

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE BUSINESS MEETING
March 8, 2016**

The Finance/Business meeting of the Cheboygan County Board of Commissioners was called to order in the Commissioners Room by Chairperson Pete Redmond at 9:30 a.m.

Roll called and a quorum present.

Present: Commissioners Chris Brown, Bruce Gauthier, Pete Redmond, Tony Matelski, John Wallace, and Sue Allor

Absent: Commissioner Cal Gouine (excused)

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

Commissioner Matelski requested to pull Item 5-A *Approve Monthly Finance Claims* from the Consent Agenda. Commissioner Redmond placed item under New Business D. Commissioner Allor requested to pull Item 5-E-11 *NEMCOG – Draft 2015-2020 Comprehensive Economic Development Strategy (CEDS)* from the Consent Agenda. Commissioner Redmond placed the item under New Business E. Commissioner Allor requested to pull Item 5-F-1 *Finance Business Meeting Minutes of February 9, 2016* from the Consent Agenda. Commissioner Redmond placed the item under New Business F. Commissioner Allor requested to pull Item 5-F-8 *Cheboygan Life Support Minutes and Financials* from the Consent Agenda. Commissioner Redmond placed the item under New Business G.

Motion by Commissioner Brown, seconded by Commissioner Allor, to approve the agenda as amended. Motion carried with 6 yes, 0 no and 1 absent.

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

- A. ~~Approve Monthly Finance Claim~~ (Moved to New Business)
- B. Budget Adjustments
- C. Marina Contract Addendum #1 – Central Reservation System
- D. Resolution 16-07 Security Benefit 457 Plan Reinstatement
- E. Correspondence
 - 1. Correspondence From Mary & John Green, Homeowners on Black Lake in Opposition to Marina on Black Lake
 - 2. Alger County Resolution Opposing US EPA & Corps of Engineers Proposed Rule Expanding the Definition of “Waters of the United States”
 - 3. Alger County Resolution Opposing HB 5016
 - 4. Alger County Resolution Urging State Lawmakers to Stop Hypocrisy of Exempting Themselves from the Laws
 - 5. Antrim County Resolution Urging State Lawmakers to Stop Hypocrisy of Exempting Themselves from the Laws
 - 6. Antrim County Resolution in Support of SB 703
 - 7. Bay County Resolution in Opposition to Section 298 of FY 2017 Executive Budget
 - 8. Huron County Resolution in Opposition to Section 298 of FY 2017 Executive Budget
 - 9. Lake County Resolution in Opposition to HB 5232 & SB 720 Legislation to Amend the Michigan Local Historical Districts Act
 - 10. NEMCOG Regional Project Review February 2016
 - 11. ~~NEMCOG – Draft 2015-2020 Comprehensive Economic Development Strategy – (CEDS)~~ (Moved to New Business)
- F. Minutes
 - 1. ~~Finance/Business Meeting of February 9, 2016~~ (Moved to New Business)

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2. Health Board – 1/19/16
3. NEMCSA – 2/5/16
4. NLEA February 2016 President's Report
5. North Country Community Mental Health – 1/21/16
6. Board Appointments & Procedures – 3/1/16
7. Cheboygan County Fair Board – 1/4/16
8. ~~Cheboygan Life Support Minutes and Financials~~ (Moved to New Business)
9. Cheboygan County Road Commission – 2/10/16, 2/11/16 & 2/18/16
10. Planning Commission Meeting – 2/3/16 & 2/17/16
11. ZBA – 1/27/16

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

CITIZENS COMMENTS

Carl Muscott, a citizen of Tuscarora Township, commented regarding the NEMCOG Draft Comprehensive Economic Development Strategy from the 3/8/16 Consent Agenda. Mr. Muscott stated that he is wondering why Cheboygan County participates with NEMCOG when Cheboygan County is more closely tied to the counties on the west side of Michigan. Mr. Muscott commented on NLEA involvement regarding a Cheboygan Tribune article from last year – March 27, 2015. Mr. Muscott commented on Cheboygan County Board of Commissioner Policy revision 300-2 which increased the financial amount that County Administrator or Finance Director can authorize for spending without Board approval. Mr. Muscott stated he would like to see more oversight over expenditures from elected officials as opposed to county staff.

Commissioner Redmond commented that the Meijer's protect is still moving forward as there have been renewed permits that they need and various properties have been purchased concerning the project and vacated by April 1. Commissioner Brown stated that there have been some bids released for site work.

