

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
September 13, 2011**

The regular meeting of the Cheboygan County Board of Commissioners was called to order in the Commissioners Room by Chairperson Linda Socha at 9:32 a.m.

Prior to this meeting the entire Board attended the first graduation from Drug Court held in the Circuit Court room.

Roll called and a quorum present.

Present: Commissioners Linda Socha, Don Horrocks, Pete Redmond, Cal Gouine, Tony Matelski, John Wallace, and Sue Allor

Absent: None

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

Commissioner Horrocks requested Budget Adjustments be removed from the Consent Agenda and placed under New Business on the regular agenda as Item 12K.

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

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

- A. Approve Monthly Finance Claims
- B. ~~Budget Adjustments~~ (Moved to New Business)
- C. Correspondence:
 - 1. Thank You Letter from Proud Equestrian Program
 - 2. DNR Public Notice of Proposed October 27, 2011 Oil & Gas Lease Auction
 - 3. Cheboygan to Alpena Trail Update/Invitation
 - 4. Cheboygan Area High School Inspection Authority Delegation
 - 5. Notice of Public Hearing – State Revolving Fund/Strategic Water Quality Initiatives Fund
 - 6. Cheboygan County Farm Bureau Annual Meeting Invitation
 - 7. Lake County Resolution Supporting Employee Freedom to Work Act
- D. Minutes:
 - 1. Finance/Business Meeting of August 9, 2011, and Committee of the Whole Meeting of August 23, 2011
 - 2. Health Board – July 19, 2011
 - 3. North Country Community Mental Health Board – July 2, 2011
 - 4. Cheboygan County Airport Authority Board – June 2, 2011
 - 5. Jail Utilization Committee – May 18, 2011
 - 6. Economic Development Corporation of Cheboygan County – July 21, 2011
 - 7. Brownfield Redevelopment Authority of Cheboygan County – September 17, 2010
 - 8. Cheboygan County Road Commission – August 18, 2011
 - 9. Cheboygan City Council – June 14, 2011 and June 28, 2011
 - 10. Planning Commission Meeting – August 3, 2011 and August 17, 2011

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

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 July 31, 2011. She reported total year-to-date revenue

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of \$2,309,687.31 versus \$3,186,115.88 last year at that time. Ms. Kortz reported expenditures year-to-date of \$5,678,901.71, or 53.63% of budget, compared to \$5,837,466.96 last year as of the end July.

ADMINISTRATOR'S REPORT – Administrator Lawson advised that the Cheboygan Economic Development Group's wishes to meet with the Board regarding a Port Authority. Chairperson Socha said a Committee of the Whole meeting would be the correct forum for that. She appointed Administrator Lawson and Commissioner Matelski as representatives of the County for this if needed. Administrator Lawson also said the Fair Board would like to discuss the budget and other operational matters. Chairperson Socha noted a letter received from the Fire Association regarding the Jaws of Life that required a legal opinion. Civil Counsel said that is on his list. Chairperson Socha referred to the administrator's written report regarding the need for a quit claim deed from the Road Commission to eliminate a reverter clause on the property which was the former site of the Cheboygan Life Support building. In order to use the property for recycling the quit claim deed would have to be drafted to eliminate the reverter clause that stated the property would revert back to the Road Commission when the building is no longer used for ambulance service. The consensus of the board was to move forward in pursuance of such deed. Administrator Lawson said there will be a few housing projects coming up for approval; however, still working on operational issues but are making progress. Chairperson Socha said we would like an update from NEMAH at the November Committee of the Whole Meeting. She said we have to keep monitoring this. The administrator said we do have thing on county guidelines that have to be addressed. Commissioner Matelski asked questions regarding the Doris Reid Center building being turned over to the county. The administrator said he will be meeting with John Bruining and Mr. Chase regarding this matters after which, an analysis of the proposal will be made and presented to this Board.

COMMITTEE REPORTS

Commissioner Horrocks attended the Farm Bureau meeting.

Commissioner Wallace attended the Jail Utilization Committee meeting. He said that CCE 9-1-1 has been working on the 2012 budget, looking at about a 17% cut. He also noted the need for a Millage Appropriation Committee meeting. Chairperson Socha said Jim and Elizabeth Falkner would like to be advised of that meeting.

Commissioner Redmond reported attending the Health Board meeting, Waterways Committee meeting, the Fair Board meeting, the Benton Township monthly meeting, and a LEPC meeting. He reported that the Fair Board would like to discuss issues regarding their proposed budget with the County. He also advised that the County Economic Development Corporation currently has two vacancies and have not received any applicants. Chairperson Socha noted that EDC members are also members of the Brownfield Redevelopment Authority. She asked that the county administrator review the Brownfield grant.

