

**COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
June 11, 2019**

The Finance/Business Meeting of the Cheboygan County Board of Commissioner was called to order in the Commissioners Room by Commissioner Wallace at 9:30 a.m.

Roll called and a quorum present

Present: Commissioners Mary Ellen Tryban, Richard Sangster, Michael Newman, Cal Gouine, Roberta Matelski, John Wallace, and Steve Warfield.

Absent: None

Commissioner Wallace gave the Invocation and Commissioner Gouine led the Pledge of Allegiance.

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

Motion by Commissioner Gouine, second by Commissioner Tryban, to approve the consent agenda as presented.

- A. Approve Monthly Finance Claims (Finance Total = \$0; Prepaid Total = \$1,122,682.40.
- B. Budget Adjustments as follows:
 - 2019 Raise Revenues/Expenditures
 - 1. Fund 101 total budget decrease of \$700
 - 2. Fund 272 total budget decrease of \$11,000
 - 2019 Inter-department Budget Transfer
 - 1. 101-941 to 101-648 totaling \$9,000
 - 2. 276-165 to 276-165 totaling \$8,645
- C. Cheboygan Area Schools Request for Delegation of School Plan Review & Inspection Authority
- D. BCBS Inmate Services Contract 2019-2020
- E. Correspondence
 - 1. Bay County Resolution Urging the State to Continue with the Construction of a Psychiatric Hospital in Tuscola County
 - 2. Bay County Resolution Opposing the Proposed Cuts to the Federal 2020 Education Budget
 - 3. Benzie County Resolution of Support for Medicare Prescription Drug Bill of 2003
 - 4. Gratiot County Resolution Veterans Services Grant Funding
 - 5. Huron County Resolution Urging the State to Continue with the Construction of a Psychiatric Hospital in Tuscola County
 - 6. Wexford County Resolution in Support of Funding the Great Lakes Restoration Initiative
- F. Minutes:
 - 1. Finance/Business Meeting of May 14, 2019 and Committee of the Whole/Planning Session Meeting of May 28, 2019
 - 2. NEMCOG – 4/18/19

3. Planning Commission – 4/17/19 & 5/15/19
4. District #4 Health Department – 4/16/19
5. City Council – 5/7/19
6. County Road Commission – 4/18/19 & 5/2/19
7. NEMCSA – 5/3/19
8. Fair Board – 5/6/19
9. NCCMH – 4/18/19 & 5/16/19

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

CITIZENS COMMENTS

John Moore Nunda Township Supervisor commented on the Township Fire Departments being told that they are not getting the number of 800 MHz radio systems that was needed and a required eight (8) hours per year for training to use these radios. These sessions would have to be broken up in order to get all of these volunteers the time to complete this training. He questioned if field work has been completed, to see where the blackout areas were located. Sheriff Clarmont addressed his concerns stating that when the original numbers went out per agency, many of them were inflated well beyond the requirements and so it was just paired down to realistic numbers. The Motorola portables cost approximately \$5,000 each and the county was about \$200,000 over the budget. The eight (8) hour training requirement from MPSC was for the use of the 800 MHz radios and in reality is only about 20 minutes of training. Because of the transition time from now until the actual hands on with the radios, which amounts to just over a year to 18 months, each person will have plenty of time to complete the training for those departments. In the last several years, there have been studies completed on the 800 MHz versus the high band, which has come back at 97%. Commissioner Wallace stated for more information please contact the TAC Advisory Committee.

Chuck Leady citizen of Benton Township commented on his 5G presentation from a few months ago about adding information on the permit such as the purpose of the proposed installation; frequencies of all transmitters to be installed at the site; type of modulation used by each transmitter (i.e. pulsed); output power of each transmitter at its frequency and type, directionality, and gain of the antenna(s). In like manner to other permits, such as building permits, issued by local government agencies, the required additional information needs to be inspected and certified by the permit issuing authority or their designated contractor.

