

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE BUSINESS MEETING
December 13, 2016**

The Finance/Business meeting of the Cheboygan County Board of Commissioners was called to order in the Commissioners Room by Chairperson Pete Redmond at 9:30 a.m.

Roll called and a quorum present.

Present: Commissioners Chris Brown, 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.

Commissioner Redmond removed Item 13 – J *Appointment of Remonumentation Grant Administrator* from New Business until next year.

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

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

- A. Approve Monthly Finance Claims (Finance Total = 250,000; Prepaid Total = \$716,353.78)
- B. Budget Adjustments
- C. Straits Regional Ride – Letter of Understanding
- D. Correspondence
 - 1. NEMCOG 2016 Bylaws
 - 2. NEMCOG Regional Project Review December 2016
- E. Minutes:
 - 1. Committee of the Whole Meeting of October 25, 2016; Finance/Business Meeting of November 8, 2016; and Committee of the Whole Meeting of November 22, 2016
 - 2. Health Board – 10/18/16
 - 3. NEMCSA – 10/7/16
 - 4. NEMCOG – 10/20/16
 - 5. North Country Community Mental Health – 10/20/16
 - 6. NLEA November and December President's Report
 - 7. Board Appointments & Procedures Committee – 12/7/16
 - 8. Cheboygan County Fair Board – 9/12/16
 - 9. Cheboygan County Road Commission – 11/3/16 & 11/17/16
 - 10. Cheboygan City Council – 10/25/16
 - 11. Planning Commission Meeting – 10/19/16, 11/2/16 & 11/16/16
 - 12. ZBA – 10/26/16

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

Public hearing opened at 9:33 AM

Commissioner Redmond opened public hearing regarding the proposed 2017 Cheboygan County Budget. Finance Director Kortz highlighted the 2017 proposed budget contents and process for those in attendance. She stated that the public hearing is the last step in the budget process before budget adoption.

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Scott Swanson, owner of the Straitsland Resorter newspaper, requested additional information regarding the general fund transfer for 2017 and what the general fund balance remains at. Finance Director Kari Kortz stated that the undesignated fund balance is well over \$7 million and that Cheboygan County sits at about 70% coverage of annual expenditures in the general fund balance. Mr. Swanson asked if the general fund balance was diminishing. Ms. Kortz stated the general fund balance has not decreased in any year that she has been with the County in her capacity but that this could be the first year that we do see a slight decrease. Ms. Kortz clarified that a budget is just a projection and expenditures and revenues are projected conservatively.

Commissioner Redmond closed the public hearing regarding the proposed 2017 Cheboygan County Budget.

Public hearing closed at 9:41 AM

CITIZENS COMMENTS

Jon Leslie, a citizen of Beaugrand Township, addressed the Board regarding an article he distributed to the Board. He stated it occurred to him that individuals need to see that things are on their level, where it can happen to them, so he started a series and this is the first of that series in addition to foundations that he has laid down including the foundation that there are “haves and have nots”. Mr. Leslie stated that the “haves” are usually referred to in discussion as “they” and everyone gets along with that but that we need to be distinct and see that some people have things that can lever us and the Board of Commission and wherever there can be leverage. Mr. Leslie proposed that everyone is a “have” by owning their own property and house and that you can bear arms and free speech. Mr. Leslie stated that things that happen to others in the U.S. can happen to us.

SCHEDULED VISITORS

Commissioner Redmond stated certificates of appreciation would be presented to five individuals who will be leaving county government for various reasons, including retirement.

Administrator Jeff Lawson and Clerk/Register Mary Ellen Tryban presented a Certificate of Appreciation to Chief Deputy Clerk/Register Amber Libby for her 5 years of service with Cheboygan County. Clerk/Register Tryban thanked Libby for her time with the Cheboygan County Clerk/Register's Office as her Chief Deputy. Administrator Lawson also thanked Libby for her time with the Cheboygan County Clerk/Register's Office and pointed out she has many opportunities ahead of her.

