

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS**  
**Finance/Business Meeting**  
**September 12, 2017**

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

Roll called and a quorum present.

**Present:** Commissioner Karen Johnson, Richard Sangster, Michael Newman, Cal Gouine, Roberta Matelski, John Wallace and Robert Bolinger.

**Absent:** None

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

**Motion** by Commissioner Bolinger, seconded by Commissioner Sangster, to approve the agenda as amended with the removal of item 11B. Recycling Lease Agreements – Aloha & Tuscarora Townships. Motion carried with 7 yes, 0 no and 0 absent.

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

- A. Approve Monthly Finance Claims (Finance Total = \$25,143.53: Prepaid Total = \$1,086,574.02)
- B. Budget Adjustments as follows:
  - 2017 Raise Revenue/Expenditures
    - 1) Fund 101 Total Budget Increase Totaling \$500
  - 2017 Inter-budget Transfers
    - From 101-334 to 101-334 Totaling \$211
    - From 101-700 to 101-301 Totaling \$3,203.50 and From 101- 700 to 101-351 Totaling \$6,457.50
- C. SRR – MDOT Contract 2017-0032/P3 FY-2017 5311 Capital Formula Grant for Rural Surface Transportation
- D. SRR – MDOT Contract 2017-0032/P1/R2 FY-2017 5311 Operating Funds
- E. Grant Application for 2018 Secondary Road Patrol & Traffic Accident Prevention Program
- F. 2018 Cheboygan County Traffic Enforcement Grant Application
- G. Correspondence
  1. Genesee County Resolution opposing any Reduction or Elimination of Federal Funding for the Great Lakes Restoration Initiative
  2. Letter supporting DNR acquiring the Storey Lake Property
  3. Mecosta County Resolution Concerning Michigan Association of Counties Conference Siting
- H. Minutes:
  1. Finance/Business Meeting of August 8, 2017 and Committee of the Whole Meeting of August 22, 2017
  2. NEMSCA – 8/4/17
  3. District #4 Health Department – 7/28/17
  4. City Council – 7/11/17, 7/25/17 & 8/8/17
  5. Planning Commission – 8/2/17 & 8/16/17
  6. ZBA – 5/24/17, 6/28/17 & 7/26/17

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

### **Citizens Comments**

Carl Muscott commented on the Board Packets not being published on line quick enough and questioned a couple of checks that were disbursed to Northern Michigan Regional Entity.

### **Scheduled Visitors - None**

### **Finance Director's Report**

Finance Director Kari Kortz presented the General Fund Revenue and Expenditure Report for July 31, 2017. She reported total year-to-date revenue of \$2,426,782.88, or 19.25% of the budget, compared to \$2,339,978.54, or 19.6% of the budget last year at this same time. She also reported on the total year-to-date expenditures of \$6,428,659.88, or 52.86% of budget, compared to \$6,302,700.87, or 52.80% last year as of the end of July 31, 2017. An explanation of the deficit balance accounts was given and a report on the Cash Summary by Fund with a beginning balance as of July 1, 2017 of \$18,821,471.64 and an ending balance as of July 31, 2017 of \$19,121,564.17.

### **Administrator's Report**

Administrator Lawson reported that a proposed service agreement for the marina engineering services was expected from Gourdie Fraser, Inc. of Traverse City by the end of September and would be brought before the Board in October.

Administrator Lawson reported on the Jail Project. Granger and Associates had completed the site survey work for the project. Soil boring tests have also been completed. This information would be provided to Landmark Design Group to complete the final construction drawings for the project. The project would also require an environmental engineering review to identify any potential environmental hazards in the areas to be remodeled or constructed. This work had been scheduled with Mackinac Environmental Technology, Inc. Administrator Lawson reported on the Animal Shelter. Bids were currently being requested to construct a 28' x 20' block addition to the shelter for isolation kennels. The bid does not include mechanical, plumbing or electrical work, which would be bid separately. Bids were scheduled to be opened on September 19, 2017. Once the addition was completed, the existing center kennel area would be remodeled, which would conclude the project.

Administrator Lawson reported that senior millage requests have been received from Cheboygan County Council on Aging, Wawatam Senior, Inc. and MSU Project Fresh. A copy of the requests would be provided to the Millage Appropriation Committee to schedule a committee meeting for review. The organizations were requesting the same appropriations as awarded in their 2017 requests.

Administrator Lawson reported that continued discussion of the possible amendment to the County's Solid Waste Management Plan would be placed on the Board's October 24, 2017 meeting agenda. Staff would redistribute information concerning the Solid Waste Management Plan and possible amendment topics at the end of September.