Commissioner Allor attended Nunda and Forest township meetings, the Village of Wolverine meeting, the Health Board meeting, North Country Community Mental Health Board meeting, the NEMCSA meeting, the Michigan Township Association meeting, the Cheboygan County Council on Aging meeting and the Cheboygan Community Foundation meeting. She reported that one of her townships feel zoning regulations are excessive for this area.

Commissioner Gouine reported attending meetings of the MTA, Inverness Township, two meetings of the Cheboygan County Housing Commission, Port Authority, and a meeting regarding blight. He said the biggest issue is the townships have to hire their own attorney to prosecute blight offenders. IT was noted that Aloha, Burt and Tuscarora all have blight ordinances. Sheriff Clarmont said there seems to be some confusion out there regarding blight issue enforcement. Civil Counsel Bryan Graham said the township designates an official authorized to issue citations, then formal hearing is held in District Court, and the township attorney would prosecute those violations.

Commissioner Matelski attended two planning commission meetings, two road commission meetings, three township meetings, one Emergency Management meeting, 2 Master Plan meetings, and the MTA

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meeting. He said he questioned the Road Commissioners why they had no representation at the Master Plan meetings and told them of the importance of why they should attend.

Commissioner Socha reported attending, the Health Board meeting, the MTA meeting, NLEA related meetings, and two Master Plan meetings. She also met with Greg Williams from Emergency Management. Emergency Management was set up in Mackinaw City for Labor Day, there were no issues, but it worked out well. She said the county did get paid for the emergency management plans she submitted, \$3,000 was received. She also attended the Burt Township meeting where FEMA Flood Plain maps were discussed. The maps have not been received yet, but are supposed to have them by October 1st. She also attended the Airport Authority budget meeting.

Commissioner Horrocks said he will be attending a special meeting of the Pigeon River Forest on September 21st, as well as the quarterly meeting on October 21st. He said special interest groups are trying to ban all guiding services in that area. He said he is against these measures and has been very vocal on it.

OLD BUSINESS – None

NEW BUSINESS

Straits Regional Ride Director Mike Couture presented MDOT Contract 2007-0191/Z18/1 for approval. This contract would raise operating revenue for SRR from 16% to 18.5% federal operating resulting in an increase of \$41,655. Chairperson Socha requested these type of contracts be placed on the consent agenda in the future.

Motion by Commissioner Matelski, seconded by Commissioner Redmond, to approve MDOT Contract 2007-0191 Authorization No. Z18/1, and authorize the Chair to sign. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Redmond, seconded by Commissioner Matelski, to approve the Grant Agreement between the Michigan Department of Community Health and the County of Cheboygan for Crime Victim Rights in the Prosecutor's Office and authorize the Chair to sign. Motion carried with 7 yes, 0 no and 0 absent.

The annual Department of Human Services Homemaker Position contract was presented by Chairperson Socha.

Motion by Commissioner Allor, seconded by Commissioner Horrocks, to approve the Local Revenue Agreement between the Michigan Department of Human Services and the Cheboygan County Board of Commissioners, Contract No. LRA-12-16001 in the amount of \$45,425.92, effective October 1, 2011 through September 30, 2012 and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Community Development Director Steve Schnell presented three Zoning Ordinance Amendments for approval. He explained that the amendments establish a new zoning district, an overlay zoning district, and new sign regulations for these new districts. The amendments also rezone portions of the downtown called Indian River in Tuscarora Township. The major changes that are involved with these amendments include a reduction of the setback requirements for the front and side setbacks to 0, and a change to the parking requirements to allow for some or all of the parking requirements to be waived upon proof that adequate public on-street parking is available near the subject property. At time, office areas are allowed in this area.

Motion by Commissioner Matelski, seconded by Commissioner Horrocks, to adopt Zoning Ordinance Amendment #92 an Ordinance to Amendment Cheboygan County Zoning Ordinance #200 to add a new zoning district Village Center Indian River (VC-IR) and to adopt Zoning Ordinance Amendment #93 an Ordinance to Amendment Cheboygan County Zoning Ordinance #200 to add a new overlay district called Village Center Indian River Overlay (VC-IR-O) and to adopt Zoning Ordinance Amendment #94 an

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Ordinance to Amend Cheboygan County Zoning Ordinance #200 to amend regulations for sign regulations for these new zoning districts, and rezoning an area of Tuscarora Township to (VC-IR) and (VC-IR-O) zoning districts, the Ordinances to become effective 8 days after the publication in a newspaper of general circulation. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Mr. Schnell presented a resolution of support for Mullett Township's application to the Michigan Natural Resources Trust Fund for a beach improvement project in Topinabee.

