

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE BUSINESS MEETING
JULY 12, 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. Commissioner Redmond requested a moment of silence for victims of the courthouse shooting in Berrien County.

Roll called and a quorum present.

Present: Commissioners Chris Brown, 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.

Commissioner Brown requested to pull Item 5-G *DHHS 2016 Amendment #2 Homemaker Contract* from the Consent Agenda. Commissioner Redmond placed item under New Business E. Commissioner Wallace requested to pull Item E *Housing Project H14-356* from the Consent Agenda. Commissioner Redmond placed the item under New Business F. Commissioner Allor requested to pull Item 5-H-2 *Lapeer County Resolution* from the Consent Agenda. Commissioner Redmond placed the item under New Business G.

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

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

- A. Approve Monthly Finance Claim (Finance = \$123,518, Prepays = \$945,081.79)
- B. Budget Adjustments
- C. Region 9 Area Agency on Aging Proposed 2017-2019 Multi Year Implementation Plan
- D. Cheboygan County Fair
 1. North Central Security Agreement
- ~~E. *Housing Project H14-356* (Moved to New Business)~~
- F. Crime Victim's Right Application 2017
- ~~G. *DHHS 2016 Amendment #2 Homemaker Contract* (Moved to New Business)~~
- H. Correspondence
 1. Bay County Resolution Supporting SB 39 of 2015
 - ~~2. *Lapeer County Resolution* (Moved to New Business)~~
 3. Eaton County Resolution Regarding Dark Stores
 4. Huron County Resolution Opposing Fracking
- I. Minutes
 1. Finance/Business Meeting of May 10, 2016 and Committee of Whole Meeting of May 24, 2016
 2. Health Board – 5/17/16
 3. North Country Community Mental Health – 5/19/16
 4. NLEA July President's Report
 5. Cheboygan County Road Commission – 6/16/16
 6. Cheboygan City Council – 5/24/16 Special Meeting/Port Commission, 5/24/16 & 6/14/16
 7. Planning Commission Meeting – 6/1/16
 8. ZBA – 5/25/16

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

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CITIZENS COMMENTS

Carl Muscott, a citizen of Tuscarora Township, thanked the Board for adopting a resolution in support of the I-75 Business Loop. He also expressed concern regarding a letter from the former Equalization Director to Mike Ridley regarding an assessment of all properties in Tuscarora Township. Mr. Muscott also commented on a raise being considered for Tuscarora Township Supervisor Mike Ridley.

John Kurczewski, a citizen of Tuscarora Township, a proponent for the analog meters choice bill, brought in a sample of a township and city resolution supporting citizens having a choice of utility meters for the Board.

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 May 31, 2016. She reported total year-to-date revenue of \$1,658,732.25, or 13.93% of budget, compared to \$1,441,267.62, or 12.29% of budget last year at the same time. Ms. Kortz reported expenditures year-to-date of \$4,256,852.61 or 35.76% of budget, compared to \$4,224,065.41, or 36.02%, last year as of the end May. Also presented was the Cash Summary by Fund Report for May 2016.

ADMINISTRATOR'S REPORT

Administrator Lawson stated that the contractor at the Wolverine Senior Center has completed the new roofing and that the County has requested pricing on replacing doors and sealcoating.

Administrator Lawson stated that there are Request for Proposals out for pre-architectural services to develop a preliminary site plan, floor plan and cost estimate to determine the feasibility of the Sheriff's Department Jail expansion project to construct 2 – 4 cell additions, a kitchen facility and storage. Mr. Lawson said that bids are currently being received for a new fleet vehicle.

Administrator Lawson reported staff has begun to review County policies. He explained that it is standard process to review existing policies to check for any necessary changes related to state or federal law or needed policy changes related to the operation of the County. Administrator Lawson stated that legal counsel will review a draft of the recommendations and noted the project will take several months to complete.

Administrator Lawson reminded the Board of the MAC Regional Summit to be held on August 16th at the University Center in Gaylord from 9:00 AM to 1:30 PM. Board members can let Kathy know if they are interested in attending.

Administrator Lawson stated that the County Building has had two air conditioning units become inoperable and the budget only provides replacement funds for one unit per year. He said there are 12 air conditioning units in the County Building in total from the 1980's and moving forward the budget should be adjusted to replace 2 units per year.

Commissioner Redmond stated that the Board is accepting applications for the Economic Development Corporation and the deadline is July 20.

COMMITTEE REPORTS

Commissioner Brown attended an Airport Authority meeting and a Burt Township meeting.

Commissioner Wallace attended a 9-1-1 Committee meeting, a Tuscarora Township Annual meeting, an Ambulance meeting.

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Commissioner Allor attended a Forest Township meeting, a Cheboygan County Council on Aging meeting, and a District. No. 4 Health Board meeting.

