

**MINUTES OF THE
BUDGET COMMITTEE**

WEDNESDAY, SEPTEMBER 20, 2006

At a meeting of the **Budget Committee**, held Wednesday, September 20, 2006, in the Board Room, on the 9th Floor of the Administration Building, Mt. Clemens, the following members were present:

Crouchman-Chairman, Brandenburg, Brdak, Brown, Camphous-Peterson, DeSaele, DiMaria, Doherty, Duzyj, Flynn, Gielegem, Haggerty, Hill, Kennard, Lund, McCarthy, Mijac, Rengert, Revoir, Rocca, Sauger, Slinde, Switalski, Vosburg and White.

Absent and excused was Szczepanski.

Also Present:

David Diegel, Director, Finance Department
John Foster, Assistant Director, Finance Department
George Brumbaugh, Director, Corporation Counsel
John Anderson, Director, Risk Management and Safety Department
Ted Cwiek, Director, Human Resources Department
Chief Circuit Court Judge Antonio Viviano
Captain John Roberts, Sheriff's Department
Captain Anthony Wickersham, Sheriff's Department
James Meyerand, Assistant Corporation Counsel
James Langtry, Chief of Operations, Prosecuting Attorney's Office
Rhonda Deriemaecker, Director of Board Services
Phil Frame, Director, Office of Public Affairs
Charles Seidelman, Director, Juvenile Justice Center
Lynn Arnott-Bryks, Director, Facilities and Operations Department
Polly Helzer, Purchasing Manager
Steve Smigiel, Finance Department
Stephen Cassin, Executive Director, Planning and Economic Development Dept.
Nicole DeJong, Program Director, Juvenile Division
Russell McPeak, Director, Community Corrections Department
Dominic Abbate, Wakely Associates, Inc.
Steve Neavling, Reporter, The Detroit Free Press
Chad Selweski, Reporter, The Macomb Daily

There being a quorum of the committee present, Chairman Crouchman called the meeting to order at 9:02 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by McCarthy, supported by Camphous-Peterson, to adopt the agenda, as amended (to include item #8A(a) and (b)). **The Motion Carried.**

MINUTES

MOTION

A motion was made by Rengert, supported by Vosburg, to approve the July 25, 2006 minutes of this committee, as written. **The Motion Carried.**

ADOPT 2005 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Commissioners were provided with a large spiral booklet entitled, Comprehensive Annual Financial Report for the year ended December 31, 2005. It contained the following sections: Introductory Section; Report of Independent Auditors; Management's Discussion & Analysis; Basic Financial Statements; Notes to Basic Financial Statements; Required Supplementary Information; Supplementary Information; Statistical Section.

Mr. Michael Davidson from PricewaterhouseCoopers distributed and provided a page-by-page overview of a 19-page spiral booklet entitled, Presentation to the Board of Commissioners of Macomb County – September 20, 2006. It contained the following sections: Scope of Services and Results of Audit; Required Communications; Current Developments; Questions.

After the presentation, Commissioners directed several questions to Mr. Diegel. The final deficit shown on page B-6 of the large spiral booklet showed \$9,137,090.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY McCARTHY, SUPPORTED BY DUZYJ, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT THE 2005 MACOMB COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT. **THE MOTION CARRIED.**

RECOMMENDATION FROM PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE MEETING OF 09-12-06

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY VOSBURG, SUPPORTED BY RENGERT, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE THE PURCHASE OF A HANDHELD GPS DATA LOGGER AT A COST OF \$2,995. FUNDING IS AVAILABLE IN

THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT'S AERIAL PHOTO ACCOUNT. **THE MOTION CARRIED.**

RECOMMENDATION FROM COMMUNITY SERVICES COMMITTEE MEETING OF 09-13-06

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY BRANDENBURG, SUPPORTED BY HAGGERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR IN THE REQUEST OF THE VETERANS' SERVICES DIRECTOR AND ALLOCATE ADDITIONAL FUNDING IN THE AMOUNT OF \$7,500 TO THE 2006 VETERANS' SERVICES BUDGET TO MAINTAIN THE VETERANS RELIEF FUND. THIS OFFICE WAS ALLOCATED \$12,000 AND AS OF AUGUST 17, 2006 THE BALANCE ON HAND IS \$3,875.71. FUNDING IS AVAILABLE IN THE CONTINGENCY ACCOUNT. **THE MOTION CARRIED.**

RECOMMENDATIONS FROM HEALTH SERVICES COMMITTEE MEETING OF 09-14-06

Items (a) and (b) were voted on separately.

