

**Leelanau County Board of Commissioners**  
**Regular Session – Tuesday, June 21, 2016**  
*Approved 10/11/2016 – meeting recorded*

*(Proceedings of the meeting are being recorded and are not the official record of the meeting, the formally approved/accepted written copy of the minutes will be the official record of the meeting.)*

Meeting called to order by Chairman Carolyn Rentenbach at 7:01 p.m. Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

Chairman Rentenbach asked that all cellular telephones be turned off for the duration of the meeting.

The Pledge of Allegiance to the Flag of the United States of America was led by Chairman Rentenbach, followed by a moment of silence.

Roll Call:	District #1 – Vacant	
	#2 – Debra L. Rushton	PRESENT
	#3 – William J. Bunek	PRESENT
	#4 – Ty Wessell	PRESENT
	#5 – Patricia Soutas-Little	PRESENT
	#6 – Carolyn Rentenbach	PRESENT
	#7 – Melinda C. Lautner	PRESENT

Guests present.

Communications, Proclamations, Presentations and Awards:

Administrator Chet Janik introduced the Republican Party Patriotic Letter Contest winner Tristan Tarsa to Commissioners. Tarsa is a recent graduate (June 2016) from Lake Leelanau St. Mary School and plans to attend Northwestern Michigan College in the fall and then transfer. Tarsa's grandfather was one of Janik's teachers through elementary school; as some may remember him, he was a great man and was one of the individuals that inspired him to get into higher education. Grandfather Tarsa was an English Teacher and inspired many. Tarsa read his winning essay on "What does it mean to be Patriotic?"

Approval of Minutes

Minutes for the Regular Session of May 17, 2016, and the Executive Board meeting of June 14, 2016, to be placed on the July Regular Session meeting agenda.

Approval of Agenda, Late Additions or Deletions:

Chairman Rentenbach commented that four late addition requests have been received for the agenda and requested that the following be added:  
Probate/Family Court, Acceptance of \$1,000.00 grant funds, add as Item #13 (a);  
Amendment/Correction to the Northport Tower motion - #13 (b); Probate/Family Court  
2% Allocation request, add as Item #14 (c) (viii); Treasurer regarding potential offer  
to purchase regarding Summerset Court, add as Item #6 (c).

#156-06212016 Regular Session

**MOTION BY BUNEK TO ACCEPT THE AGENDA AS AMENDED. SECONDED BY SOUTAS-LITTLE.**

Discussion – none.

**AYES – 6 (Bunek, Lautner, Rentenbach, Rushton, Soutas-Little, Wessell)**

**NO – 0**

**MOTION CARRIED.**

Public Comment:

► Ron Schobel from Northport. Schobel distributed a handout, and stated he is here tonight as a result of the article he read in the *Enterprise* regarding the amount of money that is trying to be collected from the various entities to make the County whole. Schobel discussed the delinquent taxes that are due from taxpayers who have had a “free ride” for a number of years. Schobel believes those taxpayers should be called in, and it is time to shift the delinquency to other forms of collecting money, whether that is by credit card, a bank, or even refinancing their property if necessary. Schobel understands that the County is not obligated to pay off or support the Northport sewer, that at any point it can be stopped, which is a major concern of his. Schobel referenced his handout which stated the Village of Northport is \$85,000.00 in arrears, the Township is \$11,666.87, and NLTUA’s operating and maintenance has a shortfall of \$8,555.26. That money has to come from the County. Schobel would like to know where that money comes from; it doesn’t just “grow.”

Schobel continued since 2006, you have paid out to Northport over \$1,016,321.38 in taxes and surcharges, which is ridiculous and absurd. The Suttons Bay issue is an economic precursor problem at its worst that may come to haunt everybody in the County, including all three entities of government. A school system should not have to pay back taxes due to oversight and incompetence by whomever. There needs to be a different way to recapture a million dollars. Schobel concluded, by saying the \$2.5 million Northport shortfall, including the current Suttons Bay issue, are both examples of this Board’s failure to protect the taxpayer. Schobel said he is amazed that Northport is being supported by a bond for the sewer, but yet you do not have someone sitting on NLTUA. The Administrator on NLTUA was allowed to intimidate you, and someone, or even a Township Treasurer, should be able to sit on NLTUA to protect all our monies in this County. In these economic times, we cannot accept that form of economic impact on the County or on the taxpayer.

► Paul Christiansen, Maple City in Kasson Township. Christiansen encouraged Commissioners to support and keep the recycling site in Cedar open. It is the closest thing to curbside recycling. If we expect people to recycle, it has to be convenient. It is amazing what people drop off, but it still needs to be supported by the County. He also requested support for the improvements on the site and suggested establishing a priority list. Brief comments ensued.

► Tony Ansoerge, Carter Road, Elmwood Township. Ansoerge addressed Commissioners regarding the recycling site funding issue on the agenda. While most everyone, including himself, supports the recycling issue, there is also the issue of the government treating everyone equal. There is the presumption that government should not be treating one group of people differently from another group based on just by where they reside. Would the County Board of Commissioners set different prices for Registering Deeds, based on township? Would you allow Construction Codes to set different prices for construction permits based on township? Would you ever consider asking the Prosecuting Attorney or Sheriff to treat residents differently by Township? Sounds ridiculous, doesn't it? Why then would you allow the Solid Waste Council to implement policy to do the same thing? Ansoerge understands that it is easier for the Solid Waste Council to treat different townships differently based on whether they happen to have a good working relationship with the Township; it is not the Board of Commissioners job to make things easy for the Solid Waste Council at the expense of citizens. Can you think of any other County department which treats people differently based on their township? Would you tolerate any other County department to tax or provide County services differently based solely on which township the resident lives in? As to treating Townships differently, there are the repercussions of what will likely happen later should you decide to follow such an action. Why would any Township not approach any future discussion with the Solid Waste Council as an opportunity to reap a financial advantage? Why should Elmwood Township require a substantial payment to allow the recycling site to remain where it is, especially since they were obviously taken advantage of compared to what is proposed for Solon Township. Ansoerge continued, asking the Commissioners if they were prepared to pay similarly for each township? This is opening up a can of worms that will haunt the County for years if you allow it to proceed. Ansoerge strongly urged the Commissioners to not start down the road of treating Townships differently. Ansoerge suggested that the Board of Commissioners instruct the Solid Waste Council to develop policies and procedures that apply equally to all residents both for the existing recycling sites and any future sites; to do otherwise would be poor public policy.

► Mike Taylor, Centerville Township. Taylor commented that the cost of government is not equitable, it is not equal. It costs what it costs to build a road in different locations, depending on topography, sub-soils, and so forth. Likewise, the cost of law enforcement is not equitable. Some people behave differently in one area than another, it costs what it costs. You have a County-wide recycling program and you need to implement it according to the costs of the location. In this particular case, Solon

Township is the location for the recycling center and it needs to be improved. It serves a large area – it serves the whole County – depending on where you are going, people from all over are using it as they funnel through Cedar on their way to wherever they are going. There is no equitableness in County government. It costs what it costs to implement services. If you were to go by the logic of being equitable, what if 10 people got arrested or picked up for illegal activities in a township; does the next township have to wait its turn? If you have a plowing issue, are you going to wait for snow fall to be equitable in the county before roads are plowed in certain areas – that doesn't make any sense? Taylor requested support of the County recycling program, County-wide recycling whatever it costs, wherever it is needed – right now it is in Solon Township.

