

CHAIRPERSON
VICTOR CELENTINO

VICE-CHAIRPERSON
BRIAN McGRAIN

VICE-CHAIRPERSON PRO-TEM
RANDY MAIVILLE

FINANCE COMMITTEE
CAROL KOENIG, CHAIR
SARAH ANTHONY
TODD TENNIS
BRIAN McGRAIN
REBECCA BAHAR-COOK
RANDY SCHAFFER
DON VICKERS

INGHAM COUNTY BOARD OF COMMISSIONERS

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THE FINANCE COMMITTEE WILL MEET ON WEDNESDAY, SEPTEMBER 10, 2014 AT 6:00 P.M., IN THE PERSONNEL CONFERENCE ROOM (D & E), HUMAN SERVICES BUILDING, 5303 S. CEDAR, LANSING.

Agenda

Call to Order

Approval of the [August 20, 2014 Minutes](#)

Additions to the Agenda

Limited Public Comment

1. Overview of Liaison Committee Recommendations
2. Proposed Revisions to [Controller's Recommended Budget](#)
3. Review and Action on County Services Committee Recommendations
4. Review and Action on Human Services Committee Recommendations
5. Review and Action on Law & Courts Committee Recommendations
6. Action to Incorporate Strategic Planning Initiative Funds into Recommended Budget
7. Adoption of Finance Recommended Budget

Announcements

Public Comment

Adjournment

**PLEASE TURN OFF CELL PHONES OR OTHER ELECTRONIC DEVICES
OR SET TO MUTE OR VIBRATE TO AVOID
DISRUPTION DURING THE MEETING**

The County of Ingham will provide necessary reasonable auxiliary aids and services, such as interpreters for the hearing impaired and audio tapes of printed materials being considered at the meeting for the visually impaired, for individuals with disabilities at the meeting upon five (5) working days notice to the County of Ingham. Individuals with disabilities requiring auxiliary aids or services should contact the County of Ingham in writing or by calling the following: Ingham County Board of Commissioners, P.O. Box 319, Mason, MI 48854 Phone: (517) 676-7200. A quorum of the Board of Commissioners may be in attendance at this meeting. Meeting information is also available on line at www.ingham.org.

FINANCE COMMITTEE
August 20, 2014
Draft – Minutes

Members Present: Carol Koenig, Sarah Anthony, Todd Tennis (arrived at 6:06 p.m.), Brian McGrain, Rebecca Bahar-Cook, and Don Vickers

Members Absent: Randy Schafer

Others Present: Comm. Kara Hope, Comm. Penelope Tsernoglou, Tim Dolehanty, John Neilsen, Travis Parsons, Teri Morton, Rick Terrill, Michael Ashton, Jill Rhode, Desiree Kirkland, Brian Cote, Missy Challiss, Ryan Buck, and others

The meeting was called to order by Chairperson Koenig at 6:04 p.m. in the Personnel Conference Room “D & E” of the Human Services Building, 5303 S. Cedar Street, Lansing, Michigan.

Approval of the July 16, 2014 Minutes

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. ANTHONY, TO APPROVE THE MINUTES OF THE JULY 16, 2014 FINANCE COMMITTEE MEETING.

Commissioner McGrain stated that he wanted to reiterate what had been stated at the last Human Services meeting regarding the level of detail in the minutes and that were some items that did not need to be in the minutes.

The following amendment was made:

~~Commissioner McGrain stated that he was happy to have participated in the Pro-Zoo parade in Leslie.~~

THE MOTION, AS AMENDED, CARRIED UNANIMOUSLY. Absent: Commissioner Schafer and Tennis.

Additions to the Agenda

None.

Commissioner Tennis arrived at the meeting at 6:06 p.m.

