

MUSKEGON COUNTY BOARD OF COMMISSIONERS  
MUSKEGON COUNTY, MICHIGAN

AGENDA

FULL BOARD  
Hall of Justice  
990 Terrace, Muskegon, MI  
May 13, 2014 - 4:00 PM

Kenneth Mahoney, Chair  
Rillastine Wilkins, Vice-Chair

---

1. Call to Order
2. Invocation
3. Pledge of Allegiance
4. Roll Call
5. Approval of Agenda
6. Approval of the Minutes of April 22, 2014
7. Public Comment (on an agenda item)
8. Presentations
  - A. Muskegon Big Reds Boys Basketball Class A State Championship Tribute
  - B. 2014 Mr. Basketball Award Recipient Mr. Deshaun Thrower Tribute
9. Communication
  - Alger County Resolution #2014-13: In Opposition of HB 5097 and SB 850
10. Committee/Board Reports
  - A. Courts & Public Safety Committee (Page 5)
  - B. Human Services Committee (Page 6)
  - C. Ways & Means Committee (Page 7)

Public Comment

Persons may address the Commission during the time set aside for Public Comment or at any time by suspension of the rules. All persons must address the commission and state their name for the record. Comments shall be limited to two (2) minutes for each participant, unless time is extended prior to the public comment period by a vote of a majority of the commission.

11. Chairman's Report/Committee Liaison Reports
  - A. 2014 Muskegon Police Officers Memorial Service: Wednesday, May 14<sup>th</sup>, 6 p.m. – Heritage Landing
  - B. USS LST 393 Veteran's Museum Open House: Thursday, May 22<sup>nd</sup>, 5:30 p.m.
12. Administrator's Report
  - Request for Approval of Muskegon County Fiscal Year 2013 Deficit Elimination Plan, Equipment Revolving Fund
13. Old Business
14. New Business
15. Public Comment
16. Adjournment

AMERICAN DISABILITY ACT POLICY FOR ACCESS TO OPEN MEETINGS OF THE MUSKEGON COUNTY BOARD OF COMMISSIONERS AND ANY OF ITS COMMITTEES OR SUBCOMMITTEES

The County of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting upon 24-hours notice to the County of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the County of Muskegon by writing or calling: Administration, 990 Terrace Street, Muskegon, MI 49442 (231) 724-6520

ALGER COUNTY BOARD OF COMMISSIONERS

Mary Ann Froberg, Clerk  
101 COURT STREET, MUNISING, MI 49862

**RESOLUTION #2014-13**

**RESOLUTION OPPOSING HB 5097 AND SB 850**

**WHEREAS**, House Bill 5097 (HB 5097) was voted out of the House Committee on Commerce;  
and

**WHEREAS**, HB 5097 would exempt police and fire unions from the provisions of the Public Employer Relations Act (PERA) that prohibit the awarding of retroactive pay, the passing along of benefit cost increases and the cessation of step pay increases when labor contracts expire before another contract has been agreed upon; and

**WHEREAS**, an identical bill has been introduced in the Senate – Senate Bill 850 (SB 850); and

**WHEREAS**, these bills apply to police and fire unions only; however, since the enactment of changes to PERA in 2011, counties (including Alger County) have been able to settle a majority of their labor contracts prior to the expiration date; and

**WHEREAS**, without this cost saving management tool, there is little incentive for police and fire unions to settle contract disputes prior to the expiration of their contracts.

**NOW THEREFORE, BE IT RESOLVED**, that the Alger County Board of Commissioners opposes HB 5097, SB 850 and any similar bills that would reverse the cost management tools put in place by changes to PERA.

**BE IT FURTHER RESOLVED** that copies of this Resolution be forwarded to the other 82 counties, Representative John Kivela, Senator Tom Casperson and the Michigan Association of Counties.

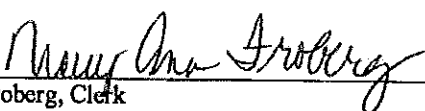
Adopted this 21<sup>st</sup> day of April, 2014

  
Jerry Doucette, Chairman  
Alger County Board of Commissioners

STATE OF MICHIGAN)  
County of Alger )

I, Mary Ann Froberg, Clerk of the County of Alger and of the County Board of Commissioners, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the Board at a regular meeting on April 21, 2014.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the County of Alger, this April 23, 2014 at Munising, Michigan.