► Gwenne Allgaier, Cleveland Township. Allgaier commented that she understands that the vote last week was to not forward the 2% allocation request for Leelanau Christian Neighbors. She understands that there are ideological reasons behind some votes. On one hand there is your ideology and on the other hand is the very real need in this County. This county started off taking care of the needy, it was the first act in 1863 and we did it and it was on every agenda for the next 60 years. Other programs kicked in to help people. Those programs have pulled back, the cost of living has gone up, and wages have not risen appreciably for the last 30 years. So again there is a need. The role of those that serve us in government is to meet perceived needs of County residents. Allgaier said she hopes that Commissioners will approve the allocation request and work really hard and how the money can come to us, so that it doesn't leave the County if the Commissioners do not accept it. The Tribe understands the needs and that the people need help. Last time the Grand Traverse Band channeled the money to organizations that had real needs, not perceived needs. She continued that if you would approve this and establish a committee and figure out how this can work, so you can stay aligned with your particular beliefs, but at the same time there can be needs that are met. The money is there, the needs are real, and it is foolish to turn it down. If turned down, you are abandoning the needs of the citizens and the traditions of the Board.

► County Clerk Michelle L. Crocker read correspondence received from County resident John O'Neill: "June 21, 2016. Leelanau County Commissioners. Regarding Solon Recycling. Dear Commissioners: There is overwhelming support for the Solon Recycling Center. Moving it seems not to be an option. It is the second most popular site and people from four townships use the site. Thus it is unfair to expect Solon to bear all of the costs. However, the Solon Township board is insisting on improvements to the site that are more expensive than needed. The man who made the attractive wooden fence for the Glen Arbor site is willing to make one for Solon for \$1,000, a savings of \$3,800. Since glass is now recycled with everything else, the size of the pad should be reduced by perhaps 15%, a savings of \$2,200. Trees are lovely but are not necessary to a recycling site, a savings of \$3,000. These reductions alone represent a savings of over \$6,000; the county should not pony-up for Solon's entire wish list.

It's bad policy to allow a township to hold an important program hostage in order to get its entire wish list without being willing to compromise. To my knowledge, no one from the Township Board has recently appeared before the County Commission.

Given that all other recycling sites in similar positions have compromised and helped to make the site work, the Solon's proposal is unreasonable. It should also be noted that the county has already paid entirely for the engineering study after it was completed, some \$1,200 to \$1,800.

This is what I propose: Determine a reasonable number based upon identified savings; nothing in excess of \$20,000. The proposed agreement should include a 10-year contract. The term of the interim agreement should be extended to allow the township time to make a good decision.

This is a commonsense compromise that should allow some commissioners who voted against the original proposal, as well as others who voted for the full funding to be able to find common ground and pass this motion. If Solon Township is interested in recycling, it should be willing to reduce the project to an appropriate scale to fit the budget or raise the funds for the extras it desires. This proposal is reasonable, limits costs, and avoids setting a precedent that the county can be pressured into excessive demands. Very truly yours, John O'Neill, P. O. Box 33, Cedar, MI 49621."

#### Review of Financials:

County Clerk Crocker responded to a question from Commissioner Lautner regarding the financials and the expenditure for clothing allowance and that it was regarding the Child Care Fund and is through the Probate Court. This is part of the 50/50 reimbursement. No further questions.

#### Action Items:

##### Apollo Engineering / E3 – Law Enforcement Center Update & Recommendation:

*#157-06212016 Regular Session*

**MOTION BY WESSELL THAT LEELANAU COUNTY PURCHASE DIRECTLY THE MAJOR AND MINOR ELEMENTS FOR THE LAW ENFORCEMENT CENTER MECHANICAL RENOVATION PROJECT AS OUTLINED IN THE JUNE 8, 2016, CORRESPONDENCE FROM E3 INC. IN AN AMOUNT NOT TO EXCEED \$346,279.98 FOR THE MAJOR ELEMENTS AND \$40,000.00 FOR THE MINOR ELEMENTS. FUNDS TO BE TRANSFERRED FROM THE DTR FUND TO THE CAPITAL PROJECTS/BUILDING FUND. SECONDED BY RUSHTON.**

Discussion – Commissioner Bunek said he has been thinking about this. As a contractor he struggles with this. The County is buying the material and asking the contractors to install it without a profit. If you are working for labor only, you might as well work for someone else. The contractors may increase their bids because of this. We may be getting a discount or a good deal, but pinching the contractors. He is here to represent the government and get the best price, but he is not in favor of this. Commissioner Rushton questioned Bunek regarding that the contractors cannot mark up the cost for

the purchase, as they will be doing labor only. Bunek affirmed. Rushton thought that she read that there was going to be an allowance for 5% over and above for labor because the County was purchasing the materials. Treasurer John A. Gallagher III responded on adding 5% additional for warranty work and that will guarantee workmanship for at least one year.

Administrator Janik added that there is generally a significant mark-up on this and it also saves on the sales tax. Commissioner Rushton commented that there will be a benefit in another way. Commissioner Lautner said that E3 didn't bring it up, so there must be 10-15% mark-up. At least 6% will be saved. Administrator Janik said it will be known that they are bidding on just the labor and this will be back before Commissioners next month.

**AYES – 6 (Wessell, Bunek, Lautner, Rentenbach, Rushton, Soutas-Little,)  
NO – 0  
MOTION CARRIED.**

Rehmann Robson – 2015 Audit Report:

Audit Principal Steve Peacock for Rehmann was present regarding the Auditing statements for the fiscal year 2015.

The documents that are presented to Commissioners are in draft format and once adopted by the Board of Commissioners and processed through quality control by Rehmann, they will be finalized and prepared. Peacock also referenced the issue with the Suttons Bay properties.

Report reviewed by Peacock and explained the lack of dates at this time. He began with the Independent Auditors' Report – Report of the Financial Statements; Management's Responsibility for the Financial Statements; Independent Auditors' Responsibility; Opinions – *"In our opinion, the financial statement referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unites, each major fund, and the aggregate remaining fund information of Leelanau County, Michigan as of December 31, 2015, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United State of America."* Peacock stated, that is a clean opinion, the highest you can get, it is the gold standard of auditing; Implementation of GASB Statement No. 68,

Other Matters – Required Supplementary information – page 6-13 – this is a required document that puts the financial statements in more of a layperson's language. Prepared by Management and reviewed by the Rehmann, but not prepared by them.

Peacock reviewed the audit report in detail, reviewing MERS – Leelanau County is in a much better position than many counties that they audit; Road Commission funds and pension, balance sheet, review of funds, budgetary comparison of general fund, statement of cash flows were reviewed, along with statement of income statement, component units, Trust & Agency funds, and Notes to Financial Statements reviewed in detail.

Discussion ensued on the findings at the back of the audit. Peacock stated the County could have two separate findings, but it was a consensus to have one and go forward. The Audit Adjustment portion is workable regarding not having a CPA, the cost benefit is not there as it is cost prohibitive and you are like 75 other counties in the State of Michigan that do not employ a CPA. He explained the effect, adding he does not expect any problems with the State of Michigan regarding this.