Administrator Jeff Lawson and Commissioner Redmond presented a Certificate of Appreciation to County Treasurer Linda Cronan for her 34+ years of service with Cheboygan County. Commissioner Redmond stated that Treasurer Cronan started in the County Clerk's Office and has maintained her legacy as the elected County Treasurer since 1985. Commissioner Redmond on behalf of the Cheboygan County Board of Commissioners thanked Treasurer Cronan for all of her years of service. Treasurer Cronan stated that she has an excellent replacement in Buffy Weldon who will fill the position without skipping a beat.

Administrator Jeff Lawson and Commissioner Redmond presented a Certificate of Appreciation to County Clerk/Register of Deeds Mary Ellen Tryban for her 40+ years of service with Cheboygan County. Commissioner Redmond stated that Clerk/Register Tryban started in the County Equalization Department and has been the elected County Clerk/Register since 2001. Commissioner Redmond on behalf of the Cheboygan County Board of Commissioners thanked Clerk/Register Tryban for all of her years of service. Clerk/Register Tryban stated that it has been a pleasure working with the Board of Commissioners and all of the township boards during her time with Cheboygan County. She stated her employment with Cheboygan County started exactly 40 years ago today – December 13th, 2016 and that she has loved every minute of it.

Administrator Jeff Lawson and Commissioner Redmond presented a Certificate of Appreciation to County Commissioner Bruce Gauthier for his two terms of service with Cheboygan County. Commissioner

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Redmond stated that Commissioner Gauthier has been serving on the Board for four years and that he has dealt with some difficult committees and challenges in that time but has done a great job and has been a dedicated Commissioner. Commissioner Gauthier thanked everyone.

Administrator Jeff Lawson and Commissioner Redmond presented a Certificate of Appreciation to County Commissioner Sue Allor for all her service with Cheboygan County. Commissioner Redmond stated that Commissioner Allor has been a dedicated and meticulous asset to the Board of Commissioners and is now moving onto bigger things as the newly elected State Representative for the 106th District. Commissioner Allor thanked everyone and stated that she has truly enjoyed the last six years on the Board and this is bittersweet.

Administrator Lawson presented a Certificate of Appreciation to County Commissioner Pete Redmond. Administrator Lawson stated that Commissioner Redmond has served in a lot of different capacities on the Board of Commissioners over his 13 years of service. Administrator Lawson thanked Commissioner Redmond and stated that one of the most valuable things that Commissioner Redmond offered over the years was that he was the calming presence in difficult situations. Commissioner Redmond stated that he never anticipated all that has come with serving the public and he is going to miss it but is looking forward to enjoying retirement.

The Board took a brief intermission for a group photo of all those that received a plaque.

ADMINISTRATOR'S REPORT

Administrator Lawson updated the Board on the jail expansion study. He and staff met recently with the architect and have identified the preferred jail layout and provided it to the consultant to complete the project estimates for the project. Administrator Lawson stated that the preliminary project report is on schedule to be completed by the end of January. He said after January they will look at the cost of the project and bring that back to the Board to decide whether to move forward. Commissioner Allor asked if the focus is still to expand into the garage area. Administrator Lawson stated that an expansion is a portion of the remodel and then a separate building for a 40' by 80' storage area for the Sheriff's Department equipment and marine patrol equipment on the north side of the property, moving the command center for the jail to a different location and updating the security door system.

Administrator Lawson reported that staff has sent a proposed five-year lease agreement to District Health Department #4 for the majority of the upper floor area of the Reid building. The proposed lease has been modified to be set at a yearly flat rate lease payment over the five-year lease term based on the request of DHD #4. Administrator Lawson stated that staff has also relayed the schedule for the continued renovation of the Health Department area to DHD #4 staff with the objective to have the renovation completed by September of 2017 contingent upon maintaining project budget. Mr. Lawson said staff and contractors are currently continuing renovations along the north office area of the Health Department as well as in the new meeting room area. He reported DHD #4 will consider the lease at their December 20, 2016 meeting and likely will be seeking Board approval at the January 10, 2017 meeting.

