

CALHOUN COUNTY
PROCEEDINGS OF THE
BOARD OF COMMISSIONERS

December 15, 2005

The Regular Session of the Calhoun County Board of Commissioners convened at 7:11 p.m., Thursday, December 15, 2005 in the Commissioners' Meeting Room, County Building, Marshall, Michigan.

Roll call: Present: Comrs. Bolger, Miller, Moore, Segal, Solis, Strowbridge and Todd.

INVOCATION AND PLEDGE OF ALLEGIANCE:

A Moment of Personal Prayer was observed; followed by the Pledge of Allegiance, led by Comr. Bolger.

APPROVAL OF AGENDA/ADDENDUM:

“Motion by Comr. Moore, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the December 15, 2005 agenda and addendum, as amended, with deletion of Item 12.A. (19) - Assistant Prosecuting Attorneys Association Labor Agreement Ratification.”

Voice Vote: Motion CARRIED

APPROVAL OF MINUTES:

“Motion by Comr. Strowbridge, supported by Comr. Solis, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the November 3, 2005 and the November 17, 2005 minutes as presented.”

Voice Vote: Motion CARRIED

CITIZENS' TIME:

Register of Deeds Office Administrative Assistant Marjorie Thompson stated that at the December 1 Board Meeting Clerk-Register Norlander and she addressed the Board regarding the 2006 budget and the proposed reclassification of Clerk Norlander's staff. Ms. Thompson pointed out that the reclassification was not just a wage increase, but was to combine duties into one unit. Ms. Thompson advised that the employees have already had to take on additional responsibilities with no pay increase; further pointed out that the reclassification was previously approved by the Reclassification Committee, and that the funding for the reclassification was within the 2005 budget until removed by the County Administrator/Controller.

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Ms. Thompson continued that within the 2006 budget Circuit and District Court administrators and non-union supervisory court employees will receive a salary increase, pointing out that the reclassification would be less costly than compared with the courts' salary increases. Ms. Thompson inquired how the courts can afford salary increases when the county cannot. Ms. Thompson stated that there appears to be a distinct disparity in labor relations and pay increases between non-union and union employees; and that if there is the possibility of a conflict of interest between Judge Miller's request for pay increases for his employees and Board Chairman Miller voting for this budget request, the Board Chairman should refrain from voting on the 2006 budget to avoid any appearance of impropriety.

Circuit Court Clerk's Office Administrative Assistant Karen Wemple addressed employees being laid off within the Prosecutor's Office and the 2006 budget, and advised that the county neglects to go after fees that are due the county. Ms. Wemple advised that she did some investigating and there is at this time \$1,906,000 in court-appointed attorney fees due the county alone, and probably millions of dollars in forfeited bond payments.

Associated Builders and Contractors President John Doherty addressed correspondence he remitted to the Board this week addressing the proposed purchasing policy, and encouraged the Board to consider the amendments that will be proposed tonight.

Register of Deeds Office Administrative Assistant Gail Hardy advised that in the seven years she has been employed with the Register of Deeds Office her job responsibilities have quadrupled; further pointed out that the reclassification funding was going to be divided between 14 employees and amounts to a small increase of \$7 per day.

Battle Creek Police Chief David Headings stated that he is aware that the county is going through difficult budget times as six months ago the City went through its budget process and had to make large reductions in each department, including the Police Department; therefore, he is sympathetic. Chief Headings stated that the City looked at the priorities the citizens of Battle Creek desired and public safety was their number one priority; therefore, the City restored the funding reductions to the Department.

Chief Headings advised that the Battle Creek Police Department works with the Prosecutor's Office and the Sheriff Department, and how effective the Department is depends on those county offices, therefore, he is very concerned how the Police Department will be impacted if there are funding/staffing reductions to the Prosecutor's Office and Sheriff Department.

Southwest Michigan Building and Construction Trades Council President Keith Howard requested the Board's support of the proposed purchasing policy. Mr. Howard stated that the Council supports payment of the prevailing wages as it allows good contractors to pay good wages for high quality workers, improves working conditions for workers, and provides for competition. Mr. Howard stated that the Council also supports the use of local labor within the community.

Mr. Terry Struck, representing Michigan Building and Construction Trade Council 47, also requested the Board support the proposed purchasing policy advising that the members of Council 47 believe it is fair and equitable,

however, would like the limit to be lowered.

Mr. Chris Singer, Marshall resident, advised that he used to be employed with the Crime Victims Services Unit and stated that he is outraged by the proposed staffing reductions within the Prosecutor's Office and the Sheriff Department. Mr. Singer advised that during his employ with the Unit he worked with many of the employees of the two offices.

SPECIAL ORDER OF BUSINESS:

United Way Check Presentation

County Administrator/Controller Greg Purcell presented Greater Battle Creek United Way Co-Chairman Chris Wigent with a check in the amount of \$24,025.69 on behalf of the Calhoun County employees.

Assistant Administrator Wendee Woods advised that Michelle Hill spearheaded the campaign again this year, and that it is due to Michelle's efforts that the county's goal was attained.

District Court Administrator Michelle Hill expressed appreciation to the committee members.

Mr. Wigent stated that because of the work by organizations like Calhoun County, United Way met its goal of \$4.2 Million. Mr. Wigent thanked Mr. Purcell, Ms. Woods, Ms. Hill, the committee and Calhoun County employees for their contribution, stating that on behalf of United Way he is pleased to accept the check. Mr. Wigent presented Ms. Hill with a small token for her work in this year's campaign.

County of Calhoun Hospital Finance Authority Bond Issuance Authorization Public Hearing

Res. 221-2005

"Motion by Comr. Strowbridge, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners open the Calhoun County Hospital Finance Authority Bond Issuance Authorization Public Hearing for public comment."

Voice Vote: Motion CARRIED

The public hearing commenced at 7:37 p.m.

Mr. Purcell advised that the Board at its December 1 Board Meeting created the Hospital Finance Authority to issue bonds in an amount not to exceed \$8 Million to assist Oaklawn Hospital with an upcoming project at a significant savings for the Hospital. Mr. Purcell further advised that all of the approvals in terms of planning, zoning and building code have already been reviewed and approved by the City of Marshall.

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Oaklawn Hospital Chief Executive Officer Rob Covert advised how the \$8 Million shall be used; i.e., to reimburse projects for which the work is almost completed; \$1.4 Million to refund a portion of the Series 2000 tax-exempt bonds; \$2.4 Million for expansion of the radiology lab and the registration areas; \$1,275,000 for expansion of the Emergency Department, relocation of the garbage dumpster, and purchase of a new emergency generator; \$191,000 for external facelift of the Brooks Rupture Appliance Building; \$2.6 Million for routine capital expenditures for 2005; and \$100,000 of miscellaneous costs. Mr. Covert stated that there is no risk to the county and that the Hospital guarantees payment of the bonds. Mr. Covert advised that attaining the bonds through the Authority shall save the Hospital approximately \$30,000 per year for 15 years; further, that the Hospital shall be adding 48 jobs in 2006.

Attorney Carol MacKenzie advised that she has some concerns, therefore, reviewed the video tape of Mr. Covert's and the attorney's presentation at the December 1 Board Meeting. Atty. MacKenzie stated that she believes it is important to know exactly how the \$8 Million shall be used and had been concerned with Mr. Covert's comments at the December 1 Board Meeting that the funds would be used for projects yet to be ascertained.

