

**COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
October 9, 2018**

The Finance/Business Meeting of the Cheboygan County Board of Commissioner was called to order in the Commissioners Room by Commissioner Wallace at 9:33 a.m.

Roll called and a quorum present

Present: Commissioners Karen Johnson, Richard Sangster, Michael Newman, Cal Gouine, Roberta Matelski, John Wallace, and Robert Bolinger.

Absent: None

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

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

Motion by Commissioner Sangster, second by Commissioner Gouine, to approve the consent agenda as follows:

- A. Approve Monthly Finance Claims (Finance Total = \$632,514.53; Prepaid Total = \$907,350.68.
- B. Budget Adjustments as follows:
 - 2018 Raise Revenue and Expenditures
 - 1. Fund 101 Total Budget Increase of \$6,727.13
 - 2. Fund 509 Total Budget Increase of \$78,000
- C. Correspondence
 - 1. Menominee County Resolution Opposing HB 5752 & 5753
 - 2. NLEA August and September 2018 President's Report
- D. Minutes:
 - 1. Finance/Business Meeting of September 11, 2018 and Committee of the Whole Meeting of September 25, 2018
 - 2. NEMCSA – 9/7/18
 - 3. Millage Appropriations Committee – 9/28/2017
 - 4. Cheboygan City Council – 8/14/18
 - 5. Planning Commission – 9/5/18 & 9/19/18
 - 6. District #4 Health – 8/21/18
 - 7. NCCMH – 8/16/18

CITIZENS COMMENTS - None

SCHEDULED VISITORS - None

Finance Director's Report

Finance Director James Manko presented the Revenue and Expenditure Report for the General Fund for the month ending August 31, 2018. He reported total year-to-date revenue of \$4,501,241.28, or 28.54% of the budget, compared to \$3,308,492.97, or 27.19% of the budget last year at this same time. He reviewed each line item number that was fluctuating.

Mr. Manko reported expenditures year-to-date of \$7,412,742.60 or 47% of the budget, compared to \$7,203,308.96 or 59.21%, last year as of the end of August 2017. He reviewed each department that was fluctuating. Mr. Manko reported on the Cash Summary by Fund Cash for August 2018, which totaled \$21,126,868.66. An explanation of the deficit balance accounts was given.

Motion by Commissioner Sangster, seconded by Commissioner Newman to receive and file the financial reports. Motion carried with 7 yes 0, no and 0 absent.

Administrator's Report

Administrator Jeff Lawson gave an update on the Michigan Indigent Defense. He stated that MAC has been holding meetings with the Michigan Indigent Defense Commission concerning several topics relating to reporting and funding distributions under the propose grant agreements with Counties. The MIDC is holding a Board Meeting on October 16, 2018 to address MAC's concerns. The County will need to establish a new fund to receive and expend grant funding for the program. This will be presented for Board approval at the October 23, 2018 meeting. After the October 16th meeting, the staff will evaluate the implementation date of the program. Staff also expects to receive the grant agreement in late October or early November and will place it on the agenda for Board approval.

Administrator Jeff Lawson gave an update on the Animal Shelter. Requests for proposals to install mechanical equipment for a heating and cooling system for a portion of the building were extended to Friday, September 28, 2018 at 2:00 P.M. The County did not receive any bids, so the staff will make contact with area contractors to pursue getting quotes.

Administrator Jeff Lawson gave an update on the Jail Project. Bids for the jail door control, intercom and camera systems have been received. Staff will be reviewing the proposals to determine the most cost effective bid that meets the specifications. A recommendation of award will be presented at the October 23, 2018 Committee of the Whole meeting to permit the systems to be ordered.

The Jail Contractor has completed the installation of the exterior brick. Internal work continues in the kitchen and dorm areas. The storage building contractor continues work on completing the electrical work. DTE Energy and Consumers Power are scheduled to complete their service installations in the next two weeks. Paving for the projects are scheduled before the end of the month contingent on the weather.

