

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS  
FINANCE/BUSINESS MEETING  
November 13, 2012**

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.

Chairperson Socha requested Item 5E Purchasing Policy Revision – Sole Vendor Listing 300-2A be removed from the Consent Agenda and added to New Business as Item 12H.

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

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

- A. Approve Monthly Finance Claims – Finance = \$156,537.76    Prepays = \$947,910.03
- B. Budget Adjustments: Raise Revenues & Expenditures - Fund 101 total budget increase of \$17,163.06 (Dept. 229 Prosecutor \$125.00 and Dept. 267 Maintenance by \$17,038.06; Fund 108 P.A. 106 Fund total budget increase of \$20,890.00 and Fund 277 Senior Millage Fund total budget increase of \$1,945; Inter-budget Transfers – Payroll Related – Sheriff's Department, Recycling Department, County Marina, and Veteran's Department; Budget Transfer in amount of \$590.00 from the Carried Forward Fund Equity to Fringe in the IT Department; and Raise Revenues and Expenditures – Fund 101 total budget increase of \$7,000 (Planning & Zoning)
- C. Investment Report
- D. Straits Regional Ride MDOT Specialized Services Transportation Agreement 3<sup>rd</sup> Party Agreement, MDOT No., 201-0061/P4/S1
- E. ~~Purchasing Policy Revision – Sole Vendor Listing 300-2A~~ (moved to New Business 12H)
- F. Fairgrounds Usage Contract – 4-H
- G. Correspondence
  - 1. State Appointment to Cheboygan County Department of Human Services Board
  - 2. City of Cheboygan's Notice of Intent to Update the Master Land Use Plan
  - 3. Oceana County Resolution Opposing Ballot Propositions 3 and 5
  - 4. NEMCOG Notice of Intent by MSU to Apply for Federal Assistance from USDA
  - 5. State of Michigan-Bureau of Construction Codes Letter Approving Joint Application for Inland Lakes School
- E. Minutes:
  - 1. Finance/Business Meeting of October 9, 2012
  - 2. Health Board – September 18, 2012
  - 3. NEMCSA – October 5, 2012
  - 4. NMSAS – September 10, 2012
  - 5. North Country Community Mental Health Board – July 19, 2012 and August 16, 2012
  - 6. NLEA October 2012 Newsletter and October President's Report
  - 7. Cheboygan County Fair Board – October 1, 2012
  - 8. Cheboygan City Council –September 18, 2012 and October 9, 2012
  - 9. Planning Commission Meeting – October 3, 2012
  - 10. ZBA – September 26, 2012

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

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**CITIZENS COMMENTS** – Derek Nellis, the new Conservation District Forester for Presque Isle and Cheboygan counties introduced himself to the Board. He said he is available for public assistance in managing private properties.

**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 September 30, 2012. She reported total year-to-date revenue of \$6,008,458.29 versus \$5,666,569.76 last year at that time. Ms. Kortz reported expenditures year-to-date of \$7,411,526.63 or 67.48% of budget, compared to \$7,366,156.55 last year as of the end September. She reviewed the Fund Balance quarterly report and Summary of General Fund Expenses by Category, which also is a quarterly report.

**ADMINISTRATOR'S REPORT** – Administrator Lawson's written report included information on the County Marina, the Fairground Grant, Recycling, and Community Health. He said the State has approved a request from the County Waterways Commission to increase the number of slips available to rent on a seasonal basis from 40% to 60% which will allow up to 50 slips to be rented as seasonal slips in the future which is the primary revenue generator for the facility. The Fairground grant application has been submitted to the State Department of Agriculture for up to \$20,000 reimbursement for renovations of the midway restroom building. He reported a 2012 Recycling Report will be presented at the January Committee of the Whole Meeting. He said the Health Department of Northwest Michigan has asked for help from the County Health Access Committee to distribute a Community Health Survey in the County. A link to the survey is available on the County's website and also sent to each municipality in the County and Chambers of Commerce. Mr. Lawson said he has been asked to sit on the McLaren Community Advisory Council.

### COMMITTEE REPORTS

Commissioner Wallace reported on the Millage Appropriation Meeting regarding MSU-E Project Fresh. He said the requested information on the statistics of the program were received and reviewed.