Atty. MacKenzie continued that she also was concerned regarding the liability to the citizens of Calhoun County. Atty. MacKenzie advised that she reviewed the statute, Public Act 38 of 1969, and found no statement that by incorporating through the county that the county's citizens are "off the hook," and addressed the gas explosion which occurred as a result of the construction at Oaklawn Hospital during which some of the patients had to be evacuated and the neighborhood notified. Atty. MacKenzie pointed out that the liability is not only financial.

Atty. MacKenzie advised that in the Freedom of Information Act documents she reviewed, she found no mention regarding the amount of the borrowing. Atty. MacKenzie further pointed out that the Hospital Finance Authority's Articles of Incorporation are not in accordance with Public Act 38 and do not protect the citizens of Calhoun County from liability. Atty. MacKenzie cited a paragraph within MCL 331.51 et. seq., whereby the Articles of Incorporation are to include a written statement regarding the acquisition of properties; pointing out that the east area of the Hospital is located within the Marshall Historic District and has encroached upon that area. Atty. MacKenzie stated that she believes the Hospital's expansion should be limited to prevent further encroachment.

Atty. MacKenzie continued that MCL 331.51 et. seq. indicates that the Authority will have all the powers necessary to carry out the purpose of the Authority, which concerns her as there is no power to limit the power of the Authority. Atty. MacKenzie stated that she is concerned that the county is "giving away the farm."

Comr. Bolger requested General Counsel's opinion regarding the county's liability risk. General Counsel Nancy Mullett advised that the issue of liability had been addressed by Mr. Covert at the December 1 Board Meeting, and is addressed within the Articles of Incorporation. Atty. Mullett advised that the bonding limit is stated within the bond issuance authorizing resolution presented this evening.

Comr. Bolger stated that as a Marshall resident, he is comfortable that everything that the Hospital plans to do

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shall be approved by the Marshall Planning Commission, and addressed the new jobs that the Hospital shall be adding. Comr. Bolger thanked Mr. Covert for keeping his promise to add the new jobs. Comr. Bolger urged the Board to approve the bonding authorization as he believes the bonding shall pose no risk to Calhoun County taxpayers.

Res. 221-A-2005

“Motion by Comr. Bolger, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners close the Calhoun County Hospital Finance Authority Bond Issuance Authorization Public Hearing.”

Voice Vote: Motion CARRIED

The public hearing concluded at 7:50 p.m.

Res. 222-2005

“Motion by Comr. Bolger, supported by Comr. Moore, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, the County of Calhoun Hospital Finance Authority (the “Authority”) proposes to make a loan to Ella E.M. Brown Charitable Circle (d/b/a Oaklawn Hospital) (the “Hospital”) to be used by the Hospital to construct, renovate and equip new hospital facilities and to refinance existing indebtedness; and

WHEREAS, the Authority intends to issue County of Calhoun Hospital Finance Authority Hospital Revenue and Refunding Bonds (Oaklawn Hospital Obligated Group) Series 2005 (the “Bonds”) on behalf of the Hospital in the principal amount of not to exceed \$8,000,000 to provide funds with which to make the loan to the Hospital; and

WHEREAS, the Bonds will be limited obligations of the Authority and will not constitute general obligations or debt of the County of Calhoun, the State of Michigan or any political subdivision thereof; and

WHEREAS, prior to consideration of this resolution, this County Commission held a public hearing with respect to the Bonds after notice was published as provided in, and in satisfaction of the applicable public hearing requirements of, the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, a record of the public hearing will be filed with the County Clerk; and

WHEREAS, the Hospital has requested that the County Commission approve the issuance of

the Bonds by the Authority; and

WHEREAS, this County Commission desires to express its approval of the issuance of the Bonds by the Authority.

IT IS HEREBY RESOLVED BY THE COUNTY COMMISSION OF THE COUNTY OF CALHOUN, AS FOLLOWS:

1. Solely for the purpose of fulfilling the public approval requirements of the Code, the County Commission of the County of Calhoun, Michigan, hereby approves the issuance, sale and delivery of not to exceed \$8,000,000 in aggregate principal amount of the Bonds by the Authority.
2. The County Clerk is hereby directed to provide three (3) certified copies of this resolution to the Secretary of the Authority.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

CONSENT AGENDA:

Res. 223-2005

“Motion by Comr. Strowbridge, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners remove Item B. (4) - Legal Counsel Workshop Dissolution from the Consent Agenda for separate consideration.”

Voice Vote: Motion CARRIED

Res. 223-A-2005

“Motion by Comr. Segal, supported by Comr. Todd, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the following December 15, 2005 Consent Agenda, as amended:

A. Petitions, Communications, Reports:

- (1) Notice of a public hearing scheduled for December 12, 2005 regarding granting an Industrial Facilities Exemption Certificate to Cequent Electrical Products, Inc. received from Tekonsha Village. (Received and placed on file, with a copy remitted to Equalization Director Richard Gruber)

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- (2) Notice of a public hearing scheduled for December 15, 2005 regarding Application for Permit 05-13-0024-P to outlet water from an attenuation area to Lyon Lake to maintain the legal lake level. (Received and placed on file)

B. Resolutions:

- (1) Board of Health Appointment
(Term Expires December 31, 2006)
 - {a} Richard Tsoumas – Replacing George Perrett
- (2) Calhoun County Agricultural Preservation Board Appointments
 - {a} Gregory Moore -- Term Expires December 31, 2006
 - {b} Nancy Dietz – Term Expires December 31, 2008
- (3) Department of Human Services Board Appointment
(Term Expires October 31, 2008)
 - {a} Kevin Brown -- Replacing Rev. Stanley Sims”

Voice Vote: Motion CARRIED

Comr. Strowbridge stated that he does not believe the Legal Counsel Workshop has completed its assignment, and that he would like the work to continue.

Chairman Miller pointed out that the Workshop could be reconstituted at the beginning of 2006 should the proposed establishment of the Office of Corporation Counsel not occur. Chairman Miller inquired when the Workshop would dissolve without the Board’s action. Comr. Strowbridge responded that the assignment term is not specified within the resolution.

Res. 223-B-2005

“Motion by Comr. Bolger, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners dissolve the Legal Counsel Workshop effective December 31, 2005.”

Roll call vote: No - 7 Motion DEFEATED Unanimously

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UNFINISHED AND OLD BUSINESS -- Amendment of County Policy No. 405 - Purchasing:

Res. 224-2005

“Motion by Comr. Miller, supported by Comr. Bolger, adopt the following: Resolved by the Calhoun County Board of Commissioners remove from table proposed amendment of County Policy No. 405 - Purchasing for consideration as Agenda Item 12.A. (23).”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

PETITIONS AND NEW BUSINESS:

County Administrator/Controller’s Report

2006 Board of Commissioners Meeting Schedule

Comr. Solis inquired whether there shall be any scheduling conflicts. Comr. Segal disclosed that she may not be able to attend the January 5, 2006 meeting if she delivers her baby by that date.

Res. 225-2005

“Motion by Comr. Strowbridge, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the 2006 Board of Commissioners Meeting Schedule as presented.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Reclassifications Moratorium

Mr. Purcell stated that this moratorium is one of a series of proposals to address the fiscally constrained budget. Mr. Purcell advised that he met with the Clerk and members of the G.E.L.C., and that the moratorium is consistent with his recommendation to deny reclassifications for the Clerk’s Office as he cannot see how the county can allow raises for some employees while asking other departments to layoff employees or reduce their work hours.