Administrator Lawson stated that staff is preparing a revised Ambulance Agreement with Cheboygan Life Support to specify the cost for Ambulance transport of inmates from the Cheboygan County Jail. Mr. Lawson stated the revised agreement will be presented for Board approval at the January 10, 2017. Commissioner Allor asked about this. Administrator Lawson stated that in the past the County was not charged to transport inmates from the jail or people on bond released from jail to the hospital but that Cheboygan Life Support has addressed the issue because based on a Medicare/Medicaid ruling they have to charge for those transports and the County has to cover those costs.

FINANCE DIRECTOR'S REPORT

Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ended October 31, 2016. She reported total year-to-date revenue of \$10,024,501.33, or 83.84% of budget, compared to \$10,351,873.56 or 87.54% of budget last year at the same time. Ms. Kortz reported expenditures year-to-date of \$8,769,059.92 or 73.34% of budget, compared to \$8,500,967.10, or 71.88%,

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last year as of the end October. Finance Director Kortz presented the Cash Summary Report by Fund for October 2016.

COMMITTEE REPORTS

Commissioner Gauthier attended a Board Appointments and Procedures Committee meeting, several Alcona Health Center meetings, a NEMCSA meeting, and a Michigan Main St. Organizing Group meeting. Commissioner Gauthier on behalf of the Board Appointments and Procedures Committee accepted their recommendations for the following board appointments:

Motion by Commissioner Gauthier, seconded by Commissioner Gouine to re-appoint Dennis Despain, Lois Vassilakos and Don Balbaugh to the Cheboygan County Airport Authority for (3) three-year terms commencing January 1, 2017 through December 31, 2019. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Brown to re-appoint David McKinley and Calvin Oxley to the Cheboygan County Construction Code Board of Appeals for (2) two-year terms commencing January 1, 2017 through December 31, 2018. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Allor to re-appoint Sharon Lyon, Steven Churchill and Patty Croft to the Cheboygan County Planning Commission for (3) three-year terms commencing December 16, 2016 and ending December 15, 2019. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Gouine to re-appoint George Pike to the Cheboygan County Waterways Commission for (1) three-year term commencing January 1, 2017 through December 31, 2019. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Brown to re-appoint Ralph Hemmer and John Moore to the Cheboygan County Zoning Board of Appeals for (2) three-year terms commencing January 1, 2017 through December 31, 2019. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Wallace to reappoint Garfield Geyer to the Cheboygan County Department of Public Works for a three-year term commencing January 1, 2017 through December 31, 2019. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Brown to accept the recommendation from the Cheboygan County Agricultural Society to re-appoint Ron Fenlon, John Brown Jr., Derrick Dotski, and Nathan Howell to the Cheboygan County Fair Board and also to appoint Brenda Mushlock to the Cheboygan County Fair Board to (5) three-year terms commencing on January 1, 2017 and ending December 31, 2019. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gauthier, seconded by Commissioner Brown to re-appoint Jeff Lawson to the Northern Lakes Economic Alliance Board for a three-year term commencing January 1, 2017 and ending December 31, 2019. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Gouine attended an Inverness Township meeting, two Planning Commission meetings, and a Fair Board meeting.

Commissioner Matelski attended two Road Commission meetings, two Planning Commission meetings, a ZBA meeting, a District No. 4 Health Board meeting, a Waverly Township meeting and a Koehler Township meeting.

Commissioner Brown attended a Burt Township meeting, a Munro Township meeting, a Board Appointments and Procedures Committee meeting, a SAYPA Graduation Ceremony and an Airport Authority meeting.

Commissioner Wallace attended a C.C.E 9-1-1 meeting, NEMCOG and Northeast Consortium meetings.

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Commissioner Allor attended a Nunda Township meeting, an Ellis Township meeting, a Walker Township meeting, a Village of Wolverine meeting, a Forest Township meeting, and a North Country Community Mental Health meeting.

