

CALHOUN COUNTY
PROCEEDINGS OF THE
BOARD OF COMMISSIONERS

September 2, 2010

The Regular Session of the Calhoun County Board of Commissioners convened at 7:00 p.m., Thursday, September 2, 2010 in the Commissioners' Meeting room, County Building, Marshall, Michigan.

Chairman Rae called the meeting to order and requested the Deputy Clerk to call the roll

Roll Call: Present: Comrs. Haadsma, Lee, Rae, Rocho, Todd, Camp, and Gerow

Staff Present: County Administrator/Controller Kelli Scott, Corporation Counsel Richard Lindsey, Sheriff Allen Byam, Water Resources Commissioner Larry Cortright, Senior Services Manager Carl Gibson and Executive Assistant/Deputy Clerk Chris Zuidema

INVOCATION AND PLEDGE OF ALLEGIANCE:

A Moment of Silence was observed; followed by the Pledge of Allegiance, led by Comr. Gerow.

APPROVAL OF AGENDA

“Move Comr. Rocho, supported by Comr. Gerow, adopt the following: Resolved the Calhoun County Board of Commissioners to adopt the September 2, 2010 amended agenda as presented.”

Voice vote: Motion CARRIED

APPROVAL OF MINUTES

“Move Comr. Rocho, supported by Comr. Lee, adopt the following: Resolved the Calhoun County Board of Commissioners to adopt the August 19, 2010 minutes with two (2) amendments. On page 3 the motion to approve the Drug and Alcohol Awareness Resolution was missing - the motion was made by Comr. Lee, supported by Comr. Gerow. On page 5, Resolution 127-2010 should read - resolved to approve the creation of a task force.”

Voice vote: Motion CARRIED

CITIZEN COMMENTS

Art Kale, Clarence Township, commented on the contract for Administrator/Controller Scott. He stated his comments were nothing personal nor was he making a judgment of her job performance. He stated he sat in on a budget meeting where the County said it was going to be a million dollars short in tax revenues and a million dollars on the upside of contractual obligations. In the real world, the private sector, people are working longer; people are working more for less pay. He stated he was not

suggesting cutting anyone's pay but that is the reality of what we have to work with in today's world. Just as the Enbridge oil spill has brought home locally the reality of what people are experiencing down at the BP gulf spill, he thinks you will get the same reaction from those that complain that the people in DC and in Lansing just don't get it with our tax dollars. He thinks it becomes a credibility issue when you start talking to your constituents about financial issues. He asked that the Commissioners do get it, use some common sense and make the financial prudent decision and not go through with this subjective pay adjustment.

John Schwark, Battle Creek. Has some concerns after reading the newspaper account in which Administrator Scott said that commissioners seem satisfied that she was meeting expectations of the job. He stated that he expects that meeting the expectations doesn't require a bonus. His concern is that in these times, where is the justification for such a thing? He also wondered how many bonuses, or money in addition to their normal income, were given out in the County. Would also like to know why it has been a year and half instead of one year, as is the norm, for the evaluation. Why did it take so long to evaluate the administrator?

ELECTED/APPOINTED COUNTY OFFICIALS' COMMENTS

Sheriff Allen Byam took a moment to speak in honor of former Sheriff Jim Roberts, who passed away last Sunday evening. He gathered together with many public safety officers, citizens and friends for Jim's celebration of life. He asked that everyone continue to remember Jim's family as they go through this difficult time.

CONSENT AGENDA

Res. 131-2010

"Move Comr. Todd, supported Comr. Rocho, resolve the Calhoun County Board of Commissioners approve the Consent Agenda as presented."

Voice vote, Motion CARRIED

SPECIAL COMMITTEE/WORKSHOP/BOARD REPORTS

Comr. Camp gave the Commissioners the annual report for the Community Action Agency. There was nothing included that she would point out in particular but she said that if there were questions, the Commissioners should let her know.

Comr. Camp also noted that Commissioners will find in their email the summer newsletter and the 2009 annual report for the Pottawatomi Resource Conservation and Development Group.

