



WASHTENAW COUNTY BOARD OF COMMISSIONERS

WAYS & MEANS COMMITTEE

November 7, 2012

Comm. Rolland Sizemore called the meeting to order at 6:30 p.m. in the Board Room, Administration Building, 220 North Main Street, Ann Arbor, Michigan.

MEMBERS PRESENT: Comms. Bergman, Brabec, Gunn, Ping, Prater, Rabhi, Sizemore, Conan Smith, Dan Smith and Turner

MEMBERS ABSENT: Comm. Peterson

OTHERS PRESENT: County Administrator, Verna McDaniel; Curt Hedger, Corporate Counsel; Greg Dill, Facilities; Kelly Belknap, Finance; Mary Jo Callan, OCED; Bob Tetens, Parks & Recreation; Tina Gavalier, Finance; Ken Schrader, ITS; Elaine Holleran, County Administration; Lisa Moutinho, County Administration; Peter Simms, Clerk's Office; various citizens; and members of the press.

Roll Call

Citizen Participation

Lily Au, resident of Ann Arbor, brought with her two signs to present an explanation of why the county should discontinue coordinated funding. She contended that there was a problem with the distribution of coordinated funding funds.

Orian Zakai said that a day-time warming and community center needs to be opened in downtown Ann Arbor. She said that her organization has been working closely with the homeless community since 2011. She reported that there are two spaces in Ann Arbor where the homeless can congregate. She said that the options for the homeless are limited to the Delonis Center which is open only to residents and the library.

Mary Conway, writer with the Imagine Community, said that on Fridays the doors of the Delonis Center are open for homeless people to come in and take a break from the streets. She said that she wants to continue with Ann Arbor's generosity.

Erica Denham requested that the county support or fund her organization in finding a space for homeless to organize. She said that she works as a coach to the homeless by helping them write resumes. She reported that the coaching builds the skills of those who come in for help.

Commissioner Follow-Up to Citizens' Participation

Comm. Rabhi reported that he would sell inches of his hair in order to help provide funds to Safe House, Sheltering Organization of Washtenaw County. He thanked the people who had come before the board to speak. He said that he would hope to start around thanksgiving and end close to Christmas.

Comm. Conan Smith pledged up to \$500 for the first inch of hair as well as an additional \$50 per ¼ inch of facial length.

Comm. Ping said that she would also like to participate.

Comm. Dan Smith noted that he would also participate.

Comm. Rabhi noted that he would hope to give people options about which type of hairstyle he wanted.

Comm. Bergman said that Comm. Rabhi could count on her.

Comm. Prater said he would like to pledge for the last inch of hair closest to the commissioners scalp.

Comm. Sizemore said that it should be put on E-central.

New Business:

A. Economic Development

1. Office of Community and Economic Development:

a. Emergency Solutions Grant Program:

Comm. Rabhi seconded by Comm. Gunn moved that the Board of Commissioners ratify the County Administrator's signature on the electronic submission of the grant application to the Michigan State Housing Development Authority (MSHDA) for the 2012-13 Emergency Solutions Grant (ESG) program in the amount of \$302,170; authorize the County Administrator to sign the Notice of Grant Award; approve the budgets; and authorizing the County Administrator to sign delegate contracts.

Roll call vote: YEAS: 10 NAYS: 0 ABSENT: 1 (Comm. Peterson) Motion carried.

B. Land Use & Environment

1. Water Resources Commissioner:

a. Michigan Department of Agriculture's Clean Sweep Grant

Comm. Rabhi seconded by Comm. Gunn moved that the Board of Commissioners ratify the signature of the County Administrator on the contracts to the Michigan Department of Agriculture's Clean Sweep Grant in the total amount of \$15,000 for the period of October 1, 2012, through September 30, 2013; authorize the Administrator to sign the Notice of Grant Award, amend the budget and authorize the Administrator to sign delegate contracts.

Roll call vote: YEAS: 10 NAYS: 0 ABSENT: 1 (Comm. Peterson) Motion carried.

b. 2012 Survey & Remonumentation Grant

Comm. Rabhi seconded by Comm. Gunn moved that the Board of Commissioners authorize application to the Michigan Department of Labor and Economic Growth for the 2013 Remonumentation program in the amount of \$109,166; appoint a County Grant Administrator and County Representative, authorize the Grant Administrator to sign the notice of grant award, amend the budget and authorize the Administrator to sign the delegate contracts.

Roll call vote: YEAS: 10 NAYS: 0 ABSENT: 1 (Comm. Peterson) Motion carried.

