"Menominee – Where the best of Michigan begins"

MENOMINEE COUNTY BOARD OF COMMISSIONERS

Menominee County Courthouse
839 10th Avenue
Menominee, Michigan 49858-3000

Brian R. Bousley - County Administrator
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Telephone: (906) 863-7779 or 863-9648
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MENOMINEE COUNTY FINANCE COMMITTEE

DATE: Thursday ~ January 21, 2010
TIME: 10:00 A.M.
PLACE: Menominee County Courthouse – Jury Room

* A Quorum of the board may be present*

AGENDA

1. Call Meeting to Order
2. Approval of Agenda
3. Approval of Previous Minutes
   a. June 11, 2009
   b. June 16, 2009
4. Public Comment *(Statements, not debate; limited to 5 minutes per person on agenda items only)*
5. Business
   a. 2009/2010 Budget review – 1st Quarter
6. Correspondence
7. Any Other Items Members May Wish to Present
8. Public Comment
9. Adjournment

Gary Eichhorn - Chairperson *Dick Peterson - Vice Chairperson*

Bernie Lang *James Furlong* *Garry Anderson*

Menominee County Finance Committee
Minutes of Meeting
June 11, 2009

The Finance committee of the Menominee County Board met on June 11, 2009 at 10:00 a.m. at the MSU Annex, Stephenson, MI. A quorum of the board was present at the meeting. Board members present: Com. Dick Peterson, Com. Garry Anderson, Com. James Furlong, Com. Bernie Lang

Also present: Mike Erdman, Peggy Schroud, Menominee County Township/City Supervisors & Assessors or designated official.

Agenda: Approval of the agenda was moved by Anderson, seconded by Peterson

Previous Meeting minutes: Previous minutes from 4/23/2009, motion to approve previous minutes by Anderson, seconded by Peterson.

Public Comment: Jack White ~ Standardizing changes – considering there are two assessors covering 8 out of 14 townships, maybe they have over extended themselves and need help doing the work

Business: Peggy Schroud, Equalization Director reads from a 9 page presentation: (attachment A)
Ruby Ivens, Menominee Township ~ Clarify the work "shall" ***Peggy***: it means MUST.
David Wesoloski, Menominee Township Treasurer, ~ We have many tax bills going to the wrong addresses, what is the process for address changes? Do we go to the equalization dept. or the assessors? ***Peggy:*** You should email address changes to the Equalization Dept., the Treasurer dept also receives address changes.
Com. Lang ~ The proposed protocol, how is it that the city of Menominee was excluded from the data and address entry process? ***Peggy***: That was something that was decided at that meeting, by individuals. ***Lang:*** Because that's another tax assessing entity just like the township or city of Stephenson. ***Peggy***: They have always been separate; they have never participated as I understand it.
Eric Strahl ~ What are the advantages of having the assessor or local unit enter this data? ***Peggy***: the advantages? I think it would be a disadvantage to have a number of people entering things in an inconsistent way. I think having people in one office who have been trained to enter names and addresses uniformly have a distinct advantage over having several people entering any which way. ***Eric:*** That assumes that they will be unable to enter the data correctly. There's usually pluses and minuses on either side, so again, what are the advantages of having local assessors enter data? ***Peggy:*** I don't think there are any, but that's just my opinion.
Jill Schwanz: BS& A program ~ Jill states that she's used this program since 1993 and is happy to see the County go to this system. She doesn't anticipate any problems with this. Question about the protocol, what about Building permits, who will enter the permits? She states that she now does this, but asks Peggy, is this something that you will be entering too? ***Peggy:*** No ***Jill:*** Are you in current year or do you roll over the database to allow assessors to work on future years. ***Peggy:*** We

are currently rolled over to 2010. ***Jill:*** Are we current on mapping in the Equalization dept.? Is there enough help in the office right now to do the Mandatory things like mapping? ***Peggy:*** We try. ***Jill:*** Every unit is supposed to be doing their own sales studies. Jill believes that the City of Menominee should be included in the protocol process.
Com. Peterson states that the equalization department will be reporting to the Chief Assessing officers in respective townships and will be coming back to the full board later this summer and giving the board a presentation, so hopefully we can come to some conclusion on this portion.

