

**Arenac County Board of Commissioners
Special Meeting Minutes
Monday, July 28, 2025 @ 11:00 a.m.**

Present: Commissioners Harold Woolhiser, Sally Mrozinski, Roberta Burke, Lisa Salgat and Rachel Vallad.

Absent: None

Other Members: Nancy Selle – Arenac County Clerk and Austin Hazeltine – County Coordinator.

Guests: Steve Adair – Woodhill ~~(Zoom)~~.

Meeting called to order at 11:00, with the Pledge of Allegiance to the United States Flag.

Approval of Agenda:

Motion, Mrozinski, to approve the Agenda, as presented; support, Vallad; 5 yeas, 0 nays; motion carried.

PURPOSE OF MEETING: To review Arenac County Process Improvements and Recommendations from Woodhill Group. Woodhill's review of processes within the county presented 20 points for county review and implementation. They consist of eight (8) Critical, six (6) Important and six (6) recommended Best Practices.

July 25, 2025

Arenac County Process Improvements and Recommendations

Summary of Critical Process Improvements and Recommendations

Critical process improvements and recommendations are those that we consider essential to the on-going operation of the county. As the county works to implement our recommendations, these items should have top priority, as failure to address these will result in process failures and/or non-compliance with state and federal laws.

PRIORITY	PRIORITY TYPE	DEFICIENCY IDENTIFIED	RECOMMENDATION	RESPONSIBLE OFFICIAL	CAN WOODHILL ASSIST
1	CRITICAL	Lack of financial expertise and staffing in the organization	Need to hire a finance director. This director would report directly to the Board of Commissioners.	Board of Commissioners	YES
2	CRITICAL	Credit Card Processing - too many merchant accounts	Need to eliminate credit card merchants in order to streamline cash receipting and bank reconciliation processes.	County Treasurer	YES
3	CRITICAL	Drain Accounting	Need to make changes to drain accounting to be in compliance with state drain code. Specifically, need to have appropriate funds used and special assessment rolls should be maintained so that balances outstanding by parcel can be reported.	County Drain Commissioner	NO
4	CRITICAL	Lack of policies, including policies required under uniform guidance for federal grants	RESOLVES FINANCIAL AUDIT FINDING 2024-002. Need to not only pass a long list of financial policies, but also need to understand them and enforce them going forward in order to avoid future grant compliance findings.	Finance Director	YES
5	CRITICAL	Lack of a General Appropriations Ordinance (PA2 budget non-compliance)	Use the template General Appropriations Ordinance provided by the Woodhill Group on future budgets in order to be in compliance with state law.	Finance Director	YES
6	CRITICAL	Surplus Sale Proceeds Recorded to Custodial Funds	RESOLVES PART OF FINANCIAL AUDIT FINDING 2024-001. Surplus sale proceeds should be accounted for within the Tax Foreclosure Fund, with a liability created for potential future claims on the proceeds by third parties.	County Treasurer	YES
7	CRITICAL	Lack of Grant Accounting Processes - Reconciliations to BS&A and Reviews/Approvals of Reporting	RESOLVES PART OF FINANCIAL AUDIT FINDING 2024-001. A uniform process needs to be established and enforced related to grant reporting. No reporting should be released to funding agency without reconciliation to accounting records first.	Finance Director	YES
8	CRITICAL	Cash Receipting Processes	One receipting event should equal one receipt, i.e., do not split one Michigan Sigma BTT into multiple receipts.	County Treasurer	YES

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Arenac County Process Improvements and Recommendations

Summary of Important Process Improvements and Recommendations

Important process improvements are those we deem to be highly impactful to the efficiency of the county. The opportunity for efficiency improvements from enacting the recommendations for each of these items will result in either significant time savings for staff, cost savings for the county, or both.

