



WASHTENAW COUNTY BOARD OF COMMISSIONERS

WAYS & MEANS COMMITTEE

January 16, 2013

Comm. Felicia 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: Comms. Brabec, LaBarre, Peterson, Ping, Rabhi, Sizemore, Conan Smith

MEMBERS ABSENT: Comm. Martinez-Kratz, Dan Smith

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; Ben Toole, 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

None

Commissioner Follow-Up to Citizens' Participation

None

New Business:

A. Public Safety & Justice

1. Sheriff:

a. Coordinated Funding Capacity Building Grant – Telling It:

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners ratify the 2012 electronic application submission of the Ann Arbor Community Foundation, United Way, Washtenaw County Office of Community and Economic Development, Coordinated Funding grant for the period of January 1, 2013, through December 31, 2013, in the amount of \$20,000.

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

b. 2010 Homeland Security Grant:

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners authorize the County Administrator to sign the 2010 Homeland Security Grant Program Inter-local Fiduciary Agreement and delegate contracts with Macomb County, in the amount of \$904,800, for the period of August 1, 2010, to April 30, 2013.

Comm. Conan Smith asked for an explanation of the Homeland Security Grants for the sake of the public. Marc Breckenridge introduced Ben Pinette to the board. He added that Ben would explain the details behind the grants. Comm. Conan Smith asked Marc Breckenridge why there were so many grants before the board this night. Marc Breckenridge stated that the grants had to be rewritten through Macomb County before coming to Washtenaw because of a change of fiduciaries.

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

c. 2011 Homeland Security Grant:

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners authorize the County Administrator to sign the 2011 Homeland Security Grant Program Inter-local Fiduciary Agreement and delegate contracts with Macomb County, in the amount of \$816,713, for the period of September 1, 2011, through May 30, 2014.

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

d. 2012 Homeland Security Grant:

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners authorize the County Administrator to sign the 2012 Homeland Security Grant Program Inter-local Fiduciary Agreement and delegate contracts with Macomb County, in the amount of \$308,202, for the period of September 1, 2012, through May 31, 2014.

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

B. Economic Development

1. Office of Community and Economic Development:

a. Food Assistance Employment and Training (FAE&T)

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners ratify the signature of the Chair of the Board on the Fiscal Year (FY) 2013 Food Assistance Employment and Training program plan in the amount of \$84,783, for the period of October 1, 2012, through September 30, 2013.

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

b. Partnership. Accountability. Training. Hope. (PATH) [Formerly the Jobs, Education and Training (JET) Program]

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners ratify the signature of the Chair of the Board on the Office of Community and Economic Development (OCED) plan to the Workforce Development Agency, State of Michigan (WDASOM) for Fiscal Year (FY) 2013 Partnership. Accountability. Training. Hope. (PATH) [Formerly the Jobs, Education and Training (JET) Program] plan for the period of October 1, 2012, through September 30, 2013, in the amount of \$1,160,203.

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

c. Workforce Investment Act (WIA) Dislocated Worker Program – Additional Funding

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners approve additional funding for the Appropriation Year (AY) 2011 Workforce Investment Act (WIA) Dislocated Worker (DW) Program, in the amount of \$111,750, increasing the budget from \$801,669 to \$913,419 for the period of July 1, 2011, through June 30, 2013..

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

C. Board of Commissioners

a. 2013 Budget Calendar & Guidelines

Comm. Conan Smith seconded by Comm. Ping moved that the Board of Commissioners approve the Budget Process Calendar and Guidelines for 2013 as attached to the Ways and Means Committee resolution.

Roll call vote: YEAS: 6 NAYS: 0 ABSENT: 3 (Comms. Martinez-Kratz, Peterson, Dan Smith) Motion carried.

Report of the Administrator:

At the request of Commissioner Sizemore, Kelsey LaHaye and Kinsey McCole introduced themselves to the board. They explained that they were students at Skyline High School and were attending the meeting for a class project.

Verna McDaniel, Kelly Belknap and Tina Gavalier presented to the board a report on the financial state of the county. This presentation is on file at the County Clerk's Office.

Comm. Conan Smith asked if the revenue projections took into account personal property tax reforms. Verna McDaniel said that it did. She added that an update would be given in May.

Comm. Conan Smith asked if the projected 1% increase in Police Services was an increase in revenue. Tina Gavalier confirmed that it was a revenue increase.

Comm. Sizemore asked what "outside agencies" were. Verna McDaniel provided the Shelter Association as an example.

