

**MINUTES OF THE
FINANCE COMMITTEE**

WEDNESDAY, DECEMBER 17, 2014

At a meeting of the **Finance Committee**, held Wednesday, December 17, 2014, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Miller-Chair, Mocerri-Vice-Chair, Boyle, Brown, Carabelli, Flynn, Klinefelt,
Mijac, Sabatini, Sauger, Smith, Tocco and Vosburg.

There being a quorum of the committee present, Chair Miller called the meeting to order at 9:02 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

Chair Miller noted that there were several additions to the agenda, and he was also requesting the addition of a resolution of intent regarding the Intermediate Trust Fund.

MOTION

A motion was made by Vosburg, supported by Tocco, to adopt the agenda, as amended. **The Motion Carried.**

CHAIRMAN'S COMMENTS

Chair Miller thanked commissioners for the work that has been done in this committee during the past two years.

MINUTES

MOTION

A motion was made by Sauger, supported by Tocco, to approve the October 9 and 15, 2014, minutes of this committee, as written. **The Motion Carried.**

**RECOMMENDATIONS FROM 12-15-14 HEALTH AND HUMAN SERVICES
COMMITTEE MEETING**

**Contract with Arab Community Center for Economic and Social
Services (ACCESS)/Health**

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Flynn, supported by Smith, to recommend that the Board of Commissioners approve awarding of a contract to the Arab Community Center for

Economic and Social Services (ACCESS) for the provision of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) for the period January 1, 2015 through September 30, 2015; payments to ACCESS for services rendered will not exceed \$180,000 for the term of this agreement; all funding for this agreement is provided by the Michigan Department of Community Health; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive. **THE MOTION CARRIED.**

Budget Amendment-Family Planning Program/Health

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Tocco, supported by Flynn, to recommend that the Board of Commissioners approve an increase in budgeted revenues and expenses in the Family Planning Program by \$209,703 to account for an increase in allocation from the Michigan Department of Community Health; further, this budget action addresses budgetary issues only. It does not constitute the Commission's approval of any County contract. If a contract requires Commission approval under the County's Contracting Policy or the County's Procurement Ordinance, such approval must be sought separately; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

The following commissioners spoke: Vosburg and Brown.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

Animal Control Services Agreements/Animal Shelter

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Tocco, supported by Smith, to recommend that the Board of Commissioners approve annual service agreements for animal control services provided by Macomb County Animal Control for the contract life beginning on January 1, 2015 through December 31, 2015 for the following cities: Eastpointe, Mt. Clemens, Roseville, Sterling Heights and Warren; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive. **THE MOTION CARRIED.**

**Budget Amendment/Fiscal Grant Funds-Early Head Start Services/
Community Services Agency**

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Brown, supported by Sauger, to recommend that the Board of Commissioners approve an increase of \$2,870,950 in Community Services Agency revenue and expense in the Fiscal Grant Fund to expand Early Head Start services; further, this budget action addresses budgetary issues only. It does not constitute the Commission's approval of any County contract. If a contract requires Commission

approval under the County's Contracting Policy or the County's Procurement Ordinance, such approval must be sought separately; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive. **THE MOTION CARRIED.**

RECOMMENDATION FROM 12-16-14 INFRASTRUCTURE COMMITTEE MEETING

Cost Share Agreement-Sterling Heights-Mound Road/Department of Roads

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Flynn, supported by Smith, to recommend that the Board of Commissioners approve the cost share agreement between the Macomb County Department of Roads and the City of Sterling Heights for concrete pavement repairs on Mound Road from 18 Mile Road to Hall Road, with a 50/50 share of the estimated construction cost of \$2,918,225; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive. **THE MOTION CARRIED.**

ITEM WAIVED BY INFRASTRUCTURE COMMITTEE CHAIR

Indemnity Agreement and Partial Release from Traveler's Insurance Co. for Final Settlement on County Building Fire Incident Claim/Emergency Management

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Carabelli, supported by Vosburg, to recommend that the Board of Commissioners approve the Indemnity Agreement and Partial Release from Traveler's Insurance Company for the final settlement of the claim from the County Building fire incident; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive. **THE MOTION CARRIED.**

