

**CHEBOYGAN COUNTY BOARD OF COMMISSIONERS
FINANCE/BUSINESS MEETING
September 8, 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, Mushlock, Page, Wallace and Bolinger

ABSENT: None

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

Motion by Commissioner Wallace, 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 follows:

- A. Approve Monthly Finance Claims Finance = \$29,673.80 Prepays = \$886,658.55
- B. Budget Adjustments: Raise Revenue and Expenditures of \$600 in Department 301, \$650 in Department 331 and \$31,000 in Department 902 - totaling \$32,250; Payroll Related Inter-budget transfers: Sheriff's Department – Marine Patrol Division in the amount of \$278.10; Sheriff's Department – ORV Division in the amount of \$885; and Sheriff's Department – Marine Patrol Division in the amount of \$150
- C. Correspondence:
 1. Alger County Resolution in Support of HB 4893
 2. Lake County Resolutions: 1) Regarding HB 4436 and 2) in Support of HB 5019
 3. Lenawee County Resolution Regarding HB 4436
 4. Oceana County Resolution in Support of House Bills 4785 and 4786
 5. Schoolcraft County Resolution In Support of House Bills 4785 and 4786
 6. Cheboygan County Road Commission Correspondence in Regards to HB 5216 Elimination of the Office of Drain Commission and Correspondence in Opposition to Abandonment of Any County Drains
 7. Annual Farm Bureau Meeting and Dinner Invitation
- D. Minutes:
 1. Finance/Business Meeting of August 11, 2009 and Committee of the Whole Meeting of August 25, 2009
 2. North Country Community Mental Health Board – July 16, 2009
 3. Health Board – June 16, 2009 and July 21, 2009
 4. NMSAS Board of Directors – July 13, 2009
 5. C.C.E. Monthly Financial Report – July 2009
 6. Board Appointments & Procedures Committee – August 12, 2009 and September 2, 2009
 7. Senior Millage Appropriation Committee – August 11, 2009
 8. Cheboygan County Road Commission – August 6, 2009
 9. Planning Commission – July 1, 2009, August 5, 2009, August 19, 2009 and August 24, 2009
 10. ZBA Meeting – July 22, 2009

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

CITIZENS COMMENTS – None

Finance/Business Meeting – September 8, 2009

FINANCE DIRECTOR'S REPORT - Finance Director Kari Kortz presented the revenue and expenditures report for the General Fund for the month ended July 31, 2009. She reported total year-to-date revenue of \$2,692,525.18 versus \$2,919,271.67 last year at that time. Ms. Kortz reported expenditures year-to-date were \$6,173,020.94, or 53.14% of budget, compared to \$5,710,103.11 last year as of the end of July.

ADMINISTRATOR'S REPORT – None

COMMITTEE REPORTS

Commissioner Redmond reported that the Board Appointments & Procedures Committee has met twice recently.

Motion by Commissioner Redmond, seconded by Commissioner Makima, to accept the recommendation from the Board Appointments & Procedures Committee and accept the resignation of Ty LaPrairie from the Cheboygan County Waterways Commission and present Mr. LaPrairie a certificate of appreciation. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Redmond said the open position on the Waterways Commission would be advertised. He also reported attending a meeting of the Waterways Commission, the Board meeting with elected officials and the Benton Township meeting.

Commissioner Mushlock said she should now be able to attend most commissioners' meetings.

Commissioner Makima said he attended two Cheboygan City Council meetings.

Commissioner Socha attended MSUE Director Ben Bartlett's going away party, met with the administrator and Joe Lavender regarding the 2010 Census, attended the M.A.C. Conference, attended meetings of the Planning Commission, Beaugrand and Hebron Township meetings and the Board meeting with elected officials.

SCHEDULED VISITORS – MSU Extension Regional Director Patrick Cudney addressed the Board regarding the MSUE Director position in Cheboygan County. MSUE Director Ben Bartlett left the position to accept employment in Wisconsin and will be greatly missed. Mr. Cudney announced that until the end of December the interim director position will be filled by Ann Chastain, as MSUE currently is undertaking a restructuring process. Mr. Cudney did not have answers at this time as to how the restructuring would affect the Cheboygan County MSUE office. He hopes there will be a minimum negative impact on those that they serve; and said he plans to meet with all 21 counties in the region when decisions have been made at the state level. Ms. Chastain told the board it is a pleasure to be back working with them.

