

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS  
FINANCE/BUSINESS MEETING  
July 14, 2009**

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, Page, Mushlock, Wallace and Bolinger

**ABSENT:** None

Chairperson Socha welcomed Commissioner Mushlock back.

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

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

**Motion** by Commissioner Mushlock, seconded by Commissioner Makima, to approve the consent agenda as follows:

- A. Approve Monthly Finance Claims: Finance = \$27,773.25 Prepaids = \$965,229.67
- B. Budget Adjustments: Transfer \$9,417 from 101-700-955.01 Carried Forward Fund Equity to 101-267-934.00 Building Repairs & Maintenance; Transfer (Payroll Related) \$6,728 from 101-700-955.01 Carried Forward Fund Equity to 101-301-712.00 Fringe, Transfer \$900 from 101-331-720.00 Seasonal to 101-331-704.05 Overtime; Raise Revenue & Expenditures for Fund 101 General Fund with a total budget increase of \$ 272,633; Raise Revenue & Expenditures for Fund 286 Revenue Sharing Reserve Fund with a total budget increase of \$ 272,358; and Raise Revenue & Expenditures for Fund 266 D.A.R.E. Fund with a total budget increase of \$8,430, Total 2009 budget increase of \$553,421.
- C. Region 9 Area Agency on Aging 2010 Annual Implementation Plan and Proposed 2010-2012 Multi-Year Plan
- D. Correspondence:
  1. Antrim County Resolution in Opposition to SJR-H Regarding Taxable Value
  2. Bay County Resolution Regarding Health Care Reform
  3. Charlevoix County Resolution Regarding Financial Commitment on Counties Resulting From State's Agreement with Children's Right
  4. Hillsdale County Resolutions 1) In Support of Restoration of Full State Revenue Sharing for Counties, 2) Regarding Financial Commitment on Counties Resulting From State's Agreement with Children's Right, and 3) Public Health Funding Crisis
  5. Ingham County Resolution in Support of HB 4785 & 4786 – Expansion of Unemployment Benefits & Acceptance of \$138 Million in Federal Stimulus Funds
  6. Lake County Resolutions 1) In Opposition to SJR-H Regarding Taxable Value and 2) In Support of House Bill 4893
  7. Menominee County Resolutions 1) Supporting Local Operations of UP State Fair; 2) Headstart Month; 3) Supporting Michigan Energy Fair; 4) Supporting Camp Manistique Being Reused as Jail Facility; and 5) Proclaiming July 12-18, 2009 as Road Rage Awareness Week
  8. Oscoda County Resolutions 1) Supporting Third Option to Fill Vacant Road Commission Seats; 2) Supporting Adequate State Funding to Hold Counties Harmless From DHS Lawsuit Settlement Agreement; 3) Opposing SJR-H Regarding Taxable Value; and 4) Proclaiming July 12-18, 2009 as Road Rage Awareness Week
  9. Oscoda County ORV Ordinance

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10. NEMCOG Project Reviews
    - a) Dated 6/9/09 – Notice of Intent by City of Cheboygan to Apply for Federal Assistance from USDA
    - b) Dated 6/17/09 – Notice of intent by Third Level Crisis Intervention Center, Inc. to Apply for Federal Assistance from DHS
    - c) Dated 6/22/09 – Notice of Intent by Northern Michigan Substance Abuse Services to Apply for Federal Assistance from HHS
  11. Letter from Representative Kevin Elsenheimer Regarding Cheboygan County Resolution 09-17 in Support of Wolverine Power Cooperative's Energy Projects
- E. Minutes:
1. Finance/Business Meeting of June 9, 2009; Committee of the Whole Meeting of June 23, 2009; and Reconvened Meeting of June 25, 2009
  2. North Country Community Mental Health Board – May 21, 2009
  3. C.C.E. 9-1-1 Monthly Financial Reports for June 2009; Director's Report of January 15, 2009; Board of Directors Meeting of March 1, 2009
  4. Cheboygan County Fair Board – June 1, 2009
  5. Cheboygan County Housing Commission – January 14, 2009
  6. Cheboygan County Road Commission – June 16, 2009
  7. Cheboygan City Council – May 19, 2009 & May 26, 2009
  8. Planning Commission – June 3, 2009 & June 17, 2009
  9. ZBA Meeting – May 27, 2009

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 May 31 2009. She reported total year-to-date revenue of \$1,660,275.03 versus \$2,217,424.52 last year at that time. Ms. Kortz reported expenditures year-to-date were \$3,977,434.50, or 35.06% of budget, compared to \$4,217,075.59 last year as of the end of May.

