The Marquette County Board of Commissioners Statutory Finance Committee met on Thursday, April 21, 1994 at 4:30 p.m. in Room 231 of the Henry A. Skewis Annex, Marquette, Michigan.


Chairperson Seppenen opened the meeting for public comment. None was forthcoming.

It was moved by Comm. Trudell, seconded by Comm. Minelli, and unanimously carried by voice vote that the agenda be approved as presented.

The Committee considered a memorandum on the deficit fund plan for 1993 from Gary Yoder, Finance Manager. Mr. Yoder explained that Marquette County has always had deficits in various funds at the end of the year but they are larger than usual. The 1993 annual audit has determined that Marquette County had a deficit fund balance in eight of its funds. These funds and their deficit amounts are as follows:

- Law Library Special Review Fund: $4,843.00
- S.O.D.A. Grant Fund: $462.00
- D.S.S. Child Care Fund: $7,104.00
- Probate Child Care Special Revenue Fund: $117,259.00
- Medical Care Debt Retirement: $30,295.00
- A.M.C.M.H.C. Benefits Internal Service Fund: $***
- Badger Drain Capital Project Fund: $197,041.00
- Raney Creek Capital Project Fund: $3,637.00

*** (The deficit amount in the A.M.C.M.H. Fund has not been determined at this time. There was a deficit of $290,993 last year and a five year plan was approved to resolve the deficit. Four more years of increased appropriations by Community Mental Health should resolve this problem.)

Mr. Yoder further explained that every pay period he reviews the various line items to see if they are correctly charged to the right place. Between the general fund and other County funds there are approximately 3,500 line items, (1,400 in the general fund). Each department receives a monthly report which has been reviewed the finance manager. After the mid-year budget review the County proceeds into audit reports. Most departments heads cooperate and try to balance their expenses and revenues, however, it takes time to arrive at the appropriate fund balances. Finance Manager Yoder, the Finance Committee staff, and Commissioners present discussed each of the deficit funds separately. County Administrator, Dennis Aloia, pointed out that special concern should be paid to the D.S.S. Child Care Fund and the Probate Child Care Fund. The State of Michigan pays 50% of these expenses up to a cap, the rest is the County's responsibility. Marquette County has had good years and bad years. Last year required more placements than normal which resulted in child care expenses $200,000.00 over the original budget.

Administrator Aloia further explained that the County has no choice but to pay child care expenses. For example, the young Canadian boy who attacked a girl at the Marquette Holiday Inn a couple of years ago is currently being housed in an institution in Lower Michigan. This is costing Marquette County approximately $35,000 per year because he committed his offense in Marquette County.
The Finance Committee also discussed the deficit in the Law Library special revenue fund. The Committee questioned the fact that when this line item expense reached 100%, how did books continue to be ordered? Perhaps there are other line items in various departments that may be over budget without the County Board knowing.

The Finance Committee approved of several directives as follows:

a) They directed Administrator Aloia to request that the Probate Judge and the Prosecutor address and solve the placement of the Canadian child who is currently in a downstate institution for which Marquette County is paying.

b) Direct Administrator Aloia to contact the Judges and request that they stay within budget in the law library line item.

c) Direct Administrator Aloia to meet with department heads, regarding over expenditures on line items and line item transfers.

***

The Finance Committee considered a memo from Gary Yoder, Finance Manager, regarding the first quarter financial condition projection. Because 1993 was not a good year for the County’s general fund, it was necessary to reduce the reserve portion of the County’s fund balance by $86,000.00 to avoid a deficit in the unreserved fund balance. The $150,000.00 reserved for 1994 budget purposes was reduced to $64,000.00 which had the effect of delaying the 1993 deficit and moving the $86,000.00 shortfall into 1994.

Very early indications show revenues and transfers are exceeding expenses by $4,924.00, not including the fund balance shift previously mentioned. Regardless of what caused the general fund equity problem last year, Mr. Yoder believes it is prudent to bring the 1994 budget back into balance and suggested several alternatives to be considered:

1) Take the amount from contingency,
2) Increase the appropriation from the budget stabilization fund,
3) Increase the appropriation from the delinquent tax fund, or
4) Wait and adjust at the mid-year budget review.

County Administrator, Dennis Aloia, concurred with Mr. Yoder’s recommendation that the 1994 budget should be brought back into balance and recommended that the County Board do so by using a combination of part of the funds from contingency and part from the budget's stabilization fund.

It was moved by Comm. Arsenault, seconded by Comm. Angeli, and unanimously carried by voice vote, that the Finance Committee recommend the County Board bring the 1994 budget back into balance and appropriate $86,000.00 to the general fund with $40,000.00 to come from the contingency account and $46,000.00 to come from the budget stabilization fund.

