

WAYS AND MEANS COMMITTEE MEETING

FRIDAY, JUNE 11, 2021

9:00 A.M.

MINUTES

MEMBERS PRESENT: Commissioners Blake Mulder, Terrance Augustine, Joe Brehler, Brian Droscha, Brian Lautzenheiser, Jim Mott and Jeanne Pearl-Wright.

ALSO PRESENT: Commissioners Jeremy Whittum, Mark Mudry, Dairus Reynett and Barbara Rogers; Tim Vandermark, Gouri Sashital, Adam Morris, John Fuentes and Connie Sobie.

The June 11, 2021, regular meeting of the Ways and Means Committee was called to order at 9:00 a.m. by Chairman Mulder.

The Pledge of Allegiance was given by all.

Commissioner Lautzenheiser moved to approve the agenda. Commissioner Augustine seconded. Motion carried.

Commissioner Lautzenheiser moved to approve the minutes of the May 14, 2021 Ways and Means Committee meeting. Commissioner Pearl-Wright seconded. Motion carried.

There was no Limited Public Comment.

A resolution to adopt the 2021 summer property tax levy and certification of the County allocated tax levy was presented. Commissioner Augustine moved to recommend the authorization of the resolution adopt 2021 summer property tax levy and notice of certification of the County allocated tax levy to the Board of Commissioners as presented. Commissioner Lautzenheiser seconded. Motion carried.

Treasurer Bob Robinson presented the quarterly investment report and provided an update of the financial activities.

A resolution to authorize a Delinquent Tax Fund transfer to the General Fund per the advice of the County Treasurer was presented. Commissioner Brehler moved recommend approval of the resolution, as presented. Commissioner Droscha seconded. Motion carried.

An update of the position vacancies was presented and discussed (attached). Commissioner Lautzenheiser moved to refill the position vacancies as presented. Commissioner Droscha seconded. Motion carried.

The April Health Insurance Expenditure report was presented (attached). The report indicates an unfavorable variance of (\$327,127) compared to the budget projection for both the County and Health Department. The County's portion is an unfavorable variance of (\$354,377) The County's active employees' unfavorable variance is (\$274,392) and the retirees' unfavorable variance is (\$79,984).

An update of the Child Care Fund was presented and discussed (attached). Based on the updated projection of revenues and expenditures the estimated fund balance at September 30, 2021 is \$557,516. Discussion held.

Mr. Fuentes provided an update to the Public Improvement project expense and status of the projects (attached).

It was reported Delta Township established the West Saginaw Corridor Improvement Authority, which is a tax increment financing authority. Mr. Fuentes explained the County will have an opportunity to address its participation in terms of tax capture after the plan and district is adopted by the Authority which is anticipated by the end of August. The County will then have sixty days to determine its level of participation in the tax capture.

A request was presented from the Drain Commissioner for the pledge of the County's Full Faith and Credit for the McCreery Drain Drainage District and the Burn Village Extension Drain Drainage District. Commissioner Augustine moved to recommend approval of full faith and credit for the McCreery Drain Drainage District in an amount not to exceed \$1,100,000 and the Burn Village Extension Drain Drainage District in an amount not to exceed \$900,000 to the Board of Commissioners. Commissioner Brehler seconded. Motion carried.

A resolution to educate and commemorate June 19, 2021 or Juneteenth as a celebration of African American Liberation was presented. Commissioner Brehler moved the resolution to the Board of Commissioners as presented. Commissioner Augustine seconded. Motion carried.

It was reported that a County vehicle was in an accident which resulted in it being totaled. The County has been working with MMRMA in the process to receive the salvage value and replacement cost of the vehicle. A request was received from an employee to acquire the vehicle for the salvage cost. This is a deviation from the standard procedure and Mr. Fuentes does not recommend disposing of the vehicle in this manner. Discussion held. No action taken to modify the standard vehicle replacement procedure.

