

FINANCE & PHYSICAL RESOURCES COMMITTEE MINUTES

Tuesday, August 20, 2002 - 7:30 a.m.
Board Room - County Administration Building

MEMBERS PRESENT: Chair David Morren; Commissioners Dean Agee, Paul McGuire, Tom Postmus, and Fritz Wahlfield.

MEMBERS ABSENT: Commissioners Jack Boelema, Katherine Kuhn, James Vaughn, and Roger Morgan (all excused).

ALSO PRESENT: County Administrator Daryl Delabbio; Assistant County Administrators Alan Vanderberg and Mary Swanson; Civil Counsel Sherry Batzer; Management Analyst Neal Getz; Purchasing Manager Jon Denhof; Deputy Director of Fiscal Services Stephen Duarte; Budget Coordinator Marvin VanNortwick; Facilities Management Director Jim Leach; Director of Friend of the Court William Camden; Human Resources Manager Gail Glocheski; Director of Community Development Ronald Stonehouse; Director of Human Resources Frank Klus; Administrative Health Officer Cathy Raevsky; Finance Director at the Health Department Bill Anstey; Labor Counsel Tom Drenth; GIS Coordinator Sharon Vanderbout; Solid Waste Operations Director Doug Wood; Sheriff Larry Stelma; Undersheriff Jon Hess; Capt. Steve Van't Hof; Lt. Darrell Singleton; Director of Information Technology David Boehm; and Senior Administrative Specialist Sandra Winchester.

NEWS MEDIA: Kyla King, Grand Rapids Press; Dave Czurak, Grand Rapids Business Journal; Gordon Gould, WOOD Radio.

Mr. Morren called the meeting to order at 8:35 a.m.

I. BUDGET DISCUSSION- 2003 PROPOSED BUDGET

Mr. Delabbio presented and reviewed the proposed 2003 Budget with members of the Committee. The proposed budget is comprised of operating expenditures of \$388,302,120 and capital expenditures totaling \$13,937,388. The proposed millage rates for 2003 are 4.2726 mills (operating), 0.7952 mills (correctional facility), 0.2462 mills (senior services). The Board is being requested at its meeting on August 22, to establish a public hearing on September 12 on the budget and millage rates. The Board will be asked on September 12, to adopt the millage rates. The Board will be asked on September 26 to adopt the 2003 Budget. The Finance & Physical Resources Committee will review the Budget at its upcoming meetings on September 3 and September 17.

II. PUBLIC COMMENT

None.

III. CONSENT AGENDA

- a) Approval of the Minutes of August 6, 2002
- b) Auditing of Checks and Purchase Order Activity – See Attachment A
Road Commission – \$2,351,109.76
Warrants - 16602 thru 16912 for period ending August 14, 2002

- c) Community Development - Report on Contracts Awarded - July 2002 - Receive and File
- d) Public Works - Accept Municipal Landfill Cost-Share Grant for Kentwood Landfill - Bd. 8/22
- e) Public Works - Accept Municipal Landfill Cost-Share Grant for Sparta Landfill - Bd. 8/22
- f) Various - CIP Expenditures

Mr. Postmus moved to approve the Consent Agenda as presented.

Supported by Mr. Wahlfield.

Motion carried.

IV. BOARD OF COMMISISONERS - CONVENTION CENTER FUNDING

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners to approve a contribution of \$5 million to the Grand Rapids-Kent County Convention/Arena Authority toward the capital costs of the Convention Center Renovation/Addition project, contingent upon an allocation of an additional \$5 million from the Grand Rapids Downtown Development Authority. This item is proposed to go to the Board on September 12, 2002. A summary of the request follows.

- On March 29, 2000, the Board of Commissioners adopted Articles of Organization, Bylaws, an Operating Agreement and a Memorandum of Understanding creating the Grand Rapids-Kent County Convention/Arena Authority, and authorizing various actions related to the renovation and addition to the Convention Center. In June 2001, the Board of Commissioners approved provisions for the issuance of bonds, pledging the County's Lodging Excise (Hotel/ Motel) Tax proceeds, to fund \$86 million toward the cost of the Convention Center project.
- The Convention Center project is estimated at \$220 million. To date, \$207.3 million in funding has been pledged and/or secured, leaving a projected deficit of \$12.7 million. Unless the deficit is eliminated, a portion of the project (the Grand Ballroom) will not be completed.
- The County has been approached to provide \$5 million toward eliminating the deficit. The Grand Rapids Downtown Development Authority (DDA) has also been requested to provide \$5 million, with the balance (\$2.7 million) to come from value engineering and savings from the project itself.
- Board Chair Heacock is requesting that the Board of Commissioners consider using \$5 million from the Unreserved, Undesignated General Fund to fund a portion of the deficit **if** the Grand Rapids DDA allocates and contributes an additional \$5 million (bringing its total contribution to \$10 million) toward funding the deficit.
- The Fund Balance Review Subcommittee has reviewed this request and is recommending its approval.

