

Regular Session of the Board of County Commissioners for the County of St. Joseph, State of Michigan, was held in the Commissioners' Room, Courthouse at the Village of Centreville, Michigan on July 5, 2011 at 5:00 p.m.

Chairman Rick Shaffer called the meeting to order.

The Invocation was given by Commissioner Shaffer.

The Pledge to the American Flag was given.

The County Clerk, Pattie S. Bender, called the roll and the following Commissioners were present:

Rick Shaffer	Gerald E. Loudenslager
Allen Balog	Robin Baker
Jerry Ware	Donald Eaton
John L. Dobberteen	

Also present were Judy West-Wing, Administrator/Controller, soon to be retired Dan Carey, Finance Director and new Finance Director, Joni Smith and Elishia Arver, Human Resources Director.

AGENDA

Ms. West-Wing asked that the Animal Control septic issue be added to the agenda.

It was moved by Commissioner Baker and supported by Commissioner Loudenslager that the agenda be approved as amended. Motion carried.

MINUTES APPROVED

It was moved by Commissioner Loudenslager and supported by Commissioner Balog that the minutes for June 21, 2011 be approved. Motion carried.

CLOSED SESSION MINUTES APPROVED

It was moved by Commissioner Loudenslager and supported by Commissioner Ware that the minutes for closed session for June 21, 2011 be approved. Motion carried.

COMMUNICATIONS

1. Letter from the Michigan Association of Counties, Re: MAC Legislative Updates, June 24 and July 1, 2011.
2. Minutes of the Community Mental Health and Substance Abuse Services Board meeting of May 24, 2011.
3. Minutes of the Community Action Board meeting of May 23, 2011.

It was moved by Commissioner Loudenslager and supported by Commissioner Ware that the communications be accepted and placed on file. Motion carried.

CITIZENS' COMMENTS

Lindsay Howes, Three Rivers City Clerk, stated that she is here as a project partner for a steering committee for the 2010 Pathway Implementation Plan for a non-motorized trail between Three Rivers Health and Meyer Broadway Park in Fabius Township. A grant has been awarded to the City of Three Rivers and Fabius Township by the Land Information Access Association which Waste Management matched in the application process to support this Plan. She is asking for support from the Board of Commissioners. In addition they are applying for an additional service grant and the City of Three Rivers and Fabius Township have each pledged \$1,000 and the Fabius Township Citizens' Coalition has given \$312 toward the \$4,900 match to establish a Recreational Authority which will be a funding mechanism for the project.

Becky Shank, 12302 Corey Lake Road, Three Rivers stated that she is concerned about the disrespect that she believes was shown at the last Commission Meeting on both sides of the room. After the Animal Control Advisory Committee was established and bylaws approved approximately 50 persons exited the meeting instead of staying for the full agenda that was ahead of the Commissioners.

She has written a letter to the editor that was published in the Three Rivers Commercial. She provided a copy of the letter to the Clerk.

Dan Lucas, 67608 Maple, Constantine stated that he would give an update on what he has found out since the last meeting. He contacted the Department of Treasury last Friday and they are very interested in the Trine issue. They have received a lot of calls. Treasury wanted the Haas legal opinion and the Trine draft to be emailed to them so he did.

He further stated that he has received from the Treasury's local audit and financing division document which determine lawful expenditures. The representative from the Treasury Department stated that he could not give legal advice but pointed out that the money, if given to Trine, has to have equal value in return.

Mr. Lucas received the minutes of a Steuben County Commissioners meeting. They were asked to participate with Trine and the Commissioners questioned that if they gave the money to Trine that equal participation was not defined. Trine would solely control the contracts with which the buildings would be built.

When that Board decided not to partner with Trine they offered them a loan between \$5.8 million and \$6 million and Trine did not even show up at the packed meeting that the public was invited to attend. A few days later Trine contacted them and declined the loan. Mr. Lucas added that Trine can spend the money as they see fit and they do not have to answer for it.

Mr. Lucas stated that this Board has to show equal value for our investment.

