

CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
Finance/Business Meeting
December 10, 2019

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

Roll called and a quorum present.

Present: Commissioner 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 Gouine, seconded by Commissioner Tryban, to approve the agenda pulling the Monthly Finance Claims and moving it to 7-A.. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Gouine, seconded by Commissioner Warfield, to approve the consent agenda pulling the Monthly Finance Claims and moving it to 7-A.

A. ~~Approve Monthly Finance Claims (Finance Total = \$0; Prepaid Total = \$1,251,129.97)~~

B. Budget Adjustments as follows:

2019 Raise Revenue/Expenditures:

- 1) Fund 108 Total Budget Increase Totaling \$2,068.23
- 2) Fund 230 Total Budget Increase Totaling \$2,080
- 3) Fund 266 Total Budget Increase Totaling \$204
- 4) Fund 276 Total Budget Increase Totaling \$59,851.16
- 5) Fund 278 Total Budget Increase Totaling \$705,642
- 6) Fund 352 Total Budget Increase Totaling \$5,000
- 7) Fund 509 Total Budget Increase Totaling \$9,979

2019 Inter-budget Transfers:

- 1) From 101-331 to 101-331 Totaling \$2,312
- 2) From 249-371 to 249-371 Totaling \$1,350
- 3) From 101-412 to 101-412 Totaling \$1,500
- 4) From 101-253 to 101-253 Totaling \$70
- 5) From 101-265 to 101-265 Totaling \$210
- 6) From 101-682 to 101-682 Totaling \$100
- 7) From 101-301 to 101-301 Totaling \$5,500
- 8) From 588-599 to 588-599 Totaling \$26,973
- 9) From 267-165 to 267-134 Totaling \$16,981.84
- 10) From 509-752 to 509-752 Totaling \$10,622

C. Unpaid Miscellaneous Receivables

D. SRR and Emmet County's First Amendment to Transportation Agreement

E. 2020 Medical Marihuana Operation and Oversight Grant

F. Cheboygan County Public Defenders 2020-2021 Contract - Addendum

G. 2020 Attorney General Contract for Delinquency & Child Protection Proceedings

H. Correspondence:

1. Crawford County Resolution Regarding the 2020 Budget

2. Eaton County Resolution to Encourage Changes to the Application of a Fee-For-Service Model for Local Substance Abuse Service Delivery
3. Huron County Resolution Supporting HB 4937-38 and SB 504-505 to Enact Four-Year Terms for County Commissioners
4. Manistee County Resolution Requesting to Declare the Great Lakes Coast a Disaster Area and Seeking Assistance
5. Otsego County Resolution Supporting Passage of Legislation to Adopt 4-year Terms for County Commissioners

I. Minutes:

1. Finance/Business Meeting of November 12, 2019 and Committee of the Whole Meeting of November 26, 2019
2. District No. 4 Health Board – 10/15/19
3. NEMCSA – 11/1/19
4. Planning Commission – 10/2/19 & 10/16/19
5. City Council – 10/22/19
6. Board Appointments & Procedures – 9/26/19
7. County Road Commission – 10/17/19 & 11/7/19
8. NEMCOG – 10/17/19
9. Fair Board – 11/4/19

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

Public hearing opened at 9:30 a.m.

Commissioner Wallace opened the public hearing regarding the proposed 2020 Cheboygan County Budget. Finance Director James Manko highlighted the 2020 proposed budget contents and process for those in attendance. The final recommended budget included the use of approximately \$1,079,877 of general fund balance compared to \$1,276,929 last year. In summary the proposed 2020 Cheboygan County Budget, with all funds included, tallied up to \$43,330,301. Of this total, \$14,178,219 represents the general fund budget and the combined total of all other funds from 102 through 802 is \$29,152,082 in revenues and expenditures. The Cheboygan County allocated tax (General Fund Operating) that shall be levied and collected on July 1, 2020 with an estimated property tax levy of 5.7284 mills. Also as part of the process, the County Board of Commissioners establishes the following millage rates: Senior Citizens Center Operations .5000 mills; Ambulance Funding up to 0.2993 mills; Road Improvements 1.000 mills and CCE 911 800 MHz Radio Project .5000 mills subject to any Headlee rollback. The proposed millage rate for 2020 is estimated at 7.9784 mills. This public hearing was the last step in the budget process before the 2020 Cheboygan County Budget was adopted.

Motion by Commissioner Sangster, seconded by Commissioner Warfield, to close the public hearing regarding the proposed 2020 Cheboygan County Budget. Motion carried with 7 yes, 0 no and 0 absent.

