

**MINUTES OF THE
BUDGET COMMITTEE**

WEDNESDAY, OCTOBER 31, 2007

At a **Special Meeting** of the **Budget Committee**, held Wednesday, October 31, 2007, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Brown-Chair, Brdak, Bruley, Camphous-Peterson, Crouchman, DeSaele, DiMaria, Doherty, Drolet, Duzyj, D. Flynn, Gielegem, Lund, Mijac, Rengert, Roberts, Rocca, Sauger, Slinde, Switalski, Szczepanski, Tocco, Torrice and Vosburg.

Absent and excused were Joan Flynn and Haggerty.

There being a quorum of the committee present, Chair Brown called the meeting to order at 9:10 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Camphous-Peterson, supported by Torrice, to adopt the agenda, as amended (to include items #6 and #8). **The Motion Carried.**

MINUTES

MOTION

A motion was made by Duzyj, supported by Slinde, to approve the September 25 and October 16, 2007 minutes of this committee, as written. **The Motion Carried.**

PUBLIC PARTICIPATION

Donna Cangemi, 11235 Hemlock Drive, Sterling Heights

Ms. Cangemi is the President of AFSCME Local 411 representing 900 county employees. She addressed her concerns pertaining to Mr. Diegel's five-page letter dated October 22nd that had attached to it Exhibits I, II, and III.

Timothy Malone, 14708 Carmel, Sterling Heights

Mr. Malone is on the Macomb County Parks and Recreation Board. He spoke about what the County Park is used for and hopes the Board does not consider closing it.

Jack Abella, 44818 Pine Drive, Sterling Heights

Mr. Abella spoke in support of the Macomb County Library.

Sandy Trapiss, 53173 Abraham Drive, Macomb

Ms. Trapiss displayed two poster boards. She spoke in support of Macomb Adult Day Care Services.

Sara Marie Watson, 35148 Weideman Street, Clinton Township

Ms. Watson spoke in support of the Senior Citizen Services Department and of a millage increase.

Bill Luft, 35548 Weideman Street, Clinton Township

Mr. Luft is a librarian at the Macomb County Library. He said that people come to the Macomb County Library because they cannot find materials at the Clinton-Macomb Library. He asked commissioners to not make a decision today to eliminate discretionary programs without taking an in-depth look at each of them. He felt that maybe it is time to increase the millage.

Russ Stevenson, 41276 Fortuna Drive, Clinton Township

Mr. Stevenson spoke in support of the Macomb County Adult Day Care Program and staff.

Jack Tedesco, 16037 Timberview, Clinton Township

Mr. Tedesco spoke in support of the Macomb County Library. For his needs, the Macomb County Library is a business library that has helped him out immensely.

Russ Milne, 24777 Hall Road, Macomb Township

Mr. Milne provided commissioners with his telephone numbers. He is on the Macomb Literacy Partners Board and spoke in support of the Macomb County Library.

James Raptosh, 16860 Coral Lane, Macomb Township

Mr. Raptosh is a volunteer tutor and facilitates an English Second Language Conversation Group. The two-hour sessions held at the Macomb County Library are very productive. He urged careful consideration about any program cuts that would jeopardize that.

Karen Parenteau, 53978 Blakely Court, New Baltimore

Ms. Parenteau is newly elected to the Macomb Literacy Partners Board. She spoke in support of the Macomb County Library.

Catherine Federspiel, 45929 Portsville Drive, Macomb

Ms. Federspiel is a librarian at the Macomb County Library. She spoke about the Macomb County Library's collection of specialized resources that is well-known, and well-used by the public; many times at the request of other libraries in the Suburban Library Cooperative. She spoke about the Macomb County Library's knowledgeable staff.

Katherine Smith on behalf of Louis Souvigney, 45735 Carousel W., Macomb

Ms. Smith spoke in support of the Macomb County Library. Her dad has been able to get over 2,000 audio books just within the last 10 years from the Macomb County Library.

Chester Wing, 41307 Harvard, Sterling Heights

Mr. Wing spoke in support of the Macomb County Library and of a millage increase.