Vincent Mifsud, 24785 Sauger Lake Road, Sturgis asked the Board why they did not hire Attorney Peter Cohl to obtain an opinion on this matter as he understands that that is the Attorney that the County usually uses.

He did not deny that Attorney P. Joseph Haas did a professional job and gave a good legal opinion. But, Mr. Mifsud stated that personally Mr. Haas supports the Trine issue and has submitted resolutions of support to the Board of Commissioners and he believes that that is a conflict of interest. He said that this does not make legal sense and is surprised that Mr. Haas did not excuse himself from issuing the opinion.

He attended a meeting at the ISD some time ago and asked the question of the guarantee of investment return.

In his opinion Mr. Haas stated that the funds must be solely used for St. Joseph County's use. He wondered who would be hired to manage the money, if given, to protect our investment. He believes that the County keeps going in circles on this issue and we are now back to square one.

He asked the Board to make a motion to take no action on this issue.

Mr. Misfud also stated that he has asked Representative Lor's assistant to get an opinion from the Governor and the Attorney General.

Andrew Brandt, 57073 Pulver Road, Three Rivers/P.O. Box 334, Centreville, stated that he takes his hat off to Chairman Shaffer for wanting to slow down this Trine proposal. He said that he is adamantly opposed to giving money out of County and he is tired of hearing it discussed.

He recognizes that the Board of Commissioners are public servants and he thanked them for their service.

2010 ANNUAL AUDIT

Auditor, Dave Fisher, from the auditing firm of Rehmann and Robson presented the results of our 2010 audit including the Single Federal Compliance Audit.

He stated that their job is to produce a report on the fairness of the financial statements for the County and they have issued a clean opinion.

He showed assets compared to expenditures and noted that the expenditures for 2010 were \$13,533,173 with assets of \$14,463,906. The property taxes are the largest source of income totaling 61% of the general fund.

Many departments were substantially under budget noting the departments of: Family Court, Human Resources, Cooperative Extension and Building and Grounds and Utilities.

Mr. Fisher noted the fund balance of 2 other major funds those being the Central Dispatch Special Revenue Fund which has a property tax levied solely for this purpose and shows a fund balance at the end of 2010 of \$1,213,000 and the Commission on Aging, which also has a millage, showing a fund balance of \$1,681,000.

A business type fund namely the Delinquent Tax Revolving Fund shows a balance of \$18,818,000 with this being in cash and invoices with some receivables. This fund grows with a 4% collection fee plus interest.

Single Federal Compliance Audit

Mr. Fisher continued his report by saying that "other major funds" were audited as well and those funds are the federal assistance monies that the County receives. The total federal pass through dollars is \$1,742,000 with the major fund being the Friend of the Court's Cooperative Reimbursement Fund which was \$621,000 in 2010. These funds were audited following the lawful rules and regulations that apply to the Single Federal Compliance Audit.

He further stated that there is an internal control matter as the bank reconciliations for 2010 were not done in a timely fashion and adjustments had to be made. After the 2010 audit was completed the Treasurer's Office caught up. There are a lot of bank accounts but this has to be done. There was an illness in the Treasurer's Office which led them to get behind.

His recommendation is that all of these accounts be maintained including applying the appropriate interest to each fund. These recommendations were made in a separate management letter.

Mr. Fisher recommended that in the future these reconciliations be maintained. The Treasurer's Office maintains cash and investments for the entire County including the Road Commission.

There is a lot of work involved in keeping up on the bank reconciliations.

He stated that a separate management letter goes along with the audit with the first 4 pages being standard language that the auditors are required to do in their audit process. They report on the fairness of financial statements and they look at internal controls for all of the key systems including cash receipting, cash disbursements, payroll and others.

They are also required to report any problems with doing the audit, such as differences or disagreement with management and there were none for the 2010 audit.

There are a couple of other items that the auditors recommend the County address and that is in the Register of Deeds Office and District Court.

While the auditors realize that there is not much staff in the Register of Deeds Office the initials of the person that does not handle the money needs to be on the transmittal sheet.

In District Court the monthly transmittal has to match with the daily transmittals and they do, but for an audit trail the District Court Administrator must initial the monthly transmittals.

