

BOARD OF COMMISSIONERS

Rick Robbins, District #1

Debra L. Rushton, District #2

Lois Bahle, District #3

Ty Wessell, District #4

Patricia Soutas-Little, District #5

Gwenne Allgaier, District #6

Melinda C. Lautner, District #7



Chet Janik, County Administrator

Leelanau County Government Center
8527 E. Government Center Drive, Suite #101
Suttons Bay, Michigan 49682
(231) 256-9711 ♦ (866) 256-9711 toll free
(231) 256-0120 fax
www.leelanau.gov ♦ cjanik@leelanau.gov

To: Board of Commissioners
From: Chet Janik
Date: October 18, 2022
Re: Finance Department Professional Development Proposal

This is written confirmation of the plan that I presented at the October Audit/Finance Committee meeting on October 6 that was endorsed by the three member Commissioners and to the Board of Commissioners at its Annual Meeting on October 11.

Background Information

At the October 12, 2021, Annual Meeting, the Board of Commissioners passed a resolution “Authorizing the creation and hiring of a Human Resources Director and Finance Director positions reporting to the County Administrator.” The attached resolution also included the transfer of the accounting/payroll functions. It is a safe assumption to state that there have been many obstacles (expected and unexpected) in the full implementation of the two new positions. A few of the significant challenges included three people serving in the capacity as Finance Director in the past 10 months and the unexpected departure of the two veteran accounting clerks when they accepted professional advancement opportunities within the Treasurer’s Office. This led to the hiring in July of two capable but inexperienced replacement accounting clerks that do not currently have the expertise in government accounting. A Finance Director was hired in August who has the proper professional credentials and work ethic to be successful in the position, but needs a period of professional development and training in the policies and procedures related to county’s government accounting.

When the process of selecting a Finance Director began a year ago, both the Senior Representative from the County’s accounting firm and the Grand Traverse Finance Director informed me that the transition would be a major challenge, and to expect a “steep learning curve with numerous bumps in the road” for the person in the position, as well as an approximate timeline of 12- to 16-months to fully implement the transition of duties from the Clerk’s Office.

I can confirm that after attempting to navigate this transition for almost the past year, the advice that I received is accurate; however, I am optimistic that the current individuals in their respective positions can be successful, provided that a professional development plan is developed that is measurable and accepted by all involved individuals and the Board of Commissioners and therefore I am proposing the following goals and benchmarks be approved with a review date of March 1, 2023. This date is selected to provide an opportunity for the new Administrator and the 2023-24 Board of Commissioners to gain

some much-needed experience and time to determine if the proposed benchmarks have been accomplished in a satisfactory manner.

GOALS

1. A united effort be made by all individuals in County Government to assure that the Finance Director and the Accounting Clerks acquire the skills to be successful in their duties and responsibilities
2. That the County of Leelanau receives a "Clean Audit" for the 2022 budget year
3. That a professional development plan with measurable benchmarks be approved and implemented prior to the transition to a new County Administrator
4. Resolve related issues, controversies and challenges related to the creation of the Finance Director position prior to the 2023-24 Board of Commissioners assuming their duties

BENCHMARKS

1. The new Finance Director and Accounting Staff will be provided training and oversight on a weekly basis in their detailed duties and responsibilities, with the focus being on payroll and financial internal controls
2. The development of a "flow chart" that will clearly provide an understanding of the financial roles and responsibilities of the Finance Director, Treasurer, Clerk and the Human Resource Director
3. A complete review of the County's financial manual, policies and procedures and recommend detailed revisions/updates if required
4. Monthly updates to the County Board on financial issues and the staff's progress with professional development goals
5. Weekly meetings between the Board Chairman, Administrator, Finance Director and the Clerk to assess the progress of the training program and any other related issues
6. The Finance Director will consult with the Lead Auditor and local County Finance Directors in neighboring counties on a monthly basis (or as required) to seek their advice and input on finance related issues and questions
7. The payroll accounting records will be reviewed from May to October 2022 to provide assurance of proper accounting and payroll procedures and any known deviancies will be corrected
8. Purchase six (6) additional user licenses for the County of the Harris software program so all employees that require access can log-on in a timely basis. An analysis will occur to determine if any additional software updates will be required in 2023

A meeting occurred on October 12 where I proposed these eight benchmarks to the Finance Director, the Lead Auditor and the County Clerk and there was concurrence and acceptance that these benchmarks, if approved, would provide a standard of measurement to assure the proper training of the employees which would hopefully result in a satisfactory audit for 2022. The benchmark would also

provide credible data to the Commissioners so they can make a decision on the status of the financial department in terms of long-term supervision and oversight.

