

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS  
COMMITTEE OF THE WHOLE MEETING  
October 25, 2011**

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 (arrived 1:00 p.m.), Cal Gouine, Tony Matelski, John Wallace and Sue Allor

**Absent:** None

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

Chairperson Socha said the SAYPA Update would be removed from the agenda and presented at a later date. She also noted a copy of the Jail Inmate Telephone Agreement was on everyone's desk this morning.

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

**CITIZENS COMMENTS** – Retirees Mary Ann Stillwell and Irene Funch addressed the board requesting approval of a cost of living increase for retirees in 2012. Administrator Lawson explained that with the MERS retirement system retirees do not automatically receive cost of living increases without the Board adopting "Benefit E" which has long term cost effects on the County. He noted the County currently has a wage freeze that was initiated last year and is effective until 2014. . He said that several factors have contributed to decreased revenues for the County including a decline in property taxes, increase in health care costs and loss of revenue sharing. Chairperson Socha said "Benefit E" was adopted when employees were receiving raises, however, was not adopted last year due to the wage freeze. She said when this was approved it was done so against the recommendation of finance and administration.

**SCHEDULED VISITORS/DEPARTMENT HEAD REPORTS**

Mark Lorenz, Jim Chamberlin and Tom Eustice, all members of the Cheboygan Economic Development Group were in attendance regarding the Port of Cheboygan project the group has been working on. Mr. Lorenz said the group has met with local businesses, community members and local governments updating them on the process of this project and requesting support. Utilizing a PowerPoint presentation, Mr. Lorenz said the Port of Cheboygan is a deep water sea port that can accommodate domestic vessels and international salt water vessels. The Port's harbor is the Cheboygan River with an average depth of 23' in the channel and at the cargo piers. The Port of Cheboygan has all four port functions designated by the Michigan Port Collaborative, which are: Cargo Port, Ferry Port, Commercial Port and Recreational Port. The plan is for the Port to occupy riverfront property between Durocher and Ryba on the west side of the Cheboygan River. This section of property along with the nearby proximity of the Cheboygan Industrial Park is expected to provide space for docking, logistics, cargo/storage, building rental, waste/bilge transfer and vessel maintenance. The Port of Cheboygan is home to the United States Coast Guard Cutter Mackinaw, two world class Marine Contractors, Durocher Marine a division of Kokosing Construction, and Ryba Marine. The Port is also home to a US Oil gas terminal and Walstrom Marine, which provides multiple marine services. And the port provides ferry boat service to Bois Blanc Island by Plaunt Transportation. The Port has access to all of the Great Lakes, the St. Lawrence Seaway and the rest of the world. Mr. Lorenz said this would create the opportunity for good, high paying jobs for the city and county of Cheboygan. He said Governor Snyder has been visiting Chinese and Japanese to bring more jobs to Michigan, we present a great opportunity for foreign investors. Good quality of life here. He said regarding funding, they are looking at a type of business consortium, seeking grants, and where they can work with local municipalities. Mr. Lorenz said at this point they want to get as much information out as possible. Chairperson Socha appointed

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Commissioner Matelski as a liaison for this due to his engineering background. She said she sees this proposal as a complement to Alpena and Rogers City. Mr. Lorenz said a sub-committee has been established regarding dredging with the Commander of the Cutter Mackinaw and the Morrishs from Ryba Marine as members. Mr. Lorenz said the Port of Cheboygan group are linked with the Detroit Port Authority and are learning a lot from them. They have also applied for Non-profit 501(C)4 status and that is pending. The CEDG group has hired BDG International, Inc. as a consultant on this project. Chairperson Socha asked that the County Administrator receive a copy of the BDG report.

**ADMINISTRATOR'S REPORT** – The administrator's written report included a written update from the Building Safety Department concerning the Historical Open Permit Remediation Program Administrator Lawson said the Trailways Advisory Committee meets tomorrow. It was formed under a state act that properly is not the correct act. He said the county and township roles will be reviewed. Chairperson Socha said this committee was not to be a county group. She said Steve Schnell should talk with the original people involved including Emily Meyerson, Scott McNeil and Mullett and Beaugrand townships. Administrator Lawson said he sees the county's role as the facilitator to get those involved in the direction they want to proceed. He said regarding the health insurance pool consortium, Gallagher Benefit Service Group has agreed to provide a quote for coverage without a fee. He said if they do come back with a cheaper rate the time table to move on that could be quite quick. Chairperson Socha said her only concern with pools is they are only as good as those participating in the pool. Discussion held on retiree benefits with MERS, Benefit "E" is a rider that could have been negotiated for. Administrator Lawson said the Brownfield Authority met last week with the 2007 grant to be closed out shortly. He said there is potential to apply for another \$400,000 grant as there are potential projects still pending in the County. Discussion held. Administrator Lawson said Andy Hayes of NLEA said the overage on the 2007 grant will be taken out of NLEA's administration fee. He said a new grant would be a benefit and the issue is do you want the county to apply. The consensus was that if any grant is sought, it would be handled by the County rather than the Authority. Administrator Lawson advised that SRR Director Mike Couture met with Straits Area Services regarding their request for a quote for extended transportation service. According to figures prepared by Mr. Couture the cost would be \$24.50 per hour. This will be presented to the SRR Board. Chairperson Socha said Commissioners Allor and Redmond and Administrator Lawson will meet regarding this.

### NEW BUSINESS

Sheriff Clarmont said the current inmate telephone contract was a 5 year contract with Securus and expired September 30, 2011. As per the Cheboygan County Purchasing Policy, dated 2010, the inmate telephone contract must be a competitive bid contract. Through a closed competitive bid the following corporations submitted bids: Combined Public Communications; Securus Technologies; and Consolidated Telecom. He said he would recommend Securus Technologies.

**Motion** by Commissioner Matelski, seconded by Commissioner Allor, to accept the submitted five year contract bid of Securus Technologies for Cheboygan County Sheriff Department Jail Inmate Telephone Contract with recommended Civil Counsel language changes at a 45% True Gross Commission, an Auto PIN interface with Jail Management provider, and a \$20,000 signing bonus; and to authorize the Chairperson to sign. Motion carried with 6 yes, 0 no and 1 absent.

Sheriff Clarmont requested approval to replace the existing carpet and tile in the Sheriff Department. He said this would include all rooms except the existing employee bathrooms and jail. It would also include moving the existing locker room to the squad room and the squad room to the existing locker room. This move would allow future growth with respect to technology and equipment and provide the needed space for report writing, training and conference. The total cost for the project is \$23,695.00, of which \$19,993 for remodeling and carpet and \$3,702 for furniture and television.

**Motion** by Commissioner Wallace, seconded by Commissioner Horrocks, to approve the proposed security, technology and equipment remodeling project in the Cheboygan County Sheriff Department and approve expenditures up to \$23,695 with existing revenues and make necessary budget adjustments. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

Broke for lunch from Noon until 1:00 p.m. Commissioner Redmond was in attendance.

**BOARD MATTERS FOR DISCUSSION**

**2012 Budget Discussion**

Administrator Lawson said the staff has been working hard to integrate the new format tying the budgeting process to the planning process. The document reflects a Strategic Planning-Budgeting process which is a unified method of developing a budget by identifying the goals of the organization and allocating the resources necessary to produce outcomes that support the mission of the organization. He said he hopes to be able to place the draft budget online following today's meeting to allow public viewing. He reviewed the different facets of the budget.

Commissioner Redmond said returning to Black River school which is still available. The school sits on 22 acres of land and according to two school board members is what they don't want to see go in there is some type of private school. The building is available to any governmental entity. He said if the county has any interest in it we could obtain it for \$1.00. It has been closed for 6 years, but the school has maintained stable temperature and electric over that time frame, at a cost of approximately \$25,000 annually. Discussion held on potential of this property.

Administrator Lawson said there was not enough time to add objectives to the budget this year, but will be included in next year's document.

Finance Director Kari Kortz provided an explanation of line item changes from the last version of the 2012 draft budget to this version. She said there are still several items that will have to be tweak in the budget. She said there are still items pending such as Health Department, and Remonumentation.

Administrator Lawson said he still is awaiting numbers to be able to analyze the Doris Reid Center before a decision can be made regarding taking the building back or not.

In looking at the capital improvement items the Sheriff Remodel is General Fund; Animal Shelter Improvements is funded via a transfer from the Tax Revolving Fund to General Fund; the Boiler, Security and Roof Replacement are in Court House Preservation. Ms. Kortz said \$450,000 would be transferred from the Tax Revolving Fund to balance this budget.

Discussion held regarding cuts and changes that were made last year in the Fair, Marina and Maintenance Department and need to monitor that.

Ms. Kortz advised she emailed North Country Community Mental Health after the last meeting and was told they cannot pull together numbers she requested and wanted to know why she wanted these figures

Administrator Lawson said the Capital Improvements Program which came through Community Development and the Planning Commission will be presented with the budget, but acted on by a separate vote. He pointed out for the roof, the amount is only the first phase over the original part of the building. At this junction point the Humane Society has raised \$150,000 for the renovation project which totals approximately \$190,000. When the project moves forward, the county would be the contract manager. He said the Humane Society has requested the County review the existing contract to consider a long term extension of the operational agreement or a lease arrangement to secure use of the new facility by the Humane Society into the future. Administrator Lawson said he will discuss with civil counsel the best option for the county here and will present a recommendation.

Regarding the Black River School Commissioner Allor pointed out there may be a potential for the building to alleviate the space crunch in the Doris Reid Center. Commissioner Redmond said another issue that was talked about a few years ago was the need for storage. Administrator Lawson said he will review with the staff the need for space and reviewed the costs involved. The school would be good only if there is a purpose for the building.

Commissioner Redmond said it appears there will be a slight increase in cost of District #4 Health, basically a 1% increase. He said fees remain the same and no one is scheduled to get hourly wage

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increases. Chairperson Socha said if they are holding the line it should be okay. Ms. Kortz said this is based on the new formula for the health department, otherwise this county would actually have experienced a 2.6% increase.

Commissioner Allor said according to a Emmet County Commissioner they have been paying sales tax on utilities for some of their facilities. He said the utility company would only go back 3 years to correct this.

Chairperson Socha read NACO Statistics relating to county cutbacks throughout the nation.....40% are using rainy day funds; 47% delaying purchases and repairs; 47 postponed capital investments; 45% have frozen salary and pay; 41%have hiring freezes; 37% have imposed travel restrictions; 31% have delayed construction; 24% have laid off; 22% scaled back benefits; 9% have early out incentive.

Discussion held on the hangar at the airport in need of a door.

Administrator Lawson said regarding the Health Department Building he has been told if they stay there the dental part will expand and the health department space would be reduced. That could affect the budgeting the District #4. Commissioner Redmond said the maintenance on the building here has a contracted service doing maintenance.

**Motion** by Commissioner Wallace, seconded by Commissioner Matelski, to adjourn to the call of the Chair. Meeting adjourned at 3:00 p.m.

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Mary Ellen Tryban  
Cheboygan County Clerk/Register

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Linda Socha  
Chairperson