ADOPT RESOLUTION OF INTENT TO ENSURE THAT ALL COUNTY DEPTS. AND FUNDS CONTRIBUTE THEIR PORTION OF THE GENERAL FUND AND DELINQUENT TAX REVOLVING FUND CONTRIBUTIONS TO THE INTERMEDIATE TRUST FUND (OFFERED BY VOSBURG)

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Vosburg, supported by Brown, to recommend that the Board of Commissioners adopt a resolution of intent to ensure that all County departments and funds contribute their portion of the General Fund and Delinquent Tax Revolving Fund contributions to the Intermediate Trust Fund.

The following commissioners spoke: Vosburg, Flynn, Carabelli and Brown.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

ITEM WAIVED BY JUSTICE AND PUBLIC SAFETY COMMITTEE CHAIR

Amendment to Washington Township Police Services Contract/Sheriff

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Brown, supported by Vosburg, to recommend that the Board of Commissioners concur with the Sheriff's request to amend the Washington Township Police Services Contract for 2015; the total amount to be covered by Washington Township in the amount of \$1,999,410; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive. **THE MOTION CARRIED.**

2015 FIVE-YEAR CAPITAL IMPROVEMENT PLAN

A revised plan was attached to the final agenda. Chair Miller stated that the amendments discussed at the last Finance Committee meeting have been included.

MOTION

A motion was made by Flynn, supported by Carabelli, to receive and file the 2015 Five-year Capital Improvement Plan.

The following commissioner spoke: Flynn.

Chair Miller called for a vote on the motion and **The Motion Carried.**

2014 EQUALIZATION STUDY

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Carabelli, supported by Sauger, to recommend that the Board of Commissioners approve the 2014 Equalization Study as submitted by the Equalization Department; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

The following commissioners spoke: Carabelli and Brown.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

REPORT ON AFFORDABLE CARE ACT

John Anderson, Risk and Insurance Manager, summarized his December 17, 2014 correspondence regarding the Patient Protection and Affordable Care Act taxes and fees for Macomb County.

The following commissioners spoke: Klinefelt, Smith, Carabelli, Sabatini, Brown and Miller.

MOTION

A motion was made by Carabelli, supported by Tocco, to receive and file the report provided on the Affordable Care Act. **The Motion Carried.**

**2015 BLUE CROSS/BLUE SHIELD ADMINISTRATIVE & STOP/LOSS FEES/
FINANCE**

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Klinefelt, supported by Sauger, to recommend that the Board of Commissioners approve the 2015 Blue Cross/Blue Shield Administrative and Stop/Loss Fees; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

The following commissioner spoke: Miller.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

2015 Blue Cross/Blue Shield Medicare Advantage Renewal/Finance

John Anderson stated that he was able to negotiate a one-time implementation credit for 2015; the 5.2 percent increase will now be a 2.9 percent increase, which will amend the figure of \$372.07 to \$361.89 pmpm.

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Vosburg, supported by Brown, to recommend that the Board of Commissioners approve the Blue Cross/Blue Shield Medicare Advantage renewal for the period 1-1-15 through 12-31-15, with revised cost of \$361.89 pmpm; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

The following commissioners spoke: Vosburg, Sauger and Brown.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

2015 BLUE CARE NETWORK HMO RENEWALS/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Brown, supported by Sauger, to recommend that the Board of Commissioners approve the 2015 Blue Care Network HMO renewals; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

John Anderson noted a zero increase in the premium. He said he was able to keep the cost of HMO products within legislative caps for the third year and it offers an option for employees to get health care without a monthly premium.

The following commissioner spoke: Mijac.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

2015 HEALTH ALLIANCE PLAN (HAP) HMO RENEWAL/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Sauger, supported by Mijac, to recommend that the Board of Commissioners approve the 2015 Health Alliance Plan (HAP) HMO renewals; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive. **THE MOTION CARRIED.**

2015 BASIC FLEXIBLE SPENDING ACCOUNT CONTRACT/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Mijac, supported by Smith, to recommend that the Board of Commissioners approve the BASIC Flexible Spending Account contract for the period 1-1-15 through 12-31-15; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

John Anderson gave an overview of the bid process.

