

CALHOUN COUNTY
PROCEEDINGS OF THE
BOARD OF COMMISSIONERS

November 21, 2013

1. CALL TO ORDER/ROLL CALL

The Regular Session of the Calhoun County Board of Commissioners convened at 7:00 p.m., Thursday, November 21, 2013 in the Commissioners' Meeting Room, County Building, Marshall, MI.

Chair Kale called the meeting to order and requested the Deputy Clerk call the roll.

Present: Comrs. Dunn, Todd, Haadsma, King, Frisbie VanSickle and Kale

Staff Present: County Administrator/Controller Kelli Scott, Assistant County Administrator Brad Wilcox, Corporation Counsel Richard Lindsey, Human Resources Director Kim Archambault and Deputy Clerk Chris McComb

2 and 3. INVOCATION AND PLEDGE OF ALLEGIANCE

The Board held a moment of silence followed by Comr. Dunn leading the Pledge of Allegiance.

4. APPROVAL OF AGENDA

“Moved Comr. Frisbie, supported by Comr. Dunn to approve the agenda of the November 21, 2013 Regular Session of the Calhoun County Board of Commissioners as presented.”

On a voice vote, Motion **CARRIED**.

5. APPROVAL OF MINUTES

A. Minutes of the November 7, 2013 Regular Session

“Moved Comr. VanSickle, supported by Comr. Todd to approve the minutes of the November 7, 2013 Regular Session of the Calhoun County Board of Commissioners as presented.”

On a voice vote, Motion **CARRIED**.

6. CITIZENS' TIME

Dale Jenks of Marshall Township and a Road Department employee stated Thanksgiving seemed an appropriate time to thank the Board for some of the actions they have taken. He stated the first time he felt strong enough to muster up the courage to speak was shortly after the appointment of Doug Wildt as a Road Commissioner. He stated the Board recognized there was problems and knew they needed to get someone in there who could get something done. He noted they picked the right guy, he was quick to spot things but he needed help but the Board couldn't do much until the law let them. He stated as soon as the law let them, they started the task force and it was inevitable that they would see there was no choice but to do away with the Road Commission. He stated this Board was brave enough to dive into a possible political nightmare and take over the Road Commission. He thanked the Board for all that, stated things were definitely headed in the right direction and there's more good stuff than bad stuff to talk about now. He stated the bad things were being addressed instead of encouraged now. Jenks stated they were recognizing the right people to put in the right positions, they had Administrator/Controller Scott and her staff knows how to get things done and he couldn't be happier. He stated the first ever Teamster Road Department contract was negotiated and it was pretty much in full swing and there was more plusses than negatives. He thanked everyone involved in the process but especially Kelli Scott and Kim Archambault. He stated as a citizen he thanked them for getting the county a really good deal, a lot of bang for the buck, and for squeezing the Teamsters for all they were worth. He stated as a Teamster he thanked them even more so for showing the most compassion, honesty and integrity they had ever dealt with. Jenks stated he thought we were headed in the right direction, thanked everyone and wished them a good Thanksgiving.

7. ELECTED/APPOINTED COUNTY OFFICIALS' COMMENTS

Sheriff Saxton announced we lost one third of the roof of the Marshall Law Enforcement Building during the storm on November 17. He stated all office staff had been moved to the Justice Center in Battle Creek. He stated there would be a press release issued on November 22 to notify the public that all business with the Sheriff's Office needs to be done in Battle Creek. He noted he had talked to a few townships about assisting with Deputies, giving them a place to stop and handle business without having to go back to Battle Creek. Saxton stated the entire office was completely moved in 72 hours thanks to Brad Wilcox, his staff and volunteers, while at the same time there was no power at the Justice Center.

8. SPECIAL ORDER OF BUSINESS

- A. Presentation of the Administrator/Controller's Fiscal Year 2014 Budget Recommendation and Public Hearing on the Proposed Fiscal Year Budget

Res. 203-2013

"Motion by Comr. Haadsma, supported by Comr. Todd to support the following: Resolved the Calhoun County Board of Commissioners does hereby open the public hearing to hear the Administrator/Controller's Fiscal Year 2014 Budget Recommendation and and receive public comment on the proposed Fiscal Year 2014 Budget."

