WAYS AND MEANS COMMITTEE MEETING

FRIDAY, APRIL 11, 2025

9:00 A.M.

MINUTES

MEMBERS PRESENT:	Chairperson Brian Droscha, Brandon Haskell, Jeanne Pearl-Wright, Mark Mudry, Frank Holmes, and Keith Barber.
ALSO PRESENT:	Commissioners Jim Mott, Jane Whitacre, Kyle Jones, Scott Hansen, and Nicole Christensen; Connie Sobie, Ben Dawson, Melissa Ballard, Logan Bailey, Claudine Williams, Chad Powers, Dairus Reynnet, Tim Vandermark, Nathan Baldermann, Roger Swets, and Robert Bendzinski.

The April 11, 2025, meeting of the Ways and Means Committee was called to order at 9:00 a.m. by Chairperson Droscha.

The Pledge of Allegiance was given by all.

Controller/Administrator Connie Sobie requested to remove item 15. Budget Amendments and to add item 16a. Resolution to Authorize Grant Application for Michigan Indigent Defense Commission. Commissioner Barber moved to approve the agenda, as amended. Commissioner Haskell seconded. Motion carried unanimously.

Commissioner Haskell moved to approve the March 14, 2025, regular and closed session minutes, and the March 28, 2025, Ways and Means budget meeting minutes. Commissioner Pearl-Wright seconded. Motion carried unanimously.

Limited Public Comment. None.

Nathan Baldermann, Audit Principal with the County's audit firm Rehmann Robson, was present to discuss the results of the audit of the County Financial Statements for the year ended September 30, 2024. Financial statements were released on March 19, 2025. Mr. Baldermann explained the County's unqualified audit opinion on the financial statements' presentation in accordance with Generally Accepted Accounting Practices (GAAP) and provided a review of the financial statements and upcoming Governmental Accounting Standards Board (GASB) requirements. Mr. Baldermann, Controller Sobie, and Finance Director Melissa Ballard answered questions from Committee members. Commissioner Haskell moved to approve the Resolution to Accept the September 30, 2024 Eaton County Audit. Commissioner Mudry seconded. Motion carried unanimously.

Equalization Director Tim Vandermark presented the 2025 Equalization Report to the Committee for their review. The total increase in equalized value from 2024 to 2025 was 6.32%. Commissioner Holmes moved to recommend approval of the 2025 Equalization Report to the Board of Commissioners, as presented. Commissioner Pearl-Wright seconded. Motion carried unanimously.

Communications Director Logan Bailey presented the monthly communications report. His reports indicate that the County's website has seen an increase in traffic, due to the Public Safety Millage Proposal and Bank Intercounty Drain. Mr. Bailey discussed the duties and requirements of his position. Discussion held.

Deputy Administrator/Human Resources Director Ben Dawson presented the position updates. The County currently has a vacancy rate of 11.27%, with an average vacancy rate of 12.71% over the last

12 months. He discussed the impact employee vacancies have on the remaining employees. Mr. Dawson indicated there were no new position vacancies to approve by the Committee.

Mr. Dawson presented the results of the Parks Department positions sent to the Municipal Consulting Firm for an evaluation of the compensation structure. Two positions were submitted to the consultant after the Committee recommendation in February, 2025. The consultant recommended the Groundskeeper Foreman as a Grade 5 permanent full-time position and the Seasonal Camp Manager as a Grade 3 temporary position. It was noted that the wages for the two positions will come from the Parks Millage and not the County's General Fund. Commissioner Barber moved to recommend the amendment of the County's Position Allocation List to include the Groundskeeper Foreman, putting the total County full time equivalents to 418.06, to the Board of Commissioners. Commissioner Haskell seconded. Discussion held. Motion carried unanimously.

Mr. Dawson discussed internal human resources changes implemented over the last few weeks. He indicated all non-union employees have been asked to review and sign the newly finalized Earned Sick Time Act Policies. Also being updated is the County's Work-from-Home Policy. Additionally, County Administration has begun completing annual driver background checks; to date, there have not been any findings. The Personnel Policy is being updated to reflect these policy changes.

Mr. Dawson also advised any department that relies on grants and federal funding to monitor developing legal challenges. This was reviewed previously but should continue to be monitored by grant administrators. It is hoped that the next federal budget cycle will have less legal challenges as appropriations approved by prior federal administrations will not be an issue.

The monthly financial report for fiscal year 2024/25 was presented. Ms. Ballard indicated that revenues and expenses were comparable to last fiscal year and consistent with the amended 2024/25 budgets. Ms. Ballard also indicated that County interest revenues and rents exceed budgeted amounts. Ms. Ballard thanked County Treasurer Dairus Reynnet for continuing to leverage County finances to bring in additional revenues.

The health insurance report for January 2025 was presented. The report indicates an unfavorable variance compared to fund revenues of ($90,833). Ms. Ballard indicated that going forward, the monthly reports will be a snapshot of the revenues and expenses for the Health Insurance Fund, with a full report presented once a quarter after the recognition of the quarterly settlement.

The Child Care Fund Report was presented and discussed. State ward chargebacks are higher than expected. However, the County has no control over these costs as they are determined based on placement by the State. Administration will continue to monitor these expenses. Based on the updated projection of revenue and expenditures, the estimated fund balance at September 30, 2025, is $1.7 million.

