

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
COMMITTEE OF THE WHOLE MEETING
September 28, 2010**

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

CITIZENS COMMENTS

Sue Cleary, Vice-Chairperson of the Cheboygan County Housing Commission commented on the possible elimination of the Housing Department as part of 2011 budget cuts. She said in addition to improving citizens' homes, the department also employs local contractors for their projects. Among the questions Ms. Cleary request information on were: what is NEMAH's track record in other counties, will there be a local office, who will write the grants, who will collect the mortgages, and what is the bottom line saved. Chairperson Socha said the Board also is interested in answers to her questions as well, but at this time does not have them.

Tony Matelski, former Waverly Township Supervisor, commented on the latest Tax Tribunal ruling regarding the UAW Center on Black Lake. He said several years ago the taxable value of the UAW was reduced to \$5,749,996 and the latest ruling reduces it to \$2,500,000. This will result in an annual loss of tax money to Waverly Township of about \$6,000 and a little over \$18,000 loss to the county.

SCHEDULED VISITORS/DEPARTMENT HEAD REPORTS

SAYPA Administrative Director Carol Rosinski updated the Board on the SAYPA program. She said this is the 11th year for the program and reviewed the mission statement, goals and program description of SAYPA. The local community is committed to promoting youth development and SAYPA accesses a host of collaborative community based youth enhancement services. Ms. Rosinski noted and explained the four achievement levels for the program. Also reviewed were the discipline procedures and consequences-accountability. Since the beginning of the SAYPA program in 2000 there have been 193 youth participants in the program. Over the last ten years, 42% of the youth in the program graduated; 43% were potential graduates; and 15% are drop outs or unknown because they have moved from the area. Ms. Rosinski said SAYPA works. As a program families and you are provided with services available in the community giving them the opportunity to develop the necessary skills to make sustainable changes at a reasonable cost to the community and county. SAYPA hold youth and parents accountable for choices while supporting the youth and their families during and after they are released from court jurisdiction. Discussion followed. Sheriff Clarmont stated he plans to start a physical fitness program for SAYPA the first part of October. Ms. Rosinski said Deputy Fenlon also spends time with the kids in SAYPA. Judge Butts said the program would not be successful without Carol. He said SAYPA has never been a boot camp program, but is a structured disciplined program. It is a very successful program. Chairperson Socha said all counties are looking at cutbacks and noted the school liaison office is a priority for this county at this time. Mike Grulke said the SAYPA kids all have been through intensive probation and could not make it without SAYPA. Judge Butts said the alternative education program is a wonderful program as well.

ADMINISTRATOR'S REPORT

Administrator Overton reported he received a response to the letter the board requested he send to the Department of Natural Resources and Environment regarding fracking used in the oil and gas industry. Copies of the letter were included in the Board's packets. Mr. Overton said basically the letter states the State monitors the operations. Chairperson Socha said the Little Traverse Conservancy Board and its Director also are closely watching oil and gas drilling.

NEW BUSINESS

Ken DesArmo, Department of Human Services Manager, presented the annual Homemaker contract, and addressed questions the county had. He said the county would not be responsible if for some reason the position becomes vacant. Discussion held on the payment date in the contract of November 1st. Regarding the date of payment concern, the funding is already in his childcare budget and does not requests the funding until after the first of the year as he treats this contract on a calendar fiscal year. Civil Counsel Bryan Graham said it is up to this Board whether or not they want to proceed with making the payment after the first of the year.

Motion by Commissioner Page, seconded by Commissioner Mushlock, to approve the Local Revenue Agreement between the Michigan Department of Human Services and the Cheboygan County Board of Commissioners, Contract No. LRA-11-16001 in the amount of \$44,521.68, effective October 1, 2010 through September 30, 2011 and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Redmond, seconded by Commissioner Wallace, to go into closed session pursuant to Section 8(h) of the Open Meetings Act, being MCL 15.268(h), to consider the written memo from our attorney dated September 8m, 2010, which is exempt from disclosure by Section 13(1)(g) of the Michigan Freedom of Information Act, being MCL 15.243(1)(g), since this memo is subject to the attorney-client privilege and also to go into closed session for the purpose of a strategy session connected with the negotiations of a collective bargaining agreement as authorized by Section 8(c) of the Open Meetings Act, being MCL 15.268(c). A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Adjourned to closed session at 10:30 a.m.; returned to open session at 1:00 p.m.

BOARD MATTERS FOR DISCUSSION

2011 Budget Review – Administrator Overton said budget requests this year were \$438,000 less than in the past which shows department heads have recognized the need to reduce the budget; however, projected revenues for 2011 decreased approximately \$1,387,000, leaving a General Fund budget request shortfall of \$949,000, which does not include an 11%, \$161,000 health insurance increase, which brings the total shortfall to \$1.1 million for next year. Mr. Overton outlined his recommendations to alleviate the predicted shortfall as follows. Centralized costs were allocated using the most recent Maximus Report to all departments/entities with funding mechanisms other than General Fund appropriations which adds approximately \$161,000 in revenue to the General Fund. The County Treasurer has agreed to pay a full-time employee in her office from the Homestead Audit Funds which results in a \$34,000 savings to the General Fund. He said reducing expenditures were explored extensively and \$135,000 savings could be gained by the elimination of two seasonal and one occasional part-time employee in the Maintenance Department would save \$22,800 and numerous other small cuts. The DHS portion of the Childcare Fund appropriation was reduced by \$100,000, which generates a \$50,000 reduction in the General Fund.

