

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS**  
**FINANCE/BUSINESS MEETING**  
**July 10, 2012**

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, 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 Allor requested Item 5B Budget Adjustments be removed from the Consent Agenda and added as Item H under New Business.

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

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

- A. Approve Monthly Finance Claims: Finance = \$29,264.88 Prepays = \$562,788.70
- B. ~~Budget Adjustments~~ (Moved to Item H under New Business)
- C. Joint Resolutions & Intergovernmental Agreements to Manage Flood Plain Development for National Flood Insurance Program: Resolution 12-12 Benton Township, Resolution 12-13 Ellis Township, Resolution 12-14 Grant Township, and Resolution 12-15 Tuscarora Township
- D. Correspondence
  - 1. Lake County Resolution Opposing the Closure of Selfridge Air National Guard Base
  - 2. Correspondence from State of Michigan Department of Human Services Regarding State Appointees to DHS County Boards Procedures
  - 3. Correspondence from State of Michigan Department of Human Services – Amended 2011-12 Annual Plan and Budget for Child Care Fund
  - 4. NEMCOG Notice of Intent by Tuscarora Township to Apply for Federal Assistance from USDA
  - 5. Correspondence from DEQ Air Quality Division's Pending New Source Review Application Report
- E. Minutes:
  - 1. Finance/Business Meeting of June 12, 2012 and Committee of the Whole Meeting of June 26, 2012
  - 2. Health Board – May 15, 2012
  - 3. North Country Community Mental Health Board – May 17, 2012
  - 4. Michigan Northern Counties Association – May 21, 2012
  - 5. Cheboygan County EDC – May 17, 2012
  - 6. NLEA June Newsletter & President's Report June-2012
  - 7. Board Appointments & Procedures – June 28, 2012
  - 8. Cheboygan County Fair Board – May 7, 2012
  - 9. Cheboygan Conservation District - February 22, 2012
  - 10. Cheboygan County Road Commission – May 17, 2012, June 7, 2012 & June 21, 2012
  - 11. Cheboygan City Council – April 24, 2012
  - 12. Planning Commission Meeting – May 16, 2012
  - 13. ZBA – May 23, 2012

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

**CITIZENS COMMENTS** – County Road Commissioner Ken Paquet stated he attended the June 28, 2012 meeting of the Board Appointments & Procedures at which wages and per diems for elected officials were

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discussed and recommendations made for this board to address. He said under changes in the law, the road commissioners now pay 20% of premiums and must go on Medicare at 65 years of age. He said it was upsetting that one committee member felt the road commissioners were not worthy of the compensation they have been receiving. He said as elected officials, the road commissioners are trying to do what is best for the County and have made tough decisions. Mr. Paquet said it is Important to attract good people to run for these offices and without proper compensation this will not happen. He encouraged the current compensation be continued as is.

### **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 May 31, 2012. She reported total year-to-date revenue of \$1,195,064.48 versus \$1,660,977.21 last year at that time. Ms. Kortz reported expenditures year-to-date of \$3,976,132.32 or 37.22% of budget, compared to \$3,959,285.81 last year as of the end May.

**ADMINISTRATOR'S REPORT** – Administrator Lawson's written report included information on the Animal Shelter Project; Doris Reid Building; and County Building Phase One Improvements. Regarding the Animal Shelter Project, the contract has not provided the necessary information to the Architect to continue with the contract award at this time. The Architect was told to send written correspondence to the contractor requesting clarification if the contractor would honor their bid of \$244,978 by July 10, 2012. Administrator Lawson said the next lowest bid was received from Birchwood Construction in the amount of \$306,850.

