

Menominee County Finance Committee
Minutes of Meeting
06/19/2017

*****Approved 8.3.17*****

The Finance Committee met on June 19, 2017 at 8:15 AM at the Menominee County Annex Building

Others present at the meeting were Diane Lesperance, Jodie Barrette, Marc Kleiman, Brian Barrette, and Peggy Schroud

Call Meeting to order: Com. Nelson called the meeting to order at 8:20 A.M.

Pledge of allegiance: was recited by all.

Roll Call: All Finance Com. Commissioners are present.

Approval of Agenda motion by Com. Cech and supported by Com. Gromala to approve the agenda as written. Motion approved 4/0. Com. Schei asks what the Administrators Pay on the agenda is all about. Com. Cech put it on there to discuss the Administrators pay and the interim administrators pay.

Previous Meeting minutes: 6.1.2017 Com. Schei made a motion to approve minutes, second by Com. Cech, motion carried.

Public Comment: None

Department Head/Elected Official Reports: **Marc** Is working on his budget now. He is looking at some increases in revenue for the Register of Deeds office as the State changed the recording fees to a flat rate of \$30. He will get more information and get back with the numbers. Looking at the previous years numbers he was estimating \$45,000. This goes into the general fund.

Business Items

a. Administrators Pay –Com. Cech There was a \$77,000 salary that Brian was making while administrator. When we advertise for a new administrator are we going to keep that amount or do you think we should raise it a bit. We had talked about \$85,000 before he left. We didn't get much in candidates before, maybe we should offer more. **Com. Nelson** He was never thinking \$85,000, **Com. Gromala** I think that it behooves us, I believe that there is going to be a possibility of meeting with people that will give us a better idea of what the administrator's salary should be when these consulting firms come in. Sherry has looked into putting numbers into the budget. **Com. Nelson** Under whose authority, this is the first I have heard of it, I didn't request it. So I wonder what authority does someone insert a different without talking to somebody, should come to us and me first. **Com. Gromala** I think it would be all of us, but she is just looking into it as the proposed budget. Looking into local records what the salaries are for this position in other counties. **Com. Nelson** Dickinson was \$100 more than the top bar with all the

experience, so not sure how you look into it. **Com. Cech** We aren't looking for official sanction of any sort, thought that it would be a good idea to introduce it to this board, as far as looking for somebody of a top caliber nature to fill this post and what we might have to face when it comes to meeting their demands and what we think is realistic for our needs also. Nothing is official, nothing has been sent to any outside entities. **Com. Nelson** What we found, and I'm on the negotiation committee is that we have a lot of work to do that should have been done awhile back, if we are going to continue to use board members for negotiation... we have Equalization director coming to the board now, you look at the position itself, exactly what are they doing? There is Buildings and Grounds, the question about the airport is still not resolved. We have a Veterans Services officer, some contracts, Parks,, but what exactly is the position going to entail? I think that is part of the problem of attracting people is that we kept the other global description but I'm not sure what's there. You can make the position sound one of two ways, like it is everything or exactly what it is and I haven't seen.... Now we are talking about an airport manager, and IT, all of these other things, so what exactly is the responsibility of the position going to be? **Com. Cech** It was described earlier, he or she would be directly involved in the airport. **Com. Schei** Remember we pulled that out of the administrator position, so they would have no responsibility for the airport other than budget or financial approval. That was done by the county board, that's the way the job description was advertised. If there are going to be changes, it would have to go back to the Personnel Committee and to the Board for approval. The process now is the Airport manager prepares the budget, it is approved by the Airport board and sent to the Administrator's office. **Com. Cech** Is it not the case though that the Administrator has the lion's share of taking care of these finances? **Com. Schei** No, that is the Airport managers job, that is why there is an Airport manager position. *Further discussion ensued about the Airport and the Airport Manager's position* **Com. Nelson** Again, I don't know what the position is going to be doing. Departments run their own grants, director for EM does all of his own, before we approach the Administrator's pay, I would like to be very clear and concise on what the job is going to be. **Com. Schei** Personal opinion is that I know what the previous Administrator made, that came about in the period of 6-7 years. Two things, number 1.- The population of our county compared to others in Michigan, and our county budget compared to Dickinson, Delta, etc., I think our job has to fit into our situation. Dickinson County position is Chief Financial Officer/Administrator. Delta hired a full-fledged Administrator through a search firm. #2. Look at the budget, what can we afford, when we hire a company to do the search for us they will sit down with us and want to know our criteria, what is the job? This will be through the Personnel Committee and then to the Finance Committee, at that point you can look at what a salary should be. **Com. Cech** Maybe I'm forward thinking, but whether or not things come to pass, we need to have an idea of what we will be looking at. We should be looking at duties, what it will cost the county and just be thinking about it. **Com. Nelson** We just hired through Michigan Works! It covered all 15 counties in the UP, and the position is less than the number you mentioned for Menominee County. I have a lot of experience hiring for high level experience positions and creating 3 county responsibility for Human Services and when he looks at the responsibility based on experience and nothing else, he is missing the boat completely on what is really there. I know in the last 8 months we are behind in typing and stuff like that but we have

