

PERSONNEL / WAYS & MEANS COMMITTEE

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MEMBERS

Ralph Tillotson, Terry Collins
Committee of the Whole

MEETING LOCATION

Chamber Room, 2nd Floor
Old Courthouse, 301 N. Main Street, Adrian, MI

Minutes: Tuesday, October 8, 2019 – 10:04 a.m.

Present: Commissioners Bolton, Bales, Collins, Jenkins-Arno, Knoblauch, Lapham, Tillotson, Wittenbach, and Stimpson

Also Present: Cari Rebottaro, Scott Holtz, Jenny Escott, Cheryl Whipple, Marilyn Woods, Carolyn Bater, Roxann Holloway, Undersheriff Ewald, Tim Robinson (EDC) J. Lee Johnson (Siena Heights University), Steven Frank (Miller Canfield), Kim Murphy, Rebecca Borton, and Martin Marshall

Approval of Minutes

Motion by Wittenbach, seconded by Knoblauch, to approve the minutes of the September 9, 2019, meeting. Motion carried.

I. Personnel Business

- A. Employment Changes:** Personnel changes were available for review.
- B. LDA Daybreak Request:** Cari Rebottaro announced that the Lenawee Department on Aging is the first recipient of the Dementia Daycare state grant; this is a three-year grant. She submitted a request for two additional positions for Daybreak; a Program Secretary and a Program Assistant. These two positions account for \$44,307 budget increase of which \$20,000 will be provided for through grant funding. The additional two positions will fulfill the staff to dementia client ratio outlined in the grant.

Motion by Knoblauch, seconded by Lapham, to recommend approval of the additional Daybreak Program Secretary [NU7514] and Daybreak Program Assistant [NU7509]. Motion carried.

- A. Health Insurance Rates:** Marty Marshall reviewed the 2020 health insurance rates. The change in premium rates for January through December 2020 is an overall 6.46% increase for the Lenawee County group; however, the change in the plans and classes varies.

The County contribution to employee health care will increase by 5.16% which is the average increase across all plans and categories that the County offers.

- C. Other Personnel:** There was no other personnel business.

II. Ways and Means Business

- A. Finance Reports:** Marty Marshall reviewed the finance reports; the benchmark is 75.6%. Revenues are at 80% while expenses are at 71%.

He went on to review the current budget status.

Revenue: Comparing revenue from last year to the current position, the County is running about \$450,000 ahead. Revenue through the Treasurer’s Office is nearly 1.5 million ahead of last year, and no Delinquent Tax Revolving Fund money has been transferred into the General Fund; compared with a transfer of over 1.1 million last year at this time.

Expense: Expenses are approximately \$900,000 more than last year, which amounts to a 4.3% increase. However, this includes the fourth quarter allotment, which was not included in 2018 October finance reports, and by themselves amount to \$1,099,467. Marty reviewed departments with notable differences and the reasons for the difference.

Over the last five years, in aggregate, we have added modestly to the general fund balance, including an addition of over \$900,000 last year. The Treasurer’s Office accounts for about 73% of the total revenue received by the general fund. Last year at this time the Treasurers’ Office had received 86% of expected revenue and that percentage in 2019 is 88%

Marty expects to end 2019 on the plus side and may even do so without transferring from the Delinquent Tax Revolving Fund.

Budget Adjustments: A list of budget adjustments were reviewed.

Motion by Knoblauch, seconded by Wittenbach, to recommend approval of the budget adjustment

		Current budget	Change +/-	Recomm Revised
Administrator			7,850	\$7,850
101.172-704	Wages - Regular Employees	309,013	6,527	315,540
101.172-715	Matching Social Security	32,566	499	33,065
101.172-718.120	Retirement Defined Benefit Liability	29,798	456	30,254
101.172-718.200	Retirement Defined Contribution	9,058	326	9,384
101.172-720	Unemployment	848	29	877
101.172-721	Workers Compensation	1,918	13	1,931
Contingencies			(7,850)	(7,850)
101.890-956.300	Contingency - Personnel	329,891	(7,850)	322,041

Motion carried.