The staff will be preparing final budget adjustments for the projects for the November 13, 2018 Financial Business Meeting.

Administrator Jeff Lawson gave an update on the draft budget will be distributed and presented for review at the October 23, 2018 Financial Business Meeting. Review will continue at the November Board meetings with The Public Hearing and Adoption scheduled for the December 11, 2018 Financial Business Meeting.

Administrator Jeff Lawson gave an update on the computer system storage need. The County's current computer storage capacity for the County Building system is reaching its capacity. The system stores all of the County's file systems as well as camera video storage data. The County's camera system will be increasing with the jail project exceeding the capacity of our current system. Recently, the system experienced a system outage due to a

lack of capacity from an influx of storage needs. The cost of a new Storage Area Network System is approximately \$70,000, which also includes a five (5) year service agreement. Staff will be requesting authorization to purchase a new SAN system at the October 23, 2018 meeting. Funding will be obtained by a budget line item transfer from the General Fund.

Administrator Jeff Lawson gave an update on the capital improvement plan. He stated that nothing has been bid out yet regarding the panels and windows being replaced on the outside of the County Building. This year they were on target for a \$3 million dollar infrastructure upgrade. There were a few projects next year, but he would like to take a break/pause to recuperate from this round so they could analysis things and make sure that cash flow and everything was on target before the county jumped into another big project. He was estimating the window replacement and the sod were going to run around \$500,000. The capital improvement plan will be put on the agenda for the end of this month or the November 13th meeting.

COMMITTEE REPORTS

Commissioner Sangster attended a State of the Committee Meeting at the Opera House. One thing from the meeting that he found interesting was that 91% of the people who go to the emergency room are discharged with only 9% of the patients have to be transferred to another hospital or facility. Also he attended a NEMSCA Meeting where Stu Bartlett and Leonard Page were resigning from the board.

Commissioner Gouine attended a Planning Commission Meeting, Inverness Township Meeting, Fair Board Meeting and a Millage Appropriation Meeting. Inverness Township is worried that the City of Cheboygan could annex the township. Administrator Lawson addressed how annexation works.

Commissioner Newman attended several meetings. At the Fair Board Meeting the Board had a great safety concern regarding the cross walk on Lincoln Avenue and other holes on the grounds itself? These were issues that needed to be addressed for next year's Fair. He suggested the possibility of a temporary crossing light to be placed at the entrance.

Commissioner Matelski attended a couple Township Meetings where they were concerned about a Blight Ordinance. She explained that the County doesn't have legal authority for a Blight Ordinance. Civil Counsel commented that they need to consult their township attorney.

Commissioner Johnson attended a Planning Commission where they were working on the Capital Improvement Plan. Her Townships were concerned about the County Millage Proposal 800 MHz Radio System for Emergency Responders and getting information out there for the voters. Straits Regional Ride and Internet Connections were moving forward thanks to Mike Couture and his efforts.

Commissioner Wallace attended several meetings.

OLD BUSINESS

Commissioner Wallace presented Resolution 18-16 Opposing DNR Eliminating Baiting and Sale of Bait.

Motion by Commissioner Sangster, seconded by Commissioner Gouine, to approve

CHEBOYGAN COUNTY
Opposing the Department of Natural Resources plan to Eliminate
Baiting and Sale of Bait
RESOLUTION #18-16

WHEREAS, the Michigan Department of Natural Resources (DNR) will be recommending a baiting ban to the Natural Resources Commission due to the discovery of Chronic Wasting Disease (CWD) in the deer population in southern counties in Michigan, and

WHEREAS, in addition to other options, there has been discussions by the DNR regarding the potential of a baiting ban that would include the entire Lower Peninsula of Michigan, and

WHEREAS, Cheboygan County which is located on the shore of Lake Huron at the most northern portion of the Lower Peninsula and geographically many miles from any County in which deer has been tested and found to have Chronic Wasting Disease (CWD), and

WHEREAS, a baiting ban throughout the Lower Peninsula would include Cheboygan County, and

WHEREAS, a plan to eliminate baiting and a ban on the sale of bait in Cheboygan County is not in the best interest of the overall economy of Cheboygan County or the State of Michigan in general.

