

**MINUTES OF THE
FINANCE COMMITTEE
TUESDAY, AUGUST 23, 2011**

At a meeting of the **Finance Committee**, held Tuesday, August 23, 2011, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Brown-Chair, Carabelli, DiMaria, Flynn, Frascchetti, Gralewski, Miller,
Moceri, Sabatini, Smith, Tocco and Vosburg.

Absent and excused was Sauger.

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

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Carabelli, supported by Smith, to adopt the agenda, as amended, to include #9a. **The Motion Carried.**

SECOND QUARTER FINANCIAL REPORT FOR MARTHA T. BERRY

MOTION

A motion was made by Carabelli, supported by Frascchetti, to receive and file the Second Quarter Financial Report for Martha T. Berry.

Roger Faccione provided an overview of the financial report and indicated that they have not used the County appropriation during the first six months and have retained earnings of \$268,000 in the Social Welfare Fund. He said a report was also provided which listed the number of patients/constituents by district.

He noted that effective October 1, they will be experiencing an 11 percent cut in Medicare funding, which will equate to approximately \$240,000, and they do not know what to expect with Medicaid at this time.

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

**ORDINANCE TO ADOPT A COMPREHENSIVE BUDGET FOR THE SPECIAL
REVENUE AND ENTERPRISE FUNDS FOR FISCAL YEARS ENDING
9-30-12 AND 9-30-13**

Pete Provenzano provided an extensive overview of the proposed Budget for the Special Revenue and Enterprise Funds.

The following commissioners spoke: Miller, Tocco, Brown, Carabelli, Vosburg and Sabatini.

MOTION

A motion was made by Vosburg, supported by Fraschetti, to adopt the ordinance dated August 23, 2011.

Commissioner Flynn noted that the percentage amount for line item transfers needs to be determined.

Chair Brown felt the budget and ordinance should be separate and the budget should be approved in order to hold the Public Hearing on September 13.

Commissioners Vosburg and Fraschetti withdrew their motion.

MOTION

A motion was made by Miller, supported by Flynn, to approve the Comprehensive Budget for the Special Revenue and Enterprise Funds for Fiscal Years ending 9-30-12 and 9-30-13 for the purpose of holding a Public Hearing on September 13. **The Motion Carried.**

Chair Brown referred to the ordinance that was provided in the agenda packet, which was modified by the Board's Independent Counsel in consultation with the Finance Director and noted that it was revised to be consistent with the recently adopted budget ordinance. He said a determination is needed regarding the latitude that will be given to the County Executive for transferring of funds within line items.

Commissioner Mocerri said it was her understanding that Chair Brown and Board Chair Vosburg were given the responsibility to negotiate on that matter and come back with a recommendation, and that in previous presentations with Mr. Provenzano it was indicated that some departments might need difference percentages

Chair Brown said that he and Board Chair Vosburg met with the Finance Director and agreed to three percent.

Mr. Provenzano stated that after review of the routine budget adjustments made during the first seven months, they are comfortable with a three percent per transaction

threshold; if the dollar amount of the transaction is over three percent, it will be brought before the Board.

The following commissioners spoke: Miller, Flynn, Vosburg, Carabelli and Tocco.

MOTION

A motion was made by Flynn, supported by DiMaria, to approve the following be added to Section 2, Line-Item Transfers: three percent, but not to exceed \$15,000 in every department except the Department of Roads who will be allowed \$50,000.

Board Chair Vosburg asked Corporation Counsel if this language needs to be approved prior to the Public Hearing and Ms. Smith replied no. Board Chair Vosburg recommended having further discussion on this issue.

Commissioner Flynn said he would withdraw his motion at this time to allow for more thoughtful analysis.

Chair Brown stated that he will place this issue on the September 13th Finance Committee meeting agenda.

Commissioner Mocerri requested that supporting data be provided with any recommendation.

Commissioner DiMaria agreed to withdraw his support of the motion.

REQUEST FROM ANGELS' PLACE FOR PERMANENT EXEMPTION FROM LIVING WAGE POLICY

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY CARABELLI, SUPPORTED BY GRALEWSKI, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR IN THE REQUEST OF ANGELS' PLACE AND APPROVE A PERMANENT EXEMPTION FROM THE REQUIREMENTS OF THE LIVING WAGE POLICY; 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.

SUBSTITUTE COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY FLYNN, SUPPORTED BY TOCCO, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS CONCUR IN THE REQUEST OF ANGELS' PLACE AND APPROVE A TWO-YEAR EXEMPTION, FOR THE PERIOD SEPTEMBER 30, 2011 THROUGH OCTOBER 1, 2013, FROM THE REQUIREMENTS OF THE LIVING WAGE POLICY; 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 WITH CARABELLI VOTING "NO."**

APPOINTMENT OF LAW FIRM

MOTION

A motion was made by Frascchetti, supported by Flynn, to concur in the appointment of the law firm of Kirk, Huth & Lange, PLC to represent the Macomb County Health Department in potential litigation and issues regarding TTCH Development, LLC. **The Motion Carried.**

DISCUSSION ON PURCHASING ORDINANCE

Commissioner Miller stated that a draft document was distributed, which was drafted with the assistance of Jill Smith in Corporation Counsel, and includes existing purchasing procedures in Macomb County. He noted an oversight on page 5: the threshold amount for competitive sealed bidding was changed by the Board from \$20,000 to \$5,000. He highlighted one change that was included on page 8 titled County Based Enterprise and said it merits discussion.

The following commissioner spoke: Carabelli.

Chair Brown indicated that this will be on a future agenda.

COUNTER PROPOSAL FROM CLINTON MACOMB PUBLIC LIBRARY

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY SMITH, SUPPORTED BY SABATINI, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE THE COUNTER PROPOSAL FROM THE CLINTON-MACOMB PUBLIC LIBRARY; 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 Flynn.

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

ADDITIONAL MEETINGS SCHEDULED

Chair Brown noted that additional meetings have been scheduled: a Public Hearing on Adoption of Ordinance for Special Revenue and Enterprise Funds, Tuesday, September 13 at 9 a.m., and Finance Committee meetings, Tuesday, September 27, 9 a.m. and Tuesday, November 22, 9 a.m.

ADJOURNMENT

MOTION

A motion was made by DiMaria, supported by Frascchetti, to adjourn the meeting at 10:52 a.m. **The Motion Carried.**

Corinne Bedard
Committee Reporter