

1. 5:30 P.M. Packet

Documents:

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**GRAND TRAVERSE COUNTY BOARD OF COMMISSIONERS
STUDY SESSION**

**Wednesday, October 24, 2018
5:30 p.m.**

**Governmental Center, 2nd Floor Training Room
400 Boardman Avenue
Traverse City, Michigan 49684**

The purpose of this Study Session is for Commissioners to ask questions of Administration and to hear from any department or individual regarding the proposed 2019 budget.

(A second session is scheduled for October 25, 2018, only if it is necessary and tonight's meeting is continued. The determination on whether to hold or cancel the meeting on October 25th will be made at the end of tonight's meeting.)

If you are planning to attend and you have a disability requiring any special assistance at the meeting, please notify the County Clerk immediately at 922-4760.

AGENDA

1. OPENING CEREMONIES OR EXERCISES
2. ROLL CALL
3. FIRST PUBLIC COMMENT

Any person shall be permitted to address a meeting of the Board of Commissioners which is required to be open to the public under the provision of the Michigan Open Meetings Act. Public Comment shall be carried out in accordance with the following Board Rules and Procedures:

Any person wishing to address the Board shall state his or her name and address.

No person shall be allowed to speak more than once on the same matter, excluding time needed to answer Commissioners' questions, if any. The Chairperson shall control the amount of time each person shall be allowed to speak, which shall not exceed three (3) minutes. The Chairperson may, at his or her discretion, extend the amount of time any person is allowed to speak.

Public comment will be solicited during the two public comment periods noted in Rule 5.4, Order of Business. However, public comment will generally be received at any time during the meeting regarding a specific topic currently under discussion by the board. Members of the public wishing to comment should raise their hand or pass a note to the clerk in order to be recognized, and shall not address the board until called upon by the chairperson. Please be respectful and refrain from personal or political attacks.


4. Budget Information:
 - a) Recommended Budget
 - b) Staffing and FTE Requests.....
 - c) Capital Improvement Recommendations.....
5. DISCUSSION
 - a) Commissioner Questions
 - b) Grand Traverse Sheriff's Office
 - c) Other
6. SECOND PUBLIC COMMENT (Refer to Rules under Public Comment above)
7. ADJOURNMENT



**GRAND TRAVERSE COUNTY
ADMINISTRATION OFFICE
BOARD OF COMMISSIONERS**

400 BOARDMAN AVENUE, SUITE 305
TRAVERSE CITY, MI 49684-2577

ADMINISTRATION 231-922-4780
BOARD OF COMMISSIONERS 231-922-4797

To: Board of Commissioners
From: Nate Alger 
RE: 2019 Budget
Date: September 28, 2019

Commissioners,

Grand Traverse County provides an unbelievable amount and level of services to our residents and visitors. From dental services to felony prosecutions, Grand Traverse County touches thousands of lives annually. I am proud to say that our Elected Officials and Department Heads provide these services at a high level and manage their budgets very well. It is because of these determined professionals that we are pleased to present to you a balanced budget.

Process to date:

In mid June the budget timeline and various budget request forms were sent to the Departments. These request forms include Personnel, Staffing Plan, Vehicle, Equipment, Facilities, Telecommunications, and IT Services. The Departments had until July 6th to complete the forms and return them to Finance. Line item budgets were to be completed by July 31st. Since then, the Administrative services departments have reviewed the requests and have made recommendations on the various departmental requests.

Since then, Mr. Bott and I invited individual departments that we had specific questions for and we invited any department to meet with us if they had specific services or items they wanted to discuss with us. In all we met with nine departments to discuss their budget requests.

Since February, we have been focused on presenting to the Board of Commissioners a balanced budget in early October so you would have ample opportunity to consider the budget and hear from the Department Heads and Elected Officials that would like to speak with you directly about services they feel are important. We believe this budget focuses evenly on the services we provide and on those that provide them.