The second portion of the finding is regarding an identified and proposed material audit adjustment to reestablish delinquent properties taxes receivable, which had originally been written off to expense. As a result of this material adjustment, there was also a significant adjustment recorded in the General Fund to report its proportionate share of the delinquent property taxes that will be charged back to the General Fund of the County. This condition was also caused by a misunderstanding by the County Treasurer regarding the Michigan statutes over the administration of delinquent property taxes. Based on the statutory language, as the foreclosing governmental unit and the County's agent with respect to the Unpledged Delinquent Tax Revolving Fund, the County Treasurer does not possess the statutory authority to waive or reduce the amount of the chargeback's or the interest payable by local taxing jurisdictions for unpaid delinquent taxes.

Commissioner Wessell questioned if Peacock would be willing to assign a letter grade for Leelanau County's audit. Peacock indicated he would give this year's audit a "B+."

Peacock continued to review the Independent Auditors' Communication with those Charged with Governance, which is an audit conclusion memorandum. Peacock stated that the letter explains the audit procedures have been concluded, and they are in a position to release the financial statements. Peacock went on to give a brief overview of each page of the policies and procedures, with everything being in concurrence with management's estimates. There were no significant difficulties encountered in the audit, and the proposed journal entries that needed to be adjusted have been completed by the client, without reservation. Peacock briefly went on to explain GASB 74 and 75 and that they are for other post employment healthcare benefits and this won't be effective until 2018. For some it is going to be zero and County Clerk Crocker responded that Leelanau County will be zero. Peacock encouraged keeping it at that level. Brief comments continued. Peacock concluded by saying the management letter is in draft form, but it will be on letterhead for the Clerk and Treasurer to sign.

(The full audit is available in the Clerk's office.)

*#158-06212016 Regular Session*

**MOTION BY WESSELL TO ACCEPT AND ADOPT THE AUDIT AS PRESENTED.  
SECONDED BY BUNEK AND LAUTNER.**

Discussion – none.

**AYES – 6 (Wessell, Bunek, Lautner, Rentenbach, Rushton, Soutas-Little.)**

**NO – 0**

**MOTION CARRIED.**

Rehmann Robson – 2015 Investigative Report:

Peacock stated that on April 19, the Board of Commissioners commissioned Rehmann to extend audit procedures as it relates to the PRE (Primary Residence Exemption) audits, among other items. He was present to report the findings of the audit. What is not included is a bit of historical information. In 2013 there were 64 PREs, in 2014, 58 PREs; and in 2015 there were 49 for a total of 171 PREs reviewed by Rehmann during the process of their procedures. 114 were denials issued by Leelanau County. Those remaining were either issued by the Township, or a denial ended up not having to be issued. Peacock stated of the 114 audits they went through, there was a lot of documentation to go through. Peacock referred Commissioners to the document entitled – “Extended Audit Procedures – Findings, Comments and Recommendations.” Peacock read each segment of the document specifically: Technical Violation: Adjustments and Write-Offs to Interest; Technical Violation: Late Billings; BS&A PREA Software – County Use and Best Practices; Improper Administration Fees in PREA; Unbilled Winter Levy – Leland Township Parcel; Improper Interest Calculation – Incorrect Tax Season; Other Improperly Calculated Tax Bill; Reporting Interest to the Department of Treasury; Tracking of Document Flow – Treasurer's Office; Land Bank Financial Statements Recommendation; Communication Challenges. Peacock also noted that responses of “Management” is that of the County Treasurer's office. Peacock stated although some of the amounts of money may seem very minimal, but when dealing with the State it is extremely important to be accurate right down to the penny with the inputted information.

Chairman Rentenbach questioned if the parcels would collect interest until billed. Peacock affirmed, but said he believed the taxpayer could have a case if it was not billed within 30 days, and not pay the difference. Again they would defer to the County's attorneys, who said that a write-off was not an option.

Peacock continued, they had a group that consisted of five individuals from Rehmann who interviewed individuals at both the Treasurer's Office and Equalization, with the hopes of coming up with a best practice when working with BS&A, so the whole County can move forward. BS&A works well, but it needs to have some intuitive knowledge put into it in order for it to generate tax bills properly. Rehmann has made the recommendation to create a committee to work together to make sure BS&A can work at its highest level and doesn't see that happening today. Also recommended is to have

the PRE Auditor/Deputy Treasurer and Chief Deputy Treasurer complete basic training by BS&A.

Chairman Rentenbach questioned whether it would be advantageous to have the Equalization Department complete this training. Peacock replied it would be much more beneficial for the Treasurer's Office to complete the training since Equalization does not do the PRE auditing any longer. Peacock stated a proper level of review needs to be instilled, as well as training with BS&A.

Commissioner Wessell said he has a statement, as well as a number of questions. Wessell stated he is appalled by the audit findings, and especially disappointed by the communication issues, and the "weak" responses from the Management. Wessell said he felt as though there was a lot of blame put on others and no accepting of responsibility. Did you receive the cooperation necessary from this audit, from the Treasurer and Deputy Treasurer, and were you treated with respect?

Peacock responded the process was very clear to cooperate with the auditing firm, and they did that to the fullest extent. When you get to the report findings, you tend to get derailed. There were some bumpy moments getting through the final findings and how they were going to be communicated. The Auditing firm stood their ground on the areas that they felt needed to be communicated, and what they felt the Board wanted to hear. Wessell asked if the auditing firm was satisfied with the management responses and are you convinced that the problems will be solved and corrected. Peacock stated he is satisfied with the response; but his job is to report the findings. It is Management's responsibility to respond to it. Peacock stated there are some responses that have much more detail, as well as some findings that have no responses. This audit falls somewhere in between, it is not the greatest, but it's not the worse. Things need to change here for things to get better, and there is a perceived wall and that wall needs to be broken down. At the end of the day, the people who are not being served are the citizens of Leelanau County. This is one of the most important items that the Board can participate in, since you are all elected officials. Bottom line is people need to be in the office to conduct the business of the County.

Commissioner Wessell said since the Board of Commissioners has a role in this, are there policies that need to be put in place, or are there procedures that Peacock would recommend be reviewed?

Peacock stated there is nothing that needs to be put in place; your staff needs to feel comfortable in talking to the Board if something doesn't seem right in the County. The Board's responsibility is to act accordingly. The tone at the top, which is set by the Board of Commissioners, is what needs to continue to spread within the County. All of auditing staff love working with Leelanau County, but we need to get over this hurdle. It will take time to work through until the communication gets fixed.

Commissioner Lautner said she just wanted to review. Lautner stated she thought in the beginning (of the audit) there were some accusations that there were PRE's not being completed, or there were favoritisms, or some outlandish accusations. Peacock replied there were a lot of outlandish accusations, and in his personal observation, there were some very personal things that have occurred with respect to the PRE audits. During the audit they had to decipher through some people that would say one thing that may have been half true; and some people who were not telling the truth at all. All of the 171 PRE's had to be recalculated, which is a lot of time.

Commissioner Rushton asked if the BS&A is a program that is used across the State. Peacock affirmed, it is the "Gold Standard" for managing taxes. Rushton continued what your firm has recognized is a lack of training, so one of the major fixes is to ensure that the employees, as well as elected officials, are able to obtain the appropriate training. As far as a marriage between departments and rectifying their differences, perhaps they should consider taking some special courses or "team building" to help alleviate these problems. Rushton also stated the Administrator has some responsibility to keep the peace between the departments; and maybe more of that information needs to come before the Board on a regular basis.