NOW, THEREFORE, BE IT RESOLVED that the Cheboygan County Board of Commissioners does hereby oppose any baiting ban and banning of the sale of bait that would include the entire Lower Peninsula of the State of Michigan.

BE IT FURTHER RESOLVED that this resolution will be forwarded to all counties in Michigan, State Representative Sue Allor, State Representative Lee Chatfield, State Senator Wayne Schmidt, Governor Rick Snyder, Department of Natural Resources and the Natural Resource Commission.

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 2018 – 2021 Three year Contract renewal between Straits Area Services, Inc. and Straits Regional Ride. Renewal of the Contract would provide transportation of clients to Straits Area Services, Inc. to 1309 West State Street, Cheboygan, MI in the morning with arrival between 8:00 – 8:30 a.m. with return from Straits Area Services, Inc. to their residents departing at 2:15 P.M. from SASI.

Motion by Commissioner Gouine, seconded by Commissioner Johnson, to approve the 2018 - 2021 three (3) year contact renewal between Straits Area Services, Inc. and SRR, authorize the Chair to sign and for finance to make the necessary budget adjustments.

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

Straits Regional Ride Director Michael Couture presented the new contract between Cheboygan County and Emmet County on behalf of Straits Regional Ride to Provide 31 additional hours per day of Public Transit in Emmet County for the term of January 2, 2019 thru December 31, 2019. It shall hereby be known as Routes 11, 12 and 13 of Emmet County. Two of these routes would be Flex Routes and One Demand Response. Emmet

County shall pay SRR \$209,571.44 per year in monthly installments of \$17,464.29, to be billed by no later than the 15th day of the following month. Emmet County will make monthly installment payments by the 15th day of receipt of the bill. Additionally, SRR will collect all fares and statistics from the ridership of these routes for reporting purposes to the State of Michigan. Also, the fares will be receipted into a general bank account identified as Routes 11, 12 and 13 of Emmet County for tracking purposes. At the end of the month, SRR will get a report from the Treasury Department of Cheboygan County with the totals and details of these transactions and fares. Then a check request from Finance will be done to return the monthly fare monies to Emmet County, which will be mailed to them along with the monthly bill. Each party shall indemnify and hold harmless the other party. Also during the term of this agreement, SRR shall maintain public liability insurance, including liability coverage on its bus fleet, with limits no less than \$5,000,000 for any one person or occurrence. SRR and the County of Cheboygan will provide notice of compliance of this provision before the beginning of the transportation services contained in this agreement. This contract has been reviewed and written by Civil Counsel.

Motion by Commissioner Sangster, seconded by Commissioner Gouine to approve the new contract between Cheboygan County and Emmet County on behalf of the SRR, authorize the Chair to sign and for finance to make any necessary budget adjustments. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 no.

Commissioner Gouine presented the recommendations from the Millage Appropriation Committee meeting held on October 1, 2018 as follows: \$580,000 to CCCOA; \$59,892 to WASC and \$8,000 to MSU-E Project Fresh.

