



Budget & Finance Committee

Wednesday, July 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 Glasser, Erma Backenstose, John Burt

Others present – Rachel Frisch, Maureen Derenzy (Library Director), Jackie Skinner (Library), Annette Wells (Community Mediation Services), Nick Florian (Otsego Lake Association)

Excused – Ken Borton, Diann Axford

APPROVAL OF MINUTES

Motion by Ms. Backenstose to approve the minutes from the June 15, 2016 Budget and Finance Committee meeting. Seconded by Mr. Glasser. Motion passed unanimously.

UNFINISHED BUSINESS

A. Library Millage Request

The Committee was presented with the Library Board's recommendation of a 0.375 mill for 6 years to be put on the November 2016 ballot, for the purpose of funding a building addition and to equip the Otsego County Library. The Committee discussed the matter and revisited the figures to make sure that the information provided by Ms. Derenzy was final and complete.

Motion by Mr. Glasser to recommend to the full Board to put on the November 2016 ballot, 0.375 mills for 6 years for the purpose of funding a building addition and to equip the Otsego County Library. Seconded by Ms. Backenstose. Motion passed unanimously.

NEW BUSINESS

A. Georgia Pacific

Mr. Burt provided copies of a tentative agreement from Georgia Pacific, where they will donate 160 acres of their land to the County. The land is surrounded by other Georgia Pacific property but is still accessible. The County would need to have an environmental study performed, for due diligence. The intended use for the property, as explained by Mr. Florian, would be for storing the materials/residue resulting from dredging Otsego Lake. It would be deposited into a settlement pond on the donated property. The Otsego Lake Association is organizing the dredging project, but Georgia Pacific wanted to donate the land to the County, not the Association, as the Association is a small non-profit run by volunteers. Mr. Florian added that the Association would be interested in cost-sharing the expense of the environmental study. Mr. Burt will obtain figures for the study and forward them to him.

Motion by Mr. Glasser that the consensus of the Committee is for Mr. Burt to move forward with obtaining costs, and to postpone further discussion until the August Committee meeting. Seconded by Ms. Backenstose. Motion passed unanimously.

B. Community Mediation Services Funding Request

Ms. Wells explained to the Committee that the funding for Community Mediation has changed over time. The State has cut back its funding to \$1,800, and Community Mediation must rely on other sources, such as the 10 participating Counties, and participant fees. The total budget is approximately \$111,000 (office staff and expenses, mediator mileage and travel, etc). However, they strive to keep the participant fees low so they are affordable; therefore, they are requesting funding from the 10 Counties. The majority of the cases mediated arise from Otsego County, so they are starting with us by requesting \$4,000. Oscoda now contributes \$1,000.

Motion by Ms. Backenstose to recommend to the full Board allocating \$4,000 from the 2016 contingency budget to Community Mediation Services for mediation for Otsego County residents, and to include the allocation as a topic of discussion for a potential allocation in 2017 as well. Seconded by Mr. Glasser. Motion passed unanimously.

C. Bus Purchase Budget Amendment

Mr. Burt explained that a County bus was totaled in an accident in 2015. The DOT and MDOT are funding the new bus except for \$4,500. Because the Bus budget is tight this year, they are asking that the County fund the shortage.

Motion by Mr. Glasser to recommend to the full board to transfer \$4,500 to the Bus System to assist in the purchase of a new bus, with funds to come from contingency. Seconded by Ms. Backenstose. Motion passed unanimously.

D. Child Care Fund Budget Amendment

Ms. Frisch reported that she received a request from Tracey Cruz of the Courts to move funds from the Child Care Fund hospitalization line item into payments in lieu of insurance to reflect a change in an employee's coverage.

Motion by Mr. Burt to recommend to the full board to approve the Child Care Fund budget amendment, moving \$1,500 from hospitalization into payments in lieu of insurance. Seconded by Mr. Glasser. Motion passed unanimously.

E. 911 Fund Budget Amendment

Mr. Burt explained that funds are needed for net motion software for the new mobile laptops. He stated that there will also be future costs, but currently \$9,500 is needed.

Motion by Mr. Glasser to recommend to the full board to approve the 911 Fund budget amendment to provide for the cost for net mobile software for the mobile laptops. Seconded by Ms. Backenstose. Motion passed unanimously.

F. Delinquent Tax Fund Budget Amendment

Ms. Frisch reported that Diann Axford, Treasurer, submitted a budget amendment to pay for the additional attorney and professional service fees incurred by the Delinquent Tax Fund in 2016.

Motion by Ms. Backenstose to recommend to the full Board to approve the budget amendment to the Delinquent Tax Fund to reflect the additional attorney and professional service fees.

Seconded by Mr. Glasser. Motion passed unanimously.

G. Capital Projects Update

Mr. Burt distributed and discussed the County's updated capital projects plan. He also presented a bid for a new Administrator's vehicle from Gaylord Ford (the only bid received) for a new Ford Escape for \$24,500, with funds to come from the Delinquent Tax Fund.

Motion by Mr. Glasser to recommend to the full Board to approve the purchase of a new Administrator's vehicle from Gaylord Ford for \$24,500, funds to come from the Delinquent Tax Fund. Seconded by Mr. Burt. Motion passed unanimously.

H. Conservation District Update

Mr. Burt reported that Patricia Osburn, Conservation District Director, notified him that the bids for the nature center have come in \$10,000 over the estimate. She is currently fundraising for the difference but may need to approach the County for additional funds.

I. Financial Reports – June 2016

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

J. June 2016 Credit Card Statements

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

K. Finance Department Updates

Ms. Frisch reported the following information:

- i. Telephone System** – the new telephone system has been installed. The last step in the project is the wiring. It is currently being bid out with the assistance of Empiric Solutions and is anticipated to cost a little more than originally estimated. Once the figures are known, Ms. Frisch will update the Committee.
- ii. Child Care Fund** – there are cash flow struggles in the fund due to increased expenditures and a lag in state revenue payments (the state is having staffing issues). A short-term loan may be necessary. Ms. Frisch will update the Committee.

- iii. **General Fund Revenues** – the budgeted amount for property taxes is accurate for 2016. The retention fund distribution from MMRMA is about \$70,000 less than last year.
- iv. **Governmental Accounting Training and Budget Workshop** – Ms. Frisch conducted a training for the Treasurer, Bus, and Finance accounting staff on June 29th. She is also putting on a budget workshop on July 21st.
- v. **MERS Funding Level** – our MERS funding level has decreased from 71% to 64%. We knew the percentage would be going down due to changes in assumptions at MERS. A MERS representative will attend the next Committee meeting to discuss the changes.

Mr. Beachnau adjourned the meeting at 11:16 a.m.