

PERSONNEL / WAYS & MEANS COMMITTEE

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MEMBERS

Terry Collins, Ralph Tillotson
Committee of the Whole

MEETING LOCATION

301 N. Main Street – Adrian, MI

Minutes: Tuesday, May 9, 2023 – 10:29 a.m.

Present: Commissioners Collins, Bales, Bolton, Jenkins-Arno, Krasny, Martis, Stimpson, Tillotson, and Van Doren

Also Present: Kim Murphy, Shannon Elliott, Rebecca Borton, Jennifer Ambrose, Francine Zysk, Teresa Choate, Rachel McAran, Chief Circuit Court Judge Anna Marie Anzalone, Erin Van Dyke, Jenny Escott, Roxann Holloway, Carolyn Bater, Thomas Kendziora, Ben Ricker, Sheriff Bevier, Heidi Cannon, Pat Farver, Tim Robinson, Gordon Gauss, Allen Heldt, Marty Marshall, Mark Jeffrey, Lynn Punnett, Judi Gilmore, Victoria Powell, Ian Wendt (WLEN), Jackie Coch (Tecumseh Herald), Mary Lowe (The Daily Telegram), Ebony Duff and Peter Worden (Garan, Lucow, & Miller PC)

I. APPROVAL OF MINUTES

Motion by Tillotson, seconded by Bolton, to approve the minutes of the May 2023 meeting. Motion carried.

II. PERSONNEL BUSINESS

A. Employment Changes: Personnel changes were available for review.

B. Administrator Review: Administrator Murphy has requested that her evaluation be conducted in a closed session.

Motion by Bales, seconded by Bolton, to go into closed session for the purpose of conducting the County Administrator's annual performance evaluation at 10:32 a.m. Motion carried unanimously.

Motion by Tillotson, seconded by Bales, to return to open session at 11:34 a.m. Motion carried unanimously.

C. Other Personnel Business: Rachel McAran the new Human Resources Assistant and Francine Zysk the new Community Development Coordinator were introduced.

Ms. Zysk provided an update on the opioid settlement and her plans for moving forward; she also shared several learning opportunities for anyone interested.

- D. Other Personnel Business:** A resolution regarding the Administrator's review will be presented to the Board of Commissioners at tomorrow's meeting. Commissioner Collins stated that the Administrator is meeting or exceeding expectations in all areas.

III. WAYS AND MEANS BUSINESS

- A. Finance Reports:** Administrator Murphy reviewed points of interest in the General Fund Income Statement and the Fund Equity Change Report. She also identified and reviewed fund deficits.

- B. Tecumseh Product Site Debris Removal:** TRC Environmental is working with Tecumseh Products on installing the loop of injection and extraction wells on the west side of the Tecumseh Products property. They are required to have the system completely installed by the end of this calendar year.

A large pile of debris on the property needs to be removed so that this system can be installed.

Motion by Bolton, seconded by Martis, to recommend approval of the solicitation of bids for the removal of the debris pile on the former Tecumseh Products site. Motion carried with a unanimous roll call vote.

C. Lenawee Now

Drain Commissioner Jenny Escott provided her thoughts on the Commission considering a contract with Lenawee Now.

Chief Circuit Court Judge Anna Maria Anzalone provided her concerns regarding moving forward with a potential contract with Lenawee Now at this time.

Attorneys Ebony Duff and Peter Worden (available via Zoom) from Garan, Lucow, and Miller (Corporate Counsel) were available.

- 1. Financial Review:** Ebony Duff explained that Garan, Lucow, and Miller were asked to conduct a preliminary assessment of the financial records of Lenawee Now and each commissioner has received a copy of their opinion letter.

Financial statements for the years 2017-2022 were reviewed. No improprieties or misuse of public funds were identified in the limited information provided.

There was discussion regarding the financial records, as well as, questions that were addressed and/or unanswered.

Ms. Duff confirmed that there is no law, policy, or requirement prohibiting Commissioner Van Doren from speaking on this matter; recognizing that he was previously affiliated with Lenawee Now and is now a sitting Commissioner.

Comm. Van Doren requested a list of all third-party contracts and the audit process.

Most third-party contracts are held with agencies that fall under a government agency audit.

Commissioner Stimpson would like to have a forensic audit conducted to simply answer any questions that have come to light.

Peter Worden explained that the opinion from legal counsel was formed based on the high-level financial reports (non-specific) that were presented and reviewed. Several questions simply were not answered; therefore, they were unable to complete their due diligence to the level of public trust most likely demands.

