



## WASHTENAW COUNTY BOARD OF COMMISSIONERS

### WAYS & MEANS COMMITTEE

April 18, 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, and Smith

**MEMBERS ABSENT:** Comm. Sizemore

**OTHERS PRESENT:** County Administrator Robert Guenzel, Deputy County Administrators David Behen and Verna McDaniel, Corporation Counsel Curt Hedger; Catherine McClary, County Treasurer; Lawrence Kestenbaum, County Clerk; Peter Ballios, Finance; Amy Klinke, Community Development; Raman Patel, Dick Steffens, Marjorie Bixby, Charles Mosher, Lori Cash, Timothy Kettinger, William Guenther, David Rowe, Jeffery Hammerberg, Matthew Heering, Christian Spang, Paul Steigerwald, Frances Patton, Equalization; Reigen Folks, Children's Services; Patricia McGee, Head Start; Diane Heidt, Human Resources; Dale Vanderford, Ken Schrader, James McFarlane, Information Technology; Megan Wolfe, Support Services; Jennifer Watson, Budget; Kirsten Osborn, Treasurer's Office; Patricia Denig, Planning and Environment; Kerry Sheldon, Administration; Derrick Jackson, Jason Brooks, Clerk's Office; various citizens; and members of the press.

#### **Roll Call**

#### **Citizen Participation**

Tom Partridge reported that the state is in a budget crisis and a crisis of leadership. He stated that he is calling on state leadership to go into marathon negotiating sessions. He added that he would like to see action by the Board on this crisis. Partridge added that state services are overwhelmed because of unemployment. He communicated that he would like to see the Board take these matters seriously, and amend the local tax code. He stated that he would like to see a graduated income tax in the County.

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

None

#### **New Business:**

Comm. Irwin presented the resolution thanking Reigen Folks for his 33 years of service to Washtenaw County and wishing him well in all his future endeavors. Folks stated that he is honored to make a positive contribution.

Comm. Irwin presented the resolution declaring April 22-28<sup>th</sup> to be "Protecting the Environment" Week in Washtenaw County. Janis Bobrin thanked the BOC for support of their programs.

#### **Civic Infrastructure Community of Interest:**

#### **Equalization:**

#### **Annual Equalization Report**

Raman Patel presented the Annual Equalization Report (On file in County Clerk's Office). He added that Northfield Township not submitting a report will be handled at the State level. Patel introduced members of his staff.

Comm. Smith thanked Patel for his presentation. He asked about the Headlee rollback factor and asked what is subtracted from last year's taxable value. Patel responded that this number represents the losses. Comm. Smith asked that if because the rollback factor is greater than one, taxes are not rolled back. Patel responded that this was the case. Patel pointed out that there used to be a Headlee roll-up during times when the economy was performing poorly.

Comm. Smith asked about new legislation regarding DDA's, and if the County was in a position to leverage some claw backs. Patel responded that as long as authority of amending boundaries is in place then this can be done.

Comm. Smith asked if Patel was talking about IFT's and abatements. Patel responded that this is created with the local units of government. He stated that some kind of agreement could be put in place with local units of government. Comm. Smith asked if the County has the ability to leverage this type of agreement. Patel responded that he sees this more as a "gentlemen's agreement."

Comm. Smith stated that it may behoove us to get local leaders together to put a clause in to protect future revenue. Patel stated that local governments cannot be denied, but at the same time an agreement may be able to be reached. Comm. Smith suggested that this could be brought up at Economic Development Committee.

Comm. Smith stated that Equalized value is less than the CPI this year. Patel explained that the value has fallen. Comm. Smith asked if taxes are increasing faster than home value, and if there are particular places in the County where this is occurring more frequently. Patel responded that this can be seen in some areas of the County, and added that in the City of Saline, Ford Motor Company impacted the results. Comm. Smith asked about the impact on an individual homeowner regarding the tax bill increasing faster than home value. Comm. Smith added that the mitigating factor is the long term investment of a home. Patel stated that a lot has changed since the passage of Proposal A. Comm. Smith stated that there is a great deal of exempt property, due to local programs. Comm. Smith asked if there was a way to track which exemptions are more or less permanent. Patel responded that these are not included. Comm. Smith asked if it was possible to tell which were institutional acquisitions. Patel presented "exempted properties" for the County since 2002.

