

BUDGET COMMITTEE WORKSHOP
Updated Draft MINUTES
Thursday, June 20, 2024 at 11:00 a.m.
Howard Male Conference Room

COMMITTEE MEMBERS PRESENT

John Kozlowski, Burt Francisco, Treasurer Kim Ludlow, Clerk Keri Bertrand, and Chair Bill Peterson.

OTHERS PRESENT

County Administrator Jesse Osmer; County HR Specialist Jennifer Mathis (zoom); Equalization Director Ted Somers; 911/EM Director Kim Elkie; IT Director Logan Kemp; Alpena News Reporter Steve Schulwitz; Register of Deeds Mandy Smith; Airport Manager Steve Smigelski (zoom); Maintenance Superintendent Wes Wilder (zoom); Deputy Clerk Christie Williams (zoom); Deputy Clerk Michelle McGirr (zoom); Sheriff Erik Smith; Probate Administrator Liz Smigelski; District Court Administrator Christy Deletka; Home Improvement Director/Public Conservator Nicki Janish; Veterans Affairs Counselor Dan Perge (zoom); Sheriff's Office Administrative Assistant Kat Tomaszewski (zoom); Michelle Reid (zoom); and County Board Assistant Lynn Bunting.

The Budget Committee Workshop started at 11:00 a.m.

PUBLIC COMMENT

None.

DISCUSSION ON BUDGETPROCESS FOR FY2025

Budget Chair Bill Peterson requested that they go through the GL line items list by department for the proposed 2025 budget. Commissioner Francisco reported on clarification needed on what mandated services are within the statute by law, and grant funded. Clerk Bertrand reported that the contracts mandate items such as longevity, and needs clarification on what types of "mandates" they were looking for Department Heads to identify. Administrator Osmer and Commissioner Francisco clarified that they were asking for State mandated items/services not contractual mandates. Treasurer Ludlow reported she sent the documents for review to the department heads yesterday via email and Administrator Osmer sent a copy to the committee last night via email for review.

Treasurer Ludlow reported on the 2021, 2022, & 2023 original budgets versus the actual audited expenditures noting that to date for 2024 the expenditures are more than what was brought in. Treasurer Ludlow informed the committee that the ARPA Funds were transferred to the General Fund in 2021 of \$799,000, and in 2022 of \$802,500, and in 2023 of \$300,000, with a balance of \$800,000 of ARPA Funds to be obligated before 12.31.24, and noted there are no more ARPA Funds are coming in.

Budget Chair Peterson recommended getting the budget closer together before the end of the year and need Headlee to be approved by the voters or will need to make some major cuts. Budget Chair Peterson recommends to cut pay of all commissioners and that he would cut his own pay to save a county job. Sheriff gave an update that they are working on getting the expenses down but it is hard retaining employees to help alleviate the overtime. Board Chair Kozlowski reported that

attorney fees were extremely high this year and was not budgeted nor expected to have to spend this year. Treasurer Ludlow reported that she can provide a General Fund Historical Comparison

Report from 2019 to 2023 of each GL line item and will send to the Budget Committee for historical data to work with when they meet with the department heads. Treasurer Ludlow reminded the committee that there are items that are paid annually and not paid until end of the year that need to reserve the funds to pay.

Commissioner Francisco recommends meeting with the department heads to see if the budgeted expenses can be adjusted (amended budget versus actual spending). Commissioner Francisco reported that a quarterly and/or mid-year review of the budget with the departments would be best to do each year.

Board Chair Kozlowski recommended to break into groups of two and meet with the departments to go over the department's budgets to potentially cut expenses and increase revenue.

Discussion on Airport Cares Grant and Treasurer Ludlow noted this is not the General Fund it is the Airport Fund which has money to pay the airport bills and cover the airport bond payment as well as pay the AGS Contract (ground services). Treasurer Ludlow informed the committee that if the Airport Fund cannot continue to pay for the bond payment, bills, or the AGS Contract that \$250,000 to \$300,000 estimated per year the County would need to cover.