Chairman Miller stated that administration of the courts is the responsibility of the Chief Judge, and that in the Circuit Court the Chief Judge is Allen Garbrecht; and that the Court Administrator is Jeffrey Albaugh. Chairman Miller advised that when Mr. Albaugh inquired regarding the proposed moratorium it was the first time he discussed it with anyone at the Circuit Court. Chairman Miller stated that at no time did Judge Miller discuss this issue with him, and advised that he and his Father do not generally converse regarding county business.

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Comr. Moore inquired whether there could be a reclassification that would result in a cost savings to any fund other than the General Fund. Mr. Purcell responded "That's possible," that the savings could be from other funds.

Res. 226-2005

"Motion by Comr. Moore, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners amend the proposed Reclassifications Moratorium whereby the County Administrator/Controller is authorized to consider reclassification requests only in the event that a reorganization occurs that would result in cost savings to the General Fund or other funds."

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Res. 226-A-2005

"Motion by Comr. Solis, supported by Comr. Bolger, resolved by the Calhoun County Board of Commissioners adopt the following, as amended:

RESOLVED, that the Calhoun County Board of Commissioners impose a moratorium on job reclassifications, for requests received on or after December 15, 2005 through December 31, 2007; and

BE IT FURTHER RESOLVED, that the County Administrator/Controller is authorized to consider reclassification requests only in the event that a reorganization occurs that would result in cost savings to the General Fund or other funds. (This moratorium does not supercede collective bargaining agreement language)."

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Career Development Program Policy Moratorium

Ms. Woods stated that as a cost-savings measure a moratorium to eliminate tuition reimbursements is presented for 2006. Ms. Woods advised that Administration remitted information to the employees regarding the proposed moratorium through the county newsletter.

Ms. Woods advised that if employees are currently in classes and turn in their receipts in 2006, the receipts for classes taken in 2005 will be paid; however, there shall be no reimbursement for any classes taken in 2006.

Res. 227-2005

“Motion by Comr. Segal, supported by Comr. Todd, adopt the following: Resolved by the Calhoun County Board of Commissioners impose a moratorium on County Policy No. 351 - Career Development Program for 2006.”

Roll call vote: Yes - 6 (Comrs. Bolger, Miller, Moore, Segal, Solis and Todd)
No - 1 (Comr. Strowbridge)
Motion CARRIED

2006 Hiring Freeze

Mr. Purcell advised that the resolution is similar to the resolution approved for the past two years, with some additions to save additional money.

Ms. Woods advised that for 2006 the freeze states that all vacant positions shall remain vacant for a minimum of 60 days, and provides for an analysis to be conducted regarding the possibility of a reorganization of staff prior to submitting a hiring freeze waiver request form.

Res. 228-2005

“Motion by Comr. Bolger, supported by Comr. Segal, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, in view of declining revenues and increasing expenditures, Calhoun County must implement cost saving measures; and

WHEREAS, by taking prudent measures, we can absorb some of the impact of the current financial environment on the County by delaying the filling of vacant positions and avoiding the possibility of filling positions now that may have to be cut later.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. No County Department shall hire any person to fill any vacant position, unless the position is fully 100% grant funded.
2. No associated savings from the hiring freeze may be spent unless approved by the Administrator/Controller.
3. Waivers from this resolution may be approved by a Freeze Waiver Review Committee consisting of the Administrator/Controller, the Assistant County Administrator and the affected Department Head or Elected Official.

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4. Prior to submitting a waiver, the Department Head or Elected Official is requested to analyze the possibility of a reorganization.
5. The Review Committee will consider the following aspects of each vacancy:
 - ☆ Impact on operations and budget if not filled or if hiring is delayed
 - ☆ Ability of department to receive assistance from other departments during vacancy
 - ☆ Ability to re-organize the department to meet workload demands
6. The Review Committee requests all positions remain vacant for a minimum of 60 days, while some may remain vacant for a longer duration. The Review Committee will determine by consensus, if possible, the duration of any freeze/delay; the Administrator/Controller will retain final authority to determine the duration of the vacancy.
7. A quarterly written report on all hiring waivers requested and granted shall be submitted to the Board of Commissioners.
8. The hiring freeze will remain in effect through December 31, 2006 unless specifically revoked by the Board of Commissioners.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

2006 Out-of-State Travel Freeze

Ms. Woods advised that the freeze is a continuation of the existing resolution with no changes.

Res. 229-2005

“Motion by Comr. Segal, supported by Comr. Todd, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, the State of Michigan is experiencing a significant budgetary shortfall that requires curtailment of various appropriations; and

WHEREAS, the State of Michigan has cut local revenue sharing for three years in a row which has had a cumulative impact on Calhoun County of a loss of \$1,175,000; and

WHEREAS, Calhoun County has implemented a number of cost saving measures to balance the 2006 budget.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. All County Departments should restrict and curtail travel to only essential travel required to perform the functions of departments and carry out requirements of grants and other agreements.
2. Out-of-State travel is prohibited for all County Departments unless 100 percent of the cost of such travel is funded by grant or other funds exclusive of the County General Fund.
3. Waivers from this resolution may be approved by a Travel Review Committee composed of the County Administrator/Controller, the Assistant County Administrator, and a Department Head to be selected by the Department requesting the waiver, but separate from the Department making the request.
4. The Committee may approve the waiver request if, in their judgement, proper documentation is provided to determine the following:
 - ▶ Travel is necessary to carry out a critical function of county government.
 - ▶ Travel will result in benefits to the County that outweigh the cost of the travel.
 - ▶ Travel outside of the state is essential for meeting the requirements of an agreement or other binding commitment previously approved by the County.
5. Out-of-State travel associated with mandated law enforcement activities, such as extraditions is exempt from this policy.
6. A quarterly written report on all travel waivers will be submitted to the Board of Commissioners.
7. The travel restriction will take effect January 1, 2006 and will remain in effect until December 31, 2006 unless specifically revoked by the Board of Commissioners.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

RECESS:

Res. 230-2005

“Motion by Comr. Miller, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners recess the December 15, 2005 Board of Commissioners Meeting commencing at 8:13 p.m. until 8:22 p.m.”

Voice Vote: Motion CARRIED

County Administrator/Controller’s Report Continued

Establishment of the Office of Corporation Counsel and
Interim Corporation Counsel Appointment

Mr. Purcell stated that establishment of the Office is one component, the other is the appointment of an Interim Corporation Counsel. Mr. Purcell advised that the appointment will have no impact on the budget as the existing funding for an attorney has been shifted from the Prosecutor’s budget to the Office of Corporation Counsel; further, that Corporation Counsel’s assistant’s salary shall be split between the Office and the Board of Commissioners budget.

Res. 231-2005

“Motion by Comr. Solis, supported by Comr. Segal, resolved by the Calhoun County Board of Commissioners adopt the following:

RESOLVED, by the Calhoun County Board of Commissioners that effective January 1, 2006, the Office of Corporation Counsel is established, under the direction of the Calhoun County Board of Commissioners; and

FURTHER RESOLVED, that pursuant to MCL 49.71-49.73 the Office of Corporation Counsel is responsible for all legal advice, counsel or court action in all cases involving an official act or duty of office of a county officer, elected official or county department.”

