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MENOMINEE COUNTY BOARD OF COMMISSIONERS

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

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MENOMINEE COUNTY
FINANCE COMMITTEE MEETING

~ A QUORUM OF THE BOARD MAY BE PRESENT~

DATE: Wednesday ~ August 21, 2013
TIME: 10:00 AM
PLACE: Menominee County Courthouse ~ Administrative Office
(or Courtroom B, if available)

*************AGENDA**************

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of Agenda
5. Approval of Previous Minutes
   Aug. 12, 2013
6. Public Comment *(Statements, not debate; limited to 5 minutes per person on agenda items only)*
7. Business

   a. FY 2013/14 Budget ~ 3rd Draft

8. Public Comment *(limited to five minutes)*
9. Adjournment

Bernie Lang *Charlie Meintz - Chairperson* *Larry Schei - Vice Chairperson* *James Furlong*
Doug Krienke *John Nelson* *Chris Plutchak* *Gerald Piche* *Jan Hafeman*

Menominee County Finance Committee
Minutes of Meeting
Aug. 12, 2013

**********Draft**********

The Finance Committee met on Aug. 12, 2013 at 9:00 AM at the Menominee County Administrator's office. Due to public attendance, we moved this meeting to Courtroom B.

Present at the meeting were Com. Lang, Com. Nelson, Com. Schei, Com. Hafeman, Brian Bousley, & Sherry DuPont

Call Meeting to order: Chairperson Nelson called the meeting to order at 9:00 A.M.

Roll Call: Roll call was taken; all finance commissioners are present.

Agenda was approved by Com. Hafeman and supported by Com. Schei to approve the agenda as written. Motion approved 4/0

Previous Meeting minutes: July 9, 2013 – moved by Com. Hafeman and supported by Com. Lang to approve the minutes of the July 9, 2013 Finance Committee meeting. Motion approved 4/0

Public Comment: None

Business:

a. **FY 2012/13 Budget Amendments #4:** Bousley: We have five budget amendments this time. 1. Hannahville grant, Emergency Mgt. for mobile communications center project. 2. Hannahville Grant, emergency mgt. for amateur radio equipment. 3. Funds for Server licenses; this is for the MS windows exchange server licenses for the new server. 4. Road patrol, reimbursements for drug related road patrol overtime. 5. Transfer of funds due to two employees retiring. Their pay out of retirement and vacation/sick leave was taken from the salary account. Transfer $23,000 to cover the payouts. (was originally budgeted into the 705 & 718 accounts) All commissioners concur to move this to the County Board for approval.

b. **FY 2013/2014 Budget 3rd draft**: We had to do some changes as far as MERS percentages. So the bottom line was changed. Total additional cost for MERS is approx. $44,000. Nelson: Does this include Sheriff Dept. and Road patrol? Bousley: Yes, they're all together. Nelson: When will they carve out the Road Patrol? Bousley: I have some paperwork I need to get together to send to them. I'm still waiting for them to send me a couple more pieces, so by the next CB, we should have that on the agenda. I'm waiting for the 911 stuff to come back too. Nelson: We'll look at some line items across the budget. We're not where we have to be. We need to find additional funding to pay off our debt. We're right around 60% of actual funding. Everyone now has seen the cuts in Detroit, they're struggling like we are. We need to put some line items on the table so we can pay our debt this year and the years to follow. Lang: At one of the CB meetings, Com. Furlong raised a question, if the investments made by MERS are so lousy, is it a good idea for us to put more money into MERS rather than an account where our investment isn't at risk? Nelson: the question is, I went back 11 years. We were about 1.5 mil. short then we're over