OLD BUSINESS - None

NEW BUSINESS

District Court Judge Maria Barton presented requests to change the hours worked per week for three positions in that department. The first request was to increase the Court Recorder/Deputy Clerk position from 28 hours to 35 hours per week which would allow additional time to work also in the Civil/Traffic Department; the second request was to reduce the Civil/Traffic Clerk position from 35 hours per week to either 21 or 28 hours per week; and the third request was to increase the Court Administrator position from 35 hours per week to 40 hours. Chairperson Socha noted the information received which included a recommendation from Human Resource Director Tim Gengle was most appreciated. She read the Mr. Gengle's recommendation. Commissioner Redmond advised that in the past Grand Traverse County was not included in comparables. Chairperson Socha said that also in the past Charlevoix County was used as a comparable.

Motion by Commissioner Wallace, seconded by Commissioner Bolinger, to adopt Amendment #8 to the 2009 Salary and Wage Resolution pertaining to District Court based on the recommendation from the

Finance/Business Meeting – September 8, 2009

Human Resource Director, authorize the Chairperson to sign, and approve all necessary budget adjustments. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Housing Director Shar Grawey presented a Housing Department Bid Recommendation for Project H-09-282. She noted that five bids were received and the Cheboygan County Housing Commission recommends awarding the rehabilitation bid to Simmons & Son Builders in the amount of \$22, 018.94 and the bid for electrical awarded to Con-Du-It Electric in the amount of \$1,080.

Motion by Commissioner Redmond, seconded by Commissioner Wallace, to accept the Cheboygan County Housing Commission recommendation and award bids for Project H-09-282 in the total amount of \$23,098.94 to Simmons & Son Builders for rehabilitation in the amount of \$22, 018.94 and the bid for electrical to Con-Du-It Electric in the amount of \$1,080. Motion carried with 7 yes, 0 no and 0 absent.

Straits Regional Ride Director Mike Couture presented an advertising agreement between Cheboygan County on behalf of Straits Regional Ride and Northern Star Broadcasting. He said the agreement was reviewed by civil counsel. He said the three-year agreement runs from September 9, 2009 through September 8, 2012 and totals \$21,000. SRR and NSB will bill each other monthly for services received; however, no monies will be exchanged. SRR will allow NSB to place decals on the rear of all SRR buses with their radio station logo; NSB will provide air time for 30 seconds advertising spots promoting SRR at the current air time rates.

Motion by Commissioner Makima, seconded by Commissioner Redmond, to approve the advertising agreement between Cheboygan County on behalf of Straits Regional Ride and Northern Star Broadcasting, LLC effective September 9, 2009 through September 8, 2012 and authorize the chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Motion by Commissioner Makima, seconded by Commissioner Bolinger, to approve the MDOT contract Agreement No. 2007-0191, Authorization No. Z9/R1, Project No. 103669, Revised Project Authorization Cheboygan County Board of Commissioners FY 2008 Section 5309 Earmarks and authorize the chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Commissioner Redmond advised there would be a special Straits Regional Ride meeting on September 30, 2009 regarding Straits Area Services.

Equalization Director Joe Lavender said his department processes over 85,000 notices regarding tax information each year. The current folder/insert machine the department has is approximately five years old and is becoming maintenance intensive to operate. Mr. Lavender said three sealed bids were received and recommended the bid be awarded to Automated Business Equipment. They are a current vendor to for the department and have responded timely to service calls in the past. The cost of the machine is \$13,195. which will be paid for from the Cheboygan County Treasurer Homestead Audit Fund.

Motion by Commissioner Redmond, seconded by Commissioner Mushlock, to award the bid for a folder/insert machine to Automated Business Equipment in the amount of \$13,195 to be paid from the Cheboygan County Treasurer Homestead Audit Fund. Motion carried with 7 yes, 0 no and 0 absent.

Prosecutor Daryl Vizina presented the annual Crime Victim Rights Grant Agreement for approval. Mr. Vizina said the grant offsets the cost of victim's rights services provided through the prosecutor's office. He said in the past the agreement was signed by the Prosecutor, but since the agreement is between the State and the County, he was requesting board approval. The amount awarded for the upcoming grant period is \$45,244, the same sward as the 08-09 grant with an additional \$1,620 included for computer replacement.

Motion by Commissioner Makima, seconded by Commissioner Bolinger, to approve the Grant Agreement between the Michigan Department of Community Health and the County of Cheboygan – Prosecutor's Office for Crime Victims Rights for the period October 1, 2009 through September 30, 2010 with revenue totaling \$45,244, and authorize the chairperson to sign this document and any other relative documents requiring chairperson signature and in the future this grant application be placed on the Consent Agenda. Motion carried with 7 yes, 0 no and 0 absent.

