

WAYS AND MEANS COMMITTEE MEETING

MAY 29, 2009

8:30 A.M.

MINUTES

MEMBERS PRESENT: Commissioners Linda Keefe, John Forell, Glenn Freeman, Carol Strachan, Denise Clarke, Jeanne Wright and Art Luna.

ALSO PRESENT: Commissioners Joe Brehler, Roger Harris, Blake Mulder, Roger Harris, Dale Barr and John Fuentes and Connie Sobie.

The May 29, 2009 Budget Workshop of the Ways and Means Committee was called to order at 8:35 a.m. by Chairperson Keefe.

An updated multi-year projection was presented for review (attached). The update includes the Economic Crimes Unit in the General Fund whereas it was previously in a Special Revenue Fund. Given that the Economic Crimes Unit increases revenue annually this will provide more revenue in the General Fund going forward. Also included in the projection is an increase in employee health insurance participation from 7.5% to 10% effective January 1, 2010. Capital Outlay was reduced to a target amount of \$250,000 as well.

A list of possible budget considerations was presented (attached). The list does not represent a recommendation of personnel reductions. The list was provided to show the impact a \$1.1 million personnel reduction could have on various departments. The cuts would impact the level of service provided by offices. Discussion held.

A list of structural budget considerations was presented (attached). Mr. Fuentes provided an explanation of the considerations as follows. Requests for proposal for health insurance are due from providers on June 15 for review by the Committee at the July meeting. The current budget projection includes a 12% increase to the premiums. It was proposed that the Health Department \$100,000 additional appropriation come from the Delinquent Tax Fund as a one-time investment. Commissioner Brehler indicated his understanding that this would be an on-going expense to cover the cost of a position in the Health Department to maintain the status. The Executive Order cut the Health Departments revenues and it is anticipated that the FQHC status would bring in much needed grant revenue. Discussion held regarding all the options provided. It was noted that the structural considerations impact the employees without impacting the public.

It was reported that Commissioner Brehler and Mr. Fuentes met with Delta Township regarding additional participation by the township for the police services contract.

It was reported that the Eaton County Road Commission sent a letter requesting an evaluation of the Weighmaster contract. The Road Commission indicated the contract is too costly to continue in its current form. Mr. Fuentes will continue discussions with the Road Commission and Sheriff Department.

The Committee discussed the responsibilities of Charter Townships regarding police services. The Controller will research this further. Discussion held.

There was discussion about the consolidation of services in departments. There was discussion to consolidate the County Clerk and Register of Deeds Offices into one office with the possibility of reducing staffing levels. It was also discussed to consolidate Construction Code with Community Development. The offices were once consolidated and back in the late 1980's they were separated.

Discussion was held regarding moving Animal Control from under the Sheriff to the Board of Commissioners requiring a small monetary investment or performing only the mandated services.

Discussion was held regarding seeking a Headlee Override or a special millage. There would need to be a special election at a cost of \$75,000 to \$80,000 and if it did not pass, reductions would need to occur. The consensus of the Committee was not to pursue an additional millage at this time.

A census of the jail population from 2005 to present was presented as requested at the last meeting.

The Committee reviewed the various considerations again. Mr. Fuentes provided a multi-year projection that included the reduction of \$1.1 million in personnel expenditures during this discussion to show the future savings (attached). There was much discussion about the approach to reducing expenditures. There was much discussion on dealing with this budget deficit in a systematic way to have a positive budget trend in the future rather than making cuts each year.

The consensus of the Committee was to move forward with a combination of a reduced work schedule, increased employee premium sharing and the elimination of 6 paid holidays and attempt to negotiate concessions from the unions.

Commissioner Clarke moved to adjourn the Ways and Means Committee at 12:35 p.m. Commissioner Forell seconded. Motion carried.

The next regularly scheduled meeting of the Ways and Means Committee will be held on Friday, June 12, 2009 at 8:30 a.m. in Board of Commissioners Room of the Courthouse.



