



WASHTENAW COUNTY BOARD OF COMMISSIONERS

WAYS & MEANS COMMITTEE

March 2, 2011

Vice Chair Dan Smith 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. Gunn, Judge, Peterson, Prater, Rabhi, Conan Smith, Dan Smith and Turner.

MEMBERS ABSENT: Comms. Bergman, Ping, and Sizemore

OTHERS PRESENT: County Administrator, Verna McDaniel; Deputy County Administrator, William Reynolds; Corporation Counsel Curtis Hedger; Brian Mackie, Prosecuting Attorney; Diane Heidt, Human Resources; Kelly Belknap, Jennifer Watson, Finance; Bob Tetens, Parks and Recreation; Dave Shirley, Jason Fee, Facilities Management; Michael Smith, Veterans Affairs; Patricia Denig, Susan Sweet Scott, ETCS; Tony VanDerworp, Economic Development and Energy; Mary O'Hare, Hazelette Crosby-Robinson, WCHO; Ken Schrader, ITS; Joanna Bidlack, County 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:

Economic Development:

ETCS:

Food Assistance Employment and Training Program

Comm. Prater seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the resolution ratifying the signature of the Chair of the Board on the Food Assistance Employment and Training Program Plan application to the Michigan Department of Energy, Labor and Economic Growth for ETCS in the amount of \$141,409 for the period of October 1, 2010 through September 30, 2011; authorizing the Administrator to sign the notice of grant award; approving the budget and authorizing the Administrator to sign delegate contracts be adopted.

Roll call vote: YEAS: 8 NAYS: 0 ABSENT: 3 (Comms. Bergman, Ping, and Sizemore). Motion carried.

Jobs, Education, and Training (JET) Plan

Comm. Prater seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the resolution ratifying the Chair of the Board's signature on the application to the Michigan Department of Energy, Labor and Economic Growth for the ETCS JET Plan in the amount of \$1,161,692 for the period of October 1, 2010 to September 30, 2011 for the Employment Training and Community Services Department; authorizing the County Administrator to sign the notice of grant awards; approving the budget; and authorizing the Administrator to sign the delegate contracts be adopted.

Roll call vote: YEAS: 8 NAYS: 0 ABSENT: 3 (Comms. Bergman, Ping, and Sizemore). Motion carried.

Workforce Investment Act (WIA) American Recovery and Reinvestment Act Statewide Activity Program

Comm. Prater seconded by Comm. Gunn moved to recommend that the Board of Commissioners approve the resolution ratifying the signature of the Chair of the Board on the budget information summary to the Michigan Department of Energy, Labor, and Economic Growth for the Workforce Investment Act American Recovery and Reinvestment Act Statewide Activity Program funding in the amount of \$148,532 for the period of July 1, 2010 through June 30, 2011 be adopted.

Roll call vote: YEAS: 8 NAYS: 0 ABSENT: 3 (Comms. Bergman, Ping, and Sizemore). Motion carried.

Report of the Administrator:

Update on the State's Budget – Kirk Profit

Kirk Profit, Ken Cole, and Adrian Hemond of GCSI provided an update on the State's Budget (on file in County Clerk's office).

Comm. Gunn stated that the pension tax needs to be looked at seriously. She asked if there has been any discussion about increasing revenue. Profit reported that there has not really been a proposal. He added that there is a proposal for a 1% claims tax on health insurance claims. Comm. Gunn stated that Washtenaw County has been collaborating for years. She stated that she would hate to see the County penalized for collaboration prior to the current revenue sharing proposal.

Comm. Prater stated that he disagrees that pensions should be taxed. He stated that 11% of the people in Washtenaw County do not have health care. He added that those people that need to start paying a tax do not have the increases in pensions. Profit reported that there is not enough support in the Senate for the pension tax at this point.

Comm. Rabhi stated that he understands the feeling in Lansing of not wanting to kick the can down the road. He added that the can should also not be picked up and thrown and the homeless, poor, elderly and local communities. Comm. Rabhi stated that the Governor has been vocal about bringing employees to the bargaining table. He asked how this movement to end bargaining rights is meshing with what the Governor is saying. Profit reported that the Governor wants to stay focused on where he wants to go on the budget. He added that a number of legislators have a different view.

Comm. Turner asked about the elimination of personal property tax. Profit reported that this tax is uncompetitive compared to the rest of the country. He added that the Governor wants to address the main business tax and the budget first. Profit stated that he does feel that there is support for the elimination of personal property tax without some sort of replacement.

