FINANCE COMMITTEE
March 4, 2020
Draft Minutes

Members Present: Morgan, Grebner (arrived at 6:31 p.m.), Crenshaw, Polsdorfer, Schafer, and Maiville.

Members Absent: Tennis.

Others Present: Rick Terrill, Patrick E. Lindemann, Paul C. Pratt, Roger Swets, Michael Townsend, Michael Tanis, and others.

The meeting was called to order by Chairperson Morgan at 6:30 p.m. in Conference Room D & E of the Human Services Building, 5303 South Cedar Street, Lansing, Michigan.

Approval of February 19, 2020 Minutes

MOVED BY COMM. CRENSHAW, SUPPORTED BY COMM. MAIVILLE, TO APPROVE THE MINUTES OF THE FEBRUARY 19, 2020 FINANCE COMMITTEE MEETING.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioners Grebner and Tennis.

Commissioner Grebner arrived at 6:31 p.m.

Additions to the Agenda

None.

Limited Public Comment

None.

MOVED BY COMM. MAIVILLE, SUPPORTED BY COMM. SCHAFER, TO APPROVE A CONSENT AGENDA CONSISTING OF THE FOLLOWING ACTION ITEMS:

3. Parks Department – Resolution to Authorize a Contract with Brock & Associates Inc. for a New Dock at Lake Lansing South Park

4. Health Department
   a. Resolution to Authorize Amendment #2 to the 2019-2020 Comprehensive Agreement with the Michigan Department of Health and Human Services
   b. Resolution to Authorize an Agreement with Verity Stream, Inc. to Provide Verification of Professional Credentials of Physicians and Allied Health Professionals
5. **Farmland and Open Space Preservation Board**
   b. Resolution to Approve Proceeding to Close Permanent Conservation Easement Deeds on Vandermeer, Rogers, Launstein and Arend Trust
   c. Resolution to Authorize a Contract with Cinnaire Title Services

6. **Facilities Department**
   a. Resolution to Authorize a Two Year Contract Extension with Capitol Walk Parking LLC. for the Parking Spaces Located at Lenawee and Chestnut in Lansing
   b. Resolution to Authorize an Agreement with Trane US Inc to Replace Roof Top Unit #3 at the Forrest Community Health Center
   c. Resolution to Authorize Amending the Contract with Superior Electric of Lansing Inc. for the Mason Courthouse Uninterrupted Power Supply System
   d. Resolution to Authorize a Contract Amendment with Safety Systems, Inc. for Upgrades to Intrusion and Fire Monitoring Alarm System at the 55th District Court

7. **Innovation & Technology Department** – Resolution to Approve Purchase of Courtview Training from Equivant

8. **Road Department**
   a. Resolution to Retain As-Needed Material Testing and Fabrication Inspection Services
   b. Resolution to Amend a Second Party Agreement between the Michigan Department of Transportation and the Ingham County Road Department in Relation to State Funded Bridge Projects Located at Howell Road Bridge over Doan Creek Olds Road Bridge over Perry Creek Olds Road Bridge over Huntoon Lake Extension Drain

9. **9-1-1 Central Dispatch** – Resolution to Approve Fiber Install from Western Tel-Com

10. **Controller/Administrator’s Office** – Resolution Establishing the Budget Calendar for 2021

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Tennis.

THE MOTION TO APPROVE THE ITEMS ON THE CONSENT AGENDA CARRIED UNANIMOUSLY. Absent: Commissioner Tennis.

2. **Law & Courts Committee** – Resolution Submitting to a Vote of the Electorate a Special Millage for Continuing Comprehensive Emergency Telephone Services (911 Services)

MOVED BY COMM. CRENSHAW, SUPPORTED BY COMM. MAIVILLE, TO APPROVE THE AGENDA ITEM.

Commissioner Maiville stated that the 9-1-1 millage was a need, but not a want. He further stated that he hoped, in the future, the millage would be funded through the General Fund, not a millage.
Commissioner Grebner stated that it had been funded out of the General Fund until someone suggested to have it be paid for through separate millage funds. He further stated that, at that time, there were three or four different 9-1-1 answer points, and this millage brought the Cities of Lansing and East Lansing to work together.

Commissioner Grebner stated that the 0.85 millage brought in $7 million, and that the surcharge on instruments was $1.40. He asked what the cost was per instrument.

Commissioner Crenshaw asked Commissioner Grebner if he was talking about radio equipment or cellphones.

Commissioner Grebner stated that it wasn’t a cellphone charge, but a charge on phone instruments, including landlines.

Michael Townsend, Budget Director, stated that he thought it was a surcharge of $1.40.

