

Leelanau County Board of Commissioners
Finance Committee – Monday, December 4, 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=2608#video>

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

Roll Call:	District #3	Doug Rexroat	PRESENT
	#4	Ty Wessell	PRESENT
	#7	Melinda C. Lautner	PRESENT

Guests present.

Pledge of Allegiance/Moment of Silence:

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

Approval of Agenda and Late Additions/Deletions:

MOTION BY LAUTNER THAT THE AGENDA BE APPROVED AS PRESENTED. SECONDED BY WESSELL.

Discussion – none.

AYES – 3 (Lautner, Rexroat, Wessell)

NO – 0

MOTION CARRIED.

Public Comment:

The following individuals spoke: County Treasurer John Gallagher III, Rick Robbins, and Undersheriff James Kiessel.

Commissioner Comment:

None.

Action Items – Discussion/Potential Recommendation:

Approval of Minutes:

Commissioner Wessell and Committee Chairman Doug Rexroat stated they would like more time to read the minutes before approval. Approval of Minutes from November 9, 2023 to be moved to the next Finance Committee meeting date.

State Revenue Sharing – Public Safety Initiative:

Interim Finance Director Cathy Hartesvelt and Undersheriff James Kiessel present for the agenda item and answered Commissioners' questions.

Clarification of Approved Appropriations Act Resolution – Administrator's Request for Letter of Understanding:

Not discussed.

Clarification of Approved Appropriations Act Resolution – Potential Motion/Resolution to Amend Approved FY2024 Appropriations Act Resolution #2023-012:

Committee Chairman Commissioner Rexroat stated he believes there were ambiguities created by actions from the Regular Session on November 21, 2023, which led to communications with Corporate Counsel about how to resolve those. He continued that there are proposed motions to clean up those areas and he isn't sure if there needs to be any further discussion.

MOTION BY LAUTNER TO RECOMMEND TO THE LEELANAU COUNTY BOARD OF COMMISSIONERS TO AMEND THE FISCAL YEAR 2024 BUDGET GENERAL APPROPRIATIONS ACT RESOLUTION AND THE FISCAL YEAR 2024 BUDGET RULES RESOLUTION THAT WERE PREVIOUSLY APPROVED ON NOVEMBER 21, 2023 AS PRESENTED. SECONDED BY WESSELL.

Discussion – none.

AYES – 3 (Lautner, Rexroat, Wessell)

NO – 0

RECOMMENDATION PASSES.

Clarification of Approved Appropriations Act Resolution – Potential Motion/Resolution to amend FY2024 Budget Rules:

Combined with the recommendation motion for the Appropriations Act Agenda Item.

Potential Consulting Services Michigan Associations of Counties/Michigan State University:

Administrator Allen stated that by request of Finance Committee Chairman Commissioner Rexroat that she (Allen) was to have dialog with the Michigan Associations of Counties (MACC) and with MSU extension in regards to the Finance Department and best practice and suggestions. Allen introduced the local representative MSU Extension District 3 Director Jennifer Berkey, who has spoken with her (Berkey's) colleagues that have some insight.

Berkey stated she is present today on behalf of MSU Extension John Amrhein, who could not attend because of a schedule conflict. She continued that the information that was submitted to her was that Committee Chairman Commissioner Rexroat was looking for information on Finance and Governments options and issues. Berkey stated this would be a unique program to the Board of Commissioners and be tailored directly for you based on what you are looking for. As a committee you could determine what the program would look like and then be recommended to the full Board of Commissioners for what it is you are looking to gain, the skills you would like to achieve, this is the content that you would like to be seen and that would be tailored for you. She stated that all the material that would be shared would be researched based and would be steeped in some sort of best practice by the contact trainer. Those trainers could be John Amrhein, Dr. Eric Scorsone or Eric Walcott, who is housed in southern Michigan, and would have the contact expertise. Berkey said that via email that she and Amrhein communicated about various options.

Commissioner Lautner asked who contacted MSU Extension to look at this?

Committee Chairman Commissioner Rexroat stated that he requested Administrator Allen to contact them just to provide options but not to take any action and that most specifically we were looking at to start with options on structures and best practices in other counties.

Commissioner Lautner reaffirmed the request was for structure and best practices.

Committee Chairman Commissioner Rexroat stated he thinks that should be the first order of business when looking at a long-term plan and now there seems to be three options. There is the option that we operate with a County Administrator and a Finance Director with the FD reporting to the Administrator, the Chief Financial Officer (CFO) option who reports directly to the Board, and the hybrid that he understands that is a CFO and County Administrator combination with a FD reporting to the County Administrator. Rexroat said the first order of business is to look to some guidance, suggestions and thoughts on the positives and negatives of those three options.