Comr. Strowbridge advised that the Legal Counsel Workshop met once and it had been his impression that the Workshop was going to attempt to negotiate a working relationship with the Prosecutor, which to his knowledge did not occur. Comr. Strowbridge stated that when he received the proposed 2006 county budget he noted that the salary money for the Corporation Counsel position had been transferred to the new Office and that it had not been his impression that the transfer would occur. Comr. Strowbridge stated that he does not believe creation of a new office is fiscally responsible, therefore, cannot support the resolution. Comr. Strowbridge stated that he would like General Counsel to continue within the Prosecutor’s Office. Comr. Strowbridge continued that he does not feel there has been enough open discussion regarding the Office. Comr. Strowbridge

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advised that

his decision regarding creation of the Office has nothing to do with Ms. Mullett who has done a wonderful job for the Board, only that he believes that the process was flawed in that the principals involved need to be included in the discussions.

Comr. Moore echoed Commissioner Strowbridge's statements. Comr. Moore pointed out that the number one Board priority for 2005 was for discussion regarding Corporation Counsel. There was no decision made as a course of action. Comr. Moore stated that if the decision had been made after a thorough discussion, it would have been fine; however that it dismayed him greatly when he found out that the decision was already made without consultation with himself or his other colleagues, which he feels is totally inappropriate. Comr. Moore further stated that he believes the appointment of the Workshop was essentially a sham to cover up the fact that the decision had already been made. Comr. Moore advised that he shall oppose the resolution.

Comr. Bolger advised that the establishment of an Office of Corporation Counsel had not been on his list of Board priorities, and stated that he was in wonderment that it was such a high priority. Comr. Bolger expressed his concern with the Workshop's process.

Comr. Solis advised that he was not a member of the Workshop, however, that it is his understanding that their attempts to meet more than once never came to fruition. Comr. Solis pointed out that creation of the Office of Corporation Counsel is not just a financial decision, it is also regarding who will be in authority of the Corporation Counsel. Comr. Solis cited the lawsuit and \$70,000 settlement of Haley versus Norlander as an example for the need for the Board to have independent Counsel that does not have to serve two masters, and pointed out that a number of departments could have made great use of the \$70,000 of taxpayers' money. Comr. Solis advised that he will be supporting creation of the Office.

Chairman Miller addressed the statute that allows the county to appoint a Corporation Counsel and stated that it would save money to handle the legal work in-house. Chairman Miller stated that the issue has been discussed for the past ten years; further, pointed out that within the agreement with the Prosecutor it states that the Prosecuting Attorney has the right to reject any work given to the Assistant Prosecuting Attorney; in which lies the problem. Chairman Miller stated that if the Board requests an official to seek General Counsel's assistance and if the Prosecutor says no, it emasculates the Board's ability to enforce a state law. Chairman Miller stated that he believes the Board should be given the tools to determine whether legal services monies are being spent appropriately.

Chairman Miller advised that there had been discussions with the Prosecutor after the Board Retreat, and that at the conclusion of the Workshop meeting it had been apparent that an independent General Counsel was not an option. Chairman Miller further advised regarding the pre-determination of the issue, that it had been necessary because of negotiation of the union labor agreement; further, that the shift in money is the total amount that every department recognized in their budget for legal counsel expenses. Chairman Miller urged

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the Board to create the Office and appoint Ms. Mullett as Interim Corporation Counsel.

Roll call vote: Yes - 4 (Comrs. Todd, Miller, Segal and Solis)
No - 3 (Comrs. Bolger, Moore and Strowbridge)
Motion CARRIED

Mr. Purcell stated that the second resolution is to appoint Nancy Mullett Interim Corporation Counsel commencing January 1, 2006 and expiring March 31, 2006. Mr. Purcell advised that the position shall be posted and a committee established to review the applications.

Comr. Bolger stated that his previous comments regarding the process do not reflect upon the appointment of Atty. Mullett, and advised Ms. Mullett that he appreciates her work and support and shall support the appointment.

Res. 232-2005

“Motion by Comr. Segal, supported by Comr. Todd, adopt the following: Resolved by the Calhoun County Board of Commissioners appoint Nancy Mullett Interim Corporation Counsel effective January 1, 2006 until March 31, 2006, or until such time as a permanent Corporation Counsel is appointed by the Board of Commissioners, which ever comes first.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Battle Creek/County 9-1-1 Agreement

Mr. Purcell advised that the current dispatching services agreement with the City expires at the end of the year, and that a new agreement has been negotiated which will continue to utilize the same distribution formula for allocating telephone surcharge revenues to Battle Creek, Marshall, Albion and the county; and along with a \$750,000 F.E.M.A. grant, shall allow the law enforcement agencies throughout the county to go to the 800 megahertz radio system and provide new equipment for the dispatch center with no additional costs to the public. Mr. Purcell thanked Sheriff Byam for leading the effort in acquiring the F.E.M.A. grant.

Mr. Purcell pointed out that there are a couple of new components to the agreement; e.g., the county will receive assistance with payment on the bonds for the Justice Center for 2006 and 2007, and reimbursement over a seven-year period for Sheriff Department radios.

Res. 233-2005

“Motion by Comr. Segal, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the City-County 911 Agreement between Calhoun County and the City of Battle Creek for the period of January 1, 2006 through December 31, 2015; further, authorize the Board Chairman to execute said Agreement on behalf

of Calhoun County.”

Mr. Purcell advised that the legislation authorizing the telephone surcharge is scheduled to sunset at the end of 2006, therefore, he contacted Representative Nofs’ Office and obtained information making him feel comfortable that the legislation will be re-authorized, and requested Commissioner Moore address the issue.

Comr. Moore advised that he received a telephone call from Mr. Purcell regarding the legislation. The issue is coming before Rep. Nofs’ committee next year and it is a key priority to get that legislation re-authorized. Comr. Moore stated that improvement of the surcharge will also be on the “table” and it is likely that Rep. Nofs will be writing the bill, therefore, he is comfortable that the surcharge will continue and that the county should feel comfortable with entering into the agreement.

Roll call vote: Yes - 7 Motion CARRIED Unanimously

FY 2006 Community Corrections Grant Agreement First Amendment

Mr. Purcell advised that the amendment in the amount of \$40,500 will increase funding for the Drunk Driver Jail Reduction and Community Treatment Program which was previously reduced for grant year 2006.

Res. 234-2005

“Motion by Comr. Solis, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the First Amendment “State, *Rider D*” to the FY 2006 Community Corrections Grant Agreement between the State of Michigan Department of Corrections and Calhoun County in the amount of \$40,500 for the Drunk Driver Jail Reduction and Community Treatment Program; further, authorize the Board Chairman to execute said First Amendment on behalf of Calhoun County.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Adult Probation Residential Services Agreements and
Cognitive Change Education Group Services Agreement

Res. 235-2005

“Motion by Comr. Segal, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the following two {2} Adult Probation Residential Services Agreements for the period of October 1, 2005 through September 30, 2006 between:

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Calhoun County Board of Commissioners and Community Programs, Inc.
Calhoun County Board of Commissioners and Kalamazoo Probation Enhancement Program, Inc.

BE IT FURTHER RESOLVED, that the Board of Commissioners approve the Agreement between Calhoun County Community Corrections and Cognitive Interventions for the provision of cognitive change education group services for inmates of the Calhoun County Correctional Facility for the period of October 1, 2005 through September 30, 2006; and

BE IT FINALLY RESOLVED, that the Board Chairman is authorized to execute the three Agreements on behalf of the Calhoun County Board of Commissioners and Community Corrections.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

November 2005 Financial Statements

Finance Director James Latham reported that for eleven months through the year expenditures are at 90 percent and revenues at 87 percent. Mr. Latham advised that the financial statements do not reflect the remaining \$1,311,000 transfer in from the Revenue Sharing Reserve Fund which will occur in December; further, pointed out that jail bed rental revenue reflects ten months rather than eleven.

