

MINUTES

KALAMAZOO COUNTY BOARD OF COMMISSIONERS COMMITTEE OF THE WHOLE

June 16, 2009

PLACE: Room 207A, County Administration Building

TIME: 4:00 p.m. – 6:10 p.m.

MEMBERS PRESENT: Commissioners Carolyn Alford, Nasim Ansari, Jeff Balkema, Robert Barnard, Deb Buchholtz, Dave Buskirk, Jeff Heppler, Brian Johnson, Dave Maturen, Ann Nieuwenhuis, Mike Quinn, John Taylor, Frank Thompson, John Zull

MEMBERS ABSENT: Commissioner Grady Biby, John Nieuwenhuis, Jack Urban

OTHERS PRESENT: Peter Battani, John Faul, Thom Canny, Dina Sutton, Tina Becker, Tracie Moored, Lisa Bradshaw, Jimyo Ferworn, Dave Artley, Lotta Jarnefelt, Mary Balkema, Lisa Thompson, Dave Rachowicz, Linda Buzas, Jo Woods, Mike Rodriquez, Sheriff Rick Fuller, Bonnie Dykehouse, Mark Meulman, Deb Lenz, Tammy Lahman

Chairperson Buskirk convened the Committee of the Whole at 4:00 p.m.

1. Review of Transfers and Disbursements State Budget

Finance Director Tracie Moored stated that claims for June 16, 2009 totaled \$2,251,451.85.

2. 2008 Year End

Ms. Tracie Moored reviewed her memo in the packet. She presented the 2008 year-end results of an operating surplus of \$3,493,799. She stated revenues of \$94,039,960 and expenditures of \$90,546,161 were realized. She stated an operational fund balance of \$26,811,733 had resulted. She stated It is important to note that these figures reflect all seven operating funds: General, Law Enforcement, Information Systems, Parks, Friend of the Court, Health and Child Care. Ms. Moored stated that the General Fund, itself, resulted in an operating surplus of \$3,582,245. She stated actual revenues were \$65,128,800, while actual expenditures were \$61,546,555. She stated this resulted in the General Fund ending fund balance of \$24,965,707. She stated while recognizing allocated fund balances, the unrestricted fund balance was \$18,860,326.

Vice Chair Buchholtz asked for clarification about the General Fund carry over. Ms. Moored stated that carry over is a budgeted revenue offset; it was the budget piece of the cash.

Discussion ensued.

3. Five Month Financial Report

Ms. Tracie Moored reviewed her memo in the packet and presented a 2009 five-month budgetary review of all operating funds. She stated at this time, projections indicated that an overall operating deficit of \$1.8 Million could result. She stated the General Fund itself projected a \$1.4 Million shortfall, while the Law Enforcement Fund projected approximately a \$400,000 negative variance. A detailed discussion ensued regarding each item affecting budgetary impacts.

Ms. Moored stated since the magnitude of these numbers had just been assembled, Administration with Department Heads would designate adequate time to discuss and review multiple options to alleviate the projected deficit. She stated recommendations would be presented at the July 07 Committee of the Whole meeting. She stated that this year would require continual monitoring and diligence to meet budget expectations. She also stated going forward, she would be distributing monthly projection worksheets to Department Heads.

Discussion ensued.

4. Economic Development Fund Projects

Ms. Lotta Jarnefelt requested Board consideration for two recommendations from the Economic Development Funding Program. She stated a request for decision would be on the July 7 Board of Commissioners Agenda. She gave a brief background on the Downtown Kalamazoo Inc. (DKI) and The City of Portage projects that started in July/August 2008. She stated these two requests were caught up in the decision to rework Development Fund from a grant or loan into a revolving loan fund in order to make the EDFP more sustainable. She stated after much discussion, it made good sense to process the requests through the existing Economic Development Funding Guidelines.

Mr. Dave Artley introduced Mr. Michael Marshburn, PCL Curtis, LLC & Mr. Christopher Forth, Deputy Director of Planning and Development Services. He stated they would be presenting the City of Portage project.

Mr. Forth reviewed the handouts in the packet. He requested Board consideration from the City of Portage for \$40,000 funding from the Economic Development Funding Program related to the infrastructure needs. He stated that the City of Portage had invested over \$1 million dollars in public infrastructure to improve traffic flow, the site and safety. He stated the total cost of this specific project was \$250,000 and the County's contribution was 16%. He stated the first phase of this site was complete. He stated the relocation and covering of the Portage Village Creek/Drain would be a part of the second Phase.

Commissioner Ansari had concerns when the project was expected to be completed. Mr. Marshburn stated the enclosure of the drain was expected to be completed within a few months. He also stated the entire project was subject to economic marketing, etc.

Commissioner Johnson had concerns about using local vendors. Mr. Marshburn stated they had received bids from local contractors.

Vice Chair Buchholtz had concerns about alternative funding for this kind of project.

Discussion ensued.

Corporate Counsel had concerns who was the owner of this construction project.

Commissioner Balkema had concerns with this project already being bid. He stated he had concerns with \$40,000 of public money going to a private project.

Discussion ensued.