We are presenting to you a budget that:

- Is balanced
- Is without the use of any fund balance in the General Fund

- Is without the reduction of any employees or services
- Reflects conservative revenue projections and conservative expenditure projections.
- Includes the pension payment to MERS
- Includes a payment for our retiree health liability (OPEB)
- Includes the cost of living adjustments for employees discussed with the Board of Commissioners

Retirement Obligations

Pension Obligation: Our current pension obligation is estimated at \$98,000,000. We currently have an estimated \$55,000,000 with MERS, which is approximately 56% funded. As you know the State of Michigan requires that we fund our pension obligation to a level of 60%. Our year-end 2017 actuarial showed that Grand Traverse County was 52% funded. That report did not account for the \$5,900,000 payment made in early 2018. We have another payment of \$5,900,000 payment to MERS in the 2019 budget.

Other Post-Employment Benefits: Our current OPEB obligations are estimated at \$2,500,000. As you know the State of Michigan requires that we fund our OPEB obligation at a minimum level of 40%. We will be making a \$300,000 payment in 2018 and have a \$300,000 payment budgeted for 2019.

We are pleased to report that while we are not funded to the state required levels on either our pension or OPEB we received a letter from the Department of Treasury on July 18th that reported to us that “none of your retirement systems meet the definition of underfunded status”. Certainly our goal is to reach and exceed the required minimum funding levels and we should budget accordingly.

Health Insurance:

Our Priority Health insurance rate increase was favorable for 2019, coming in at 1.4%. As discussed, we are in the process of moving all employees from a two plan option for health insurance to exclusively an HSA. The anticipated 2019 employer contribution to that HSA is included in this budget. We hope that with the HSA, employees will become more engaged in their overall health and wellness and we will continue to see healthier employees and reduced costs related to health insurance.

Requests for new positions:

There are not any new general fund positions being recommended in this budget. We have seen some recent improvement in our financial status and we believe that we should see what the next year brings and hope that improvement continues, and we believe it will. To that end, we are recommending that we not introduce any significant changes in services or staffing that may impact, or at a minimum not let us fully recognize the continued improvement in our financial position that we believe is to come.

There were 20 total requests for new employees in the budget process. We are not recommending any new positions to be added to the General Fund. The only positions that are being recommended is a total of 1.8 FTE's in the Health Department. These employees are being added to the Health

Department Budget as there was a demonstrated need, appropriate justification, and the positions are grant funded. No other new positions are being recommended.

Vehicles:

There were 13 vehicles requested for the 2019 budget. 9 of those vehicles were requested by the Sheriff's Office, 4 were requested by the Facilities department, 1 was requested by the Equalization Department, and 1 was requested by the Health Department. After discussing the request of the Sheriff's Office with the Sheriff, we are recommending 4 vehicles for the Sheriff's Office. The Sheriff has funds available in his 2018 budget and we support the Sheriff in his request to purchase 4 vehicles from his 2018 budget. We are also recommending 2 vehicles for Facilities. We will be working with the Facilities Manager to identify funds in the 2018 budget for the purchase of up to 2 vehicles this year. We will be working with the Equalization Director and other departments on how best to satisfy their needs of vehicles for collective use and we are recommending a vehicle for the Health Department to be used in the Emergency Management Department.

Information Technology:

We have made incredible progress in improving our IT infrastructure and solidifying our IT plan going forward. We now have a five year plan that lays out improvements and costs so we may affordably plan for these costs. These costs are included in this budget.

Next steps:

We are recommending a 4 step process for your consideration of this proposed budget. Step 1 is this presentation of a recommended budget. Step 2 would allow you the opportunity to ask the Administration for specific information about the budget. Step 3 would allow Department Heads and Elected Officials to speak to you directly about the services that may be impacted by this recommendation. Step 4 will be the ratification process of the 2019 budget that should include direction to the Administration about changes the Board of Commissioners would like to see. We are hopeful that we can have a budget passed on November 7th, 2018.

It is our recommendation that we set the budget study sessions on October 24th and October 25th so we may have a revised budget back to the Board of Commissioners on November 7th. In the interest of transparency and ease, the recommended general fund budget will be on our website on Wednesday October 3, 2018 before the Board of Commissioners meeting.

Please see the attached budget reports that show the revenues and expenditures for our Governmental Funds that meet the statutory requirements.

If you have any questions at all about the budget or would like to see specific detail about a specific department's budget please contact me at your earliest convenience.

Thank you.