Linda Keefe, Chairperson

MULTI-YEAR GENERAL FUND BUDGET PROJECTIONS

0.0% WAGE INCREASE 'AGE INCREASE

TREND ANALYSIS

5/28/2009

	5 YR AVG	ACTUAL 00/01	ACTUAL 01/02	ACTUAL 02/03	ACTUAL 03/04	ACTUAL 04/05	ACTUAL 05/06	ACTUAL 06/07	ACTUAL 07/08	ADOPTED 08/09	ESTIMATED 09/10	10/11	11/12
PROPERTY TAX	100.00%	\$11,645,113	\$12,591,188	\$13,377,467	\$14,090,045	\$15,155,749	\$16,369,975	\$17,900,261	\$17,883,530	\$18,266,994	\$17,394,991	\$17,394,991	\$17,394,991
PROPERTY TAX - GM FACILITY	102.00%					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROPERTY TAX - GM SUPPLIERS	102.00%						\$0	\$0	\$0	\$15,000	\$15,000	\$15,300	\$15,606
OTHER TAXES	101.00%	\$523,168	\$527,188	\$609,361	\$713,836	\$723,208	\$527,121	\$603,686	\$835,507	\$850,093	\$691,338	\$698,251	\$705,234
LICENSES & PERMITS	104.00%	\$138,456	\$136,034	\$157,581	\$179,525	\$221,226	\$228,299	\$188,546	\$164,217	\$209,000	\$228,000	\$237,120	\$246,605
INTERGOVT	106.50%	\$2,747,131	\$2,933,388	\$2,951,170	\$2,883,089	\$2,835,304	\$2,966,378	\$2,903,802	\$2,886,861	\$2,985,565	\$3,004,561	\$3,199,857	\$3,407,848
STATE REVENUE SHARING (RESERV. FND)	101.00%	\$2,062,994	\$2,053,806	\$1,760,250	\$1,614,014	\$1,898,766	\$1,955,729	\$2,026,152	\$2,080,780	\$2,080,780	\$2,080,780		
DELTA SHERIFF CONTRACT	105.00%	\$1,533,757	\$1,782,903	\$1,877,306	\$2,109,104	\$2,175,381	\$2,382,225	\$2,516,416	\$2,623,860	\$2,751,906	\$2,872,066	\$3,015,669	\$3,166,453
COURT FEE	100.00%	\$559,554	\$538,873	\$549,821	\$605,356	\$582,661	\$551,475	\$642,222	\$541,817	\$534,031	\$547,235	\$547,235	\$547,235
CHARGES FOR SERVICES	106.00%	\$2,262,567	\$2,570,971	\$2,786,446	\$2,696,840	\$2,412,178	\$2,927,414	\$2,887,929	\$2,449,313	\$2,603,710	\$3,123,770	\$3,311,196	\$3,509,868
FINES & FORFEITURES	101.00%	\$200,673	\$130,499	\$163,379	\$171,575	\$121,345	\$167,735	\$166,040	\$154,045	\$158,000	\$163,500	\$165,135	\$166,786
INTEREST & RENTS	103.00%	\$660,839	\$422,886	\$335,295	\$305,334	\$423,744	\$603,820	\$557,925	\$577,641	\$519,829	\$419,829	\$432,424	\$445,397
OTHER REVENUE	102.00%	\$226,854	\$305,207	\$315,143	\$223,085	\$234,712	\$253,910	\$217,666	\$226,442	\$266,870	\$218,800	\$223,176	\$227,640
TRANSFERS-IN		\$500,000	\$704,800	\$541,556	\$500,000	\$1,156,673	\$750,000	\$500,000	\$500,700	\$611,725	\$500,000	\$500,000	\$500,000
TRF FROM DTR TO CCF		\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRF-IN DISPATCH		\$0	\$0	\$69,072	\$226,595	\$182,727	\$188,222	\$182,962	\$188,326	\$193,404	\$232,680	\$236,660	\$240,760
TRF-IN JAIL		\$75,245	\$230,000	\$210,000	\$210,000	\$170,000	\$130,000	\$90,000	\$50,000	\$50,000	\$50,000	\$0	\$0
TRF-IN ECU							\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROJECTED REVENUES		\$23,136,351	\$24,927,343	\$25,703,847	\$26,778,398	\$28,293,674	\$30,002,303	\$31,383,607	\$31,163,039	\$32,096,907	\$31,542,550	\$32,078,603	\$32,174,422