Motion by Commissioner Gouine, seconded by Commissioner Newman , to approve the allocation of \$580,000 for the Senior Citizens Millage Fund to the Cheboygan County Council on Aging; allocation of \$59,892 from the Senior Millage Fund to Wawatam Area Senior Citizens, Inc.; and allocation of \$8,000 for the Senior Millage Fund to MSUE Project Fresh and authorize the Chair to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Community Meditation Services Coordinator Michelle Riley presented the Proclamation – Conflict Resolution Day. She stated 2018 was their 25th anniversary for doing mediations in northeast Michigan. In the last 18 years, they have worked very closely with Probate Judge Butts. She explained that Mediation lets the parties retain control of their own dispute; may be less costly than litigation; can take place at any point in a conflict; is more comfortable and private than the courtroom; agreements are legally binding and are more likely to be fulfilled by the disputing parties; reaching an agreement is voluntary; confidential; helps some people restore an ongoing relationship and can take place right away. Mediation has helped people solve a wide variety of problems such as disputes in Small Claims Court; General Civil; Family Court; Juvenile Court and Probate Court. She stated a Proclamation to recognize the work of the Community Mediation Services in providing conflict resolution services and to designate Conflict Resolution Day as Thursday, October 18, 2018 in Cheboygan County.

Motion by Commissioner Sangster, seconded Commissioner Johnson to approve

Thursday, October 18, 2018
Community Mediation Services

Proclamation

Whereas, conflict resolution is a way of people solving individual disputes, as well as a means toward creating a more peaceful community, and our citizens possess the moral authority and power to resolve conflicts on their own, and

Whereas, the conflict resolution process empowers all individuals, families, communities, schools, businesses, and organizations to foster communication and devise solutions that are acceptable to the needs and interests of all the parties involved, and

Whereas, Michigan Public Act 260 of 1988, known as the Community Dispute Resolution Act, authorized the establishment of Community Dispute Resolution Centers throughout the state of Michigan the Michigan Supreme Court Administrative Office oversees eighteen community resolution centers, which provide trained volunteer mediators to assist in conflict resolution and *Community Mediation Services* is a center serving the counties of Alcona, Alpena, Cheboygan, Crawford, Iosco, Kalkaska, Montmorency, Oscoda, Otsego, and Presque Isle and

Whereas, community based volunteers, trained in conflict resolution, are the backbone of this program. These trained volunteer mediators provide mediation, facilitation, and conciliation when asked by their peers or ordered by the court, and

Whereas, these volunteers, serving as mediators, provide affordable, quality service that can strengthen and restore relationships by relieving parties and courts of costly litigation, resulting in less time involved to reach a mutually satisfactory solution rather than an order imposed on them by a third party, and

Whereas, the third Thursday in October is set aside as Conflict Resolution Day in recognition of the mediation process and these volunteers and to increase public awareness of constructive ways to resolve conflicts of any type, and

Now, therefore, be it Resolved that the **Cheboygan County Board of Commissioners** do hereby proclaim, **Thursday, October 18, 2018**, as Conflict Resolution Day in **Cheboygan County**, Michigan. We encourage all citizens to acknowledge the value of conflict resolution thru mediation, facilitation, and conciliation and encourage use of this form of dispute resolution and to get involved and to support their local Conflict Resolution Center.

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

Equalization Director Elizabeth Zabik presented the Millage Rate Resolution, County Apportionment Report and Tax Resolution. She stated there are three (3) steps needed to take place for the collection of taxes. The Board needs to adopt a resolution for the millage rate that will be levied for 2018, adopt the apportionment report, and adopt the tax resolution. Every year the Board is required to direct the spread of taxes in terms of millage rates. The County apportionment report shows all the information in a columnar format. This report contains all the tax rates by all taxing authorities within Cheboygan County. There are two (2) ballot issues placed on the November 6, 2018 General Election. If either or both are approved, an Amended Apportionment Report will be prepared and presented to the BOC for approval.

Motion by Commissioner Newman, seconded by Commissioner Matelski, to adopt the following:

**Resolution 18-14
2018 MILLAGE RATE RESOLUTION**

WHEREAS, Cheboygan County has the authority to levy its own maximum allowable millage rate of 7.5277 mills distributed as follows: 5.7284 mills for General County Operations, 0.5000 mills for Senior Citizens Operations, 0.2993 for Ambulance and 1.0000 mills for Roads; and,

WHEREAS, it has been determined that to maintain basic county services, it will be necessary to levy the rate of 7.4784 mills; and,

WHEREAS, notice of the public hearing was given, and a public hearing was held at the Budget & "Truth in Taxation" Public Hearing Increasing Property taxes, and approved as Resolution 18-08:

NOW THEREFORE BE IT RESOLVED, that the County of Cheboygan shall levy the millage of 7.4784 for 2018.

