



Budget & Finance Committee

Tuesday, October 20, 2015 at 1:30 p.m.
Room 212 – Otsego County Building
225 West Main Gaylord, MI 49735

MINUTES

CALL TO ORDER

Mr. Beachnau called the meeting to order at 1:30 p.m.

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

Others present –Diann Axford, Rachel Frisch, Trisha Adam, Jon Deming, Theron Higgins

APPROVAL OF MINUTES

Motion by Mr. Olsen to approve the amended minutes from the September 16, 2015 Budget and Finance Committee meeting. Seconded by Mr. Borton. Motion passed unanimously.

UNFINISHED BUSINESS

None

NEW BUSINESS

A. Retiree Healthcare

Ms. Adam explained to the Committee that we will be changing to the Hartford Supplemental Plan for retiree health care for 2016. The plan provides better benefits in some areas and will save the County and the retirees some money, as the rates will be lower. Approximate budget savings from 2015 is \$5,000. The County currently has 23 retirees on the plan.

B. Telephone System

Ms. Frisch presented a detailed spreadsheet prepared by the County's IT professionals, Empiric Solutions (ESI). The spreadsheet calculates the Total Cost of Ownership for a 3-year period, based on the top three bids received for the new voice-over IP telephone system. The Total Cost of Ownership includes the new phone system, phones, cabling, network costs, and the annual support fee for 3 years.

One vendor, Telephone Support Systems, qualifies for the 5% local business allowance. Total Cost of Ownership is as follows: Telephone Support \$102,763 (\$97,625 with the 5% allowance), Voice Data Systems \$107,623, and Millennia Technologies \$100,524. Ms. Frisch communicated that ESI was comfortable with all 3 vendors from a network perspective. She also explained that each vendor came to the County to do a demonstration of the phone systems. All systems appeared to have very similar features. Ms. Frisch explained that working with a local vendor would be an advantage for support and repair needs. Additionally, Telephone Support's references were all very positive, while both Voice Data Systems and Millennia Technologies had a reference that had some negative aspects.

Ms. Frisch indicated that if the Committee chose to recommend Telephone Support, we should add on the option of upgrading the telephones to the Gig phone (newest model) at an additional cost of \$4,133.

Motion by Mr. Olsen to recommend to the full Board awarding the contract to Telephone Support Systems for the new county-wide phone system for \$102,763 plus the telephone upgrade of \$4,133 for a total cost of \$106,896, with funds to come from the Delinquent Tax Fund. Seconded by Mr. Borton. Motion passed unanimously.

C. EMS USDA Grant

Mr. Burt informed the Committee that EMS has received a USDA grant for \$50,000 to go toward the purchase of an ambulance. The grant has to run through the County, the Public Improvement Fund (fund 245). He indicated that the low bid for the ambulance is from Crestline for \$171,021. The County can either front the money for the purchase and be reimbursed by EMS, or EMS does have the ability to fund the entire purchase up front, and then be reimbursed when the grant monies are received.

Motion by Mr. Borton to recommend to the full Board purchasing an ambulance for EMS from Crestline for \$171,021, to be paid for out of the Public Improvement Fund, with reimbursement of the entire amount from EMS, and offset by the \$50,000 USDA grant. Seconded by Mr. Olsen. Motion passed unanimously.

D. Court Budget Amendment

Ms. Frisch reported that she received notification from the Courts that they are in need of additional monies to pay out jury reimbursements, as 2015 has had a large amount of jury trials. They have indicated that an additional \$8,000 will be needed, offset by an estimated \$3,000 reimbursement from the State. Ms. Frisch indicated that the remaining \$5,000 would come from contingency.

Motion by Mr. Olsen to recommend to the full Board approving an increase of \$8,000 to the jury reimbursement line item, offset by an estimated \$3,000 State reimbursement, with the remaining \$5,000 to come from contingency. Seconded by Mr. Borton. Motion passed unanimously.

E. Budget Discussion 2016

Ms. Frisch distributed the first General Fund (fund 101) proposed 2016 budget document. The Committee discussed the main changes and updates from the 2015 budget. Currently, there is a budget shortfall of approximately \$110,000 that needs to be addressed. Administration has thoughts on how to resolve the shortfall but is waiting on additional information before solidifying them. The next budget workshop is scheduled for Tuesday, October 27th at 1:30 p.m.

F. Budget Presentations – EMS and Bus

EMS – Mr. Deming distributed the proposed 2016 EMS budget. The budget totals \$1,942,200. Mr. Deming indicated that EMS struggles with collecting monies from insurance companies, Medicare, and Medicaid for ambulance runs. This appears to have gotten worse with the impact of the Affordable Care Act. He and his staff continue to monitor and look for ways to enhance collections.

He stated that EMS has 12 vehicles: 8 ambulances and 4 special operations vehicles. EMS employs 37 hourly employees, split pretty evenly between EMTs and paramedics.

Bus – Mr. Higgins distributed the Bus budget for the 2015-2016 fiscal year (the Bus has a 9/30 fiscal year end). He indicated that his budget increased \$250,000 to account for rising employee costs, to a total budget of \$1,814,117. His budget is due to the State by March 1st of each year.

Mr. Higgins stated that the Bus has 37 employees: 4 dispatchers, 3 office personnel, 2 mechanics, and 28 bus drivers. Ridership has increased 4,000 from the prior year, to total over 100,000 passengers per year.

Mr. Beachnau adjourned the meeting at 3:40 p.m.