

January 10, 2012

The Regular meeting of the Otsego County Board of Commissioners was held in the County Building at 225 West Main Street, Room 100. The meeting was called to order at 9:30 a.m. by Chairman Paul Beachnau. Invocation by Commissioner Ken Borton, followed by the Pledge of Allegiance led by Commissioner Doug Johnson.

Roll call:

Present: Clark Bates, Paul Beachnau, Paul Liss, Lee Olsen, Erma Backenstose, Richard Sumerix, Doug Johnson, Ken Borton, Bruce Brown.

Motion by Doug Johnson, to elect Paul Liss as the Vice-Chairman of the Board of Commissioners for a one-year term ending December 31, 2012. Ayes: Unanimous. Motion carried.

Motion by Commissioner Clark Bates, to approve the regular minutes of December 13, 2011 with attachments were approved via unanimous consent.

Consent Agenda:

Motion to approve the NEMCOG Hazard Mitigation Agreement Correction. The Agreement will be amended to reflect the correct Term of the Contract, which is September 30, 2011 to July 31, 2014 to better match the duration of the associated Hazard Mitigation grant. Ayes: Unanimous. Motion carried.

Motion to adopt, OCR 12-02 GASB 54

Roll Call Vote:

Ayes: Clark Bates, Paul Beachnau, Paul Liss, Lee Olsen, Erma Backenstose, Richard Sumerix, Doug Johnson, Ken Borton, Bruce Brown.

Nays: None.

Motion carried/Resolution adopted. (see attached)

Motion to approve the reappointment of Carl (Butch) Mankowski to the Construction Board of Appeals with the term to expire on December 31, 2013. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Bill Touroo to the Construction Board of Appeals with the term to expire on December 31, 2013. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Frances Nowak to the Planning Commission with the term to expire on December 31, 2014. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Kevin Makarewicz to the Board of Public Works with the term to expire December 31, 2014. Ayes: Unanimous. Motion carried.

Administrator's Report:

John Burt reported on the Animal Control; Groen property; attempting a grant for the Sheriff's patrol car laptops.

Special Presentations:

Jeff Ratcliff reported on the Economic Alliance.

Department Head Report:

Theron Higgins reported on the Bus Department.

Mary Sanders reported that Hayes Township meetings have changed their time to 6:00 p.m.; reported Bob Diesing resigned.

Roberta Tholl reported on the Road Commission.

Correspondence:

NEMCOG; Thank you letter from the Caring Closet.

New Business:

Motion by Commissioner Richard Sumerix, to approve the December 20, 2011 Warrant in the amount of \$225,122.45 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Doug Johnson, to approve the December 27, 2011 Warrant in the amount of \$373,467.36 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Lee Olsen, to approve the January 3, 2012 Warrant in the amount of \$72,139.19 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Clark Bates, to approve the January 10, 2012 Warrant in the amount of \$293,713.77 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Paul Liss, to ratify the 2012-2013 Teamster State, County and Municipal Workers Local 214 Bus Tentative Agreement. Ayes: Unanimous. Motion carried.

Motion by Commissioner Erma Backenstose, to adopt Resolution OCR-12-01 honoring Robert Harden. Roll Call Vote:

Ayes: Clark Bates, Paul Beachnau, Paul Liss, Lee Olsen, Erma Backenstose, Richard Sumerix, Doug Johnson, Ken Borton, Bruce Brown.

Nays: None.

Motion carried/Resolution adopted. (see attached)

Board Remarks:

Commissioner Clark Bates: City Council meeting.

Commissioner Doug Johnson: Parks and Recreation meeting.

Commissioner Ken Borton: Bagley Township meeting.  
MAC.

Commissioner Lee Olsen: Northern Michigan Substance Abuse Services.

Commissioner Paul Liss: Business after hours January 11<sup>th</sup> at 5:00 p.m. at the Airport.  
CMH in new building.

Chairman Paul Beachnau: Committee assignment changes.

Meeting adjourned at 10:25 a.m.

