

Menominee County Finance Committee
Minutes of Meeting
April 6, 2016

*******APPROVED 6.2.16*******

The Finance Committee met on April 6, 2016 at 9:00 AM at the Menominee County Courthouse, Administrative office.

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

Others present: Brian Bousley, Peggy Schroud, Kim Kewley

Call Meeting to order: Chairperson Nelson called the meeting to order at 10:30 AM.

Pledge of Allegiance: The Pledge of Allegiance was recited

Roll Call: Roll call was taken; All Finance Commissioners were present.

Agenda: was approved by Com. Hafeman and supported by Com. Cech as written. Motion approved 4/0.

Previous Meeting minutes: Minutes from 3.16.16 were approved by Com. Hafeman and supported by Com. Cech. Motion approved 4/0.

Public Comment: None

Department Head/Elected Official Reports: *(limited to 10 min.)* – **Peggy Schroud:** I ran a report this morning for 2016 the taxable value and the number came in at 734,609,215 which is an increase from last year. There is no millage reduction fraction for the county but there is for many of the individual units. We're not finished with that report yet. ATC had put up quite a bit up north and so it compensated for the flux. Increase of \$53,371 based on the current county millage rate of 7.612. Its \$53,000 more than what it shows in the county budget for tax revenues. This increase is for any new construction added to the roll. **Schei:** What about the increase in forest land that's being taxed differently through the forest program verses CFR? **Schroud:** There weren't that many parcels that came out of CFR into that program. The way that's set up is the AG department gets 2 mils. and those people get a reduction of 16 mils.

Business:

- a. **Twin County Airport – Full Time lineman – Brian:** we have projected revenues and expenses for the next five years. Revenues are flat. Salaries will have a \$20,000 increase for the 2016 year, that's with the change of adding a full time person yet this year. Each year 2% increase in salaries, hospital ins. we added 8%, Audit services will be rolled into the county audit now, so won't be in there anymore. Liability ins. a portion will be put on the County now. The \$15,000 that's in there for ins. is because we need Airport insurance and our current company doesn't provide that. Heating/water/sewer/electric, I increased each year. \$50,000 we need to maintain in the capital outlay. So we're looking at about \$25,000 increase in five years. **Nelson:** to be clear, we have funding for an airport manager that we haven't paid out, so that's in that budget too. Liability insurance, that's going to be rolled into the county part. **Bousley:** No, this won't increase our premium much, we're just adding the vehicles and land. **Hafeman:** Does that have to do with our fuel? **Schei:** No, that's general liability, if there's a crash out there, fuel spills, etc. it will cover that. It's an underwriting thing done only for airports. **Nelson:** The airport is fully funded for the retirement system. **Cech:** it's \$27,000 for 2016 for liability ins. thereafter it's only \$15,000. Is this because it's a new policy? **Bousley:** Before we used to do this separately. Now we can put them on our insurance, at a minimal cost...with the exception of the "airport" insurance. That's what the \$15,000 is for, "Airport Liability Ins.". **Revenue:** We kept that flat. There are some

