

Leelanau County Board of Commissioners
Finance Committee – Wednesday, January 3, 2024
Tentative minutes

Proceedings of the meeting are being recorded (audio and video). The video of the meeting can be found at the following link: <https://www.leelanau.gov/meetingdetails.asp?MAId=2618#video>

Meeting called to order by Committee Chairman Commissioner Doug Rexroat at 2:56 p.m.
Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

Pledge of Allegiance to the Flag of the United States of America and the moment of silence was dispensed with because it was recited at the prior meeting.

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

Guests present.

Approval of Minutes:

MOTION BY LAUTNER TO APPROVE THE MEETING MINUTES OF NOVEMBER 9, 2023, AND DECEMBER 4, 2023. SECONDED BY WESSELL.

Discussion – none.

AYES – 3 (Lautner, Rexroat, Wessell)

NO – 0

MOTION CARRIED.

Approval of Agenda and Late Additions/Deletions:

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

Discussion – none.

AYES – 3 (Wessell, Lautner, Rexroat)

NO – 0

MOTION CARRIED.

Public Comment:

None.

Commissioner Comment:

None.

Action Items – Discussion/Potential Recommendation:

MSU Extension – John Amrhein:

Interim Finance Director Cathy Hartesvelt and MSU Extension Public Policy Educator John Amrhein were present.

Amrhein stated he has been with MSU Extension in this role with education in county government for 25 years. He said he mostly works with Commissioners and mostly working with the higher level of structure and function with finance from the Commissioner level. Amrhein commented that his work is not so much at the department level with who does what kind of things. He stated he has done some review work before today like reading minutes of the

meetings from the last couple of three months and he also has skimmed the Rehmann report and has a little bit of sense as to what is in there.

Amrhein said, really as some background information here, that all but a handful of the financial functions in county government belong to the Board of Commissioners. He commented that there are a few that are specifically assigned to the County Clerk in the Clerk's Office. Amrhein gave a detailed description on the history of the State of Michigan's constitution and legislature in regards to the beginnings of county government.

Amrhein stated he doesn't have any real close experience with counties that are in transition, but that many counties looking to establish an administrative structure of some sort look to usually County Clerk's and occasionally look to County Treasurer's and have said that if we give you a little extra money and designate duties for the Board of Commissioners. Amrhein stated he can't say if that has worked well or not. He has a little bit of a concern about that from the point of one elected group and another elected group and assigning responsibilities and the possibility of incompatible offices. It has worked in a lot of counties for a long time up until the point where the Board said that there is a need for a full-time person to be handling all the details that the Board is responsible for and then have transitioned into having the position of an Administrator, or Controller or even like Wayne County, who has Elected Executives and that is a whole different ball game.

Amrhein continued in looking into that transition that he looked at other counties across the state with similar population and similar general fund revenue to compare what you have here in Leelanau. He said there is nobody exactly the same and the group is kind of spread but that it would give the Board some good advice because many have been through that transition and what does that process look like. There are eight counties, with most of them being in the Northern Lower Peninsula, and there are a couple of other folks that have been administrators that he personally knows that he will reach out to and find what their current model of governance is. He further explained that there are eight different models of governance and some of you may be familiar with John Carver's policy governance model. He said we find some of the concepts that we were teaching were ones that Carver promotes; however, that model doesn't fit well in a lot of situations and that the ones that he looked at that he finally wound up with a big sheet of paper where he wrote down some key points and finished with about that ranged from two to 15 key points. When he finished with all the key points, he said that he came up with giving them the name of "Components of Extraordinary Governance." He said his experience is with sharing the key components is typically with local government boards and authority boards.

Amrhein said he has worked with the organization of the Northern Michigan Counties Association for the last 25 years. The Association meets eight times a year and there are representatives from counties from within the lower peninsula. He commented that through that experience is where he has met and built some relationships with County Administrator's and County Board Chairs. Amrhein stated that he thinks those are the folks who are of a similar size, and several of them whom have been recently or up to may be 25 years ago through a transition from Clerk and Treasurer handling the details to having some type of administrative function. He continued that essentially his offer to the Board is to mitigate with those folks and he could have a phone call with each of them within the next few weeks and bring back what their process was like, how well that has worked, pros and cons of their structure, and what

they learned while making that transition. He said he isn't aware of how far they looked at other counties to see what was done in comparison and they could have some background in regards to their first moves taken. Amrhein said that outline is what the first offer would look like to bring that knowledge back to the Board.

