

Agenda
Tuscola County Board of Commissioners
Special Committee of the Whole Wednesday May 5, 2021 – 9:00 A.M.
HH Purdy Building - 125 W. Lincoln, Caro, MI

RESIDENTS OF TUSCOLA COUNTY PLEASE TAKE NOTICE

A Hybrid Meeting, held in-person at the HH Purdy Building and virtually incorporating Google Meet Electronic remote access, will be implemented for this meeting. This is in accordance with Tuscola County Board of Commissioners 2021-07 Declaration of a Local State of Emergency related to COVID – 19

To participate in the Electronic Meeting you can:

Join by phone: ((US) +1 260-758-0937 PIN: 387 091 508#
Join by Hangouts Meeting ID: meet.google.com/icg-sqhs-gfk

9:00 A.M. Call to Order – Chairperson Bardwell
Roll Call – Clerk Fetting
Adoption of Agenda

County Updates

None

New Business

- 1. Tuscola County Cost Allocation Plan Review – (See A)**
Gordon Stryker, Senior Manager
Financial Solutions Group – MGT
Stephanie Farrell, Consultant
Financial Solutions Group - MGT

Old Business

None

Finance/Technology
Committee Leader **Commissioner Young** and Commissioner DuRussel

Primary Finance/Technology

1. None

On Going and Other Finance and Technology

Finance

1. Preparation of Multi-Year Financial Planning

Technology

2. GIS Update
3. Increasing On-Line Services/Updating Web Page

Building and Grounds

Committee Leader **Commissioner DuRussel** and Commissioner Grimshaw

Primary Building and Grounds

1. None

On Going and Other Building and Grounds

Personnel

Committee Leader **Commissioner Grimshaw** and Commissioner Vaughan

Primary Personnel

1. None

On-Going and Other Personnel

1. MERS
2. MAC 7th Meeting Updates
3. Safety Committee's – Watch for Grant Opportunities

Other Business as Necessary

1. None

On-Going Other Business as Necessary

Public Comment Period



Tuscola County, Michigan

Board of Commissioners Presentation
Cost Allocation Plan Services

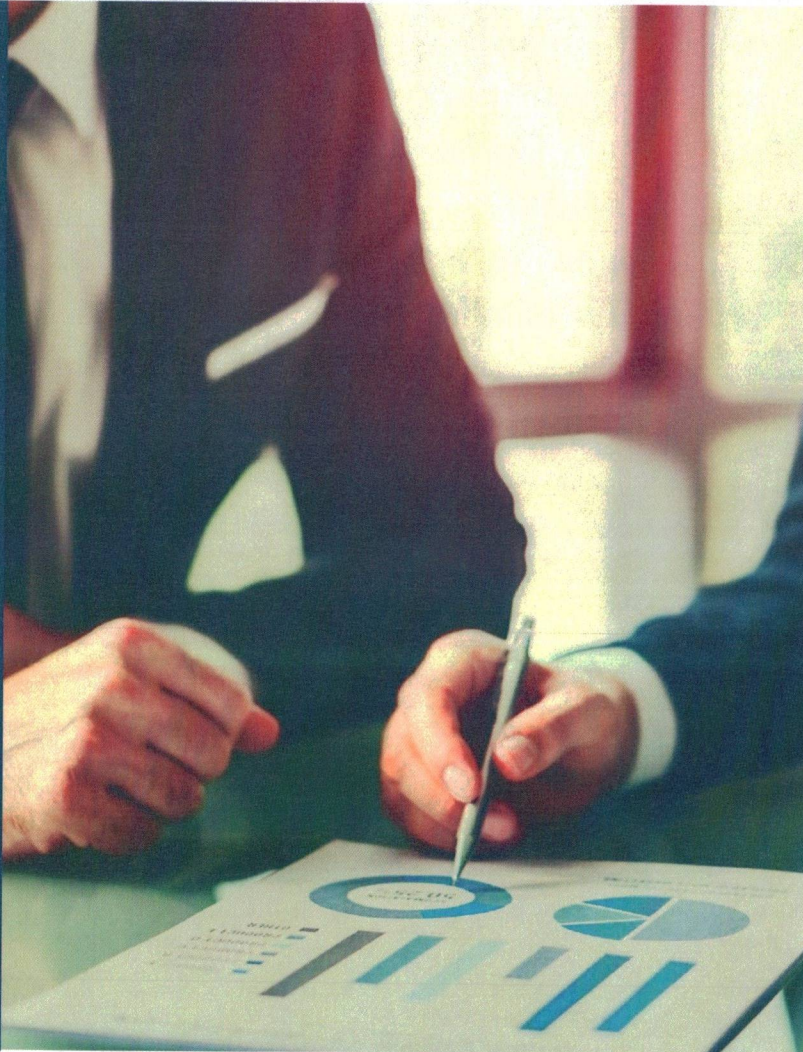
May 5, 2021

Gordon Stryker

Senior Manager

Stephanie Farrell

Consultant



1. Objectives

- MGT corporate background and team introduction
- MGT qualifications and experience
- Cost Allocation 101 training
- Benefits of a Cost Allocation Plan
- Discussion/Questions