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 January 31, 2016. She reported total year-to-date revenue of \$374,425.98, or 3.17% of budget, compared to \$268,202.38, or % of budget last year at the same time. Ms. Kortz reported expenditures year-to-date of \$878,730.34 or 7.43% of budget, compared to \$, or %, last year as of the end January. Ms. Kortz stated that the Cash Summary by Fund Cash and Investments Reports for 2016 will not be presented until all the 2015 adjusting entries are posted.

Commissioner Allor asked about an emergency Straits Area Regional Ride bus engine replacement for \$23,168 and \$2800 for labor. Finance Director Kortz stated that the entire engine is being replaced and some other components. Commissioner Allor stated that it seems like a lot of money. Commissioner Brown said that diesel engines are expensive. Commissioner Allor asked if it is a new engine. Administrator Lawson stated that it is a rebuilt engine. Discussion was held.

ADMINISTRATOR'S REPORT

Administrator Lawson stated that an Enbridge representative will be at the March 22 Board meeting with a presentation and to answer any questions.

Administrator Lawson stated 25 applicants have applied for the Veterans Services Officer position. Mr. Lawson said that he has interviewed three applicants, and may do a few more interviews by the end of the week. He said he will keep the Board informed.

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Administrator Lawson reported that staff continues to meet regarding Straits Regional Ride presence in Emmet County. He stated that the system we have right now would have to be revised somewhat because we probably wouldn't be able to forecast a millage properly otherwise.

Administrator Lawson responded to Carl Muscott's comments regarding NEMCOG by stating that the county is placed in the northeast planning regions by the state. Mr. Lawson stated that Cheboygan County can't move out of NEMCOG as a planning district as it is a State defined district boundary based on location.

Commissioner Matelski asked if the Veterans Affairs office is open while new applicants are being interviewed. Administrator Lawson confirmed that it is open and servicing veterans.

COMMITTEE REPORTS

Commissioner Gauthier stated that the Board Appointments and Procedures Committee met twice in the past two months. Commissioner Gauthier recommended the appointment of Ed Ginop to the Zoning Board of Appeals.

Motion by Commissioner Gauthier, seconded by Commissioner Matelski to appoint Ed Ginop to the Cheboygan County Zoning Board of Appeals for a two-year term beginning January 1, 2016 and expiring December 31, 2017. Motion carried with 6 yes, 0 no and 1 absent.

Motion by Commissioner Matelski, seconded by Commissioner Allor to reappoint Alice Mushlock to the Cheboygan County Tax Allocation Board for a one year term beginning January 1, 2016 and expiring December 31, 2016. Motion carried with 6 yes, 0 no and 1 absent.

Commissioner Gauthier attended an NLEA meeting, a Duncan Bay Watershed Advisory meeting, a Straits Area Federal Credit Union ribbon cutting event, 2 NEMCSA meetings and a NEMCSA Executive Director's meeting and coordinated the Administrator's evaluation.

Commissioner Matelski attended three Road Commission meetings, two Planning Commission meetings, a Waterways Commission meeting and a ZBA meeting.

Commissioner Brown attended a Burt, Munro, Mackinaw, and Beaugrand Townships meetings, a Board Appointments and Procedures Committee meeting regarding the evaluations for the County Administrator,

Commissioner Wallace attended all the committees and commissions that the Board has appointed him to.

Commissioner Allor attended a Village of Wolverine meeting, a Nunda Township meeting, a Cheboygan County Council on Aging meeting, a District No. 4 Health Board meeting, an Area Agency on Aging meeting, an MTA meeting, a MACC Conference and the Annual Cheboygan Chamber of Commerce dinner.

Commissioner Redmond attended the MACC Conference, a District No. 4 Health Board meeting, and a Waterways Commission meeting.

OLD BUSINESS – None

NEW BUSINESS

Administrator Lawson presented the Cheboygan County Marina Waterways Grant Application. He said a preliminary engineering study had been completed in 2008 which identified the marina's need to replace the fuel tanks as well as the floating fuel dock, fuel building, fuel pumps, associated fuel piping and sewer pump out system. Administrator Lawson stated that if awarded, the county would be obligated to pay \$436,000 and \$364,000 would be paid by the State of Michigan. Administrator Lawson stated that the

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grant application needs to be submitted by April 1. Finance Director Kortz noted the amount the county would be responsible for is \$412,000. Discussion was held.