a) **Approve Harrison Township's Emergency Grant Request for \$25,000 from Environmental Problems: Lake/River Fund for Navigation Project**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY CAMPHOUS-PETERSON, SUPPORTED BY DOHERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE HARRISON TOWNSHIP'S EMERGENCY GRANT REQUEST FOR \$25,000 FROM THE ENVIRONMENTAL PROBLEMS: LAKE/RIVER FUND FOR NAVIGATION PROJECT. **THE MOTION CARRIED.**

b) **Approve Budget Adjustment for Dental Program**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY FLYNN, SUPPORTED BY GIELEGHEM, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE A DENTAL PROGRAM BUDGET ADJUSTMENT TO INCREASE MEDICAID REVENUE \$27,000 AND DENTAL LAB FEE EXPENSE \$27,000. **THE MOTION CARRIED.**

AMEND CONTRACT WITH CORRECTIONAL MEDICAL SERVICES TO PROVIDE MEDICAL SERVICES AT THE JUVENILE JUSTICE CENTER

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY RENGERT, SUPPORTED BY DUZYJ, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS AMEND THE CONTRACT WITH

CORRECTIONAL MEDICAL SERVICES TO INCLUDE DELIVERY OF MEDICAL SERVICES AT THE JUVENILE JUSTICE CENTER IN THE AMOUNT OF \$235,852 PER YEAR AS OUTLINED IN THE DIRECTOR OF THE JUVENILE JUSTICE CENTER MEMO DATED SEPTEMBER 12, 2006. COST OF THIS SERVICE IS AVAILABLE WITHIN THE CHILD CARE - JUVENILE JUSTICE CENTER BUDGET BY REALLOCATING FUNDING AND THE ELIMINATION OF THE FULL-TIME PEDIATRIC NURSE PRACTITIONER POSITION BUDGETED WITHIN THE FACILITY.

Commissioners directed several questions to Mr. Seidelman pertaining to this request.

Chairman Crouchman called for a vote on the motion and **THE MOTION CARRIED.**

APPROVE MODIFICATIONS AT JUVENILE JUSTICE CENTER

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY HAGGERTY, SUPPORTED BY DUZYJ, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE WAKELY ASSOCIATES, INC., TO PROCEED WITH ARCHITECTURAL MODIFICATIONS TO REDUCE THE DESIGN CAPACITY OF THE MACOMB COUNTY JUVENILE JUSTICE CENTER FROM 190 YOUTH TO 140 YOUTH.

A lengthy discussion ensued with Judge Viviano, Mr. Diegel, Mr. Seidelman, Ms. Arnott-Bryks, Ms. DeJong, and Mr. Abbate pertaining to this request. During discussion, Judge Viviano invited Commissioners to go to the Juvenile Justice Center (JJC) to see what Mr. Seidelman has done. He said that no matter what, there will be some youth in out-county placement. He spoke about the real cooperative effort between the JJC and the court in trying to utilize community-based treatment and services for these youth. He believed with the changes that have occurred at the JJC over the last couple years that 140 beds is going to satisfy their needs far into the future. He believed they can do it with a combination of JJC programs and utilizing community-based programs.

Chairman Crouchman called for a vote on the motion and **THE MOTION CARRIED.**

APPROVE HALL ROAD WAREHOUSE FACILITY RENOVATION

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY SAUGER, SUPPORTED BY RENGERT, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE ARCHITECTURAL FIRM OF WAKELY ASSOCIATES, INC., TO PROCEED WITH THE REDUCED SCOPE OF WORK FOR THE HALL ROAD WAREHOUSE FACILITY, ESTIMATED AT \$1,300,000, AS PRESENTED, AND AUTHORIZE THE PURCHASING DEPARTMENT TO SOLICIT BIDS WITH BIDS TO BE BROUGHT BACK TO THE COMMITTEE FOR THEIR REVIEW AND APPROVAL. FUNDING WILL BE AVAILABLE IN THE CAPITAL BUDGET.

Commissioners directed several questions to Ms. Arnott-Bryks pertaining to this request.

Chairman Crouchman stepped down from the Chair at 10:46 a.m.

Vice Chairman Revoir took the Chair.

Vice Chairman Revoir called for a vote on the motion and **THE MOTION CARRIED.**

**AWARD CONTRACT FOR THE MACOMB COUNTY MEDICAL EXAMINER FACILITY
(MORGUE) CONSTRUCTION**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY HAGGERTY, SUPPORTED BY SAUGER, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR WITH THE RECOMMENDATION OF EDMUND LONDON & ASSOCIATES, INC., AND AWARD THE MACOMB COUNTY MEDICAL EXAMINER FACILITY TO THE CURRENT LOW BIDDER, BERNCO, INC., IN THE AMOUNT OF \$1,702,685.01. FUNDS FOR THIS PROJECT WOULD BE AVAILABLE IN THE CAPITAL BUDGET.

