

"Menominee – Where the best of Michigan Begins"

MENOMINEE COUNTY BOARD OF COMMISSIONERS

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MENOMINEE COUNTY FINANCE COMMITTEE

~A QUORUM OF THE BOARD MAYBE PRESENT~

DATE: Thursday ~ September 21, 2017
TIME: 9:00 AM
PLACE: Menominee County Administration Office, County Courthouse

*****AGENDA*****

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of Agenda
5. Approval of Previous Minutes ~ 8.3.17 & 9.6.17
6. Public Comment *(limited to 5 minutes on agenda items only)*
7. Department Head/Elected Official Reports *(limited to 10 min.)*
8. Business
 - a. 2016/17 Final Budget Amendments
9. Public Comment
10. Commissioner Comment
11. Adjournment

Steven Gromala

Charlie Meintz – Chairperson

William Cech – Vice Chairperson

Larry Phelps

John Nelson

Jan Hafeman

Gerald Piche

Bernie Lang

Larry Schei

Menominee County Finance Committee
Minutes of Meeting
08/03/2017

*****DRAFT*****

The Finance Committee met on August 3, 2017 at 8:30 AM at the Menominee County Annex

Others present at the meeting were Diane Lesperance, Mike Lyons, Marc Kleiman, Peggy Schroud, Mike Holmes, Sheriff Marks, Brian Barrette, Charlene Peterson, Sherry DuPont, Jerry Piche, Nancy Douglas,

Call Meeting to order: Com. Hafeman called the meeting to order at 8:33 A.M.

Pledge of allegiance: was recited by all.

Roll Call: All Finance Com. Commissioners are present.

Approval of Agenda motion by Com. Nelson and supported by Com. Schei to approve the agenda as written. Motion approved 4/0.

Previous Meeting minutes: 6.19.2017 - Com. Nelson made a motion to approve minutes, second by Com. Schei, motion carried.

Public Comment: None

Department Head/Elected Official Reports: **Peggy Schroud** - Personal Property Tax loss – A report done for the state every year, shows 2017 Revenue loss was \$15,239,932, and for 2016 was \$14 million. The state had put in a number anticipating more people would participate in the program and not as many did. I took the millage rate that the state provided and estimated \$135,882.28, but if you multiply the individual property loss by the total millage you get \$144, 111. To be conservative, the county should use the smaller number. This report is located online for anyone to access it. If you would like, I would be happy to share it. **Com. Hafeman** - Does the \$135,882.28 come back to the county? Plus, what is going to the townships. **Peggy** - Yes, it does. **Brian Barrette:** There are two retirements coming up in the 911 department. This leaves 80 hours a week that we have to fill. I have to hire two people. There needs to be a decision made whether 911 is going to stay in Menominee County or not. It's hard to hire employees with a potential "for sale sign" on the building.

Business Items

a. Cobra 2% administrative fee –Marc Kleiman - In talking with Joann, it won't create any more work to charge that 2% fee. **Com. Nelson** - Would like to make a motion that we recommend to the board a 2% fee for Cobra, **Com. Gromala** – I second it. **Com. Schei** – What is the reason, justification to charge this fee. **Marc** - This would be an administrative fee that the county is entitled to charge. Motion carries 4/0.

b. 2016/17 Budget amendments –

- **#10- Sherry** - Grant received from Dollar General for the Library (\$800) into a summer reading program. Refund from UPROC, *Charlene Peterson explains how this can and might be used for the library.* ORV grant for equipment, \$4200. **Com. Nelson** - Moves to bring those budget amendments to the board, Com. Schei seconds. Motion carried 4/0.
- **Budget amendment – Chiller Project balance to Generator Project – Sherry** - The balance remaining in the budget on this is \$54,000. The project is done. Jim would like to move that balance to the Generator Project. **Com. Nelson:** Was that originally out of Buildings and Grounds? Does the \$54,000 make up part of the \$131,000 surplus? **Sherry** -it was not part of the \$131,000. To move the balance to the Generator Project, there was only \$105,000 budget in there and \$5000 went to engineering and paperwork. The balance was \$181,000-\$182,000, so to put the remaining amount in the 2017-18 budget. Will be in to that budget year before the project is over. **Com. Schei** so recommends that they do that according to Jim's recommendation. Com. Gromala seconds. This is a budget amendment that will be referred to the board. **Com. Gromala** - We are

still going to be behind by \$25,-30,000, so this will be put into the proposed next years' budget? This is confirmed by Sherry. This is approved by all.

