

WAYS AND MEANS COMMITTEE MEETING

FRIDAY, AUGUST 12, 2022

9:00 A.M.

MINUTES

MEMBERS PRESENT: Commissioners Blake Mulder, Terrance Augustine, Joseph Brehler, Brian Droscha, Brian Lautzenheiser, Jim Mott and Jeanne Pearl-Wright.

ALSO PRESENT: Commissioners Jeremy Whittum and Barbara Rogers; Sheriff Tom Reich, Commissioner Tim Barnes via phone, Jon Pignataro, Matt Hennessey, Michael Atayan, Andy Shaver, Chris Arndt, Theresa VanDorpe, Lariza Hansbarger, Jennifer Lennemen, John Fuentes and Connie Sobie.

The August 12, 2022 regular meeting of the Ways and Means Committee was called to order at 9:00 a.m. by Chairman Mulder.

The Pledge of Allegiance was given by all.

Commissioner Lautzenheiser moved to approve the agenda as presented. Commissioner Droscha seconded. Motion carried unanimously.

Commissioner Augustine moved to approve the minutes of the July 15, 2022 Ways and Means Committee meeting. Commissioner Pearl-Wright seconded. Motion carried unanimously.

Public Comment:

Commissioner Tim Barnes, Public Safety Chairman, requested the Ways and Means Committee take action to provide \$10,000 in 2021-2022 and \$10,000 in 2022-2023 as requested by the Sheriff and recommended by the Public Safety Committee.

Jon Pignataro, Business Agent for the Command Officers Association of Michigan, was present to support the Sheriff's request on behalf of the command unit membership. Mr. Pignataro also spoke on behalf of Greg Allgeier, Police Officers Labor Council, who was unable to attend today's meeting, but is supporting the request on behalf of the deputies and corrections deputies.

Matt Hennessey, Chief of Staff for U.S. Representative Slotkin, was present to read a statement from Congresswoman Slotkin, expressing her personal support for the Sheriff's request with the utilization of the ARP funds.

Michael Atayan, 7147 Steeplechase Way, Delta Township and owner of Davis Auto Mart in Charlotte was present to express support for the Sheriff's request and the need for better compensation to attract new employees. Spoke about the challenges in hiring for Central Dispatch and the Youth Facility and commented that something should be done with those areas as well.

Andy Shaver, 2802 N. Stine Road, Chester Township resident and Real Life Church Pastor, spoke in support for immediate action of the Sheriff's request. Commented that deputies will go to nearby counties because the wage is too low and need to offer incentive for deputies to stay and to attract new employees. Indicated the need for deputies on the road to respond. Called for non-partisan support.

Michael Atayan, 7147 Steeplechase Way, Delta Township, spoke regarding the current vesting requirements for the Health Care Savings Plan.

Chris Arndt, Oneida Township Trustee, spoke about Oneida Township being a very rural area that needs police coverage and adequate funding in the Sheriff's Office to provide the coverage. Expressed support for the Sheriff's request.

Letters were included in Committee Meeting materials from April Stopczynski (attached) and Sue Deer Dembowski (attached), supporting the Sheriff's request.

The positions update was presented and reviewed (attached). Commissioner Brehler moved to refill the vacancies as presented. There was discussion regarding the number of vacancies in the Youth Facility and the reason for the vacancies. Commissioner Augustine requested the position update indicate reason for leaving in order to better understand what is occurring with the employee population. There was also discussion regarding the vacancies in the Sheriff's Office. Commissioner Droscha seconded. Motion carried unanimously.

The June Health Insurance Expenditure report was presented (attached). The report indicates an unfavorable variance of (\$640,840) compared to the budget projection for both the County and Health Department. The County's portion is an unfavorable variance of (\$585,846). The County's active employees' unfavorable variance is (\$407,853) and the retirees' unfavorable variance is (\$177,992). Historically the self-insurance fund had many claims reach the stop loss and the credits have reduced any unfavorable variance. Last year at this time, the unfavorable variance was approximately (\$250,000), considerably lower than the current year. In evaluating the claims for this year, there are significantly more claims that are under \$25,000 that will not likely reach the costs for stop loss recoveries. It is unlikely the unfavorable variance will be completely absorbed through the recovery of stop loss. If the claims continue at the same level as the first six months, there may be a need for a supplemental appropriation. Board Chairman Whittum discussed use of the ARP Funds to be deposited into the Health Insurance Fund. It was reported the balance in the fund is approximately \$744,000.

An update of the Child Care Fund was presented and discussed (attached). Based on the updated projection of revenues and expenditures the estimated fund balance at September 30, 2022 is \$391,975. It is possible the transfers into the Child Care Fund from the General Fund and Juvenile Millage could be reduced, but it isn't recommended at this time. A report providing the number of youth housed and the cost of placements was presented. Discussion held.

Mr. Fuentes provided an update to the status of the current Public Improvement projects (attached). The public health and energy project and the security system replacement project for the jail and youth facility are in progress.

An update of the American Rescue Plan identified uses and allocations was presented (attached).

A request referred by the Public Safety Committee from Sheriff Reich was presented for each Sheriff Road Patrol Deputy and Corrections Deputy to receive \$10,000 in 2021-2022 and \$10,000 next year in 2022-2023 as a means of retaining these critical personnel (attached). Controller Fuentes and Sheriff Reich worked to develop proposed letters of understanding (attached) the request for recruitment and retention bonus of \$20,000 per employee to be paid for the period of September 1, 2022 through December 31, 2023 on a monthly basis of \$833.33 per month for twenty-four months.