Motion by Commissioner Matelski, seconded by Commissioner Allor, to adopt the following resolution:

Resolution 11-13
Supporting Mullett Township Application
to the Michigan Natural Resources Trust Fund for
Development Funds to Upgrade and Improve the Beach
Front Park Located on Mullett Lake in Topinabee

Whereas, the Cheboygan County Economic Development Corporation has recently been awarded a grant from the USDA to develop and implement a "*Sense of Place*" Campaign to help communities within Cheboygan County realize economic benefit from such regional assets as the Inland Waterway and trail system and,

Whereas, Cheboygan County is working with NEMCOG and numerous other community groups to more effectively utilize its trail system and serve trail users through such means as a Trail Town Manual and,

Whereas, various communities such as Mullett Township and Topinabee have embraced these initiatives and proactively implemented efforts within their communities to upgrade and improve the services and amenities which are available to those using the Trails and Inland Waterway and,

Whereas, having attractive, functional, universally-designed parks and recreational opportunities available to tourists and visitors is the foundation of a successful marketing effort within the County and,

Whereas, Cheboygan County and other economic development organizations throughout the County are working in support of the efforts of communities such as Mullett Township and Topinabee to develop and enhance the services and amenities available within their communities in order to attract more visitors and tourists to the area and,

Whereas, Mullett Township has submitted a Grant Application to the Michigan Natural Resources Trust Fund (MNRTF) for development funds to upgrade and improve the Beach Front Park located on Mullett Lake in Topinabee and,

Whereas, the award of such funds by the MNRTF is critical to the community's ability to accomplish its park improvement objectives,

Be it resolved therefore, that the Cheboygan County Board of Commissioners supports and endorses the efforts of Mullett Township and respectfully requests that the MNRTF award the grant.

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

Finance Director Kari Kortz presented three contracts for 53rd Circuit Court and Law Library materials. She said these contracts were entered into by Judge Pavlich earlier without required approval from this board as stated in the Purchasing Policy 300-2. The contracts were 3-year contract with Lexis Nexis for online legal resources for the three county judges, the prosecutor and two assistant prosecutors, and the Friend of the Court and also two 2-year contracts with West Law for printed materials for the 53rd Circuit Court and the Law Library

Motion by Commissioner Redmond, seconded by Commissioner Matelski, to approve the three contracts previously executed by Judge Pavlich on behalf of Cheboygan the first being a 3-year contract with Lexis Nexis for online legal resources for the three county judges, the prosecutor and two assistant prosecutors, and the Friend of the Court and also two 2-year contracts with West Law for printed materials for the 53rd Circuit Court and the Law Library. Motion carried with 7 yes, 0 no and 0 absent.

Ms. Kortz presented Amendment #7 to the 2011 Salary & Wage Resolution. She explained this amendment was a result of the fact that the estimation of hours used to prepare Amendment #6 for Fair employees was inadequate. To correct the deficiency Amendment #7 is necessary. She said although more hours will be worked, the total expenditure will not exceed the previously approved budget of \$12,000.

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Motion by Commissioner Gouine, seconded by Commissioner Redmond, to adopt Amendment #7 to the 2011 Salary & Wage Resolution for Fair Seasonal Employees, and authorize the Chair to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Sheriff Dale Clarmont presented a proposal to purchase a new K9 Unit Vehicle. He said a very generous donation of \$25,000 from Tony and Roberta Matelski would be used to purchase the vehicle with the additional cost for K9 required outfitting accessories totally \$13,617.97 coming from the drug forfeiture line item. The Matelskis' started the K9 program in the department and continue to fund it. Chairperson Socha thanked the Matelskis' for their generous donation.

Motion by Commissioner Wallace, seconded by Commissioner Horrocks, to approve acceptance of a private donation of \$25,000 from Tony and Roberta Matelski for the purchase of a new 2012 Chevrolet Patrol Vehicle for the Sheriff Department K9 Unit; Approve the purchase of a new 2012 Chevrolet Tahoe from Wheeler Motors in Cheboygan for the Sheriff Department K9 Unit at a cost of \$24,493.35; Approve the purchase of K9 required outfitting accessories for the 2012 Chevrolet Patrol Vehicle at a cost of \$13,617.97 from the Drug Forfeiture line item 101-301-744-09; and Approve necessary budget adjustments. Motion carried with 7 yes, 0 no and 0 absent.

County Clerk/Register Mary Ellen Tryban said the terms of Yvonne Zimmer (Democrat) and Barbara Rotter (Republican) on the Board of County Canvassers expire on November 1, 2011. She said pursuant to MCL 168.24c she contacted the county committee of each political party and requested names of nominees for the party's expiring seat on the Board. The law states that each party is to provide the county clerk with three nominees. The following names were submitted by the Republican Party: Barbara Rotter, Catherine Stone and Brian May. The following names were submitted by the Democratic Party: Yvonne Zimmer, Susan Page and Cyndi Kress. The terms of these appointments are four (4) years, expiring November 1, 2015. Clerk Tryban said that MCL 168.24c requires the County Board of Commissioners to fill the two vacancies on the Board by electing a Republican member and a Democratic member from the submitted names; and, Michigan election law specifies that the County Board of Commissioners use ballots when filling the seats. A ballot was distributed to each commissioner and were collected and tallied by the Clerk. Barbara Rotter was elected as the Republican member of the Board of Canvassers and Yvonne Zimmer was elected as the Democratic member.

