

Leelanau County Board of Commissioners
Finance/Audit Committee – Tuesday, April 28, 2020
Approved 6/16/2020

Proceedings of the meeting are being recorded (audio, video, and live streamed on YouTube) and are not the official record of the meeting; the formally approved/accepted written copy of the minutes will be the official record of the meeting.

Meeting called to order at 9:38 a.m. by Chairman of the Leelanau County Board of Commissioners William J. Bunek. Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

Roll Call:	District #3	William J. Bunek	PRESENT (via Zoom)
	#4	Ty Wessell	PRESENT (via Zoom)
	#7	Melinda C. Lautner	PRESENT (via Zoom)

Pledge of Allegiance / Moment of Silence:

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

Approval of Agenda and Late Additions/Deletions:

MOTION BY LAUTNER TO APPROVE THE AGENDA AS PRESENTED. SECONDED BY WESSELL.

AYES – 3 (Lautner, Wessell, Bunek)

NO – 0

MOTION CARRIED.

Public Comment:

None.

Action Items —

Election of Officers: –

MOTION BY WESSELL TO NOMINATE MELINDA C. LAUTNER AS CHAIRMAN OF THE FINANCE/AUDIT COMMITTEE. SECONDED BY BUNEK.

AYES – 3 (Wessell, Bunek, Lautner)

NO – 0

MOTION CARRIED.

Approval of Minutes – April 4, 2016:

MOTION BY BUNEK TO APPROVE THE FINANCE/AUDIT COMMITTEE MEETING MINUTES OF APRIL 4, 2016, AS PRESENTED. SECONDED BY LAUTNER.

Discussion – none.

AYES – 3 (Wessell, Bunek, Lautner)

NO – 0

MOTION CARRIED.

COVID-19 Impact on Leelanau County:

Administrator Janik began the update indicating that he has been on several calls and the Health Department will be holding an update tomorrow. Leelanau County is fairly stable and is still at nine cases. Of the nine, none are in the hospital, some are recovered, and some are at home recovering. The numbers may go up as more testing is done. There may be some

easement of restrictions soon based on the information and conference calls he is participating in. The State may also be divided into zones with different restrictions. Attorney General Dana Nessel has sent out a memo regarding masks as they are difficult to obtain and Janik read some excerpts from AG Nessel's statement addressing the Order for Employers to Provide Employees with face coverings. she asked law enforcement partners to consider the good faith efforts that are being made and unless there is a blatant abuse of refusal to wear a mask, to exercise flexibility as to fines and sanctions. Brief comments continued. Janik outlined the meetings he will be in this week and anticipates further information later this week. Currently the restrictions are through May 15 and there is discussion that it may be extended through May 30. There was a reminder to apply for FEMA grants, and if there is anything that the County will be eligible for, it will be pursued; however, at this time there are no expenses.

Commissioner Wessell questioned if there has been any purchases that would qualify for FEMA funding such as the additional equipment for IT to facilitate meetings. Janik responded that he does not believe that that would qualify. It would be more to do with first responders.

Committee Chairman Commissioner Lautner questioned the status of the employees, payroll, and are people still working from home. Janik indicated that he would discuss that under Personnel.

Committee Chairman Commissioner Lautner questioned if any modifications for the Courthouse would fall under FEMA and Janik responded not at this time and gave examples of what might qualify and it is very limited. Fortunately, the County doesn't have any expenses.

Commissioner Bunek commented on the Building Safety Department and Janik responded to the financials. He continued that he expects that they could be quite busy if they reopen next week to construction.

Policies:

Janik said that they have reviewed the Policy from March and he does not see where anything needs to be done at this time. It is business as usual.

Commissioner Bunek commented that Commissioner Ansoerge had questioned the policy adopted in March and both the Administrator and County Clerk Michelle L. Crocker had responded to him.

Commissioner Lautner commented on the placement of the Deputies on the new seven days off, seven days on. Janik responded that Lautner was correct, it was a decision by Sheriff Mike Borkovich and Undersheriff Steve Morgan. Janik asked Zywicki to explain how that works for payroll. Lautner just wanted clarification that it was the Sheriff's decision. With the critical designation, there is currently no vacation or personal time being taken.

