

Leelanau County Board of Commissioners
Budget Work Session – Tuesday, September 19, 2023
Tentative minutes

Proceedings of the meeting are being recorded (audio and video). The video of the meeting can be found at the following link: <https://www.leelanau.gov/meetingdetails.asp?MAId=2561#video>

Meeting called to order by Chairman Ty Wessell at 2:02 p.m. Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

The Pledge of Allegiance to the Flag of the United States of America was recited, followed by a moment of silence.

Roll Call:	District #1	Jamie Kramer	PRESENT
	#2	James O'Rourke	PRESENT
	#3	Doug Rexroat	PRESENT
	#4	Ty Wessell	PRESENT
	#5	Kama Ross	PRESENT
	#6	Gwenne Allgaier	PRESENT
	#7	Melinda C. Lautner	PRESENT

Guests present.

Approval of Agenda:

MOTION BY REXROAT THAT THE AGENDA BE APPROVED AS PRESENTED. SECONDED BY O'ROURKE.

Discussion – none.

AYES – 7 (Rexroat, Ross, Wessell, Allgaier, Kramer, Lautner, O'Rourke)

NO – 0 **MOTION CARRIED.**

Public Comment:

None.

Commissioner Comment:

None.

Action Items – Discussion/Potential Recommendation:

Continued FY 2024 Budget Review –

Finance Director Sean Cowan and Assistant Finance Director Cathy Hartesvelt were present.

The handouts provided by Finance Director Sean Cowan can be found at the following link:
<https://www.leelanau.gov/meetingdetails.asp?MAId=2561#handouts>

- Cowan briefly covered the handouts for the Board until further discussion later in the meeting.
- Building Safety Official Amber Weber was present for the budget review. Weber stated one of the changes that has been reflected is within the contractual services expense line to include specialty services for the Grand Traverse Whiskey project. Weber stated that at the Buildings &

Grounds Committee meeting last year a chair committee was discussed but nothing has happened with the status of a chair committee. Weber stated that currently the two vehicles do not have a vin number attached to them, so it is unsure if the vehicles will be delivered yet here in 2023.

Commissioner consensus to leave \$18,000.00 in for chairs in capital outlay and in the event the vehicles do not come in during 2023, the budget in 2024 will be amended.

Commissioner Ross asked what the Indirect Cost charge is within the budget and Chief Deputy Clerk Jennifer Zywicki explained how the cost allocation is completed by an outside contract and the figure reflects the use of the General Fund departments and insurances that are not directly itemized to each special fund.

Chairman Wessel asked Weber if her staffing level is sufficient and Weber replied that it is.

Commissioner Lautner requested that a Buildings and Grounds Committee meeting be held to discuss the purchase of office chairs for the Government Center as a whole.

Finance Director Cowan explained some of the 3-page handout covering what has already been heard in prior meetings and what is still needed.

- Staffing Levels
- Sheriff request of what is the fourth vehicle and a fifth vehicle for \$45,000.00.
- Jail – Dishwasher item
- Childcare Fund with the 50% State of Michigan reimbursement versus a 75% State of Michigan to be captured for expenses.
- Probate and Family Court recording equipment
- EMS
- Elections for additional supplies, printing & publishing, and a staff request.
- Point Broadband (Some commitment from DTR could be established)
- Drainage Districts (County obligations)

Commissioner Allgaier said she appreciates the list but that the Board still needs to consider those homes that have been left out of the broadband project, especially in her district.

Finance Director Cowan stated on the third page as TBD he has placed Commissioner Allgaier's request for future discussion on expanding broadband.

Chairman Wessell commented that he has spoken to former Commissioner Patricia Soutas-Little and Chris Scharrer and they are hoping to attend a future budget meeting and bring forward a proposal from Charter Communications on fulfilling Commissioner Allgaier's request.

Finance Director Cowan explained the second page is in regards to County facility considerations. He stated he would like to continue with Staffing Levels that are in regards to positions that fall under the County Administrator.

IT Technician Staffing Level Discussion:

Administrator Allen said the staffing requests she has were brought before the Board and then pushed to the budget process. Allen explained the IT Technician is the only staff person we have and currently is maintaining all the duties that were handled by the prior IT Director. She expressed the person in this role is doing an amazing job and Allen would like support from the Board to change the position from an IT Technician to an IT Director. By changing the position to a director position then that will allow management of the budget, ordering and tracking and the job warrants the title.

Commissioner Rexroat stated that he has gone back and looked into the history of the change from director to technician and it was a negotiated contract with a significant increase to move to an outside consultant with the idea of not needing a director. While he does not oppose this idea, it does seem that the contract with Safety Net should be renegotiated.

Administrator Allen said it is a fair statement that the contracts will need to be reviewed. There are some major projects that Safety Net assisted with in terms of upgrades and decommissioning of servers. Allen stated there is an opportunity and she has discussed with Rehmann who has a technology division and who would like to do an analysis on the County. They are trying to sell a product but as the Board heard from the Rehmann report that one of the key things the County should be looking at is technology and security. From that perspective there is an opportunity to do that but she is not sure that is necessary; however, she does think there can be an assessment done in terms of Safety Net and if the County is getting the value that was originally initiated. Allen commented originally within the contract with Safety Net their staff were supposed to be here on site, and that hasn't happened per the agreement.

Commissioner Rexroat stated that he can only support the change if the offsetting costs were actually negotiated, and we can discuss all this but it actually needs to happen.

Commissioner Lautner commented that she agrees with many of Commissioner Rexroat's comments. She shared with the Board that an individual in the public reached out to her and explained that when the position was posted it was done so as a technician and not as a director so they did not apply. Lautner further explained that when the technician position was posted the pool of candidates was for technicians and not directors. If the data proves that the contract can be renegotiated with Safety Net and the Board moves to go with a director position then the position should be reposted externally as well. Lautner assured the Board that the current candidate would rise to the top on their own; but to be fair, the director position should be posted as an opening.

