



## Gratiot County Board of Commissioners

214 E. Center Street, Ithaca, MI 48847

Mark Knowles, Chairman

Jan Bunting

Bill Dilts

David T. Eldridge

Patricia Gillis

Tim Lambrecht

Roland Merignac

Carol A. Vernon, Clerk

Nicole Frost, County Administrator

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Minutes Proposed for Approval on August 3, 2010

Public Forum

Committee of the Whole Finance Meeting Immediately Following

Tuesday, July 27, 2010 at 6:00 p.m.

### **Public Forum Regarding PA 88**

- A. Opening by Chair Lambrecht at 6:00 p.m. with a moment of silence observed for loss of long-time Alma community leaders, Don and Irene Pavlik, Earl Davidson and Dr. Jim Hall.

Present: Bunting, Dilts, Eldridge, Gillis, Lambrecht, Knowles and Merignac. Also present: Administrator Nicole Frost and County Clerk Carol A. Vernon.

Lambrecht provided an informational Power Point on the Budget indicating: Budget trends for expenditures, described the increase in expenses for 2010-11, reflected revenue issues, gave the revenues bottom line, provided news clippings showing other counties budget crises, described the current 2010-11 budget projection with a net \$450,000 shortfall, listed possible reductions and other options and non-mandated services and contributions.

- B. Public Comment

Bill Henderson, President of Gratiot Area Chamber noted they passed a resolution in support of PA 88. He is also President of Aircraft Precision Products and thanked Don Schurr of Greater Gratiot Development for his participation and efforts, stating jobs are available because of them.

Steve Iocco, President of Cartridges are Us, commends Greater Gratiot for the 320 jobs through his company now in Gratiot County because of their help. He stressed how important it is to have someone promoting the community to bring in jobs. He himself knew nothing about the area until Greater Gratiot provided him with the information.

Harmony Nowlin read an e-mail letter from her 18 year old daughter who was unavailable to be here to give support for MSUE and 4-H.

Gary Melow, Ithaca resident, thanked the Board for the public forum to discuss the budget issues. Described quality of live issues PA 88 will bring to the county and pointed the Board to past surveys that indicate economic development is very important to the community and one of the top noted priorities.

Patty Macha, Ithaca resident, spoke in support of 4-H and the Exchange Club she participates in that takes them into other states and helps them appreciate what they have in Gratiot.

Tim Schaub, representing Village of Breckenridge Council and citizens of the county, noted our county logo is business, industry and agriculture and provided the Board with a Resolution in support of PA 88.

Greg Mapes, City of Alma Commissioner, presents a Resolution in support of PA 88.

Jim Wheeler, President of Greater Gratiot spoke in support of Greater Gratiot and the great progress it has made over the years for the county and how important it is to continue to promote economic development.

Steve Moffit, resident of Gratiot County, looks to the future of Gratiot County for himself, children and grandchildren and is in favor of PA 88 to encourage future economic development. Also President of the Village of Ashley and has seen the benefits of Greater Gratiot for Ashley.

Kevin Beeson, Pine River Township Supervisor, provided a Resolution in Support of PA 88.

Cindy Bosley, Ithaca resident, farm family member, stated she is so proud that members of this community will take the opportunity to come out and speak to the future support of economic development. MSUE provides the farming community with technology, information, techniques and greatly impacts what they do to provide a better quality of life for the community. She notes she is impressed with Greater Gratiot and what we've been able to do because of it. PA 88 is an opportunity to continue to grow our opportunities within the county and secure our future.

Dan Rossman, MSUE Extension Director for Gratiot County provided paperwork on PA 116, a state program that offers property tax relief for farm families.

Chelsey Foster, City Manger for City of Ithaca, City of Ithaca supports Greater Gratiot and he personally supports PA 88.

Harmony Nowlin speaks for herself now and states her support for MSUE Extension and how much it has affected her, her children and the community. She supports PA 88 to offer employment opportunities for community members. She works for

Consumers Energy and is very much involved in economic development. She told the Board, you need to take control over your future, and PA 88 offers that opportunity.

Public comments concluded at 7:09 p.m.

- C. Closed Public Forum at 7:10 p.m. and recessed.

### **Committee of the Whole Finance Meeting**

- A. Call to order by at 7:20 p.m.
- B. Present: Bunting, Dilts, Eldridge, Gillis, Knowles, Lambrecht and Merignac.  
Absent: None. Also present: Administrator Nicole Frost, County Clerk Carol A. Vernon.
- C. Additions/deletions to tentative agenda & approval of the agenda

1. Treasurer Mary Sullivan has a personnel issue to be added.
2. Commissioner Dilts requested the addition of PA88.

**Board Action:** Motion by Merignac, second by Eldridge to approve the agenda with additions. Motion carried 7-0.

- D. Brief public comment. *The Board welcomes all public input and appreciates adherence to the time limits established. Each period shall be limited to one 3 minute comment per period. A group representative shall be limited to one 5 minute comment period..*

Don Schurr Greater Gratiot Development Director stated he appreciates the compliments from individuals and companies. Noted he's been allowed to be a quarterback on a really, really good team for the last almost 34 years. He noted it has been a collaborative structure for all the citizens and all the companies and states it is the process and the system that has made this work, not him.

