



# Manistee County Board of Commissioners

Manistee County Courthouse • 415 Third Street • Manistee, Michigan 49660

CHAIRPERSON  
Jim Krolczyk  
VICE-CHAIRPERSON  
Ken Hilliard

Duane Anderson  
Ervin Kowalski  
Glenn Lottie  
Carl Rutske  
Richard Schmidt

**CLERK**

Jill Nowak  
(231) 723-3331

**CONTROLLER/ADMINISTRATOR**

Thomas Kaminski  
(231) 398-3500

## WAYS & MEANS COMMITTEE REPORT

Tuesday, March 13, 2012  
9:00 A.M.

Courthouse and Government Center  
Board of Commissioner's Room

Members Present: Jim Krolczyk and Duane Anderson

Members Absent: Ervin Kowalski, Chairperson

Others Present: Thomas Kaminski, County Controller/Administrator; Russell Pomeroy, County Treasurer; Robert Carson, County Planner; Patrick Bentley, County Surveyor; Scott Erickson, Registered Forester with MichiTree, Inc.; Chip Johnston, Executive Director of Manistee/Benzie Centra Wellness Network; Ford Stone, Prosecuting Attorney; Roger Elbers, Equalization Director; Jill Nowak, County Clerk; Charles Haemker, Executive Director of the Manistee County Library; Dave Yarnell, Manistee News Advocate; and Jeri Lyn Prielipp, Finance Assistant/Recording Secretary

**DRAFT**

The meeting was called to order at 9:00 A.M.

**ITEMS REQUIRING BOARD ACTION**

Jeri Lyn Prielipp, Finance Assistant, presented the Committee with Claiming Summaries for February 14, 2012 through March 13, 2012, and a summary of the On-Demand checks for their review and approval. Totals are as follows:

101 General Fund	\$248,601.27
201 County Road Fund	0.00
215 Friend of the Court Fund	0.00
216 Department Contingency Fund	0.00
218 Elections Fund	436.80
225 Recycling Fund	5,011.26
230 County Employee Training Fund	300.00
234 Judicial Technology Fund	0.00
235 District Court Services Fund	1,411.59
236 Maintenance of Effort Fund	0.00
241 JAWS of Life Fund	0.00
242 Bear Lake Improvement Fund	0.00
243 Brownfield Redevelopment Authority Fund	0.00
245 Public Improvement Fund	0.00

246 Township Improvement Revolving Fund	0.00
251 Capital Improvement Fund	864.00
252 Tax Refund Fund	0.00
253 Remonumentation Fund	0.00
254 Medical Care Depreciation Fund	0.00
255 Brownfield Site Assessment Fund	0.00
256 Register of Deeds Automation Fund	0.00
257 Budget Stabilization Fund	0.00
258 Mounted Search and Rescue	0.00
259 Legal Defense Fund	0.00
260 Health Insurance Fund	145,312.95
261 9-1-1 Service Fund	0.00
262 Dive Equipment Fund	492.36
263 Sheriff's Office Forfeited Assets Fund	0.00
264 Family Counseling Services Fund	0.00
265 Juvenile Drug Court Fund	0.00
266 Law Enforcement Training Fund	2,467.25
267 Friends of Animal Control Fund	0.00
268 Homeland Security Grant Fund	0.00
269 Law Library Fund	461.80
271 County Library Fund	0.00
272 County Library Trust Fund	0.00
273 Computer Technology Fund	10,032.64
274 Drug Testing - District Court Fund	0.00
275 Dial-A-Ride Fund	0.00
276 Forestry Fund	0.00
277 Air Photo Fund	0.00
278 LEPC Grant Fund	0.00
279 Economic Development - Housing Fund	5,799.03
280 MSHDA Grant Fund	0.00
281 Law Enforcement Technology Fund	0.00
282 EDO CDBG Grant Fund	0.00
283 F.I.A. Benzie County	0.00
284 Community Corrections Fund	1.10
285 Drunk Driving Case Flow Fund	0.00
286 Juvenile Intervention Fund	752.51
287 JABGN Grant Fund	0.00
288 Sheriff Dog Census Fund	0.00
290 Department of Human Services Fund	0.00
292 Child Care Fund	16,981.61
293 Soldiers & Sailors Relief Fund	3,260.28
294 Veterans Trust Fund	0.00
295 Airport Authority Fund	29,413.34
296 Juvenile Justice Fund	0.00
297 Compensated Services Fund	73,311.91
298 County Employee Separation Fund	0.00