Public hearing was closed at 9:36 a.m.

Citizens Comments

County Surveyor James Granger gave an update on the Remonumentation Program. He stated that he was here to start the process of changing the Remonumentation Program due to the fact that at the end of 2018 the program amended ACT 345, which set up the Remonumentation

Program back in 1990. Significant changes were being made on how the program would function. Briefly, the first major change was that they allowed surveyors to take corners out of the program that didn't need to be in there. For example on Federal and State Forest Lands, which have been surveyed and monumented surveyors did not need to survey because the land corners were not going to change. Monies can then be taken out of that part of the program. In turn, the program allows surveyors to add center corners where they were not allowed before and most significantly with the center section, which controls a lot of property lines in various areas throughout the County. With these changes being made, the Remonumentation County Plan will have to be rewritten. This will be put on the agenda in January for Board approval.

Louis Vallance citizen of Grant Township commented on the correspondence in the Board's packet regarding the Manistee County's Resolution declaring Great Lakes Coast a disaster area and seeking assistance. He was wondering if Cheboygan County was going to do the same as the Cheboygan County Road Commission cannot take care of their ditches along the shore lines or take care of the roads, and the City of Cheboygan cannot take care of the drainage issues in the area. Secondly, he was concerned with regard to the public safety aspect of the County road infrastructure. Lastly, he suggested that Straits Regional Ride is supplied a garage to house the busses instead of being parked at the Fairgrounds.

Scheduled Visitors

Commissioner Wallace presented a Certificate of Appreciation to Ron Williams for his 10 years of loyal and dedicated service to the Cheboygan County Fair Board. Ron Williams commented that he appreciated the honor. It has been his privilege to serve the County and he looked forward to serving in the future.

MAC Executive Director, Steve Currie gave an update on what was happening with the Michigan Association of Counties. MAC has a new website www.micountymatters.org, which helps better educate the public, the age of terms of its legislators and on everything that county government involves. Another service provided was the Commissioners Forum, which was designed to give commissioners a way to communicate directly with their peers around the state. To register, go to <http://micounties.boards.net/>. MAC has 16 Board members elected by commissioners. Two seats from each of six regions ensure broad representation. MAC Board meets four times a year: Legislative Conference, June, Annual Conference and November. Elections are held in August (in 2020, seats are up in Region 1, 2, 3, 5 and at-large). General county data was given stating there were 83 counties in Michigan with Wayne County being the largest and Keweenaw County being the smallest. MAC employs more than 33,000 people. 60 of the 83 counties were shrinking according to the EIG report. Counties are front line agencies in providing social and public safety services such as foster care system; public health; Circuit Courts; Sheriff and jail and other constitutional offices (clerk, treasurer, prosecutor and register of deeds). Counties collaborate every day with other local unites on tax assessment and collections. Counties receive statutory revenue sharing ONLY. A list of the State Priorities for 2019 were reforming the financing local government; ensuring state funding for changes to juvenile justice; lengthening commissioner terms to 4 years; establishing stable and comprehensive funding for courts; enhancing programs to divert offenders from county jail; reimbursing counties for veterans property tax exemption; reforming Michigan Tax Tribunal and investing in/property managing infrastructure. The Fiscal Year 2020 Budget vetoes took \$60 million from counties. Legislature and governor brokered agreement December 3rd that would restore most of the funding hit by the governor's vetoes as follows: PILT \$27 million; jails \$14.9 million and road patrols \$13 million. Revenue sharing 2% increase \$5 million to 81 of 83 counties back in formula and total RS to counties \$227 million. Restoration deal still requires