- E. Agenda Items

1. Questions about any of the numbers or assumptions in the budget?

Bunting questions membership dues. Administrator Frost describes various memberships such as Gratiot Area Chamber, Michigan Association of Counties and others.

Bunting questions cell phones and wants to know the total cost for the county. Frost provides total at \$15,000. Bunting states she's looked at the salaries and thinks the people can pay for their own cell phone.

Bunting questions total costs of dental and optical for non-union employees and questions conferences and travel costs stating she believes with the Internet now days people can pretty much get all their training and information there.

Knowles questions dental/optical costs for non-union versus union. Frost describes dental/optical used to be \$500 for all, but for non-union it is now \$250.

Lambrecht notes laws change, rules change, procedures change and sometimes training saves money down the road for a lawsuit.

Eldridge states it is in everyone's best interest that we plan on a budget with a \$450,000 shortfall, and one for a \$500,000 shortfall and one for a \$650,000 shortfall, then we are proactive and not reactive and just do what we've prepared for.

2. Proposals for discussion on reductions or eliminations.

Bunting wants to go on record to say the most important thing to her is to save jobs.

Administrator Frost has identified the following areas:

Emergency Contingency Fund of \$25,000.

Staffing costs savings \$25,000; consisting of \$10,000 from prosecutor's office by not replacing an employee on administrative leave and \$15,000 in Equalization for part time help.

Law Library \$10,000

DHS Appropriations \$60,000

Capital improvement for computer replacement \$23,000

PA 88

Renaissance Zone Reserve Fund

Knowles would like to look at all temporary wages. Total temporary wages is \$350,000. Possibly look at overtime wages as well, but notes it is probably not in his building.

Lambrecht states Sheriff has been extremely cooperative in looking at cost savings.

Eldridge brings up furlough days. Administrator wrote a check to the county for

some funds that she was paid for having the days off. Eldridge questions if any elected officials are contributing into the general fund to be compensated for being off. Frost noted Jan Davis has done repairs and painting in her office due to water damage in lieu of contributions.

Dilts questions the revenue was based on a 5% reduction versus 4%. It has been set conservatively. Lambrecht informs on the matter.

Lambrecht asks for Administrator Frost's opinion on furlough days. Frost made a statement and Lambrecht asked for commissioner comments on the same. Eldridge stated we are basically balancing the budget on the backs of our employees while we're not taking care of the real issues within our budgets. He suggests we use them only as an emergency effort.

Bunting stated she has two issues here. One, the state's budget was balanced on stimulus monies, so that's why she thinks we're going to get hit with a much larger cut. She also thinks that she still would not want to cut employees, she would rather see them have two days a month off rather than eliminate people and departments.

Dilts thinks furlough days is balancing on the backs of employees and not the way to go. It's not pleasant to have to make cuts, but to have everyone suffer is not the way to go either.

Knowles says it seems odd we are considering paying \$700 bonuses and then turn around and say furlough days are necessary.

Lambrecht explains union employees will get a \$700 bonus. It is the non-union being discussed.

Knowles asks if we don't use furlough days, are there ideas where the cuts will come. Dilts says if we don't do the \$700, it is about 4 furlough days. Dilts explains it will be paid for in productivity and morale and if you can do it that way, then you should do it. But if we did put it in place, it would be \$42,000.

Eldridge wants to know total cost of animal shelter. Lambrecht stated \$40,000, it brings in a lot of revenue, but has \$139,000 costs. Eldridge suggests animal control portion and maybe a group like Furry Friends take over the shelter part, privatizing the shelter and taking the burden off the county.

Knowles says you need to take a close look at how you divide that work flow up to determine the costs, it may actually cost more that way.

Eldridge states the county maintains the licenses, enforcement and pick up, but the shelter part would go to others, he's not talking about losing the license revenue.

Knowles noted the hospitalization is a little over \$1 million a year. Eldridge suggests contacting MAC to see if they have any options. Knowles suggests an advisory group to keep a continuous look into it. Dilts suggests we have community members that may be able to assist. Eldridge wonders if there is any talk that could

take place with Mid-Michigan Hospital and some kind of program we could get into with them that may open up some kind of new door that nobody's thought of yet. Dilts states they are already involved with the Wellness Program.

### 3. Discussion on revenue enhancements.

**Board Action:** Motion by Dilts, second by Knowles to recommend to the full board a proposal to institute PA 88 at the .339 mil level. Motion carried 7-0 following the discussions listed below. Voted noted here for record keeping.

Bunting has questions about the \$314,000. Frost states \$190,000 for Greater Gratiot and MSUE balance of \$124,000. It gives back \$200,00 into the general fund.

Frost explains it is for one year and will be reviewed each year. Dilts explains how they came up with .339 at Bunting's question.

