

Finance Committee

"Committee of the Whole"

Laura Stanek - Chairman

Ed Boettcher – Alternate

Minutes

September 12, 2016

Members: Laura Stanek, Mike Crawford, Karen Bargy, Ed Boettcher, Dave Heeres, Chuck Johnson, Christian Marcus, Bryan Smith, Bob Wilson
Members absent: None
Others: Pete Garwood, Deb Haydell, Janet Koch, Sheryl Guy

1. The meeting was called to order at 9:05 a.m. by Chair Laura Stanek.

2. Public Comment

None.

3. Budget

Capital Improvement Projects

At the previous Finance Committee meeting on September 6, Ms. Stanek had requested that Sherry Comben, County Treasurer, provide the amount that could be spent from the delinquent tax fund without jeopardizing the tax payment funds to the townships. Ms. Haydell distributed a document summarizing the decisions made regarding the capital improvement projects at the previous meeting and a document from Ms. Comben regarding the excess tax fund dollars (**see attached pgs. 8-9**).

The September 6 decision of the Finance Committee to fund the estimated \$200,000 Grass River Natural Area (GRNA) road improvements across three years at \$66,666.67 each year was discussed. Pete Garwood, County Administrator, said the Administration Department had contacted the Road Commission and learned there was no optimal way to split the project into three years.

Motion by Ed Boettcher, seconded by Mike Crawford, to recommend the Board of Commissioners approve the Finance Committee's September 6 recommendations to fund the following 2017 capital improvement projects from the 2017-2022 Capital Improvements Plan and to transfer the \$66,667 for the GRNA road improvements to restricted Fund 223 with the intention of accumulating \$200,000 over a three-year period to fund the road improvements, and to pay for the above projects with funds from the delinquent revolving tax fund.

- County Building needs assessment - \$29,500
- Airport Runway rehabilitation grant match - \$73,000
- Repaving projects at County Building, Courthouse & Jail - \$46,000
- Jail: Roof for garage/boiler room - \$15,000
- Barnes Park: electrical pedestals - \$70,000
- GRNA road improvements - \$66,667
- Jail: washer/dryer - \$10,000
- IT: replacement of network switches - \$55,000

Yes votes - Stanek, Crawford, Ed Boettcher, Heeres, Johnson, Marcus, Smith

No votes - Bargy, Wilson

Motion carried.

General Fund Expenditures

The Finance Committee continued to review proposed 2017 budget expenditures. It was noted that the law enforcement budget increases were due primarily to 2017 2% increase in 2017 wages, per union contract.

No changes were made to the following budgets:

- 101000-301 Sheriff
- 101000-331 Marine
- 101000-334 Secondary Roads

101000-351 Jail

The Committee discussed the \$40,000 estimate for health services line item 351-835.000. Karen Bargy suggested averaging the health services expenses for the past three years. Ms. Haydell said in the absence of information from a department head she averaged the past two years expenses to project ahead. It was the consensus of the Committee to change line item 351-835.000 to \$35,000.

The Committee discussed the current practice of budgeting for anomalies. Mr. Boettcher suggested that budget anomalies be funded through contingencies.

No changes were made to the following budgets:

- 101000-352 Zero Tolerance
- 101000-426 Emergency Services
- 101000-430 Animal Control
- 101000-442 Dams and Dams Operator: Ms. Bargy suggested that the equipment maintenance costs should come out of the Dams Reserve to enable the more accurate tracking of the costs for the dams.

101000-601 Health

Ms. Haydell said in future years the appropriation to the Health Department of Northwest Michigan would be made in a different fund to enable easier tracking. Ms. Bargy asked if the Committee wanted to recommend financing the additional \$10,000 appropriation to the Health Department. Ms. Bargy and Mr. Wilson had voted against the increase at the Health Dept. Board meeting, but they had been outvoted. It was the consensus of the Committee to keep the 2017 appropriation at the 2016 level of \$226,961 with the knowledge that an additional \$4000 might have to be appropriated.

The Committee recessed at 10:30 a.m.

The Committee returned from recess at 10:40 a.m.