Resolution Opposing Reduction In Federal Child Support Enforcement Program Funding

Mr. Purcell stated that the proposed resolution opposes certain sections of House Resolution 4241 which would reduce funding for child support enforcement programs.

Circuit Court Administrator Jeffrey Albaugh advised that the federal House of Representatives has approved a budget reconciliation measure that is now in conference with the Senate version that reduces the federal funding from 2/3's cost sharing reimbursement to 50/50 and eliminates the ability of state and counties to use federal incentive funds to satisfy local match requirements of the grant. Mr. Albaugh requested the Board approve the resolution opposing sections 8319 and 8320 of House Resolution 4241.

Prosecutor John Hallacy advised that Calhoun County has over \$100 Million of uncollected child support.

Res. 236-2005

“Motion by Comr. Segal, supported by Comr. Moore, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, H.R. 4241, specifically sections 8319 and 8320, would drastically reduce federal funding for child support enforcement purposes; and

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WHEREAS, the funding cuts would significantly decrease funding for efforts of the Friend of the Court, Prosecuting Attorney, and Courts to provide services both in local and interstate child support cases. The decreased efforts would result in families receiving less child support payments which would reduce their ability to pay for rent, food, clothes, child care and medical care for children, resulting in forcing many custodial parents to rely again on the welfare system; and

WHEREAS, the proposed reduction in child support enforcement funding is the largest reduction to children's programs in the House budget bill and will not, according to the federal government's own studies and analysis, result in any overall savings to taxpayers; and

WHEREAS, while federal funding reductions are proposed, there is no provision for rescinding federal child support mandates and regulations which are costly and burdensome; and

WHEREAS, the Senate budget reconciliation matter contains no reductions for child support enforcement funding.

BE IT RESOLVED, that the Calhoun County Board of Commissioners joins other states, counties and public service groups in opposing sections 8319 and 8320 of H.R. 4241 and urge Congress to assure full funding of current federal requirements for child support enforcement programs; further, authorize the Clerk to transmit this Resolution to the entire Michigan Congressional delegation, Governor Granholm, Senator Schauer, Representative Wenke, Representative Nofs and the Michigan Association of Counties."

Comr. Todd inquired how the court collects child support from individuals who are not working and are in jail. Mr. Albaugh responded that per Michigan law the Department of Corrections notifies the state-wide child support collection system and the court monitors the individual's ability to pay, and after the individual gets out of jail he/she must report to court. Comr. Todd inquired whether there are any preventative programs that teach fathers how to be fathers. Mr. Albaugh responded that there are grants available to community organizations through the Department of Human Services and there are several organizations that provide such services throughout the state. Mr. Albaugh advised that the Community Action Agency was pursuing funding for that type of program, but he is not aware what happened to the funding. Mr. Albaugh stated that the court would strongly support those types of efforts.

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Employees' Defined Benefit Retirement Plan Amendment

Ms. Woods stated that for the past two years a committee comprised of Jeffrey Albaugh, James Latham and herself, has reviewed retirement options and benefit plans and presented is the committee's recommendation for improvements to the Defined Benefit Retirement Plan. Ms. Woods advised that nine of ten unions have approved the proposed Plan amendments as well as court non-union employees. The committee also

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recommends the Board determine that all county non-union employees currently participating in the 1 percent Plan be moved to the 2 percent Plan.

Ms. Woods advised that due to the significant unfunded liability in the current Defined Benefit Plan the committee recommends the multiplier be increased from 1 percent to 2 percent with the maximum benefit equal to 60 percent of final average pay. The county will continue to contribute 7 percent to the Defined Benefit Plan and the participants will contribute a percentage based upon an annual actuarial report. For 2006 the percentage was determined to be 9.5 percent.

Ms. Woods continued that employees who have elected to participate in the Plan with the 2 percent multiplier will be given an opportunity later in 2006 to purchase prior years of service credit. The county will be requesting a determination letter from the Internal Revenue Service regarding whether employees may utilize funds within their existing 401 (k), 457 or other retirement accounts to purchase the prior years service credit. Ms. Woods stated that if an employee elects to purchase prior years of service credit, it will be a 100 percent employee cost.

Ms. Woods further advised that for those employees who elected in 2001 to participate in the 401 (k) rather than the Defined Benefit Plan, they shall have an opportunity to participate in the 2 percent Plan with no retroactive service credit, or to remain in the 401 (k) Plan. For those employees in the Defined Benefit Plan with a 2 percent multiplier, there will be no county match to their 401 (k) Plan.

Res. 237-2005

“Motion by Comr. Strowbridge, supported by Comr. Bolger, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, by prior resolution of the Board of Commissioners a joint committee representing the Board of Commissioners and the Circuit, District and Probate Courts was formed for purposes of considering possible modifications to the current Calhoun County Defined Benefit Pension Plan; and

WHEREAS, this committee has worked diligently to consider numerous options to meet the needs of a diverse employee population in a fiscally responsible way; and

WHEREAS, this committee has concluded its work, and the proposed amendments have been discussed with representatives of all of the groups of County and Court employees and embraced by the vast majority of those representatives and employees.

NOW, THEREFORE, BE IT RESOLVED, that the Calhoun County Defined Benefit Pension Plan shall be amended, effective January 1, 2006, to provide for the following changes:

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Enhanced benefit multiplier: Employees participating in the enhanced portions of the Plan will earn benefits based on a 2% multiplier for years beginning after 2005.

Enhanced maximum benefit: Employees participating in the enhanced portions of the Plan will be eligible for a maximum single life annuity benefit at regular retirement age equal to 60% of Final Average Compensation.

Purchase of additional credited service: Employees participating in the enhanced portions of the Plan shall be given a three-month window during 2006 to purchase additional credit for prior service, subject to the restriction that earned and purchased service cannot exceed 2% for every year of actual employment by Calhoun County and the Circuit, District and Probate Courts, and provided further that such purchase shall be permitted only after issuance of a favorable private letter ruling from the Internal Revenue Service. The costs of such purchases shall be actuarially determined and paid solely by the employee making the purchase.

Employer contribution: The Employer's contribution to the Plan on behalf of employees participating in the enhanced portions of the Plan will be 7.0% of Compensation.

Employee contribution: The contribution to the Plan on behalf of employees participating in the enhanced portions of the Plan will be the remainder actuarially determined to be necessary to fund the Plan on a fiscally sound basis.

Mandatory participation: The following shall participate in the enhanced portions of the Plan as a condition of employment: All employees participating in the Plan prior to January 1, 2006, who are in a bargaining unit which voted prior to that date to participate in the enhanced portions of the Plan; all unrepresented employees participating in the Plan prior to January 1, 2006; and all employees hired or re-hired after December 31, 2005.

Elective participation: Eligible employees not otherwise participating in the enhanced portions of the Plan shall be given a one-time opportunity to elect to participate in the amended Plan starting January 1, 2006, which election shall be irrevocable.

IT IS FURTHER RESOLVED, that the County Administrator is authorized and directed to promptly arrange for preparation of an amended Plan document and such other documents as may be necessary and appropriate to implement the changes contemplated by this Resolution.

IT IS FURTHER RESOLVED, that the County Administrator is authorized and directed to promptly obtain an actuarial determination of the anticipated 2006 employee contribution requirement to the Plan, utilizing the same assumptions as have been used over the past year, but updated to reflect the census of employees who will be participating in the Plan as of January 1, 2006, including those electing to participate in the Plan as amended.

