

FINANCE & PHYSICAL RESOURCES COMMITTEE MINUTES

Tuesday, March 21, 2006 - 8:30 a.m.
Board Room - County Administration Building

MEMBERS PRESENT: Chair Dan Koorndyk; Commissioners Jack Boelema, Gary Rolls, Tom Postmus, Art Tanis, James Vaughn, Harold Voorhees, and Fritz Wahlfield.

MEMBERS ABSENT: Commissioner Richard VanderMolen (excused).

ALSO PRESENT: County Administrator Daryl Delabbio; Assistant Administrators Mary Swanson and Wayman Britt; Executive Assistant to the Board Jim Day; Chair of the Board Roger Morgan; County Commissioner Ted Vonk; Civil Counsel Sherry Batzer; Legal Analyst Sangeeta Ghosh; Management Analysts Jennifer DeHaan, Darwin Baas, and Matthew VanZetten; Purchasing Manager Jon Denhof; Fiscal Services Director Bob White; Facilities Management Director Bob Mihos; Human Resources Director Donald Clack; Treasurer Kenneth Parrish; County Clerk/Register of Deeds Mary Hollinrake; Director of the Parks Department Roger Sabine; Facilities Manager at the Courthouse Tom Glynn; Facilities Operations Supervisor at the Courthouse Chuck Dubridge; Undersheriff Jon Hess; Chief Deputy at the Sheriff Department Tom Hillen; Finance Division Director of Public Works Dan Kendall; President of Kent Health Plan Linda Zeller; and Senior Administrative Specialist Sandra Winchester.

NEWS MEDIA: David Czurak, Grand Rapids Business Journal; and TV 13.

Mr. Koorndyk called the meeting to order at 8:30 a.m.

I. PUBLIC COMMENT

None.

II. CONSENT AGENDA

- a) Approval of the Minutes of March 9, 2006
- b) Auditing of Checks and Purchase Order Activity – See Attachment A
Road Commission - \$1,382,402.32
Warrants - #40038 - #40250 for period ending March 22, 2006
- c) Treasurer – Cemetery Trust Fund – Bd. 3/23
- d) Treasurer – Unknown Legatee Account – Bd. 3/23
- e) Various - Bid Awards
- f) Various - CIP Expenditures

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

Supported by Mr. Vaughn.

Motion carried.

III. ADMINISTRATOR'S – KENT HEALTH PLAN FUNDING APPROVAL

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners participation in the Kent Health Plan by transferring \$777,000 for eligible services through the Prevention Initiative to the State Department of Community Health for distribution through the Kent Health Plan to Kent County. This item is proposed to go to the Board on March 23, 2006. A summary of the request follows.

- For the past four years, the Kent Health Plan, a private, non-profit corporation, has provided primary care services for eligible County residents (200% of poverty) through State and local funds that are matched by federal funds.
- Recently, it has been determined that the previous County funds utilized for this program should no longer be used to leverage federal funds for the Kent Health Plan because of rule and interpretation changes. Currently, the Kent Health Plan contracts for services with the Health Department for Maternal Infant Health Program services, and Child Health Screens.
- Subsequently, the County has sought to identify other County funds that could be used to leverage federal funds. After consultation with representatives from the Health Department as well as the Kent Health Plan and its consultant (Health Management), the Prevention Initiative programs were identified.
- Under the new arrangement, the Health Plan will contract with the County to provide primary prevention programming and substance abuse prevention programming. The County will subcontract with existing providers (Child & Family Resource Council and network180) to provide prevention programming funded through the Prevention Initiative.
- Transfer of these funds currently used to provide Prevention Initiative services to the State for distribution through the Kent Health Plan to Kent County allows them to be eligible for federal match and provides additional funding for indigent health care services within the County.
- Counsel from Varnum has reviewed the proposed contract and is satisfied with the proposed contractual relationships.

The funding recommendation is as follows: \$777,000 from the Special Fund Account will be transferred to the State Department of Community Health, and \$777,000 in revenue will be returned to the County from the Kent Health Plan for Prevention Initiative services delivered by Child & Family Resource Council and network180.

Mr. Postmus moved to recommend to the Board of Commissioners approval to participate in the Kent Health Plan by transferring \$777,000 for eligible services through the Prevention Initiative to the State Department of Community Health for distribution through the Kent Health Plan to Kent County.

