

APPROVED
4/20/2017

BOARD LEADERSHIP MEETING
February 13, 2017
Minutes

Members Present: Anthony, Schafer, Celentino, Grebner, Sebolt, Banas, McGrain, Crenshaw, Hope, Case Naeyaert, Tennis (arrived at 5:45p.m.), Koenig (arrived at 5:33p.m.) and Maiville

Members Absent: Nolan

Others Present: Tim Dolehanty, John Neilsen, Jared Cypher, Becky Bennett, Teri Morton, Jill Bauer, Travis Parsons and Maggie Fenger

The meeting was called to order by Chairperson Anthony at 5:32 p.m. in the Personnel Conference Room "D & E" of the Human Services Building, 5303 S. Cedar Street, Lansing, Michigan.

Approval of the August 18, 2016 Minutes

MOVED BY COMM. CRENSHAW, SUPPORTED BY COMM. CASE NAEYAERT, TO APPROVE THE MINUTES OF THE AUGUST 18, 2016 MINUTES.

THE MOTION CARRIED UNANIMOUSLY. Absent: Nolan, Koenig, Tennis

Additions to the Agenda

None.

Commissioner Koenig arrived at 5:33pm

Limited Public Comment

None.

1. FY 2018 Budget

Teri Morton, Budget Director, provided an overview of the preliminary 2018 budget.

Commissioner Crenshaw asked if a hiring freeze would require the unions to sign off before implementation.

Ms. Morton stated that there is language already in the appropriations resolution that allows for a hiring freeze.

Travis Parsons, Human Resources Director, stated that the County had done hiring freezes in the past.

Ms. Morton stated that a hiring freeze was a way to delay filling open positions in order to avoid layoffs. She further stated that leaving positions open would then clear the way to reduce some positions.

Commissioner Celentino asked where the revenue sharing from the state was listed on the preliminary budget.

Ms. Morton stated that it was listed under intergovernmental transfers.

Commissioner Celentino asked if other commissioners had also seen a statement from State Representative Andy Schor stating there would be a two percent increase in state revenue sharing.

Ms. Morton stated that the state budget did not show an increase in revenue sharing.

Commissioner Celentino stated that he believed there was a two percent increase based on the statement he had seen.

Mr. Dolehanty stated that it was possible that cities would get a two percent increase and not counties.

Commissioner Celentino disagreed, and stated that he had read something regarding a two percent increase for counties.

Commissioner Case Naeyaert stated that it was a two percent increase to the statutory funding, but it was not decided yet because it still had to make it through the budget process.

Commissioner Schafer stated that we should look at other counties to help plan for staffing reductions. He further stated that compared to Jackson County, Ingham County has a huge Drain Commission Department.

Commissioner Schafer stated that Ingham County's Drain Commission Department has twenty seven people, whereas Jackson County has five. He further stated that rather than a five percent reduction across the board, he felt that analyzing departments individually would make it easier to make staffing adjustments.

Commissioner Maiville stated that in previous years, Mr. Dolehanty had numbers comparing Ingham County with other counties, which might be helpful this year as well. He further stated that looking at the head counts for each department should happen again.

Commissioner McGrain stated that he agreed with Commissioner Schafer that an across the board cut was not the best way to go, and stated that instead larger departments should absorb the cost savings of staff reductions. He further stated that even if the two percent revenue sharing was correct, until then the budget should only count a zero percent increase.

Commissioner McGrain stated that revenue should be underestimated and expenses should be overestimated because this was a multi-year issue.

Ms. Morton stated that a one percent increase in revenue sharing from the state was only \$60,000, so an increase would not be significant either way.

Commissioner Hope asked if the County had ever used early retirement incentives.

Ms. Morton stated that the County had considered it in the past but the problem was the people who retired were not always the ones the department wanted to retire, and then the MERS liability increased.

Commissioner Grebner stated that we should be looking at this issue as if we had to pay for it rather than putting it off on a future board like the legislature does. He referenced an issue City of Lansing had where the city paid for an early retirement to save money one year and they were still paying millions of dollars in retirement benefits years later. Commissioner Grebner stated that paying people to retire earlier just meant we would be paying their retirements earlier.

Commissioner Tennis arrived at 5:45pm.

Commissioner Banas stated that she believed this was a good reason to keep our people happy and early retirement did not make sense despite the financial hardships the County was facing.