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IT IS FURTHER RESOLVED, that final adoption of the contemplated Plan amendments is conditional upon an actuarial determination that, taking into consideration the participation elections made by eligible employees, the anticipated 2006 employee contribution requirement to the Plan will not exceed 9.50% of the Compensation of employees participating in the enhanced portions of the Plan. If the required contribution is actuarially determined to exceed that amount, the Board will review this Resolution and may take action to rescind it, and in the case of rescission, employee contributions collected on the basis of this Resolution shall be returned to the individuals from whom they were received.”

Comr. Segal inquired whether the union that elected not to participate in the 2 percent Plan must now participate. Ms. Woods responded no, that the union will remain in the 1 percent Plan. Comr. Segal inquired whether the county non-union employees shall automatically switch to the 2 percent Plan. Ms. Woods responded Yes.

Comr. Moore advised that he cannot support anything that increases the county’s unfunded liability, and pointed out that the liability shall be pushed on to future Boards. Comr. Moore further voiced concern that the county is capping its liability, however, “floating” the unknown liability onto the employees. Comr. Moore stated that if the employee contribution percentage changes, the employees may not be able to afford it. Comr. Moore advised that he shall not support the resolution.

Comr. Bolger advised that the employees wanted the multiplier increased and are willing to fund the risk.

Comr. Segal stated that she has heard from employees that they want the increased multiplier, however, voiced concern regarding drawing future employees to the county. Comr. Segal advised that she shall support the resolution.

Roll call vote: Yes - 6 (Comrs. Strowbridge, Todd, Bolger, Miller, Segal and Solis)
No - 1 (Comr. Moore)
Motion CARRIED

Employees’ Defined Benefit Retirement Plan Actuarial Adjustment

Mr. Latham advised that the actuarial study performed as of December 31, 2004 shows a reduction to the cost of the Plan, therefore, Administration recommends that for those employees participating in the 1 percent Defined Benefit Plan, the county contribution rate be changed from 5.23 percent to 4.41 percent; and for those participating in the 2 percent Plan, the county contribution be set at 7 percent. Rates will be effective with Pay Period 1 of 2006. Mr. Latham advised that as soon as possible in 2006 Administration will contact Watkins-Ross to update their actuarial valuation to determine the proper contribution rate for the employees.

Res. 238-2005

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“Motion by Comr. Segal, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners decrease the County contribution rate for the Employees’ Defined Benefit Retirement Plan from 5.23 percent to 4.41 percent of covered payroll for those employees participating in the Plan at the original benefit level of 1 percent per year of service; further for those employees participating in the Plan at the 2 percent per year of service benefit level, the County contribution is set at 7 percent of covered payroll in accordance with the Actuarial Study performed as of December 31, 2004, with rates to be effective Pay Period 1 of 2006 and continuing until superceded by subsequent actuarial valuations or as amended by Board of Commissioners action.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

RECESS:

Res. 239-2005

“Motion by Comr. Moore, supported by Comr. Bolger, adopt the following: Resolved by the Calhoun County Board of Commissioners recess the December 15, 2005 Board of Commissioners Meeting commencing at 9:26 p.m. until 9:57 p.m.”

Voice Vote: Motion CARRIED

FY 2006 County Budget Adoption

Mr. Purcell advised that the budget in the total amount of \$422,519 has been revised based upon events occurring after the December 1 public hearing. Mr. Purcell stated that an additional \$280,594 of jail bed rental revenue has been added based upon the Sheriff’s Merit Reduction Program, \$90,175 from the Tether Program, \$50,000 from the Inmate Cost Recovery Program and \$1,750 in miscellaneous revenue. Mr. Purcell advised that if the Sheriff cannot make the increased revenue projections, the expenditure side of the Sheriff Department budget shall be revisited.

Mr. Latham stated that the revised budget restores certain positions; e.g., provides for a Support Services Clerk, two Road Patrol Officers and three positions within Community Corrections, which is an increase of six positions more than the Administrator’s recommendation.

Res. 240-2005

“Motion by Comr. Moore, supported by Comr. Bolger, adopt the following: Resolved by the Calhoun County Board of Commissioners suspend the Board Rules to allow public comment regarding the proposed 2006 County Budget.”

Voice Vote: Motion CARRIED

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Prosecutor's Office Paralegal Judy Lawton stated that she is aware of the hardships on county employees and the citizens that need the Office's services, however, due to the hiring freeze and layoffs she has to advise the parents that she cannot get them their money as soon as they would like it. Ms. Lawton stated that she is concerned that the 2006 Budget Workshop only advised the department heads how much they have to cut and not where to make the reductions. Ms. Lawton stated that she hopes the Board will not make the cuts "across the board" and change the manner in which the budget is reviewed.

Clerk-Register Anne Norlander stated that she believes it is important to reiterate that the Clerk's budget was not increased by \$26,000. Clerk Norlander advised that she was granted a 1/4 position last year to assist with elections and concealed weapons applications; however, that the employees approached her requesting to be cross-trained for a small pay increase. Clerk Norlander stated that the employees prepared a proposal which went to the Reclassification Committee that approved the reclassification; however that when she got her budget back, the funding for the position was gone.

Clerk Norlander continued that every other year the elections budget has been increased for the even numbered years, and this year that budget has not been increased. Clerk Norlander pointed out that the Clerk's Office has generated \$150,000 in additional revenue and expenses have stayed "flat." Clerk Norlander advised that she shall continue to advocate for fair wages for her employees.

Clerk Norlander stated that if the Clerk's Office were to close for one week, public safety would come to a halt. Clerk Norlander requested the Board reconsider what they have done to her budget and afford her an opportunity to discuss the budget with them.

Clerk Norlander thanked everyone that telephoned her expressing appreciation of her "standing by" her employees.

Res. 240-A-2005

"Motion by Comr. Bolger, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners reinstate the Board Rules."

Voice Vote: Motion CARRIED

Comr. Strowbridge advised that he cannot approve the budget for a variety of reasons. Comr. Strowbridge pointed out that the Board has come to rely on revenue generation from the jail to the extent that the jail bed rental is 12 to 14 percent of the budget's total revenue and to the extent that the Board is sending a message to law enforcement; e.g., quit arresting people because jail bed revenue is more important.

Comr. Strowbridge stated that he understands that the Sheriff has agreed to generate the additional revenues, however, that he believes the Board is sending the wrong message as to what the jail is really for.

Comr. Moore voiced concern that the budget now proposed reduced a six-month budget process down to a 24-

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hour process where a number of important issues were left to the last hour. Comr. Moore thanked Sheriff Byam for providing his proposal to save his employees, however, advised that what concerns him is the concessions that came with that proposal.

Comr. Moore stated that he needs some answers before he is prepared to vote for a budget with substantial revisions, and pointed out that the Board is under no particular obligation to approve the budget tonight.

Res. 241-2005

“Motion by Comr. Moore, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners postpone adoption of the 2006 County Budget and schedule a Special Meeting for December 22, 2005 for the purpose of discussing and adopting the 2006 County Budget.”

Chairman Miller stated that he believes the process can continue this evening and that the Board can come to a conclusion that shall be agreeable, and urged the Board to defeat the resolution to postpone adoption of the budget. Chairman Miller advised that if the Board cannot get anywhere in the process, he shall entertain Commissioner Moore’s resolution later in the meeting.

Comr. Moore inquired whether he may view the agreement with the Sheriff.

