

MENOMINEE COUNTY FINANCE COMMITTEE

Minutes of Meeting

July 21, 2020

*****APPROVED 8.17.20*****

The Menominee County Finance Committee met on July 21, 2020 at 9:00 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 9:03 A.M.

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

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

D. Approval of the Agenda: Com. Schei moves to approve the agenda, support by Com. Gromala. 3/0 **MOTION CARRIED.**

E. Approval of Previous Minutes – June 2, 2020: Motion made by Com. Schei, seconded by Com. Gromala to approve the previous minutes as written. 3/0 **MOTION CARRIED.**

F. Public Comment: None

G. Business

- 1. FY 20/21 Budget Presentation & Discussion:** Administrator Carviou explained revenues first: altogether with the two millages that passed, we have a very strong budget. Projected revenue for next year is \$8,505,832 compared to the 2019 actual revenue of \$8,688,942 our 2019 projected revenue was \$8,493,925 based on actual projected revenue for next year, we are down \$183,099 or about 2%. The budget presented today has a general fund transfer recommendation of \$16,297 will pay for some of the capital projects we have budgeted. General property tax is up about 2.2%, average for the last couple of years. We moved the Marine, Snowmobile, ORV and ATV grants out of the general fund and into their own special revenue funds. That brings our revenue down by about \$20,000 but it also brings down the expenses.
Hafeman: Have you heard anything about the PILT tax, I heard that it may not be what we're expecting and may be down considerably. **Carviou:** We haven't heard anything from the treasury as of yet on that. The last meeting we had with the

treasury, they were optimistic things still were to be paid as budgeted. (Barb Parrette, County Treasurer confirmed, she hasn't heard about any changes in PILT revenues.) Carviou states he did not budget a decrease in the revenues from the state...we'll discuss those shortfalls when/if they happen. Current taxes is up \$124,000. State shared revenue, I'm going off of what the state says. Election payments/legal notices is down. That's because it's an off year for elections. That's about a \$35,000 decrease in revenue. We budgeted for Diverted felon keep, \$40,000. Interest earned, this is the biggest decrease in revenues for the year primarily due to COVID-19 and the interest rates dropping at the banks. We slashed that 50% from 200,000 to 100,000. I went based on the revenue rates back in 2008 during the recession. So you can see that the amount of projected revenue from interest earned off sets the amount of increases in revenue in property taxes, so we're going into this budget year with the same amount of revenue we had for the previous year while our expenses are going up. The saving grace for this year will be the two millages that were passed for the Library and 911, they have allowed us to balance this budget fairly well, only we won't have a surplus of funds, we'll balance out at zero. **Schei:** What percentage do you feel the expenses will go up? **Carviou:** Projected over actual about 12%. Unfunded MERS Liability jumped up about 20% (\$200,000 increase). Building code overhead reimbursements was cut. I recommend to have the PT employee (from MSU budget) come from the building code special revenue fund, (that employee's primary function is Building Code) rather than the GF so the overhead costs will be kept in the building code fund for that employee. Transfer in from fund balance \$16,297 and a request to transfer in \$15,000 from the designated building fund for specific courthouse renovations, perhaps more. Currently the designated fund balance is at \$828,172. Our overall General fund balance is \$3,751,140. That's 44% of GF operating budget. To be healthy you want to be at least over 20% Altogether the GF revenue is at \$8,537,140. **Adm. Carviou:** Now discusses the expenses. Life/Health/dental/vision/WC is included in the Other Legislative account. I combined all FICA/MED into one line item for payroll taxes. Coms office supply & advertisement was moved to the admin account. I separated the dental/vision ins from the health ins. better for tracking. I've added accounts to name them so they "make sense". Postage/machine is now coming from the Other Legislative account. I projected a 5% increase for Liability insurance. Individual department budgets were discussed, most are staying the same with projected increases for payroll/fringe benefits. Admin budget I'm requesting office furniture (which got turned down last year). I am requesting half of what I did last year and hope to get a new office desk and some file cabinets/book shelves. Legal account will be eliminated and put into the other legislative account. Clerk's office, budget does not have any increases other than what everyone else has. IT budget is where all technology related costs will be. (computers/phones/new equip, etc.) Increase in training so Jonathan can continue with training updates. Copier will be carried over the copier at the annex. We didn't get that done this year. **Hafeman:** can't the computers be claimed for COVID on grants? **Carviou:** Yes we can claim some laptops through the grants, but not desktops or items purchased prior to January 2020. MSU Extension: Krista has asked for less hours (from 25 to 18/wk.) We believe we can cover all building code duties with that many hours. She can still help out with any customers coming in for MSU. I would have MSU provide the

