



Commission on Aging

***DRAFT MINUTES  
SPECIAL BOARD OF DIRECTORS MEETING  
July 12, 2023***

Meeting called to Order: 1:00 pm

Pledge of Allegiance: All

**Roll Call:** Roberta Kary – Chair, Peggy Poynter – Vice Chair, Chuck Corwin – Secretary, Kim Warner – Treasurer, Patty Bone, Steve Perialas, Phyllis Piotrowski, Kimberly Daniels, and Marc Milburn

Executive Director, Mary T. Fry

**Introduction of Guests:** None.

**Reading of Mission Statement:** Mary T. Fry

The purpose of the Roscommon County Commission on Aging is to promote the welfare, independence, safety, and health of our senior citizens through various programs

**Approval of Agenda:**

**Motion:** Marc Milburn      **Second:** Kim Warner      **Approval:** All

**Public Comment:**

Robin Williams – Houghton Lake Center expressed concern that consolidating funds into one bank would increase the risk of security of those funds and that dividing the funds between three banks would lower the risk; she is concerned that a large portion of the funds would not be covered by FDIC; and she expressed concern about the Board fulfilling its fiduciary responsibilities in managing public funds received by the RCCOA.

## **Finance Committee Recommendations After Bank Presentations and Review:**

### **Board Discussion:**

Kim Warner – Treasurer/Finance Committee Chair talked about the deliberations of the Finance Committee regarding the bank proposals; and she reported on the motions and votes to accept each bank proposal; vote results were 2-No/1-Yes on Chase Bank, 3-No on Huntington Bank, and 3-No on Mercantile Bank; all three bank proposal motions failed. Ms. Warner reported that the Finance Committee voted 2 to 1 to recommend to the Board to maintain the status quo to do more research.

Phyllis Piotrowski asked Roberta Kary – Chair to confirm if all three bank proposals were made with the assumption that all RCCOA funds would be put into one bank. Ms. Kary said that assumption was correct, with the exception of the funds in the Certificate of Deposit (CD) account which were not to be included in the proposals.

Roberta Kary – Chair posed a question to the Board: Has any depositor lost any money over the past 40 years? Ms. Kary stated the answer was “no.” Ms. Kary said the risk of bank failure is minimal.

Steve Perialas requested to make a minority report and stated that he voted to accept the Chase Bank “sweep” proposal at the Finance Committee meeting. Mr. Perialas passed out a typed sheet that reviewed the pros and cons of the sweep program. Mr. Perialas stated it was his understanding the charge of the Chair to the Finance Committee was to make a recommendation regarding acceptance of the Chase Bank “sweep” program only, because the other banks did not offer a “sweep” option.

Roberta Kary – Chair clarified that all three banks were asked to submit a proposal of their best offer of services to the RCCOA and the Finance Committee was to make a recommendation based on review of all three banks’ proposals.

Chuck Corwin – Secretary asked what was the reason for postponement of the Finance Committee’s recommendation.

Phyllis Piotrowski explained that the Finance Committee’s recommendation to “maintain status quo in order to do more research and get more information” was basically a rejection of all three bank proposals. Ms. Piotrowski expressed her concern that putting all funds in one bank would be too much of a risk if that bank ever failed; and it would be better to divide the funds three ways between each bank to spread the risk, if one bank failed, we would still have the funds in the other two banks to keep operations going while waiting for the FDIC claim to be processed; and that these risks should be taken into consideration. Ms. Piotrowski also pointed out that it was unclear what the monthly deposit fees would be for Mercantile Bank per their proposal and she pointed out that the closest Mercantile Bank branch is in St. Helen, which would mean using more time and resources to make deposits of cash donations.

Kim Warner – Treasurer pointed out that most financial advisors tell you not to put all your money in one place and you should diversify your investments to reduce risk.

Marc Milburn said he liked the idea of diversifying.

Roberta Kary – Chair said we are limited in investment choices for diversification. Ms. Kary said that after reviewing the three bank proposals, she believes the Chase Bank “sweep” proposal to have the lowest risk, because it invests the funds in U.S. Government securities and the U.S. Government is not going to fold or default. She also said she recommends the Board pass a resolution that would require the CD account at Mercantile Bank to remain untouched unless approved by the Board with a “super majority vote” and recommends increasing the balance of that account.

Kimberly Daniels asked for explanation of the “sweep” program; and she asked if we can get out of that program at any time and asked if the RCCOA is allowed to co-mingle all funds.

Roberta Kary – Chair explained how the “sweep” program works and said “yes” we can get out at any time and “yes” we can co-mingle funds.

Marc Milburn asked for explanation of fluctuations in the operating fund balance.

Roberta Kary – Chair explained how the fund balances are high when the millage income starts coming in around March, the balance drops during the year as those funds are used to cover expenses, and we have the lowest balances toward the end of the Calendar Year and beginning of the new Calendar Year when the last of the millage funds are used.

Roberta Kary – Chair stated that we have three bank proposals to vote on and asked for motions on the proposals at hand.

A motion was made to place the RCCOA funds with the Chase Bank “sweep” program.

**Motion:** Steve Perialas    **Second:** Patty Bone

**Roll Call:** Kimberly Daniels – No, Phyllis Piotrowski – No, Marc Milburn – No, Steve Perialas – Yes, Patty Bone – Yes, Kim Warner – No, Chuck Corwin – No, Peggy Poynter – Yes, Roberta Kary – Yes

**Approval:** No – 5 / Yes – 4. Motion Failed.

**Public Comment:** None.

**Board Comment:**

Phyllis Piotrowski suggested that the Finance Committee focus their time on the budget for now; but after the budget process is completed, the Finance Committee should start research on other banking and investment options; and we should consult with the Controller on how different banking and investment options will impact her work, such as the ability to regularly transfer funds between banks.

Kim Warner – Treasurer said that it would help the Controller if the Board could recommend the percentage of funds to be maintained in each bank.

Roberta Kary – Chair explained the role of the Finance Committee regarding the budget. Ms. Kary also stated the Personnel Committee needs to focus on the Director’s evaluation which should be completed by end of August.

Chuck Corwin – Secretary said we are losing money by not making a recommendation on the bank proposals.

Phyllis Piotrowski said we are not losing money, meaning we are not incurring expenses, we are just losing the opportunity to earn money.

Steve Perialas said he agreed with Chuck’s comments, we are losing because we are not taking advantage of the opportunity to grow.

Phyllis Piotrowski asked if the Chair had any assignments or tasks for the Finance Committee; and asked where we are required to post notices of Finance Committee meetings.

Roberta Kary – Chair said Kim Warner – Treasurer can call a meeting with 18 hours-notice, and the notice must be posted on the RCCOA website and the Annex door or at the location where the meeting will take place.

Chuck Corwin – Secretary suggested we also post committee meeting notices on the RCCOA administration office door and at each center to help ensure the public is made aware of the meetings.

**Motion for Adjournment:**

**Motion:** Steve Perialas    **Second:** Peggy Poynter    **Approval:** All