final passage and governor's signature. In 2017, 66 of 83 counties relied on property taxes for at least 55 percent of general fund revenue. Proposal A prevents revenue recovery. MAC supports policies that create stable and sufficiently funded revenue streams for counties by requiring the state to reimburse counties for revenues lost to exemptions; the creation of a secure and dedicated county revenue sharing trust fund, mandated reimbursements for increases in services, flexibility in local revenue options and cost-sharing models and elimination of millage reduction requirement when revenue exceed inflation. Introduced this fall was a Road Policy 21 bill package, which would allow county option for ballot for a gas tax and/or county registration fee. Revenue would be collected by the state, than remitted to local road agencies within each county, based 50% on population and 50% on miles of road. SB 322-323 removes the sunset on the ability of a county to either dissolve their road commission (if appointed) or put the matter to a vote of the people to dissolve their road commission (if elected). The bills were approve by the Senate in August and is expected to clear House Ways and Means Committee on December 10th. MAC will keep us updated. In the Fiscal Year 2020 Budget – Section 298, legislature allowed Medicaid health plans to contract directly with other service providers, revised the report on statewide integration trigger to January 2022 and implementation to October 2023. In October 2019, MDHHS announces the end of Section 298 pilots and unveils “vision” for the future: www.michigan.gov/mdhhs. HB 4590 Coastal Hotel Tax Option allows coastal counties the option to put on the ballot an excise tax on hotels/motels to be used for public safety and recreation related to increased tourism. Tax will be capped at 5% of the price of the room. There are five (5) counties eligible: Alger, Luce, Marquette, Ontonagon, and Schoolcraft Counties. MAC has seven (7) committees that study legislation and make recommendations to the MAC Board, which are Finance, Environmental, Natural Resources and Regulatory Affairs, General Government, Health and Human Services, Judiciary and Public Safety, Transportation and Agriculture and Tourism. Mac has a MACPAC, which provides financial support to incumbent state legislators who are friends of county government. Donate at www.micounties.org. Upcoming dates for the Legislative Conference were scheduled for April 15-17, 2020 and April 27-29, 2021 and the Annual Conference was scheduled for August 16-19, 2020 and September 26-28, 2021. MAC conferences provide top speakers, intensive policy workshops and plenty of opportunities to network with county leaders. MAC Service Corporation sponsored other programs that counties can participate in such as the Abilita program, Allstate Voluntary Benefits, Blue Cross Blue Shield Administrative, COBRA Administration, COPRO+ program, Lincoln Financial program and Nationwide 457 program. Cheboygan County was already active with the Michigan Counties Worker's Compensation Fund program with Commissioner Newman sitting on that Board. The MCWCF has 80 members and routinely issues premium dividends in excess of \$3 million each year. Recently MAC updated their website: www.micounties.org. The primary changes were a single county logon to ease access, improved site navigation, County resolutions database and a direct access to digital advocacy tools. MAC also has other communication methods with a full suite of social media channels. Discussion was held regarding the Veteran's property tax reimbursement and why there are not any sentencing guidelines for District Court.

Commissioner Gouine questioned why it took so long to pay the Audie's Restaurant billing from the Board Planning Session held in May. Administrative Secretary Kathy Morrow stated that it was overlooked by the restaurant and once the billing was received, it was paid immediately.

Motion Commissioner Sangster seconded by Commissioner Gouine, to approve the Monthly Finance Claims (Finance Total: \$0 & Prepaid Totals: \$1,251,129.97). A roll call was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director's Report

Finance Director James Manko presented the General Fund Revenue and Expenditure Report for October 31, 2019. He reported total year-to-date revenue of \$10,285,491.97, or 74.28% of the budget, compared to \$10,612,830.43, or 67.01% of the budget last year at this same time. An explanation was given of each line that was fluctuating with any changes +/- \$25,000. He also reported on the total year-to-date expenditures of \$9,561,045.71 or 69.05% of budget, compared to \$9,263,277.71, or 58.49% last year as of the end of October 31, 2018. An explanation of the deficit balance accounts was given and a report on the Cash Summary by Fund with a beginning balance as of October 1, 2019 of \$26,648,124.92 and an ending balance as of October 31, 2019 of \$23,512,465.97. An explanation was given for funds with a negative cash balance.

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

Administrator's Report

Administrator Lawson gave an update on the Marina Fuel Dock Project. The County has received permit approval from EGLE for the marina fuel dock project. The permit and plans will now be sent to the Michigan State Waterways Commission staff for approval to post for bid request to construct the project. Construction is planned to begin in the spring of 2020.

Administrator Lawson gave an update on the County Building Repairs. The structural engineer is preparing a quote that will include architectural and engineering design prints and specifications to provide to Clark Construction for repair of the wall in the spring of 2020. Remove the top wall. Decision will be made on what materials to be used.

Administrator Lawson gave an update on the Animal Shelter. Installation of the mechanical systems at the animal shelter continues. The electrical contractor has completed the rough electrical installation and the contractor will be finishing the drywall installation in the near future. Once the drywall is completed, insulation will be installed in the attic space and final painting of the kennel room will be completed.

Administrator Lawson gave an update on Phone System Replacement. Staff is working with the phone contractor to schedule system installation in January.

Committee Reports

Commissioner Sangster attended a Board Appointments & Procedures Meeting and accepted the recommendations for the following appointments/reappointments.

