



BOARD OF COMMISSIONERS

1 S. Main St., 8th Floor
Mount Clemens, Michigan 48043
586.469.5125 FAX 586.469.5993

macombcountymi.gov/boardofcommissioners
FINANCE COMMITTEE

TUESDAY, MARCH 22, 2011

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Adoption of Agenda, **AS AMENDED, TO INCLUDE #8, 9 AND 11 (RESOLUTION)**
4. Approval of Minutes dated 2-15-11 (previously distributed)
5. Public Participation (five minutes maximum per speaker, or longer at the discretion of the Chairperson related only to issues contained on the agenda)
6. Report from Plante & Moran on Options for Containing Costs in the Employees Retirement System (mailed)
7. Overview of Martha T. Berry (mailed)
 - a) History and Services
 - b) Snap-Shot Report of MTB Residents and Families by Commissioner District
 - c) 2010 Year-End Budget Report for MTB (amended report is attached)
8. Integration of the Department of Roads Budget (attached)
9. Reconfirm Five Percent Salary Reduction for Vacant Non-Union Positions (attached)
10. Determination of Funding Source/Salaries of the Directors of Finance, Human Resources, Department of Roads and Senior Services Departments (mailed and attached)
11. Adopt Resolution Commending Wayne Oehmke on Being Named the 2011 Lutheran Layman of the Year (offered by Board Chair)
12. New Business
13. Public Participation (five minutes maximum per speaker or longer at the discretion of the Chairperson)
14. Adjournment

MEMBERS: Brown-Chair, Miller-Vice-Chair, Carabelli, DiMaria, Flynn, Frascchetti, Gralewski, Mocerri, Sabatini, Sauger, Smith, Tocco and Vosburg.

MACOMB COUNTY BOARD OF COMMISSIONERS

Kathy D. Vosburg
District 8
Chair

Marvin E. Sauger
District 2
Vice Chair

Fred Miller
District 9
Sergeant-At-Arms

Toni Mocerri - District 1

David Flynn - District 4

James L. Carabelli - District 6

Roland R. Frascchetti - District 10

Bob Smith - District 12

Phillip A. DiMaria - District 3

Ray Gralewski - District 5

Don Brown - District 7

Kathy Tocco - District 11

Joe Sabatini - District 13

MACOMB COUNTY

Meeting of March 22, 2011

Plante & Moran Review of Benefit Cost Projects from 2008

A G E N D A

- I. Overview of Report from 2008
- II. Correlation to December 31, 2009 Actuarial Report (issued August 11, 2010)
- III. Discussion
 - a. Future Cash Outlay
 - b. Available Cash Outlay
 - c. Sustainable Benefit Design Alternatives
- IV. Action Items
 - a. Actuarial Valuations
 - b. Collective Bargaining
 - c. Interplay between Pension, Retiree Medical, and Payroll
- V. Questions

Macomb County Employees Retirement System

Presentation to Board
Originally From June 2008
Revisited March 2011



1

2008 Study Goals

The County desired to achieve several primary goals with the study:

1. Provide meaningful retirement benefits to its employees
2. Containing increasing costs and the mitigating of the associated funding and investment return volatility, and
3. Sustaining any increased contributions on a long-term basis without disrupting services, staffing, and/or requiring increased taxes

2

Benefit Structure

The benefit formula under the Retirement System provides for a monthly benefit at normal retirement age. In general, the benefit structures for the General County employee and the Sheriff's Department employees are:

- Effective January 1, 2002, the formula for General County employees is service multiplied by 2.4% of Final Average Compensation for the first 26 years and 1% thereafter, for a maximum benefit of 65% of Final Average Compensation; for RN's, LPN's and UAW Senior Citizen Services employees, the benefit formula is 2.2% of Final Average Compensation multiplied by total service to a maximum of 66% of Final Average Compensation.
- For the Sheriff's Department, Deputies receive a benefit equal to 2.64% of Final Average Compensation multiplied by service (up to a maximum of 25 years); all others receive a benefit service multiplied by 2.4% for the first 26 years and 1% thereafter for a maximum benefit of 65% of Final Average Compensation.

3

Retirement System Funding

The average cost per year for Retirement System benefits is approximately

17.30% of payroll for General County employees and

20.60% for Sheriff's Department employees.

From the December 31, 2009 Actuarial Valuation:

The average cost per year for Retirement System benefits is approximately

14.06% of payroll for General County employees and

20.83% for Sheriff's Department employees.

4

Retirement System Funding

Member contributions are:

- General County – 3.5% of annual compensation
- General County (RN's, LPN's, and UAW Senior Citizen Services) – 2.5% of annual compensation
- Sheriff's Department – 4.0% of annual compensation

Member contributions are unchanged in the December 31, 2009 Actuarial Valuation

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Retirement System Funding

For the actuarial valuation as of December 31, 2008, such amounts in the aggregate approximately average:

- 3.00% of payroll for member contributions (for General County employees) and 11.60% of payroll for the County, and
- 3.80% payroll for member contributions (for Sheriff's Department employees) and 14.70% of payroll for the County.

For the actuarial valuation as of December 31, 2009, such amounts in the aggregate approximately average:

- 2.05% of payroll for member contributions (for General County employees) and 9.00% of payroll* for the County, and
- 3.63% payroll for member contributions (for Sheriff's Department employees) and 15.66% of payroll* for the County.

Reflects reflect 0% pay increases for calendar years 2009 and 2010 for General County, Road Commission employees; in 2008 General County changed from 9.61% to 8.55% Sheriff's Department changed from 15.29% to 15.29%.

6

Subsidized Benefits Cost

The additional annual County contribution for the benefit subsidies is approximately

DROP – 0.50% of payroll for General County employees and 0.60% of payroll for Sheriff's Department employees, and

Rule of 70 – 2.70% of payroll for General County employees.

These additional costs, as a percent of eligible payroll, could be eliminated for all prospective County contributions if the subsidies were eliminated.

DROP costs not reported in December 31, 2009 Actuarial Valuation.

Rule of 70 costs not reported in December 31, 2009 Actuarial Valuation (even though it is understood that Rule of 70 is not available to employees hired after January 1, 2002.

