



Manistee County Board of Commissioners

Manistee County Courthouse • 415 Third Street • Manistee, Michigan 49660

CHAIRPERSON
Jeffrey Dontz
VICE-CHAIRPERSON
Brook Shafer

Mark Bergstrom
Karen Goodman
Ken Hilliard
Alan Marshall
Richard Schmidt

CLERK

Jill Nowak
(231) 723-3331

CONTROLLER/ADMINISTRATOR

Thomas Kaminski
(231)398-3504

COUNTY BOARD OF COMMISSIONERS BUDGET STUDY SESSION

Friday, July 15, 2016
10:00 a.m.

Board of Commissioners Meeting Room
415 Third Street, Manistee, MI

MINUTES

Members Present: Ken Hilliard, Chairperson, Mark Bergstrom, Jeff Dontz, Karen Goodman, Alan Marshall, Richard Schmidt and Brook Shafer.

Members Absent: None

Others Present: Tom Kaminski, County Administrator/Controller; Lisa Sagala, Human Resources Manager/Assistant Administrator; Russ Pomeroy, County Treasurer; John O'Hagan, Undersheriff; Jim Espvik, 9-1-1 Director; Richard Strevey, Manistee County Transportation; Joe Coleman, Manistee Medical Care Facility; Beth Taylor, Manistee Medical Care Facility; Chuck Haemker, Library Director; Sarah Howard, Council on Aging; Susan Spencer, Manistee Conservation District; Jill M Nowak, County Clerk

The Study Session was called to Order by Chairman Dontz at 10:00 a.m.

Pledge of Allegiance

Invocation was given by Mr. Bergstrom

Roll Call – All members present

Public Comment – None

Discussion and review of a FY 2016/176 recommended budget as prepared by County Administration and previously discussed at the June 17, 2016 Budget Study Session.

Mr. Kaminski distributed the 2016/17 Budget Study Session #2 Report dated Friday, July 15, 2016, proposed revenue and expense budget reports for the General Fund with calculations as of June 30, 2016 and a binder that included the financial information of taxing jurisdictions that receive County millage. The Supplemental Fund Budgets Report was also distributed.

Discussion and review of millage rates to be levied for operations of the Library, Medical Care Facility, 9-1-1/Central Dispatch, Dial-A-Ride, Council on Aging, Manistee Conservation District and County Operating. Representatives from the above entities addressed the Board for the purpose of discussing their millage levy requests and the Board reviewed the Financial Statements of each of these entities before considering as a part of its Budget Resolution, a levy of these millage rates in December 2016 and/or July 2017. The maximum allowable millage levy for each entity is as follows:

County Operating	5.5000
Library	1.0000
Medical Care Facility	0.5000
9-1-1	1.0000
Dial-A-Ride	0.3300
Council on Aging	0.3000
Conservation District	<u>0.1000</u>
TOTAL	8.7300

It was noted that all millages are currently levied at the maximum amounts.

Charles Haemker, Library Director addressed the Board in reference to their millage levy request. The Library currently receives 1.000 mill. Mr. Haemker requested that the full levy amount of the millage continue.

Joe Coleman, Interim Administrator of the Manistee County Medical Care Facility, and Beth Taylor, Finance Manager, addressed the Board in reference to their millage levy request. It was noted that the millage is a Maintenance of Effort Millage and not an Operating Millage. The Medical Care Facility currently receives .5000 mill. Mr. Coleman and Ms. Taylor requested that the full levy amount of the millage continue.

Jim Espvik, 9-1-1 Director, addressed the Board in reference to their millage levy request. 9-1-1 currently receives 1.000 mill. Mr. Espvik requested that the full levy amount of the millage continue. Ongoing projects, completion dates and the need for the entire millage were discussed.

Richard Strevey, Manistee County Transportation Manager, addressed the Board in reference to their millage levy request. Dial-A-Ride currently receives 0.3300 mill. Mr. Strevey requested that the full levy amount of the millage continue.

Sarah Howard, Council on Aging Executive Director, addressed the Board in reference to their millage levy request. The Council on Aging currently receives 0.3000 mill. Ms. Howard requested that the full levy amount of the millage continue.

Susan Spencer, Manistee County Conservation District Administrator, addressed the Board in reference to their millage levy request and distributed an amended budget. The Conservation District currently receives 0.1000 mill. Ms. Spencer requested that the full levy amount of the millage continue.

It was a **consensus** of the Board to continue levying all current millages at the maximum amount as noted above.

Mr. Kaminski then reviewed the 2016/17 Budget Study Session #2 Report dated Friday, July 15, 2016. He explained the proposed increase and decrease in revenue and expenses by following the recommendations of the Board from the June 17, 2016 Board Study Session. There was also a lengthy discussion concerning wages and options in insurance plans and costs and how to cover the 16% increase in health care costs.

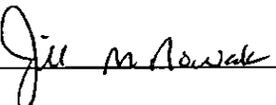
Mr. Kaminski indicated due to minimal growth in the tax base, the budget is not balanced as \$181,988 will need to be transferred from fund balance. However, County Officials are optimistic that minimal growth will continue. It was also noted that tentatively using funds from fund balance happens year after year but due to Employees, Department Heads and Elected Officials being conscientious about the budget, fund balance has not had to be used. The plan is to adopt a tentative Budget at the August 2016 Board Meeting.

It was a **consensus** of the Board to tentatively approve a 2% wage increase for non-union, court employees, Department Heads and Elected Officials; continue the employee insurance contribution at the current 9%; continue the current health insurance at PPO 15 with the self fund to PPO 4 (instead of self fund to the current PPO 3). The difference in the self funding levels would mainly affect deductibles and co-insurance maximums.

Mr. Pomeroy, County Treasurer, then reviewed the Manistee County 2016/17 Supplemental Funds 10/01/16 through 09/30/2017.

MISCELLANEOUS BOARD MEMBER COMMENTS

Adjourn at the Call of the Chair at 12:55 p.m.


_____ Clerk

2016/17 BUDGET STUDY SESSION #2 REPORT

Friday, July 15, 2016

TOTAL GENERAL FUND REQUESTED REVENUES (Pages 1 - 32) = \$10,434,815
 TOTAL GENERAL FUND REQUESTED EXPENSES (Pages 33 - 98) = \$11,696,791

Surplus/(Deficit) = (\$1,261,976)

TOTAL RECOMMENDED REVENUES ON 6/17/16 (Pages 1 - 32) = \$10,660,663
 TOTAL RECOMMENDED EXPENSES ON 6/17/16 (Pages 33 - 98) = \$10,842,651

Surplus/(Deficit) = (\$181,988)

The following adjustments/recommendations were made to the General Fund revenue and expense budget since the June 17, 2016 Budget Study Session:

	<u>REVENUE</u>	<u>EXPENSE</u>
General Fund revenue and expense total presented to The Board on June 17, 2016 =	\$10,660,663	\$10,842,651
1) Decrease line #101 265 999.009 "Transfer Out - Building Authority Fund" from \$173,390 to \$165,000 (Page 62) = (Courthouse bond refunding estimated savings)		(\$8,390)
2) Increase line #101 265 999.008 "Transfer out - Capital Improvement Fund" from \$0 to \$50,000 (Page 62) = (Jail roof, fund balance & other)		\$50,000
3) Increase Register of Deeds revenue line #101 268 615.002 "Recording Fees" from \$140,000 to \$210,000 (Page 18) = (New fee statute)	\$70,000	
4) Increase County Treasurer revenue line #101 253 431.000 "Federal PILT" from \$117,000 to \$133,000 (Page 12) = (Per NACO, possible 6% increase)	\$16,000	
5) Decrease County Treasurer revenue line #101 253 575.000 "Court Funding Reimbursement" from \$98,000 to \$96,000 (Page 12) = (Per State estimate)	(\$2,000)	

	<u>REVENUE</u>	<u>EXPENSE</u>
6) Increase County Treasurer revenue line #101 253 574.000 "State Revenue Sharing" From \$545,132 TO \$550,583 (Page 12) = (Per State budget and MAC (1% increase))	\$5,451	
7) Increase Information/Technology revenue Line #101 228 699.020 "Transfer In - Other Funds" from \$14,212 to \$24,300 (Page 11) =	\$10,088	
8) Adjusted all unemployment rates to -0-, all retirement rates to actual, all health rates pursuant to proposal which will be discussed at this session, several wage line items, reduced overtime and holiday budgeted rates in Sheriff/Jail budget, added Sheriff Court Security proposal, and Jail proposal to budget (1 C.O./1 Tech) =		(\$7,283)
9) Adjusted all revenue line items affected by #8 Above (excluding FOC/Pros. Rev) =	\$10,742	
(Note #8 and #9 reduce deficit by \$18,025)		
10) Increase General Services/Contingency expense Line #101 103 969.002 "Wage Contingency" from \$62,874 to \$154,314 (Page 34) = (includes Elected Wages = \$62,874, 2% wage Increases for non-union County/Court employees = \$86,440, FLSA Estimate = \$5,000)	_____	\$91,440
Total FY 2016/17 Recommended General Fund Revenue and Expense =	\$10,770,944	\$10,968,418
Fund balance required to balance this Recommended budget =	<u>\$197,474</u>	_____
Total Budget =	<u>\$10,968,418</u>	<u>\$10,968,418</u>