Comr. Camp further reported that she had the opportunity to go to Detroit to the Eastern Market with County Commissioners from Barry, Branch and Kalamazoo Counties looking for ideas on both agricultural based entrepreneurial opportunities as well as a community kitchen that might be a year round sustainable regional outlet in Kalamazoo County. More information to follow.

Comr. Haadsma stated that though Vice Chair Todd is assigned to the Land Bank Authority but he wasn't able to attend so Comr. Haadsma would provide an update. He reported that the County Land Bank closed on its first residential property August 27, 2010 and that this is the first acquisition of bank foreclosed property. He added that the Land Bank is buying four (4) additional properties from Neighborhoods Inc on September 10. He emphasized that the Land Bank, in collaboration with Battle Creek, is having a meeting for those interested in our community on September 22 from 6-8 p.m. at the Department of Public Works on Kendall Street in Battle Creek. Will allow people who don't know about the Land Bank or the acquisitions to learn a lot more and ask questions.

Comr. Haadsma attended the Southwest Michigan Alliance for Region 3 (SMART) meeting. Administrator Scott had indicated they were awaiting the arrival of someone from Calhoun County to participate in this regional alliance. He went and found it quite fruitful. He provided commentary he thought they found relevant and useful to them in their respective counties. A Michigan Association of Counties representative was there to discuss the Law Enforcement Information Network (LEIN) garnishment issue. It's important to highlight that it has been stayed and there will be no further State garnishment of County money through at least the sixteenth of September. MAC is working with State Senate officials to try to look at a different way to fund LEIN other than by garnishing county monies.

Comr. Todd commented on a newsletter from Battle Creek Area Transportation Study (BCATS) that provided updates on road projects.

Comr. Gerow read a press release from Health Department for seniors that need help with eye exam or glasses. The Health Department does offer free vision screenings, eye exams and glasses to those sixty (60) years or older who meet the program income guidelines. For more information call the Health Department at (269)969-6363.

Comr. Rae commented on the resolution passed two weeks ago to try to establish a Kalamazoo River Restoration Authority of some sort. Have been meeting and conferring with regards to that. Staff has jumped in and he has been conferring with them and Comr. Rocho. What they are looking at is the acknowledgement that there is a general purpose to recommend ten (10) year recovery strategy that will help clean up the river, assist land owners in the immediate areas of the spill and potentially establish research and development mechanism that will build a strategic competency to help in clean up and restoration technology. Looking at something similar to the food protection institute. With that general purpose to select those that would meet in quickest time possible, possibly October. Would like to have the two US Senators from Michigan, Stabenow and Levin and the two Congressmen from South west Michigan, Schauer and Upton, plus Economic Development people, specifically Jim Hettinger and Karl Dehn, also talking about bringing in mayors of cities in Calhoun County along with a representative from Kalamazoo County. Also talking about the possibility of bringing in Enbridge representative. It will be an ongoing process to get people who can give input. Will have a meeting sometime in October. Thanked Comr. Rocho for input, Administrator Kelli Scott, Corporation Counsel Richard Lindsey and also Jim Hettinger. This is something that hopefully can turn a bad thing into a good thing in the long haul.

Comr. Rae reported that the Committee that was charged with reviewing Kelli's performance consisted of Comrs. Rocho and Camp, and that they met and reviewed performance, went over contract and have made unanimous recommendations. He added that contrary to some people's thoughts in regards to this, it took a year and a half was because her contract calls for a review to be done on a yearly basis. The new contract is a one year contract because Michigan law because she was hired in an off year. Corporation Counsel Lindsey stated that the statute provides that the Commission can enter into a three

(3) year contract unless it's in an even year and after August of that year. At that point they can only do a one year contract. Since it is September and an even year, the Board is limited to a one year contract. The current contract states that performance evaluation needed to be done before 9/1/10.