MGT CONSULTING GROUP

45+ Years

Years Of Experience in Public Sector Management Consulting

65%

Of Projects Are From Repeat Clients

200+

Dedicated Consultants

12,000+

Successful Clients Across The Globe

70%

Of Employees are former public sector leaders

10+

Locations Across The Country

NATIONAL FIRM LOCAL FOCUS

CALIFORNIA
Sacramento | Pasadena

ILLINOIS
Chicago

OHIO
Columbus

COLORADO
Denver

MASSACHUSETTS
Boston

TEXAS
Dallas

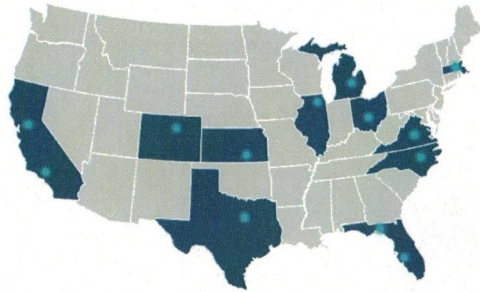
FLORIDA
Tallahassee | Tampa

MICHIGAN
Bay City

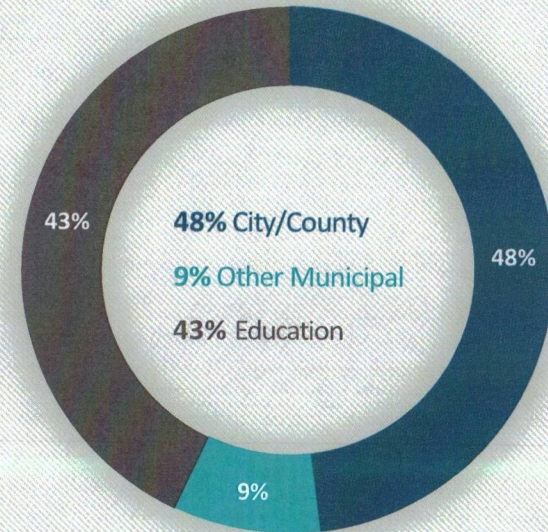
VIRGINIA
Richmond

KANSAS
Wichita

NORTH CAROLINA
Raleigh



MGT IS A TRUSTED PARTNER WITH TENURED, PROVEN EXPERIENCE



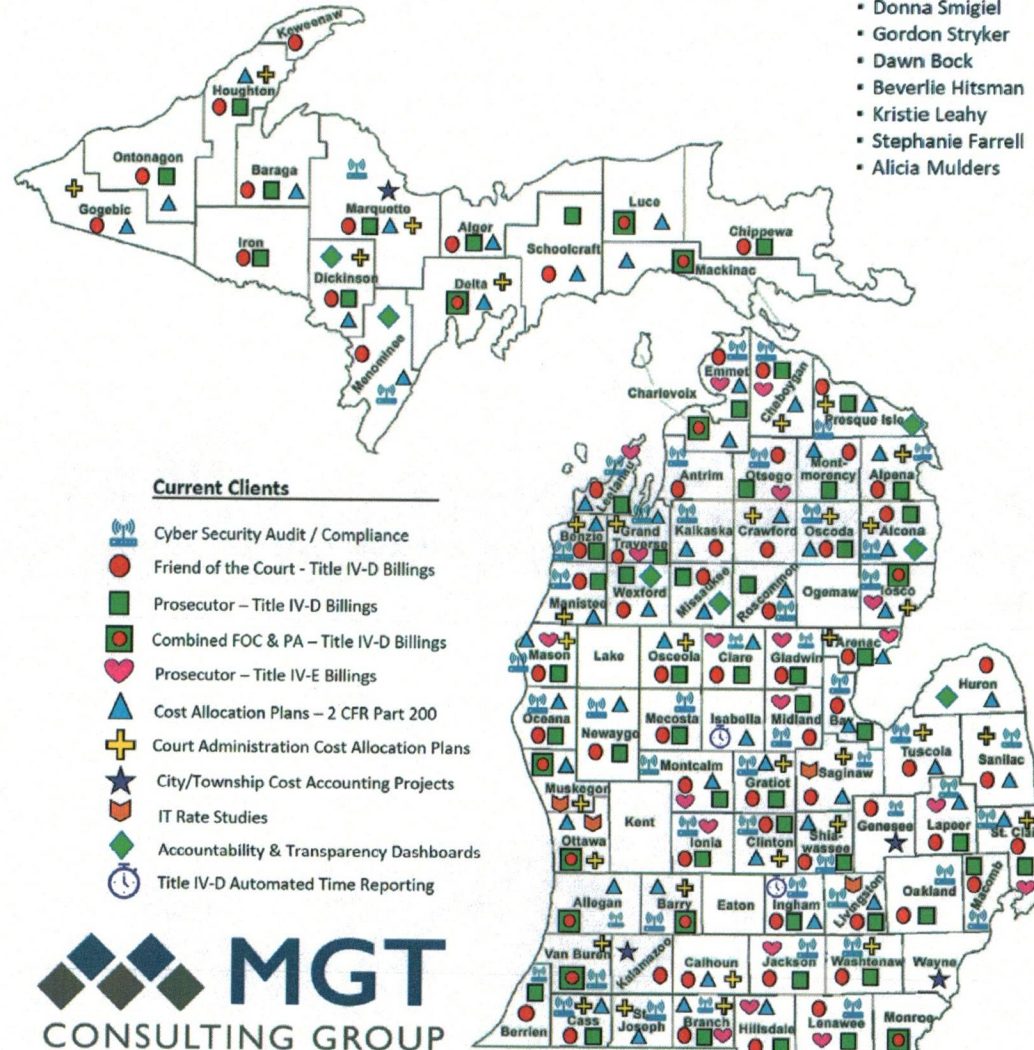
WHY ARE WE DIFFERENT?

- + Depth and breadth of technical expertise/portfolio
- + Comprehensive, national qualifications

Michigan Client Map

Professional Consulting Staff

- James R. Olson
- Donna Smigiel
- Gordon Stryker
- Dawn Bock
- Beverlie Hitsman
- Kristie Leahy
- Stephanie Farrell
- Alicia Mulders



Updated: 6-20-2020

- What is a Cost Allocation Plan
- Why prepare an annual Cost Allocation Plan
- What is Title IV-D of the Social Security Act
- How often does a Cost Allocation Plan need to be completed
- Benefits of a Cost Allocation Plan
- How to read a Cost Allocation Plan



What is a Cost Allocation Plan?