**Motion** by Commissioner Wallace, seconded by Commissioner Horrocks, to accept the recommendation from the Millage Appropriation Committee for the appropriation of \$7,000 from the Senior Citizens' Millage Fund to the MSU-E Project Fresh program. Commissioner Allor said the report received showed that 93.4% of the Project Fresh coupons were redeemed and any left over money has been rolled over for the following year. Chairperson Socha said she is concerned that this program and the VITA program should be ran through the Cheboygan County Council on Aging. Civil Counsel noted money collected from the senior millage must not be used for non-senior programs. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Wallace said NMSAS has received the liquor tax money from the State.

Commissioner Horrocks attended a special meeting for the Pigeon River and said it looks like a lot of changes will be coming with the new Department of Agriculture Director. He also reported a possibility of securing a bus for veterans to be transported from Mackinaw City to Saginaw, Ann Arbor or Detroit as the grant application has been received.

Commissioner Redmond attended various transportation meetings, the Fair Board meeting, Waterways meeting, LEPC and a couple of District #4 Health Board meetings. He said the Health Board is looking at home health nursing and the reasons for the big decline in usage. He said in order to keep this program solvent a minimum of 31 clients would be required, this has dipped recent to 8 clients. Referrals from McLaren to Vital Care have had a huge effect on this Health Department service. Commissioner Allor said her concern regarding this is through the end of September the Health Department should a deficit of approximately \$170,000 in home health care. She the current trend appears to be favoring private home healthcare businesses. Commissioner Redmond said there will be more to come on this with several special meeting scheduled to determine a direction on this matter.

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Commissioner Allor attended the Cheboygan County Council on Aging meeting, the local MTA meeting, a Wilmot Township meeting, the NEMCSA meeting, a couple of North Country Community Mental Health Board meetings, the Health Board meeting and a meeting of Cheboygan Area Transportation Services.

Commissioner Gouine attended the Inverness Township Board meeting, the Fair Board meeting and a Straits Regional Ride meeting.

Commissioner Matelski reported attending three Planning Commission meetings, two Road Commission meetings, three township meetings, the local Michigan Townships Association meeting, a MSU-E meeting, and a ZBA meeting. He said more citizen have been attending Road Commission meetings to express dismay with the conditions of county roads; the Road Commission Manager received a \$2,000 increase in compensation. He said the Master Plan meetings with the townships are going extremely well, citizens attend these meetings as well. He reported at the last MTA meeting Marcia Rocheleau did a good job pointing out to the township that all FEMA business is their responsibility and if they don't do their jobs the elimination of township government could actually happened. He said Building Official Al Hoard did a good job on the presentation he did at the MTA meeting.

Commissioner Socha attended two meetings on the property transfer regarding the property the Sheriff Department obtained through forfeiture and sold, a SANE meeting, an Office of Emergency Management meeting, the Beaugrand, Mackinaw and Hebron township meetings, a joint Office of Emergency Management and Sector Sault USCG Concept and Objections related to the planning of an exercise scheduled for September 2013. There is a full scale exercised scheduled for 2014. She said she attended a Sault Region Security Meeting Straits Area Subcommittee that required a background check and she signed a nondisclosure agreement. She also attended a meeting regarding the status of the Duncan Bay boat matter. The boats are no longer owned by Stivers. The boats are not deemed a hindrance to navigation and are not abandoned. She also reported Greg Williams will be distributing information on required training need.

**OLD BUSINESS** – None

### **NEW BUSINESS**

Straits Regional Ride Director Mike Couture presented a contract for radio equipment and installation. He said bid request sheets were sent to Telerad, State Electronics and Otec Communications, posted on the County website and State DBE website and advertised in the Cheboygan Daily Tribune. The only bid received was from Otec as Telerad and State Electronics sent bid decline letters. The Otec bid was in the amount of \$19,859.37. Since only one bid was received all information had to be sent to the Department of Transportation for approval which was granted.

**CITIZENS COMMENTS** – Mullett Township Supervisor Bill Morgan said since putting money into Project Fresh the county should request a more streamline process for the vendors receiving cash from the coupons. Most those who participate in area farmer markets usually wait to the end of the season due to the difficulty in submitting the coupons. Many vendors do not accept the coupons at all because of that. Chairperson Socha thanked Bill for the years he has attended these meetings and offered input and insight to the board. Bill said he probably will be sitting here as a citizens once in a while.