Chairman Wessell said that to Commissioner Lautner's comments, he is the total opposite of that. He knows that when the former IT Director Ron Plamondon was here and we have become a whole lot more sophisticated than when Ron was here. There is a lot more focus on distance stuff and security and our current IT Technician is the first one called whenever we have a problem. He stated he has yet to hear that she hasn't been able to deliver. Wessell explained we know the IT Technician's work ethic and what her skills are and so he would not want to personally risk losing her. He said he agrees with Commissioner Rexroat that the contract needs to be looked at. Wessell continued that if the Board was to design a Director position, then he would want to plan it around her in his opinion because of her talents.

Commissioner Allgaier said that she agrees with Chairman Wessell because she is the current employee in the IT Technician position. If the Board decides to change the position to a director, then it should be the current employee appointed.

Commissioner Lautner said that we have IT specialists here in this County that did not apply the first time because it was posted as a technician position. If the County Board decides to now make that position a director, we should allow others to apply for the job as director. Lautner stated that we all know the difficulty of the trade with IT and they are firecrackers in what they do and there are candidates out there and there are more and more of them in this field all of the time. She commented that there is no question that the current IT Technician does a great job, and that is not the point because it is reasonable to just take a person and change everything and make them a director without posting to the public?

Commissioner Allgaier said you offer the position to your own employee first.

Administrator Allen stated she has multiple letters of recommendation from the Sheriff's Office, Emergency Services, and from Safety Net in support of this position. Allen explained that when she requested the change from technician to director before it was tabled, so she never got a chance to share the letters with the Board. Allen stated she could engage with Human Resources to start that process in terms of follow up.

Commissioner Allgaier said the Board would need to vote on that. She stated that if the County employees knew that the Board could put all the positions out to bid just because, then there would go your loyalty.

Chairman Wessell stated typically the Board doesn't get involved in the hiring, but we can make recommendations and if we approve the position then from there the County Administrator and the HR (Human Resources) people would do the search and the filling of the position. He said he thinks the Board should take some pride if there is an opportunity to promote from within, because it is an opportunity.

Commissioner O'Rourke said that he has the least computer skills here, which he admits. He continued that he does look and open emails that have the County seal on them which was spam and when he calls the IT Technician she is there and she handles it. He would hate to be an IT Technician and the County decides to hire someone above him to direct me because then you have problems. O'Rourke continued that the job is being done and done very well. He said what he learned from the airport (working for TSA) is that you cannot put enough into IT security. MGM just paid \$15,000,000.00 last week as a ransom because they got hacked. He stated he thinks she is doing the job and he doesn't know her personally but he knows when he calls that he gets someone to talk to on the other end of the phone.

Commissioner Ross asked if the difference between the IT Technician salary and a Director position is \$6,893.00?

Administrator Allen replied correct.

Commissioner Ross asked what does the Board need to do to move this forward?

Commissioner Lautner asked if this has ever been done before because she can't think of a time where the County took a position and just made them a Director or Department Head without putting it out to the public to apply. So, the person that lives on the next street over that is an IT Director working in Traverse City, who would love to apply here, won't have that available to them because they didn't apply when it was posted as a Technician position. Lautner commented that does the Safety Net contract need to be changed at all because that is the way it was set up was to have a paid County Technician.

Commissioner Rexroat stated he would like to divide this topic into two pieces. He said he isn't opposed to the idea of an IT Director role happening and the current IT Technician for the future. Rexroat commented that going out for candidates for a new position is a separate question and to him that depends on a negotiation with Safety Net. He restated that Administrator Allen has already spoke to the contract with Safety Net and that they aren't holding up their end. It is appropriate to have a Director's level position here because of the sophistication of the systems of what the County has.

Chairman Wessell asked if there is Board consensus to renegotiate the Safety Net contract and move forward with the Director position? Wessell said he thinks that is what Commissioner Rexroat is suggesting.

Commissioner Lautner said no. She continued that it would depend on how the Board moves forward with the Director and are we going to follow the past practice or are we creating practice.

Commissioner O'Rourke said it appears that horses are being changed in the middle of the stream and that isn't something that should be done at this point. He said from what he has seen the current IT Technician is over worked and is carrying her load plus more and could probably even use an assistant. O'Rourke continued that the right thing to do is negotiate and move her to the director position and then look if she needs help.

Commissioner Ross asked if Building Safety Director Amber Weber was part of the staff and then moved into a director position?

Chief Deputy Clerk Zywicki responded that for the Building Safety Director position there was a pool of candidates. Zywicki stated that Weber first took the position as interim and then decided that she wanted the job.

Commissioner Lautner said there was a pool of candidates and that Weber applied and didn't just get moved up just because and without looking at the whole picture.

Administrator Allen stated she will be back with a few recommendations.

Chairman Wessell stated there are so few opportunities to promote and recognize good staff and if we have those opportunities that he would like to try to make them happen.

Commissioner Lautner stated she hopes all of our wonderful employees that are doing such a great job and going above and beyond come forward for big jumps because she thinks we have a lot of them.

Board of Commissioners Staffing Levels – Executive Assistant:

Administrator Allen said the Executive Assistant position, who is the Executive Assistant to the County Administrator, is currently an hourly employee and the intent is to make the position salary. Allen continued there are no other scenarios at this point where either Elected Officials or individuals have an assistant to that level. She explained that prior the Executive Assistant to the County Administrator was the same level as the chiefs, and when the chiefs received an increase in 2022 the only individual that was not included in that was the Executive Assistant for the County Administrator, which was before she (Allen) was hired. Allen commented that with the evening meetings, all the meetings that we have had, and everything else that the overtime scenario, which she brought forward prior to budget discussion, that overtime amount is increasing and will probably be over this year. She stated that by making this individual a salary position we can secure that and allow for a more appropriate status, which is her recommendation.

