FINANCE COMMITTEE  
May 20, 2020  
Minutes

Members Present: Morgan, Grebner, Crenshaw, Polsdorfer, Schafer, Tennis, and Maiville.

Members Absent: None.

Others Present: County Clerk Barb Byrum, Michael Townsend, Heidi Williams, Alan Fox, Scott Hendrickson, Elizabeth Noel, Michael Tanis, and others.

The meeting was called to order by Chairperson Morgan at 6:30 p.m. virtually via Zoom in accordance with the Governor’s Executive Order 2020-75 regarding the Open Meetings Act.

Approval of May 6, 2020 Minutes

MOVED BY COMM. CRENSHAW, SUPPORTED BY COMM. MAIVILLE, TO APPROVE THE MINUTES OF THE MAY 6, 2020 FINANCE COMMITTEE MEETING.

THE MOTION CARRIED UNANIMOUSLY.

Additions to the Agenda

Late –
9. Finance Committee — County Budget (Discussion)

Removed –
1. Drain Commissioner — Resolution Pledging Full Faith and Credit to Montgomery Drain Drainage District Bonds

2. Clerk’s Office
   b. Resolution to Promote Enrollment in Permanent Absent Voter Lists by Qualified Registered Voters of Ingham County

Substitute –
6. Health Department
   b. Resolution to Authorize Amendment #3 to the 2019-2020 Comprehensive Agreement with the Michigan Department of Health and Human Services

6. Health Department
   c. Resolution to Authorize Setting up an Account with AmerisourceBergen, Inc. on Behalf of Afaxys, Inc.
Limited Public Comment

None.

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

2. Clerk’s Office
   a. Resolution to Provide Support for Vital Election Operations through Purchase of Critical Infrastructure

3. Circuit Court – Resolution to Amend Contract for Graphic Sciences, Inc. for the Continued Storage and Retrieval of Circuit Court Files

4. Facilities Department
   a. Resolution Authorizing an Agreement with Guardian Alarm Company for the Building Alarm System at the 9-1-1 Center’s Backup Location
   b. Resolution Authorizing an Agreement with Vidcom Solutions for the Access Control System at the 9-1-1 Center’s Backup Location

5. 9-1-1 Dispatch Center – Resolution to Authorize the Ingham County 9-1-1 Central Dispatch Center to Port Telephone Lines/Numbers from AT&T to the Ingham County Cisco Telephone System

6. Health Department
   a. Resolution to Convert the Grant and Finance Specialist Position to Accountant
   b. Resolution to Authorize Amendment #3 to the 2019-2020 Comprehensive Agreement with the Michigan Department of Health and Human Services
   c. Resolution to Authorize Setting up an Account with AmerisourceBergen, Inc. on Behalf of Afaxys, Inc.
   d. Resolution to Accept Michigan Department of Health and Human Services (MDHHS) Funding for Diabetes Self-Management Education and Support (DSMES)
   e. Resolution to Extend an Agreement with Lumahealth
   f. Resolution to Authorize an Agreement with YMCA of Lansing

7. Road Department
   a. Resolution to Approve a 2020 Local Road Agreement with Meridian Township for the Ingham County Road Department
   b. Resolution to Approve an Agreement Between Ingham County and Wonsey Tree Service, Inc. for the Replacement of the Lake Drive Culvert and the Rejection of All Other Bids for Bid Packet #37-20

8. Controller/Administrator’s Office – Resolution Updating Various Fees for County Services
THE MOTION CARRIED UNANIMOUSLY.

THE MOTION TO APPROVE THE ITEMS ON THE CONSENT AGENDA CARRIED UNANIMOUSLY.

9. **Finance Committee – County Budget (Discussion)**

Commissioner Schafer stated that read the minutes from the May 19, 2020 County Services Committee meeting, and he had seen the inclusion of many different people, but it did not include the County Treasurer, which he thought could be quite significant because of bond ratings and so forth. He further stated that the Finance Committee should have a discussion concerning some of the potential cutbacks that the County needed to do.