Commissioner Wessell questioned overtime. Zywicki responded that there is less travel and less events. At this point the Sheriff's Office would have seen overtime from those special events, with the corresponding revenues. Overtime is more on a case-by-case basis, instead of special events. She gave different examples and there is still overtime in the Jail and Road Patrol, as well as in the Clerk's office, and is all relative to business and meetings. Wessell wanted to

know if the seven days on, seven days off makes for overtime and Zywicki responded that it does not, as their Union Contract is 80 hours bi-weekly.

Financials:

Janik indicated that Treasurer John A. Gallagher, III, County Clerk Crocker, Chief Deputy Zywicki, and Administrator Janik have been meeting weekly to review financials. Zywicki updated Commissioners on financials and gave examples of reports to the State that are now delayed for a month, which will delay the revenue stream. We are still “holding course” and the next revenue will be generated with the summer tax collection. The Treasurer has already paid out the DTR to the General Fund and we are looking about normal financially.

Committee Chairman Commissioner Lautner had some questions regarding a report that the Treasurer sent out and Janik thought it might have been an investment update to Commissioners. Brief comments continued. Zywicki continued on the revenue side, what you are going to see is the Register of Deeds is holding course, the District Court is not going to be showing revenue and it is minimal that the revenue has changed and it appears to be a typical April.

Zywicki responded to Committee Chairman Commissioner Lautner regarding the audit and it is pretty much completed in a draft form, we are just waiting for a “lag report” on health insurance.

Discussion ensued on revenue flow. There is concern, if there is a partial reopening, there may be a flood of people coming in.

Discussion ensued on opening strategies. Janik said he cannot see a scenario where someone comes in and wouldn't be assisted.

Committee Chairman Commissioner Lautner offered comments regarding the Building Safety and Senior Services Departments. Janik indicated that Building Safety has a significant fund balance and if they are not shut down too much longer, they should be okay. Zywicki commented on the status of their budget and the fund balance and they are holding their own. Janik added that inspectors are still doing inspections for essential work. Zywicki responded to questions concern Senior Services – they are not logging extra hours; however, they are doing more travel as they are delivering meals to senior citizens. In March there were volunteers with the meals and then donations were received to specifically help with meals, groceries, etc; Janik indicated that they have delivered meals to the areas of Lake Leelanau, Suttons Bay, Cedar, Northport, and Leland. People have been very generous and the seniors are very appreciative. This really shows how much people care about the seniors in the County. They are delivering meals two days a week and about 300 meals. Brief comments continued regarding the positive happenings.

Janik commented on the positive that is being seen by the number of meals that are being delivered.

Committee Chairman Commissioner Lautner questioned if people have been asking for deferments on taxes. Janik responded that it was discussed with the Treasurer that a lot of

people have their taxes escrowed and tax monies will be forwarded by the bank. He has not received many calls regarding deferments.

Zywicki responded that mortgage companies are going to want to make sure that the taxes are paid, it is an investment from the bank on those properties.

Janik commented on revenues and most people have their taxes escrowed. Discussion on mortgage payments and banks are concerned about their investments. Every bank is doing something different on a case by case basis and we won't know until the fall if there are any issues.

Janik offered comments on the financial status and the Counties that were struggling are still struggling, those that weren't are not.

Zywicki commented on the Delinquents in 2019 and 2020 and he may see something larger in 2021. The Treasurer is following that.

Janik again stated that the Gallagher, Crocker, Zywicki, and he are meeting at least once a week and monitoring the situation.

Personnel:

Janik said that it is the opinion of Gallagher, Crocker, Zywicki and he to not make any personnel adjustment or layoffs at this time. They will continue to review on a monthly basis from a financial standpoint. As it was pointed out, we are in good structural shape. We don't know what will happen regarding reopening, if it will partial or not. Some departments have been very busy. He doesn't know of any counties looking at layoffs; however, some are looking at furloughs. Zywicki responded that it is payroll as usual. The customer base has changed to by mail, by phone, and in some cases via the web.

Janik continued that per the Governor's Order people must be given the option to work from home if feasible. There have been some issues that other Counties are experiencing, that we are not. Leelanau County has been very proactive. The policy in March which gave employees up to 10 days for nonessential and those have been tracked. With the Federal CARES act that took effect April 1, there are 10 additional days for employees, which covers everyone except law enforcement and 9-1-1, as they were deemed critical. Part of the reason that if employees have reason to stay home for childcare, we cannot do that for law enforcement or dispatch as we need the people here. The 10 days that the County gave are no longer available as they expired on April 13. The Federal 10 days are in effect through December 31, and some employees are doing that and it is being tracked. Employees need to fill out the health compliance sheets daily as entering the buildings and some offices are rotating who is working remotely and who is not. At this time there is no recommendation regarding layoffs, but it will be reviewed on a monthly basis.

