

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

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

The Public Hearing on the 2012 County Budget was opened by Chairperson Socha. She asked for public comment on the budget. Finance Director Kari Kortz briefly summarized the budget. She noted approximately \$319,000 was used from the tax revolving fund to balance the budget, which totaled \$23,521,456 of which \$10,512,848 was general fund, the remaining balance of \$13,008,608 being special funds. She stated that overall the 2012 budget decreased 5% from the 2011 amended budget as of November 30, 2011. Administrator Lawson reviewed in detail the 2012 budget process, including the strategic planning process, the County's Mission and Vision Statements, Board Goals, Budget Factors, and Capital Improvement Plan. He stressed that the items in the capital improvement plan are contingent upon available funding. Public comment was heard from Inverness Township Residents John Jazdyk and Stephenie Jacobson. Mr. Jazdyk said the 5% decrease was good news; however personal income may be reduced by as much as 10% with potential new taxes at the state and federal level. Ms. Jacobson said she appreciated the budget online but would also like a checkbook register available for public review; and as a taxpayer, she would like the board to continue to look for further cuts. Chairperson Socha stated the Board is aware of the financial stress on the average citizen and strives to hold expenses in check. She said the "checkbook" for the county contains names that are sensitive. Commissioner Horrocks said members of this Board come from the private sector. The Public Hearing was closed at 10:05 a.m.

Commissioner Allor requested Item 6A Monthly Finance Claims and Item 6E(6) Antrim County Resolution Supporting a Statutory Exemption for Stormwater Runoff from Logging Roads be removed from the Consent Agenda and placed under New Business on the regular agenda

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

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

- A. ~~Approve Monthly Finance Claims~~ (moved to New Business)
- B. Budget Adjustments – Raise Revenues & Expenditures as follows: Fund 101 total budget increase of \$88,146.21; Fund 217 total budget increase of \$10,213.91; Fund 226 total budget increase of \$39,840.00; Fund 227 total budget increase of \$2.19; Fund 509 total budget increase of \$14,600.00; **Total budget increase of \$152,802.31**; Inter-Budget Transfers Payroll Related.
- C. Straits Regional Ride Letter of Understanding Between Cheboygan, Emmet and Presque Isle Counties for 2012
- D. Vintage Snowmobile Race January 14, 2012 at Fair Grounds
- E. Correspondence:
  1. Letter from Mentor Township Regarding Access to Cherry Lan Online
  2. DHS 2011-2012 Annual Plan and Budget for Child Care Fund Approval
  3. Public Notice – Construction of Fixed Highway Bridge Over Navigable Waterway
  4. Report of Treasurer's Bond

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5. Thank You Letter from Mullett Township Park Committee
6. ~~Antrim County Resolution Supporting a Statutory Exemption for Stormwater Runoff from Logging Roads~~ (moved to New Business)
7. Lake County Resolution Supporting a Statutory Exemption for Stormwater Runoff from Logging Roads

### F. Minutes:

1. Commissioners Finance/Business Meeting of November 8, 2011 and Committee of the Whole Meeting of November 22, 2011
2. Health Board Meeting – October 18, 2011
3. North Country Community Mental Health Board – October 20, 2011
4. NMSAS Board of Directors – August 29, 2011
5. Michigan Northern Counties Association – October 17, 2011
6. Board Appointments & Procedures Committee – December 7, 2011
7. Cheboygan County Fair Board – October 13, 2011 and November 7, 2011
8. Cheboygan County Housing Commission – November 10, 2011
9. Cheboygan County Road Commission – November 3, 2011 and November 21, 2011
10. Cheboygan City Council – October 25, 2011 and November 8, 2011
11. Planning Commission Meeting – October 19, 2011 and November 2, 2011
12. ZBA Meeting – October 26, 2011

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 October 31, 2011. She reported total year-to-date revenue of \$8,257,564.98 versus \$10,073,056.80 last year at that time. Ms. Kortz reported expenditures year-to-date of \$8,225,839.38, or 76.87% of budget, compared to \$8,434,495.93 last year as of the end October. Ms. Kortz said regarding the county carpool, the average monthly mileage ranged from 10,034 miles to \$21,851 miles, not including the Sheriff cars. Chairperson Socha said more work will be done on this next year. Commissioner Horrocks said perhaps the county has too many vehicles.

