

MENOMINEE COUNTY FINANCE COMMITTEE

Minutes of Meeting

June 2, 2020

*****APPROVED 7/21/20*****

The Menominee County Finance Committee met on June 2, 2020 at 10:00 AM at the Menominee County Courthouse (Courtroom B) in Menominee, Michigan.

A. Call to Order: The meeting was called to order by Chair Hafeman at 10:00 PM.

B. Pledge of Allegiance: The Pledge of Allegiance was recited by those in attendance.

C. Roll Call: Commissioners Present: Chair Hafeman, Schei, Gromala, and Prestin.

D. Approval of the Agenda: Admin. Carviou has one thing to add, discussion on Courthouse Cleaning Services. Motion made by Com. Schei to approve the addition on the agenda of a courthouse cleaning service discussion, seconded by Com. Gromala to approve the amended agenda. 4/0 (roll call) Com. Schei moves to approve the amended agenda, support by Com. Gromala. 4/0 **MOTION CARRIED UNANIMOUSLY (roll call).**

E. Approval of Previous Minutes – November 12, 2019: Motion made by Com. Schei, seconded by Com. Gromala to approve the previous minutes as written. 4/0 **MOTION CARRIED UNANIMOUSLY (roll call).**

F. Public Comment: None

G. Business

1. **FY 19/20 Budget Review:** Administrator Carviou ~ would like to review a few things on the current budget. **Pg. 2** – 101-000-665.00 revenue interest earned. We're at about 100,000 for the current year, we budgeted 200,000. I think we're going to fall short on that account. I anticipate about 150,000 for the year. Just note that we're probably going to have a decrease in revenue in this account for this year. The revenue accounts show at 32% so far for the year. That's because a lot of our revenue comes in at the end of the year. Not uncommon. **Pg. 3** – 101-103-970.19 account we had budgeted for the new telephone system. Final on the project, will be 122,780. Due to having to purchase new switches that we didn't plan on. **Pg. 4** – 101-136-court recording fees and stenographers are currently over budget. **Pg. 6** – 101-228,

update on the capital projects. 970.01 – this is where we purchased the computers some printers, some laptops, the iPads with cases and we still have some money in there. 970.02 – BS&A server account for a new server. Jon is working on getting quotes. 970.03 ~ this is the account we put the settlement of the cameras into. Currently we're having issues again with the cameras. Jon is getting quotes for the camera system/software replacement. **Pg. 8** – There is an overage in the 101-25-801 contractual account. This is because we have been paying the cleaning services out of there and we didn't budget for the increase in service. We budgeted for a part time employee...not the cleaning services. **Pg. 9** – Prosecuting atty. Account for the stenographer. We're over budget there, we'll be doing a budget amendment. **Pg.10** - 101-301 sheriff dept.- general overtime. We're at 85% of the budgeted amount already. We're likely to go over in that account. I'd like to point out that last year we were at 83,000 vs. 51,000 this year. **Pg.10** prisoner board. I project we'll exceed that account. We'll keep an eye on that one. **Pg. 15** – Road Patrol 205-315-706 overtime line. On track for the year. We've seen a decrease since last year. 718.02 MERS addl. Payment. There will be a huge difference there since the board approved for them to pay \$75,000. A budget amendment will need to be done. **Pg. 18** – 208 parks. Questions on what our loss is for the year due to COVID. We'll need to wait until June to find out...since we weren't open, we gained no revenue for April/May. Currently we're about \$45,000 behind last year. **Pg. 21** – 216 Airport accounts. Revenue growth in the last year. 642.02 & 642.05 fuel sales \$73,000 for the year. Last year at this time we were at \$33,000. Monitoring the overtime account...most is during the winter. Airfield maintenance acct – that's over. We had issues that weren't budgeted for...but needed to be fixed. **Pg. 23** – Old computer science fund, was moved into the GF current year so we moved that into the IT account for computer equipment. **Pg. 24** – Park improvement fund. Just want to highlight I cancelled all capital outlay projects from that account. That included the new bathroom at Shakey and the Kayak Launch at Mason. That'll be put off until next year. Then we can better see what loss of revenue we may have due to COVID. **Pg. 29** – 260 fund – MIDC we already had one budget amendment changing some stuff, we'll have more amendments because things are changing in there. We'll have a new system altogether next year. We're moving the contracted attorneys to public a defender's office. **Pg. 32** – 266 accounts – 911. Overtime account – already over what we budgeted. In 2019 at this time, we were at \$75,000 now we're at \$57,000. So better than last year. It helps that Andy is able to help with dispatch hours during the week. **Pg. 45**, 294 acct. Veteran's Grant. We still haven't received the \$ from this grant.