Finance/Business Meeting – September 8, 2009

County Treasurer Linda Cronan presented a request to enter into a forbearance agreement with Great Lakes Tissue. She explained the process. Great Lakes Tissue has filed bankruptcy and has included the summer 2008 taxes and all of the 2007 taxes in their bankruptcy. Once a property is placed in bankruptcy any forfeiture or foreclosure process under the property tax act is forestalled. In an effort to complete a reorganization plan out of Bankruptcy, Great Lakes Tissue is requesting a 24 month installment agreement for the past due taxes. They are requesting that the delinquent interest be frozen as of March 31, 2009 on the pre-petition taxes and as of June 30, 2009 on the post-petition taxes. They would like to make monthly payments in the amount of \$7,469.16 for 24 months which would pay off all of the delinquent taxes if the interest is frozen. As long as GLT is in Bankruptcy they are protected from the normal forfeiture and foreclosure process that is covered under PA 123. Several years ago this process was granted to another factory in the hope that they would be able to remain in business and to secure jobs. In anticipation of this agreement being approved, GLT has made 2 installment payments. Civil Counsel has reviewed the forbearance Agreement and Order. If approved the Delinquent Tax Revolving Fund would lose an estimate of \$31,750 in delinquent interest, but the loss of the plant and the jobs it provides could prove to be more costly. Discussion held.

Motion by Commissioner Makima, seconded by Commissioner Redmond, to authorize the 2-year Forbearance Agreement between the County of Cheboygan through the Cheboygan County Treasurer and Great Lakes Tissue Company and authorize the Chairperson to sign. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Treasurer Cronan requested a waiver of First Right of Refusal for the Gold Front property. She said the property had been granted a 120 extension from foreclosure and was not included in the in the list of properties presented to the Board on June 9, 2009. The 120 days extension has passed and the taxes remain delinquent. Before selling this property at a public auction, the County Treasurer must first offer it to the DNR who has the right to purchase any and all properties at fair market value. The DNR is not interested in this property. Any properties remaining must then be offered to the local municipality who has the right to purchase by paying minimum bid as set by the County Treasurer. Any properties not purchased by the DNR or local municipalities 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.

Motion by Commissioner Redmond, seconded by Commissioner Makima, to authorize the Chairperson to sign the waiver of First Right of Refusal in accordance with Act 123, P.A. of 1999 for parcel 054-P39-003-001-10. Motion carried with 7 yes, 0 no and 0 absent.

Ken DesArmo of the Cheboygan Department of Human Services addressed the Board regarding approval of the Department of Human Services Homemaker position. This position provides direct social work services to abused and neglected children as well as parents of those children living in Cheboygan County. The cost of this position is \$43,537.32 and would be shared equally between Cheboygan County and the State of Michigan, with the County's cost of \$21,768.66. Mr. DesArmo explained that in the past the state only assessed counties for 50% of wages and benefits, but beginning this year the calculated cost includes all auxiliary costs as well.

Motion by Commissioner Mushlock, seconded by Commissioner Bolinger, to approve the Local Revenue Agreement 10-16001 between the Michigan Department of Human Services and the Cheboygan County Board of Commissioners effective from October 1, 2009 through September 30, 2010, the contract amount is \$43,537.32 and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Finance Director Kari Kortz asked Mr. DesArmo if there were not enough foster care homes in this county and that's why institutional costs are up. Mr. DesArmo said it's not a lack of local foster homes, but one of need. He said they have been diligent to not place children in institutional care if possible, however, last year there were eleven children, but now the number is down to three. He pointed out that DHS does not have the authority to remove children; the only ones that can remove children are police officers and the local judge by court order. His department has no authority other than recommending. Ms. Kortz said there has been a shift in costs to the county. Commissioner Page said the state has reneged on its promise to increase costs to private agencies according to his daughter who works in that field. Mr.

Finance/Business Meeting – September 8, 2009

DesArmo said the state did increase \$10 for private agencies, county is responsible for 50% of those charges, and due to the pressure they eliminated the retroactive increase, but from this point forward counties will be charged. Ms. Kortz asked how the county can be made aware of these types of issues. Mr. DesArmo said the Michigan Association of Counties (M.A.C.) should watch these types of changes and make the counties aware. He also noted another powerful association, the Judges Association. Mr. DesArmo said expenditures were over and above his projections this year, but he said he never knows how many placements are going to happen. Discussion held on the Title IV-E program and qualifications. Chairperson Socha said the board appreciations the time Mr. DesArmo took to provide answers to these questions.