Chairperson Anthony stated that the commissioners had to engage with constituents and stakeholders, and asked if it would be possible to get talking points regarding the budget issues. She further stated that possibly the staff could put together talking points for the commissioners to use during these discussions.

Commissioner McGrain asked for one talking point to recap what the general fund balance was and if the County continued down this path, the likelihood of exhausting all options.

2. Update on Pension and OPEB

Tim Dolehanty, Controller/Administrator, provided an overview of the Pension and OPEB programs and the comparison between Ingham County and other counties in the state.

Commissioner McGrain asked if the County had asked MERS to sharpen their pencils to help cut costs.

Mr. Dolehanty stated that when the County asked MERS to sharpen pencils, they got an answer about how a pencil was made. He further stated that there is a lack of communication, which he believed was because MERS was used to dealing with smaller jurisdictions which did not understand and relied on MERS staff to explain everything. Mr. Dolehanty stated that Ingham County had staff that understood without needing MERS staff to explain, and the County staff was getting frustrated with the standard response from MERS, which was that the MERS board had decided and therefore the County had no choice. He further stated that MERS would charge \$5,000 to look at our data to try and save money but they still might not let the County implement the plan that was presented.

Commissioner McGrain stated that the County had been paying above and beyond what was required to MERS, and asked if the 2018 budget included that extra payment.

Ms. Morton stated that was a one-time payment in 2017 but the 2018 budget did include that in the plan.

Commissioner McGrain asked what would happen if the County did not pay that extra amount.

Mr. Dolehanty stated that MERS will go after the County's revenue sharing.

Ms. Morton stated it was about 6 million from revenue sharing that MERS was referencing.

Commissioner Grebner stated that even though there was a task force the County participated in, the legislature was making changes that superseded the task force. He further stated that it was fairly likely that anything the task force decided would be a suggestion, but the legislature could do almost anything.

Commissioner Tennis stated that he was shocked by the changes made by MERS, and he had spoken with people in MERS regarding why they wanted to implement these changes now, because there had been issues with unfunded pensions ever since the housing market crashed. He stated that no one had a good answer about why MERS had called the loan in early, and he compared what MERS was doing to a home loan where the mortgage lender called in the loan early.

Commissioner Tennis stated that this decision was driving panic in other counties, because MERS had done this to every county, not just Ingham County, and essentially it caused mass hysteria. He further stated that he concerned that the end result would be poor long term decision making for public employee retirements.

Commissioner Tennis gave an example where possibly twenty years from now, County employees would not be able to retire, because that had happened at the state level. He further stated that almost eighty percent of Americans were terrified about their retirement security, because they did not have a pension, and he believed that was the real retirement crisis that was

coming. Commissioner Tennis stated that unfunded liabilities were something that could be dealt with but if the next generation could not retire that would be a serious crisis.

Commissioner Koenig stated that it was not just counties that were worried, other organizations under MERS could not afford to pay the amounts MERS requested. She further stated that she kept expecting to hear more, but had not heard yet, that an organization was going to say there was absolutely no way they could make the payments to MERS.

Mr. Dolehanty stated that he did not know why MERS wanted to accelerate, because the rolling amortization over thirty years has worked fine. He further stated that he could understand paying in a higher amount but not the full amount, because this scenario that MERS referenced was if every employee wanted a lump sum retirement payment tomorrow, which was not going to happen.

Mr. Dolehanty stated that the man who was a major proponent of the 401(k) was now stating that it did not work because the markets did not perform which meant there was not enough money in the 401(k). He further stated that everything seemed to be pointed towards a 401(k) rather than a pension as the preferred retirement plan.

Discussion.

3. Jail Facility

Chairperson Anthony stated that there was a new sheriff in town who had set a new jail as one of his top priorities which meant the commissioners needed to examine the plans for the facility in detail.

Mr. Dolehanty provided an overview of the jail facility plans.

Mr. Dolehanty removed the employee savings line from the plan presented because there were no longer any savings in the plan. He further stated that the jail issue was not going away, but the County could not afford to do anything of this scale without either new revenue or significant reductions of services.

Mr. Dolehanty drew the commissioners' attention to the scheduled general fund debt payments listed on the plan and stated that he believed the payments listed were considerably less than new bond payments would be.