OLD BUSINESS – None

NEW BUSINESS

Administrator Lawson presented three Department Head Employment Agreement Renewals for Steve Schnell – Community Development Director, Tim Mason – Maintenance Superintendent, and Mike Couture – Transportation Manager. Administrator Lawson stated that employment agreements were entered into for the first time in 2014 primarily to bring clarification to the conditions for employment and the Salary and Wage was addressed with the Salary and Wage Resolution in October.

Motion by Commissioner Wallace, seconded by Commissioner Gauthier to approve the (3) three-year employment agreements with Steve Schnell – Community Development Director, Tim Mason – Maintenance Superintendent, and Mike Couture – Transportation Manager and the agreements will commence January 14, 2017 and ending January 13, 2020 and also authorize the Chairperson to sign the agreements. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented the 2017 Attorney Contract for Delinquency and Child Protection Proceedings with Probate Court.

Motion by Commissioner Allor, seconded by Commissioner Brown to approve the 2017 Attorney Contract for Delinquency and Child Protective Proceedings and authorize the Chairperson to sign the agreement. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented two Ambulance Millage appropriation agreements with Emmet County and the Onaway Area Ambulance Service. Administrator Lawson stated that the agreements are effective from January 2017 through January 2020.

Motion by Commissioner Wallace, seconded by Commissioner Brown to approve the Ambulance Millage Appropriation Agreement with Onaway Area Ambulance Service and also with Emmet County; both agreements commencing January 1, 2017 and authorize the Chairperson to sign the agreement. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented the 2017 Fee Resolution #16-025. Finance Director Kortz stated that the Fee Resolution is a compilation of all County Fees for the Board's review and approval and includes all fees charged by the County that are not statutorily determined. Finance Director Kortz stated that there were some changes in Construction Code fees, District Court, Planning and Zoning Permit Application fees, Soil Erosion and Sedimentation and Recycling fees. Commissioner Brown addressed concern about the District Court fees for drug testing being raised from \$10 to \$15 and wondering if its statutory fee or if it is being set by our Court because if it is being set by our Court he does not want to approve an increase in the fee because it can be a real burden on defendants who are not even resolving drug-related issues with the Court. Finance Director Kortz responded that she cannot attest to why people are tested and that she was told that the increase in fees for drug testing that were being collected were not covering the cost of the testing. Commissioner Brown stated that he would like to wait on approving that one until the Board has more information. Commissioner Gouine asked how our Construction Code fees compare to other counties because the fees are a lot lower in Rogers City. Finance Director Kortz stated that she believes we are higher than Rogers City but lower than a lot of other counties and that we try to hover around in the middle. Discussion was held about the office changes in the Building Department. Commissioner Allor asked about how people who are applying for Construction Code permits will be impacted by the increase in fees. Commissioner Brown responded that permit fees in Emmet County are more than what we are increasing it to in Cheboygan County and Commissioner Brown stated that it is more important that the Department is being self-funded for its services than being the lowest for fees.

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Commissioner Brown would like to pull this District Court Drug Testing Fee Resolution item and table it until the next meeting to get more information about the policy behind the drug testing fees through District Court. Board consensus was to pull the item.

Motion by Commissioner Matelski, seconded by Commissioner Wallace to adopt Cheboygan County Resolution 16-25 - 2017 Fee Resolution with the absence of the District Court Line Item increase regarding drug testing fees to become effective January 1, 2017 and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented Cheboygan County Policy #300-6 Road Funding Policy and Loan Application. He noted that this is a policy for the County regarding loans to townships for road projects. The interest rates for the loans will be set each year with the Fee Resolution. Civil Counsel noted that the word "finance" should be changed to "loan administration" on Page 3 of the policy, Item 4D second line. Commissioner Allor asked about the loan scoring provisions in the policy and that additional documentation is going to be needed from the townships in order to verify their financial standing. Administrator Lawson responded that himself, the Finance Director and the Treasurer will look at the financial documentation and they would make a preliminary recommendation to the Board. Discussion was held.