299 Unemployment Fund	0.00
356 Fair Board Debt Fund	0.00
360 9-1-1 Expansion Construction Fund	0.00
361 Jail Expansion Construction Fund	0.00
362 Jail Building Bond	0.00
368 Library Loan Fund	0.00
369 Building Authority Debt Fund	0.00
370 County Road Building Debt Fund	0.00
461 Building Authority Construction Fund	0.00
462 County Road Construction Fund	0.00
512 Medical Care Facility Fund	0.00
603 Vehicle Fund	0.00
606 Tax Revolving Fund	0.00
609 2009 Tax Revolving Fund	640.00
610 2010 Tax Revolving Fund	0.00
620 Tax Revolving - State Sales	246.59
701 Trust & Agency Fund	469.84

Total	----- \$546,268.13 =====
On Demand Checks Total	\$79,759.29 =====

**Mr. Anderson recommended that the bills be accepted in the amount of \$546,268.13 and that the same be placed on file. No alternative recommendation was proposed.**

Mr. Carson and Mr. Bentley appeared to present the 2012 State Survey and Remonumentation Contracts. Mr. Bentley announced that the grant application was approved and \$25,000 of that grant was approved by the State of Michigan for remonumentation. A list of the contracted Surveyors under the Remonumentation Program and the corners they will be completing in 2012 was distributed to the Committee (APPENDIX A). The contracts clearly spell out exactly what is expected of the contractor and what they have to deliver and under what time table. Mr. Bentley explained that once the corners are selected, the Surveyors bring the work to the Peer Group for final approval. Following these discussions,

**Mr. Anderson recommended approving the 2012 State Survey and Remonumentation Contracts in the total amount of \$25,000 to contract with:**

<b>Patrick Bentley, Surveyor</b>	<b>\$8,200</b>
<b>Robert Mitchell, Surveyor</b>	<b>\$8,400</b>
<b>James Nordlund, Surveyor</b>	<b>\$8,400</b>

**to complete remonumentation field work and to research corners in 2012, and approving payment of \$200 per Peer Meeting to Tony Slawinski, Sam Barnett, and Ken Ross. No alternative recommendation was proposed. (APPENDIX A)**

The Committee considered a proposed contract for the potential sale of timber on 120 acres of County property located near 11 Mile Road in Bear Lake Township (APPENDIX B). Mr. Erickson of MichiTree, Inc., explained that the contract would include two separate timber sales, and would entail his company marking the trees that should be cut, evaluating what the timber is worth, and soliciting bids from logging companies. MichiTree, Inc. will also update the County's Forest Management Plan to cover the years 2014 through 2034. Committee members and Mr. Kaminski expressed an interest in walking the property/stand.

**Mr. Anderson recommended approving the 2-year contract with MichiTree, Inc. to conduct a timber sales on 120 acres of County property located in Bear Lake Township, the cost to the County being 12% of the timber sale(s) value, and for MichiTree, Inc. to update the County's Forest Management Plan for a period between 2014-2034. No alternative recommendation was proposed.**  
(APPENDIX B)

#### ITEMS NOT REQUIRING BOARD ACTION:

Mr. Johnston reported there is a chance that Centra Wellness Network may be moving from the offices it occupies at 385 and 395 Third Street. Manistee County owns the building at 385 Third Street, half of which is occupied by Centra Wellness and the other half by District Health Department #10. Mr. Kaminski stated that Centra has an equity stake in the 385 Third Street building, however the agreement is being interpreted to mean that the equity position applies as long as Centra Wellness continues to occupy the building. Centra also owns the property across the parking lot at 395 Third Street and Mr. Kaminski indicated that the County may want to consider purchasing it. Most of the parking lot at the site belongs to the building Centra owns and if that building were sold, the County would have to purchase an easement to have access to the lot. Prosecutor Stone stated that he is satisfied with Centra Wellness selling the 395 Third Street property (valued at about \$250,000) to the County at Centra's cost of approximately \$86,000, and Centra leaving the 385 Third Street Building without reimbursement for its equity in the building. Mr. Stone stated that for what the County would have to pay for an easement for parking, it would be well worth it for the County to consider purchasing the 395 Third Street Building.

Charles Haemker, Executive Director of the Manistee County Library, appeared to provide a report to the Committee. He noted that the Library has designated March as "Friends of the Library" month in honor of the group that has been around for about 30 years and provided over \$40,000 in funding. He also reported that since the Library's audit showed an increase in fund balance of \$96,000 for the last fiscal year, the Library Board is looking for a way to partially compensate employees for furlough days they took over this past summer in an attempt to balance the budget. There are also some capital improvement projects the Library Board is considering, including repairs to a retaining wall and energy-saving improvements to the building and the heating and air conditioning systems.

