

**MINUTES OF THE CLARE COUNTY
BOARD OF COMMISSIONERS
SPECIAL BUDGET MEETING**

Jim 3/15/17

**~~Unapproved Minutes~~
February 10, 2017**

Harrison, Michigan 48625

Meeting was called to Order at 9:04 a.m.

PLEDGE OF ALLEGIANCE

Present: Commissioners: District 1: Dale Majewski, District 2: Samantha Pitchford, District 3: Leonard Strouse, District 4: Jack Kleinhardt, District 5: Sandra Bristol, District 6: Karen Lipovsky, District 7: Jim Gelios

Absent: None

Others Present, Signing In: Ken Hoyt, Robert & Vickie Buckley, Karl & Karen Laskowsky, Stan Lewis, Terry & Susan Acton, and Mike Haley

APPROVAL OF AGENDA

It was moved by Commissioner Strouse, seconded by Commissioner Pitchford, to approve the agenda. Motion carried.

GENERAL PUBLIC COMMENT

Karen Laskowsky asked when the Board was going to start addressing the unfunded liability that needs to be addressed and stop tabling it. Administrator Tracy Byard pointed out that a decision to make changes to the pension can be made, but that it would also have to be negotiated with the Union. The Union contracts don't open until October 2017. Commissioner Kleinhardt commented that the legislatures are going to look at doing something regarding the unfunded legacy liability costs. In fairness to the Board, they have put in all the money they were asked to by MERS every year. There was a change in the MERS accounting procedures a year or so ago, which changed things. Robert Buckley, a former UAW member, stated he knows how the system works, whoever is negotiating with the Unions needs to do a better job.

Terry Acton asked if the Board has the power to tell each department to roll back 10%. The fear the public has is they will wake up and face an unpleasant tax increase. Commissioner Kleinhardt acknowledged they do, but it is tougher than it seems. Commissioner Strouse indicated there has never been any talk about a tax increase. Terry Acton asked the Board to go on record to rebuke it. Commissioner Bristol thanked the public for coming and appreciated their comments, but asked if they could keep their comments to 3 minutes. Chairperson Lipovsky asked to hear the audience out before the Board started their budget discussions. Terry Acton and Commissioners Kleinhardt and Lipovsky had discussion regarding the rumor of a possible millage. All 3 agreed the public would feel better hearing it from the Board that they do not intend on asking for a millage. Chairperson Lipovsky asked each Board member if they were thinking of putting a millage on this year for anything. Commissioner Majewski indicated I don't see how, Commissioner Bristol said no, Commissioner Pitchford said no, Chairperson Lipovsky said no, Commissioner Kleinhardt said no, Commissioner Gelios said no, and Commissioner Strouse said no.

Karen Laskowsky asked the board to show some initiative that something is being done, being worked on. Ms. Laskowsky further stated that Commissioner Gelios comes to the Hayes Township meeting every month and states there is not a lot to report. Administrator Byard stated that she is presenting information to the Board today on several pension options. Terry Acton said that a little action by the Board would go a long way.

Margaret Boise suggested a hiring freeze or borrow staff from other departments in order to help with pension problem. Ms. Boise also talked about the safety issues within the Sheriff's Department and the need for upgrades inside the jail. Undersheriff Miedzianowski spoke about a safety wall and how it could be paid for.

Administrator Byard presented the Board with many different options in regard to making changes to the pension plan. The Board will need to negotiate with the Union regarding any pension changes.

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Chairperson Lipovsky confirmed that there is currently a hiring freeze, and before any department head can replace anyone they must get Board approval. She then confirmed that the biggest expense to the County is employees.

Commissioner Gelios explained that the MERS (pension plan) crisis started when MERS informed all employers that although they have always only been required to fund their retirement at 80% it will now be required to be funded at 100%. The Board has always made all required payments and on time. This is unfunded pension plan is of no fault of the Board. It was created by MERS and it is the whole state, not just this county. Commissioner Strouse added that they could get out of the MERS program if they paid 21 million dollars to get out of the plan. Clare County does not have 21 million dollars. Terry Acton commented that what is fueling the public fears is that they, the people that don't have a pension, will be called upon to pay for someone else's pension.