Commissioner Schafer stated that, at the previous meeting, Commissioner Grebner had entertained the idea of how some of the trails millage could be used to fund the Parks Department. He further stated that he for one did not want to see the fund balance be brought down to zero, and so some discussion about the direction that the County needed to go would be important.

Commissioner Schafer stated that he had served with Commissioner Grebner for a long time, and he brought some interesting points that he had considered on some occasions.

Commissioner Crenshaw asked Michael Townsend, Budget Director, if the budget submissions had already been sent, or were in the process of being sent, to the Controller’s Office.

Mr. Townsend stated that he was correct. He further stated that the budget calendar called for the budget submissions to be sent out on May 6, 2020 and were due back from departments on May 22, 2020.

Mr. Townsend stated that the Controller’s Office had received some of the budget submissions already, but there were more to come.

Commissioner Crenshaw asked if there was a request for a 10 percent cut per department.

Mr. Townsend stated that the Budget Office had told departments of the financial situation and asked for a 10 percent submission of a reduction, but not necessarily a 10 percent cut in their budget. He further stated that his office asked for scenarios where departments would look at their process to see if there were any discretionary programs that could be delayed or put off in 2021.

Commissioner Crenshaw asked, knowing that the budget submissions were due on May 22, 2020, and the Budget Office and Controller’s Office would have a chance to go through the scenarios, if this discussion would be more apt at the next Finance Committee meeting.

Mr. Townsend stated that, at this point in time, they would be getting the input from departments according to the schedule, and going through budget reviews as was done every year. He further stated that for the next month or so, they would go through the department’s budget submissions.
Mr. Townsend stated that, in a lot of cases, the projections did not take into consideration the reduction of revenue that might come. He further stated that, in the next 20 days before the budget hearings, his office would be looking at those and costing them out, and if there were problems, those would be addressed at the budget hearings.

Commissioner Crenshaw thanked Mr. Townsend for his answers.

Commissioner Grebner stated that he always talked preparing for unexpected events, but of all the unexpected events he had ever imagined, he did not expect one like this. He further stated that it seemed to him that the County was now making decisions about hundred times as fast for ten times as much money.

Commissioner Grebner stated that if you were looking for a metaphor, the idea that Commissioner Schafer mentioned of keeping an adequate fund balance, it was like suggesting to a pilot who had lost two engines to maintain adequate altitude. He further stated that the goal of the pilot was not to crash the plane and kill everyone, which was pretty much where the County was.

Commissioner Grebner stated that this was pretty horrible and the County did not know where it would go next. He further stated that he expected no revenue sharing from the State of Michigan, and the County, for example, could find itself with an unoccupied wing of the Human Services Building (HSB) because the State of Michigan was short of money.

Commissioner Grebner stated that, on the revenue side of things, it seemed to him that the County happened to find itself well-positioned because the County’s finances were so archaic, as they did not have sales or incomes taxes. He further stated that because the County’s revenues were based so much off of property taxes, and property taxes were so slow to change, compared to other units of government in the United States, the County was pretty well off.

Commissioner Grebner stated that the County had such an adequate fund balance, it would be nice like Commissioner Schafer said to not spending at all, but it would also be good not to experience a catastrophe. He further stated that he assumed that the County was plunging with both hands into this quasi-furlough that had been proposed.

Commissioner Grebner stated that the federal government had somehow created an option for the County to lay-off employees for one day per week, which would treat employees as unemployed and qualify them for full unemployment benefits without affecting the County’s unemployment experience ratings. He further stated that, in the case of collective bargaining agreements, the County would have to reach an agreement.

Commissioner Grebner stated that, for many employees, it seemed like a delightful agreement. He further stated that he understood that this program was available until July 31st, and so if the County planned to be in a catastrophe, the County ought to be taking advantage of this program to salvage some money.
Commissioner Grebner stated that it was possible that the federal government will provide cash to counties, cities, and townships. He further stated that it was the unknown that made this 100 times larger than their usual unknowns.

