

**PROCEEDINGS OF THE  
BOARD OF COMMISSIONERS**

July 20, 2017

1. CALL TO ORDER/ROLL CALL

The Regular Session of the Calhoun County Board of Commissioners convened at 7:00 p.m., Thursday, July 20, 2017 in the Commissioners' Meeting Room, County Building, Marshall, MI.

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

Present: Comrs. Dunn, Reynolds, Smith, Frisbie, Potter and Tompkins

Excused: Comr. King

Staff Present: Administrator/Controller Kelli Scott, Assistant Administrator Brad Wilcox, Human Resources Director Kim Archambault, Finance Director Michele Johnson, Corporation Counsel Jim Dyer and Deputy Clerk Chris McComb

2 and 3. INVOCATION AND PLEDGE OF ALLEGIANCE

A moment of silence was held in honor of Judge Jaconette's family followed by Comr. Potter leading the Pledge of Allegiance.

4. APPROVAL OF AGENDA

"Moved Comr. Potter, second by Comr. Reynolds to approve the agenda of the July 20, 2017 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 July 6, 2017 Regular Session

"Moved Comr. Smith, second by Comr. Tompkins to approve the minutes of the July 6, 2017 Regular Session as presented."

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

6. CITIZENS' TIME

There was none.

7. ELECTED/APPOINTED COUNTY OFFICIALS' COMMENTS

There was none.

8. SPECIAL ORDER OF BUSINESS

A. Presentation of the 2016 Audit by Joe Verlin of Gabridge & Co

Joe Verlin of Gabridge & Company thanked the Board for working with his firm as the County's auditors. He noted this is the nineteenth consecutive year the County received a certificate of achievement for excellence in financial reporting from the Governmental Finance Officers Association, noting that something less than two percent of the local units of government in Michigan receive this award. He stated that staff does a wonderful job putting together a comprehensive report. He stated the audit opinion shows the report accurately reflects the financial condition of the county as of December 31, 2016 and it is an unmodified, or clean, opinion.

Verlin reviewed Management's Discussion and Analysis, which shows financial highlights, explains how the financial statements articulate to each other, and what they mean. He then reviewed fund balances as of December 31, 2016.. He stated the General Fund unassigned balance at the end of 2016 compared to the total annual expenditures at the end of 2015 was at 11.4%, which falls within the Fund Balance Policy range of eight to twelve percent, showing that the County is in stable financial condition as of December 31, 2016. He reviewed comparative assets and liabilities from the last two years, noting the pension related deferred outflows, net pension liability and pension related deferred inflows. He stated this is the second year the county has had to implement Governmental Accounting Standard 68, the new pension recording standard. He explained these assets and liabilities did not exist two years ago. . Verlin noted the county recognized \$8,304,240 in grant revenue in 2016; however much of the related expenses were capitalized and became part of the county's infrastructure. He noted all major funds, Senior Millage, Road Department and Veterans Affairs, have a zero unassigned fund balance or a positive restrictive balance and none of the non-major funds have negative or deficit unassigned balances.

He stated they found no material weaknesses, no significant deficiencies and no noncompliance were identified, and internal controls are in place and being carried out effectively

Comr. Dunn stated she appreciated the auditors, Administrator/Controller Scott, Finance Director Michele Johnson, the finance staff and all the various county departments that put a lot of work into the audit.

Res. 152-2017

“Moved Comr. Potter, second by Comr. Reynolds to accept the 2016 Calhoun County Audit as presented.”

On a roll call vote, Yes – 6, Excused – 1 (King). Motion **CARRIED**.

9. CONSENT AGENDA

A. Petitions, Communications, Reports

B. Resolutions

1. Senior Millage Allocation Committee (SMAC) Reappointment  
(Term to Expire April 30, 2020)

{a} Jill Booth

2. Appointment of Deputy Medical Examiner

Res. 153-2017

“Moved Comr. Potter, second by Comr. Tompkins to approve the Consent Agenda of the July 20, 2017 Regular Session as presented.”

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

10. SPECIAL COMMITTEE/ WORKSHOP/BOARD REPORTS

Comr. Tompkins stated the Senior Millage Allocation Committee (SMAC) met and heard a presentation from Finance Director Johnson on their 2016 finances. He stated they will be doing strategic planning in conjunction with their next few meetings.

Comr. Tompkins stated the Trailway Alliance met and discussed the trail going through Homer, got a signage update and discussed the new portion of trail going through Albion.