C. Public Safety & Justice

1. Sheriff:

a. Annual Safe Communities Grant

Comm. Rabhi seconded by Comm. Gunn moved that the Board of Commissioners ratify the electronic submission of the application and agreement for the 2012-2013 Safe Communities Grant to the Office of Highway Safety Planning for this grant program for the period of October 1, 2012, through September 30, 2013, in the amount of \$150,000.

Roll call vote: YEAS: 10 NAYS: 0 ABSENT: 1 (Comm. Peterson) Motion carried..

D. Support Services

1. Finance

a. Merchant/Vendor Credit Policy

Comm. Rabhi seconded by Comm. Gunn moved that the Board of Commissioners adopt the Merchant/Vendor Credit Policy, which provides the authorization for use of merchant/vendor issued lines of credit by authorized County employees. Discussion on this item is listed below along with the vote tally.

Comm. Brabec asked about the difference between a credit card and procurement policy. Kelly Belknap said there was not currently a written policy for departments to follow. She said this was a housekeeping item that was intended to clarify for staff how credit should be handled. Comm. Brabec asked about procurement policy. Kelly Belknap said the best example came from 800 MHz POC who needed to purchase lights. She said that the best vendor required credit and so the 800 MHz POC was issued a procurement card.

Roll call vote: YEAS: 10 NAYS: 0 ABSENT: 1 (Comm. Peterson) Motion carried.

b. Updated Procurement Policy

Comm. Rabhi seconded by Comm. Gunn moved that the Board of Commissioners approve the updated Procurement Policy, which governs all purchases and leases of goods and services, contracts, credit cards, and environmentally preferable purchases.

Roll call vote: YEAS: 10 NAYS: 0 ABSENT: 1 (Comm. Bergman) Motion carried.

E. County Administration

a. 2013 Budget Reaffirmation

Comm. Rabhi seconded by Comm. Gunn moved that the Board of Commissioners adjust the 2012/2013 Budget for 2013 to reflect changes that have occurred since the adoption of the budget in November of 2011. Discussion on this item is provided below along with a tally of the votes.

Comm. Prater said that he would like to go over the revenue schedules for 2013 budget. He said that the budget was being increased for 2012. Tina Gavalier said that it was the revised adopted budget. He said that the 2013 budget was about 5.7 million more than what had been originally put forward. He asked about the sources of the increase. Tina Gavalier said that the 2012 equalization report came in better than expected so the new numbers have been taken into account when forecasting the 2013 budget. Comm. Prater asked about "fees & services". Tina Gavalier stated that most of those had come from the consolidation of the Ann Arbor Police and County Sheriff call centers. Comm. Prater asked if administration was confident about the numbers. Verna McDaniel stated that she was confident about them.

Comm. Dan Smith asked for an explanation of rule 37. Kelly Belknap stated that when the State changed the timing of the property tax revenue it meant that there were seven months of operation before the first property tax revenues came in. She said that what this policy did was make it clear that general fund cash becomes low in the first half of the year. She stated that this policy meant that if the county reached June and general fund cash was low then the cash could be borrowed from another fund and then replenished once the property tax revenue came in. Comm. Dan Smith stated that it was only general fund dollars and so there was no need to pay interest on funds borrowed. He asked why this had not happened before. Kelly Belknap said that the cash balance of the general fund was being depleted. Comm. Dan Smith asked if this didn't argue towards simply rebuilding fund balance. Kelly Belknap said that it was always wise to have a fall back plan. She said that she was a proponent of building the fund balance. Comm. Dan Smith said that it seemed like a dangerous thing to be doing. Kelly Belknap said that there was no immediate way to fund the fund balance. Comm. Dan Smith said that the revenue from the increase in tax revenue could be used for building the fund balance. He said that this was a dangerous policy. He said he was pleased to see that the reaffirmation was putting an additional half a million dollars into the fund balance. He said that the county was still in a dire financial situation. He said that the money from increased revenues was being spent too quickly.

Comm. Conan Smith asked if this could be separated out from the agenda until after the 3rd Quarter Update had been given.

Comm. Ping asked if there was a cap on this resolution. Kelly Belknap said the parameters were the decision of the board. She said that it was correct that the county would need to get as close to July as possible before rearranging general fund dollars. Verna McDaniel said that they would be talking to the board in the new year about plans to continue building the fund balance. She added that the county would be needing to borrow less

from the fund balance each time. She said that they were only \$4-5 million away from an extremely stable position and a better bond rating.

