

**MINUTES OF THE  
ECONOMIC DEVELOPMENT COMMITTEE**

**WEDNESDAY, SEPTEMBER 26, 2012**

At a **special** meeting of the **Economic Development Committee**, held Wednesday, September 26, 2012, in the Board Room, on the 9<sup>th</sup> Floor of the Administration Building, Mount Clemens, the following members were present:

Carabelli-Co-Chair, Flynn-Co-Chair, Gralewski, Mocerri, Sabatini, Smith,  
Tocco and Vosburg (ex-officio).

Absent and excused was Miller.

There being a quorum of the committee present, Co-Chair Carabelli called the meeting to order at 9:15 a.m.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**AGENDA**

**MOTION**

A motion was made by Mocerri, supported by Gralewski, to adopt the agenda, as presented. **The Motion Carried.**

**MINUTES**

**MOTION**

A motion was made by Gralewski, supported by Sabatini, to approve the August 15, 2012 minutes of this committee, as written. **The Motion Carried.**

**RECEIVE AND FILE RFI 09-19-12 ED DoR BUDGET ITEMS FIN**

RFI 09-19-12 ED DoR Budget Items FIN contained Economic Development Committee requests for information regarding the submitted "Recommended Budget for Funds with a Fiscal Year Ending September 30, 2013," (relative to the Department of Roads). It was requested that the response from the Office of County Executive (OCE) be submitted prior to the special Economic Development Committee meeting which is scheduled for September 26, 2012. Listed below is the requested information necessary for committee deliberation:

1. Page C-26, Category of Expenditures, Line item titled "Personnel"  
Provide the budgeted positions and salary ranges as found on page D-6 and D-7 in detail as the clarifying information needed to explain this line item.
2. Page C-26, Category of Expenditures, Line item titled "Supplies & Services"  
Provide explanatory detail for expected budgeted expenditures in order to provide clarity for this line item.
3. Page C-26, Category of Expenditures, Line item titled "Contract Services"  
Provide details describing account activities to be charged to this budgeted line item.
4. Page C-26, Category of Expenditures, Line item titled "Capital Outlay"  
Provide detailed listing that describes the account activities to be charged to this budgeted item.

The OCE submitted their response, along with an attachment which consisted of five pages of supporting/clarifying information, in an e-mail dated September 25, 2012 at 4:38 p.m.

Co-Chair Flynn expressed his frustration with receiving the response from the OCE in an untimely fashion.

### **MOTION**

A motion as made by Mocerri, supported by Gralewski, to receive and file RFI 09-19-12 ED DoR Budget Items FIN and the response from the Office of County Executive dated September 25, 2012.

Co-Chair Flynn indicated that the Board's independent counsel, Clark Hill, will be attending tomorrow's special Finance Committee meeting with an opinion of the Board's ability to do line item budgets. He felt there is a fundamental difference of what is actually binding and what is not binding and what has been provided to commissioners is non-binding. He noted Personnel is still a lump sum line item of \$29,770,474.

Pete Provenzano indicated the OCE's position, as well as Finance, is that according to state law this is a line item budget. He further reported that a line item is not detailed and last year Corporation Counsel had backed them up. He felt the question is: What is a line item. He stated that they have ~~compiled~~ complied with requests the Board has asked for, as well as other requests for information.

Michelle Mykytiak provided a detailed overview of the supporting/clarifying documentation provided for:

Page 1: Macomb County Department of Roads  
Contract Services Supporting Documentation  
Fiscal Year 2013 and 2014 Budget

Categories consisted of the following:

- Engineering & Construction Services
- Administrative Services
- Maintenance Services

**Total 2013 Budget for Contract Services: \$2,546,400**

**Total 2014 Budget for Contract Services: \$2,648,900**

Michelle Mykytiak provided a detailed overview of the supporting/clarifying documentation provided for:

Page 2: Macomb County Department of Roads  
Supplies and Services Supporting Documentation  
Fiscal Year 2013 and 2014 Budget

Categories consisted of the following:

- Professional Services
- Office Expenditures
- Safety and Shop Supplies
- Telephones and Equipment
- Advertising, Printing, and Postage
- Insurance and Registration Fees
- Interest Expense

**Total 2013 Budget for Supplies & Services: \$1,030,250**

**Total 2014 Budget for Supplies & Services: \$1,002,264**

The following commissioner spoke: Vosburg.

Michelle Mykytiak provided a detailed overview of the supporting/clarifying documentation provided for:

Pages 3-4: Macomb County Department of Roads  
Equipment and Capital Projects Supporting Documentation  
Fiscal Year 2013 Budget

**Sub-total shown on page 3 for Equipment: \$2,973,829**

**Sub-total shown on page 4 for Capital Projects: \$4,349,900**

**Total Fixed Assets and Capital Projects for 2012/2013: \$7,323,729**

Michelle Mykytiak pointed out of the \$7.3 million that \$4,080,000 is budgeted for the Macomb County Joint Operations Center Building Renovation of which \$3,980,000 will be reimbursed with CMAQ Funds.

