

Menominee County Finance Committee  
Minutes of Meeting  
May 13, 2013

\*\*\*\*\*Approved 6/17/13\*\*\*\*\*

The Finance Committee met on May 13, 2013 at 9:00 am at the Menominee County Administrator's office.

Present at the meeting were Com. Lang, Com. Nelson, Com. Schei, Com. Hafeman, Brian Bousley, & Sherry DuPont

**Also present:** Diane Lesperance, Pat Cheski, Doug Krienke, Marc Kleiman, Charlene Peterson

**Call Meeting to order:** Chairperson Nelson called the meeting to order at 9:00 A.M. I know Bernie is a veteran and would like to thank him for his service.

**Roll Call:** Roll call was taken; Com Schei is absent.

**Agenda** was approved by Com. Hafeman and supported by Com. Lang. 3/0

Commissioner Schei enters the meeting at 9:02

**Previous Meeting minutes:** April 16, 2013 – moved to approve by Com. Lang and supported by Com. Hafeman to approve the minutes as written. 4/0

**Public Comment:** Diane Lesperance – In ref. to the Regional Guide Menominee County is putting an ad in...she brought in a magazine she thought the board may be interested in possibly purchasing an ad in the "Upper Peninsula Events, Visitor's Guide". There's a lot of info in here about the "whole" UP. Maybe we can get some exposure further up north in this magazine.

**Business:**

- a. **Budget Amendments for FY 2012/13:** Nelson: Do we have some budget issues?  
Brian: No, Bottom line is good, we just have to move some items around. We'll have more changes to make. Nelson: Our concern is that we don't exceed budget lines.  
Brian: We'll go over revenues also. Schei: We do have some accounts that are over in percentage. Is that something we have to be concerned about? Brian: The ones I circled are the ones we have to watch, everything else is ok so far. Schei: Do we have capability in the software to look at the "only" the funds that are over their percentage?  
Hafeman: When we go through the finance report for the board of health, they have a report that shows they have the budgeted amt., the amt. spent, the year to date, the percentage and the over/short. Brian: that's what we have here (Brian handed out the reports). Com. Lang moves the budget amendments to the Co. Board for approval, Com. Schei supports. Hafeman: I want to know who Explorer Solutions are and what they were contracted for because in the amendment, it says we contracted out \$44,500 on 6/26/12 and only paid \$17,800 but the invoice says installment 1 of 5. \$17,800 times 5 is \$89,000 which is 50%. Brian: Yes that is our portion and Marinette Co. pays the other 50%. That's the development company that's coming out to do phase 2 at the airport. Hafeman: What does this consist of (phase 2)? Brian: Where they target businesses to come in and do some development at the Airport. Hafeman: Is Enstrom

part of that? Brian: No that's completely separate. Nelson: So to be clear, that money is "in addition" to what we give to the support of the airport already.