Comr. Dunn stated the Employee of the Month for June was Sarah Vasquez, a Senior Engineering Technician with the Road Department and congratulated her. She stated the July Employee of the Month is Dana Porter, an Assistant Prosecuting Attorney who has been with the County for twenty - three years and congratulated her.

11. UNFINISHED AND OLD BUSINESS

There was none.

## 12. NEW BUSINESS AND COUNTY ADMINISTRATOR'S REPORT

### A. County Administrator/Controller's Report

Administrator/Controller Kelli Scott stated the Summit Pointe Board, which Comr. Dunn chairs, met and reviewed financial statements with a few months left in the fiscal year. She stated they are reporting changes in healthcare reimbursement; they are tightening up expenditures, and have added a position to manage contracts. She stated the Board of Commissioners Budget Committee met and kicked off the 2018 budget season. She stated she has presented the forecast to the Judicial Council and the Internal Budget Team, comprised of a selection of Elected Officials and Department Heads from across the county. She stated they review the General Fund and look at 2018 projections. She stated that in August and September we will ask Department leaders to submit departmental budget requests. She stated revenue is flat and we are planning to rely less on transfers from other reserves. She stated county leadership will continue to look at ways to control expenses and we will likely to need to leave most vacant authorized positions vacant again for next year. She stated the budget hearings will be in October and we are hopeful and optimistic. She stated that with the changes in the Finance Department we have done more analysis and are better prepared to face a deficit. She stated the Board Budget Committee has changed, with Chair King returning and the addition of Comrs. Dunn and Reynolds.

Scott stated the Marshall Area Economic Development Alliance (MAEDA) met. She stated they have been finalizing the process of dissolving the Marshall Chamber of Commerce and becoming an integrated entity since 2013. She stated the contributing partners have an updated agreement with MAEDA now. She stated they also reviewed the director's performance according to his employment contract.

Scott stated we received the annual report from the Office of the Medical Examiner. She stated that the annual report includes the five counties where the Western Michigan University School of Medicine serves as the Medical Examiner.. She stated that with all the counties, especially Kalamazoo there are many accidental drug related deaths. She stated Calhoun's death rate has reduced but it is still too high based on peer averages. She stated there is a lot of focus on addiction and opioid overdose. She stated she is glad we have this good data and we are hoping to share resources to help.

### B. New Business

#### 1. Enbridge Grant Acceptance and Rescue Boat Purchase

Administrator/Controller Scott stated the Sheriff's Office has been awarded a grant from Enbridge out of the donation fund they were required to put aside as a result of a class action lawsuit after the oil spill. She stated the funds would be used to fully fund a rescue boat that will allow the Sheriff's Office to better patrol the Kalamazoo River.

Res. 154-2017

“Moved Comr. Frisbie, second by Comr. Smith to approve the following: Resolved the Calhoun County Board of Commissioners does hereby accept the grant from the Enbridge Donation Fund Program and approve the budget amendment to purchase a Rescue One Connector Boat for river rescues as presented.”

On a roll call vote, Yes – 6, Excused – 1 (King). Motion **CARRIED**.

2. Window Cleaning Bid Award

Administrator/Controller Scott stated this recommendation is for a bid award to Cereal City Window Cleaning for all county facilities for the next three years. She stated the cost is below the \$20,000 threshold for a competitive bid but it is still being brought for Board approval.

Assistant Administrator Wilcox stated we are recommending a local vendor and the low bidder for this contract.

Res. 154-2017

“Moved Comr. Tompkins, second by Comr. Reynolds to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve the contract with Cereal City Window Cleaning to provide exterior window cleaning services to County facilities for three years for a total amount not to exceed \$19,929 as presented.”

On a roll call vote, Yes – 6, Excused – 1 (King). Motion **CARRIED**.

3. Cutting Edges RFB #119J-17 Recommendation

Administrator/Controller Scott stated this is another bid award related to the Road Department, this one for cutting blades that go on plow trucks. She stated the amount charged depends on quantity.

Assistant Administrator Wilcox stated this award is for metal inserts for plow blades. He stated we bid this every year because of the volatility of the materials and steel pricing. He stated they have found it is best to check pricing every year, get a truckload and move forward. He noted that St. Regis was not the low bidder but we have used them in the past. He stated that last year we went to bulk blades because of a low bid but when we put the blades to the roads, they wore out twice as fast so it wasn't cost effective. He stated we went back to St Regis this year and plan to do more education with the drivers and monitor the blades coming off the trucks to be sure they are getting the use we expect. He noted this bid is for Jackson and Calhoun.