Berkey continued that what Amrhein indicated that there would first need to be conversation with the possibilities of bringing in a trainer. She stated that Amrhein will do some refresher research into the different powers of the Board and other elected officials and share that information with the Board. Berkey commented that they would also be looking at different counties that have similarly gone through this type of change and how they navigated. She explained the background of Scorsone and Amrhein and what they could bring to the Board as resources for this type of project.

Committee Chairman Commissioner Rexroat asked if there is any kind of financial commitment the Board would have to make?

Berkey replied that because of the current relationship with MSU Extension there is no additional cost but if the educators needed to travel there could be expenses in those kinds of terms.

Commissioner Wessell asked if the next Finance Committee meeting could be scheduled to include Amrhein?

Both Commissioners' Lautner and Rexroat agreed with Commissioner Wessell.

Commissioner consensus to schedule the next Finance Committee meeting for Wednesday, January 3, 2024, at 2:30 p.m. with John Amrhein from MSU Extension.

Commissioners thanked Berkey for the presentation.

Finance Department Organizational Clarification, Job Postings – Account Clerk:

Interim Finance Director Cathy Hartesvelt recapped the job postings that are currently on the Leelanau County website and explained that at this time there is no posting for the open position in the Accounting/Finance Department for an Account Clerk.

Committee Chairman Commissioner Rexroat stated the job descriptions need some fine tuning because the descriptions state the position reports to the Clerk's Office and it should instead say the Finance Director. The Finance Director for the intermediate plan is not supervised by the County Administrator but it is by the Board of Commissioner Finance Committee. Rexroat said he isn't sure who is in charge of cleaning all that up, but that someone needs to be asked to do so and he thinks that is HR Director Darcy Weaver.

Commissioner Wessell said it would seem like HR would take care of that and also come back with a recommended wage.

Committee Chairman Commissioner Rexroat stated HR Director Weaver could do that as well. He said he needed to reflect a little bit because he thinks there would be two account clerks hired because one would be the replacement for the Deputy Finance Director. Rexroat said it was the intent of this Board to advertise for two account clerks because we don't believe there is the capacity to provide assistance and has that been verified because the interim plan was to at least add one clerk.

Interim Finance Director Hartesvelt said she would like to see one account clerk hired at this time because she needs to get going on training someone since that is a position that will be moving forward in both the short-term and long-term plan.

Commissioner Lautner stated she would like to see the County hire for the position now.

Commissioner Rexroat asked if the hiring of the account clerk should happen before the January 2024 meeting?

Commissioner Wessell replied that he doesn't think the hiring is a Finance Committee responsibility and that should go to HR and the Interim Finance Director and whoever else will be part of the interview team.

Interim Finance Director Hartesvelt stated that all the other positions that are Board approved have been posted to the public except for the account clerk position and the Finance Director position.

Committee Chairman Commissioner Rexroat said he agrees with Commissioners' Wessell and Lautner to get the account clerk position posted.

HR Director Weaver (from the audience) stated she would be happy to post the position today and said she was looking for clarification because there was discussion on bringing in a temporary or was it going to be two positions.

Committee Chairman Commissioner Rexroat said the request is for a full-time account clerk position.

HR Director Weaver said she would do it today.

Committee Chairman Commissioner Rexroat asked for clarification from Commissioner Wessell regarding how interviews will be handled?

Commissioner Wessell replied that it seems like the Finance Director and HR and maybe a representative of the Finance Committee could be a part of the interview team. He continued that we need to make sure that we move forward fast with this and since we have Finance reporting directly to the Board that it would make sense that a Board member serves on the interview committee.

Committee Chairman Commissioner Rexroat asked Commissioner Wessell if he would be willing to serve in that capacity.

Interim Finance Director Hartesvelt said she would like to request someone with a strong governmental finance background and her preference would either be the County Clerk or the Chief Deputy Clerk because they have interviewed and hired many account clerks.

Commissioner Lautner commented successfully.

Commissioner Wessell stated that he feels comfortable interviewing clerk candidates since he was the Director of Financial Aid for a university and he has managed school budgets.

Commissioner Lautner said that she has no problem with that but agrees we can do both and so either the Clerk or the Chief Deputy Clerk, with Commissioner Wessell along with the FD and HR. Lautner commented that prior County Administrator Chet Janik used large interview teams when hiring staff.

Committee Chairman Commissioner Rexroat said that in as much as we are trying to move forward with an independent committee that we would be best served by starting off on that foot. He continued that it doesn't mean that Hartesvelt can't reach out in any way she feels she want to but he would thing that in his opinion the interview committee should be represented by someone from the Finance Committee and if Commissioner Wessell is interested in doing that then his preference would be a Board member with HR and the FD. Rexroat asked if there are any other thoughts on that?

Commissioner Wessell stated he is fine with that.

Commissioner Lautner replied, no. She continued that she is going based on history.

Committee Chairman Commissioner Rexroat said he understands that.

Commissioner Lautner stated we have 30 years of County finance and that just kind of makes sense.

