

Finance Agenda

**Missaukee County Board of Commissioners
Lake City, MI
May 4, 2017 @ 4:00 PM**

- 4:00PM **Opening and Roll Call**
 Public Comment**
- 4:05PM **Treasurer**
 a. Tax Levy Resolution
 b. Foreclosure Properties
- 4:15PM **MCCOA**
 a. Quarterly Report
- 4:20PM **Sheriff**
 a. Ambulance Rechassis Project
- 4:30PM **Administrator**
 a. Baird Cotter Bishop – Engagement Letter
 b. Administrators Report
- 4:40PM **Personnel Committee Referral**
 a. AFSCME Grievance Step 3 Recommendation

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 anytime during public comment

Resolution 2017-7

Resolution Imposing 2017 Property Tax Levy pursuant to Public Act 357 of 2004, and Notice of Certification of County Allocated Tax Levy

WHEREAS, Missaukee County is authorized under the General Property Tax Act, Public Act 206 of 1893, as amended, to levy and collect County Allocated property taxes; and

WHEREAS, the General Property Tax Act has been amended by Public Act 357 of 2004, being MCL 211.44a, to require all Michigan Counties to impose a summer tax levy,

NOW, THEREFORE BE IT RESOLVED, that pursuant to Public Act 357 of 2004, the Missaukee County allocated tax shall be levied and collected on July 1, 2017, in the amount allocated after application of the "Headlee" Millage reduction fraction, 4.9005 mills; and

BE IT FURTHER RESOLVED, that the Treasurer of each city, village and township in Missaukee County is directed to account for and deliver to the County allocated tax collection for 2017 in accordance with the provisions of Public Act 357 of 2004; and

BE IT FURTHER RESOLVED, that this Resolution constitutes certification of the levy of the county allocated tax and authorized collection of the County allocated tax on July 1, 2017, at the amount allocated after the application of the "Headlee" Millage reduction fraction of 4.9005 mills; and

BE IT FURTHER RESOLVED, that the County Clerk shall deliver a copy of this Resolution by first class to the Treasurer of each city and township in the County of Missaukee.

Dated: May 9, 2017

Frank Vanderwal, Chairperson
Missaukee County Board of Commissioners



May 9, 2017

To: Missaukee County Board of Commissioners
From: Precia Garland, Administrator
RE: Baird Cotter & Bishop, P.C. Engagement Letter

Accounting Firm Baird, Cotter and Bishop, P.C. has been providing accounting services as needed to Missaukee County since at least September 2012, according to accounts payable records. In the last three fiscal years, Missaukee County has utilized services totaling the following amounts:

FY 2014 - \$1,770.75

FY 2015 - \$4,927.50

FY 2016 - \$12,022.00 (during gap with no county administrator)

FY 2017 - \$4,467.00 (year to date)

Part way through FY16, we began using the services of a licensed CPA rather than a partner of the firm, which dropped the hourly billing rate by approximately \$75 per hour. Now that both the administrator and the treasurer have been in their positions for over a year and are more familiar with the accounting system, going forward we believe that the need for assistance from BCB can decrease. Once the Missaukee County Commission on Aging is no longer a component unit of the county's budget (associated with its conversion to a private, non-profit organization), that will further decrease the need for accounting services from BCB to assist with monthly reconciliation. Most of the services provided by BCB going forward will focus on assisting the county in properly preparing for the annual audit.

BCB has requested the attached, revised letter of engagement because it has adjusted its rates. It proposes to continue providing general ledger assistance to the county as needed on a month-to-month basis at the rate of \$175 per hour for a partner, \$100 per hour for a licensed CPA, and \$75 per hour for a staff accountant with governmental accounting experience. We currently utilize the services of a licensed CPA. The \$100 per hour is a \$5 per hour increase over current rates.

Requested Action

It is requested the Missaukee County Board of Commissioners approve the attached engagement letter with Baird, Cotter and Bishop, P.C. to continue accounting services as needed. The BOC determines the amount available for these services on an annual basis through its budget appropriation.



Baird, Cotter & Bishop, P.C.
SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS
134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749
www.bcbcpa.com

April 17, 2017

Missaukee County
Attn: Precia Garland, Administrator
111 South Canal
PO Box 800
Lake City, MI 49651

Dear Precia:

Thank you for your interest in continuing to have Baird, Cotter and Bishop, P.C. to provide general ledger assistance. We will assist in the areas specified by the county on a month-to-month basis at the rate of \$175 per hour for a partner, \$100 per hour for a licensed CPA, and \$75 per hour for a staff accountant with governmental accounting experience. These rates will be effective on May 1, 2017. We will utilize the lowest rate whenever possible.

We appreciated the opportunity to be of service to you and believe this letter accurately summarizes the terms of the engagement. We will render an invoice at the conclusion of each month. If you agree with the terms of the engagement, please sign the enclosed copy and return it to our office.

If you have any questions related to this proposal I can be reached at (231)775-9789 or via e-mail at chervey@bcbcpa.com.

Sincerely,

BAIRD, COTTER AND BISHOP, P.C.