Janik commented that some counties are looking at furlough options where the employee keeps their benefits in terms of health insurance, does not get any additional personal or vacation days, and does not get paid. Some counties have offered volunteer furlough days off and he explained the process and there would be no MERS credit for the month the employee is off. It is an option and would require approval from the Supervisor as the County Administrator.

Committee Chairman Commissioner Lautner voiced concern as a lot of residents lost their job and benefits and she would be concerned about this approach and other options beyond the 10 days. Janik stated that employees can use their personal days or vacation days when they extinguish the ten days. Lautner wanted to confirm that furloughs would require approval of the Board of Commissioners and Janik confirmed that it would and it is just something to think about.

Commissioner Bunek questioned if anyone had left or retired since April 13? Crocker and Zywicki responded no.

Janik addressed the request that has been received by many counties regarding hazard pay for law enforcement and dispatchers. Janik said that dispatchers are working their normal shift, normal hours, and normal conditions. At this point he doesn't see the need for any type of compensation for dispatchers – no disrespect, but they are working the same as they always have. The dispatchers do have a request and he has contacted the County's legal as they have requested a suspension of the caps on their vacation banks. Zywicki explained that dispatchers accrue their vacation monthly, and if they are close to their cap of 30 days and it is not used, they will lose days if it is not used. With them being considered critical, if they had vacation time they were going to take and now they can't, they could exceed the cap.

Janik noted that in the Union Contract with Law Enforcement the Sheriff was allowed to do it without Board of Commissioner approval; the Dispatch needs Board of Commissioner approval to waive the number of days. Janik said he does appreciate the wording by the Union, but it would need to be approved by legal counsel and accepted by Commissioners. Brief discussion on language ensued and how it would be utilized.

Janik commented on hazard pay for law enforcement and that virtually every County in the State has received the request. The law enforcement is classified as critical, which means that they cannot take the CARES Act. Janik explained the 10 days given by the County and the Federal days, he spoke of a possible gesture offer of five comp days and he has discussed that with the Sheriff. Those days would be handled as to not create overtime. That would require Board approval.

Committee Chairman Commissioner Lautner questioned the comp time and FEMA dollars.

Commissioner Wessell expressed concern that looking around our region, there are lots of people that have lost their jobs and he is concerned. It would be nice to pay everyone, he is not excited about hazard pay or comp time, unless it comes from a grant.

Comments and discussion ensued that employees still have their jobs and are receiving their pay, no disrespect intended, it is appreciated. Comments regarding the 10 days from the County and what the circumstances were for those being used. There were people quarantined for 10 days, some were non-essential, there was one dispatcher and one law enforcement officer that also utilized the days.

Discussion ensued regarding hazard pay, comp time, and those that have lost their job and benefits in the community. It is still prudent to move forward and have an update.

Committee Chairman Commissioner Lautner if revenue is coming in – the CIP (Capital Improvement Plan) is what she was concerned about.

Discussion Items:

Janik commented on a rebate check from DTE for the renovations, that was not budgeted. It will help with the cost of the building project, which is about 95% complete. There is a letter with the funding that went for 2019. Janik offered further comment.

Board Member Comment:

Commissioner Bunek commented that there is a lot to think about before Tuesday's meeting.

Janik commented that there is no mandate for action next Tuesday. We don't know what the future holds, we are just being proactive by having the meeting. We are just going to have to have special meetings for updates, but no requirements to take action and it is good to have dialog.

Bunek questioned if there can be meetings with people present and Janik responded that he may have updates later in the week. Brief comments continued and everyone is doing the best that they can.

Committee Chairman Commissioner Lautner thanked all for doing what is being done.

Public Comment:

None.

Adjourn:

MOTION BY BUNEK TO ADJOURN. SECONDED BY WESSELL.

Meeting adjourned by Committee Chairman Lautner at 10:47 a.m.

Melinda C. Lautner, Committee Chairman
Leelanau County Board of Commissioners

Michelle L. Crocker, Leelanau County Clerk
Clerk, Leelanau Co. Board of Commissioners