**Motion** by Commissioner Matelski, seconded by Commissioner Redmond, to approve the contract with Otec Communications in the amount of \$19,859.37 for radio communications equipment and installation and authorize the Chair to sign. Motion carried with 7 yes, 0 no and 0 absent.

Mr. Couture presented a proposed lease with Northern Star Broadcasting to install a repeater and two antennas on the NSB tower located on Douglas Road, at a cost of \$300 per month to be paid once per year.

**Motion** by Commissioner Allor, seconded by Commissioner Redmond, to approve the Antenna Site Lease Agreement between Northern Star Broadcasting, L.L.C. and Cheboygan County Board of

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Commissioners for a 60-month renewable term lease in the amount of \$3600 annually and authorize the Chair to sign. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented the renewal for the Bryne JAG Grant Contract for Cheboygan County Drug Court in the amount of \$80,000.

**Motion** by Commissioner Horrocks, seconded by Commissioner Redmond, to approve the FY 2013 Byrne Memorial Justice Assistance Grant between the State Court Administrative Office and the 53<sup>rd</sup> Circuit Court Adult program in the amount of \$80,000, authorize the Chairperson to sign two copies of the same and any other documentation that may be required after review by the Finance Director. Discussion held, Chairperson Socha pointed out several questions she had regarding the content of the grant application and on fees collected. Motion carried with 7 yes, 0 no and 0 absent.

Equalization Director Joe Lavender presented a amended 2012 Apportionment Report and amended Millage and Tax Resolutions to include the Ambulance millage approved by the voters at the November 6, 2012 General Election.

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

**AMENDED  
Resolution 12-31  
2012 MILLAGE RATE RESOLUTION**

**WHEREAS**, Cheboygan County has the authority to levy its own maximum allowable millage rate of 6.4092 mills distributed as follows: 5.6592 mills for General County Operations, .5000 mills for Senior Citizens Operations, and .2500 mills for Ambulance Authority Operations, and,

**WHEREAS**, it has been determined that to maintain basic county services, it will be necessary to levy the maximum allowable rate of 6.4092 mills; and,

**WHEREAS**, notice of the public hearing was given, and a public hearing was held as the County Budget Hearing;

**NOW THEREFORE BE IT RESOLVED**, that the County of Cheboygan shall levy the maximum allowable millage of 6.4092 for 2012.

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

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

**AMENDED  
Resolution 12-32  
TAX RESOLUTION**

**BE IT HEREBY RESOLVED**, that there be raised by taxation and that the Cheboygan County Board of Commissioners are hereby authorized and directed to spread upon the several assessment rolls and tax rolls of the County: County Tax, Township Tax, School Tax and any special taxes in the amounts as adopted by the County Board of Commissioners in the 2012 Apportionment Report. An amount of the above mentioned taxes not to exceed the schedule of millage as determined by the Apportionment Report adopted by the Cheboygan County Board of Commissioners at their annual meeting held on November 13<sup>th</sup>, 2012.

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

**Motion** by Commissioner Allor, seconded by Commissioner Matelski, to adopt the amended 2012 Cheboygan County Apportionment Report as presented (Copy on file in County Clerk's office). A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Allor, seconded by Commissioner Gouine, to approve the Agreement for Senior Millage Appropriation between Cheboygan County and the Cheboygan County Council on Aging in the amount of \$584,496 for operation of programs to be paid in equal installments beginning January of 2013

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through December of 2013, and \$25,504 to be paid in a single payment on or before March 1, 2013, subject to the contingency requirement contained in the agreement; both contingent on total Senior Millage availability, and authorize the Chairperson to sign the agreement document. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Redmond, seconded by Commissioner Allor, to approve the Agreement for Senior Millage Appropriation between Cheboygan County and the Village of Mackinaw City and Wawatam Area Senior Citizens in the amount of \$51,876 to be paid to the Village in equal monthly installments beginning January of 2013 through December of 2013, contingent on total Senior Millage availability, and authorize the Chairperson to sign the agreement document. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Horrocks, seconded by Commissioner Wallace, to approve the Agreement for Senior Millage Appropriation between Cheboygan County and the Cheboygan County VITA program in the amount of \$500 to be paid in a single payment on or before January 1, 2013 to United Way who shall pay same to VITA as soon as possible after receipt and authorize the Chairperson to sign the agreement document. Discussion held, concern was voiced that the VITA program provides to senior but also to low income people not necessarily seniors. Civil Counsel said he would not have a problem with this this year as the money is to be used towards the purchase of a computer which most likely would cost in excess of the \$500. He said in the future the county must make sure funds from the senior millage goes only to seniors. A roll call vote was taken. Motion failed with 3 yes, 4 no (Commissioners Socha, Horrocks, Matelski and Allor), and 0 absent.

