



County of Ottawa

Administrator's Office

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County Administrator's Weekly Digest January 22, 2010

"COUNTY IN THE NEWS" (Keith Van Beek)

At the request of several commissioners, miOttawa now has a new feature entitled "County in the News". This is an effort not only to highlight to news stories in local print media, but also to provide a forum to correct the occasional factual error. For example, a recent headline in two newspapers indicated the board would continue a 55 cent per mile payout, when in fact the board continued the policy to pay at current IRS rates which will fall in 2010 from 55 cents to 50 cents. The link is on the front page of the website, and will offer an archive of previously posted stories.

HOLLAND CHAMBER – ECONOMIC FORECAST

I've attached the PowerPoint presentation that George Erickcek of the Upjohn Institute provided at the Holland Chamber Breakfast last week. My editorial comment would be that I hope that everyone who reads the Digest takes the time to study the PowerPoint.

PHARMACY BENEFIT MANAGER CHANGE TO NAVITUS (Marcie Verbeek)

On October 1, 2009, Ottawa County changed its Pharmacy Benefit Management company from Caremark to Navitus. Since the change has taken place there have been some issues brought to Human Resources attention. I have provided a list below of the issues in case you or your employees have questions or concerns. Thank you for your patience as we work through these. If you have any additional questions on the change to Navitus please contact Human Resources.

- **Dispensed as Written (DAW):** Ottawa County has had the procedure in place that if a doctor writes DAW on a prescription that is a Tier 3 drug the employee can get the drug at the Tier 2 drug co-pay amount. Currently Navitus' system cannot verify whether DAW is on prescriptions. Their system is being modified to include the DAW provision and is scheduled to be corrected by February 1, 2010. Until that time if you know you will be receiving a prescription with a DAW on it please contact Erin (x4805) or Shelby (x4804) in Human Resources and they will contact Navitus to put an override in. This override will notify the pharmacist to check the prescription for the DAW. If you have already done this for a specific drug since the transition to Navitus it will be retained in their system.
- On January 1, 2010, all employee groups went to a \$10, \$25, \$50 co-pay schedule at Navitus. This was incorrect and was fixed on January 12, 2010. If you are represented by a Bargaining Agreement, your prescription co-pay should not have changed, but continued at the \$10, \$20, \$40. If during this time you were overcharged please contact HR and we will have the amount refunded to you. The change to \$10, \$25, \$50 was correct for Group T and Unclassified employees.
- With the past pharmacy management company (Caremark), when an employee filled a 30-day prescription or a 90-day prescription the system could not differentiate between the two and was typically only charging one - co-pay. This was administered incorrectly in the past and has now been fixed with the change to Navitus. When you fill a 90-day supply at the pharmacy you will be charged three co-pays. Please be aware that we have a mail-in pharmacy program that fills 90-days supplies for 2.3 times the cost and will mail the prescription directly to your home.

GFOA AWARD

I was recently notified by the Government Officers Finance Association (GFOA) that the County has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the comprehensive annual audit financial report for the fiscal year ended December 31, 2008. This is the 26th consecutive year that the County has achieved this award. The County has been awarded GFOA's Distinguished Budget Presentation Award for the past 14 consecutive years. Kudos to Fiscal Services Director June Hagan and her staff and especially Connie VanderSchaaf, who plays the major role in achieving these awards each year.

LOCAL GOVERNMENT EECBG PROGRAM CONTINUES (Keith VanBeek)

The Board of Commissioners approved the application, scoring system and selection criteria for the next step in the local government Energy Efficiency and Conservation Block Grant Program (EECBG). As reported several times previously in this communication, \$400,000 was allocated to assist local governments in improving the energy efficiency of their facilities. In stage 1, US Energy Engineers provided free energy audits to 22 of our local units of government. Now in stage 2, US Energy Engineers will be assisting each of those units to review the completed audits, evaluate which projects they would like to implement, and complete an application to obtain some of the roughly \$350,000 that remains in the program budget following the completion of the audits. Approximately half of that money is being split among the units of government based upon population, with the other half made available for a competitive application process. US Energy Engineers indicates that the audits revealed projects well over the amount of money available, so the use of leveraged funds to complete projects will be weighted heavily when considering applications for the competitive dollars. The deadline for the applications is February 12, so look for a contact from US Energy Engineers to initiate this next step.