### **COMMITTEE REPORTS**

Commissioner Redmond explained the committee structure of the Board Appointments & Procedures Committee and that the committee is responsible for making recommendations to the full board to establish compensation packages of elected officials whose new terms commence January 1, 2013. He said terms of office for the various elected county officials range from 2 years to 6 years. Civil Counsel Bryan Graham said it is the statutory obligation of the Board of Commissioners to establish the compensation for elected officials and once that is done under the law that salary and compensation cannot be reduced during an elected official's term of office. The committee recommendations presented were as follows: the 2013 salary for the Sheriff be increased to \$68,858; the 2013 salaries for the Clerk/Register, Treasurer and Prosecutor remain the same as 2012; the salary for the Drain Commissioner and County Surveyor be fixed at \$600 for the new term 2013-2016; salaries for the Clerk/Register, Prosecutor, Sheriff, and Treasurer for 2014, 2015 and 2016 be determined during the annual budget process; the County Board of Commissioners maintain current salary and health insurance compensation; the salary for the County Road Commissioners remain at \$5,250 for the Chair and \$4,750 for members and eliminate paid health insurance as new terms become effective; maintain per diems for 2013-2014 at \$30 for the first 2 ½ hours and \$60 for anything over that or for out of county meetings; and to increase the term life insurance policy for elected officials to \$35,000. Lengthy discussion followed. Chairperson Socha pointed out the differences in the Clerk/Register's and Treasurer's duties compared to the surrounding county comparable salaries. Commissioner Redmond said the recommendation to increase the Sheriff's salary was because it was low and due to the lack of availability of State Police patrol. Both Commissioner Redmond and Chairperson Socha said Sheriff Clarmont has declined any increase in salary for next year, as other employees of the county have not received increases. Chairperson Socha said she has been contacted by many township officials and citizens regarding the proposed elimination of the health insurance for road commissioners. She said the 14 years on this board no one has voiced concern with the compensation she receives as a county commissioner. Looking at surrounding county commissioners' salary and per diems it appears this county is low. Commissioner Matelski said commissioners never should have received paid health insurance and pointed out that new employees are required to be employed for 5 years before they receive paid family coverage. He also pointed out the cost of health insurance is less for the county commissioners than for the road commissioners since the county switched to a cheaper plan and the road commission did not. He stated he would recommend increasing the salaries for county commissioners and eliminating health insurance. Commissioner Allor said she has a hard time justifying health insurance for a position that is not full time; however, a dilemma could potentially be created with salary increases as the county would have to pay

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additional FICA, so depending on the amount of increase it could end up costing the county more. Chairperson Socha said we have to be careful so as not to cost the county more with the changes coming from the state and federal government. Commissioner Matelski said road commissioners do not have to receive the same salary as the county board of commissioners. Commissioner Redmond said relative to the possible elimination of health insurance benefits for the road commissioners, only the two seats up for election this year would be affected at this time. Commissioner Wallace said he feels nothing should be reduced for either board. Commissioner Horrocks said he elected not to take the health insurance or opt out when he was elected. A motion by Commissioner Allor to table this matter for further study died for lack of support.

**Motion** by Commissioner Redmond, seconded by Commissioner Matelski, to fix salaries of the Cheboygan County Clerk/Register, Drain Commissioner, Sheriff, Surveyor, Treasurer and Prosecuting Attorney at the same rate as that of 2012 for 2013 and to be reevaluated at budget time for 2014, 2015 and 2016. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Redmond, seconded by Commissioner Wallace, to fix the compensation packages of the Cheboygan County Board of Commissioners and the Cheboygan County Board of Road Commissioners at the same rate as 2012 for 2013 and 2014, status quo, acknowledging also that changes may be made to health insurance depending on what changes are instituted at the state and federal levels. A roll call vote was taken. Motion carried with 5 yes, 2 no (Commissioners Matelski and Allor) and 0 absent.