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

Motion by Commissioner Sangster, seconded by Commissioner Bolinger to adopt the 2018 Cheboygan County Apportionment Report as presented. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Newman, seconded by Commissioner Matelski to adopt the following resolution and authorize the Chair to sign.

**Resolution 18-15
TAX RESOLUTION**

BE IT HEREBY RESOLVED, that there be raised by taxation and that the Cheboygan County Board of Commissioners are hereby authorized and directed to spread upon the several assessment rolls and tax rolls of the County: County Tax, Township Tax, School Tax and any special taxes in the amounts as adopted by the County Board of Commissioners in the 2018 Apportionment Report. An amount of the above mentioned taxes not to exceed the schedule of millage as determined by the Apportionment Report adopted by the Cheboygan County Board of Commissioners at their annual meeting held on October 9th, 2018.

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

Commissioner Wallace presented the contract with Charles H. Brown to provide "From Decisions to Actions". The Circuit Court – Family Division is seeking renewal of a contract between Cheboygan County and Charles H. Brown to provide From Decisions to Actions for the SAYPA Program. This program has been funded through the SAYPA budget since October 2012. The contract has been reviewed by Civil Counsel.

Motion by Commissioner Sangster, seconded by Commissioner Gouine, to approve the contract with Charles H. Brown to provide "From Decisions to Actions" and authorize the Chair to sign.

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

Administrator Jeff Lawson presented a MERS Application for Additional Credited Service Purchase. An Application was received for Additional Credited Service from Judge Pavlich to purchase two (2) years six (6) months of credited service from the MERS B-4 Defined Benefit Plan. MERS permits the purchase of service credit by motion of the Board of Commissioners

approving the purchase. Discussion was held on the County liability and what retirement benefits were offered to a judge.

Motion by Commissioner Sangster, seconded by Commissioner Newman to approve the application for Additional Credited Service for Judge Pavlich to purchase two (2) years six (6) months of credited service in the County's B-4 Defined Benefit Plan with employee funds totaling \$28,879 and authorize the Chair to sign the MERS Application and Governing Body Resolution Form.

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

Administrator Jeff Lawson presented the Recycling Drop-Off Lease Agreement Walker Township. A lease would establish a recycling drop-off site at the Walker Township Hall, which is one (1) mile south of M-68 to serve the participating Townships in the area. The lease is for a three (3) years term with a provision to renew the lease for an additional three (3) year term. Civil Counsel prepared the lease for consideration.

Motion by Commissioner Newman, seconded by Commissioner Gouine, to approve the lease agreement with Walker Township to maintain recycling drop-off facility and authorize the Chair to sign.

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

Sheriff Dale Clarmont presented the 2019 – 2021 Cheboygan County Sheriff's Department Jail Inmate Food Contract. The current inmate food service contract is a three-year contract with the Carnation Restaurant in Cheboygan and expires on December 31, 2018. As per Cheboygan County Purchasing Policy dated March 8, 2016, the inmate food service contract must be a competitive bid contract. Through an advertised closed competitive bid for a proposed three-year contract, the following businesses submitted a bid: Canteen Services of Northern Michigan, Traverse City, MI pricing for a 240 meal a day average was \$2.00 per meal and Carnation Restaurant, Cheboygan, MI pricing for a 240 meal a day average was \$2.40 per meal, which was based on 80 inmates per day at three (3) meals per day. Discussion was held on the cost of the County to stock the kitchen with the first inventory, the projected cost and the cost of an inmate's meal per day. He stated that if the jail was not completed by the end of the year, the Carnation Restaurant would be asked to continue services on a month to month basis if approved. Most of the food service work would be done internally by Canteen Services who would hire locally.

