

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
June 12, 2007**

The meeting 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.

Administrator Mike Overton said that item 10B under New Business would be removed from the agenda and placed on the May 22, 2007 agenda.

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

Motion by Commissioner Redmond, seconded by Commissioner Mushlock, to approve the Consent Agenda as presented, consisting of the following items:

- A. Minutes of May 8, 2007 Finance/Business Meeting and May 22, 2007 Committee of the Whole Meeting
- B. Approve Monthly Finance Claims - Finance = \$119,559.85; Prepays = \$771,701.66
- C. Budget Adjustments: Raise Revenues & Expenditures for \$88.71 Fund 101 Victim's Rights Department and Raise Revenues & Expenditures for \$2,887.01 Fund 215 Friend of the Court
- D. Investment Report
- E. Communications:
 - 1. Hillsdale County Resolution of Opposition to House Bill 4398
 - 2. Saginaw County Resolution Supporting Senate Bills 410 and 411
 - 3. North Country Community Mental Health Board minutes of April 19, 2007
 - 4. Cheboygan County Fair Board minutes of April 2, 2007 and May 7, 2007
 - 5. Cheboygan County Road Commission minutes of April 27, 2007, May 7, 2007 and May 22, 2007
 - 6. Cheboygan City Council minutes of April 24, 2007 and May 8, 2007
 - 7. Planning Commission minutes of April 4, 2007, April 18, 2007 and May 16, 2007
 - 8. ZBA minutes of April 25, 2007

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

CITIZENS COMMENTS – Waverly Township Supervisor Tony Matelski advised that he received notification of a tax appeal by the UAW again this year. He said that two years ago the UAW appealed and was awarded a large reduction. Mr. Matelski said Waverly Township cannot afford to fight the appeal and said it is time the UAW starts paying their fair share here. Commissioner Page said he would arrange a meeting of county/township representatives and UAW officials.

Grant Township Resident Glenn Kinkle stated that consideration should be given to poor residents who may not be able to afford paying the recycling fee. Civil Counsel Bryan Graham advised that under state law, a poverty exemption can be granted to the indigent on property taxes, which also could include the recycling fee. Mr. Kinkle also asked about those who cannot drive and if bids were taken for the containers. Administrator Overton answered that transportation of recyclables would not be provided; and at this stage bids have not yet been sought. Mr. Kinkle said he was not opposed to recycling, but would like to see how this works in rural areas; and stated some of the research done on recycling in 2002 was flawed. Mr. Overton asked what Mr. Kinkle's meaning of works was. Mr. Kinkle said that it would be more than just creating another branch of government to fund.

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Chairperson Socha said this was a time for public comment, not a question and answer period. Administrator Overton said that each township would receive an interlocal agreement to approve at which time the townships could get input from the residents.

Topinabee resident, and Chair of the Citizens Against New Taxes, Dennis Lennox II stressed opposition to the board of commissioners', and in particular its Chief Financial Officer, Commissioner Mushlock's action on increasing taxes. He said several townships seem to be leaning towards not participating in the countywide recycling; and the board should wait for a vote of the people. Mr. Lennox said his group, Citizens Against New Taxes, has members from several different townships and a website, www.recallalice.com. Chairperson Socha informed Mr. Lennox there could be no personal attacks on an individual at this meeting. Mr. Lennox asked that a referendum or a millage vote be put before the citizens.

FINANCE DIRECTOR'S REPORT – Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ended April 30, 2007. She reported as of April 30, 2007 total revenue was 3.2 million versus 3.7 million last year at that time; expenditures were 3.09 million compared to 2.9 million last year. She noted the increase in autopsy costs.

COMMITTEE REPORTS

Commissioner Page attended the Aloha and Koehler Township meetings and reported that Aloha Township tabled action on recycling until the information from the county administrator is received and Koehler Township plans to opt out since they have a recycling facility at their transfer station.

Commissioner Redmond said the Board Appointments & Procedures Committee have reviewed the administrator's evaluation reports completed by each commissioner and forwarded them to the county clerk to compile for the Committee of the Whole meeting in May.

Commissioner Mushlock reported attending the Fair Board meeting and the Inverness and Mullett Township meetings. She said the Fair runs from August 5th through the 11th this year; and she is coordinating the raffle for the fair and the Cheboygan Junior Chiefs.

Commissioner Bolinger said that several years ago Michigan Northern Counties tried to coordinate medical examiner costs between the various counties, however, that did not work out. He also commented that recycling must be instituted in this county; and reported a movement to do away with township government and stressed township government must be preserved. He reported attending a Judiciary Committee meeting in Lansing where health care in jails and an Michigan State Police proposal which would include adding a phone surcharge for state police were discussed.

Commissioner Socha attended a local up date of census addresses, which was a preliminary workshop, along with Administrator Overton and Equalization Director Lavender. She also advised that Hebron and Burt Township board members are totally onboard with the recycling plan as presented.

OLD BUSINESS - None

NEW BUSINESS

Administrator Overton said the Waterways Commission in recognition that the marine industry has changed significantly since the marina was first constructed is recommending that a study be conducted evaluating the County Marina's electrical service. The County has received a grant to pay up to \$16,110 or 50% of the estimated \$32,220 cost of the study. However, the DNR has recently informed us that they are unable to pay in advance and therefore will pay strictly on a reimbursement basis. The Waterways Commission does have the necessary funds available for such an arrangement, and recommends that the UDA Agreement be approved. This agreement has been reviewed and approved by Civil Counsel. Commissioner Page asked if this limits the financial responsibility of the county to \$16,110. Administrator Overton said there are provisions in the

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agreement that if the study exceeds the \$32,220 it would have to be presented to the Board of Commissioners again.