Commissioner Strouse conveyed that the people in his district, Clare, Grant, and part of Sheridan Townships, want safety. They want to see the Sheriff's cars out there. There is a huge drug problem in Clare County and a lot of it is from the northern area of Clare County. This affects many departments in the County offices. Commissioner Strouse then went on to comment that at his last meeting at the City of Clare, Ken Hibel, the City of Clare Manager, gets calls every day from Chicago and many visits wanting to put a marijuana factory in the industrial park in Clare on Colonville Road in Clare County. They want a big huge facility.

Administrator Byard is looking into gathering information on the county fees, such as copy and fax fees, to see where they could make increases. She also confirmed they are not looking at permit fees.

Commissioner Majewski asked if the Administrator is looking at bidding out workers compensation and other insurances to try and save some money.

Administrator Byard spoke with Treasurer Jenny Beemer-Fritzing and they agreed the fund balance should be at 13%. They are a little over 10% now. She then discussed current revenues are about 11.5 million and she suggests using a lower figure of about 11.3 million when planning the budget so there will be a little cushion.

Recess at 10:00 a.m.
Reconvene at 10:17 a.m.

Commissioner Strouse confirmed that there was a great deal of money that was put into repairs on the Sheriff's Department. A figure of approximately \$600,000.00.

It was moved by Commissioner Bristol and seconded by Commissioner Majewski to give permission to Administrator Byard to obtain bids for all insurances in use in the County. Motion carried.

Chairperson Lipovsky proposed to the Board that they go offsite to work on the budget. She would like to start with the Commissioners and then bring in all department heads from mandated offices and a facilitator not from the County, knowing that this will cost money. The building, the Neithercut Woodland, cost nothing but a donation. It will be a very relaxed setting and they will get a lot done. It will take about a day and a half. Items will be put in order of a matter of importance and then discussed. Other counties have done this and now have a very good working budget by prioritizing. The Board discussed dates everyone might be available. Administrator Byard said the facilitator would be from MSU Extension. Commissioner Kleinhardt expressed concern that they would need someone fair, but is willing to try it. All commissioners agreed this would be a good plan. All department heads will be asked to give dates they are not available so everyone can be involved.

County Clerk/Register Lori Martin asked to speak regarding her need for more court staff. Clerk Martin indicated she has 3 full time court employees. One of those 3 is not trained to go into court as she was just hired full time 2 weeks ago. 1 of the 2 trained court employees informed Clerk Martin that she has a family emergency out of state and needs the entire next week off. The salaried employees, as per the union contract, get comp time when they work overtime. The salary employees have reached their maximum and cannot work anymore overtime, as per the union contract. The 1 part time person in courts is limited on the number of hours she can work, if she exceeds that amount we have to include her in our pension plan. The part time employee cannot work any more hours. The 1 court employee that can work overtime has been, but the budget only allows \$1,000.00 for overtime hours for the entire year. Clerk Martin indicated that her hands are tied. She could hire more part time employees, if the Board approved, but the training to get employees certified to go into court is costly and time consuming. Clerk Martin believes it is not a good idea to put that kind of time and money into a part time employee because they would be very likely to leave the County for a full time position elsewhere and then the County would be out that money. Clerk Martin asked to promote 1 part time person to full time. Commissioner Majewski asked if it would be beneficial to put Peggy Dundas (employee that was terminated in December 2016) into one of those positions. Clerk Martin confirmed Ms. Dundas was let go for a reason and that is not an option. Judge Mienk then spoke of the problems he has had with the Clerk's office ever since he was elected, and that he learned with his first meeting with the prior Clerk Mayfield and her chief deputy Ms. Dundas that he wasn't going to get any changes made because they were resistant to any kind of changes. There were problems with Ms. Dundas even with the Clerk before Ms. Mayfield. He would like to see another full time deputy clerk added to Clerk Martin's staff, as it is already approved in her budget, and he believes we will

see changes come to that office, but Clerk Martin needs the staff to make those changes and improvements. Clerk Martin then told of the meetings she has been having with all 4 Judges and other department heads to make positive and efficient changes to her office. If we are dealing with only part time employees they get trained and they leave and it is a vicious cycle. Undersheriff Miedzianowski spoke in support of Clerk Martin's need for another full time employee in the Clerk's office. Clerk Martin then reminded the Board these are not new employees to the budget. The Board approved these positions for the prior Clerk Mayfield and Clerk Martin is just asking for 1 of the positions to be filled. She then reminded the Board they have allotted the prior Clerk Mayfield 15 employees and Clerk Martin is only being allotted 9. Commissioner Gelios spoke on the unfunded pension plan and confirmed he will base his decisions on that.

