

**Leelanau County Board of Commissioners**  
**Committee of the Whole – Wednesday, January 24, 2024**  
*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://leelanau.gov/meetingdetails.asp?MAId=2668#video>

Meeting called to order by Chairman Ty Wessell at 9:30 a.m. Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

Pledge of Allegiance/Moment of Silence:

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

<u>Roll Call:</u>	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 / Late Additions or Deletions:

**MOTION BY REXROAT THAT THE LEELANAU COUNTY BOARD OF COMMISSIONERS APPROVE THE AGENDA. SECONDED BY ROSS.**

Discussion – none.

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

**NO – 0**

**MOTION CARRIED.**

Public Comment:

The following individuals spoke in person: Jill Wellman, Renee Wyler, Keith Beduhn, Kerry O'Non, and Bill Wiesner.

Commissioner Comment:

- Commissioner Lautner thanked the audience members present for all of their public comment. She said we have heard a lot about listening and a person needs to listen to the entire dialogue. She continued that it is unfortunate to pick apart a comment and not listen to the entire dialogue because there are certain Commissioners that mentioned talking to several employees and that several employees talked to them. Lautner commented that as someone from the audience said the Board has a legal duty and it is heard in the Commissioner oath that we are doing our jobs. She said it is very interesting that the moment when we step out of that we are targeted as micro managing or just as targeted because we are only talking to certain Department Heads or certain Elected Officials. Lautner continued that the FOIA the Commissioners received a copy of today will be very interesting reading because she would like to compile a list of all the connections within this courthouse. She said that it used to be the joke that if the Board passed a nepotism policy in this County that we would lose over half of the employees. She commented she knows of several connections within this courthouse and so

to pick two is alarming and as a Board we should look into that. She thanked everyone for all the comments today.

- Commissioner Kramer said in light of the Board passing the climate survey that she would like to propose that, after she has talked to a few people that she works with in leadership positions over numerous organizations, this Board should potentially look at an organizational structure review to find out how all of the departments are working and what problems are bottlenecking us and or creating these rifts and divisions that are happening within the building. She stated she is hoping that the Board could research that and take a really hard look at that because that might be contributing to some of the issues.

Purpose of the Meeting – Discussion:

Michigan State University (MSU) Extension Presentation on “County Government Finance Structure”:

MSU Extension Public Policy Educator John Amrhein was present for the Agenda Item. Amrhein stated that he spoke with representatives from Roscommon, Manistee, Ogemaw, Crawford, Cheboygan, and Wexford Counties. He said with some of the Counties he spoke with that he was able to have conversations with County Administrators and the Chairman of the Board and he was also able to speak with Deputy County Administrator’s and a Finance Consultant utilized by Wexford County. Amrhein said he covered with each County their own financial structure and came away from the conversations thinking there are similar situations where a county can have a Finance Director reporting to the County Administrator; a County Administrator also being the Chief Financial Officer (CFO), which means the Administrator has a stronger Finance background; and also, a Finance Director (CFO) who reports directly to the Board of Commissioners, which is a Controller and is supported by a Michigan Legislature statute.

Amrhein commented that the CFO title is not one that he commonly sees much in County government. He said he did a google search and the four Counties he found were Monroe, Wayne, Genesee and Lapeer, which are all larger Counties. In statute there is leeway in creating the Administration structure but primarily what he sees is an Administrator or the Controller statute. Amrhein continued there are Counties where some of the responsibilities, which are stated within the statute, are often done specifically by the County Clerk’s Office if there is no Controller position.

Commissioner Allgaier asked Amrhein to clarify what he meant by gives some of the County Clerk’s Office responsibilities to the Controller?

Amrhein replied that there are things like accounts payable, payroll and some of those functions of finance that when finance isn’t solely controlled by the County Administrator have historically been done in the Clerk’s Office. There is a State of Michigan statute that specially says those responsibilities belong to the controller and so by hiring a controller the Board would be making that decision already in the process to move to what the statute covers. Amrhein stated there are some that don’t like the controller aspect of county government and it can be as simple as they don’t like the title of “Controller” and it is clear by statute it is about financial control.