Commissioner Gauthier attended two Alcona Healthcare meetings and a City Council meeting.

Commissioner Gouine attended an Inverness Township meeting.

Commissioner Matelski attended two Planning Commission meetings, two Road Commission meetings, a Waterways Commission meeting and township meetings in District 5.

Commissioner Redmond attended a Waterways meeting, a District No. 4 Health Board meeting and District No. 4 Executive Health Board meeting.

OLD BUSINESS – None

NEW BUSINESS

Finance Director Kari Kortz presented the Byrne Justice Assistance Grant 2017 Application regarding SAYPA.

Commissioner Allor sought confirmation that because there has been a reduction of \$25,000 available through the grant, if there would be additional cost to the County over and above the approximate \$32,000 that has already been allocated for the program. Finance Director Kortz stated that she would budget a cut to the program before she would go above the \$32,000 allocation.

Motion by Commissioner Gauthier, seconded by Commissioner Wallace to approve the Byrne Justice Assistance Grant – SAYPA application and authorize Finance Director to submit using the MAGIC on-line grant management system. Furthermore, we authorize the Chairperson to sign any forthcoming agreements or required documentation upon the review and approval of the Finance Director, Kari Kortz and legal counsel, if applicable and authorize the Finance Director to submit using the MAGIC on-line grant management system any future reporting requirements on behalf of the County. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented Amendment #5 to the 2016 Salary & Wage Resolution – Non-Union General Employees #16-01 regarding staff raises due to office reconfiguration in District Court. Judge Barton stated that there was a June 2016 retirement in District Court and she considered not fill the position and viewed the retirement as an opportunity to enhance the wages of existing employees with wages below the comparable average and save the County money but she is hesitant that eliminating an entire position in the District Court will place a significant burden on the staff. Judge Barton stated that she has presented the issue to her staff, Administrator Jeff Lawson and Finance Director Kari Kortz for consideration as well. Commissioner Allor said that the \$23,000 savings is commendable and represents good fiscal management. She said wage disparities have been created over time and can be attributable to a variety of circumstances such as the wage freeze that was in effect for several years. Commissioner Allor stated that it is commendable that District Court employees are exhibiting qualities of commitment, efficiency and effectiveness and that Judge Barton hopes to reward disparately waged positions as a result but on the same token those same actions could be viewed as unfair by many other employees and staff in the County Building who are unable to be financially rewarded through a departmental restructure at this time. Commissioner Allor added she is not able to support Judge Barton's request due to a potential for building-wide decline in morale if District Court employees receive financial compensation as a result of departmental restructuring. Administrator Lawson stated that the request meets the requirements for consolidation, the adjustment would complete the wage adjustment for that department and there would be a cost savings as a result of the arrangement but he does agree with Commissioner Allor that there could be a perception that the raises are not fair. Commissioner Gouine stated that his concern is if the District Court position is eliminated and another person gets sick in District Court there would not be coverage. Judge Barton stated that she is also concerned about that issue and she intends to reorganize the actual structure of the office and put both the Civil Court side and the Criminal Court side in the same office and she feels that will allow for the employees to cross train. Commissioner

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Brown commented that the County allocates a certain budget amount to elected officials to operate their department and that it is the elected official's prerogative to make changes within their department. Commissioner Matelski asked Judge Barton about her certainty regarding the departmental change and if she believes it will work as presented. Judge Barton said she is certain it will work.

Motion by Commissioner Matelski, seconded by Commissioner Redmond to adopt Amendment #5 to the 2016 Wage and Salary Resolution – Non-Union General Employee #16-01 to be effective June 6, 2016, authorize the Chairperson to sign and approve the necessary budget adjustments. A roll call vote was taken. Motion carried with 7 yes, 1 no (Commissioner Allor) and 0 absent.

Finance Director Kortz presented Amendment #6 to 2016 Salary & Wage Resolution – Non-Union General Employees #16-01 regarding Straits Regional Ride needing to move a part-time driver into a full-time driving position due to medical circumstances.

Motion by Commissioner Wallace, seconded by Commissioner Brown to adopt Amendment #6 to the 2016 Salary and Wage Resolution – Non-Union Employee #16-01 to be effective June 27, 2016, authorize the Chairperson to sign. Commissioner Gauthier stated that the wage rate set for the position is not up to the standard for minimum wage per the Democratic Party. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kortz presented the prospective 2017 Budget Process Timeline. She stated that it is a similar timeline set out for last year. Commissioner Redmond stated that traditionally there is a meeting with the elected officials to discuss potential budget issues in a round table setting. Finance Director Kortz stated that it is optional. Commissioner Redmond stated that he would like to coordinate a meeting with elected officials.