**Motion** by Commissioner Wallace, seconded by Commissioner Allor, to approve the Agreement for Senior Millage Appropriation between Cheboygan County and Michigan State University Extension for the amount of \$7,000 to be paid in a single payment in April of 2013 t and authorize the Chairperson to sign the agreement document. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Horrocks, seconded by Commissioner Redmond, to approve the Lease between the County of Cheboygan and Cheboygan County Council on Aging a renewable, five-year lease for the Sand Road and Wolverine Senior Centers and authorize the Chair to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

County Treasurer Linda Cronan requested approval to deed a foreclosed 10 x 330 foot parcel without access that has not sold on two public auctions to the adjacent property owner. This property is located in Mullett Township and the township was not interested in taking ownership of the property.

**Motion** by Commissioner Wallace, seconded by Commissioner Horrocks, to authorize the drafting of a deed for unsold foreclosed residential property 10 X 330 feet, parcel number 130-025-300-002-01 to the adjoining property owner Sheila Urick to be combined with her current property contingent upon payment of the 2012 summer and winter taxes. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Lawson presented a resolution on behalf of CCE 9-1-1 to participate in a state grant program.

**Motion** by Commissioner Matelski, seconded by Commissioner Horrocks, to adopt the following resolution:

**RESOLUTION 12-36  
RESOLUTION ACCEPTING THE  
COMPETITIVE GRANT ASSISTANCE PROGRAM GRANT**

**WHEREAS**, the State of Michigan Department of Treasury has been given preliminary notice of its intent to award a Competitive Grant Assistance Program (CGAP) grant in the amount of up to \$ 80,000 toward reimbursement of expenditures required to implement the collaborative radio system project, and

**WHEREAS**, the State of Michigan requires each municipality's governing body to approve a resolution authorizing participation in the proposed project prior to finalizing the award of grants from the State of Michigan's CGAP, and

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**WHEREAS**, the State of Michigan requires a resolution and copies of minutes from the date of the meeting at which the resolution was approved to be provided within 60 days of the preliminary notice of award, and

**WHEREAS**, the Cheboygan County Board of Commissioners acknowledges that it:

1. Has filed its annual financial report (F65) or audit per the Uniform Budgeting and Accounting Act or the Uniform System of Accounting Act
2. Has filed its financial plan (deficit elimination plan) per the Glenn Steil State Revenue Sharing Act
3. Is not delinquent in making payments that are due on loans issued pursuant to the Emergency Municipal Loan Act
4. Does not have a payment due and owing to the state.

and thus is eligible to participate in a CGAP grant-funded project.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Cheboygan County Board of Commissioners hereby authorizes participation in the collaborative radio system project and on behalf of the County of Cheboygan authorize Emmet County to provide this resolution and minutes indicating its approval to the State of Michigan, and to submit and execute documents requested by the State of Michigan relating to the CGAP requirements.

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

Finance Director Kortz presented a revision to the County Purchasing Policy which updates the Sole Vendor Listing to add Pro-tech as a vendor.

**Motion** by Commissioner Allor, seconded by Commissioner Wallace, to adopt the revised Sole Vendor Listing 300-2A to become effective November 14, 2012. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

**CITIZENS COMMENTS** - Mullett Township Supervisor Bill Morgan said since putting money into Project Fresh the County should look into a more streamline process for the vendors to redeem the coupons for cash. Most those who participate in area farmer markets usually wait to the end of the season due to the difficulty in submitting the coupons. Many vendors do not accept the coupons because of that. Chairperson Socha thanked Bill for the many years he has attended these board meetings and offered input and insight to the board. Bill said he most likely will be sitting here as a citizens on occasion.

**BOARD MEMBER COMMENTS** – Chairperson Socha reminded the commissioners who want to attend New County Commissioner Training to get with Kathy.