  
\_\_\_\_\_  
Mary Ann Froberg, Clerk

The Courts/Public Safety Committee met on May 6, 2014, it was recommended and I move:

- CPS14/05 – 14 To authorize the Chairman of the County Board of Commissioners to enter into and sign the Memorandum of Understanding between Muskegon County and the Cities of Muskegon and Muskegon Heights for the submission of the JAG grant by the City of Muskegon.
- CPS14/05 – 15 To authorize the staff to apply for funding through the 2014 Violent Gang and Gun Crime Reduction Program in the amount of \$300,000 with no match and to authorize the County Administrator to sign the electronic grant application and authorize the Chairman of the County Board of Commissioners to sign the Inter Local Governmental Agreement.
- CPS14/05 – 16 To approve the lease of four (4) Ford SUV Police Interceptors and two (2) Ford Transit Connect vehicles through Borgman Ford; to utilize Emergency Services to construct and install animal transport cages in the Transit Connect vehicles and to lease one (1) Chevrolet Tahoe through Jefferson Chevrolet.
- CPS14/05 – 17 To approve the one-year extension of the Agreement for the Partnership in Neighborhood Safety Program between the Townships of Laketon, Fruitland and Whitehall, the Muskegon County Sheriff and the Board of Commissioners with the County's share of the cost being 50% or \$115,245.32 and authorize the Board Chair and Sheriff to sign the document.
- CPS14/05 – 18 To approve the Inter Local Agreement between the City of Muskegon and the County of Muskegon to submit a joint application to the Department of Homeland Security, Port Security Grant Program (CFDA 97.056) and authorize the County Administrator to sign the electronic grant application and the Chairman of the County Board of Commissioners to sign the Inter Local Agreement.

The Human Services Committee met on May 6, 2014, it was recommended and I move:

- HS14/05 – 26a To postpone motion HS14/05 – 26 until June 3, Human Services Committee meeting.
- HS14/05 – 27 To authorize Public Health to amend its FY14 budget (revenues and expenditures) from \$6,148,720 to \$6,132,471 to include grant funding changes, program line item adjustments and staff/funding transfers with no change in the general fund appropriation.
- HS14/05 – 28 To approve the Medical Examiner Services Agreement between the County of Muskegon and Western Michigan University School of Medicine for the period of July 1, 2014 through December 31, 2016 and authorize the Board Chair to sign the agreement.
- HS14/05 – 29 To authorize the Community Mental Health Services Director to sign an amendment to the contract with Hope Network Behavioral Services to increase the rate of their Harbor Pointe Homes to \$358.44 per day, effective April 1, 2014 through September 30, 2014, not to exceed \$65,595.00.
- HS14/05 – 30 To authorize the Community Mental Health Executive Director to sign Amendment #1 to the Managed Mental Health Supports and Services contract with the Michigan Department of Community Health, effective October 1, 2013 through September 30, 2014.

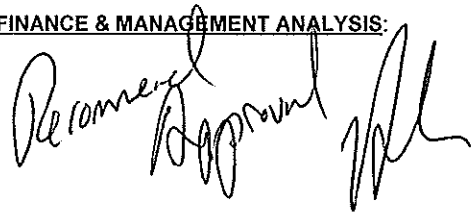
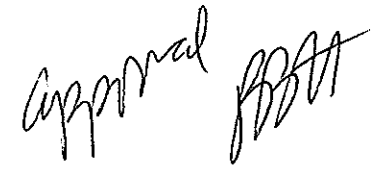
Motion postponed per motion HS14/05 – 26a

- HS14/05 – 26 To adopt the Muskegon County Environmental Health Regulations which will take effect 45 days after adoption and will replace the Muskegon County Sanitary Regulations.

