COUNTY SERVICES COMMITTEE  
August 26, 2020  
Minutes

Members Present: Sebolt, Celentino, Grebner, Stivers, Maiville, and Naeyaert.

Members Absent: Koenig.


The meeting was called to order by Chairperson Sebolt at 6:30 p.m. virtually via Zoom in accordance with the Governor’s Executive Order 2020-154 regarding the Open Meetings Act.

Approval of the August 18, 2020 Minutes


Additions to the Agenda

None.

Limited Public Comment

None.

1. Budget Hearings

The representatives from each of the following departments/affiliated entities indicated, by either verbal acknowledgement, absence, or silence, that they were satisfied with their respective portions of the Controller’s Recommended Budget:

Advisory Boards  
   Equal Opportunity Committee  
   Historical Commission  
   Women’s Commission  
Board of Commissioners
Chairperson Sebolt stated that he wanted to note that the Human Resources Department budgeted for an additional employee to come out of the Health Benefit Fund and a hiring freeze on another position that were roughly the same cost. He further stated that he had voiced in the past that he did not like having positions or reorganizations snuck into the budget process.

Chairperson Sebolt stated that he anticipated the County Services Committee having a full hearing on that position, but for budgeting purposes, to include it for now, but it was not an endorsement.

The representatives from each of the following departments/affiliated entities indicated, by either verbal acknowledgement, absence, or silence, that they were satisfied with their respective portions of the Controller’s Recommended Budget:

Innovation and Technology
Potter Park Zoo
Purchasing
Register of Deeds
Road Department
Treasurer

Treasurer Eric Schertzing, County Treasurer, stated that the initial budget proposal had an eliminated position in the Treasurer’s Office. He asked if that was correct.

Teri Morton, Deputy Controller, stated that he was correct. She further stated that the proposal was to keep one position open for 2021.

Treasurer Schertzing stated that Treasurer’s Office submitted a budget based on the Controller’s Office request for a 10 percent budget reduction. He further stated that an employee who was not yet eligible for retirement currently filled the position.

Treasurer Schertzing stated that the Controller’s Office might have misinterpreted this position as vacant, and so the County had to figure out what to do with the employee. He further stated that the employee spent most of their time on dog licensing, and so with a potential new dog licensing software, there could be a shift next year to move that position to the Animal Control Shelter.
Chairperson Sebolt asked Treasurer Schertzing if he wanted the Treasurer’s Office budget to be pulled for Z List discussion.

Treasurer Schertzing stated it could be done as part of the Z List. He further stated that he was part of a Department Head meeting, and it seemed like there were a limited number of Departments or Elected Officials who bothered to follow the Controller’s Office request.

Treasurer Schertzing stated that if he had suspected that most of the Departments would ignore the Controller’s Office request, the Treasurer’s Office would not have submitted the elimination of a position in his office. He further stated that dog licensing enforcement was a cost to the Treasurer’s Office budget, which he thought was not always recognized.

The representatives from each of the following departments/affiliated entities indicated, by either verbal acknowledgement, absence, or silence, that they were satisfied with their respective portions of the Controller’s Recommended Budget:

Tri-County Regional Planning
Ingham Conservation District

MOVED BY COMM. NAeyaert, SUPPORTED BY COMM. STIVERS, TO ADOPT THE FOLLOWING ITEMS ON THE CONTROLLER’S RECOMMENDED BUDGET:

a. Advisory Boards
   i. Equal Opportunity Committee
   ii. Historical Commission
   iii. Women’s Commission
b. Board of Commissioners
c. Controller
d. County Attorney
e. County Clerk
f. Drain Commissioner
g. Economic Development
h. Equalization
i. Facilities
j. Farmland and Open Space Preservation Millage
k. Financial Services
l. Hotel/Motel
m. Human Resources
n. Innovation and Technology
do. Potter Park Zoo
p. Purchasing
q. Register of Deeds
r. Road Department
t. Tri-County Regional Planning
u. Ingham Conservation District
THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Koenig.

1. Budget Hearings
   s. Treasurer

Treasurer Schertzing stated that he had sent an email to Jared Cypher, Deputy Controller, and Ms. Morton a couple of weeks ago to be sure that the Controller’s Office understood that the position was not vacant. He further stated that he was confused because there was an assumption, not made by either himself or Alan Fox, Chief Deputy Treasurer, that his office had a vacant position.

Treasurer Schertzing stated that he questioned the fundamental foundation of a fair budgeting process that the Treasurer’s Office responded to versus how other Departments responded.