Commissioner Crenshaw stated that when the discussion of a new jail started, the City of Lansing had wanted to be a part of the new building, and had brought that idea forward several times. He further stated that he wondered if the County had officially said no to the joint plan or if it was still on the table.

Mr. Dolehanty stated the only way it would still be on the table is if the City of Lansing brought a check for \$25 million, because that was how much the joint plan would cost the County. He

further stated that a joint plan with the City of Lansing would add unforeseen costs to the plan that the County could not take on by itself.

Commissioner Crenshaw stated that the County needed to take a position one way or the other because leaving it open was irresponsible.

Mr. Dolehanty stated that the Controller's Office had taken no position because it was the Board of Commissioners' decision.

Chairperson Anthony stated that she thought it was in the minutes on record that we had a position, and had made a decision.

John Neilsen, Chief Deputy Controller, stated that he believed a decision had been made. He further stated that he had been telling the City of Lansing that the joint plan without the City of Lansing paying the additional costs was off the table.

Commissioner Case Naeyaert stated that she was under the impression that the City of Lansing plan was off the table. She further stated that she would like to see the Board of Commissioners take a formal position on whether the plan was going forward or not.

Commissioner Case Naeyaert stated that she had heard from a reliable source that a new commissioner, Commissioner Grebner, had a brilliant idea for funding the new jail building.

Commissioner Grebner stated that the nice way to take the City of Lansing issue off the table would be to have the Law & Courts committee send a resolution to the Board of Commissioners that stated that if the City of Lansing guaranteed the costs to build and the increased costs of running the facility, then the County would be interested. He further stated that until the City of Lansing adopted a resolution stating such then the County would not consider a joint building.

Commissioner Grebner stated that the County has taken on projects for the City of Lansing before that ended up including buried costs, such as the Potter Park Zoo, and the City of Lansing always wanted the County to take on more. He further stated that he believed the resolution from Law & Courts was the best way to handle the situation.

Commissioner Koenig stated that she wanted to talk about the solution for funding the jail.

Commissioner McGrain asked why the new building plan included three hundred and seventy parking spots.

Mr. Dolehanty stated that the plan with three hundred and seventy parking spots was with the City of Lansing component, and the County only building would need five hundred parking spots. He further stated that the parking facility referenced would cost about \$13.5 million.

Commissioner McGrain asked why so much parking was needed.

Ms. Morton stated that there were one hundred and seventy Ingham County Sheriff's Department employees, and the parking likely took into account a scenario where their shifts overlapped and most employees would need to park at the same time.

Mr. Dolehanty stated that the parking question was a good one and should be brought up in the next Law & Courts Committee meeting.

Commissioner McGrain stated that he thought Mason had been chosen as the location before the County even realized they did not have enough money for the project. He further stated that an immediate and long term plan had not been settled and asked if it would be possible to pull together the Ingham County Sheriff, Ingham County Judges, and other partners to assess what a dream facility was.

Commissioner McGrain stated that the dream facility plan should then be examined to remove any components that were not absolutely necessary. He further stated that the County could not afford what was put forward regardless of the location, and that alternatives needed to be examined.

Chairperson Anthony stated that there was a Redstone Architects presentation scheduled for the March 16 Law & Courts Committee meeting, which she believed was a formal way to tell the commissioners that the cost to renovate the building was too expensive. She further stated that there was no disputing the need for the new building but it was a question of how to fund it, and she would like to see the Ingham County Sheriff direct his mental energy towards alternative funding opportunities.

Commissioner Schafer stated that it was time to move forward, and he believed the Lansing model had been out of the picture long ago. He further stated that he was convinced that option one, the new facility in Mason, was the only one that made sense.

Commissioner Schafer stated that in regards to the number of parking spaces, the Sheriff's Department was a busy place with attorneys, family members, correction officers and many employees who needed to park there, and he was not surprised by the number. He further stated that it was time for the commissioners to make a decision to go forward with figuring out how to pay for the new facility, and put forward a possible millage as an option.

Commissioner Banas stated that she had been a part of conversations regarding the need for the new jail and the expense of renovating the current facility, and she believed that the March 16 presentation would put the nail in the coffin of rebuilding the current jail. She further stated that the commissioners needed to talk about how to pay for the construction of a new facility, and how to make a strong case to the public about the necessity of the new facility.

