



Budget & Finance Committee

Wednesday, May 16, 2012 – 9:30 a.m.
Room 212 – Otsego County Building
225 West Main Gaylord, MI 49735

MINUTES

CALL TO ORDER

Mr. Olsen called the meeting to order at 9:30 AM

Roll call – Present: Lee Olsen, Erma Backenstose, Clark Bates, John Burt

Others present – Diann Axford, Jon Deming, Bill Kerr, Jack Thompson, Rachel Frisch

Excused – Paul Beachnau

APPROVAL OF MINUTES

Motion by Mr. Bates to approve the minutes from the April 18, 2012 budget and finance committee meeting. Motion passed unanimously.

UNFINISHED BUSINESS

A. None.

NEW BUSINESS

A. EMS Building

Mr. Deming informed the Committee that EMS would like to build a storage building on the North side of their property. The building will house trailers and equipment that currently are stored at the airport or are sitting outside. EMS currently rents a hangar from the airport for storage at a rate of \$400/month. Mr. Deming mentioned that it is not always easy to go across town to pick up trailers and equipment during an emergency.

Motion by Ms. Backenstose to recommend to the full board supporting the construction of a storage building for EMS, located on the EMS property, for the purpose of storing equipment. Motion passed unanimously.

Mr. Deming also discussed the funding of the building. He indicated that the EMS Board has set a cost limit of \$125,000. Mr. Deming and Mr. Burt have worked with the USDA to secure a loan for that amount, with a 20-year repayment schedule. Ms. Backenstose recommended that we should consider funding the building through a millage. If it fails, then we could fall back on the loan. Mr. Deming will discuss this idea with his EMS Board and report back to the Committee.

B. University Center I-75 Sign

Mr. Thompson reported that the existing sign at the I-75 Exit 282 location has outdated technology and needs to be replaced. MDOT will not fund improvements to a sign unless it's a commercial sign. Mr. Thompson has worked with an attorney and a CPA who recommend establishing a for-profit segment under the University Center to account for selling advertising space on the sign. In order to create the for-profit entity, the operating agreement between the University Center and the County needs to be amended.

Motion by Ms. Backenstose to proceed with drafting language to amend the agreement between the University Center and the County to include a for-profit entity that will account for the financial activity of the I-75 sign. Motion passed unanimously.

C. Fee Schedule Update

Mr. Kerr discussed proposed fee increases to services provided by the Equalization Department.

Motion by Mr. Bates to recommend to the full board approving the updated fee schedule. Motion passed unanimously.

D. Addition of New Funds: 764 Inmate Trust and 494 Groen Capital Projects II

Ms. Frisch updated the Committee on the creation of two new funds in the general ledger.

E. Partial Tax Payment Policy

Mr. Burt distributed a draft policy for the Committee's review and input. The Committee suggested some changes to the wording, and Mr. Burt will forward the policy to the County's attorney for review. He will present the updated policy to the Board at Tuesday's meeting (May 22, 2012).

F. Health Department Building Financing

The Health Department of Northwest Michigan wants to refinance their bonds. Their bond attorney will do all of the work on the refinancing.

Mr. Burt asked the Committee for input on the idea of charging an administrative fee in the future for the work done by County staff on bond projects for outside agencies. Ms. Frisch, Ms. Axford, and Mr. Burt will track their time to see what the fee should be.

Motion by Mr. Bates to recommend to the full board refinancing the building bonds for the Health Department of Northwest Michigan. Motion passed unanimously.

G. Pre-Disaster Hazard Mitigation Grant Fund Loan

Because of the length of time the State is taking to reimburse the County for the grant expenditures, Ms. Frisch recommends an additional \$10,000 loan be given from the 911 Fund (Fund 261) to the Grant Fund (Fund 263), to assist with cash flow. The total loan would be \$20,000.

Motion by Mr. Bates to recommend to the full board loaning \$10,000 from the 911 Fund (Fund 261) to the Pre-Disaster Hazard Mitigation Grant Fund (Fund 263), to assist with cash flow while waiting for reimbursement from the State, with the loan to be repaid once the reimbursement is received. Motion passed unanimously.

H. April 2012 Financial Report

Ms. Frisch distributed the reports, and the Committee reviewed them.

I. Finance Department Updates

Ms. Frisch reported that the auditors are wrapping up the audit.

J. Groen Restroom Bids (Bid 2012-05)

Mr. Burt reported that the low bid for the Groen restroom was from B&B Construction for \$48,350. A 5% contingency and 15% architect fees must be added in for a total estimated cost of \$61,000 for the project. He will have exact amounts at the Board meeting. Mrs. Groen needs to approve the project.

Motion by Ms. Backenstose to recommend to the full board accepting the bid from B&B Construction for \$48,350, with a 5% contingency and 15% architect fees, for construction of a restroom on the Groen property. Motion passed unanimously.

K. DHS

Ms. Backenstose reported that the DHS board will have significant changeover with many terms expiring in October 2012.

Mr. Olsen adjourned the meeting at 11:35 AM