

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
JUNE 11, 2013**

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, Cal Gouine, Tony Matelski, John Wallace, and Sue Allor

Absent: None

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

Motion by Commissioner Matelski, seconded by Commissioner Allor to table the Board minutes of the Finance/Business meeting of May 14th and of the Committee of the Whole meeting of May 28th until the July 9th, 2013 Finance/Business meeting and pending review by the Clerk. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Matelski requested Item 5A be removed from the Consent Agenda and placed under New Business. Chairperson Socha requested Item 5F Tri County Convention Facility Tax/4% Statewide Liquor Tax and Item 5I-6 County Tax Allocation be removed from the Consent Agenda and placed under New Business.

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

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

- A. ~~Approve Monthly Finance Claims~~ (Moved to New Business)
- B. Budget Adjustments
- C. Monitoring Review of Grant #MSC-2009-0730-HOA
- D. Notice of Availability of Poe Reef Light
- E. Cheboygan Senior Center's 7th Annual Summer Kick-Off Invitation
- F. ~~Tri County Convention Facility Tax/4% State-wide Liquor Tax~~ (Moved to New Business)
- G. Fair Ground Events:
 1. 4-H Horse Riding Meetings
 2. Cheboygan County Equine Youth and Family Horse Show
- H. Correspondence:
 1. Bay County & Oceana County Resolutions Regarding Full Funding of Revenue Sharing to Counties
 2. Bay County Resolution Regarding Immediate Passage of HR112
 3. Crawford County Resolution in Support of the Preservation of the Second Amendment
 4. Crawford County Resolution Regarding Improved Services to Veterans
 5. Menominee County Resolution Requesting Legislature to Implement a Plan to Improve Michigan Roads & Highways
- I. Minutes:
 1. ~~Finance/Business Meeting of May 14, 2013, Tri-County 9-1-1 Meeting of May 15, 2013 and Committee of the Whole Meeting of May 28, 2013~~ (Tabled until July 9th)
 2. Health Board – 4/16/13
 3. NEMCSA – 5/3/13
 4. North Country Community Mental Health – 4/18/13
 5. Northern Lakes Economic Alliance – June President's Report and May Newsletter
 6. ~~County Tax Allocation – 5/20/13~~ (Moved to New Business)
 7. NEMCOG Meeting – 4/18/13
 8. Cheboygan City Council – 4/23/13 & 5/14/13
 9. Planning Commission Meeting – 5/1/13

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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 April 30, 2013. She reported total year-to-date revenue of \$850,617.81 versus \$1,006,217.61 last year at that time. Ms. Kortz reported expenditures year-to-date of \$3,265,250.10, or 31.08% of budget, compared to \$3,264,020.66 last year as of the end of April.

ADMINISTRATOR'S REPORT

County Administrator, Jeff Lawson, updated the Board on several working projects. Regarding the boiler removal project, the removal has begun and is in progress. Advertising for bids for the Cheboygan County Fairgrounds Midway restroom is underway with bid opening scheduled for June 28th, 2013. County staff continues to work on the grant application to obtain new funding for the housing program. Regarding the County website redevelopment, staff is still reviewing the proposals for that. An RFP for engineering services for replacement of asphalt pavement for a portion of the County Building parking lot and sidewalk replacement/construction is currently being advertised, and includes construction of a parking area at the Animal Shelter.

COMMITTEE REPORTS

Commissioner Gauthier attended a Cheboygan County Fair Board meeting, a Planning Session Committee meeting, an NLEA meeting. He did not attend the NEMCSA meeting because of its remote location.

Commissioner Wallace did not report on any meetings.

Commissioner Redmond attended the Tri-County 9-1-1 meeting, a Waterways Commission meeting, a District No. 4 Health Board meeting, and a Benton Township meeting.

Commissioner Allor attended an Ellis Township meeting, Wilmot Township meeting, Forest Township meeting, Village of Wolverine meeting, a North Country Community Mental Health meeting, a Michigan Northern Counties meeting, a District No. 4 Health meeting, a local Michigan Townships Association meeting, and the Tri-County 9-1-1 meeting.

Commissioner Gouine attended township meetings and the Cheboygan County Airport Authority meeting.

Commissioner Matelski attended two Planning Commission meetings, two Road Commission meetings, an Aloha Township meeting, Tri-County 9-1-1 meeting, a Waterways Commission meeting, and the local Michigan Townships Association meeting.

Commissioner Socha attended two County Tax Board Allocation meetings, a meeting with Burt Township officials, a Michigan Townships Association meeting, the Tri-County 9-1-1 meeting, an OEM meeting, and an OEM Strategic Planning Session.