### COMMITTEE REPORTS

Commissioner Redmond reported on the Board Appointments & Procedures Committee and presented two recommendations from the committee.

**Motion** by Commissioner Redmond, seconded by Commissioner Mushlock, to accept the recommendation from the Board Appointments & Procedures Committee and reappoint Robert Boyd to the North Country Community Mental Health Board for a three-year term commencing April 1, 2009 through March 31, 2012. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Redmond advised that the Waterways Commission and the Board Appointments & Procedures Committee have discussed changing the current Waterways Ordinance to reflect that the Harbormaster be under the charge of the County Administrator, not the Waterways Commission. Discussion held, Legal Counsel to review the matter.

**Motion** by Commissioner Redmond, seconded by Commissioner Page, to accept the recommendation from the Board Appointments & Procedures Committee to allow the County Administrator to pursue changes to the Waterways Ordinance No. 1 of 2005 and report back to the full board with the findings from legal counsel at the next Committee of the Whole Meeting. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Redmond reported attending the Benton Township Board meeting.

Commissioner Bolinger reported attending the Forest Township Board meeting.

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Commissioner Mushlock said she was glad to be back, and hopes to get more on schedule over the next couple of months.

Commissioner Page reported attending the Koehler and Aloha Township Board meetings. He said Koehler Township asked if the Board of Commissioners would consider removing the Drain Commissioner from office. He told them that it was an elected position, could not be done. He also advised that Aloha Township is very interested in Broadband and high speed internet and hopes the county does something if the coop doesn't move soon. He saw the new fire truck at the Aloha fire hall; and noted Devereux Lake levels are going down drastically. He said under the Inland Lakes Act, if 2/3 of the property owners around the lake agreed, a special assessment could be placed on the tax roll to pump water into the lake, however, it's a very involved matter. Civil counsel said he is somewhat familiar with the process, as he was involved with a similar matter as prosecutor in Antrim County.

Commissioner Makima attended the City of Cheboygan Council meeting and the Board Appointments & Procedures Committee meeting.

Commissioner Wallace attended the NMSAS meeting. He advised of a movement to consolidate funding disbursing units such as NMSAS under a State department. The NMSAS Board is in opposition to that. He said he continues to attend meetings of the Indian River investment group and note the group appreciates input received from Steve Schnell.

Commissioner Socha attended the Beaugrand and Mackinaw Township Board meetings and noted those Mackinaw Townships has the same concerns regarding broadband internet. She encouraged everyone to read the report from M.A.C. on illegal unfunded mandates put on the counties by the state. She requested the administrator to provide copies of the report for all commissioners. More discussion held on broadband internet. The Northern Michigan Broadband Cooperative is awaiting word from the state on federal stimulus money, but the group is ready to go.

### **OLD BUSINESS - None**

### **NEW BUSINESS**

Fair Manager Dan O'Henley presented contracts with EUP Antique Equipment Association and the Michigan Horsepulling Association for this years' county fair.

**Motion** by Commissioner Wallace, seconded by Commissioner Mushlock, to approve the contract between the Eastern Upper Peninsula Antique Equipment Association and the Cheboygan County Fair Board, authorize the Chair to sign on behalf of the Board of Commissioners for an event to be held August 9, 2009, noting attached insurance documentation. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Mushlock, seconded by Commissioner Bolinger, to approve the contract between the Michigan Horsepulling Association and the Cheboygan County Fair Board and to authorize the Chairperson of the Board of Commissioners to sign the contract for an event to be held August 11, 2009, pending receipt of liability insurance. Motion carried with 7 yes, 0 no and 0 absent.

Discussion held on routine, annually approved fair items being placed on the consent agenda providing they were approved by the board, reviewed by civil counsel and have not changed.

**Motion** by Commissioner Makima, seconded by Commissioner Wallace, to authorize the routine, year-to-year contracts for events at the fair be placed on the consent agenda if they have been reviewed by civil counsel and approved by the board in the past. Motion carried with 7 yes, 0 no and 0 absent.

Housing Director Shar Grawey presented a Mortgage Forgiveness Policy for board approval. She said the policy was drafted to address the current housing trends. She explained the basics of the policy, that if Cheboygan County is in first lien position, no mortgage forgiveness would be allowed. If the County is not in first lien position and a short sale is possible to prevent foreclosure of the first mortgage, Cheboygan County may accept a lesser amount than the amount currently due to the County when the Housing Commission and Board of Commissioners find that such lesser amount is in the county's best financial

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interest. It is Cheboygan County's intent to recapture the maximum amount of funding possible to further the county-wide housing rehabilitation program. Each request would be analyzed on an individual basis. She stated any mortgage forgiveness would decrease the amount of recaptured funds that would be available to finance future projects in the county, however, receiving the reduced amount would be better than receiving no payment at all.