The Lead Auditor has written policies and procedures that correspond and complement the proposed benchmark and has graciously offered to provide the documents to the Finance Director to help with the training and the implementation of the benchmarks.

The Clerk has informed me that she has specific conditions that she will request from the Commissioners if she and her staff will be involved in the oversight, review and training of the Finance Director and Accounting Staff. I have asked her to develop a written document that outlines her terms and conditions related to this proposal and those requests will be covered in a separate correspondence developed by the Clerk and presented to the Commissioners.

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Leelanau County Board of Commissioners Resolution #2021-___

**RESOLUTION AUTHORIZING THE CREATION AND HIRING OF
HUMAN RESOURCES DIRECTOR AND FINANCE DIRECTOR POSITIONS
REPORTING TO THE COUNTY ADMINISTRATOR**

WHEREAS, certain non-mandated functions have been performed by the Leelanau County Clerk’s Office at the request of the Board of Commissioners, including, but not limited to, human resources and accounting/payroll functions; and

WHEREAS, the Leelanau County Board of Commissioners desires to authorize creation and hiring of two new positions: Human Resources Director and Finance Director to be selected and supervised by the County Administrator; and

WHEREAS, the County Administrator will develop a job description which sets forth the job duties and responsibilities of the Human Resources Director position including, but not limited to, the functions of recruitment, hiring, retention, management of compensation and benefits, labor compliance and training/development; and

WHEREAS, the County Administrator will develop a job description and which sets forth the job duties and responsibilities of the Finance Director position, including, but not limited to, the functions of accounting/payroll functions, disbursing funds, financial oversight, reporting, budgeting and accounting; and

WHEREAS, the Board of Commissioners has budgeted positions in the 2022 approved budget.

NOW, THEREFORE, BE IT RESOLVED, that the Leelanau County Board of Commissioners authorizes the creation and hiring of the Human Resources Director and Finance Director positions, which positions shall report to and be under the direct supervision of the County Administrator. The County Administrator shall develop the job descriptions, duties and responsibilities of the Human Resources Director and Finance Director positions. Consistent with County Policy and practice, the Human Resources Director and Finance Director positions are at-will positions and the County Administrator is vested with the authority to make any necessary supervisory or disciplinary determinations, up to and including discharge.

BE IT FURTHER RESOLVED, the position of Human Resources Director will have a current salary of \$60,761.69, and the position of Finance Director will have a salary of \$60,761.69. Compensation and benefits shall be fixed by County policy and the budget process, and the benefits or compensation may be added to, expanded, reduced, deleted or otherwise modified by the County Board of Commissioners and any such modifications in the manual shall be solely within the discretion of the County Board of Commissioners.

BE IT FURTHER RESOLVED, that payment of the \$75.00 weekly stipend that the Board of Commissioners authorized in 2018, to compensate the County Clerk for performing or supervising additional, non-mandated duties, i.e., Human Resources and accounting/payroll functions, will end the first week after these positions are filled and the non-mandated duties are transferred.

BE IT FURTHER RESOLVED, that the Administrator is authorized to make the necessary adjustments to the 2022 budget and organizational chart.



John A. Gallagher III
Leelanau County Treasurer

Monday October 17th, 2022

Chet Janik

Leelanau County Board of Commissioners

8527 E Government Center Drive

Suttons Bay, MI 49682

FINANCE DEPARTMENT TRAINING PROPOSAL FOR CONSIDERATION

Dear Mr. Janik:

The Leelanau County's Treasurer's Office and its staff are pleased to present this proposal for immediate consideration.

Sincerely,

John A. Gallagher III

PROPOSED FINANCE EMPLOYEE TRAINING

Proposed by: John A. Gallagher III, Sarah Lautner, Johanna Novak and Natalie Winter.

The goal of the training is to provide an environment for learning and collaboration while improving systems of the Finance Department.