No changes were made to the following budgets:

- 101000-648 Medical Examiner
- 101000-671 Welfare: It was noted that the salary and per diem amounts were for Board of Commissioner appointees to the Dept. of Health & Human Services Board. Ms. Haydell said the appropriation to Child Care would be in the #101000-966 budget in the future.
- 101000-673 Aging: Ms. Haydell said the budget was expenses for the Commission on Aging board.
- 101000-682 Veterans Affairs
- 101000-694 Housing: Ms. Haydell said the budget was expenses for the Housing Board.

101000-719 Resource Recovery

Janet Koch, Associate Planner, said the Antrim Conservation District was requesting that a Mancelona collection day be added to the County's Household Hazardous Waste contract. The line item was reduced to \$25,000 with the intent of holding three collection days.

101000-720 Planning Commission

The line item for per diem was reduced to \$2,500.

...General Fund Expenditures (continued)

No changes were made to the following budgets:

- 101000-721 Planning/Coordinator: It was noted that overtime hours had been added to the budget due to changes in the Fair Labor Standards Act.
- 101000-728 Economic Development Commission
- 101000-729 Brownfield Redevelopment Authority
- 101000-754 Cedar River Natural Area, Mohrmann Natural Area, Murphy Park
- 101000-755 Noteware, Wetzel, Willow Day Parks
- 101000-756 Barnes Park: The 2017 budget increase was due primarily to wage increases. Mr. Crawford told the Committee that the wages of a qualified parks director would be substantially more than is currently paid to the parks manager.
- 101000-757 Elk Rapids Day Park
- 101000-851 Insurance & Bonds
- 101000-895 Special Projects-Other: Ms. Haydell said #101000-895-999.000 Contingencies has, in the past, been used for increases in wages and benefits. She added that the current proposed budget already includes wage increases for most of the union contracts.

101000-901-980 Capital Outlay

The Committee reduced the #980.265 item for a maintenance truck to \$16,000.

The Committee discussed line item #980.301 - \$12,200 for a snowmobile; Ms. Haydell said there is a possibility of a grant award from the State of Michigan for the purchase of the snowmobile. Mr. Marcus questioned the model requested by the Sheriff's Office.

Ms. Bary said the \$12,300 for #980.430, Sungard Record Management Systems, had not been brought to the Health & Public Safety Committee. The request was denied by the Finance Committee.

The Committee of the Whole recessed at 12:05 a.m.

The Committee of the Whole returned from recess at 12:30 a.m.

101000-902-980 Capital Outlay-Computers

No changes

101000-966 Appropriations

956.001 – Antrim Conservation District (ACD)

After discussion, the Committee agreed that the additional request for appropriations was essentially for a full-time district manager. In the past, the appropriation was \$20,900. The ACD appropriation request for 2017 was \$58,310.

It was the consensus of the Committee to appropriate \$37,410 from #165000 and \$20,900 from the general fund.

956.007 – Community Corrections

No changes.

956.008 – ACD Forestry

The current Forestry contract will expire at the end of 2018. Ms. Stanek said Forestry is an ACD function and could be reduced in 2018 due to the ACD millage that was approved by the voters in August 2016. The Committee discussed the ACD's fund balance.

It was the consensus of the Committee to approve an appropriation of \$76,000 for Forestry.

...101000-966 Appropriations (continued)

No changes were made to the following budgets:

- 956.010 – Farm & Family Fair Board
- 956.011 – Area on Aging
- 956.012 – A G Growth Alliance (Northern Lakes Economic Alliance)
- 953.016 – Northwest Michigan Council of Governments (Networks Northwest)
- 953.018 – Conservation Resource Alliance (CRA): Mr. Marcus asked if there was overlap in responsibilities between CRA and ACD. Mr. Smith said the donor base for CRA was wider than Antrim County. Ms. Bargy said CRA has a specific function for grant awards through the state and other sources and that the ACD is not currently equipped to apply for those grants.

956.019 – Watershed Center

The Committee's consensus was to reduce the 2017 appropriation to 2016 levels.

No changes were made to the following budgets:

- 956.026 – Antrim County Community Collaborative
- 956.030 – Traverse Area District Library

Mike Crawford left the meeting at approximately 1:15 p.m.

956.223 – Grass River Fund (Grass River Natural Area, Inc.)