The Ways & Means Committee met on May 1, 2014, it was recommended and I move:

- WM14/05 – 45 To approve payment of the accounts payable of \$14,064,568.96 covering the period of April 5, 2014 through April 18, 2014 as presented by the County Clerk.
- WM14/05 – 46 To approve the contract between the County of Muskegon and ImageSoft for a cost not to exceed \$968,000.00 and authorize a short term loan from the General Fund Reserve to the Equipment Revolving Fund to be reimbursed by Capital Improvement Bond proceeds.
- WM14/05 – 47 To award RFP14-2127 for Taxi Transportation Services to Busy Bee Taxi, LLC.
- WM14/05 – 48 To approve the recommendation of corporate counsel to settle the case of *Joshua Hankston v Muskegon County and Dean Roesler*.
- WM14/05 – 49 To approve a Proclamation recognizing July 6, 2014 as Joe Beyrle Day in Muskegon County.

# REQUEST FOR BOARD CONSIDERATION-COUNTY OF MUSKEGON

<b>COMMITTEE</b> Full Board		<b>BUDGETED</b>	<b>NON-BUDGETED</b>	<b>PARTIALLY BUDGETED</b>
<b>REQUESTING DEPARTMENT</b> Administration		<b>COMMITTEE DATE</b> May 13, 2014		<b>REQUESTOR SIGNATURE</b> Heath Kaplan
<b>SUMMARY OF REQUEST (GENERAL DESCRIPTION, FINANCING, OTHER OPERATIONAL IMPACT, POSSIBLE ALTERNATIVES)</b>				
<p>On April 4, 2014, the Michigan State Department of Treasury Local Audit and Finance Division requested that the County submit a deficit reduction plan for our Equipment Revolving Fund. That plan was prepared by Bonnie Hammersley, Administrator, on May 2, 2014. It is attached. On Monday, May 5, 2014, the County's accounting staff was notified that the plan which was submitted required a resolution authorizing the plan to be approved by the County Board. The purpose of this motion is to approve the plan prepared and submitted by the County Administrator.</p>				
<b>SUGGESTED MOTION (STATE EXACTLY AS IT SHOULD APPEAR IN THE MINUTES)</b>				
<p>I move to approve the Muskegon County Fiscal Year 2013 deficit elimination plan, Equipment Revolving Fund (6660) dated May 2, 2014, by County Administrator Bonnie Hammersley, and to authorize an advance from the General Fund to the Equipment Revolving Fund (including interest at 3%) to be reimbursed by bond proceeds and charges for equipment and technology services.</p>				
<b>ADMINISTRATIVE ANALYSIS (AS APPLICABLE)</b>				
<b>HUMAN RESOURCES ANALYSIS:</b>		<b>FINANCE &amp; MANAGEMENT ANALYSIS:</b>		
				
<b>CORPORATE COUNSEL ANALYSIS:</b>		<b>ADMINISTRATOR RECOMMENDATION:</b>		
				
If motion originates from a Statutory Board, Authority or Advisory Committee, please provide the date the motion was approved by that Board/Authority/Committee				N/A
<b>AGENDA DATE:</b>	<b>AGENDA NO.:</b>	<b>BOARD DATE:</b>	<b>PAGE NO.</b>	
5/13/14		5/13/14		



# MUSKEGON COUNTY

M I C H I G A N

## BOARD OF COMMISSIONERS

Kenneth Mahoney  
Chair, District 9

Rillastine R. Wilkins  
Vice-Chair, District 1

Benjamin E. Cross  
District 2

James J. Dereziński  
District 7

Marvin R. Engle  
District 5

Susie Hughes  
District 3

Charles Nash  
District 6

Terry J. Sabo  
District 8

Robert Scolnik  
District 4

May 2, 2014

Anjelica Zahrt, Auditor  
Local Audit and Finance Division  
Michigan Department of Treasury  
P.O. Box 30728  
Lansing, MI 48909-8228  
via email to [Treas\\_MunicipalFinance@michigan.gov](mailto:Treas_MunicipalFinance@michigan.gov)

Subject: County of Muskegon, Fiscal Year 2013 Deficit Elimination Plan,  
Equipment Revolving Fund (6660)

Dear Ms. Zahrt,

I refer to your letter (copy enclosed) dated April 4, 2014, wherein you acknowledged receipt of an audit report from the County of Muskegon (the "County") for the fiscal year ended September 30, 2013, which indicated a deficit in the County's Equipment Revolving Fund ("ERF") and directed that the County submit a deficit elimination plan within 30 days pursuant to Numbered Letter 2012-1. This correspondence shall serve as that plan.

