



Budget & Finance Committee

Monday, December 5, 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 Glasser, Erma Backenstose, John Burt

Others present – Rachel Frisch, Diann Axford, Tim Cherwinski

APPROVAL OF MINUTES

Motion by Mr. Glasser to approve the minutes from the November 9, 2016 Budget and Finance Committee meeting. Seconded by Mr. Burt. Motion passed unanimously.

UNFINISHED BUSINESS

A. None

NEW BUSINESS

A. Bus Cash Advance

Mr. Cherwinski, Bus Manager, and Ms. Frisch explained the need for a cash advance of \$150,000 to the Bus system until the taxes are received for the budget year. The written request submitted by Mr. Cherwinski cited cash flow timing and budget shortages as the reasons for the cash advance request. He is working with Administration to resolve these issues.

Motion by Mr. Glasser to recommend to the full board to approve the bus cash advance of \$150,000 from the delinquent tax fund (fund 516). Seconded by Ms. Backenstose. Motion passed unanimously.

B. Bus Fares

A recent communication from the State indicated that our bus fares are not in compliance with State laws. The Senior/Disabled rate needs to be 50% of the Adult rate. Those rates are currently \$2.00 and \$3.00 respectively (additionally, there is a Student rate of \$2.50). Ms. Frisch distributed a spreadsheet calculating different rate scenarios and the impact on the budget for fare revenue.

Motion by Mr. Beachnau to recommend to the full board to approve the increase in bus fares in order to become compliant with the State, as follows: Seniors/Disabled will stay at \$2.00; Students will increase to \$3.00, and Adults will increase to \$4.00. Seconded by Ms. Backenstose. Motion passed unanimously.

C. Building Authority – bond document

This document presented by Mr. Burt will provide the necessary authority to the Building Authority to proceed with the bonds for the Library expansion project; the millage for this project was approved in the November 2016 election.

Motion by Mr. Glasser to recommend to the full board to review and approve the Building Authority's bond document as presented. Seconded by Ms. Backenstose. Motion passed unanimously.

D. Administrator Budget Authority

Mr. Burt informed the Committee that each year at this time, December, authority is given to the Administrator to authorize budget amendments to the 2016 budget, with subsequent approval by the Board in January 2017.

Motion by Mr. Glasser to recommend to the full board giving authority to the County Administrator to authorize 2016 budget amendments, with subsequent Board approval in January 2017 meeting. Seconded by Ms. Backenstose. Motion passed unanimously.

E. Financial Reports – October 2016

Ms. Frisch distributed and the Committee discussed the reports.

F. Credit Card Statements – October 2016

Ms. Frisch distributed and the Committee discussed the reports.

G. Judge Office Update

Judge Mertz wants to move his office and his secretary's office to the downtown County building. Mr. Burt reported that he has met with Judge Mertz, and came up with the following plan: the current witness room would be converted to Mertz's office, the current recorder's room would become the secretary's office, and secure doors would be added. Witness room would be relocated to the current jail storage area. Funding will be from the courthouse restoration fund (fund 497). Mr. Burt will gather costs.

H. Tri County Court Meeting Update

Mr. Burt recently met with the Tri-County Court (Kalkaska, Crawford, and Otsego Counties). When the Tri-County Court split apart several years ago, each County took two employees. The rest of the expenses that couldn't be split apart have been prorated to each County based on caseload. However, one of Otsego County's staff positions really does not do Tri County work, so we will take over the full cost of that employee. The additional cost incurred by Otsego County will be covered by the judge that is retiring and will not be replaced (Morse). Going forward, Crawford County will be taking on all remaining Tri-County court employees.

I. Groen Property Update

Mr. Burt reported that Phase II of the Groen property is getting close to moving forward. He anticipates a March 2017 timeframe. One part of the agreement with the Groen Trust Fund Board is that the current caretaker position, Roger Latuszek, will be hired by the County and kept at current salary.

Mr. Beachnau adjourned the meeting at 10:15 a.m.