

**PROCEEDINGS OF THE
BOARD OF COMMISSIONERS**

August 1, 2019

1. CALL TO ORDER/ROLL CALL

The Regular Session of the Calhoun County Board of Commissioners convened at 7:02 p.m., Thursday, Aug. 1, 2019 in the Commissioners' Meeting Room, County Building, Marshall, MI.

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

Present: Comrs. Smith, Miller, Hatcher, Tompkins, King, Vette, and Frisbie

Staff Present: Administrator/Controller Kelli Scott, Corporation Counsel Jim Dyer, Human Resources Director Kim Archambault, Communications Manager Lucy Blair and Deputy Clerk Shana Huerta

2 and 3. MOMENT OF SILENCE/INVOCATION AND PLEDGE OF ALLEGIANCE

A moment of silence was held followed by Comr. Tompkins leading the Pledge of Allegiance.

4. APPROVAL OF AGENDA

Res. 145-2019

"Moved Comr. Vette, second by Comr. Hatcher to amend and approve the agenda of the Aug. 1, 2019 Regular Session of the Calhoun County Board of Commissioners by moving items 12-B6 and 12-B7 to the top of the agenda."

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

5. APPROVAL OF MINUTES

Minutes of the July 18, 2019 Board of Commissioners Regular Session

Res. 146-2019

"Moved Comr. Tompkins, second by Comr. Miller to approve the minutes of the July 18, 2019 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

1. Presentation of the 2018 Calhoun County Audit by Joe Verlin of Gabridge & Co.

Joe Verlin of Gabridge & Co. thanked the Board for allowing them to serve as the County's auditing firm and stated that it was a pleasure to work with the staff of Calhoun County. Mr. Verlin explained that their firm's opinion was a clean, unmodified opinion, which was the highest level of an opinion given. He placed emphasis on the fact that there was a significant new reporting standard that was implemented in 2018 regarding retiree healthcare which resulted in a \$12M re-statement that increased the County's long-term liability. Mr. Verlin stated that as of Dec. 31, 2018, the County's assets exceeded liabilities by \$66M, and that as of Dec. 31, 2018 the General Fund had a \$4.9M balance which was in compliance with the Board of Commissioners' Fund Balance Policy. He explained that in 2018 there was \$16.6M of pension bonds issued and that the corresponding decrease in the County's net pension liability would be reflected in the 2019 financial statements due to the use of the prior year's Actuarial Valuations in the current year's audit. Mr. Verlin pointed out that all of the funds had positive balances. Mr. Verlin explained that the General Fund had a net increase of \$30,678 and that \$13.2M of capital outlay was reported as an expenditure to spend down prior year debt proceeds and that overall there was a \$6.6M decrease in Fund balance attributed to the intentional capital outlay expenditures. He stated that the County's Enterprise Funds had a total increase of \$1.36M and the Internal Service Funds broke even.

Comr. Frisbie stated that it was always good news when Mr. Verlin presented a clean, unmodified audit and thanked the Finance staff and leadership for a job well done.

Res. 147-2019

"Moved Comr. Hatcher, second by Comr. King to accept the 2018 Calhoun County Audit as presented."

On a voice vote, Yes – 7. Motion **CARRIED**.

9. CONSENT AGENDA

A. Petitions, Communications, Reports

B. Resolutions

1. Resolution to Approve a Deed to the Village of Homer
2. Resolution to Approve a Deed to the Tekonsha Public Library
3. Calhoun County Public Health Department School Wellness Program Staffing FTE Increase

Res. 148-2019

“Moved Comr. Tompkins, second by Comr. Smith to approve the Consent Agenda of the Aug. 1, 2019 Board of Commissioners’ Regular Session as presented.”

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

10. SPECIAL COMMITTEE/ WORKSHOP/BOARD REPORTS

Comr. Vette announced that Deputy Treasurer Melinda Weaver was the July Employee of the Month for her knowledge of County Government, expertise in the management of the forfeiture and foreclosure team and relationship with team members. She stated the Melinda had worked for the County for five years and her favorite things about her job were new challenges and her team. Comr. Vette also shared that Correctional Officer John Dally was named the August Employee of the Month for going above and beyond, assisting other deputies and his upbeat personality. She stated that John had worked for the County for 23 years and his favorite things about his job were serving the community, his co-workers and the great Court Security team.

Comr. Tompkins stated that the County Planning Commission met on Monday, July 29 and recommended approval of various zoning text amendments for Newton and Lee Townships, a PA116 application in Burlington Township and Marshall Township’s zoning map amendments. He shared that they welcomed Jen Rice as the Commission’s newest board member.

Comr. Miller stated that the Marshall LFDA met Thursday, July 25 and discussed the success of the recent Blues Festival event.

Comr. Frisbie stated that he attended the Parks and Recreation Commission meeting earlier that day and discussed the citizen led effort for a possible countywide parks millage.