Description of the Equipment Revolving Fund. The ERF is an internal service fund used by the County to record the operations of an equipment pool that provides equipment and services to other departments of the County. It serves as an internal financing company to acquire capital assets, typically for use by governmental funds, allowing the cost of larger items to be paid by these other funds as rents to the ERF following predetermined payment schedules that roughly match the expected useful lives of the purchased capital assets. The acquisition of such capital assets and the related depreciation charges over their useful lives are recorded in the ERF. Sources of money for the operation of the ERF include advances from the General Fund and other funds, revenues from other funds (rent charges), and borrowing from the County cash pool, banks or other lenders.

Deficit Test Evaluation. As an internal service fund, the ERF is also a proprietary fund. Following the guidance in Numbered Letter 2012-1 for a Deficit Test for a proprietary fund (changing the old terminology "Net Assets" to the current terminology "Net Position" per GASB Statement 63), the evaluation is as follows:

Amounts from page 149 of the audited financial statements:

Unrestricted Net Position = (5,367,493), Total Net Position = 6,185,336  
Current Assets = 16,058, Current Liabilities = 5,399,173

Step 1: Does the "unrestricted net position" or "total net position" have a deficit?  
The answer is Yes, therefore we proceed to Step 2.

Step 2: Calculate current assets minus current liabilities.  
Current Assets - Current Liabilities = 16,058 - 5,399,173 = (5,383,115)  
The answer is negative, therefore we proceed to Step 3.

Step 3: Compare A) the larger deficit between the "unrestricted net position" and the "total net position", and B) current assets minus current liabilities.  
A = (5,367,493), B = (5,383,115). A is the smaller deficit.

Step 4: Submit a plan to eliminate the smaller deficit between A and B.  
The smaller deficit at 9/30/2013 is A (5,367,493). The plan below is designed to result in positive working capital with Current Assets greater than Current Liabilities.

Deficit Elimination Plan. The first phase of a County-wide plan to upgrade technology infrastructure, hardware and software was substantially completed near the end of fiscal 2013. Short-term borrowing from the County cash pool for cash flow purposes was used by the ERF to fund the project. The negative equity in cash pool was treated as a short-term liability of the ERF at 9/30/2013.

During fiscal 2014 the General Fund made an advance to the ERF which allowed for the transformation of a significant portion of current liabilities (negative equity in cash pool) into a long-term liability (advance payable) (please see the attached journal entry). After consideration of the noted advance the County is in compliance with Michigan Department of Treasury requirements identified in numbered letter 2012-1. In addition, the County is currently in the process of issuing long-term bonds for technology upgrades. The advance from the general fund and bond proceeds will be repaid over time as rents/charges and other financing sources are received by the Equipment Revolving Fund while maintaining compliance with Michigan Department of Treasury Numbered Letter 2012-1.

If you require any additional information, please advise.

Respectfully submitted,

  
Bonnie Hammersley  
Administrator

Attachment  
Enclosure

Copy: Heath Kaplan, Finance and Management Services Director, Muskegon County

Muskegon County  
JOURNAL ENTRY

Journal Entry # 13063

JE:13063

POST DATE: 05/31/2014  
ENTRY DATE: 05/01/2014

ENTERED BY: AveryDw  
JOURNAL: IntFd

DESCRIPTION: Gen Fund Advance to Equip Rev Fund

To record advance to Equipment Revolving Fund from General Fund

GL #	ACCOUNT DESCRIPTION	DESCRIPTION	DR	CR
1010-0000-198.666	Long Term Advance-Equipment Fund	Advance to 6660-Equipment Revolving Fund	5,300,000.00	
1010-0000-001.000	Cash In Bank	Advance to 6660-Equipment Revolving Fund		5,300,000.00
6660-0000-001.000	Cash In Bank	Advance from 1010-General Fund	5,300,000.00	
6660-0000-314.101	Capital Advances from General Fund	Advance from 1010-General Fund		5,300,000.00
JOURNAL TOTAL:			10,600,000.00	10,600,000.00

APPROVED BY: X

