

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
BOARD PLANNING SESSION
June 12, 2020**

The Board Planning meeting of the Cheboygan County Board of Commissioners was called to order at 9:05 a.m. by Chairperson John Wallace at Audie's Restaurant in Mackinaw City.

Roll called and a quorum present.

Present: Commissioners Mary Ellen Tryban, Richard Sangster, Michael Newman, Cal Gouine, Roberta Matelski John Wallace, Treasurer Buffy Weldon, Straits Land Resorter Editor Scott Swanson, and Finance Director Sue Buitenhuis.

Absent: Commissioner Steve Warfield

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

Motion by Commissioner Sangster, seconded by Commissioner Tryban to approve the agenda as presented. Motion carried with 6 yes, 0 no and 1 absent.

CITIZENS COMMENTS - None

SCHEDULED VISITORS/DEPARMENT REPORTS – None

ADMINISTRATOR'S REPORT - None

OLD BUSINESS - None

NEW BUSINESS

Administrator Jeff Lawson presented the MDOT Project Authorization 2017-0032/P16 R1 5311 FY 2020 Operating funds. This is a contract which provides an additional 18% federal operating funds to Straits Regional Ride from the Federal CARES act for 2020.

Motion by Commissioner Tryban, seconded by Commissioner Gouine, to accept the MDOT Revised Project Authorization 2017-0032/P16 R1 5311 FY 2020 Operating Formula Grants For Rural Area Programs, authorize the Chairperson to sign electronically and authorize any necessary budget adjustments. A roll call vote was taken. Motion carried with 6 yes, 0 no and 1 absent.

BOARD MATTERS FOR DISCUSSION – BOARD PLANNING SESSION

Review of Board Goals – Administrator Jeff Lawson reviewed the Mission and Vision Statement and the current goals for Cheboygan County. Commissioner Sangster stated that their might be some changes to the goals after the citizen surveys were returned. There were no additions or deletions by the Board to the Mission and Vision Statement or the current goals.

Commissioner Wallace read an email that he received from Commissioner Warfield as follows: Perhaps with what we have seen firsthand lately, the time is upon us to reinforce a commitment to our citizen's constitutional and natural rights. The Board has recently passed a 2A Resolution and could do the same for all other rights currently being ignored by so many others.

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Financial Review – Administrator Jeff Lawson presented the Budget Impact from COVID-19. The State of Michigan is projecting a budget shortfall in the General Fund and School Aid fund over the next two years of over 4 Billion Dollars. These projections will be updated by the State by August. Unless the State can use unspent Federal CARES Act funds for COVID-19 expense to replace lost State revenue, it is highly probable that the State will cut a percentage of funding to local governments. Possible sources of concern are: Swamp Tax Refund, State based grant funded programs and Revenue Sharing.

Within the General Fund, this funding represents approximately \$1.25 million of revenue to the County each year. A 10% reduction of funding would result in a \$125,000 reduction -20% \$250,000 -30% \$375,000. Staff is also monitoring local losses in revenue from fees for services as well as well as impacts specific to other funds such as SRR.

At this time there is also the potential impact to tax collection revenue. The State is considering legislation to delay penalties and fees for property tax collection. Counties are responsible to pay the delinquent taxes due to each taxing units each year and pursue collection of delinquent taxes. The delay in collection would require the County to expend additional revolving tax funds. The County typically reimburses approximately \$2.9 million to local units keeping approximately 2.1 million in reserve.

Commissioner Wallace read an email that he received from Commissioner Warfield as follows: I would like to move forward with an eye toward where the Board could reduce outlays. I was skeptical that the State would or should receive Federal help, and even if so, it would be decimated in a nonpartisan or logical basis. The Board should consider a resolution to the Governor against the suggested delay of property tax payment for COVID relief as outlined in Jeff's report. Thankfully, we have reserves that should offset the loss of State monies I anticipate, when combined with sound fiscal decisions.

Discussion was held on tax collections; less money being spent by departments than budgeted; grant monies being cut, borrowing of money, foreclosure lawsuit still not being settled, the county has one of the most robust solar energy ordinances in the state and the possibility of penalizing county's for being fiscally responsible.

Commissioner Newman commented on the counties bordering Cheboygan County are in financial trouble and he was in agreement with Administrator Lawson's philosophy because even though Cheboygan County is actively sound, the county needs to plan for possibly two (2) or three (3) bad years.

