

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
December 9, 2014**

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.

Public Hearing for the 2015 Cheboygan County Budget

The Public Hearing on the 2015 County Budget was opened by Chairperson Socha. She asked for public comment on the budget. No comments were received.

Finance Director Kortz recapped the budget process leading up to today's budget presentation. She stated the 2015 budget totals \$26,668,536, of which \$11,629,504 represents the General Fund, and \$15,039,032 all other funds. Chairperson Socha thanked the administrator and finance director for a good job on the budget. Administrator Lawson said to meet requirement to receive restored revenue sharing budget transparency is available on the County's website as well as the County's audit. Time was allowed for public comments and questions.

The Public Hearing was closed at 9:45 a.m.

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

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

- A. Approve Monthly Finance Claims (Finance = \$28,614.25 Prepaid = \$697,040.58)
- B. Budget Adjustments
- C. Public Official Bond
- D. Straits Regional Ride Letter of Understanding
- E. Attorney Contract for Delinquency and Child Protection Proceedings 2015
- F. Housing Department Requests for Approval
 1. Project H14-353
 2. Project H14-346-ER2
 3. Project H14-352
- G. Correspondence
 1. Letter from Mullett Township – Michigan Natural Resources Trust Fund Grant Support
 2. Antrim County Resolution Regarding Waters of the U.S.
 3. Bay County Resolution in Support of HR 5078; in Support of S 2729 & HR 4319; and in Opposition to HB 5886
- H. Minutes:
 1. Committee of the Whole Meeting of October 28, 2014, Finance/Business Meeting of November 12, 2014 and Committee of the Whole Meeting of November 25, 2014
 2. Health Board – 10/21/2014
 3. NEMCSA – 11/7/2014

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4. Michigan Northern Counties – 10/20/2014
5. CCE 9-1-1 Board of Directors Minutes 10/15/2014 and Director's Update – 11/19/2014
6. North Country Community Mental Health – 6/19/2014, 7/17/2014, 8/21/2014, 9/18/2014 & 10/16/2014
7. NLEA November-December 2014 Newsletter & November President's Report
8. Cheboygan County Fair Board – 11/3/2014
9. Board Appointments & Procedures Committee – 11/19/2014
10. Cheboygan County Road Commission – 11/13/2014
11. Cheboygan City Council – 10/28/2014, 11/7/2014 & 11/11/2014
12. Planning Commission Meeting – 11/5/2014 & 11/19/2014

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

CITIZENS COMMENTS – Carl Muscott commented on Item 6F1 on the Consent Agenda - Letter from Mullett Township for support on street scape parking lot. He said the community of Topinabee does not support this project. He also commented on Wage & Salary Resolution under New Business regarding a salary increase for the Community Development Director. Mr. Muscott said he does not feel any salary increase would be warranted. Chairperson Socha said when the Community Development Director started he was the County Planner and many other responsibilities have been added since.

Kathy Bricker of Inverness Township addressed the board to thank Chairperson Linda Socha for her patience, listening skills, kindness and encouragement she has shown to people as Chair of the County Board of Commissioners.

Tuscarora Township resident Janet Vance also thanked and commended Linda Socha for the good job she has done as a county commissioner. Ms. Vance said she enjoys the integrity and responsibility this board portrays. She also reminded the board where the money comes from, the taxpayers, when considering wage and salary increases. She stated she favors a salary and wage freeze at the county level as most taxpayers have stagnant or decreasing incomes.

Stephenie Jacobson of Inverness Township spoke against the non-union salary and wage increases as most people in this county are not receiving **raises**. She said she does not see where the results are increasing and does not believe raises will increase the prosperity of the taxpayers. She noted the streetscape in Topinabee follows a pattern where a citizen committee is formed and never involves a public meeting before seeking support from a municipality. She said this group has been involved in several things throughout the county. She commended Chair Socha for her commitment of conducting public business at public meetings. She said we have accurate timely minutes, etc., and thanked Linda for her many years of service.

Chairperson Socha said anything routine is on the consent agenda or correspondence. She said the Mullett Township letter was not removed from the consent agenda so it will not be acted on.

Robert Heilman, President of the Village of Mackinaw City, also thanked Chair Socha for her the many years of service, which included 12 years on the Mackinaw Township Board an 16 years as a County Commissioner. Chair Socha said she has mixed emotions as she leaves and she appreciates the comments.

SCHEDULED VISITORS – None

FINANCE DIRECTOR'S REPORT

Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ending October 31, 2014. She reported total year-to-date revenue of \$9,911,894.87 or 87.25% of budget compared to \$9,536,656.31, or 89.6% of budget, last year as of the end of October. Ms. Kortz reported expenditures year-to-date of \$8,659,531.22 or 76.23% of budget, compared to \$8,417,072.45, or

79.08% of budget, last year as of the end of October. There is a net income in the general revenue fund as of October 31, 2014 of \$1,252,000 that will be decreased because of upcoming expenditures.