Fair Manager Dan O’Henley presented a three-year contract with Skerbeck Brothers Shows, Inc. to provide the carnival at the fair. He said the amusement company agrees to pay as follows: A) 30% of the gross receipts on the rides; B) \$6,000 for concession space; and C) \$2,500 for advertising and other costs.

Motion by Commissioner Mushlock, seconded by Commissioner Redmond, to approve the contract with Skerbeck Brothers Shows, Inc., the amusement company, for the years 2010, 2011, and 2012, and authorize the Chairperson to sign. Motion carried with 7 yes, 0 no and 0 absent.

Community Development Director Steve Schnell said that between 1998 and 2002 building permit fees collected were rolled into the general fund and should have been designated for the Building Safety Department’s activities in future periods. During that time the total of the funds that rolled into fund balance was \$201,223.

Motion by Commissioner Wallace, seconded by Commissioner Bolinger, to approve the transfer of \$201,223 from the General Fund 101 to the Building Department Fund 249 and authorize the necessary budget adjustments. A roll call vote was taken. Motion carried with 7 yes, 0 no and 0 absent.

Mr. Schnell requested representatives be appointed to the Huron Shores Heritage Route Council as Cheboygan County is the only county without appointed representation. He said the Heritage Route program enhances and promotes the natural resources and economic development of businesses along US 23 from Mackinaw City to Standish. The Huron Shores Heritage Route Management Council coordinates the promotional efforts to maximize the economic development benefits of each community’s efforts, and the new bylaws allows for 2 representatives from each county along the route. Chairperson Socha said the county was involved with this when it was the Sunrise Side, but felt it was not beneficial to the county at that time. Mr. Schnell said the former Sunrise Side Coastal Highway Heritage Route has undergone significant changes, including a change in leadership and is no longer affiliated with the Michigan Sunrise Side Travel Association. Mr. Schnell said with these changes he feels the Huron Shores Heritage Route Council has become an effective organization and is worth participating in. He said there is a Cheboygan County Heritage Route subcommittee that has remained active and sends information through NEMCOG to the council. He said he along with Kim Pappas, Executive Director of the Cheboygan Chamber of Commerce, would be happy to represent Cheboygan County on this council. He said any funding would come before the Board of Commissioners. Chairperson Socha said typically these types of appointments are handled through the Board Appointments and Procedures Committee. Discussion was held on setting a precedent. She said Steve and Kim could continue to attend these meetings and the matter of official appointments come before the committee.

Mr. Schnell presented a resolution appointing members of the Planning Commission. He said the new planning commission ordinance adopted in July will become effective on September 15th. The planning commissioners who will serve under the new ordinance must be appointed by resolution. Commissioner Redmond said the Board Appointments & Procedures Committee has reviewed the applications that were received for these positions and the committee’s recommendations for appointments are included in the resolution. Commissioner Redmond read the list of appointees and the terms.

Motion by Commissioner Makima, seconded by Commissioner Bolinger, to adopt the following:

Finance/Business Meeting – September 8, 2009

Resolution No. 09-25

RESOLUTION ESTABLISHING METHOD OF APPOINTING REGULAR MEMBERS TO THE CHEBOYGAN COUNTY PLANNING COMMISSION AND THE APPOINTMENT OF THE INITIAL REGULAR MEMBERS TO THE COUNTY PLANNING COMMISSION AND ESTABLISHING THE INITIAL TERM OF OFFICE OF EACH INDIVIDUAL REGULAR MEMBER OF THE COUNTY PLANNING COMMISSION

Recitals

- A. The Cheboygan County Board of Commissioners enacted Ordinance No. 2 of 2009, to create a newly constituted county planning commission
- B. The ordinance and Act 33 of the Public Acts of 2008, as amended, under which the ordinance was enacted, provide that the method of appointment of regular members of the planning commission shall be determined by resolution of a majority of the full membership of the board of commissioners.
- C. The ordinance and the Act also provide that the regular members of the county planning commission shall be appointed by resolution of the board of commissioners and that the term of office for the individual regular members shall be determined by resolution of a majority of the full membership of the board of commissioners.
- D. The board of commissioners, therefore, desires to comply with these ordinance and statutory requirements by establishing the method of appointing regular members to the county planning commission, the appointment of the initial regular members to the county planning commission and establishing the initial term of office of each individual regular member of the planning commission by adoption of this resolution.