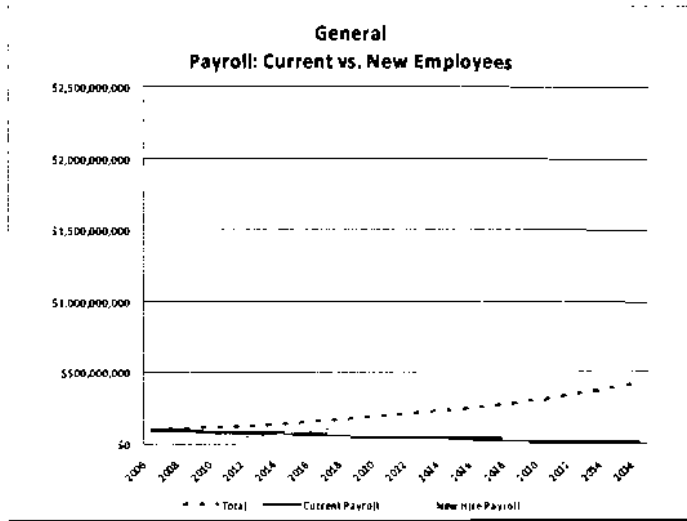
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Report Limitations

1. This report is finite in terms of the content it intends to address. It is not intended to be exhaustive.
2. This report does not define the universe of potential outcomes, for example, should investments exceed or fall short of the expected outcome.
3. This report does not consider the impact on the retiree medical benefits funded outside the Retirement System. This issue may alter the timing and impact of any potential changes to the Retirement System.
4. This report does not consider the impact on the County's payroll (if any).
5. This report is based upon actuarial calculations and estimates that do not meet the same rigorous standards of ongoing actuarial valuations based upon real and timely information.
6. The projections contained in this report are not simulations intended to be reflected as likely outcomes based probability such as Monte Carlo modeling.
7. This report does not intend to produce the likely results/outcomes but instead is based upon perfectly realizing all assumptions such as investment returns, retirement ages, termination decrements, funding requirements, etc.
8. This report does not intend to reflect the real volatility of all underlying variables.
9. The information represented in the charts and graphs generally is based upon the valuation year for the fiscal year that is two years in the future. For example, information for the actuarial valuation as of December 31, 2006 is used to determine contributions for the fiscal year beginning January 1, 2008.
10. Actual results will vary.
11. This study does not consider matters of law or matters subject to good faith collective bargaining. These issues may alter the timing and impact of any potential changes to the Retirement System.
12. The projections cannot be used to budget future costs or cash outlays.

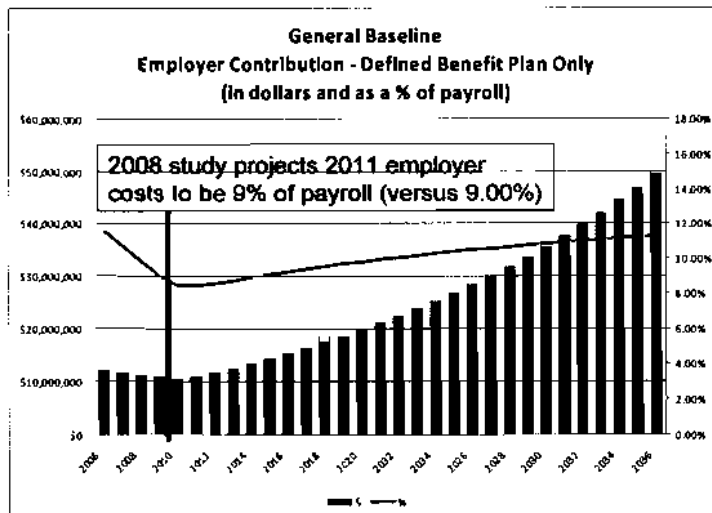
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Baseline



The chart shows the projected future payroll of the General County Employees – for current and new employees – 2006 levels are approximately \$98 million (for all employees) growing to about \$420 million in 2036, most of which is for new employees.

Baseline



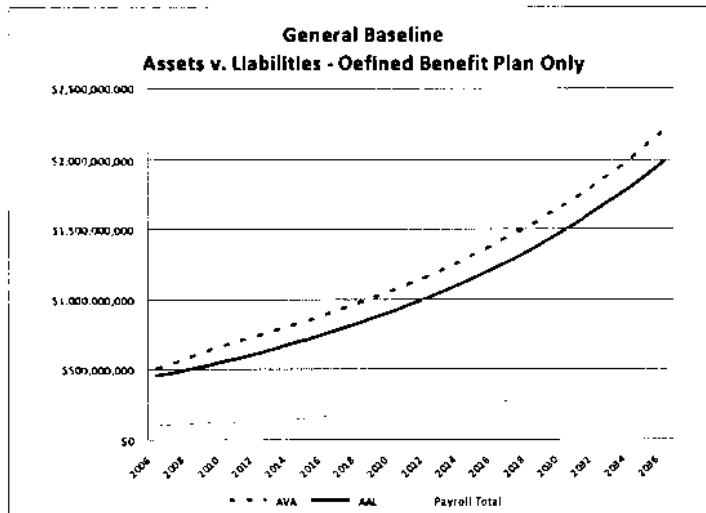
Future employer contributions are expected to grow from the current level of about \$12 million to \$50 million in the next 30-year period.

Baseline – Assets and Liabilities

December 31, 2006	Funding Value Assets	Liabilities	Funded Percentage
General County	500,448,749	452,681,590	111%
Sheriff's	180,778,889	170,139,724	106%
Road Commission	100,222,610	98,836,355	101%
		721,657,669	108%
MV Assets	849,102,325	849,102,325	
Difference	67,652,077	127,444,656	
Percentage	109%	118%	

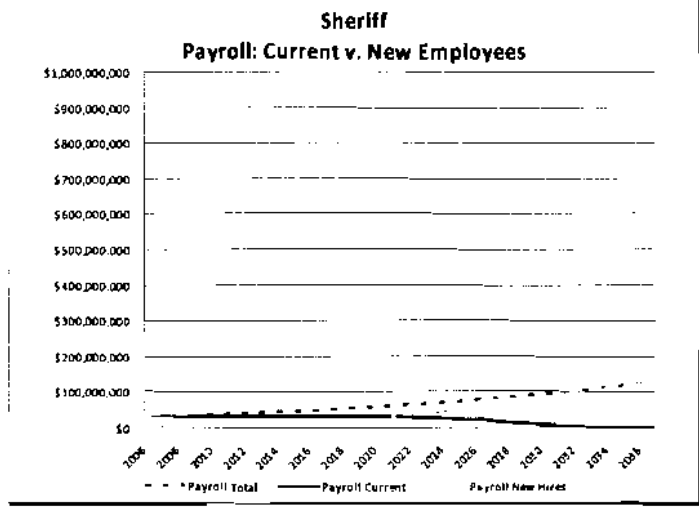
December 31, 2009	Funding Value Assets	Liabilities	Funded Percentage
General County	517,248,650	475,627,621	109%
Sheriff's	205,506,744	197,700,403	104%
Road Commission	106,170,601	108,659,057	98%
Martha T. Berry	37,430,603	32,876,647	114%
		814,863,728	106%
MV Assets	725,223,381	725,223,361	
Difference	(141,133,217)	(89,640,347)	
Percentage	84%	89%	

Baseline



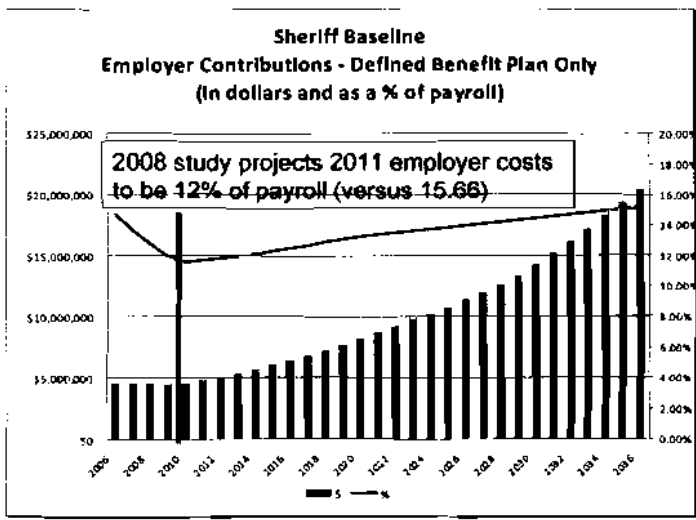
Based upon the underlying assumptions of constant investment returns of 7.50% and increasing the hard dollar funding of contributions, assets will continue to be greater than liabilities with the funded percentage of 110% in 2006 being roughly identical to the funded percentage in 2036.