**Motion** by Commissioner Wallace, seconded by Commissioner Bolinger, to adopt the Cheboygan County Housing Rehabilitation Program Mortgage Forgiveness Policy. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Ms. Grawey presented a request to approve project H-2005-225 under the Mortgage Forgiveness Policy. She said the Cheboygan County Housing Commission has agreed to allow the short sale on this property and recapture 10% or S\$1,800, or as much funding as possible on this project; and the Michigan State Housing Development Authority has given their approval to forgive this mortgage as well. The financial impact would be a reduction of program income in the amount of \$16,616.40.

**Motion** by Commissioner Redmond, seconded by Commissioner Makima, to approve the Cheboygan County Housing Commission recommendation and forgive a portion of the mortgage for project H-2005-225 allowing the short sale of this property. Motion carried with 7 yes, 0 no and 0 absent.

Community Development Director Steve Schnell presented a proposed new County Planning Commission Ordinance which complies with the new Planning Enabling Act that became effective in September of 2008. This new act combined three separate acts, the municipal planning act, the township planning act, and the county planning act into one planning act for all municipal corporations in Michigan. The last Cheboygan County Planning Commission ordinance was adopted in 2007 to accommodate the 2006 changes to the zoning enabling act. This new ordinance includes new sections that discuss conflicts of interest and the right of the Board of Commissioners to employ personnel to assist the Planning Commission. The new ordinance also includes some small changes to the way members are appointed. The Planning Commission can now include one member who is not a qualified elector in the county. There is also no longer a requirement that there be a school board member on the Planning Commission, as the new act states that every reasonable effort must be made to include a school board member. Also, there is no longer a reference to an *ex-officio* member from the County Board of Commissioners. Under the new planning enabling act *ex-officio* members are given full voting rights and this was not believed to be the intent of having a board member attend planning commission meetings. The Planning Commission suggested deleting some of the detailed language regarding conflicts of interest. The ordinance copy presented for review does not include the deletion, as legal counsel advised to use the original language without the deletion suggested by the Planning Commission. Mr. Schnell said once the Ordinance becomes effective the Planning Commission will review and adopt new bylaws for Commission.

**Motion** by Commissioner Page, seconded by Commissioner Wallace, to adopt Cheboygan County Ordinance No. 2 of 2009, an Ordinance to Create a County Planning Commission Pursuant to Act 33 of the Public Acts of 2008, as Amended, to Provide for Its Organization, and to Define Its Powers and Duties, to become effective 63 days after being published in a newspaper of general circulation within the county. Discussion, Commissioner Page said strengthening the conflict of interest language sends a good message to the public. Civil Counsel Bryan Graham said a mere vote of a board does not eliminate a conflict and that is why he said in "good faith" as that is the key. A roll vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz said last November the Board approved an application for the Michigan Department of Natural Resources Parks and Recreation Waterways Grant Program. This grant award covers approximately 50% of the emergency electrical repairs needed at the County Marina. The total cost of the electrical upgrades, based on a preliminary study by United Design Associates was \$214,647. The local match of \$107,323.50, plus the DNR project fee of S\$3,219.70, will be taken from the Marina restricted fund/cash balance. The project costs and anticipated grant revenues were included in the 2009 Marina budget and therefore no budget adjustments are required. The County will incur costs of \$214,647.00 with \$104,630.80 to be reimbursed from the State of Michigan DNR.

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**Motion** by Commissioner Redmond, seconded by Commissioner Page, to approve the Waterways Grant Agreement for Harbors and Docks – Mooring Construction between Cheboygan County and the Michigan Department of Natural Resources for electrical repairs at the County Marina and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

**Motion** by Commissioner Redmond, seconded by Commissioner Mushlock, to adopt the following resolution as required by the Michigan Department of Natural Resources:

### Resolution 09-20

**“RESOLVED**, that the County of Cheboygan, Michigan, accepts the terms of the Agreement as received from the Michigan Department of Natural Resources and that the County agrees, but not by way of limitation, as follows:

1. To appropriate the sum of One Hundred Seven Thousand Three Hundred Twenty-three dollars and Fifty cents (\$107,323.50) to match the One Hundred Seven Thousand Three Hundred Twenty-three dollars and Fifty cents (\$107,323.50) State grant authorized by the Department.

2. To maintain satisfactory financial accounts, documents, and records, and to make them available to the Department for auditing at reasonable times.