Commissioner Grebner stated that the County normally had a budget that consisted of minimal changes to the overall picture. He further stated that, in this case, it involved a hundred or two hundred positions and not knowing the County’s financial status. Commissioner Polsdofer asked Mr. Townsend, in addition to the request for a 10 percent cut, to have Department Heads provide rankings of the items that they were identifying for cuts, and give the Board of Commissioners a ranking of importance to coalesce from different departments.

Commissioner Polsdofer asked if all discretionary out-of-state travel had been suspended.

Mr. Townsend stated that all discretionary out-of-state travel had been suspended. He further stated that the Department Heads were instructed to respond in terms of scenarios, and as the Budget Office cost them out, his office would have all of that information.

Mr. Townsend stated that, as Commissioner Grebner mentioned, the County was still in a quandary because one thing that benefited the County was that they started the budget process so early. He further stated that it was unique, as other entities he had previously worked for did not spread the budget calendar out so far, which worked to the County’s advantage.

Mr. Townsend stated that the longer the County waited, the more information they would know. He further stated that his office was putting together the temporary numbers, and the requests being brought in would be looked at and further evaluated if needed.

Mr. Townsend stated that the Department Heads were submitting their requests and he knew that his office would be receiving more than one from each department. He further stated that his office did not ask the Department Heads to rank, but he knew that some of the departments would give his office some options, which had been done in the past.

Commissioner Polsdofer asked to be provided a breakdown for what the Department Heads were requesting for transfers from different lines within a department’s budget, so the Commissioners could have oversight of where funds might be shifting around, and to look into the future as the County balanced their funds and found inefficiencies.

Mr. Townsend stated that, from an expense standpoint, his office had asked for a carryover budget where departments could still move things amongst their line items, but his office had asked that those remain stable. He further stated that his office had asked departments to provide scenarios on a separate sheet, so that his office could evaluate those scenarios.

Mr. Townsend stated that his office had asked departments to maintain their current budget, which his office rolled over from the 2020 fiscal year, but if the departments needed to move things around, they could still do so within their budget. He further stated that departments submit a report along with their budgets that detail the movement of line items.
Commissioner Polsdofer stated that Mr. Townsend’s answer focused on the following fiscal year, but he had hoped that his request could be wrapped up in what the County was dealing with now and needing to adjust for the current fiscal year. He further stated that if the County could get the Department Heads to address that moving forward today to get a picture of the movement of funds.

Commissioner Polsdofer asked if the County would find potential, sizable savings if the County was to shut down for the entire week around July 4th and Labor Day. Mr. Townsend stated that his office had done a forecast of where the County would be at this point in time, and based on the proposals of 2019, the County did not use as much of the fund balance as they had projected. He further stated that his office anticipated the 2020 budget being pretty much taken care of by those additional funds.

Mr. Townsend stated that, as far as major expenses, his office was keeping separate track of things related to COVID-19, and there were funds supposedly available for that. He further stated that, as far as employees were concerned, his office was looking at using the fund balance to take care of the vacation time buyout and so forth.

Mr. Townsend stated that, as Commissioner Grebner mentioned, the Controller’s Office was gathering information to participate in the State of Michigan’s work-share program, which would be a tremendous savings for the County. He further stated that, at this point in time, the County was prepared for this occurrence in terms of the fund balance and budget stabilization.

Discussion.

Chairperson Morgan stated that, to continue Commissioner Maiville’s statement before his Zoom connection was lost, the concern of some of the Commissioners was that the County’s 2021 fiscal year was taken care of, but the more the County tightened their belts now, the fewer pounds lost the next year. He further stated that questions around the 2020 fiscal year were valid, and if the County did not make cuts and take extreme caution, including hiring freezes, the more they would have to slash and burn in the next fiscal year.