PRIORITY	PRIORITY TYPE	DEFICIENCY IDENTIFIED	RECOMMENDATION	RESPONSIBLE OFFICIAL	CAN WOODHILL ASSIST
9	IMPORTANT	Current Tax Collections commingled with court-related custodial activities in Fund 701	Current Tax Collections activity should be moved to a new fund, Fund 703.	County Treasurer	YES
10	IMPORTANT	Paper checks written for online ACH payments	The "EFT Transfer" payment option should be utilized in BS&A/P so that vendor payments can be maintained without the need for voiding a paper check.	Finance Director	YES
11	IMPORTANT	Accounting for Treasurer costs related to claims on surplus proceeds	Need to account for costs (employee, office, third parties) related to administering DTRF activities on these parcels. These costs can be captured as a cost basis when claims are made against the county, increasing the funds the county can keep.	County Treasurer	YES
12	IMPORTANT	Lack of Contract Management	Need to establish a uniform contract approval process, which can be done via SmartSheets. Also need to establish a contract repository for all county contracts, including grant agreements. We recommend that the County Clerk act as the custodian of the contract repository.	Finance Director	NO
13	IMPORTANT	Healthcare Expenses - Development of Rates for Budget Purposes	Need to create a blended rate for each plan so that regardless of the member's status, the employer cost is the same. This greatly improves the efficiency and accuracy of the budget process.	Finance Director	YES
14	IMPORTANT	Lack of annual escheatments	In compliance with state law, the county should transmit state dated checks > 1 year old to the State of Michigan's Unclaimed Property Division.	Finance Director	YES

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Arenac County Process Improvements and Recommendations

Summary of Optional Process Improvements and Recommendations

Recommended process improvements are those we identified as opportunities for the county to adopt industry best practices, which may lead to efficiency gains in the county. While not as essential as critical or important recommendations, these will still positively impact the efficiency of the county's operations.

PRIORITY	PRIORITY TYPE	DEFICIENCY IDENTIFIED	RECOMMENDATION	RESPONSIBLE OFFICIAL	CAN WOODHILL ASSIST
15	RECOMMENDED	Cash receipts - attach support for all transactions recorded	All cash receipts should include attached support in BS&A. This will improve efficiency when reviewing, monitoring, and reconciling related activity.	Finance Director	NO
16	RECOMMENDED	Leave balances exist for long retired employees in BS&A HR module	Place a ticket with BS&A HR support in order to eliminate old balances and create a process for eliminating balances for retiring/terminating employees which includes zero outs of any remaining leave time. This will greatly enhance accuracy in leave reports.	Finance Director	YES
17	RECOMMENDED	Tax settlement worksheets were difficult to understand and varied in their approaches to balancing to local units	Create a standard tax settlement workbook for use by the Deputy Treasurer with all local units.	County Treasurer	YES
18	RECOMMENDED	No allocation of personnel costs to the Concealed Pistol License (CPL) Special Revenue Fund	Create a cost allocation to the CPL fund based on employee time spent on CPL processing. Also include any third party costs, such as fingerprinting expenses.	Finance Director	YES
19	RECOMMENDED	Accrued payroll was generated, but not posted into BS&A general ledger	Accrued payroll should be posted when generated in order to increase efficiency in the audit prep / year-end closing process	Finance Director	YES
20	RECOMMENDED	Law Library is a separate special revenue fund despite receiving over 50% of its support from the General Fund	Consider making the law library a department in the General Fund for the 2026 budget	Finance Director	NO

Although each department completes their required tasks, Woodhill recommends hiring a Finance Director. This would be an individual that would look at the big picture, not just at each department individually. Some tasks require information from several departments, to be compiled for various reporting to state or federal agencies.

Woodhill will end their assistance at the end of September, unless additional time is needed. Discussion pertaining to needs and qualifications as well as part time, full time, contracted, title, etc. Steve would assist in the hiring process, if his assistance is requested.

12: 45 p.m. - Conclusion of presentation, ~~via zoom~~, with Steve Adair, of Woodhill.

Recommended Policy Review – Review/Discussion on the various policies being recommended to implement. Board to review over the next two weeks and recommend changes, if needed.

After review and discussion, the following was offered:

Motion #1 – Finance Director

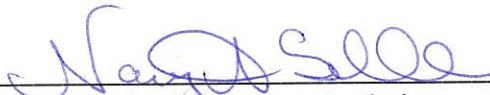
Motion, Burke, to post the position for a part time Finance Director; 21 hours per week; bachelor Degree in Accounting; 5-10 years governmental finance experience; Compensation based on qualifications and experience; support, Mrozinski; 4 yeas, 1 nays; motion carried.

Public Comment: None

Adjourn:

With no further business, the following was offered: Motion, Vallad, to adjourn at 1:53 p.m.; support, Mrozinski; 5 yeas, 0 nays; motion carried.

July 28, 2025, Special Meeting Minutes of the Board of Arenac County Commissioners submitted by:


Nancy A. Selle, Arenac County Clerk


Attest: Harold Woolhiser, Board Chairperson