



## Budget & Finance Committee

Wednesday, April 20, 2016 at 9:30 a.m.  
Room 212 – 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 – Library Director Maureen Derenzy, City Manager Joe Duff, Rachel Frisch

Excused –Diann Axford

#### APPROVAL OF MINUTES

Motion by Mr. Borton to approve the minutes from the March 16, 2016 Budget and Finance Committee meeting. Seconded by Mr. Glasser. Motion passed unanimously.

#### UNFINISHED BUSINESS

None

#### NEW BUSINESS

##### A. Library Construction Plans Update

Ms. Derenzy showed the Committee architect renderings of the original exterior renovation plans and also included a proposed addition to the Library. Because of the extensive exterior renovations that the Library is proposing (which includes a new roof which the Library needs, as it still has the original roof from 34 years ago), the Library Board thought it made sense to look into the cost of an addition also. The proposed addition is an “L”-shaped addition on the back and right side of the existing building and would have a lower level underneath it. The architects estimate the cost of the entire project to be \$2.7 million.

Ms. Derenzy discussed possible funding options, including using the funds in their existing Library Building fund of \$542,000, and tapping into the \$90,000 the Library has held in trust at the Community Foundation. She addressed the idea of selling the 10 acres of land the Library had purchased in 2002 for a new Library location, since they will not be using the land. However, area real estate professionals have advised her that the land would be sold at a loss right now, so she would prefer to wait to sell it. She also discussed bonding for the remaining cost, either doing a 1-year millage or increasing their existing millage at a .35 or .30 for 4-5 years.

Ms. Derenzy indicated that the Library Board was unanimously in support of the renovations and expansion.

Mr. Burt will contact John Axe to provide estimates on interest and closing costs on the various options.

## **B. City of Gaylord Funding Request**

Mr. Duff informed the Committee that the City of Gaylord will be undertaking a project to improve the sidewalks, pavers, curbs, gutters and adding trees, irrigation, planters, and stamped concrete. Also being considered are new traffic cantilever signal poles, entertainment nodes, pedestrian crossing islands, and bump outs to reduce crossing distances and slow traffic. The Main Street roadway will stay at a 5-lane configuration. The City is contributing over \$1 million to the project, and the DDA will contribute \$120,000, and various grants have been received to fund a portion of the project. The cost of the project that directly affects the County building's frontage on Main Street is estimated to be \$68,599. Mr. Duff indicated that the City Council is requesting that the County consider cost-sharing in the project for the portion that relates to the County building's frontage.

Mr. Burt reminded the Committee that it had pledged \$75,000 in 2014 for a previous downtown project that did not move forward. Those funds were returned to the County, with the assurance that the County would consider putting the funds toward a future downtown project once plans were complete.

Motion by Mr. Beachnau to recommend to the full Board cost sharing with the City of Gaylord on the downtown project for the portion that affects the County building's Main Street frontage, at a cost of \$68,599, to be paid out of the Capital Projects Fund (fund 499). Seconded by Ms. Backenstose. Motion passed – ayes: Beachnau, Borton, Backenstose, Burt; nays: Glasser.

## **C. Bus System Generator Purchase**

Mr. Burt informed the Committee that the Bus building has frequent power outages, and they are in need of a backup generator. The cost, including installation, is \$8,500.

The Committee discussed some financial concerns at the Bus system, with the new retirement plan reporting standards and other matters. Ms. Frisch said that she already has plans in place to work with the new Bus Director, Tim Cherwinski, on its budget.

Motion by Mr. Glasser to recommend to the full Board to use General Fund contingency for the purchase of a backup generator for the Bus System at a cost of \$8,500. Seconded by Mr. Borton. Motion passed unanimously.

## **D. FOC Computer Purchase**

Ms. Frisch explained to the Committee that the State has upgraded its system, and the County now needs to purchase new computers that will be compatible. The State has provided \$16,000 in funding for the purchase, at no cost to the County.

Motion by Mr. Glasser to recommend to the full Board approving the purchase of new computers for FOC, using State grant dollars, at a cost of \$16,000. Fund 215. Seconded by Mr. Borton. Motion passed unanimously.

## **E. Mobile Laptop Mounting**

Mr. Burt informed the Committee that the 8 mobile laptops that were purchased by the County through the homeland security grant (4 for County Sheriff deputy cars, 4 for City police cars) need to be mounted. This will result in additional hardware costs, totaling \$18,000 for all 8.

Motion by Mr. Borton to recommend to the full Board approving the purchase of mounting hardware at a cost of \$18,000. Funded by the 911 Fund balance (Fund 261). Seconded by Mr. Glasser. Motion passed unanimously.

## **F. Energy Study**

Mr. Burt was contacted by Tenurgy who proposes to perform an energy study of Otsego County facilities. Tenurgy's fee is 50% of savings realized by the County. Services can include: electric, natural gas, telecommunications, water/sewer, and waste/trash. We would pick the services we'd like them to study.

Motion by Mr. Borton to recommend to the full Board authorizing Mr. Burt to negotiate a contract with Tenurgy for an energy study of Otsego County facilities. Seconded by Ms. Backenstose. Motion passed unanimously.

## **G. DNR Proposal**

Mr. Burt notified the Committee of a proposal from the DNR regarding the County's property by the Dog Park. The County has taken steps to clean up the contamination on the property, and the DNR has proposed a Declaration of Restrictive Covenant agreement with the County to place restrictions on the use of the property. Even though remediation of the hazardous waste has been completed, the County is prohibited from constructing or using any wells for groundwater at the site.

The Committee requested that Mr. Burt forward the information to the County's attorney for legal review to verify that responsibility for contamination would not shift the County. The Committee indicated they were supportive of the concept.

## **H. Recycling Contract Amendment**

Mr. Burt reported that an additional recycling bin is needed at the City recycling site (the old Carter's building). Emmet County has proposed an amended agreement to add another bin, costing an additional \$18,000 per year for 3 years. There is already enough money in the budget for this increase.

Motion by Mr. Borton to recommend to the full Board approving the amended contract with Emmet County to provide an additional bin to the Otsego County recycling program, at a cost of \$16,000 for the first year and \$23,000 for the subsequent two years. To be funded from the Recycling Fund (Fund 226). Seconded by Mr. Glasser. Motion passed unanimously.

## **I. Medical Examiner/Bus Vehicles**

The Bus System Director, Tim Cherwinski, has informed us that the existing meals-on-wheels vehicle is in disrepair and needs to be scrapped. Mr. Burt suggests converting the Medical Examiner van to the meals-on-wheels vehicle and purchasing a new truck with a cab for the

Medical Examiner transports. Jon Deming, EMS Director, had informed us that he recommends a truck with a back cap for the Medical Examiner vehicle, instead of the van. Mr. Burt will obtain bids for a new Medical Examiner vehicle.

**J. Financial Reports – March 2016**

Ms. Frisch distributed and discussed the reports with the Committee.

The Committee asked to get further details on the balances in the Tax Foreclosure Fund (Fund 617) from the Treasurer, and also to obtain a cash/investment report from the Treasurer.

**K. March 2016 Credit Card Statements**

Ms. Frisch distributed the statements. The Committee reviewed and discussed them.

Mr. Beachnau adjourned the meeting at 11:18 a.m.