"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: Monday ~ August 7, 2017
TIME: 8:30 AM
PLACE: Menominee County Annex, Stephenson

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

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of Agenda
5. Approval of Previous Minutes ~ 7.17.17
6. Public Comment *(limited to 5 minutes on agenda items only)*
7. Department Head/Elected Official Reports *(limited to 10 min.)*
8. Business
   a. 2017/18 Budget discussion
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
07/17/2017

**********DRAFT**********

The Finance Committee met on July 17, 2017 at 9:00 AM at the Menominee County Courthouse, Administration Office

Others present at the meeting were Diane Lesperance, Mike Lyons, Marc Kleiman, Lisa Reed, and Peggy Schroud

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

Pledge of allegiance: was recited by all.

Roll Call: All Finance Com. Commissioners are present.

Approval of Agenda motion by Com. Schei and supported by Com. Cech to approve the agenda as written. Motion approved 4/0.
Previous Meeting minutes: 6.12.2017 Com. Gromala made a motion to approve minutes, second by Com. Cech, motion carried.
Public Comment: None

Department Head/Elected Official Reports: **None**

Business Items

a. **Window/Door Replacement 9th St. bldg..–Sherry** Had put a bid out for this, did not receive any, so there is a proposal from Jim for the windows (replacing the glass panels) from Wallace Building Supply. Total cost of the replacement $5200 if he does it himself. There is a side light on one of the doors that is broken, Esser glass has to do that one. That would fall within the amount that is in the budget already. **Com. Nelson** We could take a recommendation for a motion to…**Com. Cech** I recommend that we use the money that we have already allotted for those windows and doors in the bid process **Com. Nelson** Which bid? Which one of the three? **Com. Schei** Is the $5200 the one he is recommending? **Com. Gromala** That's based on the fact that we would be using Wallace Building Supply, Esser and Menards. **Com. Nelson** So with Wallace Building, which is a bit higher but includes 2 windows, Esser and Menards, is that what you want to recommend? **Com. Cech** Yes, that's the one. **Com. Gromala** seconds, all are in favor.

b. **9th St. Bldg. Bid funding- Sherry** There is a break down of all those bids that the board did agree to other than the cabling and network. Drees electric, when we received the bid for the HVAC there was an extra $3000 in the quote that also included the hook up of the electric also. Zeratsky would have charged more. Not been approved by the board, so needs to be recommended. This would be covered in

the current budget. **Com. Nelson** We are going to be short because our cabling when we first discussed it everyone thought around $6-10 thousand, the $41,000 was something we did not expect. We are going to run about $29,000 short of what we planned. **Com. Schei** What is the $12,263 **Sherry** That's the balance if we take the windows out of our current account. **Com. Nelson** The difference now is $29,000. **Sherry** If we take the Drees Electric out of there also. **Com. Schei** What is the shortage that is not budgeted? $31,562. **Com. Gromala** Is there any funding that would be available from like the probation group? **Com. Nelson** At first they said they would be doing their own, so that is not included in this bid. **Com. Schei** What about the phones are they doing their own phones too? It will be IP digital phones put in there. **Sherry** They already have the phones in their office. **Com. Schei** How much rent payment do we realize from them? **Com. Nelson** It is at our cost. **Sherry** The way we had set up the budget, it had $161,000 to the good in it. The general fund. Monies can be taken out of the designated building fund or the general fund. **Com. Nelson** The funds are really co-mingled, so it doesn't make any difference. **Com. Schei** Proposes that it is taken out of the building fund. Because it is a building and it is a building cost. Motion made, Com. Gromala seconds, all agree and it will go to the board.