An estimate for the requested payment was provided (attached). The requests totals just under \$2.2 million. Chairman Mulder discussed the current retention program and the current request. Commissioner Augustine addressed this representing a short-term solution. Discussion held.

Board Chairman Whittum indicated this is a temporary fix. Discussed the pension liability and the number of employees retiring exceeding the number of new personnel. There was discussion regarding the Chairman's

workgroup for fiscal responsibility and its discussion regarding a public safety millage that would address both the unfunded liability and funding public safety operations. Board Chairman Whittum indicated the Sheriff's request is the best option at this time to assist in the recruitment efforts. There was discussion regarding the difficulty many offices are having in recruiting and retaining employees and there being a need to evaluate compensation for all employees.

Sheriff Reich was present to discuss the proposal and emphasized the difficulty for months in retaining employees because of losing them to other employment due to low wages. The wages are not competitive with other agencies. The plan is to retain the current employees and recruit new employees since the County isn't receiving applications for deputies.

There was discussion regarding the number employees who have left in the last year and the number of deputies on the road and reasons for the vacancies. There was discussion regarding the salaries of the deputies and corrections deputies and evaluating the compensation within the bargaining contracts. This request is above what is typically budgeted. The Sheriff indicated the recruitment and retention issues his office is experiencing is the reason for the request. This is not a request to increase the salary, but to provide the monthly payment to attempt to recruit employees and retain the current qualified employees. Other police agencies are struggling with vacancies due to retirements. Those agencies pay more and Sheriff employees need to consider their salaries and are seeking employment elsewhere such as Kent County, City of Lansing and Bath Township all paying higher wages. There was discussion regarding the overall compensation package and the impact of net pay due to the employee cost of benefits.

There was discussion regarding the recruitment bonus not being part of the salary and hiring individuals and providing the bonus that will only last for the 24 months and then their earnings will decrease. There was discussion regarding a sign on bonus earned after a year to encourage new employees to stay. There was also discussion regarding retirement program and retaining employees who reach eligibility with 25 years of service.

There was discussion regarding re-opening the collective bargaining agreements to work with the unions to negotiation to address the wage concerns in a long-term manner. Further discussion held.

Commissioner Augustine moved to recommend to request to open the Sheriff bargaining union contracts to re-negotiate for wages and benefits to the Board of Commissioners. Roll call: Augustine – yes, Pearl-Wright – yes, Brehler – no, Droscha – yes, Lautzenheiser – no, Mott – no, Mulder –yes. Motion carried.

A resolution to ratify approval of a confidentiality agreement with the Michigan Economic Development Corporation was presented. The MEDC requires the County to execute a Development Projects Advisor Confidentiality Agreement so it may receive and discuss information regarding potential economic development. Commissioner Augustine moved to recommend approval of the Resolution to Ratify Approval of MEDC Development Projects Advisor Confidentiality Agreement to the Board of Commissioners as presented. Commissioner Pearl-Wright seconded. Motion carried unanimously.

Budget amendments were presented and discussed (attached). Discussion held. Commissioner Brehler moved to recommend approval of the 2021/22 budget amendments to the Board of Commissioners, as presented. Commissioner Droscha seconded. Motion carried unanimously.

Commissioner Lautzenheiser moved to recommend approval of the payment of the claims against the County in the amount of \$564,724.62 and immediate claims in the amount of \$9,651,940.84 to the Board of Commissioners, as presented. Commissioner Droscha seconded. Discussion held. Motion carried unanimously.

Chairman Mulder recessed the meeting at 10:53 a.m. for a break.

Chairman Mulder reconvened the meeting at 11:07 a.m.

The 2022/2023 updated revenue and expenditure projections were presented and reviewed (attached). The current budget proposal includes a 2% salary scale adjustment for non-represented employees and includes the salary increases per the represented employees' collective bargaining agreements. Multi-year projections to include an additional 1% increase for all salary scales was provided as requested at the prior meeting. Discussion held.

Commissioner Augustine moved to present the proposed budget, with inclusion of an additional 1% increase for all salary scales, at the Public Hearing scheduled for September 13, 2022. Commissioner Lautzenheiser seconded. Discussion held. Motion carried. All materials will be posted on the County website and advertised as required.

Public Comment:

Theresa VanDorpe criticized the Committee for not approving the Sheriff's request.

Lariza Hansbarger, spouse of Eaton County Deputy and resident, criticized the Committee for not approving the Sheriff's request.

Michael Atayan, 7147 Steeplechase Way, Delta Township, spoke about his previous role as an elected official responsible for \$1.5 billion in county infrastructure assets. Also acted as the soil erosion enforcement officer and that is a lot of work. He criticized the Committee for not approving the Sheriff's request.

Commissioner Tim Barnes criticized the Committee for not approving the Sheriff's request or accepting the recommendation of his committee. This was a short term thing for a retention and recruiting bonus. Definitely need to open the contract for the long term, but needed to do something today and failed the people who live in the out County where he lives. Need to take care of public safety first.

A spouse of a sheriff deputy criticized the Committee for not approving the Sheriff's request.

Jennifer Lenneman, Mayor of Potterville, and EMT with Eaton Area EMS, spoke to this being a trickle down effect and impacts the safety of EMS responders. In Potterville, they have two full-time officers and do not have the coverage 24/7. City does not have the funds to have another officer.

Chairperson Mulder adjourned the meeting at 11:49 a.m.

The next regular meeting of the Way and Means Committee will be held on September 16, 2022, at 9:00 a.m. in the Board of Commissioners Room at the County Courthouse located at 1045 Independence Blvd., Charlotte, MI 48813.


Chairman Blake Mulder