### **BOARD MATTERS FOR DISCUSSION**

Budget discussion continued from the October 23, 2012 Committee of the Whole meeting. Administrator Lawson explained the background of the Capital Improvement Plan. He explained projects are contingent upon obtaining funding. Proposed Capital Improvement Projects for 2012 through 2018 included County Building Boiler Replacement estimated to cost \$100,000, Animal Shelter Parking Area estimated cost of \$15,000; Airport Hangar door Replace estimated to cost \$19,500; Cheboygan County Fairgrounds Restroom and Shower Facility estimated to cost \$50,000; Doris Reid Center Improvements estimated cost of \$350,000; County Building Trim Panel Replacement estimated cost of \$85,000; County Marina Fuel System Replacement estimated cost of \$350,000; Cheboygan County Fairgrounds Restroom and Shower Facility estimated cost of S\$180,000; County Building Parking Lot and Driveway Repaving estimated to cost \$208,000 (which could be moved from the Desirable to the Needed Category); County Building Energy Efficiency Upgrades estimated cost of \$50,000; County Marina Pier System “A” Replacement and Upgrade estimated cost of \$1,265,000; and County Marina Pier System “B” Replacement and Upgrade estimated cost of \$950,000. The mission is to have department year end reports tie back to the department’s goals and objectives.

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Finance Director Kortz related the capital projects currently included in the budget and will be covered by a transfer from the tax revolving fund. She pointed out that carpet for Juvenile and Probate offices has had been included in the budget for next year originally. She asked if that should be left in. The consensus was to leave it in.

Fund 249 Building Department Fund currently has expenditures slated of \$406,278 being offset by \$250,000 in Permit Revenue, a 20% contribution totaling \$81,256 from the General Fund, and also dipping into fund balance for \$75,000. This would include a little over \$20,000 for a purchase of a new vehicle. Chairperson Socha explained the funding situation faced here is whether to lay-off employees; turn the permitting process over to the state; or contribute funding from the general fund. Administrator Lawson said part of the recommendation is to review the fees for that department which has been discussed with area contractors. He said the contractors would be okay with a change in fees if the revenue is invested back in the department funding. Chairperson Socha said not funding is not an option. Ms. Kortz said the 20% may not be enough for 2012 if so she would request a loan from the general fund to cover any shortfall.

Funds 281 & 283 Housing – Ms. Kortz explained Fund 281 is sometime referred to as Cheboygan County Funds which has only approximately \$2900 in that account. Administrator Lawson said there has been much discussion regarding Housing and NEMAH. It looks like we have to rebuild the program without NEMAH. The day to day activity would be moved into Community Development and the Treasurer and Finance Departments would handle the financial end. Chairperson Socha said several years ago the Housing Department was analyzed by an outside entity and the board eliminated the department and turned it over to NEMAH. She said at that time the recommendation was to utilize the Community Development office for the Housing program. Ms. Kortz said there is no HPG money to spend until late summer of 2013 because of the lack of spending this year and the county now is out of the funding cycle. The consensus was not to contract with NEMAH in 2013.

Fund 292 - Ms. Kortz explained that childcare is 50% from county 50% from state, three agencies use the money, One is Probate Court, Two Department of Human Services and Three the State. There used to be two funds. Fund 291 was DHS and Fund 292 was Probate Court it was transferred to one Fund 292.

Administrator Lawson said there is no change in the SAYPA budget, but the SAYPA program must be restructured. The recommendation is to enter into an agreement with the Cheboygan Area Schools in 2013 identifying the relationship and responsibilities of each organization. Staff has been reduced due to reduction in the number of participants. The Court proposes to enter into an independent contract agreement with Mr. Ackerman the alternative education teacher assigned to the program for the school. The Court has received a \$100,000 Byrne Grant for SAYPA activity and counseling for youth. Last year the General Fund appropriated \$56,000 toward the program. Chairperson Socha said the SAYPA program has morphed and changed since its inception and at some point the grant money will be gone.

Finance Director Kortz asked if the board would prefer the childcare funds be kept all in one fund or separated into three funds. The consensus was to use three separate. She reported the new retirement calculations changed the budget \$13,000 total. The final proposed version will be ready for the committee of the whole meeting.

**Motion** by Commissioner Matelski, seconded by Commission Allor, to adjourn to the call of the Chair. Meeting adjourned at 3:54 p.m.

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Mary Ellen Tryban  
Cheboygan County Clerk/Register

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Linda Socha  
Chairperson