Motion by Commissioner Matelski, seconded by Commissioner Brown to approve Cheboygan County Policy #300-6 Township Road Loan Program with the change noted by Civil Counsel and that townships could borrow up to 3 years, the Road Program Application Document and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Wallace, seconded by Commissioner Brown to adopt the 2017 General Fund Budget in the amount of \$12,086,982 and all other funds budgets with a combined total of \$14,340,990 resulting in a Cheboygan County budget in the amount of \$26,427,972. Discussion was held regarding the contacts listed on the budget. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Allor, seconded by Commissioner Brown to approve the three-year lease agreement between Cheboygan County Airport Authority and Cheboygan County for Straits Regional Ride Operations and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented Policy #300-7 Fund Balance Policy – Classification, Procedure and Appropriate Level.

Motion by Commissioner Gouine, seconded by Commissioner Matelski to adopt the Fund Balance Policy #300-7 – Classifications, Procedures and Appropriate Level to become effective December 4, 2016 and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Community Development Director Steve Schnell presented a GIS Data Sharing Agreement with Great Lakes Energy. Discussion was held.

Motion by Commissioner Gauthier, seconded by Commissioner Gouine to approve GIS Data Sharing Agreement with Great Lakes Energy and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Brown, seconded by Commissioner Gauthier to accept with regret Commissioner Sue Allor's Letter of Resignation effective Thursday, December 15, 2016. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Matelski, seconded by Commissioner Gouine to cancel the December 27, 2016 Committee of the Whole Meeting. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS

Dana Carver, a citizen of Forest Township, addressed the Board regarding drug testing in District Court by stating that her daughter has been paying \$15 per drug test since October. Ms. Carver stated that they are already charging the defendants who need to drug test \$15 without permission. Ms. Carver stated that she has a problem with the drug testing facility itself because it is owned by a police officer and it is a conflict of interest and Ms. Carver recited a timeline of events.

Carl Muscott, a citizen of Tuscarora Township, addressed the Board to thank the Commissioners for their public service. Mr. Muscott commented on Commissioner Wallace supporting motions regarding high tech companies that have now dried up. Mr. Muscott stated that Emmet County publishes all salaries of their personnel and elected officials and they have a lot more information in their budget than Cheboygan County has and may be useful to look at Emmet County for “best practices” in this area.

Dana Carver, a citizen of Forest Township, commented to the Board to state that it is not statutory that people are drug tested on bond and that Cheboygan County is the only county compared to surrounding counties that drug tests defendants on bond.

Destiny Twitchell, a citizen of Forest Township, commented on the Northern Michigan Independent drug testing facility. Ms. Twitchell stated that they are very unprofessional and the bathrooms are very unclean. Ms. Twitchell stated that they don't follow correct procedures to collect urine and the bathrooms are falling apart because there is shredded wallpaper and rust streams on the walls. Ms. Twitchell says that she has used other facilities that are very professional and properly collect urine samples. Ms. Twitchell stated that Northern Michigan Independent is unprofessional because they discuss other people who test in front of others testing.

BOARD MEMBER COMMENTS

Commissioner Brown personally thanked Sue Allor and Pete Redmond for their time with the Board and for being great leadership on the Board. Commissioner Brown thanked Bruce Gauthier for his service and said it was a pleasure working with him. Commissioner Brown welcomed the new commissioners coming in the next month and highlighted some issues that will be focused on in 2017. Commissioner Brown asked Commissioner Gouine about an update on Meijer's and commented on the ability of the waste water treatment facility to handle a Meijer's store. Commissioner Brown stated that he doesn't understand why these two entities can't come to the table and work together to get Meijer's here.

Commissioner Gouine commented that Meijer's wants a lot of water supplied to them which is more water than they are going to use. Commissioner Gouine believes it is because Meijer's doesn't want another competitor to come in.

Commissioner Allor thanked everyone for everything.

Commissioner Redmond thanked everyone for everything and thanked them for the opportunity to serve as Chairperson.

Commissioner Brown thanked Clerk/Register Mary Ellen Tryban and Treasurer Linda Cronan for all of their years of service.

Motion by Commissioner Matelski, seconded by Commissioner Allor, to adjourn to the call of the Chairperson. Meeting adjourned at 12:13 PM.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Peter Redmond
Chairperson