SALARIES	1.02	\$10,740,802	\$11,337,661	\$11,984,982	\$12,407,490	\$12,737,738	\$13,168,449	\$13,704,174	\$13,963,313	\$14,024,444	\$14,502,659	\$14,792,712	\$15,088,566
STEP INCREASES							\$0	\$0	\$0	\$0	\$0	\$120,000	\$120,000
HEALTH INSURANCE	1.1	\$1,437,353	\$1,730,300	\$2,146,524	\$2,436,324	\$2,667,671	\$2,607,926	\$2,469,233	\$2,731,284	\$2,934,041	\$3,214,693	\$3,536,162	\$3,889,779
OTHER FRINGES	1.02	\$1,204,832	\$1,323,914	\$1,381,922	\$1,492,675	\$1,514,476	\$1,368,393	\$1,500,080	\$1,579,313	\$1,533,108	\$1,612,075	\$1,641,898	\$1,672,274
NEW POSITIONS (JAIL MILLAGE)							\$0	\$0	\$0	\$0	\$0	\$168,362	\$343,205
RETIREMENT 5% ANNUAL		\$860,492	\$946,393	\$1,008,473	\$1,135,716	\$1,295,035	\$1,318,088	\$1,462,353	\$1,542,871	\$1,540,871	\$1,621,569	\$1,702,647	\$1,787,780
RETIREE'S HEALTH	1.03	\$458,115	\$514,860	\$586,018	\$663,500	\$746,259	\$805,677	\$884,468	\$948,813	\$987,169	\$1,026,505	\$1,057,300	\$1,089,019
TOTAL PROJECTED SALARIES & FRINGES		\$14,701,594	\$15,853,128	\$17,107,919	\$18,135,705	\$18,961,179	\$19,268,533	\$20,020,308	\$20,765,594	\$21,019,633	\$21,977,501	\$22,019,083	\$23,990,623
SUPPLIES & OTHER	1.03	\$6,606,527	\$6,806,842	\$7,237,254	\$7,452,640	\$7,173,027	\$7,692,180	\$7,962,531	\$8,120,477	\$9,012,380	\$8,902,180	\$9,169,245	\$9,444,323
CHILD CARE FUND APPROPRIATION	1.03	\$1,100,000	\$1,342,231	\$1,384,325	\$1,667,133	\$1,300,000	\$1,341,820	\$1,538,656	\$1,309,549	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
COMPUTER FUND APPROPRIATION	1.03	\$360,330	\$380,696	\$359,809	\$367,539	\$328,181	\$316,043	\$416,834	\$415,305	\$411,000	\$228,400	\$300,000	\$389,000
PUBLIC IMPROVEMENT APPROPRIATION						\$155,000	\$320,000	\$330,000	\$170,000	\$250,000	\$260,000	\$320,000	\$330,000
CONTINGENCY	1.03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$519,162	\$534,737	\$550,779	\$567,302
TOTAL PROJECTED SUPPLIES & OTHER		\$8,066,857	\$8,529,769	\$8,981,388	\$9,487,312	\$8,956,208	\$9,670,042	\$10,248,021	\$10,015,331	\$11,492,542	\$11,225,317	\$11,640,025	\$12,030,625
CAPITAL		\$448,927	\$400,870	\$420,671	\$327,884	\$122,416	\$376,786	\$535,133	\$449,952	\$405,325	\$250,000	\$400,000	\$400,000
TOTAL EXPENDITURES		\$23,217,378	\$24,783,767	\$26,509,978	\$27,950,901	\$28,039,803	\$29,315,361	\$30,803,462	\$31,230,876	\$32,917,500	\$33,452,818	\$35,059,107	\$36,421,248
HISTORICAL BUDGET MARGIN				\$0	\$0	\$0	\$0	\$0	\$0	\$983,422	\$994,033	\$1,036,871	\$1,071,403
PROJECTED SURPLUS (DEFICIT)		(\$81,027)	\$143,576	(\$806,131)	(\$1,172,503)	\$253,871	\$686,942	\$580,145	(\$67,837)	\$162,829	(\$916,236)	(\$1,943,633)	(\$3,175,423)
PROJECTED FUND BALANCE		\$2,576,497	\$2,720,073	\$2,008,758	\$836,255	\$1,090,126	\$1,777,068	\$2,321,854	\$2,254,017	\$2,486,846	\$1,570,611	(\$373,022)	(\$3,548,445)