Res. 155-2017

“Motion by Comr. Potter, second by Comr. Smith to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve the contract with St. Regis Culvert, Inc. for the purchase of cutting blades in an amount estimated at \$120,000.”

On a roll call vote, Yes – 6, Excused – 1 (King). Motion CARRIED.

4. MDEQ Rental Agreement #11924-2018

Administrator/Controller Scott stated this is a rental agreement for unused county facility space, specifically the second floor space where the former Treasurer was. She stated it is for one year, starting December 1, and for 1200 square feet. She reminded the Board that Assistant Administrator Wilcox manages all county facility leases, which total over \$1 million.

Assistant Administrator Wilcox stated this was the renewal of a standard state lease agreement.

Res. 156-2017

“Motion by Comr. Frisbie, second by Comr. Reynolds to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve the State of Michigan Rental Agreement #11924-2018 as presented and authorizes the County Administrator/Controller to sign the agreement on behalf of Calhoun County.”

On a roll call vote, Yes – 6, Excused – 1 (King). Motion **CARRIED**.

5. Activation of the Siting Criteria in the Solid Waste Master Plan

Administrator/Controller Scott stated this is related to proposed expansion of the C & C landfill. She explained that this is a state required action and it is coming after the BOC already approved the expansion agreement. She stated that this step will finalize the process and allow the state to continue its review process needed to issue the required permit for the landfill expansion.

Corporation Counsel Dyer stated the process of achieving the host agreement that was approved on February 16, 2017 was over a two and a half year process involving Convis Township and the County negotiating with C & C Expanded Landfill LLC. He stated we are working under a letter received from the DEQ in 1999 indicating that their preferred means of approving a local siting of a landfill was a host agreement and the letter stated an existing host agreement would be considered an activation of the siting criteria. He stated we already had a host agreement that had been effective for a long time and we considered an amendment for the expansion. He stated we recently received communication from the DEQ asking that we activate the siting criteria. He stated there are two sections in our Solid Waste Management Plan that address siting criteria that, in the opinion of the current and the former Corporation Counsel, that applies to an expansion. He stated we proceeded under that criteria. He stated the Solid Waste Advisory Committee heard a presentation from C & C Landfill and they went through the siting criteria that is set out by the DEQ, even though we didn't believe we needed to and

our plan didn't require it. He stated after that discussion the Solid Waste Management Committee recommended the Board approve the siting criteria. He stated there are five criteria that need to be considered and all five were considered and approved by the Solid Waste Management Committee. He asked the Board of approve the recommendation and the siting criteria so C & C Landfill can proceed with the permitting process.

Res. 157-2017

“Motion by Comr. Tompkins, second by Comr. Reynolds to approve the following: Resolved the Calhoun County Board of Commission does hereby activate the "Authorized Disposal Area Types Siting Criteria" of Section I, page III-34 of the Calhoun County Solid Waste Master Plan concerning the proposed expansion of the C & C Landfill in Convis Township.”

Roll call vote, Yes – 6, Excused – 1 (King). Motion **CARRIED**.

6. June 2017 Financial Statement

Administrator/Controller Scott stated these are the financial statements for June prepared by the Finance Office. She stated things are still on track through June, and this is the time of the year we do our mid-year budget review, requesting departments look at their budget and forecast any shortfalls in revenue or overages in expenditures they may have. She stated what was reported could result in potentially \$300,000 more in revenue in the General Fund and approximately \$600,000 in expenditures. She stated the County is required to come up with a plan to comply with new standards for indigent defense and that the program administration will be changing over the next couple of years. She stated there are some things pending at the Court of Appeals regarding Circuit and Family Court and what we can bill for. She stated District Court made changes to traffic court fines. She stated the midyear budget adjustment will be presented in the next month or so and that show the shortfalls and overages.

Finance Director Johnson stated revenue is slightly ahead of this time last year and expenses are on track with projections. She stated she expects the budget adjustments to be presented in August.

Res. 158-2017

“Motion by Comr. Potter, second by Comr. Smith to approve the following: Resolved the Calhoun County Board of Commissioners does hereby accept the June 2017 Financial Statement for information as presented.”

Voice vote, Motion **CARRIED**.

## 7. 2016 Act 51 Report

Administrator/Controller Scott stated this is the Act 51 Report, the annual financial report the Road Department is required to send to the state for fiscal year 2016. She stated that readers of our annual audit will see that our financial statements got a lot more complex when we added the Road Department. She stated the Road Department has a \$30 million budget and the county's General Fund budget was around \$40 million. She stated the Act 51 Report summarizes everything that was in the audited financial statements with additional schedules and statistical information. She stated the County Finance Director is now overseeing the finances at the Road Department and she and her staff worked with consultants to create this report. She stated it is required to be submitted at the same time our audit is, but we typically request an extension.