(Note: Recommended budget increased \$141,752 or 1.31% from FY 2015/16 budget. Fund balance budgeted is \$24,723 more than the amount budgeted in FY 2015/16)

The following is an estimate of the additional net expense required to award wage increases to all General Fund employees and Elected Officials with the exception of the GEA Union and the County Controller position:

1% (81 employees/Elected)
 Wage = \$34,575
 Fringe est (25%) = \$8,644
 Total = \$43,219

1.5% (81 employees/Elected)
 Wage = \$51,865
 Fringes est (25%) = \$12,966
 Total = \$64,831

2% (81 employees/Elected)
 Wage = \$69,152
 Fringe est (25%) = \$17,288
 Total = \$86,440

2.5% (81 employees/Elected)
 Wage = \$86,440
 Fringes est (25%) = \$21,610
 Total = \$108,050

(Note: The POLC Sheriff/Jail employees labor contract expires on 9/30/16. Negotiations are beginning this summer.)

Other Information:

- 1) APPENDIX A = Wage/Health Insurance history
- 2) APPENDIX B = Appropriation Information
- 3) APPENDIX C = Fund Transfer Information

(APPENDIX A)

Manistee County Historical Premium

2006	Annual Premium	\$883,959.60
2007	Annual Premium	\$1,226,267.28
2008	Annual Premium	\$1,186,643.16
2009	Annual Premium	\$1,286,092.35
2010	Annual Premium	\$1,185,418.80
2011	Annual Premium	\$1,280,091.36
	HRA	\$92,413.18
	Tax	<u>\$9,600.69</u>
	Total	\$1,382,105.23
2012	Annual Premium	\$1,299,840.24
	HRA	\$82,004.28
	Tax	<u>\$10,134.80</u>
	Total	\$1,391,979.32
2013	Annual Premium	\$1,373,151.72
	HRA	\$106,651.36
	Tax	<u>\$10,677.64</u>
	Total	\$1,490,480.72
2014	Annual Premium	\$1,391,358.00
	HRA	\$170,162.49
	Tax	<u>\$85,657.36</u>
	Total	\$1,647,177.85
2015	Annual Premium	\$1,315,749.24
	HRA annualized	\$155,955.17
	Tax	<u>\$66,475.68</u>
	Total	\$1,538,180.08
2016	Annual Premium	\$1,508,868.24
	HRA annualized	\$155,955.17
	Tax incl in premium	<u>\$0.00</u>
	Total	\$1,664,823.41

DISCLAIMER:

Calculations based on estimated enrollment for all suffixes except for retiree only suffix 005/div 0002. Some retirees are included in the calculations since the suffixes include actives and retirees.

Priority Health premiums were based on 2007 quotes and estimated for 2008.

Due to the inavailability of Blues data dating back to 2006, database used include census, Blues data at the time of renewal, renewal spreadsheets and HRA tracking.

Actual premiums, taxes and claims may vary.

(A-2)

NON-UNION / NON-COURT

	Wage Increases FY 2005/2006 - FY 2015/2016		Employee Contribution towards Healthcare Premiums		HRA Contributions
FY 2005/2006	3.0%		0%		
FY 2006/2007	2.0%		0%		\$487.50
FY 2007/2008	2.5%		0%		\$1,250.00
FY 2008/2009	2.5%		0%		\$1,250.00
FY 2009/2010	2.5%		0%		\$1,250.00
FY 2010/2011	0.0%		0%		\$900.00
FY 2011/2012	0.0%		5%		\$600.00
FY 2012/2013	0.0%		7%		\$0.00
FY 2013/2014	2.0%		9%		\$0.00
FY 2014/2015	1.0%		9%		\$0.00
FY 2015/2016	1.0%		9%		\$0.00

[Faint, illegible text or markings]

APPENDIX B

APPROPRIATIONS

(All are listed on page 98 of the General Fund worksheet.)