Finance Director Kari Kortz reported that there is an active tuberculosis case within Cheboygan County and that information was conveyed through the District No. 4 Health Department. The costs for medical treatment of the infected individual fall within the jurisdictional obligation of the County, Department 101.605 (Communicable Diseases). There are only place holding funds of approximately \$400 in the account at this time, and it is forecasted that the costs will exceed this amount.

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OLD BUSINESS - None

NEW BUSINESS

Administrator Lawson reported on a proposed fair event and contract entitled Pirate Island. It is scheduled on August 5th – August 10th, 2013, one show per day. There is a financial impact from the Fair budget of \$1000.

Motion by Commissioner Gauthier, seconded by Commissioner Redmond to approve the agreement and the 2013 addendum to the exhibitor contract between the Cheboygan County Fair Board and Pirate Island for fairgrounds usage August 5th – August 10th, 2013 and authorize the Chairperson to sign the agreement. Motion carried with 7 yes, 0 no and 0 absent.

DNR Forest Land Administrator, Kerry Wieber, was present to accept Resolution #13-11 in Support of DNR Land Acquisition. Ms. Wieber also gave a presentation on regional DNR public land management strategies and legislative updates regarding PILT (Payment in Lieu of Taxes) payments. Discussion was held.

Motion by Commissioner Redmond, supported by Commissioner Matelski to adopt the following:

**Resolution #13-11
Local Support for DNR Land Acquisition**

WHEREAS, the Cheboygan County Board of Commissioners supports the Department of Natural Resources (DNR) effort to acquire ½ undivided interest in a 40 acre parcel (220-016-400-001-00) that the State of Michigan already owns the remaining ½ undivided interest located in the south east corner of Section 16 T 34N-R1 W Walker Township, Cheboygan County, Michigan; and,

WHEREAS, with this resolution of support it is acknowledged that Cheboygan County is not committing to any obligations; financial or otherwise.

NOW THEREFORE, BE IT RESOLVED that Cheboygan County hereby supports the Department of Natural Resources efforts to acquire the ½ undivided interest of a 40 acre parcel (220-016-400-001-00) located in the South East corner of Section 16, T 34N-R1 W Walker Township, Cheboygan County, Michigan.

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

Sheena Andrzejak of Anderson, Tackman & Company presented a report on the County Audit for Fiscal Year ending December 31st, 2012. Ms. Andrzejak reviewed and explained several charts of assets, revenues and expenses for 2012. The county received an unqualified opinion which denotes a very good audit. Ms. Andrzejak reviewed comments and recommendations listed and noted that in last year's audit a recommendation was made that the Inmate Trust Account funds be segregated and vendor checks written from the Jail Commissary fund was not done for the 2012 fiscal year. Director of Finance, Kari Kortz, stated that she has spoken with the Jail Administrator regarding this audit error last year, and it was determined that they would like the procedure to remain the same, as they see it as the most efficient way. Commission Socha stated that there should be a policy developed which allows the jail to proceed without violation from the State of Michigan's Chart of Accounts. Other comments and recommendations listed were: Reporting Employer Provided Health Coverage on Form W-2 - Management has elected to transition relief until tax year 2014; Pension Report –Board and management should review the procedures for implementation of new standards effective in fiscal year 2014 and assess the impact on the local unit of government's financial reporting; Changes in Borrowing for Delinquent Taxes – Board and management should review the procedures for implementation of this amendment, which makes changes to the process of borrowing to purchase the delinquent taxes. During the testing of delinquent tax receipts it was noted a business has delinquent taxes dating back to 2002 and that the interest and administration fees are being waived. It was recommended that the County receive a legal opinion as to whether or not the County should be able to waive those fees. Commissioner Socha directed Civil Counsel and County Treasurer to confer over the issue and then report back to the Board as to what the issue is and how to remedy it.

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Motion by Commissioner Wallace, seconded by Commissioner Redmond to accept the December 31st, 2012 audited financial statements from Anderson, Tackman & Company for Cheboygan County as presented. Motion carried with 7 yes, 0 no and 0 absent.

Ms. Andrzejak presented the 2012 Straits Regional Ride Budget Audit. This audit contained a clean “unqualified” opinion with no comments or recommendations made. The net position of Straits Regional Ride compared to the previous year increased by approximately \$50,000. The increase is mainly attributable to the receipt of capital grants for the purchase of new buses.

Motion by Commissioner Allor, seconded by Commissioner Gouine to accept the December 31st, 2012 audited financial statements from Anderson, Tackman & Company for Straits Regional Ride as presented. Motion carried with 7 yes, 0 no and 0 absent.

County Planner, Scott McNeil presented Zoning Ordinance Amendment #118 regarding Fenced Land Area for Keeping of Animals in Rural Character/Country Living Zoning District. The Rural Character/Country Living Zoning District is designed to be an intermediary zone between Agriculture and Forestry Management and other residential type of zoning. There tend to be larger parcels in Rural Character/Country Living Zoning Districts and more animals kept on the land while mixed with residential uses as well. The Zoning Ordinance amendment is intended to make clear the amount of property required for a certain amount of animals/type of animals is to be fenced in. The ordinance currently does specify the amount of land required but does not mention fenced in areas.