Substitutes –

3. Sheriff's Office

- a. Resolution Authorizing the Ingham County Sheriff's Office to Extend Contracts with the Michigan Department of Corrections to Rent 190 Beds to the Michigan Department of Corrections
8. Facilities Department
- a. Resolution Authorizing an Amendment to Resolution #14-088 with Hobbs & Black to Provide Architectural and Engineering Services for the Ingham County Community Health Center (ICCHC) Renovation Project

Lates –

3. Sheriff's Office
- c. Resolution to Approve the Purchase, Installation, and Configuration of Carousel Industries Jail Audio System
7. Human Resources Department
- b. Resolution Appointing Andrew Seltz as Ingham County Animal Control Director

Chairperson Koenig renumbered Agenda Item No. 11 as "11a."

11. Controller/Administrator's Office
- b. Discussion - Health Insurance Update

Limited Public Comment

None.

MOVED BY COMM. VICKERS, SUPPORTED BY COMM. BAHAR-COOK, TO APPROVE A CONSENT AGENDA FOR THE FOLLOWING ACTION ITEMS:

3. Sheriff's Office
- b. Resolution to Accept Gift Cards for the 2014 "Shop with a Hero Program"
4. Circuit Court/Family Division
- a. Resolution Authorizing Entering into a Contract for Attorney Services for Juvenile Delinquency and Truancy Matters
 - b. Resolution Authorizing Entering into a Contract for Attorney Services for Juvenile Delinquency Matters
5. 55th District Court - Resolution Authorizing the Purchase and Installation of a Video Surveillance System in the 55th District Court
7. Human Resources Department
- a. Resolution Certifying Representatives for the MERS Annual Meeting
 - b. Resolution Appointing Andrew Seltz as Ingham County Animal Control Director

8. Facilities Department
 - b. Resolution Awarding a Contract to Rieth-Riley Construction to Provide Asphalt Parking Lot Replacement at the Ingham County Sheriff's Office
 - c. Resolution Authorizing a Lease Agreement with Capitol Walk Parking for the Use of 98 Parking Spaces by Employees of the Veteran's Memorial Courthouse and Grady Porter Building
 - d. Resolution Authorizing a Contract with Bornor Restoration Inc. for Big Cat Holding Cell Repairs at the Potter Park Zoo

9. Health Department
 - a. Resolution to Authorize an Amendment to Resolution #14-270 and Establish Two Community Health Worker Positions
 - b. Resolution to Amend Agreement with the School-Community Health Alliance of Michigan
 - c. Resolution to Accept Child and Adolescent Health Center Program Funding from the Michigan Department of Community Health through the Michigan Primary Care Association and Amend the Agreement with the School-Community Health Alliance of Michigan
 - d. Resolution to Accept \$50,000 in Carry Over Funds from the Health Resources and Services Administration for the Ryan White Title IV Women, Infants, Children, Youth and Affected Family Members Aids Healthcare Grant
 - e. Resolution to Accept Funding from the U.S. Department of Health Resources and Services Administration for the Ryan White Title IV Women, Infants, Children, Youth and Affected Family Members Aids Healthcare Grant
 - f. Resolution to Enter an Agreement with Cross County Staffing, Inc. for Per Diem Professional Staffing for Medication Passing Services at the Ingham County Jail
 - g. Resolution to Enter into an Agreement with Erika Oliver, MPA
 - h. Resolution to Authorize an Agreement with Health Stream, Inc. for an Online Learning Management System
 - i. Resolution to Authorize a 2014-2015 AmeriCorps Grant
 - j. Resolution to Authorize Subcontract to GAMALIEL of Michigan with Funds from the National Association of County and City Health Officials (NACCHO)

10. Road Department
 - a. Resolution Authorizing the Purchase of the 2014/2015 Seasonal Requirement of Liquid De-Icer for the Ingham County Road Department
 - b. Resolution Authorizing the Purchase of Propane Used for Heating at the Eastern District of the Ingham County Road Department
 - c. Resolution Authorizing a Revised Subcontract with Michigan State University for Michigan Department of Environmental Quality Grant Funded Use of Crumb Rubber Modified Asphalt Paving Mixture for the Road Department

11. Controller/Administrator's Office
 - a. Resolution Authorizing the Fourth Amendment to the Agreement with the Capital Area Transportation Authority dated January 1, 2011 through December 31, 2015

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Schafer.