Mr. Fox stated that he had thought, at the time of when he prepared the budget submission, it was possible the employee would retire before the end of the year, but that was not the case. He further stated that the Treasurer’s Office repeatedly suggested restructuring their budget, so that positions that came from the General Fund be shifted to other funds, including the Delinquent Tax Fund that already supported multiple positions.

Mr. Fox stated that the Treasurer’s Office had asked for guidance multiple times, but he had not received a response. He further stated that the Treasurer’s Office could cut the General Fund from their budget, but needed to know how to move positions from the General Fund.

Ms. Morton stated that she would to propose that the Controller’s Office work with the Treasurer to find an alternate proposal before the Finance Committee budget meeting. She further stated that between the Delinquent Tax Fund and the Animal Control Fund, there were possible ways to figure out the $111,903 hole.

Commissioner Naeyaert stated that she hoped Ms. Morton was going to look at moving funds, as suggested by the Treasurer’s Office. She further stated that the Board of Commissioners should move forward with the Treasurer’s Office budget until the Finance Committee looked at it.

Treasurer Schertzing stated that was fair.

Commissioner Naeyaert stated that as a reminder, there were budget cuts in the Health Department and other Departments by huge amounts, and that needed to be kept in context with the Treasurer’s Office. She further stated that if the Treasurer’s Office was not sure of funds that could be moved without direction from the Finance Department, the County needed to have a conversation about the funds being handled.

Commissioner Celentino stated that he understood what Treasurer Schertzing and Mr. Fox said.

Commissioner Maiville stated that he supported having the Treasurer’s Office budget looked at before the Finance Committee budget meeting. He further stated that the Sheriff’s Office also had budget cuts.
Commissioner Grebner stated that he thought the County was moving to a different budget model. He further stated that the previous theory was how best to spend money due to changing operations, but that had not been discussed this year.

Commissioner Grebner stated that this year might not be the best year for long-term planning, but there should be future conversations to deal with the changes of the world. He further stated that, in terms of the Treasurer’s Office position on the Delinquent Tax Fund, the Delinquent Tax Fund was not distinguishable from the General Fund because the fund could be used to cover General Fund costs.

Commissioner Grebner stated that he had been through bad situations involving the budget in the past, but the County did not receive suggestions, for example, from the Innovation and Technology (IT) Department about additional funding to fix a problem. He further stated that he thought the Controller’s Office decided what proposals came before the Board of Commissioners.

Commissioner Stivers asked, if for any reason the Treasurer’s Office could not find the funds for the position, could the Finance Committee add the item to the Z List.

Ms. Morton stated that the Finance Committee could add items to the Z List.

Chairperson Sebolt stated that the Finance Committee could throw out the recommendations of the other Committees and send the budget to the Board of Commissioners for approval.

Commissioner Naeyaert stated that this budget was the Controller’s Recommended Budget, and unless the process was changed, it would remain the Controller’s Recommended Budget.

Commissioner Grebner stated that it would be the Liaison Committee Recommended Budget if altered, but that was not being asked of the Board of Commissioners. He further stated that the Finance Committee had a second responsibility, in addition to weighing the recommendations of the other Commissioners, to keep the budget process square in case games were being played.

Commissioner Naeyaert stated that the Jail Medical was in the Health Department budget, not the Sheriff’s Office budget.

Commissioner Grebner stated that Jail Medical was a transfer from the Sheriff’s Office that he had pushed for, for years.

Commissioner Naeyaert stated that it was understandable. She further stated that, looking at other issues in Departments, the County might need to look at what other Departments needed changes along those same lines.

Chairperson Sebolt stated that he appreciated the Treasurer’s Office working with the Controller’s Office to find a creative solution and being deferential of the Board of Commissioners’ authority to budget. He further stated that, since he had been on the Board of Commissioners, he had seen Departments ask for Z List items outside of the Controller’s Recommended Budget, and he thought that was due to the recognition of the unknown facing the County’s budget next year.
Chairperson Sebolt stated that he thought the 2021 budget was more restrictive than it needed to be, since the State of Michigan budget deficit, projected to be $3 billion, was now $950 million. He further stated that the State of Michigan ranked 7 out of 50 states in terms of economic recovery from COVID-19.

Chairperson Sebolt stated that it was smart for the County to think the State of Michigan would cut it deeply, but that might not come to fruition as currently projected. He further stated that unless the Treasurer's Office objected, the County Services Committee would direct the Controller's Office to work with Treasurer's Office between now and the Finance Committee budget meeting.

Treasurer Schertzing stated that was great. He further stated he appreciated the Commissioners service and understanding.