Motion by Commissioner Matelski, seconded by Commissioner Redmond to adopt:

CHEBOYGAN COUNTY
Zoning Ordinance Amendment #118
AN ORDINANCE TO AMEND THE CHEBOYGAN COUNTY ZONING
ORDINANCE NO. 200 TO PROVIDE MINIMUM FENCED LAND AREA
STANDARDS FOR KEEPING OF ANIMALS IN THE RURAL
CHARACTER/COUNTRY LIVING ZONING DISTRICT
THE COUNTY OF CHEBOYGAN, STATE OF MICHIGAN ORDAINS:

Section 1. Amendment of Section 14.4.1.1.

Section 14.4.1.1. of the Cheboygan County Ordinance No. 200 is hereby amended to read in its entirety as follows:

14.4.1.1 Large Domesticated Animals

<u>Animal Type</u>	<u>Number of Animals</u>	<u>Minimum fenced land area required subject to section 14.4.1.3.</u>
Equine, bovine or deer	<u>Two or less</u>	<u>One acre</u>
	<u>Three or more</u>	<u>An additional one half acre for each additional equine, bovine or deer over two.</u>
All large domesticated animals except equine, bovine and deer.	<u>Three or less</u>	<u>One acre</u>
	<u>Four or more</u>	<u>An additional one half acre for every two animals over three.</u>

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Section 2. Amendment of Section 14.4.1.2.

Section 14.4.1.2. of the Cheboygan County Ordinance No. 200 is hereby amended to read in its entirety as follows:

14.4.1.2. Small Domesticated Animals:

<u>Number of Animals</u>	<u>Minimum fenced land area required subject to section 14.4.1.3.</u>
Nineteen or less	One acre
Twenty or more	An additional one half acre for every five animals over twenty.

Section 3. 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 4. 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.

Finance Director Kari Kortz said the Equalization Director, Janice Eaton, has requested that the Board authorize a budget adjustment in the amount of \$1332.49 in order to hire Joe Lavender, the previous Equalization Director, to provide 40 hours of training to Janice Eaton, the current Equalization Director on a department specific tax bill computer system, tax.net. Ms. Kortz said the money will be taken from the department's Computer Hardware/Software/Maintenance line item. Lengthy discussion on this request.

Motion by Commissioner Wallace, seconded by Commissioner Gauthier to approve the necessary budget adjustment to allow an additional appropriation of \$1332.49 to the Equalization Department as presented in the attachment. A roll call vote was taken. Motion carried with 5 yes, 2 no (Commissioner Socha, Commissioner Allor) and 0 absent.

Finance Director Kari Kortz, presented information regarding Cheboygan County's final payment to Northeast Michigan Affordable Housing, Inc. (NEMAH) to closeout a financial relationship with NEMAH, the third party administrator for the housing program. There is an additional \$8812.37 being requested by NEMAH for services that were outside of the scope of the contract Cheboygan County had with NEMAH. The entire difference is reimbursable through Michigan State Housing Development Authority (MSHDA). Ms. Kortz requested to offset the billing with a \$4500 credit refunded to the General Fund based on the transition of the program back into the County building because when NEMAH began administration of the program the county paid \$7,300 in transition/startup fees. The credit would reduce the final payment to NEMAH to \$4312.37. She said including this payment NEMAH will have been paid a total of \$33,134.47 for a little over two years as administrator of the program. Commissioner Wallace requested that the final payment be made with a clause stipulating that the County will have paid NEMAH in full.

Motion by Commissioner Wallace, seconded by Commissioner Gauthier to approve the payment of \$4312.37 to Northeast Michigan Affordable Housing for third party administration services in full satisfaction for all contractual services performed for Cheboygan County. A roll call vote was taken. Motion carries with 7 yes, 0 no and 0 absent.

County Administrator, Jeff Lawson, presented information on the Redwood Toxicology Laboratory Drug Testing Contract for the 53rd Circuit Court Drug Court. He contract provides for intensive drug screening services for Drug Court participants.

Motion by Commissioner Allor, seconded by Commissioner Redmond to approve the Independent Contractor Agreement between the Cheboygan County Drug Court and Redwood Toxicology Laboratory and authorize the Chairperson to sign the document and any other documentation after reviewed by the

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Finance Director. Discussion was held regarding the importance of establishing contracts for services. Motion carries with 7 yes, 0 no and 0 absent.

County Administrator, Jeff Lawson, presented information regarding the AIA Standard Agreement for Architect Services. The County sought requests for proposals for a facility space needs assessment for the Doris Reid Building improvements. Four bids were received, the lowest of which is from The Architect Forum based out of Mackinaw City, Michigan for \$17,260.

