

CALHOUN COUNTY
PROCEEDINGS OF THE
BOARD OF COMMISSIONERS

November 17, 2011

1. CALL TO ORDER/ROLL CALL

The Committee of the Whole Session of the Calhoun County Board of Commissioners convened at 6:00 p.m., Thursday, November 17, 2011 in the Administrative Conference Room, County Building, Marshall, MI.

Chairman Kale called the meeting to order and requested the Deputy Clerk call the roll.

Present: Comrs. Behnke (arrived 6:15), Todd, Haadsma, Camp Seifke, Frisbie, VanSickle and Kale

Staff Present: Administrator/Controller Kelli Scott, Corporation Counsel Richard Lindsey, Human Resources Director Kim Archambault, Financial Analyst Pam Kline and Deputy Clerk Chris McComb

3. APPROVAL OF AGENDA

“Moved Comr. Haadsma, supported by Comr. Todd to approve the agenda of the November 17, 2011 Calhoun County Board of Commissioners Committee of the Whole Meeting as presented.”

On a voice vote, Motion CARRIED

4. CITIZENS' TIME

There was none.

5. SPECIAL ORDER OF BUSINESS

- A. Discussion of FY 2012 County Administrator/Controller's General Fund Budget Recommendation Memo

Administrator/Controller Scott gave a process review, stating staff had been working on the budget since February and meeting with the Budget Committee every month. She stated the Board was required by law to hold a budget hearing and staff would ask the Board for adoption of the Administrator/Controller's recommendation on December 1. She stated the budget matches what all departments submitted and they all met the directive on a net basis. She stated the budget was balanced as presented, one more savings in health insurance was possible but there were no major changes expected. She stated the budget book presented in December would include a cover memo and

formal resolution. Scott reviewed the contents of the budget book with the Board. She stated staffing changes needed to be approved by the Board. She indicated that it was an extensive process that required cooperation from departments, who were supportive above and beyond. She stated the Board was presented with a spending plan that didn't eliminate services and was working with 32 fewer positions in the budget than in 2010. She stated the budget reserved \$500,000 toward capital improvement, with a tax levy and tax rate that has been unchanged for several years. She stated the main point was the County was facing a reduced revenue rate, not an expenditure issue because both property tax revenue and state revenue are down. She discussed employee pay, stating when there are continued pay freezes and low increases, employees feel like they aren't being valued. She stated they had not gone to unions to request cuts but property taxes were expected to be at 2009 levels for several years. She stated they had budgeted a 1% drop in property values and 2011 was the biggest drop in property tax. Scott stated Public Safety revenues were up because of the jail bed rental rate being increased. Public Safety's net reduction was down 8% just like every department. She stated the state revenue sharing was down to 2005 levels and some communities were not even putting it in their budgets any more.

Scott went on to state that they modified the budget process by starting early, expanding budget hearings to more departments and the Budget Committee met every month. She explained they also changed the way they forecasted, tightened the estimates and decided on the starting number from forecasting then the departments worked from there. She stated the departments filled out the key functions template which will be helpful in the future but Administration still needs to analyze the information. She stated there had been more accountability and transparency throughout the process and she had held Department Head meetings, met with the union representatives monthly, met with the chief judges, there had been an article in the paper, and she and Chair Kale had gone on AccessVision. She also stated that December 1 is the earliest the budget has ever been approved.

Comr. Frisbie stated the main request the Budget Committee heard in the budget hearings was for equality between departments and that each would be held as accountable as the other.

Administrator/Controller Scott stated they had dialogue with everyone on what Administration and the Board could do for them, how departments work better together and advance technology.

Comr. Kale claimed he believes this method gave Department Heads ownership of their budget.

Corporation Counsel Lindsey commented the time commitment put in was appreciated by everyone.

Administrator/Controller Scott stated Financial Analyst Kline had been the lifeline of the budget and she had worked hard on the new system.

Comr. Frisbie commented staff presented a rock solid footing with what they were given.

Administrator/Controller Scott stated that with the progressive drop in property taxes, the next couple years will be tough.

Comr. Behnke inquired what the basis for property taxes being bottomed out; he has heard that they haven't yet reached the bottom.

In answer, Administrator/Controller Scott stated she compared the property taxes to other counties and the state fiscal analysis. She stated the Equalization Director meets with other directors in nearby counties to discuss and compare their situations. She stated 2009 was the highest for state revenue sharing and though 2010 looks higher, that's because it was the first year we were on the state's appropriation and they have a different fiscal year. This resulted in the County receiving what appears as an extra payment in 2010 but this was just a timing issue. She stated what is recommended in the budget for 2012 is about the same as 2004, it was expected to drop more in the next couple years and some counties don't even budget it any more. She stated our revenue mainly is property taxes and revenue sharing. She stated expenditures were at the same level as 2009 even though costs were going up. She stated there were 3 labor associations still negotiating so there will be changes when contracts are final. Administrator/Controller Scott noted the Budget Committee had recommended that salaries for the elected officials remain at 2010 levels. She proposed an elimination of longevity payments, as many of the unions already had, to non-union employees and give them a 1.5% raise in the top step only. She reviewed the changes in the health benefits, including an 11% increase in rates from Blue Cross Blue Shield. She stated there were 20 less full time equivalent positions in this budget and there were recommended staffing reductions, as well as 9 employees with reductions in hours. She noted HR Director Archambault had worked with the departments on the layoffs and the courts had been very cooperative and their reorganization had been very helpful.

Administrator/Controller Scott reviewed the budget resolution and indicated that if provides that budgeting is at a serviceable level.

Comr. Kale stated the resolution should say if particular budget needs to be modified; it is the department's responsibility to take care of it.

Administrator/Controller Scott stated she would reword it to say the responsibility would be on the Department Head to make the budget changes but she also needed to build in a penalty for not meeting the budget target.

Comr. Kale stated this was a great team effort.

Administrator/Controller Scott stated there could be revisions made until November 23, 2011 when the agenda goes out.

6. ADJOURNMENT

The meeting was adjourned at 6:50 p.m. at the call of the Chair.

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Chairman
Calhoun County Board of Commissioners

Clerk
Calhoun County Board of Commissioners