



Budget & Finance Committee

Wednesday, June 19, 2019 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, Ken Glasser, Rob Pallarito, Paul Liss, Rachel Frisch, Diann Axford, Mel Maier.

Others present – Chris Churches, Joe Mrak, Securitecture Principal .

APPROVAL OF MINUTES

Motion by Mr. Glasser to approve the minutes from the May 15, 2019 Budget and Finance Committee meeting. Seconded by Mr. Pallarito. Motion passed unanimously.

UNFINISHED BUSINESS

A. None

NEW BUSINESS

A. Jail Spec Presentation

Mr. Joe Mrak, Principal, Securitecture, introduces himself to the committee. Mr. Mrak is an architect with Securitecture and specializes in public safety designs. Mr. Mrak discusses the steps for a public safety complex feasibility study, detailing the process and noting that it is important to look at all possibilities so that all questions can be answered. Ms. Frisch asks how costs are controlled in comparison to design ideas. Mr. Mrak noted that budgets are presented on a high, low, medium spectrum. Mr. Mrak notes that it is critical to focus on the design as that will drive operational costs. Mr. Glasser asks how this ties in with P3 agreements. Mr. Mrak notes that there are cost savings with such agreements. Ms. Frisch notes that she was still uncertain on presented P3 funding ideas and noted that a P2 agreement might need to be looked into. Ms. Frisch also notes that the transfer of ownership under P3 agreements sound as if they might present some difficulties down the road. Mr. Mrak notes that there are options with transferring of ownership.

Mr. Mrak thanks the committee and leaves at 10:13 a.m.

Mr. Glasser asks Ms. Frisch for the Administration opinion. Ms. Frisch responds that such a project has been discussed with the Board and there was unanimous support of the 8 board members present into looking into such a project. Ms. Frisch notes that if a Public Safety Complex is constructed, this would be a necessary first step. Ms. Frisch recommends moving funds from the Capital Improvement fund into the County's Facilities Planning Fund.

Ms. Frisch motions to recommend to the full Board a budget amendment to move funds to the Facilities Planning Fund from the Capital Improvement Fund for the study. Mr. Borton seconds.

Mr. Borton recommends that Allegan County is communicated with as they worked with Securitech for their capital project. The Committee discusses that additional discussions will need to take place before engaging in a contract with Securitech.

A superseding motion is presented by Mr. Pallarito to postpone a contract and budget amendment until August. Mr. Borton seconds. Motion passed unanimously.

B. County Building Window and Roof Replacement

Mr. Churches hands out three cost options provided by South Arm Construction LLC. Mr. Churches notes that the County budgeted \$150,000 total for windows and roof. Mr. Churches noted that during planning it was determined that the County building is in need of paint and with the proposed cost from South Arm Construction LLC. the County Building would be restored and be a consistent theme with the Main Street Pavilion, enhancing the presentation of the downtown and County. Ms. Frisch notes that \$40,000 can be reallocated within the Capital Improvement Fund for other work that was not being done, which would leave a remaining need of \$50,000 to cover the proposed restoration. The Committee discusses that it is more cost effective to maintain the Building then to neglect the needed maintenance and incur an expensive repair or maintenance cost later. It was discussed that the remaining funding would be a transfer from the Delinquent Tax Fund.

Motion by Mr. Borton to recommend to the full Board the award of the County building roof, window and paint work in the total amount of \$228,966 to South Arm Construction LLC. And a budget amendment to move \$50,000 from the Delinquent Tax Revolving Fund to the Capital Improvements Fund. Seconded by Mr. Pallarito. Motion passed unanimously.

C. Land Use Services Vehicle

Ms. Maier presents a memo from Mr. Mouch detailing the vehicle need of the Land Use Services Department. The Department is in need of an additional vehicle to fulfill applicable responsibilities. The Committee reviews a 5 year historical fund balance of the Building Department, noting that financially, there has been growth and available funds to accommodate the need.

Motion by Mr. Borton to recommend to the full Board the Building Department budget amendment in the amount of \$25,000 from fund balance for the purchase of a Land Use vehicle. Seconded by Mr. Pallarito. Motion passed unanimously.

D. Bus Roof

Ms. Maier discusses the current status of MDOT funding for the Otsego County Bus System roof through the Small Urban Program. The committee acknowledges and discusses.

E. Recycling Millage

Ms. Maier provides handouts to the Committee presenting 2020 expense and revenue projections for the Recycling Fund. The projection shows a slight gain with a .25 millage rate in lieu of the .35 millage the County is approved to levy. The Committee discusses the success and impact the Recycling program has had for Otsego County and notes that if the Recycling fund can operate in 2020 with .25 mills, there is no need to levy the full .35.

Motion by Mr. Borton to recommend to the full Board to approve a levy of .25 for the Recycling millage in the fall 2019 levy. Seconded by Mr. Liss. Motion passed unanimously.

F. Budget Amendments

Before the budget amendments are presented, Mr. Glasser notes that the committee will review and discuss all budget amendments and pass one motion for all budget amendments.

Ms. Maier introduces six budget amendments:

a. Workers Comp in Child Care and Friend of the Court BAs

Ms. Maier discusses that the two presented budget amendments are necessary to reflect the increased worker's compensation amounts from the most current audit. Ms. Maier noted that the Courts will typically need to adjust the workers compensation line during the fiscal year, as the audit is subsequent to the budgeting timeline. The budget amendments proposed reclassify \$2,462 from the Child Care's supplies budget to the worker's compensation budget and \$911 from the Friend of the Court's supplies budget to the worker's compensation budget.

b. Finance Department, Reclassification of Payroll Wage Line Item

Ms. Maier presents a budget amendment in the amount of \$35,978 to reflect the reclassification of the regular hourly budget to the part time hourly budget, which is the correct line item for the Finance Department's applicable payroll.

c. Prosecutor, Computer

Ms. Maier presents a budget amendment to reflect a reclassification of funds in the amount of \$1,150 from the hospitalization budget to the supplies budget. Ms. Maier notes that the Prosecutor's laptop has been rebuilt multiple times and is reported to be having issues. A recommendation was made from an IT consultant to consider the purchase of a new computer. Ms. Maier noted that there is budget available in the hospitalization budget which could be moved to supplies to accommodate such a purchase.

d. Prosecutor, Reclassification of Payroll Wage Line Item

Ms. Maier presents a budget amendment in the amount of \$30,934 to reflect the reclassification of the part time hourly budget to the regular hourly budget, which is the correct line item for the Prosecutor Department's applicable payroll.

e. Capital Improvements, Parking Lot and Landscape Restoration

Ms. Maier presents a budget amendment in the amount of \$13,200 for parking lot and landscaping restoration. A graph of the historical 5 year Capital Improvements fund balance is included as well. The proposed budget amendment would use fund balance for the restoration work.

Motion by Mr. Pallarito to recommend to the full Board to approve the six presented budget amendments. Seconded by Mr. Liss. Motion passed unanimously.

G. Financial Reports Reviewed & Discussed

H. Credit Card Statements Reviewed & Discussed

I. Additional Information Shared

- a. Library Update: Ms. Frisch discusses that there is now a developed punch list that Mr. Mouch assisted with developing. Ms. Frisch notes the Library's grand opening will be in 2019, so final details of the project completion and budget are being monitored closely.
- b. Otsego Lake Drain: Ms. Frisch discusses that the Otsego Lake drain is at a point that it will need to be replaced. A timeline that the County should be pursuing is 1-2 years. Ms. Frisch discussed the cost of replacement and different ideas on how the cost could be addressed.

Mr. Glasser adjourned the meeting at 11:40 a.m.