GRAND TRAVERSE COUNTY

2019 RECOMMENDED BUDGET
SUMMARY BY FUND

ACTIVITY SHOWN FOR THE PERIOD ENDING SEPTEMBER 30, 2018

FUND	FUND NAME	FY17 ACTUAL (AUDITED)	FY18 AMENDED BUDGET	YTD ACTIVITY AS OF 9/30/2018	FY19 REQUESTED BUDGET	FY19 RECOMMENDED BUDGET
101	GENERAL FUND	41,053,781	38,054,863	24,486,371	39,193,369	38,842,019
131	13TH CIRCUIT COURT	1,902,509	2,018,004	1,329,443	2,151,542	1,803,176
132	LOCAL CRIME VICTIMS RIGHTS	9,171	13,000	1,300	12,000	12,000
136	86TH DISTRICT COURT	3,758,750	4,010,621	2,802,868	3,566,826	3,566,826
202	COUNTY SPECIAL PROJECTS	9,000	-	-	18,322	18,322
207	CENTRAL DISPATCH/911	2,386,952	2,615,937	1,957,981	2,621,388	2,621,388
208	PARKS AND RECREATION	643,854	1,284,383	972,719	1,163,059	1,163,059
209	MAPLE BAY DEVELOPMENT	-	500	-	11,243	11,243
215	FRIEND OF THE COURT	2,079,026	2,226,175	1,439,299	2,272,564	2,272,564
222	HEALTH DEPARTMENT	6,269,711	6,865,395	4,642,134	7,050,042	7,050,042
251	VETERANS' TRUST FUND	11,691	-	-	-	-
252	VETERANS' MILLAGE	472,152	658,027	380,880	670,040	659,000
256	REGISTER OF DEEDS AUTOMATION	100,099	174,500	94,109	185,500	185,500
260	COMMUNITY CORRECTIONS PA511	842,615	854,390	605,635	912,467	912,467
261	COUNTY LAW LIBRARY	-	6,500	-	42,210	42,210
262	FEDERAL EQUITABLE SHARING	-	50	-	-	-
263	CONCEALED PISTOL LICENSING	21,540	39,000	15,872	36,000	36,000
264	CORRECTIONS OFFICERS TRAINING	47,618	66,000	22,051	66,000	66,000
266	CRIMINAL JUSTICE TRAINING ACT	12,097	13,000	7,429	10,000	10,000
269	MITCHELL CREEK WATERSHED	-	-	-	8,155	8,155
278	HOUSING TRUST	-	72,500	-	250,000	250,000
279	CDBG	357,814	50,350	6,548	200,000	200,000
280	NEXT MICHIGAN	51,025	51,400	22,518	25,000	25,000
281	EDC	61	59,500	36,114	50,000	50,000
287	TNT FORFEITURE FUND	82,265	53,094	36,211	68,250	68,250
288	TNT GRANT	112,445	87,200	64,056	97,000	97,000
292	CHILD CARE FUND	1,305,938	1,946,510	872,504	1,779,000	1,779,000
295	ANIMAL CONTROL	138,623	283,960	161,408	335,076	353,000
297	COMMISSION ON AGING	3,020,611	2,994,135	1,685,199	3,298,104	3,298,104
298	SENIOR CENTER	547,917	622,870	385,117	582,955	582,955
471	COUNTY FACILITIES	1,689,811	1,990,890	1,219,568	1,948,100	1,948,100
472	CAPITAL IMPROVEMENT PROJECTS	249,400	1,419,655	521,495	500,000	500,000
TOTAL APPROPRIATIONS		67,176,476	68,532,409	43,768,829	69,124,212	68,431,380

