



CALHOUN COUNTY

Road Commission Task Force

Minutes
June 22, 2012

Law Library
Conference
Room
315 W. Green St.
Marshall, MI
49068
(269)781-0966

1. Call to Order

Present: Members Sweet, Behnke, VanSickle, Frisbie, Kale and Calhoun County Administrator/Controller Kelli Scott, Corporation Counsel Richard Lindsey, Human Resources Director Kim Archambault and Deputy Clerk Chris McComb

2. Approval of Agenda

“Moved Member Behnke, supported by Member VanSickle to approve the agenda of the June 7, 2012 Road Commission Task Force meeting as presented.”

Dick Sweet

Rob Behnke

On a voice vote, Motion CARRIED.

3. Approval of Minutes

“Moved Member VanSickle, supported by Member Benke to approve the minutes of the June 7, 2012 Road Commission Task Force meeting as presented.”

*Blaine
VanSickle*

Steve Frisbie

On a voice vote, Motion CARRIED.

Art Kale

4. Public Comment

Bruce Dowding, Lee Township resident and Road Commission employee, commented on the Road Commission meetings and the changes that he believed there had been since the Task Force was formed.

DJ Dewey of Eaton County commented on the supervision of the Road Commission and the upkeep of the roads.

James Harvey of Albion - commented on the maintenance of his road

5. Correspondence/Informational

There was none.

6. Old Business

There was none.

7. New Business

a. Phase 1 Due Diligence Report

Dave Fisher of Rehmann Robson stated the term of the review was from 1997 to the present. He presented a review of the Phase 1 study analyzing the financial situation of the Calhoun County Road Commission compared to other Road Commissions in the state.

Kale inquired if 89% for fringe benefits was typical throughout the state, as it seemed to be a high percentage.

Fisher stated it was pretty typical with Road Commissions and many industries but they could not sustain with the current model they have.

Sweet commented the Road Commissions in the State are in trouble so why would we continue to compare Calhoun County to other road commissions. He stated there must be a better business model for comparison.

Fisher stated 15% was a perfect business model.

Scott asked if there were any best practices, from a financial standpoint, from any of the other counties.

Fisher stated there were always many determining factors and it's hard to get a good model because the road commissions are all using different methods but Hillsdale County has a good operation.

Frisbie asked how close the Road Commission was to being assigned an Emergency Financial Manager.

Fisher stated one year was not significant but if their financial trend continues for a couple more years, the State may step in and consider an Emergency Financial Manager but the 2012 budget will be telltale. He noted none of the other Road Commissions he worked with had a negative fund balance. The Phase 2 report would analyze the information and determine the feasibility of operating at status quo and possible cost savings, with the draft being done in about a week. He noted there would not be millions in savings by eliminating the Road Commission Board; it would be more like a couple hundred thousand.

b. County vs. Road Commission Comparison of Employee Benefit Plans and Costs

County Human Resources Director Archambault shared a review of the benefit plan/cost comparison between the County's healthcare plans and the Road Commission plans. She stated a couple years ago there was a comparison of plans and it was deemed to be not feasible for them to join our plans. Their healthcare plan was comparative to the County CB3 plan.

Scott noted the County has moved toward a more consumer driven healthcare plan and gave a review of the pension benefit comparison.

Kale stressed to the Road Commission employees that they were not committed to changing the healthcare plans but they did need to review everything to make sure everything was done in the most feasible way.

c. Review of Requested Materials from CCRC

Kale appreciated MJ (Road Commission Assistant Managing Director Mary Jo Crumpton) for putting all the requested information together.

d. Discussion of Employee Survey

Kale stated the Task Force needed feedback from employees and they would be sending out a survey because there may be people who aren't speaking out but needed to be heard. The morale at the Road Commission was getting impacted by the review so the timeline was being moved up. The survey will be sent to the Road Commission on June 25, to be given to the employees with a county addressed, stamped envelope and they will be sent back to the County Human Resources office so the surveys will not be seen by the Road Commission or Road Commission Task Force, only the compiled information will be shared.

Frisbie stressed that he knows there are things at the Road Commission that are done very well and the task force needs to know those as well.