Peacock commented on Communication Audits, saying there are people that do that for a living. Peacock noted that Rehmann uses Dale Carnegie. Commissioner Rushton said she believes that there are a lot of "I gotcha" attitude here and we are here to serve the people. Rushton doesn't find it unusual to find a few things and she does appreciate that. Peacock responded that this is curable. Peacock said once this is accepted, there are two dates that will change to coincide with the financial statements. This does have to be passed by the State Treasury Department and Administrator Janik addressed that issue.

Administrator Janik gave a brief update on the concerns regarding the Suttons Bay tax issue. Janik had a conference call with the legal counsel and Peacock and he was advised to advise the State of Michigan, Department of Treasury that this report will be forthcoming to them. The State of Michigan has asked for legal opinions. Janik continued that there are basically two options, the internal audit, which is submitted to the State, or have the State come in and do the audit. The State has decided to hold off until we issue our report. Hopefully they will close the investigation. Janik is optimistic that they will not bring a team in for further audit.

Commissioner Bunek commented that this audit seems to be more about the details, rather than issues with BS&A. Bunek questioned how much time was spent on this and what did it end up costing the County? Peacock stated he will prepare the invoice within the next 30 days that will detail out how much time and money was spent on this; he did not have exact numbers, but assured they will not be "gouging" the County.

Commissioner Soutas-Little asked in regards to training, does it include the Assessors, or just County staff? Peacock stated that the most important thing is to make sure that the tax bill being issued through BS&A is correct, and there is time spent reviewing it, and making sure it makes sense and property tax bills are not being issued erroneously. This is the oversight that needs to happen.

Commissioner Wessell stated he disagrees with some of the colleagues. He doesn't see this as a small matter. There are technical violations, procedural violations, monitoring procedures that were not in place, improper calculations and communication problems, which all sound like a big problem. Wessell said he came out of the school system, and he could not have kept his job as a Superintendent if he came out of an audit like this. Wessell said he would like to have this be on the agenda each month as an update. As Commissioners we have a responsibility, and this is a very serious matter.

Commissioner Rushton questioned if there was a new person just hired to handle the PRE auditing. Peacock affirmed. Rushton said looking down the road she anticipates some positive changes in the Treasurer's Office. She would like to see that we are providing that department with the tools that they need, which may include some classes so that the personality issues can be addressed and resolved.

Commissioner Lautner questioned if the dates will be changed to today's date and Peacock responded that they will reflect the processing date, which should be by week's end.

Chairman Rentenbach asked if the issues that are within the Treasurer's Office need to be solved internally. Peacock affirmed.

*#159-06212016 Regular Session*

**MOTION BY BUNEK TO ACCEPT THE EXTENDED OFFICE AUDIT PROCEDURES, FINDINGS, COMMENTS, RECOMMENDATIONS AS PRESENTED TODAY WITH THE DATE CHANGES AS NECESSARY. SECONDED BY WESSELL.**

Discussion – none.

**AYES – 6 (Bunek, Lautner, Rentenbach, Rushton, Soutas-Little, Wessell)**

**NO – 0**

**MOTION CARRIED.**

The Chairman called for a five minute recess began at 9:04 p.m.

The Chairman called the meeting back to order at 9:13 p.m.

Northwestern Regional Airport Commission:

Kevin Klein, from Cherry Capital Airport and the Northwestern Regional Airport Commission and Karrie A. Zeits, Airport Attorney with Smith Haughey Rice & Roegge were present. Klein wanted to thank the Board for having them tonight. Klein referenced the first time he had a chance to come before the Board, back in 2011, as a new director to the Airport. One of the mandates from Commissioner Lautner was that we ensure our financial stewardship of the Airport and continue to remain a self sufficient operation, without receiving taxpayer dollars. Klein stated he took that very personally and seriously, and that is one of the reasons they have come before the Board tonight asking for this consent and non-disturbance agreement. Klein continued, when he came before the Board in April of this year, he presented the negotiations that were going on with Costco Wholesale, Inc. for the opportunity to lease land at the Airport, approximately 18.3 acres of a 60-acre area, which is eligible for development. Klein was happy to say the lease negotiations went very well. On May 24, the Northwestern Regional Airport Commission approved the lease with Costco, however there was a contingency placed on the lease, by Costco, to have a consent and non-disturbance agreement brought forth between the two counties that own the Airport. This consent and non-disturbance agreement is put in place for two reasons, one being if either of the counties decide prior to the conclusion of the agreement in 2040 to terminate the relationship, the counties will still honor the agreement to lease to Costco. Klein continued, the initial lease itself is a 20 year term, with (8) five-year options, with the total being \$12.7 million dollars for the lease. The lease was reviewed on two formats – one being the sale of that property, the other being from a lease income. When the sale of that property was done, the appraisal of that property was approximately one million dollars. Klein stated doing a long term lease of sixty years would be the viable option to generate over \$12 million dollars, creating an annuity for the Airport for continued long-term stability. Klein concluded by saying they are here tonight to obtain two approvals, one being the consent and non-disturbance agreement, and the other for the Reciprocal Easement Agreement (REA), which is for the necessary easements over the property for both parties. Costco is asking for an easement to not allow competitors to be next-door neighbors, with the exception being, food stores such as Whole Foods, and Trader Joes, office supply stores, and home goods. Klein also stated the concerns the Airport has are with height restrictions and downward lighting.

Zeits stated that the resolution before the Board includes the agreement for the consent and non-disturbance agreement, as well as the REA, subject to final approval by the Administrator and legal review, since there are still negotiations with Costco on the REA.

*#160-06212016 Regular Session*

**MOTION BY RUSHTON TO APPROVE RESOLUTION #2016-006 THE COSTCO LEASE, NW REGIONAL AIRPORT COMMISSION, PENDING FINAL LEGAL REVIEW. SECONDED BY BUNEK.**

Discussion. Chairman Rentenbach questioned whether or not the confusion on the wording (typo) on the contract had been resolved. Zeits affirmed.

Commissioner Soutas-Little questioned what would happen if the Airport needed to expand. Klein stated there are provisions that are required by the FAA that allows for a fair market assessment in which the Airport purchases the land. In this case, it would be a termination of lease; and since there is a value to that business there would be re-location costs, etc., that would be negotiated. Zeits added, when (if) the FAA requires this, they would dedicate the funds, and it would not come out of the Airport's budget.

Commissioner Soutas-Little inquired about the additional acreage that may be leased, has there been any other retail interest? Klein responded there are approximately 40 additional acres available, and there has been some interest expressed. However, the Airport Commission wanted to complete negotiations with Costco first, before entertaining any other retailers. Klein finished by stating, as required by the FAA, any revenues that come from land that is leased on the Airport will go towards the operation and maintenance of the Airport. These revenues cannot be diverted to any county or cities.

Chairman Rentenbach asked for a roll call vote.