THE MOTION TO APPROVE THE ITEMS ON THE CONSENT AGENDA CARRIED UNANIMOUSLY. Absent: Commissioner Schafer.

1. Financial Services

- a. Presentation of the December 31, 2013 Audit (Please Bring the Comprehensive Annual Financial Report and Management Letter Previously Distributed at the July 22, 2014 Board of Commissioners' Meeting)

Jill Rhode, Financial Services Director, presented on the December 31, 2013 audit that was performed. She further stated that this was the first time utilized Plante Moran. Ms. Rhode stated that this was the first time we had written our own financial statement.

Ms. Rhode introduced Tim St. Andrew and Bill Brickey of Plante Moran to the Committee. Mr. Brickey presented on their deliverables to the County.

Mr. St. Andrew thanked Ms. Rhode and her whole team for working so well with Plante Moran. He provided highlights on their findings in the Report to the Board of Commissioners. Mr. St. Andrew stated that there were issues with the bank reconciliation reports.

Chairperson Koenig asked why this was occurring.

Mr. Brickey stated that it appeared that there was too much data to be fully processed in time. He further stated that hopefully next year's audit would result in a better report.

Discussion.

Commissioner McGrain asked who was handling the reports.

Ms. Rhode stated that the Treasurer's Office was handling the reports.

Commissioner McGrain asked whether this was related to a special revenue fund.

Ms. Rhode stated that she did not believe it was money from or for a specific purpose.

Chairperson Koenig asked how big the discrepancy was.

Discussion.

Commissioner McGrain asked what the purpose of the Agenda Item No. 1b was.

Ms. Rhode stated that we could do the review ourselves but it was a poor internal control to do so.

Commissioner Anthony asked what the time frame to finish the bank reconciliation reports was.

Mr. Brickey stated that the ideal time frame was to zero out the bank reconciliation report each month.

Chairperson Koenig asked for information about automation of these processes.

Mr. Brickey stated that there was technology that they could take advantage of.

Ms. Rhode stated that it was important to approve Agenda Item No. 1b because we were approaching end of this year.

Desiree Kirkland, Chief Deputy Treasurer, stated that the new auditors had helped bring many of our issues to light.

Chairperson Koenig asked if previous auditors had picked up on these issues.

Ms. Rhode stated that they did not have issues in the past.

Mr. St. Andrew presented on the Transportation and Road Fund.

Ms. Rhode provided a response to the issues highlighted in the Transportation and Road Fund presentation. She further stated that the horrible weather we experienced at the end of 2013 was the reason for many of the issues.

Mr. St. Andrew provided a brief overview of the medical facility and how new accounting practices had affected the County's audit.

Mr. St. Andrew presented on the End of Audit Letter, which completed the entire audit circle.

Mr. Brickey presented on the audit of the federal grants the County received. He stated that the County received \$14 million in grant funding and Plante Moran audited seven programs.

Commissioner Anthony asked whether it was a federal requirement that we maintain the information on paper.

Mr. Brickey stated yes.

Ms. Rhode presented on the fund balance in the general fund and the reconciliation report. She further presented on how the generally accepted accounting principals impacted the reports.

Ms. Rhode stated that by approving the Agenda Item No. 2, the \$6 million involved would become restricted funds in the general fund.

Commissioner McGrain asked for more information regarding property tax appeals.

Ms. Rhode stated that the Equalization Department had found that there were less appeals pending.

Ms. Rhode presented on the clinic fund, workers' compensation fund, and the County's pension liability.

There was a discussion about how generally accepted accounting principles applied to the pension liability.

1. Financial Services

- b. Resolution to Authorize Plante Moran to Assist the Treasurers Office and Financial Services in Preparing Bank Reconciliations

COMM. TENNIS MOVED, SUPPORTED BY COMM. BAHAR-COOK, TO APPROVE THE RESOLUTION TO AUTHORIZE PLANTE MORAN TO ASSIST THE TREASURERS OFFICE AND FINANCIAL SERVICES IN PREPARING BANK RECONCILIATIONS.

Commissioner Vickers asked what Plante Moran was going to do.

