

Menominee County Finance Committee
Minutes of Meeting
04/13/2017

*****Approved 6.1.17*****

The Finance Committee met on April 13, 2017 at 9:00 AM at the Menominee County Administration Office

Others present at the meeting were Sherry DuPont, Diane Lesperance, Charlene Peterson, Mark Kleiman, Jody

Call Meeting to order: Com. Nelson called the meeting to order at 9:02 A.M.

Pledge of allegiance: was recited by all.

Roll Call: All Finance Com. Commissioners are present.

Agenda motion by Com. Gromala and supported by Com. Cech to amend the agenda to add a recommendation from the personnel committee for the Custodial Worker's pay, motion approved 4/0. Com. Gromala made a motion to approve the amended agenda, supported by Com. Cech. Motion approved 4/0.

Previous Meeting minutes: 2.24.2017 Motion to approve minutes Com. Cech and second by Com. Gromala. Motion carried 4/0

Public Comment: None

Department Head/Elected Official Reports: Diane Lesperance would like to be part of the discussion when MERS is the topic. All are in favor of that. Brian Barrette Hopes that by next month he has numbers from Motorola (radio control) and will get on the agenda to discuss it further.

Business Items

- a. **2016/17 Budget Amendments (#6) Sherry** The first ones are those that carried over from last years' budget that did not get used. Going thru a breakdown, the first one is window replacement. This was approved before budget, so it will be rolled into the new one. 2nd one is emergency generator wasn't done in that budget year, Jim is in the process of taking care of that. After the audit these came back as not being used, so they can be rolled into the current year, to be used within this year. There are still issues with the courthouse chiller project. There are valves and such that need to be replaced. Vestibule project had an amount that was not paid for, some of it carried into this budget year, it is paid for now. District court capital outlay, there is equipment that they will be getting. The PA office had money for replacing the window in the office, the doors and computer equipment, this will be used. Register of Deeds has \$2000 for scanning equipment. Sheriff Department will be getting equipment. **Com. Schei** Why

weren't these purchased during the budgeted year? **Mark** waiting for the old one to "go". It will be transferred into the new budget. **Sherry** Library Great Start grant are designated and have to be carried over from year to year. PA123 for GIS project, are still paying in on that. K-9 fund balance was a budget amendment coming from their fund balance to pay out. Approved projects for parks will be coming from the park fund balance, not the park improvement fund. Building Code vehicle was within the contract for Building Code, Dan Menacher. That extra amount was never added into the contracted amount, so we had the \$17,000 for the contract w/Delta Co., but the vehicle was never put in. So, \$3,607 is being paid out that is not in the budget. It has to be added in, it will still come from the Building Code fund balance. Deficit elimination plan will come from the general fund. Office support in the admin office, this is moving the salaries that were paid out from Treasurer's office and MSU Extension budget. There will be money transferred to the MSU and Treasurer's office from admin. DHS, we have been showing a deficit for years in the child care fund. There was an increase in the grant amount (\$65,000) we added \$32,000, because we are half the year into it already. **Com. Schei** made motion to approve budget amendment #6 and forward to the County Board. **Com. Gromala** seconds, motion carries 4/0.

- b. **Add Special Revenue Account for MI Medical Marijuana Operation & Oversight Grant provided for in the MI Medical Marijuana Act, MCL 333.26421 et seq.** **Sherry** This is an account that has to be set up for this grant, for tracking purposes. The Sheriff's department will be visiting and making sure they are complying. This will involve overtime for them. **Com. Nelson** This is money that we put in the budget and it is reimbursed from the state grant when it has been used. **Com. Cech** makes a motion to move this to the board. **Com. Schei** seconds, motion carries. **Diane Lesperance** questions if this is the same as the revenue gotten from the state as to how many bars, liquor licenses are in the area and then the sheriff department checks to make sure they are following rules. Townships used to get revenue as well but do not any longer.
- c. **Child Care funds – re-adjust the budgets...due to revolving fund "offset" at state.** **Sherry** Every year there is a deficit. This is basically state child care for DHS. The auditors wanted us to make some changes, it should not at the end of the year show this deficit if we correct it now. We get half of the reimbursed grant \$ from the state. We show it as revenue coming from the state, but we don't see this money. The state reduces their half from an account they control, but we owe to them for various reasons. We don't see this \$ on our end. So we will need it to show as the county putting in all of the money, so we are moving the funds around just a little bit. It does not change any bottom line amounts, this will also affect the operating transfer accounts. Working with Jenny and she will get us the updates. **Com. Nelson** What we've done will eliminate one more thing, just like we tried to do it with Workman's Comp. **Sherry** Unfortunately this won't work because each department has to do their own. If it were all put within one fund, we wouldn't have the breakdown I need to send to our insurance/cost allocation companies. **Com. Gromala** makes motion to re-adjust budget so this will not show as deficit at year end. **Com. Cech** seconds, motion carries 4/0.
- d. **Road Patrol Millage Discussion - Com. Nelson** From a finance perspective, the

millage remains the same. There are 2 things, we are still under in retirement, if road patrol doesn't pass, we will continue to pay into that retirement. If the millage does pass, hopefully we'll continue to pay down. 5.13 rate in 2015, actual show 7.75. Being underfunded we don't collect interest on that gap. Do we have any other questions?

Com. Cech Thought Ken's presentation was good, explains why the millage amount wasn't going to change with the upcoming election. We need to have this, we should support it. If they go for an increase in the millage, it doubtful that it would pass.

Com. Nelson There are auxiliary costs that the county normally covers, this is a non-issue at this point, because there are time limits on it and it is a one shot deal.

Com. Schei Mike, you feel comfortable in the annex the way they are now? **Mike** Yes, we are comfortable.

Com. Nelson The K9 unit should have come out of road patrol, but we also have a K9 budget. **Mike** It came out of the K9 fund. **Com. Cech** what about the cars and other equipment? In pretty good shape? **Mike** 2 new cars out of the millage and 2 out of the Hannahville grant. **Com. Schei** Feels comfortable with keeping it where it is, not increasing it. **Com. Gromala** Feels good about the presentation and answered any questions he would have had. **Com. Schei** makes a motion to present it to the board as is, **Com. Cech** seconds, motion carries 4/0.

e. **MERS-discussion to pay down another \$1-2,000,000 of unfunded liability - Com. Nelson** is on a workgroup that is working on underfunding MERS statewide. Thought that after the 1.5 Mil, it would have brought it down under 80%, but doesn't think that it did. We reduced what we owe, but the % could remain unchanged. **Com. Schei** The board was putting into a fund, earmarking contributions. Has that been released to MERS? We are at a 0 level as far as any money allocated by the board.. **Com. Nelson** We are going to have to put money into this at some point in time. County is 90% funded in MERS, it might look like there is a lot of money available in the county, but then we have this debt, our true standing is we could put every penny in, and we would be broke. Within the audit report, it will give a different picture. MERS actuarials and it is still not true cash value. This does not reflect any changes within the market, within the last 8 months, but it does have a breakdown of where MERS does the investments. **Sherry** The auditor will be at the next county board meeting. **Com. Nelson** 94 currently drawing benefits, 12 entitlement, and 78 active employees. Audit page 53, target investments. Balance as of 2015 is page 54, explains discount rate. **Com. Cech** In 2013 we put in how much? **Com. Nelson** \$900,000 a year plus 2.5 million additional. What we put aside, the interest drawn was minimal. The chart shows that we are not funded as well as other counties, and if the market is good, deficit is less, if the market is bad, deficit is more. All new employees are at a fixed cost. Would like to look at money to pay down on this again this year. **Com. Schei** I think we were being conservative as a board, when we decided to put the money aside and not pay out. **Com. Nelson** Go to page 60 in the audit report, no page 54, sums it up better. Shows the changes between Dec. 31, 2014 and 2015. Other departments for example, Public Health, Road Commission.....are also underfunded, who is to pick up the tab on all that? **Com. Cech** MERS is in business to make money, but we are supposed to be able to trust them. What they say doesn't seem to ever match what is. Why do we have to suffer, is there any way we can get around this? **Com. Nelson** There is no way to leave MERS. We have no say in what it is invested in, we have no control. Again, should we look at paying down....**Diane** Legislature has it on their radar to make

MERS more accountable for their investments. Thoughts are that everyone should be contacting their state legislators. Keep MERS on the table, and hopefully get some type of committees that can work on this. Provide investment information, service information and where the \$ are going. Kathleen (Auditor) does not think it's a good idea to pay out monies now, to hold on to it for the time being to see what happens. **Com. Nelson** Ray had advised that some money be put towards it. Diane was not sure that what Ray said meant that the county should pay. **Com. Schei** These conversations shouldn't be taken out of context, things are different and changing. Moving target all the time. Did the auditor have a target date when she thought it would be good to release it? Did she think within this budget year? **Diane** She just said that she didn't think it's a good idea to pay out. Don't understand how county can let someone else handle their money without having info. **Com. Nelson** Without putting money in we go further behind. **Com. Schei** But we could wait another year to see where the President is, where the banking industry is and Wallstreet...**Com. Schei** what kind of money do we have available at this time, what would be the impact on our financial situation. **Diane** I can't just write a check , I need some time. **Com. Nelson** This is discussion for this topic, it may take awhile, but we need to have a plan. It will still break down to a board decision. **Com. Cech** They get an amount every year anyway, (900,000) . **Com. Nelson** Not going to move anything forward at this time, this was just discussion.

- f. **2017/18 Budget “begin” discussion - Com. Nelson** Some things gotten back from Dave Stoker , we should not do any appropriations until required information is gotten. **Sherry** Currently what is used is a one page document that says the county is not responsible for liabilities, workers comp., and in return they give information as to what they do for the county. **Com. Nelson** We are going to fall short in 911, and there is capital outlay required. We will need to fund them in some way, surcharge will be at the max again, \$2.12 , it either will be an internal funding...will have to look at both projected revenues and a “what if” ,... we have to set a schedule, get budgets, road patrol budget adjustments depending on what happens with the millage. **Com. Schei** would like committees approval to work with airport manager to work on his budget. **Com. Nelson** Thanks to Sherry for her hard work and the time spent on the budget. **Sherry** Some departments are very good at supplying requested information. It is for them as well to be able to see what is being paid out and from where. **Com. Nelson** If the RP millage doesn't pass, there are still bills to pay. If anyone can help Larry with that budget, please do that. **Sherry** BS&A should be used more extensively, would save time. Each department should be using it to pay bills and so much more. **Com. Nelson** We will need a 6 week period of time to get the initial budget in, present it to the board, there is a public hearing, we have until second board meeting in July. Not even open to doing budget adjustments, its more work and the departments should know and do it right the first time.
- g. **Personnel Committee-custodial raise: Sherry** Mary Palmer requested raise, after 16 years, no raises..\$12.00 per hour and mileage if her vehicle is used. **Com. Cech** McDonalds pays more than that. **Com. Nelson** Has never heard a complaint about the cleanliness of the buildings. **Com. Schei** Mary gave an excellent presentation for herself, and another thing, she is very much in demand for the schools, ISD, and is paid much better by those other entities. She actually asked for more, and there was a

compromise made, she is worth more. **Sherry** The money would come from the general fund, fund balance. An extra approximate \$ 3000. **Com. Cech** makes a motion to pay Mary \$12.00 per hour plus mileage if she uses her vehicle for work purposes. **Com. Gromala** seconds, motion carries. **Com. Nelson** Brian is working hard to get them numbers, there are some other issues for cost savings. **Sherry** Are we also including mileage if she uses her own vehicle. Had a discussion with Jim Mekash, he said a lot of it is volunteering because she is going that way anyway.

Public Comment: Charlene Peterson Mary cleans township hall (Lake) she more than deserves a raise.

Commissioner Comment: Com. Schei Happy Easter and Good Friday **Com. Nelson** I do appreciate your input, Diane thanks for your comments.

Adjournment: Moved by Com.Cech, supported by Com. Schei to adjourn the meeting at 10:54 AM. Motion approved 4/0.