- A cost allocation plan is document prepared using guidelines from federal regulation 2 CFR Part 200 that fairly and equitably distributes expenditures (indirect costs) spent by the General Fund to support other county departments.
 - Direct Costs
 - Project, program, or task specific
 - Easily identifiable and tracked to a particular cost objective
 - Examples: Wages, Fringe Benefits, Travel, Office Expenses,
 - Operating programs, grantee departments
 - Indirect Costs
 - Costs which benefit more than one task, activity or program
 - Costs that cannot be assigned, or directed, to a specific task, activity or program without making an *effort disproportionate to the results achieved*
 - Examples: IT Costs; Building Expenses; Utilities; HR-Payroll Processing; Account Receivables and Payable Transactions; Liability Insurance
 - Administrative/Overhead/Support programs



Why Prepare an Annual Cost Allocation Plan?

- Recover allowable costs from Federal (Title IV-D) and State programs (grants and awards)
- Reimbursement to the general fund for support provided to internal service and enterprise funds
- Allocate appropriate indirect costs to funds, programs or activities
 - Building Department
 - Millage Funds: Seniors, Veterans, Libraries, Road
- Critical component of
 - Indirect cost (overhead) rates
 - Fully loaded hourly billing rates
 - User Fee calculations
 - Budgeting process-resource/subsidy decisions