Effective with the calendar year 2011 the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 regarding Fund Balance Reporting and Governmental Fund Type Definitions which changes the classifications of reserve funds to restricted funds.

Commissioner Balog asked Mr. Fisher if he was personally aware that the County has received a letter from the Department of Treasury stating that the County must report the steps for corrective action in the County Treasurer's Office.

Commissioner Balog also asked Mr. Fisher how many municipalities and specifically counties that their firm audits in Michigan.

Mr. Fisher stated that they audit approximately 250 municipalities which includes about 25 counties plus about 50 school districts.

He added that it is a normal procedure to balance the books timely and it is out of ordinary if they are not balanced. Mr. Fisher said that the County receiving a letter from the Department of Treasury is automatic in a situation like ours.

It was moved by Commissioner Loudenslager and supported by Commissioner Balog that the 2010 Audit Report be approved.

The aye and nay vote was called as follows:

Aye votes cast: 7 - Commissioners Shaffer, Loudenslager, Balog, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Motion carried.

Mr. Fisher thanked Dan Carey for all of his cooperation over the years. He acted in a professional manner, is very knowledgeable, it was great to work with him and he wished him the best in his retirement.

2010 JUVENILE COURT ANNUAL REPORT

Thomas Shumaker, Probate Judge, gave an overview of the 2010 Annual Report for Juvenile Court. Also present was Don Happel who is the Supervisor/Referee for the Court.

Judge Shumaker stated that there is a breakdown of collections since 1995 and there are lump sum totals from April of 1990 through 1994.

They have instituted a policy that tickets will be written to juveniles for tobacco use. He also wrote a Truancy Policy that has literally turned the truancy issue around as kids are now off the streets and are in school. He stated that Assistant Prosecutor T.J. Reed and the schools should be applauded for helping to rectify this problem.

The Judge further stated that the drug of choice for juveniles is alcohol and marijuana along with prescription drugs, but not methamphetamine. The Court has been proactive in dealing with these issues and it shows through their statistics.

Chairman Shaffer thanked the Judge for being proactive when dealing with juveniles. Having been a former foster parent he appreciates the work that Judge Shumaker has done during his tenure.

Commissioner Loudenslager stated to the Judge that it was an excellent report.

It was moved by Commissioner Ware and supported by Commissioner Loudenslager that the 2010 Juvenile Court Annual Report be accepted. Motion carried.

Chairman Shaffer asked the Judge to pass on kudos to the Court staff.

LEASE AGREEMENT FOR JUVENILE DAY TREATMENT CENTER

Ms. West-Wing recommended approval of a lease agreement for the Juvenile Day Treatment Center. The lease is effective August 2011 through July of 2014 and has been reduced 17% by the landlord.

It was moved by Commissioner Dobberteen and supported by Commissioner Ware that the Lease Agreement for the Juvenile Day Treatment Center be approved.

The aye and nay vote was called as follows:

Aye votes cast: 7 - Commissioners Shaffer, Loudenslager, Balog, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Motion carried.

SET PUBLIC HEARING FOR TRINE UNIVERSITY ECONOMIC GROWTH PROPOSAL

Chairman Shaffer asked Commissioner Eaton if the draft document from Trine had been received yet. Commissioner Eaton said that it had not but understood that after the public hearing is set the document will be drafted.

Chairman Shaffer said that he was disappointed that we have not received the document yet. He mentioned the memo that he had sent to each Commissioner regarding his idea of the procedure for the public hearing. He would like to have public interaction. He suggested that a panel of 3 – member of the Finance Committee; representative from Trine; and P. Joseph Haas, Attorney that gave the Board a legal opinion on the matter, speak for about 20 minutes each and then questions from the public would be received and duplicates sorted by a facilitator and addressed to the panel. The speaking would last one hour and public dialogue based on their questions would also take one hour. He thanked the Finance Committee for doing a good job in developing the concepts of the proposal. He believes that it is important to allow dialogue with the presenters. Then after the public forum a public hearing will be scheduled.