Amrhein stated the second offer, as Cathy (Interim Finance Director), Deb (County Administrator), Jen (MSU Extension District 3 Director Jennifer Berkey) and himself had talked, if the Board feels that at any point in this process there is a need for a facilitated conversation, whether that is leadership within the county amongst the Board or as group put together from different directions then he would be able to schedule with MSU Extension Leadership and Government/Public Policy Bethany Prykucki, who is located in the Kalkaska office. Amrhein said that Prykucki is an expert in facilitation and she has indicated that if the Board decides they wish to have a facilitated conversation that she would be willing. He commented that because we (MSU Extension) are considered to be a county department and that they think of themselves as county government then there is a no fee for him to participate but that if the Board wants to engage in the facilitated conversation, which is the second offer, there is process in place where there is a level of what is free to counties. If the engagement does move to the fulfillment stage, and moves forward from there then there could be a charge.

Amrhein said there used to be a program called County Budget and Finance in the Spring following the new Commissioner training and that there was one done for Board Chairs but the attendance dropped off so they haven't been done since 2011. He stated he does have those notebooks from those sessions and they could be helpful.

Amrhein asked the Committee members where would you like to go with all the information he provided and what can MSU Extension do to help the Board out?

Commissioner Lautner stated she is especially interested in bringing the Board back the procedures and processes that were spoken about. Amrhein confirmed with Commissioner Lautner that it would be the information from the other counties that have transitioned.

Commissioner Rexroat said he would like to add to that the plan moving forward one of those items to decide was the governance model. He commented that step two can't be taken until the Board decides if it will be continuing with the existing structure, which is currently temporary, or the traditional structure of a County Administrator with a Finance Department reporting to the Administrator, or a CFO (Chief Financial Officer) structure, which then has two direct reports to the Board, or a third option of a CFO/Administrator, which requires a higher level of expertise in finance. He stated the first decision he wants made is which structure will be moving forward as to decide who we are hiring. Rexroat asked Amrhein if what he was doing would be bringing that kind information back to the Board?

Amrhein replied that going into those conversations that he really sees two major pieces and one of those is the discussion on the structure. When he calls the other counties to gather the information needed, he will be asking how did they do it, what pros and cons might they have experienced, and how has it worked for them since the transition, along with have there been any challenges. He said the second piece is more about the details, like what is the easiest way to handle who does what and how do you organize the workflow and what additional staff would be needed to make that all work smoothly.

Chairman Wessell stated the full Board would appreciate hearing about those two major pieces.

Commissioner Rexroat asked if Amrhein should be scheduled at the Executive Session and then there be another committee meeting after hearing the presentation?

Commissioner Lautner replied that is a possibility.

Interim Finance Director Hartesvelt asked if Amrhein would be scheduled for the Executive Session in February and then at Executive the Board could request the Finance Committee to further review for a recommendation back to the Board?

Commissioner Rexroat replied that he is making an assumption that is what is going to happen; but if it doesn't, then there won't be another Finance Committee meeting.

Interim Finance Director Hartesvelt commented that the full Board may want to consider to continue these discussions as a full Board.

Commissioner Rexroat confirmed the decision to continue with the Finance Committee discussion would be as directed by the Executive Board.

Commissioner Lautner commented there is the option of having the discussion prior to the Executive Board if it can be scheduled that way.

Chairman Wessell restated that the full Board would like to hear the discussion.

Committee consensus to request John Amrhein, MSU Extension Public Policy Educator, to present to the Executive Session held on February 13, 2024, at 9:30 a.m. on discussion/presentation regarding County Government structure.

Progress report – Account Clerk open position:

Interim Finance Director Hartesvelt stated she has two appointments setup tomorrow for interviews. She informed the committee that there are two openings within the Finance Department because there has been a lateral move to the County Treasurer's Office.

Commissioner Rexroat asked if there is a second job posting now?

