



WASHTENAW COUNTY BOARD OF COMMISSIONERS

WAYS & MEANS COMMITTEE

December 4, 2013

Comm. Brabec 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: Comm. Brabec, LaBarre, Peterson, Martinez-Kratz, Ping, Rabhi, Sizemore, Conan Smith, Dan Smith

MEMBERS ABSENT: None

OTHERS PRESENT: County Administrator, Verna McDaniel; Judge Timothy Connors; Brian Mackie, Prosecutor; Evan Pratt, Water Resources Commissioner; Curt Hedger, Corporate Counsel; Greg Dill, Facilities; Kelly Belknap, Finance; Diane Heidt, HR; Tina Gavalier, Finance; Dick Fleece, Environmental Health; Mary Jo Callan, OCED; Robert Carbeck, Trial Court; Bob Tetens, Parks & Recreation; Ken Schrader, ITS; Lisa Moutinho, County Administration; Peter Simms, Clerk's Office; various citizens; and members of the press.

Roll Call

Citizen Participation

Thomas Partridge, recent candidate for Ann Arbor City Council, called on the public to urge the Board of Commissioners to give priority to the most disadvantaged members of society. He said that those people need better access to public transportation and public education. He said that it was his hope that the Board of Commissioners would have courage in implementing new programs.

Senator Rebekah Warren said that she had worked with Jeff Irwin when he was a county commissioner to pass energy efficiency legislation through the state legislature. She said that energy efficiency sometimes did not receive enough support because of its initial up-front costs. She said that this was a policy that was a win-win. She said that PACE in Michigan came from Washtenaw County. She added that she would be happy to answer any questions.

Commissioner Follow-Up to Citizens' Participation

Comm. Conan Smith complimented the Senator on her presentation. He added that he was excited about the PACE program. He noted that the action tonight was informing the public of the board's intent to create a PACE program. He introduced to the Board Andy Levine.

New Business:

A. Land Use & Environment

1. Water Resources Commissioner:

a. **Copper Meadows Drain Project Full Faith and Credit:**

Comm. Rabhi seconded by Comm. LaBarre moved that the Board of Commissioners pledge the County's limited full faith and credit for payment of bonds for the Copper Meadows Drain Project in an amount not to exceed four hundred sixty thousand (\$460,000.00) dollars.

Roll call vote: YEAS: 9 NAYS: 0 ABSENT: 0 Motion carried.

b. **Pleasant Lake Improvement Project:**

Comm. Rabhi seconded by Comm. LaBarre moved that the Board of Commissioners direct the Board of Public Works to undertake a Lake Improvement Project for Pleasant Lake in the Township of Freedom in Washtenaw County.

Roll call vote: YEAS: 9 NAYS: 0 ABSENT: 0 Motion carried.

B. Public Safety & Justice

1. Trial Court:

a. Peacemaking Court Grant

Comm. Rabhi seconded by Comm. LaBarre moved that the Board of Commissioners ratify the submission of a grant application for the establishment of a Peacemaking Court to the State Court Administrator's Office in the amount of \$150,000 for the period of October 1, 2013 through September 30, 2014.

Judge Connors said that he was there to answer any questions that the Board might have. He noted that the program would not cost the county anything. He noted that it was a grant from the Supreme Court for \$150,000. He reported that this was the first court in the state and the second in the nation to do this. He said that the grant was to examine which philosophies and methods in the tribal courts could be applied in the state courts. He said that after 23 years on the bench he could say that many times the symptom is addressed but not the disease. He stated that it was his hope to spend the next eleven years of his career working here. He thanked the Board for their time. He added that he would keep the board apprised of the upcoming informational sessions.

Comm. Conan Smith thanked Judge Connors and his team for making this happen. He said that putting in place a process like this is very unique. He added that he was proud that Washtenaw County was modeling this.

Comm. Rabhi applauded Judge Connors for his work.

Comm. Peterson thanked Judge Connors for his leadership. He said that Judge Francis O'Brien had been a leading figure on juvenile service programs in Washtenaw County. He added that he was glad to see that Judge O'Brien's legacy was being carried forward. He added that he remembered Dick Fleece when he started working at the county and so he was familiar with the court culture through the years. He stated that he was pleased to see increased levels of collaboration between the courts and the Board of Commissioners. Judge Connors said that he planned on involving the detention center heavily in this program.