**ADMINISTRATOR'S REPORT** – Administrator Lawson asked if there were any questions in regards to his written report, which included information regarding the 457(b) Pension Plan Amendment Resolutions on the agenda later in the meeting, as well as an updated on Straits Regional Ride transporting Straits Area Services clients and the funding of the transportation by Community Mental Health.

### **COMMITTEE REPORTS**

Commissioner Redmond presented recommendations from the Board Appointments & Procedures Committee relative appointments to various boards and committees.

**Motion** by Commissioner Redmond, seconded by Commissioner Matelski, to accept the recommendation from the Board Appointments & Procedures Committee to appoint Charles Brew to replace John Wilcox, *Communications (RACES)*; Kyle Keller to replace Pam Mill, *First Aid Health/Environmental (D4Hlth)*; and Lucy Teets to replace Carol Lutzkanin, *Emergency Management/Civil Defense* to the Local Emergency Planning Committee for the remainder of 4-year terms ending on December 31, 2013; to appoint Lucy Teets as the official Information Coordinator for the Local Emergency Planning Committee effective immediately and until further notice; to reappoint the following to the Cheboygan County Fair Board for terms beginning January 1, 2012 and ending December 31, 2014: Chuck Robiadek, Leroy (Buddy) Ormsbee, Dan Frazier, Beth Buhr and Kelsey Kennedy; to reappoint David Sherman and Arlene Hanson to the Cheboygan County Airport Authority effective January 1, 2012 through December 31, 2014; to reappoint Keith Ginop to the Cheboygan County Ambulance Board for a 3-year term commencing January 1, 2012 through December 31, 2014; to reappoint to the Cheboygan County Construction Code Board of Appeals of James Muschell and Bobbie Christensen for 2-year terms commencing January 1, 2012 through December 31, 2013; to reappoint Missy Koszegi to the Cheboygan County Housing Commission for a 5-year term commencing January 1, 2012 through December 31, 2016; to reappoint

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James Mick and Zachary Morrish to the Cheboygan County Waterways Commission for 3-year terms commencing January 1, 2012 through December 31, 2014; to reappoint of Robert Heilman to the Cheboygan County Department of Public Works for a 3-year term commencing January 1, 2012 through December 31, 2014; to appoint Donald Beavers to the Cheboygan County Economic Development/Brownfield Redevelopment Authority for a 6-year term commencing immediately through September 30, 2017; to appoint of Susan Eno to the Northern Lakes Economic Alliance for a 3-year term commencing January 1, 2012 through December 31, 2014; and to reappoint Steve Schnell to the Northern Lakes Economic Alliance for a 3-year term commencing January 1, 2012 through December 31, 2014. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Redmond advised there are still a few other appointments/reappointments under review by the committee at this time. He also reported attending the MAC Worker's Comp Board meeting and noted we should receive a similar refund as last year. He said the District #4 Health Contract will expire at the end of this year and the Executive Board has been meeting with that group regarding negotiations.

Commissioner Horrocks attended the Michigan Northern Counties meeting and reported the big topic was recent road commission legislation. He also attended the Intermunicipality meeting, and noted the City Cheboygan City Council is looking at ways to cut its budget.

Commissioner Wallace distributed a quarterly report from NMSAS and pointed out they are working on a new treatment and recovery center in Gaylord. The NE Consortium Performance Report he distributed talks about 2010 program year how they exceeded their goals. He also distributed list of MI Works service centers availability in the area.

Commissioner Allor attended the Nunda and Walker township meetings, the District #4 Health meeting, North Country Community Mental Health finance and board meetings, a Council on Aging meeting, and the Wolverine joint fire board meeting. She distributed information on regarding an Auto No-Fault Bill that would adversely affect Senior Citizens and statistics on fall among older adults in Michigan. She said Elderly abuse bill has passed senate and currently is in the house; and the Auto No-fault Bill is in the house currently. Regarding the fire board, Commissioner Allor, said a recent serious accident on I75 involved a spill of a hazardous product. Greg Williams was on the scene and commended the firemen that worked on that on a fantastic job. She said the DEQ is monitoring the area were the spill was.