Mr. Townsend stated that he did not mean that his office would be using those funds from before to cover current expenses. He further stated that as far as current expenses, many of them were on the books, and in the projections, would still be coming in unless something changed at the state level.

Mr. Townsend stated that those budgets were already approved and the County would be receiving the State of Michigan revenue sharing this year. He further stated that what would be tremendously affected was the 2021 fiscal year, but through October, the revenue sharing should be solid and be coming in.

Mr. Townsend stated that there had not been an order for all discretionary spending to stop, but with the cease of work, a lot of the expenses that would be done by now were not being incurred. He further stated that it was not business as usual right now, and his office had started to cut back in terms of spending in the 2020 budget that were approved, and were not being done because either the service was not available or they were not in the office to make it happen.
Commissioner Grebner stated that there was a sense of looking at expenses to see if the County was wasting money somewhere, but because the County had already done that before, there was little chance of finding any more money. He further stated that the Commissioners needed to remember that 80 percent of the County’s workforce was represented, and so they could not just cut their hours or announce that the County would be closed for a period of time as a result of collective bargaining agreements. Commissioner Grebner stated that, for the small number of employees who were not represented, many were providing services that would not want to be cut. He further stated that, for example, the County could not get rid of the management or nursing staff at the jail.

Commissioner Grebner stated that what made the work-share program interesting was that it would be possible to get the bargaining units to sign a Memorandum of Understanding because the substitute would be, for example, $1.10 for $1.00. He further stated that the employees would be better off and the County would save money if this was done.

Commissioner Grebner stated that he did not think the normal mindset to address the County’s fiscal concerns would be appropriate. He further stated that this was a difficult time for managers to manage because they were being told to manage a situation that had never before occurred.

Commissioner Grebner stated that if there was an instruction from the Finance Committee to the administration, it should be what short-term measures should be taken to respond to the current epidemic in light of the changed workload. He further stated that he did not know what steps ought to be taken, but he did know this was a time that would reward quick decision-making, innovation, and imagination.

Commissioner Tennis stated that the State of Michigan entered into an agreement with their employees and the federal government that allowed, as Commissioner Grebner had mentioned, for employees to take a day off a week, and so the state was saving their payroll dollars to the tune of about $80,000,000. He further stated that the employees were being made whole by unemployment benefits.

Commissioner Tennis stated that he wondered how soon the County could do something like that. He further stated that he wondered if that program was open to counties.

Commissioner Maiville stated that he was in the private sector, and his employer did something similar where he had received time off in April, May, and June. He further stated that he received unemployment benefits and the additional $600 payment.

Commissioner Maiville stated that, per Congresswoman Elissa Slotkin’s email, Congress was trying to extend that until the end of the year. He further stated that the County had already done a good job of covering employees, but they needed to look at doing something else.

Commissioner Maiville asked if the County was under a hiring freeze except on the most critical positions.
Mr. Townsend stated that he was correct. He further stated that the County had not yet come out publicly, but the County was only looking for critical positions.

Mr. Townsend stated that the furlough process through the State of Michigan was available to the County, and the County was in the process of doing that. He further stated that he believed the deadline to respond was tonight, and so the Controller’s Office was working hard to coordinate with Department Heads to see if everyone would participate.

Mr. Townsend stated that it was communicated to everyone yesterday, so the Controller’s Office was working hard to get that together. He further stated that this was something that his office was very excited about, and from a County standpoint in terms of dollar amounts, it would be the most effective way to save money.

Mr. Townsend stated that most of the County’s dollars were tied up in salaries, so that was most of the expenses. He further stated that the other line items were not flowing at their normal pace anyway, so expenses outside of that were not being spent.

Mr. Townsend stated that the program was great news for the County and the Controller’s Office was moving expeditiously to move that process forward. He further stated that it would be effective June 1, 2020 through July 31, 2020, and while it may be a small amount of time, there would be tremendous savings of millions of dollars.

Commissioner Maiville asked, speaking to the line items, in monitoring those, if the County would be making sure that no one was playing a shell game where they see some savings and move the line item to another line to fund a pet project.