Administrator Lawson reported at the Board's planning session preliminary discussion took place concerning the process of approving Planned Unit Developments (PUD) within the County. A Planned Unit Development (PUD) was a type of development and land use process that permits the grouping of varied, but compatible land uses within one development area. The Planning Commission has discussed having PUD'S reviewed as a rezoning, which would require final review and approve by the Board of Commissioners. Discussion by the Planning Commission indicated they prefer to have the Board of Commissioners involved in this approval process. Legal counsel provided the Board with an attorney-client privilege letter on this topic, which was reviewed by the attorney in closed session held on April 11, 2017. Staff was seeking direction if the Board would like to hold a joint meeting with the Planning Commission to discuss this topic. The Planning Commission had indicated they would encourage a meeting to discuss. It was the consensus of the Board to meet with the Planning Commission with a date and time to be determined.

Administrator Lawson reported that the Cheboygan Yacht Club had indicated they were pursuing the purchase of property north of the County Marina to build a club house and storage building. They have also identified they were open to providing access to the public from the Marina to Gordon Turner Park. The club was requesting a letter of support from the County to provide to the DNR to pursue the purchase. The Club had indicated they were available to attend the Board's September 26, 2017 meeting to answer any questions. It was the consensus of the Board to invite them to the Board's September 26<sup>th</sup>, 2017 meeting.

Administrator Lawson reported that the Prosecutor had received communication from a law firm identifying the firm was pursuing a class action law suit on behalf of plaintiffs against pharmaceutical companies producing opioid prescription medication due to the opioid addiction epidemic across the nation. The firm was inquiring if the County would like to join the class action suit. According to news articles, Cheboygan County was the third highest County in the State for opioid prescribed medication. The firm had identified they were available to attend a future meeting to discuss the class action suit. Civil Counsel provided additional information at the meeting. Commissioner Wallace handed out a chart from NEMC on the percentage of admissions – FY2017 for primary substance abuse, which showed 50% alcohol addictions and 43% other opiates/synthetic addictions. It was the consensus of the Board to invite the law firm to a meeting.

Commissioner Bolinger was excused at 10:24 a.m.

### **Committee Reports**

Commissioner Matelski attended an Aloha Township Meeting.

Commissioner Johnson reported attending an Airport Authority Board Meeting, Hebron Township Meeting, Zoning Board of Appeals Meeting, Waterways Commission Meeting, and Planning Commission Meeting. During the Planning Commission Meeting there was an interesting presentation about agri-tourism and she would like to get the information and share it with the rest of the Board. At the Airport Authority Board Meeting, they moved forward with their building and decided to postpone the construction until next year due to the bids coming in over budget.

Commissioner Sangster attended a LEPC Meeting, NEMSCA Meeting, Port of Cheboygan Meeting, City of Cheboygan Meeting, and a DDA Meeting.

Commissioner Gouine attended an Inverness Township Meeting, Zoning Board of Appeals Meeting, Fair Board Meeting, Airport Authority Board Meeting, Waterways Commission Meeting and two (2) Planning Commission Meetings.

Commissioner Newman attended a Benton Township Meeting. If the Board gets a chance to take a ride, head out to South River Road and check out the newly paved Canton Road, which the township was very happy with. He also reported on attending a variety of other meetings.

Commissioner Wallace attended the Northern Michigan Regional Entity Meeting, which does all of the funding for the liquor control from Mt. Pleasant north. He handed out a handout, "Making an Impact" from Northeast Consortium, which runs Michigan Works. It showed what happened for the month of August 2017.

## **Old Business**

Administrator Lawson presented the DNR Resolution of Support – Grant Purchase Storey Lake – Stewart Creek Property. The DNR was requesting a resolution supporting the State's application under the Michigan National Resources Trust Fund for the acquisition of a 2,140 acre parcel known as the Storey Lake and Stewart Creek property in Otsego and Cheboygan Counties.

Kerry Wieber Forest Land Administrator with the Forest Division of the DNR addressed the Board and stated that since the last meeting, they met with Corwith Township in Otsego County who passed a resolution of support. A meeting with Otsego County was scheduled on September 28, 2017 to acquire their support and then to finish filling out the application attaching these resolutions.

Commissioner Gouine asked for an update on the Black Lake Marina. Ms. Wieber reported that she had contacted the Parks & Recreation Division, which was in the process of working on it. She did tell them of their interest in this project and they might want to attend a Board meeting in the future.