**ROLL CALL: Rushton – YES; Soutas-Little – YES; Wessell – YES; Bunek – YES; Lautner – YES; Rentenbach – YES.**

**AYES – 6 NO – 0**

**MOTION CARRIED.**

Resolution #2016-006  
Leelanau County Board of Commissioners  
Costco Lease – Northwestern Regional Airport Commission

WHEREAS, the Leelanau County Board of Commissioners met in Regular Session on June 21, 2016; and

WHEREAS, Grand Traverse County and Leelanau County are owners of the property associated with the Cherry Capital Airport, a public airport (the "Airport"); and

WHEREAS, Grand Traverse County and Leelanau County (the "Counties") acquired the Airport from the City of Traverse City on July 6, 1990 on the condition that the property be used for public airport purposes; and

WHEREAS, pursuant to Chapter 7, Section 134 of the Michigan Aeronautics Code (MCL 259.134), the Counties jointly operate the Airport through the Northwestern Regional Airport commission (NRAC); and

WHEREAS, pursuant to an Agreement Amending and Replacing Lease of May 1, 1973 and the Amended Joint Operating Agreement, both dated February 17, 1999 (the "1999 Agreements"), the NRAC is authorized to lease space, area, or improvements and grant concessions for aeronautical purposes, or purposes related to the operation of the Airport, subject to the provisions of the Michigan Aeronautics Code; and

WHEREAS, pursuant to Chapter 7, Section 133 of the Michigan Aeronautics Code, property within the Airport that may not be required for aeronautic purposes may be leased; and

WHEREAS, a 60 acre parcel within the Airport property has been designated on the Airport Master Plan as future Airport Industrial Park (the "60 Acre Parcel"); and

WHEREAS, NRAC has entered into a 20 year Ground Lease with Costco Wholesale Corporation ("Costco") for an approximately 18.3 acre site within the larger 60 Acre Parcel with options to renew for 8 consecutive 5 year terms (the "Lease"), and

WHEREAS, the proceeds of the lease shall be used for Public Airport purposes, which include the operation, maintenance, and development of the Airport in order to maintain a self-sufficient operation not requiring local taxes or contributions from Grand Traverse County or Leelanau County; and

WHEREAS, the term of the Lease, if all renewal options are exercised, extends beyond the initial term of the 1999 Agreements; and

WHEREAS as a condition of entering into the Ground Lease, Costco requires a Consent and Nondisturbance Agreement, attached hereto and made a part hereof, to be executed by the Counties; and

WHEREAS, Leelanau County acknowledges that the Lease is a Public Airport purpose for which the Airport may be used under the 1999 Agreements and wishes to consent to and approve the Lease; and

WHEREAS, the Lease is subject to an agreement to a Reciprocal Easement and Operating Agreement between NRAC and Costco, which will provide for the grant of necessary easements over or serving the property leased to Costco and other Airport property, maintenance of the Common Access Drive serving the leased property and the remaining portion of the 60 Acres, parking rights, and a restrictive covenant against the NRAC from leasing to various incompatible uses of the Airport during the term of the Lease and Leelanau County wishes to authorize execution of such Agreement as owner of the Property; and

NOW THEREFORE be it resolved as follows:

1. The Consent and Nondisturbance Agreement consenting to and approving NRAC's execution of the Lease and the Lease's terms is approved and that the Chair and Clerk be authorized to execute the Consent and Nondisturbance Agreement.
2. The Chair and Clerk are authorized to execute a Reciproval Easement and Operating Agreement related to the Lease as agreed to by NRAC and Costco

subject to approval as to substance by the Administrator and as to form by County Counsel.

Be it further resolved that the County Clerk is directed to forward this resolution to the NRAC.

Sheriff – 2016 Marine Safety Program Grant Agreement:

*#161-06212016 Regular Session*

**MOTION BY LAUTNER TO APPROVE THE ANNUAL MARINE SAFETY PROGRAM GRANT AGREEMENT IN THE AMOUNTS OF \$30,600.00. SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Lautner, Rentenbach, Rushton, Soutas-Little, Wessell, Bunek)**

**NO – 0**

**MOTION CARRIED.**

Sheriff – RAP Grant, Body Camera Purchase:

*#162-06212016 Regular Session*

**MOTION BY RUSHTON TO ALLOW THE SHERIFF'S OFFICE TO SUBMIT A RAP GRANT IN THE AMOUNT OF \$605.50 TO MMRMA TO REIMBURSE THE COUNTY 50% OF THE PURCHASE PRICE FOR SEVEN BODY CAMERAS. SECONDED BY LAUTNER.**

Discussion – none.

**AYES – 6 (Rushton, Soutas-Little, Wessell, Bunek, Lautner, Rentenbach)**

**NO – 0**

**MOTION CARRIED.**

Community Corrections – FY 2017 Grant Request, Leelanau County Resolution:

*#163-06212016 Regular Session*

**MOTION BY RUSHTON TO APPROVE LEELANAU COUNTY RESOLUTION #2016-007 13<sup>TH</sup> CIRCUIT COURT COMMUNITY CORRECTIONS GRANT APPLICATION TO MDOC FOR FY 2017, IN THE AMOUNT OF \$269,186.00. SECONDED BY LAUTNER.**

Discussion – none.

**ROLL CALL: Rushton – YES; Soutas-Little – YES; Wessell – YES; Bunek – YES; Lautner – YES; Rentenbach – YES.**

**AYES – 6 NO – 0**

**MOTION CARRIED.**

Leelanau County Resolution No. 2016-007  
Community Corrections Plan and Application for FY 2017

WHEREAS, the Leelanau County Board of Commissioners met in Regular Session on June 21, 2016, and reviewed recommendation from the Community Corrections Manager to authorize the immediate submission of their 1-year Plan and Application in order to meet the State's deadline;

WHEREAS, the grant is for one (1) year starting with fiscal year 2017 in the amount of \$269,186.00, which includes a request for an increase of \$80,271.00 to assist in the creation of a Drug Court, targeting felony heroin and methamphetamine addicts;

WHEREAS, the Leelanau County Board of Commissioners concurs with this recommendation.

NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF COMMISSIONERS, THAT Leelanau County ratifies the submission of the Community Corrections FY 2017 Grant Application and Plan as presented.

Treasurer – Annual Report, Balance in Land Sale Proceeds Accounts:

*#164-06212016 Regular Session*

**MOTION BY LAUTNER TO APPROVE THE TRANSFER OF \$23,591.00 FROM FUND #517-000.000-999.000 TO FUND #101-000.000-699.517. SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Lautner, Rentenbach, Rushton, Soutas-Little, Wessell, Bunek)**

**NO – 0**

**MOTION CARRIED.**

Treasurer – BS&A training for Tax.Net and P.R.E. Audit.Net:

*#165-06212016 Regular Session*

**MOTION BY RUSHTON TO APPROVE BS&A SOFTWARE TRAINING NOT TO EXCEED \$1,520.00; FUNDS TO COME FROM FUND #258-000.000-960.000. SECONDED BY SOUTAS-LITTLE.**

Discussion – none.