Corinna Hervey, C.P.A.

Acknowledged:

Missaukee County

**FY18 Missaukee County
General Fund Budget - Preliminary Estimates as of 5/4/17**

Administrator's assumptions

Total Revenues	\$ 4,826,529		\$ 4,734,929
Total Expenses	<u>\$ 4,954,962</u>		<u>\$ 4,954,962</u>
GAP	\$ (128,433)	GAP without transfers	\$ (220,033)

<u>Sheriff's Special Funds - Requested Reduced transfers to GF</u>		<u>FY17 comparison</u>	
207 - Sheriff's Special Forces			
Road Patrol	\$ -	\$ 34,900	
TNT Officer	\$ -	\$ 28,000	
246 - Jail Expansion Fund	\$ 5,000	\$ 10,000	
261 - 911 Operating Fund*	<u>\$ 44,800</u>	<u>\$ 68,500</u>	<u>Difference</u>
	\$ 49,800	\$ 141,400	\$ (91,600)

* \$13,700 FY17 transfer + \$54,800 local surcharge

Administrator's Primary Assumptions:

1. Property taxes increase by 1.5% over FY17.
2. Staff wages increase by 2%.
3. Increased budget for equalization department to cover staff training due to retirements.
4. Administrator position to full time.
5. Cuts already assumed for attorney fees, audit/accounting fees, BCBS Rx reimbursement child care transfer out and contingencies (total \$58,200.)
6. 101-304 TNT Officer includes \$12,200 in new expenses for TNT admin and vehicle

Facts:

Assume 1% wage increase - saves \$22,402
 Assume 0% wage increase - saves \$44,804
 Each 0.1% increase in property taxable value generates \$2,915; each 0.5% increase in TV = \$14,570

Worth noting:

207 Sheriff Special Forces - receiving transfer in of \$62,000 from DTRF for two patrol vehicles

**Missaukee County
Revenue and Expenditures by Fund**

Fund #	Fund Name	FY17 Amended Budget	FY18 Requested Budget	Difference (FY18-FY17)	% Change
101	General Fund	\$ 4,854,219.00	\$ 4,954,962.00 ^①	\$ 100,743.00	2.08%
207	Sheriff Special Forces Fund	\$ 914,653.00	\$ 900,620.00	\$ (14,033.00)	-1.53%
210	Emergency Services Fund	\$ 720,027.00	\$ 748,460.00	\$ 28,433.00	3.95%
215	Friend of the Court Fund	\$ 10,300.00	\$ 10,150.00	\$ (150.00)	-1.46%
216	#416 Secondary Road Grant Fund	\$ 39,480.00	\$ 39,480.00	\$ -	0.00%
224	Lake City Officer Fund	\$ 17,880.00	\$ 17,880.00	\$ -	0.00%
241	Missaukee Lake Authority Fund	\$ 71,450.00	\$ 70,150.00	\$ (1,300.00)	-1.82%
242	Sapphire Lake Authroity Fund	\$ 12,200.00	\$ 12,000.00	\$ (200.00)	-1.64%
246	Jail Expansion Fund	\$ 235,020.00	\$ 149,905.00	\$ (85,115.00)	-36.22%
247	Trial Court Improvement Fund	\$ 8,500.00	\$ 8,500.00	\$ -	0.00%
249	County Building Department Fund	\$ 147,544.00	\$ 132,610.00	\$ (14,934.00)	-10.12%
250	Public Improvement Fund	\$ 2,000.00	\$ 2,000.00	\$ -	0.00%
256	Register of Deeds Automation Fund	\$ 19,020.00	\$ 17,000.00	\$ (2,020.00)	-10.62%
261	911 State Surcharge Operating Fund	\$ 243,906.00	\$ 279,695.00 ^②	\$ 35,789.00	14.67%
262	Corrections Training Fund	\$ 2,500.00	\$ 2,500.00	\$ -	0.00%
263	Concealed Pistol Licensing Fund	\$ 6,500.00	\$ 7,000.00	\$ 500.00	7.69%
264	911 State Surcharge Training Fund	\$ 12,750.00	\$ 13,750.00	\$ 1,000.00	7.84%
269	Law Library Fund	\$ 7,500.00	\$ 8,000.00	\$ 500.00	6.67%
270	DARE Community Grant Fund	\$ 1,250.00	\$ 1,250.00	\$ -	0.00%
272	USDA Rural Development Grant Fund	\$ 96,997.00	\$ 112,422.00	\$ 15,425.00	15.90%
291	Juvenile Justice Basic Grant Fund	\$ 15,000.00	\$ 15,000.00	\$ -	0.00%
292	Child Care Fund	\$ 680,200.00	\$ 605,350.00	\$ (74,850.00)	-11.00%
293	CDBG Housing Fund	\$ 29,110.00	\$ 15,647.00	\$ (13,463.00)	-46.25%
294	Veterans Trust Fund	\$ 2,000.00	\$ 2,000.00	\$ -	0.00%
297	Commission on Aging Fund	\$ 774,753.00	\$ 809,660.00	\$ 34,907.00	4.51%
298	Local Emergency Planning Fund	\$ -	\$ -	\$ -	0.00%
352	Energy Note Fund	\$ 63,610.00	\$ 61,273.00	\$ (2,337.00)	-3.67%
416	Veterans Park Project Fund	\$ 3,000.00	\$ 3,000.00	\$ -	0.00%
508	County Park Project Fund	\$ 339,606.00	\$ 337,375.00	\$ (2,231.00)	-0.66%
593	Recycling Fund	\$ 15,050.00	\$ 15,750.00	\$ 700.00	4.65%
841	Lake Level Fund	\$ 11,000.00	\$ 6,000.00	\$ (5,000.00)	-45.45%
	TOTAL - All Funds	\$ 9,357,025.00	\$ 9,359,389.00	\$ 2,364.00	
	TOTAL - Special Funds	\$ 4,502,806.00	\$ 4,404,427.00	\$ (98,379.00)	

