WAYS AND MEANS COMMITTEE MEETING

FRIDAY, JULY 11, 2025

9:00 A.M.

MINUTES

MEMBERS PRESENT:	Chairperson Brian Droscha, Brandon Haskell, Jeanne Pearl-Wright, Mark Mudry, Frank Holmes, and Keith Barber.
ALSO PRESENT:	Commissioners Jim Mott, Jane Whitacre, Nicole Christensen, and Scott Hansen; Connie Sobie, Ben Dawson, Logan Bailey, Melissa Ballard, Tim Vandermark, and Chad Powers.

The July 11, 2025 meeting of the Ways and Means Committee was called to order at 9:00 a.m. by Chairperson Droscha.

The Pledge of Allegiance was given by all.

Controller/Administrator Connie Sobie requested to remove item 6. Technology Services Department Report and add item 15. 2025/2026 Budget to the agenda. Commissioner Barber moved to approve the agenda, as amended. Commissioner Pearl-Wright seconded. Motion carried unanimously.

Commissioner Barber moved to approve the June 13, 2025 regular and closed session meeting minutes. Commissioner Pearl-Wright seconded. Motion carried unanimously.

Limited Public Comment. None.

Communication Director Logan Bailey provided a departmental update; discussing the County's social media and online activity and the danger of bad actors accessing our sites. Mr. Bailey discussed how technology will be necessary to bridge the gaps between the public's expected service levels and the service levels available due to budget reductions. Mr. Bailey also provided information about Artificial Intelligence and policies that are being developed. Discussion held.

Deputy Administrator/Human Resources Director Ben Dawson presented the positions update. Mr. Dawson discussed the currently open positions and indicated that the monthly vacancy rate is 16.15%, with the annual vacancy rate at 13.00%. No action was required to fill open positions.

Mr. Dawson provided information about the Delta Township Road Patrol contract and requested that it be moved to the full board for approval. Commissioner Haskell moved to send the contract to the full board. Commissioner Pearl-Wright seconded. Discussion held. Motion carried unanimously.

Mr. Dawson presented the 2024 Municipal Employees Retirement Systems (MERS) Actuarial Valuation. It was reported that the funded ratio decreased from 61% to 60% and the unfunded accrued liability rose from $75.3 million in 2023 to $78.8 million in 2024. He reported that the 2024 valuation will be used for the fiscal year budget 2026-2027. He provided detailed information about the "smoothing" process and how this affects the return numbers over a period of five years. Discussion held.

An update on the MERS Amortization Extension was provided by Mr. Dawson. He requested that the extension be sent to the full board for approval. Commissioner Barber moved to recommend approval of the MERS extension to the Board of Commissioners, as presented. Commissioner Haskell seconded. Discussion held. Motion carried unanimously.

Mr. Dawson presented the 2024 Retiree's Health Valuation. It was reported that the funded ratio increased from 71.7% in 2023 to 71.9% in 2024 and the unfunded liability increased from $7.62 million in 2023 to $8.18 million in 2024. The County has benefited greatly from the change in funding mechanism from self-funded to Medicare Advantage, however the premium rates are only guaranteed until December, 2026 at which point, the County will be subject to the current market conditions and will likely experience a significant rate increase which will impact the funding ratios.

A resolution to certify the officer and employee delegate for the MERS 2025 annual meeting was presented. It was reported that Kimberly Morris was elected as the employee delegate. Commissioner Jeanne Pearl-Wright agreed to attend as the officer delegate. Ben Dawson and Jennifer Hankins will attend as officer and employee alternates. Commissioner Haskell moved to recommend approval of the delegates and alternates to the Board of Commissioners, as presented. Seconded by Commissioner Mudry. Discussion held. Motion carried unanimously.

Mr. Dawson provided a summary on the Capital Improvement Bonding process. He spoke about the process of combining the Bank Drain and Capital Projects and how this will benefit the County. Mr. Dawson also gave details about interest rates and how paying the bond back over 20 years as opposed to 30 years will save the County money. Also provided was a final analysis of the Bank Intercounty Drain. Discussion held.

Chairperson Droscha called for a brief recess at 10:13 a.m.

Chairperson Droscha reconvened the meeting at 10:27 a.m.

Finance Director Melissa Ballard provided an analysis of the County's Blue Cross Blue Shield Health Insurance. Included in this analysis are the quarterly settlements from October 1, 2024 through March 31, 2025. The March 31 settlement was approximately $280,000, which is higher than last year. Ms. Ballard also stated that the retiree's portion has decreased by $400,000 compared to prior year as a result of the Medicare Advantage program. This has a direct impact on the longevity of the program.