The following commissioners asked questions of Mr. Anderson and Karen Bathanti, a Service Director from Human Resources: Mocerri, Smith, Brown and Miller.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

DELTA DENTAL ADMINISTRATIVE CONTRACT (1-1-15 THRU 12-31-17)/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Flynn, supported by Carabelli, to recommend that the Board of Commissioners approve the Delta Dental Administrative Contract for the period 1-1-15 through 12-31-17; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

John Anderson stated that the quote is lower than last year's and is a three year guarantee. He said the renewal is highly recommended by the Human Resources Department.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

GOLDEN DENTAL PLANS CONTRACT (1-1-15 THRU 12-31-17)/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Mijac, supported by Flynn, to recommend that the Board of Commissioners approve the Golden Dental plans for the period 1-1-15 through 12-31-17; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

John Anderson said this is a less expensive alternative for the County and provides for potentially less expensive, out-of-pocket fees for employees. He said it is highly endorsed by the unions.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

SVS VISION CONTRACT (1-1-15 THRU 12-31-17)/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Vosburg, supported by Sauger, to recommend that the Board of Commissioners approve a three year contract with SVS Vision for the period from 1-1-15 through 12-31-17; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

John Anderson stated that this is an expanded renewal of the SVS Vision contract. For 2015, all employees who currently have the Blue Cross Blue Shield PPO product will now have SVS as their vision provider, as well as those who take the insurance bonus.

The following commissioner spoke: Vosburg.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED.**

**ADOPT PROCLAMATION COMMENDING THE DE LA SALLE COLLEGIATE
HIGH SCHOOL FOOTBALL TEAM ON WINNING THE DIVISION 2 STATE TITLE
(OFFERED BY SABATINI)**

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Sabatini, supported by Carabelli, to recommend that the Board of Commissioners adopt a proclamation commending the De La Salle Collegiate High School football team on winning the Division 2 state title. **THE MOTION CARRIED.**

CORRESPONDENCE

MOTION

A motion was made by Mijac, supported by Vosburg, to receive and file the information provided as follows:

Letter from Department of Health and Human Services – Office of
Inspector General;

12-12-14 Correspondence from County Executive Re: Retiree Health
Care Bond Issue and

12-12-14 Correspondence from Board Chair Responding to County
Executive Memo Re: Retiree Health Care Bond Issue.

The following commissioners spoke: Flynn and Sabatini.

Chair Miller called for a vote on the motion and **The Motion Carried.**

SUBMISSION OF COMPREHENSIVE FINANCIAL PLAN TO STATE OF MICHIGAN/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Brown, supported by Flynn, to recommend that the Board of Commissioners approve the County to submit a Comprehensive Financial Plan to the State of Michigan for the purpose of obtaining approval to issue taxable general obligation bonds to finance the County's unfunded retiree health care liability; further, a copy of this Board of Commissioners' action is directed to be delivered forthwith to the Office of the County Executive.

Steve Smigiel summarized the plan and its intent.

The following commissioner spoke: Flynn.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED WITH
SABATINI VOTING "NO."**

OPEB BOND AUTHORIZATION/FINANCE

COMMITTEE RECOMMENDATION – MOTION

A motion was made by Mijac, supported by Brown, to recommend that the Board of Commissioners adopt a resolution to approve the County to issue up to \$300 million in taxable general obligation bonds to fund its unfunded retiree health care liability for employees other than those employed at the Department of Roads, who are covered by a separate plan.

Steve Smigiel, Interim Finance Director, and John Axe, Bond Counsel, provided a brief overview.

The following commissioners spoke: Flynn and Vosburg.

Chair Miller called for a vote on the motion and **THE MOTION CARRIED WITH
SABATINI VOTING "NO."**

ADJOURNMENT

MOTION

A motion was made by Boyle, supported by Sabatini, to adjourn the meeting at 10:33 a.m. **The Motion Carried.**



Corinne Bedard
Committee Reporter