

## Commissioner's Minutes of September 16, 2008

The Gladwin County Board of Commissioners met in Special session on Tuesday, September 16, 2008 at 1:00 p.m. The purpose of the meeting was to address Court funding issues. Chairman Whittington called the meeting to order and the Pledge of Allegiance was recited. Roll call found all Commissioners present.

**Chairman Whittington** commented on the reasons for calling of the meeting and reviewed with the Treasurer her concerns regarding the balance in the Judicial Management Fund and the shortage of funds to cover court expenses for the remainder of the year.

**Treasurer VanTiem** stated that as the court budgets are managed through the Judicial Management Fund, she cannot allow payments that would put the "fund" in a negative position.

**Financial Coordinator Laura Brandon** clarified Court budgeting issues – specifically the added insurance costs (approximately \$40,000 because court employees are still under the old contract) which have added to cash flow issues. Ms. Brandon also noted that revenues have not come in as the courts projected in their 2008 budget requests and that the County annual appropriation to the Judicial Management Fund has already been fully expended. Ms. Brandon stated that both sides needed to come together for resolution.

General discussion.

**Chairman Whittington** noted that as Court employees are not considered to be County employees—the courts have been separated from the General Fund and set aside with their own budget and fund.

**Judge McLaughlin** (Probate Court) commented on the Court Management Budget and that he has never heard of counties setting up court budgets this way.

**Judge Evans** (Circuit Court) added that he had read about the Judicial Management Fund in the newspaper. Judge Evans stated that "there is no problem – there is no emergency" that "there are still dollars in the bank to cover the court's expenses". Judge Evans further noted that the Judicial Management Fund is only a bookkeeping device created to keep track of revenue and expenses--that there is no "real" problem, -- the only problem is that the Board has not voted to fund the court's contract – and that the longer they delay the more it costs them (the board) Judge also addressed the 215 account and what those funds can be used for. Judge also commented that the Courts didn't call this meeting – that the Board called the meeting to address an emergency that doesn't exist.

**Chairman Whittington** stated that he understood that the Courts were budgeted enough (with the County appropriation and their projected revenues) to fund their budget requests for the year.

**Judge Evans** further noted that he does not have a problem with the Judicial Management Fund – that it has been an eye opening experience for him, but further reiterated that “there is no problem.” as there are sufficient funds in the bank to cover the court’s expenses.

**Commissioner Reid** commented on the economy and the consequences of that on the County budgets, both General Fund and the Judicial Management Fund. Commissioner Reid further pointed out that the Board has and will continue to seek avenues to provide services at minimal cost. Commissioner Reid added “with all due respect to the courts” that the continued increase in costs to support the Courts have to come from somewhere – in this case from the General Fund --and to give the Courts extra dollars may require that severe cuts be made in other areas.

**Judge Evans** stated that the failure/refusal of Board to vote to fund the court contract has only exacerbated this problem. Judge further commented on revenue being brought in by the Courts and stated that “employees will be paid –no matter what.”

**Chairman Whittington** questioned the Judge’s statement that if the contract were approved – this situation would not have occurred.

**Commissioner Rhode** commented that the board cannot fund the court contract as negotiated – that the added cost this year may only be about \$40,000, but one must look at the remaining years of the contract and those additional costs to the county.

**Mike Greer, District Court Magistrate**, spoke regarding the Judicial Management fund – noting that District Court did not request this fund. Mr. Greer also commented on the decline in District Court revenues this year and that the Court has no control over those revenues. Comment was also made on the District Court’s expense management and the savings that have been realized.

**Court Administrator Darrell Schlese** stated that the courts have never been in this situation before because they were part of the general fund and had those reserves to draw on.

**Judge Allen** (District Court) – spoke on his timing for retirement and that the county already has “bare bones” courts. The only problem he (Judge Allen) has had over the years has been dealing with commissioners. Noting that they (the Courts) have worked hard to try and meet the Boards medical package, Judge Allen stated that the Courts are not the enemy – they work for the County – and asked that the Board start working with the Judges.

**Treasurer VanTiem** asked that the Board "set up something" that would allow her to transfer funds to cover Court expenses.

**Commissioner Rhode** noted that the County has had to “borrow” to fund their budget until the revenues come in – perhaps the Judicial Management Fund could “borrow” until such time as their revenues come in.

**Chairman Whittington** commented “that someone has to take responsibility – and control the spending”. The only solution he sees is for the board to simply “turn over the checkbook to the courts and just let them spend it all”.

**Financial Coordinator Laura Brandon**, commented that both side” need to come together” –that the expected revenues and expenses of the courts, for the remainder of the year, need to be computed and an agreement worked out between the Courts and the Board, for funding for the remainder of the year.

**Chairman Whittington** commented that the matter would be referred to the County Affairs committee as the Courts fall under that committee.

**Judge Evans** interjected that the Board could make a resolution to allow the Treasurer to transfer sufficient funds to cover the court’s payroll and then refer the other budget matters to committee.

**Commissioner Walters** moved to have the Clerk compute the additional cost of the court’s insurance (added cost of keeping court employees on the “old” plan during pending negotiations on the court contract) and then to authorize transfer of that amount from the General Fund to the Judicial Management Budget. This action will cover the upcoming finance and the next payroll, giving time for the Judges to meet with the committee to “iron out” other budget issues. Motion supported by Commissioner Carl. Ayes carried, motion passed. Commissioners Hoag and Whittington voting no.

**Commissioner Reid** commented further the 2009 budgeting process –noting that it may “boil down” to staffing cuts to bring the budget into line.

**Commissioner Rhode** then moved to adjourn, supported by Commissioner Hoag. Ayes carried, meeting adjourned at 2:10 p.m.

*Darlene Conner questioned the budgeting process and if persons and departments involved have sufficient time to review the budget, before being asked to make decisions. Ms. Conner was assured that the Board has several “work sessions” on the budget and are fully advised of budget issues prior to having to make budget decision.*

Laura Flach  
Clerk

Terry Whittington  
Chairman