Any Other Items Members May Wish to Present: None

Public Comment: Dot.Net…wasn't that a part of this meeting, what about that?
Mike Erdman: Stated he contacted Julie Rice and has an updated letter on the Dot.net program. There is currently a delay in getting the program due to the demand of requests. ***Jill:*** Is the county going to pay for the update? ***Mike:*** The board will have to decide on if they will pay in the future. ***Peggy***: I submitted a recommendation to the board to have the county pay for dot.net out of the Delinquent tax fund. ***Jill*** asks, do the individual townships/cities need to submit a recommendation to the board too? ***Com. Peterson*** states, "I think that'll come through with this equalization report." ***Penny Mullins***: Protocol, when will this be a reality? ***Com. Peterson***: When her report is final she'll present it to the board. ***Peggy:*** I think we'd like to see some sort of agreement with each unit saying that they will follow the protocol that's established. ***Penny:*** So is that something that you'll be working on over the summer? So this is something that is going to be resolved soon? ***Peggy:*** I hope it's resolved soon. ***Com. Peterson***: There is no timeline as we speak. ***Peter Kleiman:*** Protocol – you talk about whether it will be followed, but I haven't heard any discussion here as to what the townships feel the protocol should be, or if this is acceptable. Is this going to be decided by the County Board too? ***Com. Peterson:*** We'll go through the exercise first and then have equalization give us a full report. ***Peter Kleiman:*** Then I guess there's a misunderstanding; we're no closer than before to making a decision on protocol. Can we have a copy of this protocol? ***Geri Zajac:*** For those on BS&A for many years…we had to learn it…It's not that difficult. ***Com. Peterson***: This concludes the meeting…***John Anderson:*** In reference to Jack White's comment earlier, Jack is referring to John Anderson and Bob Desjarles - I don't need help with my townships, my work speaks for itself. Geri your roll is the only roll that's been seized in Menominee County by the state of MI because of improper assessment practices. John is interrupted and the meeting is stopped.

Com. Anderson moves to adjourn, Com. Peterson seconds the motion. The meeting is adjourned at 11:03 AM

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ATTACHMENT "A"

Menominee County Equalization Department
839 Tenth Avenue
Menominee, MI 49858
(906) 863-2683 (phone)
(906) 863-8839 (fax)

The purpose of this meeting is to come to an agreement between the townships and the county regarding a protocol for the handling of deeds and data entry. It is also an informational session for the county board members who are present. I would appreciate that you hold your questions/comments until after my presentation has been completed. My goal for this meeting is to have a workable arrangement for all parties concerned for a database that can be used in various applications. The assessment roll/tax database should not be proprietary as the assessors do not own this information. In training, Annette and I were told that the county database could, should and would be used by various entities depending on their needs so it is extremely important that the information in the database be as complete and accurate as possible. I have heard of comments being made that the assessors who want the Equalization Department to do the data entry are lazy and just want someone else to do their work. I am also in receipt of a copy of a letter stating "It is my understanding that Ms. Peggy Shroud, County Equalization Director, is proposing to enter this data for the township assessors who are not currently doing it themselves." I would like to emphasize here that neither the comments about the assessors being lazy nor the sentence quoted have been asked of me. Instead, they appear to be the opinions of various people and an attempt to discredit either me, my staff or the assessors these people believe to be guilty of laziness and/or not currently doing data entry themselves. I want to dispel these myths here and now by explaining to you that the training given to the assessors involved how to do assessing data entry including assessed values, building information, land tables, ecf tables, etc., not sales information or name and address changes. The training was not paid for by Menominee County (as was also mentioned in the same letter) but was paid for by the individual townships. The assessors were not trained to do names and addresses in the same way that Annette and I were when the software conversion first occurred. The plan for the Equalization Department only involves the data entry of the recorded documents that come into our office first and are then disbursed to **all** of the units in the county. Because any documentation received in the Equalization Department is entered into the "sales" field and sales studies are the responsibility of the Equalization Department, it makes more sense for equalization department staff to enter all documents and disburse them along with a disk including the entries made for the previous month. This data entry involves entering information off of the documents and the editing of names and addresses as to owner name and address and taxpayer name and address only. The Equalization Department has not entered any assessment values for any assessors since the software conversion. I believe that some of you may have the impression that we are doing assessor's work in our office and that is simply not true. Also, I would appreciate that if any of you have a question about something my staff or I do or are purported of doing,

that you come to me directly and not rely on hearsay or gossip so that you can get the facts and thereby prevent any kind of blowup from occurring. Am I perfect – no – do I make mistakes – yes -? None of us is perfect and we don't all agree so if we can come to a meeting of the minds today, hopefully we can move forward for the betterment of our real bosses, the taxpayers of Menominee County.