The cost is \$5,000,000 and funds will come from the Unreserved, Undesignated General Fund Balance. The current balance of that fund is \$39,158.020.

Mr. Postmus moved to recommend to the Board of Commissioners to approve a contribution of \$5 million to the Grand Rapids-Kent County Convention/Arena Authority toward the capital costs of the Convention Center Renovation/Addition project, contingent upon an allocation of an additional \$5 million from the Grand Rapids Downtown Development Authority

Supported by Mr. Wahlfield.

Mr. Postmus asked for a monetary breakdown of what the City of Grand Rapids has contributed to this project.

Mr. Delabbio explained that the Downtown Development Authority is contributing an additional \$5 million toward the project, bringing its total to \$10 million. Also, \$1 million of the profits from the arena are allocated to the project each year for the next 10 years. However, the funding is only needed for the construction. Thus, only \$4 million from the arena profits will be used.

Mr. Steve Heacock, Chair of the Board, explained that the City of Grand Rapids turned over ownership of the arena to the Convention/Arena Authority in 2000. This means that any of the profits generated go directly to the Convention/Arena Authority. It is hard to predict what the profits will be in the future, but so far they have been able to generate the \$1 million per year toward the project from profits.

Mr. Heacock pointed out that the Downtown Development Authority (DDA) is an agent of the City of Grand Rapids. The DDA must approve any expenditure over \$50,000. This arrangement is similar to the County's Hotel/Motel Tax. The hotels and motels generate the funds, but the County decides how it is allocated. In the City's case, DDA money is in the control of the City Commission. Mr. Heacock stated he views the request before the Committee as a 50/50 partnership with the City of Grand Rapids.

Mr. McGuire said he feels the Convention Center is an investment in the City and the County's future. He feels it important for the project to continue, and said he is in support of the funding request.

Mr. Wahlfield asked what will happen if there is a shortfall of funds.

Mr. Heacock said he understands that the City is bonding for this money, so it is very unlikely there will be shortfall.

Mr. Morren thanked Chair Heacock for all of his hardwork and leadership in resolving this issue.

Motion carried.

V. BUREAU OF EQUALIZATION/INFORMATION TECHNOLOGY -
ORTHOPHOTOGRAPHY

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners to appropriate \$1,000,000 from the General Fund Undesignated/Unreserved Balance to a Special Projects Fund to fund the orthophotography project. This item is proposed to go to the Board on September 12, 2002. A summary of the request follows.

- Kent County contracted for aerial mapping services for the benefit of the County and local units from 1968 to 1998. The County paid the initial cost of the flight and map production, conducted the flights over a five-year period, and billed local units half of the total cost. Aerial mapping consisted of taking aerial photos and “mosaicing” them into pictures that give a birds-eye view of all property located in the County on a sectional basis.
- Orthophotography is aerial mapping based on ground control points in order to create digital maps. Kent County was the first county to start a countywide remonumentation program in 1980 and the first to finish in 2000. Now, instead of creating aerial maps that just show a picture, digital maps will be based on ground control points and are much more useful for land use planning and engineering purposes.
- The REGIS did an orthophotography project from 1998-2000. The concept at the time was that REGIS would administer orthophotography due to its status as a regional GIS provider. Fifteen of Kent County’s cities, villages and townships are in REGIS. Twenty cities, villages and townships are not members of REGIS at this time. REGIS does not provide information to non-member local units. Kent County should continue to provide the paper product maps to local units on an annual basis and hence it makes sense for Kent County to conduct the orthophotography project.
- The current orthophotography proposal is to complete the County all at one time. This will provide the most accurate mapping over time as the water levels, road work, etc. will be consistent. It is further proposed to request that the local units pay the County \$64,200, an amount equivalent to their 1994-98 cost share. The expectation should be imparted to local units that they should plan financially to pay half of the total expense when orthophotography is undertaken in 2007.

The cost is \$1,000,000 and staff is recommending funds come from the Undesignated/Unreserved General Fund Balance to the Special Projects Fund - Orthophotography. The current balance of the Undesignated/Unreserved General Fund is \$39,158,020.

