

**HAYES TOWNSHIP
BUDGET HEARING
MINUTES
June 11, 2018**

The 2018/2019 Fiscal Year Budget Hearing was called to order by Supervisor VanZee at 6:00 p.m. at the Hayes Township Hall, 09195 Old US 31 N., Charlevoix

Board members present were Marlene Golovich, Paul Hoadley, Matt Cunningham, Robbin Kraft and Ron VanZee. Audience members signed in were Roy Griffitts, Connie Foster, Matt Berg, Julie Collard, David Kemme, Dee Janz, Gary Janz, Dee Hoadley, RJ Button, Bob Parmelee, Bob Jess, Betty Henne, Shirlene Tripp, Omar Feliciano, Patty Feliciano, Jim McMahon, Diane McMahon, Cheri Bogan, Grant Ohlson, George Lasater, Sharon Bagley and Nancy LaCroix

Supervisor VanZee asked to be joined in the Pledge of Allegiance.

The General Fund and Road Fund Budgets are based on cash on hand, anticipated income and anticipated expenses. The budget is a guiding financial document for the Township.

Supervisor VanZee stated the budget reflects necessary and reasonable expenses, review of contracts and reasonable investments in parks.

Supervisor VanZee explained the road budget was based on the 1 mill the public voted in for roads. This is a restricted fund and tax revenue from the 1 mill can only be used for roads.

Public Comment

Who decides what roads get fixed? **The township board with discussion with the County Road Commission.**

Will work begin on Upper Bayshore? **The Township and the Little Traverse Bay Band will be working on this road jointly. It is too late this year to bid it out so the work will be done in 2019.**

Will the corner of Upper Bayshore/Burgess Road be fixed? **Yes Upper Bayshore is scheduled to be paved from Pincherry to Old US 31.**

Will there be any money left for other roads after Upper Bayshore road work is complete? **Currently the budget for road work is all the cash on hand plus all anticipated revenue.**

The proposed general fund budget was presented with the following summary:

	Budget
Income	Jul18/Jun19
Estimated Cash on Hand June 30, 2018	1,040,479.00
Total CHARGES FOR SERVICE	5,500.00
Total Interest	1,700.00
Total Other Misc. Revenues	2,600.00
Total Metro Act	5,000.00
Total Comm. Stabilization	7,000.00
Total State Revenue Sharing	157,299.00
Total Tax Revenue	285,234.00
Total Other CSG CSG	<u>977,300.00</u>
TOTAL C.O.H. PLUS REVENUES	2,482,112.00
Expense	
Total Township Board	56,511.00
Total Supervisor	9,952.00
Total Elections	6,165.00
Total Assessor	34,048.00
Total Clerk	28,595.00
Total Board of Review	2,850.00
Total Treasurer	24,895.00
Total Township Hall	16,800.00
Total Cemetery	11,354.00
Total Health & Welfare	30,000.00
Total Fire Protection	33,475.00
Total Zoning & Planning	16,200.00
Total Ordinance Officer	23,448.00
Total Road Project	7,800.00
Total Maintenance Pay	3,500.00
Total Other Expense CSG	1,640,724.00
Total Parks & Recreation Non CSG	2,000.00
Total Debt Service Interest	5,200.00
Total Insurance/Payroll Tax	28,000.00
Total Expense	<u>1,981,517.00</u>
SURPLUS FUNDS UNALLOCATED	<u><u>500,595.00</u></u>
BURROWED BORROWED CASH	<u>250,000.00</u>
TOTAL CASH AVAILABLE	750,595.00
ELECTED OFFICIALS SALARIES	
Supervisor Salary	\$9,452.00
Trustee Salary (each)	\$2,326.00
Treasurer Salary	\$18,895.00
Clerk Salary	\$18,895.00

If all anticipated revenue is received and all anticipated expenses are incurred the anticipated fund balance (excess funds) is \$500,595. This amount will be the beginning of the 2019/20 budget.

Currently there is \$907,400 in committed grant dollars for Phase I at Camp Sea-Gull.

Ron stated that grant money is restricted for the uses proposed in the grant application.

Paul Hoadley explained that the revenue from collection fees must be spent on tax collection administration; treasurers salary, assessor salary, board of review per diem, equipment and software, office supplies, education all related to tax collection.

Public Comments

More detail is needed in the budget.

Could footnotes be used to designate restricted money

When does the budget have to be passed? **Before the beginning of the fiscal year, July 1.** Do you plan to adopt the budget tonight?

Need more detail in grant revenue showing promised grants versus future grants.

Are you planning to levy an additional tax to repay the Grant Anticipation Note? **No, The Board cannot raise taxes without a vote of the people. The note will be paid with grant dollars. The interest on the note will be paid with general fund money.**

The budget should not be based on money you hope to get but on what you have. **All the anticipated revenue is money we hope to receive.**

The townships normal operating expenses are approximately \$35,000/mo. \$420,000/yr and our income is approximately \$450,000/yr

Do the grantors have to give us the grant money. **If the township fulfills their part of the contract the grantors must fulfill their obligation by paying the grant money to the township. The engineer will be providing oversight to help make sure the township fulfills their obligations.**

The 2016 audit has a statement of material deficiency. What actions has the Township taken to correct this deficiency? The Township should hire an account to improve reporting. **The statement has been in our audit for**

years. The Clerk will check with an accountant to see how this is corrected.

Hire an accountant. Is there money in the budget for recording equipment?

Nothing specific has been budgeted for this.

Is any of the left-over money restricted? Have we met our obligations on restricted funds? **Yes, the only restricted money in the fund balance is the Metro Act money.**

What is the cemetery budget for? It needs more detail. **The Township is preparing a plan for road improvements in the new section and stair and bench replacement in the old section of Undine cemetery.**

If the material weakness has been part of past audits why wasn't it corrected? Is the auditor talking about internal controls? **Bookkeeping will be more complicated because of the number of grants we have for Camp Sea-Gull. Put an additional \$10,000 in the new budget for accountant.**

Ask accountant to help put more information in the budget.

Pass the budget tonight.

Board Discussion

How often do we amend the budget? How typical is this? The budget is only a plan.

Why is there no budget for supervisor equipment? **The supervisor now has a computer.**

Paul Hoadley made a motion, supported by Robbin Kraft to adjourn the Budget Public Hearing at 7:26 p.m. Motion carried.

A complete copy of the proposed fiscal year budgets will be attached to the approved minutes.

Respectfully Submitted,

Marlene Golovich, Clerk

Minutes approved as corrected July 16, 2018