Commissioner Lautner confirmed she believes it is also about a lot more control to and not only does it take responsibility away from the County Clerk that it also takes away some

responsibility from Board of Commissioners. Lautner asked Amrhein if it takes five of seven Commissioners support to remove a Controller, who is in place?

Amrhein replied that it does take a two-thirds (2/3) vote or super majority to remove a County Controller. The Controller position is not elected and is hired by the Board of the Commissioners, which is very much like hiring a County Administrator. The only difference is the Controller position is governed by a State of Michigan statute where a County Administrator is not. The other objection that people have is they just don't like the fact that it sounds like a County Controller will control everything.

Commissioner Allgaier asked what do they take from the Clerk?

Commissioner Lautner replied that it is Claims & Accounts, Payroll and all financial reporting like the County's audit.

Commissioner Rexroat asked Amrhein that just to be clear that when he launched into this that he was launching into of the three structures launching into the CFO reporting directly to the Board and that is what he is commenting on at this point, so everyone is clear?

Amrhein replied that within the four counties that have the CFO structure he isn't certain if that person reports directly to the Board. He stated that he knows for certain that in Wayne, which is a Charter County, that structure is different when it comes to the CFO title. Amrhein said that with Genesee and Lapeer Counties they use the CFO title a little differently in that there is deeper level of responsibility, experience, knowledge, and education of County Finance, but is not the same as having a controller.

Commissioner Rexroat replied correct, because there is a distinction that the Controller is a legal statute and that a CFO would be a structure the Board can choose to define the County's Administration.

Commissioner Allgaier said that it sounds like there could be a fourth structure then because a Controller is different than having a CFO.

Commissioner Lautner asked Amrhein if the Controller takes duties from the County Treasurer?

Amrhein replied that he does believe that to be so.

Commissioner Allgaier asked if the Controller takes some duties, then does the CFO take any duties from the County Treasurer?

Commissioner Lautner replied that would be up to the Board of the Commissioners and the CFO to figure out.

Commissioner Ross asked if having a Controller is one of the options this Board is looking into?

Commissioner Rexroat replied that a Controller is not one of the three options that the Finance Committee agreed to look into originally. He said that part of that reason is the hesitancy because once you have a Controller in place, they are very hard to get rid of without a super

majority vote by the Board of Commissioners. Rexroat stated a Controller is not suited for a County this size and is not one of the options that this Board agreed to look into.

Amrhein stated there are mainly three structures that he has come across in putting the requested information together when Finance is under Administration:

- County Administrator
- County Administrator / Controller
- County Administrator / Chief Finance Officer

He said the summary of what he heard from most of the Counties he spoke directly to was not to have two direct reports to the Board of Commissioners.

Commissioner Rexroat said that opinion of the other Counties would argue against this Board's option of a CFO/Finance Director direct report.

Amrhein stated that of the six counties it was unanimous to only have one direct report to the Board, and it wasn't just about a CFO/Finance Director being a direct report it was more about any other position like an HR Director or position like that.

Commissioner Lautner stated there are some counties that do not have a County Administrator position and in those counties that all Department Heads report to the Board.

Amrhein said that would be correct that all Department Heads would in that case report to the Board of Commissioners. He commented that in those counties with no County Administrator that the County Clerk's Office carries the financial load, along with functions of what an administrator would do and they compensate the County Clerk for those extra duties. Amrhein commented that recently in Missaukee County the County Clerk has been appointed as the Interim Administrator/Chief Financial Officer and received extra compensation.

Chairman Wessell stated that he believes Kalkaska County recently hired a County Administrator/CFO.

Amrhein commented that Kalkaska County had a controller a number of years ago and at one point the controller left and the Board decided to not fill the position. He said in Kalkaska the County Clerk does the accounting functions and a number of other responsibilities. Amrhein stated that Kalkaska asked him to come in a year ago and he gave a presentation on the various forms on what Administrator structures are commonly used in the State of Michigan. He said when there is not an Administrator role in a county that typically members of the Board take on larger roles and so Kalkaska decided to bring back the Administrator position but he isn't sure which Administrator structure they went with.