Mark Manning citizen of the City of Cheboygan commented on some concerns he had with SRR moving the busses to a new temporary office building and separating the two systems. He questioned if other buildings in town were researched to see if the rent might be cheaper than what SRR was now paying. He addressed his concern with a situation that happened with his wife at the SRR and the procedure that was followed. Also he was concerned with not everyone in the county having access to the internet in order to read the Board minutes. Commissioner Wallace commented that it was a personnel problem and it was being handled internally.

SCHEDULED VISITORS

Cheboygan County Road Commission Manager Brent Shank presented updates on the Cheboygan County Road Commission 2019-2022 Proposed Road Plan and 2019 Construction Projects. This summer the Road Commission is expecting about \$4.6 million of

road work in the county not including state highway work, which is a pretty significant amount of road work going on. The plan is in the process of being updated for another year and waiting to see what the legislature is going to do. There has been a lot of talk in Lansing about increasing the road funds. The system through Act 51 has been poorly funded for many years and he thinks the legislature is finally getting on board as to trying to get this adequately funded. This year the townships have also stepped up quite a bit and was bringing in approximately \$1.7 million for local projects, which was a huge increase from what the Road Commission normally sees. The Road Commission has dedicated \$350,000 towards matching funds for these projects, which were all monies generated out of the 2015 funding increase. A total of 90% of that money has gone towards road work to bring the roads up to good conditions. Next year, the Road Commission was scheduled to have a very large bridge project replacing the super structure of the Gaynor Bridge in Black River, which will cost a total of \$2 million. Then there was one other critical bridge in the county, which was going to be a total of \$2 to \$3 million project and the Road Commission will be looking for funding. Next year, there will be some significant traffic impact based on that project. This year with the projects spread out, the Road Commission tried not to have any significant road closures in the county. In 2014, when the first millage was passed, the Road Commission put out a list of roads that was going to be completed with the road millage money and at the end of that millage the Road Commission was able to complete all of those projects plus the Road Commission had two (2) bonus projects based on bid savings. Upon going into the renewal millage, the Road Commission uses that same structure and a designated list of roads was created when that millage was proposed to the voters.

An interpretation of Act 51 was given stating it was the main funding mechanism with the taxes that were collected through specific motor vehicle fuels and motor vehicle taxes. There was an amount off the top that the state takes and then it gets split 39% to MDOT, 39% to Counties and the remaining goes to the cities and villages. Part of Act 51 does stipulate on how the Road Commission can spend these funds. There were two classifications of roads in the county, which were primary or local roads. On primary roads, the Road Commission can spend all funds from Act 51 and on local roads the Road Commission can only spend up to 50%. This is why the Road Commission asks for township participation on a lot of local road projects. Some townships contribute gravel maintenance costs, but there was no requirement that townships participate. In the last couple of years, the Road Commission has had the local matching funds available. As time goes on, the Road Commission would like to have this increased to give more back to the townships. Discussion was held on not receiving any funds from Forest Township and the deterioration of roads. The Road Commission receives approximately \$119,000 through forest funds. This is a fund that is collected and distributed to eligible counties in the state. The intent of the monies is not for the repair of roads, but to help improve access to timber areas. The Road Commission does work with several loggers to help maintain the roads. Discussion was held on maintenance vs. reconstruction of a road, the selection of roads to be worked on, maintenance of Foote Road, and the repair of the main street in Tuscarora Township.

Cheboygan County Road Commissioner Ken Paquet commented that he has been on the Road Commission for 11 years. During his first and second year, the Road Commission had no road projects. This year the Road Commission was going to have 19 township projects and four (4) county projects, which were Mann Road, Parke Road, Reams Road and part of East Mullett Lake Road. It has been a big asset for the Road Commission upon getting the road millage passed, the participation of the county funding for some of the bigger projects, more township participation and the local matching program to help get these projects done. The Road Commission has two (2) bridge projects coming up and the road commission may

be asking the Board of Commissioners for some help because the cost of repairs is over their budget.