Commissioner Gouine attended the Intermunicipality meeting. He reported that Community Development Director Steve Schnell and Attorney Tim MacArthur presented ideas for a blight ordinance. Chairperson Socha said counties cannot do blight ordinances, only municipalities and townships can.

Commissioner Matelski attended three Citizen Planner Training sessions, two Planning Commission meetings, two Road Commissioner meetings, two township meetings and a ZBA meeting. He said Aloha Township passed the recycling agreement and Waverly will be after the first of the year. He said the Fernelius flag pole request was turned down by the Planning Commission.

Commissioner Socha attended the Citizen Planner Training sessions, the Mackinaw and Burt Township meetings, and the District #4 Health Board meeting. She reported Mackinaw Township is involved with tax appeals that may have a financial impact on the county. She said in Burt Township the DNR is expanding the parking area at the Maple Bay access; and Burt Township is working with the DNR for plowing the parking area. District #4 Health Board did not vote to approve the budget that was presented as it was not balanced. She said relevant to the recent OEM incident on I-75, there were a couple issues. Otsego County Emergency Management was called first, and Greg Williams did not get the message right away due to cell phone call. Greg is concerned with the older vehicle provided him. The office of emergency management board will be looking at these things. Since the Wolverine fire department has a cost recovering ordinance, the cost will be reimbursed by the spiller. She also met with Lucy Teets from the Office of Emergency Management regarding next year's grant.

**OLD BUSINESS – None**

**NEW BUSINESS**

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Community Development Planner Scott McNeil presented Zoning Ordinance Amendment #104, which involves seven (7) different parcels which lie on M-68 between South Straits Highway and I-75 from Lake and Stream Protection District (P-LS) to Commercial Development District (D-CM). This change was requested by Tuscarora Township and is supported by the County Master Plan and the Tuscarora Township Master Plan.

**Motion** by Commissioner Wallace, seconded by Commissioner Redmond, to adopt Cheboygan County Zoning Ordinance #104 to Rezone Property in Tuscarora Township from Lake and Stream Protection District (P-LS) to Commercial Development District (D-CM) (Copies available in the County Clerk's Office or the Community Development Office) and authorize the Chairperson to sign. This amendment is effective 8 days following publication in a newspaper of general circulation. A roll call vote was taken. Motion carried with 7 yes 0 no and 0 absent.

Mr. McNeil presented Zoning Ordinance Amendments #105 and #106. These two amendments establish a new zoning district, two overlay zoning districts, and new sign regulations for these new districts. The amendments rezone portions of the Topinabee area in Mullett Township.

**Motion** by Commissioner Matelski, seconded by Commissioner Horrocks, to adopt Cheboygan County Zoning Ordinance #105 to Add New Zoning Districts, Village Center Topinabee (VC-T), Village Center Topinabee Overlay (VC-T-O) and Village Center Topinabee Residential Overlay (VC-T-RO) and to adopt Cheboygan County Zoning Ordinance #106 Regarding Regulations for Signs in the New VC-T and VC-T-O Zoning Districts (Copies available in the County Clerk's Office or the Community Development Office) and authorize the Chairperson to sign both ordinances. These amendments are effective 8 days following publication in a newspaper of general circulation. A roll call vote was taken. Motion carried with 7 yes 0 no and 0 absent.

Mr. McNeil presented a proposed 2011-2016 Capital Improvement Program. He explained the Michigan Planning Enabling Act (Act 33, 2008) requires local municipalities that have adopted a master plan to annually prepare a capital improvements program. The Act provides that the capital improvements program show those public structures and improvements, in general order of their priority that in the judgment of the Planning Commission will be needed or desirable and can be undertaken within the ensuing 6-year period. A capital improvements program is a blueprint for planning capital improvement expenditures. The inclusion of a project in a capital improvement program will not require any public entity or department of the county to fund or complete the project. It is a planning tool that can coordinate community planning, financial capacity and physical development. Chairperson Socha noted it is a requirement to have this plan in place, but there's not commitment to do these projects.