What is Title IV-D of the Social Security Act

- Federal legislation and regulations require that every State administer a Child Support Enforcement (CSE) program, also known as “The Title IV-D Program”
 - Title IV-D provides un-capped reimbursement funding for all expenditures spent to administer the CSE program. (Both Direct and Indirect expenditures)
- In Michigan, the CSE program requirements are pushed down to the County Friend of the Court and Prosecuting Attorney’s Office
 - Title IV-D Program Requirements
 - Establishment of Paternity
 - Establishment of Child Support orders
 - Modification of Child Support orders
 - Collection of Child Support payments
 - Enforcement of Child Support orders



State of Michigan requires that a cost allocation plan be prepared annually to claim reimbursement for the indirect costs to administer the CSE program

- Cost Allocation Plans must be prepared using audited county financials
- The annual cost allocation plan is always prepared one year behind. Ex: The FY 2020 cost allocation plan is prepared in FY 2021, and the calculations are used for claiming reimbursements in FY 2022.
- Cost allocation plans must be submitted to the State 30 days before they will begin being used. Ex: Counties that operate on a calendar year must submit their cost plan to the State by November 30th.



Benefits of a Cost Allocation Plan

In FY 2020 Tuscola County paid MGT \$ 8,500 to prepare the annual cost allocation plan.

The County received \$ 99,822 in indirect cost reimbursements from the State of Michigan for indirect services to the Friend of the Court.

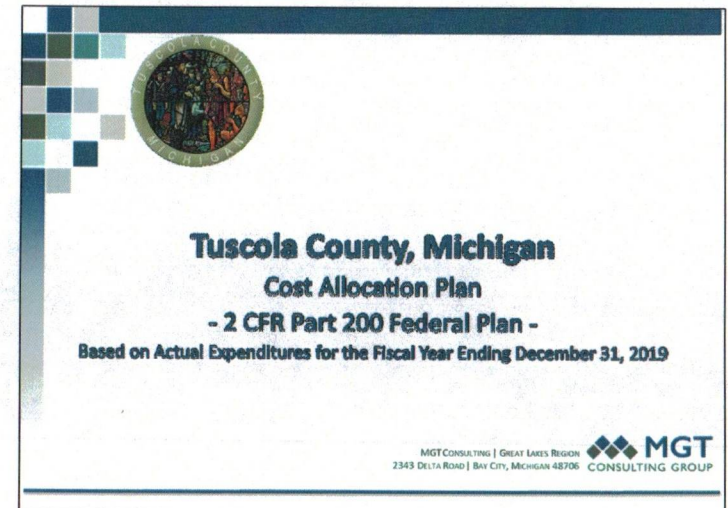
MGT does not have recovery data for the Prosecuting Attorney's office. Our experience is that the recoveries are similar.

MGT Cost Allocation Billing for Tuscola County, Michigan FY 2018 Cost Allocation Plan Recoveries			
Proposed Contract Amount			\$ 8,500.00
DHS-286 Recoveries:		FOC Indirect & DP Indirect	
	Cost Plan Monthly	Monthly Billing	
January 2020	\$ 14,223.75	\$ 12,593.71	
February 2020	\$ 14,223.75	\$ 12,659.14	
March 2020	\$ 14,223.75	\$ 12,561.00	
April 2020	\$ 14,223.75	\$ 12,889.57	
May 2020	\$ 14,223.75	\$ 12,943.61	
June 2020	\$ 14,223.75	\$ 12,932.23	
July 2020	\$ 14,223.75	\$ 12,460.00	
August 2020	\$ 14,223.75	\$ 12,152.77	
September 2020	\$ 14,223.75	\$ 12,504.10	
October 2020	\$ 14,223.75	\$ 12,356.17	
November 2020	\$ 14,223.75	\$ 12,553.88	
December 2020	\$ 14,223.75	\$ 12,640.64	
Total	\$ 170,685.00	\$ 151,246.82	
County Share			
66%		\$ 99,822.90	
Earned/Estimated:			



Cost Allocation Plan Schedules

- Cover
- Certification Page
- County Organizational Chart
- Narrative “How to read the cost plan”
- Table of Contents
- Summary Schedule
- Central Service Department Details