Baseline



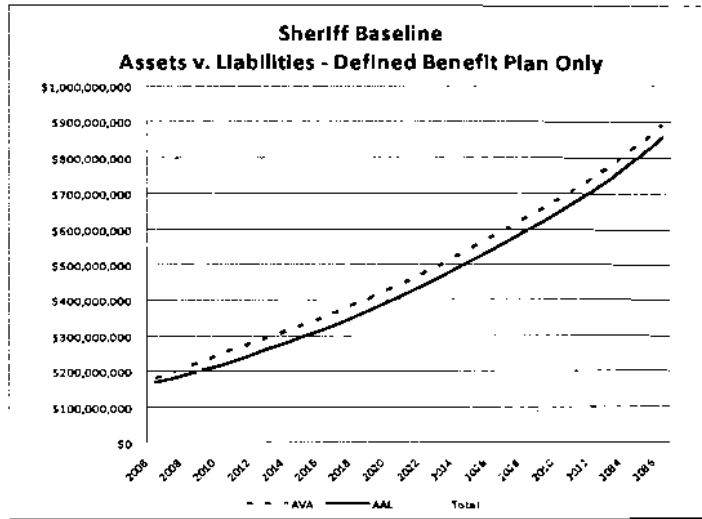
For employees for the Sheriff's Department, the payroll is projected to grow from current levels of about \$29 million to approximately \$129 million by the year 2036.

Baseline



Future employer contributions are expected to grow from the current level of about \$12 million to \$50 million in the next 30-year period.

Baseline



Based upon the underlying assumptions of constant investment returns of 7.50% and increasing the hard dollar funding of contributions, assets will continue to be greater than liabilities with the funded percentage of 106% in 2006 being roughly identical to the funded percentage of 104% in 2036.

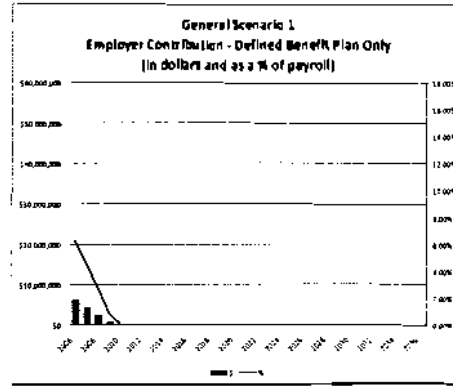
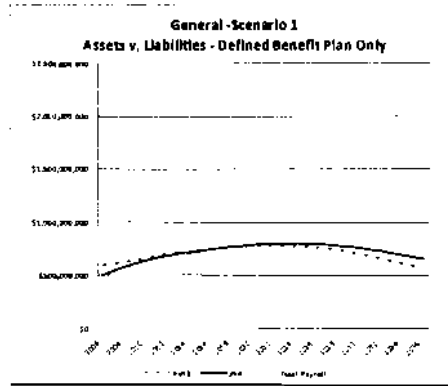
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Scenario 1 – No New Plan Entrants

The Scenario 1 Projection is based upon the December 31, 2006 actuarial valuation (for the fiscal year beginning January 1, 2008) and assumes no change in the benefit formula and no change in the benefits provided to current employees; however, it assumes that no new employees will accrue any new benefits under a defined benefit style pension.

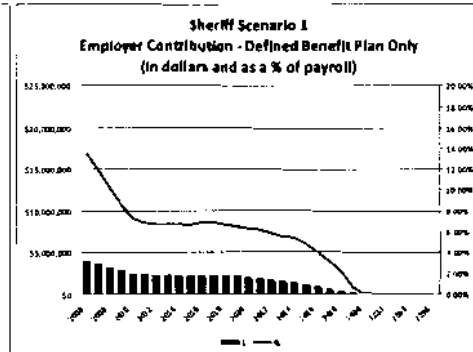
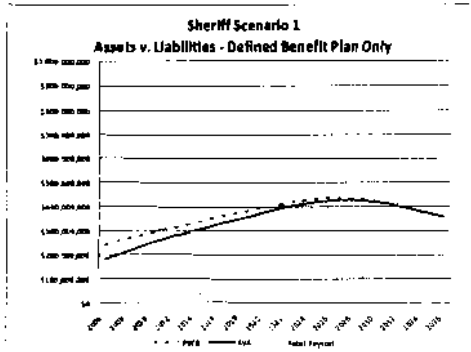
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Scenario 1 – No New Plan Entrants – General County Employees



2008 study assumed positive assumed investment return for all time and ongoing employee contributions. 2008 and 2009 investment downturns not reflected.

Scenario 1 – No New Plan Entrants – Sheriff's Employees



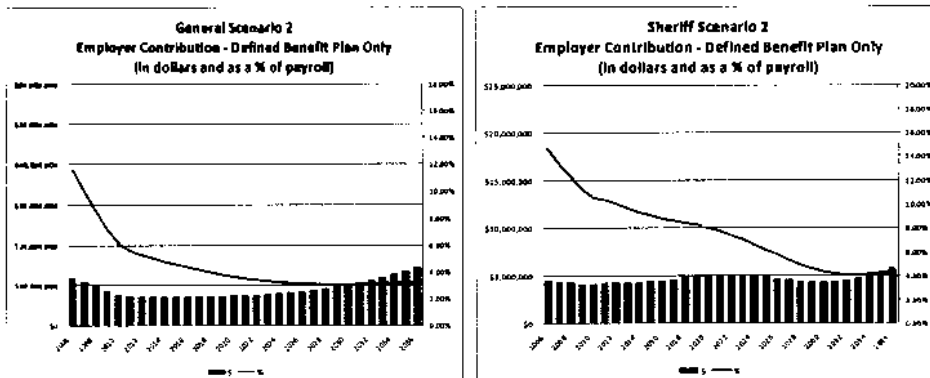
Order of magnitude and direction are more important in a long-term study than precise numbers or percentages.

Scenario 2 – 1.25% Formula for New System Entrants

The Scenario 2 Projection is based upon the December 31, 2006 actuarial valuation (for the fiscal year beginning January 1, 2008) and assumes no change in the benefit formula and no change in the benefits provided to current employees; however, it assumes that new employees will have benefits under a modified defined benefit style pension with the first 26 years accruing at 1.25% of final average compensation and 1% thereafter.