8. Public Comment

Matthew Hall of Sheridan Township, Road Commission employee and union steward, noted the supervisor's retirement age was 55 but for Teamsters it was 60 and gave a couple suggestions for the survey.

Tommy Miller thanked the Task Force for spending so much time with the employees and inquired how much money the Road Commission had paid in lawsuits in the last 5 years.

9. Task Force Member/Staff Comments

Scott stated the Task Force had received all of the requested information from the Road Commission and if there was anything more specific they needed, she would arrange it. She noted Managing Director Henning had been given a one year renewal through June 30, 2012 and the terms were the same though there was a salary increase.

Frisbie stated the Task Force was accused of seeking out selective employees to get their opinions. He saw it as an attack, it was uncalled for and untrue because the Task Force did not seek anyone out, the employees spoke out and asked for the Task Force to contact them. He noted Comr. Camp Seifke had asked if the Task Force would consider a resolution half way or ask the Road Commission to do things and see if they would do them, which they had already done and it was pretty evident they didn't want to. He stated they could leave them alone and they would sink or swim and he believed they would sink so he would rather see the County take over. He stated it was tough to sit through the Road Commission meeting and he was not proud of the way they were treated.

Lindsey stated he didn't realistically see a way to do anything halfway. He stated the Task Force could ask but the Road Commission had no obligation to do it.

Frisbie stated the Road Commission had an obligation to act a long time ago but they hadn't done it. The Road Commission Board should be taking charge and making changes.

Behnke inquired if they could we get salary adjustments from 2009 to present for the top administrators and if there were anything attached to the amount of money Enbridge paid to the Road Commission.

Fisher stated the Enbridge money was recorded as a revenue and expense, similar to federal aid projects.

VanSickle thanked the employees for their cooperation and concerns and stated there may be some things we have to work out together. He stated it might not be all roses but we are going to do the best we can, we have a wonderful administration and we would like to make this a plus.

Sweet stated he would like to formally invite anyone who had a plan to present it to the Task Force. The lack of information we are considering will have more impact than what we have received. If there had been one sheet that had a significant statement on how to change or alter the path of the Road Commission, he would have felt it more plausible not to remove the Road Commission Board.

Sweet stated if he were to be asked what his position was moving forward, he would recommend to the Road Commission Task Force to formally dissolve the Road Commission Board because of current and past mismanagement of the financials, assets and manpower. He stated the managing director has an opportunity to present his financial and business plan.

Lindsey stated he had contacted by email both the Managing Director and the Road Commission Board Chair so we have reached out to them.

Scott stated the next meeting would be on July 10, she had asked the Task Force for questions to ask the Managing Director and he will be invited to attend the meeting.

Kale stated his concern in not having the Managing Director here was that it messes up the timeline. He stated the expectation is to move forward on November 1. He asked for discussion to consider moving the timeline to have the Managing Director here on July 10 then have one meeting before presenting a decision to the Board of Commissioners.

The Task Force discussed and agreed to move the date their recommendation would be presented to the Board of Commissioners but not the final decision date of November 1. The public hearings will be held on August 16 and September 6.

Kale stated we need the Managing Director's input and he has two main concerns, the first was obviously the financials. In the last 5 years they have spent \$2.3 million more than they have taken in. The second is how employees are treated and how things are managed. He stated it is a disappointment the Managing Director isn't here and Chair Vreeland's comments were without fact. He stated the Road Commission has no credibility at this point so he doesn't believe people will support any type of millage increase to help the Road Commission's financial problems. He doesn't see where input from employees is taken seriously. The Task Force had asked the Road Commission Board not enter into contracts then the Board stated we weren't specific enough in the letter and they didn't think one year was a long term contract. He stated he appreciated Mary Jo (Assistant Managing Director) speaking with them, she is very professional and handles herself very well. He stated fixing this isn't about more money, it's about managing correctly. He thanked the employees, saying he knows it isn't easy and if we move forward, we will need to work with the employees. Most importantly, we need to keep this a functional entity that will serve the needs of the people.

10. Adjourn

The June 22, 2012 meeting of the Calhoun County Road Commission Task Force adjourned at 9:30 a.m.

Respectfully submitted,

Chris McComb