7.5 mil. short today. Unfortunately we're tied to a system every other county is tied to, that we can't get out of it. Even at 5% interest, we are so underfunded we are drawing interest on only 60% of the money we should have in there, so we continue to go backwards. If we had a way out of MERS I would say yes, lets stockpile our money, but we'd only be receiving abt. 1% on our investments then. What we need to do is get out of MERS, and that's what Brian is working on. Bousley: One thought James had was to put it into a different acct. as it builds up put it toward MERS. Lang: We are restricted to what investments we can enter into with governmental funds. Nelson: As we change from defined benefits to defined contribution, and that will occur, we have to then pay MERS off over a period of time. We're going to be forced to pay MERS regardless unless the house and senate make some changes for a different investment mechanism. Pg. 5-explorer solutions – Bousley: there are a few companies looking to move in and rent space from the airport. Nelson: Is there any talk about the necessity of giving them the amount budgeted? ($26,700) is that going to be covered under the airport budget? Is that right? Bousley: I haven't heard about that. Schei: I was told that the airport commission doesn't have to play by the rules of the County Board. Even though they have a hiring freeze on. Nelson: Oh they can do it, if they can fund it…I know very little about court funding. The funding is restrictive, right Brian? Bousley: Yes, most of those are revenue accounts. What court are you talking about? Nelson: in general, how much of county funds actually go into them? Hafeman: I know with the courts, worker's comp is up this year, why? Bousley: a few years back we had high claims, which reflects on the amt. we have to pay. Lang: Is the amount of our rebate dependent on the amount of claims through the year? Bousley: Yes it is. Hafeman: Computer support, we have 45,000 and an additional $45,000 for recording equipment. Would we be better to get an IT person? Bousley: No because that account pays for all of the software updates (for most all CH programs) too. As far as labor goes, maybe half of that goes to labor. I approached the City at one time to see if we could work together. Nothing has come of that. Pg. 13, county admin. there is a $34,000 difference from last year to this year, why? Bousley: That's because of the flat rate MERS for closed divisions. That will be put into the unfunded MERS line item this year so we removed it from there. Nelson: in the co. admin. budget, is there any room to make cuts? Equip. lease is up. Bousley: That's the copiers. Nelson: Postage isn't being used. DuPont: postage comes mostly from the Co. Brd. Acct. That account can be decreased, we don't use it often. Nelson: Professional physicals? Bousley: That's for any new hires that don't have it within their own departments to pay for (unexpected new hire). Nelson: We can reduce that budget by about $1,000. I'm trying to get more accurate so we know where we're at, actual budget. Board of Canv. historically that's been about $2,000. Last year they only spent about $1,400. Currently they're at 1,800, so it's not too far off. Legal: We have $10,000 budgeted. Currently we're at 37%. Can we reduce there? Bousley: This one's a give and take. It depends on how many legal issues come around. This year we haven't had too many, but you never know. Nelson: County Clerk- Bousley: this one went down. New hires were at the bottom of the payscale. Nelson: Capital outlay – travel is historically under. Bousley: A lot of his travel is used during election time. He does have training that is mandated he go. Schei: Are you keeping track for some final figures, John? I'm looking for some clarification on some final figures. Nelson: Some are questions that Brian needs to look at and come back to us, we're responsible for final figures (finance com.) Pg. 17 – Co. treasurer. Part time line added in. Bousley: That was paid out of perm. Salaries. We broke it out this year and put her part time employee in separately. Nelson: Office Equip- what is that for? Bousley: Things that are broken up there that need to be fixed. Nelson: do you know what they are? Can you find out? MSU, there is a decrease in salaries. Is that the proposed lesser amount for next year? Bousley: Yes. And the salaries are down because Kandace's salary is broken down for part building code part MSU. Nelson: Buildings and

Grounds: part time, is this a little high? Bousley: This is Al, his part time emp. And the library and annex cleaning people. Nelson: Why haven't we consolidated the annex and library person? Bousley: The guy at the library does a lot of maintenance work also. Schei: Who does the snow removal? Bousley: Dan did it this past year. This year the park rangers will maintain it. Nelson: Is there a reason why we don't contract that out? Bousley: It was contracted for years. Last year we bought the plows with a 2% grant to save money. Nelson: is it cost efficient, comparative? Bousley: Not this year. We had to buy the salt spreaders and other things. Nelson: I assume utilities/water, electric, gas is for the courthouse…Bousley: yes. Hafeman: Building Maintenance: is $5,000 going to be sufficient? Bousley: That's for the valves that need to be fixed in the courthouse, it will be an ongoing process for a while. We'll do what we can with the $5,000. Nelson: Vehicle maintenance, what vehicles are maintained? Bousley: That is two cars and the jeep. Nelson: Who uses them? Bousley: Anyone within the county, anyone that can. Nelson: what about departments funded under other millages? Bousley: No. Schei: What about the building inspector truck? Bousley: That's under us too. Nelson: the jeep is only used by…Bousley: mostly equalization but other departments use it too. It's on its last leg. The rear end is going out on it. Nelson: Why can't we just have the rear end replaced? It's my understanding the other departments with a millage use the jeep too. If that's true, then that department should be charged for maintenance also. Nelson: Prosecuting Atty., memberships/subscriptions – we haven't used all of that in a while, can you check on that? Capital outlay is for security, a cabinet and two monitors. ROD – capital outlay for computers? How many do they have? Bousley: 8, five up front and three for patron use in the vault. Hafeman: are they required to put everything in Ledger books? If it's not required, perhaps this info. can go on a disk? Nelson: Sheriff dept: This is up over 100,000. There were some positions added? Bousley: Yes, the secretary was part time then moved to full time. The increase happened when they restructured the supervisory unit. Nelson: I would like to see a real budget from this department, with some cuts. We have some positions that are mandated and some that are not mandated. We need to come up with a significant amount of money to pull out of here. I do think we need to look at what positions we have to maintain, which ones we don't. Schei: how many employees are there currently compared to what there was before the restructuring? Bousley: the same, no new positions were added. Schei: Brian, is this something you feel you can make progress with this group? You simply can't go in there and say, gimme a smaller budget. How about we just tell the sheriff to give us a certain amount back, and work with what's left? It's up to the sheriff to come back to us if it can't be done with that amount. Nelson: I would like to see what positions are required and which are not. Hafeman: if we can bring it down to where we were in 2011/12, I'd be happy with that. Nelson: marine Law, Snowmobile law, off road, atv ed. – these are all state funded? Bousley: We do receive grants for them. We just have to watch them, sometimes we don't receive all that's put in, so we'll have to reduce the budget then too. Nelson: Emergency Mgmt. – is this funded? Is this required to be full time? Bousley: we get a certain percentage to fund this on a quarterly basis. I'll get the percentage. Nelson: Waste management, has been removed. Nelson: Medical Examiner: This is mandated. I spoke with Nora about this, there may be a possibility this can be done as a joint effort. Veteran's affairs; pg. 37 – Bousley: I met with Nora about this. They have a part time person with very limited hours. She thought this was something they may be able to do. Nelson: have you given a thought to fewer hours? I believe in the services. I would like to consider a reduced hour schedule. Schei: maybe Brian can come up with how many people on the southern end of the county use the services. As John said, a lot of the northern population use the Dickinson and Delta county veteran services. Hafeman: I think if the services are set for say, Mon-Thurs the people will eventually know that he's closed on Fri and will adjust accordingly. Lang: we do have to figure the amount

