

# **Finance Agenda**

**Missaukee County Board of Commissioners**

**Finance Committee**

**105 S. Canal St. Lake City, MI**

**June 6, 2019 @ 4:00 PM**

- 4:00 PM    **Opening and Roll Call**  
**Public Comment\*\***
- 4:05 PM    **Treasurer – Lori Cox**  
a. Monthly Financial Reports
- 4:20 PM    **Administrator – Precia Garland**  
a. DHD #10 Sanitary Code Changes  
b. FY20 Recommended Budget Review

## **Public Comment\*\***

**\*\*Public Comment Rules authorized by the Missaukee County Board of Commissioners:** Each person recognized by the Chairman shall state their name for the record and will have a limit of 3 minutes to state an opinion. All opinions will be duly noted by the board & if requiring an answer will be addressed by the chairman first or his designee or in writing. The audience is asked not to interrupt at any time during public comment.

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**Subject: District Health Dept. #10: Draft Resolutions - Sanitary Code Changes**

As you know, Kevin Hughes is scheduled to attend a meeting of your County's Board of Commissioners in the next few weeks. In addition to providing a review of the Agency's annual report and current issues and developments, we also requested you include on the meeting agenda an action item on proposed Sanitary Code changes. Public Health Code requires approval of any Sanitary Code changes by all counties in the jurisdiction.

Broadly, the proposed Sanitary Code changes reviewed and recommended for approval by the Board of Health are:

1. Remove Chapter 9, Body Art
2. Modify Point of Sale Program for Manistee County
3. Rescind Point of Sale Program for Kalkaska County

Recently, the Kalkaska County Board of Commissioners indicated they may revisit their request to rescind the Point of Sale program for the county. To ensure the process for adopting Sanitary Code changes may continue to move forward, proposed resolution language for the first two changes is attached (Resolution 1.) Also attached is a proposed resolution on rescinding the Kalkaska County Point of Sale program. We suggest both resolutions or similar action items be included on the meeting agenda.

If you have any questions or require further information, please contact Kevin Hughes at 231-876-3839 or [khughes@dhd10.org](mailto:khughes@dhd10.org).

I would appreciate it if a copy of the signed resolution(s,) or the minutes of the meeting when a vote is taken on the action item(s) could be forwarded to me for our records. Thank you.

**Jane Drake, MLIR**  
Administrative Support Supervisor  
District Health Department #10  
Office: 231-355-7533  
[www.dhd10.org](http://www.dhd10.org)

**RESOLUTION 2019-**

**Missaukee County, Michigan hereby approves:**

**Revisions to the Sanitary Code for District Health Department #10, Specifically:  
(1) Delete Chapter 9, Body Art; and (2) Revise Terms of the Point of Sale Program for  
Manistee County**

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WHEREAS, all amendments to the District Health Department #10 (DHD#10) Sanitary Code shall be approved by the Board of Commissioners of all counties within the jurisdiction of DHD#10;

WHEREAS, a public hearing was held on April 26, 2019, during the Board of Health meeting in the Boardroom located in the DHD#10 Wexford County office in Cadillac, Michigan, to consider proposed changes to the Sanitary Code;

WHEREAS, following the April 26 public hearing, the Board of Health recognized the State of Michigan has now assumed authority for overseeing and enforcing regulation of establishments engaged in providing tattoos and piercings; and approved a motion to remove Chapter 9, Body Art Code and Guidelines, from the DHD#10 Sanitary Code;

WHEREAS, a public hearing was held on May 31, 2019, during the Board of Health meeting in the Boardroom located in the DHD#10 Wexford County office in Cadillac, Michigan, to consider changes to the Sanitary Code chapter on Point of Sale as requested by the Manistee County Board of Commissioners;

WHEREAS, following the May 31 public hearing, the Board of Health approved a motion to adopt changes to the Manistee County Point of Sale program, which are intended to:

- Extend the timeframe for a Point of Sale evaluation to be valid from 24 to 36 months;
- Eliminate exemptions from inspections for certain property transfers: from spouse to immediate family members; foreclosures or forfeitures; or establishing or releasing a security interest; and
- Require inspections for Land Contract sales at the initiation of a contract.