***

Gary Yoder, Finance Manager, also distributed a first quarter line item detail by department for Commissioners to review. The following is a list of budget line items for Commissioners and staff to watch, both positive and negative:
### Expenditures:

<table>
<thead>
<tr>
<th>Line Items</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Court Legal Fees</td>
<td>First quarter looks fine. Last year exceeded $120,000 budget by $21,000.</td>
</tr>
<tr>
<td>District Court Alcohol Programs Overtime</td>
<td>Original $4,500 budget split between the two programs, together they are on a pace that would spend $7,000. Last year's budget of $5,000 exceeded by $800.</td>
</tr>
<tr>
<td>Probate Court Legal Fees</td>
<td>First quarter looks excellent. Last year exceeded $100,000 budget by $40,000. December expenses was $45,500.</td>
</tr>
<tr>
<td>Prosecuting Attorney Travel</td>
<td>First quarter at 70% Last year budget amended to meet $10,200 expense. Budget of $7,500 probably not adequate.</td>
</tr>
<tr>
<td>Jail-Part Time Salary</td>
<td>Salary item at 19.2% would be &quot;right on&quot;. This Item 22%+ There is a history of under budgeting. 1993 budget of $79,000 exceeded by $11,600. 1994 budget is only $70,000.</td>
</tr>
<tr>
<td>Jail-Salary Overtime</td>
<td>First quarter is 24%+ Prior year budget of $24,000 exceeded by $4,100. 1994 Budget is $23,000.</td>
</tr>
<tr>
<td>Public Safety-Overtime</td>
<td>First quarter is 23%+ Prior year budget of $37,000 exceeded by $8,700.</td>
</tr>
<tr>
<td>Accounting-Permanent Salary</td>
<td>These three line items should decrease (by varying amounts) due to posting &amp; bidding vacancy's. Clerk &amp; District Court are still vacant.</td>
</tr>
<tr>
<td>County Clerk-Permanent Salary</td>
<td>These three items vary year to year depending primarily on volume. Last year in total they exceeded their $60,200 budget by $15,200. Currently in good shape at 10% of $59,600 Budget.</td>
</tr>
<tr>
<td>District Court-Permanent Salary</td>
<td>Three terminations to date have used $1,900 more than $11,100 budget. Expect to have more by year end.</td>
</tr>
<tr>
<td>Veterans Burials</td>
<td>Prior year budget of $8,000 exceeded by $5,100. Current budget is $7,500.</td>
</tr>
<tr>
<td>Medical Examiner Fees</td>
<td>Annual Payment of 1/2 Convention-Tourism Tax. Payment of $68,093 has been made. Item will be $1,096 under budget.</td>
</tr>
<tr>
<td>Autopsies</td>
<td></td>
</tr>
<tr>
<td>Terminated Sick Leave Pay and related fringe benefits</td>
<td></td>
</tr>
<tr>
<td>Humane Society Boarding Fees</td>
<td></td>
</tr>
<tr>
<td>Eastern U.P. Substance Abuse</td>
<td></td>
</tr>
</tbody>
</table>
Revenues

Convention & Tourism Tax
One receipt per year. This item will be $2,192 under budget.

Health Department Indirect Cost
Found an item double billed. Change will reduce revenue by $12,606.

Jail-Inmate Boarding
Lowered Census has allowed additional Federal/State inmates. If current $24,000 per month billing continues, could put annual receipts at $38,000 over a $250,000 budget. Currently projecting a $20,000 increase.

Register of Deeds Services
Increasing mortgage interest rates may slow down refinancing.

Chairperson Seppanen opened the meeting for public comment. None was forthcoming.

There being no further business, the meeting was adjourned at 6:35 p.m.

Respectfully submitted,

[Signature]
David J. Roberts
Marquette County Clerk
MARQUETTE COUNTY BOARD OF COMMISSIONERS
FINANCE COMMITTEE MEETING
Thursday, April 21, 1994 at 4:30 p.m.
Room 231, Henry A. Skewis Annex, Marquette, MI 49855

1. ROLL CALL.
2. APPROVAL OF THE MINUTES. (None).
3. PUBLIC COMMENT.
4. APPROVAL OF THE AGENDA.
5. Review of 1993 Year-End Audit.

8.

9.

10. PUBLIC COMMENT.
11. ANNOUNCEMENTS.
12. ADJOURNMENT.
NOTICE

The Marquette County Board of Commissioners will hold a Finance Committee meeting on Thursday, April 21, 1994 at 4:30 p.m. in Room 231 of the Henry Skewis Annex, Marquette, Michigan for the purpose of reviewing the 1993 year-end audit, the 1994 first quarter budget report and the 1994 projected expenditures.

DAVID J. ROBERTS
Marquette County Clerk