Chairman Wessell said when he said he believes Kalkaska County has hired someone but that he isn't sure if they have finalized a deal. He commented they have selected candidates and he thinks they have made an offer for an Administrator/CFO.

Amrhein stated that he did hear that one of the considerations in their conversations that they were thinking in terms of maybe leaving some responsibilities with the Clerk because there was a point of frustration within the search process. He said he personally knows the Kalkaska County Clerk and that someone else was concerned regarding the County's structure because if

they retire in the near future then how would that impact the decision making regarding the Administrator role, which essentially drove the structure changes. Amrhein stated he is not sure what is happening here in Leelanau County or if that is a concern here.

Commissioner Lautner stated she wasn't sure how much could be said but that statement is dead on.

Amrhein stated another key point that he heard from talking with the other counties is that in a few of their situations the County Administrator doesn't have to have that deep level of finance background as long there is a Finance Director in Administration who has that deeper knowledge and background. He said that most County Administrators are considered the team leader and lead communicator. He stated that in Manistee County, for instance, their structure is that of an Administrator/Controller. Amrhein said the Board adopted the Controller statute because it helped resolve the issues they were experiencing. He stated that often times you may have an administrator with strengths in Human Resources and Finance, because some counties do not have an HR Director position. He continued that most of the counties he talked to stated they prefer to use the Controller statute because it is a clear set of direction.

Commissioner Allgaier asked what is the difference between a Controller and Chief Finance Officer?

Amrhein replied the difference clearly is that the statute gives certain responsibilities to the Controller. He stated that he chose to speak with Roscommon, Manistee, Ogemaw, Crawford, Cheboygan and Wexford Counties because the population size and General Fund Revenues were very similar to Leelanau County. He reiterated that each of these Counties have stated they have a preference of utilizing the statute of the Controller.

Commissioner Allgaier asked why do those Counties think that a Controller is better than a Chief Finance Officer?

Amrhein replied that he thinks the common thread in those Counties, who like the Controller statute, is because there was at some point in their history some type of situation, whether real or perceived, where direction needed to come from directly from the State of Michigan statute.

Commissioner Rexroat said there is a difference between a CFO because it is what the Board would define it to be by the decisions of the Board with nothing more and nothing less. He continued that a Controller is defined by statute and so it takes some of the responsibility, chattering, arguing, spirited debate, which is the crucial difference out and the Controller is defined by law.

Amrhein stated that if you call the position a CFO it is just like an Administrator and it is strictly up to the Board of Commissioners what you will have that person do.

Commissioner Rexroat stated that the fear that you have to get over with a Controller is that it takes a super majority to get rid of that position.

Commissioner Lautner commented that she believes by the statute that a Controller does not have to have a Finance background, but yet they have all that control, duties and

responsibilities. She said when choosing a CFO that you are specifically requesting, they have a finance background and you know what you are getting.

Commissioner O'Rourke asked why would the Board hire someone with no background?

Commissioner Rexroat answered that it would be ill advised of the Board to hire a controller that doesn't have any financial background.

Commissioner O'Rourke commented that he just googled Kalkaska County and that Chet Janik is the person who wrote the job description, which is kind of interesting since that is an Administrator/CFO position. He commented that if there is a Controller and there is still a separate Finance Department then is that Controller part of the Finance Department. So, if we set these offices up and we have two people within the Finance Department is the Controller part of that department and separate from the County Clerk or a stand-alone office?

Amrhein answered that if you have the Controller the statute puts most of those financial responsibilities in their office.

