

# Finance Committee

## "Committee of the Whole"

Laura Stanek - Chairman

Ed Boettcher – Alternate

### Minutes September 6, 2016

Members: Laura Stanek, Mike Crawford, Karen Bargy, Ed Boettcher, Dave Heeres, Chuck Johnson, Christian Marcus, Bryan Smith. Christian Marcus arrived at approximately 10:30 a.m.

Members absent: Bob Wilson (had contacted the Committee chair)

Others: Pete Garwood, Deb Haydell, Janet Koch, Sheryl Guy

**1. The meeting was called to order at 9:00 a.m. by Chair Laura Stanek.**

**2. Public Comment**

None.

**3. Claims and Accounts**

**Motion by Karen Bargy, seconded by Chuck Johnson, to recommend the Board of Commissioners approve the Claims and Accounts in the amount of \$196,840.86.**

**Motion carried – unanimous.**

**4. Recommendations from Other Committees**

Administration Committee

Mr. Boettcher said the recommendation from the Administration Committee regarding health insurance was tied into opting out of Public Act (PA) 152 of 2011.

Ms. Stanek said changing the health insurance contract year was not linked to PA 152. Mr. Boettcher agreed, and added that if the County moves to Blue Cross Blue Shield as a health insurance carrier and changes the contract year, the employee deductibles will likely start over again on January 1.

Ms. Bargy noted two concerns; in the past it had not been in the employee's or the County's best interest to change the plan year date, and it had been her understanding that PA 152 had dire consequences if the County choose to opt out.

Pete Garwood, County Administrator, said in the past health insurance increase rates would have increased more than the rise in the hard caps; this year the increase was less than 1%, which makes 2017 an opportune year to change the plan year. Doing so would take advantage of the January 1 increase in the State of Michigan's hard caps. Mr. Garwood said he had a call in to civil counsel about any opting out consequences for PA 152. Janet Koch, Associate Planner, said her former employer had opted out of PA 152 and subsequently received their allotted share of Economic Vitality Incentive Program (EVIP) revenue. It was noted that if the Board of Commissioners chooses to opt out of PA 152, that it would require a 2/3 vote of the governing body, which will be 6.

Ms. Bargy asked about other health insurance options that were being considered; Mr. Boettcher said there were two, a self-insurance option with C & M Insurance. The other is the West Michigan Health Insurance Pool.

Ms. Bargy said the union contracts include language about health insurance. Mr. Boettcher agreed, saying that opting out of PA 152 and raising the caps would give additional benefits to employees that hadn't been negotiated. Mr. Garwood and Ms. Stanek said a letter of understanding between the County and the unions would likely suffice to amend the contracts.

Sheryl Guy, County Clerk, said the hard caps have not kept pace with employee wages. She added that some employees are having wages garnished due to past health insurance deductibles. Ms. Guy noted that the Board of Commissioners had, in the past, raised the employer contribution 10%. Sandy Davids, a County employee, requested that the Committee raise the caps.

## **5. Accountant's Financial Information**

### Revenue and Expenditure Report – August 31, 2016

Deb Haydell, Finance Director, had included the report in the agenda packets. Ms. Haydell also distributed a document that detailed the monetary actions of the various Committees (see **attached pgs. 8-10**).

### Expense Report Policy

Ms. Haydell said she was working with Connie Wing from the Clerk's Office on creating an expense report policy to distribute to department heads. She expects to have the policy completed by January 1.

## **6. Various Matters**

### Wellspring Lutheran Services

Mr. Garwood said Maureen Clore, the new Director for Antrim/Charlevoix/Emmet Department of Health and Human Services, had recently requested that the Board of Commissioners (BOC) approve the contract with Wellspring Lutheran Services. He said he would send the information to the Commissioners and include the item under Various Matters at the upcoming September 8 BOC meeting. The contract would be effective October 1.