Dick Haines, 46237 Hecker Drive, Utica

Mr. Haines spoke in support of the Macomb County Library and of raising the millage.

David Wilemski, 47444 Forton, Chesterfield

Mr. Wilemski spoke in support of the Adult Day Care Center and in support of a tax increase to cover services.

Denise Mentzer, 38552 Albert, Clinton Township

Ms. Mentzer is a county employee. She came to work for the county because of the pension plan. She felt that changing the plan will drive away some good employees.

Thomas Miscodich, 21431 Willow Wisp Court, St. Clair Shores

Mr. Miscodich spoke in support of the Macomb County Library, in support of the Macomb County Sheriff's Department, and in support of a minor adjustment in the millage to maintain services.

Marsha DeVergilio, 41510 Clairpoint, Harrison Township

Ms. DeVergilio is the retired director of Macomb Literacy Partners. She spoke in support of the Macomb County Library. She provided commissioners with her telephone number. She is a newly elected member of the Macomb County Library Board.

**RECEIVE AND FILE CORRESPONDENCE FROM FOLEY & ROBINETTE, COUNSEL
FOR BENEFIT CONTROL METHODS**

Mr. Diegel referred to correspondence that was provided in committee packets. The county's position is that Benefit Control Methods (BCM) is not in compliance with the

contract. He noted that Mr. Krycia from Corporation Counsel will be sending BCM a letter saying that they cannot terminate the contract and that the county is expecting them to meet all requirements of the contract.

A discussion ensued with Mr. Diegel about the belief that there are many people who are not using the card and therefore, the county is due a refund.

Commissioner Lund felt it was time to go and bid this out again.

Commissioner Szczepanski suggested looking at asking the participants to pay the fee or discontinue the program.

Commissioner Slinde suggested looking into the NACo Discount Card Program. The average discount is 22% and there is no cost to the county. This is a free program, which provides coverage not only for seniors, but for everyone in the county. They are looking to add dental and vision. It will even provide a discount on medication for pets. She had information that she could provide to commissioners about this program.

Chair Brown said that Senior Citizens Committee Chair Gielegem will review the whole program in his committee.

MOTION

A motion was made by Szczepanski, supported by Camphous-Peterson, to receive and file correspondence from Foley & Robinette, Counsel for Benefit Control Methods.

Chair Brown noted that this item will be referred to the Senior Citizens Committee for further review.

Chair Brown called for a vote on the motion and **The Motion Carried.**

RECEIVE AND FILE 2007/2008 BUDGET FORECAST DATA

Commissioners were provided with a 276-page spiral bound book entitled, 2008 Revenue Expense Summary.

Mr. Diegel provided an overview of his outlined five-page letter dated October 22, 2007, that had attached to it Exhibits I, II, and III. He emphasized that the bound book is not a recommended budget, it is a projection. He reiterated that revenues are not keeping pace with expenditure increases. He then overviewed Mr. Axe's letter that was distributed.

A discussion ensued with Mr. Diegel about the projected budget deficit and concerns that the county has not been funding the Unfunded Liability for Retiree Health Care.

Commissioner Szczepanski offered a motion to adopt the Macomb County 2008 Fiscal Budget, minus the discretionary programs. There was no support. The motion died due to lack of support.

After further discussion, the following action was taken:

(Note: During discussion on the motion that was offered by Commissioner Doherty and supported by Commissioner DiMaria there were three friendly amendments that were accepted and they have been inserted into the motion listing the commissioner who offered the friendly amendment in bold print.)

COMMITTEE RECOMMENDATION - MOTION

A MOTION WAS MADE BY DOHERTY, SUPPORTED BY DiMARIA, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS REVIEW EACH DEPARTMENTAL BUDGET BY ITS REPORTING COMMITTEE TO SEEK EFFICIENCIES OF SERVICES AND COST REDUCTIONS WITH THE OBJECTIVE TO BE A BALANCED BUDGET IN 2008 (underlined item is a friendly amendment by Szczepanski). RESULTS TO BE FORWARDED TO THE BUDGET COMMITTEE NO LATER THAN JANUARY 31, 2008.