opportunities out there, but we have nothing on the bottom line, so we can't count those right now. We have the second lineman plugged in at the highest insurance (family). That could decrease. **Schei:** You're taking the half time person and making it a full time. So you're increasing the budget for half of the amount of the fulltime person. **Nelson:** Right, plus benefits. **Schei:** Fuel business is up and down; hopefully it's never lower. That's a variable item, not fixed. I don't see the four parcels of land that are not for general aviation use in here. If we could lease even one of those parcels and receive a monthly income that would add to this, but it's all a "pie in the sky projection", just like the college leasing the hanger and so on. It's not something we can count on until it happens. Because of the FAA and the state, we may not be able to offer them for lease until the end of the year, with the way it's going. We were told it could take 6 months to a year to separate the parcels out and get paperwork filed with the FAA. **Bousley:** We have a current fund balance of \$159,478, if we have to, we can tap into that too to help offset. But that's the "rainy day" fund... **Nelson:** Well the fund balance is part of the county budget, since it's all rolled into the county... **Bousley:** Because it's a "special revenue", that's why. **Schei:** That's the way the auditor set it up. **Nelson:** OK. Well we have a budget now, we can recommend to the full board if you want. **Com. Hafeman recommends we bring this to the full board for discussion/approval. Com. Schei seconds. Nelson:** My hesitation on this; I'm putting a lot of faith in the fact that we're putting something in there. I'd like to have something secured before we spend money. I do think that we do have it, and Larry explained to me that basically, we can't do anything right now, because we're under the FAA and State on what we can and can't do, so we have to make it viable. I do question the expenditures because... we've got a request out there for a full time officer in here; we've added to MSU full time; Rich Sexton went from 24 to 32 hrs.; we've added some positions, we're looking at an animal control officer; we're tapping into a lot of things, and at some point and time, we have to look at what's our plan for two or three years down the road, if nothing comes in, how do we offset the cost? I think we increased our appropriation for the library too, did we not? **Bousley:** Yes. **Nelson:** Ok, so we're putting out more money every place we go. There's only so much, I do hope there's a very aggressive approach to at least, offset some of this, and we'll always put some in. **Schei:** So what you're saying is we need to draw the line at some point? I agree with you. **Hafeman:** one of the things I had suggested for Larry, and it's something for you to think about... is to advertise for the lineman, it would put our advertising out for full time or part time, and only want part time. **Nelson:** This was about the fact that, if Jeff walks out, half time won't cut it. That's the problem with this, it's a tough situation. **Schei:** When the personnel committee reviewed this, they discussed the same issue and they came to the conclusion to bring it forward as a full time position. **Nelson:** If we lost our equalization director right now, at least we thought enough, against other people's judgement, to at least have someone that can be trained and qualified, but still we'd have only one person. If our equalization director or her deputy left tomorrow, we'd be in trouble. We have that every place we go. **All commissioners voted to move the topic forward to the full board.**

- b. **2015/16 Budget Amendment #3 (29-30) – Bousley:** We just have the two in probate; the first one was approved and recommended by Dan that Linda be paid out 66 hours of vacation, she was denied vacation. We had the switch over with Judge Hupy and Judge Hass, there was a lapse there. We also had the retirement of Sharon, so another lapse there. So Linda was not able to take her vacation. Dan recommends it be paid out. **Nelson:** I would agree with that. It's the right thing. We had the same discussion with Jeff. **Com. Hafeman moves to send this to the full board for approval, seconded by Com. Cech. All commissioners agree.** The other part is Sharon's payout at retirement (vacation, illness leave & comp time), so we have to adjust Dan's budget for that. **Com. Hafeman moves, Com. Cech seconds the motion. Nelson:** Discussion? The question I have, within the budget when you have retirement, there is a vacancy for a while, so we don't add this to the budget, do we? **Bousley:** No, the timeframe between Sharon leaving and Lisa taking over, there's a lapse there. **Nelson:** Also, within the budget, when you have out of home placements, that we do not control. Didn't we have to make an adjustment on that also? **Bousley:** That's in a special revenue, No we didn't have to. **All commissioners agree to move the budget amendments to the full board for approval.**
- c. **2014/15 Audit surplus discussion – Bousley:** We do have the deficit elimination plan, \$40,000, what I would like to do, the child care fund, I would like to put some into that. That's the acct. where they pay for placements of children. **Nelson:** Judge Hupy did a great job keeping the costs down. And I expect Judge Hass will too. I think we should put some money in there. All coms. agree. **Bousley:** County Vehicles; I did talk to Dan Menacher, he did get a new truck, plane Jane one, for \$21,000. If you wanted one for the county, you can get the same kind of deal. **Nelson:** Dan had a truck he was using before, where is that one at? **Bousley:** That's at the Parks now, all they have now is Junk! And the truck Dan had, has over 150,000 miles on it, but we're

using it for plowing up there and for the parks. **Nelson:** I've got this complaint quite a bit now... We use these vehicles to go to Marinette, and I see the bills for \$8-10 that go to menards. It's beyond my comprehension why we waste 45 minutes to go to Menards when we have businesses here. If it's a part that we currently use, so what if we pay \$2.00 more? Not only do we lose on wages and salaries, but we're running short distances with the vehicle for no apparent reason what-so-ever. What about the vehicles at the park then, the junk?