Resolution

NOW, THEREFORE, BE IT RESOLVED that the Cheboygan County Board of Commissioners hereby establishes the following method of appointing regular members to the Cheboygan County Planning Commission, the appointment of the initial regular members, and the term of office for each individual regular member of the Cheboygan County Planning Commission:

- 1. When making appointments to the Cheboygan County Planning Commission the Cheboygan County Board of Commissioners shall select individuals who are representative of important segments of the economic, governmental, educational, social life, and development of Cheboygan County, in accordance with the major interests as they exist in the county, such as agriculture, recreation, education, government, transportation, industry, and commerce. In addition, the Cheboygan County Board of Commissioners shall make every reasonable effort to ensure that membership on the county planning commission includes a member of a public school board or an administrative employee of a school district included, in whole or in part, within the county's boundaries.
- 2. In accordance with the above method of appointing regular members to the Cheboygan County Planning Commission, the Cheboygan County Board of Commissioners hereby makes the following initial appointments of regular members to the newly constituted Cheboygan County Planning Commission for the initial terms expiring as indicated below:

<u>Member</u>	<u>Representative Interest</u>	<u>Term Expiration</u>
Michael Kavanaugh	Sanitation/Health	December 15, 2010
Patty Croft	Government	December 15, 2010
Keith Moore	Education/Economics	December 15, 2010
Stuart Bartlett	Recreation	December 15, 2011
Charles Freese	Industry/Economics	December 15, 2011
Charles Ostwald	Transportation	December 15, 2011
Anthony Matelski	Agriculture/Government	December 15, 2012
Rebecca Behm	Environmental	December 15, 2012
Harold Borowicz	Agriculture/Environment	December 15, 2012

- 3. This resolution shall become effective upon the effective date of Ordinance No. 2 of 2009.
- 4. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Finance/Business Meeting – September 8, 2009

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

Community Development Director Steve Schnell said the Northern Lakes Economic Alliance is seeking grant money to support the “Small Business Incubator Program” that serves the 4-county region including Cheboygan County. NLEA has requested a resolution of support of this program from each county.

Motion by Commissioner Redmond, seconded by Commissioner Makima, to adopt the following resolution:

Resolution No. 09-26

RESOLUTION SUPPORTING NORTHERN LAKES ECONOMIC ALLIANCE’S (NLEA) APPLICATION TO THE ECONOMIC DEVELOPMENT ASSOCIATION (EDA) FOR FUNDING TO SUPPORT THE NLEA’S SMALL BUSINESS INCUBATOR PROGRAM

Recitals

1. As with the rest of the State and nation, Cheboygan County is suffering from the downturn in manufacturing, which has led to loss of businesses and employment.
2. Because of the restructuring of the auto industry, it is imperative that Michigan and Cheboygan County become less dependent on auto-related businesses.
3. The Northern Lakes Economic Alliance (NLEA) acts in cooperation with Cheboygan County and the County’s Economic Development Corporation (EDC) on economic development strategies and actions.
4. NLEA recently conducted the “NLEA Small Business Incubator Feasibility Study”, which recommended forming a “Small Business Incubator Program” in order to encourage and support entrepreneurship in the four-county NLEA region (including Cheboygan County).
5. Cheboygan County has been cooperating with the Northern Lakes Economic Alliance (NLEA) and other entities, on setting up the “NLEA Small Business Incubator Program”, as a way in which to off-set the above mentioned negative economic trends.

Resolution

NOW, THEREFORE, BE IT RESOLVED

1. That the Cheboygan County Board of Commissioners hereby supports the Northern Lakes Economic Alliance’s application to the Economic Development Administration (EDA) for funding to help support the “NLEA Small Business Incubator Program”.
2. That the Cheboygan County Board of Commissioners acknowledges that NLEA is acting in cooperation with Cheboygan County officials on the implementation of this project.

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

CITIZENS COMMENTS – None

BOARD MEMBER COMMENTS

Chairperson Socha advised that the Cheboygan County Economic Summit Session scheduled for Wednesday, September 9, 2009 would be changed to Thursday, September 10, 2009 due to a funeral that several board members and the clerk must attend on Wednesday. She also wished Commissioner Bolinger well on his upcoming surgery on September 20th.

Motion by Commissioner Makima, seconded by Commissioner Mushlock, to adjourn to the call of the Chair. Meeting adjourned at 11:45 a.m.

Mary Ellen Tryban
Cheboygan County Clerk/Register

Linda Socha
Chairperson