The 2017 request was \$68,850; the 2016 appropriation had been \$40,150. Ms. Bargy recommended that the appropriation be reduced from the 2016 level by \$5,000 to \$35,500. Mr. Wilson and Mr. Heeres agreed. Mr. Boettcher said he felt the circumstances were different at the time the 2011 contract was signed.

It was the consensus of the Committee to appropriate \$40,150 to GRNA.

956.226 – Recycling

No changes

956.235 – Petoskey Stone Festival

The Committee reduced the appropriation to \$500.

956.238 – Glacial Hills

Mr. Boettcher said Forest Home Township is appropriating \$5000. He added that the agreement with the Glacial Hills Recreation Board is for trail maintenance, but the Recreation Board is also funding portable toilets and maintaining parking lots, which is making the forest land more available to the general public. Mr. Boettcher said a trail counter is showing an average of over 1000 uses per week on the trail.

Ms. Bargy asked why the Glacial Hills Fund 238000 wasn't being used for the \$2,500 in maintenance; Ms. Haydell said she would look into the appropriate uses of Fund 238. She said a budget amendment would be made if necessary, probably in January 2017.

No changes were made to the following budgets:

- 956.269 – Law Library
- 956.279 – Snowmobile
- 956.297 – Commission on Aging

956.402 – Soil Erosion

Mr. Garwood said funding the soil erosion program is a statutory obligation. It was the consensus of the Committee to appropriate the 2016 amount of \$66,847.

No changes were made to the following budgets:

- 956.581 – Airport
- 956.588 – Antrim County Transportation

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Chuck Johnson left the meeting at 2:15 p.m.

The Committee recessed at 2:15 p.m.

The Committee returned from recess at 2:25 p.m.

The Committee reviewed proposed 2017 budgets for funds other than the general fund.

No changes were made to the following budgets:

- 105 Self-Insured Reserve Fund
- 129 Victim's Rights Reserve
- 137 Capital Outlay Reserve
- 142 Dams Reserve
- 144 Gas & Oil Royalties Reserve
- 161 Grant Match Reserve
- 165 Antrim County Conservation District Reserve: Ms. Haydell said per the Committee's decision earlier in the meeting, the fund would show a transfer of \$37,410.
- 215 Friend of the Court

218 Technology Transition Fund

The Committee discussed eliminating Fund 218, which was showing \$200.

Motion by Ed Boettcher, seconded by Bryan Smith, to recommend the Board of Commissioners close fund 218 and move the monies to the general fund. Motion carried – unanimous.

220 Dams - Special Assessment

Motion by Ed Boettcher, seconded by Karen Bargy, to recommend that the Board of Commissioners authorize the Finance Director to close Fund 220 upon the completion of the work at the Elk Rapids Hydro Dam. Motion carried – unanimous.

No changes were made to the following budgets:

- 223 Grass River Operations: Ms. Haydell said that per the Committee's decision earlier in the meeting, that the fund would show a transfer.
- 225 Animal Control Donations
- 226 County-Wide Recycling: Ms. Haydell said before the new recycling millage monies are taken in, that the existing fund balance from #226 will be transferred to the general fund to completely separate the millage monies from general fund monies.
- 230 Forestry
- 234 Antrim Creek Natural Area

235 Petoskey Stone Festival

It was the consensus of the Committee to reduce the requested appropriation by \$500.

No changes were made to the following budgets:

- 236 Parks Fundraiser
- 238 Glacial Hills: Ms. Haydell will be looking into expending the requested \$2,500 from this fund.

240 GIS Operations

It was the consensus of the Committee to purchase the plotter, budgeted at \$9,500, from Fund #240 instead of the general fund.

No changes were made to the following budgets:

- 242 Energy Savings
- 249 Construction Code Enforcement (Building Dept.)
- 255 Homestead Property Tax Exemption Audit

...Other Funds (continued)

- 256 Register of Deeds Automation
- 257 Budget Stabilization Fund
- 259 911-Training

261 911-Operating

Mr. Wilson recommended transferring \$325,000 from the oil and gas fund for funding new 911 dispatch consoles. Ms. Bargo said the 911 Board was recommending to upgrade the 911 dispatch consoles at a cost of \$25,000 instead of purchasing new for more than \$325,000. Mr. Marcus said the County should purchase 800 megahertz radios for all fire departments in the County.

