



## Budget & Finance Committee

Wednesday, September, 20 2017 at 9:30 a.m.  
Room 212 – Otsego County Building  
225 West Main Gaylord, MI 49735

### MINUTES

#### CALL TO ORDER

Mr. Glasser called the meeting to order at 9:30 a.m.

Roll call – Present: Ken Borton, Rob Pallarito, Ken Glasser, Rachel Frisch

Others present – Diann Axford, Tim Cherwinski, Trisha Adam, Tim Hanley, Dona Wishart

Absent – Paul Beachnau (Excused)

#### APPROVAL OF MINUTES

Motion by Mr. Borton to approve the minutes from the August 15, 2017 Budget and Finance Committee meeting. Seconded by Mr. Pallarito. Motion passed unanimously.

#### UNFINISHED BUSINESS

None

#### NEW BUSINESS

##### A. Compensation Study

Ms. Adam and Ms. Frisch presented the compensation study prepared by an outside independent consulting firm. The financial impact of implementing the wages will be \$58,410. It was recommended that this be implemented in the 2018 year.

Motion by Mr. Borton to recommend to the full board approving and implementing the results from the Compensation Study. Seconded by Mr. Pallarito. Motion passed unanimously.

##### B. Bus Cash Advance Request

Mr. Cherwinski explained that due to a delay in an agreement between the Federal Government and the State of Michigan, the Federal revenue that is due to the Bus will not be collected until after the fiscal year end. They are two quarters behind. The requested money would be needed to improve the cash position of the Bus for year end. A plan has been made to pay the borrowed funds back through a monthly payment.

Motion by Mr. Pallarito to recommend to the full board approving the Bus System \$100,000 cash advance to be loaned from the Delinquent Tax Fund (516). Seconded by Mr. Borton. Motion passed unanimously.

##### C. Animal Control Garage

Ms. Frisch reported that one bid for the construction for the new garage was received and it was over budget. The plan is to rebid this project in the spring.

## **D. Sheriff Vehicles**

### **i. Dodge Charger**

Ms. Frisch reported information from Undersheriff Muladore about the poor condition of a Dodge Charger. Mr. Muladore's research indicated that this vehicle should be disposed of with the funds collected being used to purchase new vehicles in 2018. Bill Marsh Ford in Gaylord will purchase the vehicle for \$13,000 knowing that we will need to bid out any future vehicle purchases. This vehicle has been fully depreciated and has zero residual value.

Motion by Mr. Pallarito to recommend to the full board approving the sale of the Dodge Charger to Bill Marsh Ford for \$13,000. Seconded by Mr. Borton. Motion passed unanimously.

### **ii. Old Police Vehicle**

Ms. Frisch reported that one of the deputies is interested in purchasing an old police vehicle. The vehicle's value has been determined to be worthless. The deputy is offering \$300 (value of A&L Iron if we scrapped it) to purchase this vehicle.

Motion by Mr. Borton to recommend to the full board approving the sale of old police vehicle for \$300. Seconded by Mr. Pallarito. Motion passed unanimously.

## **E. Budgets for 9/30 Year-End Funds – Bus and Commission on Aging**

The Bus budget was presented. This budget has already been approved by the Board in March, as the bus is required to submit their budget to the State early.

Ms. Wishart gave a presentation about the growing needs of the aging population in Otsego County. An audit of the Commission on Aging was performed by Dan Smith CPA. Dan gave the Commission on Aging clean record. With the new millage, it is estimated that the Commission on Aging will not have to use their fund balance in 2017 to support operations although they are budgeting a use of fund balance in 2018. The remaining fund balance will still meet their target of thirty-five percent of expenditures. There have been more instances where the Commission on Aging is receiving revenue from outside contracts. The board of the Commission on Aging approved the budget presented to this committee on September 13, 2017.

Motion by Mr. Borton to recommend to the full board the adopt the Bus and COA 9/30/2018 budgets as provided. Seconded by Mr. Pallarito. Motion passed unanimously.

## **F. Credit Card Statements – August 2017**

The Committee reviewed and discussed the statements.

## **G. Financial Reports**

The Committee reviewed and discussed the reports.

## **H. Other Updates**

Ms. Frisch presented information from the State of Michigan regarding the salaries of the Probate Judge. There would be a moderate increase beginning October 1, 2017.

Motion by Mr. Pallarito to recommend to the full board to approve the budget amendment for the Probate Judges salary increase. Seconded by Mr. Borton. Motion passed unanimously.

Ms. Frisch gave an update on the Groen property. They remaining twenty-five acres property may be transferred to Otsego County by the end of September.

Mr. Glasser adjourned the meeting at 10:49 a.m.