Supported by Mr. Vaughn.

Mr. Rolls questioned why the County is no longer able to leverage these funds.

Mr. Matthew VanZetten, explained that there were some gray areas in regard to leveraging federal funds, and the County received a memo explaining our programs would no longer qualify. Staff wanted to ensure that the appropriate funds were being used to leverage the federal funds since the match is 130 percent.

Mr. Rolls asked if there is any down side to making the changes.

Mr. VanZetten replied that he did not foresee any problems.

Mr. Boelema asked if there are any new General Fund dollars being used.

Mr. VanZetten said no, there are no new dollars.

Mr. Koorndyk added that this allows the County to maximize the dollars being received from the Federal government.

Motion carried.

IV. PARKS – REVISIONS TO PARKS DEPARTMENT FEES – OPEN SHELTERS, SHELTERHOUSES, MILLENNIUM PARK BEACH, AND SPLASH PAD

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners amendments to the Parks Department's fee schedule effective April 1, 2006. This item is proposed to go to the Board on March 23, 2006. A summary of the request follows.

- As required by the County Fiscal Policy – Fees and Charges, departments are required to review their fees and charges annually and to forward recommended changes to the Board of Commissioners. As a result of the continued budgetary limitations of the County, the consistently high use by the public of certain amenities, and the resulting demands on infrastructure and operations, Parks and Administrative staff conducted a broader review of potential revenue opportunities within the park system.
- The review was done with respect to the following guiding principles: 1) Consistency with the existing policy of allowing passively developed or open land to be accessible without fees; 2) Fees for amenities should be as minimal as possible while still supporting revenue requirements; 3) Fees should only be charged where cost-effective and able to generate sufficient revenue to offset the cost of collection; 4) Fees should be reflective of the value of the experience; and 5) Collection systems should be user-friendly and non-invasive, with efficient and effective administrative and collection systems.
- After a review of various recreational opportunities within the parks system and in consideration of the above criteria, it is proposed that the County begin to charge fees at the Millennium Park Beach Area and Splash Pad in 2006. The Beach, Beach House, and Splash Pad provide for an active recreational experience and represent distinct amenities; utilization is high and operation and maintenance costs are significant so as to warrant a fee. Access to

the park grounds will remain open and free of charge within the confines of the Parks Ordinance.

- The proposed 2006 fee schedule, which is based on the 2006 operations budget of the Park, also takes into consideration the cost of other swimming features and recreational venues in the area, calls for a daily fee of \$3 for adults and children ages 16 and over, \$2 for seniors age 63 and over, and \$1 per child ages 3-15. Children under three are free.
- The Parks Department is recommending an increase to the rental rates for Open Shelter and Shelterhouses. The rates were last increased for the 2004 season. Due to the 12-month reservation cycle for shelters, the new rates are proposed to take affect with reservations made after March 31, 2006.

There is no funding required.

Mr. Vaughn moved to recommend to the Board of Commissioners approval of the amendments to the Parks Department's fee schedule effective April 1, 2006.

Supported by Mr. Rolls.

Mr. Tanis stated he has been against fees for Millennium Park unless he could be convinced otherwise, and this may be the time. He asked if there are going to be select free days for the disadvantaged (similar to the Zoo).

Ms. Mary Swanson, Assistant County Administrator, replied yes, they are looking at free days and also JUMP type programs similar to the Zoo. She added that these programs have been built into the revenue plan.

Mr. Postmus noted that the Zoo has sponsors for their JUMP days and asked if this is a possibility for Millennium Park.

Ms. Swanson stated staff has been discussing that possibility, and they have talked to a couple of organizations.

Mr. Boelema asked if the revenues will be used to offset the costs at this particular park or do the revenues simply go into the Parks' budget.

Mr. Delabbio replied the \$665,000 was built into the 2006 budgeted revenues for the overall Parks budget. He added that the cost to operate Millennium Park exceeds the revenues.

Mr. Voorhees stated he agrees with Mr. Tanis' comment about charging fees for Millennium Park. However, the times he has visited the park, he realizes that this is a regional park as opposed to it being limited to residents of Kent County. He feels these are legitimate reasons and supports the fees.

Mr. Vaughn agreed that Millennium Park is a regional destination and feels everyone should pay their fair share to help keep costs down.