NOW, THEREFORE, BE IT RESOLVED the changes to the DHD#10 Sanitary Code as duly reviewed through the public hearing process and approved by the Board of Health to (1) Delete Chapter 9, Body Art; and (2) Revise Terms of the Point of Sale Program for Manistee County, are approved by the Board of Commissioners of Missaukee County, Michigan;

BE IT FURTHER RESOLVED, the changes approved herein will become effective after all other Boards of Commissioners for the Counties in the DHD#10 jurisdiction approve the same, and then only forty-five (45) days following the date the Board of Health adopts the approved Sanitary Code revisions.

Dated: June 11, 2019

Board of Commissioners, Missaukee County, Michigan

Attest:

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Jessica Nielsen, County Clerk/Register

**RESOLUTION 2019-**

**Missaukee County, Michigan hereby approves:**

**Revisions to the Sanitary Code for District Health Department #10, Specifically:  
Remove Kalkaska County from Chapter 11, Point of Sale Program**

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WHEREAS, all amendments to the District Health Department #10 (DHD#10) Sanitary Code shall be approved by the Board of Commissioners of all counties within the jurisdiction of DHD#10;

WHEREAS, a public hearing was held on April 26, 2019, during the Board of Health meeting in the Boardroom located in the DHD#10 Wexford County office in Cadillac, Michigan, to consider changes to the Sanitary Code to remove Kalkaska County from the Point of Sale program as requested by the Board of Commissioners of Kalkaska County;

WHEREAS, following the April 26 public hearing, the Board of Health approved the requested changes to remove Kalkaska County from the Point of Sale Program;

NOW, THEREFORE, BE IT RESOLVED the changes to the DHD#10 Sanitary Code as duly reviewed through the public hearing process and approved by the Board of Health to remove Kalkaska County from the Point of Sale Program, are approved by the Board of Commissioners of Missaukee County, Michigan;

BE IT FURTHER RESOLVED, the changes approved herein will become effective after all other Boards of Commissioners for the Counties in the DHD#10 jurisdiction approve the same, and then only forty-five (45) days following the date the Board of Health adopts the approved Sanitary Code revisions.

DATED: June 11, 2019      Board of Commissioners of Missaukee, County, Michigan

Attest:

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Jessica Nielsen, County Clerk/Register

## Missaukee County – FY20 General Fund Recommended Budget

Revenues: \$5,086,772  
Expenses: \$5,176,268  
Deficit GAP: \$ 89,496 to be funded from appropriated fund balance [\$89,496 = \$26,000 extra for pension (from energy note reserve) and \$63,496 for operating expenses]

### Major Assumptions as of 5/31/19:

#### **EXPENSES:**

1. Wage Increases –2% wage increase for all collective bargaining and non-union employees
2. Health Insurance – Currently assuming no cost increase. Monthly rates are budgeted as follows:
  - a. Single: \$507/\$533; employee contribution \$50 (10%)
  - b. Two-Person: \$1,215/\$1,269; employee contribution \$120 (10%)
  - c. Family: \$1519/\$1,613; employee contribution \$150 (10%)
  - d. NOTE: Health insurance expense will be somewhat offset by the increase in employee contributions, which will increase by approximately \$10,032 for the year in the general fund (\$19,920 total for all funds).
3. MERS Pension – Annual required contribution (ARC) for FY20 is the same as FY19. FY20 budget includes a \$26,000 extra payment to help moderate the rate of increase in future ARC. The next actuarial annual valuation will provide rates for FY21 and is due to be received by June 30, 2019. The ARC will likely increase due to changes in assumptions and the closure of our DB plan.
4. Defined Contribution Retirement – No change to current contribution schedule of 2% - 13%, depending on years of service for grandfathered employees; base 6% contribution for employees hired after 10/1/17 plus 2% if they make minimum employee contribution of 2%.
5. Workers Compensation – Assume same rates on average as 2019.
6. Court Costs – Assume \$30,000 increase over current FY19 budget. Assume \$6,000 increase in probate indigent defense (for juvenile cases) -- \$12,000 increase requested.
7. Wild Cards – Inmate medical costs, autopsies, utilities/snow removal, gasoline, and Child Care transfer out.