3. To construct the facilities and provide the funds, services, and materials as may be necessary to satisfy the terms of the Agreement.

4. To ensure that all premises, buildings, and equipment related procedures comply with all applicable State and federal regulations.

5. To establish and appoint the Harbormaster to regulate the use of the facilities constructed under this Agreement to assure the use thereof by the public on equal and reasonable terms.

6. To enforce all State statutes and local ordinances pertaining to marine safety and to enforce statutes of the State of Michigan within the confines of the County pertaining to the licensing of watercraft. Watercraft not fully complying with the laws of the State of Michigan relative to licensing shall not be permitted to use the facility until full compliance with those laws has been made.

7. To comply with all terms of the Agreement, including all terms not specifically set forth in the foregoing portions of this Resolution.”

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

Administrator Overton presented a sublease with the District Health Department for office space in the Doris Reid Center for MSUE. He said this sublease is the same as the last one other than it includes an addition 1339 square feet. This is a three year sublease and should be the last sublease necessary given that the County is scheduled to assume ownership of the building on April 1, 2012. The sublease calls for monthly rental payments of \$1,777.23 effective August 1, 2009 with an annual 1.5% increase through March 31, 2012.

**Motion** by Commissioner Makima, seconded by Commissioner Bolinger, to authorize the sublease between District Health Department No. 4 and the County of Cheboygan for a period of three years effective August 1, 2009, approve the necessary budget adjustments, and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

IS Manager Matt Hellens said the Northern Michigan Broadband Cooperative is seeking applications for formal initial membership. The membership cost is \$500 and would provide Cheboygan County not only a seat at the table, but a voice/vote in determining the direction and objectives of the Cooperative.

**Motion** by Commissioner Page, seconded by Commissioner Mushlock, to authorize membership in the Northern Michigan Broadband Cooperative; authorize payment of the \$500 membership fee; and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented the 2010 Budget Process Timeline as prescribed in the County's Budget Adoption and Amendment Policy. She said the process, similar to last year, with final budget adoption at the last finance/business meeting of the 2009 fiscal year. She noted the following changes that were incorporated: changed the start date from August to July to allow for two additional weeks for

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department heads to provide revenue and expenditure data and an optional second review date for the Board of Commissioners. Administrator Overton said he has scheduled the Board's Planning Session for September 9<sup>th</sup> and 10<sup>th</sup> at Audie's in Mackinaw City. Discussion held. Administrator Overton said he needs direction as to the board's expectations for the Planning Session. Chairperson Socha said with the Board's vision and mission statements and goals already set, this year's Planning Session would be to develop road maps for items such as a capital improvement plan, infrastructure, and speculating the county's future.

**Motion** by Commissioner Redmond, seconded by Commission Makima, to approve the 2010 Budget Timeline as presented. Motion carried with 7 yes, 0 no and 0 absent.

Ms. Kortz suggested entities were to come back before the Board should be scheduled for upcoming Committee of the Whole Meetings. Chairperson Socha said the meeting with elected officials should be held prior to the September Planning Session on the 9<sup>th</sup> and 10<sup>th</sup>. She requested Kathy Morrow to try to schedule that.

**CITIZENS COMMENTS** – None

**BOARD MEMBER COMMENTS**

Commissioner Page commented on July 13, 2009 memorandum from Civil Counsel regarding the legal authority for a county elected official to hire an attorney. He said he agrees an elected official does not have authority to engage the services of an outside attorney, but does not agree that the bill should be paid by the county. The matter arose from a \$400 bill incurred by the County Drain Commission for a legal opinion from an outside law firm without authorization from the Board of Commissioners. Administrator Overton said if this bill is paid the balance left in the budget that the drain commissioner has discretion over would be \$42.43. Lengthy discussion was held. Civil Counsel Bryan Graham recommended paying the bill, as it would not be fair to the attorney, who actually rendered the services, not to receive compensation, even though an elected official does not have the legal authority to engage the services of an attorney concerning that official's duties.

**Motion** by Commissioner Wallace, seconded by Commissioner Page, to deny the payment to Hubbard Law Firm for services requested by the Drain Commissioner, since the services were unauthorized. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Makima drew attention to all of the newly paved streets around Cheboygan.

Commissioner Mushlock commented on the roads in this county being in much better condition than in many of downstate counties.

**Motion** by Commissioner Makima, seconded by Commissioner Mushlock, to adjourn to the call of the Chair. Meeting adjourned at 11:30 a.m.

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Mary Ellen Tryban  
Cheboygan County Clerk/Register

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Linda Socha  
Chairperson