MOVED BY COMM. NAeyaert, SUPPORTED BY COMM. MAIVILLE, TO DIRECT THE CONTROLLER'S OFFICE TO WORK WITH THE TREASURER'S OFFICE TO FIND AN ALTERNATE PROPOSAL FOR THE ASSISTANT TO TREASURER POSITION.

Commissioner Grebner asked if, in effect, the County Services Committee was also approving the Controller's Recommended Budget for the Treasurer's Office.

Chairperson Sebolt stated yes, though that would be done in a separate motion.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Koenig.

MOVED BY COMM. CELENTINO, SUPPORTED BY COMM. STIVERS, TO ACCEPT THE CONTROLLER'S RECOMMENDED BUDGET FOR THE TREASURER'S OFFICE.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Koenig.

Commissioner Celentino asked Gregg Todd, County Controller, if he was still planning to go forward with employee concessions.

Controller Todd stated that employee concessions was still in the budget at this point. He further stated that when previously discussed, the Controller's Office was in a time crunch to submit the budget.

Controller Todd stated that this was simply the Controller's Recommended Budget and could be changed as the Board of Commissioners saw fit.

Commissioner Celentino stated that Human Services Committee had met on August 24, 2020. He asked Ms. Morton how much was still available in the Z List.

Teri Morton stated that there was $228,317 available in the Z List at this time.
Chairperson Sebolt stated that technically, the entire $300,000 of the Z List was available to the County Services Committee. He further stated that the County Services Committee would make their recommendations to the Finance Committee, and they would decide.

Commissioner Celentino stated that he thought the County did not need to balance the budget on the backs of employees. He further stated that the Board of Commissioners could eliminate the employee concessions as he thought employees had sacrificed enough this year.

Commissioner Celentino asked Michael Townsend, Budget Director, if the General Fund Reserve Balance of $13,351,835 or about $11.7 million included the Budget Stabilization Fund.

Mr. Townsend stated that it did not include the Budget Stabilization Fund. He further stated that Budget Stabilization Fund stood at $10.7 million, and the two numbers Commissioner Celentino referenced were forecasts versus budgeted numbers.

MOVED BY COMM. CELENTINO, SUPPLEMENTED BY COMM. NAeyaERT, TO ALLOCATE $300,000 OF THE Z LIST AND AVAILABLE $547,901 FROM THE FUND BALANCE TO OFFSET EMPLOYEE CONCESSIONS.

Commissioner Grebner stated that this was a straw vote amongst the Commissioners because the Finance Committee would start over and figure out what they wanted to do. He further stated that this was a time for sacrifices all around.

Commissioner Grebner stated that he thought the Sick Leave Buyout was generous to employees, as was the Work Share Program, with the additional $600 per week on top of unemployment for working one day less a week. He further stated that there was enough pain that would have to be absorbed by people, and so he opposed the motion.

Commissioner Stivers stated that she would support the motion if the amount was reduced by the amount that she wanted to see go back to the Tri-County Office on Aging (TCOA).

Chairperson Sebolt stated that, as a reminder to Commissioner Stivers, this was a recommendation to the Finance Committee.

Commissioner Stivers stated that, not being on the Finance Committee, she was not comfortable approving the full amount of the Z List funds to be used for this purpose.

Commissioner Grebner stated that Commissioner Stivers could divide the question.

Chairperson Sebolt stated that he did not know if the Z List amount was divisible. He further stated that he thought Commissioners Stivers could ask for a division to vote separately on the Z List and Fund Balance amounts.

Commissioner Maiville stated that Commissioner Celentino could have asked for the whole $300,000 amount from the County Services Committee Z List.
Commissioner Celentino stated that he did ask for the whole $300,000 amount.

Chairperson Sebolt stated that he thought the $300,000 amount would not be divisible.

Commissioner Celentino stated that Commissioner Grebner was right that the Finance Committee would decide, but he thought it was necessary. He further stated that employees would continue to contribute to sacrifice as in the past, and so he thought this was a good time to give employees a sense of security for 2021.

MOVED BY COMM. GREBNER, SUPPORTED BY COMM. STIVERS, TO AMEND THE MOTION TO REDUCE THE $300,000 AMOUNT RECOMMENDED BY THE COUNTY SERVICES COMMITTEE Z LIST BY THE AMOUNT RECOMMENDED BY THE HUMAN SERVICES COMMITTEE Z LIST FOR TCOA.

This was considered a friendly amendment to the following:

MOVED BY CELENTINO, SUPPORTED BY COMM. NAUDEMART, TO USE APPROXIMATELY $228,000 IN THE Z LIST FUNDING AND APPROXIMATELY $620,000 IN FUND BALANCE FUNDING TO ELIMINATE THE PROPOSED EMPLOYEE CONCESSIONS IN THE CONTROLLER’S RECOMMENDED BUDGET.

