

Menominee County Finance Committee
Minutes of Meeting
September 3, 2015

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

The Finance Committee met on Sept. 3, 2015 at 8:30 AM at the Menominee County Administrator's office, Menominee Courthouse.

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

Others present: Brian Bousley, Sherry DuPont, Diane Lesperance, Mike Holmes, Peggy Schroud

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, excused.

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 Aug. 7, 2015. I'm not so sure my comment was correct in here. I think I was trying to say it doesn't make a lot of sense to pay off MERS all at once. Consensus it to wait until the minutes are corrected until the next meeting.

Public Comment: None

Com. Cech enters the meeting at 8:34 AM

Business:

- a. **Budget Amendments 2014/15 – Bousley: #18.** Rate increase for health ins. \$4,305.84 **#19.** Library Director Search fees. Because Pat's retiring, they hired an outside firm to take the applications and go through the hiring process. \$3,895.00. These will come from the Library Fund balance. Note: the Library fund balance is about \$69,000 after these are taken out, it'll be about \$61,000 in their fund balance. **#20.** Two anonymous \$500 donations to the Library; \$1,000. **#21.** Increase of State Aid \$650.92 **#22.** Increase reimbursable salary \$410. That will go against the county appropriation. **Nelson:** Where does that come from? **Bousley:** there are certain duties that one of the staff members gets reimbursed for. **#23.** Probate court/Family Court. – office furniture, that's something that was increased in cost since they were quoted. Moving from travel acct. to capital outlay acct. **#24.** Increase in State Aid received, that's for the Library again. That will go against the general fund appropriation. **#25.** We had pumps in the drain field go out at Kleinke Park. \$4,952.95 We had to take money from the Park Fund to cover that. **#26.** Electrical Upgrade Shakey Lakes. The county board approved in Oct./Nov. of last year for the upgrade of the electric at Shakey Lakes. \$9,027.28 We took that from the park fund. The Park fund balance was at \$43,000. After taking these out of the fund, we'll have a balance of \$28,000. The drain field was not expected. **Schei:** for the lift pumps? **Bousley:** Yes. We were originally quoted \$10,000 but we did a lot of the work ourselves, it helps to have capable people. **Schei:** Where did the pumps come from? **Hafeman:** How old were

they? **Brian:** I don't remember where they came from, they were the original ones, about 20 years old. That's what we have, any questions on those? **DuPont:** We are going to have a breakdown of the airport accounts to place in the budget. Per Ray, he wanted us to put ¼ of what was budgeted in for 2014/15 and at year end during the audit process, he'll do a journal entry for everything that was spent out and correct everything. **Schei:** Is that going to take care of everything, I thought he had some concerns. **Bousley:** What will happen is he'll have to do an audit from Oct. 1, 2014 to July 31, 2015. So he has to do an audit from the airport itself and then move everything over to us for Aug. and Sept. into the current budget. **Nelson:** Did Marinette County have to make good with their commitment to the airport, or did they just walk away. **Bousley:** They walk away from everything. **Schei:** The contract that was signed, allowed them to walk away. That was the agreement the County board approved. So they forfeited all their equity which was all the money they put in for the last 40 years, plus the assets and any land value will revert to the Twp. and City. **Nelson:** So we're adding in ¼ of the budgeted amount for the two months we have left to pay out. **DuPont:** Yes. The Auditor asked us to do it that way, some accounts won't be touched because they're already paid out, and some may go over, but in the end he'll make the adjustments. **Schei:** Well the fuel sales are doing better than expected, so whatever was budgeted is probably going to be less than what the actual is. Then in other expenses, there will be less spent out of salaries because of not having a manager position. So there will be adjustments. So he's comfortable with everything? **DuPont:** he had a few things he had to check on per law, but yes, he was comfortable with us putting everything in as a revenue account. It used to be an Enterprise account. **Com. Hafeman** made a motion to approve sending the amendments to the County Board for approval. All commissioners concur.

