

CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
Finance/Business Meeting
February 14, 2017

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

Roll called and a quorum present.

Present: Commissioner Chris Brown, Richard Sangster, Michael Newman, Call Gouine, Tony Matelski, John Wallace and Robert Bolinger.

Absent: None

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

Motion by Commissioner Brown seconded by Commissioner Wallace to approve the agenda. Motion carried with 7 yes, 0 no and 0 absent.

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

- A. Approve Monthly Finance Claims (Finance Total = \$42,418; Prepaid Total = \$1,101,525.97).
- B. Budget Adjustments as follows:
 - 2017 Payroll Inter-budget Transfers
 - From 101-202 To 101-202 Totaling \$4,834
 - 2017 Lower Revenue/Expenditures
 - 1) Fund 101 Total Budget Decrease Totaling \$308.89
 - 2) Fund 101 Total Budget Decrease Totaling \$314
 - 3) Fund 267 Total Budget Decrease Totaling \$3,521
 - 2017 Raise Revenue/Expenditures
 - 1) Fund 101 Total Budget Increase Totaling \$6261
 - 2) Fund 267 Total Budget Increase Totaling \$500
- C. Bay County Resolution regarding Revision to Medicare Prescription Drug Bill of 2003
- D. Straits Regional Ride – 2018 Annual Grant Application Resolution 17-03
- E. Top O Michigan Outboard Racing Club Request for Waiver of “No Wake
- F. NEMCOG Project Reviews – November 2016, December 2016 & January 2017
- G. Minutes:
 - 1. Finance/Business Meeting of January 10, 2017, Committee of the Whole Meeting of January 24, 2017 and Special Meeting of January 19, 2017
 - 2. Fair Board Minutes – 11/7/16 and 12/5/16
 - 3. ZBA – 11/23/16
 - 4. Planning Commission Minutes – 12/21/16 & 1/18/17

5. Board Appointments & Procedures – 1/18/17
6. Department of Public Works – 1/17/17
7. City Council Minutes – 12/27/16 & 1/10/17
8. County Road Commission Minutes – 1/5/17
9. NEMCOG – 10/20/16
10. NEMSCA – 1/6/17
11. Millage Appropriation Minutes – 2/13/17

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

Citizens Comments

Carl Muscott had a formal request of the Board of Commissioners to waive the fees for a FOIA request to the Community Development Department regarding the continuance of transient rentals that he submitted. This was done for public information. He commented on the Zoning Ordinance Amendment #137 – Mobile Food Units. The previous actions for Mobile Food Units were approved under the building center zoning in Indian River. This amendment ignores the building center zoning and only allows for Mobile Food Units in commercial areas. There are three (3) different business districts located in Indian River: the Village Center, Village Center Overlay and Commercial Development Zoning District. This would allow for Mobile Food Units to go halfway down Straits Highway. He encouraged the Board of Commissioners not to pass the amendment because of loopholes and it not being business friendly.

Chuck Freese presented information regarding short term rentals. He stated that the topic of short term rentals came up at the ZBA Meeting, which was tabled and given to the Planning Commission. The Planning Commission was looking at the regulations to either abolish or allow short term rentals. At their next meeting, they will be changing the language and bringing it to the Board of Commissioner's for approval. At this time short term rentals are not being allowed. Cheboygan County has a problem with encouraging business. The population is aging, three out of four elementary schools have closed, local business have folded such as Fox Valley, Detroit Tap and Tool, Proctor and Gamble, Cheboygan Co-op, Kroger's, Cheboygan Fitness Center, Woolworths, Wrightway Homes, Cheboygan Hospital, Erb Lumber, Cheboygan Lumber, etc... There have been some replacements where the owners are from out of town, which results in profits not staying in the county. There has been a downsize of the local hospital with the high paying jobs for doctors and nurses being gone. Young people have moved out so school enrollments are down. There were people in Cheboygan that had the philosophy that they were happy with the way things were. Retirees do not spend a lot of money, but young people do. Younger families spend money on clothing, entertainment, food and other things. Commissioner Wallace suggested that Mr. Freese submit his report to the Board of Commissioner for review.