Bunting states she's for it, but represents three districts, and has some townships she needs to deal with first and inform them first. When first explained to them they were unhappy about it. She thinks it could be brought on by the county this time because of the short time frame, but next time have the people vote on it.

Eldridge says it not only picks up and covers costs the county pays, but certain communities are already paying to support it, so it spreads the expense across the board to everyone. He thinks we need to know what we're going to do with PA 88 so we can accurately look at it to see what we have to come up with for figures, it will make a big difference.

Frost states it needs to be decided upon sooner than later.

Bunting says she does support Greater Gratiot. She has been on this board for several years and hears good things about Don everywhere, he's very concerned about our citizens. But because she's talked with some about it already, she wants to talk with them about it first before she can vote.

Eldridge informs this is strictly moving PA 88 to the full board out of finance, not voting on it tonight.

Bunting says she is overly cautious on it because of the people she represents.

Merignac says the problem is, they've got no choice.

Knowles notes having the forum tonight gives her time to deal with her constituents and citizens.

Bunting states she's real sorry they didn't come tonight, because she thought they were going to because they had talked about it.

Gillis asks about talks of MSUE and Greater Gratiot putting a proposal on the November ballot. While some thought it was too late for August, it was close to deadline for November.

Bunting says people in the community know it is important to pass these things. They did with the Parks and 9-1-1.

Lambrech states he doesn't ever remember having 14 people of this caliber at any of the many meetings he's attended in the community with people saying we need to do this, even though it is going to cost them money.

Bunting mentions for several years they have talked about putting a millage on and she has great faith that the people are going to be okay with this and sees tonight as very successful.

Eldridge calls for the vote. Motion carried 7-0 as noted above.

4. Call for motions on specific items regarding the 2010-2011 Budget.

Gillis asks if we've looked at retirement benefits, perhaps through MERS.

Frost notes the union contracts.

**Board Action:** Motion by Knowles, second by Dilts to establish an insurance advisory committee. Motion carried 7-0.

**Board Action:** Motion by Eldridge, second by Dilts to approve reduction of Equalization by \$15,000 - part time position, prosecutor office \$10,000 by not replacing employee on administrative leave of absence, \$23,000 in public improvement. Amended by Eldridge and Dilts to look at all temporary positions with regards to costs savings measures. Motion carried 6-1.

Knowles states he believes they should look at all part time employees instead of just one. Bunting agrees. Eldridge agrees with Knowles, can look at all part time employees.

5. Treasurer's office personnel issue discussed, she has part-time employee for three days a week and noted if you look into eliminating part-time employees you've created a significant loss for our office. She is here tonight to ask if she could bring Michelle in full time temporarily to cover for Robin who is on sick leave and pay for her out of her foreclosure sales, the 517 fund. She further informed the Board that she donated \$20,000 one year from that fund, Brian automatically took \$20,000 the next year without asking, and by law they have no right to do that.

Eldridge states it was a slip of the tongue that he meant temporary employees not part time and asks to clarify it.

**Board Action:** Motion by Merignac, second by Dilts to approve Treasurer's request to bring Michelle on for 5 days a week temporarily, amended by Merignac

and Knowles for this budget year with funds to come from the 517 fund, no monies out of the general fund. Motion carried 7-0.

Treasurer Sullivan noted the 517 fund will purchase the .Net and server for most all of the county offices, it is over \$100,000.

**Board Action:** Eldrige moves to amend his former motion to read temporary in lieu of part time, second by Dilts, Motion carried 7-0.

6. PA 88 discussion. Moved to item number five above.

**F.** Extended public comment and board comments

Don Schurr, Greater Gratiot Development Director, speaks to the past funding of Great Gratiot. They have always been rather conservative and are sitting in reasonably good shape. One of the things that is a direct benefit of those conservative years is because it makes positive impacts on our bond rating and interest rates. It is helpful for him to promote businesses to come to Gratiot County. Thanks the Board for their hard work.

Knowles thinks they came along way in credibility tonight. Gratiot County is controlling a bit of its own destiny tonight, it is important to do so. There was a lot of good input from the public, and he was happy to see them here. Stating we really needed to hear from people, pro or con, because that's what helps make the decisions in Gratiot County.

Bunting thanks Jan Davis for remodeling her own office, and asks for an update on above the wind energy issue. Gillis responds it is all okay now.

Knowles asks about Lafayette and Wheeler. Gillis says everything is smoothed over now and they will have meetings to formalize that.

Dilts noted collaboration works at all levels in the community. Our community has really shown collaboration is the way to go. It's a wonderful place to live.

Merignac stated he 100% agrees with the crowd tonight. Everybody spoke from the heart.

Chair Lambrecht felt really good when people were speaking because it's a great place to live and he's not excited about paying more in taxes, but it's a great example of how it seems like in this county people are willing to step up to the plate and doing the heavy lifting. He noted it takes us back to where we started about the loss of some of our people last week.

**G.** Adjournment at 9:12 p.m.



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**Carol A. Vernon, Gratiot County Clerk**  
**Approved:**

**Tim Lambrecht, Finance Chair**