Mr. Brickey stated that they were going to review and redesign the current process and catch the County up on its bank reconciliation reports.

Commissioner McGrain asked how long this was going to take.

Mr. Brickey stated that he believed it would take about a month, but could last longer.

Ms. Rhode stated that they would be finished by no later than the end of December.

There was a discussion about funding sources for this resolution.

Commissioner McGrain asked whether we would want to seek out any other accounting firms to do this work.

Tim Dolehanty, Controller/Administrator, stated that any new firm would have to be brought up to speed and Plante Moran already had the necessary knowledge to successfully work on the related issues.

The motion was amended as follows:

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners authorizes a contract with Plante Moran to assist in the preparations of bank reconciliation and the review of the County system at a cost ~~of~~ **not to exceed** \$25,000.

This was considered a friendly amendment.

There was a discussion about the bank reconciliation issue and whether the issue would be completely rectified for 2014.

Chairperson Koenig asked whether they would go back to 2013 to fix any issues.

Ms. Rhode stated that it was not their intention to do that.

THE MOTION, AS AMENDED, CARRIED UNANIMOUSLY. Absent: Commissioner Schafer.

2. Drain Commissioner - Resolution Providing Additional Funding for the Revolving Drain Fund (Fund 802)

COMM. ANTHONY MOVED, SUPPORTED BY COMM. TENNIS, TO APPROVE THE RESOLUTION PROVIDING ADDITIONAL FUNDING FOR THE REVOLVING DRAIN FUND (FUND 802).

Pat Lindemann, Drain Commissioner, stated that they were going to borrow the money and they would prefer to borrow the money from the County. He further stated that it would result in more income to the County than the County would otherwise earn. Mr. Lindemann stated that this resolution

There was a discussion regarding the Groesbeck drain.

Mr. Lindemann stated that there were 25 drains that used the fund and seven have repaid the money.

There was a discussion regarding the amount of money in the fund.

Mr. Lindemann stated that this would not be a long-term commitment. He further stated that once the bond proceeds would come in, the Drain Office would repay the money to the County.

There was a discussion about whether this resolution would continuously restrict funds that would otherwise be available to the County.

Commissioner Bahar-Cook asked that staff bring a resolution to the Board to reduce the amount in the revolving fund once there became no need for the \$7 million.

Commissioner Vickers stated that he found it disheartening that the Financial Services Director did not know about this resolution until today.

Mr. Lindemann provided a history on the litigation involving the Groesbeck drain.

Commissioner Vickers asked if this had anything to do with the Red Cedar development.

Mr. Lindemann stated that he might use \$100,000.

Discussion.

Chairperson Koenig asked for a definition of “short term.”

Mr. Lindemann stated that it was a term of art.

Commissioner McGrain stated that he wanted there to be an annual review of what would be the appropriate amount of money in the revolving drain fund.

THE MOTION CARRIED. **Yeas:** Commissioners Koenig, Anthony, Tennis, McGrain, and Bahar-Cook **Nays:** Commissioner Vickers **Absent:** Commissioner Schafer

3. Sheriff's Office

- a. Resolution Authorizing the Ingham County Sheriff's Office to Extend a Contract with the Michigan Department of Corrections to Rent 190 Beds to the Michigan Department of Corrections

COMM. TENNIS MOVED, SUPPORTED BY COMM. ANTHONY, TO APPROVE THE RESOLUTION AUTHORIZING THE INGHAM COUNTY SHERIFF'S OFFICE TO EXTEND A CONTRACT WITH THE MICHIGAN DEPARTMENT OF CORRECTIONS TO RENT 190 BEDS TO THE MICHIGAN DEPARTMENT OF CORRECTIONS.

Commissioner Tennis stated that there were judges who had expressed concern over this arrangement because it took up beds that some judges would otherwise want to fill with an inmate who was sentenced in that judge's court.

There was a discussion regarding the use of beds by inmates of the Michigan Department of Corrections and local judges' diminished ability to sentence criminals to jail time.

Commissioner Vickers stated that this discussion had been going on for years. He further stated that this arrangement would result in \$2 million coming into the Sheriff's Office.