Controller Sobie reminded Committee members that during the budgetary process, it was determined the County would not make a contribution from the General Fund to the Child Care Fund for fiscal year 2024/25. The County instead would utilize Juvenile Millage Funds to provide the various programs in the facility, such as the Day Treatment Program and the Community-Based Treatment Program. This was an effort to preserve the General Fund and is in cooperation with the courts.

Ms. Ballard noted that the County received a Child Care Fund specific Audit from the State of Michigan in October 2024. The preliminary report was returned to the County this week. More information will be provided at a later date.

The 2023-2024 Fiscal Year End Financial Report was presented. Ms. Ballard indicated that revenues were higher than anticipated due to increased interest revenues. Expenditures were less than anticipated and budgeted for due to departments choosing to delay filling positions or choosing not to fill positions at all. However, expenses for the Public Safety Department, Judicial Department, and General Government have consistently outpaced the tax revenue the County receives. Wages and fringes continue to be the highest expense category for the General Fund. Ms. Ballard also provided additional information regarding the audit report. Discussion held. Ms. Ballard reported there were no audit findings in the County's annual audit report; however, there was a comment about the County's drain clearing reconciliation. The County takes this seriously and is working toward a solution. Controller Sobie and Mr. Dawson discussed how the audit results will impact the County's upcoming budget.

The Pension and Other Post-Employment Benefits (PA202) Report for fiscal year 2024 was presented. Discussion held.

Facilities Director Chad Powers presented the Public Improvements update. Discussion held.

Eaton County Treasurer Dairus Reynnet presented a resolution to support the Eaton County Land Bank Authority seeking State of Michigan appropriations for fiscal year 2025/26. Treasurer Reynnet discussed applying to receive an appropriation from the State of Michigan to purchase and restore a blighted property in Eaton Rapids. Commissioner Barber moved to recommend the approval of the resolution of support to the Board of Commissioners, as presented. Commissioner Haskell seconded. Discussion held. Motion carried unanimously.

Controller Sobie introduced Roger Swets, an attorney from Dickinson Wright PLLC, and Robert Bendzinski, a Municipal Advisor from Bendzinski & Co. They were brought in to answer questions about what Full Faith & Credit means. Mr. Swets and Mr. Bendzinski provided information about drainage districts, how they operate, and their funding. Discussion held.

Chairperson Droscha called for a brief recess at 11:18 a.m.

Chairperson Droscha reconvened the meeting at 11:29 a.m.

A Resolution Pledging Full Faith and Credit to the Hobart Drain Drainage District Bonds was presented. Commissioner Barber moved to recommend approval of the resolution to the Board of Commissioners, as presented. Commissioner Haskell seconded. Discussion held. Motion carried unanimously.

A Resolution Pledging Full Faith and Credit to the Lee Drain Drainage District Bonds was presented. Commissioner Mudry moved to recommend approval of the resolution to the Board of Commissioners, as presented. Commissioner Haskell seconded. Discussion held. Motion carried unanimously.

A Resolution Pledging Full Faith and Credit to Bank Intercounty Drain Drainage District Bonds was presented. Commissioner Mudry moved to recommend approval of the resolution to the Board of Commissioners, as presented. Commissioner Barber seconded. Discussion held. Motion carried unanimously.

Mr. Dawson and Treasurer Reynnet presented financing options for the County's portion of the Bank Intercounty Drain Drainage District. These options were presented with the intent of stabilizing the cost of the County's portion of the Drain assessment as well as to reduce the repayment timeline from 30 years to 20 years or less. This will stabilize payments and reduce interest costs for the County. Mr. Dawson indicated that a final decision regarding all of the terms and financing options can be made at a later date; however, a notice of intent must be provided to move forward in the required timeframe.

A Resolution Authorizing Publication of a Notice of Intent to Issue Capital Improvement Bonds was presented. Commissioner Barber moved to recommend approval of the resolution to the Board of Commissioners, as presented. Commissioner Mudry seconded. Motion carried unanimously.

Miscellaneous. A Resolution to Authorize Application for the Michigan Indigent Defense Grant Program for fiscal year 2025/26 was presented. Commissioner Haskell moved to recommend approval of the resolution to the Board of Commissioners, as presented. Commissioner Mudry seconded. Motion carried unanimously.

Commissioner Pearl-Wright moved to recommend approval of the payment of claims against the County in the amount of $625,908.47, immediate claims in the amount of $1,788,285.79, electronic claims in the amount of $6,113,100.99, and employee payroll in the amount of $1,816,354.70 to the Board of Commissioners as presented. Seconded by Commissioner Haskell. Motion carried unanimously.

Controller Sobie indicated that departmental budget revenue and expense projections for fiscal year 2025/2026 will be presented at the April 25th, 2025, budget meeting. Discussion held. Commissioner Mott requested Administration provide a detailed comparison of revenues and expenses by department as well as a list of mandated versus discretionary expenses and positions regardless of the funding source.

Limited Public Comment. Commissioner Pearl-Wright spoke about the MAC Legislative Conference regarding the Ax MI Tax Petition.

Chairperson Droscha adjourned the meeting at 12:14 p.m.

The next regularly scheduled meeting of the Ways and Means Committee will be held on Friday, May 16, 2025, at 9:00 a.m. in the Board of Commissioners Room of the Courthouse located at 1045 Independence Blvd., Charlotte, MI 48813.

Brian Droscha, Chairperson