Motion by Commissioner Redmond, seconded by Commissioner Makima, to approve the United Design Associates, Inc. Professional Services Agreement for the marina study and authorize the board chair to sign the agreement. Motion carried with 7 yes, 0 no and 0 absent.

Fair Manager Dan O'Henley presented three contracts for the fair which he briefly explained. All three are normal contracts.

Motion by Commissioner Makima, seconded by Commissioner Bolinger, to approve the contract with North Central Security LTD for security guards for August 4th through 11th and authorize the board chair to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Redmond, seconded by Commissioner Makima, to approve the 2007 rental contract with EUP Antique Equipment Association for August 8, 2007 at 6:00 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.

Motion by Commissioner Redmond, seconded by Commissioner Bolinger, to approve the Lease Agreement with Charles R. LaHaie for a one-year term beginning on June 24, 2007 through June 23, 2008 and authorize the board chair to sign. Motion carried with 7 yes, 0 no and 0 absent.

Straits Regional Ride Director Chris Carr advised that this would be his last meeting as he has resigned to return to Green Bay. Administrator Overton and Chair Socha said he would be missed. Administrator Overton introduced Mike Couture who will be taking Mr. Carr's position. Mr. Carr presented an agreement between the Cheboygan-Otsego-Presque Isle School Districts and Straits Regional Ride to transport clients to and from summer school three days a week during the summer months. He said this agreement has been active year to year since 2002. The contents and verbiage have continued to be the same but the rate for services has changed every year. The COP has agreed to a 4% increase for this year due to the rising cost of fuel, labor and benefits, which will equate to \$12,722.21. He pointed out several corrections to be made to the agreement included in the packets. Those corrections were: Section II, Item 1 Indian River changed to Rogers City; Item 3 "provided clients" should read "provided to clients"; Item 7 "school districts" should read "Cheboygan-Otsego-Presque Isle School's operating".

Motion by Commissioner Bolinger, seconded by Commissioner Redmond, to approve the transportation agreement, with the changes as stated, with the COP-ESD for 2007 Summer School Program. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented the audited financial statements for Straits Regional Ride as of December 31, 2006, as prepared by Anderson, Tackman & Company, LLC. As a brief overview of the financial statements, net assets decreased by approximately \$169,000 for the year ending December 31, 2006. Operating revenues totaled approximately \$503,000 while operating expenses were \$736,000. Local operating grants, transferred from the General Fund, were approximately \$29,000. A prior period adjustment was recorded of approximately \$35,000 for amounts due from the state and federal government at December 31, 2005 which were not recorded. The decrease in net assets of \$169,000 includes \$127,000 of depreciation. Depreciation is not significant to the SRR operations as all capital purchases were made with state contributed funds and therefore, SRR does not require local county contributions to cover this loss. The remaining net loss of \$42,000 was covered by Cheboygan County's contribution of \$36,000 (\$29,000 in cash and a \$7,000 reduction of advance carried over from 2005) and \$6,000 by contributions from Emmet, Otsego and Presque Isle Counties (\$7,000 in cash and a \$1,000 increase of advance). Ms. Kortz said there were no comments or recommendations made this year, and all of the comments and recommendations made last year have been addressed and corrected. Administrator Overton said SRR is moving in the right direction, however, public transportation generally does not make money, but it is a worthy, worthwhile expenditure. Chairperson Socha told Mr. Carr that he has done a great job.

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Motion by Commissioner Redmond, seconded by Commissioner Makima, to approve the December 31, 2006 audited financial statements for Straits Regional Ride. Motion carried with 7 yes, 0 no and 0 absent.

Administrator Overton advised that Patrick and Kwiatkowski, PLLC has informed the Probate Judge that their firm no longer are able to provide services under the 2007 Attorney Contract for Delinquency and Child Protection Proceedings; and Judge Butts has requested that Daniel Martin be substituted for Patrick and Kwiatkowski, PLLC effective May 31, 2007.

Motion by Commissioner Wallace, seconded by Commissioner Page, to accept the recommendation from Judge Butts to amend the 2007 Attorney Contract for Delinquency and Child Protection Proceedings and substitute Dan Martin for Patrick and Kwiatkowski, PLLC as participating contract attorney and all other respects, terms and conditions of the contract shall remain the same in full force and effect. Motion carried with 7 yes, 0 no and 0 absent.

County Treasurer Linda Cronan presented the list of properties that were foreclosed upon as of April 2, 2007 and explained the process. She said before selling these properties at a public auction, she first must offer them to the DNR who has the right to purchase any and all properties at fair market value, then properties remaining must be offered to the local municipality who has the right to purchase by paying minimum bid set by the county treasurer. Any properties not purchased by the DNR or local municipality must then be offered to the County who has the right to purchase by paying minimum bid. Any property purchased by the local municipality or County must be used for public purposes. She requested approval for the Board Chair to sign the waiver of First Right of Refusal in accordance with Act 123 of 1999. Discussion held regarding a 30 acre parcel in Benton Township on the Alpena State Road. Commissioner Redmond asked for more information on this parcel. Treasurer Cronan she would gather the requested information and bring this back to the board no later than the first meeting in July.

CITIZENS COMMENTS – None

BOARD MEMBERS COMMENTS – None

Motion by Commissioner Makima, seconded by Commissioner Redmond, to adjourn. Meeting adjourned at 10:40 a.m.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Linda Socha
Chairperson