John Neilsen, Chief Deputy Controller, stated that this issue would flare up when a judge would have to reduce a sentence because there was insufficient space.

There was a discussion about the rate that would be charged under this resolution and whether the County ought to seek a different amount.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Schafer.

3. Sheriff's Office

- c. Resolution to Approve the Purchase, Installation, and Configuration of Carousel Industries Jail Audio System

COMM. BAHAR-COOK MOVED, SUPPORTED BY COMM. MCGRAIN, TO APPROVE THE RESOLUTION TO APPROVE THE PURCHASE, INSTALLATION, AND CONFIGURATION OF CAROUSEL INDUSTRIES JAIL AUDIO SYSTEM.

Chairperson Koenig asked what type of audio system this was.

Michael Ashton, Chief Information Officer and IT Director, stated that this system would allow the officer in the control room to hear or communicate with an inmate. He further provided information on the difficulties the County had faced with the Grand Valley vendor and system.

Commissioner Anthony asked why this was coming out of the contingency fund.

Mr. Dolehanty stated that this was an emergency resolution.

Mr. Ashton stated that this resolution was specific to two posts.

Commissioner Bahar-Cook stated that it was important to think strategically about whether to update or replace the current jail.

Mr. Neilsen stated that an RFP was being developed.

Commissioner Bahar-Cook asked for a copy of draft.

Chairperson Koenig requested that the entire Committee receive a copy of the RFP draft. She stated the system relating to this resolution could be moved if the jail was replaced or updated.

Discussion.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Schafer.

6. Innovation and Technology Department - Resolution to Approve the Purchase of Additional San Storage of the DR SAN

COMM. MCGRAIN MOVED, SUPPORTED BY COMM. BAHAR-COOK, TO APPROVE THE RESOLUTION TO APPROVE THE PURCHASE OF ADDITIONAL SAN STORAGE OF THE DR SAN.

Commissioner Bahar-Cook asked how long this extra storage would last.

Mr. Ashton stated that it would last for about a year. He further stated that the storage demands were growing tremendously.

Discussion.

Mr. Ashton provided background on the need for extra storage. He further stated that the new 911 Center had also contributed to the need for extra storage.

Commissioner Bahar-Cook asked whether this would be a part of the budget process in the future.

Ms. Morton stated that there may have to be shift of funds from imaging to networking.

Discussion.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Schafer.

8. Facilities Department

- a. Resolution Authorizing an Amendment to Resolution #14-088 with Hobbs & Black to Provide Architectural and Engineering Services for the Ingham County Community Health Center (ICCHC) Renovation Project

COMM. BAHAR-COOK MOVED, SUPPORTED BY COMM. MCGRAIN, TO APPROVE THE RESOLUTION AUTHORIZING AN AMENDMENT TO RESOLUTION #14-088 WITH HOBBS & BLACK TO PROVIDE ARCHITECTURAL AND ENGINEERING SERVICES FOR THE INGHAM COUNTY COMMUNITY HEALTH CENTER (ICCHC) RENOVATION PROJECT.

Commissioner Bahar-Cook asked why there was such a large increase in cost.

Rick Terrill, Facilities Department Director, stated that the scope of work had changed, including additions and modifications. He further stated that the dental area was more expensive. Mr. Terrill stated that he received feedback from the commissioners regarding making the entrance more friendly and inviting. He further stated that there were exterior improvements made.

Commissioner Tennis presented information on federal guidelines that guided the changes in the cost. He further stated that we would be competing for patients.

There was a discussion about items that resulted in the increased cost.

Commissioner McGrain stated that the Human Services Committee was concerned that people feel welcomed in the building and not feel like they were merely a number.

Discussion.

Commissioner Bahar-Cook stated that she was not opposed to having a facility that could compete with Urgent Care, but now that she understood the cost breakdown better, she could support the resolution.

Mr. Terrill stated that we would be doing the landscaping in-house.

Commissioner Anthony thanked Mr. Terrill for his efforts to make the building look modern, which would positively affect that area of the Cedar Street corridor.

Discussion.

