

Finance Committee

"Committee of the Whole"

Laura Stanek - Chairman

Ed Boettcher – Alternate

Minutes September 19, 2016

Members: Laura Stanek, Karen Bargy, Ed Boettcher, Dave Heeres, Chuck Johnson, Christian Marcus, Bryan Smith, Bob Wilson
Members absent: Mike Crawford
Others: Pete Garwood, Deb Haydell, Janet Koch, Sheriff Dan Bean, Undersheriff Dean Pratt, Sergeant Mike Gank, Sheryl Guy

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

2. Public Comment

None.

3. Barnes Park Electrical Work

Pete Garwood, County Administrator, said the Park Manager, Eileen Wallick, was requesting that the Finance Committee approve the electrical work on the pedestals for completion in the fall of 2016 instead of 2017 due to deteriorating electrical conditions and the oak wilt. To prevent the spread of oak wilt, Michigan's Department of Natural Resources recommends the oak trees not be pruned between April 1 and the fall and Michigan State University Extension recommend that oak trees not be pruned between April 15 and the fall. Bob Wilson asked about the use of a product (tree tar) that can prevent the spread of oak wilt. Ms. Wallick indicated all literature on the matter recommend a latex based product.

Motion by Karen Bargy, seconded by Chuck Johnson, to authorize that the electrical pedestal project in Barnes Park previously scheduled for 2017 be moved to the 2016 fiscal year, and that it be funded from the delinquent tax payment fund.

Motion carried – unanimous.

Ms. Bargy noted her concerns about waiving the competitive bid process. Ms. Wallick said she had obtained two quotes.

Motion by Karen Bargy, seconded by Christian Marcus, to authorize a one-week minimum of advertising for a public bidding process for the installation of the proposed electrical pedestals at Barnes Park, with the bids to be opened and selected by the Chair of the Buildings, Lands & Infrastructure Committee, the County Administrator, and the Finance Director. Motion carried – unanimous.

4. Budget

The Committee discussed the projects for Fund 261 and 262, the 911 funds. Sheriff Dan Bean said the 911 Board and the County's police departments would like to move in the direction of mobile computer terminals (MCTs). Ms. Bargy asked how many local ambulance, fire, and police units would be required for the County-wide installation of MCTs. Sergeant Mike Gank said achieving parity of communication across the County would require the same offer to law enforcement, ambulance, and fire departments.

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Sergeant Gank said the number of units the County planned to purchase with the current \$440,000 proposal was 20 units for County and village law enforcement, 10 Emergency Medical Services (EMS) units, and 20 units for fire departments. Sergeant Gank said the proposed MCT expense could be split between funds 261 and 262. Ms. Bargo asked what municipalities would receive the MCT units. Sergeant Gank said the police chiefs are behind the project, but getting commitments was an evolving process.

Sergeant Gank told the Committee the two goals of moving to a simulcast system were increased building penetration and a single unified channel. He added that the only way to truly improve the simulcast signal is to build new towers. Sergeant Gank told the Committee he was looking into a direct network connection that could solve some of the communication issues. Sergeant Gank said many dispatch centers utilize multiple radio channels when paging fire and EMS, including VHF and 800 mhz together. With this methodology, the simulcast system would be used for paging and supplementary radio channels would be used when voice quality is an issue.

Referring to the communication difficulties in the village of Central Lake, Sergeant Gank said there is no 800 portable radio coverage and that the cost of installing that equipment in Central Lake could be approximately \$450,000. That cost did not include construction of a tower.

Finance Director Deb Haydell said the audited 2015 amount in Fund 144 was \$492,936. Ms. Bargo said updating the 5500 consoles would extend their service life by at least 3-years; at the end of that time the situation would be re-evaluated. Mr. Johnson said updating the 5500 consoles and delaying the purchase of 7500 consoles was putting thousands of dollars into a short-term fix. Mr. Boettcher said in three years the County would be in a better position to approve larger 911 purchases.

Motion by Bob Wilson, seconded by Chuck Johnson, to add \$350,000 from Fund 144- Oil and Gas Royalties to Fund 261- E911 for the purchase of the Motorola 7500 consoles. Yes votes – Johnson, Smith, Wilson, Stanek; No votes – Bargo, Boettcher, Heeres, Marcus; Absent – Mike Crawford. Motion was a tie and was not approved.