Comm. Brabec thanked Judge Connors for his work and his vision. She added that this would be a wonderful thing for the community.

Roll call vote: YEAS: 9 NAYS: 0 ABSENT: 0 Motion carried.

C. Support Services

1. Office of Infrastructure Management:

a. Resolution of Intent to Create a Property Assessed Clean Energy (PACE) Program in Washtenaw County

Comm. Rabhi seconded by Comm. LaBarre moved that the Board of Commissioners approve a Resolution of Intent to create a Property Assessed Clean Energy Program in Washtenaw County with the PACE District comprising the geographical boundary of the County.

Comm. Conan Smith apologized to the Board for missing the Working Session on the PACE program. He added that he hopes some of that discussion could happen that night. He said that he would like to run this through the board that night because this was just the beginning of the process. He added that there was still a long time line to get this program going. He said that there is an organization in the community interested in making these types of investment in energy efficiency.

Comm. Ping said that she supported the idea in concept. She asked why the county has to put up money. Comm. Conan Smith noted that the County does not need to put up any money though it had that option. He said that the County was supportive of third-party financing. He noted that it was money from banks which was invested in energy efficiency projects. He said that if the property owner does not pay the lender for their loan then the county begins the normal foreclosure process. Andy Levine said that the portion of the resolution was mirroring the statute. He noted that even if the county was acting as a lender the board could not provide the full faith and credit of the county. He said that a PACE obligation is tied to the building. He reported that people get into PACE because it is a long term debt based investment.

Comm. LaBarre asked what the worst possible scenario was for Washtenaw County. Andy Levine said that the worst possible outcome was that a PACE project goes into foreclosure and the property cannot be sold. Comm. LaBarre said that he had spoken to the Treasurer about the project. He asked for a simplified version of the process for starting a PACE program as a business owner. Andy Levine said that Washtenaw County would join Lean and Green Michigan and he becomes the PACE Administrator. He said that Washtenaw County would have a designated official to sign the document with the property owner. Comm. LaBarre asked if banks were willing to do this in Southeast Michigan. Andy Levine noted that the program was very new in Michigan. He added that Wayne County was taking the final steps to join the project the next morning.

Comm. Sizemore said that he would need to see examples from other counties that have done this. Andy Levine said that he did not have a Michigan example but there were other case studies available.

Comm. Rabhi thanked Andy Levine for speaking before the board. He asked how the fees are paid to the administration. Andy Levine noted that the fee was 2% of the PACE assessment. He said that it could be part of the closing costs. He added that legal fees are a dollar amount rather than a percentage. Comm. Rabhi asked if everyone participating in the Washtenaw County PACE program would have to work with Andy Levine's firm. Andy Levine responded that they would though the board could end their PACE program at any time or start a new one. Comm. Rabhi asked how Ann Arbor handled the administration of the PACE program. Andy Levine noted that they had paid a non-profit to handle the administration of the PACE program. Comm. Conan Smith noted that the PACE administrator for the City of Ann Arbor had been a grant to a non-profit which had to do a lot of legal legwork to start one of the first PACE programs in the state. Comm. Rabhi asked if there were many firms that handled the administration of PACE programs. Andy Levine said that he was trying to create a statewide market which would make investment possible for larger firms. Comm. Conan Smith said that Lean and Green is the sole source provider. He stated that when Wayne County had issued an RFP for PACE administrator they had received only one response and that was from Lean and Green Michigan. Comm. Rabhi asked for an explanation of the Lean and Green program. Andy Levine noted that it was the name of the program through his firm.

Comm. Peterson said that he would be supporting Comm. Conan Smith's motion to move this for a vote at the Board meeting. He noted that the project was in line with the services provided by the County. He noted that the county runs a loan pool for minority businesses and has a partnership with SPARK and SPARK East. He added that this was not much different than many of the other partnerships the county has with community organizations. He said that the county also has an easy out from the partnership. He stated that this was an opportunity to aid and assist businesses. He said that this was a personal relationship between the PACE administrator and the business interested in the program. He added that he trusts Andy Levine.