Motion by Commissioner Gauthier, seconded by Commissioner Allor to approve the 2017 Budget Process Timeline as presented. Discussion was held about the MERS retirement fund balance. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Brown addressed the DHHS 2016 Amendment #2 Homemaker Contract pulled from the Consent Agenda. Commissioner Brown questioned what the position addressed in the amendment pays in total. Commissioner Redmond stated that it is a total of \$46,400 which is funded 50% by Cheboygan County and 50% by the State of Michigan via reimbursement. Commissioner Brown asked what the position does. Finance Director Kortz stated that the person in that position goes to homes and helps parents manage their households better so that their children are not placed outside the home.

Motion by Commissioner Brown, seconded by Commissioner Gauthier to approve Amendment #2 to the DHHS Agreement DFA13-16001 for the Home Aide position and authorize the Chairperson to sign the amendment and authorize all necessary budget adjustments. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Wallace addressed the Housing Department Request for Approval of Project H14-356 pulled from the Consent Agenda. Commissioner Wallace stated that the County should be doing a lot more smaller projects over putting all of the money into one project. Community Development Director Steve Schnell responded that the project meets the program guidelines and is before the Board today for them to make a decision. Mr. Schnell stated that this project was 20th in line and the department is compelled to go through the steps with them. Mr. Schnell stated that the maximum amount they can spend on a project is determined by what grant the money is funded under and that is \$40,000 with an exception for this project. Discussion was held regarding grant funding and loan repayments. Commissioner Gauthier asked what the average cost of the housing projects is. Mr. Schnell stated that the average cost is in the high \$20,000s to low \$30,000s. He noted that there are limitations on funding for emergency repairs. Commissioner Allor asked what the SEV is on the project parcel. Mr. Schnell stated it is low; approximately high \$30,000s. Discussion was held.

Motion by Commissioner Gauthier, seconded by Commissioner Allor to approve project #H14-356 for a total mortgage of \$43,198.81 and approve the necessary budget adjustments. A roll call vote was taken

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with 1 yes (Commissioner Gauthier), 6 no (Commissioner Matelski, Commissioner Wallace, Commissioner Allor, Commissioner Brown, Commissioner Redmond, Commissioner Gouine) and 0 absent. Motion failed.

Commissioner Allor presented the Lapeer County Resolution regarding DTE advanced meters which was pulled from the Consent Agenda. She noted that various citizens have come to the Board to express concern with utility companies switching to smart meters and when she saw this resolution on the Consent Agenda she thought it would be worthwhile to take a look at this Lapeer County resolution and have a discussion about it. Commissioner Gauthier asked if anyone knows what the status of House Bill 4916. Commissioner Allor stated that she believes the purpose of the resolution is to support the option for citizens to choose an analog meter and having the individual do their own readings and report in. Commissioner Brown said that Presque Isle Electric gives citizens the option but charges \$20 more if they have to come out and read the meter. Lengthy discussion held. Commissioner Redmond asked for Board consensus on whether to draft a resolution of support or to move forward with getting a representative from a utility company to speak about the issue. Commissioner Allor stated that she would like to move forward with the resolution similar to the Lapeer County resolution. Commissioner Wallace said he would like to have a utility company representative come and present information to the Board. Commissioner Brown stated that he is on the fence as he does not have an issue moving forward with the resolution. Commissioner Gauthier agreed with Commissioner Allor. Commissioner Gouine stated he would like more information from the utility company. Commissioner Matelski stated that he would like more information from the utility company. Commissioner Redmond stated that Administrator Lawson will put a resolution together but the Board will not act on it until the August Finance Business Meeting and in the meantime look into getting a utility company representative to present information to the Board at the Committee of the Whole meeting at the end of July.

Motion by Commissioner Allor, seconded by Commissioner Matelski to receive and file the Lapeer County Resolution relative to DTE. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS

John Kurczewski, a citizen of Tuscarora Township, stated that he would like to correct some misinformation. Mr. Kurczewski stated that a person who wants to maintain an analog meter with Consumers Energy can pay a \$69.00 one-time fee plus \$10.00/month to read the meter. Mr. Kurczewski stated that digital meter is a privacy issue and a health issue for individuals who are highly sensitive to electrical systems.

BOARD MEMBER COMMENTS

Commissioner Wallace stated that he would like to know the status of the court case for the Grandview Beach Association and Cheboygan County. Administrator Lawson stated that he will get a status report together.

Commissioner Matelski stated that the Board received a packet on the Black River Marina, that DNR wants to move forward with that purchase.

Motion by Commissioner Matelski, seconded by Commissioner Brown, to adjourn to the call of the Chairperson. Meeting adjourned at 11:33 AM.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Peter Redmond
Chairperson