Commissioner Lautzeneiser moved to recommend approval of the payment of the claims against the County in the amount of \$417,417.17 and immediate claims in the amount of \$11,718,105.68 to the Board of Commissioners, as presented. Commissioner Droscha seconded. Motion carried.

The budget amendments were presented and Mr. Fuentes gave a brief description of the request (attached). Commissioner Augustine moved to recommend approval of the 2020/21 budget amendments. Commissioner Pearl-Wright seconded. Central Dispatch Director Michael Armitage provided information regarding the budget amendment. Discussion held. Commissioner Brehler moved to table the budget amendment request until the July Committee meeting, so further discussion may be held with Eaton Township. Commissioner Lautzenheiser seconded. Motion carried.

The 2021/2022 departmental budgets were presented. Current estimated revenues are \$41,917,812 and expenditure estimates are \$42,572,666, which indicates a difference of \$654,854. Mr. Fuentes discussed the updated projections reflected in this presentation of the budget. Updates included changes to the historical budget margin and estimates to reflect a factor for less than full employment utilizing a five year analysis of the personnel costs. The presented budget includes a net reduction of 2.5% to reflect less than full employment. The proposed changes may result in annual budgetary savings, which could be applied toward unfunded liabilities to meet the requirements of the PA 202. There was discussion regarding the allowable use of ARPA funds relative to the revenue loss projection.

Other changes to the presented budget included a projected increase in the property tax estimates, identification of recommended uses of the ARPA funds calculated under the revenue loss formula specific to one-time expenses for technology improvements, capital projects and equipment investment. Based on the grant

requests for the Juvenile Millage and the current millage fund balance, the proposed budget includes the increase use of the millage funds for the child care programs. The Juvenile Millage program requests were presented (attached).

The Municipal Employees Retirement System (MERS) annual actuarial valuation was presented and discussed (attached). The funded percentage decreased from sixty to fifty-nine percent. This could result in a corrective action plan for the PA 202 reporting requirements. The Board has taken multiple actions to address these unfunded liabilities into the future. There has been discussion at the state level that any increases to the county revenue sharing would be applied to unfunded liabilities. The updated contribution rates for the defined benefit plans effective October 1, 2022 were discussed. There are many changes negatively impacting the contribution rates that are greater than the positive changes the County has made in modifying its benefits and funding initiatives.

Jeff Parshall submitted communication regarding his position requests (attached). Mr. Parshall spoke regarding this request. Discussion held. Treasurer Robinson spoke in support for additional technology positions based on the impact Technology Services has had in automating his office. Mr. Parshall discussed the cyber security needs as well as the needs of all County departments.

Treasurer Robinson presented a proposed use of the ARPA funds for foreclosure prevention program (attached).

The Committee has a meeting scheduled for June 16, 2021 at 9:00 a. m. for budget discussions. Mr. Fuentes will continue to work on the budget.

There was no Limited Public Comment.

Chairman Mulder recessed the meeting at 10:32 a.m. for a ten minute break.

Chairman Mulder reconvened the meeting at 10:42 a.m.

Mr. Fuentes recommended closed session to discuss upcoming labor contract negotiations. Commissioner Lautzenheiser moved to enter into closed session at 10:43 a.m. pursuant to Section 15.268 Sec 8. (a) of the Open Meetings Act, to discuss negotiation related to upcoming labor contract negotiation strategy. Commissioner Mott seconded. Motion carried by unanimous roll call vote.

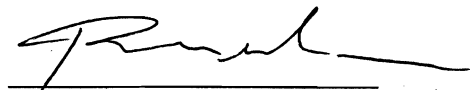
The Committee resumed the open meeting at 11:42 a.m.

No action needed.

Chairperson Mulder adjourned the meeting at 11:43 a.m.

A special budget meeting of the Ways and Means Committee will be held Friday, June 18, 2021, at 9:00 a.m.

The next regular meeting of the Way and Means Committee will be held Friday, July 16, 2021, at 9:00 a.m.



Chairman Blake Mulder