On a voice vote, Motion **CARRIED**.

Administrator/Controller Scott thanked the Budget Committee, Comrs. Kale, Haadsma and Frisbie, for putting in a lot of time to work on the budget. She stated they started in March predicting about a \$3.3 million deficit, mostly due to a flat level of property tax funding, the elimination of personal property tax starting next year, changes in the atmosphere as far as our public safety revenues mainly due to the Federal Government plus normal increase in expenses. She stated they also had a lot of support from the Elected Officials, Department Heads and Judges. She introduced Budget Analyst Pam Kline and thanked her for leading the budget process. Scott stated there were several parts to the budget with the first showing we were required as part of the budget process to disclose the proposed millage rates. She stated the rates are the same we have levied for several years with the exception of new Veterans Millage, which was passed overwhelmingly by voters in November 2012. She stated the millage was .1 mil, which would supply over \$350,000 toward the operation of the Veterans Affairs office to begin with next year's budget. Scott noted the section two was a reminder that the county does not have dedicated capital outlay funding to support building maintenance. She stated there was a recommendation in the General Fund to continue the commitment of \$500,000 a year to support the ongoing replacement of our facilities, buildings and grounds. She stated we would still need to defer several major capital projects or look at longer term financing, with a mind to continue to manage our debt. She stated the General Fund summary shows the recommended budget for next year shows total revenue of \$40.3 million. She noted there was the addition of the Law Enforcement contract with the City of Springfield and if we subtracted that we would be at essentially the same budget as 2012 and we are very much in a flat revenue trend. She stated correspondingly we have had to keep expenditures down but they are balanced at \$40.3 million. She stated we would add a little to the Fund Balance at \$4.5 million, which is a little over 11% of our operating budget, giving us adequate reserves. She stated all departments were requested to cut a few percentage points off this year's budget, most put in a proposal to do that by maintaining vacancies, and we down over thirty employees from 2010. She stated we have worked hard to control compensation and health care costs with help of unions and health insurance savings are a big solution for next year's budget. Scott stated the Road Department budget of \$12.3 million was included and it more than doubles the set aside for local township match, meaning we could get a lot more maintenance and long term resurfacing done. She stated it assumed almost flat funding from the state, as does the county's budget. She stated we have had to get more creative in requesting federal grant dollars. She stated this budget does include significantly reduced administrative costs through savings on insurance and other overhead items. She gave thanks to the Teamsters for being willing to negotiate and understanding that there wasn't funding to offer the type of compensation and benefits they have enjoyed in the past. She stated the UAW office staff also worked to help the county see savings as well as the consolidation and collaboration with Jackson County making it possible to operate with a couple less supervisory staff. She stated the Road Department would end their fund balance next year with about \$1.5 million, showing we had come a long way since the end of year 2011 with a negative fund balance. She noted that Managing Director Peterson had stated with a little luck with grants and help from the townships, we should be able to increase the work we can do with the townships. She stated behind the Road Department budget there was a list of project details so the Board could see upcoming projects and they were suggesting we should be able to invest \$500,000 in the Road Department capital outlay as well. She stated there were also details shown for all other budgets. She pointed out that also included was an Authorized Staffing Allocation, which was part of the budgetary controls introduced a few years ago to strengthen Board's position in not only controlling the overall budget but also to

require Board approval on any staffing changes. She stated the bottom line on staffing, excluding the Health Department because they were mostly grant funded, we had 540 funded positions included in next year's budget compared to 547 in current year, noting we don't expect many, if any layoffs. She noted the Health Department was able to add two grant funded positions. She stated we were continuing to tighten the belt and it was getting more difficult, though we were expecting a property tax increase. She also noted the Sheriff had been able to stabilize the Public Safety revenues in a way we had never seen before. She stated she expected the future to get brighter as we move forward.