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Scenario 2 – 1.25% Formula for New System Entrants

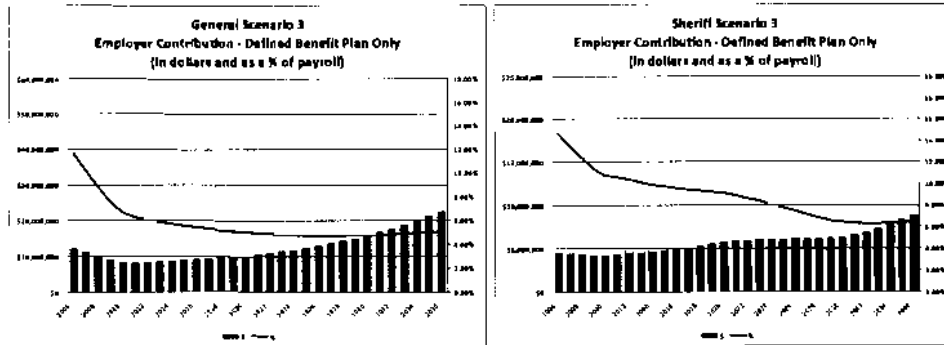


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Scenario 3 – 1.50% Formula for New System Entrants

The Scenario 3 Projection is based upon the December 31, 2006 actuarial valuation (for the fiscal year beginning January 1, 2008) and assumes no change in the benefit formula and no change in the benefits provided to current employees; however, it assumes that new employees will have benefits under a modified defined benefit style pension with the first 26 years accruing at 1.50% of final average compensation and 1% thereafter.

Scenario 3 – 1.50% Formula for New System Entrants

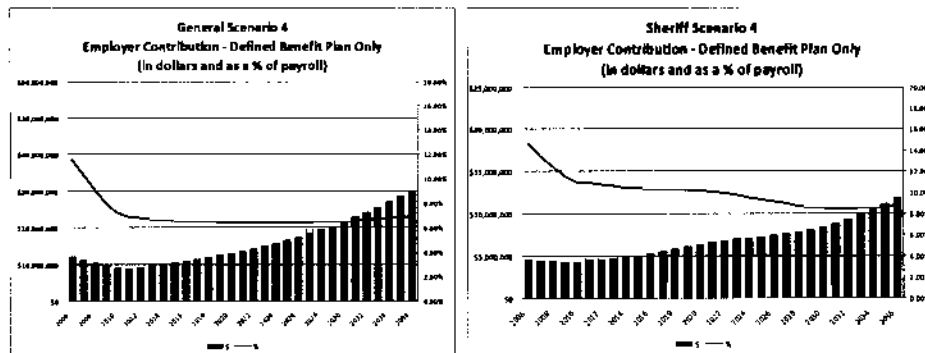


Scenario 4 – 1.75% Formula for New System Entrants

The Scenario 4 Projection is based upon the December 31, 2006 actuarial valuation (for the fiscal year beginning January 1, 2008) and assumes no change in the benefit formula and no change in the benefits provided to current employees; however, it assumes that new employees will have benefits under a modified defined benefit style pension with the first 26 years accruing at 1.75% of final average compensation and 1% thereafter.

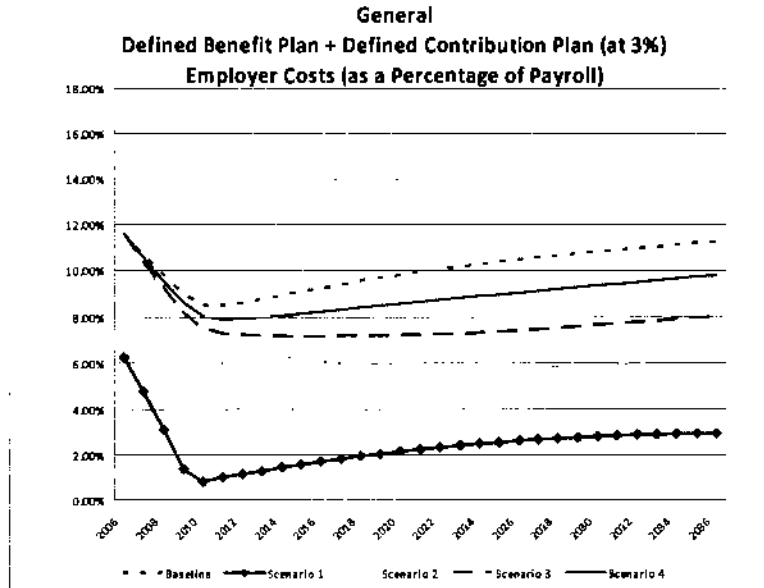
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Scenario 4 – 1.75% Formula for New System Entrants



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Summary – All Proposed Plans Versus Baseline



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Hybrid Scenarios – New Formula for New System Entrants

New employees receive both a modified defined benefit plan formula and a defined contribution plan benefit as defined below:

Defined Benefit Plan. Incorporates the current with a modified benefit formula, that is, service multiplied by set rates of either

1.25%,
 1.50%, or
 1.75%

of final average pay for the first 26 years with 1.00% of final average pay thereafter.

Defined Contribution Plan. A defined contribution component using two contribution formulas:

3.0% of annual, eligible participant payroll or
 6.0% of annual, eligible participant payroll.

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Hybrid Scenario – With 3.0% Defined Contribution Plan New Formula for New System Entrants

General County Employees Hybrid Plan with a 3.0% Defined Contribution Plan County Costs by Year (approximate, in millions of dollars)				
Fiscal Year	Baseline	Scenario 2 1.25% Hybrid	Scenario 3 1.50% Hybrid	Scenario 4 1.75% Hybrid
2008	11.96	11.96	11.96	11.96
2016	13.29	9.30	10.67	12.05
2024	22.24	12.74	16.04	19.33
2032	35.49	19.21	25.00	30.71

Sheriff's Department Employees Hybrid Plan with a 3.0% Defined Contribution Plan County Costs by Year (approximate, in millions of dollars)				
Fiscal Year	Baseline	Scenario 2 1.25% Hybrid	Scenario 3 1.50% Hybrid	Scenario 4 1.75% Hybrid
2008	4.50	4.50	4.50	4.50
2016	5.56	4.63	4.66	5.15
2024	9.18	6.14	6.99	7.86
2032	14.18	6.65	9.01	11.05

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Hybrid Scenario – With 6.0% Defined Contribution Plan New Formula for New System Entrants

General County Employees Hybrid Plan with a 6.0% Defined Contribution Plan County Costs by Year (approximate, in millions of dollars)				
Fiscal Year	Baseline	Scenario 2 1.25% Hybrid	Scenario 3 1.50% Hybrid	Scenario 4 1.75% Hybrid
2008	11.96	11.96	11.96	11.96
2016	13.29	11.44	12.81	14.16
2024	22.24	17.91	21.21	24.51
2032	35.49	26.42	34.22	39.92

Sheriff's Department Employees Hybrid Plan with a 6.0% Defined Contribution Plan County Costs by Year (approximate, in millions of dollars)				
Fiscal Year	Baseline	Scenario 2 1.25% Hybrid	Scenario 3 1.50% Hybrid	Scenario 4 1.75% Hybrid
2008	4.50	4.50	4.50	4.50
2016	5.56	4.97	5.23	5.49
2024	9.18	7.25	8.10	8.97
2032	14.18	9.63	11.69	13.73

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Benefit Plan Accumulation

Assumptions	
Salary Scale	5.00%
Interest	7.50%
Final Compensation	\$50,000
Accumulation Period	30
Defined Benefit Conversion Factor	10.1668 RP 2000 Blended Sex Mortality 7.50%