MGT Software – Summary Schedule

MGTCAP

Summary Schedule

Department	101-723 Airport Zone Brd of Appeals	101-728 EDC	201 Road	207-303 Road Patrol	207-330 Alcohol Enforceme nt	208 Parks	213 Arbela Police	214 Primary Road Imp	215 FOC	FOC/ DP
1 Building Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,722	\$0
2 Equipment Depreciation	0	0	0	0	0	0	0	0	127	0
3 101-104 Postage	0	0	0	212	0	0	0	0	0	0
4 101-202 Professional Services	45	3	172	1,334	25	201	231	61	1,154	0
5 101-211 Legal Services	17	593	0	19,547	0	207	792	11,611	8,913	0
6 101-215 Clerk	9	1	0	875	0	68	28	7	435	0
7 101-223 Controller	269	26	1,702	60,080	0	2,119	2,900	617	33,334	0
8 101-253 Treasurer	364	28	1,795	9,275	14	2,024	1,652	758	12,529	0
9 101-259 Computer Ops	0	2,887	0	25,308	0	0	1,231	0	1,835	72,509
10 101-265 Building & Grounds	0	0	0	6,032	0	35,194	0	0	23,199	0
11 101-266 Human Svcs Bldg Maint	0	0	0	0	0	0	0	0	0	0
12 101-303 Security	0	0	0	0	0	0	0	0	19,689	0
13 101-865 Insurance	1	44	0	135	0	31	(7)	868	4,215	0
14 101-863 Sick & Vacation Fringes	0	0	0	(6,386)	0	0	450	0	5,526	0
Total Current Allocations	706	3,583	3,669	116,413	39	39,844	7,277	13,921	118,679	72,509
Less: Prior Year Allocations	0	0	0	0	0	0	0	0	99,521	72,390
Carry-Forward	0	0	0	0	0	0	0	0	19,158	119
Proposed Costs	\$706	\$3,583	\$3,669	\$116,413	\$39	\$39,844	\$7,277	\$13,921	\$137,836	\$72,628



MGT Software – Department Expenditures

MGTCAP

A. Department Costs		Dept:7 101-223 Controller				
Description	Amount	Dept. Admin	Accounting	Payroll/ HR	General Gov't	
Personnel Costs						
Salaries	S1 269,980	109,430	70,299	43,858	36,668	
Salary % Split		40.53%	26.04%	16.24%	13.58%	
Benefits	S 117,707	47,710	30,649	19,121	15,987	
Subtotal - Personnel Costs	387,688	157,140	100,949	62,979	52,655	
Services & Supplies Cost						
Supplies, Printing & Postage	S 5,733	2,324	1,493	931	779	
Memberships & Subscription	S 156	63	41	25	21	
Travel	S 453	184	118	74	62	
Advertising	S 117	47	30	19	16	
Employee Training	S 135	55	35	22	18	
Subtotal - Services & Supplies	6,593	2,672	1,717	1,071	896	
Department Cost Total	394,281	159,812	102,666	64,050	53,551	
Adjustments to Cost						
Subtotal - Adjustments	0	0	0	0	0	
Total Costs After Adjustments	394,281	159,812	102,666	64,050	53,551	
General Admin Distribution		5,971	3,836	2,393	2,001	
Grand Total	\$394,281	\$165,784	\$106,502	\$66,444	\$55,552	
					not allocated	



MGT Software – Allocation by Function

MGT CAP

Dept. Admin Allocations			Dept:7 101-223 Controller			
Department	Units	Allocation Percent	Direct Billed	Department Allocation	Second Allocation	Total
6 101-215 Clerk	8.00	4.04%	\$0	\$6,899	\$0	\$6,899
7 101-223 Controller	4.99	2.52%	0	4,303	0	4,303
49 207-303 Road Patrol	20.92	10.57%	0	18,040	15,098	33,138
52 213 Arbela Police	0.99	0.50%	0	854	714	1,568
54 215 FOC	12.15	6.14%	0	10,477	8,768	19,246
57 218 Dispatch/ 911	13.00	6.57%	0	11,210	9,382	20,592
59 224 Regional DWI Court Grant	1.81	0.91%	0	1,561	1,306	2,867
81 266 Forfeiture Sheriff/ PA	0.47	0.24%	0	405	339	744
89 292 Child Care	5.07	2.56%	0	4,372	3,659	8,031
Subtotal	197.83	100.00%	0	170,598	133,396	303,994
Total				\$170,598		\$303,994
Basis Units: # of FTEs by Dept						
Source: Payroll						

