



## WASHTENAW COUNTY BOARD OF COMMISSIONERS

### WAYS & MEANS COMMITTEE

March 7, 2007

Chair Bergman 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, Grewal, Gunn, Irwin, Peterson, Ping Mills, Ouimet, Lovejoy Roe, Schwartz, Sizemore and Smith

**MEMBERS ABSENT:**

**OTHERS PRESENT:** County Administrator Robert Guenzel, Deputy County Administrators David Behen and Verna McDaniel, Corporation Counsel Curt Hedger; Catherine McClary, Treasurer; Lawrence Kestenbaum, County Clerk; Peter Ballios, Finance; Diane Heidt, Human Resources; Dale Vanderford, Ken Schrader, Information Technology; Alan Israel, Prosecuting Attorney's Office; Jennifer Watson, Budget; Patricia Denig, Herbert Mahony, Undersheriff; Anthony VanDerworp, Planning and Environment; Mark Lindke, Veterans Services; Kerry Sheldon, Tammy Richards, Administration; Jason Brooks, Clerk's Office; various citizens; and members of the press.

#### **Roll Call**

#### **Citizen Participation**

None

#### **Commissioner Follow-Up to Citizens' Participation**

None

#### **New Business:**

Jeff Irwin presented a resolution of appreciation to Tammy Richards.

Comm. Irwin stated that both Brownfield resolutions were supported by the Washtenaw County Brownfield Authority.

#### **Land Use and Environment Community of Interest:**

#### **Building Inspection:**

#### **Alarm Washtenaw – Operation Smoke**

Comm. Irwin seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the Resolution ratifying the Administrator's signature on the application to the United States Homeland Security Department, in the amount of \$84,500; authorizing the Administrator to sign the Notice of Grant Award, amending the budget; and authorizing the Administrator to sign delegate contracts.

Roll call vote: YEAS: 11. NAYS: 0 ABSENT: 0. Motion carried.

#### **Planning and Environment:**

#### **Brownfield Plan Amendment – 200 South Ashley Brownfield Redevelopment Project**

Comm. Irwin seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the Resolution to adopt the proposed amendment to the Brownfield Plan for Washtenaw County approving tax increment financing and single business tax credit incentives for the "200 South Ashley" Brownfield Redevelopment Project in the City of Ann Arbor.

Roll call vote: YEAS: 11. NAYS: 0 ABSENT: 0. Motion carried.

**Brownfield Plan Amendment – “Village Marketplace and Lofts” Brownfield Redevelopment Project**

Comm. Irwin seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the Resolution to adopt the Brownfield Plan for Washtenaw County approving tax increment financing and single business tax credit incentives for the “Village Marketplace and Lofts” Brownfield Redevelopment Project in the City of Saline.

Roll call vote: YEAS: 11. NAYS: 0 ABSENT: 0. Motion carried.

**Office of the Administrator:**

**2006 Year End Budget Adjustment – Presentation**

Jennifer Watson gave a budget presentation (On file in County Clerk's Office).

Comm. Smith asked if the \$401,000 surplus discussed in the presentation is redistributed throughout the expenditures. Watson stated that the budget is being increased. Comm. Smith asked where this shows up in the revised budget. Watson stated that it is divided between the categories. Comm. Smith asked if surplus dollars were aggregated into a separate fund. He stated that the County is facing a potential \$1.2 million shortfall. Guenzel stated that this money would be available for the future. He added that some of the reserves can be set aside depending on forecasting.

Comm. Irwin asked if the surplus is in place of the previous anticipated surplus. Watson stated that it is in addition to the previously estimate surplus.

Comm. Gunn stated that the bond rating was improved, and that maintenance of this fund is great.

**Resolution to Authorize the County Administrator to Execute a Contract with Excelon Energy**

Comm. Lovejoy Roe asked if there is a written document on the Excelon contract. She asked if it would be possible to postpone and communicate with DTE. She mentioned that the City of Ann Arbor lost money when locking in a rate in a similar agreement. Sheldon stated that the Ann Arbor example was electricity, not natural gas. She added that it is important to ensure that the rate is lower in the case of Excelon when compared with DTE. She stated that Excelon is not a regulated company, and can set prices at whatever they want them to be. She added that Excelon offers 15% off of the distribution rate and customer meter charge. She communicated that the County has been contracting with Excelon since 2002.

Comm. Lovejoy Roe asked if a rate is locked in or fluctuation takes place with the market. Hedger stated that the contract gives the option of locking in a rate. He added that guessing wrong is the risk of locking in the rate. He stated that distribution, the cost of gas, and the meter charge are the three parts of the bill. He communicated that savings are not on the actual cost of the gas. Hedger added that costs are close to the regulated cost of gas. He stated that distribution and meter reading were the largest part of the savings. He restated the risk of locking in a rate, and added that the choice of locking in can be made.

Comm. Lovejoy Roe stated that the community support from DTE should be considered. She added that she would like to see an analysis of community support.

