

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE MEETING
July 26, 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, Cal Gouine, Tony Matelski, John Wallace and Sue Allor

Absent: None

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

CITIZENS COMMENTS – None

SCHEDULED VISITORS/DEPARTMENT HEAD REPORTS

Lt. Ken Mills gave a brief history of Straits Area Narcotics Enforcement (SANE). He noted that SANE covers seven counties in northern Michigan and currently has 11 officers on the team. He reviewed the 2010 Straits Area Narcotics Enforcement's Annual Report. Lt. Mills stated SANE has involvement with several area prevention groups. He said in 2010 Cheboygan County was the highest of the seven counties for prescription drug arrests. Chairperson Socha said SANE continues to be a deterrent to drug use in the county. She said there is much concern with meth lab cleanup costs. Lt. Mills said it is astounding how many overdoses are admitted to local hospitals. Sheriff Clarmont said State Representative Greg MacMaster has been pushing bills favoring mandatory reporting of drug overdose deaths. The Sheriff said the SANE team has been doing an outstanding job and the drug community is aware of that.

Al West gave a brief history on NEMHA for the benefit of the new commissioners. He said currently they have ten confirmed clients, one out for bid, 1 going out for bid, 5 awaiting verifications and 3 are calculating income. One more is ready for bid but the homeowners have fallen behind in their mortgage several months and now are in a holding pattern until they can catch up. The client files active on OPAL were reviewed and updated as needed. There was no transition period when NEMHA took over for the county which caused delays. The 70 step NEMAH project processing was reviewed. Mr. West said all files that needed corrections have been done. He said he worked with the county on budget numbers and program income balances. The hand written loan repayments formerly kept by the housing department will be transferred to Quicken for administration. Regarding the HPG Program funds, we need to modify the third party administration agreement at USDA'S request to include that NEMAH will be receiving those administration funds too. He said part of securing the HPG grant was to have an outreach plan which he reviewed. . He said part of securing the HPG grant was to have an outreach plan which he reviewed. The outreach plan includes reaching out to clients, contractors and funders. Mr. West said they have advertised, had a table at Project Connect, and have met with the Straits Area Builders group. Discussion held on getting the word out to the public that there are funds available.

Dave Farmer, Director of Construction for NEMAH, said one of the biggest problem with the construction phase has been the bid specs. The bids specs have to be based on the HUD Inspection Checklist and bring every home up to housing quality standards (HQS). He said MSHDA provides this training; however, none of inspectors had been to the training therefore the bid specs did not follow HQS guidelines. The bid specs that were used were very vague, unclear and not complete. This was the reason for so many change orders and problems during construction. Mr. Farmer said the projects done prior to the transition averaged 4 change orders per job. He said change orders create unfair bid practices as contractors can bid low then turn in change orders for additional work. He noted one of the

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projects that they completed the construction phase on had nine change orders. Some other problems Mr. Farmer noted were: contractor paid laborers cash, therefore there were no lien waiver for this subcontractor; one of the main reason for contractors not being paid as quickly as they previously were was due to the quality of workmanship upon final inspection, work needed to be corrected; homeowner and contractor making side deals not in the bid specs for cash which is a MSHDA violation; home equity loans being deposited into the county's general fund; homeowner owning additional property other than the rehabilitation project and approved by the housing commission; and a project approved by the housing commission and the verifications were wrong and had to be completely redone.

A letter dated January 19, 2010 addressed to Chairperson Socha, but never received by her, from James Espinoza, Community Development Specialist from the Office of Community Development, regarding On-Site Monitoring Report for Cheboygan County's CDBG Grant was discussed.

Chairperson Socha suggested a follow up report from NEMAH at November Committee of the Whole meeting. Wallace asked how the Housing Commission and NEMHA would work. Mr. West stated they have to following specific guidelines for clients to be able to participate in a program so there really doesn't have to be a housing commission. He said he needs to meet with the housing commission soon to go over some things. It's a local decision to have a housing commission or not. Administrator Lawson said housing commission's role now may be quite different in the future. Chairperson Socha said the Board Appointments & Procedures Committee could study the need for a housing commission. She said it was the intent of the board in December to strengthen housing and still is the goal. Mr. West said that's NEMAH's goal as well. He said MSHDA funding has been cut back, but have not indicated which programs will be affected; and USDA has funded the HPG program for one more year and most likely will be cut. Treasurer Cronan said NEMHA has an outreach program for foreclosures and she was asked to put information in with delinquent tax bills. Commissioner Wallace asked if we have list of money owed. Finance Director Kortz said yes, NEMHA has been administering those receipts. Mr. West said he would be able to provide a list of those delinquent in repayment. He said he would like to meet with the Finance Director, Administrator Lawson and the County Treasurer. Chairperson Socha asked for public comment.

Former Housing Director Shar Grawey said with the change in operations of housing there was no meeting or transition. She left a letter and as much information as possible for NEMHA. She said prior to that every year there was the same funding sources and they would periodically monitor the program, and everything was approved by MSHDA and the funders. She said there was a waiting list at the time of the transition, Chairperson Socha said there should have been a transition period, but it did not happen. She said she appreciated Shar coming today. Ms. Grawey said several housing commission members have contacted her with concerns regarding lack of action.

Dean Williams, previous inspector for the housing commission, commented that change orders are basically inevitable. He also commented on the delay on contractor payment and the delay of starting new projects. He said he hopes some projects can get going shortly.

Chairperson Socha said this has been really good dialogue today and meetings with the housing commission and with the county's finance director, administrator and treasurer are warranted. Mr. Farmer said that the County's procedural guide should be reviewed as it limits projects to SEV + 25% minus any debt on the property.

ADMINISTRATOR'S REPORT – Administrator Jeff Lawson said he and H.R. Director Tim Gengle will be attending a meeting at the University Center in Gaylord hosted by NEMCOG regarding counties working together on health insurance. Mr. Lawson said he plans over the next few months to attend township meetings as well as other meetings with the commissioners.

NEW BUSINESS

Sheriff Clarmont presented the annual Blue Cross Blue Shield of Michigan Administrative Services Advance Deposit Program which allows inmate medical services to be billed at the BCBS insurance approved rate.

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Motion by Commissioner Redmond, seconded by Commissioner Horrocks, to approve the Administrative Services Advance Deposit Program between Blue Cross Blue Shield of Michigan and Cheboygan County, a one year contract renewal through June 30, 2012 and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

BOARD MATTERS FOR DISCUSSION

Commissioner Horrocks said he attended a recent meeting of the Michigan Northern Counties Association and reported that Emmet County is pushing a regional jail and wants to vote on this at the next meeting. Sheriff Clarmont said that several years ago Emmet County purchased Camp Pugsley from the State with the intention possibly putting a regional juvenile detention facility, which did not happen. He said regionalization of a jail works good if it is located in your county. Inmate transportation becomes a problem. Sheriff Clarmont said he is against regionalization unless it is built here. Chairperson Socha said regionalization and collaboration is not new to this county, but we are very careful with our partnerships.

Commissioner Allor noted that North Country Community Mental Health at a recent meeting added two items to the agenda which had been sent out ahead of time. She said one of the items was a \$200,000 transfer to Au Sable Community Mental Health. She said no information was provided, but North Country has a use it or lose it situation. She said she voted no, but it did pass.

CITIZENS COMMENTS – None

BOARD MEMBER COMMENTS – Chairperson Socha said if any Commissioner wishes to attend the MAC Conference to let Kathy Morrow know. She also said that a “Who’s in Charge” workshop will be held on August 8, 2011 at the Emmet County Fairgrounds facilitated by emergency management professionals.

Motion by Commissioner Matelski, seconded by Commissioner Gouine, to adjourn to the call of the Chair. Meeting adjourned at 12:25 p.m.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Linda Socha
Chairperson