Motion by Commissioner Gauthier, seconded by Commissioner Brown to approve the submittal of the Cheboygan County Marina Waterways Grant Application with the amendment of county financial obligation to \$412,000 and authorize the County Administrator to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Finance Director Kari Kortz presented the 2016 Salary & Wage Resolution – Non-Union General Employees #16-01 – Amendment #2. She explained there have been some personnel changes in Probate Court and that new hires will be offered a lower rate than the individuals that left. Administrator Lawson stated that the wage changes are consistent with other changes that have occurred based on comparable averages. Commissioner Redmond stated that wage comparables for Probate Court is not a new concern of Judge Butts. Commissioner Allor asked for a clarification of the changes. Finance Director Kortz stated that Tier 4 individuals will remain in Tier 4 for future raises, two people in Tier 3 will be reduced in the future to Tier 2, and two individuals who were in Tier 2 are moved down to Tier 1. Commissioner Allor asked if Judge Butts has reduced the number of positions. Finance Director Kortz stated that Judge Butts has not reduced the number of positions in his office.

Motion by Commissioner Gauthier, seconded by Commissioner Brown to adopt Amendment #2 to the 2016 Salary and Wage Resolution – Non-Union General Employee #16-01 to be effective February 1, 2016, authorize the Chairperson to sign and approve the necessary budget adjustments. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Administrator Lawson presented Policy Revision 300-2. He said this is a revision to the policy language permitting written quotes for supplies, contract services and equipment up to \$25,000 in cost. Administrator Lawson stated that items over \$25,000 in cost require sealed bids and that the revision permits the County Administrator and the Finance Director to authorize expenditures up to \$25,000, with anything over that requiring the approval of the full Board of Commissioners.

Motion by Commissioner Brown, seconded by Commissioner Wallace to approve revision to Policy 300-2 Purchasing Policy and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 5 yes, 1 no (Commissioner Allor) and 1 absent.

Finance Director Kari Kortz presented Policy Revision 300-1 regarding budget adoption and amendment policy. This is a revision to the policy language permitting staff approval of budget adjustments up to \$25,00 in cost and adjustments over \$25,000 requiring approval of the full Board of Commissioners.

Motion by Commissioner Brown, seconded by Commissioner Matelski to approve revision to Policy 300-1 Budget Adoption and Amendment Policy and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 5 yes, 1 no (Commissioner Allor) and 1 absent. .

Finance Director Kari Kortz presented Policy Revision 300-2B regarding prepaid check writing procedure. This revision will update the Prepaid Check Writing Procedures by adding Fund 516 – Include payments related to Delinquent Taxes – as approved by the County Treasurer – previously pre-paid by practice although the policy did not provide for it; and Fund 517 – Include payments related to Tax Foreclosure – as approved by the County Treasurer– previously pre-paid by practice although the policy did not provide for it.

Motion by Commissioner Allor, seconded by Commissioner Wallace to adopt the revised Prepaid Check Writing Procedure 300-2B to become effective March 8, 2016 and authorize the Chairperson and the Administrator to sign. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Commissioner Matelski stated that Finance Director Kortz addressed his question regarding a monthly finance claim for an electric bill servicing the county building on the break. Commissioner Allor addressed Check No. 164774 for \$2880. Finance Director Kortz stated that amount was for a JIS software quarterly maintenance agreement. Commissioner Allor addressed Check No. 164848 for \$1299. Finance Director

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Kortz stated that amount was for security door repair parts. Commissioner Allor asked about the security door being under warranty. Administrator Lawson responded that the issues are covered under warranty and they are ordering a second set of parts for the door to have on standby to be prepared immediately if needed. Commissioner Allor addressed Check No. 165041 for \$4900. Finance Director Kortz stated that amount was for NEMCOG incentive gifts that are probably movie tickets and gift cards like they have been in the past.

Motion by Commissioner Matelski, seconded by Commissioner Allor to approve the monthly finance claims as presented, Finance = \$24,024.40 and Prepaids = \$822,529.47. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Commissioner Allor addressed the NEMCOG Draft 2015-2020 Comprehensive Economic Development Strategy (CEDS) located at page 72 of the Commissioner's Packet. Commissioner Allor wanted discussion about all the things NEMCOG is claiming to do in the development plan and she is concerned about who is going to be responsible for all the projects and where the money is coming from. Commissioner Wallace stated it's a plan. Commissioner Brown stated that some of the information in the plan is inaccurate and that it is not reliable to be evaluating something based on inaccurate data. Commissioner Redmond stated that the NEMCOG Director may be coming to the Board for a Committee of the Whole meeting to talk about this NEMCOG plan. Discussion was held. Administrator Lawson stated that a discussion like this could take place at the Board Planning Session as this plan is in the draft phase and the Board could submit changes to NEMCOG. Administrator Lawson stated that this plan drafted by NEMCOG is like an umbrella plan covering hundreds of businesses and non-profit organizations and that NEMCOG doesn't have enough staff to complete all the projects so the county can chose what parts of the plan to focus on moving forward. Discussion was held. Administrator Lawson stated that the Board needs to address this in planning and create their own list of projects the county wants to pursue.