**Motion** by Commissioner Redmond, seconded by Commissioner Wallace, to approve for all Cheboygan County Board of Commissioners, Cheboygan County Board of Road Commissioners, Clerk/Register Sheriff, Treasurer and Prosecutor who provide proof he or she and his or her spouse has health insurance coverage may opt out of the single person, two person, or full family health insurance and receive 35% of the premium or a cap of \$5,000 per year. A roll call vote was taken. Motion carried with 5 yes, 2 no (Commissioners Horrocks and Matelski) and 0 absent.

**Motion** by Commissioner Redmond, seconded by Commissioner Allor, to fix per diem rates for 2013 and 2014 at the same rate of \$30 for meetings up to 2 ½ hours and \$60 for meetings over 2 ½ hours or out of county meetings not to exceed a total of \$60 per day. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Redmond, seconded by Commissioner Wallace, to increase the term life insurance policy for elected officials to \$35,000 during the terms of office. A roll call vote was taken. Motion failed with 3 yes, 4 no (Commissioners Socha, Horrocks, Matelski, Allor) and 0 absent.

Commissioner Redmond said there is one issue remaining being mileage reimbursement. Civil Counsel Bryan Graham said historically the county has used the IRS mileage rate and there is also a state requirement regarding the state officers compensation for elected officials. He wants to make sure the two are consistent. Mr. Graham will look into this further and report back to the administrator.

Chairperson Socha thanked the committee, administrator, finance director and civil counsel for all the work that went into the elected officials' compensation recommendations.

Commissioner Redmond reported attending the District 4 Health Board meeting, a Waterways meeting and a couple of Board Appointments and Procedures meetings.

Commissioner Horrocks said he attended seven meetings including the Michigan Northern Counties meeting.

Commissioner Wallace reported attending an ambulance meeting and noted plans for placing the renewal for the ambulance millage on the November ballot. He also attended the NMSAS meeting and noted the money this county contributes to NMSAS from the liquor tax is not enough to cover the expenses NMSAS has here. He said other counties are contributing additional monies to NMSAS.

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Commissioner Allor attended meetings of the District #4 Health Board; North Country Community Mental Health; Region 9 Area Agency on Aging; Nunda, Walker and Wilmot Township Board meetings; and the Trail opening in Onaway. She reported the Health Board discussed the Kellogg Grant for the Day One program, participating counties will have to contribute additional monies however Cheboygan County is not included in this. She also reported that North Country Community Mental Health Board met to discuss the enabling resolution and would be meeting again for further discussion. She also said the Area Agency on Aging has brochures on legal services available to persons over 60 and those within certain income restrictions. The Area Agency on Aging is also conducting a survey for those over 55 years of age.

Commissioner Gouine reported attending the Inverness Township meeting and the Topinabee groundbreaking ceremony. Mullett Township Supervisor Bill Morgan said the township received a \$280,000 grant for the Topinabee project but it has been held up in the legislature. The project was planned to be started in August, but it may not depending on the legislature's actions.

Commissioner Matelski reported attending two Planning Commission meetings, two Road Commission meetings, two Board Appointments & Procedures Committee meetings, three township meetings, the local Michigan Townships Association meeting, a ZBA meeting and a sense of place meeting.

Commissioner Socha attended a McLaren Administration meeting regarding health care in the county. She also attended Planning Commission meetings, and Beaugrand and two Burt Township meetings. She said Burt Township reported a successful dump day and noted Burt Township recycling bins are monitored and are very well used. She said the Burt Township trail project is moving along well. She also attended a Michigan Municipal Risk Authority meeting and the board will be receiving a confidential memo on the matter.

**OLD BUSINESS** – None

### **NEW BUSINESS**

The Region 9 Area Agency on Aging 2013 Annual and Multi-Year Implementation Plans were presented to the board ahead of time for review. Administrator Lawson said the Wawatam Senior group was not included in the plan because they do not receive any federal funds. Discussion held on the benefits the Cheboygan County Council on Aging receives from this agency as well the Senior Medicare Patrol associated with Region 9 Area Agency on Aging.

