



Budget & Finance Committee

Wednesday August 19, 2009 – 9:30 a.m.
Room 212 – Otsego County Building
Gaylord, MI 49735

MINUTES

CALL TO ORDER

Mr. Beachnau called the meeting to order at 9:30 AM

Roll call – Present: Paul Beachnau, Erma Backenstose, Ken Glasser, Clark Bates, John Burt

Others present – Jon Deming

APPROVAL OF MINUTES

Motion by Mr. Glasser to “approve the minutes from the July 15, 2009 budget and finance committee meeting as presented”. Motion passed unanimously.

NEW BUSINESS

A. EMS Ambulance Purchase/Public Improvement Fund Loan

Jon Deming updated the Committee on the need of EMS to purchase a new ambulance. They would like to replace a 1996 ambulance with 119,620 miles with a 2008 or 2009 demo ambulance. They would like to purchase a 2008 AVE for \$144,000 if it still available. If the 2008 AVE is not available, they would look at purchasing a 2009 Life Line for \$155,620. They would like to borrow funds from the Public Improvement Fund with repayment over a 60 month period.

Motion by Mr. Glasser “to recommend to the full Board of Commissioners to approve the loan of up to \$155,620 for the purchase of an ambulance from the Public Improvement Fund (Fund 245) with repayment by over 60 months at the appropriate interest rate”. Motion Carried.

B. Budget Amendment- Parks

The Parks Department has been busier than anticipated this summer at the Community Center and its parks, which has resulted in having to use more hours for part-time employees. The Parks Board has recommended moving \$16,000 from its fund balance into various personnel line items.

Motion by Mr. Glasser “to recommend to the full Board of Commissioners to approve the Parks Budget Amendment (Fund 208) in the amount of \$16,000”. Motion Carried.

C. Budget Amendment-BSA Support Fee

Mr. Burt explained that they had originally intended to pay the annual support fee of \$11,700 for BS&A out of remaining money in the 402 Computer Software Fund. However, the Finance Committee decided to close out the 401 Fund and place the money in the Contingency Fund. The Committee decided to take the funds from the Contingency Fund. If more money is needed in the Contingency Fund towards the end of the year, this expenditure could be allocated to the Equipment Fund.

Motion by Ms. Backenstose “to recommend to the full Board of Commissioners to pay for the BS&A Support payment of \$11,700 out of the Contingency Fund (Fund 101-941)”. Motion Carried.

D. Budget Amendment-Health Care Fund/Wellness Program

Mr. Burt explained that Trisha Adam and Rachel Frisch have been researching employee wellness program ideas. Administration is proposing to use \$2,000 from the Health Care Fund to purchase 5 gym memberships for employees to use. There would also be a \$25 reimbursement for employees who participate in the Quit Smoking Program at Otsego Memorial Hospital.

Motion by Mr. Glasser “to recommend to the full Board of Commissioners to approve the Budget Amendment for \$2,000 from the Health Care Fund (Fund 647) for the Employee Wellness Program”. Motion Carried.

E. Component Unit Property and Liability Insurance Policy

Mr. Burt presented a draft Component Unit Property and Liability Insurance Policy which details the requirements for Component Units to opt out of the County Property and Liability Insurance and to obtain their own insurance.

Motion by Ms. Backenstose “to recommend to the full Board of Commissioners to approve the Component Unit Property and Liability Insurance Policy as presented”. Motion Carried.

F. Purchasing Policy Update

Mr. Burt presented language for the County’s Purchasing Policy that would require contracted vendors for projects over \$250,000 to carry insurance from an insurance company that has a financial strength rating of A or better.

Motion by Mr. Bates “to recommend to the full Board of Commissioners to approve the updated Purchasing Policy as presented”. Motion Carried.

G. Legal Defense Contract

Mr. Burt presented a Court Defense Contract for legal representation of indigent parties. The contract would be an extension of an existing contract with Gary L. Gelow. The current rate is \$11,250 per month. The rate of \$11,250 would continue through July 2010, increase to \$11,475 for the following year, and increase to \$11,589.50 per month for the final year. Mr. Burt indicated that the draft contract does not require enough insurance to meet the County’s Purchasing Policy. Anyone that the County contracts with must carry at least \$1,000,000 of insurance per occurrence and aggregate.

Motion by Mr. Backenstose “to recommend to the full Board of Commissioners to approve the Court Defense Contract, with changing the insurance requirements to match the County Purchasing Policy”. Motion Carried.

H. GIS Requests

Mr. Burt explained that there are two upcoming GIS projects. Bill Kerr in Equalization has talked with other agencies about obtaining new aerial photos in the spring of 2010. The County, the Road Commission and 9-1-1 would each put in \$10,000, and the City would put in \$15,000 since they want color aerial photos. The Committee wanted to see what the draft budget for 2010 looked like before committing to the project.