Chair Buskirk had concerns that if this process continued, it would then need to become a public bid.

Discussion ensued.

Mr. Artley introduced Mr. Steve Deisler, Vice President, Downtown Planning & Development, DKI and Mr. James Dally, President/Managing partner, PLCurtis, LLC. He stated they would be presenting the DKI project.

Mr. Deisler requested the Board consider a request from the DKI for \$100,000 funding of the development for housing and commercial use of four downtown buildings. He stated the total cost of this project would be \$10,046,000 with the County's contribution being 1.00%. He stated The City of Kalamazoo through its BRA/EDA had committed to the infrastructure development of these four buildings. He stated this project had the commitment already of many in the community which included The City of Kalamazoo, Michigan State Housing Development Authority, Michigan Economic Development Corporation and the Kalamazoo Community Foundation. He stated the developer was MAVCON Properties, a local firm with a great track record.

Mr. James Daly reviewed the handouts in the packet. He stated the wins of this project were multiple. He stated some of the key points were: once the project was completed it would provide four new commercial locations on the ground floor and an additional 20 downtown housing units with four of them at workforce housing rates, the Transitional rehabilitation and redevelopment of the four buildings would generate 40,000 man hours of employment at \$32/hour.

Commissioner Johnson stated this is something the government should be part of.

Commissioner Johnson stated he supported the request. He stated the quality of downtown had a impact on the entire community.

Chair Buskirk commented on supporting local construction firms; he stated it is important to pay attention to those local contractors.

Corporate Counsel Thom Canny questioned if DKI would be the applicant for the grant. Mr. Deisler stated yes. Mr. Deisler stated MAVCON would be purchasing the property; DKI will receive the grant and the grant fund would be used for renovating the buildings.

Vice Chair stated this was high priority for the downtown area and the community. She stated that this is a project where the county can make a difference and The County's participation would make a difference. She stated this is a project that makes a lot of sense for the Board to support as a community project.

5. 2008 Parks Annual Report

Mr. Dave Rachowicz reviewed the 2008 Parks Annual Report handout. The key points he reviewed were the Major Accomplishments, the Kalamazoo County Park Highlights, Challenges, Park Events, the Park and Recreation Operating Budget, and the Parks Goals and Priorities. He briefly reviewed the Capital Improvement Schedule table in the handout packet.

Some discussion ensued.

6. 2009 Parks Marketing Report

Mr. Rachowicz reviewed his handout on the 2009 Sales/Marketing Goals that emphasized the 2009 Sales/Marketing Goals and the Major Marketing Accomplishments in 2008.

Discussion ensued.

Commission Barnard had concerns if the County was on track for expanding and adding to the Expo Center. Mr. Rachowicz stated yes they were on track.

Commissioner Ann Nieuwenhuis complimented Mr. Rachowicz on his reports and on what he's brought to the department itself.

7. Downtown Arena Project Update

Chair Buskirk gave a brief update on the Downtown Arena project. He stated they are trying to establish guidelines the County needs within the work group that is still being put together. He stated there is still a lot of questions that need to be answered. He stated it is on track and moving ahead.

8. Any other items

Chair Buskirk requested if any Commissioner had a consent agenda item that they would like pulled for discussion to let Administration know before the end of the Committee of the Whole. He stated it would still be left open out on the floor because the public needs to have that opportunity also.

Chair Buskirk stated the coffee fund is in need of more money. He stated this fund covers Commissioners dinners, coffee and flowers.

Commissioner Alford had concerns who determined what this money was being allocated for and felt a better handle needed to be put on the costs.

Chair Buskirk stated Administration generally would make the recommendation and either he or Vice Chair Buchholtz would approve it.

Discussion ensued.

A few Commissioners had concerns the money for the coffee fund should not be absorbed by the Commissioners since they didn't drink that much coffee. They felt it should come out of the General Fund.

Ms. Tracie Moored stated approximately \$80/month comes from other employees for this fund also.

Ms. Tammy Lahman stated in HCS they had 2 coffee inventory funds, one for employee use and the other for Public Meeting purposes that of which comes out of the Operating Budget Fund.

Several Commissioners felt it was their obligation to the various Advisory Boards/Councils that volunteer their time and work on the Boards behalf to support the coffee fund.

Ms. Dina Sutton stated the coffee fund had hit a deficit with the food costs being more than what is being charged. She stated she would prepare a breakdown of the last 12 months and provide an average of what was spent.

9. Executive Session

Commissioner Alford moved and it was duly seconded that the Board of Commissioners functioning as a Committee of the Whole, go into closed session pursuant to Section 8 (c) of the Open Meetings Act for the purpose of discussing issues related to the County's labor negotiations.

The roll call vote was as follows:

Ayes:	All members present
Nays:	None
Abstains:	None
Absent:	Commissioners Grady Biby, John Nieuwenhuis and Jack Urban

The motion carried and the Board moved into executive session at 5:52 p.m. and returned to regular session at 6:10 p.m.

8. Adjournment

There being no further business to come before the Board, Chair Buskirk adjourned the meeting at 6:10 p.m.

David Buskirk, Chair
Kalamazoo County Board of Commissioners