

**ALGER COUNTY BOARD OF COMMISSIONERS
SPECIAL BOARD MEETING**

March 14, 2012

Minutes are subject to corrections and approval

Pursuant to recess, the Alger County Board of Commissioners convened in the conference room of the county building at 4:00 p.m. on the above date.

The meeting was called to order by Chairman Doucette with the following Commissioners present: Commissioners Mattson, Pullen, Rondeau, VanLandschoot, and Doucette. Absent ó none.

The Board of Commissioners said the Pledge of Allegiance.

Public comment session was open. There was no public comment from the floor; thus, the public comment session was closed.

It was moved by Commissioner VanLandschoot and seconded by Commissioner Mattson to approve the agenda as presented. Motion carried by the following vote: Ayes ó Commissioners Mattson, Pullen, Rondeau, VanLandschoot, and Doucette. Nays ó none. Absent ó none.

In attendance to discuss the cost allocation plan were Jim Olson from MGT of America (cost allocation plan); Mike Greutz from Anderson, Tackman (the county's auditor); Doug Miron, John Hermann, Paul Heyrman, and Bob Lindbeck from the road commission; Jim Lucas from MSU Extension; and Rochelle Cotey from Commission on Aging. Commissioner Doucette gave a brief explanation of why the county has charged for the cost allocation, mainly being financial reasons. Bob Lindbeck talked about the invoice for the indirect costs and handed out information from the road commission association regarding those costs. Jim Olson explained why and how the costs are in the plan. Mike Greutz talked about the letter from the Department of Treasury regarding the county to charge costs. The letter refers to "Other restricted funds" of the county would be the funds established by statute which are provided funds restricted for a specific purpose such as the county road fund, drug enforcement fund, friend of the court fund, child care fund, etc. "Other restricted funds" would also include those funds established as a result of a tax levy for a specific purpose such as a park fund, a road millage fund, etc. The use of statutorily restricted or voter-restricted funds to pay costs required to be paid by the county general fund would not be appropriate. Mike said that he discussed it with Jim Olson and thought that it was a good idea to get an opinion on what funds can be charged from the Department of Treasury. Rochelle Cotey discussed the plan and had questions she wanted to ask on the millage. She said that she knows that there is millage with the sheriff's department where the county actually does the bookkeeping. She said that Commission on Aging does their own bookkeeping. She said that she needed to ask more questions, one is where 172 transactions come from. Rochelle said that as far as Aging goes she doesn't know what the definition of a transaction is. She said that they receive seven to ten checks per year. She said that she doesn't know what the other 172 transactions are. She also questioned the cost regarding the insurance. She said that they already pay for their insurance. Rochelle said that she knows that question has already been asked and wondered if the county is covering them, if they need to get their own insurance, or are they doubling on the insurance. She said that those questions have to be asked by all three of the ones that have millages. Jim Olson said that once a hold harmless clause is in the policy by both the county and the ones that have millages, then MGT can exclude the insurance cost from the plan. Rochelle was wondering why there was such a jump from last year's amount of \$2,300 to this year's amount of \$4,100, which is approximately 3% of their budget. She said that if she has to pay that amount they would have to cut services. Jim Olson explained how the charges are being computed being a percentage of the transactions. Rochelle said that she wants to know what the transactions are. Jim said that he could give her a copy of the general ledger. He said that he could pull it and tell her what those transactions are. The treasurer discussed what most of the transactions were. Mike Greutz also helped explain the transactions. Jim Lucas from MSU Extension said that his concern is wondering how much the cost allocation plan will be in the future. He said that he looks down the road in two years and wonders if he will have enough to pay everybody. There was a question on millage wording and having to change the wording. Mike said that we will have to wait until we get the opinion back from the Treasury. Commissioner Doucette said that we have balanced our budget with cost allocation monies. The clerk is to forward copies of the 2010 Cost Allocation Plan to Jim Lucas and Rochelle Cotey. John Hermann said that we are all elected and serve the same customer, the residents of Alger County. He wanted to say that we are all in the game together and it is a balancing game. Wherever the funds come from, it will take from services. Commissioner Doucette said that the board gave the direction to the budget team to come up with a balanced budget and that included the cost allocation costs and included no raises for our employees. John Hermann discussed the loss of personnel and of cutting salt costs at the road commission. He also

discussed the age of their trucks and graders. He said that they, and especially Bob, have done a tremendous job of reducing costs. Rochelle said that she thought that Commission on Aging should pay something, but that the costs were high. Mike Grentz said that he was surprised at how much of a fight this was across the board with counties. It was discussed that parts of the letters that the road commission handed out were outdated and were no longer applicable. Jim Olson and Mike Grentz discussed with the board about writing a letter to the Department of Treasury regarding Alger County's cost allocation monies and getting an opinion only on what Alger County wants to charge.

On a motion by Commissioner VanLandschoot and seconded by Commissioner Mattson to authorize Jim Olson to write a letter to the Department of Treasury asking them for an opinion on charging the allocation funds in Alger County and what allocation funds can be charged. Motion carried by the following vote: Ayes ó Commissioners Mattson, Rondeau, VanLandschoot, and Doucette. Nays ó Commissioner Pullen. Absent ó none.

Jim Olson and Mike Grentz are going to work together on the letter to the Treasury. Jim is going to forward the letter to the clerk to give to the commissioners to look at before it is sent out.

Commissioner VanLandschoot left at 5:00 p.m.

Board comments were next. There were none.

Public comment session was open. There was no public comment from the floor; thus, the public comment session was closed.

On a motion by Commissioner Mattson and seconded by Commissioner Rondeau to adjourn this meeting. Motion carried by the following vote: Ayes ó Commissioners Mattson, Pullen, Rondeau, and Doucette. Nays ó none. Absent ó Commissioner VanLandschoot.

Jerry Doucette, Chairman
Alger County Board of Commissioners

Mary Ann Froberg
Alger County Clerk