Mr. Terrill stated that the cost might come in lower once bids go out.

Chairperson Koenig stated that the resulting change was about \$815,000.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Schafer.

11. Controller/Administrator's Office

b. Discussion - Health Insurance Update

Mr. Dolehanty introduced Brian Cote, CIC Benefit Consulting Group, to the Committee who would provide a health insurance update.

Mr. Cote made a presentation on how the County managed health care inflation, the County's current health insurance expenses, how the law would affect benefits, how other counties were making changes, and how the County could work to mitigate its expenses.

Mr. Cote stated that the County was facing a 3.1% increase next year from PHP.

Commissioner Tennis asked what "HRA" meant.

Mr. Cote stated that it stood for "health reimbursement arrangement."

Mr. Cote presented on ways to mitigate health insurance expenses, including free generic prescriptions, telemedicine, and a price transparency program.

Chairperson Koenig asked why the employees would want to do this.

Mr. Cote stated that most groups were giving their employees 25% of the savings, which would create the incentive to use this program.

Mr. Cote stated that he had tested all the programs that he would recommend on his own employees first.

Chairperson Koenig asked if the co-pay on the generics was enough to incentivize the employees to participate.

Mr. Cote stated that it was his experience with other entities that it did create an incentive, however it was not great.

Discussion.

Chairperson Koenig asked how the telemedicine was paid for.

Mr. Cote stated that the County would pay a different company than PHP for the telemedicine services.

There was a discussion regarding the downside of these opportunities.

Mr. Cote stated that the highest deductible that existed in the exchanges was \$6,300.

Commissioner Tennis stated that our employees would likely be paying more for their benefit in the future. He further stated that we needed to carefully consider issue.

Mr. Cote provided information on the health reimbursement arrangement.

Commissioner Bahar-Cook left the meeting at 8:17 p.m.

Discussion.

Ms. Morton stated that these programs were designed to educate our employees to be better health care consumers because they would have to pay more for the benefit.

There was a discussion about the issue of the cost of health insurance as it would apply to employees.

Mr. Cote presented on the concept of a “Christmas Colonoscopy.”

Commissioner McGrain asked if there was a moral hazard with these changes.

Mr. Cote stated that they would track the information, however it had not happened before.

Commissioner Anthony asked for a list of other counties that Mr. Cote had worked with.

Mr. Cote stated that he would provide that information.

Commissioner Tennis stated that PA 152 was a terrible law.

Discussion.

Public Comment

None.

Announcements

Ms. Morton stated that everyone should have received a copy of the budget summary and everyone should read it by Monday.

The meeting was adjourned at 8:26 p.m.

MEMORANDUM

TO: Finance Committee
FROM: Jared Cypher, Deputy Controller
RE: Psychiatric Inpatient Care for Ingham County Jail Inmates
DATE: September 3, 2014

The State of Michigan dramatically reduced State General Fund payments to the Community Mental Health Authority (CMH) of Clinton, Eaton, and Ingham Counties and to the entire Community Mental Health system for the second half of the current fiscal year (April, 2014 to September, 2014) and for fiscal year 2015. The reduction eliminated 67% of the State General Fund dollars to the CMH system.

For more than 20 years CMH has provided significant mental health support through the Correctional Assessment and Treatment Services (CATS) program at the Ingham county jail. This program provides assessment, treatment, and risk reductions services to inmates as well as training and consultation to correctional staff. CMH has also paid all psychiatric inpatient claims on individuals admitted directly from the jail to the psychiatric inpatient facilities. These services were supported completely through use of now reduced State General Fund dollars.

Given this dramatic reduction in State funding, CMH lacks necessary funds to continue to pay these psychiatric inpatient costs and others previously funded with State General Fund dollars. CMH has asked that Ingham County consider providing \$144,000 in additional funds to offset State reductions.

When the CMH request was discussed at the Human Services Committee budget hearing, an amount of \$1 was placed on the Z-list to serve as a placeholder while staff discussed possible alternatives for funding these services. Following discussions with CMH and the County Attorney's Office, we believe the best option at this time is to utilize funding from the Health Care Services Millage to for this request. Services will be provided to an estimated 14-20 people per year, making it simple to determine on a case by case basis if the person receiving service meets the criteria of the ballot language.