**AYES – 6 (Rushton, Soutas-Little, Wessell, Bunek, Lautner, Rentenbach)**

**NO – 0**

**MOTION CARRIED.**

Offer to purchase – late addition:

Treasurer John A. Gallagher III was present before Commissioners regarding a 2015 list of foreclosures of 2012 and prior taxes regarding the Summerset Court properties. This is part of the chargeback in the Bayview Condominiums. There was an offer from one of the condo owners in the amount of \$3,000.00. Gallagher explained the Summerset Court. He believes that there is value that exceeds \$3,000.00 there; he would like to go out for bids to have these listed with a realtor and put them for sale – the five parcels – but wanted to know if there were any questions or concerns from Commissioners. Gallagher never listed these parcels before in response to a question from Commissioner Rushton. Gallagher responded that they have only gone to auction and there were no interested parties. Across the street is where the significant parcels are – to get any value back and move forward is to list these parcels on the west side and move forward with that. Another alternative would be to place these in the land auction on August 20. To have a local realtor list these now, it is prime time. Comments in response to questions regarding the specifics of the property. It is a

turnkey lot. If the Board has no objections, there is a two week turnaround with realtors for bids before we lose a lot of the tourists. Commissioner Wessell questioned if this lot has shared access to the water and Gallagher indicated that he does not know; Janik commented that it does and it is part of the Condo Association. Gallagher continued that it is peak time to get these listed. Rushton questioned if there is cost to the County and Gallagher responded just the newspaper and on-line ads. Commissioner Bunek asked if it is necessary to make a motion. Gallagher responded no. Chairman Rentenbach believes that there is a lot more value than \$3,000.00 to each of these pieces.

Commissioner Bunek asked what the minimum bid at auction was and Gallagher responded that it was \$27,000.00 and at the second auction he bundled all five parcels hoping for a developer.

Chairman Rentenbach commented that she hopes Gallagher reports back to the Gentleman that the Board does not wish to accept his offer.

Planning & Community Development – Recycling Contract Amendment:

Planning & Community Development Director Trudy Galla was present regarding the recycling contract agreement and responded to questions from Commissioners on this amendment.

*#166-06212016 Regular Session*

**MOTION BY LAUTNER TO APPROVE AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN LEELANAU COUNTY AND THE BENZIE/LEELANAU DISTRICT HEALTH DEPARTMENT FOR A COUNTY RECYCLING PROGRAM SITE, AND AUTHORIZE THE BOARD CHAIRMAN TO SIGN AMENDMENT NO. 1. SECONDED BY BUNEK.**

Discussion.

**AYES – 6 (Lautner, Rentenbach, Rushton, Soutas-Little, Wessell, Bunek)**

**NO – 0**

**MOTION CARRIED.**

Planning & Community Development – EPA Extension Request for Revolving Loan Fund:

Planning and Community Development Director Trudy Galla was present and explained the letter and document that was emailed to all Commissioners. Galla in detail explained the documents and need for the letter for the request and responded to questions from Commissioners.

*#167-06212016 Regular Session*

**MOTION BY SOUTAS-LITTLE TO ACCEPT THE LETTER TO ASK FOR AN EPA EXTENSION REQUEST FOR THE REVOLVING LOAN FUND UNTIL DECEMBER 31, 2017, AND AUTHORIZE THE CHAIRMAN TO SIGN.**

Discussion – none.

**AYES – 6 (Soutas-Little, Wessell, Bunek, Lautner, Rentenbach, Rushton)**

**NO – 0**

**MOTION CARRIED.**

Equalization – 2016 L-4029 Tax Rate Request:

Equalization Director Laurie Spencer was present to answer any questions. There being none.

*#168-06212016 Regular Session*

**MOTION BY WESSELL TO APPROVE THE MILLAGE RATE OF 3.5212 ON THE 2016 L-4029 FOR LEELANAU COUNTY. SECONDED BY SOUTAS-LITTLE.**

Discussion – none.

**AYES – 4 (Wessell, Bunek, Rentenbach, Soutas-Little)**

**NO – 2 (Lautner, Rushton)**

**MOTION CARRIED.**

Information Technology – New Server Purchase:

*#169-06212016 Regular Session*

**MOTION BY LAUTNER TO APPROVE THE PURCHASE OF A NEW SERVER FROM DELL CORPORATION FOR \$21,271.31 WITH THE FUNDS TO COME FROM THE DATA PROCESSING FUND #636. SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Lautner, Rentenbach, Rushton, Soutas-Little, Wessell, Bunek)**

**NO – 0**

**MOTION CARRIED.**

Information Technology – Adobe Acrobat Software Purchase:

*#170-06212016 Regular Session*

**MOTION BY RUSHTON TO APPROVE THE PURCHASE OF 35 LICENSES FOR ADOBE ACROBAT DC FOR \$8,365.00 FROM SHI WITH FUNDS TO COME FROM DATA PROCESSING FUND #636. SECONDED BY LAUTNER.**

Discussion – This is going to allow the County website to be much more interactive.

**AYES – 6 (Rushton, Soutas-Little, Wessell, Bunek, Lautner, Rentenbach)**

**NO – 0**

**MOTION CARRIED.**

Senior Services – Collaboration with BATA Mobility on Demand (MOD) Sandbox Program Grant Application:

*#171-06212016 Regular Session*

**MOTION BY RUSHTON TO APPROVE LEELANAU COUNTY SENIOR SERVICES PARTNERING WITH BATA IN APPLYING FOR THE MOBILITY ON DEMAND SANDBOX PROGRAM GRANT THROUGH THE FEDERAL TRANSIT AUTHORITY. SECONDED BY SOUTAS-LITTLE.**

Discussion – none.

**AYES – 6 (Rushton, Soutas-Little, Wessell, Bunek, Lautner, Rentenbach)**

**NO – 0**

**MOTION CARRIED.**



Northport Grant Tower amendment - Late Addition:

*#176-06212016 Regular Session*

**MOTION BY BUNEK TO AMEND MOTION #149-05172016 REGULAR SESSION AND THAT LEELANAU COUNTY ACCEPT THE BID FROM GRANT TOWER TO DISASSEMBLE, REMOVE AND TRANSPORT THE OLD COMMUNICATION TOWER AT NORTHPORT FIRE STATION TO THE CENTRAL TOWER SITE IN THE AMOUNT NOT TO EXCEED \$7,794.00, NOT \$7,749.00 AS PREVIOUSLY APPROVED, AND TO BE PAID FOR OUT OF THE COMMUNICATIONS TOWER FUND FOR CONTRACTUAL SERVICES. SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Bunek, Lautner, Rentenbach, Rushton, Soutas-Little, Wessell)**

**NO – 0**

**MOTION CARRIED.**

Administrator – 2017 Budget Schedule:

Administrator Janik distributed a proposed budget preparation schedule to Commissioners. Amendments to schedule explained and request made that all Commissioners review their calendars for dates between July 22, 2016 – September 20, 2016 for potential meeting dates.

Administrator – Tenurgy Consulting Services Agreement:

*#177-06212016 Regular Session*

**MOTION BY WESSELL TO APPROVE THE CONSULTING SERVICES AGREEMENT BETWEEN LEELANAU COUNTY AND TENURGY. SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Wessell, Bunek, Lautner, Rentenbach, Rushton, Soutas-Little,)**

**NO – 0**

**MOTION CARRIED.**

GTB 2% Allocation Award Request:

*#178-06212016 Regular Session*

**MOTION BY BUNEK TO PASS THE FOLLOWING ITEMS PERTAINING TO THE GRAND TRAVERSE BAND 2% ALLOCATION:**

- Sheriff – Marine Division Tow Vehicle, Topper and Agency Decals, \$34,667.00
- Land Bank Fast Track Authority – Blight Elimination Grant, \$30,000.00
- Solid Waste Council – Recycling Container Purchase, \$12,000.00
- Equalization – Continuously Operating Reference Station (CORS) \$15,090.00
- Construction Codes Authority – Safety Equipment Purchase, \$14,265.00

**SECONDED BY WESSELL.**

Discussion – none.