Comr. Kale called for any comments from the public.

Comr. Frisbie asked Road Department Managing Director Peterson what was budgeted for matching funds in the last two years, including this year's budget, and what was in this budget.

Managing Director Peterson stated in the past there has been \$300,000 (\$150,000 split between Road Department and Townships). He stated in this budget it is more like \$800,000.

Comr. Frisbie stated that's a significant positive increase. He noted there were township representatives in the audience who had consistently told in the past there was no money. He stated there were no more funding sources but the funds were better managed. He stated he was really happy we are able to improve and make the funding go so much further. He offered congratulations on a job well done. He stated he thought the townships were happy and he appreciated that.

Administrator/Controller Scott stated Assistant Administrator Wilcox had been working on a complete bidding schedule with Jackson County for next year. She stated our Purchasing was going to be very busy and we expect to see more savings from the collaboration. She explained the whole Administrative Team had invested a lot of time on the behind the scenes work that impacts not just the Road Department budget but also the county's.

Peterson stated more importantly for the Road budget is the guys on the road. He stated they were working hard and putting the dollars on the road. He stated they had really stepped up and were doing twice as much for the same money. He stated they deserved the most kudos.

Comr. Kale stated Administrator/Controller Scott underscored the efforts of staff on the employee healthcare. He stated our healthcare costs were going to be \$100,000 less than they were in 2009. He stated that's savings in healthcare costs when most people were seeing double digit inflation. He stated it's because of several different things, starting with the creativity of our Administrative staff and offering different programs and the cooperation of all the employees in our county. He offered a thank you to everyone. He stated this budget was very, very difficult and he was very appreciative of our entire county staff for everything they have done. He recognized Budget Analyst Pam Kline for her hard work and knowledge. He also recognized Comrs. Frisbie and Haadsma for their work on the Budget Committee.

Res. 204-2013

“Motion by Comr. Frisbie, supported by Comr. Dunn to approve the following: Resolved the Calhoun County Board of Commissioners does hereby close the public hearing to hear the Administrator/Controller's Fiscal Year 2014 Budget Recommendation and and receive public comment on the proposed Fiscal Year 2014 Budget.”

On a voice vote, Motion **CARRIED**.

Chair Kale declared the public hearing closed at 7:32 p.m.

9. CONSENT AGENDA

A. Petitions, Communications, Reports

1. Notice of Public Hearing on a Proposed revision of the 1983 Finance and Development Plans for the Tax Increment Finance Authority (TIFA) of the City of Albion

B. Resolutions

1. Veterans Affairs Committee Appointments
(Term to Expire October 31, 2017)

- {a} Jack Hunn
- {b} George Beam

2. Land Bank Authority Appointments
(Term to Expire November 30, 2017)

- {a} Rob Behnke, Township Representative
- {b} Jeremy Andrews, At-Large Representative

Res. 205-2013

“Motion by Comr. VanSickle, supported by Comr. Dunn to approve the Consent Agenda of the November 21, 2013 Regular Session of the Calhoun County Board of Commissioners as amended.”

On a voice vote, Motion **CARRIED**.

10. SPECIAL COMMITTEE/ WORKSHOP/BOARD REPORTS

Comr. King announced there was not a Parks and Recreation Commission meeting in November. He stated they were still expecting the logging in Kimball Pines to begin soon.

Comr. King stated under the Consent Agenda they appointed Jack Hunn and George Beam to the Veterans Affairs Committee. He stated it was a tough decision and there were four great candidates. He stated the two candidates who were not coming back were great voices for veterans, they served for a long time, and they were instrumental in the passage of the Veterans Millage and thanked them for their service. He stated he was looking forward to Jack and George serving, it was a unanimous decision and they come with experience that was mind-boggling. He stated it was very refreshing to go through a transparent and open application process.

11. UNFINISHED AND OLD BUSINESS

There was none.

12. NEW BUSINESS AND COUNTY ADMINISTRATOR'S REPORT

A. County Administrator/Controller's Report

There was none.