Mr. Marcus left the meeting at 3:00 p.m.

Mr. Boettcher said it seemed as if all the stakeholders had a different point of view regarding the best solution; he advised having a discussion about the various projects with Sheriff Bean, Sergeant Gank, and others in the room.

Mr. Heeres left the meeting at 3:15 p.m.

The Committee did not finalize the budget for Fund 261.

262 911-Wireless

The Committee did not finalize the budget for Fund 262.

No changes were made to the following budgets:

- 263 Gun Board: the Finance Director was asked to change the name to Concealed Pistol Licensing.
- 266 ORV Ordinance
- 267 Jail Inmate Proceeds
- 268 Michigan Justice Training
- 269 Law Library
- 275 Housing Project Income
- 278 Housing Fund
- 279 Snowmobile Grant: Ms. Bargo asked why the purchase of snowmobiles weren't budgeted from that fund. Ms. Haydell said she will look into the issue.
- 281 Housing CDBG (Community Development Block Grant)
- 285 Revenue Sharing Reserve
- 287 Emergency Services LEPC Grant (Local Emergency Planning Commission)
- 290 Veterans Affairs
- 292 Child Care Fund
- 293 Veterans Relief
- 294 Veterans Trust Fund
- 297 Commission on Aging (COA): Ms. Haydell said she would look into how the unemployment for the Nifty Thrifty employees (dept. 688) was budgeted for 2017.
- 298 Meadow View Senior Housing
- 351 Meadow Brook Project Debt Retirement
- 468 Grass River Center Construction: The Committee discussed moving the fund to a type of account that can accrue interest. Ms. Haydell was instructed to look into moving the fund and bringing that information to the Finance Committee.
- 470 Capital Projects – County Buildings & Structures: The Committee discussed funding some of the Capital Improvement projects from Fund #470. Ms. Bargo said it was harder to track accurate costs for the County buildings and structures if improvements were spread across different funds.
- 581 Airport

...Other Funds (continued)

582 Elk Rapids Hydro Utility System

Motion by Ed Boettcher, seconded by Karen Bargy, to recommend the Board of Commissioners authorize the Finance Director to extend the funding for the Elk Rapids Hydro Dam capital outlay project, approved for 2016 at the Board of Commissioners meeting of November 12, 2015 at a cost of \$165,000, with budget amendments that would bring the 2016 expenditures for line item 582000-901.980.000 to \$2,500 and budget \$162,500 to the same line item in 2017. Motion carried.

The next budget meeting was scheduled for September 19, 2016 at 9:00 a.m.

4. Public Comment

None.

The meeting was adjourned at 3:40 p.m.

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CIP-PROPOSED 2017 PROJECTS			FINANCE REVIEWED 9/6/16					
DESCRIPTION	GL NUMBER	AMOUNT				Approved	Approved OTHER Fund	NOTES
County Building needs assessment	101000-901-980.265	29,500				29,500		
Airport:Runway Rehab	581000-295-954.295	73,000	Grant Match			73,000	IN FUND 581	
County Building Parking Lot Repave	101000-901-980.265	20,075				46,000		Combine all three projects into one
Courthouse/Jail Parking Lot Repave	101000-901-980.264	12,375						
	101000-901-980.351	12,375						
Jail:Roof for garage/boiler room	101000-901-980.351	15,000				15,000		
Parks: Barnes Park Electrical Pedestals	101000-901-980.756	50,000				70,000		quote came in at \$70K
Elk Rapids Day Park Path Replacement	101000-901-980.757	14,500						
GRNA:Road/ Parking Lot	223000-901-980.000	200,000				66,667	IN FUND 223	Divide program into 3 year process
Dive Team Response Trailer	101000-901-980.301	5,000						CAPITAL OUTLAY IN 301
Jail: Washer/Dryer	101000-901-980.351	10,000				10,000		
IT: Replace Network Switches	101000-901-980.228	55,000				55,000		
TOTAL		496,825	0	0	0	0	365,167	
REMOVED 2 Items from Original List								
Jail:Reclassification Software		11,510						
Portable fingerprint system		18,490						