Commissioner Banas stated that Ingham County Sheriff Scott Wriggelsworth was planning a tour of the Muskegon County Jail to discuss the new features. She further stated that she would like to see the options presented again so that the commissioners could make a decision.

Commissioner Banas stated that delaying the decision would mean paying for any repairs to the current building, and she was concerned that those repair costs would be expensive. She further stated that the current building was meeting state safety requirements but at some point there would be an issue, possibly even a lawsuit due to issues with the aging facility.

Ms. Morton stated that the only ability the board had to increase a millage was to increase the operating millage, which would only raise about \$250,000. She referenced a previous quote of Mr. Neilsen's that without draconian cuts to the budget, a new millage would be the best option. She further stated that many people felt a jail millage was unpopular but resetting the board millage was not a good option either because that millage was the only County millage that had failed before.

Commissioner Grebner stated that the major point of a millage campaign was planning to place the question once, and possibly a second time if the first one failed. He further stated that the August 2018 and November 2018 Elections were already County-wide, which meant there would not be any additional cost to put a millage question on those ballots.

Commissioner Grebner stated that he would strongly suggest a strategy which involved placing the millage question on the August 2018 ballot and then if it did not pass, quickly placing a revised question on the November 2018 ballot. He further stated that revised would mean a different scale, costs or financial arrangements, depending on which part failed to pass.

Commissioner Grebner stated that he believed if the County asked the question correctly and had positioned themselves correctly, there was a very good chance the voters would adopt the millage. He further stated that there did not seem to be a problem with new taxes for County facilities.

Commissioner Grebner stated that the commissioners ought to be moving towards a consensus and planning the millage the way he suggested. He further stated that it was possible that the millage would fail, but if the millage failed it would leave the County in the same position, not any worse off.

Ms. Morton stated that she had originally suggested that the millage pay for the difference between the new debt and the debt that was going away, but then Commissioner Grebner stated that the County could levy the whole amount which would then free up the debt that was going away to alleviate the pressure. She further stated that she thought Commissioner Grebner's idea was brilliant.

Commissioner Maiville stated that one funding option to adjust the property tax rate to meet the quarter million dollar limit would affect the County's bond rating poorly. He further stated that because of the poor bond rating, he did not believe the County would gain anything even though it would raise a small amount of funds.

Commissioner Sebolt stated that he had campaigned knowing that he would have to help make a decision on the jail facility, and after speaking with voters he knew that there was no appetite for a Lansing building. He further stated that he would be interested in working with Commissioner Grebner on the proposed millage.

Commissioner Case Naeyaert stated that she was not opposed to the millage idea, and that this was the idea she had been trying to get Commissioner Grebner to talk about earlier. She further stated that there was no doubt the facility needed to be taken care of and the voters understood the need, and so she believed that it was well worth trying a millage.

Chairperson Anthony asked if it would be safe to say that payment options would be an agenda item for the Law & Courts committee sometime this year.

Commissioner Hope stated that this issue would be an agenda item sooner rather than later for the Law & Courts Committee.

Chairperson Anthony asked if it would be on the agenda as early as this quarter.

Commissioner Hope answered that it definitely would be an agenda item this quarter.

Chairperson Anthony asked Commissioner Hope to keep the Board of Commissioners informed so that they could all attend the meeting.

Commissioner Koenig stated that she did not think the commissioners had any other choice, even though they had been putting it off for so long in the hopes that something else would help resolve the issue. She further stated that even though jail millages never work, Eaton County and other counties had passed jail millages before.

Commissioner Koenig stated that the voters needed to be sure the commissioners had looked at all other options, but there were no other options left.

Chairperson Anthony stated that a part of this discussion was the fact that the County did not have any money to build a new jail without increased revenue. She further stated that the commissioners needed to articulate that fact to their constituents.

Commissioner Grebner stated that the procedure for the millage resolution would start with the Law & Courts committee and then the Finance Committee before reaching the Board of Commissioners.

Chairperson Anthony stated that Commissioner Grebner's assessment of the procedure was correct.

Mr. Neilsen stated that Eaton County and Kent County had passed millage renewals recently because many years ago they had passed a jail construction and operations millage, but he had researched and in the past ten years no county had passed a new construction millage, only renewals of current millages. He further stated that he believed highlighting the safety features of the new jail facility would resonate with voters.