Commissioner Gelios started discussion regarding opening the Union contract to negotiate changes to the pension plan. Administrator Byard stated that the contract can be opened, but only once. It cannot be opened again. Commissioner Kleinhardt pointed out that if the contract is opened and the Board asks for the Union to give something up that the Union will expect something in return. They are not going to agree to give their pension up without receiving something in return. Commissioner Kleinhardt understands that these departments need employees to run their offices. Commissioner Majewski stated they need to shrink government and they can't keep replacing employees through attrition. Chairperson Lipovsky stated that in Clerk Martin's defense, she does have money in her budget to cover 1 full time person. Commissioner Majewski indicated that she won't have it in 6 months when they have to cut back. Clerk Martin then confirmed she is not asking for everything and not giving in return. She has agreed to give up the 3 part time positions (over \$60,000.00) in her budget. Commissioner Kleinhardt stated that when they approved the budget it was approved for \$469,963.00 more dollars then they have revenue to support. He is sorry if it's in the budget but the County don't have money to support that. Commissioner Bristol is pressing for clarification. She asked if it's the policy of the board that there is absolutely no new hires or no hires at all. If someone leaves we are not replacing them at all. Chairperson Lipovsky confirmed that they are not allowing anyone to hire even if they lose someone in their office. She gave an example that if the Drain Commissioner lost his 1 employee they would have to replace that 1 employee so there would be an exception like that. Clerk Martin challenged that it was not realistic and stated the Board is mandated to staff these offices. Commissioner Bristol asked if the Clerk's office could borrow employees from accounting to help with the court situation. After discussion Administrator Byard agreed to allow the accounting employees to help the Clerk's office as they are trained in this area from working in the Clerk's office for many years prior to being moved in December of 2016. Court Administrator Darrell Schlese wanted to make it clear to the Board that you can't just take anyone and put them in court. There is a lot of training (6 months to a year) and expense that goes into someone being certified to go into court. Chairperson Lipovsky pointed out that no Board Member made a motion to allow Clerk Martin to hire so they would take her comments under consideration.

Commissioner Strouse wanted to make it clear that the discussion of adding a millage to the ballot was brought up by Hayes Township Supervisor Terry Acton at the December 2016 meeting. He stated that the Hayes Township was considering a millage to start their own police department, and that if the County was going to propose a millage Hayes Township probably wouldn't. That is the first time this board ever heard anything about a new millage. It came from Hayes Township Supervisor, not the Board of Commissioners.

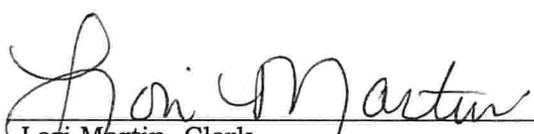
Karen Laskowsky asked if the public will be allowed to attend the budget workshop at Neithercut Woodland. Chairperson Lipovsky responded she was not sure but she doubted it.

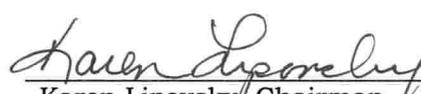
Commissioner Gelios asked about item 7d on the agenda and Chairperson Lipovsky stated they were not doing item 7d.

Commissioner Kleinhardt expressed that he appreciates the public coming to the meetings to communicate their concerns.

Judge Evans wanted to voice his agreement for what Judge Mienk stated. He joins with Judge Mienk and supports Clerk Martin's request to hire 1 full time deputy clerk. The part time employee is not a good system because as everyone already said you get someone trained and certified and they leave for a full time position.

Meeting adjourned at 10:55 a.m.


Lori Martin, Clerk
Clare County Board of Commissioners


Karen Lipovsky, Chairman
Clare County Board of Commissioners