Comm. Conan Smith asked if Profit could talk about the restructuring of the MEDC and MSHDA. Profit stated that this is part of the challenge of the proposed corporate income tax. He reported that Mike Finney may give more support to local economic development groups such as SPARK. He stated that the Treasurer believes that existing incentives will be maintained. Comm. Conan Smith stated that government revenue to expenses gap has become wider. He asked if there has been any discussion around changing timing for school funding. Profit reported that he feels that the Governor and legislature are going to work harder to get budgets in place sooner. Comm. Conan Smith stated that he would be interested on some pressure to change the funding time for school districts. He stated that the funds being discussed are huge. Profit reported that the school aid fund will now be the source for community college funding and continuing education. Comm. Conan Smith stated that the comprehensive transportation fund is held harmless which is important for the County. He stated that the message to not shrink this fund should be passed along.

Comm. Judge stated that she would like to thank Profit for the work done on the Ford Lake boathouse project. She added that she is concerned about the emergency financial manager bill. Comm. Judge stated that this bill does not represent the democratic process. Ken Cole reported that many government officials have gone to Lansing to take issue with this bill. He reported that it was amended in the Senate Education Committee to strike a firm from being the manager. He reported that the package of bills passed out of the House last week. Cole stated that the piece that would nullify elected officials was taken out. He added that there were some other amendments made. Cole reported that contracts with staff could still be nullified and added that the package of bills in question are HB 4214-4217 and SB 157 and 158.

Comm. Turner stated that he appreciates the comments on school funding. He added that the school districts have been dealing with up and down cuts throughout the school year. Comm. Turner asked if any work is being done to look at better ways to fund the schools or dealing with teacher pensions. Profit stated that there is not sufficient dialogue on revenue streams. He stated that adjustments need to be made to Proposal A and Headlee. Profit stated that he does not believe it is on anyone's agenda in Lansing. Comm. Prater stated that there may be a lot of litigation on many of these measures because of questions of constitutionality.

Comm. Rabhi asked what power elected officials have if an emergency financial manager is put in place and how it compares to how things are now. Cole reported that the bill expands the power of the emergency financial managers and leaves local elected officials with little authority. Comm. Rabhi asked how House members will look at the Senate version of the bill. Cole reported that the House will likely concur with the Senate changes.

Comm. Conan Smith stated that this piece of legislation is complex and necessary at this point. He added that many of these provisions exist in current law. Comm. Conan Smith added that the incremental approach taken is pretty fair and savvy. He stated that one key provision put into the bill is that there is a provision for the chief official or board to obtain the power of the EFM. Comm. Conan Smith stated that Roger Fraser will be overseeing this program. He added that the Governor's office ignored this problem for a long time. Adrian Hemond stated that a provision of the bill allows a shift from defined benefit to defined contribution plans.

Comm. Prater stated that many newly retired individuals are finding that the necessary assets do not exist in a defined contribution plan. He added that these plans do not meet basic needs of employees looking to retire.

Comm. Dan Smith stated that there will be a future session on pensions and added that GCSI could return at that time. Comm. Dan Smith asked how cities, townships, and villages may be more impacted more broadly aside from the EFM bills that have been discussed. Profit stated that the good news for local governments that do not receive statutory revenue sharing is that constitutional revenue sharing goes up 4%. He added that opportunities for collaboration still need to be examined.

Comm. Turner asked if the proposed EFM bills would have helped Robert Bobb make his difficult decisions without being slowed down. Cole stated that this bill would certainly have helped. He added that this bill makes it clear that the EFM has control over academics as well as finances. Comm. Turner stated that this may free to school board from having to make these difficult decisions.

Report of the Chair of the Board

Comm. Smith reported that there would be a ten minute break prior to the start of the Board of Commissioners meeting.

Items for Current/Future Discussion

Comm. Conan Smith seconded by Comm. Prater moved to allow Comm. Judge to vote on all agenda items as she entered the meeting late due to attendance at a community event. Motion carried unanimously by voice vote.

Citizen Participation

Tom Partridge stated that budget issues presented are of paramount importance and call for a change of thinking. He added that residents of the County needs to demand local leaders stand up in the face of discriminatory cuts to the budget. Partridge stated that programs need to be increased to ensure progress.

Commissioners Follow-up to Citizen Participation

None

Pending

None

Adjournment

Comm. Conan Smith seconded by Comm. Rabhi moved that the meeting be adjourned until March 16th, 2011 at 6:30 p.m. Motion carried.

The meeting adjourned at 8:01 p.m.

Dan Smith, Vice Chair

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

APPROVED: March 16, 2011