Commissioner Grebner stated that highlighting the safety and efficiency of the new jail facility was likely the best route to sell the plan to the voters.

Discussion.

4. Recreation Trails

Chairperson Anthony gave an overview about the options of either reigniting the Trails and Parks Task Force or creating a subcommittee to make changes to the current plans for the County wide trail systems.

Commissioner Banas stated that one reason she had suggested restarting the task force was because the County was halfway through the current millage. She further stated that the funding for the first two years was allocated to maintenance with a significant amount that went to bridge repairs, and the third year would prioritize new construction.

Commissioner Banas stated that the Parks Commission had recently evaluated the current applications for funding, and the County Services Committee would be getting those recommendations soon. She further stated that she had several questions regarding the use of funding.

Commissioner Banas stated that she wondered if the millage language originally adopted should be tightened up so the focus would be on the highly populated urban areas and then the rest of the rural areas would be prioritized to move funding out to them later. She further stated that she wanted to know how to handle multi-year plans that were submitted for the grant funding.

Commissioner Banas stated the current system was that the Parks Commission came up with a plan and then sent the plan through the committees. She further stated that she felt this was worth talking about because in just a couple years the millage would be renewed.

Jared Cypher, Deputy Controller, stated that the Parks Director and Parks Commission may come back to the Board of Commissioners for guidance, because an issue had come up regarding the possibility money allocated for multiple projects in one municipality, with the municipality coming in under budget on one project and over budget on another project. He further stated that the current contract does not provide any guidance whether or not money can be moved between projects.

Commissioner Grebner stated that he was an initial proponent of the millage, but he was not around for the implementation. He further stated that he wanted to change the system and would keep pushing until he got the changes he wanted.

Commissioner Grebner stated that there was not a current policy for the Board about the projects they approved. He further stated that there were implicit policies but there should be a comprehensive list of all the projects which included all relevant information so that the Board could prioritize funding, and schedule funding years in advance.

Commissioner Grebner stated that he did not look at the millage as halfway done because he could not imagine it would not be renewed. He further stated that the voters were strongly in favor of a trail system and were probably not impressed with what had been accomplished so far.

Commissioner Grebner stated that the County should be looking at the best way to create a useable, friendly amenity of the community when they evaluate the proposed projects. He further stated that the current system was not necessarily the best system because it did not take into account plans from non-profit organizations or members of the community and what they wanted to see for the trail system.

Chairperson Anthony asked the commissioners if they wanted to reinstate the task force or keep the current structure.

Commissioner Celentino stated that in one direction they could reignite the task force to look at the issues brought up, or form a subcommittee through County Services to look at the new issues.

Commissioner Schafer stated that Commissioner Grebner's ideas intrigued him. He further stated that the City of Williamston had just bought close to 400 acres on the Grand River, which he thought would be a perfect location to create a new trail.

Commissioner Banas stated that while Commissioner Grebner was away there was a lot of work, study and thoughtful consideration that went into the plan to award grants to communities. She further stated that the idea was for the County to partner with municipalities because the County wanted to facilitate projects but not own the trails.

Commissioner Banas stated that she believed reinstating the task force was the best plan because the people on the task force were already familiar with the issues and could tweak the plan rather than throwing it out. She further stated that she believed municipalities were fairly satisfied with the current projects and that they needed to be pushed to gather further funding to match the County grants in order to create even more projects.

Commissioner Banas stated that she believed only offering grant money to municipalities made sense from an accountability standpoint. She further stated that the current plan was not set up when the millage language was written; instead it was put together afterward.

Commissioner Banas stated that she wanted to focus on urban areas first and then focus on rural areas later. She further stated that in looking at how much had been put in by each community, Lansing had put in \$1.1 million and Meridian Township had put in almost \$1 million while the smaller communities had put less in.

Commissioner Banas stated that she thought the funding should start where the need was greatest and then spread out, and she thought the Williamston connection trail should be looked in a few years.

Discussion.

Commissioner Sebolt thanked the Trails and Parks Task Force for the work they did to put together the current plan. He further stated that he envisioned the process would work more like Commissioner Grebner's plan, and suggested possibly following the MDOT rolling five year plan structure as well as requiring matching funds from the entities that wanted grants.