Michelle Mykytiak provided a detailed overview of the supporting/clarifying documentation provided for:

Page 5: Macomb County Department of Roads  
Equipment and Capital Projects Supporting Documentation  
Fiscal Year 2014 Budget

**Sub-total shown on page 5 for Equipment: \$2,501,600**

**Sub-total shown on page 5 for Capital Projects: \$ 124,000**

**Total Fixed Assets and Capital Projects for 2013/2014: \$2,625,600**

Commissioners Carabelli, Flynn, Mocerri, Sabatini, Vosburg, Tocco and Smith directed numerous inquiries to Pete Provenzano, Bob Hoepfner and Michelle Mykytiak. Key topics discussed consisted of the following:

- The budget for the purchase of vehicles.
- Older trucks will be auctioned off or used as spares depending on their condition. Funds received will go directly back to the fund balance under "Other Revenue."
- The Department of Roads typically budgets for a medium winter.
- Public Act 51 which is very specific on how the Department of Roads can spend money.
- The Department of Roads has to abide by required Act 51 rules. In the Act 51 report, one will not see salaries; they will see budget by activity which is probably about 25 activities. Such as, Maintenance, Overhead, Engineering, et cetera.
- Commissioners requested the Finance Department further break down line items and list second tier categories; i.e., under Expenditures: Contract Services, Personnel, Road Construction & Maintenance, Capital Outlay.
- Today's main issue is: "What is the definition of a budgeted line item."

- Cited information contained within the Uniform Budgeting and Accounting Act; Act 2 of 1968.

During discussion, Pete Provenzano indicated that this committee is asking for a detailed budget and a different level of detail for the Department of Roads, but not for other departments and that would not be uniform. It is very clear that to break down the line items any clearer would violate state law and that was based on conversation last year and for this year their opinion has not changed. He noted that state law states when you budget, a line item is the department total.

During discussion, Pete Provenzano noted in the recommended budget they did include the budgeted positions by department for fiscal year 2013 which broke down the fund and position, the salary range (minimum/maximum) and 2013 full time equivalent recommended. They also provided detail on road projects.

During discussion, Pete Provenzano recalled at the end of June they delivered the recommended budget to the Board. They have provided the Board with detail and at the last meeting were asked to provide more detail.

Commissioner Mocerri wanted to offer a motion to have the additional information that was requested at today's committee meeting be submitted by the Finance Department in time for tomorrow's Finance Committee meeting.

Pete Provenzano recalled normal protocol is to send the RFI to the OCE and then they send it to him. He noted they are working on the County Budget which is due by October 3<sup>rd</sup> and if this information is needed by tomorrow morning, they will not have sufficient time. He suggested the Board give either Mark Deldin or Al Lorenzo from the OCE a telephone call at the conclusion of this meeting and advise them as to what commissioners are looking for.

Co-Chair Flynn inquired if there was a way to do a continuation budget for two or three weeks as things get figured out. Pete Provenzano felt that was a legal question.

Co-Chair Carabelli called for a vote on the motion to receive and file and **The Motion Carried.**

Committee took a recess from 10:14 a.m. to 10:38 a.m.

**APPROVE OR REJECT RECOMMENDED BUDGET FOR SPECIAL REVENUE AND ENTERPRISE FUNDS FOR FISCAL YEARS ENDING SEPTEMBER 30, 2013 AND 2014 FOR THE DEPARTMENT OF ROADS** (postponed from 09-12-12)

Commissioner Tocco offered the following motion; it was supported by Commissioner Gralewski. The motion reads as follows:

**MOTION**

A motion was made by Tocco, supported by Gralewski, to approve the Recommended Budget for Special Revenue and Enterprise Funds for Fiscal Year 2013 for the Department of Roads contingent on the line item budget being included for: Intergovernmental; Personnel (three line items: salary, benefits and legacy costs); Supplies & Services; Road Construction & Maintenance; Contract Services; and Capital Outlay in budget format by or before the September 27, 2012 Finance Committee meeting which is scheduled at 9 a.m. Further, if the contingency is not met, the Recommended Budget for Special Revenue and Enterprise Funds for Fiscal Year 2013 for the Department of Roads will not be forwarded to the Finance Committee for consideration. **The Motion Carried.**

**NEW BUSINESS**

A discussed ensued amongst Commissioners Mocerri and Flynn about Solid Ground will be closing because of a loss of grant dollars. It was suggested that a request be sent to the OCE to have Mike Rozny from the Planning and Economic Development Department come before this committee and give a presentation since he is very familiar with Solid Ground.

Co-Chair Carabelli indicated that he met with Wakely & Associates and others regarding the layout of the Board Room and they are putting sketches together.

Commissioner Smith suggested moving tomorrow's Finance Committee meeting to 5 p.m. instead of 9 a.m. for reasons discussed today. Co-Chair Carabelli said he would contact Commissioner Brown and share the suggestion of moving the time.

**ADJOURNMENT**

**MOTION**

A motion was made by Sabatini, supported by Smith, to adjourn the meeting at 10:47 a.m. **The Motion Carried.**



Denise M. Jacks  
Committee Reporter