Comm. Ouimet stated that as the County does set aside land, and moving forward is evaluated, he asked about the opinion of Ouimet about the rate that this is a happening. Patel stated that all property has been valued according to class, and these parcels are taken out of market value. He stated that it seems that the County has a higher level of concern, and that changes are more dramatic than forecasts from the previous year. He stated that as the process is managed he is curious as to how future County budgets will be affected. Patel stated that the Commissioners will play a role in future decisions. Comm. Ouimet added that the downturn is continuing. Patel stated that Pfizer is the number one taxpayer in the County, and that the closing of Pfizer's building will have an effect on the budget. Patel stated that Equalization has made an effort to work with local units of government. Comm. Ouimet stated that he is currently working with some of the Townships he represents on this issue. Comm. Ouimet stated that the effect of businesses downsized and moved is felt more strongly in different areas. He thanked Patel for the presentation.

Comm. Gunn thanked Patel. She stated that she is not sure new DDA's need to be worked on at this time. She stated that it is difficult to ask organizations to make changes. She asked about the personal property tax associated with Pfizer, and what communities have done. Patel stated that this largely depends on how much personal property Pfizer holds on to, as well as whether or not any of the Pfizer facility is utilized by another entity after they leave. Patel stated that the building will still be there, but may not have as much value.

Comm. Gunn stated that the Greenbelt is something that is wanted in Washtenaw County.

Comm. Ping Mills asked if the County collects money, and the money is returned to DDA's, and if this is making a huge impact on local governments. Patel stated that there is a gap in this County, and that it is not only the County, but also local units of government. Comm. Ping Mills asked if Patel knows what is done with the money. Patel stated that it is up to those who create the district.

Comm. Schwartz thanked Patel. He asked about the new public act allowing for an opt out of future DDA's or TIFA's. Patel stated that there are only 60 days to opt out. He added that there are things being done by Townships allowing for only 28 days. Comm. Schwartz stated that it is not known when expansions may happen, and that it may be possible to default. He stated that policies should be a discussion on a Board meeting night. Comm. Schwartz stated that this leaves citizens in the uncomfortable position of falling property values in lieu of rising tax bills. He added that a fairly steady growth can be relied on for the next 5 or 6 years.

Comm. Lovejoy Roe thanked Patel, and asked about the claw back. She stated that in Ypsilanti Township, there is no abatement offered unless an agreement is made. Patel stated that he does not know if other municipalities are practicing this in the County. Comm. Lovejoy Roe stated that it is legal to ask for agreements like this. She stated that she would like to see further policy developed on TIFA's and DDA's. She stated that this is a balancing act. Comm. Lovejoy Roe asked if it was unusual to have an imbalance between residential and commercial areas. Patel stated that typically industrial and commercial property is close to the equalized value.

Comm. Irwin asked how many years Patel has given this report. Patel responded that this is his 35th year. Comm. Irwin asked about what could be done to work better with local units on appeals happening at the state level. Patel stated that either negotiation takes place or an opt out is done based on market value. He stated that he tries to help local units of government, because if they lose money, the County loses money. Comm. Irwin reported that tax exemptions such as

park land and farm land, are a drop in the bucket when the overall picture is considered. He asked about the Scio Township DDA. Patel stated that they have a large district.

Comm. Grewal thanked Patel for the presentation.

Comm. Bergman stated that looking at what might be the best in good times, and decisions that may have to be made in present times need to be weighed. She stated that tax exemptions are going to have to be looked at as far as what is needed immediately.

Comm. Smith thanked Comm. Gunn and Comm. Irwin for their comments on tax exemptions. He stated that the total loss from exemptions is less than \$100,000. He stated that land preservation is wise. Comm. Bergman thanked Patel for the presentation. Patel displayed a slide showing the largest taxpayers in the County.

Comm. Grewal seconded by Comm. Lovejoy Roe moved to recommend that the Board of Commissioners approve the resolution approving the 2007 Equalization report.

