



Budget & Finance Committee

Wednesday, May 19, 2021 at 9:30 a.m.
Room 212 – Otsego County Building
225 West Main Gaylord, MI 49735
-A Zoom option was offered as well-

MINUTES

CALL TO ORDER

Mr. Liss called the meeting to order at 9:32 a.m.

Roll call – Present: Paul Liss, Ken Glasser, Rob Pallarito, Jason Caverson, Rachel Frisch

Others present – Diann Axford, Ryan Sullivan, Aaron Brooker, Dona Wishart, Tom Pratt, Matt Nowicki, Mel Maier

Mr. Glasser requests adding ARP funds to new business at end.

APPROVAL OF MINUTES

Motion by Mr. Glasser to approve the minutes from the April 21, 2021 Budget and Finance Committee meeting. Motion passed unanimously.

UNFINISHED BUSINESS

NEW BUSINESS

*Before the agenda begins, Mr. Glasser requests that 'American Rescue Plan funds' be added as an agenda item under New Business. Mr. Liss approves and notes that it will be added to the end of the agenda.

A. Commission on Aging Presentation: Building Lease Agreement

Ms. Wishart introduces the two guests Ryan Sullivan and Aaron Brooker from Signet Real Estate Group. Ms. Wishart discusses that the Commission on Aging (COA) has been looking for a different building to centralize the COA's operations and have the ability to provide different programs. Ms. Wishart notes that Signet has a proposal for the COA to lease a building from Signet which will then be owned by the County at the end of the lease.

Mr. Sullivan walks the Committee through the provided packet of information, explaining that they were engaged to help the COA acquire a building that would fit their needs. Mr. Sullivan notes that Signet takes the risk of acquiring the building and then leases it to COA, and the County will own the building at the end of the lease. Mr. Sullivan notes that the building that is being purchased was originally \$1.5 million and they were able to lower the amount to \$1.075 million.

The Committee discusses the project and asks questions. Mr. Glasser notes that the COA will need to pay for all building expenses while leasing and wants to make sure the building has been reviewed thoroughly. Ms. Wishart notes that the COA has been analyzing and reviewing the financial cost for the short and long term in terms of affordability. Ms. Wishart notes it's located at Elk View, and will be a two level building. Ms. Wishart notes that the COA plans on renting out part of the building. Mr. Glasser asks about the lease interest rate. Mr. Sullivan says the estimated interest rate is 3.75 – 4%.

Mr. Sullivan reviews the project's timeline and notes that he plans to return on June 16th with a not to exceed budget and a lease agreement close to finalization.

The Committee discusses additional details and questions. Ms. Frisch notes that there will be an updated component unit agreement with the Commission on Aging to reflect the new leased building.

B. Sheriff Department: Rifles

Sheriff Nowicki reports that the current weapons are 17-23 years old. Sheriff Nowicki noted that the vendor had informed him that if they order the equipment now, it will be 6-9 months before the new weapons are received. Mr. Liss inquires as to what will happen to the current rifles once replaced. Sheriff Nowicki responded that the old rifles will be sold or traded in.

Motion by Mr. Glasser to recommend to the full Board for approval of the Sheriff Department purchase weaponry and the corresponding budget amendment. Motion passed unanimously.

C. Bid 2021-09 Award Recommendation: Groen Electrical Gate

Mr. Pratt discusses the two bids that came in for the Groen electrical and notes that Greene Construction Group LLC came in with the lowest bid at \$69,660. Mr. Pratt spoke with the Groen Foundation as it came in higher than the original estimated budget and they agreed to increase the budgeted amount. Mr. Liss inquires as to why the gates will swing as oppose to slide. Ms. Frisch noted that the Foundation wanted swinging gate doors.

Motion by Mr. Glasser to recommend to the full Board for approval of the bid award to Greene Construction Group LLC for the installation of the electrical for the Groen Nature Preserve gate. Motion passed unanimously.

D. Agreement for Operating and Maintaining Otsego County Library

Ms. Frisch discusses the Library and County operating agreement. Ms. Frisch notes that the agreement provides the details of the Library's responsibilities as they relate to the building and financials. Ms. Frisch notes that this is a renewal of the operating agreement for an additional 5 years.

Motion by Mr. Pallarito to recommend to the full Board for approval of the Library Operating and Maintenance agreement. Motion passed unanimously.