B. New Business

1. Petition for Absolute Abandonment for a Portion of 17 Mile Road in Tekonsha Township

Administrator/Controller Scott stated the first item on the agenda was a petition to abandon a portion of road in Tekonsha Township, submitted by the Road Department and Corporation Counsel. She stated all of the landowners on that portion of road were in support of the abandonment. She stated it would not impact the county budget because the landowners would now be responsible for that section of road, instead of the Road Department. She stated that correspondingly, our ACT 51 funding would not include funding for that portion of road anymore.

Corporation Counsel Lindsey stated the drawing of the road looks essentially like a long driveway. He explained there was one house way off the road and the petitioner is the landowner. He stated the landowner had gotten easements from each of the neighbors from the road up the length of his driveway and would now have complete responsibility for the maintenance. He stated every interested party was supportive of the abandonment.

Comr. Todd asked how much road was involved.

Lindsey stated it was about half a mile and it would become a private drive.

Comr. Kale asked if there was any downside to the county.

Lindsey stated there was not in his opinion.

Comr. VanSickle added there was a total loss of about \$700 in ACT 51 to the Road Department so the monetary loss was not a concern.

Res. 206-2013

“Moved Comr. Frisbie, Supported by Comr. Dunn to approve the following: Resolved the County Board of Commissioners does hereby approve the Motion to grant the petition and resolution to absolutely abandon and discontinue the easement for a portion of 17 Mile Road in Tekonsha Township as presented.

WHEREAS, the Calhoun County Board of Commissioners, as the transferee of the powers, duties, and functions of the Calhoun County Road Commission, has the power pursuant to MCL §224.18(5) to grant a petition for absolute abandonment of a County road or portion of a road; and

WHEREAS, a petition signed by at least seven (7) freeholders of Tekonsha Township and all of the owners of record and occupants of lands abutting the portion of 17 Mile Road described below and located in Tekonsha Township, Calhoun County, Michigan has been presented to the Calhoun County Board of Commissioners requesting the absolute vacation and discontinuance of 17 Mile Road described as follows: the West 66 feet of the East ¼ of the Northeast ¼ of Section 26, Town 4 South, Range 6 West, Tekonsha Township, Calhoun County, Michigan; and

WHEREAS, there was attached to said petition, an affidavit containing a true and correct list of names and mailing addresses of the owners of the parcels of land abutting the above portion of easement sought to be absolutely abandoned and discontinued, which affidavit was certified under oath by the circulator of the petition; and

WHEREAS, it appears as ascertained from the records of the Register of Deeds that the petition, as certified under oath, does contain the signatures of 100% of the owners of record and land abutting the above portion of easement sought to be absolutely abandoned and discontinued; and

WHEREAS, it is hereby determined by the Calhoun County Board of Commissioners that it is in the best interest of the public that the portion of the easement, as described in paragraph two (2) be absolutely abandoned and discontinued.

NOW THEREFORE, BE IT RESOLVED, that the Calhoun County Board of Commissioners grants the petition submitted and the aforesaid portion of the easement for 17 Mile Road in Tekonsha Township, as described in paragraph two (2) above, is hereby absolutely abandoned and discontinued, effective as of the date of the adoption of this resolution.”

On a roll call vote – Yes – 7. Motion **CARRIED**.

2. School Wellness Program Manager/Director Staffing Pattern Revision

Administrator/Controller Scott stated this agenda item was submitted by the Health Department and asked Health Director Rutherford to present the staffing change that resulted in savings.

Health Director Rutherford stated this item was a modification of the School Wellness Program Manager. He explained when they developed the position they thought it would be best served by a nurse practitioner but have found they don't need that level for this position. He stated the current nurse practitioner would like to go back to a working nurse position and they will hire a lower level nurse to take over the director position.

Comr. Haadsma inquired if the positions were union.

Rutherford stated the Health Department no longer had a nurse's union and that these were both non-union positions.