Defined Contribution Plan Accumulation		
Annual Defined Contribution Percentage	3.00%	6.00%
Defined Contribution Accumulation	\$64,619	\$129,238

Defined Benefit Plan Accumulation				
Defined Benefit - First 26 Years	1.25%	1.50%	1.75%	2.40%
Defined Benefit - After First 26 Years	1.00%	1.00%	1.00%	1.00%
Defined Benefit Benefit Life Annuity at Age 62	\$16,987	\$20,012	\$23,038	\$30,251
Benefit as a Percent of Final Pay	34%	40%	46%	61%
Defined Benefit Lump Sum Equivalent at Age 62	\$172,707	\$203,463	\$234,219	\$307,560

Defined Benefit Formula	Annual Defined Contribution		
	0.00%	3.00%	6.00%
1.25%	\$172,707	\$237,326	\$301,945
1.50%	\$203,463	\$268,082	\$332,701
1.75%	\$234,219	\$298,838	\$363,457
2.40%	\$307,560	n/a	n/a

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Benefit Plan Accumulation

1. Provide new employees with a 1.25% defined benefit plan and provide a matching defined contribution plan that provides for a 100% match of employee contributions up to a maximum of 3.00% of compensation.

This will ensure that retirement benefits are fairly close to as adequate as they are currently, that is, 6.00% of payroll will be deferred (3.00% of employee contributions, 3.00% employer matching contributions) plus a defined benefit plan that provides for 34% annual replacement income in retirement, the combination of retirement plans with any available Social Security benefits will achieve significant replacement income.

2. Current and future employee contributions should be kept at the current levels.
That is, General County employees – 3.5% of annual compensation with certain groups paying 2.5% (i.e., the RN's, LPN's, and UAW Senior Citizen Services), and the Sheriff's Department employees – 4.0% of annual compensation.
3. Eliminate the plan subsidies that provide for unreduced early retirement at some point in the foreseeable future.
Removing the "Rule of 70" subsidy would save 2.7% of General County employee payroll as an annual contribution to the Retirement System. Reducing this benefit over time will afford employees the opportunity to plan for the elimination.
4. To the extent employees are not eligible to participate in Social Security due to their employment status with the County, the 1.75% defined benefit retirement formula should be used in conjunction with a matching defined contribution plan that provides for a 100% match of employee contributions up to 3.00% of compensation.
5. Before any recommendation is implemented, a study should be conducted by the actuary that updates the projected costs on the Retirement System as well as retiree medical plan.

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RECYCLABLE PAPER



Martha T. Berry

Medical Care Facility

District / Commissioner	Patient / Constituents Receiving Services at Martha T. Berry
1 - Toni Mocerri	15
2 - Marvin Sauger	8
3 - Phillip DiMaria	10
4 - David Flynn	11
5 - Ray Gralowski	9
6 - James Carabelli	17
7 - Don Brown	13
8 - Kathy Vosburg	13
9 - Fred Miller	38
10 - Roland Fraschetti	22
11 - Kathy Tocco	17
12 - Bob Smith	24
13 - Joe Sabatini	15

*Total Residents 212 with 5 remaining beds for emergency admissions and/or respite services.

**There are over 250 additional constituents that are Medical / Financial Responsible Parties of Patients receiving services at Martha T. Berry; which results in a representation of almost 500 constituents of Macomb County.

AMENDED



MACOMB COUNTY - MARTHA T. BERRY - M.C.F.
FINANCIAL REPORT
January 1 - December 31, 2010

	TOTAL YTD ACTUAL '10	Final BUDGET YTD '10	FAVORABLE / (UNFAVORABLE)	
Revenue:				
Resident Care Revenue	20,478,758	18,265,333	2,213,425	
Provider Tax Revenue	2,179,960	2,270,000	(90,040)	
Other Revenue	50,529	42,400	8,129	
Total Revenue	22,709,248	20,577,733	2,131,515	
Prior Year Fund Balance		1,106,457		Budgeted Revenue for Non-Cash Expenses
Expenses:				
Salaries & Wages	8,368,081	8,530,870	162,789	
Fringe Benefits	3,557,746	4,120,911	563,165	
Retiree Medical	765,826	799,703	33,877	
Total Personnel Services	12,691,652	13,451,484	725,954	
Provider Tax	580,841	580,841	0	Building Use: \$963,727 Capital Outlay: \$125,181 Bond Interest: \$547,403
Building Use / Capital Outlay	1,636,311	1,928,912	292,601	
Cost Allocation Plan	766,106	871,106	105,000	
Contract Services	3,728,426	3,997,465	269,039	
Resident Food & Supplies	899,333	943,066	43,733	
Maintenance & Repairs / Utilities	636,070	884,050	247,980	
Other Expenses	1,150,722	1,456,681	305,959	
Total Operating Expenses	9,397,809	10,662,121	1,264,312	
Total Expenses	22,089,462	24,113,605	1,990,266	
Social Welfare Fund / (Loss) Before County Contribution	619,786	(2,429,415)	3,049,201	This is the Social Welfare Fund of \$619,786 plus the favorable \$2,429,415 of county contribution MTB has not used
Social Welfare Fund	(619,786)		(619,786)	
County Contribution	0.00	(2,429,415)	2,429,415	

Full year budgeted county contribution \$2,429,415



MACOMB COUNTY - MARTHA T. BERRY - M.C.F.
FINANCIAL REPORT
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Provider Tax Revenue	2,179,960	2,270,000	(90,040)
Other Revenue	50,529	42,400	8,129
Total Revenue	22,709,248	20,577,733	2,131,515
Prior Year Fund Balance		1,106,457 ◀	
Expenses:			
Salaries & Wages	8,368,081	8,530,870	162,789
Fringe Benefits	3,539,649	4,120,911	581,262
Retiree Medical	765,826	799,703	33,877
Total Personnel Services	12,673,555	13,451,484	777,929
Provider Tax	580,841	580,841	0
Indirect Expense / Rent / Capital Outlay	1,163,356 ◀	1,384,457	221,101
Indirect Cost Allocation	871,106	871,106	-
Contract Services	3,728,426	3,997,465	269,039
Resident Food & Supplies	899,333	943,066	43,733
Maintenance & Repairs / Utilities	687,843	884,050	196,207
Other Expenses	1,084,864	2,001,136	916,272
Total Operating Expenses	9,015,769	10,662,121	1,646,352
Total Expenses	21,689,325	24,113,605	2,390,403
Social Welfare Fund / (Lose) Before County Contribution	1,019,923	(2,429,415) ▶	3,449,338 *
Social Welfare Fund	(1,019,923)		(1,019,923)
County Contribution	(0.00)	(2,429,415)	2,429,415

Budgeted Revenue for
Non-Cash Expenses

Building Use = \$562,002
Capital Outlay = \$56,899
Bond Interest = \$544,455

This is the Social
Welfare Fund of
\$1,019,923 plus the
favorable \$2,429,415 of
county contribution MTB
has not used