Committee Chairman Commissioner Rexroat asked if there needs to be a motion made?

Commissioner Wessell stated that as he is thinking about it, he doesn't think it needs to be inclusionary either and so if the Finance Director believes it is important to have Chief Deputy Clerk there that he could support that. He continued that a Board member needs to be on the interview team because it is reporting directly to the Board.

Commissioner Lautner stated she has no problem with that.

MOTION BY LAUTNER TO RECOMMEND TO THE LEELANAU COUNTY BOARD OF COMMISSIONERS THAT THE INTERVIEW COMMITTEE CONSIST OF THE INTERIM FINANCE DIRECTOR, HR, COMMISSIONER TY WESSELL AND CHIEF DEPUTY CLERK JENNIFER ZYWICKI. SECONDED BY WESSELL.

Discussion – none.

AYES – 3

NO – 0

RECOMMENDATION PASSES.

Interim Finance Director Hartesvelt stated it does help her to have some clarity in that the Finance Department Interim Finance Director reports to the Board and that the staff reports to her and is hopeful to move forward and find an account clerk.

Commissioner Wessell said that when we revise the Finance Director position, which is new to the Board of Commissioners to have two direct reports. He stated that although there are two direct reports they should be working together and he thinks how the Finance Director job description and help clarify for the Interim Finance Director's responsibility but also where does the Administrator fit into that process. Wessell commented that he thinks we should move forward without any surprises and obviously the Administrator prepares the agendas for the board meetings that there shouldn't be any surprises. He said he feels that in some way recognize that the direct reports to the Board should work with each other.

Interim Finance Director Hartesvelt stated she thinks that is an act of professionalism between the staff performing those tasks and she certainly wouldn't want to be surprised and nor is she looking to surprise the Administrator.

Committee Chairman Commissioner Rexroat agreed with Hartesvelt. He said that right now this is a temporary position and we are in the short-term, and it would be unfair for Administrator Allen to have to come into it all over again and not have been in the information loop in the meantime. Rexroat stated that he hopes and encourages that agenda items and anything to do with the Finance Committee be shared. It doesn't change the supervision but there is the difference between being in charge and being informed.

Committee Chairman Commissioner Rexroat stated that even though it is not an agenda item but we would like to make sure that both the County Treasurer and County Administrator be present at the Finance Committee meetings. He said the idea is to move forward with a "Team Effort" to get this done and how to figure out to get this done.

Commissioner Lautner asked as far as process goes then will Cathy (Hartesvelt) will be creating the agenda for the Finance Committee meeting so that we make sure we need to cover everything we need to cover?

Interim Finance Director Hartesvelt replied she will if the committee gives her that direction. She continued that this agenda was a bit like a potluck and that is ok because this is all new. She said since this is short-term she brought what she felt needed to be addressed, what Chairman Wessell felt needed to be addressed, and also Administrator Allen adding items. Hartesvelt stated she is not looking to have these meetings lasting over four hours because that is one luxury that she doesn't have in her role right now is a lot of extra time.

Committee Chairman Commissioner Rexroat stated he assumes that he and Hartesvelt would be reviewing the agendas together and appreciates all the work done on the agenda for today.

Commissioner Lautner said as far as committee structure goes then you would also have to coordinate with the minutes and Administrator for whatever comes out of the Personnel Committee that has a financial repercussion has to then come to the Finance Committee, which also should then be on the agenda for recommendation.

Interim Finance Director Hartesvelt stated the committee structure is new for her, even with having been in County Government for a good number of years, and she would like to make sure it works for her and for the committee. She said the timing of these meetings is especially important and it would help if the meeting wasn't the day before Executive Session, which today was not normal, but a week before would be a good recommendation. Hartesvelt continued that then the Personnel Committee should be meeting after the Regular Session and before the Finance Committee so that if Personnel decides they have some financial component it can be on the agenda for finance.

Committee Chairman Commissioner Rexroat said that he has discussed this in length in keeping the integrity of the committee structure and that integrity depends entirely on making recommendations to Executive and then onto the Regular to have the time to digest the information in between.

Commissioner Lautner commented that once you get the rhythm of it that it is a very good structure and she worked under it before where there were three committees. She explained that one committee meets the first week, one committee the second week and within the third week if there was anything financial that it came during that third week to the Finance Committee and from there it went to the Executive and onto the Regular. Lautner said there was plenty of time to do your homework, follow up, if necessary, get more information, and mainly keep the public fully informed of what was going on.

Committee Chairman Commissioner Rexroat commented that perhaps at the January Organizational meeting that the structure and meeting dates or timelines can be discussed.

Interim Finance Director Hartesvelt stated there is a Personnel Committee scheduled for Wednesday this week but the agenda wasn't available for it yet.