Res. 206-2013

"Moved Comr. King, Supported by Comr. Todd to approve the following:

Resolved the Calhoun County Board of Commissioners does hereby approve the Motion to approve the change in the Authorized Staffing Allocation to add a School Wellness Program Manager and to remove the School Wellness Director position."

On a roll call vote – Yes – 7. Motion **CARRIED**.

3. Adoption of Section 4 of the Publicly Funded Health Care Insurance Contribution Act for 2014

Administrator/Controller Scott stated this was the required resolution to adopt Section 4 of PA 152. She stated the default was that we resolve to limit total health insurance costs to a hard cap. She stated over the last few years the county had chosen the 80%/20% option because it gave us more flexibility to offer a choice of plans. She noted our total costs would be about \$5.5 million next year and we were required to certify compliance to the state to get state revenue sharing.

Comr. Haadsma asked if we could exempt the county with a two-thirds vote.

Scott stated we had three options, we could opt out, choose the 80/20 option, or default to the hard cap option. She stated we work to control compensation costs and this option helped to fund our plans while requiring employees to pay an aggregate 20% of the share.

Comr. King asked if you lose state funding when you opt out.

Scott stated if the Board voted to opt out, it was considered compliance and we would still receive revenue sharing. She stated it was an option. She stated we had bargained in the 20% threshold in all of our union contracts except one that is currently bargaining. She stated this was the third year we had chosen an option.

Res. 207-2013

"Moved Comr. VanSickle, Supported by Comr. Todd to approve the following:

Resolved the Calhoun County Board of Commissioners does hereby approve Motion to adopt Section 4 of the Publicly Funded Health Care Insurance Contribution Act for 2014."

On a roll call vote – Yes – 7. Motion **CARRIED**.

4. Approval of Schedule A from Blue Cross Blue Shield

Administrator/Controller Scott stated this item also related to employee benefits and asked HR Director Archambault to explain the request to approve the schedule A to set our Blue Cross Blue Shield rates.

HR Director Archambault explained that Schedule A that sets the administrative fee had increased by 3.5% or a total of a \$15,000 increase. She stated their agent said it was one of the lowest increases they had seen this year. She stated they recommended a change in stop/loss from \$175,000 to \$180,000, which would provide savings to offset the cost of the administrative increase with minimal risk. She stated the rest of the Schedule was the same as in past years.

Comr. Frisbie stated we were in good shape with healthcare reserves to change the stop/loss. He was pretty amazed to see these numbers after talking to other people as we were in much better shape than most. He stated he appreciated the work Kim (Archambault) had done.

Comr. Haadsma asked who the agent was that was making the recommendation.

Archambault stated AON presented a benefit committee of county staff a list of their options. She stated with market feedback, it didn't make sense to make changes in the Schedule.

Res. 208-2013

"Moved Comr. Dunn, Supported by Comr. Todd to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve the Schedule A from Blue Cross Blue Shield as presented."

On a roll call vote – Yes – 7. Motion **CARRIED**.

5. Amended 2013 Apportionment Report

Administrator/Controller Scott stated when the Apportionment Report was presented and approved in October; the Equalization Director stated it may need to be amended depending on November elections. She stated Clarence Township approved an extra millage for a fire truck, requiring an amendment and this was the only change to the report.

Res. 209-2013

"Moved Comr. Haadsma, Supported by Comr. Todd to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve amended 2013 Apportionment Report as presented."

On a roll call vote – Yes – 7. Motion **CARRIED**.

6. October 2013 Financial Statements

Administrator/Controller Scott presented the monthly financial report, stating we continue to use cautionary words that we were expecting a significant shortfall in revenue of \$1.6 million. She stated there could be an expenditures deficit in excess of \$1 million. She stated we had identified sources of accumulated funds to transfer and we were hopeful healthcare savings would help to make sure we don't end up with a deficit.

Res. 210-2013

“Moved Comr. Haadsma, Supported by Comr. Todd to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve the October 2013 Financial Statements as presented for informational purposes.”

On a voice vote, Motion **CARRIED**.