#### **REVENUES:**

1. Taxable Value – assuming a 2.2% increase in TV for 2020, based on recommendation from equalization = **\$3,138,000** in tax revenue.
2. Revenue Sharing – estimate provided by State of Michigan – **\$298,670** (3% increase); however, Senate has recommended 0% increase (\$8,000 less than current estimate).
3. Convention/Liquor Tax – Due to change in state rules/formula, Missaukee County will receive less than half of what it received three years ago. Current estimate is **\$33,974** for FY20. Half of this amount must be paid to NMRE for substance abuse services.
4. Personal Property Tax Reimbursement – A full reimbursement from the state related to the loss of personal property taxes is expected regarding essential services, plus variable

- reimbursement related to distribution from remaining balance in Local Community Stabilization Share Fund. Total expected revenue is conservatively estimated at **\$70,000**.
5. Transfer in from Fund 261 – 911 operating fund – The general fund continues to pay a large share of operating costs for the 911 dispatch function, contrary to best practice exercised by most counties, which typically provide no general fund support. A \$3 local surcharge per phone line will continue in Missaukee County in FY20, implemented 7/1/19. A transfer in of **\$54,800** (based on the original \$0.42 surcharge rate) is planned to the general fund and will help to offset the \$394,121 budgeted in the General Fund for dispatch operations.
  6. Transfer in from Fund 210 – EMS – A special 0.5 millage is levied to fund EMS and was originally structured to fund EMS and 911 services. In recent years, however, this millage has been used for EMS purposes exclusively. Therefore, a transfer in of **\$46,400** to the General Fund from the EMS Fund is recommended to offset the cost of one dispatcher salary.
  7. Cost Allocation – Total cost allocation to the special revenue funds is proposed to remain unchanged at the rates first established in FY16. Cost allocation results in a total transfer in of **\$33,200** to the general fund.

**NOTABLE GF BUDGET CHALLENGES FOR FY20:**

1. As Missaukee County's share of the court case load continues to increase relative to Wexford County, so too will its share of court costs increase. In FY18, court expenses ran approximately \$32,000 over the original budget. For FY19, we are currently on trend for a \$308,000 year, which is \$28,000 over budget.
2. The way in which child care expenses are paid will change in FY20. Instead of the county paying 100% of child care expenses and then submitting a request for 50% reimbursement, the state will pay most expenses up front, and then request 50% payment from the county. This methodology will greatly reduce a "bonus" payment the county has received the last few years called "de minimus," which was used for various child care-related expenses not eligible for other funding. The loss of de minimum funding will likely require a larger transfer in from the General Fund to cover this loss.

