



Budget & Finance Committee

Wednesday, January 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, John Burt

Others present –Jon Deming, Rachel Frisch

Excused – Erma Backenstose, Diann Axford

APPROVAL OF MINUTES

Motion by Mr. Borton to approve the amended minutes from the December 9, 2015 Budget and Finance Committee meeting. Seconded by Mr. Glasser. Motion passed unanimously.

UNFINISHED BUSINESS

None

NEW BUSINESS

A. Emergency Management Command Post

Mr. Deming explained to the Committee the need to have a mobile command post, to have on location during emergencies. The most cost effective route is to have a large trailer that can be hauled behind existing EMS vehicles, equipped with communication devices, computers, etc. He presented an invoice totaling \$31,269.39. The Committee suggested to round up the total to \$35,000, in case minor, unknown costs crop up while getting the command post up and running. Funds will come from the 911 Fund (fund 261), which is an appropriate use of these dollars, as it is for an emergency management function.

Motion by Mr. Borton to recommend to the full Board to purchase and equip an Emergency Management Command Post (a mobile trailer equipped with communication devices, computers, etc.) at a cost not to exceed \$35,000 to be funded out of the 911 Fund (fund 261). Seconded by Mr. Glasser. Motion passed unanimously.

B. MSHDA Grant Update

Ms. Frisch informed the Committee that she had been notified by Marlene Hopp, Housing/Veterans/Special Grants Director, that the Michigan State Housing Development Authority (MSHDA) has revised its payment structure with respect to its housing grants. Previously, MSHDA would front the funds for repair projects, and the County would spend down the balance over the course of the project. Now, MSHDA is requiring the County to front the funds and then get reimbursed. The Housing Fund (fund 232) will not have sufficient cash flow to operate in this manner.

Ms. Frisch explained to the Committee that, upon approval, the County does have available funds in the Budget Stabilization Fund (fund 257) that could be used as a short-term loan to the Housing Fund as needed. Ms. Hopp will need to keep Ms. Frisch informed of cash flow needs as they arise. Ms. Frisch will then present the information to the Committee for approval. The Committee concurred with this course of action.

C. Telephone Project Update

Ms. Frisch notified the Committee that Doug Kassuba (IT professional with Empiric Solutions) has recommended that the County consider replacing all switches in the County in addition to replacing the switches during the installation of the new telephone system. Switches are the hardware that connect computers and phones to our network. The vast majority of switches will already be replaced during the phone installation; however, the remaining ones are very old and not reliable anymore. Additionally, he is able to get switches at a 61% discount. The total to replace all switches is \$22,370. The budgeted amount for only phone switches is \$17,969, an additional cost of \$4,401. During the course of the phone project, there may be savings in other areas, so it is possible that an additional amount over and above the existing project total may not be necessary; however, if we want to move forward with this recommendation, it would be helpful to have some additional dollars set aside in the Equipment Fund (fund 266).

Motion by Mr. Glasser to recommend to the full Board budgeting additional funds of up to \$5,000 if necessary, to be used toward replacing all remaining switches in the County. Funds to be paid from the Equipment Fund (fund 266). Seconded by Mr. Borton. Motion passed unanimously.

D. Mobile Laptop Update

Mr. Burt informed the Committee that the mobile laptops that were approved to be purchased using federal Homeland Security Grant dollars, are now available at a 40% discount. Mr. Burt was able to purchase 8 laptops at the reduced price (4 for County Sheriff vehicles, 4 for City Police Dept vehicles), instead of 5. He will purchase the mounting hardware later.

E. 2016 Budget Amendments

Ms. Frisch presented the following amendments for the Committee's review and approval:

- Health care budget amendment – to account for the increase in the County's health care costs for 2016. The rates were not available until after the 2016 budget was adopted.
- Trailhead grant budget amendment – to move forward remaining grant dollars into 2016.
- Capital Projects and Equipment Fund budget amendment – to move forward the remaining project budget dollars into 2016.
- Airport Capital Projects Fund budget amendment – to use fund balance to purchase office furniture for a conference room at the airport.

Motion by Mr. Borton to recommend to the full Board to approve the budget amendments presented to the Committee. Seconded by Mr. Glasser. Motion passed unanimously.

F. Millage Discussion

Mr. Burt informed the Committee that the Parks millage will be up in 2016. He and the Parks Board are looking at increasing the millage amount slightly. The Parks budget has been negatively impacted since the second smaller millage was dropped in the 2011 tax year (2012 budget year) – that resulted in a loss of approximately \$70,000 per year in property tax revenue for the Parks. The Parks Board will discuss the issue thoroughly and come to the Committee with a recommendation.

Mr. Burt also informed the Committee that the Recycling millage will be up in the 2017 tax year (2018 budget year). He prefers to ride that millage out until 2018.

Mr. Burt also discussed the Library millage. They are still considering a millage for a building addition. They will come to the Committee with a recommendation.

G. Financial Reports November 2015

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

H. December 2015 Credit Card Statements

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

Motion by Mr. Glasser to receive and file the statements. Seconded by Mr. Borton. Motion passed unanimously.

Mr. Beachnau adjourned the meeting at 11:15 a.m.