The Child Care Fund Report for May 2025 was presented and discussed. State ward chargebacks continue to be higher than expected. However, the County has no control over these costs as they are determined based on placement by the State. Administration will continue to monitor these expenses. Based on the updated projection of revenue and expenditures, the estimated fund balance at September 30, 2025 is $1,698,746.

The monthly financial report for fiscal year 2024/25 was presented. Ms. Ballard indicated that revenues and expenses continue as budgeted. She also stated that we have higher interest revenue than projected under Treasurer Reynnett's direction. At this point in the fiscal year, expenses should be approximately 70% of the allocated budget; however, personnel savings due to employee turnover has impacted expenses.

Ms. Ballard presented information regarding the Eaton County Fire Training Facility State Appropriation. The State of Michigan appropriated funds in 2024 to build a state-of-the-art fire training facility in Eaton County. Ms. Ballard is working with the Eaton County Fire Training Committee and the State Legislature regarding the administration of funds.

Ms. Ballard provided an update on the County's Remonumentation grant. The County has had a long-standing agreement with Ron Lester to provide services coordinating the Remonumentation grant. Mr. Lester has informed the County that as of 12/31/2025 he will no longer provide service. The County will be publishing an RFP for a new contract for these services.

Facilities Director Chad Powers provided a departmental update. Mr. Powers indicated that the jail generator has been repaired and is up and running. Additionally, the office transition between the Treasurer's Office and the Clerk's Office has been completed without using any outside contracted services. Mr. Powers also indicated the grant-funded demonstration meadow in front of the Conservation District has been seeded and a cover crop was planted to stabilize the area. The Conservation District has also added some native plantings around the County complex signs. Mr. Powers also stated that he is working with the Technology Department to provide laptop computers for the maintenance staff to help with efficiency within his department.

Mr. Powers presented a Tentative Project Priority List regarding the Capital Improvement Program. He stated that the projects listed will be competitively bid out. Mr. Dawson discussed the bonding process and indicated that the County has three years to spend the funds received from the bond. Commissioner Barber moved to adopt the Tentative Project Priority List as presented. Commissioner Haskell seconded. Discussion held. Motion carried unanimously.

A Resolution to Approve 2024/2025 Budget Amendments was presented. Commissioner Haskell moved to recommend approval of the budget amendments to the Board of Commissioners as presented. Commissioner Pearl-Wright seconded. Discussion held. Motion carried unanimously.

Mr. Dawson stated that the Policy Updates section will continue to be a standing item on the agenda; however, there are no updates at this time.

Miscellaneous. None.

Commissioner Haskell moved to recommend approval of the payment of claims against the County in the amount of $420,546.95, immediate claims in the amount of $14,983,184.29, electronic claims in the amount of $6,699,091.88, and employee payroll in the amount of $1,956,943.01 to the Board of Commissioners as presented. Seconded by Commissioner Pearl-Wright. Motion carried unanimously.

The 2025-2026 updated budget projections were presented and discussed. Ms. Sobie provided an in-depth explanation of the budget projections. Delta Township figures have been temporarily removed from the budget until the contract negotiations are finalized. There are three major proposed changes beyond the normal changes to personnel due to employee turnover. 1) Eaton County Health and Rehabilitation Services Maintenance of Effort. On May 30, 2025, the Board voted to reduce the appropriation by 75%. After discussion with the facility and legal counsel, the Maintenance of Effort is the responsibility of the County so long as the County owns the Facility. As such, the appropriation needs to be returned to the annual contribution of $150,000. 2) With the passage of the Capital Improvement Bonds, the budget will need to include the annual debt payment amounting to $362,832 for fiscal year 2025/26. 3) The County Clerk is requesting to transition to a new software company, Fidlar Technologies with the recommendation from Technology Services. This transition is budget-neutral; however, it increases both revenues and expenditures for the 2025/26 budget. Commissioner Haskell moved to accept the three proposed changes. Commissioner Mudry seconded. Discussion held. Motion carried unanimously.

Limited public comment. None.

Chairperson Droscha adjourned the meeting at 11:44 a.m.

The next regularly scheduled meeting of the Ways and Means Committee will be held on Friday, August 15, 2025, at 9:00 a.m. in the Board of Commissioners Room of the Courthouse located at 1045 Independence Blvd., Charlotte, MI 48813.

Brian Droscha, Chairperson