Commissioner Grebner stated that there were a couple hundred thousand of these instruments, and because the surcharge was $1.40, the surcharge brought an additional $4 million a year. He further stated that the 9-1-1 millage brought a total of $11 million a year.

Commissioner Grebner stated that part of that money is for operational costs. He further stated that he thought that the Board of Commissioners should not spend more than 80 percent of their income on operational costs because the Board of Commissioners always had capital needs.

Commissioner Schaefer stated that he agreed.

Discussion.

Commissioner Grebner asked how much the Board of Commissioners was paying for operational costs, and how much was being set aside for capital needs.

Discussion.

Mr. Townsend stated that he would reach out to the Ingham County 9-1-1 Center to answer his questions, and he would send the answers to the Finance Committee.

Commissioner Maiville stated that he thought the current millage structure, as well as the device surcharge, was such that once the new 9-1-1 radio system was implemented, there would be funds available to do what Commissioner Grebner was talking about.

Discussion.

Commissioner Grebner stated that there was a feature of 9-1-1 taxing that charged instruments physically located in Ingham County, and cellphones that were sold and contracted here. He further stated that if someone bought a cellphone and moved to Peoria, Illinois, the person would pay the surcharge forever.
Commissioner Grebner stated that he thought that the surcharge was being levied on a strange collection of people. He further stated that Clinton and Eaton Counties taxed people in the Cities of Lansing and East Lansing and not provide services, and so the two counties received taxes for people they did not serve and Ingham County provided services to people they did not tax.

Discussion.

Chairperson Morgan thanked Commissioner Grebner.

Discussion.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Tennis.

5. **Farmland and Open Space Preservation Board**
   a. Resolution to Approve the Ranking of the 2019 Farmland and Open Space Preservation Programs Application Cycle Ranking and Recommendation to Purchase Permanent Conservation Easement Deeds on the Top Ranked Properties

MOVED BY COMM. SCHAFER, SUPPORTED BY COMM. CRENSHAW, TO APPROVE THE AGENDA ITEM.

Commissioner Maiville stated that he wanted to disclose that he knew several people on the list. He further stated that, in particular, the number two choice was a parcel that adjoined his in-law’s property, but he was confident that the ranking system removed any bias or influence.

Chairperson Morgan thanked Commissioner Maiville for his disclosure and asked the Recording Secretary to be sure that it was properly reflected in the minutes.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Tennis.

1. **Drain Commissioner – Montgomery Drain Update**

Patrick E. Lindemann, Drain Commissioner, stated that he was requested to answer some questions about the Montgomery Drain project.

Chairperson Morgan asked him to provide the Finance Committee with a quick, elevator version of where things stood with the project.

Mr. Lindemann stated that construction had started on the project, and it was on-time and millions of dollars under-budget.

Chairperson Morgan asked if the project was under-budget.

Mr. Lindemann stated yes.
Chairperson Morgan stated that the Board of Commissioners approved $34.5 million a couple of years ago, but then saw the Drain Commissioner on Channel 10 WILX a few months ago and he said it would be around $50 million. He asked Mr. Lindemann where that figure came from, and how it differed from the $34.5 million.

Mr. Lindemann stated that the drain project was $34.5 million. He further stated that it was not uncommon for the Cities of Lansing or East Lansing, and/or other municipalities, to have them do some additional construction work.

Mr. Lindemann stated that difference between the $34.5 million cost, which the Drain Commission approved as an estimate, and the $50 million cost was that the cost could increase or decrease based on the bids received. He further stated that the City of Lansing wanted sanitary sewers to be placed near Frandor Hills, and the Michigan State Highway Department wanted bike paths to be constructed along US-127.

Mr. Lindemann stated that these were called supplemental benefits, and while it was not related to the drain project, it made no sense to have construction crews tripping over each other. He further stated that, through the bidding process, they tried to combine the different crews and activities.

Mr. Lindemann stated that it saved them money on the drain side, which would bring the project under-budget. He further stated that the benefit was that it made the project move faster, and tied it all together in a timely-fashion.

Chairperson Morgan asked when Mr. Lindemann anticipated that the project would be put together for the project, during what phase.

Mr. Lindemann stated that he was bidding the project in thirteen different divisions, and they only had the prices back for two of the divisions. He further stated that he had firm numbers for Division 9 and Division 1, and those numbers were within the provided document.

Mr. Lindemann stated that Division 3 had gone out for bidding that day, and he anticipated six or seven constructors to bid on the project. He further stated that Division 3 was a typical project that was a substantial portion of the overall drain project, but he did not know the number yet.

Chairperson Morgan stated that, with the Red Cedar Development Project with Ferguson-Cass, part of the vision there was that it complemented the projects. He asked how it affected what the Drain Commissioner was doing, and if it caused inefficiencies.