He mentioned that Attorney Haas had addressed the Executive Committee last week but has not yet done so to the public.

Commissioner Loudenslager mentioned that he has read the minutes of the Steuben County Board of Commissioners and moved that the St. Joseph County Board of Commissioners end the discussion on the Trine proposal with St. Joseph County.

Chairman Shaffer stated that the motion died for lack of support.

It was moved by Commissioner Eaton that the public forum be set for 6:00 p.m. on Wednesday, July 13, 2011 at the Glen Oaks Community College Auditorium.

After discussion it was moved by Commissioner Eaton and supported by Commissioner Dobberteen that the public forum be held in the Commissioners' Room on July 13, 2011 at 6:00 p.m. and that the draft agreement be posted on the County's website prior to the meeting. Motion carried with Commissioner Loudenslager voting no. It was noted that Attorney Haas' opinion was also posted on the website.

Chairman Shaffer asked for a motion for how the public forum would be conducted.

It was moved by Commissioner Dobberteen and supported by Commissioner Ware that the format for the meeting on July 13th be in a public forum style as outlined in Chairman Shaffer's memo with written questions from the audience submitted to a facilitator. Motion carried.

ANIMAL CONTROL SEPTIC MATTER

Ms. West-Wing stated that the septic issues at the Animal Control Shelter continue to deteriorate. Two proposals have been received to run a sewer line from the facility to the village sewer system. While this is being completed a port-a-john will be rented for a few days for staff and there may also be a charge from the Village to core drill into the sewer line. She is also recommending that we spend \$1,200 to \$1,500 to pump both septic tanks prior to closing them.

It was moved by Commissioner Ware and supported by Commissioner Baker that the County expend up to \$7,675 to take care of all of the septic concerns at the Animal Control Shelter. Motion carried.

MICHIGAN EMPLOYMENT RETIREMENT SYSTEM SHERIFF ADMINISTRATOR EMPLOYEE CONTRIBUTION

Ms. West-Wing explained that each year MERS requires that the Board adopt a resolution establishing the contribution rate for the Sheriff's Department Administration. The resolution follows:

RESOLUTION 11-2011

MERS RETIREMENT
EMPLOYEE CONTRIBUTION FOR
SHERIFF'S ADMINISTRATION GROUP

WHEREAS, the Board of Commissioners adopted Resolution 23-2005 on November 15, 2005 which increased the MERS retirement benefits for the positions included under the MERS Sheriff Administration (20) division, specifically at the time Sheriff, Undersheriff, Jail Administrator and Emergency Services Coordinator (position removed in January 2010 and Operations Administrator added in January 2009); and

WHEREAS, the Board of Commissioners were asked by MERS in November 2009 to again adopt a second resolution restating the Board's position which the Board did as Resolution 18-2009; and

WHEREAS, Resolutions 23-2005, 18-2009 and 17-2010 all stated "the employee contribution rate shall be 7.70% continuing until such time as the employee contribution rate of the division known as "Police Department (2)" exceeds this amount at which time the Sheriff Administration (20) division shall pay the equivalent of the employee contribution for division 2. The minimum contribution for the Sheriff Admin group shall never be less than 7.70%"; and

WHEREAS, MERS administrative staff in a meeting on July 22, 2010 has again indicated they need an additional resolution from the Board of Commissioners each year restating their previous directives for Sheriff Administration (20) division employee contributions; and

WHEREAS, MERS has established the 2012 employee contribution rate for the employees covered under the Police Department (2) division at 9.62%.

NOW, THEREFORE BE IT RESOLVED, the employee contribution rate for those covered under the Sheriff's Administration (20) division of MERS be the same rate as that for the Police Department (2) division until and if that rate drops below 7.70% and then the Sheriff's Administration (20) division rate will again be capped at no lower than 7.70%.

It was moved by Commissioner Dobberteen and supported by Commissioner Balog that the resolution be adopted and 2nd reading waived.

The aye and nay vote was called as follows:

Aye votes cast: 7—Commissioners Shaffer, Loudenslager, Balog, Baker, Ware, Eaton and Dobberteen.