E. County Revenue Sharing Resolution

Ms. Frisch notes MAC has been studying the State's tax revenue sharing fund and has noted that some municipalities were shorted funds. Ms. Maier notes that if municipalities entered the state revenue sharing program prior to 2014, they lost inflationary increases for the years prior to 2014. Ms. Maier notes that since Otsego County re-entered the state shared revenue sharing program subsequent to 2014, the County was not affected by any losses due to inflation. Ms. Frisch notes that other municipalities have been passing a resolution to request these shorted funds, but it does not apply to us. The Committee discusses the information.

F. NEMCCAB Resolution

Ms. Maier presents the annual Northeast Michigan Community Corrections Advisory Board (NEMCCAB) Grant Plan and Application for the 2022 fiscal year and a resolution for Otsego County to support the grant application. In order to fund continuation of the Board's Community Correction program, the grant application by NEMCCAB is proposed in the amount of \$309,355 for fiscal year 2022.

Mr. Glasser asks what NEMCOG does exactly for corrections in the County. Ms. Frisch notes they handle assisting with Work Camp eligibility requirements and filings.

Motion by Mr. Caverson to recommend to the full Board for approval of the NEMCCAB Resolution. Motion passed unanimously.

G. Vehicle Disposal: Parks and Rec Truck

The Committee reviews and discusses the vehicle disposal form and recommendation for the Park's 2000 Chevy Silverado truck.

Motion by Mr. Pallarito to recommend to the full Board for approval of the Parks and Rec truck disposal as outlined in the vehicle disposal form. Motion passed unanimously.

H. Budget Amendment: Airport Special Events Supplies

Ms. Maier discusses the details of the Airport Special Events budget amendment for the purchase of coins, tags, and a dedicated sign for the Aviation Park. Ms. Maier notes that this has been recommended by the Transportation Committee as well. The Committee discusses the proposed budget amendment. Mr. Glasser notes that in addition to the coins, we should consider pocket holders for the coins as well. The Committee discusses and agrees.

Motion by Mr. Liss to recommend to the full Board for approval of the budget amendment for Airport Special Events supplies. Motion passed unanimously.

I. Budget Amendment: Wellness Room

Ms. Maier discusses the proposed budget amendment for the Wellness Room at the Alpine Center. The proposed budget amendment would allow for a new piece of workout equipment to be purchased and provide funds for equipment maintenance that was not able to be done in the prior year due to COVID-19. Ms. Maier notes that the funds within the Healthcare Rebate fund are restricted for health and wellness uses, so this would be an allowable use of those funds. The Committee reviews and discusses the budget amendment.

Motion by Mr. Glasser to recommend to the full Board for approval of the budget amendment for the Wellness Room. Motion passed unanimously.

J. Budget Amendment: FOC Health Insurance

Ms. Maier discusses the proposed budget amendment for the Friend of the Court (FOC) health insurance. Ms. Maier notes that an employee opted out of the health insurance plan and chose to have the payment in lieu of health insurance option. This budget amendment would pull budget dollars from the health insurance line to the payment in lieu of health insurance line. Ms. Maier notes that it also provides a cost savings to the County. The Committee reviews and discusses the proposed budget amendment.

Motion by Mr. Caverson to recommend to the full Board for approval of the budget amendment for the FOC Health Insurance. Motion passed unanimously.

K. Budget Amendment: Facilities Planning Fund

Ms. Maier discusses the proposed budget amendment that would provide funds costs related to the planning of the Justice Complex. Ms. Maier notes that there are additional costs to pay related to the flyers and other related planning costs. The Committee reviews and discusses the proposed budget amendment and transfer.

Motion by Mr. Pallarito to recommend to the full Board for approval of the budget amendment and transfer for the Facilities Planning Fund. Motion passed unanimously.

L. Budget Amendment: 911 Equipment

Ms. Maier discusses the proposed budget amendment within the 911 fund. Ms. Maier notes that this budget amendment would increase the budget line for equipment to provide for the purchase of equipment. Ms. Frisch notes that the equipment includes radios for the Sheriff's vehicles and the City's police vehicles as well. Ms. Frisch notes that she reviews each purchase and provides approval.

Motion by Mr. Glasser to recommend to the full Board for approval of the budget amendment for the 911 Equipment. Motion passed unanimously.

M. Financial Reports – The Committee reviews and discusses the financial reports.

N. Credit Card Statements - The Committee reviews and discusses the credit card statements.

O. Finance Department Update – No discussion

P. American Rescue Plan Funds

Mr. Glasser discusses details he has learned from the Northern Michigan Counties Committee, regarding the American Rescue Plan funds. Mr. Glasser reviews an extensive list of information with the Committee and notes that the County shouldn't make any sudden commitments as the guidance is still being developed and there is more to come. The Committee discusses the information.

Mr. Liss adjourned the meeting at 11:30 a.m.