Administrator Overton presented the following recommendations which were not yet built into the budget document received. These included approximately a \$200,000 savings by making changes to the healthcare plan effective January 1, 2011. Contracting with Northeast Michigan Affordable Housing (NEMAH) to assume all responsibilities for the County's housing program would generate about \$90,000 annually. He also recommended elimination of a full time position in MSUE, a full time position in the Clerk/Register's Office, and one through retirement, with a total labor savings of about \$110,000.

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He said this would leave a remaining shortfall of \$330,000 which could be budget from the Tax Revolving Fund.

Discussion on the Housing Commission cut. Chairperson Socha said she received a call from Housing Commission Chair and asked if he should be here at the meeting to answer questions. She said she would be asking questions. Administrator Overton reviewed the proposal from the Northeast Michigan Affordable Housing Agency (NEMAH). NEMAH does the exact same housing project we do with the MSHDA grants. They also do well drilling loan, neighborhood improvement programs and provide this function for two other counties, Ogemaw and Presque Isle, plus the cities of Cheboygan, Onaway, and Alpena and several townships. Most counties operate with a part time housing director. Chairperson Socha asked for more information from the last five years on money received, money paid out and money forfeited. NEMAH would rent office space in the County Building, utilize local contractors to perform work, operate off the administration fees that come from the grants, maintain current status of Housing Commission for project reviews. Chairperson Socha suggested the Administrator meet with the Housing Commission to discuss and answer questions. Administrator Overton said he would meet with Al West NEMAH Director and the Housing Commission or have the group attend the next Committee of the Whole meeting. Administrator Overton said he spoke with a MSHDA representative regarding this who encouraged this type of arrangement. He said if the Board decides to retain the Housing Department he would recommend eliminating the clerical position for that department.

Commissioner Wallace left at 1:30 p.m.

Cost Reduction/Revenue Generation Options Considered – Discussion held on Jaws for Life Fund if they don't use it it's because they are accumulating it because that's how it was setup. Chairperson Socha said the Fire Association should be made aware that after 2011 the County may not be funding the \$3500 per year. Finance Director Kari Kortz said SAYPA lost a grant for \$20,000 because it was awarded elsewhere. Drug Court it appears has received a grant. Law Library discussed use of it is very rare, the only concern would be for defendants use. The Finance Director said the majority of that budget is for the three judges' online access, which leaves only about \$3700 for subscriptions. Chairperson Socha asked if funds for Trailways were included in this budget. Ms. Kortz said there is about \$9,000 from sale of forestry and other money also available for \$11,000 appropriation to Trailways. Lengthy discussion held. Electric heaters, refrigerators, toaster, etc. and the estimated cost to run these items is approximately \$9700 according to Administrator Overton. Brief discussion was held on the Fair budget.

The Finance Director explained and reviewed the Budget Report (dated 9/17/10) by Department. Several questions were asked and addressed.

Commissioner Wallace returned at 2:35 p.m.

Next Ms. Kortz presented the Explanation of Significant Budget Changes (Greater than +/- \$10,000 and +/- 10%) Between the 2010 Amended Budget and the 2011 Recommended Budget. She drew attention to several items including the SAYPA program line items. She noted the following: SAYPA lost HSBC Grant – net general fund cost is still \$32,000; SAYPA Director position will no longer be funded after April 1, 2011, State currently pays fringe for that position. Discussion held on SAYPA position regarding contracted/employee. Administrator Overton said he has interviews scheduled with all SAYPA staff next week. Discussion held on Construction Code and amount of contribution from the general fund.

Review of the actual budget by the Finance Director began. Ms. Kortz noted that on Page 1, the Tax Revenue will decrease approximately \$18,000 due to UAW Taxable Value change by the Tax Tribunal.

The Finance Director reviewed the following pages of the budget:

Drain Commission Page 32 - \$18,720 requested \$3,550 recommended – no change from 2010 Discussion held.

County Surveyor Page 33 – requested some of salary be moved into training – no change from 2010

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General County Page 34 – did not go up that much moved NEMCOG into this; Maximus has had competition recently and received quotes from both companies, more cost efficient with Maximus

CCE Page 39 - not final at this time but don't expect it to go up

Budget discussion will be continued at the October 26, 2010 Committee of the Whole Meeting.

Motion by Commissioner Redmond, seconded by Commissioner Makima, to adjourn to the call of the Chair. Meeting adjourned at 3:00 p.m.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Linda Socha
Chairperson