The training will build awareness, appreciation, understanding, communication and enhanced competencies of both accounts payable and payroll functions. This training will be addressing through collaboration current informational gaps that exists from the transition. The training will address current and prior period concerns identified. Opportunities for continuous improvement and growth will be a priority in an effort to implement systems, processes, and procedures to ensure improvements are implemented and monitored for effectiveness.

The training will comprehensively look at both Accounts Payable and Payroll functions of the Finance Department. The Leelanau County Treasurer's Office is willing to participate in learning and training opportunities along with implementing new monitoring and review systems each week for training of the Finance Department. For AP, each invoice will be double checked for consistency, account numbers, vendor numbers, spelling, and all dates, prior to the Finance Director's final approval. For Payroll, each employee entry will be double checked for coding, data entry, verification of timesheets, distribution and reporting prior to the Finance Director's final approval. In addition to training, a thorough review of policies and procedures will take place and recommendations will be developed for the Finance Director's consideration.

The potential impact of the training will improve accuracy, reduction of clerical errors and ensuring compliance with Governmental Accounting Standards.

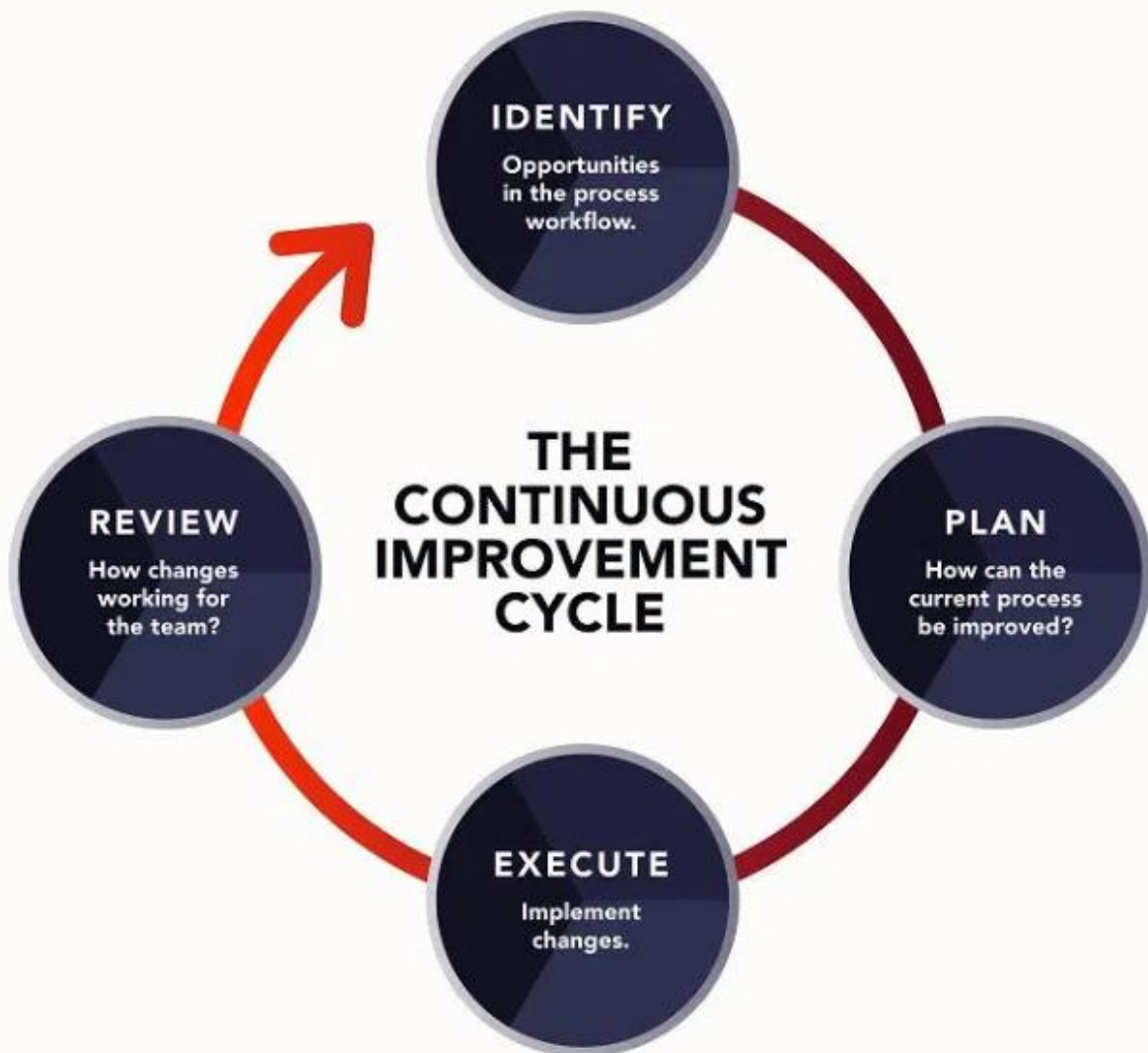
It is our recommendation that this training be reevaluated for continuance or adjustments on or before March 1st, 2023. The program will be assessed by the collaboration of the County Administrator, Finance Committee and Rehmann.