Commissioner Socha questioned Ms. Kortz about child care placement costs with regard to a current case that could require placement of multiple children. Ms. Kortz stated that they are hoping for a low dollar placement in that case.

ADMINISTRATOR'S REPORT

Administrator Jeff Lawson reported updates on several projects. He noted the upcoming change in ambulance service for the Village of Mackinaw City with Emmet County taking over. Once the Village has confirmed the transition, an agreement will be presented to approve the millage allocation transfer to Emmet County. Administrator Lawson said correspondence from the Village of Mackinaw City that they would no longer be the fiduciary for the Wawatam Senior Center is expected in the near future. Mr. Heilman stated that agreement is in the works. This change will require the Wawatam Center to hire an auditor to provide a financial audit for their organization to meet the requirement of the County for senior millage funding.

COMMITTEE REPORTS

Commissioner Redmond presented several Board Appointments and Procedures Committee recommendations. The Board Appointments and Procedures Committee is still accepting applications for members to serve on the Waterways Commission, Airport Authority and the Zoning Board of Appeals.

Motion by Commissioner Redmond, seconded by Commissioner Matelski to accept the recommendation from the Board Appointments and Procedures Committee to reappoint Calvin Oxley and David McKinley to the Cheboygan County Construction Board of Appeals for two year terms commencing January 1, 2015 through December 31, 2016; to re-appoint Arlene Hansen to the Cheboygan County Airport Authority for a three year term commencing January 1, 2015 through December 31, 2017 and to advertise for the vacant seat; to re-appoint Leslie Tebo to the Cheboygan County Department of Human Services Board for a three year term commencing November 1, 2014 through October 31, 2017; to accept the recommendation from the Agricultural Society to re-appoint Chuck Robiadek, Dan Frazier, Beth Bur, Kelsey Kennedy and Steve Sanford to the Cheboygan County Fair Board for three year terms commencing January 1, 2015 through December 31, 2017; to re-appoint Stu Bartlett, Charles Oswald, and Charles Freese to the Cheboygan County Planning Commission for three year terms commencing December 16, 2014 through December 15, 2017; to re-appoint Robert Heilman to the Department of Public Works for a three year term commencing January 1, 2015 through December 31, 2017; to re-appoint James Mick to the Cheboygan County Waterways Commissioner for a three year term commencing January 1, 2015 through December 31, 2017 and advertise for the vacant seat; to re-appoint Charles Freese to the Cheboygan County Zoning Board of Appeals for a three year term commencing January 1, 2015 through December 31, 2017; and to re-appoint Susan Eno, James Granger and Steve Schnell to the Northern Lakes Economic Alliance Board for three year terms commencing January 1, 2015 through December 31, 2017. Discussion was held regarding the small number of applications received for open positions. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Redmond attended a couple District No. 4 Health Board meetings, a Fair Board meeting, and a Benton Township Board meeting.

Commissioner Allor did not have any meetings to report on.

Commissioner Wallace attended a Northeast Consortium Board meeting. He also advised that Link Industries of Indian River have been retraining employees through Michigan Works.

Commissioner Gauthier attended a City Council meeting where the newly elected Mayor and Councilman were present, a Board Appointments and Procedures Committee meeting and two NEMCSA meetings in Alpena.

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Chairperson Socha commented on an application dated January 12, 2012 to the IRS for tax exempt status for the Port of Cheboygan, Inc., which mentions involvement of the County of Cheboygan. She said this is an error as this board has not been involved with the Port. Discussion was held regarding the City of Cheboygan port project.

Commissioner Gouine attended two township meetings.

Commissioner Matelski attended two Planning Commission meetings, two Road Commission meetings, and two township board meetings. Commissioner Matelski stated there is concern at the township level about the amount of veteran requests for tax breaks.

Commissioner Socha attended Hebron, Beaugrand and Burt township meetings.

OLD BUSINESS – None

NEW BUSINESS

Administrator Lawson explained the Exemption from PA 152 of 2011 as amended and how it affects the County. The exemption is due to the County caps in aggregate are slightly higher than the state caps for 2015. He said there were plans provided under the Glide Path that are under the County Cap.

Motion by Commissioner Wallace, seconded by Commissioner Redmond to exempt Cheboygan County from the provisions of Public Act 152 as amended (Publicly Funded Health Insurance Contribution Act) for the 2015 health insurance plan year. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kortz presented the Audit Bid Award recommending Gabridge & Company which was the low bid at \$68,210. Lengthy discussion was held.

