is still an unresolved jail commissary account issue from previous years. Commissioner Socha asked why this is still unresolved. Finance Director Kortz stated that at this time she believes there is a procedural difference of opinion. Sheriff Clarmont stated that the software does not allow them to do what would correct the issue, but that the software developer has been notified. Commissioner Socha noted the need to decrease county dependence on grant funding and to prioritize programs as grant funding has drastically decreased.

Motion by Commissioner Wallace, seconded by Commissioner Redmond to accept the audited financial statements for Cheboygan County for the fiscal year ending December 31, 2013. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Ms. Andrzejak briefly reviewed the Straits Regional Ride Audit. Straits Regional Ride did show an operating loss in 2013. Ms. Andrzejak reported that the changes to pension reporting will affect Straits Regional Ride’s unrestricted assets moving forward. Straits Regional Ride also received an unqualified opinion which denotes a very good audit.

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Motion by Commissioner Redmond, seconded by Commissioner Gouine to accept the audited financial statements for Straits Regional Ride for the fiscal year ending December 31, 2013. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent. .

Administrator Lawson presented the Region 9 Area Agency on Aging 2015 Implementation Plan.

Motion by Commissioner Matelski, seconded by Commissioner Gauthier to approve the Region 9 Area Agency on Aging 2015 Annual and Multi-Year Implementation Plans. Motion carried with 6 yes, 0 no and 1 absent.

County Treasurer Linda Cronan presented the Sale Proceeds Report of the funds from the county foreclosure auctions. She stated that \$126,323.70 will be transferred to the general fund from the proceeds. Commissioner Socha commended Treasurer Cronan for a job well done and for the beneficial use of the foreclosure funds. Commissioner Wallace asked if a person who purchases a foreclosed property needs to quiet title. Treasurer Cronan stated that it depends on the property and that there are several title companies that can do title insurance. If they can acquire title insurance, a quiet title action is not necessary.

Motion by Commissioner Redmond, seconded by Commissioner Gauthier to accept the Cheboygan County Treasurer's report and authorize the moving of \$126,323.70 from the county tax foreclosure fund to the county general fund by the county treasurer. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Treasurer Cronan presented the Property Foreclosures First Right of Refusal. The Treasurer's office has prepared a booklet that can be purchased of parcels that are up for sale. The auction will be on August 23, 2014 in Rogers City because it is a four county auction. Treasurer Cronan offered the parcels to the Board and asked that if they are not interested, to sign a Waiver for the Right of Refusal.

Motion by Commissioner Matelski, seconded by Commissioner Gouine to authorize the Chairperson to sign the Waiver of Property Foreclosures First Right of Refusal in accordance with Act 123 Public Act 1999. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson presented the Doris Reid Building re-roofing bid award. The lowest bid came from R.H. Carpentry and Roofing for \$26,554.00. The funding for the project will come from the lease proceeds of the Doris Reid Building. Commissioner Wallace asked if R.H. Carpentry and Roofing is insured and bonded. Administrator Lawson affirmed they are insured and stated that the county will monitor and pay as the project progresses because it is a relatively small amount.

Motion by Commissioner Gauthier, seconded by Commissioner Gouine to award the Reid Building re-roof bid to R.H. Carpentry and Roofing in the amount of \$26,554.00 and authorize the Chairperson to sign the AIA Agreement A105-2007. Motion carried with 6 yes, 0 no and 1 absent.

Finance Director Kari Kortz presented two changes to be made to the Purchasing Policy, adding exclusion for engineering services from the sealed bidding process and updating the Sole Vendor Listing by adding Ginop Sales, Inc.

Motion by Commissioner Gouine, seconded by Commissioner Matelski to adopt the revised Cheboygan County Purchasing Policy 300-2 and Sole Vendor Listing 300-2A to become effective June 24, 2014 and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Sheriff Dale Clarmont presented the FY 2014 State of Michigan Marine Safety Grant. The Sheriff's Department received notification at the end of May that their DNR Marine Safety Grant would be \$14,420 less than previously quoted. Sheriff Clarmont feels it is essential to keep the

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marine safety patrols at the same level despite the cut in grant funding because of the highly used marine areas in Cheboygan County, including the Inland waterways. Discussion was held regarding funding assistance from various lake associations and maintaining marine patrol.

Motion by Commissioner Wallace, seconded by Commissioner Matelski to accept the Sheriff's recommendation and authorize the Finance Director to do a budget adjustment in the amount of \$14,420.00 from the General Fund to the Marine Safety Program in order to maintain the 2014 Marine Safety Patrols. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Sheriff Clarmont commended the Search and Rescue Team and thanked the other enforcement agencies, EMS and Emergency Management for their cooperation during the recent search for a missing 22-month old baby who was found and rescued because the efforts of all those involved. The baby wandered 1.4 miles with no shoes but was found safe.

BOARD MATTERS FOR DISCUSSION – None

CITIZENS COMMENTS

Louis Vallance, a citizen of Grant Township, expressed his desire for the repeal Public Act 51 authorized by the State of Michigan because Cheboygan County, particularly the Road Commission, is underfunded. Mr. Vallance stated that he spoke with Representative Peter Pettalia and now needs the support of the Board to move to the state. He also expressed that he would like to see more support for public transportation.

Bill Morgan, a Mullett Township resident, noted that the recent Rodeo at the fairgrounds was packed with people, but that the sound system is outdated and hard to hear. He also commented that it is hard for him to believe that the Construction Code services will be self-sufficient through raising fees in the current economy, and that the increase will discourage people.

BOARD MEMBER COMMENTS

Commissioner Socha thanked the staff for all of the work done to prepare for the Griswold Mountain Hearing.

Commissioner Redmond expressed that the turnout for the Rodeo show at the Fairground was outstanding.

Commissioner Gouine asked about pole barns needing an architectural seal. Administrator Lawson stated that the State of Michigan is considering requiring an architectural seal on pole barns over 10 feet.

Motion by Commissioner Matelski, seconded by Commissioner Redmond, to adjourn to the call of the Chair. Motion carried with 6 yes, 0 no and 1 absent. Meeting adjourned at 11:22 P.M.

Mary Ellen Tryban
County Clerk/Register of Deeds

Linda Socha
Chairperson