Mr. Burt explained that there is a need to update the County's Property Mapping website. The SVG format is no longer supported. Bill Kerr would like to update the website to an html format, which will greatly improve the quality of the maps. It will take 90-120 days to update at a cost of \$15,000. Kerr will also be able to sell some advertising space on the updated website.

Motion by Mr. Glasser "to recommend to the full Board to spend up to \$15,000 from the Contingency Fund (Fund 101-941) to upgrade the County's property information website". Motion Carried.

I. Sheriff Equipment Fund Request

Mr. Burt presented a request from the Sheriff's Department for \$500 from the Equipment Fund to purchase a trailer to haul the new watercraft from the Marine Safety Grant. Grant funds were unavailable for the purchase of the trailer.

Motion by Mr. Burt "to recommend to the full Board of Commissioners to approve the Budget Amendment for \$500 out of the Equipment Fund (Fund 266) for the purchase of a trailer". Ayes – Burt, Backenstose, Bates, Beachnau. Nays – Glasser. Motion Carried.

J. July 2009 Financial Reports and Updates

Mr. Burt presented the July 2009 Financial Reports.

The Committee discussed the need to invest more funds from the Public Improvement Fund and the Budget Stabilization Fund. The Committee asked Burt to arrange a meeting with the Treasurer to discuss investments.

K. Audit Proposal Review and Selection of Audit Firm

Mr. Burt presented the bids for the County's annual audit.

<u>Company</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Abraham & Gaffney	\$37,900	\$38,900	\$39,900	\$40,900
Anderson & Tackman	\$36,500	\$37,000	\$37,500	\$38,000
Rehmann Robson	\$39,600	\$40,800	\$42,100	\$43,500
Gabridge & Co	\$44,780	\$46,123	\$47,507	\$48,932

The lowest bidder was Anderson & Tackman, the County's current auditor. It is the recommendation of Rachel Frisch and John Burt to continue using Anderson & Tackman for one more four-year cycle. Burt indicated that the County should look at changing vendors after this next cycle.

Motion by Ms. Backenstose "to recommend to the full Board of Commissioners to approve the selection of Anderson & Tackman to perform the County's audit work through 2012". Motion Carried.

L. Clerk/ROD Remodel

Mr. Burt presented the bids for the Clerk/ROD Remodeling project.

<u>Company</u>	<u>Cost</u>
Burdco	\$59,800
Integrity	\$69,500
NCCI/Wolgast	\$66,890
Sugar	\$70,600
Wakefield	\$62,944

Burt recommended awarding the bid to Burdco, pending review of questions by Butcher & Associates. The Committee discussed the need to add a 10% contingency to the budget. There will be a Budget Amendment to move some funds out of Building & Grounds Fund Balance to the Capital Projects Fund.

Motion by Mr. Glasser “to accept the bids for the Clerk/ROD Remodeling project, and to allow the Administrator to select the appropriate contractor”. Motion Carried.

M. Jail Ventilation

Mr. Burt presented the bids for the Jail Ventilation Project.

<u>Company</u>	<u>Cost</u>
Ballards	\$134,137
Green	\$149,000
Haggards	\$145,400
JP Heating	\$147,155

Burt recommended awarding the bid to Ballards as the low bidder. The Committee discussed the need to add a 10% contingency to the budget. There will be a Budget Amendment to move some funds out of Building & Grounds Fund Balance to the Capital Projects Fund.

Motion by Mr. Glasser “to accept the bids for the Jail Ventilation project, and to allow the Administrator to select the appropriate contractor”. Motion Carried.

N. Animal Control Architectural Bids

Mr. Burt presented the bids for the Architectural services for the new Animal Control facility.

<u>Company</u>	<u>Cost</u>
Traverse Architectural Group	\$6,400
Brad Butcher	\$7,400
Trinity Architectural	\$22,250

Motion by Mr. Glasser “to accept the bids for the Architectural work for the new Animal Control facility and to allow the Administrator to select the appropriate contractor”. Motion Carried.

O. TIGER Grant Support

Mr. Glasser informed the Committee that there has been a request to support paying Karyn Warsaw for her time involved with putting together the TIGER Grant. Ms. Warsaw has extensive experience working with grants. Several municipalities, the Economic Alliance, and the Road Commission have indicated their support for \$700 per entity.

Motion by Glasser to “recommend to the full Board of Commissioners to pay \$700 for grant writing services by Ms. Warsaw”. Motion Carried.

Mr. Beachnau adjourned the meeting at 10:45 AM.