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

**Treasurer:**

**Delinquent Tax Borrowing Resolution**

McClary introduced Kirsten Osborn from the Treasurer's Office and Paul Wyzgoski from Dickinson Wright.

Comm. Grewal seconded by Comm. Lovejoy Roe moved to recommend that the Board of Commissioners approve the resolution issuing 2007 General Obligation Limited Tax Notes for the 2006 delinquent taxes in the amount not to exceed twenty-five million dollars (\$25,000,000).

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

**Housing and Homelessness Community of Interest:**

**Office of Community Development:**

**Washtenaw Urban County Annual Action Plan**

Comm. Grewal thanked Klinke for being there. She stated that it was nice to see that factors in addition to space were considered. She asked if there has been a database built to see if increased access to services leads to people reaching out to take advantage. Klinke stated that they have been trying to track that, and that she believes it has a positive correlation. Klinke stated that HUD only allows 15% of funds on human services out of CDBG. Comm. Grewal asked about creating community plans, and if that has happened. Klinke stated that this has happened, and that the community has come together to form an action plan with 20 different steps. Comm. Grewal asked about the list of partners in this program, and if SPARK is being worked with. Klinke stated that she has been in discussions with SPARK.

Comm. Schwartz asked about CDBG, and if these funds are proposed or finalized. Klinke stated that this is an outline of how this money is going to be spent. Comm. Schwartz asked if this money is currently available. Klinke stated that funds are available for a portion of the program.

Comm. Lovejoy Roe stated she was concerned about partners being brought in, and Administrative increases. She added that she had an issue with the Michigan Prisoner Re-entry Initiative (MPRI), and the prisoner initiative.

Comm. Lovejoy Roe stated that people are not interested in West Willow getting a home to house prisoners. She stated that she feels that when something is going on in her community, she would like staff to communicate issues with the appropriate commissioner representative. She stated that she is not interested in having stand alone housing in which parolees will be introduced into. She stated the community has had negative experiences in this model. She stated that this is a great organization, and that the program is doing a lot of good things.

Comm. Ouimet stated that he appreciates being proactive in developing partnerships. He stated that this shows the willingness of the County to do some outreach to pull resources together. Comm. Ouimet stated that the County should be looking for more of these partnerships. He thanked Klinke for help and support.

Comm. Peterson asked about the prisoner re-entry program, and whether there was a formal partnership. Klinke responded that there was not at this time. She stated that the program is community based, and that neighborhoods get to decide who comes. She stated that the background was to explore the possibility of this program.

Comm. Peterson stated that he hopes that a position is made clear that anyone will be assisted. He added that he is concerned that the state has not put all the cards on the table. He stated that people who have paid their debt to society should be returned to society. He stated that the State is putting a lot of burden on local communities and that impact on the community is another consideration in this program. Comm. Peterson stated that dollars and commitment are necessary to ensure the program is successful. He communicated that he does not want to see the County come out with a negative reputation.

Comm. Bergman stated that she feels that this program is a repeat of the one involving mentally ill patients of a decade ago. She stated that she is concerned about funding in the future as state prisons are closed. Comm. Bergman pointed out that the money ends on Oct. 1. She added that if the individual has large personal issues, they cannot be taken off of roles, as the County would be mandated to serve them. She stated that she is concerned about rights and needs of individuals returning to the community.

Comm. Gunn thanked Klinke and her staff for preparing this plan. She added that participation with Township Supervisors has been positive, and that exchange of ideas has been valuable.

Comm. Lovejoy Roe stated that MPRI in participation with West Willow is setting up housing. She stated that she understands that the West Willow group and the Township Board are in disagreement over this issue. She stated that it is not being looked at to use dollars on MPRI housing.

Comm. Bergman asked if that was the intent. Klinke responded she had not heard that.

Comm. Grewal seconded by Comm. Lovejoy Roe moved to recommend that the Board of Commissioners approve the resolution authorizing the Administrator's signature on the Annual Action Plan to the U.S. Department of Housing and Urban Development for the period of July 1, 2007 through June 30, 2008 in the amount of \$1,866,761; 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: 10 NAYS: 0 ABSENT: 1 (Comm. Sizemore). Motion carried.

