

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS  
COMMITTEE OF THE WHOLE MEETING  
September 27, 2011**

The regular meeting of the Cheboygan County Board of Commissioners was called to order in the Commissioners Room by Chairperson Linda Socha at 9:30 a.m.

Roll called and a quorum present.

**Present:** Commissioners Linda Socha, Don Horrocks, Pete Redmond, Cal Gouine, Tony Matelski, John Wallace and Sue Allor

**Absent:** None

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

Sheriff Clarmont introduced K9 Deputy Matt LaCross and Taser. Deputy LaCross and Taser have been working together since K9 program as implemented in the county five years. Deputy LaCross explained and demonstrated the three collars Taser wears depending on what he is to look for, narcotics, a criminal or a missing person. Everyone was given a chance to pet Taser, and Commissioners Allor and Matelski participated in demonstrating Taser's bite by wearing a padded sleeve. Deputy LaCross also showed how his K9 vehicle is equipped.

**CITIZENS COMMENTS** – None

**SCHEDULED VISITORS/DEPARTMENT HEAD REPORTS** - None

**ADMINISTRATOR'S REPORT** – None

**NEW BUSINESS**

Administrator Lawson presented a resolution in support of guaranteed revenue replacement should the state repeal personal property taxes. Anything short of a constitutionally guaranteed revenue replacement would the county's ability to provide mandated services to the public as Cheboygan County receives an estimated \$282,478 in personal property revenue. Administrator Lawson stressed the importance of contact state legislators on this matter.

**Motion** by Commissioner Allor, seconded by Commissioner Redmond, to adopt the following resolution:

**RESOLUTION 11-14  
IN SUPPORT OF GUARANTEED REVENUE REPLACEMENT  
SHOULD THE STATE REPEAL PERSONAL PROPERTY TAXES**

**WHEREAS**, Michigan counties provide crucial services on behalf of state government, as evidenced by the delivery of road patrol services, corrections, foster care, clean water, food safety, the judicial system, etc.; and

**WHEREAS**, Years of declining local revenues and cuts to state revenues to counties, coupled with unfunded state mandated services have placed Michigan counties in a position of financial stress; and

**WHEREAS**, The state has a poor track record of fulfilling its' statutory promises for its share of funding for things like revenue sharing, payment in lieu of taxes (PILT), public health, Medicaid reimbursement, and county jail reimbursement; and

**WHEREAS**, Personal property tax revenue represents 2.74% Cheboygan County's total taxable value; and

**WHEREAS**, The elimination of personal property taxes would harm a county's ability to provide mandated services to the public; and

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**WHEREAS**, Michigan counties are mandated by the state to pay for the state's court system with local taxpayer dollars; and

**WHEREAS**, Michigan counties cannot continue to operate if the revenue from personal property taxes is not fully replaced with a constitutionally guaranteed revenue source;

**NOW THEREFORE BE IT RESOLVED** that the Cheboygan County Board of Commissioners urges the legislature and the Governor to retain the personal property tax until such time as the residents of Michigan vote in favor of a constitutional amendment that will fully replace the revenues lost from the repeal of personal property taxes; and

**BE IT FURTHER RESOLVED** that this resolution be distributed to the Governor, Senator Howard Walker, Representatives Greg Mac Master and Frank Foster, and the Michigan Association of Counties for their consideration and action.

A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent. The Clerk will send to those mentioned and also State Treasurer Andy Dillon.

### **BOARD MATTERS FOR DISCUSSION**

#### **2012 Budget Discussion**

Administrator Lawson said today the line item parts of the budget will be reviewed. He said, long term, as outlined in his written report, the final draft budget will contain the following expanded components: Narrative Overview; Summary Budget; Capital Improvement and Commission Goals. The budget presented, which does not include recommended capital improvements, has a shortfall of approximately \$290,000 between requested expenditures and projected revenues. Major components of the shortfall include increasing health insurance costs and decreasing tax revenue.