Commissioner Allgaier asked if the position might lose money if there is overtime available?

Administrator Allen asked if there is a loss of money?

Commissioner Allgaier stated that if the position goes to salary, then the position would not get paid for all that overtime.

Administrator Allen said that is why the compensation is set to bring the level more in line with what the other chiefs are.

Commissioner Allgaier asked if the position will no longer receive overtime and Administrator Allen replied correct. Allen continued that is it a way of setting a budget for the organization as well.

Commissioner Rexroat said he thinks it went away but previously there was discussion that could be some handling of the FOIA (Freedom of Information Act) workload.

Administrator Allen stated that was a thought and she thinks there was concerns expressed by the Commissioners that there is enough of a task to do now that maybe it is not appropriate.

Commissioner Rexroat said that the Board's concern is important but you (Allen) as the County Administrator know what you are doing and so you (Allen) are saying there isn't time to do that.

Administrator Allen stated she believes that is the case.

Commissioner Rexroat continued that he has to depend on your (Allen) input because he isn't going to follow someone around all day to see what the position is doing.

Administrator Allen stated that the position is busy and currently there is a time study being done to be able to do an analysis as well. She said there is a great deal of responsibility of things that she (Allen) didn't realize in all the things the position is involved in doing.

Commissioner Lautner stated that once again she has a few questions. She said she really doesn't want to look at this as comparing chiefs because if we have a chief then that position generally takes over for the director. Lautner commented she doesn't think that the position of County Administrator as one that gets taken over, unless there is a new policy that says let's just do it. She said she will set aside the chief bit that you (Allen) are looking at, and none of this is personal, but she (Lautner) is pro balance budget and pro conservative budget. Lautner stated that between these two positions alone, the budget impact is already looking at a \$16,000.000 for the 2024 budget. The wage will not just impact 2024 but it will continue to grow with each cost-of-living increase and etc. and once the wage is increased for a position it will never come back down. Lautner asked where is the Executive Assistant wage at for 2024?

Assistant Finance Director Hartesvelt stated the projected wage for 2024 is \$29.36 per hour and there will be 1834 hours in 2024 for a total wage of \$53,846.00 before overtime.

Commissioner Lautner thanked Hartesvelt for the figures and stated that just looking at the position, on top of that the very next item on the list is \$40,000.00 for someone to handle for Parks & Recreation, if the Executive Assistant was to handle Parks & Recreation like before, she would be ok with that. Lautner said she will be opposing the \$40,000.00 for secretary to handle the Maintenance Department and Parks & Recreation.

Administrator Allen stated she would like to speak to both of those positions Commissioner Lautner mentioned. She said there are two options on the spreadsheet and the Board has spoken numerous times about a Facilities Manager and she certainly agrees with that. We need someone who has an expertise that can come in to assist with a lot of the projects that we currently have and are being handled right now. If we found somebody as a Facilities Director that has computer skills and the ability, like Trudy Galla, to be able to also manage Parks & Recreation under Maintenance, which where she (Allen) thinks it should live, then we may not need to invest in a secretary for Maintenance and Parks & Recreation because that person could effectively perhaps manage those things. Allen continued we don't know that yet and we don't know in terms of that we have temporary employees that can assist with doing minutes for Parks and Recreation, which is currently being done, but there isn't someone right now that is solely responsible for managing the agendas for Parks & Recreation. She stated that is something the Executive Assistant is assisting Parks & Recreation with right now, and it really needs to live somewhere permanently. Allen admitted that she has them in there as placeholders because this is part of the scenario that has been discussed previously. If there was a Facilities Director and the Board looked at someone externally then the Board would need an internal secretary and someone to kind of manage and track those things. She said she realizes this is difficult but she is trying to put in both scenarios that the Board could see and it is not her recommendation to have both but thinks the Board could accommodate one or the other, but the Board needs to make some decisions which way the Board would like to see this go. If the Board chooses to go with a consultant for a Facilities Manager, she (Allen) has heard that is not the direction Board members would like to go because they want someone on staff then that would negate the need for the secretary.

Commissioner Allgaier said that she is uncomfortable talking about salary when the person is sitting in the audience.

Executive Assistant Evans (from the audience) said what she (Evans) finds uncomfortable is realizing just how little you (the Board) do know what my (Evans) job is.

Commissioner Allgaier stated the Executive Assistant is sitting in on a whole lot of Board meetings, which is nice but you (Evans) have never done that before have you because it is hours and hours a week. Allgaier said she doesn't understand how the Executive Assistant can be sitting through all these meetings and still have time for other things.

Administrator Allen said she can help clarify some of that because she has asked Laurel (Evans) to attend meetings primarily because the position is the only employee under her (Allen) that can help to track when the Board sets things for her (Allen) to do and tasks. Allen stated she isn't always able to be writing her own minutes and notes and taking those things down. Sometimes she (Allen) doesn't get minutes within a week and there are expectations that the Board has for her to be able to address different things, so it is very helpful to have the Executive Assistant here to be able to give her, as her assistant, some tracking on those things.

Commissioner Allgaier stated that is many, many hours a week that needs to be taken into consideration that the job has changed. She said she wondered how there was time since everyone is so busy.

Commissioner Lautner said that even if there is an employee sitting in the audience out there that she remembers sitting across the table from the Sheriff in negotiations and saying yes, I love you but no, I can't give you this. Is this what is best for the county, and this Board is tasked with that and it doesn't matter who is sitting there because it is a position.

