



## Budget & Finance Committee

Wednesday April 17, 2013 – 9:30 a.m.  
Room 212 – Otsego County Building  
225 West Main Gaylord, MI 49735

### MINUTES

#### CALL TO ORDER

Mr. Bates called the meeting to order at 9:30 a.m.

Roll call – Present: Clark Bates, Ken Borton, John Burt, Lee Olsen

Others present –Diann Axford, Trisha Adam, Sheriff Nowicki, Tony Radjenovich, Rachel Frisch

Absent (Excused) –Erma Backenstose

#### APPROVAL OF MINUTES

Motion by Mr. Borton to approve the minutes from the February 20, 2013 Budget and Finance Committee meeting. Motion passed unanimously.

#### UNFINISHED BUSINESS

None

#### NEW BUSINESS

##### A. COLA for MERS Retirees

Mr. Bates received a letter from County retiree Robert Dobrzelewski, regarding adding in a cost-of-living benefit (COLA) to the retiree benefits. Ms. Adam and Mr. Radjenovich, the County's MERS representative, explained the options available to us and the impact of each option.

The Traditional Benefit E is a MERS benefit enhancement that requires the COLA to be retroactive, back to the date of the last MERS COLA, which was 2009. The COLA is also built into the base amount of MERS benefits going forward, for the rest of the retirees' lives. Additionally, the cost of the benefit must be paid fully upfront, since the County's MERS plan is not 100% funded.

The Flexible Benefit E is an option that requires full upfront funding but does not require the COLA to be retroactive back to the last COLA adjustment (2009). The COLA that was given to retirees in 2009 was a Flexible Benefit E and had the County been required to pay for it up front it would have cost the County approximately \$107,000. Since the fiscal responsibility guidelines at MERS in place at the time did not require Counties to be 100% funded, the County was able to amortize the cost of the Benefit E over 28 years. The MERS fiscal responsibility guidelines have been enhanced since 2009 and now a municipality must be 100% funded to add a benefit enhancement. It is reasonable to expect any COLA benefit given at this time to cost at least that much.

The Committee decided that at this time, the County cannot afford to move forward with a COLA for MERS retirees. Mr. Burt will write a response to Mr. Dobrzelewski explaining the Committee's decision.

**B. Sheriff Office Furniture**

Sheriff Nowicki presented a quote for new office furniture for his staff. The furniture they currently use is very old and worn.

Motion by Mr. Olsen to recommend to the full board approving the purchase of office furniture for the Sheriff's staff for an amount not to exceed \$13,674, to be paid out of the Equipment Fund (fund 266). Motion passed unanimously.

**C. Homeland Security Grant Advance**

Mr. Burt explained to the Committee that the County is going to be the fiduciary for the Region 7 homeland security grant for the 2011/2012 grant cycles. Accordingly, an advance may be needed to fund some of the initial expenditures until reimbursement is received from the State. The advance would be a short-term loan from the 911 Fund (fund 261).

Motion by Mr. Borton to recommend to the full board approving a short-term loan advance from the 911 Fund (fund 261) to the Homeland Security Grant Fund (fund 262), in the amount of \$10,000. Motion passed unanimously.

**D. Personnel Committee Recommendation – Building Dept Clerk Position**

The Personnel Committee recommended hiring a part-time clerk at the building department. Ms. Frisch presented the associated budget amendment.

Motion by Mr. Olsen to recommend to the full board approving the part-time building department clerk position, along with the associated budget amendment. Motion passed unanimously.

**E. 2014 Millages**

Mr. Burt informed the Committee that the County will have 3 millage renewals in the 2014 election: Library, Commission on Aging, and Recycling. In addition, there are 5 other potential millage requests that may come forward for the 2014 election, as follows: Friendship Housing Center (services to the homeless), Sportsplex Sinking Fund, Downtown Renaissance Project, EMS Building Addition, and the Jail.

**F. Land Use Services Generator**

Mr. Burt obtained a quote to have the generator located at the Hayes building hooked up so that it can be used for the Land Use Services department, for \$4,698. This would prevent staff downtime during power outages.

Motion by Mr. Borton to recommend to the full board hooking up the generator located at the Hayes Street building at a cost of \$4,698, with \$2,349 paid out of the Land Use Services Fund (fund 249), and \$2,349 paid from the Planning and Zoning department of the General Fund (funded by contingency). Motion passed unanimously.

**G. Court Budget Amendments**

Ms. Frisch presented two budget amendments for court employees who opted out of the court's health insurance plan and will instead receive payment in lieu of insurance.

Motion by Mr. Borton to recommend to the full board approving the two court budget amendments as presented. Motion passed unanimously.

#### **H. March 2013 Financial reports**

Ms. Frisch distributed and discussed the reports.

#### **I. Airport Kiosk**

Mr. Burt informed the Committee that the existing kiosk monitor at the airport needs to be replaced, at a cost of \$498.

Ms. Frisch indicated that there is still an outstanding loan balance from the original kiosk monitor that needs to be addressed. The loan is from the Equipment Fund (fund 266), in the amount of \$504, and was to be repaid from funds collected from selling advertising on the kiosk.

Motion by Mr. Olsen to recommend to the full board approving the purchase of a new kiosk monitor at the airport for \$498, out of the Equipment Fund (fund 266), and to forgive the \$504 loan from the Equipment Fund for the original kiosk monitor. Motion passed unanimously.

#### **J. Airport Capital Projects Matching Funds**

Mr. Burt explained to the Committee that the Atlanta airport is asking the County to fund \$1,500 in matching funds for an airport construction project. The Atlanta airport has transferred unused funds to Otsego County in the amount of \$60,000 to fund a project at the Gaylord Regional Airport.

Motion by Mr. Borton to recommend to the full board transferring \$1,500 to the Atlanta airport for matching funds, paid out of the Airport Capital Projects Fund (fund 481). Motion passed unanimously.

Mr. Bates adjourned the meeting at 11:25 a.m.