**AYES – 6 (Bunek, Lautner, Rentenbach, Rushton, Soutas-Little, Wessell)**

**NO – 0**

**MOTION CARRIED.**

*#179-06212016 Regular Session*

**MOTION BY SOUTAS-LITTLE TO FORWARD THE 2% GRAND TRAVERSE BAND ALLOCATION REQUEST FOR THE FACILITY DOG TRAINING, BULLYING PREVENTION AND CANINE SAFETY CLASSES IN THE AMOUNT OF \$2,000.00. SECONDED BY LAUTNER.**

Discussion – Commissioner Bunek commented that it was previously said that no tax dollars would be spent on the dog. The 2% money is tax dollars. If you look at the information that was sent to Commissioners regarding facility dogs, he went to the website and could not find anywhere where tax dollars was being spent.

**AYES – 4 (Soutas-Little, Wessell, Lautner, Rentenbach)**

**NO – 2 (Bunek and Rushton)**

**MOTION CARRIED.**

Commissioner Rushton stated that she asked for some clarification regarding the Mid Michigan Honor Flight. Administrator Janik responded that he did follow-up with the County's legal firm and this request is not a gift. The Veterans Affairs Office is a County Department and if this were approved it would be individual specific in Leelanau County and administered through a County department. The County cannot just write a \$5,000.00 check and this will be administered through a County Department – specifically Veterans Affairs.

*#180-06212016 Regular Session*

**MOTION BY RUSHTON TO APPROVE THE 2% GRAND TRAVERSE BAND ALLOCATION REQUEST FOR \$5,000.00 FOR THE ADMINISTRATION / VETERANS AFFAIRS REQUEST TO OVERSEE THE MID MICHIGAN HONOR FLIGHT REQUEST PROGRAM / DOLLARS. SECONDED BY WESSELL.**

Discussion – none.

**AYES – 6 (Rushton, Soutas-Little, Wessell, Bunek, Lautner, Rentenbach)**

**NO – 0 VACANT – District #1**

**MOTION CARRIED.**

Family Court – 2% Funding Request – Late addition:

*#181-06212016 Regular Session*

**MOTION BY BUNEK TO SUPPORT THE 2% GRAND TRAVERSE BAND ALLOCATION/FUND REQUEST TO THE GRAND TRAVERSE BAND FOR LEELANAU COUNTY FAMILY COURT TO ADMINISTER THE FUNDS AS AN ADDITION TO THEIR BUDGET FOR FINANCIAL ASSISTANCE PROVIDED BY LEELANAU CHRISTIAN NEIGHBORS. SECONDED BY RUSHTON.**

Discussion – Commissioner Bunek commented that this is exactly what he has been asking for that this be overseen by a County Department and that it goes to a Department. This way someone is overseeing it, that it just doesn't go there as a pass through. He believes that this will be more accountable and something that the government uses and pays for and therefore will support it.

**AYES – 6 (Bunek, Lautner, Rentenbach, Rushton, Soutas-Little, Wessell)**

**NO – 0**

**MOTION CARRIED.**

Solon Township – Request for Recycling Site Improvements:

*#182-06212016 Regular Session*

MOTION BY SOUTAS-LITTLE THAT THE ADDENDUM TO AGREEMENT WITH SOLON TOWNSHIP FOR THE CEDAR RECYCLING SITE BE MODIFIED TO STATE THAT LEELANAU COUNTY WILL PAY UP TO \$25,000.00 FOR CERTAIN IMPROVEMENTS TO THE SITE, INCLUDING THE CEMENT PAD, AND FENCING, AND ENCOURAGE THE TOWNSHIP TO LOOK AT COST SAVINGS, BY DECREASING THE PAD SIZE IF POSSIBLE, AND UTILIZING A WOODEN FENCE VERSUS THE CHAIN LINK FENCING. SECONDED BY WESSELL.

Discussion. Commissioner Soutas-Little commented that this was a very difficult decision for her. There are no structural problems with the Cedar site and there are no vehicle access problems. The bins are not sinking into the ground, there is no cracking of asphalt, as there is no asphalt at the site. There are no environmental issues that anyone has reported. There were problems with glass shards littering the ground which has been handled when the glass bin was eliminated. The request from Solon Township for improvement is for tidying up the site, to make it more attractive. She has had many letters from residents who would like to see the site stay in the current location. The residents know it is expensive, and they know it is not a need, but a need to enhance the area. Functionally it is fine. It does receive a lot of traffic, but Elmwood and Suttons Bay Townships both receive more traffic. The Solon Township site came in third in terms of traffic. It does serve a lot of the communities there and is a convenient area for them. The fiscal viability there – the revenues that the recycling programs receive and the expenditures almost balance, including the Cedar improvement at this amount, it is projected that they will have a fund balance around \$30,000.00 going into 2017. Household Hazardous Waste has really grown in popularity, so there is an expected increase in expenses. Examples were now shown on the SmartBoard – in regards to the gravel you can see where it has been refreshed and is holding up beautifully. It really doesn't matter in Cedar what you put down, it needs to be kept tidily with a little bit additional effort. Questions have risen as to where to go if the bins are full.

Chairman Rentenbach commented that she visited the site last week and the signs were well placed and very tidy.

Commissioner Soutas-Little also commented on the fence that is used at Leelanau Schools and that is a potential for Cedar and if beauty and tidy is the goal, this certainly is. In regards to the foundation underneath the bins, you can see that the gravel is holding up. The pad being suggested for Solon Township could be reduced because it was set up four bins and there are three and they are no longer handling glass. Soutas-Little's stated she is hesitant because costs are costs. However, partnerships are important. This sets precedence. All of the other sites are partnered with the townships. Soutas-Little said she wishes the partnership were better here and understands that there is not going to be movement regarding the amount. She agrees to the \$25,000.00 in the hope that we keep the site there, and open, as that is what the residents want.

*#183-06212016 Regular Session*

**MOTION BY RUSHTON TO AMEND THE ORIGINAL MOTION AND STRIKE THE \$25,000.00 AND REPLACE WITH \$11,000.00, WHICH IS THE SAME AMOUNT ELMWOOD TOWNSHIP'S RECYCLING SITE RECEIVED. SECONDED BY BUNEK.**

Discussion. Commissioner Bunek stated the \$11,000.00 is the maximum amount we have given to any recycling site, and he is willing to put that amount forward to Cedar site. Bunek said he is hopeful the other townships will come forward on this and show how we are willing to for a partnership.

Commissioner Wessell said he likes the first motion. The Solid Waste Council made their best recommendation. If you treat everything equal, it is not equal; there are different needs and challenges. He doesn't know if we can agree on something that is the same price everywhere. Wessell stated he will vote no on the amendment.

Commissioner Bunek said wanted to also include that the County has already paid for the engineering on this, the County was just given the bill, and it is not even the County's engineer that decided what was needed. If you look at the yearly payment over the next five years, it is \$6,000.00, as well, as well as the engineering costs, if you total those costs, we are near \$20,000.00. Then anything is available to everyone for recycling, and there is no partnership.