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

Kirk Profit stated that the current fiscal year result is not in place. He stated that there is still a \$600 million gap. He stated that the current revenue structure does not involve any business tax. He added that this years and next years budget need to be figured out in short order. He stated that it will be important to pressure policy makers to make decisions. Profit reported that personal property tax must also be dealt with. He stated that everything is at risk. He stated that it is not due to a lack of good legislators in this County. He communicated that higher education and corrections are in danger of taking hits. He stated that an effort was being made on waste disposal system. Profit added that all areas are vulnerable.

Comm. Schwartz asked about calling a Constitutional convention. Profit stated that there was a resolution in this works calling for this. He stated that there is work to be done because of the structure over the last 30 years. Profit added that there are a lot of issues that do not need to be visited also.

Comm. Smith stated that there are projects with state funding that are no longer being funded. Profit stated that it is issue could be lobbied, but that it is difficult to talk about any kind of spending issue. He stated that the tax code does not work. Comm. Smith asked what role can be played by local government officials. Profit stated that there is never enough dialogue going on to deal with these issues. He stated that the state cannot get to next year's budget without a tax code.

Comm. Peterson stated that he would like to imagine every community having a voice in Lansing. He feels that the County was very wise to have a consultant in Lansing. He added that it is sad to hear about these potential major cuts, especially in education. He stated that he commends the Board for retaining a government consultant. He stated that He believes that many lawmakers have the best interests of the County in mind. Comm. Peterson thanked Profit. Profit asked for calls/e-mails anytime.

#### **2008-2009 Planning Process: Civic Infrastructure Community of Interest Presentation**

Catherine McClary, Lawrence Kestenbaum, and Raman Patel gave the Civic Infrastructure Community of Interest presentation (On file on County Clerk's Office)

Lawrence Kestenbaum described activities of his department and specific groups of customers are served. He also talked about office consolidations that have taken place to improve customer service.

Catherine McClary also discussed dog licenses through the Treasurer's Office.

Comm. Irwin thanked the participant for the presentation, and thanked them for being easy to work with.

Comm. Peterson stated that there are no complaints heard about the departments that presented tonight. He stated that customers have talked about how great customer service is in these departments. McClary public applauded her staff.

Comm. Grewal thanked all for the presentation. She asked about the e-government initiatives, and whether there has been documentation on the money saved. McClary stated that she does not feel that anything has been saved in terms of cash. McClary mentioned parcel property look up, she stated that Equalization may need someone extra to do this without this service. She added that delinquent tax services are also available, and added that she is trying to get dog licenses on the internet. She stated that more resources are needed to complete these transactions in the back offices. She mentioned some of the electronic transactions that are taking place in the County. She added that there are initiatives in place.

Kestenbaum stated that the biggest success has been ordering vital records online. He stated a similar process in ordering deeds, but that it has not been as popular as vital records. He added that title companies are worked with to provide this information online.

McClary stated that bar coding worked really well on dog licenses.

Comm. Grewal stated that as these initiatives are moved forward coordination occurs between departments, and leads to an efficient use of resources.

Comm. Bergman thanked participants for the presentation.

#### **Report of the Chair of the Board**

Comm. Irwin stated that there would be a 5 minute break between the Ways and Means Committee meeting and the Board of Commissioners meeting.

#### **Items for Current/Future Discussion**

None

#### **Citizen Participation**

Partridge stated that if he had been elected to the County Commission seat, he would have called on officials to put together a plan to reform government. He stated that elected officials in the County are complacent in their positions. He stated that there is a need for gun control due to the events that recently occurred at Virginia Tech University. He stated that there should be a plan to modify the tax system to better serve Washtenaw County residents. He stated that he would like to see a reform policy from the County Commissioners. He stated that Commissioners could not afford to sit on the status quo.

#### **Commissioners Follow-up to Citizen Participation**

None

#### **Pending**

None

#### **Adjournment**

Comm. Schwartz seconded by Comm. Gunn moved that the meeting be adjourned until May 2<sup>nd</sup>, 2007 at 6:30 p.m. Motion carried.

The meeting adjourned at 9:40 p.m.

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Barbara Levin Bergman, Chair

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

APPROVED: 5/2/07