

COUNTY BOARD OF COMMISSIONERS BUDGET STUDY SESSION

Friday, August 6, 2021
3:00 p.m.

Manistee County Courthouse & Government Center
Board of Commissioners Meeting Room

MINUTES

Members Present: Margaret Batzer (City of Manistee), Jeff Dontz, Karen Goodman, Eric Gustad, Pauline Jaquish, Nikki Koons (Norman Township) and Richard Schmidt (Village of Kaleva)

Members Absent: None

Others Present: Lisa Sagala, Administrator/Controller; Sheriff Brian Gutowski; Rachel Nelson, County Treasurer; Eric Sullivan, Veteran's Counselor; Susan Zielinski, Finance Officer; Heather Vasquez, Equalization Director; Julie Schmeling, Administrative Secretary; 19th Circuit Court; Sara Howard, Council on Aging Executive Director; Barry Lind, Manistee Blacker Airport Director; Richard Strevey, Manistee County Transportation General Manager; Julie Stec, Manistee County Transportation Office Manager; Debra Greenacre, Library Executive Director; Julie Cirone, Library Assistant Director; Joe Coleman, Administrator Manistee County Medical Care; Beth Taylor, Medical Care Finance Manager; Doug Parkes, DHHS Board; Renee Mallison, Manistee Conservation District Executive Director; Mike Machen, Emergency Manager/9-1-1 Deputy Director; and Lindsey Marquardt, Chief Deputy County Clerk

The Study Session was called to Order by Chairman Dontz at 3:00 p.m.

Pledge of Allegiance

Roll Call

The County Board and its Committees are operating remotely and electronically by Zoom under the Manistee County Board of Commissioners Resolution #2020-17, which declared a Local State of Emergency through December 31, 2021 due to the COVID-19 pandemic.

PUBLIC COMMENT

None.

DISCUSSION AND REVIEW OF A FY 2021/22 ADJUSTED BUDGET

Review and discussion 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. The Board will review 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 2021, and/or July 2022. The maximum allowable millage levy for each entity is as follows:

County Operating	5.4708
Library	0.9947
Medical Care Facility	0.4973

9-1-1	0.9947
Dial-a-Ride	0.4973
Council on Aging	0.4724
Conservation District	<u>0.0994</u>
TOTAL	9.0266

The maximum allowable millage is currently being levied for all entities except for 9-1-1. All of the above entities have been invited to attend this study session for the purpose of discussing their millage levy with the Board.

Manistee County Veteran's Counselor

Eric Sullivan, Manistee County Veteran's Counsel, appeared before the Board to request that the Manistee County Veteran's Counselor position become a full-time position with the service officer position remaining part-time. The job warrants becoming a full-time position with benefits. The benefits for the position can be paid for through the grant, if the County would fund the wage for the position. The wage would be \$55,000 per year and the benefits \$16,551 per year. If this position is funded using money from the grant, the budget for the department can never be decreased according to the Grant.

Manistee County Transportation (Dial-A-Ride)

Richard Strevey, Manager, Manistee County transportation, appeared before the Board and request that the 0.4973 mill that has been allocated to Dial-A-Ride. The Board packet contains the preliminary FY 2022 budget for the Manistee County Transportation, Revenue and Expenditure report and the Audit report. This is the first year that Baird, Cotter & Bishop, P.C. were used for their audit. The past 30 years the agency has received a clean audit report. Mr. Strevey reports that the agency has received a clean Michigan Department of Transportation (MDOT) audit and FTA audit. They were the first rural transit system in Michigan to get a clean FTA audit. The budget for FY 2022 is the most insecure preliminary budget in many years. The CARES Act funding will be divided by MDOT between last fiscal year and this fiscal year (FY 2022). The funding from the State of Michigan is unknown at this time but is being reported at 2% less. A large portion of revenue from fares comes from contracts with the schools, if they should close for any reason, that could affect the budget. Mr. Strevey does feel at that they are in the best financial shape ever. The maximum allowable millage levy for Manistee County Transportation is 0.4973.

911/Central Dispatch

Mike Machen, Deputy 911 Director, appeared before the Board. The budget is available for the Board to review. There has been a lot of progress made in the last year for the department. All employees have completed the 80-hour State required training, 24 hours of continuing education and CPR classes. The department is looking to replace all the counsels. They are looking with this project to have a fourth counsel; this will make training easier and allow for a backup if one counsel should go down. The servers have met their lifespan and will also need replacing next year. They are looking to replace their radio service on the towers as well as some computers. The approximate cost for each counsel is \$177,000. The department currently has a fund balance of \$1,039,604. The maximum allowable millage levy for 911/Central Dispatch is 0.9947.

Manistee County Library

Debra Greenacre, Library Director, appeared before the County Board and requested that the 1.000 mill that has been allotted to the library in the past continue. Ms. Greenacre indicated that the library currently has three openings. Since COVID-19 started, they have provided curbside services and continue to do so. They are currently in middle of main floor renovation project, which includes new carpet, new paint, new shelving, and new furniture. The Library will be partnering with the Manistee Council on Aging by adding a branch at the Wagoner Center. The library does have a healthy fund balance. Ms. Greenacre indicated that within the next couple

years that the elevator in the Maple Street location will need to be replaced at the cost of approximately \$200,000. The maximum allowable millage levy for the Library is 0.9947.