of money coming through the county (to patrons) by this position. There is a substantial amount given to the Veterans in Menominee County. Schei: I think we should peruse the four day office hours, but not service to the county. Hafeman: we want to look at the amt. of business he has on Monday and Friday to see what day we'd remove. Pg. 37 – Economic Dev. – Hafeman: Do we really need it? Can we delete it? Nelson: I see no reason for it. Hafeman: are we really getting anything out of the economic development, or is that just somebody collecting a salary based on what other people do to get the ball rolling. Nelson: The north end of the county doesn't have any service from the EDC. Lang: We're one full county, if we can increase jobs in Menominee it will affect the entire county. I'm sure people from the Northern end of the county work at Marinette Marine or Enstrom, it does benefit the entire county if we can increase the economic status. Nelson: I don't see it. What's the money being spent on, what are we getting back in services directly? Lang: Their services aren't necessarily direct. I'm not sure $20,000 is well spent here, I do know I think we'd be cutting off our nose despite our face if we don't support this. We don't get a report on the economic committee. Bousley: A lot of stuff we can't report because it's not of public nature as of yet. We're dealing with private businesses who request to remain unanimous until something definite comes of the transaction, if at all. Schei: why doesn't the Economic Dev. do something with the bike trail? Hafeman: should be cut, Bernie: maybe reduced, Schei: I can see if it's reduced Nelson, I feel it can be cut, or as least reduced. Airport appropriation. Lang: if we cut the airport funding, we'll lose our voting rights. I feel strongly that we wouldn't have the Marinette Marine contract, Enstrom, Waupaca, all of them use the airport. Nelson: How much does the City use the airport? Schei: We have two county commissioners on the airport committee. I think we need their input. Lang: I would hope that we reappoint our two members of the county board on the airport commission. I think we should make a reappointment. Schei: They should be giving us some input. They're the ones involved. Nelson: Skip forward to the library. Bousley: I did talk to Pat. What she could do is take out the money for the bookmobile, but she'll have a hard time with anything else. Nelson: In the summer, there two people on the bookmobile? Please check on anything in wages and salaries. Question brought to proceed with this tomorrow prior to the county board meeting. Depending on the law for recessing, hours allowed. We'll check on the hour limitation. (after checking, the time limitation for reconvening a meeting is 36 hours.)

Public Comment: None

Adjournment: At 11:20 AM - Moved by Com. Lang seconded by Com. Schei to recess this meeting until 5:00 PM 8/13/13 (prior to the County Board meeting) at Harris Twp. Hall. Motion approved 4/0.