- b. Review of Budget expenditures for FY 2012/13:** Brian: Page 36, these are our general fund revenues. I just underlined the ones that were above (meaning we'll have more money than budgeted). We generally won't get all revenues until Aug./Sept. we're right on pace there. State shared revenues; we've had to jump through three different hoops this year to receive installments in the shared revenue. We just completed the last one, (Compliance of PA 152 which is the 80/20) everything was sent in by June 1<sup>st</sup>. The first one was the citizens guide (budget transparency) due October. In Feb. shared services, we sent that in...so we're all set to receive the installments (approx. \$400,000). Those are the extra revenues (those that we went over in). Pg. 38 – Diverted felon keep. This is something we had in the past and we didn't do for a while. We weren't getting paid for, now we are, but its hit and miss on whether we'll get revenues from them. Transfer from revenue sharing. That's the number we will get from revenue sharing (from the state). We're at about 34% now. At this time last year we were at about 32%. The bulk of revenues are from the taxes, we won't see those till about Aug/Sept. Other legis. HRA reimbursements – we switched 9 people over to teamsters, so we'll have about \$12,000 left in there. Circuit Court – Admin. expenses and travel, we need to keep an eye on them. Probate Court – legal fees, we'll really need to watch. They're already at 93%. Longevity is already taken care of (in budget amendments). Administration – flat rate retirement. I have to call MERS on that one. They gave us those figures, I'll have to check to see why it increased. B&G – Snow removal, we had to purchase a couple of salters to put on the trucks, that was a little more expensive than we figured. Nelson: is there a reason why our salaries are up, is that an overtime issue or what? Salaries on call are for emergency situations. Sheriff Dept. Nelson: K-9, my understanding is this is all donated. Brian: every year we always have a line item for K-9, that may be some food, equipment – Nelson: wouldn't that be used for road patrol? Not if it's for Avery the dog in the jail. This wasn't supposed to cost the county to have the K-9. Schei – can you get the total average for the Sheriff dept.? Brian: Special Revenue Accts.- Accounts that bring in the revenue to meet the expenses. Road Patrol – they are about \$12,000 over what was projected for revenue this year. Travel needs to be changed. Bottom line is at 65%. This is the first year with the new millage. Year to date we have \$1.3 mil. that's what we collected so far. The revenue that we collected will be more than what is expensed for this year (over 200,000). Nelson: That's doesn't fund the retirement system yet though, we don't have those numbers. Brian: I haven't gotten those numbers yet. Nelson: we're going to be short on millage, paying retirements. The amount requested was not well thought out, we'll have to look at a new millage to adjust that. Schei: I'm not clear about secondary road. Brian: That's a grant funded position that is not "completely" funded due to state cuts. Hosp. ins. is over because we changed the person on secondary road. (Went from a single to family plan). Nelson: I thought the condition was to have the average salary at \$54,842.28 for road patrol. Not even close. I'm just bringing up the point. The budget that was planned for is inadequate to fund the position. And the additional expenses will be coming out of other dept. budgets because we're responsible to fund them. Brian: Parks – 50% revenue is there already and the season hasn't begun yet. Most accounts that are over are because of the new bathhouse. County Library – The library people switched over to teamsters in Jan. that's why we have the under budgeted numbers. Hafeman: Yes, the original question that we had last time is what are our essential services, what do we have to fund, what don't we?

c. **Discussion of the 2013/14 Budget:** Nelson: I will say, after listening to Ray LaMarche, if anyone has any questions at all, the county has some financial liabilities that we're going to struggle with tremendously. Our actual funding as of 2011, we're only funded at 60% in our retirement accounts. I think it was clear from Ray that we've got to address this problem now. Bernie: I know there is an underfunding. I'm not sure its as an acute problem as we're making it out to be. I didn't see how much of savings it will be. Ray said the retirement is not sustainable, that he would get out of it now. He said we're not going to get caught up. Nelson: We have money in the budget. Bernie: how much are we talking about? Nelson: probably \$700,000 He (Ray) said a lot of these places will be struggling to keep their doors open more than a couple hours per day. We have employees we have to protect. It was an unfunded debt that wasn't taken care of years ago. Bernie: I think we're putting too high of a priority on this. I don't think it is as serious as it's being presented. I think it's a situation that will ultimately resolve itself and I don't think it has that many consequences to us. Hafeman: I see this as a big problem. Schei: I agree, we're losing ground every year. Nelson: Would anyone have a problem if we have input on this from the department heads. Marc: MERS projected at an \$18 mil. liability, some of the projections that they use are not accurate (example 4% pay increases/year, we don't get that), I asked the auditor, could that realistically be \$16 to 17 mil, he said yes. Nelson: We'll find out when MERS tells us what we have to pay per year to catch up. Schei: When will we have that information? Nelson/Bousley: Mid June. Schei: I'd like to hear what Diane has to say. Diane: I don't know realistically if the departments can handle any cuts. Schei: Where is all the money going where there can be cuts? That's what we need to find out. Hafeman: We're not interfacing our computers so we can do a job once. Instead what we're doing is entering the same thing over and over. A network system would make this a bit stronger. Maybe this is not a good time for a lot of building projects. I'm seeing a lot of the matching grants, we don't have the money to pay for the 25% matching funds. Some of the things I saw as possibilities. Nelson: I look at the airport, we put 60,000 yearly into the airport plus we added 44,500, so is that a good decision? Household Hazardous Waste: One year we had only about a dozen or so participants. That's a lot of money for no participation. Credit cards, not a huge fan. I was surprised that the sheriff dept prints out something and hand carries it over to the clerks' office for input. This is just archaic. It doesn't make sense to me. Road Patrol millage was supposed to cover every last expense associated with road patrol. Anyone spending any time working on road patrol items, should be billed to the millage. Are we using the money where it's supposed to be used? Lang: That's good practice anytime. Nelson: Everything you do that saves a step along the way allows for cross training in the job. Our most valuable asset, our employees, are also the most costly. Hafeman: We're looking at a 50 year project here. Schei: Because you're elected officers, are there restrictions that would negate sharing a computer server, where the data is shared between departments. Brian: Delta Co. just upgraded their entire system to BS&A. It cost about 200,000 to do. Nelson: (to Marc & Diane, w/Sheriff) Come up with ways for your offices to be more efficient. Do the employees within the office share info.? Marc: Not necessarily. It'd be nice for the admin office to be on the same system too. Nelson: look at where we can make some cuts, if we can. Look at travels that are not needed. Some trainings are mandated. Lang: John you're assuming that previous county boards never walked through these doors. This has been looked at, for every good reason you have to eliminate a service or cut a service, there's a good reason why we have to provide it. We need to discuss the airport, library, fair, rainbow house, parks, economic development, we need to discuss each issue separately and consider what we can cut and what will be the repercussions of it. Nelson: Brian have I asked you to get me