2009/2010 BUDGET CONSIDERATIONS

• Example of personnel reductions		
4 General fund Deputies	\$	309,000
6 Delta Contract Deputies (net)		139,000
2 Animal Control Officers		114,000
1 Register of Deeds Clerk		44,000
2 P/T Clerks County Clerk (Controller to assume switchboard responsibilities)		43,000
1 District Court Deputy Clerk II		56,000
1 Circuit Court Collections Specialist		59,000
1 Tax Records Clerk Treasurer		59,000
1 Appraiser Equalization		64,000
1 Parks Naturalist		67,000
1 Secretary Friend of the Court (net)		18,000
1 Drain Inspector Drain Commissioner		62,000
1 Custodian Physical Plant		47,000
1 Maintenance Supervisor Physical Plant		67,000
		<hr/>
23 FTE's	\$	1,148,000

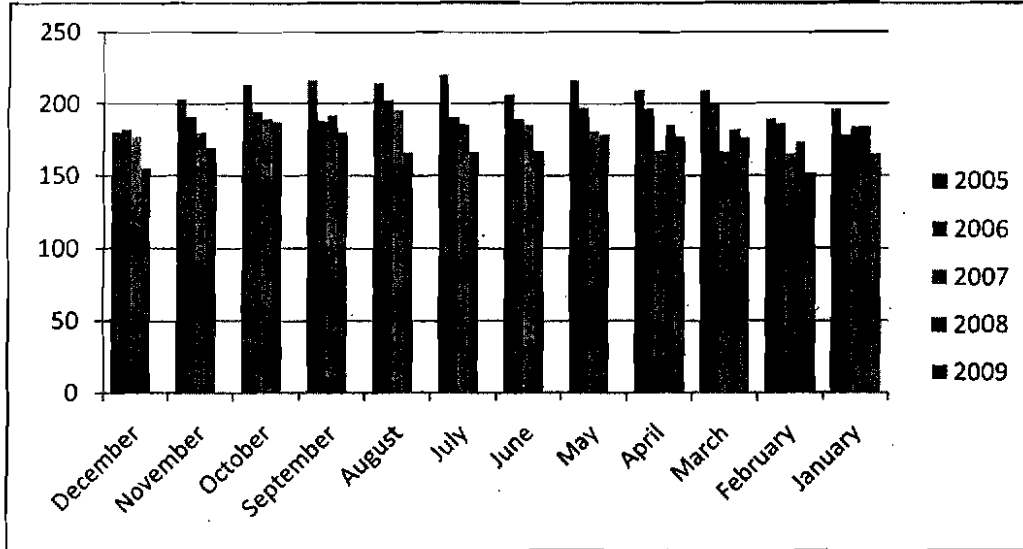
2009/2010 STRUCTURAL BUDGET CONSIDERATIONS

- Reduced Work Schedule (35 hr work week with 5% pay increase) \$ 575,000
- Increase Health Insurance Participation to 20% \$ 252,000
- Changes in Health Insurance Coverage (Deductible Health Plans)

		Savings	
		W/10% Emp Part	W/No Emp Part
Out of pocket maximums	\$1250/\$2500	477,376	225,376
Out of pocket maximums	\$1500/\$3000	687,402	435,402
Out of pocket maximums	\$3000/\$6000	943,819	691,819
- Elimination of 6 Paid Holidays \$ 358,296
- Vehicle Distribution
- Drainage District Reimbursement to General Fund for Personnel/Operational Costs
- Health Department \$100,000 additional appropriation
- to obtain Federal Qualified Health Center Status