Finance Director's Report

Finance Director James Manko presented the Revenue and Expenditure Report for the General Fund for the month ending April 30, 2019. He reported total year-to-date revenue of \$1,461,494.58, or 10.65% of the budget compared to \$1,399,936.83, or 8.89% of the budget last year at this same time. He reviewed each line item number that had any significant changes. Mr. Manko reported expenditures year-to-date of \$3,619,942.66 or 26.38% of the budget, compared to \$3,537,475.78 or 22.47%, last year as of the end of April 30, 2018. He reviewed each department that had any significant changes. Mr. Manko stated the Cash Summary by Fund totaled \$19,308,132.68 as of April 30, 2019 and a summary of the negative cash balances was given.

Motion by Commissioner Gouine, seconded by Commissioner Tryban to receive and file the finance reports as presented. Motion carried with 7 yes, 0 no and 0 absent.

Administrator's Report

Administrator Jeff Lawson gave an update on the Marina. The County's Engineer identified that preliminary design drawings and specifications for the Marina fuel system and dock project should be completed for review by the middle of June. Once reviewed by staff, any modifications will be completed and the drawing submitted for State Waterway approval and Army Corps/DEQ approval. The target is to begin construction this fall.

Administrator Jeff Lawson reported on the Vehicle Fleet Management Service. Staff would like authorization to advertise RFP's for vehicle management services in lieu of the County's long term ownership of fleet vehicles for review and consideration. Advantages of this program is the replacement of a lot of vehicles at one time, it softens the burden of financing, the rotation of vehicles quicker at three (3) or five (5) years versus ten (10) years, selling before any major maintenance issues and fuel savings.

Motion by Commissioner Warfield, seconded by Commissioner Gouine to authorize staff to advertise for an RFP for a vehicle management services. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Jeff Lawson gave an update on the Phone System Replacement. Staff is currently in the process of scheduling a meeting with the consultant to begin the process of identifying department needs for preparation of specifications to prepare and RFP for system replacement.

Administrator Jeff Lawson gave an update on the Jail Inmate Phone System. The County has received a request for proposals from vendors to supply inmate phone service within the jail. The Sheriff and staff are currently in the process of reviewing the multiple proposals and will provide a recommendation for award. The County received revenue from the selected vendor from fees the vendor charges for use of system by inmates.

Administrator Jeff Lawson gave an update on the replacement of a recycling truck. At the next meeting, staff will have on the agenda the purchase of a new truck for recycle hauling. The current truck is approaching seven (7) years old and will be kept for backup. If the new truck

is ordered by July, it would be received by September or October. Discussion was held on the everyday use of the truck, the negative aspects of not using the old truck every day and letting it sit idle and the hardship of finding a replacement vehicle when the truck breaks down. Commissioner Newman questioned the cost of the old vehicle, mileage on it and what the recycling budget looked like. Administrator Lawson stated the cost was around \$118,000 to \$120,000, mileage was approaching 100,000 and the recycling system has been self-supporting setting aside a certain amount of money for the purchase a new truck. Commissioner Gouine commented that staff might look at the quality of the vehicle and not necessarily at the low bidder. Administrator Lawson stated that the staff has reviewed and indicated the same.

Administrator Jeff Lawson gave an update on the request for easement O'Reilly Auto Parts. The County has been contacted by O'Reilly Auto Parts to request an easement to gain access to a proposed auto parts store they would like to build on the adjacent Re/Max parcel. Staff is asking for direction if the Board is interested in discussing a proposed easement with O'Reilly. Discussion was held on needing more detail to the drawing, drainage issue and exactly how many parking spots.

COMMITTEE REPORTS

Commissioner Sangster reported that staff needed to schedule a Board Appointment and Procedures meeting next week to review the Administrator's evaluation questionnaires. He questioned Sheriff Clarmont on if the program in the Sheriff's Department had been fixed. Staff has been in contact with the software vendor and he receives an update from staff every 24 hours.