Scheduled Visitors - None

Finance Director's Report

Finance Director Kari Kortz stated that there will be no General Fund Revenue and Expenditure Report for December 31, 2016 because the 2016 year-end adjustments were still being posted. Also Cash Summary by Fund Cash and Investment for December 2016 will not be presented until all the 2016 adjusting entries are posted, as cash balances could be affected. She gave an explanation of the Summarization of all budget adjustments posted from July 1, 2016 through December 31, 2016. Discussion held. Auditors are scheduled to be here the first week of May.

Administrator's Report - None

Committee Reports

Commissioner Sangster attended a NEMSCA meeting in Alpena where they redid new contracts for their staff, several City Council meetings, and a Port Commission meeting. On the agenda for tonight's meeting was the land acquisition and sale of the port property to two existing anchor properties.

Commissioner Gouine attended an Airport Authority meeting, Board Appointments & Procedures meeting, Planning Commission meeting, Straits Regional Area Ride meeting, and Inverness Township meeting He explained that if the Inverness Township goes with a 425 agreement, they would probably have to renegotiate their sewer loan agreement with the County. He updated the Board on the Airport Authority, which was still trying to get permission to leave the building where it was. They have a couple of options. One was to get a separate description to put another driveway in to the building.

Commissioner Newman attended a Community Mental Health meeting, CCE 911 Board meeting, District #4 Health Board meeting, Benton Township meeting, Northern Michigan Counties Association and Cheboygan County Council on Aging. He handed out a new pamphlet from Cheboygan County Council on Aging.

Commissioner Brown attended a Beaugrand Township meeting, a Mackinaw Township meeting, a Board Appointments & Procedures meeting, and two Airport Authority meetings. He reported that the Airport Authority had funds on hold for new garages to be built for snow equipment, which were lifted. He reported that the Board Appointments & Procedures had a vacancy on the Airport Authority Board to be filled and encouraged people who want to get involved in county government to apply to sit on these boards.

Commissioner Wallace attended a CCE 911 Board meeting where he is Vice-chair and Northeast MI Consortium. He handed out last month's activity report for the Northeast MI Consortium.

Commissioner Matelski attended a CCE Office of Emergency Management Board meeting, District #4 Health Board meeting, Waterways Commission meeting, two Planning Commission meetings, Economic Development Corporate meeting, Zoning Board of Appeals meeting, Millage Appropriation Committee Meeting, MEDC meeting, Michigan Association of Townships, Black Lake Level meeting, and Tower Dam Removal.

Old Business – None

New Business

Community Development Planner Scott McNeil presented the Zoning Ordinance Amendment #137 – Mobile Food Units. Mobile food units, also known as food trucks, by their nature are portable and often operate on multiple sites. Therefore, a more streamline method of review and permitting was being proposed via the subject amendment.

Currently mobile food units fall under a restaurant use, which requires site plan review or special use permit approval for each location where a mobile food unit would like to operate. The subject amendment would approve review via a zoning permit for each site where a mobile food unit would like to operate within the Commercial Development zoning district. This amendment allows approval by staff as opposed to processing a site plan review application and attending a Planning Commission meeting for approval in the Commercial Development zoning district. This process takes less time to review and has lower fees, compared to a process, which would involve review by the Planning Commission.

Section 1 of the amendment document provides definitions for Mobile Food Unit and Vehicle. Section 2 of the amendment document provides for Mobile Food Units as allowed to use in the Commercial Development zoning district pursuant to provisions as provided in Section 3. The regulations and standards for approval are proposed under Section 3 of the amended document.

A public hearing was held by the Planning Commission on December 7, 2016 on the proposed zoning ordinance amendment. Meeting minutes which included the public hearing discussion was included. The zoning ordinance amendment was reviewed by legal counsel. Discussion held.