Commissioner Wessell said he hasn't seen the agenda but every time the Personnel Committee meets or this committee meets doesn't mean there will be money spent. He continued that he thinks the organizational meeting the plan can be scheduled of when Board Committee meetings can be on a regular schedule.

Financial Assistance Stipend Agreement Review – County Clerk, Chief Deputy County Clerk:

Committee Chairman Commissioner Rexroat stated there is no handout and that he has no awareness of what the agreement consists of at this time and how it was done because he hasn't seen any paperwork and he didn't ask for this to be placed. Rexroat asked Hartesvelt for more information since she placed this on the agenda.

Interim Finance Director Hartesvelt said she would like to start with a brief history. On December 22, 2022, was the resignation of former Finance Director Jared Prince and she was picked as Interim at that time. Administrator Allen requested to the Board of Commissioners the temporary staffing help with the stipend and it was renewed in June to get through the rest of the year. Hartesvelt stated that not much has changed with in regards to the level of work and knowing that she has year-end to finish and the transition into FY2024, along with a new account clerk being hired and the training of that individual. She said the County's audit has been set with Rehmann and it is on the calendar to start March 11, 2024. Since we are in your short-term plan and the long-term plan is to bring in a Finance Director that we heard from Mr.

Stephen Peacock that this could take a while because this individual is a unicorn. Hartesvelt commented that she had great hopes for former Finance Director Sean Cowan and that she thought he was really what the County needed but that she doesn't think that was what he wanted. Government accounting and finance is very cyclical. Hartesvelt stated she thinks it is very important that the Finance Director understands the mechanisms and can take over because if she goes down Finance Director needs to be able to do the job. She stated her recommendation is that with the amount of work that is coming up we don't know how long it will take to find a Finance Director and she recommends the stipends continue. Hartesvelt explained the stipend is for 10 hours a week for the Chief Deputy Clerk, and 10 hours a week for the County Clerk and their role might not be evident to you but because we have dual controls in place with everything we do and the review that has to happen that she is not acting autonomously. She stated that as the Finance Director she has to have these dual controls in place and this assures that the work is being verified and checked so that nothing goes out of the department without the controls that have been in place for years to ensure the County's finances are in good shape. Hartesvelt continued that we are following budget and Board rules and the intellectual and institutional knowledge that they have and continue to provide her is invaluable to her, so her recommendation that she is asking for is to continue for a year or at least six months. She said the original agreement stated the terms were until a Finance Director was named.

Commissioner Lautner stated that she has given this a lot of thought over the weekend looking at where we are and that she kind of thinks she knows where we want to be. She said that she is very frustrated, she feels like what Cathy touched on which was that we thought we were in a good place and we have wasted an entire year on this process and we haven't gotten to where we want to be yet even though we kind of know where we would like to be. Lautner said as far as kicking around other ideas and have heard in the past about contracting out that honestly this is the cheapest route that we can go. She continued you have to consider to that all the institutional knowledge that is there and this is two people that are doing this that can hit the road running because they are already on the road running. She said she wishes we were farther down that road on this whole structure and wishes to be further that until we have a plan but until she sees how that goes that there isn't another option except to continue the stipends. If you want to put a timeframe on them like six months or revisit it in six months and at that point would be super happy where we are in the process and something to roll off that makes a lot of sense to her. Lautner commented that in the meantime she knows this is a busy time of year and she has watched the hours that go into audit and she has watched the hours they are putting the finances. She said we have a big budget here in Leelanau County and it is super important that we continue on smoothly so she would recommend to the Board of Commissioners to continue the stipend arrangement with the Chief Deputy Clerk and the County Clerk for 10 hours a week each.

Committee Chairman Commissioner Rexroat stated that before we go to a motion that we have more discussion because he thinks there are more people that will want to speak on this.

Commissioner Wessell said he doesn't want to speak on it, and Committee Chairman Commissioner Rexroat said he doesn't think anybody wants to.

Commissioner Wessell stated he doesn't like stipends and he understands what Cathy is saying and how critical it is to have the support of the Clerk and the Chief Deputy Clerk to make this

work and he understands that. He said stipends in this building has been in issue across the board with staff and has created a real problem with the staff. He has heard it from lots and lots of people that we expect teamwork and now we have to do stipends to make it work. He said he also wants the Finance Department to work and he understands that and we are in a bind and he thinks that if it would have been done different two years ago and planned a process we wouldn't be there right now, but this is where we are. He is hoping that when we get an account clerk in then maybe some of the stipend might go away and that takes care of some of the work. Right now, we are down two positions and we pay two stipends and when we fill and get the new the account clerk so he or she can take some of the load then one of those stipends might go away. The second stipend will go away when there is a permanent Finance Director and he would support that because we have to make this work but at the same time, he would like the Board to consider a motion at some point to say that we will never, ever again have the word stipend on a Board agenda because they are problematic. Wessel said that he would like rather than the motion that Commissioner Lautner suggest to talk about a structure with two stipends now until that account clerk can get that person going for a couple of weeks and then one of the stipends goes away and keep the other stipend in place until we know we have a permanent structure in place.