Commissioner Gouine reported on attending an Inverness Township meeting, Airport Authority meeting, Fair Board meeting and Planning Commission meeting. The Planning Commission visited tiny homes and found that it wasn't feasible to pursue this issue. Commissioner Newman reported that he has been to a variety of meetings where some had personnel matters, but nothing to report to the Board.

Commissioner Wallace reported that the CCE 911 Board was in the process of trying to get the 800 MHz up and running. It was still a work in progress.

OLD BUSINESS

Administrator Jeff Lawson presented Resolution 19-10 Supporting H.R. 530 the Accelerating Wireless Broadband Development by Empowering Local Communities Act of 2019. The Federal Communications Commission (FCC) adopted orders in 2018 restricting communities' ability to manage its rights-of-way in the development of fifth generation (5G) mobile technology. House Resolution 530 of 2019 would cause the FCC's adopted orders to have no force or effect, returning control of rights-of ways back to the local control.

Motion by Commissioner Sangster, seconded by Commissioner Warfield, to adopt

**CHEBOYGAN COUNTY RESOLUTION
SUPPORTING US HOUSE OF REPRESENTATIVES BILL 530**

Resolution # 19-10

WHEREAS, the implementation of fifth generation (5G) mobile technology requires thousands of small cell wireless facilities to be installed within municipal units across the nation; and

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WHEREAS, on August 2, 2018 and September 26, 2018, the Federal Communications Commission (FCC) adopted orders that would limit the annual fees municipal units are permitted to set for use of public right-of-ways; and

WHEREAS, the FCC's actions restricts communities ability to manage its right-of-ways; and

WHEREAS, H.R. 530, the Accelerating Wireless Broadband Development by Empowering Local Communities Act of 2019, was introduced in the House of Representatives and would cause the FCC adopted orders to have no force or effect; and

NOW, THEREFORE BE IT RESOLVED that the Cheboygan County Board of Commissioners does hereby Support H.R. 530, the Accelerating Wireless Broadband Development Empowering Local Communities Act of 2019, which would cause the Federal Communications Commission's actions taken on August 2, 2018 and September 26, 2018 restricting municipal control over permits for wireless facilities to have no force or effect.

BE IT FURTHER RESOLVED that this resolution will be forwarded to President Donald J. Trump, U.S. Senator Gary Peters, U.S. Senator Debbie Stabenow, Congressmen Jack Bergman, State Representative Sue Allor, State Representative Lee Chatfield, State Senator Wayne Schmidt and Governor Gretchen Whitmer.

and authorize the Chair to Sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

NEW BUSINESS

Straits Regional Ride Director Michael Couture presented the MDOT Project Authorization: 2017-0032/P10-5339 Bus and Bus Facility's Program. This contract is for the replacement of three (3) revenue vehicles up to 30 foot in size with lifts. These vehicles have reached their useful life in mileage and years of service. Also the contract awards SRR with three (3) additional busses as expansion revenue vehicles with lifts for a total of six (6) new busses.

Motion by Commissioner Gouine, seconded by Commissioner Sangster, to approve the contract and authorize the Chair to sign with any necessary budget adjustments. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Jeff Lawson presented the SRR Office Lease Agreement. SRR was to lease office space at 521 Stempky Street, Suite B, Cheboygan, Michigan to provide additional office space for operations. Discussion was held on morning inspections of the busses and other possible office space locations.

Motion by Commissioner Newman, seconded by Commissioner Sangster, to approve the building lease with the Loznak Family Trust to rent office space at 521 Stempky Street, Suite B, Cheboygan Michigan, authorize the Chair to sign the Lease and authorize any necessary grant and budget adjustments contingent on review by the State of Michigan . A roll call vote was taken. Motion carried with 5 yes, 2 no (Commissioner Gouine and Commissioner Tryban) and 0 absent.