Comm. Lovejoy Roe seconded by Comm. Peterson moved to table the Excelon resolution until the next Ways and Means session, scheduled for March 21, 2007. Roll call vote: YEAS: 2. NAYS: 8 (Comms. Bergman, Grewal, Gunn, Irwin, Ping Mills, Schwartz, Sizemore, and Smith) ABSENT: 1 (Comm. Quimet). Motion failed.

Comm. Smith stated that he encourages support on these programs because there is a fiduciary responsibility to citizens. He added that there is a long history of deregulation and competition in the market place that needs to be considered.

Comm. Peterson stated that information may not be available, and that the community relies on corporate contributions. He stated that he is concerned about the speed the resolution was brought up. He added that if shopping out of state continues, corporations will begin to leave Michigan.

Comm. Schwartz asked about the statement in the resolution that price advantages have the direct result of ensuring the natural gas through Excelon will be cheaper. Hedger stated that Excelon offers at a huge advantage from the outset, but is not a guarantee.

Comm. Ping Mills asked who would be following the contract to decide when to lock in. Sheldon stated that the Energy Coordinator would be responsible, and that a determination is being made on the location of the position. Comm. Ping Mills asked if there is anyone in the interim that could make a determination. Hedger stated that generally, the rate is not locked in.

Comm. Bergman stated that all are curious about filling the position of Energy Coordinator.

Comm. Gunn stated that Sheldon is the former energy coordinator. She added that the contracts have worked well over the last 5 years.

Comm. Peterson asked if DTE was aware of the contract. He asked if no competitive bid is being made and stated that the market should be made more challenging by government. Hedger stated that in 2000-01, Michcon and Detroit Edison lobbied to have a competitor because they wanted to avoid a monopoly to have their merger approved. He added that overlapping areas in the easement are the advantage. He added that these factors created a good deal for DTE. Hedger added that if Excelon backed out, a requirement is in place for another competitor to enter the picture.

Comm. Smith added that generally he is not in favor of deregulation. He stated that we are currently in a mixed market, and that comparing Excelon to DTE is like comparing apples to oranges. Comm. Smith stated that there is a time limit that should be taken advantage of.

Comm. Lovejoy Roe stated that DTE would welcome the opportunity to speak with the County. She stated that it is important to see what DTE can offer.

Comm. Irwin seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the Resolution authorizing the County Administrator to execute a contract with Excelon Energy for the provision of natural gas to County facilities.

Roll call vote: YEAS: 9. NAYS: 2 (Comms. Peterson and Lovejoy Roe) ABSENT: 0. Motion carried.

#### **Resolution Supporting the North-South Commuter Rail Line**

Comm. Irwin commented on the North South Rail Pilot project. He stated that there is a grant going to the Federal Government asking for support for the project. He added that this grant may have long term implications.

Comm. Grewal stated that she is glad to see this resolution come up. She added that the timing works out well on this grant application. She stated that long term implications may come out of this project.

Comm. Ouimet stated that he agrees with the above comments. He stated that this creates an opportunity and a test run for the project.

Comm. Schwartz stated that he supports the resolution. He added that a letter should also go to Ann Arbor Railroad in order to transport people all the way downtown. Comm. Irwin stated that the current plan is from approximately 8 Mile Road to Plymouth Road. He stated that organizations have agreed to provide buses for transportation from where the population disembarks from the train. Comm. Irwin stated that a long term plan needs to be put in place if this project is successful.

Comm. Gunn stated that she took a ride on the train, and that there is a large parking lot at 8 Mile offering free parking.

Comm. Irwin stated that VanDerworp is making a presentation on the topic in a month.

Comm. Irwin seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the Resolution to support the transportation community, and system transportation preservation grant for the North South Rail Pilot and construction mitigation located in Washtenaw and Livingston Counties.

Roll call vote: YEAS: 11. NAYS: 0 ABSENT: 0. Motion carried.

#### **Report of the Administrator:**

Guenzel stated that he and Comm. Irwin met with representatives of Augusta Township to discuss impending mediation. Comm. Irwin added that future developments would be brought to the Board.

VanDerworp discussed the handout titled "Washtenaw County Tests Potential for Wind Energy". (On file in County Clerk's Office.)

**Report of the Chair of the Board**

Comm. Irwin stated that there would be a ten minute break between the Ways and Means Committee meeting and the Board of Commissioners meeting.

**Items for Current/Future Discussion**

Comm. Sizemore stated that he gave a health policy handout to Heidt. He listed some possible health savings that could be brought up in the negotiation process.

**Citizen Participation**

Tom Partridge stated that he urged the Board to reconsider their attitudes on socioeconomic issues. He added that the County Administrator contract should be considered on a yearly basis.

**Commissioners Follow-up to Citizen Participation**

Comm. Gunn stated that the County Administrator serves at the pleasure of the BOC. She added that she thinks he is the best Administrator in 30 years.

**Pending**

None

**Adjournment**

Comm. Irwin seconded by Comm. Lovejoy Roe moved that the meeting be adjourned until March 21<sup>st</sup>, 2007 at 6:30 p.m. Motion carried.

The meeting adjourned at 7:45 p.m.

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Barbara Levin Bergman, Chair

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Lawrence Kestenbaum, Clerk/Register  
By: Jason Brooks, Deputy Clerk

APPROVED: