



## Budget & Finance Committee

Wednesday, August 17, 2016 at 9:30 a.m.  
Room 100 – Otsego County Building  
225 West Main Gaylord, MI 49735

### MINUTES

#### CALL TO ORDER

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

Roll call – Present: Paul Beachnau, Ken Borton, Ken Glasser, Erma Backenstose, John Burt

Others present – Rachel Frisch, Nick Florian (Otsego Lake Association), Diann Axford, Barry Owens (Treetops), Bill Michaels (Sportsplex), Cory Connolly (Levin Energy Partners), Sue Wadel Smith (ARTA – Alpine Regional Tennis Association), Tony Radjenovich (MERS)

#### APPROVAL OF MINUTES

Motion by Mr. Borton to approve the minutes from the July 20, 2016 Budget and Finance Committee meeting. Seconded by Mr. Glasser. Motion passed unanimously.

#### UNFINISHED BUSINESS

##### A. Georgia Pacific

The Committee continued discussions concerning the donation of 160 acres of land by Georgia-Pacific to the County to be used as a de-watering site for Otsego Lake dredged materials.

As part of the initial process a Phase 1 environmental at a cost of \$1,900 to \$2,500, along with a title search at a cost of \$500, will be needed. Nick Florian indicated that the Otsego Lake Association will reimburse the County for 100% of the cost of this work. Glasser requested a copy of the Otsego Lake Association minutes from the meeting authorizing the reimbursement.

Motion by Mr. Glasser to recommend to the full Board to proceed with the agreement with Georgia Pacific, along with the Phase 1 Environmental, and the title search for a total cost not to exceed \$3,000 with reimbursement to come from the Otsego Lake Association. Seconded by Mr. Borton. Motion passed unanimously.

#### NEW BUSINESS

##### A. ARTA Request

Ms. Wadel Smith and Mr. Michaels updated the Committee on the efforts of the Alpine Regional Tennis Association (ARTA) to build four tennis courts at the Sportsplex property. They made a request from the County for \$15,000 which is 5% of the project cost. This pledge would increase their point totals on the Natural Resources Trust Fund Grant Application.

Motion by Mr. Glasser provide recommend to the full Board to provide \$15,000 to ARTA contingent upon the commencement of construction of the tennis courts at the Sportsplex with funds to be incorporated into the 2017 County budget and to be held for this purpose for a period not to exceed three years. Seconded by Mr. Borton. Motion passed unanimously.

## **B. PACE Program**

Mr. Connolly from Levin Energy Partners gave a presentation on the Property Assessment Clean Energy (PACE) program. Mr. Owens from Treetops was also in attendance to indicate their interest in potentially taking advantage of the program, which includes long-term financing so business property owners can undertake energy improvements. The private financing would be secured by a special assessment on the property where the improvements take place. The intent of the program is for the savings from energy efficiencies to be used to pay off the loan.

The PACE program was approved by the State of Michigan. The program is in 19 Michigan counties. The Committee questioned Mr. Connolly on various aspects of the program. The special assessment takes co-equal status with mortgages and with the County concerning property taxes in the event of a full bankruptcy. The County would not be pledging their full faith and credit.

Motion by Mr. Borton to recommend to the full Board to recommend to the full Board to proceed with the Resolution of Intent to participate in the PACE program. Seconded by Mr. Beachnau. Motion passed unanimously.

Mr. Glasser requested Mr. Burt and Ms. Axford check with other counties as to their experience with this program prior to the resolution being considered at the September 13, 2016 Board meeting.

## **C. MERS Update**

Mr. Radjenovich, from MERS, reviewed Otsego County's 2015 Annual Actuarial Evaluation. While the County's percent funded for their Actuarial Accrued Liabilities dipped to 64% due to several factors including changes made due to GASB 67 and other changes in valuation assumptions made by MERS. The County's position when considering market value actually increased.

## **D. Bus Cash Advance**

Mr. Burt updated the Committee on financial issues facing the bus system, which will delay them in making payments on their cash advance. Administration is working with the Bus Manager, Tim Cherwinski, to implement various cost-saving measures.

## **E. Prosecutor Budget Amendment**

Mr. Burt explained that a budget amendment in the amount of \$40,000 is needed to move funds from the Prosecutor salaries line item to the hourly wages line item.

Motion by Mr. Borton to recommend to the full board to approve the General Fund budget amendment for the Prosecutor's office to move funds into the appropriate wage line item. Seconded by Ms. Glasser. Motion passed unanimously.

## **F. Financial Reports – July 2016**

Mr. Burt reported that Ms. Frisch needed to leave for an appointment and that questions on the financials can be directed to her.

## **G. July 2016 Credit Card Statements**

Mr. Burt reported that Ms. Frisch needed to leave for an appointment and that questions on the credit card statements can be directed to her.

## **H. Finance Department Updates**

- i. **Budget Workshop** – Mr. Burt relayed Ms. Frisch’s thanks to the Commissioners who attended the budget workshop.

## **I. Other Items not on Agenda**

Mr. Glasser requested that 2 or 3 accounts payable items be brought next time showing the requisition, purchase order, and invoice so that the Committee fully understands the process.

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