- b. **2015/16 Budget Discussion – Nelson:** We have some positions that we talked about that we have to look at for funding. **Bousley:** Yes, they are plugged into this budget (dated 8.25.15). **Bousley:** The chiller exploded and is done as of Tuesday morning. As of right now the only thing we have cooling the building is a roof top unit cooling the hallways; so the offices don't have any air conditioning. So we've put out a RFP for that. **Nelson:** Do we have an estimate for that? **Bousley:** We did put in \$141,000 for that, and it should be considerably less. Bids will be due on the 17th of Sept. so we can put it on the board agenda. **Hafeman:** Do you have any idea how much that's going to cost? **Bousley:** Between \$80-85,000. **Nelson:** That comes from the building fund. So technically, it's not coming from this year's revenues...it comes from what we consider savings. **Nelson:** What was our final expenditure for 2013/14? **Bousley:** Total expenditures was \$6.9 million. Last year we put back into the fund balance. **DuPont:** Just so you know, the color coding that you see on your iPad in the draft budget; The "red" ones are from the first changes we made, and the "purple" were from the last meeting. They were the final changes we made so far. **Nelson:** PA's office we added a position. So the final budget for the PA's office expenses is \$454,901. The previous year they had final expenses of \$405,351. So we're up about \$49,500. Then we had the Sheriff Dept. positions. Is that one of the divisions we paid off? **Bousley:** We paid off the non-union. So that wouldn't be reflected here. That's the added position of court house security. **Nelson:** the question I have with courthouse security is, one of the things I thought, was the jail has an exec. Secretary. It was described to us in the past that that position bills out for prisoner care costs, and it generated some funds for that position. If we have someone sitting here for CH security, can that person also be responsible for billing? I'd be embarrassed to ask for a tax revenue increase. Our revenues are relatively flat, we increase 8-10% for insurance and a 2% increase in wages and salaries. That's \$120,000. We can pilfer from what we have in savings. We have to look at what it is down the road, not what we do today. I just don't see it available. Whatever we come up with, where do the revenues come from? We've also inherited the airport and we're looking at optimistically an additional \$50,000 per year. **Hafeman:** you were talking about the CH security person doing the billing for the jail. Are they capable of doing that job? **Nelson:** You find someone that is capable of doing both. I don't like this anymore than anyone else. I would hate to come to the taxpayers for more money. **Schei:** Isn't our millage already at the max? **Nelson:** it is, and it isn't. Max is 7.5 but

you get headlee so it's probably 6.9. **Schei:** I would like to ask Mike if that could be possible. **Holmes:** You'd have to figure out a training plan. To be a security person, doing billing?? There would be a designated person at the door screening anyone who goes through the metal detector. **Schei:** is that person armed and authorized to use force? **Holmes:** Yes that person will be armed and yes, can use deadly force. **Schei:** If we were to share duties, do we have someone that can do both? Is there staff available to do the billing? **Holmes:** We will be training all corrections officers to be the CH security person. So to train them all on doing the billing, that would be tough. I don't think it would be a good thing. **Nelson:** I think when we have department head meetings internally here, they have to sit down and discuss what positions can go, right now. The money isn't there. It's nice to have everything, but we need money to pay for it. **Cech:** with the security person at the door. At some times you'll have two people in the CH, the bailiff and the CH security person... **Peggy Schroud:** two weeks ago we finished our field work and it's pretty interesting, we always find new construction that they didn't have a permit for; it's up to the assessor to know this; I have no authority over the local assessors. Some of the township boards don't understand what they need to do. It would be hue of the County board to put pressure on the township boards to insist that their assessors give full accounting of the work they're doing. Right now the City of Menominee has been without an assessor of record since last October. There were 115 building permits in the city. 114 have had no new or loss added to them. So that's a loss of revenue to everyone who collects taxes. I understand they have one application for an assessor. The applications are due tomorrow. They need a 2/3 vote to hire someone. If they don't do that, then they're still without an assessor and everyone loses. That's 2014 building permits, so no one is doing the work for this year. If any of you can put some pressure on these units to ensure their assessors are picking up the values. There are a lot more sales this year so we are going to generate some revenue for the uncapping, but that is limited by the headlee. We'll only go up by the CPI. **Cech:** Now you know the count of how many building permits there were? **Peggy:** No I did not know that I would be talking today. But the sales are up. (sales of properties) So when that happens, if there is no extenuating circumstances, the taxable value increases substantially, depending on the type of transfer. So that's going to generate property taxes for everyone. We discover people putting up buildings that don't have permits. **Diane:** I agree with Peggy. I think the assessors are supposed to check 20% of their properties each year to see if there are any upgrades. We had issues in our office too. There were board of reviews that came back wrong from the city because they had no one there to tell them how to handle the Board of review. So we got information to tax people, that didn't even own the property. The assessors/supervisors aren't turning in their info. to us within 30 days. We have to get the refunds out by a certain timeline and we're not getting information, so people are calling us waiting for payment. **Nelson:** (to coms.) We have no say over the townships. Talk to the township supervisors. **Peggy:** Talk to your legislators too. The exec. Secretary for the state tax commission was just demoted and that was as a result of Mr. McBroom and Mr. Casperson going to the state tax commission and taking some action on behalf of jurisdictions in the U.P. for things that were being done illegally to seize rolls. They made the difference. **Nelson:** Brian check with Dan to see if we can do anything about helping Diane. The money is due to the county. **Schei:** I'm on the library board and they are hiring a new director. They're keeping the salary at the same level. They haven't looked at an increase in salary. I'm also on the airport committee, and the airport is running with one person right now. The part time person had surgery and can't do anything. They're running an operation out there and one guy's doing everything. My problem with this is, I don't believe we should be adding new positions. I sympathize with the sheriff dept. because I've been a proponent of adding more security. We need a person at that door if we're going with one point of entry. I would hope that Brian can meet with the department and see if there is a way to do this without adding another new position. On the other hand, I wish the airport had a manager right now because the guy we have is a lineman, he's not a manager. He's running the whole airport by himself and he can't even take his own vacation. So the personnel committee has made a recommendation to the full board to compensate him for not being able to take his vacation. It's not his fault he can't take it. **Nelson:** Therein lies our issues. Everyone has certain things they