**Missaukee County General Fund  
Expenditures by Department**

6/11/2019

Dept #	Fund Name	FY19 Amended Budget	FY20 Requested Budget	FY20 Recommended Budget	Difference (FY20-FY19)	% Change
101	Commissioners	\$ 93,920	\$ 95,010	\$ 95,010	\$ 1,090	1.16%
131	Circuit Court	\$ 497,125	\$ 526,027	\$ 531,245	\$ 34,120	6.86%
136	District Court	\$ 119,065	\$ 129,574	\$ 129,585	\$ 10,520	8.84%
147	Jury Commission	\$ 2,625	\$ 2,625	\$ 2,625	\$ -	0.00%
148	Probate Court	\$ 247,593	\$ 247,908	\$ 247,912	\$ 319	0.13%
172	Administration	\$ 148,615	\$ 162,458	\$ 162,462	\$ 13,847	9.32%
215	County Clerk	\$ 268,953	\$ 295,156	\$ 295,156	\$ 26,203	9.74%
228	Information Technology	\$ 79,225	\$ 83,250	\$ 83,250	\$ 4,025	5.08%
253	County Treasurer	\$ 212,656	\$ 216,113	\$ 216,116	\$ 3,460	1.63%
257	Equalization	\$ 167,870	\$ 179,109	\$ 179,108	\$ 11,238	6.69%
261	MSU Extension	\$ 73,245	\$ 74,465	\$ 74,465	\$ 1,220	1.67%
262	Elections	\$ 24,100	\$ 36,870	\$ 36,870	\$ 12,770	52.99%
265	Buildings & Grounds	\$ 219,145	\$ 229,735	\$ 229,735	\$ 10,590	4.83%
267	Prosecuting Attorney	\$ 326,597	\$ 344,761	\$ 344,765	\$ 18,168	5.56%
278	Survey & Remonumentation	\$ 60,950	\$ 47,000	\$ 47,000	\$ (13,950)	-22.89%
280	Soil Erosion	\$ 44,295	\$ 44,575	\$ 44,575	\$ 280	0.63%
301	Sheriff	\$ 316,584	\$ 330,971	\$ 330,980	\$ 14,396	4.55%
302	CJ Training Grant	\$ 6,200	\$ 8,250	\$ 8,250	\$ 2,050	33.06%
303	Sheriff Civil Process	\$ 16,630	\$ 17,225	\$ 17,225	\$ 595	3.58%
304	TNT Officer	\$ 95,750	\$ 97,347	\$ 97,347	\$ 1,597	1.67%
315	Secondary Road Patrol Grant (Match)	\$ 62,470	\$ 65,957	\$ 65,960	\$ 3,490	5.59%
325	Dispatch	\$ 381,080	\$ 394,121	\$ 394,125	\$ 13,045	3.42%
331	Marine Patrol	\$ 17,820	\$ 18,038	\$ 18,038	\$ 218	1.22%
332	Snowmobile Patrol	\$ 6,885	\$ 7,467	\$ 7,467	\$ 582	8.45%
351	Jail	\$ 644,745	\$ 641,647	\$ 647,625	\$ 2,880	0.45%
361	ORV Enforcement	\$ 18,000	\$ 18,293	\$ 18,293	\$ 293	1.63%
430	Animal Control	\$ 1,195	\$ 1,300	\$ 1,300	\$ 105	8.79%
648	Medical Examiner	\$ 20,265	\$ 25,198	\$ 25,315	\$ 5,050	24.92%
681	Veterans Affairs	\$ 15,700	\$ 17,200	\$ 17,200	\$ 1,500	9.55%
721	Planning Dept & Commission	\$ 51,860	\$ 52,937	\$ 52,943	\$ 1,083	2.09%
851	Insurance & Bonds	\$ 177,315	\$ 155,729	\$ 155,730	\$ (21,585)	-12.17%
866	Appropriations	\$ 226,055	\$ 226,854	\$ 226,854	\$ 799	0.35%
894	Miscellaneous	\$ 44,481	\$ 37,818	\$ 38,237	\$ (6,244)	-14.04%
966	Transfers Out	\$ 340,500	\$ 333,500	\$ 333,500	\$ (7,000)	-2.06%
	<b>TOTAL - General Fund</b>	<b>\$ 5,029,514</b>	<b>\$ 5,164,488</b>	<b>\$ 5,176,268</b>	<b>\$ 146,754</b>	<b>2.92%</b>

General Fund Balance required to balance FY15 Budget	\$ 434,938.00
General Fund Balance required to balance FY16 Budget	\$ -
General Fund Balance required to balance FY17 Budget	\$ 21,382.00
General Fund Balance required to balance FY18 Budget	\$ -
General Fund Balance anticipated to balance FY19 Budget	\$ 68,909.00 (includes \$27,600 extra to MERS)
General Fund Balance anticipated to balance FY20 Budget	\$ 63,496.00 (Includes \$26,000 extra to MERS)