- **2017 Summer Tax – 9th St. Bldg. – Com. Nelson** - This was also figured in original building proposal because Peggy had provided him with that information. **Diane** - Why wasn't this prorated? On the closing papers it said that they didn't because we would become exempt and there would be no taxes due. *Discussion continues as to why or why not it wasn't prorated.*

c. County Administrator ~Agency Hiring Fees - Com. Hafeman - Stang, Springsted Waters and Slavin. Stang at about \$8000, Slavin at \$ 23600 and Springsted at \$24500. **Com. Nelson** - I think we should first of all determine our budget **Com. Gromala** - We have been waiting for at least 9 months now, it would be transferring from this years' budget and there are funds available within the administrative area to cover this type of spending. **Com. Schei** asks how much money he thinks should be appropriated. It would be best to look at the highest amount, whether it be approved by the full board or not. **Com. Nelson** - not aware that there is a budget surplus, and we continue to fall behind in other areas. **Com. Hafeman** agrees that the budget should be settled before they get into hiring, decide which firm to use, but wait. **Com. Gromala** - Have been managing because there are very good people that have taken on additional duties. **Sherry** Right now only 35% of the budget is used in the administration salary account, we should be at 80%. So we have money in the admin salary account right now, to be able to go forward with this right now. **Com. Nelson** - That's the trouble when we look at budget, we look at line items, we have to look at the totality of the budget and we aren't doing that. When we have the budget, we will know more...*discussion about whether or not to slim up budget before proceeding or move ahead.* **Com. Gromala** - let's move this to the board and let them decide, we aren't going to be able to do it here. **Com. Schei** - will second Steve, however is not in favor of increasing the budget. Motion carries 2/2.

d. 2017/18 Budget Discussion

- 2% Salary increase for all employees - **Com. Schei** - not in favor, Coms. Gromala and Nelson agree. **Sherry** - The budget currently has the 2% increase, she will take it out.
- County Administrator Salary - Sherry budgeted it at 20% increase. With some discussion, **Com. Schei** stated he felt salary should remain as it for now and that the hiring firm should be able to tell us the appropriate salary for that position and then see if we can afford an administrator. **Com. Gromala** agreed that the salary should remain the same for now.
- Asst. PA additional staff - The PA's office has an employee retiring, so they are requesting funds to hire a replacement to train for 6 mos. and the take over after she retires. They are also requesting a 2nd Asst. PA, in addition, to cover the workload and backlog in the prosecutor's office. **Com. Gromala** - I think we should hire one on and move forward on training with the retiree. Although it would be nice to have an additional Asst. PA, it wouldn't be a good idea at this time. **Com. Schei** - I agree with Steve, let's hire a replacement and give him the training time needed. On top of that, not at this time for an additional Asst. PA. **Com. Hafeman** - agrees.
- 911 - MGT's position recommendations - **Sherry** - It was recommended, by MGT to change pay grades for the Director and Deputy Director of 911. Director would change from 13 to a 14 and Deputy Director (new position) should be a pay grade 11. **Com. Gromala** - I think we should move this forward. **Com. Schei** - I agree, we should move this forward. Motion passed 4/0.
- 911 Radio Console - **Sherry** - Brian is requesting \$582,000 for console. Pg. 59 in the budget- **Com. Nelson** - asked Bill and Steve to get information from other counties on 911... **Com. Gromala** - We went to Iron Mountain, also sent out emails to Gogebic and Iron Counties, have not gotten a response from either of them. **Com. Nelson** - I talked with several counties that share 911 and it was all positive. 911 has a surplus of \$166,137 left over yet, *Discusses the MERS situation and how it will affect the budget.* John thinks they should pull the console out of the budget for this year and band-aid it for another year or two. **Com. Schei** - what might be the ramification if we were to delay it? **Com. Nelson** - We are about 1.3 mil short in our budget request. Before we agree to fund this console we have to look at the total amount of money we have to put out. **Com. Schei** - You had asked for a 5 year plan, is that the best

