

# Finance Committee

## "Committee of the Whole"

Karen Bargy - Chair

Christian Marcus - Alternate

### Meeting Minutes November 5, 2018

Members: Karen Bargy, Ed Boettcher, Dawn LaVanway, Brenda Ricksgers, Bryan Smith, Melissa Zelenak, Dave Heeres, Christian Marcus,

Members absent:

Staff: Pete Garwood, Mathew Cooke, Deb Haydell, Sheriff Dan Bean, Undersheriff Dean Pratt,

*Please note that any motion marked with an asterisk (\*) will not be included on the consent agenda for the upcoming Board of Commissioners meeting and will require additional Board action.*

#### **1. The meeting was called to order at 9:03 p.m. by Chair Karen Bargy**

#### **2. Public Comment**

Sheriff Dan Bean introduced Charlie LaPan, a former Marine Patrol officer, to the Committee as the new road patrol deputy.

#### **3. Recommendations from Other Committees**

##### Health and Public Safety – 911 Key Fob Replacement

The key fob system for the 911 center is no longer operational. This matter was referred to the Finance Committee at the Health and Public Safety Committee meeting. Undersheriff Dean Pratt informed the Committee he has asked EPS, the vendor from whom the system was purchased, for a quote on the cost to repair the current system (preliminarily ball-parked at \$4,000). He also received a quote of \$3,500 for the replacement costs of the current system with an internet protocol (IP) based system. Undersheriff Pratt said that it made sense to use the Sheriff's Office as a pilot program for an IP based security system for door access. Undersheriff Pratt said if the pilot program is successful, it is possible the rest of the County could be added to the IP security program.

No action was taken, as the Sheriff has the authority and the funds to make the purchase without a motion from the Committee or Board.

#### **4. Financial Director Information**

##### Revenue and Expenditure Report October 2018

Ms. Bargy noted that the Prosecuting Attorney Victims' Rights and Resource Recovery funds are over the year to date threshold for expenditures. Deb Haydell, Finance Director, said that the expenditures for Prosecuting Attorney Victims' Rights increased due to hours worked and the Resource Recovery needed an \$8,160.67 budget amendment due to high utilization of the Hazardous Waste Day events. She added that the 2019 Resource Recovery approved budget specific to the Household Hazardous Waste Day events is \$38,100.

##### Organization Appropriations Request- Informal Process

Ms. Haydell said there has been a practice in place for appropriation requests, but nothing was ever in writing. Ms. Haydell said that there is nothing in the State Constitution that specifies who can apply for an appropriation, and that most counties do not have a policy on the matter. She added that language could be changed in future budget resolutions that would address the wishes of the Board. Ms. Bargy asked that any comments on the informal process be sent to the Finance Director, and that this will be brought back for the next Finance Committee meeting.

## DRAFT

### 2018 Budget Amendment

The first budget amendment was for Department 719 Resource Recovery, Contractual Services. Ms. Haydell said that the budget amendment is specific to the contractual services line item and not the whole department budget.

**Motion by Ed Boettcher, seconded by Christian Marcus, to recommend the Board of Commissioners authorize the Finance Director to Budget for Fiscal Year 2018, \$8160.47, for the General Fund 101, Department 719 Resource Recovery, Contractual Services (101000-719-802.000). The funding for this activity can be accounted for in the General Fund ending Fund Balance.**

**Motion Carries- Unanimous**

The second budget amendment was for the purchase of Quick Series Guides for Veterans by the Veterans' Affairs Department.

**Motion by Dave Heeres, seconded by Melissa Zelenak, to recommend the Board of Commissioners authorize the Finance Director to Budget for Fiscal Year 2018, \$927.42, for the General Fund 101, Department Veterans Affairs 682, Printing and Publishing 901.000 (101000-682-901.000). The funding for this activity is accounted for in the General Fund Revenue for Private Contribution and Donations. 101000-000-674.000.**

**Motion Carries- Unanimous**

The third budget amendment was to increase per diems for additional meetings of the Housing Committee.

**Motion by Bryan Smith, seconded by Brenda Ricksgers, to recommend the Board of Commissioners authorize the Finance Director to Budget for Fiscal Year 2018, \$250.00, for the General Fund 101, Department 694 Housing Administration, Per Diem 710.001 (101000-694-710.001) AND \$85.00 for the General Fund 101, Department 694 Housing Administration, Travel 861.000 (101000- 694-861.000) The funding for this activity can be accounted for in the General Fund ending Fund Balance.**

**Motion Carries- Unanimous**

### Engagement Letter and 2019 Budget Amendment

Ms. Haydell said that this was for Other Postemployment Benefits (OPEB) audit reporting as required by Governmental Accounting Standards Board (GASB) Statement 75. She sent out a Request for Proposals, with Jefferson Solutions, Inc. submitting the lowest bid and good references. Ms. Bary noted that this would be for two years. Mr. Boettcher said that this was beneficial to take care of liabilities now rather than later. Ms. Haydell said that by the time the firm gets to the 2018 audit, it will be 2019, and therefore has requested the funds for fiscal year 2019. Pete Garwood, County Administrator, noted that this was an engagement letter and not a contract. Ms. Haydell said that the rule to report on GASB 75 is a yearly event, and Jefferson Solutions, Inc. would be handling the two years.