Commissioner Kramer stated that she likes the idea of an organizational structure review that goes hand and hand with responsibility and titles. She said maybe this Board could then have a better understanding of the day-to-day operations and then getting the leadership necessary in order to conduct all of the operations at their full capacity. Kramer asked Amrhein if the Board should consider something like that because she feels that the Board is lacking in that direction and some insights as to the entire ecosystem of the government and how they all function together. She commented that she is struggling with making this choice, but in order to know which choice is best that this Board needs to know foundationally how these are all going to function together because she thinks that is one of the reasons there are these issues.

Amrhein commented that by not knowing all of the details here within Leelanau County that it is hard for him to have input regarding if training would help or not, but that training is always a good thing. He continued that what is important is utilizing all of the players and keeping everyone communicating.

Chairman Wessell thanked Amrhein for the great information and asked if the Board members had anything else for Amrhein.

Commissioner Rexroat asked how many counties did Amrhein speak to?

Amrhein replied that he spoke with six Counties. Commissioner Rexroat asked if the information provided today could Amrhein confirm that five out six counties recommend the Controller statute and Amrhein confirmed that yes, that is the case.

Commissioner Rexroat stated he didn't expect to hear that and hadn't heard it before. One thing he did expect to hear and it was confirmed today is that the Board should not have a second direct report.

Amrhein stated he was surprised at the strength of the counties using controllers. He said that the counties he talked to did state that they were open to discussing their structures further if the Board wanted to reach out to them.

Chairman Wessell stated that he thinks the downside of a Controller is that the Board may have less flexibility on job description.

Commissioner Lautner stated that prior to 2021 and the movement of financials everything was fine under the County Clerk and the Board had no audit findings, employee records were processed timely, invoices paid on time and etc. Is it possible to have an independent Finance Department, yes, it is, but this Board needs to choose who are they are going to report to because it could be the County Administrator, County Board of Commissioners or the County Clerk and still be an independent Finance Department.

Amrhein replied that if you have a separate Finance Department those are the three options for the department to report to the County Administrator, the County Clerk, or the Board of Commissioners. He said that his opinion would be to not have a direct report to the Board because it creates more issues down the road.

The handout emailed to the Board of Commissioners can be found at the following link:  
<https://www.leelanau.gov/meetingdetails.asp?MAId=2668#handouts>

Chairman Wessell thanked Amrhein again for the information and called for recess at 10:56 a.m. The meeting was called back to order by Chairman Wessell at 11:06 a.m.

2024 Capital Outlay Discussion:

Interim Finance Director Cathy Hartesvelt was present for the Agenda Item.

Hartesvelt stated that she and County Treasurer John Gallagher III worked together to bring forward the information provided today.

The handout can be found at the following link:  
<https://www.leelanau.gov/meetingdetails.asp?MAId=2668#handouts>

Hartesvelt and Gallagher answered questions from Commissioners and discussion ensued on Heat Pump Replacements with D&W Technician Gary O'Conner. Discussion continued regarding the General Fund Departments of Drain Districts, Parks and Recreation and Transfers to the Dam Fund #805 for repair and other expenses for 2024, along with countywide broadband.

Public Comment:

The following individual spoke in person: Renee Wyler.

Chairman Wessell called for a break at 12:08 p.m. to gather more information and consult with the County's attorney in regards to know if public comment can be extended if requested by multiple individuals to consolidate to one person to speak on their behalf.

Chairman Wessell called the meeting back to order at 12:23 p.m. and explained that the public comment request of compiling many individuals to be represented by one individual can be

granted by the Chairman of the Board. He stated that for today he will grant 10 minutes for Mr. Kobberstad's public comment and then in February the public comment of the multiple individuals Mr. Kobberstad represents will be added to the Executive Session agenda.

The following individuals spoke in person: Jim Kobberstad (10 Minutes given), Kathy Dawkins, Bill Wiesner, Kerry O'Non, David Mosher, and Laura Tarsa.

The written comments can be found at the following link:  
<https://www.leelanau.gov/meetingdetails.asp?MAId=2668#handouts>

Commissioner Comments:

None.

Adjournment:

Meeting adjourned by Chairman Wessell at 12:57 p.m.

---

Ty Wessell, Chairman  
Leelanau County Board of Commissioners

---

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