Fredonia Township Board-Budget Meeting April 8, 2019 5:30 PM 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, FD Training Officer |
| AGENDA – REVIEW BUDGET, MAKE AMENDMENTS TO THE 2018-2019 BUDGET Additions/Deletions: Also work on figures for the 2019-2020 Proposed Budget |

Doug Damon opened the meeting and explained this year's plan of attack for reviewing the current budget, making necessary amendments, and preparing the proposed budget for the 2019-2020 fiscal year. He explained to the board that he had enlisted Pam Eastman, our IT Director, to pull reports from our accounting software applications and to organize the data into a budget workshop format. With that Doug turned the meeting over to Pamela to discuss the budget report she had compiled for everyone.

Multiple line items with zero amounts were discussed and it was uniformly agreed to INACTIVE those line items that are not being used so they do not clutter a report. Inactivating a line item does not delete past history, it just "hides" it from current view.

Paul stated he's done collecting taxes and fees, so the revenue we have listed "is what it is". He also stated he doesn't know if the Special Assessment Funds like Lyon Lake Street Lights have their own budget for special assessments. Karen said they have never budgeted them in the past. Jerry asked why they would need a budget. For example Lyon Lake Association determines whether the Weeds Special Assessment is raised or lowered. Karen said they should have been in the budget. Paul said that Drains Special Assessment is coming in under Current Tax. Doug & Karen said that the Road Fund needs to be on the budget per Neil – our Auditor. Doug questioned why the auditor hadn't caught this in the past. Pam stated that the MICHIGAN DEPARTMENT OF TREASURY UNIFORM BUDGET MANUAL states that the General Ledger and all Special Assessment Funds need to be in the budget. The General Ledger has its own budget and each Special Assessment Fund should have its own budget to monitor revenue and expenses in each fund.

Pam asked who reviews each line item. Paul stated that the budget is the Supervisor's job and Karen is in charge of the General Ledger. He also stated that it is up to Doug to decide what amounts go in the Special Assessment Funds. Karen stated that projected amounts should be able to be calculated. Jerry told Karen to make up the figures, example he said monthly bill times 12 times number of residents paying the assessment. Paul cautioned to make sure income can cover the expenses and JC commented that we need to make certain expenses do not exceed the income.

In the Revenue section it was noted expected income for LOCAL COMMUNITY STABILIZATION came in at \$944 although it was expected to be closer to \$26,000. Last year we received \$29,547.11. Paul stated that these monies come from the county. Pam stated she was pretty sure they came from the State. Needs further investigation.

Doug asked if anyone needed to leave early and Paul said he had to leave at 6:30 and Jerry said he had to at 6:45.



All line items for Inspection Fees are way above budgeted projections. Karen stated it was because we have had so many additional permits pulled in comparison to past years. Jerry stated that Trailer Fees come from the County every month. Pam stated they should have been budgeted.

Paul stated that the STATE SHARED REVENUE comes in twice a year and we have gotten all we're going to get this year. Pam stated that they actually come in every other month – 6 times a year. Paul was also asked when we receive the SUMMER TAX COLLECTION FEE. He said we do not charge for this but Pam was able to show receipt of a fee for the past five years. Needs further investigation.

Doug stated that Eckford normally pays their FIRE PROTECTION FEES in June. The INTEREST AND DIVIDENDS line item was budgeted to receive \$900; it currently is at \$3,017. Paul said this was because he increased all funds from .01 to 1% interest rate back in November. Pam stated that this needs further investigation because there is a deposit of \$1100 that came in and specifically stated it was for the upkeep of Houston and Lyon Lake Cemeteries. If the \$1100 is backed out the actual will be \$2,093 and that last year we received \$1567.

It was noted that we received a \$1,099 rebate from the county for our Town Hall LED lighting. Also our Miscellaneous Income is \$7,543 but there is a deposit of \$1,325 from the AT Group Insurance that needs to be backed out and put into the proper account. That leaves \$6,213.63 which was a refund from the government for overpayment on a payroll from a previous year.

Next we went through all the department expenditure line items. Overall most of the departments were within their budgets though some had line items that were over budget. A few changes needed to be made to the Trustees budget as Jerry defers his pay and the line items are not set up right. Also need to better understand how deferred pay is handled in the BSA Payroll application. Karen will investigate with BSA. Also the Trustee wages are over because Ben and Jerry got paid in July for meetings that occurred in June. End of year needs to be closely monitored to ensure expenses go against the correct fiscal year.

In the Elections Department we discovered a new expense that the township needs to budget for. Every time we have an election our new voting equipment needs to be programmed. That fee runs about \$3,000 per election. Only Presidential Primaries help pay these fees, the rest are township's responsibility.