Commissioner Rexroat said he doesn't completely disagree with Commissioner Lautner but the IT Director position could roll within the fund with the complexity here and the risks to infrastructure and is prudent to move forward assuming the County is going to negotiate some reductions with Safety Net. He stated as far as the Executive Assistant is that his understanding is that we are spending these funds in overtime right now anyway whether we change the position or not. On the next three items on the list, even though he is an advocate for Facilities Director, he will be a no on all three. On these two (IT Director & Executive Assistant) we are not spending any more money than what we are going to spend after we change it. Rexroat stated he prefers to have a county employee who is tied to this organization and looking after IT then an outside firm who has 50 clients and we are only 1/50th of their interest and time, which appears to be happening under that contract right now.

Commissioner Lautner asked if there was \$9,000.00 in overtime year last year?

Assistant Finance Director Hartesvelt replied the overtime for 2020 was \$6,600.00, 2021 was \$4,500.00, 2022 was \$4,300.00 and for 2023 through August is \$5,100.00.

Commissioner Rexroat asked Hartesvelt if that was just the gross amount? Hartesvelt replied that it is. Commissioner Rexroat stated that is really seven or eight thousand dollars fully burdened so far through August.

Commissioner Ross said it appears the overtime was happening prior to Administrator Allen and it isn't just because the administrator is new.

Commissioner Allgaier stated this is a change though because the Executive Assistant used to never sit through every meeting.

Chairman Wessell said that adding to this mix is that the Board already heard from the County Prosecutor about the FOIA (Freedom of Information Act) position. He stated he thinks there are opportunities for the FOIA position to also do some maintenance support and secretarial and maybe along with Parks & Recreation to combine it with since it appears the FOIA position is not a full-time position. Wessell commented that currently there is not a 35-hour or 20-hour week being spent on FOIA, and he said he would like to be creative.

Commissioner Kramer said she is good and is just following along.

Commissioner O'Rourke commented that he wondered how it would have gone without Evans here to help the Administrator and the individual in the position could always nurse out all the overtime if they wanted.

Commissioner Lautner stated the Board has the ability to zero out the overtime line expense.

Commissioner Ross asked what is next?

Chief Deputy Clerk Zywicki explained that the budget item requests are typically presented now and then at a later meeting the Finance Director will ask if there is a majority to proceed or not to implement the requests into the budget.

Commissioner Rexroat stated there could be more compelling stories somewhere that changes your mind. He said it would be in the best interest to hear the whole story before narrowing down which item will be added or not.

Commissioner Allgaier said that sometimes a grant writer can be paid by commission or percentage.

Commissioner Rexroat stated if that is the case with a grant writer, then they could work remotely.

Commissioner Kramer commented in her experience there are ethical issues when you hire a grant writer on commission. She continued that a grant writer is a great investment for the County in general.

Administrator Allen stated the County has applied for a grant writer under a grant and that amount is \$50,000.00. If that comes through, it would pay for the grant writer because it was written that the County would have enough in-kind trade back or services for the grant that it would not cost the County anything for that position. Allen said this amount is a place holder, so if you look at the handout and the amounts that are in red are indeed place holders. If the Board doesn't move forward with them now within this budget, she stated these are requests

that she (Allen) has heard from the Board that there is a need and so she just wanted to reiterate that.

Commissioner Rexroat said he wants to understand the process. So, if you were to receive that grant and it was not listed in the budget in 2024, then four months from now the Board would just approve an amendment at that time. Rexroat commented the Board doesn't have to agree to it now even though we have an application in for the grant and he votes to get the grant.

Commissioner Ross stated she would like to comment again on the Facilities Director. Since she sits on the Leland Dam Authority, last week there were television cameras rolling at the meeting and a pretty full crowd of some very unhappy people. She said she has concerns about the liability out there for the County and since she previously worked in this building, she knows what the staff here does, which is huge. Ross commented that with the County parks and the Government Center, which are big assets, there should be someone overseeing it all, so she will continue to push for a Facilities Director. She said she would like to see someone hired and take this County and move it forward.

Administrator Allen stated she appreciates Commissioner Ross's comments. Allen said she isn't sure how many people know about the water and sewer treatment center on campus, septic field, cell towers, intensity of the 9-1-1 service center, and all those other things we are relying on the current staff to manage, like those contracts, while managing a lot of other things. There is a lot of concern and intensity around the dam operation because it is one of the biggest assets and obviously, with the recent events regarding from what is being called a 1000-year to a 200-year rain event that occurred. Allen said the County is not insulated from having those types of things happening in the future and you have to find someone with engineering, hydraulic, electrical, mechanical and structural it will be a challenge like what some of the other counties have in a facilities or asset manager she thinks would be a prudent expense.

Chairman Wessell stated he would like to keep looking at that as we have openings in the Maintenance Department as well. There is always a potential when you have openings to change the job some to meet the current needs and one way would be to keep that discussion active and he suspects there will be vacancies at some point.

Commissioner Allgaier asked if the incremental salary merit increases is this for all employees and there are no exceptions?

Administrator Allen replied that the justification for that is, it is intended for all employees and there is the 3.25% increase that is currently built in the FY 2024 budget. She said the idea was that she has heard throughout her tenure so far that there are questions and concerns about wage levels within the County. Allen stated she knows there are a lot of different opinions and this is an option for discussion. If we moved forward with an additional 1.75% wage increase to the 3.25% with the idea to get to a 5% increase it would help to bring the wages up to be more competitive. Allen said the other side to that is an investment of \$175,000.00 to try to bring up the wages to try to be what some people have spoken to about being more competitive. There has been another proposal presented as well, about looking into an \$80,000.00 wage study and if the County was to do a wage study that is money the Board wouldn't get back. She said other counties have done wage studies, which is where the \$80,000.00 amount has come from, which is something that she has heard in terms of a

recommendation or you could look at the 1.75% increase where everyone is brought up a little bit. Allen commented she is giving the Board some options and that she has no skin in this but she just wants the options so the thought process can be seen.