Building Totals
2005-Present

	2005	2006	2007	2008	2009
December	180	182	177	155	
November	203	191	180	169	
October	213	194	189	187	
September	216	188	192	180	
August	214	202	195	166	
July	220	191	186	166	
June	206	189	185	167	
May	216	197	181	178	
April	209	196	167	185	177
March	209	200	166	182	176
February	189	186	165	173	152
January	196	178	184	184	165



MULTI-YEAR GENERAL FUND BUDGET PROJECTIONS

Less 1,148,000

TREND ANALYSIS

5/29/2009

	5 YR AVG	ACTUAL 00/01	ACTUAL 01/02	ACTUAL 02/03	ACTUAL 03/04	ACTUAL 04/05	ACTUAL 05/06	ACTUAL 06/07	ACTUAL 07/08	ADOPTED 08/09	ESTIMATED 09/10	10/11	11/12
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PROPERTY TAX - GM FACILITY	102.00%					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROPERTY TAX - GM SUPPLIERS	102.00%					\$0	\$0	\$0	\$0	\$15,000	\$15,000	\$15,300	\$15,606
OTHER TAXES	101.00%	\$523,168	\$527,188	\$609,361	\$713,836	\$723,208	\$527,121	\$603,686	\$835,507	\$850,093	\$691,338	\$698,251	\$705,234
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DELTA SHERIFF CONTRACT	105.00%	\$1,533,757	\$1,782,903	\$1,877,306	\$2,109,104	\$2,175,381	\$2,382,225	\$2,516,416	\$2,623,860	\$2,751,906	\$2,872,066	\$3,015,669	\$3,166,453
COURT FEE	100.00%	\$559,554	\$538,873	\$549,821	\$605,356	\$582,661	\$551,475	\$642,222	\$541,817	\$534,031	\$547,235	\$547,235	\$547,235
CHARGES FOR SERVICES	106.00%	\$2,262,567	\$2,570,971	\$2,786,446	\$2,696,840	\$2,412,178	\$2,927,414	\$2,887,929	\$2,449,313	\$2,603,710	\$3,123,770	\$3,311,196	\$3,509,868
FINES & FORFEITURES	101.00%	\$200,673	\$130,499	\$163,379	\$171,575	\$121,343	\$167,735	\$166,040	\$154,045	\$158,000	\$163,500	\$165,135	\$166,786
INTEREST & RENTS	103.00%	\$660,839	\$422,486	\$335,295	\$305,334	\$423,744	\$603,820	\$557,925	\$577,641	\$519,829	\$419,829	\$432,424	\$445,397
OTHER REVENUE	102.00%	\$226,854	\$305,207	\$315,143	\$223,085	\$234,712	\$253,910	\$217,666	\$226,442	\$266,870	\$218,800	\$223,176	\$227,640
TRANSFERS-IN		\$500,000	\$704,800	\$541,556	\$500,000	\$1,156,673	\$750,000	\$500,000	\$500,700	\$611,725	\$500,000	\$500,000	\$500,000
TRF FROM DIR TO CCF		\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRF-IN DISPATCH		\$0	\$0	\$69,072	\$226,595	\$182,727	\$188,222	\$182,962	\$188,326	\$193,404	\$232,680	\$236,660	\$240,760
TRF-IN JAIL		\$75,245	\$230,000	\$210,000	\$210,000	\$170,000	\$130,000	\$90,000	\$50,000	\$50,000	\$50,000	\$0	\$0
TRF-IN ECU						\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROJECTED REVENUES		\$23,136,351	\$24,927,343	\$25,703,847	\$26,778,398	\$28,293,674	\$30,002,303	\$31,383,607	\$31,163,039	\$32,096,907	\$31,542,550	\$32,078,603	\$32,174,422