We recommend that the Finance Committee make an amendment to the 2015 Controller Recommended Budget to include the utilization of up to \$144,000 from the Health Care Services Millage to fund the CMH request. Taking such action would remove the item from the Z-list. Please let us know if you have any questions.

Closing the Funding Gap related to Psychiatric Inpatient Care for Ingham County Jail Inmates

August 2014

Summary of proposal: As a result of the dramatic reduction (over 67%) in the State General Fund payments to the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties, the ability of this CMH to continue to pay for psychiatric inpatient care for jail inmates has been seriously eroded. Needed is a plan to close this funding gap.

Deep General Fund cut to CMH: The State of Michigan dramatically reduced State General Fund payments to the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties and to the entire Community Mental Health system for the second half of the current fiscal year (April, 2014 – September, 2014) and for fiscal year 2015. The cut eliminated 67% of the State General Fund dollars to the CMH system.

One assumption that laid the groundwork for this reduction in funding to the mental health system was that expanded Medicaid, i.e., the Healthy Michigan Plan, would make up for these funding cuts through Healthy Michigan Plan enrollments and the Medicaid/Healthy Michigan funds that would be received by CMH system. While it is true that there will be additional funding tied to the expansion of Medicaid, that fund source will not pay for certain critical services, jail based services, including psychiatric inpatient care, being among these excluded services.

Longstanding partnership of CMH with the Ingham County Sheriff's Office and the Ingham County Jail: Historically, CMH has provided significant mental health support at all three county jails, i.e., the Correctional Assessment and Treatment Services (CATS) program at the Ingham county jail (and similar facility based services in Eaton and Clinton county jails) have been in operation for more than twenty years. These programs provide assessment, treatment, and risk reductions services to inmates in the respective jails as well as training and consultation to correctional staff. These services are supported completely through use of General Fund dollars which have been significantly reduced as noted. CMHA-CEI has a strong commitment to supporting these services in order to maintain individuals with serious and persistent mental illnesses in treatment, to help the jails in managing risks, and to mitigate mental health concerns for post-incarceration.

GF funding gap's impact on CMH's ability to pay for psychiatric inpatient care for jail inmates: In addition to the jail-based CMH has also paid all psychiatric inpatient claims on individuals admitted directly from the jail to the psychiatric inpatient facilities with which we contract. These claims average **\$144,000 per year**. Given that these claims are paid with State General Fund dollars and given the dramatic cut in this CMH's State General Fund revenues, **CMH is without the funds to continue to pay these psychiatric inpatient costs** and others previously funded by State General Fund dollars.

We have notified Sheriff Wriggelsworth of this issue and have indicated our willingness to work collaboratively with his office, the County Controller, and the County Commissioners to close this budget gap.

Proposal: That CMH work with the Controller's Office and the Ingham County Sheriff's Office to explore several options for addressing this issue, resulting in a recommendation to the County Commissioners. The options to be considered include:

1. Ingham County provide funding to CMH to cover the costs of psychiatric inpatient care for the inmates of the Ingham County Jail
2. Ingham County pay the psychiatric inpatient claims for Ingham County jail inmates

MEMORANDUM

TO: Finance Committee

FROM: Timothy J. Dolehanty, ICMA-CM, AICP, Controller/Administrator

RE: Proposed Restoration of Position for Circuit Court/General Trial Division

DATE: September 4, 2014

As part of the 2015 Controller Recommended Budget, a Court of Claims Clerk in the Circuit Court/General Trial Division was recommended for elimination for an annual savings of \$70,100. This decision was based on the elimination of the State Court of Claims function from the 2015 budget, which resulted in a revenue loss of \$150,000.

At the Law and Courts budget hearing held on August 28, the Circuit Court spoke about how the loss of this position would impact its operations. Although titled Court of Claims Clerk, this position also performs the duties of the more general Deputy Clerk III positions, which fall under the same position classification. Additionally, the Court is planning to move forward with its imaging project, which will require all current personnel in order to assure a successful implementation.