Motion by Commissioner Brown seconded by Commissioner Wallace to adopt the following Cheboygan County Zoning Ordinance:

Zoning Ordinance Amendment #137

AN ORDINANCE TO AMEND THE CHEBOYGAN COUNTY ZONING ORDINANCE No. 200 TO PROVIDE DEFINITION, REGULATIONS AND STANDARDS FOR MOBILE FOOD UNITS. THE

COUNTY OF CHEBOYGAN, STATE OF MICHIGAN ORDAINS:

Section 1. Amendment of Section 2.2.

Section 2.2 of the Cheboygan County Zoning Ordinance No. 200 is hereby amended to add the following new definition its appropriate alphabetical location, which new definition shall read in its entirety as follows:

Mobile Food Unit

A temporary establishment that is a vehicle-mounted food service designed to be readily movable without disassembly where food and beverages are served primarily for consumption off-premises, but may have limited outdoor seating.

Vehicle

Every device that possesses a current license registration under the laws of the State of Michigan in, upon, or by which any person or property is or may be transported or drawn upon a highway, except devices exclusively moved by human power or used exclusively upon stationary rails or tracks.

Section 2. Amendment of Section 6.2.

Section 6.2. of the Cheboygan County Zoning Ordinance No. 200 is hereby amended to add a new Section 6.2.30. which shall read in its entirety as follows:

6.2.30. Mobile food units, subject to the requirements of Section 17.29.

Section 3, Amendment of Article 17.

Article 17 of the Cheboygan County Zoning Ordinance No. 200 is hereby amended to add a new Section 17.29, which shall read in its entirety as follows:

Section 17.29. Mobile food unit.

A mobile food unit shall comply with the following regulations and standards:

- a. A mobile food unit shall not be placed within a right-of-way of any public road unless the governmental unit with jurisdiction over that public road right of way consents in writing to such placement.
- b. A zoning permit shall be required for each lot on which a mobile food unit will be open for business to the public unless that location is part of a special event as approved by the local governmental unit. The zoning permit application shall include statements as to the days and hours of operation and shall indicate that all of the applicable regulations and standards of this section are met.
- c. The use of a mobile food unit shall be limited to food sales.
- d. A mobile food unit shall meet applicable requirements of the Health Department.
- e. In addition to signage placed on the mobile food unit, a mobile food unit shall be allowed one (1) temporary accessory sign no greater than 8 square feet in sign surface area and no greater than three (3) feet in height displayed at the location of the mobile food unit. The sign shall be displayed only during times when food is being served from the mobile food unit. The temporary sign shall not be placed in a road right of way without the approval of the governmental unit with jurisdiction.
- f. No more than twelve (12) accessory chairs and no more than three (3) accessory tables may be placed out of doors on the lot.
- g. Each mobile food unit shall have a minimum of two (2) off street parking spaces if no accessory seating is offered or a minimum of three (3) off street parking spaces if accessory seating is offered. Parking spaces as required for the main use or uses of the lot shall be maintained in addition to those required for the mobile food unit. If parking space requirements for the property may be waived as permitted in other parts of this ordinance, then the required parking spaces for

the mobile food unit may be waived in the same manner.

- h. A mobile food unit shall have a minimum of one (1) trash receptacle with a minimum capacity of thirty (30) gallons available for use by its customers. Trash shall be removed from the lot daily or more frequently as needed.
- i. A mobile food unit shall meet all setback requirements as would pertain to a structure greater than 150 square feet even if that mobile food unit is of a smaller size.

Section 4. Severability.

If any section, clause, or provision of this Ordinance is declared unconstitutional or otherwise invalid by a court of competent jurisdiction, said declaration shall not affect the validity of the remainder of the Ordinance as a whole or any part thereof, other than the part so declared to be unconstitutional or invalid.

Section 5. Effective Date.

This Ordinance shall become effective eight (8) days after being published in a newspaper of general circulation within the County.