Full year county contribution
budgeted for \$2,429,415

RECYCLABLE PAPER

RECYCLABLE PAPER

RESOLUTION NO. _____

FULL BOARD MEETING DATE: _____

AGENDA ITEM: _____

MACOMB COUNTY, MICHIGAN

RESOLUTION TO resolve that the FY 2011 budget of the former Road Commission of Macomb County is authorized as the FY 2011 budget for the Macomb County Department of Roads created pursuant to Section 11.5.2 of the Macomb County Charter; Corporation Counsel is directed to prepare any required amendment to the appropriations ordinance to reflect this authorization as provided by law; the Finance Department is directed to make all necessary amendments to the financial records of the County; the Office of County Executive shall be notified of this authorization which is consistent with Section 11.4 of the Macomb County Charter

INTRODUCED BY: Don Brown, Chair, Finance Committee

COMMITTEE/MEETING DATE

Finance 3-22-11

RECYCLABLE PAPER

RESOLUTION NO. _____

FULL BOARD MEETING DATE: _____

AGENDA ITEM: _____

MACOMB COUNTY, MICHIGAN

RESOLUTION TO resolve that the Board of Commissioners action of July 21, 2009 to decrease the minimum and maximum salary ranges by five percent for vacant positions that are not impacted by a union contract, but any pay grade with a maximum salary of less than \$30,000 will not be reduced by five percent, is hereby ratified and confirmed as having continuing full force and effect without interruption. Except as expressly provided by law, any expenditure inconsistent with this Resolution is prohibited. This resolution is made under the authority of Article XI of the Macomb County Charter. The Human Resources Department, Finance Department and Office of the County Executive shall be notified of this action which is consistent with Article XI of the Macomb County Charter

INTRODUCED BY: Don Brown, Chair, Finance Committee

COMMITTEE/MEETING DATE

Finance 3-22-11



BOARD OF COMMISSIONERS

1 S. Main St., 8th Floor
Mount Clemens, Michigan 48043
586.469.5125 FAX 586.469.5993
macombcountymi.gov/boardofcommissioners

March 16, 2011

TO: Mark Hackel, County Executive
FROM: Kathy D. Vosburg, Board Chair
RE: Request for Information – Finance Department and Human Resources

On July 23, 2009, the following policy was adopted by the Macomb County Board of Commissioners:

Decrease the minimum and maximum salary ranges by five percent for vacant positions that are not impacted by a union contract, but any pay grade with a maximum salary of less than \$30,000 will not be reduced by five percent.

In order to waive or rescind the above policy, action must be taken by the Board of Commissioners. Commissioner Don Brown, Chair of the Finance Committee, requests information, an explanation and rationale relative to the need for rescinding the policy so that commissioners may officially consider action. Further, the attendance of an informed individual is requested to answer questions from commissioners.

Commissioner Brown will add the item to the agenda for the March 22, 2011, Finance Committee meeting, or at an upcoming meeting when the material and the informed individual(s) are available.

Please respond with whether or not the requested items will be available for March 22, 2011, or the meeting date at which you request the above to be considered. If it is a date in the future, please remember the Meeting Notice is published seven days prior and items should be submitted to the committee reporter in advance.

Thanks.

The foregoing actions and content of this writing are non-precedent setting and made without prejudice as to both form and substance as against any person or entity, including its author and the actions authorizing its authorship, enactment and effect.

MACOMB COUNTY BOARD OF COMMISSIONERS

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Don Brown - District 7

Kathy Toeco - District 11

Joe Sabatini - District 13

RECYCLABLE PAPER

RESOLUTION NO.

FULL BOARD MEETING DATE

AGENDA ITEM

MACOMB COUNTY, MICHIGAN

RESOLUTION TO correct the 2011 Adopted Budget by adding the position of Director, Human Resources and Labor Relations, to the Human Resources Department as required by the County Charter. Total funding requirement of \$177,658 to be transferred from the Contingency Account.

INTRODUCED BY: Don Brown, Chair, Finance Committee

Budgetary Requirement

Director, Human Resources & Labor Relations	
Salary	\$127,500
Fringe Benefits	36,044
Health Insurance	14,114
Total	<u>\$177,658</u>

COMMITTEE/MEETING DATE

Finance 3-22-11



To: Kathy Vosburg

From: Mark A. Hackel

Date: March 21, 2011

Re: Salary Information

Memorandum

This is in response to your March 16, 2011 memorandum requesting information from the Finance and Human Resources Departments. Commissioner Brown requested certain information regarding the four Department Director appointments I have made. That information appears below.

The salary range for the Directors of Finance, Roads, and Human Resources and Labor Relations as stated on the job descriptions previously sent to the Board is \$114,750 to \$127,500. The salary range for the Director of Senior Services is \$69,336 to \$86,670.

The salary for the Directors of Finance, Roads, and Human Resources is \$124,950. The Salary for the Director of Senior Services is \$78,002.81.

The specific line items for the funding of each position are

Director of Finance	101-22201
Director of Roads	201-514
Director of Human Resources	101-22601
Director of Senior Services	210-87010

The Directors of Finance and Senior Services are filling budgeted vacancies. Funding for the Director of Roads is available from unused funds in the Department of Roads that resulted from the elimination of the Road Commissioners, an administrator, and a support staff position. No board action is required to support the funding of these three positions.

For some reason, the prior Board of Commissioners failed to provide a budget allocation to fund the Charter-mandated position of Director of Human Resources and Labor Relations. A resolution is attached requesting that the necessary funds to support this position be allocated from the Contingency Fund.

A representative from the Finance Department will be present at the meeting. If you need any additional information, please contact my office.

EFFECTIVE DATE: 02-08-11

MACOMB COUNTY

CLASSIFICATION/POSITION DESCRIPTION

CLASSIFICATION TITLE: Director (2011 Salary Range \$114,750 - \$127,500)

DEPARTMENT: Finance

F.L.S.A. STATUS: Exempt

APPOINTING AUTHORITY: County Executive

GENERAL RESPONSIBILITIES:

Under the direction of the County Executive, is responsible for the overall management and administration of County fiscal policies, procedures and regulations; provides direction for accounting, budgetary, and financial procedures and requested appropriations; responsible for the preparation of the comprehensive Annual Financial Report for the County, as well as the preparation and execution of the County's Budget; directs related procedures, initiates, studies, and recommends improvements to fiscal policies and controls; directs managerial, professional and support staff; performs related duties as assigned.

ESSENTIAL FUNCTIONS:

- Reviews annual budget requests in relation to available resources and prepares County budget recommendations.
- Provides financial management and reporting information to County agencies as necessary.
- Develops, presents and implements County budgetary and accounting policies, procedures and regulations.
- Provides fiscal and technical advice in the form of fiscal notes and reports.
- Plans, directs and administers Department planning, budgeting, and operations including the development of goals, objectives and performance measures.
- Reviews, analyzes and reports on legislation and related documents from State and Federal governments, which impact County fiscal procedures and operations.
- Directs and coordinates the development and administration of new accounting systems, including computerized systems.