Committee Chairman Commissioner Rexroat stated he is not a fan of stipends either and we need to structure ourselves to work as a team and find workloads that make sense and he would prefer to see no stipends. Unfortunately, he does believe that he concurs with Commissioner Wessell on this that he would love to see none if someone was to ask him his preference. He supports whole heartedly a motion by the Board to say that when this ends it is the end of it. Rexroat said he does believe it pollutes the wage structure and it creates discomfort among staff, but we are where we are. He would like to see a motion made similar to what Commissioner Wessell has proposed and he doesn't want to put a timeframe on it other than the first stipend ends as soon as we can get someone hired and a reasonable amount like two weeks of training and then the next one ends as soon as we can get it done and get someone in place.

Commissioner Lautner stated that she sees where you are going and she doesn't think we can put that kind of time limit on this is the thing. She said a lot is going to depend on how this goes and a lot is going to depend on how comfortable Cathy is with the new account clerk as she has said. If we can get someone with government experience and they can hit the ground running and Cathy can go home one or two or even maybe three days a week before 8 p.m. at night then that would be great. Lautner commented that it would be great if our other employees' families would actually see them at some point in the evenings and not on the weekends but right now, we don't have that so she doesn't think we can put that kind of timeframe on it as lovely as that would be. She said that she is right on board with the stipends, and interestingly enough she hasn't heard a lot of complaints about it and certainly not within the Courthouse about stipends being paid.

Commissioner Wessell stated he would like to hear what Cathy has to say about what he is recommending.

Interim Finance Director Hartesvelt said she was reflecting on what Administrator Allen's proposal from a year ago, which was to continue this support through hiring the Finance Director. She stated that she had closed door conversations with former Finance Director

Cowan and he agreed that the assistance of the County Clerk and Chief Deputy Clerk should continue even under his training time because he was trying to absorb a lot of information and needed that down the hall and let's talk about it and even, he felt this was valuable to training this new department that was coming in. Hartesvelt said if there is a problem with the stipends that she can say having sad in an elected chair before that you will never see these stipends again but you can't bind future boards. The nature of this work and what we are coming into over the next four months and down a staff person in the Treasurer's Office during this period so it will be a coordinated effort to get us ready for the audit. Hartesvelt said she will not take advantage of people, she just cannot, and to ask people to assist her that are not being compensated to so, it just is not in her wheel house and she will not take advantage of people.

Committee Chairman Commissioner Rexroat stated he would like to offer a compromise and thought that we would follow somewhere in between these points and have a limited time and then review then. He personally cannot support anything that would go past the first quarter of FY2024 for stipends. He said he believes everything will be in place and we have an eminently qualified person in place and we are trying to move towards and independent Finance Department and if we don't take the steps to do that at some point, we are never going to do it. We are going to try to do it cooperatively and as one commissioner that is all that he can support and he is only one member on this committee.

Commissioner Wessell said he would support Commissioner Rexroat's recommendation and in three months we will be back here and we will have the whole plan of where we want to go with the long-term plan finance person. He hopes the new account clerk will be outstanding and he likes the idea of let's approve the stipends for the quarter and then see where we are.

Committee Chairman Commissioner Rexroat commented that timeframe gets us through the audit.

Commissioner Lautner said to review April 30, 2024, is fine because she is very hopeful.

Committee Chairman Commissioner Rexroat corrected Commissioner Lautner and stated his timeframe is until March 31, 2024, when the first quarter ends.

Commissioner Lautner stated that we would just be beginning the audit at that time.

Committee Chairman Commissioner Rexroat said, no and that your audit prep should be mostly done by then if you have an auditor coming in three weeks later that you can't tell him that the audit won't be done three days before.

Chief Deputy Clerk Jennifer Zywicki asked if either County Treasurer John Gallagher III or Interim Finance Director Hartesvelt would like to address the timeline of the audit for FY2024 because there is an extension. The plan being proposed is that the audit will be extended until after they are here on site, correct?

County Treasurer John Gallagher III (from the audience) stated that he is hopeful there will be accommodations made, but he isn't aware of any commitment made by anybody.

Interim Finance Director Hartesvelt replied that she sent an email to the group last week after she spoke with Rehamnn Principal Paul Matz and because of an employee on leave in the Treasurer's Office Matz has agreed with a list of items that would have to be brought to the Auditors attention upon return of the employee and have committed to not audit the list until after the employee comes back as long as they are told ahead of time. She reiterated that Rehamnn will be here March 11th and that she is not sure of the leave structure but Matz said they will work with the County on extending the audit through the return. Hartesvelt informed the committee that we do have ongoing things that need to happen in April and May to get ready for the submission of the F-65 with the State of Michigan. We are trying to work with this and the audit firm understands this happens in counties where you have a leave and they just want to be told ahead of time and they are very amenable.