Comr. Bolger stated that he has heard comments regarding the budget process, which does concern him; however advised that he has gone out into his community and listened to their input. The citizens want security/public safety. Comr. Bolger pointed out that the Board just received a community report card addressing increased crime when the economy is not doing well, therefore, he cannot support the budget.

Comr. Segal inquired what other changes in the budget Commissioners would recommend. Comr. Bolger responded that he offered a number of things and was advised “We can’t do that.” Comr. Bolger stated that he believes it is “We don’t want to do that.”

Chairman Miller stated that the proposed budget regrettably has a human cost; e.g., employees will lose their jobs. Chairman Miller stated that no one is taking joy or pleasure in having an employee lose their job. Chairman Miller addressed the history of the budget process and previous budget review committees, and stated that for someone to suggest that the budget process has been non-communicative is ridiculous.

Chairman Miller advised that the Board has always respected the autonomy of the department heads to allocate the programs and services for their departments. Chairman Miller stated that if a department head comes up with a proposal, he commends that official. Chairman Miller stated that he believes the proposed budget is as good as anyone can expect in the county’s financial situation; therefore, he shall support its adoption.

Comr. Solis advised that he was a member of the Budget Workshop, and that the process commenced in July and his telephone has not rung once. Comr. Solis continued that the Workshop met with every department head

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and made attempts to do the best with what the county has.

Comr. Solis advised that prior to tonight's Board meeting three Commissioners met with the Prosecutor's Office, and was pleased with Prosecutor Hallacy's statement that the Office will do its best to provide its services regardless of the budget. Comr. Solis stated that the reality of the budget is that public safety is taking a "hit," but such reductions are not unique to this county. Comr. Solis continued that the Board is required to look at the overall budget and in hard economic times cuts must be made. Comr. Solis advised that he shall support adoption of the budget.

Roll call vote: Yes - 3 (Comrs. Bolger, Moore and Strowbridge)
No - 4 (Comrs. Miller, Segal, Solis and Todd)
Motion DEFEATED

Res. 242-2005

"Motion by Comr. Segal, supported by Comr. Strowbridge, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, the Calhoun County Board of Commissioners has examined the fiscal reports for Year 2006 of the various departments, agencies, offices and activities, which it by law must finance or assist in financing; and

WHEREAS, the Board has taken into consideration the fact that there are certain required functions of County Government or operations which must be budgeted at a serviceable level in order to provide statutory and constitutionally required services and programs; and

WHEREAS, the Uniform Budgeting and Accounting Act, MCLA 141.421 et. seq. requires that the Board enact a General Appropriations Act designed to meet all County-funded expenditures; and

WHEREAS, no budget transfer to or from the personnel services and fringe benefit account groups nor capital outlay, mailing, copying, data processing and telephone line items shall occur without the approval of the Calhoun County Administrator/Controller; and

WHEREAS, with respect to County non-union employees, if the amount of an employee's annual increase to the employee's health premium co-pay is greater than the amount of an employee's annual wage increase (consisting of hourly increase, step increase, and increases to FICA), then a bi-weekly credit to the health insurance premium shall be provided to the employee in an amount equal to the difference between the increased amount paid for health insurance as compared to the increased amount received in wages. The credit will be divided among the twenty-six (26) pay periods. This amount may be adjusted within the calendar year. The calculation does not include Sick & Accident, Worker's compensation, changes to the health

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care plan, retirement or any other change in withholding.

NOW, THEREFORE, BE IT RESOLVED, that the amounts indicated in the Calhoun County 2006 Budget, as presented on December 15, 2005 are hereby appropriated for the General and other funds of Calhoun County.”

Roll call vote: Yes - 4 (Comrs. Miller, Segal, Solis and Todd)
No - 3 (Comrs. Moore, Strowbridge and Bolger)
Motion CARRIED

Government Employees Labor Council Agreement Ratification

Ms. Woods advised that all of the labor agreements presented include a salary increase between 1 to 2 percent for each of the three year duration; further, reflect increase in the health insurance co-payment up to 10 percent for 2 years and then 15 percent the third year. Ms. Woods recommended the agreement be ratified.

Res. 243-2005

“Motion by Comr. Moore, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners ratify the Labor Agreement between the Calhoun County Board of Commissioners and the Government Employees Labor Council for the period of January 1, 2006 through December 31, 2008; further, authorize the Board Chairman to execute said Agreement on behalf of the Board of Commissioners.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

International Union of Operating Engineers Labor Agreement Ratification

Ms. Woods advised that the Union represents 49 Health Department employees who will receive the same salary increases and health insurance co-payment amounts.

Res. 244-2005

“Motion by Comr. Strowbridge, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners ratify the Labor Agreement between the Calhoun County Board of Commissioners and Local 547 of the International Union of Operating Engineers for the period of January 1, 2006 through December 31, 2008; further, authorize the Board Chairman to execute said Agreement on behalf of the Board of Commissioners.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Michigan Nurses Association Labor Agreement Ratification

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Ms. Woods advised that the agreement covers 19 nurses in the Health Department; further, that ratification is contingent upon the Union ratifying the agreement at its December 19 meeting. Ms. Woods stated that the salary increases and health insurance co-payments are the same as the previous agreements.

Res. 245-2005

“Motion by Comr. Moore, supported by Comr. Bolger, adopt the following: Resolved by the Calhoun County Board of Commissioners ratify the Labor Agreement between the Calhoun County Board of Commissioners and the Michigan Nurses Association for the period of January 1, 2006 through December 31, 2009, contingent upon an affirmative ratification vote by the union; further, authorize the Board Chairman to execute said Agreement on behalf of the Board of Commissioners.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Amendment of County Policy No. 340 - Employee Benefits

Ms. Woods advised that the amendment revises the retirement language in regards to the enhanced Defined Benefit Retirement Plan, and that other changes include reducing the maximum accrual of compensatory time from 120 hours to 100 hours, increase of the opt out payment for health insurance from \$40 per pay period to \$50 per pay period and cleans up language regarding paid time off for county non-union employees, department heads, and appointed and elected officials.

Res. 246-2005

“Motion by Comr. Moore, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners amend County Policy No. 340 - Employee Benefits, as recommended by Administration.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Non-Union Employees' Voluntary Layoff and Voluntary Work Hours Reduction Authorization

Ms. Woods stated that the proposed resolution would provide budget management alternatives to department heads. Ms. Woods advised that similar language has been included within the union labor agreements.