Comm. Ping asked about the preliminary estimate for the general fund. She asked how hard it would be to change some of the factors affecting the estimate. Verna McDaniel responded that she could provide the commissioner with the spreadsheet.

Comm. LaBarre asked about how the 2017 deficit was affected by the recommended cuts. Verna McDaniel said that \$6.8 million was the amount of structural cuts that would need to be made to prevent the deficit from compounding to \$9.2 million in 2017.

Comm. Rabhi thanked Verna McDaniel and her team for the presentation. He said that there had been a couple of rounds of major cuts that reduced service levels. He added that although the board should be optimistic, it should be a measured optimism.

Comm. Peterson asked when there would be more information about the structural changes. He asked if the board would be discussing structural issues at the retreat. He said that in order to make the retreat as productive as possible, some of that information would need to be available. He added that he believes people come to Washtenaw County not for the wages but because it is an excellent place to work. He stated that the Board has a responsibility to its excellent employees. He noted that many of the people who came to work to the county came because of the County's reputation. He added that it needs to be made clear that revenues declined. He said that he hoped that some of the items he mentioned could be discussed at the retreat. He thanked the Administrator for her presentation. Comm. Rabhi thanked Comm. Peterson for his words. He added that he would like to accommodate some of that discussion in the retreat.

Comm. Conan Smith thanked Verna McDaniel for her work. He added that it was nice that the severity of the needed budget cuts was decreased. He stated that it would not be easy to make additional cuts. He asked how the long term perspective would be integrated into this year's budget process. Verna McDaniel said that an open mind about the budget period would help. She noted that right now staff prepares a two-year budget. She added that a longer budget process could be beneficial. Comm. Conan Smith stated that he had seen the positive effect of Oakland County adopting a 3-year budget cycle. Verna McDaniel added that she understood concerns about a longer budget cycle not being nimble enough to respond to a rapidly changing economy. Comm. Conan Smith said that it was beneficial to both the board and admin to have set review periods. He asked if the general cash fund balance had come close to depletion. Kelly Belknap responded that the commissioner was correct and that the cash fund balance can run low during parts of the year. She noted that this was because the county does not receive revenues from tax until July. Verna McDaniel noted that one of the ways to improve their bond rating was putting approximately an additional \$4 million in the fund balance. Comm. Conan Smith stated that such an action was something that needed to be talked about. He added that an analysis of a better bond rating would be needed. He said that he would like to see the short term impacts weighed against the opportunity cost of not putting those dollars into services that would directly impact the community. Comm. Conan Smith said he would like to spend more time talking about fund balance and the bond rating. He stated that the board had pushed to increase reserves for several years. He stated that he had noticed there was 0% in wage increases. He asked if there were some bargaining units such as POAM and COAM that would receive increases. Tina Gavalier said that the majority of the employees do not receive increases but the presentation outlines the 1% increase that the aforementioned bargaining units will receive. He stated that he appreciated the conservative revenue projections. He added that at the same time it was important that the expenditure projections were representative of the worst case scenario.

Comm. Brabec asked about the timeline for the personal property tax reforms. Verna McDaniel said that some of it was taking place in 2014. She added that they would bring back to the board more thorough information on those reforms.

Comm. LaBarre asked if any thought had been put into the effect on the county of a federal default. Verna McDaniel said that the board will have to direct the policy if a program loses federal funding due to a default. She said that there would have to be a rapid response.

Comm. Rabhi said that the staff for the Urban County had done a projection and calculated that the best case scenario was a 10% decline in funding. He added that Mary Jo Callan's staff was in the process of determining the impact of a default on their programs.

Report of the Chair of the Board

Comm. Rabhi decreed that there would be a five minute break after adjournment of the Ways and Means session.

Items for Current/Future Discussion

Comm. Conan Smith stated that he was disappointed to be alone on his side of the board. He added that Governor Snyder had appointed Paul Hillegonds, senior vice president of corporate affairs for DTE Energy, to be the Chair of the RTA. He noted that Paul was speaker of the House during a period of shared power in the House. He added that he was a well regarded consensus builder.

Pending

None

Adjournment

Comm. Rabhi seconded by Comm. Ping moved that the meeting be adjourned until February 6th, 2013 at 6:30 p.m.
Motion carried.

The meeting adjourned at 7:54 p.m.

Felicia Brabec, Chair

Lawrence Kestenbaum, Clerk/Register
By: Peter Simms, Deputy Clerk

APPROVED: February 6, 2013