*The Committee of the Whole recessed at 9:35 a.m.*

*The Committee of the Whole returned from recess at 10:00 a.m.*

## **7. Budget**

Ms. Haydell distributed an agenda for the budget discussions (see **attached pg. 11**). It was noted that the agenda's date should be September 6. Ms. Haydell said the County's tax revenues were projected by averaging the previous two years of revenue and adding a the 1% increase that the Equalization Director had provided. The revenue projections included reduced revenues from the Department of Health and Human Services lease and reduced rent from the Building Department and Community Mental Health due to the fact the County can no longer include a "building use charge" by law.

Ms. Haydell asked for a motion to move the revenue sharing into the general fund.

**Motion by Mike Crawford, seconded by Bryan Smith, to recommend the Board of Commissioners approve moving the \$495,646.00 of revenue sharing allocated for 2017 into the general fund. Motion carried – unanimous.**

The resulting projected revenues for 2017 were \$12,487,639. Ms. Haydell said this was a conservative amount. She added that it did not include any reimbursement from Michigan Municipal Risk Management Authority (MMRMA). It also did not include any Workers' Compensation dividends as both are variable amounts and cannot be depended upon. When Workers' Comp dividends are received, they are distributed to the pertinent departments as revenue to offset some of their Worker' Comp costs.

It was the consensus of the Committee that the revenues were arrived at appropriately.

*Mike Crawford left the meeting at approximately 10:15 a.m.*

### Expenditures

Mr. Garwood said if the BOC took action for the 2017 budget to approve the employee recommendation for opting out and increasing the hard caps of 10% and 18%, it would cost approximately an additional \$151,000 to the County's budget.

Ms. Haydell said she uses requested budget amounts for projections unless there has been a budget amendment or unless a department head specifies an amount. She also told the Committee that all union wage increases were already reflected in the proposed 2017 budget except for Antrim County Transportation. Also not shown are the unrepresented and part time employees.

Ms. Haydell said the 727.000 Supplies - Office line item was not being used in the departmental budgets. She said 741.000 Operating Supplies should be only items special to the individual department.

The Finance Committee reviewed proposed 2017 budget expenditures.

### **101000-101 Commissioners**

- 881.000 Advertising – used when seeking employees and appointments to advisory boards. It was the consensus of the Committee to reduce the line item to \$3,200.

### **No changes were made to the following budgets:**

- 101000-131 Circuit Court: the 2017 budget request was more than \$35,000 less than the amended 2016 budget.
- 101000-132 Family Division: Mr. Smith noted the increased wage for the court appointed attorney. Ms. Haydell said the wage increase was statutory. The requested 2017 budget was a decrease from the amended 2016 budget by more than \$13,000.
- 101000-133 Circuit Court Probation
- 101000-134 Family Court – Detention Support Services: Ms. Bary said these were reimbursable expenses from the State of Michigan.
- 101000-136 District Court: Ms. Haydell noted that the health insurance line item for the District Court had decreased.
- 101000-141 Friend of the Court

## DRAFT

- 101000-148 Probate Court: The Committee discussed the increase in legal fees, line item 806.
- 101000-165 Jury Commission
- 101000-172 County Administrator
- 101000-191 Accounting
- 101000-212 Accounting Services: This includes auditing services and training for the BS&A financial software. The County is currently not utilizing Human Resources module to the extent it could; new state regulations are requiring more reports. State and Federal changes require additional training to ensure the County is in compliance.
- 101000-215 County Clerk
- 101000-216 Communications: Ms. Guy said she'd decreased the postage line item by \$5,000 due to electronic deliveries.
- 101000-228 Computer
- 101000-233 Purchasing
- 101000-250 Tax Allocation Board
- 101000-253 Treasurer
- 101000-257 Equalization
- 101000-261 MSU Extension

### **101000-262 Elections**

Ms. Guy said the State of Michigan will be choosing new election equipment. There are three vendors being considered; no costs were available. Ms. Guy said she is anticipating that the County will be required by the State to contribute to the new equipment costs for the precincts. She added that it is not known when that change will be required.