Commissioner O'Rourke stated he has participated in wage studies before and it never works out and ends up being a big waste of time and money.

Commissioner Kramer said there is this magical thing called the internet and you can look up the standard wages for just about any job on multiple websites and agrees with Commissioner O'Rourke that a wage study is a waste of County funds at this point.

Commissioner Allgaier stated that wages have been discussed for a number of years and there are some real definite inequities in the wages because they just kind of happened over the years. She said it seems like we don't have the money this year for a wage study because there is too much on the plate right now that has to be taken care of. Allgaier commented she is in favor of step increases for staff that are still on the scale to receive them and adjusting the salaries to be competitive. She said the employees have a tough time living here already as it is and costs have gone up. Allgaier continued that even though she has been talking about a wage study for a long time, that she would take the money now and do an adjustment.

Commissioner Lautner said she is requesting not to do a mid-year 1.75% pay increase across the board. She stated that a year ago it was done and for the Board to remember that a 1.75% pay increase would not be the same from the bottom to the top. The County Board did in 2022 pay a stipend of the same amount of money to all employees, which she thinks is fair but does not want to see that in 2024 either. Lautner explained that the County is a good employer and employees know they have a secure job here, along with not having to pay for their healthcare. She commented that this budget is getting more and more out of control the more there is discussions. Lautner stated there is a great number of employees that don't live in this county and are living outside of this county and commuting in. She asked that this request be held off and be taken to negotiations.

Chairman Wessell said he concurs with Commissioner Lautner and that the Board needs to be careful not talking about wages outside of the negotiations process since that is the Board's responsibility. He stated he is aware that everyone here would like to do more; but whether it can be done or not, is not clear and cautioned the Board to put this on hold.

Commissioner Rexroat stated he concurs with Commissioner Lautner and Chairman Wessell, and knows the Board would like to see it happen. He said Commissioner Lautner stole some of his thunder about the health insurance benefits here because he tried to get a price on what the County has and was told that package doesn't even exist and no one has a package like that anymore. Rexroat said there are bigger problems to solve and the 3.25% wage increase is in the budget and by adding to the negotiated wages puts us in a bad spot for future negotiations.

Administrator Allen asked if the board would be open to the idea of 1.75% for the Non-Union from the stand point that they don't have the same bargaining power that a lot of the other unions do?

Commissioner Lautner replied the Board has always given exactly what gets negotiated and that is confirmed past practice.

Administrator Allen stated some of the benefits that they get are buyouts on personal days, extra personal days, and some of those other things the Non-Union do not get. Would there be at least a willingness to look at some of those elements?

Commissioner Lautner stated it is more complicated than that. She continued that there are different unions that have negotiated different things based on years of service and start dates and this is more complicated than that and needs to be held off and discussed in negotiations.

Administrator Allen said but Non-Union don't get that opportunity to negotiate and stated that is her (Allen's) point. She continued this could be an opportunity for discussion in wanting to bring back committees. Allen stated there is an opportunity to talk about committees going forward because these are some of the things that guidance would be very helpful. She said like an Employee Committee or Buildings & Grounds Committee could be discussed so maybe there are some opportunities there for additional kinds of vetting of things.

Chairman Wessell stated the pending list has been discussed and asked Finance Director Cowan if there is anything further?

Commissioner Rexroat mentioned he thought there are several more items that still need to be discussed or have we heard those so they are not pending any longer but later need decisions.

Finance Director Cowan said he will take blame if he caused confusion, and said the first five have already been heard but the ones below on the list don't need to be spoken about. The rest of the requests are very precise and aren't rounded to hundreds or thousands of dollars. As Cathy (Hartesvelt) does the staffing analysis those figures which are fully loaded dollars represented and in other cases there is a very broad range. Cowan continued that the incremental piece of the additional 1.75% figure that is there was for the topic of discussion only and it is an unburdened figure.

Commissioner Rexroat stated if that is the case then that number will be much higher than what is here for the place marker.

Finance Director Cowan continued that what he just heard wasn't a discussion whether if you add 30% to that it would be acceptable or not. He stated the concerns he heard were more conceptual and so he is offering all of that because if you want to proceed, then with the help of the HR Director, he could come up with a more precise estimate to help with the conservation. Cowan stated the one he didn't hear support for was the last one and so he isn't sure a refined number will help with that or not because to create a figure like that you would need to build up each employee to attain that figure.

Commissioner Lautner asked if the percentage would be around 30% added?

Finance Director Cowan stated he would love to do that, and in his past experience with budgeting it is very difficult to configure on a department basis to get into health insurance, retirement, other insurances and get into the land of minutia. We are trying to be accurate and

he would love that but there is a very wide range but here the percentage of benefits to salary is very vast.

Commissioner Lautner confirmed for the Board that during negotiations those numbers are used.

Finance Director Cowan stated it is a good way to budget when you can utilize a percentage basis to calculate an overall increase to the group.

Commissioner Rexroat said a wild guess is a wild guess and can give a false sense of security.

Finance Director Cowan commented that each staffing level ties to a person and on that level would be considered as a personal situation based on the benefits they have with the County. Cowan explained that even with himself it is possible that it could be just him having insurance but the actual full exposure would be the family, and so some would argue that you need to budget for full exposure, which then drives the budget differently.

Commissioner Allgaier asked if we are talking about negotiations and things that we can't control, but the step merit increases no matter what?