When Cedarville, Holmes, Ingallston, Menominee and Meyer Townships converted to BS&A prior to the rest of the county, the data that was converted contained the names, addresses and legal descriptions from the county's Manatron database. The individual assessors for those units did not enter each name, address, legal description, etc. into a new database. BS&A received a copy of the individual databases from Manatron and BS&A converted the data. I believe that there is a misinterpretation of some information from the State Assessors Board document entitled Supervising Preparation of the Assessment Roll. Item #10 from the document "Supervising Preparation of the Assessment Roll" states, "The assessor or the assessor's delegate(s) must **see** that the assessment roll contains the following information:

a. Name and address of property owner
b. Legal description or approved parcel identification number
c. School district code
d. Property classification
e. Assessed valuation
f. Capped valuation
g. Taxable valuation
h. Board of Review valuation column
i. Michigan Tax Tribunal and/or State Tax Commission valuation column
j. Homeowner's principal residence or qualified agricultural property exemption percentage.
k. Date of last transfer of ownership
l. Leasehold improvements identifier, if applicable
m. The value of non-considered improvements (under MCL 211.27), if applicable

I believe the statement that says "The assessor must see" indicates very clearly that the assessor does not have to enter the names and addresses from the recorded documents. Again, the statement says, "The assessor must see that the assessment roll contains the following information . . ."

The primary reason for having a database that is uniform is for the equalization department staff to provide accurate information for requests that come into the department via telephone, fax, or e-mail. It is mandated in Michigan Compiled Law 211.27 (10) The register of deeds of the county where deeds or other title documents are recorded shall notify the assessing officer of the appropriate local taxing unit not less than once each month of any recorded transaction involving the ownership of property and **shall** make any recorded deeds or other title documents available to that county's tax or equalization department. Unless notification is provided under subsection (6), the buyer, grantee, or other

transferee of the property shall notify the appropriate assessing office in the local unit of government in which the property is located of the transfer of ownership of the property within 45 days of the transfer of ownership, on a form prescribed by the state tax commission that states the parties to the transfer, the date of the transfer, the actual consideration for the transfer, and the property's parcel identification number or legal description. Forms filed in the assessing office of a local unit of government under this subsection **shall** be made available to the county tax or equalization department for the county in which that local unit of government is located. This subsection does not apply to personal property except buildings described in section 14(6) and personal property described in section 8(h), (i), and (j).

Because the equalization department receives the deeds first and distributes the copies to the township assessors, I believe it makes logical sense for equalization department staff to enter the data from the legal documents before disbursing them. In addition, we often receive deeds that require us to track ownership because the names listed on the recently received deeds do not match. In our office we have access to deeds that the Register of Deeds has electronically scanned which makes it much easier for us to retrieve the information and accurately enter the data based on that research.

In addition, property transfer affidavits are not recorded documents and as such, should not be used to change ownership in a local database. As noted above, a copy of the property transfer affidavit **shall** be made available to the county tax or equalization department for the county in which that local unit of government is located.

The Register of Deeds provides a list of the recorded documents to the assessors once a month. This list includes very basic information such as the date of the transfer, grantor/grantee, number of pages, sales price, legal description and parcel numbers if they are included on the document. The deeds themselves are disbursed to the equalization department and then to the townships. The Register of Deeds' list is another means of checks and balances available to the assessor. The Equalization Department, Register of Deeds, and the County Treasurer work together closely to ensure that the tax roll is accurate, so, if you remove the courthouse staff's ability to work together in this way, I think you will have some real problems with accuracy and uniformity.

The Menominee County Treasurer's office uses the information in the county database for balancing and as a means to identify properties for the delinquent tax roll. The County Treasurer is mandated to notice both the physical address of the property and any information listed in the owner/taxpayer section in the database via certified mail. In some of the units that converted to BS&A prior to the county and the rest of the units that converted two years ago, the owner and taxpayer fields are populated with the same information. If any of the information in these fields is duplicated, this could result in increased postage costs to the county. Many parcels in the townships that converted earlier than the rest of the county include entries in both the taxpayer and owner fields that are duplicates.