**Motion** by Commissioner Redmond, seconded by Commissioner Allor, to approve the 2011-2016 Capital Improvement Program per the Planning Commission. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Mr. McNeil said after the first of the year work will start on the 2013 Capital Improvement Program.

**Motion** by Commissioner Redmond, seconded by Commissioner Gouine, to approve the Northern Lakes Economic Alliance service agreement from January 1, 2012 through December 31, 2014 and authorize the Chairperson to sign on behalf of Cheboygan County. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Wallace was excused at 11:05 a.m.

Administrator Jeff Lawson said that Wolverine Community Schools requested an agreement from the County provide a bin for recycling. He said the agreement is an open-ended agreement that was reviewed by civil counsel and provides for a \$435 per pick up cost.

**Motion** by Commissioner Matelski, seconded by Commissioner Allor to approve the Agreement to provide recycling service to the Wolverine Community School District and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

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**Motion** by Commissioner Redmond, seconded by Commissioner Allor, to approve the Cheboygan County Public Defender Contract for 2012-2014, authorize the Chairperson to sign same and all other required documentation after review by the Finance Director. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Matelski, seconded by Commissioner Horrocks, to approve the 2012 Attorney Contract for Delinquency and Child Protection Proceedings and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson explained the County has been provided IRS required 457 (b) Plan Updates from Variable Annuity Life Insurance Company and Security Benefit Company to meet provisions of the Pension Protection Act of (2006) (PPA); Heroes Earning Assistance and Relief Act of (2008) (HEART ACT); Worker, Retiree and Employer Recovery Act of 2008 (WRERA); final 415 Regulations as well as regulations associated with Roth IRA rollovers. To meet this requirement, resolutions must be approved.

**Motion** by Commissioner Redmond, seconded by Commissioner Gouine, to adopt the following resolutions:

**Resolution 11-20**

**WHEREAS**, Cheboygan County (hereinafter, the "Employer") established the Security Benefit 457(b) Deferred Compensation Plan (hereinafter, the "Plan") for the exclusive benefit of its employees and their beneficiaries;

**NOW, THEREFORE, BE IT RESOLVED**, the PPA/HEART/WRERA Amendment to the CHEBOYGAN COUNTY, MI Security Benefit 457 DC PLANO Plan (the Amendment) is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the amendment.

and

**Resolution 11-21  
RESOLUTION AUTHORIZING ADOPTION  
OF PLAN RESTATEMENT**

**WHEREAS**, Cheboygan County (hereinafter, the "Employer") established the Valic 457(b) Deferred Compensation Plan (hereinafter, the "Plan"), effective June 13, 2001, amended June 1, 2007 for the exclusive benefit of its employees and their beneficiaries;

**NOW, THEREFORE, BE IT RESOLVED** that the Employer hereby amends and restates the Plan in the form of the Plan attached hereto; and,

**RESOLVED, FURTHER**, that the appropriate officers of the Employer, or their delegates, are hereby authorized to execute the amendment and restatement of the Plan effective December 14, 2011.

A roll call vote was taken. Motion carried with 6 yes, 0 no, 0 absent, and 1 abstained (Commissioner Wallace).

Finance Director Kortz presented a revision to County Policy #100-3A Freedom of Information Act Procedures and Guidelines for Calculating the Cost of Fees Incurred in Processing FOIA Requests. She said the policy revision provides for an increase in the per page copy costs and the fringe percentage and hourly rates, as the existing policy was based on 2009 data. Civil Counsel Bryan Graham asked if 30 cents represents the actual cost to the County. Ms. Kortz said it was calculated to be that.

**Motion** by Commissioner Allor, seconded by Commissioner Wallace, to adopt revised policy #100-3A Freedom of Information Act Procedures and Guidelines for Calculating the Cost of Fees Incurred in Processing FOIA Requests to become effective January 1, 2012 and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

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**Motion** by Commissioner Redmond, seconded by Commissioner Allor, to adopt Resolution 11-19 2012 Fee Resolution, effective January 1, 2012 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 Allor, to adopt the 2012 General Fund budget in the amount of \$10,512,848 and all other funds budgets with a combined total of \$13,008,608 resulting in a Cheboygan County 2012 Budget in the amount of \$23,521,456. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Matelski, seconded by Commissioner Horrocks, to cancel the December Committee of the Whole Meeting scheduled for December 27, 2011. Motion carried with 7 yes, 0 no and 0 absent.