Commissioner Rexroat confirmed that the step wage increases are factored into the staffing if a step is part of the schedule.

Finance Director Cowan stated that in the base budget as proposed is the logic behind it and incorporates what Commissioner Allgaier described. Cowan explained that Hartesvelt goes through each employee and figures if there are step increases as well as known family situations for insurances so the full exposure is budgeted along with the 3.25% increase to base wage.

Assistant Finance Director Hartesvelt confirmed she looks at each individual within every department within the staffing levels and if there are vacant positions then she calculates the highest exposure so the budget has appropriate funding levels.

Chairman Wessell called for a break at 3:40 p.m. and the meeting resumed at 3:54 p.m.

Set Future Budget Topics:

Chairman Wessell stated the Board has a spreadsheet regarding possible dates to review and Wessell is looking to schedule at least three meetings.

Finance Director Cowan said he wishes he had that kind of power to make it only three more meetings. Cowan stated when he glances at the list there are a few that require a sequence before they get discussed such as financial software but it is not on the calendar yet.

Administrator Allen explained the spreadsheet to the Board and what the colors mean for availability.

Commissioner discussion regarding which Commissioner is available on which date for additional meetings.

September 25, 2023, from 1 p.m. to 3 p.m.

October 4, 2023, from 9:30 a.m. to 1:30 p.m.

October 6, 2023, from 12:30 p.m. to 3:00 p.m.

Chairman Wessell stated he would like Charter Communications scheduled for the October 4, 2023, budget work session.

Administrator Allen said she will send out a confirmation email to the Board stating the dates that were selected for budget work sessions. She stated she was hoping to get a Committee of the Whole scheduled, but she thinks there is nothing exceedingly pressing other than some policy and finance. Allen commented that perhaps the finance committee can get together if needed.

Executive Assistant Laurel Evans (from the audience) asked when Commissioner Allgaier returns from vacation?

Commissioner Allgaier said she hopes the meetings will be wrapped up before October 6, 2023.

Administrator Allen reiterated the goal is to have all budget meetings done by October 6, 2023, with the potential of having the budget approved possibly at the October meeting.

Finance Director Cowan explained the public has to have a chance to review the proposed to adopt budget and then there is a public hearing. He stated that by finalizing in October then the Board can recommend in November at the Executive Session for adoption on November 21, 2023.

Chairman Wessell asked if the Board was interested in meeting and trying to schedule one more session before the budget gets recommended.

Commissioner Kramer said she isn't available on October 9, 2023.

Chairman Wessell stated that if needed, although Commissioner Kramer can't attend, the date is available to get recommendation.

Commissioner consensus to add October 9, 2023, starting at 1:00 p.m.

Chairman Wessell explained that he has added a late addition to the Regular Session agenda for an HVAC ad hoc committee to meet with the engineers, along with Finance Director Cowan and Administrator Allen to see if there are other options and get pricing because it makes sense to get that information to the Board before the budget process is concluded. Wessell stated that if the Board works efficiently then it can be done by October 6th or 9th.

Commissioner Allgaier stated it would be much cheaper to just replace the heat pumps.

Commissioner Rexroat said that will depend on whether that information can be obtained is yet to happen.

Administrator Allen commented she has already started the process so that she has all the information for the Board to consider.

Commissioner Rexroat asked Administrator Allen if she broached that with the consultants, and Allen replied that she received some general information, which is not a formal quote, but is working on getting some information.

Finance Director Cowan asked for consensus of the Board to remove from the list the 1.75% incremental wage increase and was advised to leave the request on.

Commissioner Ross stated that nothing else has been taken off the list yet, so it should stay.

Finance Director Cowan said he would like to ask for help on where to go from here. It makes sense to him to have the remaining broadband county discussion but then is there anything collectively from the list to be discussed later or somewhere to go regarding additional information on remaining items?

Commissioner Rexroat asked if the analysis on the front page is the fund impact and is based on general numbers but is this reasonable to assume there is a \$240,000.00 positive impact on the budget that the Board doesn't know about right now?

Finance Director Cowan replied he thinks that number can be rerun and he wanted to show the General Fund impact at various points to help with decision making and some of the rows are not clicking together.

Commissioner Rexroat said it is good to know the budget in its entirety and the big capital amounts are good to know but they will not be coming from the operating budget. He stated he doesn't see the Board cutting the \$1.8 million to cover broadband out of the County's operations and will have to look to fund it in another fashion in a way to move forward.

Commissioner Allgaier commented the \$1.8 million for broadband along with finishing the rest of the County needs to be a top priority.

Commissioner Rexroat continued that there is still the information needed regarding the HVAC system, the North Facade of the Government Center and some of these other facilities considerations and that knowing they are there to be conscious of the budget; but, operationally there is no feasible way to fund all of it.

Finance Director Cowan stated to that point is why he separated them and even keeping the Dam projects separated for discussion.

Commissioner Rexroat acknowledged that everything regarding the Dam things has been discussed.

Chief Deputy Clerk Zywicki stated that the Dam things have been discussed and there is already partial approval from the Board to use contingency funds in 2023 if the Dam Authority seeks RFPs for the intended projects that were requested for 2023 during budget preparation in 2022.

Finance Director Cowan stated he can strike the \$66,000.00 project from the list since there is Board approval in 2023.

Chief Deputy Clerk Zywicki explained there have been times when preparing a budget to adopt that contingency is raised above the normal amount because there could be a project approved to move forward and funding needs to be secured to proceed in the event funds are required for completion.

Finance Director Cowan asked if there is anything that can be stricken from the list by Commissioner consensus.

Commissioner Allgaier asked if Leelanau Clean Water has a budget within the proposed 2024 for funding and Chief Deputy Clerk Zywicki answered the department does have funding proposed.