2. **2019/2020 Budget Amendments** – Group #3: We have ten amendments to the 2019-20 Budget, as shown in the spreadsheet. Budget amendments were discussed. Motion by Com. Lang, supported by Com. Schei to recommend budget amendments (Group 3) to the County Board for approval. Motion Carried Unanimously. (roll call)

Budget Amendment - Group #3

<u>Number</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Account</u>
30	5/13/2020	Hannahville Grant (911) for portable radios	\$ 20,528.10	266-000-441.00
			\$ 20,528.10	266-325-728.02
31	5/13/2020	Hannahville Grant (Road Patrol) received to outfit squad vehicles	\$ 26,800.00	205-000-441.00
			\$ 26,800.00	205-315-974.00
32	5/13/2020	Hannahville Grant (Parks) received for a stump grinder	\$ 6,000.00	208-000-441.01
			\$ 6,000.00	208-751-934.00
33	5/13/2020	County Board approved purchase of Sophos Security program (per Audit)	\$ 15,810.00	101-228-857.02
			\$ 15,810.00	101-000-696.01
34	4/28/2020	Created a new revenue account for prepaid fuel at the Airport	\$ 10,000.00	216-000-642.05
			\$ (10,000.00)	101-999-999.19
			\$ (10,000.00)	216-000-699.00
35	4/28/2020	New Special Fund needed for electronic monitoring	\$ 500.00	283-000-626.00
			\$ 500.00	283-352-755.00
36	4/28/2020	Remon adjusting the budget as needed (adding money into the equipment account)	\$ 68.00	243-246-728.00
			\$ 850.00	243-246-801.07
			\$ (200.00)	243-246-709.00
			\$ (150.00)	243-246-710.00
			\$ (568.00)	243-246-765.00
37	4/27/2020	MIDC grant changes for the new employee tracking the grant	\$ 751.00	260-266-712.00
			\$ 49.00	260-266-716.00
			\$ 2,923.00	260-266-801.04
			\$ 2,923.00	260-266-801.05
			\$ 10,000.00	260-266-801.07
			\$ (2,183.00)	260-266-706.00
			\$ (136.00)	260-266-715.00
			\$ (31.00)	260-266-715.01
			\$ (4,296.00)	260-266-718.01
			\$ (10,000.00)	260-266-801.03
38	4/27/2020	Community Hangar Roof Replacement - CB Approved the bid on 2/25/20	\$ 36,150.00	216-585-970.03
			\$ (36,150.00)	216-000-390.00
39	5/13/2020	New Hybrid Court Planning Grant	\$ 25,386.00	232-000-541.00
			\$ 6,120.00	232-286-706.00
			\$ 907.00	232-286-712.00
			\$ 4.00	232-286-713.00
			\$ 330.00	232-286-715.00
			\$ 201.00	232-286-715.01
			\$ 175.00	232-286-716.00
			\$ 2,220.00	232-286-718.00
			\$ 1,000.00	232-286-727.00
			\$ 11,700.00	232-286-801.00
			\$ 2,729.00	232-286-860.00

3. **FY 20/21 Budget Preparation:** Administrator Carviou discussed revenues. Tax revenue will increase \$124,000 from last year. I'm expecting that to offset with the interest earned due to the low interest rates at the moment. This year so far, I have 8.5 million in revenues. If you take out the transfers from last year, we're basically flat with our revenues. That creates a bit of an issue because we know our expenses are going to increase some with salaries and benefit increases. Good news is I think the budget is going to balance just fine this year mainly due to the millages for 911 and the Library. That takes \$500,000 pressure off of the general fund.
- ❖ **Overview & Organization – 101-103 Other Legislative accounts:** I'd like to take the fringe benefit accounts out of the individual departments and put them in the Other Legislative (General Operating Expenditures) accounts. **Hafeman:** The only concern I have is that there are certain departments that we really need to see what their costs are; and those fringe benefits are part of their total cost. It would be nice if we can see total costs per department, even if it's listed below like in previous years. **Carviou:** all the special revenue accounts will still have all of the fringes within the departments. **Gromala:** I think going to this format, will give us a better view with increases/decreases. From the administrative point of view, it makes the most sense. **Schei:** I like your idea. Are you planning to have that charged back to the departments? **Carviou:** I'm not planning on charging it back at all. I'd leave it in the general fund. **Hafeman:** I would like to see the breakdown per department somewhere. **DuPont:** Like we currently do with the health ins.? I'm sure we can still show it on there for the Commissioners. **Carviou:** Yes, we can still show the numbers on the individual department budgets. Millages - Library and 911 budgets were discussed.
 - ❖ **Commissioner Salaries ~ Admin. Carviou,** I've looked a statewide spreadsheet created. We're sitting at the low end of pay. **Hafeman:** I'd like to suggest a \$1,000 increase for the Commissioners and Chairman and leave the meeting fees the same. **Gromala:** Next year, we'll have a better understanding of what the composition of this board will be. If this board goes back to a five or seven member board, I believe we may need to increase the salaries. **Hafeman:** I believe that the number of meetings will increase (per member) with a smaller board, so the compensation will come from more meeting fees. **Prestin:** We can kick the can down the road about what the composition of the board will be. It doesn't change the fact that this position has a tremendous workload and is dramatically undercompensated. We are not drawing any direct talent onto this board whatsoever. Something like a health insurance plan, or something tangible would actually draw talent and give someone the ability to serve in this position, would be a much better recruiting tool. There is very little succession planning. I would urge the board to put together a compensation structure that draws talent. **Carviou:** From a financial standpoint, I'd be hesitant to recommend offering health insurance to our commissioners, just because we have 9 commissioners. At the lowest cost of ins. (single) we'd be looking at a minimum of \$8,000 per