contracts on economic development? Have I asked you to get me info. of what's required in the Sheriff dept. mandated by law? Have I asked you to look at all positions that are not mandated? Brian: Yes, I'm working on that. Lang: I'm opposed to hearing about drastic cuts in the county. Nelson: The sooner we can get this underfunding paid up, the sooner we can go back to doing other things. Hafeman: Another thing I think we need to do is deal with MERS to see if we can't lengthen the time to pay off defined benefits. Nelson: Until we know what we owe on MERS for Road Patrol that represents a significant amount of MERS. They had a lot of people over the years that were not vested. Schei: When you meet with your department heads, can you suggest each one of them to come back with ways to reduce the amount of money in their area? Non essential, that aren't required, ask them to voluntarily submit a proposal for reduced funding. Lang: I don't disagree, if we have extra money we put it into the MERS deficit fund. The problem I have is, how severe are we going to cut local gov. in order to provide deficit in that fund? Nelson: When you live rural, like I do, I see very little services from the county. Essential services, we don't see as much of it. Lang: I disagree. Marc: We've tried to extend our services up there at Pinecrest. Nelson: Look at the airport, does not exist for us; Economic Dev., does not exist. We do get library services. Hafeman: We get road commission, road patrol, library, Pinecrest, because it's there. Diane: On the airport, we don't get airport use here either. The industry is here, that's why the airport is here. Schei: we need to get that airport to generate some revenue. It's nice for the hobby people, but we don't get a return on our investment. Lang: When I was on the airport commission, we had a presentation by Waupaca foundry; they said if the airport decides to pull out of this community, we're leaving too. There are plenty of industries that would leave here if we didn't have that airport. Nelson: Is there something that we can do to reduce our costs without making drastic cuts. Without having a large negative impact? Lang: Problem of making these cuts, they've all been made through the last few years, how much more room is there for cuts? Nelson: Years ago we worked here 35 hours per week, that saved a lot of money. I don't think I mentioned elimination of positions. The trouble that exists is the previous boards ignored the fact that we're going backwards on retirement. We need to be sure that the promise previous boards made to employees is carried out. I'm going to promise I'll do everything possible to be sure that everyone who has worked for us and done an excellent job, gets every penny they have coming to them. Brian, when do you think we'll see our preliminary stuff in on the 2013/14 budget? Is there going to be a change in any of the court funding? We have the next meeting scheduled on the 19<sup>th</sup> @ 11:30, bring a bag lunch. We can have it on the 17<sup>th</sup> at 9:00 am. That date is agreed on. Next Finance committee meeting will be held on 6/17/13 at 9:00 AM.

**Public Comment:** None

**Commissioner Comment:** Schei: When will last months Finance minutes be posted. DuPont: Normally within 24 hours they're posted.

**Adjournment:** Moved by Com. Hafeman seconded by Com. Lang to adjourn at 10:45 A.M. Motion approved 4/0.