Mr. Wahlfield moved to recommend to the Board of Commissioners approval to appropriate \$1,000,000 from the General Fund Undesignated/Unreserved Balance to a Special Projects Fund to fund the orthophotography project.

Supported by Mr. Postmus.

Motion carried.

VI. COMMUNITY MENTAL HEALTH - FY 2002 BUDGET ADJUSTMENTS - APPROPRIATE AN ADDITIONAL \$878,822

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners to accept and appropriate an additional \$878,822 in funding to the 2002 Community Mental Health (CMH) budget for substance abuse services. This item is proposed to go to the Board on August 22, 2002. A summary of the request follows.

- Kent CMH serves as the Coordinating Agency and fiduciary for the Montcalm, Ionia, Newaygo and Kent (MINK) substance abuse region. In June, Kent CMH received notification of \$878,822 in additional funding for substance abuse programs for the FY02 fiscal year:
- An additional \$241,824 in State Disability Assistance has been provided to treat disabled individuals with substance abuse problems. The additional funds were required due to high utilization of these services in the MINK region, and were available due to under-expenditures in other areas.
- An additional \$250,000 has been provided for residential treatment services for adolescents. This allocation is part of a statewide increase in funding for this service. Locally, the funding will be used to increase the contract with Project Rehab.
- For FY02, the State decided to contract directly with the Salvation Army for treatment services previously provided through a contract with CMH. A portion of these funds, \$386,998 are federal funds which must be awarded to the Coordinating Agency and contracted to Salvation Army on a pass-through basis. These funds were not included in the original budget submission to the County.

Mr. Postmus moved to recommend to the Board of Commissioners to accept and appropriate an additional \$878,822 in funding to the 2002 Community Mental Health (CMH) budget for substance abuse services.

Supported by Mr. McGuire.

Motion carried.

VII. FACILITIES MANAGEMENT/HEALTH - TB CLINIC

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners approval to convert and equip an existing former doctor's residence on the Kent County Campus to a Tuberculosis (TB) Clinic and appropriate \$310,000 from the

Undesignated/Unreserved General Fund Balance to the Facilities Management 2002 Capital Improvement Program. This item is proposed to go to the Board on September 12, 2002. A summary of the request follows.

- The existing TB Clinic operated by the Kent County Health Department is currently located in Spectrum Hospital (the former Kent Community Hospital Complex). The Health Department leased space and equipment from the hospital to perform these services for the public. Spectrum has notified the Health Department of the need for this space and is not renewing the lease. The lease expires October 1, 2002.
- The TB operation requires special equipment, air handling/quality and physical separation to conduct a clinic operation of this type. No space in the existing Health Department Facility is designed to accommodate this clinical function.
- Facilities Management has reviewed all available space and is recommending the former doctor's residence located directly adjacent to the Health Department be converted to the clinic operation. The proximity of this house will allow the Health Department staff to support the clinic in the same manner operated out of the Spectrum Hospital facility.
- The house was used as a CMH contract transition house in the past but has been vacant for approximately 4 years. The house is in very good structural condition, but will require a new roof, reconfiguration to control patient movement, a radiology room, dark room, new mechanical systems with appropriate ventilation to meet MIOSHA standards and compliance to the ADA.
- Staff is recommending approval of the project and funding.

Mr. Postmus moved approval to convert and equip an existing former doctor's residence on the Kent County Campus to a Tuberculosis (TB) Clinic and appropriate \$310,000 from the Undesignated/Unreserved General Fund Balance to the Facilities Management 2002 Capital Improvement Program.

Supported by Mr. Wahlfield.

Mr. Agee asked what the square footage of this building is.

Mr. Leach answered that it is 2,152 square feet and the cost is \$115 per square foot for construction.

Mr. Agee questioned how this cost compares to building a new facility.

Mr. Leach stated that the Health Department originally looked at spending \$500,000 for a new building. Staff feels that utilizing this building would be more cost effective. The location is very advantageous because it is convenient for the Health Department staff. He added that the TB Clinic is a part-time operation.

Mr. Wahlfield asked if this building will fit the needs of the patients.

Mr. Leach replied yes; it should serve the Health Department for many years to come.

Motion carried.

VIII. FRIEND OF THE COURT - AUTHORIZE A NEW POSITION AND ACCEPT GRANT FROM AREA COMMUNITY SERVICE EMPLOYMENT & TRAINING (ACSET)

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners authorization to add one (1) Caseworker Assistant (UAW 19) position for FY2003 contingent upon receipt of grant funding; and to accept a grant from the Area Community Service Employment & Training agency; and to authorize the Board Chair to sign the contract documents. This item is proposed to go to the Board on August 22, 2002. A summary of the request follows.