**Motion** by Commissioner Sangster, seconded by Commissioner Newman to adopt the following Resolution:

Resolution #17-06

**WHEREAS**, The County of Cheboygan supports the Department of Natural Resources' (DNR) grant application (#17-0175) to the Michigan Natural Resources Trust Fund for the proposed acquisition of the Storey Lake Property consisting of 2,140 acres of forested land containing a portion of the Storey Lake and Stewart Creek corridor located in Section 31 of Nunda Township and Section 36 of Wilmot Township, Cheboygan County, Michigan; and,

**WHEREAS**, a portion of the proposed DNR acquisition is within the jurisdiction of The County of Cheboygan and,

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

**NOW THEREFORE, BE IT RESOLVED**, that the County of Cheboygan hereby supports the grant application and proposed acquisition of the Storey Lake Property by the DNR with the recommendation that the State seek public input for the use of the property if acquired prior to adoption of a use plan.

A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson presented the amendment to Policy 300-6 Township Road Loan Program. Michigan Public Act 77 of 2016, Section 11, Item V permits the Board of Commissioners to loan funds to townships within the County for the purpose of funding public road construction projects. The proposed amendment clarified that funds for the program would be made available from Tax Revolving Loan Funds declared surplus by the Treasurer and loan and interest payments would be deposited into a Loan Repayment Fund for future program use. Upon termination of the program, the principal interest payments collected would be retained in the General Fund. The amendment also resets the total potential fund available from 1.2 million to \$550,000 due to the fact the fund cannot be returned to the Tax Revolving Loan Fund in the future and estimated County capital projects scheduled for the future.

**Motion** by Commissioner Newman, seconded by Commissioner Sangster to approve amendment to Policy 300-6 Township Road Loan Program and authorize the chairperson to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson presented the MSHDA Blight Elimination Grant Agreement – Removal of Gold Front Structures. Staff met with City Representatives on August 30, 2017 to review the project. The County identified the intent was to sell the property to the City after demolition at a cost to cover the estimated match required to complete the project with in kind labor or cash. The City inquired if the property could be sold to a private developer instead of being purchased and developed by the City if a developer were interested. Treasurer Weldon posed this scenario to MSHDA, which has provided this option in the grant agreement. County to receive up to \$200,000 and was responsible for any additional costs to remove structures above grant award.

**Motion** by Commissioner Sangster, seconded by Commissioner Johnson to approve the MSHDA Blight Grant Agreement – Grant #MBP-11 in the amount of \$200,000, authorize the Chair to sign and authorize any necessary budget adjustments. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

## **New Business**

Community Development Planner Scott McNeil presented the 2018 Cheboygan County Capital Improvements Program (CIP), which was approved the Planning Commission. The Michigan Planning Enabling Act (Act 33, 2008) required local municipalities that have adopted a master plan to annually prepare a capital improvements program.

The Act Michigan Planning Enabling provided that the capital improvements program show those public structures and improvements, in general order of their priority, which in the judgment of the Planning Commission would be needed or desirable and could be undertaken within the ensuing 6-year period.

The 2018 CIP was a blueprint for planning capital improvement expenditures planned by the participating agencies from 2018 through 2023. The inclusion of a project in a CIP would not require any public entity or department of the county to fund or complete the project. It was a planning tool that could coordinate community planning, financial capacity and physical development.

The Planning Commission held a public hearing on the 2018 CIP on August 2, 2017. No public comments were received. The Planning Commission approved the CIP after the public hearing with a recommendation for approval of the Board of Commissioners.

Commissioner Johnson requested that in the future they would include where the costs were actually coming from, whether it be grants or other money. This would be beneficial for the public to know.

**Motion** by Commissioner Gouine, seconded by Commissioner Newman to approve the 2018 Capital Improvement Program per Planning Commission. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Treasurer Buffy Weldon presented Resolution #17-07 Opposition to Senate Bill 386 of 2017. Senate Bill 386 of 2017 was being opposed by other County Boards along with their Treasurers. This Bill would undermine the process for collection of delinquent real property taxes by increasing litigation against County Treasurers, cloud titles, reduce sale proceeds and create uncertainty in future foreclosures by any reason to justify relief, This Bill would also undermine the fee simple title vested in a foreclosing governmental unit. If passed, Senate Bill 386 would be retroactive back to January 2015 and may cause several refunds. A handout was given of Foreclosure Totals, which showed a total of \$1,876,567.01 transferred out to the general fund over the years.

**Motion** by Commissioner Sangster, seconded by Commissioner Gouine to adopt Resolution #17- 07 and authorize the Chairperson to sign.