Commissioner Allor addressed a correction to the February 9, 2015 Finance/Business Meeting Minutes. Commissioner Allor stated that on page 5 of the minutes regarding her comment on NLEA, she wanted the minutes to reflect her concern about the benefit Cheboygan County is receiving from NLEA and doesn't feel that is portrayed in the current wording. Chief Deputy Clerk noted the change.

Motion by Commissioner Allor, seconded by Commissioner Wallace to approve the February 9, 2015 Finance/Business meeting minutes with correction to page 5. Motion carried with 6 yes, 0 no and 1 absent.

Discussion was held about having a presentation from Andy Hayes regarding NLEA membership.

Commissioner Matelski addressed the Cheboygan Life Support minutes regarding gift certificates given to employees for Christmas gifts. Commissioner Wallace said that the employees do good work and it's a private corporation. Commissioner Matelski said they are funded with tax millage money for ambulances. Discussion was held.

Motion by Commissioner Matelski, seconded by Commissioner Allor to receive and file the NEMCOG Draft 2015-2020 Comprehensive Economic Development Strategy (CEDS) and the Cheboygan Life Support minutes. Motion carried with 6 yes, 0 no and 1 absent.

CITIZENS COMMENTS

Carl Muscott, a citizen of Tuscarora Township, commented that this is how local government should work with frank, open discussions. Mr. Muscott stated that the county building security doors were an issue last week and they are still broken and that if the doors don't work for even an hour that security has failed. Administrator Lawson responded that that's why we are ordering parts to resolve the issues and that we are seeking an answer from the company. Mr. Muscott stated that this security door isn't the best solution to the problem anyway and that Emmet County is looking around for ideas about security systems and he will let them know that it doesn't work here.

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Sheriff Clarmont commented on the NEMCOG discussion. Sheriff Clarmont stated that on their Program Utilization spreadsheet that their numbers are inaccurate because they are listing “zeros” but it’s just because their program has been removed and the programs are instituted in-house. Sheriff Clarmont stated that the programs seem to work more efficiently in-house and the programs are maxed out.

Jeff Pinnonan stated he has a cottage on Black Lake. Mr. Pinnonan is concerned about the DNR making plans for buying Black Lake Marina. Mr. Pinnonan is concerned is that is done then would lose the opportunity to have marina there and to get gas on the lake and there is currently no place to get gas on the lake and that he supports the idea of someone else buying it.

Mary Rocco stated she has a house on Black Lake. Ms. Rocco commented on her concerns regarding the DNR considering purchasing the Black Lake Marina.

BOARD MEMBER COMMENTS

Commissioner Allor commented on the Governor’s proposed 2017 budget and the revisions to mental health. Commissioner Allor stated that there is local community mental health opposition to what the budget is calling for. Discussion was held. Sheriff Clarmont stated that the community mental health portion of the Governor’s proposed budget doesn’t go far enough and that the state need to reinstate mental hospitals.

Commissioner Matelski noted that Tuscarora Township is talking of moving their recycling bins near the County Road Commission property. Commissioner Matelski stated he doesn’t know what kind of lighting they have in that area.

Commissioner Redmond appointed Commissioner Matelski as Board Liaison on the PIE & G Board to represent the Cheboygan County Board of Commissioners. Commissioner Redmond stated there are only one or two meetings a year and that a letter will be sent to PIE & G notifying them.

Motion by Commissioner Brown, seconded by Commissioner Wallace to move into closed session pursuant to MCL 185.268(a) to discuss the County Administrator’s evaluation. Motion carried with 6 yes, 0 no and 1 absent.

ENTER INTO CLOSED SESSION AT 12:00 PM

RETURN TO OPEN SESSION AT 12:29 PM

Motion by Commissioner Matelski, seconded by Commissioner Allor that the 2016 County Administrator’s evaluation results were very good and that the Board accepts and files the evaluation with the Cheboygan County Clerk’s Office. Motion carried with 6 yes, 0 no and 1 absent (Commissioner Gouine).

Motion by Commissioner Brown, seconded by Commissioner Gauthier that based on the favorable report from the County Administrator’s evaluation that the Board offer an extension of one-year to the Administrator’s current contract agreement for a term ending July 10, 2018 and review the compensation package for the fiscal year 2017. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Motion by Commissioner Matelski, seconded by Commissioner Wallace, to adjourn to the call of the Chairperson. Meeting adjourned at 12:34 PM.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Peter Redmond
Chairperson