

Menominee County Finance Committee
Minutes of Meeting
November 23, 2015

*******APPROVED 3.16.16*******

The Finance Committee met on November 23, 2015 at 8:30 AM at the Menominee County Annex Building, Stephenson, MI.

Present at the meeting were Coms. Schei, Hafeman and Nelson

Others present: Brian Bousley, Sherry DuPont

Call Meeting to order: Chairperson Nelson called the meeting to order at 8:30 AM.

Pledge of Allegiance: The Pledge of Allegiance was recited

Roll Call: Roll call was taken; Com. Cech was absent.

Agenda was approved by Com. Hafeman and supported by Com. Schei as written. Motion approved 3/0.

Previous Meeting minutes: Com. Schei approved, Com. Hafeman supports previous minutes from September 3 and September 21, 2015.

Public Comment: None

Com. Cech enters the meeting at 8:34 AM

Business:

- a. **2014/15 Budget Discussion – Bousley:** We've got the audit numbers. We were over in revenues by \$136,000 and under in expenses by \$770,000. But you have to take out the \$200,000 for the 3-way road money, which leaves us with a \$570,000. Building code owes us \$17,000, which brings us back up to \$723,949 but if you subtract out the money we saved by closing out the defined benefit divisions, gives us an extra 223,000. So if you look at it, we were under budget by about \$500,000 this past year. Page 3 & 4 bottom line numbers for departments. The big ones are, Circuit Ct. we got billed two months after the fourth quarter, \$24,000 so they were a minus. All administrative fees. Elections – Marc will be getting reimbursements for that so it should take care of itself. Marine Law – a couple of rescues they had to do. Hazardous Waste we knew was over. Medical examiner – all the autopsies we had to do there this year. Annex we were over by \$20,000 but Paul didn't get me an invoice yet for the fourth quarter. **Nelson:** Why were we over budget in the clerk and treasurer's office? (Surplus) Why did that occur? **Bousley:** Part of that is due to retirement. **Nelson:** I know some of that comes from billing us at 29 hrs. vs. the 20 hrs. being used which I first found out at the county board meeting that had plenty of money in the budget to do a DMG study. **Cech:** Isn't that what they called for; hours were for a part time employee? All respond with "it's 25". **Nelson:** but 20 hours is what they're using. The budget should reflect what they're doing in their office. Now they bill for 29 but use 20. The DMG thing should have been brought to Finance, we didn't do that. It's a line item transfer from PT to FT and we didn't do that. Just like the 3.25 increase in pay raises. That didn't come back to Finance either, and it should have. Our budget should be relatively tight. If you need more money you come back and ask for it. We're running this half hazardous and running a \$500,000 surplus and we're being billed more. What we should do is do a budget by line item and adjust it throughout the year. Some things are estimated, especially the courts. But your fixed salaries, benefits should be accurate. To not consult with finance for approval is absurd. (pay raises). **Cech:** I asked Diane about this being budgeted for 29 hrs for her part timer. I don't remember who she

said or the reasoning, but it is already set in there when she gets the budget. **Nelson:** The rules are 25 hrs. for part timers. Having finance items go to the board without going to the finance committee is just poor management on our part. The finance committee should be appalled by that. **Cech:** Is it true or not, in previous years, when everyone got a 2% increase the elected officials did not? **Nelson:** That is absolutely correct. The employees got a raise, the elected officials did not. Logic behind it, when you run for office, that's the salary for the term of that office. As a member of finance, Bill, I can't believe you're not upset with people padding numbers or not coming back to finance to ask to compensate for the DMG. We could have said no. It was shoved down our throats. We should get this budget in line with what people are actually spending. Because what I see here is that we're over taxing the tax payers. **Schei:** How do we reprimand them John? How do we go about helping them with their budgets? **Bousley:** Once we get the BS&A running in here everything will be better. Everyone will be able to punch in and see what everyone else is doing. **Schei:** when I look at this budget, it shows me that not only was there a mistake in the treasurer's office, but there were mistakes throughout the budget. Almost everyone over budgeted. We've got a \$500,000 surplus. I don't agree with zeroing in on one or two people, why don't we do zero based budgeting a little better. **Bousley:** A lot of that \$223,000 of that is from the flat rate retirement too. **Schei:** what total percentage of our budget is our surplus? **Bousley:** about 7.2%. **Schei:** when I ran for office I had no clue what the salary was. The county board hasn't come up with a definite rule on that. Past practice was that they automatically get what the other employees get. **Bousley:** I do like the idea of setting it for four years. **Schei:** Marc Kleiman was supposed to come up with a proposal from the clerk's association with that in mind, so at the next election, the county clerks know what they'll be paid. **Hafeman:** I think when they hand out the petitions for elected office, they should tell them there, of the pay associated with that position. **Nelson:** There is a salary set when someone runs for office. There is much discussion about the voting done at a previous county board meeting. Not going before the finance committee first.