General Fund Balance required to balance FY15 Budget	\$ 434,938.00	
General Fund Balance anticipated to balance FY16 Budget	\$ -	
General Fund Balance anticipated to balance FY17 Budget	\$ 125,000.00	
General Fund Balance anticipated to balance FY18 Budget	\$ 131,000.00	(assumes no reduced special funds transfers)
Transfer from Delinquent Tax Revolving to Gen Fund FY16 Budget	\$ 244,000.00	
Transfer from Delinquent Tax Revolving to Gen Fund FY17 Budget	\$ 100,000.00	Capital Only
Transfer from Delinquent Tax Revolving to Gen Fund FY18 Budget	\$ 103,000.00	Capital Only

① With \$ 62,900 transfers to Gen. Fund = \$963,520; 5.3% ↑
 ② With addn'l \$23,700 transfers to Gen Fund = \$ 303,395; 24% ↑

MISSAUKEE COUNTY: GENERAL FUND FY18 - PRELIMINARY REVENUES AND EXPENSES

FY18 GF Revenue	Amount	Percentage
Property Taxes	\$ 2,957,750	59.7%
PILT, Swamp, Forest	\$ 184,993	3.7%
Personal Prop Reimb	\$ 43,000	0.9%
State Revenue Sharing	\$ 286,467	5.8%
User Fees/Reimbursen	\$ 1,098,619	22.2%
Transfers In	\$ 230,700	4.7%
Fund Balance	\$ 153,433	3.1%
TOTAL	\$ 4,954,962	100%

as of May 4, 2017

FY18 GF Expenses	Amount	Percentage
Commission	\$ 101,160	2.0%
Circuit Court	\$ 450,880	9.1%
District Court	\$ 123,600	2.5%
Jury Commission	\$ 2,625	0.1%
Probate Court	\$ 220,315	4.4%
Administration	\$ 142,451	2.9%
Clerk	\$ 244,876	4.9%
Computer/Xerox	\$ 145,207	2.9%
Treasurer	\$ 186,293	3.8%
Equalization	\$ 203,640	4.1%
MSU Extension	\$ 71,733	1.4%
Elections	\$ 19,175	0.4%
Buildings & Grounds	\$ 210,270	4.2%
Prosecuting Attorney	\$ 312,425	6.3%
Survey/Remon	\$ 25,003	0.5%
Soil Erosion	\$ 43,050	0.9%
Sheriff	\$ 304,202	6.1%
CJ Training	\$ 6,200	0.1%
Sheriff Civil Process	\$ 14,151	0.3%
TNT Officer	\$ 98,605	2.0%
Secondary Road Grant	\$ 60,905	1.2%
Dispatch	\$ 373,455	7.5%
Marine Patrol	\$ 17,957	0.4%
Snowmobile Patrol	\$ 6,353	0.1%
Jail	\$ 674,135	13.6%
ORV Enforcement	\$ 17,221	0.3%
Animal Control	\$ 1,188	0.0%
Medical Examiner	\$ 19,295	0.4%
Veterans Affairs	\$ 16,300	0.3%
Planning Dept	\$ 55,090	1.1%
Insurance & Bonds	\$ 136,000	2.7%
Appropriations	\$ 222,467	4.5%
Miscellaneous	\$ 51,235	1.0%
Capital Outlay	\$ 78,000	1.6%
Transfer Out	\$ 299,500	6.0%
TOTAL	\$ 4,954,962	100%

According to MAC:

1. Counties have 60% of the revenues they had 10 years ago (adjusted for inflation).
2. A typical county budget derives 55% of its revenues from property taxes.
3. in the 2015-16 legislature, 11 bills for new property tax exemptions were filed, along with 15 bills to modify or expand existing exemptions.

Missaukee Co. Revenue Losses (based on FY17):

1. **SEV vs. TV: \$1,028,933 loss**
SEV of \$814,003,150 x 4.9005 mills = \$3,989,022.
TV of \$604,025,943 x 4.9005 mills = \$2,960,029.
2. TV captured by DDA and TIFA: **\$45,996 loss.**
3. Veterans Exemptions: \$2,360,450 TV x 4.9005 mills = **\$11,567 loss.**