It was the consensus of the Committee to change the following:

- 727.000 Office supplies to \$25,000
- 901.000 Advertising to \$5,000

### **101000-263 Grove Street Annex**

The Committee discussed the 933.001 Equipment Maintenance line item. Mr. Garwood said the building had recently received new air conditioning units, a new furnace, and a new water heater.

It was the consensus of the Committee to reduce 933.001 Equipment Maintenance to \$500.

### **No changes were made to the following budgets:**

- 101000-264 1905 Courthouse
- 101000-265 Building & Grounds
- 101000-267 Prosecuting Attorney
- 101000-268 Register of Deeds (ROD): Ms. Bargy asked about the ROD request for a permanent irregular part time employee. She said since it hadn't been filled, that the immediate need was questionable. Ms. Guy said it had been filled temporarily, but that employee had left the County's employ in March. It was requested that the Admin Committee look at the issue.
- 101000-269 Microfilm
- 101000-271 Plat Board
- 101000-272 Prosecuting Attorney - Victim Rights: Ms. Haydell said a portion of the budget was reimbursed by the State.
- 101000-273 Prosecuting Attorney - Child Support

## DRAFT

- 101000-275 Drain Commissioner
- 101000-277 Abstract
- 101000-278 Survey & Remonumentation: Mr. Garwood said this was a 100% reimbursement from State.

### Municipal Employees' Retirement System (MERS)

Mr. Boettcher said he had asked Mr. Garwood to approach MERS for pension costs based on both 4.75% and 5.75% returns. During a meeting, arranged by Ms. Haydell with Mr. Garwood and the MERS representative, it was requested that Ms. Haydell and Mr. Garwood receive the cost based on 5.75% returns. The information was not received in time to include with the 2017 budget for the September 6<sup>th</sup> meeting.

*The Committee of the Whole recessed at 12:11 pm*

*The Committee of the Whole returned from recess at 1:00 p.m.*

Ms. Stanek asked that the Committee review the 2017 projects from the 2017-2022 Capital Improvement Plan and the 2017 appropriations.

### CIP Proposed 2017 Projects

- County Building Needs Assessment  
The Committee discussed the need for the assessment and left the line item intact.
- Airport Runway Rehabilitation  
Mr. Garwood said if the County waits until 2018 or later, it would be likely that the required matching percentage will increase from 5% to 10%. Ms. Haydell said the airport had the grant match amount in the airport's fund balance.
- County Building Parking Lot Repaving
- Courthouse/Jail Parking Lot Repaving  
It was the consensus of the Committee to make one line item of \$46,000 and see how far the costs go; the Committee agreed that the County Building's parking lot was in highest need.
- Jail: Roof for garage/boiler room  
The Committee agreed that the roof replacement was necessary.
- Parks: Barnes Park Electrical Pedestals  
2016 budget included \$10,111 for replacement of some of the campground's electrical pedestals. An on-site meeting of the BLI Committee revealed that replacement should be a priority due to the possible safety hazard. Park Manager Eileen Wallick had provided one quote for the project that was close to \$70,000. The Committee revised the CIP amount to \$70,000.
- Elk Rapids Day Park Path Placement  
Mr. Boettcher said he was aware of at least two people who had fallen on the existing path; he considered its existing condition to be a liability. The Committee agreed that the critical 100 feet of the path should be done in 2016. The 2017 portion of the project was removed.
- Grass River Natural Area (GRNA) Road /Parking Lot  
Mr. Garwood said if the County appropriates \$200,000 for road improvements, that GRNA can still apply for grants that could fund project. It was the consensus of the Committee that 1/3 of the project could be appropriated for 2017.

- Dive Team Response Trailer  
Ms. Haydell said an additional quote had determined that the purchase would be under \$10,000 and would be in capital outlay. The \$5,000 for this project was removed.
- Jail: Washer/Dryer  
The Committee agreed that replacement of the washer and dryer was necessary.
- IT: Replacement of Network Switches  
The Committee agreed that replacing the switches was necessary.