GRAND TRAVERSE COUNTY

2019 RECOMMENDED BUDGET
PROJECTED REVENUES BY SOURCE

ACTIVITY SHOWN FOR THE PERIOD ENDING SEPTEMBER 30, 2018

GENERAL FUND

REVENUE SOURCE	FY17 ACTUAL (AUDITED)	FY18 AMENDED BUDGET	YTD ACTIVITY AS OF 9/30/2018	FY19 REQUESTED BUDGET	FY19 RECOMMENDED BUDGET
Taxes	24,382,630	24,405,179	19,971,818	25,273,000	25,273,000
Licenses and Permits	219,780	52,587	51,350	9,000	9,000
Federal Grants	91,440	197,659	91,734	10,027	10,027
State Grants	3,639,231	3,591,809	2,275,321	3,742,686	3,742,686
Local Unit Contributions	1,672,019	1,781,922	1,270,115	1,771,635	1,771,635
Charges for Services	4,242,998	4,294,639	2,997,239	4,068,168	4,068,168
Fines and Forfeitures	97,463	110,100	71,775	86,500	86,500
Interest and Rents	732,658	704,002	827,199	817,889	817,889
Other Financing Sources	2,704,721	2,219,944	2,144,345	2,269,764	2,269,764
Transfers In	2,851,698	714,676	707,175	793,350	793,350
Use of Surplus	-	-	-	-	-
TOTAL REVENUES	40,634,638	38,072,517	30,408,071	38,842,019	38,842,019

GRAND TRAVERSE COUNTY
2019 RECOMMENDED BUDGET
EXPENDITURES BY DEPARTMENT

ACTIVITY SHOWN FOR THE PERIOD ENDING SEPTEMBER 30, 2018

GENERAL FUND

DEPT #	DEPARTMENT NAME	FY17 ACTUAL (AUDITED)	FY18 AMENDED BUDGET	YTD ACTIVITY AS OF 9/30/2018	FY19 REQUESTED BUDGET	FY19 RECOMMENDED BUDGET
LEGISLATIVE						
101	Board of Commissioners	234,177	253,875	194,784	423,909	423,909
	SUBTOTAL	234,177	253,875	194,784	423,909	423,909
JUDICIAL						
147	Jury Commission	41,262	49,787	33,447	51,540	51,540
148	Probate Court	700,737	806,803	567,937	840,044	840,044
149	Family Court-Juvenile Division	1,512,835	1,643,967	1,166,385	1,699,778	1,699,778
	SUBTOTAL	2,254,834	2,500,557	1,767,769	2,591,362	2,591,362
GENERAL GOVERNMENT						
155	ART Grant	60,310	41,316	1,545	-	-
172	Administrator/Controller	367,573	385,239	139,262	405,128	405,128
174	Brownfield Administration	143,974	43,953	37,264	20,000	20,000
193	Elections	46,037	122,854	50,501	79,051	79,051
201	Finance	492,009	518,297	352,494	531,406	531,406
215	County Clerk	899,956	923,758	640,271	914,528	914,528
225	Equalization	512,524	560,740	376,298	571,397	571,397
226	Human Resources	409,922	553,139	303,618	641,123	641,123
229	Prosecuting Attorney	1,632,754	1,796,724	1,222,091	1,798,118	1,798,118
230	Equalization/East Bay	157,097	174,307	118,128	183,278	183,278
236	Register of Deeds	347,983	389,019	264,200	395,383	395,383
242	County Surveyor	53,640	64,280	3,342	68,760	68,760
253	County Treasurer	394,493	430,230	283,023	424,721	424,721
257	Cooperative Extension	251,430	267,505	188,547	262,003	262,003
259	MSU Extension-Grant Funded	-	-	-	-	-
261	Building Authority-Rent	1,298,869	1,333,970	1,056,335	1,117,200	1,117,200
265	Facilities Management	652,406	800,367	525,206	880,497	880,497
275	Drain Commission	21,738	26,833	20,798	53,009	53,009
276	Soil Erosion & Sedimentation	178,982	58,650	59,463	-	-
280	Soil Conservation	27,500	27,500	5,000	27,500	27,500
400	Planning & Development	139,910	45,619	13,042	25,000	25,000
402	GIS	1,509	-	-	-	-
	SUBTOTAL	8,090,616	8,564,300	5,660,428	8,398,102	8,398,102
PUBLIC SAFETY						
307	Central Records	812,104	884,929	567,609	838,673	838,673
308	Central Dispatch	47,341	298,582	-	275,000	275,000
311	Sheriff-Special Investigation	104,191	125,607	79,555	125,790	125,790
312	Sheriff-County Investigation	1,100,479	1,198,140	834,783	1,255,256	1,255,256
314	Sheriff-County Patrol	5,837,998	6,102,106	4,190,838	6,829,470	6,693,470
316	Secondary Road Patrol	103,979	112,478	61,786	119,137	119,137
322	OHSP Enforcement Grant	-	-	-	8,827	8,827
325	Sheriff-Administration	641,966	661,952	406,786	656,648	656,648
327	Snowmobile Enforcement	14,235	36,055	20,826	25,710	25,710
331	Sheriff-Marine Law Enforcement	143,442	131,788	88,846	136,262	136,262
348	Medical Marijuana Grant 2016	27,038	29,536	26,130	-	-
351	Sheriff-Corrections	5,300,127	5,686,952	3,756,138	6,082,162	5,817,304
352	Corrections-Interim Services	47,923	130,000	72,101	135,000	135,000
435	Emergency Management	-	33,105	32,705	-	-
	SUBTOTAL	14,180,823	15,431,230	10,138,103	16,487,935	16,087,077