Manistee Blacker Airport

Barry Lind, Manistee Blacker Airport Director, appeared before the County Board. The airport has been dealing with a very lean budget for the last decade. Many projects have been deferred due budget issues over the years. Federal Funding is available for maintaining and updating taxiways and runways. The airport has been receiving \$120,000 from the County for the last 5 to 6 years. There has been a pattern of low fund balances with the last audit showing a zero or slightly negative fund balance. This year's request from the County is for \$130,000. The airport has a 5-year capital improvement plan with the biggest project being the renovation of the hangars. Currently 3 of the 10 hangars are not rentable as the doors do not function properly. The hangars are available for rent and having three unusable, the airport is missing out on revenue. Major rehabilitation of the taxiway and runway lights will be federally funded at the cost of approximately 7 to 8 million dollars. There will need to be a local match of approximately \$175,000 to receive this money. The airport and its impact on economic development on Manistee is substantial.

Manistee County Medical Care Facility (MCMCF)

Joe Coleman, Administrator Manistee County Medical Care Facility and Doug Parkes, DHHS Board, appeared before the County Board and ask that the Board levy the full millage. The Medical Care has a millage proposal on the November ballot. Margaret Batzer commended the Medical Care for their protective measures combating COVID-19, to date the facility has had zero cases. Mr. Coleman indicated that staffing is very concerning at this time. Yesterday staff had to go back to wearing goggles and face shields, which is very unpopular with the staff. The exit of staff has slowed temporarily but with school starting soon, 4 staff members will be leaving in the next week or so. Mr. Parkes plans at the County Board meeting this month to start the campaign to promote the November millage request. The hope is that if the millage passes, that they entire mill won't have to be levied for the entire term length. The money from the millage will be more like seed money to get the project started. The maximum allowable millage levy for the Manistee County Medical Care Facility is 0.4973.

Council on Aging (COA)

Sarah Howard, Council on Aging (COA), appeared before the Board and requested that the entire mill that has been allocated in the past, continue. The millage rate was increased with the November 2020 election. The General Fund and Meals on Wheels budgets will be finished next week, and copies will be forwarded to the Board members. The Council on Aging currently have 17 volunteer drivers which provides a significant cost savings. They are currently looking for four board members to fill vacant positions. They COA housing project is in initial stages. Ms. Howard and Marc Miller have been meeting with developers and there is already a waitlist for the housing. The maximum millage levy for the Council on Aging is 0.4724.

Manistee Conservation District (MCD)

Renee Mallison, MCD Administrator, appeared before the Board and asked that the full mill continue to be allocated. The District has recently added two part time positions. A conservation technician, which is funded primarily from the U.S. Forest Service. Another grant from MiCorp also help to fund the positions so that the money doesn't have to come from fund balance. The other position is an outreach administrator. This position is fully funded from fund balance. Millage monies are fully expended through wages, benefits and building expenses. The millage is through 2023 and after discussion was determined it should be on the ballot for renewal in 2022.

**DISCUSSION AND REVIEW OF FY 2021/22 ADJUSTED BUDGET AS
PREVIOUSLY DISCUSSED AT THE JULY 7, 2021 BUDGET STUDY SESSION**

Ms. Sagala reviewed the remainder of the 2021/22 Budget Calendar. On August 24, 2021, the County Board of Commissioners will adopt a tentative budget. From August 25, 2021 thru September 10, 2021, Departments, Courts and Agencies will review the tentative budget. From August 25, 2021 thru September 21, 2021, the tentative budget will be available for public review. At the September 21, 2021 County Board Meeting, a public hearing will be held on the budget and a final budget and General Appropriations Act Resolution will be adopted.

Ms. Sagala reviewed the 2021/22 Budget Study Session #2 Report dated August 6, 2021 with the Board. With the directed adjustments from the meeting on July 7th, the fund balance required to balance this recommended budget is \$232,309. Adjustments were made to the following: wages/fringes in the Jail budget based on vacancies; revenues in the Treasurer's budget; added 2% wage increase, including fringes; added a corrections officer position; added funds for a Grant Writer position; added additional money to Economic Development; reduced department average expenditures; reassigned IT projects; reassigned Planning equipment; and lost revenue calculation for ARPA Funds.

Susan Zielinski explained the calculation for lost revenue and eligible uses for lost revenue using ARPA Funds. The first year before COVID-19, that would be FY year ending September 2019. The State is allowing a 4.1 % increase per year. Identify actual revenue collected over the past 12 months. Lost revenue us equal to the expected growth rate less actuals. There are restrictions that you must use the money for. Ms. Zielinski asked that the Board use \$400,000 as the ARPA Fund for the lost revenue calculation. The County will have to report what the money is being spent on. It can be used for court security, jail wages/fringes, Sheriff's Office wages/fringes, custodial supplies, and various things like that. The County has to budget the money in order to be able to use the money. Ms. Sagala and Ms. Zielinski will be asking the Board during ARPA Funds discussions, is to set aside money each year, in case the budget requires it, similar to this year. The County can reassign the money to different projects, if need be, but must use the money or the County will lose the funds.

Ms. Zielinski reviewed the reports and charts for department budget comparison from past years. There is also a report of the budget by line item showing where all funds will be going for FY 2021/22. Also included in the Supplemental Funds report for review.

Margaret Batzer questioned the increase for Economic Development from the Budget Study #2 Report. The amount discussed at the July 7th budget study session was for an increase of \$20,000 for Economic Development. The City of Manistee has already allocated an additional \$20,000 for Economic Development. Karen Goodman would like that know what the County will be getting for that increase in the amount. It will be important to receive regular reports on the services being provided.

The Board discussed using ARPA funds for housing and landbank. Ms. Zielinski indicated that in order to use funds, there needs to be an approved budget by the Board. The Land Bank would need to show how the County is or will be using those funds. We can build a budget and set it aside, but there is still time to figure that out before the County starts spending and could do an amendment should it become necessary as it relates to the ARPA funds.

MISCELLANEOUS BOARD MEMBER COMMENT

None.

Adjourn at the Call of the Chair at 4:38 p.m.

Clerk