ESSENTIAL FUNCTIONS (continued):

- Directs the maintenance of financial accounts detailing assets, liabilities, revenues, expenditures, and equity for County funds in accordance with Generally Accepted Accounting Principles.
- Directs continuous evaluation and review of budgetary and accounting methods and procedures within the various County agencies to ensure compliance with administrative and legislative requirements.
- Directs periodic budgetary orientation meetings and assists County agencies in the development of annual budget requests, including program functions, statements of goals and objectives, and service efforts and accomplishments.
- Directs and coordinates with other departments in the planning, developing and conducting of program review and management improvement studies to determine program and management effectiveness and efficiency.
- Prepares detailed salary and fringe benefit forecasts in conjunction with Human Resources for purposes of labor contract costing and budget preparation.
- Directs the preparation of the County's Comprehensive Annual Financial Report.
- Serves as liaison with the certified auditors for the County's financial statements.
- Directs managerial, professional and support staff.
- Operates an automobile while performing assigned job duties.

ADDITIONAL FUNCTIONS:

- The statements contained in this position description are intended to describe the general nature and level of work being performed by individuals assigned to this position. They are not to be construed as an exhaustive list of all job duties performed.

EDUCATION, TRAINING AND EXPERIENCE:

- A Bachelor Degree in Business Administration, Accounting or a directly related field from an accredited college or university.
- A Master Degree in Business Administration, Accounting or a directly related field from an accredited college or university is preferred.
- A minimum of eight (8) years of experience supervising or managing activities related to budgeting, accounting, economic forecasting and financial analysis, preferably in the public sector.
- Be physically able to perform the essential functions of the position, with or without reasonable accommodation.

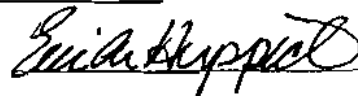
ADDITIONAL QUALIFICATIONS:

- Knowledge of current management principles, practices, and techniques relative to governmental budgeting, financing, actuarial analysis, accounting and reporting functions as required in the administration of a complex governmental organization.
- Ability to initiate, plan, develop, coordinate and implement multi-program and multi-management budget and accounting activities involved in the operations of County agencies.
- Knowledge of the utilization of technology in the preparation and implementation of budget and accounting documents, reports and activities.
- Knowledge of long range financial planning processes and economic forecasting techniques.
- Knowledge of the laws, ordinances, and regulations governing fiscal and budgetary operations of the County.
- Ability to develop and analyze financial and operational reports regarding programs, budgets and operations.
- Ability to prepare and present written and verbal reports in a clear and logical manner.
- Ability to direct, manage and organize the work of managerial, professional and support staff.
- Effective written and verbal communication skills including the ability to conduct meetings and make group presentations.
- Possession of a valid Michigan driver's license and an operable insured automobile for authorized travel.
- Ability to establish and maintain effective working relationships with elected officials, administrators, Department Heads, staff, external organizations, community groups and the public.
- Ability to conduct oneself with tact and courtesy.

HUMAN RESOURCE AND LABOR RELATIONS DEPARTMENT APPROVAL:

NAME: Eric A. Herppich

SIGNATURE:



TITLE: Director, Human Resources and Labor Relations

DATE: February 8, 2011

EFFECTIVE DATE: 02-07-11

MACOMB COUNTY

CLASSIFICATION/POSITION DESCRIPTION

CLASSIFICATION TITLE: Director (2011 Salary Range \$114,750 - \$127,500)

DEPARTMENT: Human Resources and Labor Relations

F.L.S.A. STATUS: Exempt

APPOINTING AUTHORITY: County Executive

GENERAL RESPONSIBILITIES:

Under the direction of the County Executive, is responsible for the overall management and administration of human resources and labor relations activities and operations for the County; plans and develops policy related to the County's human resources and labor relations operations and needs; consults with department heads and elected officials regarding needs as they relate to human resources; directs managerial, professional and support staff; performs related duties as assigned.

ESSENTIAL FUNCTIONS:

- Plans, directs and administers human resources and labor relations activities and operations for the County.
- Ensures compliance with policies and directives established by the County Executive, as well as established laws and regulations.
- Plans, directs and administers Department planning, budgeting, and operations including the development of goals, objectives and performance measures.
- Represents the County at hearings, conferences and meetings as necessary.
- Works cooperatively with County Officials, elected officials and department heads to plan, develop, and administer policy related to the County's human resources and labor relations operations.
- Directs and coordinates the preparation of data and reports, and makes presentations regarding human resources and labor relations issues.

ESSENTIAL FUNCTIONS (continued):

- Acts as spokesperson for labor contract negotiations with bargaining units representing County employees.
- Consults with and advises department heads and elected officials regarding department needs as they relate to human resources and labor relations.
- Acts as an advisor to the County Executive and the County's separate and joint employers on human resources and labor relations matters and actions.
- Facilitates and directs human resources planning and strategies to meet the current and future human resources and labor relations needs of the County.
- Directs and coordinates the review and recommendation of budgetary requests for staff adjustments.
- Develops the proposed annual Human Resources Department budget; administers the approved Department budget.
- Directs managerial, professional and support staff.
- Operates an automobile while performing assigned job duties.

ADDITIONAL FUNCTIONS:

- The statements contained in this position description are intended to describe the general nature and level of work being performed by individuals assigned to this position. They are not to be construed as an exhaustive list of all job duties performed.

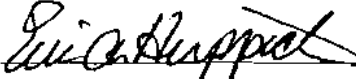
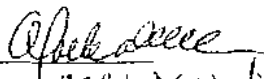
EDUCATION, TRAINING AND EXPERIENCE:

- A Bachelor Degree in Human Resources Management, Labor/Industrial Relations, Public Administration, Organizational Management or a directly related field from an accredited college or university.
- A Master Degree in Human Resources Management, Labor/Industrial Relations, Public Administration, Organizational Management or a directly related field from an accredited college or university is preferred.
- A minimum of eight (8) years of experience supervising or managing human resources and labor relations activities, preferably in the public sector.
- A minimum of five (5) years of experience functioning as spokesperson in labor contract negotiations, preferably in the public sector.
- Be physically able to perform the essential functions of the position, with or without reasonable accommodation.

ADDITIONAL QUALIFICATIONS:

- Knowledge of the techniques and practices of human resources administration including accepted methods of recruitment, testing, classification and compensation administration; benefits administration and staff training.
- Knowledge of the techniques and practices of labor relations administration.
- Knowledge of Federal and State laws and regulations governing the operations of human resources and labor relations activities.
- Thorough knowledge of the principles and practices of public administration.
- Ability to exercise judgement and initiative in human resource planning and recommending policy.
- Ability to develop and analyze financial and operational reports regarding programs, budgets and operations.
- Ability to prepare and present written and verbal reports in a clear and logical manner.
- Ability to direct, manage and organize the work of managerial, professional and support staff.
- Effective written and verbal communication skills including the ability to conduct meetings and make group presentations.
- Possession of a valid Michigan driver's license and an operable insured automobile for authorized travel.
- Ability to establish and maintain effective working relationships with elected officials, administrators, Department Heads, staff, external organizations, community groups and the public.
- Ability to conduct oneself with tact and courtesy.