TAXABLE VALUE				DELINQUENT TAXES ROLLING 3 YEAR AVERAGE APPROACH TIMES 2.25							Reserved By Board	Balance Available for Transfer
COUNTY BUDGET YEAR	TAX YEAR	VALUE AD VALOREM + SPEC ACTS	CHANGE IN VALUE	TOTAL LEVY ALL SEASONS ALL ROLLS	AMOUNT RETURNED DELINQUENT	% of total Levy	COVERAGE BALANCE REQUIRED	ANNUAL CASH BALANCE 03/31	POSSIBLE AVAILABLE FUNDS			
	2006	1,593,925,601	6.85%	\$ 54,160,869								
2008	2007	1,701,329,846	6.60%	\$ 57,189,730	5.59%	\$ 3,636,803 *	6.71%	\$ 7,273,606	\$ 5,203,164	9/30/2007	(\$2,070,442)	
2009	2008	1,752,937,766	3.16%	\$ 57,627,368	0.77%	\$ 3,867,890 *	6.76%	\$ 7,427,668	\$ 5,527,670	3/31/2008	(\$1,899,998)	
2010	2009	1,804,907,683	2.96%	\$ 58,971,555	2.33%	\$ 4,178,679 *	7.25%	\$ 7,581,722	\$ 6,531,924	3/31/2009	(\$1,049,798)	
2011	2010	1,722,510,412	-4.57%	\$ 56,675,233	-3.89%	\$ 4,466,099 *	7.57%	\$ 7,788,915	\$ 6,195,611	3/31/2010	(\$1,593,305)	
2012	2011	1,677,554,061	-2.61%	\$ 55,729,680	-1.67%	\$ 3,788,021 *	6.68%	\$ 8,341,779	\$ 7,842,540	3/31/2011	(\$499,239)	
2013	2012	1,680,663,223	0.19%	\$ 56,360,790	1.13%	\$ 3,260,431 *	5.85%	\$ 8,288,533	\$ 8,518,701	3/31/2012	\$ 230,168	
2014	2013	1,700,925,006	1.21%	\$ 57,173,724	1.44%	\$ 3,145,601 *	5.58%	\$ 7,676,367	\$ 8,456,377	3/31/2013	\$ 780,010	
2015	2014	1,721,797,938	1.23%	\$ 58,874,103	2.97%	\$ 3,802,146 *	6.65%	\$ 6,796,035	\$ 9,349,004	3/31/2014	\$ 2,552,968	
2016	2015	1,746,154,450	1.41%	\$ 59,863,304	1.68%	\$ 2,940,244 *	4.99%	\$ 6,805,452	2 \$ 9,669,369	3/31/2015	\$ 2,863,917	
2017	2016	1,759,861,488	5 0.78%	\$ 61,437,147	4 2.63%	\$ 2,885,011 *	4.82%	\$ 6,591,994	2 \$ 11,094,303	3/31/2016	\$ 4,577,309	\$ (75,000) \$ 4,502,309

3=.50% est Increase
5=2016 Equal report

4=2.5% est Increase

* Actual prior year delinquents
1=5.5% Increase

2=rolling average previous 3 year's delinquent tax, times coverage of 2

Optional Method-Using Prior Years Interest plus Collection Fee

BUDGET YEAR	COLLECTED MULTIPLE YEARS COLLECTION FEE	COLLECTED MULTIPLE YEARS INTEREST	COLLECTED COMBINED TOTAL	RESERVED BY BOARD	BALANCE AVAILABLE
2008	\$ 146,770.51	\$ 340,099.54	\$ 486,870.05		
2009	\$ 145,207.00	\$ 347,221.75	\$ 492,428.75		
2010	\$ 171,553.29	\$ 403,362.79	\$ 574,916.08		
2011	\$ 153,933.70	\$ 412,167.03	\$ 566,100.73		
2012	\$ 124,614.12	\$ 369,578.95	\$ 494,193.07		
2013	\$ 132,534.59	\$ 374,825.06	\$ 507,359.65		
2014	\$ 136,890.53	\$ 344,606.46	\$ 481,496.99	\$ (75,000.00)	\$ 406,496.99
2015	\$ 128,804.53	\$ 349,548.89	\$ 478,353.42		