He went on to talk about due diligence. When any public entity is going to contribute funds to an enterprise, it behooves the public entity to make sure that those funds are being used appropriately and in the best interest of the public.

Mr. Worden stated that it is at this board's discretion to go forward with a contract without due diligence if it so chooses, or they could continue with the due diligence that one would do when there is a significant expenditure of funds.

When asked about the cost of a forensic audit, Mr. Worden stated he contacted a colleague he has worked with in the past and who conducts forensic audits. He guesstimated that the cost of a forensic audit might cost between \$5,000 to \$20,000. He further stated that these estimates are extremely conservative and would hope the cost would be on the lower end of the spectrum.

When questioned about what detailed information was not provided, Mr. Worden mentioned a few of the outstanding questions, including:

- Clarification of relationships between an unnamed foundation that donated funds to the Lenawee Chamber Foundation who then donated those funds to Lenawee Now, and a person in common with the county.
- Clarification of a \$244,000 loan or donation.
- LION 1 and LION 2 are LLCs that make loans to third parties. Lenawee Now is the manager of both funds, and the membership question was declined.

Pat Farver and Tim Robinson, both of Lenawee Now, addressed the board. Mr. Farver explained that the audited financials are available and were recently provided to the Administrator when she asked for them. He also indicated that their auditor added a statement to clarify that there was no co-mingling of funds.

He went on to report that Lenawee Now has appropriated 23 million dollars toward Lenawee County projects.

Administrator Murphy stated that the Lenawee County Administration and the Board of Commissioners are in favor of economic development and working collaboratively with Lenawee Now to bring and retain jobs, bring families to our community, and create opportunities for Lenawee County to thrive.

Pat Farver requested the audits be forwarded to all of the commissioners. Kim agreed to share all information as well as the questions that were asked of Lenawee Now and their responses.

Motion by Van Doren, seconded by Stimpson, to recommend approval of a forensic audit for Lenawee Now. Motion carried with a unanimous roll call vote.

Commissioner Collins stated that the 2023 Contract and What Now items will be addressed at a later date.

D. Committee Referrals/Recommendations

Airport Commission – Hangar Request: Commissioner Bales explained that Mark Jeffrey has submitted a proposal to build a hangar that will contain approximately three planes at the County Airport. Mr. Jeffrey will obtain stamped-engineered drawings, adhere to all inspection requirements, and pay to have the hangar built. The building will be immediately donated to the County in return for 25 years of rent-free occupancy.

Thomas Kendziora and Mr. Jeffrey were available to answer questions.

Kim Murphy further explained that Thomas has been working with Attorney Barker on a draft of a potential agreement between the Airport and Mr. Jeffrey. However, before Mr. Jeffrey incurs the costs of getting stamped engineered drawings, he would like to know if the Board of Commissioners is agreeable to the concept. Any final agreements will come before the Board of Commissioners for approval before the construction of the hangar.

Motion by Bales, seconded by Van Doren, to recommend the Board of Commissioners authorize the Airport Manager to continue negotiations with Mr. Jeffrey to build an Airport hangar. Motion carried.

Airport Commission - Beacon Request: The Airport Commission submitted a recommendation for a beacon replacement.

Thomas reported that he obtained three quotes about the replacement of the rotating beacon ranging from \$26,000 to \$38,100. The current tower is in decent shape and is not being replaced.

Motion by Martis, seconded by Bales, to recommend acceptance of the bid from Countyline Power in the amount not to exceed \$26,000 for the replacement and installation of the Airport Rotating Beacon with funding to come from 581.895-931 (Equipment Repair / Maintenance). Motion carried.

Criminal Justice Committee – District Court Personnel: Administrator Murphy reviewed a request from District Court. The District Court recently lost its non-attorney magistrate. Administrator Heidi Cannon is requesting approval of two non-attorney magistrates.

Motion by Stimpson, seconded by Van Doren, to recommend approval of the hiring of two non-attorney magistrates. Motion carried.

E. Other Ways & Means Business

No other business.

IV. CONSENT AGENDA

Action items approved unanimously at this meeting will be placed on the Board of Commissioners Consent Agenda unless requested to be removed.

V. PUBLIC COMMENT

Victoria Powell, from Adrian, commented on Lenawee Now and Solar Farming.

VI. COMMISSIONER COMMENTS

There were no Commissioner comments.

VII. ADJOURNMENT

Motion by Tillotson, seconded by Bolton, to adjourn the meeting at 1:14 p.m. Motion carried.