

COUNTY BOARD OF COMMISSIONERS BUDGET STUDY SESSION

Friday, July 24, 2020
3:30 p.m.

City Council Chambers, Manistee City Hall
70 Maple Street, Manistee, MI

MINUTES

Members Present: Margaret Batzer, Mark Bergstrom, Jeff Dontz, Karen Goodman, Pauline Jaquish and Gene Lagerquist and Richard Schmidt

Members Absent: none

The Study Session was called to Order by Chairman Dontz at 3:30 p.m.

Pledge of Allegiance

Invocation was given by Mr. Bergstrom

Roll Call

The County Board and its Committees are operating remotely and electronically by Zoom under Executive Order #2020-154 issued by Governor Gretchen Whitmer due to the COVID-19 pandemic.

PUBLIC COMMENT

No Public Comment online or in person.

DISCUSSION AND REVIEW OF A FY 2020/21 DRAFT BUDGET

Discussion and review of a FY 2020/21 draft budget as prepared by County Administration.

The County Board received the 2020/21 Budget Study Session #2 Report dated Friday, July 24, 2020. (Appendix AA) The report reflects changes made since the last report at the direction of the County Board. The new deficit amount is \$552,016 to be used from fund balance. The amount in the Budget Stabilization Fund is \$894,145. The Prosecutor's Office grant amount was increased by \$12,000. Ms. Sagala indicated not included in this amount, Rachel Nelson, County Treasurer stated that there will be a transfer in from the Housing Fund of about \$2,597. Changes included some increased revenue (Appendix A) in departments and decreased expenses (Appendix B) in most departments between 2%-3%. The Departments will receive a copy of these budgets so the Department Heads can come in and discuss their budgets and changes. In reviewing the FY 20/21 IT requests with the Technology Committee and Mr. McLellan, it was determined thereafter that the most important items were to replace servers (\$90,000) and the Courthouse CCT Server of (\$14,000) which totals a new IT budget of \$104,000. Computer rotation which is done annually will be using some COVID-19 funds to purchase laptops will reduce the rotation request in the amount of \$30,000. Other items removed from the previous budget report were the Wage Classification Study, adding an additional Corrections Officer, a Sheriff's Office vehicle and Planning department Staff changes/increases in the amount of \$50,080.

Other Items to consider were different percentages for Employee Health Insurance Contribution that would increase savings to the County and wage increases at various percentages. An option to not make a contribution to the Jail Loan Fund of \$66,667 (the County is paying themselves) and/or to increase the Fair Appropriation and the Airport Authority. The Airport Authority did receive a \$5,000 increase last year (had requested \$10,000). The recommendation from the

Finance Officer was a reduction of the \$6,000 Airport Authority request and \$4,000 for the Fair Board request.

Appendix C lists the COVID-19 Funding Programs. The Michigan Coronavirus Emergency Supplemental Funding (CESF) totals \$85,575 to the three (3) Courts, the Prosecutor's Office and the Sheriff's Office but is very restrictive and is broken down by each department. This grant cannot be used for new construction. The grant can be used for replacement chairs etc. \$11,000 has already been spent in PPE's and cleaning supplies. The HALO system probably will not qualify under the grant. An application in the amount of \$306,593.84 has been submitted to the Public Safety and Public Health Payroll Reimbursement (PSPHPR) Program. An application has already been submitted to the First Responder Hazard Pay Premiums Program (FRHPPP) in the amount of \$24,000 which is expected to be paid by the end of August which will be placed back in the budget. A Michigan State CDBG Program which replaces Local Revenue Sharing payment for August 2020 for \$154,238. This money will be a disbursement, but we have to tell them how we are spending the money. It is less restrictive and should be able to be used for jail blower, laptops, software, PPE and court expenses. For a total available of \$570,406.84. PILT money from the casino is unknown now and into next year.

Chairman Dontz noted that the items that need to be considered in order for a budget to be calculated would be health insurance, wages and the wage classification study. Commissioner Batzer and Goodman thought it was important to provide some type of a wage increase for Staff and not increase health insurance to 15% or 20% if at all possible. Mr. Dontz indicated he could argue on opposite on both but suggested a 1% wage increase with an 11% health insurance employee contribution. Ms. Sagala did note that family coverage that runs approximately \$61 per pay period would increase at an 11% contribution to about \$63 or \$64 per pay period. Other coverage would be less of an increase. Ms. Sagala noted that any changes would be impactful when out of pocket amounts increase. There are also other options in insurance that can be reviewed like increases direct feed costs, higher deductibles, can separate prescriptions or have health only coverage, could offer Blue Care Network or keep the current plan, offer an optional HSA or HRA Plan. Exploring various options is worthwhile. Commissioner Schmidt noted that if the County has to borrow, or use one half million dollars from fund balance, we can't give a raise, he suggested 13% employee health care contribution. It is also noted that employees did not get a raise for years and when they did, it was very minimal. Also, there was no reduction in Staff during that time. It was noted that with this budget draft, we have \$550,000 to cover but a projected \$570,000 coming in. However, Ms. Sagala indicated that if we receive all or a good portion of the funding, the County will be in a good position but that is unknown as this time. Other items that have an effect on the budget were discussed. PILT money is about average but it is reported that the June was the best month the Casino ever had. But these are additional funds that we have come accustomed to. Also, the pension is just over \$200,000 of this deficit, it is hoped that splitting the County units will help. There is also a little over one million in the fund. Ms. Sagala reported there is only \$6,000 in the Child Care Fund and there was discussion of reducing the transfer in amount which may not be appropriate. Ms. Goodman said she would like a better idea or breakdown of the expenses and the \$207,000 request. The CCF covers child placement, programming and the program has changed from what it used to be. Ms. Zielinski, Finance Officer will get that breakdown. Ms. Sagala will get health care amounts, wages and wage survey figures. Ms. Sagala explained that although the wage study is a big-ticket item, it is important to begin implementing the changes needed in the step system. Travel can be looked at because most travel has been eliminated since March. Discussion on the collaborative employees of Manistee and Benzie and paying them mileage. Are those costs factored into Benzie costs as well as IT costs? Mr. Lagerquist reiterated the suggestion of 11% health insurance contribution with a 1% wage increase and offer 50% of the wage classification study which would provide movement towards that project, Ms. Jaquish and Mr. Bergstrom concurred. The other 50% of the wage study could come from the County Contingency Fund if needed. Mr. Dontz noted that the courthouse bond loan is until 2024 and the Jail loan would be paid off in 2025. All were reminded that the budget can always be amended. With \$824,000 in the budget Stabilization Fund and an \$80,000 budget surplus from last year, where was that money put? MERS never gets above 90% so the County just needs to pay what they have to as things change in MERS monthly.

Ms. Sagala will refigure the proposed budget to include \$22,500 for the wage study, 11% health insurance employee contribution and 1% wage increase.

The next Budget Study Session is scheduled for Friday, August 14, 2020 at 3:30 p.m., location to be determined with Zoom available. If the location is City Hall, it would be helpful if the WIFI password was available.

MISCELLANEOUS BOARD MEMBER COMMENT

None.

Adjourn at the Call of the Chair at 4:49 p.m.

_____ Clerk