Treasurer Buffy Weldon presented an update on the Unsold Foreclosed Property. After holding 2 public auctions in 2017, one parcel of property in Benton Township did not sell. According to MCL 211.78m (6), the Benton Township Clerk was notified in which the property was located. The property was rejected by the township and a copy of the meeting minutes held on November 7, 2017 was received, which stated the township was not interested in the property. The property is a triangular parcel that is 25 feet at its widest and runs between the trail and the roadway. It has zero value to anyone other than the adjacent property owner. The Benton Township Clerk has been in contact with the adjacent property owner, Robert

Van Horne and he has agreed to accept the property if it's deeded to him. It is unknown why this property was assessed separately.

Motion by Commissioner Sangster, seconded by Commissioner Newman, to approve the property (104-017-300-002-00) to be deeded to Robert Van Horne, et ux, so it can be combined with his current property description (104-017-300-001-00). A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Treasurer Buffy Weldon presented the Foreclosures Sale Proceeds Report. In 2008 and each year after 2008, not later than June 30 of the second calendar year after foreclosures, the County Treasurer shall submit a written report to the Board of Commissioners. All or a portion of any remaining balance, less any contingent costs of title or other legal claims, may subsequently be transferred into the general fund of the County by the Board of Commissioners. Although the law only requires the County Treasurer to report the remaining balance from the sale proceeds, the attached report shows all of the revenues and all of the expenses that have been reported in this fund. Pursuant to the law, any allowable expense can be charged against the sale proceeds. In the foreclosure process there are additional fees that are set by statute such as Oct. 1st a \$15.00 fee added to all delinquent taxes that are in the 1st year of delinquency and March 1st a \$235.00 a fee added to all delinquent taxes that are in the 2nd year of delinquency. These fees are to help cover the costs of recording fees, mailing notices, title searches publications, etc. The sale proceeds and the fees have covered expenses in administering the program. The 2017 Sale Proceeds is \$98,294.46 and the total surplus is \$137,694.34. The 2016 Sale Proceeds was \$360,628.87 with a total Surplus of \$388,079.16, which is still being held in the foreclosure fund. Transfer these Funds with caution or hold the Funds with the pending litigation as advised by Legal Counsel for the Cheboygan County Treasurer.

Motion by Commissioner Tryban, seconded by Commissioner Matelski, to accept the 2017 Foreclosure Sale Proceeds Report and instruct the County Treasurer to hold the funds in the 517 Foreclosure Fund totaling \$98,294.46. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Treasurer Buffy Weldon presented the Property Foreclosure First Right of Refusal for 47 property foreclosures. Before selling these properties at a public auction, the County must first offer them to the DNR who has the right to purchase any and all properties at fair market value. Any properties remaining must then be offered to the local municipality who has the right to purchase by paying minimum bid as set by the County Treasurer. Any properties not purchased by the DNR or local municipalities must then be offered to the County who has the right to purchase by paying minimum bid. Any property purchased by the local municipality or County must be used for public purposes. Treasurer Weldon believed that none of these properties would benefit the County.

Motion by Commissioner Sangster, seconded by Commissioner Warfield, to authorize Chairperson John B. Wallace to sign the waiver of First Right of Refusal in accordance with Act 123 P.A. 1999. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS

Louis Vallance citizen Grant Township and City of Cheboygan commented on the SRR changes and the Board needing to look at the passengers needs because the passengers were the ones paying to keep this office going. He had concerns with drainage issues on the

east side of the city; internet services needed in Grant Township, jail phone service and 5G technology contractors.

BOARD MEMBERS COMMENTS

Commissioner Gouine commented that he liked the recommendation given by Chuck Leady on the wireless transmitter.

Motion by Commissioner Sangster, seconded by Commissioner Newman, to adjourn to the call of the Chair. Motion carried with 7 yes, 0 no and 0 absent. Meeting adjourned at 11:21 a.m..

Karen L. Brewster
County Clerk/Register

John B. Wallace
Chairperson