The Equalization Department has received requests from outside entities for public information with regard to the contents of the database – name of owner, address, legal

description, parcel number, etc. We have also received many requests for mapping of the county so eventually I could see that a consistent entry of the data would be important when and if the County is able to get mapping that is linked to the database. If that happens, then there would be a possibility of having layers with respect to other county departments such as 911, the Menominee County Road Commission, the Sheriff's department and any other entity that could use mapping.

If and when the Menominee County database would go live on the Internet, a consistent and uniform listing of names and/or addresses would be important for anyone using the service to retrieve the information they are looking for.

1. Sales/Splits/Combinations

At a meeting on January 22, 2008, several issues were discussed with relation to the integration of townships that were previously on the BS&A assessment system and the townships that were recently converted. As a result of this meeting, the following procedures were established for all of the County units with the exception of the City of Menominee, which would continue to maintain its own database. I want to emphasize that not all of the assessors from the county were included in this meeting. Those assessors present at the meeting were John Anderson, Ron Jenkins, Jill Schwanz and Paul Anderson. Also present were Brian Neumeier, Ken Goffin and I. It was agreed upon at the meeting that the protocol established would be tried for one year and if, at that time, it didn't appear that it was working, it would be discussed again. However, I was directed not to send that protocol out. What was agreed to at the meeting by the people named previously consisted of the following:

a. All sales information for the townships and the City of Stephenson will be entered into the system by Equalization Department staff.
b. The Equalization Department will enter all splits/combinations for the townships and the City of Stephenson. During the Equalization staff BS&A training, there was emphasis placed on the need to provide correct legal descriptions for both the new parent parcel and the child parcel being split off. This would become especially important if the county were to obtain any type of parcel mapping that is linked to the database. If there is a question about whether the owner has applied for Land Division, individual assessors will be contacted to verify whether the proper paperwork has been filed **before** split numbers are issued. If there is a question about a split, it is the assessor's duty to contact the Equalization Department immediately. Please do not tell me that you did not use a split number because it was not a split after you turn in your March Board of Review roll.
c. With regard to boundary line corrections, individual assessors will be contacted directly to make a final decision on whether they wish to have split numbers issued.

d. The Equalization Department will give each unit an update once per month. The updates will be mailed out with that month's deeds so that current information can be entered into the township database(s) and checked for accuracy by each assessor.

e. Assessors will give the Equalization Department an e-mail once per month of scanned transfer affidavits.

I would like to see this protocol remain intact.

Assessors should still keep track of the sales for their units to compare with the county's sales study. When I meet with the individual assessors regarding their studies, we can then decide whether sales should or should not used and add or delete sales as necessary.

e. **a) Regarding SPLITS of Assessments, and Equalization Procedure (Excerpt Bulletin No. 13 of 1996)**

When a change of ownership or a change of description, or any other reason causes a parcel of property to be split into two or more new descriptions that wholly comprise the parent parcel, the parent Property Identification Number (PIN) number should be retired in the following year and the two or more new PIN'S for the two or more child parcels should be created. This means that for the year following the split, the assessment on the parent parcel should be a LOSS on any STC equalization forms, including Forms L-402 1, L-4022, and L-4023. Also, in the year following a split, the assessments assigned to the two or more "child" parcels should be treated as NEW on STC equalization forms, including Forms L-4021, L-4022, and L-4023.

2. Uncapping

The Equalization Department will no longer be uncapping properties as this is an assessor duty. I suggest that each assessor verify that the changes made in their monthly export have been made correctly (as a means of checks and balances) and complete the uncapping step at that time. This can be done in the calculation detail button of the current year. The date and percentage transferred can be entered on the right side. When you enter the percentage, a box pops up asking if you want to place the same percentage in the sales screen.

It was mentioned to me just lately that some parcels in a unit that should have been uncapped did not appear uncapped in the unit's database. I would hope that if an assessor sees this instance occur that they would contact me to find out where the problem is so that it can be corrected immediately. This is very easily checked by the equalization department and/or the assessor through an audit report. The assessor can print out a transfers report in their database and compare them to the deeds that they have received for verification. I suspect that something occurred during the import procedure that may have prevented the uncapping from appearing. The software has a large assortment of reporting available that could be utilized if the assessor chooses to.