Comr. Rae reported that the Local Revenue Sharing Board met on the August 23rd and were able to agree on the final distribution of funds. It was a long, hard process but it was successful because there were people on the board who were committed to this county, were committed to trying to make things better, and were committed to put their own personal interests aside and say what's best for the whole. We are the only county in this state that was able to come up with a revenue sharing proposal so rapidly and without litigation. Most communities were satisfied. The funds will be going out in the next day and are very important to this county. We have a wonderful partnership with the tribe because of this. We look forward to great things in the future.

PETITIONS AND NEW BUSINESS

Administrator/Controller Report

Administrator/Controller Contingent Compensation

Res. 132-2010

“Moved Comr. Rocho, support Comr. Todd, resolved the Calhoun County Board of Commissioners approve the contingent compensation for Administrator/Controller Kelli Scott.”

Comr. Haadsma stated that last December the majority voted to lay off 4.82 people from County employment. Just last session, Mary Lou Barrett, who served with the County for many years, was fated by the Board for her service. The reason she principally left, by his observation, was because we could no longer fund her position for the rest of the year. She was essentially compelled to take a voluntary retirement. We are in a time, as public comment has disclosed, which we are under the constraint of limited revenues because of State revenue limitations and diminutions in real property and taxation from real property. We also face increasing costs absent increasing collaborations with other units. These are hard times in which it is difficult to determine what has to be left in and what has to be left out. Notwithstanding his perception of Administrator/Controller Scott's performance as splendid, he believes that this is not the appropriate time to give her a bonus. Where he comes from, the private sector, when there are difficulties, they don't lay off support staff or ask them to go part time. He doesn't think they should give administrator a bonus and salary increase, given the constraints we are under and what we are asking other employees to do.

Comr. Rocho stated she agreed with much of what Comr. Haadsma said but leadership matters. When an organization is going through tough times, we need to be able to rely on the strongest leadership we can get. When Kelli was hired, the Board did not put her at a rate comparable to other counties our size because she did not come with county experience and we wanted to provide an opportunity for her growth. That was the condition on which she was hired. Going back on that now would be imprudent, if not foolhardy. In addition to that, yes, we did a very difficult budget but there were compensation increases provided for other employees. In addition to that we had contracts negotiated and non-union staff received salary step increases so those individuals get merit increases, just as we are proposing for the administrator. She doesn't think the administrator is being treated any differently than other employee groups in the county. Kelli does not do this work alone but she is the one the board holds

responsible for the success of staff for whom she has the responsibility and the oversight for. In the last year we negotiated six (6) contracts, were able to provide a wage increase for those employees and a continued level of benefits, which is next to impossible in this economy. We have several legal matters before the board, collaborations have increased (i.e., land bank, GIS, E911, LRSB), are in the middle of a jail population management study and looking at future facility planning. Staff was able to executive recovery zone bonds and with that comes significant energy savings. We had an overwhelmingly successful millage renewal. We are in the process of a transportation study and have had several significant health risks, including H1N1. Plus the oil spill. Those are just a few of the things this administration and staff have been wrestling with over the past year. Comr. Rocho summed up by saying, "Leadership matters".

Comr. Todd stated that he concurs with Comr. Rocho. That is why he is in support of the contingent. He stated that he thinks Kelli does an awesome job as well as the staff in this county. When Kelli was hired it was not at a rate comparable to other counties throughout the state. Looking at the amount of time and commitment that Kelli has put in; she is to be commended for being able to jump right in with her financial background. Regardless of his personal opinion or what anyone will say, he doesn't see anyone on the Board denying their own compensation. Even if a couple of the Board had said, do away with my salary to save that one spot, but no one is doing that. Because we get compensated, who will say, don't pay me because I do it because I love the people and I want to serve this county. No one in the six years he has been on the Board has ever done that. As a matter of fact, he recalls a time when he voted for his own increase because of the situation they were in, he didn't want the tax payers to have to pay later as opposed to sooner. He is in full support; he scored Kelli very high on her evaluation and has no problem making it public knowledge. He scored her very high because of the time she puts in and he sits in on some of the meetings she is in on and he watches her and she is to be commended for her hard work. Obviously Kelli is not on an island by herself, she doesn't do it alone and he is sure she will fight on their behalf to do the best job she can to be sure those positions are retained as well. For those reasons he is in support of the Administrator/Controller contingent compensation.