Payroll/ HR Allocations			Dept:7 101-223 Controller			
Department	Units	Allocation Percent	Direct Billed	Department Allocation	Second Allocation	Total
6 101-215 Clerk	8.00	4.04%	\$0	\$2,765	\$0	\$2,765
49 207-303 Road Patrol	20.92	10.57%	0	7,230	6,051	13,281
52 213 Arbela Police	0.99	0.50%	0	342	286	629
54 215 FOC	12.15	6.14%	0	4,199	3,514	7,713
57 218 Dispatch/ 911	13.00	6.57%	0	4,493	3,760	8,253
81 266 Forfeiture Sheriff/ PA	0.47	0.24%	0	162	136	298
89 292 Child Care	5.07	2.56%	0	1,752	1,466	3,219
Subtotal	197.83	100.00%	0	68,373	53,463	121,836
Total				\$68,373		\$121,836
Basis Units: # of FTEs by Dept						
Source: Payroll						

Accounting Allocations			Dept:7 101-223 Controller			
Department	Units	Allocation Percent	Direct Billed	Department Allocation	Second Allocation	Total
3 101-104 Postage	19	0.08%	\$0	\$92	\$0	\$92
4 101-202 Professional Services	6	0.03%	0	29	0	29
48 201 Road	196	0.86%	0	945	757	1,702
52 213 Arbela Police	81	0.36%	0	390	313	703
53 214 Primary Road Imp	71	0.31%	0	342	274	617
54 215 FOC	734	3.23%	0	3,538	2,836	6,375
56 216 Family Counsel	28	0.12%	0	135	108	243
135 864 Pigeon River IC	37	0.16%	0	178	143	321
136 865 Fulton St Drain Debt	18	0.08%	0	87	70	156
137 867 Indian Creek I/ C	22	0.10%	0	106	85	191
138 868 Yax North Debt Retirement	28	0.12%	0	135	108	243
Subtotal	22,736	100.00%	0	109,594	85,696	195,290
Total				\$109,594		\$195,290
Basis Units: # of AP & JE Trans						
Source: General ledger						



MGT Software – Allocation Summary

MGTCAP

Allocation Summary		Dept:7 101-223 Controller			
Department	Dept. Admin	Accounting	Payroll/ HR	Total	
3 101-104 Postage	\$0	\$92	\$0	\$92	
4 101-202 Professional Services	0	29	0	29	
5 101-211 Legal Services	0	1,282	0	1,282	
6 101-215 Clerk	6,899	897	2,765	10,560	
7 101-223 Controller	4,303	400	1,725	6,428	
8 101-253 Treasurer	7,999	1,381	3,206	12,586	
49 207-303 Road Patrol	33,138	13,661	13,281	60,080	
51 208 Parks	0	2,119	0	2,119	
52 213 Arbela Police	1,568	703	629	2,900	
53 214 Primary Road Imp	0	617	0	617	
54 215 FOC	19,246	6,375	7,713	33,334	
56 216 Family Counsel	0	243	0	243	
57 218 Dispatch/911	20,592	8,476	8,253	37,322	
58 221 Health Dept	0	1,841	0	1,841	
59 224 Regional DWI Court Grant	2,867	4,316	1,149	8,332	
60 225 Vassar Police	1,616	1,207	648	3,470	
61 230 Recycling	8,237	8,198	3,301	19,737	
136 865 Fulton St Drain Debt	0	156	0	156	
137 867 Indian Creek I/C	0	191	0	191	
138 868 Yax North Debt Retirement	0	243	0	243	
Total	\$303,994	\$195,290	\$121,836	\$621,120	



MGT Services

Current Services to Tuscola County

- **Annual Cost Allocation Plan**
- **Title IV-D Billing Service for the Friend of the Court Office**
- **Electronic Time Reporting Service**
- **Cyber Security Assessment**

Other Services Being Offered

- **User Fee / Cost of Services Studies**
- **Internal Service Fund Assessments**
- **Managed Security Services Provider – 24/7 IT Infrastructure Support**



Current Cost Allocation Plan Contract

- Signed on February 13, 2020
- Three years, plus two option years
- Starting with the preparation of the FY 2019 cost allocation plan last year
- Annual rate is \$8,500



Why MGT?

- Current experience with the County operations and staff (over 10 years)
- MGT's core business is cost allocation, over 500 plans annually
- Dedicated, skilled project team with deep nationwide knowledge base including experience with other Michigan counties.
- Local presence and office with plans for further expansion.
- Strong professional relationships with the MI DHHS Office of Child Support which helps secure plan approvals with minimal burden from County staff
- Customized approach including comprehensive review
- Powerful software used to prepare plans with comprehensive comparison reports
- On time delivery with continuous communication
- Management Reports/Status Reports



Gordon Stryker, Project Director

gstryker@mgtconsulting.com

989-573-0503 – cell

989-316-2220 - office



THANK YOU

Questions / Discussion