way to go? **Com. Nelson** - We will have to ask other departments to make significant cuts to make up that deficit. **Sherry** - Another option - Brian said they will break it down for a 5 year period to pay it within those 5 years. **Com. Nelson** don't forget the costs that will continue to happen after purchasing this console. You are committing the county to \$2-300,000 a year in deficit. **Com. Schei** Let's not fund the Airport and you will have all kinds of money. John argues that with the airport there is no alternative, with 911 there is. **Com. Gromala** - This console is old, I don't want it on the back burner. **Com. Nelson** - I am against it, you tell me which departments we are going to cut. This is why he doesn't want to be finance chair. **Com. Schei** - What are the political ramifications for all of this? Have we thought of all the other things we might be faced with? **Com. Nelson** -The more that is added to the debt, the more that it is put back on the county. **Sherry** - The existing equipment can't be fixed again, there are no more parts. Don't get the console, but if it goes down what are you going to do?? **Com. Gromala** - I think we have to approve to keep/put it in the budget. **Com. Schei** - the proposed budget, \$8,148,035, last year was less. **Com. Gromala** - wants to keep it in the budget, but to pay in a 5 year plan. **Com. Nelson** - Is it because I'm looking at a 5 year deficit that you want to pretend that it doesn't exist? *Discussion continues....* **Com. Schei** - Is not going to commit right now. Would like to wait a year. Did anyone ever check in to see if there is a used board out there? Moving on, issue will be addressed again. **Com. Hafeman** - Now, I know it can't be repaired, but there could be other options. I believe 911 duplicates services of the State Police. **Com. Nelson** - It's kind of a stand-alone system, not a duplication. **Com. Gromala** - I've been getting calls and e-mails stating that they want 911 services to remain in the county. I realize appropriations for this might be difficult, but I think we should, maybe, arrange a 5 year payment plan to pay for it. **Com. Nelson** - we shouldn't kick that can down the road, again. **Com. Hafeman** - 911 is a special revenue account. The device surcharges (\$10,000) and telephone surcharges (\$500,000) is what they've got to pay for the entire department. **Com. Gromala** - It's an essential service and not all essential services pay for themselves. **Com. Hafeman** - So, where are we going to get the money to pay for it? **Com. Schei** - I have a question - Brian, what kind of burden would it be if we waited on this? **Brian** - It's a crap shoot. It could last a month, even a year - I don't know. I do know that 911 has not received or requested money from the county at all (except, I think, 2009/2010 where the county gave us less than \$100,000) - it's all been surcharges that have been funded us. **Com. Schei** - Sherry, is there money for the console in the budget right now - in the proposed budget? **Sherry** - It is in there, yes. **Com. Schei** - I'm in favor of putting 50% in there and the other 50% in the following year (2018/19 budget). Unless something detrimental happens - then we're going to have to dip into the general fund. So, I would like to make a motion to do 1/2 in 2017/18 and 1/2 in 2018/19 budget. **Com. Hafeman** - seconds - motion carries 3/1. **Com. Nelson** voted no.