Motion by Commissioner Matelski, seconded by Commissioner Gouine to approve the AIA Document B101-2007 Standard Form Agreement in the amount of \$17,260 with The Architect Forum to complete a facility space needs assessment, preliminary design and construction cost estimate for improvements to the Doris Reid Building located at 825 South Huron, Cheboygan Michigan and authorize the Chairperson to sign the agreement. Motion carried with 7 yes, 0 no and 0 absent.

County Treasurer, Linda Cronan presented information on the First Right of Refusal for the foreclosed County owned properties as of March 31st, 2013. The County receives First Right of Refusal after the State and the local municipality have declined the property. There are fifty parcels up for auction this year, one parcel the Village of Wolverine is interested in one parcel, if the State doesn't want the parcel; and one parcel is being bundled together with another parcel for sale purposes.

Motion by Commissioner Gauthier, seconded by Commissioner Allor to authorize the Chairperson to sign the waiver of First Right of Refusal in accordance with Act 123 PA 1999. Motion carried with 7 yes, 0 no and 0 absent.

County Treasurer, Linda Cronan, presented information on the Foreclosure Report. Based on the monies gleaned from foreclosed County property sales, there is generally a profit. The profits are then designated to a County Land Utilization Fund administered by the Treasurer's office. The total profit in the Land Utilization fund minus expenditures is \$78,651.97, which can now be transferred into the County General Fund to be used at the Board's discretion. Commissioner Socha commended the County Treasurer for her work, effort and attention in regard to the County Land Utilization Fund.

Motion by Commissioner Matelski, seconded by Commissioner Allor to accept the County Treasurer's 2011 Foreclosure Report and direct the Treasurer to move the authorized amount of \$78,651.97 to the General Fund account. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Redmond to adopt the Board of Commissioner's Goals for 2013 as follows: 1) Public Safety – To focus on providing services beneficial to the citizens of Cheboygan County in the area of public health, safety and security. 2) Economic Development – To promote and encourage economic development through our continued efforts of collaborations with our partners. 3) Quality County Services – To work diligently to provide courteous, efficient, quality service. 4) Recognizing Social Issues – To work diligently to address social needs, recognizing the limited role of counties and working together with state and federal governments in their role. 5) Addressing Multiple Facility Needs – To continue development of capital improvement schedules to maintain county assets. 6) Collaboration-Service – To explore continued expansion of collaborative activities. Discussion was held regarding clarification over the Social Issues Goal and dissention over the number of goals. A roll call vote was taken. Motion carried with 7 yes, 1 no (Commissioner Matelski) and 0 absent.

County Treasurer Linda Cronan explained the purpose of the correspondence from the State Department of Treasury regarding the Tri-County Convention Facilities Tax/4% State-wide Liquor Tax. The State levies a Tri-County Convention Facilities Tax and a 4% Liquor Tax State-wide. The information in the letter is provided to County Treasurers and Equalization Directors to be used for budgetary and Truth-in-Taxation calculations.

Motion by Commissioner Allor, seconded by Commissioner Matelski to receive and file the Tri-County Convention Facilities Tax/4% State-wide Liquor Tax correspondence from the Department of Treasury. Motion carried with 7 yes, 0 no and 0 absent.

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Commissioner Matelski inquired into several monthly finance claims, including, two NEMCOG bills in the amounts of \$6,127 and \$4,994.77. Ms. Kortz affirmed that the \$4,994.77 bill was an amount approved at the last Finance/Business meeting; since these bills are not prepaid, the Finance Department waits for Board approval. The \$6,127 bill was for a June drug court expense. He also asked about an Emmet County DPW charge. County Administrator Lawson confirmed that it was a recycling charge. Commissioner Matelski questioned a Blarney Castle charge for approximately \$20,000. Ms. Kortz confirmed that was bulk gas purchases for the County Building and the County Marina Building. The Monthly Finance Claims totaled - Finance = \$38,773.67, Prepaid = \$785,365.11.

Motion by Commissioner Matelski, seconded by Commissioner Redmond, to approve the monthly finance claims, as presented. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Socha noted a date correction to the Cheboygan County Tax Allocation Board and also noted the minutes from the April Organizational meeting were not included.

Motion by Commissioner Allor, seconded by Commissioner Gauthier to receive and file the County Tax Allocation minutes from May 20th and May 29th pending the change in the date from “2011” to “2013” on the official copy. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS - None

BOARD MEMBER COMMENTS - None

Motion by Commissioner Allor, seconded by Commissioner Wallace, to adjourn to the call of the Chair. Motion carries with 7 yes, 0 no and 0 absent. Meeting adjourned at 1:42 p.m.

Amber Libby
Cheboygan County Chief Deputy Clerk

Linda Socha
Chairperson