SUCH REVIEWS SHALL INCLUDE BUT NOT BE LIMITED TO:

- EVALUATION OF PROGRAMS
- EVALUATION OF POSITIONS
- THREE YEAR HISTORY OF EXPENSES AND REVENUES BY LINE ITEMS
- PERCENTAGE OF BUDGET COMPARED TO OVERALL COUNTY BUDGET
- ANALYSIS OF GRANT FUNDS TO COUNTY FUNDS (IN-KIND VS. ACTUAL DOLLARS AND DIMINISHING GRANTS)
- ANALYSIS OF DISCRETIONARY PROGRAMS TO MANDATED PROGRAMS
- CONSOLIDATION OF SERVICES ACROSS DEPARTMENTS
- ASK DEPARTMENT HEADS AND THE FIVE (5) COUNTY-WIDE ELECTED OFFICIALS TO PROVIDE RECOMMENDED CHANGES TO THEIR DEPARTMENT BUDGET (offered as a friendly amendment by Vosburg)

FURTHER, THAT:

- 2007 SPENDING LEVELS BE MAINTAINED THROUGH JANUARY 31, 2008
- TARGETED DOLLAR VALUES TO BE CUT BE PROVIDED TO EACH DEPARTMENT BY THE DECEMBER BUDGET COMMITTEE MEETING (offered as a friendly amendment by Lund)

During discussion, Mr. Diegel informed commissioners that they could adopt a continuation budget and then amend that budget at anytime going forward. Commissioner Doherty stated that the intent of her motion is not a continuation budget. During discussion, Mr. Diegel said that there are legal questions that he would have to get answered. Inquiry was made as to what the Board would actually pass as a budget, because the Board has to pass something as a budget this year.

Chair Brown said that he intends to schedule another special Budget Committee meeting.

A ROLL CALL VOTE WAS TAKEN ON THE MOTION, AS AMENDED, AS FOLLOWS:

VOTING YES WERE BRDAK, BROWN, BRULEY, CAMPHOUS-PETERSON, CROUCHMAN, DeSAELE, DiMARIA, DOHERTY, DROLET, DUZYJ, DAVID FLYNN, GIELEGHEM, LUND, MIJAC, RENGERT, ROBERTS, ROCCA, SAUGER, SLINDE, SWITALSKI, SZCZEPANSKI, TOCCO, TORRICE AND VOSBURG. THERE WERE 24 "YES" VOTES.

THE MOTION CARRIED.

Commissioner Vosburg offered a motion to allocate or transfer the \$7.2 million which was generated in the Revenue Sharing Reserve Fund to the Unfunded Liability for Employee Health Care. There was no support. The motion died due to lack of support.

Commissioner Sauger wanted to see if it was possible to have Freedom Hill sold to a private entity. He would rather have something like this checked into rather than cutting 24/7 services and other important programs. He felt the park could still be saved with a private entity taking over.

A discussion ensued with Mr. Diegel about the projected budget deficit, the impact of the 70-Point Plan, and concerns that the county has not been funding the Unfunded Liability for Retiree Health Care.

Committee recessed at 12:15 p.m.

Committee reconvened at 12:26 p.m.

EXECUTIVE SESSION TO DISCUSS LABOR NEGOTIATIONS

MOTION

A motion was made by Duzyj, supported by Drolet, to enter into Executive Session for the purpose of discussing labor negotiations. **The Motion Carried.**

In accordance with the motion, committee entered Executive Session at 12:26 p.m., with it concluding at 1:40 p.m.

NEW BUSINESS

Commissioner Bruley explained the motion he wanted to offer.

MOTION

A motion was made by Doherty, supported by Vosburg, to suspend the rules. **The Motion Carried.**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY BRULEY, SUPPORTED BY DOHERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS SEND A LETTER TO THE PENSION BOARD REQUESTING THAT THEY DISCONTINUE THE SEMI-ANNUAL DINNERS THAT THEY HOLD FOR RETIREES. **THE MOTION CARRIED.**

ADJOURNMENT

MOTION

A motion was made by Duzyj, supported by Crouchman, to adjourn the meeting at 1:42 p.m. **The Motion Carried.**

Denise M. Jacks
Committee Reporter