Motion by Commissioner Sangster, seconded by Commissioner Gouine, to accept the reappoint Marty Sarrault, Dennis Despain and Richard Cartmill to the Cheboygan County Airport Authority for a 3-year term commencing January 1, 2020 through December 31, 2022; to reappoint Ed Ginop, Bobbie Christensen and William Thompson to the Cheboygan County Construction Code Board of Appeals for a 2-year term commencing January 1, 2020 through December 31, 2021; to reappoint John Brown Jr., Derrick Dotski, Ron Fenlon, Beau Johnson and Brenda Mushlock to the Cheboygan County Fair Board for a 3-year term beginning January 1, 2020 through December 31, 2022; to appoint Christy Stempky to the Cheboygan County Fair

Board for a 2-year term beginning January 1, 2020 through December 31, 2021; to reappoint Patty Croft, Sharon Lyon and Ed Delana to the Cheboygan County Planning Commission for a 3-year term commencing December 16, 2019 through December 15, 2022; to reappoint Pete Redmond and George Pike to the Cheboygan County Waterways Commission for a 3-year term commencing January 1, 2020 through December 31, 2022; to reappoint John Moore and Ralph Hemmer to the Cheboygan County Zoning Board of Appeals for a 3-year term commencing January 1, 2020 through December 31, 2022; to reappoint Garfield Geyer to the Cheboygan County Department of Public Works for a 3-year term commencing January 1, 2020 through December 31, 2022 and to reappoint Jeff Lawson to the Northern Lakes Economic Alliance for a 3-year term commencing January 1, 2020 through December 31, 2022. A roll call vote was carried. Motion carried with 7 yes 0 no and 0 absent.

Old Business - None

New Business

Administrator Jeff Lawson presented a Letter of Support – Safe Routes to Parks Grant. The Cheboygan County Community Foundation in cooperation with the City of Cheboygan Parks and Recreation Commission is requesting a letter supporting their application for a Safe Routes to Parks grant application to the Safe Routes Partnership, Healthy Communities Program to secure grant funding to develop plans and engineering specifications for the construction of an asphalt trail along South Street and Lincoln Avenue connecting Major City Park to the Cheboygan Fairgrounds and existing sidewalks and trail systems. This trail would be adjacent to State and County owned property.

Motion by Commissioner Sangster, seconded by Commissioner Tryban, to approve the Letter of Support – Safe Routes to Parks Grant and authorize the chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Jeff Lawson presented the Agreement for Indigent Assigned Counsel Administrator Services. The County desires to engage the services of Contractor to provide Assigned Counsel Administrator services to facilitate monitor and coordinate the County's indigent criminal defense program, pursuant to Michigan Indigent Defense Commission standards (MIDC), as specified in the Indigent Defense Assigned Counsel Administrator Services RFP. The agreement is for three (3) years.

Motion by Commissioner Sangster, seconded by Commissioner Matelski, to approve the Agreement for Indigent Assigned Counsel Administrator Services and authorize the Chair to sign. A roll call vote was taken. Motion carried with 6 yes, 1 no (Commissioner Warfield) and 0 absent.

Treasurer Buffy Weldon presented the Delinquent Tax Revolving Fund Surplus Request for Transfer and Resolution. In December of each year, the County Treasurer submitted a Surplus Request for Transfer along with a Resolution prepared by the Finance Director to the Board of Commissioners identifying a surplus from the Delinquent Tax Revolving Fund and the transfer of those funds. All or a portion may be transferred into the General Fund of the County by the Board of Commissioners. Although, the law requires the County Treasurer to declare a surplus, this action provided for the surplus to be approved, transferred and moved to the appropriate funds. Pursuant to the State Statute in MCL 211.87b (7), specifically authorized the transfer of a "surplus" to the County General Fund by appropriate action of the Board of Commissioners.

She was pleased to report that there was \$392,197.44 in the Delinquent Tax Revolving Fund that could be moved into the General Fund.

Motion by Commissioner Newman, seconded by Commissioner Warfield, to adopt the following Resolution and instruction the Treasurer to move

Resolution #19-21

NOW, THEREFORE, BE IT RESOLVED that

1. Pursuant to the authority granted under MCL MCL 211.87b (7) the amount of the Surplus Funds specified in Recital E of this Resolution is hereby transferred from the Delinquent Tax Revolving Fund to the county General Fund.
2. Pursuant to the authority granted under MCL MCL 141.436(3) the following amounts are hereby transferred from the county General Fund to the following described funds maintained by the county:
 - a. An amount not to exceed \$282,197.44 shall be transferred to the Courthouse Preservation Fund.
 - b. An amount not to exceed \$110,000 shall be transferred to the Animal Control Capital Project Fund.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are hereby rescinded.