Comr. Gerow stated that although she feels Mrs. Scott is a good job for the County, it would have been helpful for her to have taken her place on the Administrator's Review Committee. Therefore, she has a conflict of interest and does not feel that she has enough information and will abstain from voting on Action Items 12A1 and 2.

Comr. Camp commented specifically to the contingent compensation to put it in context. The previous Board set forth the contract that Ms. Scott sits under. Comr. Camp differs with the amount of 3% but that is the expectation that Ms. Scott accepted the contract under and has been working under for the last year and a half. She probably disagrees with many of the goals set forth by the previous Board and this Board at our Strategic Planning, but to Ms. Scott's credit, she has worked diligently on all of the strategic plans set forth by those Boards in addition to listening to and addressing her concerns and working toward goals which are important to her. She feels that Ms. Scott's financial background has been a bonus and she has been creative while working with departments. She believes the evaluation process itself was flawed, the tool, the timing, the discussion process. However, she doesn't feel that it was Ms. Scott's fault and is supportive of the compensation, reluctantly because she would have liked it to be at a lower percentage. But given the dynamics that was set forth and she has fulfilled those expectations.

Comr. Rae would simply concur with Comrs. Rocho and Todd. The fact of the matter is that Kelli is a diamond and we are lucky to have her. When she was hired, she didn't have the government

background that people said she should have. He thought that was nonsense at the time and he thinks his judgment has been justified. She is one terrific administrator. She is underpaid looking at comparables with city managers and other counties. Basically increase is in the base at which she was hired and there are no steps. Other employees have steps. This \$3,000 is a paltry sum for what she has accomplished. To respond to what Comr. Haadsma had to say, you keep key people and if you don't keep your key people, they start looking someplace else. Kelli Scott does love her job but we can't be so naïve to believe what is so obvious and a lot of other people believe around this state are also going to see and they are starting to see from various organizations that he belongs to. Bottom line is that there should not be any question she deserves it. We are lucky to have her and he whole heartedly supports this motion. Corporation Counsel Lindsey stated that there are two separate motions and confirmed that this motion was for the Contingent Compensation.

Roll call vote: Yes – 5, No – 1, Abstain – 1 (Gerow), Motion CARRIED

Administrator/Controller Employment Agreement

Res. 133-2010

“Motion by Comr. Lee, support Comr. Todd resolve the Calhoun County Board of Commissioners to approve the Administrator/Controller Employment contract with Kelli Scott for a term of September 2, 2010 to August 31, 2011.”

Corporation Counsel Lindsey commented that he would like to clarify that the Contingent Compensation was not added to the base salary and it's not added to the base in the new contract, the base does go up. There will be another contingent at the end of next year based on another performance appraisal.

Comr. Camp stated committee process was not good and she didn't know if the outcome would have been different if the Board approved committee had participated. In committee discussions she spoke to lower percentages both in the salary and the contingent compensation areas, something more modest, given our economic times. That's not to say she has anything to say against Ms. Scott or her ability or what she has done or what she is capable of doing in the future. It reflects the economic times we are in, the tightening of the budget and we don't have the impact of the early retirement yet, we have not had a budget update. She is uncomfortable approving things to go forward without having a clear picture.

Comr. Haadsma stated that he gave Administrator Scott extraordinarily high ratings; he thinks she is doing a wonderful job as our County Administrator/Controller. For a lot of us, for people in our county, \$3000 is not a paltry sum. At this point in time to give \$3000 as a bonus and add \$3000 to a base salary and provide more prospect of contingent compensation late next summer is not the way to go. I understand it is important to keep key people. This isn't a Sunbeam or AIG, we are a County. We are here to serve the people not ourselves. For everything there is a time and there is a season and this is not the time or the season isn't the right one to give salary increase and bonus when we are up against it financially.

Comr. Rocho took objection to the comment that Comr. Haadsma made that we are not here to serve ourselves. Does not think this contract serves us, this contract serves the County. She does not see this as self serving in any way, shape or form.

Comr. Rae stated that \$3000 is \$3000, the fact is that we are lucky to have her. He violently disagreed that there is something wrong with this process.

Roll call vote: Yes – 4, No – 2, Abstain – 1 (Gerow), Motion CARRIED

Agreement with Pennfield Schools for School Liaison Deputy

Sheriff Byam explained this is a contract between the Calhoun County Office of the Sheriff and Pennfield Schools. It formalizes an agreement that has been in place for a number of years. It has been reviewed and approved by legal counsel and the finance office.

Res. 134-2010

“Motion by Comr. Haadsma, support by Comr. Todd, resolve the Calhoun County Board of Commissioners approve the agreement with Pennfield Schools for a School Liaison Deputy.”

Comr. Rocho inquired if the 10% indirect cost rate was a typical rate. Sheriff Byam confirmed that it is the same rate used for Convis Township and the Calhoun Intermediate School District where we have officers in place.

Roll call vote: Yes – 7, Motion CARRIED

Secondary Road Patrol Grant Application

Res. 135-2010

“Move Comr. Camp, support Comr. Todd, resolve the Calhoun County Board of Commissioners approve the Secondary Road Patrol Grant Application.”

Comr. Rocho stated there is about a \$58,000 shortfall in what is current proposed project cost and what the State will provide in the grant. Is there an opportunity to have an incremental scale back of this grant during the budget process or if we can't come up with the \$58,000 so we can't do this grant at all? Sheriff Byam responded that additional discussion will happen during budget process. We can either approve additional amounts within the budget or if we can obtain them from elsewhere we can scale back the program to fit the dollars that are available. Comr. Camp thanked sheriff for seeking creative funding. Sheriff Byam stated their resources for creative funding is waning.

Roll call vote: Yes – 7, Motion CARRIED

FY 2010/2011 Crime Victim Rights Funding Agreement

Administrator/Controller Scott stated the grant comes from the Prosecutors Office and is for a period of October 1, 2010 and goes through September 30. It is an annual renewal funding a mandated service that the Prosecutor's Office carries out. There are four (4) employees in the unit and the grant pays for all of the employees except their fringe benefits. It is the choice of prosecutor to cover benefits, as the grant is for a fixed amount. Whatever is the shortfall after this grant comes out of the Prosecutor's budget. She did not want to speak for the Prosecutor, who was not present but mentioned she thought

the Prosecutor would contend that failure to approve this grant means that mandated services could not be performed as required.

Res. 136-2010

“Move Comr. Rocho, support Comr. Lee, resolve the Calhoun County Board of Commissioners approve the FY 2010/2011 Crime Victim Rights Funding Agreement.”

Comr. Camp noted that there is a new hire and inquired if it was due to an early retirement or if it was a newly created position. Also, is there a way that three staff can do the work instead of four?

Administrator/Controller stated she believed the new hire was due to a turnover in staff. The question was asked last year if it was possible to do the work with three staff members and she remembers the Prosecutor said it is hard enough to get the work done with the four staff members in place. Right now the Board is simply approving the grant then when it comes time to do next year’s budget the question can be asked again and modified as the Board sees fit.

Roll call vote: Yes – 7, Motion CARRIED

Calhoun FOC 2010 Budget Amendment #3 Application

Administrator/Controller Scott stated this item was added this afternoon at the request of Court Administrator Jeff Albaugh. They had applied for and received additional funding from the Friend of the Court Cooperative Reimbursement Program. This is an amendment to the agreement that ends at the end of September, thus the urgency. The State is saying they have to have the paperwork returned on or by September 16, which is the Board’s next meeting. If they don’t have this approved at this meeting, they will lose out on the state/federal share. With this grant, 2/3 of the total cost of the program will be covered. Our Friend of Court does a great job capturing all the state and federal funds they can.

Res. 138-2010

“Move Comr. Rocho, support Comr. Todd, resolve the Calhoun County Board of Commissioners to approve the Calhoun FOC 2010 Budget Amendment #3 Application.”

Roll call vote: Yes - 7

CITIZENS’ TIME

Jim Lonergan reminded everyone that he has been coming to meetings longer than anyone here. He recalls one period when both Prosecutor Hallacy and Sheriff Byam gave up their salary increases. There was also a period when the whole board took a cut in salary. He has been coming to the meetings for probably close to 10 years.

COMMISSIONERS’ TIME

Comr. Camp commented that as we are still grappling with the clean up from the oil spill, she would again comment that she appreciates efforts of Health Officer Jim Rutherford and Emergency Management Director Durk Dunham because we need the information and it’s been there. The Commissioners were able to get on the river. It’s been interesting to see things from in the houses and the yards and see things from the riverbank then to get out and see things from the other side. The

photos and weekly briefing help give a good insight to what is going on but it helps piece things together to get on the river.

Comr. Camp stated she would like to publicly give her condolences to the family of Jim Roberts, former Sheriff of Calhoun County. She was able to pay her respects and had a chance to speak with one of the first responders who was with the family. Would like to say she appreciates those who are there to take care of residents when they are having a crisis.

Comr. Lee thanked Kevin Henning and Scott Brown for the fine job that they are doing. Sheridan Township had a meeting a couple weeks ago and Kevin has recommended that each township develop their own Road Advisory Committee to help keep the Road Commission informed of things. They went from over 100 employees and are down to around 40. They had a meeting where the township's committee wanted to put together a millage proposal so Kevin and Scott came in to explain things. There were a lot of concerned citizens there and they felt really comfortable. It cleared up a lot of misconceptions about how roads are funded. Kevin did a phenomenal job explaining things.

Comr. Haadsma stated that in response to what Mr. Lonergan indicated, he wanted to note that he recalls that as recently as December 2009, the entire Board did forego salary increase.

Comr. Haadsma also joined Comr. Camp in recognizing the contributions of former Sheriff Roberts to our County. He performed admirably as a Sheriff. He was also a man of God and had a wonderful voice, as he was heard many times singing his Country/Western style.

CLAIMS PAYABLE LISTING

Res. 139-2010

"Move Comr. Lee, support Comr. Todd, resolve the Calhoun County Board of Commissioners adopt the claims payable listing for the period ending August 26, 2010 for an amount of \$1,447,847.93.

Roll call vote: Yes – 7, Motion CARRIED

ANNOUNCEMENTS

Comr. Haadsma noted that he will be having coffee hour on Friday, September 3 from 7 – 9 a.m. at Barista Blues Café in Battle Creek. Labor Day weekend themed discussion with Calhoun County HR Specialist Barbara Pardoe. She will be there to talk about how the County determines if a position should be filled and then how to fill it.

Comr. Rae wished everyone, on behalf of all of the Commissioners, a safe, happy Labor Day weekend.

CLOSED SESSION

Res. 140-2010

“Move Comr. Rocho, support Comr. Lee resolve the Calhoun County Board of Commissioners to meet in Closed Session for the purpose of discussing pending litigation with legal counsel.”

Roll call vote: Yes – 7, Motion CARRIED

“The Board met in Closed Session commencing at 8:00 p.m. until 8:26 p.m. with Corporation Counsel Richard Lindsey, Jr., County Administrator/Controller Kelli Scott, Water Resources Commissioner Larry Cortright, Attorney James Dyer from Johnson, Rosati, Lafarge, Aseltyne and Field, P.C. and Deputy Clerk/Executive Assistant Chris Zuidema present.

OPEN SESSION

The Board returned to Open Session at 8:24 p.m and there was no further business.

ADJOURNMENT

The meeting was adjourned at 8:26 p.m. at the call of the Chair.

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Chairman
Calhoun County Board of Commissioners

Clerk
Calhoun County Board of Commissioners