3. State Tax Calendar - http://www.michigan.gov/documents/treasury/Bulletin9-2008taxcalendar_214876_7.pdf.

   I suggest that you mark the dates applicable to assessors' reports on your home calendar or computer so that you do not miss deadlines. These are not deadlines that I mandate. The State Tax Commission issues the state tax calendar in November of each year and I have provided you with a link. Please do not expect me to remind you. I have deadlines, too, and most of you are very good about complying with the dates. The deadlines that I have affect all of the units so if you are habitually late, you can answer to the rest of the units.

   Suggestions have been made to me that assessors might want to submit their March Board of Review roll to me before the Board of Review is adjourned to ensure that there would be no further changes needed. I want you all to know that some of the assessors are in constant contact with me and/or the taxpayers for their respective units regarding possible problems that might come up at the Boards of Review. I believe that this constant dialogue results in fewer petition submissions to the Board of Review. Some of the supervisors present here today could probably attest to that. If a taxpayer comes to the Equalization Department with a question about their assessment, we always refer them to either their supervisor or assessor for a resolution.

4. Appointments

   I think it is only fair that each of you deserve my undivided attention when you come to the office. I am asking all of you to please call and reserve an appointment when you need to speak to me or to make sure that I am available when you come to the office. Annette and I have separate duties so please do not ask Annette about my duties as she is often unaware of what I am working on at any given time. I find it particularly disturbing that while I was visiting my ill son in California in May, a couple of people called the office demanding that I provide their L4029 Tax Rate Request form for this year. One of the callers inserted what I considered to be a veiled threat regarding contacting someone from the State Tax Commission if this form was not provided. This is particularly humorous to me since the unit involved hadn't even voted on their optional millages which I needed to complete the form. I am asking all of you to inject civility in to your requests to our office. I think it is important that we remember that we are working for the taxpayers here and we need to treat each other with respect. In addition, please do not ask me about what other assessors are doing or tell me what they said to you. If an individual assessor has an issue to discuss with me, he/she can approach me to discuss it. I believe that there needs to be open communication between all of us so if you have a question about another assessor, please ask them yourself.

5. Land Values

Today, I am distributing the county land value chart for vacant land that has sold between October 1, 2007 through September 30, 2009. Please be aware that you need to check this carefully for any additions/omissions that should be made and let me know of any changes as soon as possible. On May 13, 2009, the State Tax Commission issued an order requiring single year sales studies for the residential class for all local units. The State Tax Commission also changed the two year sales study dates to October 1, 2007 through September 30, 2009 and the single year sales study dates to October 1, 2008 through September 30, 2009. On Friday, June 6, 2009, I attended the Michigan Equalization Directors' meeting at St. Ignace. The most discussed topic at this meeting was, of course, the change in study dates. At this point in time, any vacant land sales on this list, of course, only include the sales up to this point in time. I will be checking the vacant land sales I have already and once they have been completed, I will bold them on the report. I will be sending out a final vacant land study on October 10, 2009. That will also be the cut-off date for any sales to be included in the one and two-year sales study. Some of you do not have enough sales to warrant sales studies, so I will be doing appraisal studies in those units.

6. Mapping

I had a conversation with Bill Lenca, a local surveyor, recently. He informed me that Marinette County has a very nice program for mapping and made the suggestion that if the county were to go in that direction that it would be advantageous for all of us to go to a mapping program at the same time. To that end, a consistently entered legal description will smooth the process for countywide mapping and enable all of the entities involved to locate overlaps or omissions of real property in the county.

7. Property Tax Act – Section 211.34 (3) Michigan Legislature

See handout.

8. Township Responsibility

I would like to remind everyone of the importance that the township board plays with regard to assessment rolls. As you know, Menominee County townships and cities were subjected to 14-point reviews in 2006. In a February 7, 2007 memo regarding the 14 point reviews conducted in Menominee County from Kelli Sobel, Executive Secretary of the State Tax Commission, issued a statement saying "This is **not** an assessor review but a Unit review." That being the case, I suggest that townships supervisors (who are the chief assessing officers of their units) and township boards pay close attention to what their contracted assessors are required to do with regard to their assessment rolls and the filing of required

reports. I keep a log of when reports for each unit required to be turned into the Equalization Department are turned in to me. This is not done to hold anything over your heads. It is required because the State Tax Commission field representatives request those dates from any Equalization Department as a part of the 14-point review process. It is merely a required recordkeeping process.