Administrator Allen replied the open postings have been placed with the Leelanau Ticker and the Traverse City Ticker in hopes to receive more exposure.

Commissioner Rexroat asked if the website Indeed is being utilized? Allen replied that as she understands it there has been postings on the Indeed website.

Chairman Wessell asked if there is a contingency plan for how "we" are going to get through or do "we" bribe the County Treasurer (Wessell pointed to the audience) to give us some of the clerk for a bit while in transition?

Interim Finance Director Hartesvelt stated that the news is less than 24 hours old, but she has accelerated a few projects withing the office, while the employee is still there.

Commissioner Rexroat stated he's not sure he's comfortable using the word bribe and can talk with the County Treasurer nicely.

Interim Finance Director Hartesvelt explained to the committee members that there is conflict of interest between work being done between the Accounting/Finance Department and the Treasurer because one office takes in the funding and one office expends, so an employee can't work or handle duties between the two. She confirmed the State of Michigan Attorney General does have an opinion on that there is a conflict of interest.

Administrator Allen stated there is a very unique candidate for the HR Director position who also has some finance background and able to be a team player. Allen said the position hasn't been accepted yet but there has been discussion and could be a unique opportunity.

Commissioner Rexroat asked Allen if Hartesvelt has seen the candidates resume? Allen replied that Hartesvelt has not because this was really more of an HR position and individual has excellent county government experience.

Commissioner Lautner said that it is unknown if the HR position candidate has any finance degrees and may want to apply for the other account clerk opening and we may want to interview the internal candidate, who has a Master's Degree in Human Resources for the open HR Director position.

Set next meeting date:

Commissioner Rexroat asked if another Finance Committee meeting is needed and is everyone comfortable with the timeline?

Commissioner Wessell replied he doesn't see a need to meet unless Interim Finance Director Hartesvelt or the Finance Team needs to meet for something.

Commissioner Rexroat stated there is an option to have a Committee of the Whole meeting.

Commissioner Lautner said she would prefer action on this here in January and really hates to see this get pushed off until February.

Commissioner Rexroat agreed and stated he wants to move faster as well.

Commissioner Wessell asked if there could be a Committee of the Whole meeting held in the third week of January with Amrhein presenting then instead of at the Executive Session?

Commissioner Rexroat restated that Amrhein need two weeks to collect the information.

Interim Finance Director Hartesvelt asked if a Committee of the Whole is scheduled that the left-over business from 2023 regarding Capital Outlay purchases for 2024 could be discussed, such as the HVAC system and the Broadband project funding.

Commissioner Rexroat stated he isn't sure if there will be answers on the Broadband by then but that he guesses that agenda items could always be taken off if it isn't ready for discussion.

Commissioner Wessell said that he met yesterday with Chris Scharrer, CEO of DCS Technology Design, LLC., and former Commissioner Patricia Soutas-Little and hopes to have a contract by the third week of January. Wessell stated that Soutas-Little wanted to ensure Scharrer that when the contract was to be eventually placed on the agenda that the contract would be voted on.

Interim Finance Director Hartesvelt clarified that she is looking for direction regarding applying the last of the ARPA funding to current projects at the Committee of the Whole meeting.

Commissioner Rexroat stated the Board was waiting for the last piece of the Broadband to make any final decisions on funding. Rexroat asked Amrhein if the week of January 22nd would give him enough time or later in that week to present to the full Board at a Committee of the Whole meeting?

Amrhein replied that January 24, 2024 at 9:30 a.m. would work for him and he is hopeful he will be able to compile all the information needed for the discussion/presentation.

Commissioner Rexroat stated that a Committee of the Whole meeting will be scheduled for January 24, 2024, at 9:30 a.m. with the agenda items being MSU Extension discussion/presentation and Capital Outlay Projects.

Commissioner Rexroat clarified that if the Executive Board on January 9, 2024, finds it necessary to schedule a Finance Committee meeting that it could be scheduled for immediately following the Committee of the Whole on January 24, 2024.

Public Comment:

The following individual spoke in person: Kerry O'Non.

Commissioner Comments:

None.

Adjournment:

Meeting adjourned at 3:36 p.m.

Doug Rexroat, Chairman
Leelanau County Board of Commissioners

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