The Court also spoke about the large amount of attrition savings that has been attained in 2013 and 2014. Although attrition is not an appropriate funding source for a position on an ongoing basis, the Court is committed to maintaining at least enough vacancies in 2015 to continue this position, and to reassess its staffing needs as part of the 2016 budget process. Please see attached memo from Deputy Court Administrator Rhonda Swayze for additional detail.

Based on the information received from the Circuit Court, the Controller's Office is requesting the Finance Committee to make an amendment to the 2015 Controller Recommended Budget restoring the Circuit Court position to be funded from salary attrition within the Court's 2015 budget. If restored, the position would be retitled Deputy Clerk III. This action would remove the item from the Strategic Planning Initiatives list. Please do not hesitate to contact me if you have any questions.

Ingham County Circuit Court
30th Judicial Circuit
P.O. BOX 40771
LANSING, MI 48901-7971
TELEPHONE: (517) 483-6500

JANELLE A. LAWLESS
Chief Circuit Judge

SHAUNA DUNNINGS
Circuit Court Administrator



HARRY P. MOXLEY
Interim Deputy Court Administrator /
Friend of the Court

RHONDA K. SWAYZE
Deputy Court Administrator /
General Trial Division

MAUREEN WINSLOW
Deputy Court Administrator /
Juvenile Division

MEMORANDUM

To: Teri Morton, Budget Director

From: Rhonda Swayze, Deputy Court Administrator
General Trial Division

Date: September 2, 2014

Re: 2014 Attrition Savings for the General Trial Division and Controller's
Recommended Elimination of The Court of Claims Clerk Position

During the August 28, 2014 Law and Courts Committee meeting, Chief Judge Lawless spoke toward the 2014 attrition savings realized by the General Trial Division. In 2014 the General Trial Division has saved \$117,906 to date through attrition (see attached chart). Additionally, Circuit Court Administration has saved \$104,033 since July 2013 (see attached summary).

Chief Judge Lawless also spoke about the history of the Court of Claims Clerk position and that while the title was Court of Claims Clerk that title had been assigned a long time ago because the employee in that position, along with performing normal Deputy Clerk III duties, also performed some duties specific to processing Court of Claims cases. Judge Lawless also pointed out that the Court of Claims cases, when that caseload resided with the Ingham County Circuit Court, only comprised 2.2% of the dispositive caseload.

While we understand that the Controller's Office does not look at the fact that a Department has saved money by attrition but rather that a position exists which can be filled, we are asking that an exception be made for the following reasons and with the following conditions.

The Circuit Court believes it is now in a position to move forward with its scanning, and when allowed by the Michigan Supreme Court, e-filing initiatives. Both initiatives require substantial resources in terms of money and personnel time, such as determination of product/benefit compatibility; intensive personnel redaction activities; compliance with court record retention requirements; staffing front-end research, project implementation, transition support, and back and scanning.

Based on the experiences of the Friend of the Court and the Prosecuting Attorney's Office, the staff commitment required for a successful implementation and subsequent transition period of all phases of these systems will be significant. We anticipate needing all personnel resources currently available to us in the Circuit Court Clerk's Office during the implementation and transition of these projects. This includes the position known as the Court of Claims Clerk position.

We expect that once the project has been implemented and the Court becomes familiar with the new way of processing cases, we will have an opportunity to evaluate personnel resources.

We respectfully request consideration is given to allow us to retain the Court of Claims position through 2015 so whomever is in that position can continue performing Deputy Clerk III duties while we move forward with the imaging and e-filing projects. We'll make every effort to continue the trend of attrition savings to cover the cost of the position. We will also seek a title change as it is no longer appropriate to title that position as Court of Claims Clerk. We will also provide an implementation status and a case processing report during the 2016 budget cycle that you can use in assessing program progress and staffing needs when preparing the Controller's Recommended Budget.

Thank you for your consideration.

cc: Tim Dolehanty
Shauna Dunnings
Hon. Janelle A. Lawless
John Neilsen