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

Judge Daryl Vizina presented the Compass Academy – Cheboygan Area Schools 2019-2020 Agreement. Cheboygan County Juvenile Court and the Cheboygan Area Schools have created a contract where there previous was not one in place. Commissioner Warfield congratulated the Judge and his staff because it was a very worthy program. The Judge invited the Board to attend the graduation ceremony “From Decisions to Actions Program” tomorrow night at 6 P.M..

Motion by Commissioner Warfield, seconded by Commissioner Sangster, to approve the Compass Academy/Cheboygan Area Schools agreement and authorize the Chairperson to sign any forthcoming agreements upon the review of 2019-2020 agreement. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director James Manko presented the adoption of Budget Resolution #19-20 and the 2020 Cheboygan County Budget.

Motion by Commissioner Wallace, seconded by Commissioner Warfield, to adopt the following resolution and the 2020 General Fund budget in the amount of \$14,178,219 and all other fund budgets with a combined total of \$29,152,082 resulting in a Cheboygan County budget in the amount of \$43,330,301.

RESOLUTION 19-20

**RESOLUTION TO ADOPT
THE 2020 CHEBOYGAN COUNTY BUDGET AND
GENERAL APPROPRIATIONS ACT**

WHEREAS, the Uniform Budgeting and Accounting Act, Public Act 621 of 1978, requires that each local unit of government adopt a balanced budget for all required funds, and

WHEREAS, the County Administrator has prepared a recommended budget as required by the statute, and the Board of Commissioners as a Committee of the Whole has reviewed the departmental request and Administrator's

recommended budget as required by statute, and has recommended a balanced budget to the Board of Commissioners for approval, and

WHEREAS, the Board of Commissioners in accordance with Public Act 5 of 1982 (Truth in Taxation Act) and Public Act 621 of 1978 (Uniform Budgeting and Accounting Act) held a public hearing on said budget on December 10, 2019, after notice was published in a newspaper of general circulation, and

NOW THEREFORE, BE IT RESOLVED that the Cheboygan County Budget for the General Fund and other funds set forth in the attached 2020 Proposed Budget which is incorporated by reference herein, is hereby adopted on a basis consistent with Cheboygan County's policies and is subject to all currently adopted or future policies adopted regarding the expenditure of funds as well as the conditions set forth in this resolution.

BE IT FURTHER RESOLVED, that the Cheboygan County Board of Commissioners establishes the following millage rates: Senior Citizens Centers .5000 mills, Ambulance Funding up to .2993 mills, Road Improvements 1.000 mills and CCE 800 MHz Radio Project .5000 subject to any "Headlee" millage reduction fraction.

BE IT FURTHER RESOLVED, that in accordance with Public Act 357 of 2004, the Cheboygan County allocated tax (General Fund Operating) shall be levied and collected on July 1, 2020, at the maximum amount allowable after the application of the "Headlee" millage reduction fraction and that this budget includes an estimated property tax levy of 5.7284 mills for General County Operations.

BE IT FURTHER RESOLVED that this attached budget reflects a reasonable allocation of available resources to the various County departments, boards and agencies and allows for all mandated services, programs and activities to be performed at reasonable, necessary and serviceable levels.

BE IT FURTHER RESOLVED that the budget is adopted at the Activity/Department level for the General Fund and at the fund level for all other funds and shall be in accordance with provisions of the Uniform Budgeting and Accounting Act and that any modification, addition or deletion of such amounts hereby adopted shall be done in accordance with policies and procedures established by the Board of Commissioners.

BE IT FURTHER RESOLVED that fund transfers shall be authorized in accordance with policies and procedures established by the Board of Commissioners and applicable law.

A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent. (A copy can be obtained from the County Clerk.)

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

Motion by Commissioner Sangster, seconded by Commissioner Tryban, to cancel the Cheboygan County Board of Commissioners December 24, 2019 Committee of the Whole meeting. Motion carried with 7 yes, 0 no and 0 absent.

Citizens Comments - None

Board Member Comment. - None

Motion by Commissioner Sangster, seconded by Commissioner Tryban to adjourn to the call of the Chair. Motion carried with 7 yes, 0 no and 0 absent. Meeting adjourned at 10:46 a.m.

Karen L. Brewster
Cheboygan County Clerk/Register

John B. Wallace
Chairperson Board of Commissioners