like. What point in time do we say what do we have to have and what don't we have to have. I favor the Library, we are the only county that funds a library. Everyone wants something. **Schei:** Brian and I have put a lot of effort into this. We need to get business into the airport. The FAA won't let the county out of this. If they decide they don't want to fund the grants anymore, then we'd have an option to do something. **Cech:** If we do the vestibule, we have to do the windows. Not only that, we have to buy a new air conditioner. **Mike Holmes:** The sheriff and I didn't ask for this security person; that was for the courthouse. I was not planning on hiring a person. We only offered to take this person in and make sure they're fully trained. It wasn't meant to go into our budget. **Bousley:** The big thing is, if we have them in the jail fund, then Kenny and Mike can train them. That way I won't have to go outside to hire a "rent a cop". I felt it best to come from the sheriff dept. budget. **Nelson:** I'm struggling on where payment will come from for all we need to do. Maybe for this year, but what about long term? **Hafeman:** If Fair revenues were up this year, why did we increase that? **Bousley:** And we increased MSU too, bringing that 4-H person up to full time. **Schei:** MSU costs a lot more than I thought it would. Can we agree to either do the security at the door, through the sheriff dept. or Brian's office? **Nelson:** We're going to do it through the sheriff dept. **Hafeman:** is there a way a different department can work on the prisoner board billings. **Nelson:** What's our revenue for that? **Bousley:** it's between 40 & 60, it fluctuates. **Schei:** doesn't that person do other things besides the prisoner board billings? **Bousley:** Yes that person does lots of things. **Schei:** so if we find someone else that can do the prisoner board billing, that positions won't go away, there are still other duties to take care of. **Nelson:** it was a created position a few years back. It wasn't in existence before. Part of the justification for that position was for prisoner board billing. **Nelson:** System issues between departments. We need to get everyone on the same system. Many things have to be put into the system again and again when going from office to office. Because our systems aren't married. **Cech:** We should take it upon ourselves and make a list for capital improvements for next year. **Nelson:** We can adjust the budget at any time when we need to. My problem here is things that need to be done get pushed down the road and we do other things instead. **Peggy:** I know that Spalding Township went to BS&A for all of their programs. I believe there are programs for the clerks, and the ROD, I think it works very well for our two departments. **Nelson:** we discussed it last year. **Schei:** Could I make a suggestion? They have department head meetings every month, could the departments each month put out a set of goals they intend to accomplish each year. I'd like to see goals. We're supposed to forecast the future and how we're gonna pay for it. Can we do that Brian? **Nelson:** (To Mike H.) would you like a system that was married? **Mike:** Yes, that would be nice...Diane also agrees that would be great...DuPont also agrees. It would be great for budgeting purposes. **Nelson:** I think we recommend to the board that we proceed to get a "married" system in here to improve functions. **Peggy:** you are going have an increase from the qualified forest program because the deadline was September 1st and they were allowing people to withdrawal from the Commercial forest if they went into the qualified Ag. Brian to proceed to talk to the department heads about the BS&A program. **Hafeman:** That's going to have to come from the building fund. **Nelson:** Leave the budget as is for the public hearing. **Schei:** can we start the public hearing at 5:45 instead of 5:30? **DuPont:** we will need have another meeting to input the airport into this budget 2014/15.

Public Comment: None

Commissioner Comment: **Cech:** I think this was a good meeting. We turned a corner today, I feel very optimistic for next year. Everyone have a good weekend. **Nelson:** Thank you all for coming down.

Adjourn: Moved by Com. Hafeman supported by Com. Cech to adjourn the meeting at 10:11 A.M. Motion approved 4/0.