Comm. Prater asked what the actual fund balance was. Kelly Belknap said that fund balances in the report come from the prior year and that the fund balances for 2012 are still projections as the year has not ended. Comm. Prater asked what the revolving fund funds. He asked where the VEBA funding was listed. Kelly Belknap noted that the VEBA budget stood apart from the county's budget. She noted that the county funds it but does not adopt the budgets of independent agencies which is what VEBA is. Comm. Prater asked about unfunded liability. Kelly Belknap said that the document Comm. Prater had presented dealt with much more than just the components of VEBA. Comm. Prater said that his point is that there are roughly \$400,000,000 unfunded liabilities. He stated that the county needs to begin to address unfunded liabilities. Verna McDaniel said that the commissioners point was heard loud and clear and that she appreciated his comments. Comm. Sizemore said he did not understand why finance needs the authority to change the balances.

Roll call vote: YEAS: 7 NAYS: 3 (Comms. Prater, Sizemore and Dan Smith) ABSENT: 1 (Comm. Peterson)
Motion carried.

Report of the Administrator:

A 3rd Quarter Budget update was given by Kelly Belknap and Tina Gavalier.

Comm. Brabec thanked Tina Gavalier for the presentation. She asked if there was a projection for the impact of the consolidated dispatch. Tina Gavalier reported that the program had begun over the summer.

Comm. Prater asked if the projections were coming in on target. Tina Gavalier said they were 50% less because it was a mid-year implementation but that 2013 would be a full year.

Comm. Turner asked about the hiring of actuaries. He said that the actuaries had been changed in order to find a more proactive actuary. He said that he was pleased about the contributions being made to the fund balance.

Report of the Chair of the Board

Comm. Conan Smith stated that Comm. Turner had worked with Verna McDaniel to create a frame work for an agreement with the HSHV. He thanked Verna McDaniel, Jerry Clayton and Rob Turner for their work.

He noted that there has been a lot of discussion about commissioner compensation as regards per diems. He offered a draft resolution which focuses on salary, per diems, and additional compensation for leadership. He said that the same leadership bumps would be kept in place, except for vice-chair positions which would no longer receive a bump in salary for being vice-chairs. He said that the idea is that service at the county is accessible for anybody. He said that there should be some compensation if you have to take time off during the day to attend a meeting.

Comm. Conan Smith announced that there would be a fifteen minute recess at the end of the meeting.

Items for Current/Future Discussion

Comm. Turner seconded by Comm. Conan Smith moved that the board authorize the County Administrator to execute a contract for up to four years with the Humane Society of Huron Valley to provide certain animal control services within Washtenaw County and to authorize the County Administrator to execute contracts for up to four years with those local governmental entities, which maintain their own animal control ordinances, to help off-set the cost to the county of the HSHV contract.

Comm. Gunn asked if there were any changes to the resolution that had been distributed that night from the version that appeared in the board packet. Curt Hedger stated that the changes came in the final two THEREFORE BE IT RESOLVEDs of the resolution. Comm. Gunn said that she would be reluctantly voting for it. She said that she was perturbed because the HSHV never came up with a figure for the number of dogs that the county is responsible for. She noted that 52% of the dogs that come into the HSHV have owners. She noted that the county is not responsible for dogs with owners.

Comm. Rabhi said he was concerned about the final clause of the resolution. He stated that he read it as designating new funds as going straight to the HSHV which he did not feel was proper. He said that funds should go to the Board first. Verna McDaniel said that the clause had been a part of negotiations with other municipalities contributing funding to the agreement with the HSHV. Comm. Turner noted that the HSHV had provided a break down for the stray dog cost. He said that the cost had been approximately \$37 a dog. He reported that strays do tend to cost a little bit more than a

surrendered dog. He said that the handling of stray dogs alone costs more than \$500,000. He said that when you figured in animal cruelty dogs you were looking at about \$880-890,000.

Comm. Bergman asked if the HSHV was billing the county for the value of a volunteer hour. Comm. Turner noted that they were not. Comm. Bergman said that she was supporting this reluctantly. She said that food comes first to her. She noted that she was supporting this as a commissioner but she was unhappy about it as an individual.

Comm. Dan Smith said that the first RESOLVE clause mentions the potential to adjust for inflation. He said that he was worried about this because the county could face high inflation but there is a cap on revenues. Comm. Dan Smith seconded by Comm. Rabhi proposed that the potential to adjust for inflation be stricken and replaced with potential to adjust on the basis of taxable value. This change is shown below:

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners authorizes the County Administrator to work with the Office of Corporation Counsel to finalize and execute a contract for up to four years with the Humane Society of Huron Valley for \$500,000 per year, with the potential to adjust ~~for inflation~~ for rate of taxable value change.