Chief Deputy Clerk Zywicki explained if the committee wants a decision today for recommendation made until March 30, 2024, then you would need to review the stipends at the Executive meeting held in March of 2024 before the audit is completed.

Commissioner Lautner stated she thinks the first quarter is too soon, personally. She continued that the stipends can be reviewed by the Executive Session every month as far as that goes. Lautner said she prefers six months but that she just can't imagine and would love to believe that we can get a Finance Director on board. This can certainly be reviewed if you are lucky enough to have a good account clerk, they are hitting the road running and we're happy with their knowledge of their work.

Commissioner Wessell said Commissioner Lautner says six months and Commissioner Rexroat says three months and four months would get us through the audit prep for sure. He stated that might be a good compromise if Commissioner Rexroat would be willing to do that, but he doesn't want any promises beyond that as one member of this committee. Wessell said the goal has to be we have to cut ourselves loose and if we are not ready to do that then something is wrong with our organization or we have the wrong plan if we can't do it in that amount of time.

Interim Finance Director Hartesvelt reminded Commissioner Wessell that she needs more bodies and to get the positions filled. Commissioners' Wessell and Rexroat agreed with Hartesvelt to get more bodies. Hartesvelt reminded the Committee that it could be that in four months you will know your structure.

Committee Chairman Commissioner Rexroat asked Hartesvelt to consider additional staff as an option to stipends because previously you said you only needed one.

Interim Finance Director Hartesvelt confirmed she has on account clerk and if you want to go ahead and hire an Assistant Finance Director that she is not currently holding that position and so it is up to the Board and she may or may not apply for the Finance Director position.

Committee Chairman Commissioner Rexroat said he is just one committee member and that he would like to stick with an end date of March 31, 2024 and that four months is a compromise but that he thinks it should be reviewed at every Finance Committee meeting where we are at.

Interim Finance Director Hartesvelt said she agrees with Commissioner Lautner that this is the least expensive road right now for assistance and they can help train. If we get these people in

and she is disposed doing something else and they need someone to sit with them and watch and review the date entry then that is taking them off their daily routine that means they work into the evening. Hartesvelt said she is hearing from the committee members that people are upset and personally nobody talks to her so it doesn't matter to her but they are not staying here until 6, 7 or even 8 p.m. at night because they have their bags packed and are out the door at 5 p.m. She continued that if those individuals want to come in and help and do it for free then she will be happy to have them come in and they can sit together and she can give them a pile of work.

Commissioner Lautner said she will not be volunteering to come in.

Committee Chairman Commissioner Rexroat stated he would entertain a motion but will not support six months.

MOTION BY LAUTNER TO RECOMMEND TO THE LEELANAU COUNTY BOARD OF COMMISSIONERS TO CONTINUE THE STIPEND AT 10 HOURS A WEEK FOR THE CHIEF DEPUTY CLERK AND 10 HOURS A WEEK FOR THE COUNTY CLERK TO BE REVIEWED THROUGH APRIL 30, 2024. SECONDED BY WESSELL.

Discussion – Commissioner Wessell stated we have approved these a few different times and there is always the expectation that of course they are going to continue, and as he reviews what this motion sounds like we will review it in April and we will be right back here. He said he thinks it needs to be stronger.

Commissioner Lautner asked if Commissioner Wessell wanted the word “reviewed” taken out?

Commissioner Wessell replied to approve through April 30, 2024, with expectations the Finance Department will do without stipends after that date. Commissioner Lautner said that was fine.

Committee Chairman Commissioner Rexroat stated he would like to add an amendment that it can be reviewed and terminated if conditions warrant it.

Chief Deputy Clerk Zywicki explained to Commissioner Rexroat that an amendment isn't necessary because at any time it can be reviewed and changed through the Executive Session. Committee Chairman Commissioner Rexroat said as long as his opinion is stated in the minutes then he is fine with that. He stated that before he agrees 100% with Commissioner Wessell's position that at some point we have to say we are going to have a Finance Department that lives apart and so it would be hard to convince him to renew.

Commissioner Wessell stated that he hopes when there is a new account clerk and maybe an Assistant Finance Director that one of those stipends goes away earlier and we should be real open about it.

AYES – 3 (Lautner, Rexroat, Wessell)

NO – 0

RECOMMENDATION PASSES.

Information Technology – Director/Technician Transition, Non-union Wage Schedule:

Interim Finance Director Hartesvelt stated the 2024 budget reflects the IT Director and it is posted and she isn't aware there is an approval of any kind of overlap.

Commissioner Wessell asked if HR could be called on to answer that because he understood it that the position is open for the current employee and has been budgeted.