Res. 247-2005

“Motion by Comr. Solis, supported by Comr. Bolger, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, in view of declining revenues and increasing expenditures, Calhoun County must

implement cost saving measures; and

WHEREAS, it is beneficial to offer our Elected Officials and Department Heads various alternatives they can use in order to manage their budgets during these fiscally constrained times.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. In the event that layoffs are necessary, the Employer may offer non-union employees the option of voluntary layoff. Voluntary layoff shall be for no less than one (1) week or more than thirty (30) days provided an employee on voluntary layoff may be recalled at any time. Employees on voluntary layoff shall not have benefits reduced except that such employees shall not accumulate paid time off while on lay off status. Continuation of benefits shall be subject to the employee's payment of any required co-pay. Alternative layoff schedules of less than thirty (30) days may be implemented upon mutual agreement between Employer and employee; or
2. In the event that layoffs are necessary, the Employer may offer non-union employees the option of a voluntary reduction of work hours to circumvent a layoff or to reduce the number of laid-off employees. Employees can return to a normal schedule upon the giving of thirty (30) days written notice to the Employer. The Employer can return the employee to a normal schedule at any time. Employees on voluntary reduction of work hours, working 32 hours per week or more, shall not have benefits reduced. Employees shall not reduce their work hours to less than 32 hours per week. Continuation of benefits shall be subject to the employee's payment of any required co-pay. Voluntary reduction of work hours shall not last longer than six (6) months per employee per calendar year, unless mutually agreed between Employer and employee.
3. In the event that more employees than necessary volunteer for layoff or reduction of hours, the Employer shall determine who will be granted the voluntary layoff/reduction.
4. Upon approval, the Elected Official or Department Head shall notify the Human Resources Manager of all authorized voluntary layoffs and or voluntary reduction of work hours.
5. The voluntary layoff/voluntary reduction of work hours alternative will remain in effect through December 31, 2007 unless specifically revoked by the Board of

Commissioners.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Rescission of County Policy No. 372 - Overtime

Res. 248-2005

“Motion by Comr. Bolger, supported by Comr. Solis, adopt the following: Resolved by the Calhoun County Board of Commissioners rescind County Policy No. 372 - Overtime.”

Comr. Strowbridge advised that he shall support the resolution, however, would have liked to have been provided more information.

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Amendment of County Policy No. 405 - Purchasing

“Motion by Comr. Strowbridge, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners amend County Policy No. 405 - Purchasing, as recommended by the Purchasing Policy Review Workshop.”

Comr. Moore presented three documents; e.g., amendments previously provided on November 3, plus one additional proposed amendment; a copy of the policy highlighting the proposed amendments; and a “clean” version of the policy with the proposed amendments.

Res. 249-2005

“Substitute Motion by Comr. Moore, supported by Comr. Bolger, adopt the following: Resolved by the Calhoun County Board of Commissioners amend County Policy No. 405 - Purchasing, as proposed by Commissioner Moore.”

Comr. Moore addressed the proposed provision for local preferencing, inquiring what is considered local; i.e., a local company that sells local products, or a local company that sells non-local products, or a non-local company that sells local products. Comr. Moore stated that he does not believe the provision regarding payment of prevailing wage needs to be within the policy, and advised that he cannot support the prevailing wage mandate as it would put up a wall around Calhoun County and say that no one outside Calhoun County is welcome. Comr. Moore pointed out that prevailing wage does not preclude the use of local workers and does not guarantee good work. Comr. Moore stated that his goal is not simply to get the lowest price, but to get the best value.

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Comr. Bolger thanked Commissioner Moore for putting the amendments together. Comr. Bolger advised that he can support the proposed amended policy and local preferences; however has a problem with prevailing wage and local labor mandates, as Calhoun County would not want other counties to do the same. Comr. Bolger pointed out that Calhoun County's neighboring counties are anticipating projects, while Calhoun County is not and by approving the local labor mandate provision the county could potentially narrow work opportunities for its citizens.

Comr. Strowbridge thanked Mr. Wilcox for preparing the proposed amended policy. Comr. Strowbridge stated that he believes the policy is good and that he would hate to see anyone vote no on its adoption because of the prevailing wage provision, therefore, would like the prevailing wage provision to be voted upon separately.

Chairman Miller stated regarding the idea that the county will spark a trade war with the other counties by adopting a local preferencing provision, that there already is a trade war. Chairman Miller advised that Jackson County and other counties are "going with" local preferencing and give a percentage preference to local businesses. Chairman Miller stated that the notion that the county shall be preventing competition is a misunderstanding, pointing out that the Purchasing Division has made some significant changes to the way individuals can bid. Chairman Miller urged the Board to defeat the substitute resolution.

Comr. Bolger advised that if the Board adopts Commissioner Moore's substitute resolution, he shall request that the issue of payment of prevailing wages be considered separately.

Roll call vote on Substitute Resolution 249-2005: Yes - 3 (Comrs. Strowbridge, Bolger and Moore)
No - 4 (Comrs. Todd, Miller, Segal and Solis)
Motion DEFEATED

Res. 249-A-2005

"Motion by Comr. Miller, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners approve combining proposed amendments 01, 02, 03, 07, 08 and 09 for consideration for amending County Purchasing Policy No. 405."

Comr. Moore questioned why proposed amendment number 05, specifically Section E. which addresses the ratio of master and journey persons to apprentices proposed for use on a project, is not included for consideration. Chairman Miller pointed out that the provision does not mandate anything, only requests such information. Comr. Moore inquired regarding the purpose of attaining the information. Chairman Miller responded that he believes the Purchasing Division uses the information to prevent use of illegal immigrants.

Roll call vote: Yes - 6 (Comrs. Todd, Bolger, Miller, Segal, Solis and Strowbridge)
No - 1 (Comr. Moore)
Motion CARRIED

Res. 249-B-2005

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“Motion by Comr. Solis, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners approve Amendments 01, 02, 03, 07, 08 and 09 for incorporation into County Purchasing Policy No. 405.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Res. 249-C-2005

“Motion by Comr. Miller, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners approve combining proposed amendments 04, 05 and 06 for consideration for amending County Purchasing Policy No. 405.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Res. 249-D-2005

“Motion by Comr. Bolger, supported by Comr. Solis, adopt the following: Resolved by the Calhoun County Board of Commissioners approve Amendments 04, 05 and 06 for incorporation into County Purchasing Policy No. 405.”

Chairman Miller urged the Board to reject amendments 04, 05 and 06.

Roll call vote: Yes - 3 (Comrs. Moore, Strowbridge and Bolger)
No - 4 (Comrs. Segal, Solis, Todd and Miller)
Motion DEFEATED

Res. 249-E-2005

“Motion by Comr. Strowbridge, supported by Comr. Miller, adopt the following: Resolved by the Calhoun County Board of Commissioners delete proposed Amendment 06 from combined amendments 04, 05 and 06 for consideration for amending County Purchasing Policy No. 405.”

Roll call vote: Yes - 3 (Comrs. Strowbridge, Bolger and Moore)
No - 4 (Comrs. Segal, Solis, Todd and Miller)
Motion DEFEATED

Res. 249-F-2005

“Motion by Comr. Strowbridge, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners amend County Policy No. 405 - Purchasing with Amendments 01, 02, 03, 07, 08 and 09.”

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Roll call vote: Yes - 5 (Comrs. Solis, Strowbridge, Todd, Miller and Segal)
No - 2 (Comrs. Bolger and Moore)
Motion CARRIED

CITIZENS' TIME:

Mr. Gardy Berezonsky, Marengo Township resident, advised that according to the Michigan Constitution the elected offices of the county are to be housed at the county seat, and one is not.

Sheriff Allen Byam stated that the Sheriff Department budget has not been made whole and that he will be eliminating some positions. Sheriff Byam advised that he is prepared to live by the commitment he made and thanked everyone involved for their hard work.

COMMISSIONERS' TIME:

Comr. Moore wished everyone a happy holiday season and reminded everyone to drive safely and responsibly.

CLAIMS PAYABLE LISTINGS:

Res. 250-2005

“Motion by Comr. Solis, supported by Comr. Segal, adopt the following: Resolved by the Calhoun County Board of Commissioners approve payment of the list of claims against the county in the total amount of \$134,033.66 for the week of November 30, 2005; further, approve payment of the list of claims against the county in the total amount of \$947,748.00 for the week of December 7, 2005.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

ADJOURNMENT:

The meeting adjourned for 2005 at 11:38 p.m. at the call of the Chair.