Bousley: We'll get rid of those too. Since I've gotten here, they've always gotten the hand-me-downs and have had them forever out there. They work on them their selves...but they're starting to die out. Now I have the truck that Dan had, a flat bed, and a couple of rangers that are used within the parks only. **Bousley:** We need a truck here for plowing (the one we have is about to die), and I would like to have two vehicles available for Employees to take to conferences, etc. **Nelson:** Have we looked at contracting? **Bousley:** No, I did look at leasing. Usually it's a 3 year lease with 36,000 miles which I know Buildings and Grounds will never go over. **Nelson:** You can't put a plow on it. **Hafeman:** And when you're talking about something being used for commercial business, it's going to be a different rate for the lease. **Bousley:** If we were to go out and buy something like the one Dan has, we'll probably have it for the next 10 years or so. **Nelson:** Have we looked at contracting for snow plowing? **Bousley:** We did in the past. Then we got the 2% grant for snow plows for here and at the Annex. And we saved quite a bit of money, over contracting. If that truck dies, we don't have a vehicle for buildings and grounds. **Nelson:** So we have...two vehicles for county use, and one truck for buildings and grounds. The two vehicles will replace the Jeep and the other former police vehicles. **Hafeman:** This one we're replacing the jeep with, that's going to be all wheel drive? **Bousley:** I would like to buy one all-wheel drive and one smaller economy car, with better gas mileage. **Nelson:** It should be less than \$50,000. **Bousley:** If we go through MDEAL, they will come in below \$50,000. **Cech:** I read your concern on the leasing thing...if you lease a vehicle, you have to maintain it. Who takes care of the vehicles? **Bousley:** Buildings and Grounds takes care of the vehicles. **Nelson:** Do we have a list of all the vehicles, years, mileage etc.? How many vehicles do we currently own? **Bousley:** we have seven that we're getting rid of now (surplus). About 20 not including the seven. Common use vehicles...four. **Nelson:** so we'll get rid of seven and pick up three. **Bousley:** Building fund: put \$150,000 in there; MERS fund, put \$300,000 in there. With the MERS fund, I'm very leery about sending them the extra money. I'd like to keep this in a roll over fund. **Nelson:** at some point and time we should risk putting in 1 mil here and 1 mil there. I feel, the direction we're going, we're compressing what we have and as we add positions and continue with raises, it's going to continue to compress and we won't have that surplus any more. **Hafeman:** With the 7 million sitting there, someone down the line is going to say, we should tap into that. **Nelson:** we have more than 7 million, we have like 13 something, some of that is earmarked. I think we should lock and throw a million toward MERS. **Schei:** I'm in favor of doing something this budget year. We made a commitment three years ago. **Bousley:** Ray will be here to go over the audit on April 26th at the CB meeting. Ray will be leaving Anderson, Tackman and going to another firm. So he won't be with us next year. All commissioners are disheartened by the news. I can get the last quarter report and see where we are to date. I'll send it out on Friday. **Nelson:** So we agree to look at the MERS fund, and we should look into paying some into the funds. I would say we put it on the agenda as soon as the funds come available. All commissioners agree.

Public Comment: **Peggy Schroud:** Is all wheel drive the same as four wheel drive? I need a four wheel drive. **Schei:** I would recommend a four wheel drive for her. That's my opinion.

Commissioner Comment: **Schei:** I would like to thank the committee for all of their diligence and their decisions. I think we're moving forward and that's what's important. **Cech:** I agree with Larry, and we are addressing the things that are important. **Nelson:** I hope all have a safe drive home. I'd like to wish Larry Happy Birthday (joking). It's not Larry's birthday until July.

Adjourn: Moved by **Com. Hafeman** supported by **Com. Cech** to adjourn the meeting at 9:55 AM. Motion approved 4/0.