Committee Chairman Commissioner Rexroat said that Commissioner Lautner was not a fan of that arrangement but he believes it is budgeted as well.

HR Director Weaver (from the audience) stated it is posted for January 1, 2024, and the current employee has applied.

Committee Chairman Commissioner Rexroat stated that obviously we have never not done that if that situation existed where there needed to be overlap so let's deal with it if we have to.

Chief Deputy Clerk Zywicki explained that the staffing level approved for FY2024 is for one IT Director and not a technician so let's say if there are interviews and other people that apply and that position of technician isn't in there, you only have room for one employee. The staffing level for the IT Technician ends on December 31, 2023, without further Board approval. Zywicki stated that she assumes HR is looking to hire effective 1/1/2024 for a Director, which Hartesvelt was bringing to the Committee's attention today along with salary range on the Non-union wage schedule for the IT Director. She further commented that, if need be, any amendment or adjustment to the budget can also take place at the last meeting of the year.

Commissioner Lautner asked HR Director Weaver if the position was posted internally and externally? Weaver confirmed it was posted internally and on the County's website.

Committee Chairman Commissioner Rexroat recommended that in the event an IT Director is not hired by January 1, 2024, then the Board will review the staffing level at the last meeting in December for further recommendations.

FY2024 Motor Pool Fund – Funds #661 and #940 Rental Charges (per mile):

Interim Finance Director Hartesvelt informed the Committee that the Sheriff's Office has one vehicle that has not been delivered yet in FY2023 and in FY2024 there will be a budget amendment once that vehicle has been paid for. She further explained that the 2023 Ford truck order for Building Safety has been cancelled as Ford Motors will not be making any more 2023 trucks.

Commissioner Lautner asked what will happen now?

Interim Finance Director Hartesvelt said we will wait to see if Ford Motors will honor a 2024 order. She updated the Committee that the leased vehicle that Building Safety has been using no longer has a heater or defrost that works, so the vehicle has been switched out for another vehicle where it does work. Hartesvelt explained that within the meeting packet there are rental fee scenarios and she is looking for a recommendation to increase the fee effective 1/1/2024. Currently the rates are \$0.10 for over 80,000 miles and \$0.30 for under 80,000 miles.

Commissioner Lautner stated she likes the \$0.25/\$0.50 option.

Committee Chairman Commissioner Rexroat agrees with Commissioner Lautner.

Interim Finance Director Hartesvelt said she reviewed all the budgets with rental charges and they are currently running under 70% of the budgeted figures and they could easily be laid in for FY2024. She stated the only department that may run over is the Secondary Road Patrol due to the number of miles traveled on the secondary roads.

Committee Chairman Commissioner Rexroat invited Undersheriff Kiessel to speak to the agenda item.

Undersheriff Kiessel said that in the grand scheme it is the same money either way you look at it. Mileage is a crap shoot each year with everything and the only departments that may be affected could be Leelanau Township and Suttons Bay Village but he can't remember how those are set up.

Chief Deputy Clerk Zywicki answered that the Leelanau Township Deputy and the Suttons Bay Village Deputy contracts are charged a rate of the IRS allowable so the rental may increase but it does not affect the reimbursement.

MOTION BY LAUTNER TO RECOMMEND TO THE LEELANAU COUNTY BOARD OF COMMISSIONERS TO CHANGE THE RENTAL FEE FOR THE MOTOR POOL FUND #661 TO \$0.25/\$0.50 MILEAGE RATE IN FY2024. SECONDED BY WESSELL.

Discussion – none.

AYES – 3 (Lautner, Rexroat, Wessell)

NO – 0

RECOMMENDATION PASSES.

FY2024 Motor Pool Fund – Building Safety Fleet Vehicle Reassignment:

Interim Finance Director Hartesvelt explained the fleet vehicle needs repairs and that the Motor Pool Fund has never paid for repairs and sold the vehicles as it. With the situation of being short on fleet vehicles and new vehicles taking longer and longer to receive then should the vehicle be fixed.

Commissioner consensus to get an estimate on the repair and bring back for review at a future Finance Committee meeting.

Capital Outlay Overview:

Interim Finance Director Hartesvelt reviewed with the Committee the Capital Outlay Summary of projects and answered questions.

ARPA Fund Overview Update:

Interim Finance Director Hartesvelt reviewed the ARPA Fund Overview Summary.

Commissioner Lautner clarified that the \$125,000.00 ARPA dollars spent went to Homestretch.

Housing – CDBG Program Income Fund & Non-Program Income Fund Overview:

Interim Finance Director Hartesvelt explained the document provided by Planning Director Trudy Galla and she wanted to convey it to the Finance Committee.

County Treasurer Gallagher stated he will be asking for permission from the Land Bank Authority, who would like to present an alternative for the funds.

Commissioner Wessell stated he recommends that Gallagher present to the full Board of Commissioners in the near future.

