

**WAYS AND MEANS COMMITTEE
SPECIAL BUDGET WORKSESSION**

**APRIL 27, 2010
8:30 A.M.**

MINUTES

MEMBERS PRESENT: Glenn Freeman, Art Luna, Carol Strachan and Jeanne Wright.

MEMBERS ABSENT: Linda Keefe – Chair, Denise Clarke and John Forell.

ALSO PRESENT: Commissioner Joe Brehler, Commissioner Daryl Baker, Commissioner Dale Barr, Commissioner Blake Mulder, John Fuentes and Connie Sobie.

The April 27, 2010 Special Budget Worksession meeting of the Ways and Means Committee came to order at 8:38 a.m.

Commissioner Brehler began the meeting by stating the purpose of the meeting is to develop a direction for the budget process and to determine what the useful role of the County is into the future. Given the current estimated shortfall of approximately \$1.1 million, the Committee would like to begin establishing priorities and providing direction to the Controller and departments.

The revenue projections have reduced since the original projection estimated in February, due to the updated tax revenue projections.

Discussion held regarding MERS funding levels and MERS adoption of a fiscal responsibility plan to assure funding levels increase. Eaton County has continually funded its retirement program as required by MERS. The County is currently meeting its funding obligations and will continue to contribute as determined by MERS. The 2009 actuarial valuation is expected in June or July and will be reviewed with MERS for funding levels and additional information.

Discussion was held regarding the Retirees' Health funding and health insurance. An explanation of the changes to close off the benefits to new hires and implementation of another funding vehicle for those employees was provided. These changes will reduce the unfunded liability in the future. Changes to the health insurance plan were made to reduce the employer costs and considerations for further changes will continue to be reviewed. The current budget estimate includes a 15% increase, but the renewal rates will not be received until August. The renewal rates for 2010 represented to approximately 12% increase from the prior year.

Discussion was held regarding the revenue sharing reserve that will run out in 2011/2012 with approximately \$500,000 remaining in the reserve for that year. If restored by the State, it is anticipated to be reduced to the 2003/ 2004 funding levels.

Commissioner Baker discussed the Commissioners looking at another 5% reduction in salaries and reviewing employee benefits for additional savings.

Discussion was held regarding across the board reductions to departments and that most departments would not be able to manage any further reductions to staffing levels. Commissioner Strachan indicated she would prefer to see consolidation and revamping of programs rather than across the board reductions.

Commissioner Luna discussed reductions through attrition/retirements if necessary rather than layoffs. He questioned step increases and the possibility of freezing wages at the current levels.

Discussion was held regarding additional revenue sources, including grant opportunities, fee increases or consideration of seeking a Headlee Override. Also discussed was the possibility of collaborating with other local units for services, and/or sharing services.

Discussion was held regarding the possibility of contracting out the certain services. The Committee expressed concern over the quality of services provided contractually versus directly by County employees and was not interested in pursuing this as an alternative currently.

Commissioner Strachan discussed a proposal to eliminate Animal Control as currently structured and consider contracting for animal care and adoptions. Discussion held.

Commissioner Freeman discussed the Medical Examiner current contractual cost as compared to prior years. Discussion held.

Commissioner Luna discussed the Prosecutor's presentation at the Michigan Townships Association meeting regarding the Economic Crimes Unit and how much revenue that has created to support the services it has provided to merchants and agencies.

Commissioner Brehler would like departments to find possible revenue streams rather than sacrificing employee jobs.

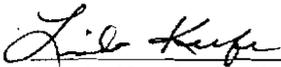
Blake Mulder is requesting that the County continue to adequately fund the maintenance of its public buildings and properties. Mr. Fuentes indicated that reductions to the Public Improvement fund have been made in the past but its funding levels have been restored to assure the maintenance.

Discussion held regarding the benefit of adopting a two year budget. Mr. Fuentes indicated that the County essentially does that informally by using the multi-year projection when considering the budget.

The direction from the Committee is to continue discussions with departments to identify collaborative efforts with departments and local units of government where applicable. Department expenditure requests will be reviewed by the Controller's Office and discussed with departments as needed. The Controller's Office will also continue to research other options and make further recommendations.

The meeting adjourned the meeting at 10:35 a.m.

The next regularly scheduled meeting of the Ways and Means Committee will be held on Friday, May 14, 2010 at 8:30 a.m. in Board of Commissioners Room at the Courthouse.


Linda Keefe, Chairperson