Mr. Rolls stated he visited the Millennium Park several times last summer, and it is a huge success. However, increased security is important to keep everyone safe at the park.

Mr. Postmus noted that most of the parks around West Michigan that have swimming available do not have lifeguards. He asked if Millennium Park is going to continue without lifeguards.

Ms. Swanson said yes, there will be no lifeguards.

Mr. Postmus pointed out that the parents will have to be responsible for their children.

Mr. Wahlfield asked if a portion of the revenues will be used for security.

Ms. Swanson answered yes; approximately \$350,000 will be used for security at the park.

Mr. Tanis questioned if there will be a family rate available.

Ms. Swanson said there will not be one available for this year. She pointed out that a family of four will be able to go to the park for under \$10. She added that these rates are considered a pilot for this year and demographic surveys will be conducted and analyzed following this coming summer season.

Mr. Koorndyk asked how often the fees are reviewed.

Ms. Swanson explained that according to County policy, fees are reviewed annually. Staff hopes to analyze the results from this year and make adjustments and/or recommendations as needed. She added that she anticipates it will be an on-going process.

Motion carried.

V. PUBLIC WORKS – SALE OF PROPERTY – 4805 BOYD AVENUE NE

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners to sell County property at 4805 Boyd Avenue NE, Parcel number 41-10-28-290-004, at a sale price of \$37,900 (former Public Works Lift Station). This item is proposed to go to the Board on March 23, 2006. A summary of the request follows.

- The Department of Public Works has determined that the lift station and associated property at 4805 Boyd Ave. NE is no longer needed, due to the new sewer line installation which bypasses this lift station.

- An independent appraisal of the property determined the value of the property at \$37,000.
- With approval of the Finance Committee in 2003, the Purchasing Division listed the property for sale through AJS Realty and has a written purchase agreement through Westman Realty Inc.
- The purchase agreement offering \$37,900 has been reviewed by Corporate Counsel.
- The property sale is pursuant to the County's policy on disposal of real property.

There is no funding required.

Mr. Tanis moved to recommend to the Board of Commissioners approval to sell County property at 4805 Boyd Avenue NE, Parcel number 41-10-28-290-004, at a sale price of \$37,900 (former Public Works Lift Station).

Supported by Mr. Postmus.

Mr. Rolls asked what is planned for this property.

Mr. Denhof explained that the proposed new property owners plan to build a house on the property.

Mr. Wahlfield asked if there needs to be any demolition on that site.

Mr. Denhof replied that the demolition was completed prior to the property being listed.

Motion carried.

VI. TREASURER'S OFFICE – DELINQUENT 2005 REAL PROPERTY TAXES/AUTHORIZE ISSUANCE OF "GENERAL OBLIGATION LIMITED TAX NOTES, SERIES 2006"

Mr. Delabbio stated approval is requested to recommend to the Board of Commissioners to establish the County Delinquent Tax Revolving Fund – 2006 Collection Account (Calendar 2005 Delinquent Real Property Taxes) and to authorize the sale of General Obligation Limited Tax Notes, Series 2006 in an amount not-to-exceed \$25,000,000. This item is proposed to go to the Board on March 23, 2006. A summary of the request follows.

- The Board of Commissioners annually approves the establishment of a new Kent County Delinquent Tax Revolving Fund –Collection Account, pursuant to the provisions of PA 206 of 1893, as amended.
- The County has annually issued tax notes to pay local governments and itself for delinquent real property taxes since 1973.

- Last year, the County issued \$20 million in Series 2005 tax notes for the delinquent 2004 Real Property Taxes.
- The note proceeds are utilized by the County Treasurer to purchase the right to all delinquent 2005 real property taxes that are due any governmental unit levying taxes.

There is no funding required.

Mr. Voorhees moved to recommend to the Board of Commissioners approval to establish the County Delinquent Tax Revolving Fund – 2006 Collection Account (Calendar 2005 Delinquent Real Property Taxes) and to authorize the sale of General Obligation Limited Tax Notes, Series 2006 in an amount not-to-exceed \$25,000,000.

Supported by Mr. Wahlfield.

Motion carried.

VII. MISCELLANEOUS

None.

VIII. ADJOURNMENT

There being no other business for discussion, Mr. Koorndyk declared the meeting adjourned at 8:47 a.m.

ADMINISTRATIVE APPROVAL FOR DISTRIBUTION _____

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