HUMAN RESOURCES AND LABOR RELATIONS DEPARTMENT APPROVAL:

NAME: Eric Herppich SIGNATURE:  
TITLE: Director, Human Resources and Labor Relations DATE: 02-07-11
MARK DECINA

EFFECTIVE DATE: 2/8/11

MACOMB COUNTY

CLASSIFICATION/POSITION DESCRIPTION

CLASSIFICATION TITLE: Director of Roads (2011 Salary Range - \$114,750 - \$127,500)

DEPARTMENT: Roads

F.L.S.A. STATUS: Exempt

APPOINTING AUTHORITY: County Executive

GENERAL RESPONSIBILITIES:

Under the direction of the County Executive, is responsible for the overall management and administration of the activities and operations for the Department of Roads; directs and manages the strategic planning and operation of the Department of Roads design and construction programs; maintains direct communication with the Office of the County Executive regarding policy and procedures, department updates and issues; directs and manages maintenance, sign, signal and traffic operation activities; performs related duties as assigned.

ESSENTIAL FUNCTIONS:

- Directs and manages the strategic planning and operation of the Department of Roads design and construction programs.
- Reviews and recommends programs and services by studying the changing needs of the County and identifying and anticipating county road needs.
- Directs and manages the preparation of bid specifications and documents; reviews and analyzes bid information and makes recommendations.
- Acts as an advisor to the County Executive on Road matters and actions.
- Reviews and ensures compliance with regulations and guidelines of Federal and State agencies.
- Communicates with community groups, professional organizations, County, City, Township and State officials.

ESSENTIAL FUNCTIONS (continued):

- Ensures compliance with policies and directives established by the County Executive, as well as established laws and regulations.
- Responds to and provides direction for public complaints and concerns.
- Develops and prepares information for short and long-range County construction plans on primary and local road networks.
- Directs, manages and coordinates special projects performed by the Department of Roads.
- Develops the proposed Department of Roads annual budget; administers the approved department budget.
- Directs managerial, professional and support staff.
- Operates an automobile while performing assigned job duties.

ADDITIONAL FUNCTIONS:

- The statements contained in this position description are intended to describe the general nature and level of work being performed by individuals assigned to this position. They are not to be construed as an exhaustive list of all job duties performed.

EDUCATION, TRAINING AND EXPERIENCE:

- A Bachelor Degree in Public Administration, Transportation Planning, Civil Engineering or a directly related field from an accredited college or university.
- A Master Degree in Public Administration, Transportation Planning, Civil Engineering or a directly related field from an accredited college or university is preferred.
- A minimum of eight (8) years of experience supervising or managing government road projects and operations.
- Be physically able to perform the essential functions of the position, with or without reasonable accommodation.

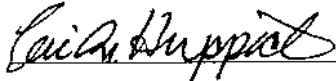
ADDITIONAL QUALIFICATIONS:

- Knowledge of planning techniques and practices related to road construction and maintenance.
- Knowledge of revenue and funding use specific to road construction and maintenance in Michigan.

ADDITIONAL QUALIFICATIONS (continued):

- Knowledge of the principles and practices of transportation planning.
- Knowledge of Federal and State laws and regulations governing the Department of Roads design and construction programs.
- Ability to plan, develop, evaluate and manage engineering activities for the County.
- Ability to develop and analyze financial and operational reports regarding programs, budgets and operations.
- Ability to prepare and present written and verbal reports in a clear and logical manner.
- Ability to direct, manage and organize the work of managerial, professional and support staff.
- Effective written and verbal communication skills including the ability to conduct meetings and make group presentations.
- Possession of a valid Michigan driver's license and an operable insured automobile for authorized travel.
- Ability to establish and maintain effective working relationships with elected officials, administrators, Department Heads, staff, external organizations, community groups and the public.
- Ability to conduct oneself with tact and courtesy.

HUMAN RESOURCES AND LABOR RELATIONS DEPARTMENT APPROVAL:

NAME: Eric Herppich SIGNATURE: 
TITLE: Director, Human Resources and Labor Relations DATE: February 8, 2011

EFFECTIVE DATE: 02-08-11

MACOMB COUNTY

CLASSIFICATION/POSITION DESCRIPTION

CLASSIFICATION TITLE: Director (2011 Salary Range \$69,336 - \$86,670)

DEPARTMENT: Senior Services

F.L.S.A. STATUS: Exempt

APPOINTING AUTHORITY: County Executive

GENERAL RESPONSIBILITIES:

Under direction, is responsible for the overall management and administration of senior citizen programs and services; identifies areas of program need and establishes program priorities, procedures and practices for the Department; plans, develops, administers and assumes leadership of the Department of Senior Services; performs related duties as assigned.

ESSENTIAL FUNCTIONS:

- Plans, develops, administers and assumes leadership of the Department of Senior Services.
- Identifies areas of program need and establishes program priorities, procedures and practices for the Department relative to community need.
- Formulates, recommends, implements and monitors policies relating to administrative and programmatic operations of the Department in such areas as organization, personnel utilization, budget and other significant management areas.
- Acts as liaison to the County Executive and the Advisory Council (Macomb County Council on Aging) relative to service objectives and program activities.
- Serves as primary spokesperson for the Department for the purpose of promoting public awareness.
- Coordinates inter-agency and intra-department programs, collaboration and activities.

ESSENTIAL FUNCTIONS (continued):

- Develops the proposed annual Senior Services budget; administers the approved Department budget.
- Ensures compliance to all pertinent Federal, State and local regulations.
- Reviews all Agency grant applications and facilitates appropriate approvals.
- Directs managerial, professional and support staff.
- Operates an automobile while performing assigned job duties.

ADDITIONAL FUNCTIONS:

- The statements contained in this position description are intended to describe the general nature and level of work being performed by individuals assigned to this position. They are not to be construed as an exhaustive list of all job duties performed.

EDUCATION, TRAINING AND EXPERIENCE:

- A Bachelor Degree in Psychology, Sociology, Social Work, Gerontology or related Human Service field from an accredited college or university.
- A Master Degree in Psychology, Sociology, Social Work, Gerontology or related Human Service field from an accredited college or university is preferred.
- A minimum of eight (8) years of experience supervising or managing community service delivery systems including experience in working with older persons.
- Be physically able to perform the essential functions of the position, with or without reasonable accommodation.

ADDITIONAL QUALIFICATIONS:

- Knowledge of aging service networks and service delivery systems.
- Knowledge of Federal/ State/ County regulations in relation to program operations.
- Knowledge of grant availability and application procedures.
- Knowledge of planning, budgeting and contracting techniques and practices.
- Ability to advocate for and identify the needs of older persons.

ADDITIONAL QUALIFICATIONS (continued):

- Ability to develop and analyze financial and operational reports regarding programs, budgets and operations.
- Ability to prepare and present written and verbal reports in a clear and logical manner.
- Ability to direct, manage and organize the work of managerial, professional and support staff.
- Effective written and verbal communication skills including the ability to conduct meetings and make group presentations.
- Possession of a valid Michigan driver's license and an operable insured automobile for authorized travel.
- Ability to establish and maintain effective working relationships with elected officials, administrators, Department Heads, external organizations, community groups and the public.
- Ability to conduct oneself with tact and courtesy.

HUMAN RESOURCE AND LABOR RELATIONS DEPARTMENT APPROVAL:

NAME: Eric A. Herppich

SIGNATURE: _____



TITLE: Director, Human Resources and Labor Relations DATE: February 8, 2011