The financial impact is limited. The proposed training, monitoring, and reviews will be an empowering learning opportunity that will enhance staff capacity through increased financial knowledge and understanding, thus, it will implemented during current staff work hours and overtime hours are not anticipated.

Assistance from the Clerk will be imperative for the continued training of management, financial and other organizational reporting. Further assistance is required from the Clerk in granting the Finance Director the Administrator Rights for Harris Software and for the Accounting Drive to be opened for all users. Consistent communication and collaboration amongst financial departments will be key in supporting the successful implementation of systematic processes and financial procedure refinement for continuous improvement and growth as a financial whole.

What the transition needs:

- **Updated manual/procedures** – ensure institutional knowledge is available for all users.
- **One on One teaching/training/explaining** – Develop an understanding of Leelanau County's/Governmental nuances and the importance of timelines and due dates. Develop consistent reporting for grants.
- **Teamwork – Collaboration & Communication.** Developing tools, resources and confidence to ensure the transition is a success.
- **Discuss/Implement** – Discuss different stylized approaches and make informed decisions.
- **Discuss systems implementation review.** Review implementation fidelity checks to ensure consistency or processes and procedures in addition to identifying gaps or areas of needed improvement.
- **Continuous Improvement Cycle.** Identify, Plan, Execute, Review.