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

Community Development Director Steve Schnell presented the Data Sharing Agreement – Little Traverse Conservancy. Little Traverse Conservancy has requested that they share Geographic Information Systems (GIS) data. The agreement was approved by legal counsel, which allowed them to provide data files and receive others' data files. They provide data on location of their assets and they provide data, which they use as base maps for reference when viewing their easements and recreational assets.

Civil Counsel Bryan Graham stated that when a document was given to the County, it's subject to FOIA. They cannot agree by contract that it was not going to be shared. A conservation easement gets recorded in the Register of Deeds and it is a public document. He reads this language to say that they are not going to post it on the County's website and suggested that the language be made more clear. Lengthy discussion held.

Motion by Commissioner Gouine seconded by Commissioner Wallace to table the Data Sharing Agreement – Little Traverse Conservancy. Motion carried with 7 yes, 0 no and 0 absent.

Community Development Director Steve Schnell presented the Construction Code Ordinance #01-2017. Cheboygan County was currently recognized as the enforcing agency to administer and enforce the State Construction Code Act. This has been in place for many years and the State of Michigan has confirmed that they are recognized as the enforcing agency. This ordinance affirms that at the same time declares to the state that the County intends to enforce the Act treating violations as civil infractions.

The State Construction Code Act treats violations as misdemeanors unless a local ordinance states otherwise. This ordinance confirms their assumption of the responsibility to administer and enforce. In addition, under Section 3 of this ordinance was the statement that violations of this ordinance will be handled as a municipal civil

infraction. Misdemeanors are more serious violations compared to civil infractions. Also, punishment is more severe for misdemeanors when compared to civil infractions. Compliance with State Construction Code Act can typically be gained utilizing civil infractions and without the need for more severe penalties associated with misdemeanors.

Civil Counsel Bryan Graham explained that the purpose of enforcement was to get compliance. They want citizens to voluntarily comply with the code. Over the last decade, Construction Code had been successful in getting voluntary compliance, but there was always an individual that may pop up in the future, no matter what they do to get voluntary compliance. So if this was the case, they have two choices; either ignore the violation or to take court action. If they were going to take court action, this was the economical, fastest, and easiest way to get a court order requiring them to comply. Commissioner Sangster would like this monitored to see how many actions was taken in the next year.

Motion by Commissioner Gouine seconded by Commissioner Newman to adopt Construction Code Ordinance #01 of 2017 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 Director Michael Couture presented the Straits Regional Ride – Northern Star Broadcasting Lease Agreement. The lease was for SRR to raise its repeater from a height of 150 ft. to 320 ft. and a Yagi style antenna at 75 ft. to transfer signal to the Petoskey tower. The NSB tower was located on Douglas Road. This will allow SRR better radio communication. The contract was for a term of 120 months commencing from 1/1/2017 with the option to renew, for two additional terms of 120 months each. The cost to SRR for this contract was an additional \$300 per month and could be paid once per year with the sum of \$7,200 or \$600, which included back up electrical power. Additionally, it will be subject to CPI of the Midwest Region and it will be measured from August 31 of each year. The County of Cheboygan shall maintain liability insurance naming lessor as an additional insured. The contact was reviewed by Civil Counsel.

Motion by Commissioner Brown seconded by Commissioner Sangster to approve the Northern Star Broadcasting/ SRR Tower Lease Agreement and to approve the 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.

Finance Director Kari Kortz presented the 2017 Salary & Wage Resolution #16-21 Amendment #2. Due to the transfer of an employee to the Treasurer's Office, Administration would like to restructure positions within the Finance Department creating the position of Payroll/HR Specialist which will be a non-union position, maintain the Accountant position which is currently non-union position as well as maintain the Accounting Clerk position which will now be placed within the Union. She believed the restructuring was appropriate to reposition workloads and responsibilities as well as to place positions to protect confidentiality during contract negotiations.