#### Funding of CIP Projects

Ms. Stanek said the tax payment fund and the general fund balance had in the past been suggested as funding sources for CIP projects. Ms. Stanek asked Sherry Comben, County Treasurer, to communicate to the Committee before their next meeting how much could be taken from the Delinquent Tax Payment fund without jeopardizing the tax payments.

#### **8. Grass River Natural Area (GRNA)**

Haley Breniser, Executive Director, and Pete Byron, GRNA Treasurer, read a letter from Lori Sak, GRNA Chair, which the members of the Buildings, Lands & Infrastructure Committee had heard at a previous Committee meeting. The letter requested a 2107 appropriation of \$68,850 for GRNA, Inc.

Ms. Bargy said there is a contract between GRNA and the County. Mr. Byron agreed, adding that the contract states that the County is obligated to pay \$10,500 annually but contributed \$40,150 in 2016. He said there is a cost to maintain GRNA and that GRNA needs both the County appropriation and the donations and grants that GRNA obtains to continue their current operations. The donations fluctuate and the County appropriation acts as a stabilizing factor.

Ms. Breniser said last year GRNA had been able to obtain grants for operations, which would be hard to reproduce. Mr. Byron said their projections for donations are showing a decrease. He said there are varying theories regarding those projections, but that the GRNA Board is trying to be proactive regarding those projections.

Mr. Marcus said the County was obligated to maintain the boardwalk. Ms. Bargy said the GRNA boardwalk could be removed.

Mr. Garwood said GRNA is part of the County's park system and is therefore responsible for maintaining it; the question for the Committee and the Board of Commissioners was how do they want to support it. Ms. Breniser said 80% of GRNA users are local residents.

Mr. Boettcher asked if the appropriation assisted in soliciting donations for GRNA. Ms. Breniser said donors want to see that the County is doing their part. Ms. Breniser said GRNA staff and volunteers work daily on maintenance of the trails. She added that there are more benefits to parks than a revenue stream. Mr. Byron said it could be asked that without GRNA, what would the cost to the County be to manage and maintain GRNA?

Mr. Garwood said if GRNA is raising funds for operations, they're not spending time raising funds for the infrastructure improvements. Ms. Stanek added that the contract was written before the GRNA Center was constructed.

Motion by Bryan Smith, seconded by Chuck Johnson to approve the 2017 \$68,850 appropriation to Grass River Natural Area, Inc.

The motion was tabled until it came up during the budget discussion for appropriations.

**9. Public Comment**

Ms. Bargy provided an update to the Committee regarding the costs of the 911 dispatch consoles. She said the 911 Board was still considering options.

The next Finance Committee meeting was scheduled for September 12 at 9:00 a.m.

The meeting was adjourned at 3:15 p.m.

DRAFT

**FINANCE COW - September 2016**

STANDING COMMITTEE NOTES	GENERAL LEDGER ACCNT NUMBER	ACCOUNT DESCRIPTION	AMOUNT	BUDGETED	COW
		Fund/Dept/Account		Yes/No	MOTION REQD
No, enter fund source					
<b>HEALTH &amp; PUBLIC SAFETY</b>					
<b>BUILDING, LANDS &amp; INFRASTRUCTURE</b>					
<b>ADMINISTRATION &amp; COUNTY SERVICES</b>					
Funding to increase EMPLOYER Insurance Caps starting October 1st, 2016					
Suggestion to motion for funding from FUND 257 - Budget Stabi	257000-967-956.101	Transfer out to General Fund	\$ 41,185.00	NO	YES
Funds and Departments with Health Insurance Expenditures(see	xxxxxx-xxx-716.000		\$ 41,185.00	NO	YES
<b>FINANCE, WAYS AND MEANS</b>					