Commissioner Lautner stated she is a fan of CDBG and keeping people in their homes.

Leelanau Tower Budget Update:

Interim Finance Director Hartesvelt stated she knows the tower will be a FY2024 project and within the budget there is a line for a \$100,000.00 from a local unit and she has a note to bill them, but do we know where we are with Leelanau Township?

Commissioner Wessell said he reached out to Emergency Management Director Matthew Ansorge. Ansorge informed Wessell that he is waiting for legal review of the contract before the Leelanau Township Supervisor can sign it and then we can bill them.

Interim Finance Director Hartesvelt said that her concern is that they are tapping into their ARPA dollars, which Commissioner Wessell confirmed, and she continued that if the Township is utilizing those funds, then Leelanau County will need to sign a subrecipient agreement to be able to accept the funds. Hartesvelt asked Zywicki if she was correct?

Chief Deputy Clerk Zywicki confirmed that Hartesvelt is correct that the County will need to sign a subrecipient agreement to be able to accept the funding. Zywicki asked Treasurer Gallagher if she was correct?

Treasurer Gallagher confirmed for the Committee that anytime he disperses Federal funding that he has to obtain a subrecipient agreement.

Chief Deputy Clerk Zywicki explained that since the County is receiving Federal funds from the Township that the Township would be sending the subrecipient agreement to the County to sign.

Treasurer Gallagher spoke to the Federal Payment in Lieu of Taxes that he disburses and that he sends the acknowledgement out on behalf of the County.

Chief Deputy Clerk Zywicki stated that if Gallagher does the subrecipient agreements for the County's Federal Tax disbursements then Leelanau Township should be sending the agreement to the County for signature and acceptance. She continued that it is possible that Director Ansorge might not be aware within the contract that it needs to spell out the County is the subrecipient. Zywicki said the Township will be showing within their books the expenditure and the County will be showing the Federal award as a revenue.

Commissioner Wessell asked if County Treasurer Gallagher could reach out to Leelanau Township Treasurer Denise Dunn on that piece of the agreement and he can tell her that the contract is coming but they could at least start the paperwork if they haven't already.

Chief Deputy Clerk Zywicki said that she is guessing that if Director Ansonge has a copy of that contract already that maybe it could be shared with Treasurer Gallagher and it could be possible that somewhere within it there is language regarding a subrecipient agreement. With ARPA dollars and especially it being \$100,000.00 from a township that is a lot of their budget and we just want to make sure they are following the guidelines of the Treasury Department.

Administrator Allen stated that similarly with Homestretch and the \$125,000.00 that was provided to them from the County's ARPA dollars that she currently has legal counsel constructing a subrecipient agreement for that distribution.

Committee Chairman Commissioner Rexroat asked if that is a long time to get that done?

Chief Deputy Clerk Zywicki explained it is a fairly standard process and that it does come down to when legal counsel has time. She said with 83 counties in the State of Michigan all having Federal awards there are a lot of subrecipient agreements being drafted almost all at once. Zywicki stated that she spoke with Administrator Allen that as long as the agreement was signed and on hand for the audit that should cover the County. She said that she knows it is not on the agenda but that she wanted to inform the Committee that there will be a Single Audit, which is when the County is in receipt of more than \$750,000.00 in Federal Awards. Zywicki confirmed with Treasurer Gallagher (in the audience) that the Land Bank Authority received a \$500,000.00 Federal Award, ARPA expenditures and with the Marine patrol boat that the County will be well over the threshold. She further explained that with any single audit the County will have to have their I's dotted and their T's crossed as it is a very through audit when it comes to Federal Award dollars. Zywicki recalled that the last Single Audit was around 2013 or 2014 before the threshold was raised to the new cap of \$750,000.00.

Interim Finance Plan:

Committee Chairman Commissioner Rexroat said there is a plan and Hartesvelt thanked the Committee for the short-term plan and guidance she has received.

Set Next Meeting Date/Future Subjects:

Committee Chairman Commissioner Rexroat stated the next meeting date will be set for January 3, 2024, at 2:30 p.m.

Interim Finance Director Hartesvelt gave an update that she spoke with Matz regarding the State of Michigan Chart of Accounts and the mandate to implement them. Matz informed her that it is not a concern for Rehmann and they understand there is a transition taking place so they will not be giving us a material weakness on that topic anytime soon.

Committee Chairman Commissioner Rexroat stated that is part of the long-term plan.

Public Comment:

The following individual spoke in person: Kathy Dawkins

Commissioner Comments:

- Commissioner Wessell thanked Cathy Hartesvelt for the organization of today's meeting and the whole team for getting the County where we are today.

- Committee Chairman Commissioner Rexroat concurred with Commissioner Wessell.

Adjournment:

Meeting adjourned by the Chairman Rexroat at 11:18 a.m.

Doug Rexroat, Chairman
Leelanau County Board of Commissioners

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