SALARIES	1.02	\$10,740,802	\$11,337,661	\$11,984,982	\$12,407,490	\$12,737,738	\$13,168,449	\$13,704,174	\$13,963,313	\$14,024,444	\$13,354,659	\$13,621,752	\$13,894,187
STEP INCREASES								\$0	\$0	\$0	\$0	\$120,000	\$120,000
HEALTH INSURANCE	1.1	\$1,437,353	\$1,730,300	\$2,146,524	\$2,436,324	\$2,667,671	\$2,607,926	\$2,469,233	\$2,731,284	\$2,934,041	\$3,214,693	\$3,536,162	\$3,889,779
OTHER FRINGES	1.02	\$1,204,832	\$1,323,914	\$1,381,922	\$1,492,675	\$1,514,476	\$1,368,391	\$1,500,080	\$1,579,313	\$1,533,108	\$1,612,075	\$1,641,898	\$1,672,274
NEW POSITIONS (JAIL MILLAGE)								\$0	\$0	\$0	\$0	\$168,362	\$343,205
RETIREMENT 5% ANNUAL		\$860,492	\$946,393	\$1,008,473	\$1,135,716	\$1,295,035	\$1,318,088	\$1,462,353	\$1,542,871	\$1,540,871	\$1,621,569	\$1,702,647	\$1,787,780
RETIREES HEALTH	1.03	\$458,115	\$514,860	\$586,018	\$663,500	\$746,259	\$805,677	\$884,468	\$948,813	\$987,169	\$1,026,505	\$1,057,300	\$1,089,019
TOTAL PROJECTED SALARIES & FRINGES		\$14,701,594	\$15,853,128	\$17,107,919	\$18,135,705	\$18,961,179	\$19,268,533	\$20,020,308	\$20,765,594	\$21,019,633	\$20,829,501	\$21,848,123	\$22,796,244
SUPPLIES & OTHER	1.03	\$6,606,527	\$6,806,842	\$7,237,254	\$7,452,640	\$7,173,027	\$7,692,180	\$7,962,531	\$8,120,477	\$9,012,380	\$8,902,180	\$9,169,245	\$9,444,323
CHILD CARE FUND APPROPRIATION	1.03	\$1,100,000	\$1,342,231	\$1,384,325	\$1,667,133	\$1,300,000	\$1,341,820	\$1,538,656	\$1,309,549	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
COMPUTER FUND APPROPRIATION	1.03	\$360,330	\$380,696	\$359,809	\$367,539	\$328,181	\$316,043	\$416,834	\$415,305	\$411,000	\$228,400	\$300,000	\$389,000
PUBLIC IMPROVEMENT APPROPRIATION						\$155,000	\$320,000	\$330,000	\$170,000	\$250,000	\$260,000	\$320,000	\$330,000
CONTINGENCY	1.03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$519,162	\$534,737	\$550,779	\$567,302
TOTAL PROJECTED SUPPLIES & OTHER		\$8,066,857	\$8,529,769	\$8,981,388	\$9,487,312	\$8,956,208	\$9,670,042	\$10,248,021	\$10,015,331	\$11,492,542	\$11,225,317	\$11,640,025	\$12,030,625
CAPITAL		\$448,927	\$400,870	\$420,671	\$327,884	\$122,416	\$376,786	\$535,133	\$449,952	\$405,325	\$250,000	\$400,000	\$400,000
TOTAL EXPENDITURES		\$23,217,378	\$24,783,767	\$26,509,978	\$27,950,901	\$28,039,803	\$29,315,361	\$30,803,462	\$31,230,876	\$32,917,500	\$32,304,818	\$33,888,147	\$35,226,869
HISTORICAL BUDGET MARGIN				\$0	\$0	\$0	\$0	\$0	\$0	\$983,422	\$965,333	\$1,007,597	\$1,041,544
PROJECTED SURPLUS (DEFICIT)		(\$81,027)	\$143,576	(\$806,131)	(\$1,172,503)	\$253,871	\$686,942	\$580,145	(\$67,837)	\$162,829	\$203,065	(\$801,947)	(\$2,010,903)
PROJECTED FUND BALANCE		\$2,576,497	\$2,720,073	\$2,008,758	\$836,255	\$1,090,126	\$1,777,058	\$2,321,854	\$2,254,017	\$2,486,846	\$2,689,911	\$1,887,964	(\$122,939)