- b. **2015/16 Budget Discussion – Brian:** I do have a problem I shared with Jan before. CMI insurance is becoming defunct as of Jan. 1st. This is the 911 group insurance. Now I have to go out and find them health ins. We're looking at about a 35-40,000 dollar difference. **Nelson:** that doesn't affect us. That comes out of the 911 accounts, that doesn't affect us. **Bousley:** and they've got plenty to cover. That's just one thing that just came up. It has affected a lot of other businesses around the county. We will have to do a budget adjustment for them when we find out what exactly will happen. **Nelson:** Page 30 does that say 382? Clerk has a 10% increase but they didn't spend what they had last year. Why do we see a 10% increase Brian? **Bousley:** Part of it is the insurance and part of it is the retirement. He had a couple of people opted out of ins. last year and now they opted back in. And retirement is 35,000. **Nelson:** Based on our surplus from last year, realistically what are we looking at for a surplus? **Schei:** if we have another year of a big surplus (overage) in the budget, what would this committee like to recommend we do with that money? I like the idea of giving something back to the taxpayers. I would rather look at MERS and see if we can't do something better with MERS. Instead of nickel and diming line item budgets, just take that surplus and put it into MERS. **Nelson:** I think it's time we ask for a .5mil reduction. It's time. We end up with a \$600,000 surplus. I think it should be on the next board agenda for discussion. **Schei:** Will we put any more money into the building fund? **Bousley:** What I would like to do is split it and put half to the building fund and half to MERS and maybe pay off another division. All commissioners agree with that. Road Patrol has a surplus and I discussed with them to pay off a little of MERS. I'd like to do that too. Probably Dec., Jan. we'll discuss that at the CB, to release that fund to pay down more MERS for them as well. **Nelson:** We're so much better off than every other county that did what we did, even though we were way behind the 8 ball with doing it. We should have done something about it 10 years ago. **Schei:** Big box stores. **Bousley:** it starts with the big box stores but it can move into the businesses too. **Schei:** A lot of the people that own land in the county are converting their Commercial Forrest Reserve (CFR) land to Qualified Forest Plan (QFP) land and that cuts their tax levy in half. How will that affect the County? **Nelson:** It actually affects the schools the most. **Schei:** Now that we have the airport, we're obligated as a sponsor to the FAA to maintain the airport. We are responsible to cover 5% of the grants for any work being done out there. Will the capital outlay budgeted amount (\$85,000) be enough? **Bousley:** We shouldn't have any problems there. Things do happen. If we do, we look through the budget for funding. **Nelson:** With BS&A we should be more efficient. Every other county, except Marquette Co., has a 35 hour work week or a 37.5 hr. work week. If we get more efficient, we could look at being more consistent with other counties. **Hafeman:** How much does PILT payment effect the County? What do we get from it? **Bousley:** Revenue, page 15. **Nelson:** PILT – our actual in 13/14 was \$89,000. **Hafeman:** The reason I'm asking that is because they are putting 12.2 Mil. into the roads for this year and talking about the possibility of cutting PILT. There's 600,000 mil coming from the GF and the rest is coming from a 3 cent/gal

gas tax raise and increases in registration fees. **Nelson:** I see we have a Pella Commercial bid for double hung pane windows. And on the Anderson bid it's a single hung pane. There's a huge difference in the two bids. We should get a bid from Pella for a single pane. We'll need to put out specs and receive bids to see where everything comes in. I believe single hung is better for energy efficiency. **Nelson:** Spoke with Mike Holmes in ref. to records storage. We have room at the airport. **Schei:** we have to look at the room that the college will need. I think we need to cover all bases before we make a final decision.

Nelson moves to ask the CB for a .5 mil reduction from the current amount of taxes charged to the public.

Com. Schei seconds the motion. To take effect immediately on passing, but to check on the start date for the motion with Peggy. 4/0

Motion by Com. Hafeman to take half of the 2014/15 surplus \$ to the building fund and half to MERS toward the payoff **seconded by Com. Cech.** 4/0

Bousley: Two last things. We do get back from Worker's comp. we did get a dividend check for \$52,993, and we have to do something with the terminal roof at the airport. Will address at the County Board meeting.

Nelson: Does the airport have funding for this? Do we need to recommend the dividend to be added?

Bousley: No it's just informational. **Nelson:** Be sure departments are only going to "required" conferences for their departments. In every position description it tells you what is required. Anything over and above, the board needs to agree to allow training to happen.

Public Comment: None

Commissioner Comment: **Hafeman:** I'm pleased what we'll be doing with the excess funds. **Cech:** I agree with Jan and am happy with the meeting today. **Nelson:** I'm really pleased with the discussion today. I expect the finance committee will be consulted in the future. Hope you have a good ride home.

Adjourn: Moved by Com. **Hafeman** supported by Com. **Cech** to adjourn the meeting at 10:05 AM, with a "Happy Thanksgiving" Motion approved 4/0.