

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
May 13, 2008**

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 Socha, Makima, Redmond, Mushlock, Page, Wallace and Bolinger

ABSENT: None

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

Motion by Commissioner Makima, seconded by Commissioner Mushlock, to approve the agenda with the removal of Item D4 Jaycees' 2008 Wanigan Festival Request from the Consent Agenda and place the request following Item B. under New Business. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Mushlock, seconded by Commissioner Redmond, to approve the consent agenda consisting of the following items:

- A. Approve Monthly Finance Claims – Finance = \$64,739.55; Prepays = \$1,041,949.76
- B. Budget Adjustments – Transfer Totaling \$46,962 regarding Fair Ground Utility Costs and Grounds Repair and Improvement; and Transfer of \$1,579 regarding Insurance Costs Associated with New Animal Control Contract
- C. Investment Report
- D. Correspondence:
 1. Kalkaska County Resolution and Crawford County Letter to Legislators Regarding Common Water Use
 2. Livingston County Resolution in Support of HB 5892 Regarding 9-1-1
 3. NEMCOG Program Highlights January – March 2008
 4. ~~Jaycees' 2008 Wanigan Festival Request~~
- E. Minutes:
 1. Commissioners Finance/Business Meeting of April 8, 2008, and Committee of the Whole Meeting of April 22, 2008
 2. Board Appointments & Procedures - 4/7/08
 3. Health Board - 3/18/08
 4. North Country Community Mental Health Board - 3/20/08
 5. Michigan Northern Counties Association – 3/17/08
 6. NMSAS Board of Directors - 3/3/08
 7. Cheboygan County Fair Board - 3/3/08
 8. Cheboygan County Housing – 1/16/08 and 2007 Annual Report
 9. Cheboygan County Road Commission - 3/27/08
 10. Cheboygan City Council – 3/25/08 & 4/8/08
 11. Planning Commission – 3/19/08 & 4/16/08
 12. ZBA – 3/26/08 & 4/10/08

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

CITIZENS COMMENTS – None

SCHEDULED VISITORS – None

FINANCE DIRECTOR'S REPORT - Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ended March 31, 2008. She reported total

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year-to-date revenue of \$749,067.68 versus \$2,525,636.16 last year at that time, the difference mainly due to timing issues of county tax levy and the convention and tourism taxes. Ms. Kortz reported expenditures year-to-date were \$2,276,538.33, or 20.6% of budget, compared to \$2,245,891.18 last year as of the end of March, due changes in several departments and timing issues. She reviewed the Fund Balance quarterly report and Summary of General Fund Expenses by Category, which also is a quarterly report.

COMMITTEE REPORTS

Commissioner Redmond presented a proposed change to the County's Allowable Travel Expense Policy which was discussed and recommended for approval by the Board Appointments & Procedures Committee.

Motion by Commissioner Bolinger, seconded by Commissioner Page, to approve the Revised Allowable Travel Expense Policy, as recommended by the Board Appointments & Procedures Committee and reviewed by the County Administrator and Human Resource Director, which includes the following changes: Overnight accommodations maximum per night increased from \$80 to \$100; Overnight accommodations for conference/trainings held at same location maximum per night increased from \$120 to \$150; Standard Meal Allowances per day (including gratuities) increased from \$30 to \$50; IRS Special Meal Allowance (average) per day for Michigan cities: Ann Arbor/Detroit/Lansing/Grand Rapids/Mt. Pleasant/Traverse City increased from \$42.00 to \$60.00; and change wording to "IRS Standard Mileage Rate Current Rate". A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Wallace reminded everyone of the Tri-County 9-1-1 Meeting to be held on May 20, 2008 at 2 p.m. at the Headlands in Mackinaw City. He noted that funding of the 9-1-1 Center is a continuing battle. Chairperson Socha said traditionally the tri-county emergency management committee meets prior to the tri-county 9-1-1 meeting at the Headlands. Commissioner Bolinger said he would not be able to attend the meeting at the Headlands due to the Health Board meeting.

Commissioner Bolinger reported attending the PRC meeting, a No Spill meeting in Gaylord at the DNR Office, and the Walker Township Board meeting. He also attended the NEMCOG meeting in Gaylord, the Michigan Northern Counties meeting in Grayling and a Judicial Committee meeting in Lansing. Funding for 9-1-1 was discussed and there are hopes the legislature will extend in the sunset to 2013 on the funding.

Commissioner Mushlock attended the Fair Board meeting, the Mullett Township Board meeting, and the Cheboygan County Housing Commission meeting.