Finance Director Kari Kortz said she plans to review page by page and questions can be asked at any time. She said at this point revenues total \$10,187,000 compared to 2011 amended budget of \$10,619,000 or a decrease of \$432,000. The majority of the \$432,000 decrease is a result of 6 categories. First transfers in from the tax revolving fund and fund equity have not been figured in at this point; a decrease of \$65,000 in tax revenue has been anticipated; a decrease in Register of Deeds fees of \$25,000 was included; and grant revenues from the Stonegarden Grant and Marine Safety Grant totaling \$77,000 were eliminated by the state. Ms. Kortz said taking these six items into account, all but just under \$3,000 is accounted for in the decrease in revenue. Ms. Kortz then focused on expenditures. She said through the amended 2011 budget up to September 23, 2011 totaled \$10,619,000 versus the 2012 recommended budget of \$10,479,000, expenditures have been decreased approximately \$141,000. The health insurance increase for 2012 is \$57,000 or 6.1%. Other increases in expenditures included Non Fringe Related Changes \$140,478; Elections \$16,000; and Corrections \$18,000. Decreases in expenditures include IT \$9,000; Prosecutor \$23,000; Drain Commissioner \$7,000; General County \$27,000; Sheriff and Secondary Road \$44,000; Marine Safety and Stone Garden Grants \$83,000 and Transfers Out \$34,000.00

She then reviewed the departments by department, explaining departments with large changes in expenditures. Commissioner Matelski said he wanted everyone to know that he will be recommending eliminating health insurance or opt out benefits for all commissioners. Chairperson Socha said this cannot happen in 2012. Commissioner Wallace voiced concerned with this action should it occur in the future. Chairperson Socha said the Board Appointments & Procedures Committee will review this before the election next year.

The Circuit Court Office would like to have Culligan water available for the jurors. Discussion on Culligan water for some offices, this was eliminated last year and consensus as it will not be included for 2012 either.

Chairperson Socha said according to board goals there should be budget amounts for website and training. She spoke about the potential savings of the board utilizing iPads. Administrator Lawson will discuss the IT budget with Matt Hellens as there is nothing in the budget for web design.

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Ms. Kortz said according to the agreement for elected officials established prior to the current term, a 2.61% COLA increase for the Treasurer, Clerk, Sheriff and Prosecutor has been included.

More discussion and consideration will be given to the Drain Commissioner expenses as they may change with the new person.

Discussion was held on Maximus, a presentation on Maximus will be presented for the full Board.

Chairperson Socha said changes to Byrne grant money and meth lab cleanup could affect Sheriff Dept. budget. Sheriff reported outsourcing food is more expensive than if provided in-house; however, the kitchen facility was eliminated when jail renovated before his time. Ms. Kortz said \$50,000 has been budgeted in Department 267 for two new patrol cars; this will be transferred to the Sheriff when the purchase occurs.

Ms. Kortz explained the changes in the GIS Budget and Planning and Zoning due to the fact that in 2011 in salary for the County Planner was split between both budgets, for 2012 it will be included total in Planning and Zoning.

Need more discussion on Community Mental Health.

Discussion was held on the Doris Reid Center being turned over to the County and how routine maintenance on the building has not been done according to the agreement. If the agreement is extended must have guarantee that routine maintenance is done as it hasn't been in current agreement. Administrator Lawson said still working on determining the best avenue for the County to take on this matter.

Special Appropriations – Ms. Kortz said the Airport Authority is asking for an extra \$8,100 for hangar cleanup as there's been deferred maintenance on the hangars. Chairperson Socha said one hangar in particular has deteriorated badly and it's to the point it may have to be gone. This amount is actually capital improvement and is based only on an estimate. She said airport usage is down except for jet fuel.

Recycling – Administrator Lawson said the employee still has to obtain a CDL license before activating the vehicle. Assuming license will be obtained, extra time is for extra drivers to come in on a part time basis. If this works out the budget would be accurate, if CDL cannot be obtained, it would not. Ms. Kortz said items built into the original selling points of the truck were only estimates. Commissioner Matelski said several retire road commission employees with CDL's may be available.

Chairperson Socha said the Brownfield Redevelopment Authority needs to continue to be monitored. Administrator Jeff said the existing grant should have a credit of about \$150. The problem is NLEA may owe more than \$1500. He said these types of grants should be the administration's responsibility. He said going forward we need to tighten up internally how we handle these. He said he will discuss this with Andy Hayes of NLEA.

Drug Court recently awarded an \$80,000 grant and this covers multiple years. Ms. Kortz said she needs to see a budget from circuit court as how this will be spent. Current drug court contracts for counseling services do not expire.

SAYPA is work in progress. When the new director was hired the night time person was eliminated with the thought that the new director would do on call supervision, however this may not be working out. Administrator Lawson said he will meet with the director and then do a program analysis to determine demand on weekend and nights. Ms. Kortz said the SAYPA program was sold as cost savings measure as there are children at risk if did have to place them we would spend per day costs. She said she has asked for a list of students and offenses that caused them to get in program. Of the 15 participants only 6 actually committed a "Crime". The other 9 were charged with home or school incorrigibility. Ms. Kortz said this program costs the county over \$400,000.