- Airport - MGT position recommendation - **Sherry** - MGT's recommendation for the Airport Manager is job grade 13 - which is what we have it at now. It would not change anything. **Com. Hafeman** - so, should we carry it forward? **Com. Gromala** - I'll make the motion to carry it forward to the board. **Com. Schei** - seconds it. Motion carries 4/0.
- Airport Capital Overlay - Request \$300,000 for extension of the Fire Safety Building. **Com. Nelson** - I say we put \$50,000 towards it. **Com. Schei** - This is a block grant \$53,000 a year. It's a 6 year obligation. It's for extending the Fire Safety Building in order to get all their equipment inside. The FAA and MDOT Arrow requires all equipment to be inside. There's a large building that we store a helicopter, on occasion, and equipment for moving planes around that we could put in the Fire Safety Building. This will give us another building that could be leased out. I'd like to keep \$100,000 in there to be safe. Until there is a bid on this, we won't be sure of the cost. The \$300,000 is a quote from the State (MDOT Arrow). I'd like to make a motion for \$100,000 to be put in there. **Com. Gromala** - seconds. Motion carries 4/0.

e. **2017/18 Budget discussion - Sherry - deficit of 1.268** - set up with all dept. requests. A couple of departments I have not received budgets from, so plugged in numbers comparing to last year. Pg. 6- \$25,000 in designated building projects. \$40,000 to carry over will put it in next years' budget. No other projects in at this time. - \$35,000 in Circuit Courts, but they plan to have grant funding, pg. 7 - Judge

Hass did not get his budgets in, so I plugged in what is currently going on in those accounts. – pg. 13, Administrator- put money in for furniture, \$107 is only for administrator pay down of MERS . Carried in again \$10,000 for legals- **Com. Schei** - If we hire a company to hire administrator, where does that money come from, this year or next year? **Sherry** - It is not in there, but that can be adjusted. Pg. 16-17 Equalization is requesting for furniture- Pg. 21-Buildings and Grounds- security doors, windows, for sheriff's dept. (Brian Helfert). Some of this could be recouped from courts. **Com. Gromala** would like to have Jim come back and discuss this some more. **Sherry** - moving on to the sprinkler system in the vestibule, this is dependent on the city, because they need to upgrade water lines to provide enough water for the sprinkler. – The jail half-bath in the CO's office – painting of old building- sidewalk replacement. **Com. Nelson** - Prosecuting Attorneys request for \$93,000 for increase in salaries. **Sherry**- Bill has let her know that they are overloaded in that office and they are asking for another assistant PA, his investigator is retiring so there will be a 6 month overlap for that person to come in, as well as pay out for a retirement. –Pg. 25 Sheriff Department – capital outlay for computers, request for two vehicles, one for sheriff and one for undersheriff. Plan to put it in a 4 year term for the sheriff. Lean system – Prisoners ward – approximately \$45,000 is collected in fees that come back to the county. Pg. 32-Emergency Services- status quo pretty much. Rich wants the new operating systems for computers. Pg.34 Animal Control - \$10,000 in for that. Pg. 37 Veterans Affairs - \$2000 in capital outlay, he will most likely need new furniture for the new building. Pg. 38 – Economic Development- **Com. Nelson** - There is no contract signed, *discussion as to whether there is an obligation on the county's part.