NAME	2014/15 ACTUAL	2015/16 BUDGET	2016/17 REQUEST	2016/17 DRAFT RECOMMEND
A. District Health Department	\$155,949	\$155,949	\$159,068	\$155,949
B. Mental Health	\$156,297 + Sheriff contract of \$51,205	\$157,891 + Sheriff contract of \$52,230	\$163,857 + Sheriff contract of \$61,079	\$157,891 + Sheriff contract of \$61,079
C. Substance Abuse	\$108,324	\$52,080	\$58,391	\$58,391
D. Fair Board	\$10,000	\$10,000	\$8,000	\$8,000
E. MRA	\$2,750	\$2,750	\$2,750	\$2,750
F. Conservation District	\$0	\$0	\$0	\$0
G. Networks Northwest	\$4,174	\$4,174	\$4,174	\$4,174
H. Area Agency on Aging	\$4,203	\$4,203	\$4,203	\$4,203
I. HSCB	\$3,000	\$3,000	\$3,000	\$3,000
J. Alliance for Economic Success	\$90,768	\$90,768	\$90,768	\$90,768
K. Hazardous Waste Collection	\$7,000	\$7,000	\$7,000	\$7,000
L. 2-1-1	\$3,000	\$3,500	\$3,500	\$3,500
M. JAWS OF LIFE	\$0	\$0	\$5,000	\$0
TOTAL	\$596,670	\$543,545	\$570,790	\$556,705

APPENDIX C

The following transfers to other funds have been budgeted:

FUND	2014/15 ACTUAL	2015/16 BUDGET	2016/17 REQUEST	2016/17 DRAFT RECOMMEND
A. Airport Fund (Pg. 34)	\$115,000	\$115,000	\$115,000	\$115,000
B. OPEB Trust (Pg. 34)	\$206,511	\$211,199	\$217,000	\$217,000
C. Air Photo Fund (Pg. 34)	\$0	\$0	\$0	\$0
D. Recycling Fund (Pg. 34)	\$15,000	\$20,000	\$15,000	\$15,000
E. Community Corrections Fund (Pg. 36)	\$5,562	\$7,500	\$7,500	\$7,500
F. Law Library (Pg. 36)	\$22,000	\$22,000	\$20,000	\$20,000
G. Child Care Fund (Pg. 44)	\$50,000	\$40,000	\$100,000	\$40,000
H. Capital Improvement Fund (Pg. 62)	\$7,490	\$0	\$178,228	750,000
I. Building Authority Fund (Pg. 62)	\$167,000	\$167,500	\$173,390	165,000 \$173,390
J. Law Enforcement Training Fund (Pg. 74)	\$14,000	\$0	\$0	\$0
K. Mounted Search & Rescue Fund (Pg. 74)	\$0	\$0	\$0	\$0
L. Dive Equipment Fund (Pg. 74)	\$0	\$0	\$0	\$0
M. Jail Loan Fund (Pg. 85)	\$66,667	\$66,667	\$66,667	\$66,667
N. Soldiers & Sailors Relief Fund (Pg. 94)	\$10,000	\$10,000	\$10,900	\$10,000
O. Remonumentation Fund (Pg. 96)	\$0	\$0	\$0	\$0
TOTAL	\$679,230	\$659,866	\$903,685	706,167 \$664,557

(2-0)

FY 2015 - 2016		BCIBS Suffix 007016448-0000								
Health Insurance Premium Only	H CRA Taxes	New Premium	DF HRA Cost	Premium to Calculate Employee Contribution	Prem. Less 9%	Delta Dental	44 North Fees	Budget Premium w/o Dental	Budget Premium	
Single	419.36	20.91	440.27	68.98	509.25	463.42	20.57	39.50	502.92	\$523.49
2P	1006.48	48.40	1054.88	141.42	1196.30	1088.63	39.59	39.50	1128.13	\$1,167.72
Family	1258.09	66.22	1324.31	172.04	1496.35	1361.68	63.89	39.50	1401.18	\$1,465.07

9% Employee Contribution			Per Pay Amount
Monthly	Annually		
Single	45.83	549.99	20.37
2P	107.67	1292.00	47.85
Family	134.67	1616.06	59.85

FY 2016 - 2017		BCIBS Suffix 007016448-0000								
Health Insurance Premium Including Taxes	Health Insurance Without Taxes	H CRA Taxes	DF HRA Cost	Premium to Calculate Employee Contribution	Prem. Less 9%	Delta Dental	44 North Fees	Budget Premium w/o Dental	Budget Premium	
Single	483.45	460.87	22.58	58.87	542.32	493.51	20.57	39.50	533.01	\$553.58
2P	1160.04	1107.57	52.47	116.85	1276.89	1161.97	39.59	39.50	1201.47	\$1,241.06
Family	1450.01	1378.92	71.09	141.70	1591.71	1448.46	63.89	39.50	1487.96	\$1,551.85

9% Employee Contribution			Per Pay Amount
Monthly	Annually		
Single	48.81	585.71	22.53
2P	114.92	1379.04	53.04
Family	143.25	1719.05	66.12