Commissioner Page reported the County Waterways Commission would be meeting with the State on upgrades for the county marina and will be exploring grants available. He also reported traveling to Boyne City with the County Administrator to tour the animal shelter there. He said the Cheboygan animal shelter needs to be expanded and updated. He reported that NEMCSA now has three people working on foreclosure counseling. He said there was much discussion on fund raising at the recent meeting of the Cheboygan County Council on Aging. Commissioner Page said six townships will have the recycling proposal on the August Primary ballot. He said Waverly Township is anxiously awaiting arrival of the recycling bins.

OLD BUSINESS - None

NEW BUSINESS

Fair Manager Dan O'Henley presented two contracts for the Fair for approval..

Motion by Commissioner Makima, seconded by Commissioner Mushlock, to approve the 2008 Michigan Horse Pulling Contract for August 6, 2008 at 4:00 p.m. and 7:00 p.m. and authorize the board chair to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

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Motion by Commissioner Redmond, seconded by Commissioner Bolinger, to approve the 2008 rental contract with EUP Antique Equipment Association for August 3, 2008 at 1:00 p.m. and authorize the board chair to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Luke Houlton, Engineer-Manager for the Cheboygan Road Commission, addressed the Board to request approval to place a millage proposal before the voters at the August Primary Election. He apologized for not submitting the information by the Board's normal deadline, however, he was not aware of the correct deadline. Mr. Houlton said the proposal would be for 1 mill for maintenance and repair of roads within the county and explained funds generated in the City of Cheboygan and Villages of Mackinaw City and Wolverine would be distributed to those entities. He said the townships are aware of this request, but the MTA has not been addressed. He said the fund from the proposal would be spent countywide, and could not say at this point specifically which roads would be done, or if in any area of the county proportionate work would be done to funds raised in those specific areas. Lengthy discussion held regarding the need for input from the townships, city and villages, and a 5-year road improvement plan from the Road Commission. Chairperson Socha said some of the townships already have millage for roads and noted she has not seen any mention of the millage proposal in the minutes of the Road Commission meetings. She said in Emmet County each township levies 1 mill for roads and the Emmet County Road Commission has a 5-year plan for each township. She said this is an important issue to the voters of this county and this board needs enough information to be able to make an informed decision. Administrator Overton said everyone understands the importance of good roads, but placing the proposal on the August ballot would be too much of a rush. Mr. Houlton stated they have a 5-year plan currently, but this is for maintenance and repair, not for specific projects. Administrator Overton said so this basically would be an operating millage, not an infrastructure improvement millage, to which Mr. Houlton agreed. Chairperson Socha said perhaps it would make more sense to wait until the two additional members are seated on the board for possible new suggestions or ideas. Beaugrand Township Supervisor Marcia Rocheleau warned to look into this thoroughly as this millage would not necessarily be spent on roads or road improvements. Commissioner Bolinger noted that the Village of Wolverine supports this proposal.

Motion by Commissioner Page, seconded by Commissioner Wallace, to table the Road Commission request for a millage proposal until they provide the financial analysis supporting the tax increase; and that there is sufficient feedback from the Cheboygan County Chapter of the Michigan Townships Association and the city and villages involved; and that the Finance Director for the County has a chance to review the analysis; and a five-year road improvement plan be provided before the board votes on request. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Billy Jewell, former President and current member of the Cheboygan Jaycees, addressed the board requesting use of the property on Lincoln Avenue directly across from the Cheboygan County Fair Grounds owned by Charles LaHaie and leased to Cheboygan County. He said the property would be used for the 2008 Jaycee Wanigan Festival to be held on June 27 and 28, 2008. This event is one of the biggest events of the year; approximately \$20,000 is expended in the community to host the event, not including money being spent on lodging, food, etc. This project helps to support other Jaycee projects such as Kiddies Day and Christmas Wish List. Civil Counsel Bryan Graham Mr. Jewell said an entertainment tent would be set up on the property with music and beverages being served until 11:00 p.m. both nights, and noted that Chief of Police Kurt Jones agreed with the 11 p.m. curfew. Civil Counsel Bryan Graham asked about liability for alcohol. He said the County could enter into a sublease with the Jaycees. Mr. Jewell said in the past the Cheboygan Jaycees have received a 1 million dollar insurance binder from the Michigan Jaycees for the Wanigan Festival, and a license bartender would be present at all times. Mr. Graham said he would prefer 5 million liability insurance. Mr. Jewell said last year, through sponsorship, free cab service was provided. Lengthy discussion was held on the liability insurance and serving alcohol on the property. Commissioner Wallace wanted to adhere to the same policy as has been on the fair grounds, as this would be encouraging alcohol abuse. Richard Sangster also spoke as a Cheboygan Jaycee member.