Treasurer Ludlow reported that the previous Administrator utilized Munetrix for the budget preparation spreadsheet for the department heads and that she did not see one for the Treasurer's Office and will need a heads-up if the Administrators Office will be doing this this year. Discussion on Munetrix versus BS&A Software to provide a spreadsheet for the department heads to update their proposed budgets. The committee concurred that the Treasurer's Office handle the budget spreadsheet and send to the department heads to update and send back to them to update for the board. Discussion on Munetrix and training for the department heads. Treasurer Ludlow reported that Munetrix has historical data, and they have the County's Audit.

Board Chair Kozlowski reminded the committee that the Budget Committee creates the budget process not the budget and can make suggestions to bring to the board but do not solve the budget.

MONTHLY TREASURER'S REPORT (MAY 2024)

Treasurer Ludlow presented the monthly Treasurer's Report for May 2024 reporting that the Budgets should be at 41.37% for May, Revenues are at 30.27% (2023 at 26.37%) and Expenses are at 42.13% (2023 at 41.46%). Treasurer Ludlow reported that as of May 2024 expenses were at 1,721,706,000.00 and if expenses stay the same through the rest of 2024 budgeted expenses available will be at 13.05%.

INFORMATION ITEM: Treasurer Ludlow informed the committee that she met with Clerk Bertrand and historically the department heads do not put payroll information in and they both recommended that the department heads do this as payroll makes up about 75-80% of their budgets, which the Clerk's Office manually calculates in the past and puts payroll into BS&A and then into a spreadsheet. Treasurer Ludlow recommends the department heads use last year's payroll numbers for their 2025 proposed budgets.

INFORMATION ITEM: Sheriff Erik Smith recommended educating the community and the county employees and their families on what the Headlee is and why it is needed. Commissioner

Francisco noted that The Alpena News representative Steve Schulwitz has had four articles in the paper about the Headlee providing information to the public. Discussion and recommendation

for Equalization Director Ted Somers put together an informational fact sheet for the public and for the Register of Deeds Mandy Smith, Sheriff Erik Smith, 911 Director Kim Elkie to work with County Administrator Jesse Osmer on an informational sheet to get out to the public for educational awareness and get this also on the County Website and County's Facebook page. Equalization Director Somers informed the committee that the verbiage will need to be approved by the full board and will need to be put on the full board agenda for next Tuesday's board meeting for approval.

Clerk Bertrand informed the committee that the commissioners cannot spend general fund dollars to advertise or campaign for this but can educate people and if people want they can donate funds for this and the board can create a friend of the county group; will need to fill out a statement before creating a friend of the county group.

INFORMATION ITEM: Board Chair Kozlowski recommended that groups of two commissioners meet with department heads on their budgets and by mid-September departments bring presentations on their proposed budgets and then a second review in October before full board finalizes in November. Board Chair Kozlowski recommended the following commissioners pair up to meet with department heads on their budgets: Commissioners Peterson and Lalonde, Commissioners Francisco and Ludlow, Commissioners Konarzewski and Fournier, and Commissioner LaHaie and Kozlowski. Discussion and recommendation for Administrator Osmer to put together a timeline and instruction packet by department for each group of commissioners.

Discussion and recommendation that the Treasurer's Office put the 2025 budget spreadsheets together and not the Administrator's Office. Treasurer Ludlow reported that her office will be balancing the 2024 quarter and 2024 half year budget adjustments as well as balancing June 2024 and noted that on or about July 7-July 10, 2024 will send the 2025 Budget Spreadsheet via email out to the department heads and to have them work on and return a final spreadsheet to the Treasurer's Office by the first week in August 2024.

Discussion and recommendation to prioritize the primary focus on the General Fund and then the second priority be on the sixty-three other funds for the 2025 budget. Board Chair Kozlowski recommended that Administrator Osmer work with the Treasurer's Office on the 2025 budget.

ADJOURNMENT: The Budget Committee Workshop ended at 12:18 p.m.

Bill Peterson, Budget Committee Chair

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