

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS**  
**Committee of the Whole Meeting**  
**August 25, 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. Civil Counsel was not present.

**PRESENT:** Commissioners Socha, Makima, Redmond, Page, Mushlock, Wallace and Bolinger

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

Administrator Overton asked for the removal of item 9A Fair Grounds Usage and Fees.

**Motion** by Commissioner Mushlock, seconded by Commissioner Redmond to approve the agenda with the removal of 9A. Motion carried with 7 yes, 0 no and 0 absent.

**CITIZENS COMMENTS**

County Extension Director Ben Bartlett stated that he is resigning from his position. He has accepted a position as general manager of Dietzler Farms, Inc. based in Elkhorn, Wisconsin. Mr. Bartlett stated that he received an email from his Regional Director and MSU Extension is currently discussing restructuring. His position will not be posted to be refilled quickly, but there will be an Interim Director appointed. Commissioner Socha thanked him and wished him and his family the best.

**SCHEDULED VISITOR/DEPARTMENT REPORTS**

Fair Board President Buddy Ormsbee gave a 2009 Fair Report. He thanked the County Board of Commissioners for the help that they have given to the Fair Board and he stated that the Fair had a very good year. Mr. Ormsbee broke down the report into three separate areas to give a scenario: 1) The gate; 2) the carnival; 3) and the grandstands, which is compared to the previous year. As they go through the week, this helps them to see where they are before all of the expenses are received. He stated that the gate was down \$600, the carnival \$1800, which was about 7%, and the grandstands \$100. These numbers were fairly close to last years. What matters now is how the expenses come in. In 2007, the numbers for these three areas were over \$89,000 and this year, totaled approximately \$73,200, which is a considerable drop of income for the fair in the past two years. Restructuring and cuts were made and as long as the expenses come in where he thinks they will, they should be all right. Mr. Ormsbee would, specifically, like to thank the sponsors who came through this year with \$12,400. Also he would like to recognize all of the volunteers and the Fair Board. He stated that some families take their vacations during fair week, so that they can help out. If the fair hadn't gotten rained out on Friday night for approximately 2 ½ hours and with the flooding on Saturday, the numbers could have been higher. The Cheboygan County Fair would not have happened without all of the people involved. Commissioner Socha thanked Buddy, all the Fair Board members, and all of the volunteers.

**OLD BUSINESS** - None

**NEW BUSINESS**

Finance Director Kari Kortz stated that as of August 18, 2009, the Cheboygan County DHS has spent 99.55% of their allotted childcare budget of \$395,000. DHS Director Ken DesArmo provided a letter to explain why the childcare costs have increased so significantly during 2009

outlining numerous changes made in law and policy by the federal and state government under the Title IV-E program; State mandate – referrals to private agencies; an increase in private agency rates; and increased institutional placements. The Cheboygan County DHS has requested an additional appropriation of \$134,000 to cover the costs expected to be incurred during the remainder of 2009. Of this \$134,000, \$67,000 will be reimbursed through the State of Michigan. She stated as a reminder, childcare is a mandated service that must be funded by the County. Commissioner Page expressed his concerns that some of this year's higher costs should have been anticipated from last year. He asked that DHS Director Ken DesArmo attend a future meeting to explain and answer any questions. Lengthy discussion held.

**Motion** by Commissioner Mushlock seconded by Commissioner Bolinger to approve the inter-department budget transfer from 101-700-955.01 Carried Forward Fund Equity to 101-902-964.00 Child Care/DHS in the amount of \$67,000 and make budget adjustments to raise revenues and expenditures for \$134,000.

Roll call vote taken. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz presented the Grant Application for 2010 Secondary Road Patrol and Traffic Accident Prevention Program. This grant offers the cost of wages and fringe benefits related to two road patrol sergeants. Also this grant is applied for each fiscal year and is included in the General Fund budget. The amount received for the period October 1, 2009 through September 30, 2009 was reduced from \$68,686 to \$60,444 or 37.96% of the total cost. The amount requested for the upcoming grant period is \$63,619 or 42.98% of the total cost. The allowable allocation is determined by the State of Michigan Office of Highway Safety Planning. This application was not made available to the Sheriff's Department until August 19, 2009 and is due back to the State of Michigan by September 1, 2009 to secure funding.

**Motion** by Commissioner Bolinger, seconded by Commissioner Wallace to approve the application for fiscal year 2010 Secondary Road Patrol and Traffic Accident Prevention program and authorize the chairperson to sign, and also to authorize in the future, that this Secondary Road Patrol and Traffic Accident Prevention grant application be placed on the consent agenda. Motion carried with 7 yes, 0 no and 0 absent.