Commissioner Rexroat asked if it is reasonable to lower the North Facade project and have we heard anything back from Machin Engineering?

Administrator Allen replied that Machin is no longer doing that for the County and the Board decided to send out RFPs, which are still being drafted, so nothing has moved forward. Allen stated this is the challenge to get this all together and the process is still with legal counsel and they have not been bid out yet. She said that project will most likely not happen this fall and will be next spring.

Commissioner Rexroat stated he thinks it will not be reasonable that it will be that number and with the feedback already received there is a false number being represented there to begin with.

Finance Director Cowan asked Rexroat if there is a range that he is comfortable with as a place holder and Commissioner Rexroat replied \$125,000.00.

Commissioner Ross asked about the resealing of the pavement of the parking lots and is it maintenance that always gets done?

Finance Director Cowan replied it is maintenance item and has been capitalized in the past. He explained the project is usually done in a 3-year cycle.

Commissioner consensus for it to remain on the list for resealing the parking lot.

Chairman Wessell asked for a straw vote on some items and Cathy (Hartesvelt) can count the votes.

Finance Director Cowan stated the HVAC system, Heat Pumps, and the Government Center North Façade will all stay on the list for now.

Commissioner Lautner stated the Dam requests were approved in 2023 to come from contingency.

Finance Director Cowan asked about the re-sealing of the asphalt on the parking lots, and Commissioner consensus was yes, to put in the budget. (Fund #470)

Commissioner Lautner requested for the exterior security cameras be presented through MMRMA (Michigan Municipal Risk Management Authority) first to see if the County can receive grant funding.

Finance Director Cowan stated he isn't sure on past practice with this type of request and the follow-up with MMRMA requests.

Chief Deputy Clerk Zywicki clarified that if the expense is connected to a MMRMA grant then the funding source will be coming through the general fund to transfer to the fund where the expense will actually occur, like the Fund #470 Capital Improvements, which has its own checking account. Zywicki stated from a budget standpoint if you want to go through the grant process then the request would be removed until the grant funding is approved because otherwise the full source of funding needs to be budgeted now.

Commissioner Rexroat said if you leave the request out of the budget, we don't have to think about how it will be funded at all. Zywicki said correct. Commissioner Rexroat continued that to him this is the perfect spot for where a budget amendment would take place. It is perfect if we can pursue the grant, make the amendment and recognize the revenue and the expense, which doesn't commit the Board to a budget.

Finance Director Cowan said it would be helpful to keep a list that is dependent on outside financing.

Finance Director Cowan said he will make the changes and update the chart on those items.

Leelanau County Family Coordinating Council (LCFCC) – LIFT (Leelanau Investing for Youth) C3 Federal Grant Funding – Opioid Settlement: (item #29) –

Finance Director Cowan spoke to the creation of Fund #284 for the Opioid Settlement and the proposed request from Sharon Vreeland to combine funding and agree to a contract with Catholic Human Services.

Administrator Allen stated she believes the request from Vreeland is for all three components.

Commissioner Lautner asked if the Marijuana is revenue to the General Fund?

Chief Deputy Clerk Zywicki replied yes, the Marijuana Tax revenue is a General Fund amount because there is one dispensary located within the County. In the past the request from LCFCC was for \$15,000.00 but Vreeland would like to capture the Marijuana Tax along with the C3 Federal Funding Award to LIFT and the amount delegated from the Board of Commissioners for Substance abuse and move the funds to an agreement with Catholic Human Services.

Commissioner Kramer asked how much funding is going to LIFT currently? Hartesvelt replied that LIFT has an agreement to facilitate the Substance Abuse Coalition for \$30,000.00 and also receives the Federal C3 Grant funding of over \$50,000.00 to facilitate the federal funds.

Administrator Allen stated she received a recommendation to combine what Vreeland is doing with LCFCC and LIFT into one organization for a total request of over \$100,000.00.

Commissioner Allgaier asked how does that work where they all join Catholic Human Services?

Administrator Allen said that is where LCFCC comes in and helps facilitate with Catholic Human Services as the entity as a pass through.

Assistant Finance Hartesvelt explained the pass through of the C3, and explained that Vreeland working with Catholic Humans Services would be the pass through. She continued that LCFCC understands the LIFT group and their purpose of cradle to grave and could be more far reaching.

Commissioner Kramer said she is curious and asked if LIFT is separate then the Substance Abuse Coalition?

Chief Deputy Clerk Zywicki replied yes and that the County contracts with them to administer the Substance Abuse Coalition on behalf of the County.

Commissioner Kramer said if this is substance abuse and prevention then she isn't sure how this is all functioning.

Chief Deputy Clerk Zywicki explained that currently the requests have stayed status quo within the 2024 budget because this is a new request that the Board must decide on. Currently the \$30,000.00 within the Board of Commissioners budget for LIFT is to administer the Substance Abuse Coalition, along with a Federal C3 Grant the County entered into an additional agreement with LIFT to administer through a sub recipient agreement. Commissioner Kramer asked if LIFT receives that pass through and Zywicki confirmed. Zywicki continued that the total payments to LIFT are about \$87,000.00 and that LCFCC would like to take those dollars, along the Opioid Settlement funds and some of the Marijuana Tax revenue.

Commissioner Allgaier asked if there is Marijuana money?

Chief Deputy Clerk Zywicki answered there is but the County should be able to keep that as revenue since it is from the dispensary in Leelanau Township.

Commissioner Kramer asked if LIFT takes the funds, then will the County have any funding for Substance Abuse and Prevention?

Chief Deputy Clerk Zywicki replied it would be run through Catholic Human Services.

Administrator Allen explained everything would be run through LCFCC.