REVENUE AND EXPENDITURE REPORT FOR ANTRIM COUNTY

PERIOD ENDING 08/31/2016  
 % Fiscal Year Completed: 66.67

GL NUMBER	DESCRIPTION	2016 ORIGINAL BUDGET	2016 AMENDED BUDGET	ACTIVITY FOR MONTH 08/31/16	YTD BALANCE 08/31/2016	AVAILABLE BALANCE	% BDGT USEC
Fund 257000 - BUDGET STABILIZATION							
Revenues							
257000-000-665.000	INTEREST EARNED INVEST & CDS	1,200.00	1,200.00	0.00	1,255.36	(55.36)	104.61
257000-000-698.001	UNREALIZED GAIN/LOSS	0.00	0.00	0.00	124.28	(124.28)	100.00
TOTAL Revenues		1,200.00	1,200.00	0.00	1,379.64	(179.64)	114.97
Expenditures							
257000-967-956.101	TRANSFER OUT - TO GENERAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Expenditures		0.00	0.00	0.00	0.00	0.00	0.00
Fund 257000 - BUDGET STABILIZATION:							
TOTAL REVENUES		1,200.00	1,200.00	0.00	1,379.64	(179.64)	114.97
TOTAL EXPENDITURES		0.00	0.00	0.00	0.00	0.00	0.00
NET OF REVENUES & EXPENDITURES		1,200.00	1,200.00	0.00	1,379.64	(179.64)	114.97
BEG. FUND BALANCE		665,525.06	665,525.06		665,525.06		
END FUND BALANCE		666,725.06	666,725.06		666,904.70		

*Audited 2015*

09/05/2016 REVENUE AND EXPENDITURE REPORT FOR ANTRIM COUNTY						
PERIOD ENDING 08/31/2016						
% Fiscal Year Completed: 66.67						
2016						
GL NUMBER	DESCRIPTION	ORIGINAL BUDGET	2016 AMENDED BUDGET	YTD BALANCE 08/31/2016	AVAILABLE BALANCE	% BDGT USED
Fund 101000 - GENERAL						
101000-101-716.000	HEALTH INSURANCE	75,136.00	82,813.00	55,208.48	27,604.52	66.67
101000-131-716.000	HEALTH INSURANCE	22,320.00	22,320.00	9,104.52	13,215.48	40.79
101000-132-716.000	HEALTH INSURANCE	50,718.00	50,718.00	29,220.48	21,497.52	57.61
101000-136-716.000	HEALTH INSURANCE	91,356.00	91,356.00	40,295.62	51,060.38	44.11
101000-148-716.000	HEALTH INSURANCE	31,787.00	32,685.00	21,790.24	10,894.76	66.67
101000-172-716.000	HEALTH INSURANCE	49,835.00	49,835.00	32,685.36	17,149.64	65.59
101000-215-716.000	HEALTH INSURANCE	79,723.00	81,713.00	54,363.14	27,349.86	66.53
101000-228-716.000	HEALTH INSURANCE	15,943.00	16,343.00	10,895.12	5,447.88	66.67
101000-253-716.000	HEALTH INSURANCE	22,705.00	28,327.00	18,385.52	9,941.48	64.90
101000-257-716.000	HEALTH INSURANCE	38,678.00	5,550.00	3,994.88	1,555.12	71.98
101000-261-716.000	HEALTH INSURANCE	29,960.00	32,685.00	21,790.24	10,894.76	66.67
101000-262-716.000	HEALTH INSURANCE	200.00	200.00	112.46	87.54	56.23
101000-264-716.000	HEALTH INSURANCE	5,857.00	5,992.00	3,994.88	1,997.12	66.67
101000-265-716.000	HEALTH INSURANCE	43,549.00	53,938.00	35,958.80	17,979.20	66.67
101000-267-716.000	HEALTH INSURANCE	52,940.00	52,940.00	41,085.12	11,854.88	77.61
101000-268-716.000	HEALTH INSURANCE	0.00	16,343.00	10,895.12	5,447.88	66.67
101000-272-716.000	HEALTH INSURANCE	0.00	0.00	998.72	(998.72)	100.00
101000-277-716.000	HEALTH INSURANCE	28,225.00	28,875.00	19,249.68	9,625.32	66.67
101000-301-716.000	HEALTH INSURANCE	471,870.00	471,870.00	280,753.37	191,116.63	59.50
101000-331-716.000	HEALTH INSURANCE	8,000.00	9,000.00	5,447.56	3,552.44	60.53
101000-334-716.000	HEALTH INSURANCE	8,560.00	8,560.00	4,654.16	3,905.84	54.37
101000-351-716.000	HEALTH INSURANCE	8,896.00	8,896.00	5,168.00	3,728.00	58.09
101000-426-716.000	HEALTH INSURANCE	11,385.00	12,532.00	8,354.56	4,177.44	66.67
101000-430-716.000	HEALTH INSURANCE	23,481.00	23,989.00	15,992.80	7,996.20	66.67
101000-442-716.000	HEALTH INSURANCE	15,933.00	16,022.00	10,895.12	5,126.88	68.00
101000-682-716.000	HEALTH INSURANCE	12,595.00	12,595.00	8,354.56	4,240.44	66.33
101000-721-716.000	HEALTH INSURANCE	6,843.00	6,843.00	3,986.38	2,856.62	58.25
101000-756-716.000	HEALTH INSURANCE	5,885.00	5,992.00	4,494.24	1,497.76	75.00
Fund 234000 - ANTRIM CREEK						
234000-756-716.000	HEALTH INSURANCE	110.00	110.00	8.50	101.50	7.73
Fund 249000 - CONSTRUCTION CODE ENFORCEMENT						
249000-371-716.000	HEALTH INSURANCE	68,700.00	68,700.00	35,229.60	33,470.40	51.28
Fund 261000 - E-911 OPERATING						
261000-348-716.000	HEALTH INSURANCE	139,100.00	139,100.00	59,877.08	79,222.92	43.05
Fund 279000 - SNOWMOBILE GRANT						
Fund 279000 - SNOWMOBILE GRANT:						
Fund 297000 - COMMISSION ON AGING						
297000-686-716.000	HEALTH INSURANCE	55,000.00	55,000.00	35,273.36	19,726.64	64.13
Fund 581000 - AIRPORT OPERATING						
581000-295-716.000	HEALTH INSURANCE	32,100.00	12,600.00	8,354.56	4,245.44	66.31
Fund 588000 - ANTRIM COUNTY TRANSPORTATION						
588000-296-716.000	HEALTH INSURANCE	0.00	0.00	45,824.44	(45,824.44)	100.00