Administration has signed a MOU with AFSME Local No. 3325 Union recognizing the position changes within the Union. The Accountant position wage for 2017 will be set at \$19.02 per hour, which is (\$1.05) lower than the existing wage. This difference will be utilized to set the Payroll/HR Specialist wage at \$19.02 per hour for 2017. Wages for these positions remain below the regional wage comparable averages utilized by the County to set wages. The Accounting Clerk position wage will remain set at \$17.10 per hour for 2017.

Motion by Commissioner Wallace seconded by Commissioner Brown to adopt Amendment #2 to the 2017 Salary and Wage Resolution – Non-Union General Employee #16-021 to be effective February 15, 2017, and authorize the Chair to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented the 2017 Fee Resolution #16-25 Agreement #1. When creating the 2017 Fee Resolution, Administration was still finalizing the Cheboygan County Township Road Loan Program Policy 300-6. This Policy requires the Board of Commissioners to set an interest rate for all road loans on an annual basis. This will be incorporated into the annual fee resolution adopted in December. The 2017 interest rate will be 3.5%. This rate was determined by taking the average Prime Rate from the twelve month period, December 2015 through November 2016. The same time period will be used from year to year to establish the new interest rate to include on the fee resolution; 2018 interest rate will be based on December 2016 through November 2017.

Motion by Commissioner Sangster seconded by Commissioner Newman to adopt Amendment #1 to Resolution #16-025 – 2017 Fee Resolution to become effective February 14, 2017 and authorize the Chair to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented the Road Loan Program – Benton Township Application & Agreement. The County received one application in the first round of the Township Road Loan Program. The application was received from Benton Township requesting to borrow \$200,000 at 3.5 % to be paid back over five years to use toward the reconstruction of two project areas. A .06 mile portion of Canton Road, which scored a 14 and a 3.4 mile portion of West Black Lane, which scored a 16 when evaluated by the Millage Appropriation Committee. Staff reviewed the financial information provided by the Benton Township, which identified the township was requesting to borrow 40% of the total cost of \$500,000 for both projects. A \$200,000 loan was being taken from the Tax Revolving Loan Fund. There will be two semi-annual payments of \$21,975.07, which will begin on April 1, 2018. The reason why they are not starting in 2017 was because it is believed that the funds will not be disbursed until October 1, 2017. If something would change and the township would need the money ahead of October 1st, obviously, the payment schedule would change. She stated that they spoke with township officials and they were on board based on the current plan.

Motion by Commissioner Brown seconded by Commissioner Newman to approve a five year loan of \$200,000 to Benton Township for reconstruction of a portion of Canton Road and West Black Lane and authorize the Chair to sign loan agreement prepared by Civil Counsel. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Citizens Comments

Cheboygan County Road Commissioner Ken Paquet thanked the Board of Commissioners for approving the road loan. He hoped that other townships would take advantage of it.

Benton Township Supervisor Andrew Archambo also thanked the Board of Commissioners for being first in the state to adopt this road loan agreement. He stated that there were several other special assessment districts that were ready to go in the past several weeks.

Doug Dom property owner on West Black Lane and Canton Road thanked the Board of Commissioners. He stated that he had worked on this project for approximately one year and it was nice to see that Cheboygan County and Benton Township was possibly the first county in Michigan to take advantage of Public Act 77 where counties being able to loan money to the townships for road improvement. This is a great opportunity for townships to repair their roads.

Carol Muscott stated he appreciated everyone's efforts. Regarding Public Act 77, legislators thought it would be an opportunity for counties to loan money to townships for the general population. Obviously, in this case, it is for a special assessment district. This means for a special group, which will serve only a limited number of residence. Loans need to be available to the general public and not just the special assessment districts.

Board Member Comments

Commissioner Brown commented on the public act. A great business agreement to serve the citizens of the township. He commented on the short term rentals.

Motion by Commissioner Wallace, seconded by Commissioner Gouine, to adjourn to the call of the Chair. Motion carried with 7 yes, 0 no and 0 absent. Meeting adjourned at 11:00 a.m.

Karen L. Brewster
Cheboygan County Clerk/Register

Anthony M. Matelski
Chairperson