Administrator Lawson advised that Cheboygan County has been invited by NEMCOG (Northeast Michigan Council of Governments) to join a consortium which would enable us to cooperatively purchase benefit programs for our employees with other municipalities. Should we choose to participate, we would most likely be part of the existing Western Michigan Health Insurance Pool (WmHIP). WmHIP is a PA 106 Public Employer Pooled Plan, designed for public entities. Medical, Prescription Drug and Dental coverage's are available through this pool on a self-funded coverage basis. Members may also elect to cooperatively purchase Vision, Life and LTD coverage's. Members are only required to participate in the Medical and Prescription Drug programs however. This purchasing consortium opportunity is now being offered to municipalities in our region. To date, Alpena County, Emmet County, Bear Creek Township, the Village of Pellston, the Village of Mackinaw City and the Emmet County Road Commission have expressed interest in further investigating this possibility. Depending on buy-in, Cheboygan County could be part of its own regional pool with its own authority rather than belong to the larger WmHIP group. The WmHIP currently consists of 38 public school entities covering some 2,700 lives representing a \$36,700,000 insurance premium equivalent. If Cheboygan County were to join the consortium, we could maintain the same level of benefits coverage's we now enjoy and we could keep our current carriers. There are a variety of benefits gained from joining a consortium. Historically, self-funded cooperatives when properly established will result in general savings for the participants. This is achieved through minimizing fixed costs (by being in a larger group than on our own), mitigating risk through size (eliminating the large annual cost swings that smaller groups often experience), and developing processes for all groups involved to 'bend the trend' moving forward. Experience has shown a normative savings of 6%-10% per year through gained economies of scale, enhanced purchasing power and negotiation leverage. Joining forces in a regional pool would provide Cheboygan County with purchasing power and negotiation abilities we have not enjoyed in the past. Joining a pool is a 3 year commitment. It should be noted that should we move forward with the 'pool' scenario concept, we would no longer be

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using the services of our local insurance/benefits broker/record of agent. There is a **potential** cost to the County associated with the fee for the due diligence process undertaken by the broker who will be overseeing the collection of information and the ensuing assessment and 'pool' set up. The cost of this analysis, as performed by the Gallagher Benefit Services Group out of Grand Rapids would be a onetime fee of approximately \$3,600. This **fee will be waived** should the County choose to move forward and join the cooperative. This fee would not be due until such time as we say 'no' to the opportunity. After lengthy discussion it was the consensus the board would not be willing to pay for the information. No action was taken at this time.

Chairperson noted state grant funding cuts for Secondary Road Patrol. Discussion followed on reductions in many different grants.

Commissioner Horrocks had requested Budget Adjustments be removed from the Consent Agenda to discuss the former county administrator's flex account. Finance Director Kortz explained that the former County Administrator elected to defer \$3,000 into his medical flexible spending account for the 2011 calendar year. When he left employment with the County in July, he had expended the entire balance of the account; however, only funded \$1,846.08 through regular payroll deductions. The law does not allow employers to hold the unfunded balance from the employee's last paycheck, and the former Administrator chose not to reimburse the County for the \$1,153.92 shortfall and therefore it has to be covered by the General Fund. Chairperson Socha said this is the first time there has been an issue with the medical flexible spending account. Ms. Kortz believes that everything that can be done has been with this matter.

Motion by Commissioner Matelski, second by Commissioner Gouine, to approve all budget adjustments and raise revenues and expenditures as presented. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS – Mullett Township Supervisor Bill Morgan thanked the Board for their support to improve the beach area. He said the township has contracted with Wade Trim to improve the parking lot there.

BOARD MEMBER COMMENTS – Chairperson Socha reminded everyone of the Special Meeting with Elected Officials followed the Board Planning Session on September 16, 2011.

Commissioner Allor distributed copies of the NEMCSA Annual Report.

Chairperson Socha extended sympathy to Mellissa Hokans of the Veterans Department and her family in the death of her husband, Greg.

Commissioner Wallace said it is great to have Kari Kortz working with 9-1-1 finance.

Motion by Commissioner Redmond, seconded by Commissioner Matelski, to adjourn to the call of the Chair. Meeting adjourned at 11:29 a.m.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Linda Socha
Chairperson