Missaukee County  
Expenditures by Fund

6/11/2019

Fund #	Fund Name	FY19 Amended Budget	FY20 Requested Budget	FY20		Difference (FY20- FY19)	% Change
				Recommended Budget			
101	General Fund	\$ 5,029,514	\$ 5,164,488	\$ 5,176,268		\$ 146,754	2.92%
207	Sheriff Special Forces Fund	\$ 907,275	\$ 915,046	\$ 915,046		\$ 7,771	0.86%
210	Emergency Services Fund	\$ 1,154,150	\$ 1,003,492	\$ 1,006,886		\$ (147,264)	-12.76%
215	Friend of the Court Fund	\$ 7,500	\$ 7,500	\$ 7,500		\$ -	0.00%
216	#416 Secondary Road Grant Fund	\$ 39,425	\$ 39,425	\$ 39,425		\$ -	0.00%
224	Lake City Officer Fund	\$ 17,730	\$ 18,010	\$ 18,010		\$ 280	1.58%
241	Missaukee Lake Authority Fund	\$ 75,000	\$ 70,050	\$ 70,050		\$ (4,950)	-6.60%
242	Sapphire Lake Authroity Fund	\$ 11,000	\$ 13,451	\$ 13,451		\$ 2,451	22.28%
246	Jail Expansion Fund	\$ 176,256	\$ 147,935	\$ 123,250		\$ (53,006)	-30.07%
247	Trial Court Improvement Fund	\$ 21,000	\$ 11,000	\$ 11,000		\$ (10,000)	-47.62%
249	County Building Department Fund	\$ 149,265	\$ 153,349	\$ 153,349		\$ 4,084	2.74%
250	Public Improvement Fund	\$ 3,000	\$ 3,000	\$ 3,000		\$ -	0.00%
256	Register of Deeds Automation Fund	\$ 14,000	\$ 24,200	\$ 24,200		\$ 10,200	72.86%
261	911 State Surcharge Operating Fund	\$ 305,950	\$ 599,694	\$ 610,700		\$ 304,750	99.61%
262	Corrections Training Fund	\$ 2,500	\$ 2,750	\$ 2,750		\$ 250	10.00%
263	Concealed Pistol Licensing Fund	\$ 8,250	\$ 8,250	\$ 8,250		\$ -	0.00%
264	911 State Surcharge Training Fund	\$ 7,000	\$ 7,132	\$ 7,132		\$ 132	1.89%
269	Law Library Fund	\$ 9,000	\$ 9,000	\$ 9,000		\$ -	0.00%
270	TEAM Project Fund	\$ 800	\$ 1,500	\$ 1,500		\$ 700	87.50%
272	USDA Rural Development Grant Fund	\$ 108,075	\$ 104,542	\$ 104,542		\$ (3,533)	-3.27%
291	Juvenile Justice Basic Grant Fund	\$ 15,000	\$ 15,000	\$ 15,000		\$ -	0.00%
292	Child Care Fund	\$ 772,075	\$ 772,075	\$ 772,075		\$ -	0.00%
293	CDBG Housing Fund	\$ 24,200	\$ 53,492	\$ 53,492		\$ 29,292	121.04%
297	Commission on Aging Fund	\$ 469,065	\$ 498,500	\$ 498,500		\$ 29,435	6.28%
352	Energy Note Fund	\$ 60,090	\$ 62,670	\$ 62,670		\$ 2,580	4.29%
401	Capital Projects Fund	\$ 739,540	\$ 475,250	\$ 475,250		\$ (264,290)	-35.74%
508	County Park Project Fund	\$ 343,635	\$ 306,882	\$ 346,882		\$ 3,247	0.94%
593	Recycling Fund	\$ 23,450	\$ 81,592	\$ 81,592		\$ 58,142	247.94%
595	Sheriff Inmate Commissary Fund	\$ 42,200	\$ 22,200	\$ 22,200		\$ (20,000)	-47.39%
677	Self Insurance Fund	\$ 844,362	\$ 961,057	\$ 961,057		\$ 116,695	13.82%
721	Library Penal Fine Fund	\$ 52,520	\$ 52,520	\$ 52,520		\$ -	0.00%
841	Lake Level Fund	\$ 1,400	\$ 1,400	\$ 1,400		\$ -	0.00%
	<b>TOTAL - All Funds</b>	<b>\$ 11,434,227</b>	<b>\$ 11,606,452</b>	<b>\$ 11,647,947</b>		<b>\$ 213,720</b>	<b>1.87%</b>
	<b>TOTAL - Special Funds</b>	<b>\$ 6,404,713</b>	<b>\$ 6,441,964</b>	<b>\$ 6,471,679</b>		<b>\$ 66,966</b>	<b>1.05%</b>