9. Export/import procedure

As stated earlier in my presentation, I will be exporting the changes made to each roll at the end of each month and sending those out in the mail along with any deeds that have been received in our office from the Register of Deeds. It is up to the assessor(s) to check the deeds to be sure the parcel numbers match legal descriptions as well as the name and address changes. It has also come to my attention that name and address changes are a way for the assessor to check on principal residence/homestead status. Assessors should know that there is a report available in the BS&A system to check addresses that do not match the site address for this purpose. Perhaps, this report could be run once a month after the updated disk has been run to check the status of any principal residence/homestead changes. In addition, assessors need to make sure that when they import the information from the disk they receive from our office that they are importing the correct information. BS&A assessing support is very willing to provide assistance to help you correctly import the information you want imported. This will provide a system of checks and balances for all parties. Do we make mistakes – certainly – not one of us is perfect. I believe that is why the State of Michigan created the various boards of review for clerical errors. If we work together, hopefully we can correct whatever errors occur in a quick and efficient manner.

10. Recommended dates

11. Contact with Equalization Department – pschroud@menomineeco.com.

Please feel free to contact me at the telephone number listed on the top of the outline or at the e-mail address shown if you have any concerns or questions. I would appreciate it if you would contact me directly about something that you have been told I have said to verify that I have actually said it so that you don't jump to any wrong conclusions. I hope that we can all have open communication for the good of all of Menominee County and its taxpayers.

12. L4029's – 2009 Tax Rate Request

I will be handing out the 2009 Tax Rate Requests today. These forms can be filled out by the local unit (the Equalization Director is not required to do them by law). I do them because it saves me time and energy if there is a problem with the way the numbers are inserted. If any of the units prefer to do their own, please let me know and I will gladly give up making yours out for you. Please check the taxable value and the millage rates as well as dates of election and expiration for accuracy, sign and return the original copy to the Menominee County Clerk. Please enter the millage requested to be levied for your jurisdiction in either column 10 for July tax bills or column 11 for December tax bills, depending on when you intend to levy the millage. Copies are to be sent to me at the Equalization Department and a copy also needs to go to the individual clerk for each township. The information about where the original and copies are to be sent is printed in the upper right hand corner of the L4029 2009 Tax Rate Request form.

The county's millage rates remain the same this year based on the statewide formula for millage rollback fraction. That formula is 2008 taxable value minus losses times 1.044 (consumer price index) divided by 2009 taxable value minus additions. The calculation for the county comes up to 1.0022. Because the millage rollback fraction cannot be more than 1.0000, that is the number used.

Menominee County Finance Committee
Minutes of Meeting
June 16, 2009

The Finance committee of the Menominee County Board met on June 16, 2009 at 8:00 a.m. in the Administrator's Office. Present at the meeting were Com. Dick Peterson, Com. Garry Anderson, Sherry Smith, Admin. Asst.

Also present: Tom Cheski and Com. Lang

Agenda was approved – Anderson/Peterson 2-0

Previous Meeting minutes: Previous minutes from 6/11/09 were not ready for approval.

Public Comment: None

Business: Budget Review: Ms. Smith met with the committee to discuss some items that were not yet entered into the proposed 09-10 budget. She handed out salary spreadsheets used to create the budget salaries and benefit breakdowns of every employee and explained that the 09-10 budget currently has a projected 10% increase in health ins. and all employees will be paying 10% of their health insurances. *(Unless employee contract states otherwise)*. The proposed budget had only been changed once after inputting all dept. info. and some requests from dept. heads were not yet entered to see if it was going to be feasible to allow the requests. The commissioners received a packet of documents from the department heads requesting more money in their budgets for various reasons. Ms. Smith went through the documents and explained which of them were already in the proposed budget and which of them were not in the proposed budget and need to be considered.
Ms. Smith explained the former budget process to the committee. The committee will get back to Ms. Smith with any changes they would like made to the budget.

Any Other:

Public Comment: None

The committee adjourned at 10:50 AM