**Motion by Melissa Zelenak, seconded by Ed Boettcher, to recommend the Board of Commissioners authorize the Finance Director to sign the Engagement Letter for Jefferson Solutions, Inc. for OPEB reporting for both Fiscal Year 2018 and Fiscal Year 2019 for the total cost of \$3950.**

**Motion Carries- Unanimous**

**Motion by Melissa Zelenak, seconded by Dave Heeres, to recommend the Board of Commissioners authorize the Finance Director to Budget for Fiscal Year 2019, \$3950, for the General Fund 101, Department Budget- Acct Services 212, Contractual Services 802.000 (101000-212-802.000) for reporting on GASB 75 through an actuarial firm, and the funding to come from the General Fund 101, Special Project 895, Contingencies 999.000 (101000-895- 999.000).**

**Motion Carries- Unanimous**

### MERS Unfunded Liability

Ms. Bary noted we are not in the "unfunded status" as our pension liability is above 60% funded. Ms. Haydell said she provided a chart on page 13 of the agenda packet, which shows the different percentages by year for each year under a no-phase in computed annual employer contribution. Mr. Boettcher says that the difference between 7.75% compared to 6.75% for a rate of return on investment (ROI) would result in an increase of the

County's contribution to \$322,164.00. Bryan Smith asked why being 100% funded was important and if funding for additional contributions could be used elsewhere. Mr. Boettcher said that the higher the percentage rate funded the plan is, the better it is for the County, as it is a benefit promised to employees. It also reduces future annual costs, and reduces future liability issues. Mr. Marcus added that this also helps with the County's credit rating. The Committee discussed being 100% funded and where the County should be aiming for. Ms. Haydell noted that the State recognized Antrim County as doing a good job with their unfunded liabilities.

**Motion by Ed Boettcher, seconded by Bryan Smith, to recommend that the Board of Commissioners approve a 2019 budget amendment to include an additional payment toward the MERS pension unfunded liability in the amount of \$322,164.00, which is the difference between the assumed MERS rate of 7.75% and a more conservative rate of 6.75% to be expensed from the General Fund ending fund balance.**

**Motion carried – unanimous.**

Budget 2019

*Circuit Court Information*

Ms. Haydell said she has attempted to contact circuit court since the budget was reduced by 4% for non-personal items. She added that there does not seem to be an issue with the reduction, but there was a request for the County Administrator and the Finance Director to meet regarding the 2020 budget. Ms. Haydell will keep the Committee apprised on the results of the meeting when it occurs.

*MSUE Communication*

Ms. Haydell said that Jennifer Berkey, MSU District 3 Director, said that Antrim County does a great job with their budget process.

**5. Information Technology- 2018 Capital Improvement Project**

Mr. Bary noted this was to replace the network switches at the courthouse which was an approved 2018 CIP project. She added that Presidio was the low quote and there was \$21,000 budgeted for the project.

**Motion by Melissa Zelenak, seconded by Ed Boettcher to approve the low quote from Presidio for replacement switches for the Courthouse at a cost of \$19,562.05 to be paid from GL # 101000-901-980.228, Capital Outlay – Computer, as budgeted.**

**Motion Carries- Unanimous**

**6. 2019 Appropriations- Contract for Services**

Ms. Haydell said all amounts have been confirmed.

**Motion by Brenda Ricksgers, seconded by Melissa Zelenak, to recommend the Board of Commissioners authorize the Board Chairman to execute contracts for services for the 2019 appropriations with the Antrim County Fair, Conservation Resource Alliance, Traverse Area District Library, The Watershed Center Grand Traverse Bay and the 2019 fiduciary services agreement with Goodwill Industries of Northern Michigan, Inc. for the Antrim County Community Collaborative.**

**Motion Carries- Unanimous**

**7. Fiduciary Indemnity Update**

Mr. Garwood said the proposed letter will be drafted after the quote has been received for the insurance. Ms. Bary asked that Mr. Garwood contact Community Mental Health for their letter they used. There will be a letter drafted for the next Finance Committee meeting.

**8. Claims and Accounts**

**Motion by Brenda Ricksgers, seconded by Bryan Smith, to recommend the Board of Commissioners approve the Claims and Accounts in the amount of \$260,450.56.**

**Motion carries – Unanimous**

**9. Various Matters**

Mr. Marcus asked who has the ability to consult with legal counsel. Mr. Garwood said contact with counsel is typically handled through the County Administrator but if there are specific discussions with department heads, he will grant them authority to discuss with legal counsel.

Mr. Boettcher asked if the County has received a workmen's compensation refund check. Ms. Haydell said not to her knowledge, and Sheryl Guy, County Clerk, added that she had not received it yet.

Dawn LaVanway brought up the Parks and Recreation Plan that will be addressed at the Board of Commissioners meeting. She wanted to make sure the members were aware of the draft plan. Mathew Cooke, Deputy Administrator said that a communication and link to the plan was emailed out on Wednesday, October 31, 2018. The Committee discussed the process of the Parks and Recreation Plan which will be discussed further at the Board of Commissioners regular meeting on November 8, 2018.

**10. Public Comment**

None.

*The meeting adjourned at 10:35 a.m.*

DRAFT