* **Sherry** - Pg. 39- Appropriations- the only change from last year to this year is the airport. – Faithorn Rescue Squad is no longer in place, no request from them. – Child Care – couple of changes, some will have reimbursement. – Library – Rather than \$10,000 she is requesting \$12,000. - There is \$109,000 in the airport for operating transfer. – Road Patrol –**Com. Nelson** - there is a millage request this year, if it doesn't pass, at least some of the unfunded portion of MERS somewhat caught up, we are still short we are at about 90% and that continues to grow. If the millage doesn't pass there is only a surplus of about \$100,000 in there. That would not come close to covering what we will owe for retirement which the board would continue to pay for over and above that 5 year plan. **Sherry** - they do have a capital outlay item in there for \$100,000. Road Records Management System needs to be compatible with 911. They will still show \$112,000 to the good if the millage goes through. – Parks- In the regular budget we have on pg. 45- to balance the budget there is an \$18,471 from their fund balance. Friend of the Court- part-time person. – Airport-County Appropriation Capital improvement, \$327,050 - Includes a replacement van, **Com. Schei** - It isn't just a vehicle, we have heard from two community sessions that the airport is mandatory, businesses use it - we need it. Problem is the city collects a building tax on all those hangars, we don't see one penny of that. It's not right that the city gets this money. All these people want the county to have the airport, and subsidize it 100%. He would suggest that they ask the City of Menominee for some support from all that tax money that they collect. –**Sherry**- \$300,000 for the fire safety building is in that budget, an expansion. Engineering for the runway project is 5%. Budgeted for full-time manager, part-time manager and lineman – IT- Put it in. – Park Improvements- Put in a dollar amount that should be received for the timber cutting out there. Pg. 50 **Com. Gromala** - Back to the IT, we have equipment, right? \$24,000 for updates and maintenance and fees. **Sherry** - back to park improvement, there will be a fund balance carried over. There is something always to be done out there. – Remon- we won't know until December, put in \$55,000. **Com. Schei** - Has there been any money come in from the cutting of the timber so far? **Sherry** just received a check this week. **Sherry** – 911, we already looked at that, *Com. Nelson again implores the members to look carefully at that.* Pg. 61 Library- \$235,000 operating transfer. Pg. 68, Senior Citizen – we will be getting these numbers in, Pg. 74-Child Care- \$30,742, the auditor did not want those numbers showing, so it is in the General Fund Operating transfers.- Three-way road- we will have to start meeting with the Road Commission. – Household Hazardous Waste has to be done this year too, \$30,000 put in. **Com. Nelson** - ok, we are done with the packet, any questions? We aren't going to make a decision today. **Com. Schei** - I want to talk about MERS. He and **Com. Meintz** agree that there should be a payment to MERS to bring the unfunded balance down. **Com. Nelson** - agrees, that is why he wants Terra to come in. **Com. Schei** - how much money do you think we should put in as a one-time payment in this next budget. Finance committee needs to have some kind of consensus. **Com. Nelson** - MERS gives 3 rates, according to our payment schedule, what we have to contribute really at 5.75 is about 1.7, by 2022 we will be at about 2.12. This will be fixed in 40-50 years. Please read the packet. Need to have Terra here, Committee of the Whole or a special meeting, as long as all the board members are there.