Commissioner Soutas-Little said she does not disagree with Bunek. The County is in a difficult situation. You have what the residents of the County are asking for, and paying for, on one hand and an issue not necessarily parity, but of recognition by the township that is serving as host. This is not a structural issue here, but if they put the pad down as desired, then it does become one, as it has to have a certain mesh underneath, and that is what drives the price up so high. \$10,000.00 was left over from the 2% allocation fund which is allowable to use for the recycling improvements.

Commissioner Rushton commented that she keeps hearing this is a County program; it was her understanding when they reached out to different townships in an effort to get our sites in place, it was a partnership. That didn't mean that the County paid for everything. A couple of years ago she asked the Board to extend \$1,260.00 annually to the leased sites to offset some of their mounting costs. In this particular instance, Solon Township went out and did their own engineering study and presented us with the bill. The letters from the Community are saying there is nothing wrong with the site. There are so many mixed opinions on this site. Rushton said she doesn't think that we should be going out there and revamping township property. These properties were used prior to recycling and no maintenance was performed. Now they want the County to bear the brunt of the whole re-do, claiming it was all damages due to recycling, which is not necessarily true. At some point we need to put in place a certain dollar amount for certain recycle areas, and that is what is going to get paid. It all comes down to fundamental fairness. How can we give one segment of society the "Taj Mahal" the other a gravel road? \$11,000.00 is her offer and that is where she sits.

Commissioner Soutas-Little said she would like to recommend to the Solid Waste Council that they establish some sort of priority. Her fear in this if you get a lot of sites that need modification, what are you going to do? That is her concern. That is something that the Solid Waste Council needs to do. The plan needs to go out beyond year-to-year. She would hope an investment of that magnitude, the agreement would be longer than five years, and she is hopeful that they would want to extend that.

Commissioner Bunek said he does not believe that it can go beyond the five years, which would be past the agreement of the millage. There is no indication that they may sign it, there is no commitment. The addendum outlines it.

*MOTION BY SOUTAS-LITTLE THAT THE ADDENDUM TO AGREEMENT WITH SOLON TOWNSHIP FOR THE CEDAR RECYCLING SITE BE MODIFIED TO STATE THAT LEELANAU COUNTY WILL PAY UP TO \$11,000.00 FOR CERTAIN IMPROVEMENTS TO THE SITE, INCLUDING THE CEMENT PAD, AND FENCING, AND ENCOURAGE THE TOWNSHIP TO LOOK AT COST SAVINGS, BY DECREASING THE PAD SIZE IF POSSIBLE, AND UTILIZING A WOODEN FENCE VERSUS THE CHAIN LINK FENCING. SECONDED BY WESSELL.*

*Amended from \$25,000.00 to \$11,000.00.*

**AYES – 2 (Rushton, Bunek)**

**NO – 4 (Soutas-Little, Wessell, Lautner, Rentenbach)      MOTION FAILS.**

*MOTION AMENDED BY LAUTNER FOR THE DOLLAR AMOUNT OF UP TO \$30,000.00 FOR THE IMPROVEMENTS.* Motion dies for lack of support.

Original Motion read by Clerk:

*#182-06212016 Regular Session*

**MOTION BY SOUTAS-LITTLE THAT THE ADDENDUM TO AGREEMENT WITH SOLON TOWNSHIP FOR THE CEDAR RECYCLING SITE BE MODIFIED TO STATE THAT LEELANAU COUNTY WILL PAY UP TO \$25,000.00 FOR CERTAIN IMPROVEMENTS TO THE SITE, INCLUDING THE CEMENT PAD, AND FENCING, AND ENCOURAGE THE TOWNSHIP TO LOOK AT COST SAVINGS, BY DECREASING THE PAD SIZE IF POSSIBLE, AND UTILIZING A WOODEN FENCE VERSUS THE CHAIN LINK FENCING. SECONDED BY WESSELL.**

Discussion. Commissioner Lautner commented that Solon Township has asked for improvements to this site for years. Some improvements have been made. Four of the five members of the Solon Township Board work full-time, and vacation days were taken to attend Solid Waste Council meetings. They wanted improvements; that is where the Board is and they want the improvements to the site. Lautner said she is afraid that what may have expired is the work that was bid on for \$40,000.00, on the site. Lautner said “we” are hopeful that the contractor will do the work for that amount. Solon Township will do a five year contract, and if pulled before, they will reimburse the difference.

**AYES – 4 (Soutas-Little, Wessell, Lautner, Rentenbach)**

**NO – 2 (Bunek & Rushton)**

**MOTION CARRIED.**

Commissioner Lautner stated that it (\$25,000.00) does not guarantee the site.

Amendments and Transfers:

*#184-06212016 Regular Session*

**MOTION BY LAUTNER TO APPROVE 2016 FUND TRANSFER #16-003.**

**SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Lautner, Rentenbach, Rushton, Soutas-Little, Wessell, Bunek)**

**NO – 0**

**MOTION CARRIED.**

Claims and Accounts:

*#185-06212016 Regular Session*

**MOTION BY LAUTNER TO APPROVE CLAIMS AND ACCOUNTS IN THE AMOUNT OF \$205,807.21. SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Lautner, Rentenbach, Rushton, Soutas-Little, Wessell, Bunek)**

**NO – 0**

**MOTION CARRIED.**

Post Audit Claims and Accounts:

*#186-06212016 Regular Session*

**MOTION BY LAUTNER TO APPROVE POST AUDIT CLAIMS AND ACCOUNTS IN THE AMOUNT \$3,533,310.91. SECONDED BY RUSHTON.**

Discussion – none.

**AYES – 6 (Lautner, Rentenbach, Rushton, Soutas-Little, Wessell, Bunek)**

**NO – 0**

**MOTION CARRIED.**

Special Reports by Staff, Commissioners, Elected Officials and Affiliated Agencies:

None.

Commissioner Comments – Reports on Committee/Commission Appointments:

None.

Public Comment:

► Bill Perkins with the Solid Waste Board and resident of Suttons Bay Township, Suttons Bay Village. Perkins commented that if it makes anyone feel better, Solon Township originally wanted to pave the entire loop for the boat launch and the recycling site with the argument that 98% of the traffic was for recycling. Solon Township decided not to – it would have been a large amount of money to pave it, it was cheaper not to. So they did compromise before the whole thing started.

► Bruce Price of Lake Leelanau. Price commented that we now have the election year insults and if anyone was dumb enough to bring up a tax cut. His house is \$300,000.00

and he would have received six cents by a millage reduction. He thanked the Democrats for having good sense.

► Gwenne Allgaier of Cleveland Township. Allgaier thanked the Commissioners for the 2% vote for the Leelanau Christian Neighbors.

Adjourn:

*#187-06212016 Regular Session*

**MOTION BY BUNEK TO ADJOURN. SECONDED BY SOUTAS-LITTLE.**

**AYES – 6 (Bunek, Lautner, Rentenbach, Rushton, Soutas-Little, Wessell)**

**NO – 0**

**MOTION CARRIED.**

Meeting adjourned at 10:20 p.m.

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Carolyn Rentenbach, Chairman  
Leelanau County Board of Commissioners

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Michelle L. Crocker, Leelanau County Clerk  
Clerk, Leelanau County Board of Comm.