DEPT #	DEPARTMENT NAME	FY17 ACTUAL (AUDITED)	FY18 AMENDED BUDGET	YTD ACTIVITY AS OF 9/30/2018	FY19 REQUESTED BUDGET	FY19 RECOMMENDED BUDGET
HEALTH & WELFARE						
631	Substance Abuse	349,286	358,429	193,238	390,525	390,525
651	Ambulance	25,000	25,000	25,000	25,000	25,000
682	Veterans	-	7,350	7,349	-	-
	SUBTOTAL	374,286	390,779	225,587	415,525	415,525
OTHER						
865	Insurance & Bonds	737,737	777,523	476,602	680,000	680,000
890	Miscellaneous Contingencies	-	209,595	75,000	75,000	124,508
891	Appropriations to Non-Profit	682,200	682,200	511,650	682,200	682,200
894	Unfunded Pension Appropriation	4,892,233	-	-	-	-
	SUBTOTAL	6,312,170	1,669,318	1,063,252	1,437,200	1,486,708
TRANSFERS						
965	County Law Library Fund	-	-	-	-	-
968	Health Department Fund	1,474,000	1,314,000	673,667	1,344,000	1,344,000
970	Child Care Fund	578,220	796,255	398,128	700,000	700,000
971	Department of Human Services	32,500	49,445	32,500	49,445	49,445
974	Parks & Recreation Fund	350,664	315,183	157,592	340,183	340,183
975	Friend of the Court Fund	213,610	262,432	125,803	266,085	266,085
978	County Facilities Fund	1,662,623	1,662,623	831,312	1,662,623	1,662,623
979	CIP Fund	876,270	334,655	225,000	500,000	500,000
982	Circuit Court Fund	1,477,503	1,507,502	951,620	1,550,000	1,550,000
983	District Court Fund	2,941,485	2,926,469	2,002,706	2,950,000	2,950,000
986	Community Corrections Fund	-	76,240	38,120	77,000	77,000
	SUBTOTAL	9,606,875	9,244,804	5,436,448	9,439,336	9,439,336
GENERAL FUND TOTAL APPROPRIATIONS		41,053,781	38,054,863	24,486,371	39,193,369	38,842,019

2019 Budget – Staffing or FTE Requests

Fund/Department	FTE	Position	Recommended
General Fund			
Equalization	1.00	GIS Technician	No
Prosecuting Attorney	.15	Victim Advocate	Yes **
Facilities Management	.50	Groundskeeper	No
Central Records	1.00	Clerk	No
Sheriff – Patrol	1.00	Sergeant	No
Sheriff – Patrol	4.00	Deputy	No
Sheriff – Corrections	3.00	Corrections Officer	No
District Court			
Grand Traverse	.10	.5 Compliance Officer to .6 Probation Officer	No
Health Department			
Various Departments	1.00	Office Specialist	Yes **
Hearing & Vision	.20	Hearing & Vision Technician	Yes **
Commission on Aging			
Medication Management	1.00	LPN	Yes **
Information Technology			
Information Technology	1.00	Network Officer	No
Information Technology	1.00	Secretary	No