Mr. Lindemann stated that it did not affect them at all as there was no competition. He further stated that, if the project did not take place, the drain project would cost more, and for example, they were required to put paths around the pond, but the development had agreed to pay for it.

Mr. Lindemann updated the Finance Committee on the Montgomery Drain project.

Chairperson Morgan asked that given the Red Cedar developers were paying 20 percent of the drain cost, who was paying the other 80 percent.
Mr. Lindemann stated that it was up to the City of Lansing, and that he did not know.

Roger Swets, Dickinson-Wright Bond Counsel, and Mr. Lindemann provided the Finance Committee with information related to Chapter 20 bonds.

Chairperson Morgan stated that the Red Cedar Development Project would contribute 20 percent toward the drain project. He asked if the municipalities would have to pay 100 percent if the development did not happen.

Mr. Lindemann stated no.

Chairperson Morgan asked what happens to that 20 percent.

Mr. Lindemann stated that the 20 percent was what the City of Lansing had already assessed. He further stated that if the city chose to assess that development, their percentage would be around 20 percent, but would have to see their final plans to determine run-off factors.

Mr. Lindemann stated that the City of Lansing had never charged personal properties for Chapter 20 drain assessment, so that was a first for them. He further stated that he thought it was not fair to only assess the developer and not Frandor Hills, as they would have some responsibilities to those who use to drain to pay for it.

Mr. Lindemann stated that the City of Lansing could easily assess 20 percent of the developer, as the developer had already agreed to pay that, but he would have to ask the Mayor to find out. He further stated that someone could file a lawsuit for unfairness.

Chairperson Morgan asked if there is no developer, the City of Lansing is going to have to figure out where to get that 20 percent.

Mr. Lindemann stated that they could also pay for the 20 percent through their sanitary sewer fund.

Chairperson Morgan asked if the development project happens, the Drain Commissioner's costs would go down, but if the development doesn't happen, the Drain Commissioner's costs would not go up.

Mr. Lindemann stated that there were things the developer had agreed to pay the City of Lansing, and as a pass-through, the city had agreed to pay for those things.

Mr. Lindemann further updated the Finance Committee on the Montgomery Drain project.

Chairperson Morgan asked if there was anything they thought was important at this stage.

Mr. Lindemann stated that he should look through the provided document.

Discussion.
Commissioner Grebner asked Mr. Lindemann when he thought work would be started.

Mr. Lindemann stated that it depended on the bidders because they determined when they mobilized their equipment. He further stated that they would give them a six-month window, and somewhere in that timeframe, the crew would mobilize their equipment.

Mr. Lindemann further updated the Finance Committee on the Montgomery Drain project.

Chairperson Morgan asked if the trees that were cut were related to what the Drain Commissioner was doing.

Mr. Lindemann stated yes. He further stated that some of the trees were on the developer's property, but it was cheaper to cut them down all at once.

Commissioner Grebner asked if the project would be completed in 2020 or 2021.

Mr. Lindemann stated that it would be completed in 2021.

Discussion.

Commissioner Grebner asked if there would be substantial work completed in 2020.

Mr. Lindemann stated yes.

Mr. Lindemann further updated the Finance Committee on the Montgomery Drain project.

Chairperson Morgan asked Mr. Lindemann to periodically email the Finance Committee to update the Commissioners as the bids were received.

Mr. Lindemann stated he would email Becky Bennett, Board of Commissioners Director.

Discussion.

Mr. Lindemann stated that every bid had to be approved by the Board of Commissioners. He further stated that the minutes would reflect he acceptance of that bid.

Mr. Lindemann stated that, in terms of this project having problems with it, he was pleased with how the project was moving forward.

Chairperson Morgan stated that he had not heard problems, but he wanted to see how the drain project was progressing, and he wanted to know the impacts to the drain project if the Red Cedar development does not go through. He further stated that it looks like the County would be out the subsidy from the developers but the overall drain project cost would not go up.
Mr. Lindemann stated that the developers had made an agreement with the City of Lansing to do certain things. He further stated that, if the developers paid for the maintenance path, it would be free money for the County, but if they did not go ahead with the development, the County would lose and the number would go up.

Mr. Lindemann stated that the $34 million figure assumed the developer was going to pay for certain things. He further stated that there were five or six things items that the developer agreed to pay and the County would have to pay if the development did not happen.

Chairperson Morgan stated so it would cost more. He further stated Mr. Lindemann stated earlier that it would not cost the City of Lansing more if the development does not happen, but it indeed would cost more if this development does not happen.

Mr. Lindemann stated that was correct. He further stated that the City of Lansing had the option to assess the properties at 10 percent, 20 percent, or 100 percent, whatever they wanted to. He further stated the City of Lansing was going to pay for it and how they came up with the money was up to them.