Commissioner Kramer asked if we know what they are doing?

Chairman Wessell stated Catholic Human Services are just going to serve as the fiscal agent and will keep the books but not provide services.

Commissioner Rexroat said it would be like the same thing we do where we are just the fiscal agent.

Commissioner Allgaier stated that all would have to go through a subcommittee board to be approved and Vreeland is in the middle.

Chairman Wessell stated he would like LCFCC and LIFT present for a budget work session discussion.

Commissioner O'Rourke said all these entities are quite complex and he has concerns.

Chairman Wessell said LIFT is expanding and he wants to make sure we know they are supportive of the change from the County as the fiscal agent to LCFCC and Catholic Human Services.

Commissioner Kramer stated she wants to focus on effective drug and substance abuse programming.

Commissioner Rexroat requested a score card after today if possible.

Finance Director Cowan said he would like a score card as well and he is struggling with aligning it all as well.

Administrator Allen stated the State of Michigan has issued the mandates on the opioid funds and she will make sure there is summary of those requirements.

Commissioner Kramer asked for further clarification in the future of where the Substance Abuse and Prevention funds are spent.

Assistant Finance Director Hartesvelt clarified the source document written by Sharon Vreeland with LCFCC can be found on page 67 of 75 within the Supplemental tab for further review.

Commissioner Lautner asked what is the new maintenance vehicle?

Finance Director Cowan replied it is a late addition from Maintenance Director Jerry Culman to replace the Buildings & Grounds truck that is here on site for plowing and such.

Undersheriff Kiessel (from the audience) stated that Culman tried to get a State of Michigan quote but it didn't come in until now.

Commissioner Lautner asked how many miles are on the vehicle and Hartesvelt answered it has 74,586 miles on it. Commissioner Lautner continued that it could wait a year.

Chief Deputy Clerk Zywicki stated that state purchasing has been taking over a year to get a vehicle.

Commissioner Lautner said she is ok with waiting to purchase the truck.

Commissioner Rexroat would like more information on the quote from the State on the proposed new truck.

Chairman Wessell requested that Maintenance Director Culman be present to discuss the truck purchase.

Finance Director Cowan explained that the Parks & Recreation request of \$55,000.00 is within the budget.

Commissioner Allgaier requests to keep Parks and Recreation \$55,000.00.

Finance Director Cowan stated he kept the proposed figure for contingency at \$440,000.00, the additional unfunded liability for \$250,000.00 and Parks & Recreation at \$55,000.00.

Commissioner Rexroat and Commissioner Lautner agree with Cowan to keep those items as is.

Finance Director Cowan said the only item that has not been addressed is the IT Fund #636 which has been rolled from 2023 to 2024.

Commissioner Rexroat asked if the wage study had consensus or not?

Finance Director Cowan replied he did not hear consensus to keep it on the list.

Financial Software Purchase:

Commissioner Allgaier asked if the Board was to consider the financial software would you (Cowan) be interested?

Finance Director Cowan replied yes.

Administrator Allen said she would like to answer Commissioner Allgaier's question. Allen stated that Rehmann had made a very strong case for replacing financial software, so she thinks whichever direction we go it has been in the budget (CPI) for multiple years for Harris it will be something.

Commissioner O'Rourke commented to go out for bids.

Commissioner Rexroat agreed with Commissioner O'Rourke and said he would be a strong advocate for that.

Chairman Wessell stated he would like to request the financial software be moved to a budget work session.

Finance Director Cowan said the discussion he would like to have about financial software, do we think of this as general ledger or an integrated system called ERP (Enterprise Resource Planning), which deals with end to end. He stated when there is discussion, we have to go back and think about all the other components with all the department's current versions and need a definition discussion of what does that discussion look like.

Commissioner Rexroat said if he read the Rehmann report that if the County is to look into an ERP system.

Finance Director Cowan stated he has spent a lot of time in the last couple of weeks doing what he can do to collect some due diligence for that including visiting and talking with neighboring counties and what that integration component is for them. He said whether that is a “fake thing” or is there something real there and he would be glad to talk to that.

Maintenance Vehicle Purchase:

Maintenance Director Jerry Culman was present.

Commissioner Lautner asked Culman if a new truck needs to be purchased should we order it in 2024 expecting to get it in 2025 and can the truck make it through 2024?

Maintenance Director Culman replied the truck can make it through to 2025. Culman continued the issue is the rust and when it is time to sell it the County should receive a decent price for it.

Commissioner Rexroat asked if there are any mechanical difficulties and is it running alright?

Maintenance Director Culman answered that it is, but the rusting is really bad. The cost with State of Michigan is \$51,000.00 to \$52,000.00 for the truck.

Commissioner Lautner stated we wouldn't have to pay for it until it came in, and the worst-case scenario for the budget would be that it arrives in 2024 and funds could get pulled out of contingency or something at that point to pay for it.

Chairman Wessell said there is consensus to leave the Maintenance Department truck purchase on the list.

Finance Director Cowan said he will clean up a couple items and update the status tracker with the requests and changed amounts from today's discussion. He commented that future meetings will discuss LCFCC and LIFT substance abuse requests, broadband and financial software.

Chairman Wessell said the broadband discussion will be scheduled for the Budget Work Session on October 4, 2023.

Public Comment:

None.

Commissioner Comments:

- Commissioner O'Rourke said he would like to thank Finance Director Cowan and Assistant Finance Director Hartesvelt for the revised handouts and for their follow up.

Adjournment:

Meeting adjourned by the Chairman at 5:01 p.m.

Ty Wessell, Chairman
Leelanau County Board of Commissioners

Jennifer L. Zywicki, Chief Deputy Clerk for
Michelle L. Crocker, Leelanau County Clerk