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Paul M. Beachnau, Chairman

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Susan I. DeFeyter, Otsego County Clerk

**OCR 12-02**  
**RESOLUTION ESTABLISHING FUND BALANCE POLICIES AS REQUIRED BY GASB 54**  
Otsego County Board of Commissioners  
January 10, 2012

**WHEREAS**, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after September 30, 2011; and

**WHEREAS**, Otsego County wishes to comply with GASB 54 as required beginning with the current December 31, 2011 fiscal year; and, therefore, be it

**RESOLVED**, that Otsego County hereby adopts the following policy:

**FUND BALANCE POLICIES**

Fund balance measures the net financial resources available to finance expenditures of future periods. Fund balance is the difference between assets and liabilities reported in a governmental fund. The County's Unassigned General Fund Balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Commissioners. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

Fund Balance of the County may be committed for a specific source by formal action of the Board of Commissioners. Amendments or modifications to the Committed Fund Balance must also be approved by formal action of the Board. Committed Fund Balance does not lapse at year end.

Fund Balance of the County may be assigned for a specific purpose by the Finance Committee, Fiscal Officer or Treasurer. Assigned Fund Balance does not lapse at year end.

Restricted Fund Balance are those amounts that can only be spent for the specific purposes stipulated by external resource providers.

Non-spendable Fund Balance includes amounts that are not in a spendable form. Examples include inventory.

For purposes of fund balance classification, expenditures are to be spent from Restricted Fund Balance first (when appropriate), followed in order by Assigned Fund Balance, Committed Fund Balance and lastly, Unassigned Fund Balance.

The Board recognizes that good fiscal management comprises the foundational support of the entire County. It is generally recommended that governments, regardless of size, maintain an unassigned fund balance equal to two months of either general fund operating revenues or expenditures. As those two amounts can be significantly different, it is the County's policy to measure fund balance on the basis of operating expenditures.

To make the foundational support of the County as effective as possible, the Board desires to maintain, in stable economic times, a fund balance of 15-20% of the County general fund annual operating expenditures.

It is the Board's intent to continue to make every effort to reduce structural inadequacies between operating revenues and expenditures as both operationally and programmatically practical to allow future fund balance growth. The Board shall review this provision annually and when budgeted operating expenditures exceed budgeted operating revenues.

An annual reporting of fund balances as classified in accordance with GASB 54 shall be as reported in the annual Audited Financial Statements of Otsego County.

**OCR 12-01**  
**Recognition of LaVerne "Bob" Harden**  
Otsego County Board of Commissioners  
January 10, 2012

**WHEREAS,** LaVerne "Bob" Harden was born on October 31, 1920 in Nebraska; and

**WHEREAS,** Bob graduated from Grand Island High School in 1939 and moved to Michigan before enlisting in the Army Air Corps during WWII; and

**WHEREAS,** Bob was a member of the 15<sup>th</sup> Airforce 464 Bomber Group which flew 39 missions, during which they were able to decommission German oilfields; and

**WHEREAS,** upon returning to the states, Bob married his beloved, Adaleen and they celebrated 66 years of marriage on September 8, 2011; and

**WHEREAS,** Bob was a carpenter by trade and spent many years in the building industry; and

**WHEREAS,** Bob and Adaleen moved to Gaylord in 1974, Bob became involved in many organizations and held many titles over the years beginning with his involvement in the North Central Michigan Home Builders Association(NCMHBA) in 1975; he was President of the North Central Michigan Home Builders Association; NEMCSA Liaison to the Commission on Aging; State & National Builders Association; Habitat for Humanity; Salvation Army; and

**WHEREAS,** in 1985 Bob was elected as an Otsego County Commissioner representing Hayes Township and served for two terms; and

**WHEREAS,** with Bob's involvement with NCMHBA he used his skills and talents helping to renovate the Community Center; building Peace Lutheran Church; the Gaylord Information Center and the development of the University Center to name just a few; and

**WHEREAS,** Bob was a current board member on the Otsego County Building Authority as well as the Otsego County Housing Committee; and

**WHEREAS,** Bob loved living on the lake, and enjoyed hunting, fishing and camping; and

**WHEREAS;** Bob passed away on Wednesday, November 16, 2011 and will be greatly missed by his many friends and colleagues, now, therefore, be it

**RESOLVED,** that LaVerne "Bob" Harden shall be remembered by his fellow colleagues and the public for the giving of his time and talents to make Otsego County a better place to live and work, and be it further

**RESOLVED,** that the Otsego County Board of Commissioners honor and thank Bob's family for his outstanding service to our community and offer their condolences.