Roll Call Vote on Comm. Dan Smith's amendment: YEAS: 6 NAYS: 4 (Comms. Gunn, Ping, Prater and Sizemore) ABSENT: 1 (Comm. Peterson) Motion carried.

Comm. Prater said that in his reading of the procurement it states that goods and services must have an RFP issued. He said that it was his opinion that this violated county policy. He stated that the board had been working on this for two years.

Comm. Ping asked for a clarification of the amendment. Comm. Dan Smith explained that the county's maximum tax increase from property is capped at 5%. He said that what would be considered is the increase of taxable value. Verna McDaniel asked that the board consider capping the inflation rate at 3%.

Comm. Conan Smith said that what Dan's amendment does is tie the increase to the county's ability to pay.

Comm. Ping seconded by Comm. Gunn amended Comm. Dan Smith's which places a cap of 3%.

Comm. Gunn said that she did not support taxable value and withdrew her support for Comm. Ping's amendment.

Comm. Prater provided support for Comm. Ping's amendment which puts a cap of up to 3% on taxable value.

Comm. Conan Smith said that he appreciated the intent of Comm. Ping but that he would be voting against it.

Comm. Ping withdrew her motion.

Comm. Dan Smith said that he did not like the last paragraph of the resolution.

Comm. Sizemore said that he would not be supporting this resolution because he believes that this should come back to the board. He added that he had a problem with the HSHV. He said that there are communities out there who need to pay their part in this. He reported that the humane society should step up. He said that if licensure compliance was higher there would be less needs for funds. Comm. Turner noted that many ideas had been proposed to address funding. He noted that the idea to approach municipalities for funds had come from the HSHV. He added that the HSHV had suggested improve the way that forfeiture is handled. He stated that they had been very proactive. He said that the timeframe was short but he felt that a longer term contract with the HSHV it would allow for more negotiations. Comm. Sizemore asked what could be done when the municipalities said they didn't have funds for animal control. Comm. Turner stated that the county has the option to withhold animal control services from those municipalities that refuse to pay for them. Curt Hedger confirmed that it was a possibility. Verna McDaniel said that she would send an agreement to the board before any action was taken.

Comm. Rabhi thanked the administrator for the work that she has done on this. Comm. Rabhi seconded by Comm. Gunn proposed that the language "new animal control related revenue or" be struck from the last paragraph of the resolution. The proposed change is illustrated below.

Be IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners declares that ~~new animal control related revenue or~~ increased contractual revenue from those local governmental entities, which maintain their own animal control ordinances which may be identified during the four-year contract period between the County and which may be identified during the four-year contract period between the County and Humane Society of Huron Valley, shall be directed to the Humane Society for Huron Valley.

Roll Call Vote on Comm. Rabhi's amendment: YEAS: 9 NAYS: 1 (Comm. Prater) ABSENT: 1 (Comm. Peterson)
Motion carried.

Comm. Conan Smith commended Comm. Rabhi on the resolution.

Comm. Prater stated that he had never seen a process like the one taking place that night. He contended that this violated the county's purchasing policy. He said that the HSHV was being given control of the purse strings.

Curt Hedger said that he believes that the action taking place does comply with the policy. He said that the procurement policy has a provision for a sole source which exempts the bid requirement. He noted that to do a bid in this instance would elicit responses from vendors outside of the county which would increase costs.

Comm. Dan Smith said that he was deeply bothered by the whole process. He said that they were right back to square one. He noted that the cost per dog was too high. He added that the municipalities have had plenty of opportunity to repeal their ordinance. He said that he would be voting against this. He said that most mandated services are handled by elected officials. He said there are good reasons for contracting the service out but it comes with problems.

Comm. Ping said that the intent was never to get the service for less money but identify what it costs. She added that whether or not you agree with the cost is irrelevant.

Comm. Ping seconded by Comm. Gunn called the question on the HSHV resolution.

Roll Call Vote on calling the question: YEAS: 10 NAYS: 0 ABSENT: 1 (Comm. Peterson) Motion carried.

Roll Call Vote: YEAS: 7 NAYS: 3 (Comms. Prater, Sizemore and Dan Smith) ABSENT: 1 (Comm. Peterson) Motion carried.