### Resolution #17-07

**WHEREAS**, the collection of delinquent real property taxes and the administration of the delinquent tax revolving fund by the county treasurer under The General Property Tax, 1893 PA 206, as amended, MCL 211.1 to 211.157, is important in assuring that CHEBOYGAN (the "County") and local tax collecting

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units within the County actually receive taxes levied in a timely manner, that tax delinquent properties in the County are returned to productive use, and that a favorable credit rating for the County is maintained;

**WHEREAS**, Senate Bill 386 of 2017, as passed by the Michigan Senate ("SB 386") would undermine the process for collecting delinquent real property taxes by: (1) increasing, litigation against the county treasurer, allowing anyone to challenge a court-ordered property tax foreclosure for eight new reasons, even a person with no legal interest in the property; (2) clouding title to court-foreclosed properties, reducing sale proceeds used to reimburse local tax collecting units for unpaid property taxes and reducing delinquent tax revolving fund revenue; and (3) creating uncertainty through retroactivity and interference with a pending case before the Michigan Supreme Court;

**WHEREAS**, by allowing new collateral attacks on judicial foreclosure orders after the orders are final and appeal rights exhausted, SB 386 would undermine the quality of the fee simple title vested in the foreclosing governmental unit, cloud otherwise clear titles, create uncertainty, and reduce prices paid for tax-foreclosed properties at tax sales, all of which undermine the current effective tax sale and delinquent tax collection process;

**WHEREAS**, for these reasons, the Michigan Association of Counties, the Michigan Association of County Treasurers, and the county treasurer of this County have indicated their opposition to the passage and enactment of SB 386; and

**WHEREAS**, the County Treasurer has asked this Board of Commissioners to join in opposing SB 386;

**NOW, THEREFORE, BE IT RESOLVED**, by this Board of Commissioners of Cheboygan County that the Board of Commissioners of Cheboygan County hereby opposes the passage and enactment of Senate Bill 386 of 2017.

**BE IT FURTHER RESOLVED**, that a copy of this resolution shall be transmitted to the County Treasurer, each member of the Michigan State Senate and the Michigan House of Representatives representing CHEBOYGAN COUNTY, and the Governor of Michigan.

A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

**Citizens Comments - None**

### **Board Member Comments**

Commissioner Wallace commented on the problems that were still going on with the City of Cheboygan and Inverness Township regarding the Meijer Project. He was contacted by a couple of Cheboygan business people who want to see the City Council and Inverness Township Board work things out so that water and sewer service could be provided to the property and the store could be built. Cheboygan City Manager Tom Eustice was asked to attend this Board meeting to discuss what may be holding the process up in getting water and sewer to the Meijer development site.

Commissioner Newman commented the public should understand that this was not just a couple of individuals who called and wanted to have a meeting. They represent a large number of people available at any time and were more than willing to address the issues between the City and the Inverness Township Board. The biggest issue was primarily the lack of progress between the two parties and he personally felt that it was being held up by a few individuals with personal agendas. It was a project that was well needed in this community. These things have been discussed with both parties and the County was in

the position to hire a state mediator for the individuals with a public forum being held at the Cheboygan Opera House to help move this project along. The Inverness Township Board was also invited to the meeting.

Cheboygan City Manager Tom Eustice addressed the Board of Commissioners with an update stating that a final draft of the Utility Services Agreement (USA) was being given to Inverness Township tomorrow. The township had made a motion at a previous meeting to at least look at the USA for an option to get the water to the site. This was what the City Council and staff had been focused on since that motion was made. In his opinion, it was probably something that the township was not going to be in favor of, but this was what the City of Cheboygan needed to have if they were going to provide the utility service to the township. The best possible option to get the Meijer Project in Cheboygan was the 425 Agreement with the city leasing the property and owning the water and sewer lines. Meijer would pay the city taxes, but the township would still get its 2.9 mills of tax revenue. This had always been the best option and Meijer officials were in agreement. Otherwise, the township would have to seek the funding to run the water line. He stated that if they could get Inverness Township to go ahead with the 425 Agreement, they would be able to go forth with the project.

Mayor Pro Tem Nick Couture addressed the Board of Commissioners stating he had met individually with the members of the Inverness Township Board to see what was holding this project up. There were so many layers to this with one being a lack of communication. Communication was not being able to relay a message back and forth to each other, but its ability to peel back the layers of bad blood and be able to move forward. The goal was to break down the communication barriers between the governmental entities and work together to meet the same end result as to not lose this opportunity for the county.

It was the consensus of the Board of Commissioners to have the staff look into mediation services and to get a meeting scheduled to help move the Meijer Project along once Inverness Township was given the draft of the USA.

**Motion** by Commissioner Wallace seconded by Commissioner Newman to adjourn to the call of the Chair. Motion carried with 6 yes, 0 no and 1 absent. Meeting adjourned at 11:25 a.m.

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Karen L. Brewster  
Cheboygan County Clerk/Register

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John B. Wallace  
Chairperson Board of Commissioners