Motion by Commissioner Makima, seconded by Commissioner Redmond, to sublease the LaHaie property located across from the County Fair Grounds to the Cheboygan Jaycees with the administrator and civil counsel to draw up the details on the sublease. Discussion continued. George

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Lewis, pastor of St. Paul's Methodist Church and Chair of the Cheboygan Ministerial Association requested the Board honor action taken by the 1998 Board of Commissioners and uphold a no alcohol policy. Mr. Jewell said the Jaycees have gone the extra step to assure the safety of everyone involved, and if anyone was abusing alcohol they would be escorted out. Chairperson Socha said she understands alternate sites for this event are very limited. Jennifer Tryban, M.D., a member of the Cheboygan Jaycees Board, and Chaplain for the Michigan Jaycees, noted that the mission of Jaycees International is to develop strong, young leaders. Dr. Tryban took offense to Commissioner Wallace's earlier comment and said she sees this type of event as teaching responsibility to young people. She also pointed out both Mr. Sangster and Mr. Jewell, as well as Nick Couture, are members of the Cheboygan City Council and members of the Cheboygan Jaycees. She said the Wanigan Race was brought back in 2004 as a community event and can have responsible drinking. She said this festival is known statewide and is too important for this community to get hung up on a policy from 1998. Former Fair Board Manager Don Horrocks said the policy was suppose to be no alcoholic beverages during fair week, but there are certain functions that require a new look be taken on this policy at the fair grounds. Mr. Lewis said he appreciated the Jaycees conscientiousness, but the Board's decision today would set precedence. Commissioner Page said the Wanigan Festival is somewhat unique to Cheboygan, and we have done everything to prevent substance abuse, but the connection between a beer tent and substance abuse is rather strained. He said if other groups wish to use the property and serve alcohol those could be considered individually. A roll call vote was taken. Motion carried with 6 yes, 1 no (Commissioner Wallace) and 0 absent.

Undersheriff Mike Newman presented the North Country Community Health Jail Diversion Agreement for approve. The document outlines the roll of Community Mental Health, when a subject who suffers with a severe mental illness has been arrested. Also outlined is a program involving jail diversion for those who qualify. This program involves Cheboygan County, CMH, District Court, the Sheriff and the prosecutor. The agreement was prepared by Community Mental Health. The document has been reviewed by civil counsel. Holly Furgeson, of CMH, explained employee training in the jail on identifying inmates in need of mental health contract has been done. She also briefly outlined how the initial screening is done.

Motion by Commissioner Mushlock, seconded by Commissioner Bolinger, to approve the North Country Community Health Jail Diversion Agreement and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Undersheriff Newman reported the Sheriff is still entrenched in Iraq and communicates with him regularly.

Straits Regional Ride Director Mike Couture presented two transportation agreements for approval. The Cheboygan-Otsego-Presque Isle Education Services District agreement is to transport clients to and from summer school three days a week during summer months. The COP has agreed to a 3% increase from \$12,722.21 to \$13,103.88 in a one time payment on or before June 30, 2008.

Motion by Commissioner Redmond, seconded by Commissioner Makima, to approve the transportation agreement between Cheboygan County, on behalf of Straits Regional Ride and the Cheboygan-Otsego-Presque Isle Education Services District effective June 1, 2008 through September 5, 2008 and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Mr. Couture presented a two year agreement beginning September 1, 2008 and ending June 30, 2010 between SRR and Bishop Baraga Catholic School to transport children between Bishop Baraga Catholic School and CHS for the purpose of band class. This transportation will be included into our Dial A Ride and will not involve any additional labor costs; and has been written by Civil Counsel and approved by SRR board.