Commissioners directed several questions to Ms. Arnott-Bryks pertaining to this request.

A lengthy discussion ensued with Ms. Arnott-Bryks about current construction projects -- Public Works; 42-2 District Court; Morgue; Administration Building Parking Lot Expansion.

Vice Chairman Revoir called for a vote on the motion and **THE MOTION CARRIED.**

RECEIVE AND FILE DISCUSSION ON SHERIFF NORTH END ROAD PATROL

MOTION

A motion was made by Rengert, supported by Flynn, to receive and file discussion on road patrol services in the Townships of Armada, Bruce, Ray, and Richmond.

Chairman Crouchman took the Chair at 11:02 a.m.

Chairman Crouchman informed Commissioners that the memorandum provided in committee packets was information about the initial meeting they had with the supervisors from the four northern townships. He said that there will be more meetings coming up as they acquire more information.

Chairman Crouchman called for a vote on the motion and **The Motion Carried.**

AWARD USER FEE STUDY CONTRACT

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DOHERTY, SUPPORTED BY DUZYJ, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR WITH THE FINANCE DEPARTMENT'S RECOMMENDATION AND APPROVE AWARDING THE USER FEE ANALYSIS STUDY (RFP #19-06) FOR THE DEPARTMENTS OF HEALTH, PLANNING, SHERIFF, CLERK AND REGISTER OF DEEDS TO PUBLIC FINANCIAL MANAGEMENT, INC., AT A COST NOT TO EXCEED \$65,000. FUNDS ARE AVAILABLE IN THE CAPITAL PROJECTS FUND. **THE MOTION CARRIED.**

RECEIVE AND FILE SUMMARY OF BUDGET COMMITTEE ACTION TAKEN TO ELIMINATE OPERATING DEFICIT

MOTION

A motion was made by Haggerty, supported by Revoir, to receive and file the summary of Budget Committee action taken to eliminate operating deficit.

A lengthy discussion ensued with Mr. Diegel pertaining to his two-page letter dated September 13, 2006, that had attached to it Exhibits I, II, and III. Exhibit I summarized the action taken to date by this committee to eliminate the County's operating deficit. The Finance Department is anticipating expenditure reductions of \$9.4 million in 2006 and \$13.6 million in 2007. Exhibit II detailed the Finance Department's forecast of 2006 expenditure reductions of \$4,346,527 resulting from the 3% reduction previously mandated by this committee. Exhibit III summarized those County departments that will not meet their mandated 3% reduction in 2006. Collectively, the departments shown on Exhibit III have fallen short of their 3% target reduction by \$2,404,213.

Commissioner Lund referred to page 2 of Mr. Diegel's letter under the heading, Positives and requested that he change the wording "Property Tax Increase" to "Increased Revenue Through Property Tax."

Chairman Crouchman called for a vote on the motion and **The Motion Carried.**

ADOPT 2007 DRAIN DEBT OF .0055 MILL

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY HAGGERTY, SUPPORTED BY VOSBURG, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT A COUNTY DRAIN DEBT REQUIREMENT OF .0055 MILL FOR THE YEAR 2007. **THE MOTION CARRIED.**

ADOPT 2007 SMART (PUBLIC TRANSPORTATION TAX) OF .5900 MILL

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY SWITALSKI, SUPPORTED BY DOHERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT A SMART PUBLIC TRANSPORTATION MILLAGE RATE OF .5900 MILL FOR THE YEAR 2007. **THE MOTION CARRIED.** (FORWARDED TO THE OCTOBER 12, 2006 FULL BOARD)

ADOPT 2007 COUNTY OPERATING OF 4.2000 MILLS

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY REVOIR, SUPPORTED BY DOHERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT A COUNTY OPERATING MILLAGE RATE OF 4.2000 MILLS FOR THE YEAR 2007. **THE MOTION CARRIED.** (FORWARDED TO THE OCTOBER 12, 2006 FULL BOARD)

2006 CONTINGENCY ACCOUNT UPDATE

MOTION

A motion was made by Doherty, supported by Duzyj, to receive and file the 2006 Contingency Account Update. **The Motion Carried.**

NEW BUSINESS

A discussion ensued with Mr. Cwiek about an issue that was discussed during last week's Personnel Committee meeting pertaining to temporary employees and how they may or may not be reflected in the Budget.

ADJOURNMENT

MOTION

A motion was made by Haggerty, supported by Brdak, to adjourn the meeting at 11:28 a.m. **The Motion Carried.**

Denise M. Jacks
Committee Reporter