

THE BENZIE COUNTY BOARD OF COMMISSIONERS
October 17, 2019

The Benzie County Board of Commissioners met in a special-joint session on Thursday, October 17, 2019, in the Frank Walterhouse Board Room, 448 Court Place, Government Center, Beulah, Michigan.

The meeting was called to order by Chair Gary Sauer.

Present were: Commissioners Jeannot, Nye, Sauer, Taylor and Warsecke
Excused: Commissioner Farrell and Roelofs

Building Authority Roll Call:

Present: Thor Goff, Steve Houghton and Jeff Johnson
Excused: James Clark and Eric VanDussen

DHHS Board:

Present: Scott Harrison and Ann Loveless
Excused: Gaylord Jowett

The invocation was given by Chairman Sauer and the Pledge of Allegiance was recited.

Agenda:

Motion by Jeannot, seconded by Taylor, to approve the agenda as amended adding Bond and Millage Language and Document of Understanding. Ayes: Jeannot, Nye, Sauer, Taylor and Warsecke
Nays: None Exc: Farrell and Roelofs Motion carried.

11:05 a.m. Public Input: None

Building Authority Update:

Thor Goff reported that the project is close to being wrapped up. Electrical inspection next week; Mechanical inspection should be within 2 weeks; hold up with the final inspection is 2 fire-rated doors due to be installed within the next four weeks. It appears that the project is done and will receive the occupancy permit soon.

Jeff Johnson stated that he attends the DHHS monthly meetings and it has been very well received. Stated that we are ready for the walk thru and the fire marshal. The State of Michigan will be sure that everyone has signed off.

Thor stated that the Building Authority and Maples relationship has vastly improved. We voted at our meeting this morning to request a legal opinion on the ballot wording vs bond language; where should the excess funds go or reduce the millage amount.

Punch List will be handled by Dave Burley and Jim Clark – any disagreements will include the architect.

Comm Jeannot indicated that the punch list needs to be in writing now; and only Phase 3 – not sure on the timeline for addressing other items.

Steve Houghton, BA member, indicated that the industry standard for a punch list and warranty is 1 year. Is there normal wear and tear – you need to have set aside in your business program to maintain your property.

COMMISSIONERS – Special Joint Meeting

Page 2 of 3

October 18, 2019

Kathy Dube, Director for the Maples, says their frustration is that there was poor oversight initially. Jeff Johnson indicated with regard to the generator, that they are waiting on quotes to bring up the electrical after the load study was completed.

Dave Burley indicated that we are moving forward with it now.

Karen Felty, Financial Director at the Maples, reported that there are a lot of unforeseen issues that are related to this project happening at the cost of the Maples.

Comm Jeannot inquired of Dave Burley if there were things that he or the Maples staff did for the contractor? Dave indicated that we helped when we could; been helping as much as we could -- brick work, electrical plugs.

Steve Houghton indicated that the punch list isn't for things that are being done incorrectly – that is a code violation. That is certainly the responsibility of the contractor and not be on the punch list.

Excavating is being completed as we speak.

Discussion regarding the Bond:

Chairman Sauer says it is clearly in the millage language, that we supply equipment

Michelle Thompson, County Treasurer, no opinion on this. What has happened in the past and she speaks regarding the jail millage that was combined debt and operations – which should not have been. The other is not a millage-based bond, it is based on payment of rent.

Chair Sauer – the Maples has an operations millage and the county has a debt millage.

Karen Felty says it was the intent that the bond millage in excess of the bond payment was to go to the Maples; not about right sizing the millage.

Scott Harrison, DHHS Board Member, how do we keep this project on track moving forward and financial strategy to go forward – there are 5 risks: 1) medical liability – exposure in owning and operating the facility; 2) Medicaid – 70% of the revenue to the Maples comes from Medicaid; 3) No Capital Budget – there is a need for equipment and furnishings to be replaced, but no budget at the Maples; 4) MERS – pension program is underfunded; and 5) Millage – operating millage is renewed every 5 years; the debt millage was passed for a 20 year duration. There are 4 uses of funds in the millage language – construct a new building; capital improvements; pay the debt; equip the building. How do we keep it successful, so it isn't a burden to the county? This is a 5 Star facility.

Comm Jeannot stated that the opinion from the bond attorney will be of value – we need that. That opinion will then dictate action of some sort. We don't want to prolong that decisions – everyone needs to know how to move forward.

Document of Understanding:

Comm Jeannot asks to set a deadline for this. The Maples have sent it to their attorney and Kathy indicated that they have received a response from him; they will put it on the agenda for their board meeting next week.

Request an opinion on the bond language vs the millage language.

Michelle stated that you need a capital fund; that should come from operations, not a debt. We need to right size the millage.

The group agrees that they ask John Axe to come to a meeting. Comm Jeannot asks Ms. Loveless if the DHHS will agree to pay half the cost to have John Axe here. This should be a shared cost.

COMMISSIONERS – Special Joint Meeting

Page 3 of 3

October 18, 2019

Karen stated that everything the Building Authority is doing goes back on the Maples books. They have to report it if it is related to the project.

12:13 p.m. Public Input – None

The Chair declared the meeting adjourned at 12.13 p.m.

Gary G. Sauer, Chair

Dawn Olney, Benzie County Clerk