Menominee County Finance Committee
Minutes of Meeting
09/06/2017

*****DRAFT*****

The Finance Committee met on September 6, 2017 at 8:30 AM at the Admin. Office.

Others present at the meeting were Diane Lesperance, Marc Kleiman, Brian Barrette, Cassandra Sturos, Sherry DuPont, Jerry Piche, Doreen Averill

Call Meeting to order: Com. Nelson called the meeting to order at 8:30 A.M.

Pledge of allegiance: was recited by all.

Roll Call: Commissioner Hafeman called. She was away and didn't know about the meeting. Excused.
Approval of Agenda motion by Com. Schei and supported by Com. Gromala to approve the agenda as written. Motion approved 3/0.

Previous Meeting minutes: 8.07.2017 & 8.14.17 - Com. Schei made a motion to approve minutes, second by Com. Gromala, motion carried. 3/0

Public Comment: None

Department Head/Elected Official Reports: Diane Lesperance: Outlined the confusion on how much money the County has in savings. Yes, we do have \$10 million dollars, but that's not our savings. It's like a family having a 401K, an emergency fund and savings. At the end of the year, the amount available is 2.8 million after all designated amounts are paid. Diane Invited commissioners to come to her office to discuss the county funds/investments more in depth.

Business Items

a. 2017/18 Budget Discussion:

Remonumentation Grant - \$81,461, we have \$55,000 – Sherry: We received the actual grant numbers from the state for the remon. Accounts. We only have \$55,000 budgeted there, so we'll need to increase that to \$81,146. All commissioners agree to make the change. 3/0

Veteran's Services – Copier/fax/scanner - \$1,600/yr. – With Mike's move to the 9th St. building, he will no longer have access to a copier/fax/scanner. He's gotten a quote from Cooper office for a copier. Estimated price is \$1,600/yr. Com. Schei moves to add it to the budget, supported by Com. Gromala. 3/0.

Commissioner Hafeman enters the meeting at 8:59 AM.

911 – Added insurance for incoming employees (2) + increased OT – Sherry: We have two employees that have retired and one more coming in Jan. We have no way of knowing if the newly hired employees will be taking the health ins. Brian and I spoke about this and decided to add insurance into the budget for two employees, plus I removed some of the OT thinking that it won't be necessary due to the restructure of the department. I was wrong. Brian would still like to have \$40,000 in the budget for OT. Until some employees are hired, he will need to use the OT for the employees covering for those vacant positions. Discussion among the commissioners

was that we don't have much of a choice on funding positions. Com Gromala moved to add the insurance and the OT into the budget for 911, supported by Com. Schei. 3/1 vote. Com. Nelson voted no.

911 Surplus applied "Fund Balance" \$133,219 – Sherry: this goes hand in hand with the above discussion. The current balance in the surplus revenue account is \$84,289. That increased about \$49,000. This means that the 911 fund balance would pay this amount (\$133,219) to balance the revenues with the expenses. Now due to that fund balance being depleted by the retirements of the previous director and two employees and the OT, that fund balance has decreased tremendously. There may not be enough in the 911 fund balance to balance this budget at year end. We don't have to take any action, other than to know that the County general fund may need to balance the 911 funds at year end. Com Gromala moves to approve Com. Schei seconds. 2/2 vote. Coms. Nelson and Hafeman voted no.

Airport Van replacement now – possibly remove \$15,000 from budget - Sherry: This is about the passenger van at the airport. We discussed this before for the budget however the van is in need of being replaced right now. Com. Schei would like to take the \$15,000 (budgeted for a replacement van) out of the budget for next year and use some of the capital outlay in the current budget to purchase the van now (or as soon as possible). Com. Schei explains that the van is not in working order at this time and Jeff doesn't want to put any more money into it. Com. Schei moves to apply as proposed, seconded by Com Gromala. 4/0 vote.

Public Comment: Brian Barrette – Asking for \$133,000 which is a guesstimate (the new employees may not take the insurance, but I'd rather have it in there than not) is peanuts in the big scheme of things. If you look at all of the other departments in the county, we are by far the cheapest department to fund. Other than two years when the county helped to fund 911, we have been self-sufficient for 20 years because of the 911 surcharge. The problem is, while costs continue to rise, surcharge money hasn't and that requires more balancing. About the generator in Bagley, this is not just a 911 issue, it's a full county issue. There is a grant process that will cover 100% for 911 in the entire county. Can we improve reception? Yes. The current repeater is set at 100 Watts, we can go up to 250. That will require approval from the FCC.

Commissioner Comment: Com. Schei – I'd like to request the County Board Chairman send a letter to MDOT AERO. In reference to the budget the expansion plan for the hangar bldg. was reduced from \$300,000 to \$100,000. The plan is to lay the foundation and concrete as part of the plan using the \$100,000. Perhaps budget more the following year for completion of the bldg. Reminds everyone about the model train, antique car show at the airport this weekend (Sept. 9th) 9 AM to 3 PM. **Com. Nelson** – Doesn't fault anyone for not understanding the budget, it's not easy. Surcharge comes from the taxpayer; Road Patrol comes from the taxpayers. He comments on the newspaper and that they've never asked him any questions. **Com. Hafeman** – Reminds everyone of the Lions Club annual pig roast at Fadroski park in Nadeau, 12-5 Saturday.

Adjournment: Moved by Com. Schei, supported by Com. Nelson to adjourn the meeting at 9:27 AM. Motion approved 4/0.