



**Bay Bluffs – ECMCF**  
Emmet County Department of Health & Human Services Board  
Special Board Meeting Minutes  
June 2, 2021

Gayle Mroczkowski, Board Chair, called the meeting to order at 12:01 p.m. via Zoom Video Conference Service

<b>Board Members Present:</b>	Gayle Mroczkowski Carol Hansen Manny Cordova
<b>Board Members Absent:</b>	None
<b>Staff Present:</b>	Michael Greer, Chief Financial Officer Lisa Ashley, Administrator Kristen Smith, Executive Assistant
<b>Others Present:</b>	Robert Engel, Civil Counsel Charlie MacInnis, Emmet County Commissioner
<b>Staff Absent:</b>	None
<b>Guests Present:</b>	Toni Drier, Mike Reaves, Dave Boyer

**Discussion of Letter of Understanding:**

Ms. Mroczkowski gave a brief overview of the history of the document. Ms. Ashley reminded the group that the process of capital planning began in 2015. At Ms. Mroczkowski's request, Ms. Ashley summarized the various points of the LOU, including that Emmet County took out a loan to pay for some of Bay Bluff's emergent needs in the amount of \$1,186,252.00 including interest, and that in 2019, Bay Bluffs agreed to make good faith payments on the loan. To date, Bay Bluffs has paid \$127,500.00. The document also recognizes that Bay Bluff's financial position has been negatively impacted by Covid-19 and the corresponding decrease in census. There is recognition that it may take Bay Bluffs longer to repay the loan than what the County's repayment period is.

Ms. Mroczkowski stated that she thinks point #8 (In late 2019, the County, based on other financial priorities, asked the HHSB and Bay Bluffs to assume the County's responsibility for paying the principal and interest on the Bond. The County requested an annual bond payment by HHSB to the County for \$155,038.00 for the year 2020. Bay Bluffs and the HHSB agreed to be responsible for principal and interest payment in 2020 with the expectation that the County would place on the ballot a dedicated millage to

be used for ongoing capital improvements.) is particularly significant in that it explicitly states that Bay Bluffs took on these good faith payments with the understanding that they would be placed on the ballot for voters to decide whether or not to support a millage. It is also significant that there is recognition that Bay Bluffs may not be able to make all payments before the County's payments are due.

Mr. Cordova respects the work that both organizations have done, but does feel like there are two issues being combined here- the loan repayment and the ability for Bay Bluffs to be placed on a ballot for a potential millage. He feels that Bay Bluffs is being strong armed into agreement to sign the LOU in order to have a potential millage move forward.

Ms. Hansen stated that she is ok with making the payments and signing the LOU if that allows Bay Bluffs to have a millage on the ballot.

Mr. Cordova expressed that he feels ultimately responsible to the Bay Bluffs residents, and that it doesn't matter how they get to the end goal, regardless of anyone's personal feelings on the matter. They need to act in the best interest of the Residents. He was not involved with the Board when the original discussions of the loan took place, but that needs to remain in the past and keep the Residents interests as the #1 priority.

Ms. Hansen stated that she recognizes that the Emmet County Board of Commissioners is trying to be as responsible to their constituents as possible.

Mr. Reaves thanked the Board for their participation in the process. He clarified that the County is not strong arming them into a decision, and if they feel that way, he encourages them to vote against the document. He told them that they can make an application to come before the Board of Commissioners without this agreement in place. It is up to the Board of Commissioners, he just makes a recommendation. He compared the loan repayment to the contracts that other organizations within the county have, similar to the accountability of local fire departments for Jaws of Life funding. He believes that this document shows that Emmet County is supportive of Bay Bluffs. He would consider including language in the document that the LOU would be null and void if the Commissioners declined to put a millage initiative on the ballot. He has requested that the Commissioners hold their agenda for the upcoming Committee of the Whole meeting until after this meeting, so that if the LOU is approved, it can be brought before them on June 7<sup>th</sup>.

Ms. Hansen stated that she understood that "strong arm" may not have been the appropriate term, but that she couldn't think of anything else that fit the situation.

Mr. Cordova stated that he appreciated the clarification by Mr. Reaves.

Ms. Mroczkowski appreciates Mr. Reave's suggestion of the inclusion of the "null and void" language and feels it is very fair to include that.

Ms. Ashley and Mr. Greer confirmed that there have been no significant changes to the payment schedule. Mr. Greer explained that the changes reflect the non-available bed plan and were minor modifications.



**Ms. Mroczkowski motioned to approve the Letter of Understanding with the caveat that the agreement will be null and void if the ballot initiative is not in place in 2021.**

Ms. Hansen suggested that rather than saying the agreement will be null and void, that the language say the LOU will be renegotiated if the ballot initiative is not in place.

Mr. Reaves confirmed that the renegotiation language works for him.

**Ms. Mroczkowski amended her motion to approve the Letter of Understanding with the caveat that the agreement will be renegotiated if the ballot initiative is not in place in 2021. Ms. Hansen supported the motion. No further discussion. Roll call vote taken: Ms. Mroczkowski (YES), Ms. Hansen (YES), Mr. Cordova (YES). Motion carries.**

Ms. Ashley stated her appreciation to the group for making this happen and stated that this was really in the best interest of the Residents.

Public Comment:

Mr. MacInnis stated his belief that the 3 LOUs represent a quantum leap in the relationship between Bay Bluffs and Emmet County, and that they are already serving us well. He appreciates the clarifications that happened. He shared that the June 7<sup>th</sup> and June 17<sup>th</sup> meetings will take place at the Petoskey Middle School auditorium and encouraged Bay Bluffs' participation in both meetings.

Mr. Reaves thanked the Bay Bluffs Board and staff for their hard work. He requested that Mr. Engel write the language for renegotiation and include it in the document and will send over the LOU with the additional modification. He will present this document to the Board of Commissioners at their Committee of the Whole meeting on Monday.

Ms. Mroczkowski will sign the LOU at the Committee of the Whole meeting on Monday.

**Mr. Cordova motioned to adjourn the meeting. Ms. Hansen supported. Roll call vote taken: Ms. Mroczkowski (YES), Ms. Hansen (YES), Mr. Cordova (YES). Motion carries. Meeting adjourned at 12:35 p.m.**

**Upcoming Meetings:**

- The next Regular Meeting is scheduled for June 17, 2021 in the City of Harbor Springs Council Chambers at 10 a.m.

6-17-21  
Date

Gayle Mroczkowski  
Gayle Mroczkowski, Chairperson

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kristen Smith, Recording Secretary

Copies to: Gayle Mroczkowski, Carol Hansen, Manny Cordova, Robert Engel, Charlie MacInnis, Lisa Ashley, and Michael Greer.