Comm. Sizemore asked what the action at the board tonight would mean. Curt Hedger noted that the resolution tonight was alerting the public of the County's intent to create a PACE program. He said that then there would have to be a public hearing on the program. He stated that the last and most important step was the resolution joining the PACE district.

Comm. Peterson said that he would like to work on a special committee working on the PACE program. He noted that Andy Levine has had a distinguished career in the labor movement.

Comm. Brabec asked how a contractor could guarantee the energy savings on a project of \$250,000 or greater. Andy Levine said that it was done by performing an investment grade energy audit. He noted that the statute requires that the savings to investment ratio be greater than 1 meaning that it must be cash flow positive. She asked what a shared PACE district meant. He said that legally speaking the Board would create the Washtenaw County PACE District. He noted that Lean Green Michigan meant one standardized set of policies and requirements. Comm. Brabec asked how an Ann Arbor business would decide between the City PACE district and the County district. Andy Levine noted that if the business wanted to use public funding and the project was under \$350,000 then they could use Ann Arbor's district but if they wanted to use private funding then they could use the County's program.

Comm. Conan Smith offered an amendment to set the Public Hearing date at January 22, 2014 at 6:45 pm. This motion was seconded by Comm. Peterson. The motion passed by voice vote with dissent from Comm. Sizemore.

Comm. Peterson asked what the issue was with having the public hearing on January 22. Comm. Conan Smith said that if business would happen on January 8 then he was happy to have the resolution setting the public hearing pass through the board on January 8. Comm. Peterson said that he would support the delay.

Comm. Conan Smith asked if the PACE program after the public hearing goes to the Board. Andy Levine said that the statute passes no heed to the structures of local government.

Roll call vote: YEAS: 9 NAYS: 0 ABSENT: 0 Motion carried.

Report of the Administrator:

None

Report of the Chair of Ways and Means

None

Report of the Chair of the Board

Comm. Rabhi reported that there would be a five minute break between the meetings.

Ellen Rabinowitz provided the Board with an update on bringing back the Public Health Board. She said that she was doing the due diligence to reestablish the Board of Public Health. She added that she was meeting with the Director of the MDCH to discuss the potential Board of Public Health. She noted that she was pulling together a report on all of the ways that Public Health receives information from citizens. She said that her intention was to come forward with a resolution in the first quarter of 2014. Comm. Rabhi thanked Ellen Rabinowitz for her update.

Items for Current/Future Discussion

Comm. Peterson said that the county oversees many committees and the Board of Public Health is extremely important to him. He said that the Board of Public Health helps children. He noted that when he was growing up the Department of Public Health provided health care for many of the people in his neighborhood. He said that the Office of Public Health used to make home visits and often it was the only way that a child would have received their flu shots. He said that as long as infants are still dying there is a need for the Board of Public Health. He stated that there is a vulnerable population of children in the community. He said that the standards in Washtenaw County have been very high and he wants them to be raised higher.

Comm. Ping said that there have been three heroin overdoses in Saline in the last few months. She noted that the Mayor of Saline was working to convene the Schools and Police. She said that she would like to be able to provide resources to address this.

Comm. Conan Smith said that this public health issue is critically important and also not his expertise. He said that the Board of Commissioners needs the expertise of the community. He stated that he would have loved to have passed this three months. He said that he would like to be sure that it's done right but also quickly.

Comm. Rabhi said that he intends to work with staff to bring something up for review. He added that this was not a delay tactic to kill the project. He said that he appreciates the time staff has already put in to make this happen.

Pending

Comm. Brabec thanked the Board and said that it had been an honor to serve as Chair of the Ways and Means.

Adjournment

Comm. Peterson seconded by Comm. Rabhi moved that the meeting be adjourned until January 22nd, 2014 at 6:30 p.m. Motion carried.

The meeting adjourned at 8:25 p.m.

Felicia Brabec, Chair

Lawrence Kestenbaum, Clerk/Register
By: Peter Simms, Deputy Clerk
APPROVED: January 8, 2014