name/number/contact info. of one person (MSU employee) that Krista can refer customers to as a contact, if they're not there. There have been struggles in the past getting people to the right place. I'm not sure if it's employee or training related issues, both in my opinion. MOA contractual services for MSU is in the budget with \$73,000 (same as last year). I am going to ask the Finance Committee today to approve this amount "contingent" on the extension releasing the documents requested back in February that are still not here. Paul is here and I'm sure he'd like to address that to the finance committee. **Paul Putnam:** I emailed you all this morning with the information. A lot of that info. is outside of my prevue, it's not something I normally have access to. I apologize again, it has not been easy to get this info. There's a detailed letter (about 6 pages long). Commissioners are checking email and they have not received the message from Paul. I can resend. I don't have a problem leaving the county costs as it is. We're not asking anyone for an increase. I have no opposition in the requests Jason has made...providing one single point of contact, that'll be Kris Havelka. **Carviou:** My recommendation is that we make it clear that the funding for MSU extension "is contingent" on receiving those documents. Personally myself, acting as an agent of the county board, I'm disappointed in the resistance that we saw from MSU Extension in turning over public documents to a funding unit that provides \$73,000 in funding to MSU Extension. That request, being made on Feb. 14, 2020 and now six months later the documents are not here for the Finance Committee to review. **Putnam:** Discusses the way MSU is broken down among counties. He states, "agriculture and forestry" are some of the biggest industries in Menominee County...and "by far" bigger than any industry within city limits. We don't have staff in the office in Stephenson that deal with agriculture; but we have a tremendous amount of information available online. **Carviou:** Buildings n grounds – I've budgeted \$15,000 in there for courthouse improvements, this one I'd like to request more for next year (perhaps \$50,000). There are a lot of things that need improvements, and we'd like to bring it back to a historic look. Capital outlay ¾ ton plow truck for courthouse...open areas. The current truck needs replacing. We plan to reallocate vehicles across the departments. **Schei:** It sounds like you have a long-term plan and have all of your ducks in order. Putnam chimes in to see if anyone received the email. No one has, we assume it's our firewall not allowing the doc. Through. Admin Asst. gave Paul a thumb drive to save the documents on/and was verified for information...so we can place the docs into the drop box/google drive for the commissioners to view. **Carviou:** Household hazardous waste is in the budget for next year. \$8,537,140 revenue and \$7,789,322 expenses (plus special revenue funds). Currently the budget balances to zero. Appropriations: all were the same except Conservation District. They requested an additional \$5,000 this year. (Coms. Ask for info. why are they are asking for more \$, Jason reads the letter of request to the Coms.) **Schei** suggests if we spend the additional in the conservation district, we should take that from the \$20,000 budgeted for Menominee Business Development Corp. **Carviou:** Personally, I don't recommend taking the money form the MBDC budget. With Marinette Marine getting the contract, we're going to be looking at a large number of topics over the next five years. I know the current structure is not what we'd like it to be in Menominee county, but it is the only structure we have in Menominee county. **Schei:** I'd like to see them have the additional money they