Motion by Commissioner Sangster, seconded by Commissioner Newman to accept the submitted bid of Canteen Services of Northern Michigan dated September 27, 2018 and to authorize the Chairperson of the Cheboygan County Board of Commissioners to sign a three-year contract beginning (once submitted and reviewed) January 1, 2019 through December 31, 2021, with Canteen Services and authorize the necessary budget adjustments.

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

Sheriff Dale Clarmont presented the Cheboygan County Jail Inmate Medical Services Provider Agreement. On September 20, 2018, District Health Department No. 4 opted out of the current contract for medical services for the Cheboygan County Jail by providing the required 60-day notice of termination. The contract will be null and void as of November 20, 2018. The Cheboygan County Jail has received an Agreement from Advanced Correctional

Healthcare, Inc. for providing the necessary and required in-house medical care, for a Michigan jail facility in accordance with and governed by the laws of the State of Michigan. The Agreement provides for an on-site registered nurse 20 hours per week. The Agreement also provided for a weekly facility visit by a physician and/or mid-level practitioner and on-call medical staff seven (7) days, twenty-four (24) hours per day. Civil Counsel has reviewed the agreement. Discussion was held on the early 30 day termination clause of the contract and the cost difference of taking the inmates to the Emergency Room versus in-house medical care. He stated that staff was still looking for other alternatives.

Commissioner Newman commented that it saddened him to the point of disgust that they were not able to rectify the issue at the District Health Dept. No. 4. There were almost on a weekly basis more people resigning not only in Cheboygan County, but in Presque Isle, Montmorency, and Alpena Counties because of the type of treatment that was going on.

Motion by Commissioner Newman, seconded by Commissioner Johnson, to accept the Agreement of Advanced Correctional Healthcare, Inc., to authorize the Chairperson to sign the one (1) year Agreement beginning November 15, 2018 through November 14, 2019 and authorize the necessary budget adjustments.

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

BOARD MATTERS FOR DISCUSSION - None

CITIZENS COMMENTS

Vince Lumetta citizens of Beaugrand Township and candidate for Board of Commission commented on Commissioner Sangster's comment on the statistics of 91% of people who go to the emergency room and the 9% of the people who get admitted to another hospital. He had the opportunity to talk with Vice President Sherry Schultz of the McLaren Cheboygan Campus. A very lengthy conversation was held with her on the medical business of the McLaren Cheboygan Campus. At the end of the conversation and based on the information that she had given him, he asked if the campus was the right size for this community. She stated that this was exactly the point that she was trying to get across. It might be an opportunity for this Board to get current and accurate information on the state of the Cheboygan Campus.

BOARD MEMBERS COMMENTS

Commissioner Matelski complimented Mike Donovan, Tom Smith and the committee on the improvements at the Veteran's Memorial Park located on Court Street. Discussion was held on have the lawn fertilized this fall, a bid from Schwartz Boiler to have some painting done to the cannon and working with the historical parks commission to find someone to do restoration. A meeting would be scheduled in the spring before any events to make sure that things were up to speed and get the irrigation system online.

Motion by Commissioner Gouine, seconded by Commissioner Bolinger, to go into closed session at the request of the County Administrator on behalf of the County, a party to a collective bargaining agreement with the AFSCME union who is actively engaged in contract negotiations with that union, pursuant to Section 8(c) of the Open Meetings Act, being MCL 15.268 (c). A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

ENTERED INTO CLOSED SESSION AT 11:28 A.M.

RETURNED TO OPEN SESSION AT 12:40 P.M.

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 12:42 a.m.

Karen L. Brewster
Cheboygan County Clerk/Register

John B. Wallace
Chairperson