# AGENDA

## BUDGET 2017

September 17, 2016  
6

### GENERAL FUND

#### Revenue

Taxes Calculation

Documentation and history

\*\*\*Discuss Motion for Revenue Sharing to be transferred to General Fund

Amount is \$495,646

2016 Original Budget \$12,464,864

2017 if Revenue Sharing is added \$12,488,124

Rent Revenue decrease \$54K – DHS lease and removal of building use charge

#### Expenditures

Wages & benefits other than insurance

All union Groups 2% increase *exception ACT*

2% was applied to Overtime, Retirement, AD&D and Workers Comp

Then FICA .0765 was determined

Health (new caps 2017) & Dental Insurances (6% decrease)

*Please see attachments in notes*

ACT-Estimated Wages and Benefits

Unrepresented & Part-time Wages

Total 2016 Wage & Benefit Amendments \$222,557

#### INFORMATION

MMRMA Insurance

Dept 851 Used same cost as 2016, new cost not available yet

Special Projects

Dept 895 Contingency

CAPITAL OUTLAY

Dept 901 THIS INCLUDES SOME ITEMS ON CIP

Jail and Sheriff removed two items

And one items cost went to \$5,000

APPROPRIATIONS

Dept 966 Documents attached for review

### OTHER FUNDS

Fund 261 & Fund 262 –Costs not on CIP for 2017

Fund 261 - \$550,000 is requested for MCT project

Fund 262 - \$231,000 = \$170K Gen 911, \$11K carpeting, \$50K office furn.

Fund 223 Grass River \$200,000 for Road Repair

ON CIP\*\*\*WHERE DOES FUNDING COME FROM

Fund 582 \$162,500 was approved in 11/2015 for 2016 but will not be done so needs to request in 2017.