Nay votes cast: 0

Resolution adopted.

COMMITTEE REPORTS

Law Enforcement

Commissioner Loudenslager stated that there was no report.

Judiciary

Commissioner Loudenslager stated that there was no report and that the next meeting would be held at noon on August 10th.

Physical Resources

Commissioner Ware stated that there was no report.

Executive Committee

Commissioner Dobberteen stated that the Executive Committee met on June 30, 2011 and almost all Commissioners were present and he would answer any questions that anyone may have.

PERSONNEL REPORT

Ms. West-Wing presented the following report:

RESIGNATION:

Mary Woodhouse, District Court Probation Officer, has resigned effective June 27, 2011.

NEW HIRE:

Michelle A. Miller has been hired as COA In-home Services Aide at \$10.05/hr. (COA system, grade 5, minimum) effective June 28, 2011.

MISCELLANEOUS:

Linda Baker, Victim Services Coordinator, is on medical leave commencing June 23, 2011 under the Family and Medical Leave Act of 1993.

It was moved by Commissioner Dobberteen and supported by Commissioner Balog that the personnel report be approved. Motion carried.

BUDGET ADJUSTMENTS

Ms. West-Wing presented the following report:

BUDGET AMENDMENTS:

DECREASE GENERAL FUND CONTINGENCY:

Line item 101-890-941.000 (Contingency) \$ 15,000.00

INCREASE COUNTY COMMISSION'S BUDGET:

Line item 101-101-802.00 (Legal Attorney) \$ 15,000.00

INCREASE REVENUE DRUG LAW ENFORCEMENT FUND #265:

Line item 265-229-659.000 (Drug Related Forfeitures) \$ 3,500.00

INCREASE EXPENDITURE DRUG LAW ENFORCEMENT FUND #265:

Line item 265-229-816.000 (Contractual Services) \$ 3,500.00

It was moved by Commissioner Dobberteen and supported by Commissioner Baker that the budget adjustments be approved. Motion carried.

BILLS

Mr. Carey presented the following report:

<u>GENERAL FUND</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
Due from State	\$ 3,163.70	\$
Appropriations	86,817.00	
County Commission	4,100.00	4,173.54
Circuit Court	1,931.27	13,636.55
District Court	740.04	66,622.52
Friend of the Court	48.75	42,298.40
Probate Court	3,773.27	18,676.22
Juvenile Branch	22,857.02	29,503.53
Appeals Court	4,466.20	

<u>GENERAL FUND</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
Administration	\$	\$ 9,967.92
Elections	12,842.64	
Finance Department	1,291.33	10,927.93
County Clerk	19,787.21	23,115.81
Equalization Department	208.08	14,157.21
Human Resources	9,421.95	9,072.91
Geographic Information Systems		7,668.87
Prosecutor's Office	1,834.70	38,936.01
Register of Deeds		9,080.35
County Treasurer		16,329.65
Cooperative Extension	387.95	7,914.76
Information Technology	1,858.67	12,995.76
Buildings & Grounds	3,587.22	11,190.44
Courts Building Security		6,001.60
Drain Commission	1,293.34	5,167.01
Sheriff Department	19,945.50	106,408.51
Sheriff Reserves	40.00	
Marine Patrol	1,503.95	3,023.64
Jail & Turnkey	12,886.75	101,455.17
Planning Commission	1,688.75	
Emergency Services	1,346.60	4,831.34
Animal Control	276.68	9,187.47
Board of Public Works		733.40
Medical Examiners	600.00	
Child Care - Probate	3,448.85	505.86
Veterans' Affairs	3,690.00	
Veterans' Services		2,489.27
Utilities & General Services	56,315.42	
Total	\$ 282,152.84	\$ 586,071.65