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 that the Michigan Native American Heritage Fund Board (NAHFB) met on Monday, July 29 and approved approximately \$480,000 in grant awards, including one school district that was changing their mascot and others creating new curriculum. Ms. Scott shared that the Board of Commissioners Budget Committee met the previous week and they were getting ready to send out instructions for budget development requests to County leadership. She added that the County’s Hospital Finance Authority met on Tuesday, July 23 and that she was named Chair, John Byrd II was named Secretary and Jeryl Schoepke was named Treasurer. Ms. Scott explained that they did not

have any new business but met to be proactive in the event the Oaklawn or another hospital wished to finance projects through the Authority.

B. New Business

1. Authorization to Issue Series 2019 GOLT Refunding Bonds

Ms. Scott explained that this was a resolution to authorize a refunding bond issuance. She stated that the County issued bonds in 2010 to do the first phase of energy improvement projects with Honeywell International. Ms. Scott explained that the County issued them as taxable bonds through a special program called Recovery Zone Economic Development Bonds. She stated that changes within the federal government had reduced the interest subsidy associated with the bonds, and so the County's financial advisor, Bendzinski & Co., recommended that the County issue bonds up to \$5M that would produce estimated savings of \$159,000. Ms. Scott explained that this refunding bond issuance would not increase the County's debt or extend the life of the bond.

Bill Danhof from Miller Canfield concurred with Ms. Scott's statements and reiterated that interest rates were down and they could issue refunding bonds on a tax-exempt basis.

Res. 149-2019

"Moved Comr. King, second by Comr. Vette to adopt the attached Resolution Authorizing Issuance and Sale of Bonds to Refund the General Obligation Limited Tax Bonds previously issued in 2010 as presented, and authorize the County Board Chair to sign the Resolution."

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

2. Reimbursement Resolution for Emmett Township Road Improvements

Ms. Scott explained that this item was a reimbursement resolution related to the anticipated financing to fund the County's 50% match for Emmett Township's local road improvement projects. She stated that Emmett Township voters approved to borrow \$14.3M for their half and that the County's portion would be similar. Administrator Scott explained that the Road Department needed to complete work in the fall to prepare for construction work that would begin in the spring, and that this resolution would allow them to complete the work and then reimburse the Department's budget with bond proceeds. She noted that Administration would be bringing the legal agreement between the County and Emmett Township before the Board for approval this fall.

Comr. Frisbie asked if there was any prep work being completed prior to the contract being signed.

Ms. Scott stated there was not.

Res. 150-2019

“Moved Comr. Vette, second by Comr. King to adopt the attached Resolution as presented declaring official intent to reimburse expenditures with proceeds of anticipated general obligation unlimited tax bonds that will be used to provide funding for the County's share of local road improvements in Emmett Township over the next few years.”

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

3. Acceptance of the 2019 Iron Belle Challenge Grant Award

Administrator/Controller Kelli Scott explained that this item was in accordance with the Board’s grant policy and was a grant award related to the ongoing acquisition project to acquire 65 acres in Albion to create a rustic trailhead that would be considered a County park. She stated that the County previously received a grant for \$231,000 from the MDNR Trust Fund that had a required match and this grant award was \$81,500.

Res. 151-2019

“Moved Comr. Tompkins, second by Comr. Vette to authorize acceptance of the Iron Belle Trail Challenge Grant award in the amount of \$81,500 as presented and authorize the Board Chair to sign the corresponding Memorandum of Understanding with the Michigan Department of Natural Resources on behalf of the County.”

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

4. 2018 Act 51 Annual Financial Report

Ms. Scott stated that this item was the 2018 Act 51 Annual Financial Report for the Road Department and that is was required that the Board approve the report to be submitted annually to the State of Michigan. She explained that Corporation Counsel Jim Dyer requested that the cover page was corrected to read Calhoun County Board of Commissioners acting as the County Road Commission. Ms. Scott highlighted certain figures from the supplemental information prepared by Finance and distributed to the Board during the meeting. She thanked the Finance staff, the Treasurer’s Department and everyone that was involved with the audit and the Act 51 Report.

Res. 152-2019

“Moved Comr. Smith, second by Comr. King to 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 – 7. Motion **CARRIED**.

5. MGT User Fee Study

Ms. Scott stated that they had been working with MGT Consulting Firm that specialized in local government cost allocation plans and user fee studies, noting that user fees are defined as

charges for services that the County provides that benefit individual persons or entities and not the general public. She explained that over the past several years the County has asked departments to review and recommend adjustments to fees, but without a comprehensive study of whether the fees covered actual costs required to complete the services to the public. Ms. Scott stated the User Fee Study would identify gaps and that it was fiscally responsible to obtain information that would support adjustments to fees to reflect incurred costs, and noted the service agreement was not to exceed \$88,000.