Mr. Townsend stated that his office’s process was to monitor those budgets monthly to look at if there was anything outstanding, and the last review did not show anything out of line. He further stated that Department Heads had traditionally done this, and if the Commissioners remembered, in 2017 and 2018, a lot of the departments did not fill positions, even though there was not a hiring freeze.

Commissioner Schafer stated that he did not say they should use the fund balance for stabilization, but rather that they needed to be prudent in how they did that because it was important for their bond rating. He further stated that the Commissioners were talking about the current 2020 fiscal year, and he thought this had been a great discussion.

Commissioner Schafer stated that the City of Lansing had gone through some turmoil yesterday as they had to make dramatic cuts for 2020, and so he thought it was important to keep asking those questions. He further stated that, as Commissioner Grebner mentioned, as the County went into 2021, perhaps some of the trail millage could be used to offset Parks Department expenses.

Commissioner Schafer stated that, at the airport, there was an increase in the interim Director’s salary. He further stated that he thought that was a mistake at this time to have salary increases and other expenses.
Commissioner Crenshaw stated that he was made aware of the work-share program several weeks ago in a webinar with Jeff Donofrio, Department of Labor and Economic Opportunity Director, and he mentioned it to Jared Cypher, interim County Controller, and said that the County should look into this. He further stated that Mr. Cypher had met with Sue Graham, Human Resources Director, on Friday, which was later than he had anticipated.

Commissioner Crenshaw stated that, nevertheless, there was a minimum, which he believed was 10 percent of the workforce or payroll to be eligible, and the maximum was 60 percent. He further stated that it was an aggressive timeline, and so Department Heads had until 5:00 p.m. today to respond as to what their plans were.

Commissioner Crenshaw stated that he hoped that he would receive a report from the Controller’s Office tomorrow in terms of where the County was and how to proceed. He further stated that, if the County did participate, there would be a late item at the upcoming Board of Commissioners meeting on Tuesday.

Commissioner Crenshaw stated that he wished this could have been done sooner, but unfortunately it was not.

Announcements

None.

Public Comment

County Clerk Barb Byrum stated that it was great that the Commissioners were finally talking about the budget for 2020, in addition to the budget of 2021. She further stated that she applauded and thanked all of the Commissioners for bringing this up.

Clerk Byrum stated that just because there was money in the reserve and just because they had budgeted the money did not mean the County should spend it all. She further stated that she strongly believed that direction needed to be given to their employees in regards to not just anticipating that Department Heads and Elected Officials would not spend or hire.

Clerk Byrum stated that she had not been told not to hire, or that she should reevaluate all of the positions that had been posted. She further stated that for the County Clerk’s Office, she did not have any positions posted, but for the Circuit Court Clerk’s Office, there were positions posted and those were frontline workers that dealt with the public.

Clerk Byrum stated that perhaps some of those good positions should not be filled, so to the best of her knowledge, that message had not been forwarded onto Department Heads or Elected Officials. She further stated that, in terms of freezing line-item budgets, including out-of-state travel, those should be frozen and not let Department Heads and Elected Officials move that money.
Clerk Byrum stated that, if Department Heads and Elected Officials did move that money, there should be conversation, and the direction that had been given thus far had not been a fiscally-conservative direction. She further stated that that concerned her, and she was thrilled that the Commissioners were talking about 2020, in addition to 2021.

Clerk Byrum stated that it was talked about earlier that the County was looking for quarters in the couch, which she agreed with that statement, and those quarters were used for employee expenses and some of those budgeted items. She further stated that Department Heads and Elected Officials should receive an email that included a directive that told them not to spend and to conserve, and thought that conserving money in 2020 was a prudent move.

Clerk Byrum thanked the Commissioners for bringing this issue up and asking these questions.

**Adjournment**

The meeting was adjourned at 7:13 p.m.

[Signature]

BARB BYRUM, CLERK OF THE BOARD