Chairperson Socha said the Organizational Meeting would be held prior to the January 10, 2012 Finance/Business Meeting.

Commissioner Allor had requested the Monthly Finance Claims be removed from the Consent Agenda. She questioned a trust and agency transaction, and claims to PAAM in amount of \$3,241 and Courtyards of Mackinaw in the amount of \$27,463.89. Ms. Kortz explained that the trust and agency transaction was a flow through and that PAAM is the Prosecuting Attorney Association of Michigan. Treasurer Cronan said the check to Courtyards of Mackinaw was a tax tribunal refund.

**Motion** by Commissioner Matelski, seconded by Commissioner Redmond, to approve monthly finance claims totaling \$26,168.70 and Prepays totaling \$654,065.41. A roll call vote was taken. Motion carried with 7 yes, 0 no, 0 absent.

Commissioner Allor had requested the Antrim County Resolution supporting a statutory exemption for stormwater runoff from logging roads. She noted there is a good amount of logging in this county and suggested a similar resolution be adopted by this Board. Chairperson Socha said a proposed resolution would be drafted for potential action at the next meeting.

**CITIZENS COMMENTS – None**

**BOARD MEMBER COMMENTS –** Commissioner Matelski commented on the City of Cheboygan's donation of \$250 for the Jaws of Life. Chairperson Socha said they can donate as they use the Jaws of Life from Inverness Township. Commissioner Matelski also noted the city opted out of the health insurance contribution act. Administrator Lawson said the assumption is they were over the hard cap but under the 80/20 so they chose to opt out. Commissioner Matelski said he sees the Fair Board discussed over use of free passes. Commissioner Redmond said at one time there were a large amount of free passes, but it is better now. Commissioner Matelski also noted that Community Mental Health Director had an outstanding review and was given a 3 % raise.

Chairperson Socha said that starting in January the Board will be hearing presentations from SAYPA, Drug Court, Community Mental Health, Straits Regional Ride and any other entity that receives funding from the county for an explanation of what they do, how it is working, etc.

Commissioner Redmond asked if there has been a consensus made yet regarding the Doris Reed Center. Administrator Lawson said we left off requesting a letter regarding what they would like to and what their identified improvements would be, but have not received a response. Mr. Lawson said he would contact them again by letter. He said the transition on the building would be in late summer or early fall of 2012. He said right now we would take the building over unless an agreement is worked out before then,

Commissioner Wallace spoke regarding the Inland Lakes Schools district over charging on the December tax bills. He said they should make a correction now and pay for that action. Chairperson Socha said that would be up to the school board. Commissioner Wallace said we could suggest that by a letter to the school board. Chairperson Socha said she doesn't believe the county should take any formal action. If

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constituents have an issue they should voice their concern to the school board. Commissioner Wallace said the taxpayer could deduct the amount over charged. Treasurer Cronan said the big issue is the fact that even though they turned in the wrong amount that is what was apportioned. She said this board authorized that amount. She said making the change this year could result in a fiasco as many have already paid the overage. She said if taxpayers deduct the overcharge it would be placed on delinquent roll. Chairperson Socha said it is not this board's decision to make it is the school district's decision. Lengthy discussion held. Commission Wallace said so the Board does not want to write a letter and voice opinion. Chairperson Socha said a motion could be made to write a letter from the Board.

Commissioner Wallace commented on the correspondence each commissioner received from a prisoner in Utah and a member of the Fundamentalist Church of Jesus Christ of Latter Day Saints.

Administrator Lawson asked if everyone has had a chance to look at the iPad. Chairperson Socha requested a cost analysis before purchasing the iPads. Commissioners Matelski and Wallace have not tried the iPad yet.

**Motion** by Commissioner Redmond, seconded by Commissioner Wallace, to adjourn to the call of the Chair. Meeting adjourned at 12:20 p.m.

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Mary Ellen Tryban  
Cheboygan County Clerk/Register

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Linda Socha  
Chairperson