requested. Jason recommends it come from the general fund. **Gromala:** I think we should give them the money if they're asking for help. They do a lot with the schools and school forests. All agree to budget \$8,000 for the Conservation District. **Carviou:** Airport: I combined the Airport and ACIP into one fund. New this year...County Fair fund. They lost their 501-C3 status a couple of years ago. Our auditors have determined that they are a function of the county, so we have to move all of their funds into ours. For accounting purposes, we've created a special revenue fund for the Fair. We'll give them \$10,000 (as we normally did). The County is liable for their expenses so if they over expend...we pay. So this is a liability for our county. Juvenile intensive care probation officer (Michael), the state is no longer funding this position. I removed that from the budget. Road Patrol: CB did approve \$170,000 for the additional payments in MERS for the current year. I'd like to put \$120,000 in there for additional payments this year. They do have a healthy fund balance. They will be on a three-year lease (to buy) program...each year lease for three years. **Hafeman:** I think we need to be careful when we put it in, but I think we'll get the best results if we do. We can always pull back our additional payments if the market falls again. **Carviou:** Marine/ORV/ATV/Snowmobile law are now in the budget as special revenue accounts. They are grant funded so the money we spend, should be returned via the grant. This is a better tracking system for these accounts because we currently can't "see" the revenues when received. We're not sure if these grants are paying back what we are spending. County Parks: Gate receipts for fair. In the past we had a mechanism in place that the parks got 25% of the gate fees for the fair and the fair got 75%. I'm putting all gate fees for fair weekend into the fair budget and removing it from the parks. The Parks is looking at about a \$88,000 fund balance. Advertising in the parks has been decreased. If you look at this year...every weekend in the parks has been full. And we have not advertised. So that means we don't need to advertise to let people know the park is there. They know. I've moved the employee costs from the general fund into the Parks fund. Perhaps reducing meetings to every other month would save money in the per diems. **Schei:** I think the bylaws need to be revised. If we have a committee meeting, that should include the individual boards meetings for discussion. If there isn't enough to discuss, perhaps the committees should discuss less meetings per year. **Carviou:** I agree, most of the committees don't need to meet every month. That'll be discussed to revise their bylaws. Fair budget is a rough draft. I haven't discussed this with the fair board as of yet. But it had to be set up. I'll talk to them in more depth. Airport: Based on this year fuel sales, I've increased the fuel sale revenues. I split the prepaid from the fuel sales. (added another line item) total transfer \$155,208 coming from the general fund for airport operations. We had to increase expenses in the airfield maintenance fund, we've had a lot of expenses there this year. Any plans for park improvement will come to the CB for approval as they come into play. Remonumentation – no changes. Bldg. Code – no big changes on the revenue side. Except I have to transfer some money from the designated fund. We'll leave the overhead costs out to offset the personnel costs. MIDC grant I have a rough draft here that covers a public defenders' office, which is what the judges are planning on going to for the next year. This would create a whole new structure from what we're used to. I've made it clear that the county will only ever contribute the amount required by the MIDC Statute which

is \$118,758 for next year. I'm checking to see if the public defender's office can become a 501-C3. We don't want the county to take on the public defender's office because I don't want the county to be stuck paying for the public defender's office. There's a lot of things that still need to be discussed. 911, we've had to create a lot of accounts due to the millage. Increased some infrastructure accounts. (radio, antennas etc.). New account, tower expenses. When all revenues meet expenses, we'll still have about \$110,000 in the fund balance. Altogether to run 911, \$1,169,088. Library: we eliminate the county operating transfer for the Library with the passing of the millage. All part time employees are working 25 hrs./wk. \$500,000 going to the fund balance. We'll have to closely monitor the library for a few years to be sure they have a fund balance. MSHDA Grant, we haven't used for a few years. Larry Wall has retired and we do need to replace him down the road here. Child care fund – The state is often a few months behind in making payments, but via "state offset". So we don't see the money coming in or going out to the state, they just take it or add it to the "offset". 292-664 is the Intensive Juvenile officer, there is no money in there because the Judge said the state will no longer fund it. I say we wait to see what happens and see if the state will bring it back. I don't advise the county to put any money into it at this time. We should wait to see what happens with the foster/institutional care funds first. Altogether child care fund revenues \$425,331 with the county's portion being \$310,000. I'm using some of their fund balance to balance their accounts. Veteran's grant: I think this amount will be reduced considerably. DTRF has nothing to do with foreclosures. This is what allows us to pay taxes rather than needing a bond to do so. PA123 we should not touch due to the legal issues with the foreclosure process. We'll have another meeting in mid August to discuss any other needs. I'm pretty happy with the budget this year. **Schei/Hafeman** we were lucky to have both millages pass. Transfers to the revenues are miscued, the revenues don't always get transferred as we've budgeted. They just say it'll come from the fund balance at year end. We've finally gotten the auditor to agree to allow us to make the transfers so we can actually "see" where the money is.

H. Public Comment: None

I. Commissioner Comment: **Schei:** Thank Jason and Sherry and department heads for all their hard work. This is easier to follow. **Hafeman:** I appreciate knowing what the fund balances are. I think the new accounts are also a good thing, we're able to tell what is being spent, where.

J. Adjournment: Motion made by Commissioner Gromala, seconded by Commissioner Schei to adjourn the meeting at 12:12 PM. 3/0 **MOTION CARRIED.**