Mr. Kaminski updated the Committee on the Governor's proposal on State Revenue Sharing, House Bill No. 5535 regarding the Open Meetings Act, Michigan Municipal Risk Management Authority Board's approval of 2012 net asset distribution to renewing M.M.R.M.A. members (APPENDIX C), and the health insurance direct feed monthly savings totals for February 2012 (APPENDIX D).

There being no further business to come before the Committee, the meeting adjourned at 10:30 A.M.

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Ervin Kowalski, Chairperson

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Duane Anderson, Commissioner

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Jim Krolczyk, Commissioner

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## APPENDIX A-1

T23N, R13W Marilla Township

Corners to be completed by **Patrick Bentley**:

G-06, G-07 & H-03 – research was completed on these three corners in 2011, the field work will be completed in 2012.

G-08, H-07, I-06, I-07, I-08 – research and field work to be completed in 2012

G-10 & G-11 to be researched only in 2012

**Contract amount \$8200**

T21N, R14w Norman Township

Corners to be completed by **Robert Mitchell**:

B-09, B-11, C-08, C-09, C-10, C-11, C-12 & D-11 – research and field work to be completed in 2012

**Contract amount \$8400**

T22N, R14W Dickson Township

Corners to be completed by **James Nordlund**:

B-03, B-05, C-02, C-03, C-04, C-05, D-03, E-03 – research and fieldwork to be completed in 2012.

**Contract amount \$8400**

**Tony Slawinski Peer meetings \$200/meeting**

**Sam Barnett Peer meetings \$200/meeting**

**Ken Ross Peer meetings \$200/meeting**

**MichiTree, Inc.**  
**2650 W. Fisher Rd**  
**Ludington, MI 49431**  
**(231) 845-0142**  
[michitreeinc@gmail.com](mailto:michitreeinc@gmail.com)

February 23, 2012

Manistee County Controller/Administrator  
Mr. Tom Kaminski  
415 3<sup>rd</sup> St.  
Manistee, MI 49660

Dear Mr. Kaminski

It was nice talking with you recently, and touring the County's beautiful property in Bear Lake Township. Based on your forest management plan, my understanding of the objectives for the County property is as follows:

1. To retain long-term ownership of the property.
2. To manage the forest primarily for long-term, high quality, timber production.
3. To practice sound, scientific forest management practices on this land.

As we discussed, this forest is currently well-stocked with mature red pine and northern hardwood stands. Based on my inspection, the County's objectives, and the forest management plan dated February 25, 2002, we recommend taking the following course of action:

1. Within the mature hardwood stands (approx. 40 acres in stands #12 & #19- see Appendix A & B- "*Forest Lands Maps*" & "*Management Schedule*", Bear Lake Township Parcel), conduct a selective thinning timber harvest. Trees designated for harvest would include; financially mature trees 18" d.b.h. (diameter at breast height) and larger, high risk and poor potential trees.
2. Within the mature red pine/white pine stands (approx. 49 acres in stands #10, 11, 13, 16, 18, 23, & 25- see Appendix A & B), conduct an approximate 50% thinning. In areas with exceptional quality hard maple regeneration (stands # 16, 18, 23 and pockets in 25) conduct an over-story removal, harvesting all mature red pine trees. The immature hardwood trees should "release" into a high quality hardwood forest for the future.
3. Update forest management plan for next 20 years (2014-2034).

On the following page, you will find our letter of commitment, outlining our services and fee. Please sign and return one copy for our records. Please feel free to contact me if you have any questions. We look forward to working with you on this project, as well as future endeavors as well.

MichiTree, Inc.  
2650 W. Fisher Rd  
Ludington, MI 49431  
(231) 845-0142  
michitreeinc@gmail.com

Thank you for choosing MichiTree, Inc. to assist with the forest management on your property in Bear Lake Township. **Description: 80 acres m/l in the W1/2, NE1/4, & 40 acres m/l in the NE1/4, SE1/4, Section 14, T23N, R15W, Bear Lake Township, Manistee County, Michigan.**

The following services will be provided by MichiTree, Inc. for 12% of the timber sale(s) value (Includes: both hardwood and red pine harvests as well as plan update).