Infrastructure Project Review – Administrator Jeff Lawson gave an update on the Infrastructure Projects. The following projects have been completed over the past year: The County phone system installation in all county offices including the Fair, Straits Regional Ride, County Marina and MSU Extension Offices; the completion of the animal shelter renovation project; installation of impact resistant glass film cover over all court interior doors, windows as well as in the prosecutor's office to increase security; and the replacement of two (2) air conditioning units in the County Building.

The following projects are active at this time: Marina Fuel Tank and Dock Replacement waiting for State approval to continue with bidding process. It is anticipated that bids will be taken this summer. Depending on timing, contractor may be able to start dock construction with sheet pile this fall/early winter with building construction and tank replacement beginning next spring. If

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this schedule can be met, the project is estimated to be completed by August of next year. Remaining Cost Approximately \$995,000- 50% grant – 50% County. Staff will be releasing a bid to construct an Indigent Defense meeting room in a portion of the District Court Room. This project is funded through the Indigent Defense Fund with a cost of approximately \$12,500. Engineer is completing an estimate modifying the vault wall in the Treasurer's Office while maintaining the outer walls with an anchor system. There will be an installation of eleven (11) air purifier units within the building to improve the air quality at a cost of approximately \$6,000. Also there will be an installation of a new gas line to the new jail generator to insure peak output at a cost of approximately \$9,695.

Cheboygan County was known as one of the financially stable counties in Michigan. With that said, there were a lot of infrastructure needs and base costs. The following projects were discussed:

- 1) County Building elevator refurbishment/replacement estimated cost \$250,000.
- 2) County Building Driveway reconstruction (from Family Fare heading west) estimated cost \$270,000. An option was to contact Family Fare for help with this project and use rent monies from the DHHS Building.
- 3) Fuel Tank and Pump Replacement estimated cost \$280,000 – cost analysis to be completed eliminating tank and purchasing fuel through fuel station care program.
- 4) County Building trim panels/windows replacement estimated cost \$650,000.
- 5) County Building Energy Efficient Upgrades, which upgrades would include a new energy efficient plumbing valve and fixtures in the restrooms, and lighting and electrical upgrades. The upgrades will reduce energy costs, which will pay for the cost of improvements over time. Estimated cost \$15,000 - \$20,000 per year.

Commissioner Wallace read an email that he received from Commissioner Warfield as follows: While our current fiscal position dictates caution, we can't and shouldn't continue delaying all infrastructure maintenance. Instead, we should prioritize projects based on life expectancy/return. My priorities would be as follows: 1) Treasurer's value; 2) Fuel line for the Jail's Emergency Generator and (3 all other projects should be reevaluated at the December 2020 meeting. With the State requesting a delay with the marina project, that provides temporary relief from the project outlay. Hopefully, fiscal outlook improves over time and we aren't faced with a difficult decision.

Commissioner Wallace asked where the County stood with these projects.

Administrator Lawson stated that if we do these projects, the County would be using fund balance reserves. During this particular window, he would be conservative and hesitate to complete some of these projects right now. The next decision here in the window would be to decide which one of these do we want to pick. The recommendation would be to finish the projects that were identified such as the marina. Engineering can be done on the road, but that would be the next project. Maintenance would be asked to contact a couple of the other elevator companies to get an idea of where we were at. If the prices keep going up, then a decision would have to be made to put the road maintenance on hold and get the elevator replaced. Staff will be giving an update to the Board as the county goes through this budget cycle.

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Discussion was held on the repairs of the pilings, the appearance of the front of the County Building and how structural aesthetics needed to be taken care of first, but how the complex was still functional and being kept up.

Administrator Lawson stated that there were other places that the county was responsible for such as the Community Mental Health Department located in lower level of the Doris E. Reed Building who would like some updates. This would leave the MSU-E office as the last piece of that puzzle. On the outside of the building there is some siding that needs to be replaced along with updating the sign, but these were not big ticket items. The DHHS Building will eventually need a new roof, which is a big ticket. Each year the Fairgrounds were allocated \$15,000 to do some small projects. The mission was to get smaller projects done for a longer period of time and then repairs didn't fall behind on larger projects. This year's project was focusing on installing some water line backflow valves for the camping areas and a few other small projects.