** FTE is either grant funded or funded by program revenue

Grand Traverse County Facilities Management 2019 Budget recommendations

			Safety	
			Facility Function	
			Due Diligence Maintenance	
Civic Center				
<i>Building related</i>				
Low	Replace roof over hockey arena locker rooms	\$31,096		* Multiple reports of leaks in Facility, condition report describes roof as "repairs not bonded" and poor condition.
Low	Repair EIFS cladding	\$20,000		* Evidence of water infiltration is a concern during freeze/thaw cycles, particularly with masonry products.
Low	Replace damaged gutters	\$2,102		* Route water to proper drainage destination.
Low	Repair CMU wall on ice rink garage	\$2,750		* Evidence of water infiltration is a concern during freeze/thaw cycles, particularly with masonry products.
<i>Ice rink related</i>				
Low	Ice rink circulation pump	\$7,500		* Rebuild remaining 3 pumps and rehab as necessary.
<i>Grounds related</i>				
Med	Paint and seal bridge	\$10,000		* Underside of bridge is very rusted. Should be cleaned and sealed before Irreparable damage occurs.
Government Center				
<i>Description of issue</i>				
Low	Structural engineering services	\$15,000		* To establish the source of stress fractures identified in outer shell of building. Uneven settling is a possibility.
Low	Repair stress cracks in lintels	\$5,103		* Cracks exist and should be repaired as lintels are load-bearing members for openings in walls.
Low	Repair River Walk wood deck	\$2,480		* Alternative is removal. Public usage would determine priority level, but it is in poor condition.
Low	Replace damaged exterior cafeteria door	\$2,087		*
Med	Expand Chief Deputy's work area to allow for the coding of election machines and new equipment from the State.	\$1,000		**
Hall of Justice				
<i>Description of Issue</i>				
High	Replace boiler	\$50,000		**
Med	Modify entry to the referee hearing room on 2nd floor to be handicap accessible	\$6,500		**
Med	womans public restroom and courtrooms are not handicap accessible	\$20,000		**
Low	Update LED lighting	\$20,000		**
Low	Seal foundation wall	\$10,432		* Efflorescence/evidence of water penetration
Low	Repair loose mortar in north façade	\$11,244		* Mortar missing/broken/loose allows water infiltration.
Low	Repair damaged mortar and cap with metal	\$45,047		* Mortar missing/broken/loose allows water infiltration.
Health Services Building				
<i>Description of Issue</i>				
Low	Repaint parking lot lines	\$5,000		** Move water away from stone foundation
Historical Courthouse				
<i>Description of Issue</i>				
Low	Replace/add gutters & downspouts	\$10,432		* Move water away from stone foundation
Low	Clean and repair masonry walls	\$14,292		* Mortar missing/broken/loose allows water infiltration. Fungus/algae present.
Low	Update LED lighting	\$20,000		**
GTC Jail				
Med	Replace circulation for courthouse supply	\$10,965		*
Med	Alter medical area in secured part of Facility	\$40,000		Request by Sheriff to address ability to monitor medically-distressed inmates
Low	Replace carpet in mens & womens locker rooms, sgt's office, breakroom and stairwells.	\$12,000		**
Low	Replace aged cast piping	\$40,000		
Law Enforcement Center				
High	Install bulletproof glass, cameras and NVR audio/video recording interior; video exterior.	\$30,000		**
Med	Replace building management system.	\$60,000		**
Low	Structural engineering services	\$5,000		* Lintels appear to be missing and water infiltration in the block masonry should be evaluated and a solution recommended.

		Parks & Recreation		<u>Description of Issue</u>
Low	Improvements to Medalie Roadside Park including shoreline stabilization, energy efficient lighting, benches, signs, kiosk, improved restroom facilities, ADA canoe/kayak launch, water runoff management.		\$50,000	** As Boardman Lake Trall/dam removals are finished, this location will become a high traffic Facility.
		Prosecuting Attorney Office		<u>Description of Issue</u>
Med	Update security. Install bulletproof glass.		\$4,650	**
Low	Replace screen door in Chris Forsyth's office, aged out		\$350	**
		Public Services Building		<u>Description of Issue</u>
Med	Replace GFA furnaces, A/C condensers, heat pumps		\$90,000	* Furnaces are past engineered life. A/C units 7 years past life expectancy. Heat pumps 20 & 22 years old.
Med	Update LED lighting		\$20,000	**
	Total:		\$655,030	
* = Property Condition Assessment Reports, November 14, 2016 and April 21, 2017				
** = 2018 Request for Facilities Project				