Finance Director Johnson noted that expenses landed within \$50,000 of budget. She stated the beginning fund balance was \$9.3 million and after spend down about \$5.1 million in bond proceeds, 2016 ended with a cash balance of \$1.36 million and a fund balance of \$3.7 million. She stated that on the revenue side, \$7.5 million came from local governmental units, which is the highest of the last five years combined. She stated that for expenditures, \$19.5 million was invested in the construction Improvements and construction, also higher than the last five years combined. She stated the maintenance line item is at \$10 million, which is down \$5 million from last year. She stated that on the expenditure side, \$703,000 was noted in administrative costs, which is the lowest since 2008. She stated that fringe benefits in 2016 were at 80.5% and in prior years has been as high as 120%. She stated the overhead factor is 1.7% and has been as high as 5.6% in the past.

Comr. Frisbie asked what the target is for General Fund's cash for the end of year.

Johnson stated we were targeting around \$1.4 million and ended at about \$1.36 million. Scott stated that because of the cyclical nature of the work at the Road Department and the delay in getting reimbursed from the State for our trunkline maintenance, we really need about three months operating cash on hand. She stated we aren't there yet but in 2012 we had negative cash at the end of the year, and so we are making steps and building in budget contingencies but we have a lot of work to do.

Comr. Dunn stated that the Budget Committee discussed the huge variance between where the Road Department started and where it is now and how it affects the county budget. She stated all the different factors really skew the numbers, but we will settle in.

Comr. Frisbie stated that the increase in fuel tax was as much as a \$16 million increase. He asked did we make target and what do they project for next year.

Scott stated we got the first increase this year but the bigger variable is State General Fund money. She stated that at the second meeting in August we will present the quarterly budget report for the Road Department. She stated we are making changes in the staff at the Road Department and will have a full time staff accountant soon and there is a new accounts payable person. She stated we are hoping to bring monthly financial statements from the Road Department along with the County report in the future.

Johnson stated we started to see an uptick in March and have seen it monthly since.

Res. 159-2017

“Motion by Comr. Reynolds, second by Comr. Smith to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve the submission of the Calhoun County Road Department Annual Financial Report (Act 51) to the State of Michigan as presented.”

On a roll call vote, Yes – 6, Excused – 1 (King). Motion **CARRIED**.

13. CITIZEN’S TIME

There was none.

14. COMMISSIONERS TIME

Comr. Tompkins wished former Commissioner and Homer Village Manager Art Kale well after his surgery.

Comr. Frisbie acknowledged attending Convis Township Supervisor Jason Farmer, noting they took action this month to move forward with paving their primary roads.

15. CLAIMS PAYABLE

- A. County Claims Payable for June 30 – July 13, 2017 in the amount of \$2,186,434.24

Res. 160-2017

“Moved Comr. Potter, second by Comr. Smith to approve the following: Resolved the Calhoun County Board of Commissioners does hereby approve the Calhoun County Claims Payable for June 30 - July 13, 2017 in the amount of \$2,186,434.24 as presented.”

On a roll call vote, Yes – 6, Excused – 1 (King). Motion **CARRIED**.

16. ANNOUNCEMENTS

Comr. Potter stated the County Fair starts August 13. He stated he is the liaison to the Fair Board for the Commissioners and he also serves as Chair of Fair Board. He announced that on Sunday night they will have a grandstand event with two local Christian rock bands. He stated it will cost \$8 to see both and the money goes to the band charities. He stated the bands are from St. Marks and Crossroads Churches. He stated that on Wednesday night, the fair will present Beatlemania from Branson, Missouri.

Comr. Tompkins stated the Homer Historical Society Seventeenth Annual Car Show will be Sunday, July 23 at the Blair Farm from 9 a.m. to 3 p.m.

Comr. Tompkins stated Swinging at the Shell Free Summer Concert Series is at Victory Park Bandshell in Albion at 6:00 p.m. every Sunday; this week will be the Marshall Rotary Band.

Comr. Frisbie stated the Pennfield Schools bond failed for a second time and it included \$2.5 million in athletic upgrades. He stated he is leading the effort to try to raise those funds and is looking forward to the challenge.

17. ADJOURNMENT

The meeting was adjourned at 8:15 p.m. at the call of the Chair.

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Chairman

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Clerk to the Board