## **BOARD MATTERS FOR DISCUSSION**

Community Development Director Steven Schnell stated that in addition to the current state of our economy, they have experienced long term challenges with the Building Safety department's budget. He presented a report on the cash deficit within the department of Building Safety that needed attention. The chart showed the history of their cash balance by month and year. As of July 2009, the cash fund balance of the department stood at \$1,619. He stated normally they see an increase in the balance in the spring, but they haven't experienced the spring rebound that they normally do and this has put them in a deficit situation. When they researched possible solutions they realized that they had not consistently accounted for the revenue. A power point presentation was given showing the activities of these portions of the building permit fees collected between 1998 and 2002 being rolled into the general fund balance at the end of the year and should have been designated for the Building Safety department's activities in future periods. A power point presentation was given showing these activities. Mr. Schnell asked the Board of Commissioners to consider, at a future meeting, to transfer the total funds amounting to \$201,223. This would help with the immediate deficit, but there would be long term budget issues. He requested the Board to consider the following possible solutions: 1) Staff reductions – reduce staff either permanently or seasonally; 2) Close the department – allow the state to conduct building safety inspections and code enforcement; and 3) Place value on public benefit of Building Safety activities - provide general fund support. He stated that back in January 2009 a revised and increased fee structure was adopted. With each permit, money is collected in one year and a lot of that activity continues on into future years. This fee structure was based on generating revenue from commercial construction, which has taken a hit with the tough economy.

There were only three (3) commercial activities that have taken place in 2009 compared to fourteen (14) in 2008. Residential fees were increased at a minimum. The State of Michigan recently adopted new Construction Code rules and a new Energy Code. These new codes are more involved and require significantly more work with each permit. Each permit takes more time to review and more inspections to complete. In short, there is enough work to keep them busy at 40 hours per week all year long. A seasonal staff reduction or permanent reductions in the work week are options for reducing costs. With this option, they run the risk of slower response time for inspections. As discussed in November of last year, closing the department would mean the State of Michigan Bureau of Construction Codes would assume responsibility of code enforcement in the County. The State of Michigan has reduced the number of their inspectors due to budget cuts. In addition, there would be a long travel time for their inspectors to the job sites in Cheboygan County. This would drastically slow down the response time and create large delays for their customers. Mr. Schnell stated that he would like to place a value on the public benefit of Building Safety. The Department of Building Safety conducts inspections for other entities in the county which are not fee-based inspections. Inspections for the Department of Human Services are conducted to ensure proper housing for children and families. Also inspections are provided in response to complaints and are done to promote economic development. The whole department provides building safety information to the general public as requested whether or not they apply for a construction permit. This work benefits the general public by ensuring they pull the proper permits and provide safe buildings. He stated that he would like the Board of Commissioners to consider these options which may resolve these matters and improve the long-term financial stability of the Building Safety department without burdening the permit applicant with inappropriate fees.

Building Official Kevan Flory commented on the Statewide Construction Code Act Public Act 245 of 1999 (effective January 1, 2000) and it gave counties an option to either set up a 245 account from the general fund or a 549 account which is self sufficient. He stated that Leelanau County is the only county that he knows of that is set up as a 549 account and they are in a position where they are out of money. Their Board of Commissioners has told them to shut down their department. Further research was done and they found several counties in comparison to Cheboygan County where the general fund has been contributing for four or five years. In the past few weeks, he has been meeting with developers and real estate agents who are looking at old buildings to see what their options are to either put housing in or remodel them for mercantile businesses. He stated that there were only three (3) commercial activities that have taken place in 2009 compared to fourteen (14) in 2008. Lengthy discussion held. The consensus of the Board of Commissioners was to have the Finance Director Kortz and Administrator Overton research the general fund option and get updated information regarding staffing and hours for decision at a future meeting.

**CITIZENS COMMENTS - None**

#### **ADMINISTRATOR UPDATE**

Commissioner Socha stated that *Administrator Update* was something new on the agenda because there were issues that came up that need to be discussed and this would give Administrator Overton an opportunity to do so. Administrator Overton questioned: 1) Updating the County logo and/or see if the Board would be interested in a change. Discussion held. The consensus from the Board of Commissioner's was that they were ok with the logo with the way it was; and 2) Correspondence received from Straits Area Services with regard to the Straits Regional Ride Program. Commissioner Socha clarified that the Board of Commissioner received a letter of invitation from Straits Area Services regarding some transportation issues. There is a Straits Regional Ride Board that addresses these issues with the Straits Area Services who was not contacted. This would have been the proper venue. Commissioner Socha stated that the Board is not responding to this request, but Administrator Overton was directed by the Board of Commissioners to address this issue with a letter or telephone call to Straits Area Services.

**BOARD MEMBER COMMENTS**

Commissioner Page reported that the Northern Michigan Broadband Coop committee submitted 30 grant applications. They are awaiting the results, which will come back rather quickly because there is going to be a second round of grant applications starting early next year. He thanked Chad Repke, Lisa Leedy, Chuck Scott and Adele Wosobojnik for all their hard work and efforts. Commissioner Page also reported attending the Wawatam Senior Center.

Commissioner Bolinger stated that the District 4 Health Department stresses the importance of getting the flu vaccinations.

**Motion** to adjourn by Commissioner Wallace, seconded by Commissioner Makima to the call of the chair. Meeting adjourned at 11:24 a.m.

---

Karen L. Brewster, Deputy  
Cheboygan County Clerk/Register

---

Linda Socha  
Chairperson