



Budget & Finance Committee

Wednesday, January 15, 2020 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

Others present – Mel Maier, Chris Churches, Craig Froggett from Clark Construction, Brian Webber, Undersheriff Matt Muladore, Steven Burke from Municipal Financial Consultants, John Axe from Clark Hill, Henry Mason, James Flint

APPROVAL OF MINUTES

Motion by Mr. Pallarito to approve the minutes from the December 11, 2019 Budget and Finance Committee meeting. Seconded by Mr. Borton. Motion passed unanimously.

UNFINISHED BUSINESS

A. None

NEW BUSINESS

A. Otsego County Justice Complex

Ms. Frisch introduces Mr. Steven Burke from MFCI and Mr. John Axe from Clark Hill who have called in to discuss financing of the Otsego County Justice Complex (the “Complex”).

Mr. Axe discusses the millage resolution, explaining that if this proposed millage resolution is adopted, it will allow the County Clerk to run a special election on May 5th for the 1.95 mill for 20 years. Ms. Frisch notes general counsel has reviewed the millage language as well.

Ms. Frisch discusses that when MFCI provided the first millage proposal based upon the feasibility study from Byce, the millage would have been 2.3 for 20 years. Ms. Frisch explained how through looking to reduce costs within the project scope and using internal funding, the proposed millage rate is now 1.95 for 20 years.

Mr. Glasser requests an explanation of the TIC reported. Mr. Burke explained that that is the true interest cost and underwriter discount. Mr. Glasser asks Mr. Burke for his opinion on the market for municipal bonds. Mr. Burke responds that we have some of the lowest interest rates ever and there is a good chance the current interest rate environment will hold for the foreseeable future. He also noted the biggest challenge is the interest rate estimate.

The Committee thanked Mr. Burke and Mr. Axe for their time and the conference call is ended.

Ms. Frisch provides an information sheet to the Committee and explains the original mill of 2.3's impact then explained the impact of the lower mill of 1.95. Mr. Glasser asks which funds are providing the internal funding. Ms. Frisch reviews a handout provided with the information.

Motion by Mr. Liss to have a roll call vote to recommend to the full Board for approval, OCR 20-04, calling a special election for the purpose of submitting to the Otsego County electors a question of whether the County may levy 1.95 mills for 20 years, beginning with the December 1, 2020 tax levy. For the purpose of constructing, operating, equipping and furnishing a new Otsego County Justice Complex. Seconded by Mr. Pallarito.

Roll call vote for Resolution OCR 20-04

Yes: Mr. Borton, Mr. Glasser, Mr. Liss, Mr. Pallarito, Ms. Frisch

No: None

B. 2020 Millages

Ms. Frisch reviews current millages and their expiration timeframes. The Committee reviews and discusses.

C. Audit Services Bid

The Committee reviews the scoring and discusses the cost value of Anderson Tackman. Mr. Glasser inquires about reference checks and verifies that quality is researched.

Motion by Mr. Liss to recommend to the full Board the award of the audit bid to Anderson Tackman for 1 year plus a 3 year extension. Seconded by Mr. Borton. Motion passed unanimously.

D. Accelerate Otsego

Ms. Frisch informed the Committee that there is an opportunity for Otsego County to help participate in Accelerate Otsego. Ms. Frisch asks the Committee for their opinion on having the County provide funding of \$1,500 to cover the costs of auditorium and IT.

Mr. Glasser informs the Committee that he would prefer to hold onto the idea and move it to unfinished business in next month's meeting.

E. Library Building Update

Ms. Frisch provided an update to the Committee of the following points:

1. HVAC system is still being tested for efficiency. Mr. Glasser asked if there are any additional costs. Ms. Frisch noted that the final payment for the project has been made. The stairwell heating issue will be treated as a separate project.
2. There are lighting requirements that are being addressed.
3. There are acoustics being addressed within the teen room.
4. Integrity is looking into condensation from fire suppression pipes.

F. Financial Reports – The Committee reviewed, discussed and asked questions which were answered during the meeting.

G. Credit Card Statements - The Committee reviewed, discussed and asked questions which were answered during the meeting.

H. Finance Department Updates – None discussed at this time

Mr. Glasser adjourned the meeting at 10:37 a.m.