Commissioner. It could be a minimum of \$100,000 to offer ins. to the commissioners. I don't think \$1,000 or 2,000 is out of the ballpark. **Schei:** Most of the commissioners are elderly and on medicare. I'm not so sure it'll be fair across the board as far as compensation, if they're already on an insurance plan. **Prestin:** the structure of the board is "suited" to a retired person. It's almost impossible for someone working a 9-5 schedule to want to serve in the community. The Board is woefully undercompensated. The workload is not even remotely close to the compensation you should get. I think health ins. and salary adjustments would be a great recruitment tools. **Gromala:** I can see an increase. As far as trying to attract people, attract for what? What are the reasons why you're on this board? Are you here for money? Are you here for Health Insurance? Or are you here to better Menominee County? **Carviou:** I do tend to agree with Com. Gromala's standpoint. It's a nationwide problem to find people to run in office. Commissioners are considered a Part Time position. I believe the Commissioners should be adequately paid for their time. But the County can't afford offering insurance for 9 more people. **Hafeman:** I don't think we can afford \$8,000 per commissioner (or more). But there are other things we can do. We could do a 401K for them. We could offer more of a base salary for them. Leave the meeting fees where they are. We have to think about increasing the base amount. I don't think \$1,000-1,500. And look into a 401K (not MERS). **Carviou:** If you're looking for a recommendation from me, I look at the breakdown of other counties. I think the position is worth at least \$5,000-5,500. **Schei:** I don't disagree with Steve, I think insurances are not an option. We definitely need the meeting fee. Pension, I don't know what's legal. If a person only serves one term, I'm not sure that'll be an incentive. Motion by Schei to increase the commissioners to \$5500 and the Chair \$6000 and the meeting fees and mileage and life ins. stay the same support by Hafeman. 4/0 roll call. This is for budgeting purposes only.

- ❖ **Elected Official Salaries ~ Carviou:** I would like to set up the salaries for the next four years. **Hafeman:** I think 1.5 % for the term of the official. **Prestin:** as far as each of the department heads, What MERS plan are they under? The Clerk is the only one under the old benefit plan. Gromala – option 1; Prestin- option 1; Schei - option 1; Hafeman – option 1. 4/0 roll call.
- ❖ **Household Hazardous Waste Collection – Carviou:** this is something that we agreed to do every three years. The last time we budgeted \$30,000, we spent just under \$20,000. I just want to verify that we want to do this again. We do get a lot of people calling about this. Gromala: Will we be discussing the place where we'll have it? I think in the northern area of the county. All commissioners agree to budget for this...\$30,000
- ❖ **C.H. Cleaning Services – Carviou:** We moved on from having our own cleaner here at the courthouse. We contract with Janitor's Closet and they have been doing a great job. Should we continue on with the cleaning

service or try to find our own employee. Consensus it to continue with the contracted cleaning. Put out bids in the fall.

- ❖ **CUPPAD Membership Fees – Carviou:** They are asking for us to become members again. The cost will be \$9,000. They will come to the county to present what they do for the membership fees. All Coms. agree to bring a representative here for a presentation at a CB meeting. Jason will check into the first meeting in July.
- ❖ **Capital Projects – Carviou:** In light of time, we'll scratch this off of the agenda for today. I mainly wanted to talk about vehicles.

4. **Disposal of County Equipment**

- ❖ **Phones & Equipment** – We have a lot of old phones, computers keyboards, and other equipment that we need to get rid of. I'd like to get some of these things together and sold at auction. And I'd like the approval to donate some of the equipment to a non-profit organization if needed. Com Hafeman asked if Jason has called any schools to donate them to. Jason doesn't think they'll be interested in any of the equipment, but he'll make a call. The computers all have windows 7 on them.
- ❖ **Computers & Equipment** – I don't particularly want to give the equipment away, even if we get \$20 for one, it's something. Jason will get a list of all of the equipment together. Then he can sell them via auction.
DuPont: what about the iPads? In the past employees were given the option to purchase equipment first, then sell it via auction/public.
Carviou: That sounds good, more like an employee incentive, then sell at auction. We'll bring back a list and make a decision from there.

5. **DHHS Committee - \$50 Meeting Room Fee – Carviou:** DHHS is now meeting at Pinecrest. Pinecrest has been charging them a \$50 meeting fee to have the meeting there. I don't know if we should be paying a \$50 fee to have a meeting in a building that we technically own 1/3 of. **Schei:** They just don't want anyone in there anymore. **Hafeman:** the members all lived around the area so no mileage was being claimed so the members agreed to pay a meeting fee. **DuPont:** Don't forget the money used is from the county appropriation.

H. Public Comment: None

I. Commissioner Comment: None

J. Adjournment: Motion made by Commissioner Prestin, seconded by Commissioner Gromala to adjourn the meeting at 12:20 PM. **MOTION CARRIED UNANIMOUSLY.**