Motion by Commissioner Bolinger, seconded by Commissioner Redmond, to approve the transportation agreement between Cheboygan County, on behalf of Straits Regional Ride and Bishop Baraga Catholic School effective September 1, 2008 through June 30, 2010 and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

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County Treasurer Linda Cronan addressed the board regarding the Interlocal Agreements for Recycling as it relates to delinquent recycling surcharges. She said in April City Assessor faxed her a copy of the Interlocal agreement regarding County Recycling Surcharges. In reading this agreement for the first time she had some concerns with section 4 under Agreement titled: Delinquent Surcharges: No Late Fees or Penalties. She state in her opinion, it was unclear as to the proper way to handle delinquent surcharges. The agreement states: "If a surcharge becomes delinquent (in the same manner as delinquent ad valorem property taxes), then the surcharge shall constitute a lien on the premises on which the households are located, and the delinquent surcharge shall be certified annually to the proper tax assessing officer in the Local Unit who shall enter the lien on the next tax roll against the premises on which the households are located." She said she understand to mean that any surcharge that was billed in December 2007 and not paid should be certified to the Assessor for that Local Unit and that Assessor would enter the lien on the NEXT tax roll. However, this was not how the delinquent surcharges were handled. Any surcharges not paid with the current 2007 tax bill were returned delinquent with the 2007 taxes. The section goes on to say: "The surcharge shall then be collected and the lien shall be enforced in the same manner as provided for the collection of taxes assessed upon the roll and the enforcement of the lien for the taxes. Provided, however, no late fees or penalties shall be applied to any delinquent surcharge." MCL211.59 states: " For taxes levied on real property before January 1, 1999 and for taxes levied on personal property, the amount paid under this subsection shall include interest computed from the March 1 after the taxes were assessed at the rate of 1% per month or fraction of a month, except as provided in section 89, and 4% of the delinquent taxes as a county property tax administration fee that shall be a minimum of \$1.00 per payment of delinquent taxes, except as provided in section 89." The BS&A program used to collect delinquent taxes does not allow charging interest and fees on just certain parts of the delinquent bill. She said she does not believe an Interlocal Agreement can over-ride State Statue, and has been informed by Bond Counsel that if the surcharge is not treated in the same manner as delinquent ad valorem taxes then the delinquent surcharges cannot be included in the borrowing and settlement process. If the agreement is not changed, the delinquent recycling surcharges will have to be removed from the delinquent tax process and returned to the Local units for collection. The County might have to fund the recycling program as it waits for the collections to come in from the local units.

Motion by Commissioner Redmond, seconded by Commissioner Bolinger, to approve the First Amendment to the Interlocal Agreements regarding the recycling surcharge, making it retroactive to the date of the original agreements and forward the amendments to the local units for approval, along with a letter of explanation. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

County Treasurer Linda Cronan presented the annual foreclosure report (copy on file) as required by statute, and reported there is \$451,834.13 in the foreclosure fund that can be transferred to the general fund upon direction from this Board. She briefly outlined the history of the tax sale and foreclosure process. She noted that last year the BS&A Delinquent Tax Program, which has a lot more options for tracking the foreclosure process, but requires more data entry, was purchased. She said when the County first opted into the foreclosure process a part time position funded from the foreclosure fund was created to handle the extra workload. The foreclosure fund has not only been able to fund this position but also purchased needed equipment and updates to implement the foreclosure process. The additional recording of the forfeitures and data entry input now necessitates the part time position become a full time position, which would continue to be funded from the foreclosure fund.

Motion by Commissioner Redmond, seconded by Commissioner Bolinger, to authorize the County Treasurer to transfer \$451,834.13 currently in the Foreclosure Fund into the General Fund. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Redmond, seconded by Commissioner Mushlock, to authorize the County Treasurer to proceed with the posting of a full time Clerk II to replace the current part time position with funding to come from the foreclosure fund, and to encourage coordination with Human Resources . Motion carried with 7 yes, 0 no and 0 absent.

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Harbormaster Curtis Chambers presented a contract addendum between Cheboygan County Marina and the Michigan Department of Natural Resources. He said this contract enables the County Marina to access the DNR Reservation System and to receive payments for doing so. The reservation system is a great asset to our transient dockage. Mr. Chambers said last year transient dockage brought in over \$40,000; and that the document has been reviewed by Civil Counsel.

Motion by Commissioner Redmond, seconded by Commissioner Bolinger, to approve the Contract Addendum between the County of Cheboygan Marina and the Michigan Department of Natural Resources and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

CITIZENS COMMENTS – None

BOARD MEMBER COMMENTS - Commissioner Redmond questioned where the clerk received a letter from Benton Township regarding Register of Deeds document images on-line. Clerk Tryban said she did receive the letter, but has not put together a fee proposal for this board.

Motion by Commissioner Makima, seconded by Commissioner Redmond, to adjourn. Meeting adjourned at 12:45 p.m.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Linda Socha
Chairperson