Chairperson Morgan stated so it would cost more without the development project.

Mr. Lindemann stated yes.

Commissioner Grebner asked if a couple percent of the project would be charged off as drain tax at-large.

Mr. Lindemann stated that not with the Chapter 20 bonds.

Mr. Swets provided the Finance Committee with information related to Chapter 20 bonds.

Commissioner Grebner asked if there was no assessment against the County because they were County roads.

Mr. Lindemann stated yes.

Discussion.

Commissioner Grebner stated that 4.55 percent of the project would be paid for by the County.

Mr. Lindemann stated that half would be paid for by the County and the other half would be paid for by the Ingham County Road Department general fund.

Discussion.

Commissioner Grebner stated that it was not quite true that the County was not on the hook for any funds, and it just so happened that they were lucky that Lansing Township does not have much roadway that was being benefited from this project.
Mr. Lindemann stated that he wanted to publicly thank the Michigan State Highway Department because they had a series of problems with US-127.

Mr. Lindemann further updated the Finance Committee on the Montgomery Drain project.

Discussion.

Commissioner Schafer asked Mr. Lindemann, when they published their advertisements, if they were only being published in Lansing City Pulse.

Mr. Lindemann stated no. He further stated that the advertisements were published on a website for contractors, but it made no sense to publish in fifteen newspapers when no one reads them, but they were required to publish in at least one newspaper, and Lansing City Pulse was the cheapest.

Mr. Lindemann further updated the Finance Committee on the Montgomery Drain project.

Commissioner Schafer stated that the bidders would ask for the Full Faith and Credit of the County for bond issues.

Mr. Lindemann stated that the Full Faith and Credit of the County was important because it allowed them to borrow money at a lesser interest rate. He further stated that it was always cheaper.

Mr. Swets provided the Finance Committee with information related to Full Faith and Credit.

Chairperson Morgan asked Mr. Lindemann when he anticipated bringing it forward.

Mr. Lindemann stated that he had to have a price first.

Chairperson Morgan asked Mr. Lindemann roughly when it would be brought forward.

Mr. Lindemann stated that he thought late-spring, including April, May, June or July.

Commissioner Schafer stated that this was an intriguing project. He further stated that he had a packet of information if any Commissioners wanted to read it.

Mr. Lindemann further updated the Finance Committee on the Montgomery Drain project.

Chairperson Morgan stated that the cover page of the provided document stated it was prepared in November 2018. He asked if that was when the cost estimates were most recently done.

Mr. Lindemann stated yes.

Commissioner Grebner stated that, when the resolution came before the Board of Commissioners, he hoped that included the language that they had discussed.

Discussion.
Commissioner Grebner stated that the resolution would assert to the Board of Commissioners to approve the Full Faith and Credit because the County was not on the hook for anything substantial.

Discussion.

Commissioner Grebner asked if the bonds would be tax-exempt.

Mr. Lindemann stated yes.

Discussion.

Commissioner Grebner asked if Division 2 included winter work.

Mr. Lindemann stated yes. He further stated that if there was frost on the ground, it would not stop a bulldozer from moving dirt, but if the ground was frozen, the ground moved easier than mud.

Discussion.

Chairperson Morgan asked if the hill that families used for sledding would be moved.

Mr. Lindemann stated that the hill was being taken out. He further stated that it would be moved 400 feet south.

Mr. Lindemann stated that the sun melted the snow on the current hill. He further stated that the new hill would be a third or two-thirds higher, and it would be built according to the standard of the U.S. standards on park sledding hills.

Mr. Lindemann stated that the hill would be converted into an open-air concert hall.

Mr. Lindemann further updated the Finance Committee on the Montgomery Drain project.

Paul C. Pratt, Deputy Drain Commissioner, stated that the other Deputy Drain Commissioner was in-charge of soil erosion. He further stated that there were dozens of best management practices related to soil erosion during construction projects.

Discussion.

Mr. Lindemann stated that 70 percent of all pollution in the U.S. was driven by soil erosion. He further stated that soil particulates were magnets to phosphorus, and transported it faster than if it was not attached to a soil participle.

Mr. Lindemann stated that, on construction sites, the national average was 65 tons per acre per year, while farming activity produced 2.5 to 3 tons per acre per year of soil movement off the land.

Discussion.
Chairperson Morgan thanked Mr. Lindemann for the update on the Montgomery Drain project.

Discussion.

Announcements

Chairperson Morgan stated that the next Finance Committee would meet on March 19, 2020 at 6:30 p.m. instead of March 18, 2020.

Public Comment

None.

Adjournment

The meeting was adjourned at 7:32 p.m.

BARB BYRUM, CLERK OF THE BOARD