Motion by Commissioner Wallace, seconded by Commissioner Gauthier to award the three year 2014 – 2016 audit services bid to Gabridge & Company in the total amount of \$68,210 and authorize the Chairperson to sign the agreement. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented the Civil Counsel Bid Award. In addition to the bid from Young, Graham, Elsenheimer & Wendling, P.C. a proposal was received from the County Prosecutor. Discussion was held. Chairperson Socha said that the board has chosen Young, Graham, Elsenheimer & Wendling, P.C. for their expertise and depth that is not available elsewhere.

Motion by Commissioner Redmond, seconded by Commissioner Gouine to authorize the four year, option 2, per hour billing agreement for legal services with Young, Graham, Elsenheimer and Wendling, P.C. and authorize the Chairperson to sign the agreement to become effective January 1, 2015. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented the Reid Building Lease Agreements.

Motion by Commission Matelski, seconded by Commissioner Allor to approve the one year lease agreement between the County of Cheboygan and North Country Community Mental Health effective November 1, 2014 for a total amount of \$26,144 to be paid in monthly installments and authorize the Chairperson to sign the agreement; to approve the one year lease agreement between the County Cheboygan and Women's Resource Center of Northern Michigan effective November 1, 2014 for a total amount of \$5,537 to be paid in monthly installments and authorize the Chairperson to sign the agreement; and to approve the one year lease agreement between the County of Cheboygan and District Health Department No. 4 effective November 1, 2014 for a total amount of \$49,200 to be paid in monthly installments and authorize the Chairperson to sign the agreement. Discussion was held. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented the 2015 – 2017 Public Defender Contract.

Motion by Commissioner Allor, seconded by Commissioner Redmond to approve the Cheboygan County Public Defender three-year contract for 2015 – 2017 in the amount of \$140,515 per year and authorize the Chairperson to sign same and all other required documentation after review by the Finance Director and approve the necessary budget adjustments. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented the Wage & Salary Resolution – Non-Union General Employees #14-021 – Amendment #1. The amendment pertains to a salary increase for the Community Development Director in the amount of \$5,238, including fringe. Discussion was held.

Motion by Commissioner Matelski, seconded by Commissioner Gauthier to adopt Amendment #1 to the 2015 Salary and Wage Resolution – Non-Union General Employees #14-021 to become effective January 1, 2015 and authorize the Chairperson to sign the resolution and approve the necessary budget adjustments to be posted on January 1, 2015. A roll call vote was taken. Motion carried with 7 yes, 0 no, 0 absent.

Finance Director Kari Kortz presented the 2015 Cheboygan County Budget adoption. She noted the changes since the last meeting were listed on the green and yellow highlighted recap sheet. She said the amount for District #4 Health may change, and the Road Commission has not yet finalized their 2015 budget.

Motion by Commissioner Allor, seconded by Commissioner Matelski to adopt the Cheboygan County 2015 General Fund Budget in the amount of \$11,629,504 and all other funds budgets with a combined total of \$15,039,032 resulting in a total Cheboygan County budget in the amount of \$26,668,536. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Matelski, seconded by Commissioner Allor to cancel the Cheboygan County Board of Commissioners December 23, 2014 Committee of the Whole meeting. Motion carried with 7 yes, 0 no and 0 absent.

The 2015 Organizational Meeting was scheduled for Friday, January 2, 2015. Civil Counsel Bryan Graham noted that the Chair may be elected for a one year or a two year term.

Administrator Lawson presented the Housing Subordination Agreement for project H14-352.

Motion by Commissioner Gouine, seconded by Commissioner Wallace to approve the Housing Subordination Agreement for Project H14-352 and authorize the Chairperson to sign the agreement. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS

Carl Muscott said he appreciates the board thinking of a contingency plan for the existing employees. He thanked Linda Socha for all her years of service. Commissioner Wallace noted the county does have a process for employee reviews.

Don Horrocks asked who is in charge if there is a large disaster on January 1, 2015. Commissioner Socha responded that no one would because the Board Chair and Vice Chair would be elected on January 2, 2015. Greg Williams would assume responsibility in the absence of the Board.

Chris Brown thanked Linda Socha for her years of service to Cheboygan County, and as the newly elected commissioner, he expressed he looks forward to being seated on the Board in January. He acknowledged that he has very big boots to fill.

BOARD MEMBER COMMENTS

Commissioner Redmond and Administrator Lawson presented a Certificate of Appreciation to Board Chair Linda Socha and thanked her for 16 years of service to the County and for all that she has done. Commissioner Redmond noted a list of adjectives that accurately describe Chairperson Socha.

Motion by Commissioner Redmond, seconded by Commissioner Allor, to adjourn to the call of the Chair. Motion carried with 7 yes, 0 no and 0 absent. Meeting adjourned at 11:43 p.m.

Mary Ellen Tryban
Cheboygan County Clerk

Linda Socha
Chairperson