Chairperson Sebolt asked if Commissioner Grebner proposed to reduce the $300,000 Z List amount recommended by the County Service Committee, subtract the amount recommended to the Z List by the Human Services Committee for TCOA, and then fill that with Fund Balance.

Commissioner Celentino stated that if you took the $71,683 out of the Human Services Committee Z List, the total would be $228,317. He further stated that because it was $847,901 out of the Fund Balance, then the County Services Committee would take $619,584 out of the Reserves to reach the $947,901 amount.

Chairperson Sebolt asked Commissioner Grebner if that was the friendly amendment he proposed.

Commissioner Grebner stated that it was not intended to be a friendly amendment, but rather to be contestable. He further stated that if Commissioner Celentino wanted to reconfigure his motion to include his motion, that would be fine.

Commissioner Celentino stated that he was fine with that, as long as the amount totaled $947,901.

Discussion.

Chairperson Sebolt stated that the motion before the Committee was to use approximately $228,000 in Z List funding and approximately $620,000 in Fund Balance funding to eliminate the proposed employee concessions in the Controller’s Recommended Budget.

Commissioner Grebner stated that he would like to divide the question to vote on each part of the motion separately.
Discussion.

MOVED BY CELENTINO, SUPPORTED BY COMM. NAeyaert, TO USE APPROXIMATELY $228,000 IN THE Z LIST FUNDING TO ELIMINATE THE PROPOSED EMPLOYEE CONCESSIONS IN THE CONTROLLER’S RECOMMENDED BUDGET.

Commissioner Celentino requested a roll call vote.

THE MOTION CARRIED BY ROLL CALL VOTE. Yeas: Sebolt, Celentino, Stivers, Maiville, Naeyarta  Nays: Grebner  Absent: Koenig

MOVED BY CELENTINO, SUPPORTED BY COMM. NAeyaert, TO USE APPROXIMATELY $620,000 IN FUND BALANCE FUNDING TO ELIMINATE THE PROPOSED EMPLOYEE CONCESSIONS IN THE CONTROLLER’S RECOMMENDED BUDGET.

Commissioner Grebner stated that this was deciding to draw into savings even deeper than before. He further stated that the $620,000 was far from the liquidity of the County.

Commissioner Grebner stated that if drawn down, it was clear the County was spending money that was not coming in this year. He further stated that it was unsustainable in the long-term, since if this was drawn down routinely, it would bring down the liquidity to the point of losing the flexibility that County currently enjoyed.

Commissioner Grebner stated that he was opposed to drawing down the Fund Balance.

Commissioner Celentino stated that with $620,000 from the Budget Stabilization Fund, the County still had over $10 million in the Budget Stabilization Fund. He further stated that the County had used reserves before and replenished them.

Chairperson Sebolt stated that the funds were coming from the Fund Balance instead of the Budget Stabilization Fund.

Commissioner Grebner stated that the Budget Stabilization Fund required a two-thirds vote and would alarm creditors. He further stated that he thought the County had not before drawn from the Budget Stabilization Fund.

Discussion.

Commissioner Celentino stated that Commissioner Grebner stated that he made a good point. He further stated that instead to take funds from the Reserve Fund rather than the Budget Stabilization Fund.

Discussion.
Chairperson Sebolt stated that he supported this motion because County employees had given a lot this year, and even with continuing to hold open positions, employees would have to do more with fewer hands. He further stated that he thought the County’s budget projections were much more restrictive than what he thought would come to fruition.

THE MOTION CARRIED BY ROLL CALL VOTE. **Yea**s: Sebolt, Celentino, Stivers, Maiville, Naeyaert   **Nay**s: Grebner   **Abse**nt: Koenig

2. **Final Ranking**

Chairperson Sebolt stated that since there was only one item on the Z List, the County Services Committee did not need to rank the Z List items.

The County Services Committee’s addition to the Z List was as follows:

1. Eliminate Employee Concessions from the Controller’s Recommended Budget in the amount of $228,317

**Announcements**

Commissioner Maiville thanked the County Clerk’s Office for doing a great job running the Zoom meetings.

Commissioner Naeyaert stated that she agreed with Commissioner Maiville.

Chairperson Sebolt stated that he appreciated their work.

**Public Comment**

None.

**Adjournment**

The meeting was adjourned at 7:27 p.m.

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BARR BYRUM, CLERK OF THE BOARD

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