**Motion** by Commissioner Horrocks, seconded by Commissioner Allor, to approve the Region 9 Area Agency on Aging 2013 Annual and Multi-Year Implementation Plans. Motion carried with 6 yes, 1 no (Commissioner Matelski) and 0 absent.

Administrator Lawson said Resolution 12-16 is a resolution in support of NEMCOG's fiscal years 2013-15 Community Corrections Grant Application in the annual amount of \$222,741 to continue to provide programs in Cheboygan, Crawford, Otsego and Presque Isle Counties.

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

**Resolution 12-16**  
**Approving the Fiscal Years 2013-15 Community Corrections Grant Applications**  
**of the Northeast Michigan Council of Governments**

**WHEREAS**, the Northeast Michigan Council of Governments (NEMCOG) serves as the Northern Michigan Community Corrections Advisory Board's (NMCCAB) fiscal agent and manager; and

**WHEREAS**, Cheboygan County is a member of the Northern Michigan Community Corrections Advisory Board, has been served by its programs, and wishes to continue participation with the Board's programs and services in the future; and

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**WHEREAS**, an application in the amount of \$222,741 for the general program has been prepared by NEMCOG to continue the Community Corrections programs in Cheboygan, Crawford, Oscoda, Otsego, and Presque Isle counties; and

**WHEREAS**, the Northern Michigan Community Corrections Advisory Board has approved this proposal and recommends its approval by the member counties; and

**THEREFORE BE IT RESOLVED** that Cheboygan County hereby approves the Northern Michigan Community Corrections Advisory Board Grant Application prepared by NEMCOG for Community Corrections funding in the annual amount of \$222,741 for the general program for Fiscal Years 2013-15.

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

Administrator Lawson explained staff has been working with legal counsel and State of Michigan staff to clarify lease questions concerning the FIA-DHS Building. The County and State need to clarify payment and reimbursements concerning the adjustment of bond payments and operating expenses for the building as identified in the original lease.

**Motion** by Commissioner Wallace, seconded by Commissioner Redmond, to approve the Lease Clarification Agreement with the State of Michigan for FIA-DHS Building State Lease #10456 including authorizing the Chair to sign and providing for the write off of invoices totaling \$50,381.48 as of December 31, 2011 related to operating expense adjustments from 2004/2005 through 2008/2009. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson explained in 2000 the Board approved a Credit Card Policy which was not inserted into the County's Policy manual. Credit Card Policy 300-3 updates this policy to reflect the use of credit cards by County personnel in accordance with PA 266 of 1995 as amended. Finance Director Kortz answered questions concerning the policy. A motion was made by Commissioner Wallace and seconded by Commissioner Horrocks to approve Credit Card Policy 300-3 and then withdrawn as Finance Director Kortz said it appears the wrong policy was included in the board's packet.

**Motion** by Commissioner Redmond, seconded by Commissioner Horrocks, to table Cheboygan County Credit Card Policy 300-3 until the next meeting. Motion carried with 7 yes, 0 no and 0 absent.

Treasurer Linda Cronan presented the Property Foreclosures Right of Refusal. She said the public auction will be held on August 18, 2012 at the Inland Lakes School.

**Motion** by Commissioner Matelski, seconded by Commissioner Allor, to authorize the Chairperson Linda Socha to sign the waiver of First Right of Refusal in accordance with Act 123 P.A. 1999. Motion carried with 7 yes, 0 no and 0 absent.

IT Manager Matt Hellens said 5 bids were received for security cameras and technology equipment for the County Building and Jail security camera project. The following bids were received: Grand Traverse Mobile - \$51,449.10; Sound & Video Systems - \$44,607.40; Habitec Security - \$41,829.50; Midstate - \$50,264.00; and Network Fire & Security \$81,933. He said reviewing the plans and technical specifications received from each bidder and seeking a free consultation from an outside consultant, it appears that Grand Traverse Mobile offers the best value and scope for the County. After final review of the camera needs it was determined the existing cameras and equipment should be replaced resulting in an additional cost of \$8,404.90. Mr. Hellens said the project also consists of purchase of a server that records the video, computer for Dispatch to monitor the feeds, and four network switches costing a total of \$24,126.36 which will be purchased directly from existing vendors. A grant in the amount of \$36,000 was received from MMRMA.