c. **Cobra 2% administrative fee – Sherry** Currently we can receive a 2% fee for doing the work for Cobra for the retirees. Do we want to collect this fee? **Com. Cech** Is there a reason why we wouldn't want to? **Marc Kleiman** I believe that we have 2 that are using Cobra and Joann has to fill out that paperwork. He didn't feel it was his position to make that decision and thought it should come to the committee and then the board. **Com. Gromala** There will be more, and the time and cost that is going to be used by our present staff, it should be recouped. **Marc** Joann is going to give an estimate on how much work and time are involved. **Com. Nelson** If we do decide to do this, if we do charge the 2%, will it be worth it? **Com. Schei** Is it more work to charge them than it is to do the work…what is the trade off. **Marc** makes no difference, either way Joann is doing the work. **Com. Gromala** Doesn't know of many places that do not charge an administrative for work, and it can be brought all the way up to 10%. **Peggy Schroud** The taxing units charge 1%. **Com. Gromala** He would like to look into it because knowing that we are going to be having more retirees or people leaving it is going to possibly be more work. **Marc** The more employees that go on Cobra, the more work Joann will have to do. **Com. Schei** Keying in the extra numbers will be more work. **Marc** Will sit down with Joann and get more information to bring back to the next meeting. He will also find out the extra work that it might involve for Jessy.

d. **Budget amendment – Chiller Project balance to Generator Project – Sherry** The balance on this $54,000, in budget, project is done. Jim would like to move that balance to the Generator Project. John asks if that was originally out of Buildings and Grounds? Does the $54,000 make up part of the $131,000 surplus….Sherry confirms that it was not part of the $131,000. So, 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. Cech 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.

e. **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.* **Com. Nelson** Everything is coming in higher than what we had planned on so we should look at the full $41,000. Going back to b., 9th St. Bldg. Fund, make the amount $41,765 to add to the fund. All agree.

f. **911 Console – Sherry** Brian is requesting $582,000 for console. Pg. 59 in the budget…**Com. Nelson** Had 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** 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, that is the best way to go. **Com. Nelson** We will have to ask other departments to make significant cuts to make up that deficit. **Sherry** has another option that Brian sent..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 they do. **Com. Cech** 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 I don'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. Cech** thinks they have to approve to keep/put it in the budget. **Com. Schei** the proposed budget, $8,148,035, …..last years 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.

g. **2017/18 Budget discussion – Sherry – deficit of 1.268** set up with all dept.requests. A couple of departments that I have not received budgets from, so I 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 do have grant funding, pg. 7 – Judge Hass did not get me his budgets, so I plugged in what is currently going on in those accounts. – pg. 13, Administrator- put money in for furniture, $107 for MERS unfunded is only for the former administrator division pay down. Carried in again $10,000 for legal- **Com. Schei** If we hire a company to hire administrator, where does that money come from, this year or next year? **Sherry** This year, there isn't an account yet set up for that, but there is money in the admin. salary account to pay for the hiring agency. Pg. 16-17 Equalization is requesting $1500 for furniture- Pg. 21-Buildings and Grounds- security doors, windows, for sheriffs 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/pressure. – 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 Board – 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 for the book mobile fund. - 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. – Parks- In the regular budget we have on pg. 45- to balance the budget there is an $18,471 from their fund balance. There is no one there to do the budget, so she put the numbers in. – 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 crash building is in that budget, an expansion. Engineering for the runway project is 5%. Budgeted for full-time manager, Full-time Asst. manager and PT 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. Cech** 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 always something 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.

Diane Lesperance Because we have had so many projects that have come out this year, our liquid assets, liquid cash is very low. Keep in consideration to let her know ahead of time if you are going to plan to spend a large amount of money. **Marc Kleiman** Daily Press Delta, talked about MERS and a specific fund that they put money in to pay down MERS.

Public Comment: None

Commissioner Comment: Com. Gromala Is there any way that we can go about finding additional funding? MERS to invest it differently? **Com. Nelson** The MERS portion again, we can't take what they have to say as gospel. They need to come here. Please look at your notes, read the packet.

Adjournment: Moved by Com.Cech, supported by Com. Schei to adjourn the meeting at 11:24 AM. Motion approved 4/0.