Motion by Ed Boettcher, seconded by Christian Marcus, to recommend the Finance Committee approve the 261 and 262 budgets as presented. Yes votes – Boettcher, Johnson, Marcus, Smith, Wilson; No votes – Bargo, Heeres, Stanek; Absent – Mike Crawford. Motion carried.

The Committee recessed at 10:20 a.m.

The Committee returned from recess at 10:30 a.m.

Previous to the meeting, Ms. Haydell had distributed hard copies of the funds that had been revised at the Finance Committee meeting on September 12, 2016.

Ms. Haydell said Animal Control Fund 255 would be receiving a donation slightly more than \$100,000. The donation was a memorial for a new wing to the shelter, or if that wasn't feasible, a surgical room, or if that wasn't feasible, improvements to the building that are an enhancement that are directly related to the care of the animals.

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The Committee and Undersheriff Dean Pratt discussed reinstating the funding for the Sungard records management system (RMS) for Animal Control, which had been deleted from the animal control budget at the previous Finance Committee meeting.

Undersheriff Pratt said the Sheriff's Office was getting more requests from the Prosecutor's Office for documentation regarding animal control records. The Sungard system was relatively inexpensive for an RMS and was a module that could be added to the existing Sheriff's Office RMS. Ms. Haydell said the \$12,300 cost of the Sungard system could not be funded with the donation. Ms. Stanek asked if there was a motion to put the \$12,300 back into General Ledger #101000-901-980.430.

Ms. Bargy asked about privatizing some animal control services with the donation. Ms. Stanek said she thought the public gets confused about the difference between animal control and a humane society. Ms. Stanek reminded the Committee of the amount of research that could be required in the event of a lawsuit. She said the amount of research necessary can be reduced with an RMS.

Motion by Christian Marcus, seconded by Chuck Johnson, to budget the \$12,300 purchase of the Sungard RMS for Animal Control in 2017. Yes votes – Boettcher, Johnson, Marcus, Stanek; No votes – Bargy, Heeres, Smith, Wilson; Absent – Crawford. Motion was a tie and was not approved.

Ms. Haydell said that General Fund expenditures budget showed an excess of \$827,968 compared to the General Fund revenues budget. She also told the Committee that the 2015 audited number for Fund 218's fund balance was \$64,179. At the previous Finance meeting, the Committee had the understanding that the fund had a \$200 balance and made a motion to close the fund and move the monies to the general fund.

Motion by Ed Boettcher, seconded by Bryan Smith, to rescind the Finance Committee's motion of September 12, 2016 to recommend the Board of Commissioners close fund 218 and move the monies to the general fund. Motion carried – unanimous.

Ms. Haydell confirmed that Fund 468 Grass River Center Construction was not an interest-bearing fund. She said she will review the initiation of the fund and, before 2016 year end, provide a recommendation for the Fund type to transfer the balance to.

Ms. Haydell said that with removing the Barnes Park pedestals from the 2017 budget, the tax payment fund revenue transfer would be \$295,421.

Ms. Stanek asked how the Committee wished to balance the budget.

Motion by Ed Boettcher, seconded by Bryan Smith, to recommend the Board of Commissioners balance the 2017 budget through the County's general fund balance; Yes votes – Boettcher, Heeres, Johnson, Smith, Stanek; No votes – Bargy, Marcus, Wilson; Absent – Crawford. Motion carried.

5. Public Comment

Mr. Smith asked about the bidding process for the County's health insurance. Mr. Garwood said the County could send out requests for proposals, but it wasn't suitable for the bidding process as it was difficult to get direct comparisons due to the complicated nature of health insurance. Mr. Boettcher said in the region the only two insurance companies that were realistic to obtain quotes from were Priority and Blue Cross Blue Shield and the County's current insurance agent worked with both companies. Mr. Smith said staying with the same insurance agent for many years might not necessarily be an advantage to the County. Mr. Garwood described the current process that was being used to look for health insurance alternatives; continuing to purchase traditional insurance, self-insuring the plans and joining a health insurance pool. Three different companies have presented proposals.

Mr. Boettcher asked how the County's contribution to the MERS (Municipal Employees' Retirement System) pension was determined. Ms. Haydell said the current 2017 budget includes the minimum number as provided by MERS; she had hoped a number based on a return rate of 5.75% would be available for the budget discussions, but it had not been.

Mr. Marcus said he'd like to see a policy ad hoc committee set up. The Committee and Mr. Garwood discussed the idea.

The meeting was adjourned at 11:40 a.m.