

ALLEGAN COUNTY BOARD OF COMMISSIONERS

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2009 SESSIONS

JOURNAL 58

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February 5, 2009
 Planning Session

**FEBRUARY 5, 2009 SESSION - INVOCATION, PLEDGE OF ALLEGIANCE,
 ROLL CALL**

1/ The Board of Commissioners of the County of Allegan, State of Michigan, met in the Commissioners' Room of the County Services Building in the Township of Allegan on February 5, 2009, at 1:00 P.M. in accordance with the motion for adjournment of January 22, 2009, and rules of this Board; Chairman Jones presiding.

The invocation was offered by District 3 Commissioner VanEck.

The County Clerk led the Board in the Pledge of Allegiance to the flag.

Upon roll call the following members answered as Commissioners for the respective Districts:

DIST #1	TERRY BURNS	DIST #7	DON BLACK
DIST #2	STEVE McNEAL	DIST #8	TOM JESSUP
DIST #3	PAUL VANECK	DIST #9	FRITZ SPREITZER
DIST #4	MARK DeYOUNG	DIST #10	JON CAMPBELL
DIST #5	- EXCUSED -	DIST #11	LARRY JONES
DIST #6	MAX THIELE		

MINUTES OF THE JANUARY 8, 2009 SESSION - APPROVED AS DISTRIBUTED

2/ Moved by Commissioner Thiele, seconded by Commissioner Burns to approve the minutes of the January 8, 2009 Session as distributed. Motion carried.

AGENDA - ADDITIONS

3/ Chairman Jones asked if there were any additions or changes to the agenda. Commissioner Thiele requested that Commissioner DeYoung's casino letter be added to the discussion portion of the agenda.

Moved by Commissioner Campbell, seconded by Commissioner Thiele to adopt the meeting agenda as amended. Motion carried.

DISCUSSION ITEMS:

COUNTY BUDGET DISCUSSION

4/ Administrator Rob Sarro asked Blaine McLeod, Equalization Director to share some calculations that he performed to come up with the five-year projections. Blaine reported that this is very difficult because this county has no historical data to review to help us project declining property values. He explained the difficulty of determining taxable value as opposed to assessed value because this comparison must be done by individual properties. We will see a loss of \$86 million or more in taxable value when compared to assessed value. The difficulty is exacerbated by the two joint resolutions [B & E] floating through the legislature which would amend the constitution to restrict the growth of taxable valuation from the CPI as it's used to no more than the change in assessed value and Proposal B is retroactive which would produce greater losses the first year. He predicted that we will not see any short term relief in the housing market which will lengthen the period during which we will see no growth.

So much is up in the air at the present time with falling values, it is very difficult to project what might happen in the future without knowing when things will stabilize.

Rob explained that the conservative approach the county has traditionally followed in budgeting has worked well for us over the years. We need to involve employees, departments and all stakeholders in the process. We need to look at the budget in its totality and not focus on any specific part. We will continue to operate and provide services and we have to look at the long-term repercussions of our short-term decisions. He

presented a chart showing salary distribution in the County which shows that over 80% of the employees make less than \$60,000 with the highest numbers falling in the \$25,000 to \$40,000. Do our wage adjustments correspond to inflation?

Human Resources Director, Deb Daniels compared the consequences of wage cuts and freezes as opposed to layoffs. She stated that the total personnel increases are less than 3.7% per year. Increases have been stabilized by implementing the nine-step wage scales, keeping wage increases to 1 or 2% each year and focusing on health benefit containment factors.

David Van de Roovaart addressed the financial projection charts and stated that the data demonstrates a stable trend. It is expected that there would be no deficits in operating until 2014 and he is projecting surpluses until that time.

BREAK - 9:45 A.M.

5/ Upon reconvening at 9:55 A.M., the following Commissioners were present: Commissioner Burns, McNeal, VanEck, DeYoung, Thiele, Black, Jessup, Spreitzer, Campbell and Jones. Absent - Commissioner Kapenga.

DISCUSSION - CONTINUED

6/ David Van de Roovaart gave a brief overview of the financial situation and then addressed the forecasting model. Personnel increases have been projected at 3.75%. The most significant unknown is whether the State will reinstate revenue sharing and the figures have been prepared assuming the reinstatement of revenue sharing. We will go forth with the fee study in 2009 and he is projecting an additional \$100,000 from fee adjustments. He stated that our revenue sharing reserves will be depleted in 2012 and he noted that these figures do not factor in any revenue from casinos.

Rob explained the constants which occur each year; unexpended budget line items get turned back, employees leave at a high rate and new people are hired at a lower rate and these items create the surpluses. He stated that they are aggressively working to contain personnel costs. The projected figures are conservative in all areas and provide us the flexibility to adjust if needed to accommodate when things change or as the unknowns become known. This is a plan to sustain the services we must provide.

CASINO LETTER

7/ Commissioner DeYoung reported on the letter received from the Department of Interior regarding the casino. He stated he met with the tribe and they requested we send a letter with no comment regarding the letter of notification that the land is going into trust. We could send a negative comment, a positive comment or a letter with no comment.

Moved by Commissioner Thiele, seconded by Commissioner DeYoung to respond to the Department of Interior stating we have no comment with a copy to the tribe. Motion carried.

ADJOURNMENT UNTIL FEBRUARY 19, 2009 AT 1:00 P.M.

8/ Moved by Commissioner Black, seconded by Commissioner Thiele to adjourn until February 19, 2009 at 9:30 a.m. The motion carried and the meeting was adjourned at 12:40 p.m.


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