B. Siena Heights Bond: The Economic Development Corporation is submitting a proposed Fourth Amended Project Plan pertaining to the acquisition and financing of certain projects to be undertaken by Siena Heights University. The EDC proposes to issue its limited obligation revenue bonds, in one or more series, in the aggregate principal amount of not to exceed \$10,000,000 (the “Series 2019 Bonds”). The proceeds of the Series 2019 Bonds will be loaned by the EDC to the University and will

be used by the University, together with other available funds of the University, to pay the costs of the Projects and to pay the costs of issuance of the Series 2019 Bonds.

J. Lee Johnson introduced himself as the Senior Vice President for Business and Finance at Siena Heights University (SHU). He explained that SHU intends to purchase property and software upgrades. They are applying for a \$10,000,000 (Series 2019 Bonds) through the Economic Development Corporation (EDC).

Tim Robinson added that the EDC has met, approved the project, and adopted a resolution; which have been included in today's meeting packet.

Steven Frank from Miller Canfield explained the process for application under Public Act 338. It is requested that the Board of Commissioners adopt the project resolution and set a public hearing for November 13, 2019.

Motion by Stimpson, seconded by Wittenbach, to recommend adoption of the Siena Heights University 2019 Project Resolution (Approval of Project Area Designation, Establish Project District Area Boundaries, Appointing Additional Directors, and Calling for a Public Hearing Concerning Fourth Amended Project Plan) and set the public hearing for November 13, 2019. Motion carried.

Mr. Johnson thanked the Board of Commissioners for their support and invited them to SHU homecoming this weekend.

- C. 2020 Budget:** The 2020 Administrator's Draft budget had been distributed last month for review. While specific details of the budget will require adjustment, for example the cost of health insurance, the overall revenue and expenditure estimates provide a solid foundation for the 2020 budget.

Marty went through each section of the handbook and provided highlights including personnel changes in several departments. It was noted that unfilled positions remain listed in the pay grade table to maintain the pay scale structure for future positions. Personnel changes included in the budget will be approved upon budget adoption.

He went on to review other factors to consider including:

- The proposed 2020 budget is \$30,928,932 and is balanced without use of fund reserves or Delinquent Tax.
- There is a contingency of \$877,302 with \$400,000 dedicated to personnel.
- The health insurance rate was built in at 8% but came in at 5.16%; the difference will be adjusted with additional funds redistributed.
- General revenue estimates are at 3% based on projected 2% CPI, transfers, and new construction

Marty noted that Cheryl works night and day on budget preparations, assisting with grant applications and reimbursements for current grants; all of which, come due at the same time.

Commissioner Jenkins-Arno questioned the effects the state budget vetoed line items will have on the County. Marty reviewed several county line items that will be effected, but does not anticipate major cuts.

Marty also mentioned that the Maurice Spear Campus and Juvenile Probate have been separated; with MSC falling under the direction of the Board of Commissioners and reporting to the Administrator.

Comm. Knoblauch opened discussion on the County's tax base and the effects of MIS appeals and the pipelines that run through.

Motion by Collins, seconded by Wittenbach, to adopt the 2020 Administrator's Draft Budget, as amended, as the 2020 Ways and Mean Draft Budget #1 and recommend to the Board of Commissioners for publication and public hearing on November 13, 2019. Motion carried.

D. PA116 Application (Deerfield): A PA116 Application has been submitted for consideration from Mary Goll Living Trust for property located in Deerfield Township.

Motion by Bolton, seconded by Knoblauch, to recommend approval of the PA116 application with staff comments. Motion carried.

E. Recommendations/Referrals: There were no recommendations or referrals.

F. Campus Projects: Both the elevator (Schindler) and access controls (Honeywell) need to be fully functional prior to occupancy. October 14th is the tentative move in date for the Sheriff's Office.

G. BOC Consent Agenda: Recommendations and referrals from today's meeting will be placed on tomorrow's Board of Commissioners' consent agenda.

Motion by Collins, seconded by Wittenbach, to place actions from today's meeting on to the Board of Commissioners consent agenda. Motion carried.

H. Other Business: There was no other business.

I. Adjournment

Motion by Knoblauch, seconded by Wittenbach, to adjourn the meeting at 11:03 a.m. Motion carried.