Comm. Conan Smith seconded by Comm. Turner moved that the board establish the compensation and per diem for the Washtenaw County Board of Commissioners effective January 1, 2013.

Comm. Prater asked if this applied to the BOC or the general public. He added that he did not believe it was necessary and that it does not address attendance.

Comm. Conan Smith said that there is only one board that meets that highest level of meetings and that is the Road Commission. He stated that the road commission meetings are very intense. He noted that the scale is an attempt to recognize the hard work put forward by someone serving on a board that has so many meetings.

Comm. Dan Smith thanked Comm. Conan Smith for his memo. He noted that he had thought about this quite a bit. He said that one of the facets of stipends that hadn't been mentioned is that work doesn't only happen at a regularly scheduled meeting of the board. He noted that he appreciated commissioner pay being pegged to a position. He said that additional work being created by redistricting was not a sufficient argument for pay increase. He suggested that pay be decreased to \$15,500 which is where it currently stands but there was no second for the motion.

Comm. Dan Smith seconded by Comm. Turner moved that the following paragraph be removed from the County Policy on the Schedule of Stipends for Compensatory Service:

~~The Board of Commissioners may include on the list of eligible bodies any committee, subcommittee meeting or Working Session of the Board, provided that its meetings have been noticed in accordance with the Open Meetings Act, Public Act 267 of 1976.~~

This motion was passed by voice vote of the board.

Comm. Dan Smith seconded by Comm. Conan Smith moved that the language in the 4th BE IT RESOLVED paragraph be changed from Chair of Ways and Means and Chair of Working Sessions to Chair (s) of Standing Committees. This change is illustrated below.

BE IT FURTHER RESOLVED that the Board of Commissioner directs that the officers of the Board shall receive additional salary as follows:

Chair of the Board -- \$3,000
~~Chair of Ways & Means -- \$1,000~~
~~Chair (s) of Working Session -- \$1,000~~
(Chair (s) of Standing Committees --\$1,000)

Roll Call Vote: YEAS: 7 NAYS: 3 (Comms. Prater, Sizemore and Dan Smith) ABSENT: 1 (Comm. Peterson) Motion carried.

Comm. Prater said that he believes that the chair of the ways and means committee carries the heaviest agenda.

Comm. Dan Smith seconded by Comm. Prater moved that the sliding scale of stipends be eliminated and replaced with a flat rate of \$200 per board served on.

Comm. Conan Smith said that he did not feel it was fair to have someone go to a meeting once a year while others attend 26 meetings a year at the same pay. He said that his recommendation was that it be tried and then amended if it doesn't work.

Comm. Sizemore said he would support leaving it the way it is.

Roll Call Vote on Comm. Dan Smith's amendment: YEAS: 1 NAYS: 9 (Comms. Bergman, Brabec, Gunn, Peterson, Prater, Rabhi, Sizemore, Conan Smith, and Turner) ABSENT: 1 (Comm. Peterson) Motion failed.

Comm. Bergman said that it should state that the stipend is per board that the commissioner is appointed to. Comm. Bergman seconded by Comm. Gunn moved that the resolution specify that a stipend is paid per board that a commissioner serves on. This motion was passed by voice vote.

Comm. Ping asked if mileage is addressed. Comm. Conan Smith said that it is not covered here because this deals with compensation and mileage is reimbursement which is addressed in the board rules passed each new-year.

Comm. Rabhi seconded by Comm. Ping moved that the salary bump the Chair (s) of Standing Committees receive for being a meeting chair be increased from \$1,000 to \$3,000.

Comm. Conan Smith said that he would support the amendment with the expectation that chairs would be working extremely hard in the coming years.

Comm. Rabhi stated that his amendment was intended to make leadership more equal.

Roll Call Vote on Comm. Rabhi's amendment: YEAS: 7 NAYS: 3 (Comms. Sizemore, Dan Smith and Turner) ABSENT: 1 (Comm. Peterson) Motion carried.

Roll Call Vote: YEAS: 8 NAYS: 2 (Comms. Sizemore and Dan Smith) ABSENT: 1 (Comm. Peterson) Motion carried.

Comm. Sizemore said that he would like to see how the room will be modified to accommodate the new board.

Pending

None

Adjournment

Comm. Prater seconded by Comm. Rabhi moved that the meeting be adjourned until January 16th, 2012 at 6:30 p.m. Motion carried.

The meeting adjourned at 9:18 p.m.

Rolland Sizemore, Chair

Lawrence Kestenbaum, Clerk/Register

By: Peter Simms, Deputy Clerk

APPROVED: December 5, 2012