functioned to a point and have found some things out that we didn't know. He's glad to see the board members a little more active like in negotiations for contracts. **Com. Gromala** We are functioning, but the kind of functioning that we want for the future? We still have board members that don't see the need for a full-time administrator. Each commissioner should be approached and asked about their feelings on the issue. Then bring an outside company to look at all avenues in fair and unbiased manner. We need to do what is best for the county. **Com. Nelson** Let's get back to talking about pay. **Com. Cech** Not talking about interim administrator, but the full-time. Interim should be paid what is already on the books for administrator's pay. **Com. Nelson** There are some changes with Equalization going to the board now, negotiations committee that is taking on contract negotiations. *Com. Cech inquires about Equalization....* Most counties have done it this way, it being the department that brings in the most revenue. There were problems in the past also, so we brought it right to the board. **Com. Schei** not aware of other changes than the airport not being under administrator duties along with Equalization. John doesn't think that the interim position should receive the same pay as a tenured person who was in the position for 7-8 years. And by the way the number we were looking at was \$75000.

- b. Credit Card limit – increase** **Marc Kleiman** recently we have problems with people going over the credit limit. With multiple people using it with the lower limit, there have been problems. Would like to get a higher limit. **Com. Nelson** This would have to go to the executive committee. What figure are you looking at? The current limit is \$5000. Our limits are at \$500 and \$5000, so we shouldn't be just going out and purchasing. We should recommend to the executive committee that they look at and change these policies.
- c. 2017/18 Budget discussion** **Com. Schei** First of all, Sherry didn't key any of that in yet so we don't have a print out to look at. **Com. Nelson** Let's look at MERS, the reason is we have a request about changing our divisions. Because the position changed from being a courthouse employee to an elected official it changed from a defined benefit to defined contributions. Request is to do a retroactive, which would be in perpetuity that if this happens again, they would stay in the old system. Have you looked at the cost? **Com. Gromala** It would cost the county more to do a retroactive situation. No number now. **Com. Nelson** Depending on the amount of money, say from \$60,000 to \$95,000, it could cost with the expenditures over a 20 year period, \$500,000 in pay out. Right now we aren't paying anywhere near what we should be paying into MERS. At 5.75 with continuing to make our present payments, by the year 2022 we would be at 51% funding. This doesn't show the 1.6 million we put in last year. *Discussion continued about defined contribution vrs. Benefits...employee vrs. Elected official. / Personnel Manual should be good for one, good for all. / Doing a study to compare with other counties. / 5 year plan when the budget is yearly. How to present so that future boards, etc. know what has been done. / Road patrol millage and 911 scenarios /* Should ask the board if they want to see a long-term study in the hopes that future boards would keep. **Com. Schei** Put something in the budget books so that it is there for future boards to look at. Is there a mechanism of putting it in writing? It will help future boards to know. **Com. Nelson** Board will want at some point in time to increase indebtedness to MERS and passing a resolution, of course he will not favor it. **Com. Gromala** A previous board had wanted these items to be met, things need to be equal, all treated the same. **Com. Schei** The

board made the decision that all new hires, etc., would be defined contribution, that's done. This situation is different, one employee is changing departments, going to an elected official. Was that ever in the plan? Is there a resolution? **Com. Nelson** It was a resolution sent to us by MERS. It's just sitting there. The question is do we encumber the county further or do we say no. **Com. Gromala** Repeats his opinion that the previous board had set up defined contributions and that is what they should adhere to. **Com. Nelson** At some point in time this has to come up to the board, because they have to clarify with MERS how we are going to deal with this. Moving on: The airport is doing a title search that is going to cost at least \$5000, that has never been voted on. **Com. Schei** As soon as there has been an amount given, he will submit a purchase order to the board. **Com. Nelson** Explains again, the bid process.....*discussion between Com. Schei and Com. Nelson.....* **Com. Gromala** If budgets aren't received by departments soon, we may say we will proceed to do it ourselves and then they will have to live with it. **Com. Nelson** The last thing is the 911 trip. **Com. Gromala** Nothing as yet to present, they (with Com. Cech) did go to Dickinson county on Friday and are developing additional information from other entities. Should be complete within a couple weeks. **Marc Kleiman** Going back to the credit card issue, in the bylaws it references resolution 98-13. Assuming that the administrator approved \$5000 because of the limit before bids are necessary. Will look up the resolution and come back with a recommendation.

Public Comment: Jerry Piche: Back to administrators pay, he thinks it was a good idea for the numbers to be tried. **Nothing** should delay the administrator position being filled.

Commissioner Comment: Com. Cech I think we are trying to do the best we can for the county.

Adjournment: Moved by Com. Schei, supported by Com. Gromala to adjourn the meeting at 9:45 AM. Motion approved 4/0.