13. CITIZEN'S TIME

Matthew Hall of Sheridan Township and the Road Department stated the Road Department had a number of talented workers. He stated that since Managing Director Peterson had been here, he listened to the workers, checked on things and worked with them. He stated they had new equipment and were doing more paver patching. He stated he also appreciated the cooperation between Administration and the Teamsters in negotiations.

Larry Skelding, Pennfield Township, asked if someone could address the letters coming out of the Water Resources Office.

14. COMMISSIONERS TIME

Comr. VanSickle stated he had a personal experience with a road crew and they were doing a wonderful job.

Comr. Frisbie addressed Larry Skelding's inquiry and explained that due to the budget deficit the Water Resources Office had to take action to assess dollars back to the drain. He stated there was never good timing to assess people more and we wish we had been on top of it in the past but the current commissioner was really on top of things now.

Comr. Frisbie stated that Comr. King mentioned the Veterans Affairs Committee appointments and noted the outgoing guys served on the Committee for fifteen years each and they were instrumental in getting the Veterans Millage passed. He stated we would be remiss not to say thank you and their legacy was helping the veterans secure funds.

Comr. Todd stated he had one quick question, that on one note the Commissioners were saying these were individuals that helped with the funding, but they weren't being put back on the Committee. He asked what criteria were used to choose.

Comr. King stated one of the things brought up was that the Veterans Affairs Office had always worked with about a \$150,000 budget but with the millage their budget would increase to between \$350,000 and \$400,000. He stated the terms were up and one of the things identified that was needed was strong budgeting and financial sense. He stated the skill set that the two chosen will bring was greatly needed.

Comr. Dunn stated they spent a lot of time with the two gentlemen who were chosen for the Veterans Affairs Committee and believed they would be a good fit to mentor VA Director Losey.

Comr. Kale stated he appreciated Managing Director Peterson's efforts with the reorganization of the Road Department. He stated he went on JTV, a TV station in Jackson, with the Jackson County Board Chair. He stated they were as positive about the collaborative effort, they are happy with the creativity of upper management and they believed as we do, that by enabling and empowering our workers we are getting better results. He stated they were getting the same kudos in Jackson as over here.

Comr. Kale thanked the Veterans Affairs Interview Committee for making the recommendations. He stated they spent a lot of time with the four candidates. He stated times change and sometimes it dictates different skill sets for moving forward and it was not a reflection on the other people. He stated he had all the confidence in the world that any of the Commissioners that serve on a committee would move help move that committee forward in the best possible direction. He thanked Dave Martin and Phil Savage for all their efforts and congratulated George Beam and Jack Hunn for their appointment to that committee.

15. CLAIMS PAYABLE

- A. Calhoun County Claims Payable for November 1 - 5, 2013 in the amount of \$2,349,633.74 and Road Department payables from November 7, 2013 in the amount of \$301,853.45

Res. 211-2013

"Moved Comr. King, supported by Comr. VanSickle to approve the following: Resolved, the Calhoun County Board of Commissioners does hereby approve Calhoun County Claims Payable for November 1 - 5, 2013 in the amount of \$2,349,633.74 and Road Department payables from November 7, 2013 in the amount of \$301,853.45 as presented."

On a roll call vote, Yes – 7. Motion **CARRIED**.

16. ANNOUNCEMENTS

Comr. King congratulated all high school sports teams in their district and regional matches. He stated Lakeview girls' volleyball won districts. He stated his wife's team, Harper Creek girls volleyball team went farther than ever in the school's history for the school team, to the second round of regionals. He stated St. Philip girls' volleyball would be playing for the state championship, as was Homer football.

Comr. Kale stated his daughter was the volleyball coach at Arkansas Tech University, they won their first round in league tournament and hopefully they will move on to nationals again.

Comr. Kale announced Homer football would play November 23 at 1:00 in Chelsea for the state semi-finals.

17. ADJOURNMENT

The meeting was adjourned at 8:14 p.m. at the call of the Chair.

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Chairman
Calhoun County Board of Commissioners

Clerk
Calhoun County