Commissioner Sebolt stated that he believed it was easier to sell a millage renewal if the commissioners could say the community may not have gotten anything this year, but your project was on the five year plan. He further stated that would be a greater incentive to pass the millage renewal because the communities would know their project would be funded soon.

Commissioner Grebner stated that the millage language was ambiguous, and whoever wrote it was probably thinking of a system like the MDOT plan. He further stated that it was not a question of who owned the trails, but who managed the trails.

Commissioner Grebner stated that the County was the only entity that could see the trail system from above, and it was the County's responsibility to figure out how to make the system of trails a seamless system for the users. He further stated that he was not talking about throwing out the work that was done but building on it.

Discussion.

Chairperson Anthony stated that whether the task force was reinstated or a subcommittee was formed, there needed to be an end date. She further stated that she did not want to leave municipalities in limbo during this process.

Commissioner Celentino stated that if the subcommittee went through the County Services Committee then only County Services members could be on the subcommittee. He further stated that he did not want to disrespect previous task force members by leaving them out of the subcommittee.

Commissioner Sebolt stated that the Chairperson was allowed to appoint members to a subcommittee even if they were not members of the committee.

Chairperson Anthony asked if everyone was in agreement that there needed to be several more meetings regardless of whether or not it was the Trails and Parks Task Force or the subcommittee.

Commissioner Grebner stated that he was in favor of the subcommittee approach because then it blended into the committee structure. He further stated that his system did not have a philosophy or theory, just a ranking system and therefore recommendations would come out automatically once the ranking and chart was done.

Commissioner Koenig stated that she thought Commissioner Grebner would get what he wanted, and she did not care what it was called, as long as it tweaked the current plan. She further stated that her biggest concern about using non-governmental plans was giving them money.

Commissioner Schafer stated that the task force had put in a lot of time, so while he understood Commissioner Grebner's plan, he felt that if the task force wanted to reconvene they should.

Commissioner McGrain stated that he agreed with reinstating the task force but he thought it should be limited to eleven members or less.

Commissioner Case Naeyaert stated that she supported the task force, and would be willing to serve on it. She further stated that she liked what she had heard so far, and wanted to keep the momentum going.

Chairperson Anthony stated that she believed reinstating the Trails and Parks Task Force was the way to go and asked if any of the commissioners would volunteer to be on the task force.

Commissioners Koenig, Grebner, Sebolt, Case Naeyaert, Banas and Maiville volunteered to serve on the Trails and Parks Task Force.

Tim Morgan, Parks Department Director, thanked the commissioners, the Park Commission and the Trails and Parks Task Force for their roles in this project. He further stated that this summer there will be projects in Meridian Township, Lansing, East Lansing and Mason. Mr. Morgan gave an overview of what had been accomplished last year and the expectations for the current year.

Chairperson Anthony thanked Mr. Morgan, and stated that she had heard positive things from many people regarding the parks construction.

Announcements

Chairperson Anthony thanked everyone for their encouragement, food offers and thoughts during her family's difficult time. She further stated that she was blessed to have them as colleagues and friends.

Commissioner Crenshaw asked the commissioners to bring any donations for the diversity luncheon from their districts to bring them to the Board of Commissioners meeting February 14, 2017.

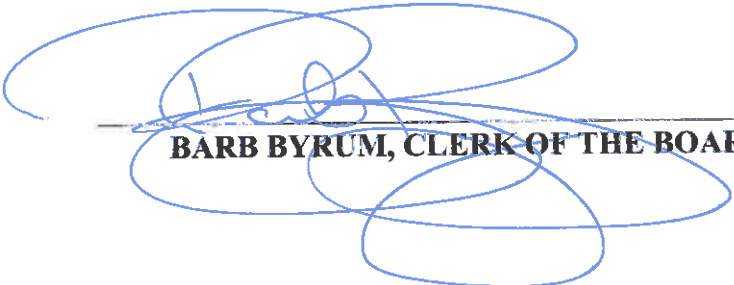
Commissioner Case Naeyaert announced that she had sent the commissioners an email about Bob Wilson, one of the people who interviewed for appointment to the Parks Commission, and the fact that he was concerned that there were not many questions asked during his interview. She further stated that she believed he was a great candidate, and he was heading into retirement and wanted to stay involved in natural resources and environmental work.

Public Comment

None.

Adjournment

The meeting was adjourned at 7:07 p.m.



BARB BYRUM, CLERK OF THE BOARD