

**Fredonia Township Board-Fiscal Budget Hearing/Meeting
June 28, 2019 11:00 AM
Fredonia Township Hall
8803 17 Mile Rd, Marshall, MI 49068**

MINUTES

BOARD MEMBERS present: Doug Damon, Supervisor Karen Diver, Clerk
 Paul Baranowski, Treasurer Jerry Diver, Trustee JC Skowron, Trustee

STAFF present: Phil Damon, Fire Chief Dianna Baker, Deputy Clerk/Cemetery Sexton Roger Smith, Assessor Pamela Jo Eastman, IT Clyde Lampkin, Code Enforcement/Zoning Dan Livingston Sr., Calhoun County Planning Commission Dan Livingston, Jr., Road Committee Jacob Washburn, Deputy Supervisor

PLEDGE OF ALLIGENCE

AGENDA – Additions/Deletions: None

Comment by Doug Damon: He stated: “I personally apologize for the time of day of this meeting. I suggested the time because we have been in budget talks/meetings since January. We have come up with a workable budget where very few amendments will have to be made during the fiscal year. A budget is arrived by the estimation of the history of the past years. The township supervisor is to make sure that budget gets completed. In my opinion, I have selected two experts from the township to assist in preparing the budget. I have checked with Michigan Township Association to see if it was ok for me to do so and they said it was normal for townships to have someone other than the supervisor prepare the budget unless the township is more than 40,000 in population. There are about 10 townships in the state that have more than 40,000. Fredonia has 1,600 to the best of my knowledge. I made the mistake of asking Pamela and JC Skowron to assist with the budget before contacting the township board. Pamela is the best I know of being able to find errors of the past with her computer expertise and JC who has a history of being an accounting instructor and IRS officer. There would be no sense for me to stumble around the budget with the related items with these two individuals with this knowledge sitting on the bench so to speak. So anyway that’s my fault that the, and I thought at that point in time, that it was going to be real simple, it would be a 5 minute meeting but that’s probably not the case of where we’re at.”

On the agenda we have the 2018-2019 Budget to be amended and those amendments are to move to the final amended budget would be within our permit fees (building, mechanical, electrical, plumbing) which would bring us to \$291.00 in the black. Do we have a motion to move to the final amended budget? JC so moved.

MOTION DIED WITH THE LACK OF SUPPORT

There was then, time taken, to look at the budget that was distributed to the board. Karen stated that the budget looked to be \$278,900.00 and the difference in those two look to be more than \$291.00. JC explained that the final amended budget is on an annual base so that’s predicted for comparison next to the year to date. The adopted budget is not for the whole period. So we need to look at where we are in regard with the final amended

budget is in retrospect to the year to date actual. And when you do that and you run down thru there you're showing that, hypothetically, the revenue on the final budget was \$319,109.00, expenditures were \$318,818.00 leaving the difference a positive \$291.00. In retrospect, we are approximately, in round numbers, \$1000.00 to the good in the year to date actual expenditures. We went from revenue of \$329,728.00 to expenditures of \$328,774.00. We looked at some of the year to date numbers in retrospect to the final budget and that brought things into retrospect so that they were equating pretty much to income to expense. Paul asked, "Is there was a sheet with year to date actual revenues versus expenses?" He stated, "So the year to date actual revenue and expenses-that also includes the \$37,000.00 that was transferred in, right? So that's essentially we are using fund balance to cover our expenses for this year? JC said she didn't think it will remain there. She thinks that that will probably be resolved when the audit begins and they start doing year end audits, reversing a few journal entries that were not correctly done. Paul said to JC, "So you're saying that the \$37,000.00 wasn't supposed to be transferred into the General Fund?" JC said, "It was at the time to balance this out but the couple journal entries that were done for the last 90 days had not been reversed and so therefore the income was not placed back into the General Fund and I believe that's going to be a yearend audit adjustment." Paul asked what journal entries JC was referring to. JC said the ones Paul did allocating expenditures of special funds. Paul asked if those were the journal entries that the auditor told him to make. JC said that will be clarified when he shows up. Paul said ok. Pam said it is my understanding that to move funds between fund to fund to fund and after checking previous minutes, it's always needed board approval, and a resolution and a roll call vote to approve that. She stated to Paul that "You did it on your own, I looked and I did not see a resolution". Paul stated, "If that's what you think, that's not my opinion and that is not the auditors opinion" JC said the auditor will quantify that when he shows up. Paul said ok and so you want to pass an amended budget based on what you think the auditor's going to do in September? Pam said, "That is not the case. We are passing the final amended budget column and you vote the board approved to use the \$1,654.00 of that \$37,000.00. We are approving the final amended budget, not the year to date actual. Paul said, "If you look at your final amended budget and you have expenditures of \$318,818.00 and our year to date actual is \$328,770.00 in expenditures we are essentially \$10,000.00 over budget in expenditures. We will get an audit finding for not being under budget. We got it last year and we will get it again this year. Pam stated, "No we won't." Then Paul said, "Not to mention the Trustee salary is 14% over, we need to amend that so we are under budget. The assessor salary is 5% over budget and that needs to be addressed. The cemetery, we are 9% over budget in the proposed amended budget. That needs to be addressed. So those 3 things need to be addressed, otherwise we will get an audit finding. Pam said, "And that's why they are documented here. If it's not good enough, no one of us in this room is a budget specialist. The recommendation was to use the year to date actuals that the board has used all year to keep this budget close to balanced. We recommended that on the revenue side. There are notations on the 3 items that you just mentioned and we absolutely can include in the amendment adjusting them. We've got plenty of money inside of the departments for expenditures that that can be done." Paul wanted to know how these were going to address these departments that are over before the end of the month. It was suggested by Jacob Washburn to move money from departments that have money