<u>OTHER FUNDS</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
County Road Commission	\$ 480,253.97	\$
Parks & Recreation	1,149.61	7,275.43
Emergency 911 Service	4,060.98	58,519.08
Central Dispatch - Wireless	664.50	4,188.23
Meyer Broadway/Coon Hollow Park	1,413.93	3,189.68
Cade Lake Park	3,894.51	3,840.57
Economic Development Fund	20,863.38	4,563.24
Survey & Remonumentation	780.00	
Victims' Rights Advocate Fund	16.50	3,354.59
Community Corrections Advisory Bd.	4,946.00	3,009.02
Community Corrections Program	2,000.00	
Drug Law Enforcement Fund	923.10	
Law Enforcement Fund	1,876.36	17,353.45
Secondary Road Patrol	33.00	9,786.31
Homeland Security Grant Fund	4,588.77	3,726.06
Law Library Fund	751.15	
Principal Residence Denial Fund		733.39
Commission on Aging	52,973.84	65,718.52
Sheriff's Justice Training Fund	136.50	
Child Care: Probate Court	39,129.99	11,433.38

<u>OTHER FUNDS</u>	<u>EXPENDITURES</u>	<u>PAYROLL</u>
Veterans' Trust Fund	\$ 267.18	\$
Facilities Maintenance Fund	2,000.00	
Forfeiture & Foreclosure Fund	13,302.32	
Tax Payment Fund	331,941.23	
Inmate Store	2,157.29	
Three Rivers Community Center	1,504.17	999.16
Long Lake Level Revolving	834.47	
Information Technology Improvement		
Fund	30,487.90	
Flexible Benefits Insurance Fund	<u>187,507.69</u>	
Total	\$ 1,190,458.34	\$ 197,690.11
 Grand Total	 \$ 1,472,611.18	 \$ 783,761.76
 General Fund Operating Expenditures		
Pre-Authorized	\$118,084.38	
Accounts Payable	<u>164,068.46</u>	
	\$ 282,152.84	
 General Fund Payroll Expenditures	 \$ 586,071.65	
 Other Funds Operating Expenditures		
Pre-Authorized	\$1,117,974.17	
Accounts Payable	<u>72,484.17</u>	
	\$ 1,190,458.34	
 Other Funds Payroll Expenditures	 \$ <u>197,690.11</u>	
Total Recorded for the Month	\$ 2,256,372.94	

It was moved by Commissioner Loudenslager and supported by Commissioner Dobberteen that the bills be approved for payment. Motion carried.

CITIZENS COMMENTS

Tim Carls, 63044 Klinger Lake Road, Centreville asked who is Mr. Haas? He also asked if the Board were going to get a State of Michigan Attorney to give them legal advice. The questions asked were misrepresented by the Commission. He also stated that he has more conversations with the Representatives in Washington than he does with the Board of Commissioners. He believes that there has been a lot of premeditation on the Trine issue.

Dennis Bohm, 22370 North Angling Road, Centreville asked how Trine University found out about the amount of money in the County's Delinquent Tax Revolving Fund. He then proceeded to read part of an article in the Kalamazoo Gazette about our poor economic condition of this County.

MISCELLANEOUS

It was moved by Commissioner Balog and supported by Commissioner Dobberteen that the Board support the pathway from the City of Three Rivers to Meyer Broadway Park as requested earlier in the meeting by City Clerk, Lindsay Howes. Motion carried.

Commissioner Eaton stated that he agreed 100% with the comments about the poor economic conditions of the County that were previously made by Mr. Bohm. He added some additional statistics: the poverty level of married couples in this county is 18.5%; and for singles 20%; in Three Rivers and Sturgis Schools over 70% of lunches are paid all or in part by the government; this County is at 1984 standards in household income; 38% of people 18-25 years of age do not have a high school diploma; and we rank in the top 50 counties in the nation for lost jobs per capita.

Ms. West-Wing introduced the new Finance Director, Joni Smith. Mrs. Smith stated that she has been a St. Joseph County resident for almost 25 years, lives in a historic home on the St. Joseph River and has previously been a member of the school board for Centreville Public Schools.

ADJOURNMENT

It was moved by Commissioner Dobberteen and supported by Commissioner Balog that the St. Joseph County Board of Commissioners adjourn until July 19, 2011 at 5:00 p.m. Motion carried.

Pattie S. Bender, County Clerk

Rick Shaffer, Chairman