1. Establish and mark cutting boundaries.
2. Designate and determine the volume of timber to be harvested.
3. Prepare a timber sale notice and send it out to several reputable timber buyers inviting bids.
4. Prepare a timber sale contract covering all of the terms and conditions of the timber sale.
5. Administer the sale through completion.
6. Provide all supplies, equipment, travel time and expenses necessary to complete the project.
7. Update forest management plan for period between 2014-2034.

If you cancel the timber harvest for reasons other than a low bid, you agree to compensate MichiTree, Inc. for all fieldwork at a rate of **\$50.00/acre for approx. 89 acres.** In the event of a low bid, we will either re-advertise or negotiate the sale at a later date when market conditions improve. You also agree to not sell any portion of the property involved in the sale until the timber sale is completed.

This agreement will expire 2 years from the date of signing, and is renewable by mutual consent.

If you are in agreement with the above, please acknowledge by returning a signed copy of this letter to me.

Sincerely,  
Scott R Erickson, ACF  
MI Registered Forester #671

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Manistee County

Date


 RISK

MICHIGAN MUNICIPAL  
RISK MANAGEMENT  
A U T H O R I T Y

**\*\* SPECIAL ANNOUNCEMENT \*\***

**Board Approves \$38.6 Million Distribution to Members**

At its February 16 meeting, MMRMA's Board of Directors acted to declare a **\$38,644,191** distribution of excess net assets to current renewing MMRMA Members. The Board also approved the 2012 Net Asset Policy Report, including the results of the most recent capital adequacy analysis, which determines the necessary net assets needed. This will be our sixth and largest distribution of excess net assets to current renewing members. With this distribution, MMRMA has distributed over \$95,000,000 to its renewing members since 2006. The following table shows a history of these distributions:

<u>Fiscal Year</u>	<u>Distribution</u>	<u>Cumulative Distributions</u>
2006	\$ 3,696,996	\$ 3,696,996
2007	7,573,675	11,270,671
2008	15,766,399	27,037,070
2010	10,260,745	37,297,815
2011	19,660,124	56,957,939
2012	38,644,191	95,602,130

This distribution is the largest component of an over \$45,000,000 deployment of excess net assets for benefit of our membership this year. The other uses of excess net assets include:

- **Rate Relief** – Last year the Board began to deploy a portion of excess net assets for rate relief. This year, \$3,200,000 will be used to lower the rates we use to determine member contributions.
- **Michigan Vehicle Assessments** - Net assets are used to pay the Michigan Catastrophic Claims Association (MCCA) vehicle assessment for members. The annual per vehicle

## APPENDIX C-2

assessment increased to \$145.00 in July 2011. It is estimated that we will pay more than \$2,000,000 in assessments on behalf of the membership this year.

- **Michigan Assigned Claims Plan** – Mandatory assessments of \$300,000 to the Michigan Assigned Claims Plan will be paid using excess net assets.
- **No Fault Automobile Coverage** - Net assets are used to provide members with enhanced no fault automobile coverage. With Michigan having one of the most costly no fault statutes in the nation, this is a significant benefit.
- **Coverage for Volunteers** - Net assets are used to underwrite liability coverage for volunteers.
- **Risk Avoidance Program (RAP) Grants** - Each year, \$750,000 is allocated for direct grants to members for various risk management and loss control programs. RAP Grants are awarded through MMRMA's Membership Committee.

Once again, this is very good news for members and, based on the distribution rules adopted by the Board, most members will receive their share of this distribution following their membership renewal.

MMRMA's ability to provide these benefits to its members is a direct reflection of strong performance results over a sustained period of time. Many factors contributed to these favorable results, including better than expected loss trends in recent years, member responsiveness to risk control recommendations, good management practices by members that resulted in fewer losses, and, most importantly, improved investment results through June 30, 2011. However, the most central factor that allows MMRMA to deploy excess net assets is the long-term commitment that members have made to MMRMA. Without your loyalty and ongoing support of this fine organization, these benefits would not be possible. Thank you.

**APPENDIX D-1**

**Direct Feed HRA Cumulative Monthly Savings Totals:**

	<u>Apprx. Monthly Savings Manistee</u>		<u>Apprx. Monthly Savings Benzie</u>		<u>Apprx. Monthly Savings Library</u>
January	\$13,954.09		\$971.94		\$3,379.93
February	\$19,733.05	\$33,687.13	-\$758.27	\$213.68	\$1,686.37
March					\$5,066.30
April					
May					
June					
July					
August					
September					
October					
November					
December					