There was much discussion about the Assessor's wages. He is paid \$13,000/year for wages and \$6000 for "Canvassing". Originally the two were segregated and Roger would only get paid for canvassing when he submitted the bill. Karen said Neil, the auditor, said that it should not be a separate line item – it should be part of his pay. Paul said Neil said canvassing is part of Roger's job and paid for by his normal wages. Karen went with what she thought was right and in January she moved the \$6000 into then \$13,000 and Roger began collecting canvassing wages monthly – even though he had not yet canvassed. Jerry said that during the meeting that it was voted to pay employees at the end of the month instead of the third week that at that time Roger stated he has a contract and has always been paid the first of the month. Jerry wants to see the contract because "we pay the Assessor a lot of money and in my (his) opinion Roger is fleecing the township." Jerry added that he suspects Roger is not always telling us the right stuff. Jerry and Paul both emphasized that they believe canvassing is part of the Assessor's duties and he should not get the \$6000 for canvassing. It was also noted that Karen paid Roger his budgeted \$400 for education although she never received a bill.

We found many accounting mistakes in department line items for wages, deputy pay, deferred pay, non-essential employee pay, and FICA payments. JC and Pam will assist Karen in making the corrections.

There was much discussion on how to pay for office supplies. Should it be by department or paid by the Town Hall account. It was agreed that office supplies should go against one line item under Town Hall.

The Treasurer wages are may go over budget. Paul thinks this is because of an overlap of his and Angie's wages. Paul stated he charged his new shredder to the Town Hall account.



Town Hall FICA/Medicare is out of whack. Appears to be due to the Janitor's pay. The Maintenance Office Supplies are high. Professional Contract Services is over budget. These include auditor and attorney payments.

The GENERAL ACTIVITY Department had numerous duplicate line items that matched those in the Town Hall Department. It was agreed to INACTIVATE the General Activity Department (that was created in 2017) and move all activity from it into the Town Hall Department. This will help getting charges into their proper accounts.

Doug asked if anyone knew of any upcoming big purchases. Nobody knew of any. Doug also stated that next year we need to be sure to budget for attorney and audit fees are they were missing from this year's budget.

Jerry stated Ruth and Carl used to do the budget. They had it looking good. "It's not rocket science to balance a budget." Doug said that after the updating of ordinances is complete there should be less attorney fees. Jerry stated he was not trying to tell Doug how to do his job, but he wonders were all the money is going to come from to pay all the expenses.

It was discussed to move all snow plowing and lawn mowing under Town Hall so Karen does not need to do extra work splitting bills between three places. A lot of the line items need to be adjusted because bills were paid out of wrong accounts. Jerry stated the lawn mowing will be over budget by the end of the year because he assumed there will now be 3 new people mowing.

Doug mentioned that he has received complaints about Dianna's wages but now that he can see she has only made 44% of her wages he is not concerned that there is a problem. Jerry said he "is not concerned with what we are paying her but he is concerned because he talked to a resident who brought up basically he was at meeting or whatever and people were forwarding questions to her and she was giving out wrong information and then everyone is upset about it. Questions need to be answered by the correct person." Doug stated that one of our issues is people come in and they have questions and Dianna here and she tries to help them. Hence she is doing this as Deputy Clerk, which comes off Karen's budget, but she is doing work for all departments. Jerry said "right but she should not be answering Zoning questions. She should be giving them Clyde's number and tell them to call Clyde. He's our Zoning guy." Doug suggested getting business cards made up. Karen and Jerry agreed. Jerry that that is why he has pushed for an automated telephone answering system so Dianna does not answer the phone and give these people information that is not right. That just pisses them off and makes us look bad. Just get an answering system people can leave messages and get a call back within 24 hours. Jerry said an automated teller is already in our Charter system. Karen said it's Spectrum. Pam said she doesn't think it's there. Jerry said "then just get an answering machine. People can push buttons and leave a message for the correct person." Karen said it'd be real nice because she is the one checking the answering machine and is writing messages for everyone. This way they could get their own messages.

Pam summed up the meeting noting that she and JC would be working with Karen to make additions, corrections, and deletions. Once those are done and the Special Assessment Funds are figured out, we can run a clean report, and our work will be finished.

| Supervisor Doug Damon adjourned the meeting at <u>6:54 PM</u> . | | | |
|---|----------------------|--|--|
| Karen Diver, Township Clerk | May 20, 2019 Date | | |
| Doug Damon, Township Supervisor | May 20, 2019 Date | | |