8/13/13 @ 5:00 PM (Harris Twp. Hall) - Reconvene the Finance Committee from 8/12/13 ~ Page 38…Nelson: Airport, if any reduction occurs, we lose voting members. Hafeman: How many voting members do we have? Lang: Three Bousley is asked for clarification. Where does the money come from for the airport employees? Bousley: We pay it and are reimbursed. Nelson: Operating Transfers: County Parks, we're putting in $41,529. Are we funding any projects outside this? Bousley: No, we also have a grant for River Park. Once we have the well in, we can put in 4 campsites. Hafeman: What kind of income do you think we'll bring in? Not a lot. Currently there is very minimal work out there. Nelson: County Library – was there any item given back? How many counties fund libraries? Bousley: Delta has a millage. Is there a reason why our library wasn't put on a millage? Lang: It will need to be put to the taxpayers for a vote. Nelson: I think we need to see if this can run as a millage, there's no way to know if a millage will happen if we don't try. Hafeman: Which parks are costing us? Bousley: They all do. Lang: I was approached by someone wondering why we charge a boat fee and not a snowmobile fee in the

winter? They use the parking lot to park and unload their trailers. Hafeman: it wouldn't hurt to have the honor system for the winter too then. Schei: Do you think the $ in the budget will be enough? It looks like 2012 they were higher than that. Bousley: It will. We fixed a lot of stuff this year. Hafeman: Gate receipts go to the fair? Bousley: We get 25% and the Fair gets 75%. Nelson: The fair gets the $5,000 we appropriate AND they get 75% of the Gate receipts during the Fair. Schei: Can't fund that with a millage? Hafeman: You have $3500 and $4000 in for facility and grounds maintenance. Is that going to be enough being that the new lawn mower is over $2,000/yr.? Bousley: Yes. Nelson: Building code enforcement – what's going on there? Bousley: I spoke with Nora. I told her we budgeted 15 hrs/wk. for Dan. She was good with that. Nelson: So it won't change the cost of building code. There is an issue about a jeep with a bad rear end. If the truck is only used minimally, perhaps we should look at paying mileage instead of having the truck there (building code). Maybe use the truck somewhere else. Schei: What we need is an estimate of contracting plowing costs without maintaining a vehicle. Nelson: 911- pg. 53/54 was the log for the vehicle received? If the vehicles are being used by 911, then some of the cost to maintain the vehicle should also come from 911. If anyone else is doing things for the departments coming from different funding sources, they should be paid out of that account. Hafeman: same for emergency services. Nelson: there was a question about emergency services and veterans' affairs, wasn't that one position at one time? Do any other counties combine any positions? Lang: What do we pay for rent to the City for 911? Bousley: we pay about $350/mo. Lang: I wonder what it will cost to move 911 to the annex. Nelson: I hope we look at consolidating positions. Look at Veterans' Services and Emergency Services. Page 57 Library: In the budget it shows $10,000 for the bookmobile capital outlay. My understanding this has been… Bousley: this can be taken out. Schei: You're going to run into some opposition from the library board with this. They were guaranteed we would put money into this every year until they have enough money to purchase a new book mobile. Bousley: They are putting $37,000 into the budget from their fund balance. Nelson: Larry to answer your question, I think Brian is going to need about 1 million/year to pay off our debt. Schei: I've heard that so many times. That's not an answer to my question. Do we have an obligation to the library board because we made a commitment? Nelson: All I want to hear is some ideas for reduction, that's all I want. If you don't have ideas for reduction…Lang: Who's responsible to replace the book mobile when it goes to heck? Nelson: the library itself is not required under the law. We're going to have to give up some things to pay off our bills. Schei: I have a suggestion John, instead of taking the amount out completely, maybe we should just reduce the amt. Nelson: the fund balance and the book mobile is something Pat gave up. Bousley: She talked to me about it, yes. Nelson: All programs that are funded with a grant will only be funded at that level? Bousley: Yes. Nelson: We have minimal amts. We've come up with…without consolidation of positions. Again we're going to have a bill to pay. Some we're paying to catch up. Lang: have you ever figured what will happen when we have our people on defined contribution verses defined benefits?
Nelson: since we only have five min prior to the CB meeting starts. We have to stop here. If you have any public comment, please make it brief.

Public Comment: Charlene Peterson: John, I don't think you have all of your facts, you're still looking for information. That's not a criticism. I think you need to sit down with dept. heads. As far as the truck at the annex, I think Kandace knows how to plow snow with it. Ask her. You want to take another $10,000 from the library board through wages and salaries. Come to the library board meeting. Don't suppose. Millage to run the library, Spies is run by a millage. Part of that millage comes from Menominee Township. I don't think a millage will fly to run the library. Charlene apologies for interrupting earlier in the meeting.

Adjourn: Moved by Hafeman supported by Schei to adjourn the meeting at 5:57. Motion supported 4/0