Comr. King asked if the study would identify process deficiencies.

Ms. Scott stated that it was not a process improvement study but that processes that were drastically different than what the Consultants have seen elsewhere would be identified during the study.

Comr. Smith stated that he had reservations about the cost to complete the study and thought the study should be completed in-house.

Comr. Frisbie stated he had inquired about the possibility of the County doing the study internally, and learned that this type of study does require special expertise and independence in order to be valid. .

Jim Dyer stated that the County was responsible for defending fees charged and they could do an internal study but an external professional study added credibility.

Comr. Tompkins asked what the urgency was to present that item to them that evening.

Ms. Scott stated it was not expeditious and that the proposal was received several months prior and they had taken due time to discuss it with department heads and internal and Board budget committees.

Comr. Miller asked if every department would be included.

Ms. Scott replied that every department would be included.

Res. 153-2019

“Moved Comr. Hatcher, second by Comr. Vette to accept the proposal by MGT of America Consulting, LLC to prepare a User Fee Study for the County as presented.”

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

6. MGT Cost Allocation Plan – Health Department

Ms. Scott explained that this item was a cost allocation study for just the Health Department. She stated that the Health Department had its own set of funds and had been comprised of numerous business units or divisions for programs and that this study would determine how

Health Department administrative costs would be allocated among their divisions. Ms. Scott explained that this cost allocation plan would help ensure that they were leveraging grant dollars properly. She shared that the Health Board and Budget Committee supported the study.

Res. 154-2019

“Moved Comr. Hatcher, second by Comr. Miller to accept the proposal by MGT of America Consulting, LLC (MGT) to prepare a Cost Allocation Plan for the Calhoun County Public Health Department as presented.”

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

7. Purchasing Policy #405 Waiver

Ms. Scott explained that this item was in accordance with the purchasing policy and related to the new Public Defender’s Office. She stated that in an effort to timely meet the requirements of Michigan Indigent Defense Commission standards to provide confidential meeting spaces, they were asking for a waiver of Policy #405 to engage Shouldice Brothers to complete the work. Ms. Scott explained that the County received two quotes to create the required space within the jail and that County administration was recommending the lowest quote. She shared that the new Public Defenders office was already partially operational and that all incremental costs would be paid for through the MIDC grant.

Comr. Hatcher how waiving the policy would impact the County.

Ms. Scott explained that the County normally would have issued a public competitive request for sealed bids for a project of this size, and that obtaining two quotes helped the process get completed quicker with a similar level of comfort that the pricing was reasonable.

Comr. Frisbie stated that the County may have saved money because they did not go through the entire bid process.

Res. 155-2019

“Moved Comr. Miller, second by Comr. Vette to approve the request from the Purchasing Department for the waiver of Purchasing Policy #405 and authorize the County Administrator/Controller to execute an agreement with Shouldice Industrial Manufacturers and Contractors, Inc., in the amount of \$54,500.”

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

13. CITIZEN’S TIME

Sheriff Saxton stated concern regarding the amount that the Sheriff’s Office was being charged for the MGT fee study. He explained that he felt the study was beneficial and needed but hoped that there was a way to alter the amounts that departments were being charged. Sheriff Saxton shared that Corrections

Deputy Pam Glasley retired on Tuesday, July 23 after 25 years of service and explained that she started as a cook and worked her way up to a deputy.

14. COMMISSIONERS TIME

There was none.

15. CLAIMS PAYABLE

- A. Claims Payable for July 12, 2019 through July 25, 2019 in the amount of \$3,945,213.54

Res. 156-2019

“Moved Comr. Smith, second by Comr. Miller to approve Claims Payable for July 12, 2019 through July 25, 2019 in the amount of \$3,945,213.54 as presented.”

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

16. ANNOUNCEMENTS

Comr. Tompkins shared that the Homer’s Home Summer Festival would take place Fri., Aug. 2 and Saturday, Aug. 3 and that both Homer and Albion would be hosting National Night Out events on Tuesday, Aug. 6 from 6-8 p.m. He stated that Homer’s event would be located on E. Adams St. in front of the United Methodist Church and Albion’s event would be located in McIntosh Park.

Comr. Miller shared that the County Fair, the oldest county fair in the state of Michigan, would take place August 11-17.

17. CLOSED SESSION TO DISCUSS SPECIFIC PENDING LITIGATION (MCRCSIP AND HOOD)

Res. 157-2019

“Moved Comr. Hatcher, second by Comr. King to retire to closed session to discuss specific pending litigation (MCRCSIP and Hood).”

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

Meeting retired to closed session at 8:10 p.m. at the call of the Chair.

Meeting returned to open session at 8:44 p.m.

18. ADJOURNMENT

The meeting was adjourned at 8:44 p.m. at the call of the Chair.

slh

Chairman _____

Clerk to the Board _____