**Motion** by Commissioner Redmond, seconded by Commissioner Allor, to award the bid to Grand Traverse Mobile the camera system with installation in the amount of \$59,854.00 and authorize the chair to sign the purchase agreement and authorize staff to purchase \$24,126.36 worth of equipment (server, computer and switches) from existing vendors. Motion carried with 7 yes, 0 no and 0 absent.

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Finance Director Kortz presented Amendment #1 to the Housing Community Development Block Grant. She said NEMAH was selected to be part of a DTE pilot program related to energy efficiency. This program was awarded \$45,000, in addition to our 2009 CDBG award of \$175,000. NEMAH is allowed to collect an 18% administration fee for this program (\$8,100) with \$36,900 being available for rehabilitation. The County is a pass-through fiduciary on this program and therefore, we need to complete an amendment to our CDBG award for \$45,000. The 2009 CDBG funding was scheduled to expire June 30, 2012. In order to complete the reimbursement requests related to this pilot program, we are also requesting a grant extension of 6 months through December 31, 2012.

**Motion** by Commissioner Allor, seconded by Commission Matelski, to approve the CDBG amendment for grant (MSC-2009-0730-HOA) which includes and \$45,000 increase in budget and an extension of 6 months and the required budget adjustment and authorize the Finance Director to submit using the OPAL on-line grant management system. Furthermore, we authorize the Chairperson to sign any forthcoming agreements or required documentation upon the review and approval of the Finance Director, Kari Kortz and legal counsel, if applicable and authorize the Finance Director to submit using the OPAL on-line grant management system any future reporting requirements on behalf of the County. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Allor had requested budget adjustments be removed from the Consent Agenda. She asked for further elaboration on the POLC union negotiation which now requires an additional \$3,305. Administrator Lawson said neither he nor the Finance Director were involved in the negotiations so are making an assumption that at the time of negotiations those involved were not aware this would require a change to the divisions within MERS.

**Motion** by Commissioner Allor, seconded by Commissioner Matelski, to approve all budget adjustments 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 state the township acted as a pass through enabling the Breakers and the Topinabee Market to receive a grant for facade.

**BOARD MEMBER COMMENTS** – Commissioner Allor said the resolution the board approved regarding the MI Choice waiver was passed by the legislature. The MI Choice will receive 282.3 million, of 24.6 million will be used to transition people from nursing homes to the community

Commissioner Matelski said according to Blue Cross Blue Shield currently \$96.40 is deducted monthly from social security for Medicare, and it will increase to \$247 because of Obamacare. He also commented on a flurry of emails regarding the Humane Society. Commissioners Socha and Allor commented on the number of dogs lost or killed as a results of fireworks.

Commissioner Wallace called attention to the death of Leo Pratt a radiology technician at the hospital who drowned kayaking recently and the death of Fred Weeks, former Inverness Township Supervisor and Member of the County Airport Authority. Chairperson Socha said Fred gave many years of service to the citizens of Inverness Township and Cheboygan County.

Commissioner Horrocks said there appears to an evident need for an urgent care facility. Chairperson Socha told Mr. Horrocks medical care is not part of the county's role.

Chairperson Socha commented on the poor condition of the furniture in the hallway upstairs near the court room. She said it is embarrassing and disgusting and should be replaced.

**Motion** by Commissioner Matelski, seconded by Commissioner Wallace, to adjourn to the call of the Chair. Meeting adjourned at 12:16 p.m.

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Mary Ellen Tryban  
Cheboygan County Clerk/Register

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Linda Socha  
Chairperson