- For at least the last seven years, the County has operated or been affiliated with the Work First (WF) program formerly known as Parents' Fair Share.
- The objective of the WF program is to provide employment services for unemployed parents with child support obligations in Kent County.
- The Friend of the Court (FOC) expects to increase the clients served in the current program from 625 to 700 and serve 75 additional clients in the new young adult program.
- Because of this planned increase in the number of clients served, the FOC is requesting an additional Caseworker Assistant (UAW 19) position to supplement the three existing positions. The estimated annual cost of the position is \$42,959.
- The grant will pay 100% of the cost of support staff for the WF program and equipment for the new position.
- In the event grant funding is eliminated or decreased, the position(s) will be eliminated unless continuation funding is approved pursuant to the Fiscal Policy on Grants.
- The contract period is October 1, 2002, to September 30, 2003.
- The Legislative and Human Resources Committee approved this item on August 13, 2002.

The funding recommendation is to accept the \$215,193 grant from Area Community Service Employment & Training. No County General Funds are required.

Mr. Postmus moved approval to recommend to the Board of Commissioners authorization to add one (1) Caseworker Assistant (UAW 19) position for FY2003 contingent upon receipt of grant funding; and to accept a grant from the Area Community Service

Employment & Training agency; and to authorize the Board Chair to sign the contract documents.

Supported by Mr. Wahlfield.

Motion carried.

IX. PARKS - APPROPRIATION OF PARKS DEPARTMENT/FOREST HILLS PUBLIC SCHOOLS LAND EXCHANGE

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners the appropriation of \$128,987 received from the land exchange between the Parks Department and Forest Hills Public Schools to the Capital Improvement Program (CIP) Parks Acquisition Fund. This item is proposed to go to the Board on September 12, 2002. A summary of the request follows.

- The Board of Commissioners approved Resolution #9-27-01-136 on September 27, 2001, approving the exchange of 14 acres of land owned by Kent County, located in the Knapp Valley Forest for 10 acres of land owned by Forest Hills Public Schools, adjacent to Seidman Park. Forest Hills Schools agreed to pay the County \$130,000 for the 4 additional acres that they gained in the exchange. \$128,987 was received after the total was reduced for title insurance expense.
- Monies received from the park land exchange should be appropriated to the CIP Parks Acquisition Fund.

The funding recommendation is to appropriate \$128,987 from the General Fund Undesignated/Unreserved Balance to the CIP Parks Acquisition Fund. The current balance of that fund is \$39,158,020.

Mr. McGuire moved approval to recommend to the Board of Commissioners the appropriation of \$128,987 received from the land exchange between the Parks Department and Forest Hills Public Schools to the Capital Improvement Program (CIP) Parks Acquisition Fund.

Supported by Mr. Wahlfield.

Motion carried.

X. SHERIFF - LABOR AGREEMENT - KENT COUNTY DEPUTY SHERIFF'S ASSOCIATION

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners a four-year labor agreement for the period of January 1, 2002, through December 31, 2004, between the County of Kent, the Sheriff, and the Kent County Deputy Sheriff's

Association (KCDSA). This item is proposed to go to the Board on August 22, 2002. A summary of the request follows.

- The Negotiating Committee recommends approval of a four-year labor contract with the Kent County Deputy Sheriff Association (KCDSA).
- The salary and fringe benefit increases will result in a cost of approximately \$ 1,796,443 for the length of this contract.
- The contract affects 220 full-time employees assigned exclusively to the Sheriff's Department. The classifications represented are: Corrections Officers, Scientific Support Unit Specialists, Registered Nurses and the County Patrol Officers and Sergeants represented by the KCDSA.
- The proposed contract has been ratified by the membership.
- The Legislative and Human Resources Committee approved this item on August 13, 2002.

The funding recommendation is to transfer \$850,227 from the Undesignated/Unreserved General Fund Balance to the Sheriff's Department 2002 Budget.

Mr. Postmus moved to recommend to the Board of Commissioners approval of the four-year labor agreement for the Kent County Deputy Sheriff's Association for the period of January 1, 2001, through December 31, 2004.

Supported by Mr. Wahlfield.

Motion carried.

XI. MISCELLANEOUS

None.

XII. ADJOURNMENT

There being no other business for discussion, Mr. Morren declared the meeting adjourned at 9:15 a.m.

ADMINISTRATIVE APPROVAL FOR DISTRIBUTION_____