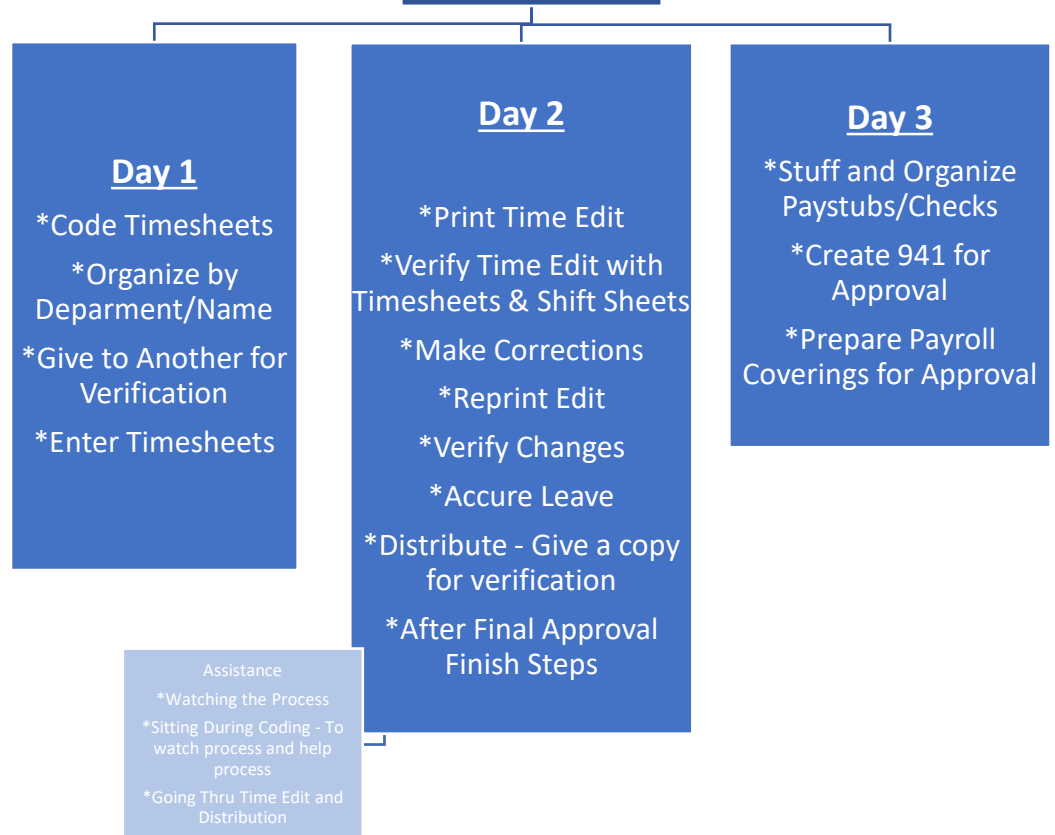


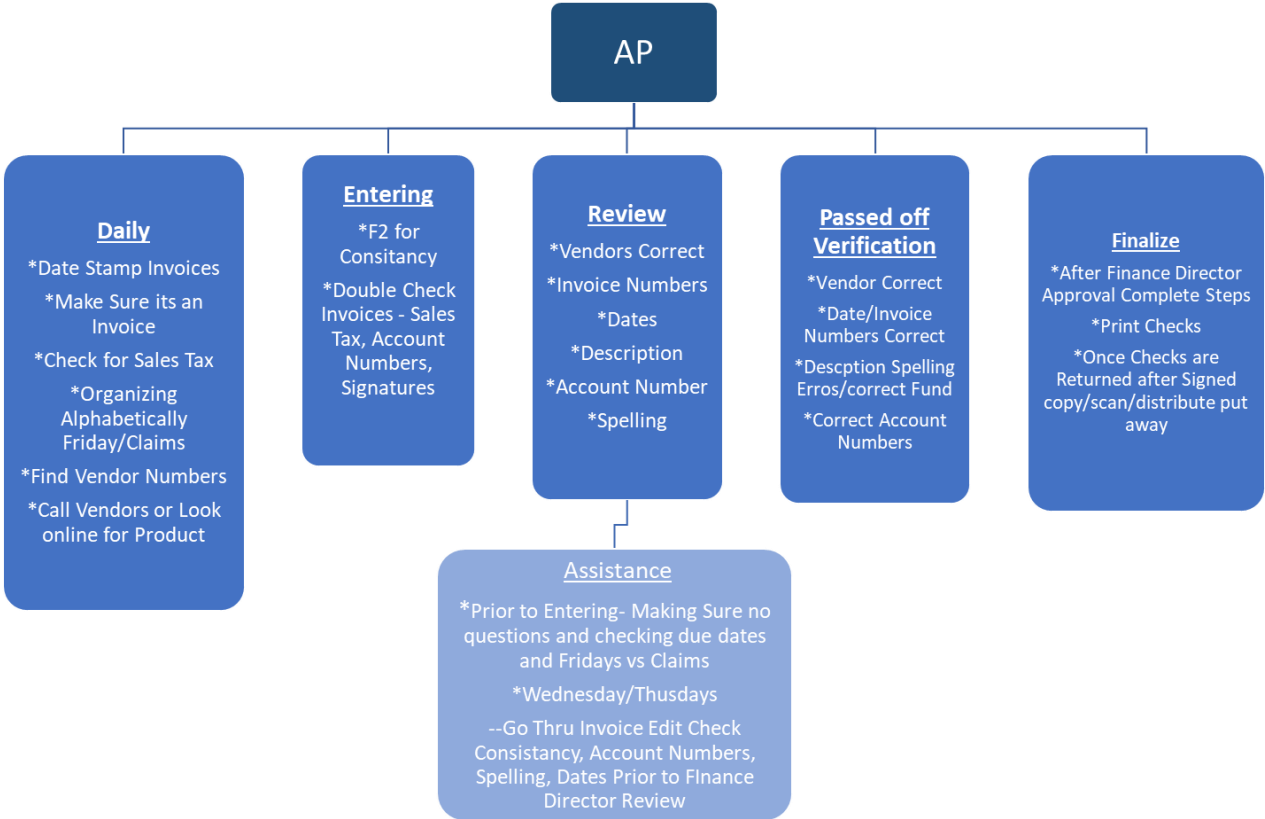
How can we do this:

- **Collaboration & Communication.** Workshop meetings to identify opportunities and weaknesses in processes and procedures.
- **Monitoring for Implementation.** Identifying opportunities for growth in processes. Watching processes and checking for confirmation of systems implementation. Adjusting and making changes for improvement as needed.
- **Systems Schedule.** Setting up a process/systems Schedule
 - Payroll tasks prioritized in order of operation.
 - Systems implementation for mandatory reporting.
- **Build Understanding.** Review/explanation of why/how it works – Understanding the complete process to help with the task at hand. Troubleshooting different issues to problem solve solutions.
- **Routine Reviews.** Workshop meetings to discuss successes and errors. Identifying and realizing the error happened, developing a corrective action plan for all parties to suggest for the Finance Director’s approval. Monitoring schedule to ensure errors have improved.
- **Empower Staff.** Define purpose of routines/procedures/systems, development of financial knowledge and understanding, and create communication and collaboration pathways for continuous improvement in professional practices.
- **Establish Clearer Guidelines** for checks – Fridays vs Claims
- **Help Understand Funds.**
- **Professional Learning & Growth:**
 - Opportunities to participate in Rehmann Continuing Educational Classes.
 - Opportunities to participate in NMC Continuing Educational Classes.

The diagrams enclosed demonstrate the proposed order of operations and the implementation of the Treasurer’s review.

Payroll Week





To: Chet Janik, County Administrator
From: Michelle L. Crocker, County Clerk
Date: October 18, 2022
Subject: Temporary Transition / Return of Finances

Below please find the information that we discussed, outside of bench marks that you are presenting that were discussed with Rehman Principal Steve Peacock, for the temporary return of the finance functions to the County Clerk's office.

- That Resolution #2021-014 be amended to indicate that:

The Finance Director position **temporarily** shall report to and be under the direct supervision of the County ~~Administrator~~ **Clerk**, the Finance Director position, consistent with County Policy and Practice, is an at-will position and the ~~County Administrator~~ **County Clerk** is vested with the authority to make any necessary supervisory or disciplinary determinations. ***This does not include termination for this position as that would be referred to the County Administrator.***

The same will apply to the **Accounting Staff positions**, they shall **temporarily** report to and be under the direct supervision of the County Clerk and that the County Clerk is vested with the authority to make any necessary supervisory or disciplinary determinations. ***This does not include termination for these two positions as that would be referred to the County Administrator.***

- That Leelanau County will pay any legal costs for the County Clerk or her office, for the Attorney(s) of her choice, for any accusations, allegations, complaints and charges alleged or sought against her or the office of Leelanau County Clerk.
- \$250.00 weekly stipend will be paid to the County Clerk and is MERS eligible, effective October 19, 2022. As soon as the new Chart of Accounts is instituted, the stipend will be reduced to \$125.00 weekly. The stipend does not increase the base pay of the County Clerk. The stipend will terminate upon release of the Finance Director position and the accounting staff back to the Administrator. This weekly stipend will terminate immediately should Michelle Crocker vacate the position of County Clerk.
- \$250.00 weekly stipend will be paid to the Chief Deputy County Clerk and is MERS eligible, effective October 3, 2022. The stipend does not increase the base pay of the Chief Deputy County Clerk. The stipend for the Chief Deputy County Clerk will be readdressed upon the release of the Finance Director position and the accounting staff back to the Administrator regarding random, ongoing review that may be needed. This

stipend will terminate immediately should Jennifer Zywicki vacate the position of Chief Deputy County Clerk.

(The stipends cover non-mandated services: for supervision and training of three new employees; completion of the audit of payroll from May 2022 forward, as well as required detail reporting for the auditors of inconsistencies and suggested corrective actions with the auditors of items that can be fixed; implementing the new Chart of Accounts that are required by the Michigan Department of Treasury; several bullet points and a retraining of staff from the ground up as the integrity of records and knowledge of functions that are being returned are not in the condition they were when they were removed from the authority of the County Clerk. There will be much time spent with staff, meetings with the auditors and others in an attempt to restore the operations to an acceptable level of compliance with County policy, union contracts, IRS guidelines, Governmental Accounting Standards, GASB. etc. Entail development of the integration as well as separation between Finance and Human Resources. There are several areas of urgency that must be completed immediately and prior to year-end in preparation for the audit which the new employees that will be in the future handling these procedures.)

- Weekly meetings with the Chairman of the Board of Commissioners, the Administrator and the County Clerk.
- The County Clerk reserves the right to sever this agreement.