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Capital Improvement – Administrator Lawson said the estimated costs provided are guesstimates, more concrete numbers will be determined. He referred to the report included in the packet. Security and Court Improvements estimated cost \$100,000; Boiler Replacement estimated cost \$150,000, this would return a 10-15% utility savings; Roof Replacement estimated cost of \$100,000 which would be phase one; Trim Panel Replacement estimated cost of \$78,000. Treasurer Cronan said there would be money in tax revolving fund to finance most of the projects. Chairperson Socha said there's \$201,000 in Court House Preservation as well as the \$100,000 set aside last year. Ms. Kortz said as of 2010 fund balance was over five million dollars. Administrator Lawson said these decisions are difficult as we don't know when the revenue will correct itself. Chairperson Socha said we can't keep deferring maintenance. Administrator Lawson said the main thing here is to set the schedule. He said the Sheriff has requested renovations of the squad room. Consensus was to allow the administrator to move ahead with capital improvements this year. Administrator Lawson said the airport long term capital improvements were removed from the plan. He said he would like to go out to the facility and offer assistance in preparing a maintenance schedule.

Administrator Lawson said there procedures and guidelines involving the Housing Commission and NEMHA that need to be changed. It appears we are getting what we are paying for with NEMAH and need to continue to monitor the program. NEMAH has indicated frustration with our housing commission. Ms. Kortz said currently have \$70,000 left that must be spent by June 2012.

Fund 292 Child Care Fund – Ms. Kortz said revenue decreased around \$100,000, mainly due to a decrease in the DHS portion of this budget. DHS has a new director who wanted same budget as 2011. Through August 31<sup>st</sup> only spent \$150,000 of total \$387,000 budget, so Ms Kortz said she recommended \$250,000 based on calculating the trend. She advised the DHS Director of the reduction.

County Marina – Ms. Kortz said the fuel expenditures appear low which would be offset by sales of gasoline. Currently funding deficit out of fund balance and have to determine whether to fund night time security.

County Fair – Ms. Kortz said requests from Fair board were not built into recommended budget amounts. Commissioner Redmond said many fair related expenses are for items preparing and leading up to the fair. Chairperson Socha felt revenue projects were too high for next year. Commissioner Redmond said he understands the Fair Board would like to take back some of the reigns again. Chairperson Socha said there are many issues with that especially liability issues. Lengthy discussion held on the maintenance at the fairgrounds. Commissioner Horrocks said the county maintenance department was short staffed with the added work at the fairgrounds. Chairperson Socha said if there's an issue we need to resolve it. Ms. Kortz explained that the Fair Treasurer did all the financials prior to the duties being turned over to the county. She said the Fair Board will not rely on the County's Books because they are not available soon enough. She said the Fair Treasurer's job could be reduced if the financial data from the county was used. Commissioner Redmond said we want the grounds and buildings to look good. Chairperson Socha agreed, but said she would not be willing to increase wages, etc. Commissioner Redmond said he would like to meet with the county administrator, Tim Mason and Dan O'Henley and fair board representatives. The biggest problem regard maintenance may be communications. Commissioner Redmond pointed out secretary received 1500 and Cora Burr 1500 for fair board as of next year secretary will do both duties and receive 3,000 that was consensus. Fair Treasurer and Manager salaries are to remain at 2011 rates, and seasonal will be looked at further. Chairperson Socha explained that Fair Board members receive per diem of \$30 not to exceed \$600 annually; the \$600 is not a salary.

Straits Regional Ride budget needs to be tweaked as buses that were approved cannot be purchased until 2012. Lengthy discussion on SRR routes, general ridership and contract ridership, i.e. Straits Area Services. Several letters have been received from Straits Area Services clients regarding pick-ups.

Ms. Kortz pointed out that \$100 still has to be added to the drain revolving fund.

Chairperson Socha asked where we are with Construction Code. Administrator Lawson said that would be included for the next meeting.

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Commissioner Wallace commented the report of exhausted unemployment claims he distributed. He also noted that the Northeast Consortium froze any pay raises for next year.

Commissioner Redmond said at the Health Board meeting there was a request for 4.2% fee increase from the environmentalist which were voted down. Also, Jon Bruining asked for an increase from the counties up to 5%, but settled on 2%. This fee has not increased in the last several years.

**Motion** by Commissioner Wallace, seconded by Commissioner Allor, to adjourn to the call of the Chair. Meeting adjourned at 4:25 p.m.

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Mary Ellen Tryban  
Cheboygan County Clerk/Register

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Linda Socha  
Chairperson