Economic Development Committee - Administrator Jeff Lawson presented an update on the Economic Development Committee. Staff met with Mr. Granger, Mrs. Lang and Commissioner Sangster this week to review the past EDC Goals and Objectives and to identify a plan to re-activate the EDC. Ms. Lang volunteered to take the information from the discussion to create a list to identify objectives for the first re-activated EDC meeting. Administrator Lawson stated that the EDC goals have been a discussion by the Board for several years. In the 2020 budget, the County allocated \$60,000 in funding for economic development activity. The County EDC and Coordinator can identify specific goals and objectives and ensure that services by the NLEA and other economic development agencies are utilized to their fullest potential by businesses and entrepreneurs in Cheboygan County. The EDC consists of nine (9) members, three (3) are Board of Commissioner members to provide continuity between Board objectives and EDC objectives. There will need to be new appointment to the Board because Matt Friday is now a Cheboygan County employee, but it is at the Board's discretion. The EDC is established by public act and it provides important tools for certain types of projects that may need bonding or other resources permitted under the act. Utilizing the EDC is the board that monitors and directs deliverables for the coordinator provides a focus to the EDC and keeps it active for possible future projects.

Commissioner Sangster commented that a lot of times the EDC was not in line with the existing Board, it didn't mesh and he wanted to make sure that some of the ideas that have been talked about for the last several years were being maintained as we move forward. A few of the things to work on besides broadband was transportation and housing.

Administrator Lawson highlighted the broadband project in Cheboygan County and gave an update of what other surrounding counties had available.

Commissioner Wallace read an email that he received from Commissioner Warfield as follows: He fully supported the direction Ms. Lange wants to lead us on this front. He believed Rich has a passion for the issue, and hoped he will continue to work closely with Mrs. Lange and Jeff to set a clear and expedient path forward. He was optimistic business and families will look toward relocation away from urban areas moving forward. Now is the time to market our strengths, identify our weakness and offset them. Let's get this done in 2020.

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Administrator Jeff Lawson updated the Board on the status of the 2020 Census. An update was emailed from the NEMCOG census representative for each unit weekly. Grant funding was received from the Michigan Be Counted 2020 Census Funding and from April until the middle of May \$7,500 was spent on radio ads. Newspaper ads will be placed in various newspapers with some of the funds being used. The census sifted their census workers from going door to door until late July or early August. The Cheboygan County's self-response returns for the census seems to be in line with the 2010 Census. Parts of the county do not have a mail box or a P.O. Box because a lot of people do everything on line and perceive the census as junk mail. There were a lot of second homes in the county, which needed to respond to the census. Also, an accurate number of citizens who work in Cheboygan County for the summer were required.

Citizen's Survey – Administrator Jeff Lawson presented an update on the 2020 Cheboygan County Citizen's Survey. The Board identified at last year's work session to complete an updated citizen's survey. This was not completed in 2018. A copy of the draft 2020 survey was reviewed. Staff would like to receive feedback if similar questionnaires should be sent out or if an expanded survey should be developed. Research from other counties identified the use of survey companies to develop, send, collect and report information. Discussion was held on the previous surveys; questions on the survey; sending the survey out with the tax bills with a postage paid envelope; putting the survey on the website; making sure that homeowners with escrow accounts get a survey; taxpayers versus renters and also a county newsletter being sent along with the survey. It was the consensus of the Board to wait until after the 2020 November General Election and put a note in with the winter tax bills to complete the survey online. Staff will look at a couple different venues that could be used.

2020 4th of July Fireworks - Administrator Jeff Lawson gave an update on the 4th of July fireworks display. The fireworks will still be shot off at the Cheboygan County Fairgrounds, but the parking lots across from the fairgrounds will be closed to the public. Discussion was held on who would be policing the social distancing and the liability to the County. Staff will be checking back with the City Manager, Tom Eustice to see if there was a potential change of the display.

CITIZENS COMMENTS - None

BOARD MEMBER COMMENTS

Commissioner Wallace commented that the next meeting to be scheduled is with the elected officials. Discussion was held on where and how to hold the meeting due to COVID-19.

Motion by Commissioner Wallace, seconded by Commissioner Newman, to adjourn to the call of the Chair. Motion carried. Meeting adjourned at 1:24 p.m.

Karen L. Brewster
County Clerk/Register

John B. Wallace
Chairperson Board of Commissioner