PARKS COMMISSION CONSIDERS ALCOHOL POLICY REVISIONS (John Scholtz)

Currently and traditionally, the rules for parks and open spaces in Ottawa County exclude the possession or use of any alcoholic beverages by any individual or group. To better serve the population of Ottawa County as the County develops and as the Parks Department grows, the Parks Commission has directed staff to explore the possibility of allowing beer and wine in special circumstances.

Over the last year, the Parks Department has received many requests and questions regarding the ability to include beer and/or wine with reservations and events. For example, office staff estimates that approximately 50 percent of inquiries regarding weddings include questions about alcoholic beverages.

Parks staff has investigated alcohol policies of other units of government and has considered the issues and opportunities within the county park system. This study led to the development of a draft policy revision which is in the early stages of review and consideration by the Parks Commission. If approved by the Parks Commission, the policy change recommendation would go to the Board of Commissioners for a final decision.

As currently proposed, fully enclosed park reservation facilities would be eligible for special permits to allow beer and wine by reservation groups. For the first year, permits would only be considered at the Weaver House at Pine Bend. If the policy change is deemed successful following the trial year at the Weaver House, other sites may be added per staff recommendation and Parks Commission approval. Park staff's vision is to limit the number of sites eligible for alcohol permits to a select few that are popular venues for weddings and other special gatherings.

In addition, the proposed policy change includes provisions for approval of alcohol permits at special functions sponsored by the Parks Commission, Friends of Ottawa County Parks, or outside groups making a special request. Each function would be considered individually and approval of each event would be required in advance by the Parks Commission.

All alcohol permits would be subject to stringent control and rules to prevent problems or to quickly solve problems on site that may arise. This would include requirement of a significant deposit, requirement of insurance and liability waivers, supervision by parks staff or deputy reserves as deemed necessary, immediate shut down of an event if rules are violated, allowance of beer and wine only, requirement of a licensed bartender service for groups larger than 50, and by not allowing cash bars or general admission events. At no time would Ottawa County supply any funds related to the purchase of alcoholic beverages.

Park staff is continuing work on the draft policy including reviews by internal county administrative staff. Depending on the outcome of those reviews, the draft policy may be considered at the Parks Commission's next regular meeting on February 3.

OTTAWA COUNTY MENTOR/MENTEE MEET PRESIDENT OBAMA

By PETER DAINING

The Holland Sentinel

Posted Jan 22, 2010 @ 09:00 AM

Holland, MI —

Standing on a stage Wednesday in the White House with Barack and Michelle Obama, mentor Andrew Knight looked over at his mentee, Ryan Brott.

"Did you think a year ago we'd be doing this?" he asked. "A year ago we were barely even on speaking terms, because we had just met."

A long chain of events had to link for the Holland duo's chance to shake the president's hand during National Mentoring Month.

First the 4-H National Headquarters had to choose Michigan 4-H Youth Mentoring. Then Michigan 4-H had to choose Ottawa County 4-H. Then Director Laura Schleede had to choose Andrew and Ryan.

"They are just a natural fit," Schleede said. "We always see them laughing together, and Andrew offers a lot of great ideas and advice to Ryan."

And no, 4-H Youth Mentoring has nothing to do with raising goats. The organization actually partners with the Circuit Court system to provide mentors for teens who've had trouble with the law.

Some of the teens got caught stealing or fighting, while others had more serious offenses, Schleede said. But the program makes sure to match mentors within their comfort level.

"And we provide a lot of training and support for mentors," she said.

Ryan has been kicked out of school and a year ago his grades were hurting. But now, he's just shy of being on the honor roll.

"Just being able to hang out with somebody has kept me out of a lot of trouble," Ryan said.



Knight, 25, says it took a little time to remember what it's like to be Ryan's age, 14, but they were soon having fun with activities ranging from laser tag to sporting events to a special survival challenge event.

And, now, after the visit to Washington, they have an experience neither expects to forget. "It was pretty awesome — epic," Ryan said.

Knight says he got into some trouble as a kid as well, but is now studying criminal justice at Grand Rapids Community College.

He was unemployed when he began mentoring, and that almost kept him from signing up. Looking back, he's glad it didn't.

"It's been an incredible experience," he said. "There's no reason anybody — whether you've had a troubled past or not — can't just be there for somebody."

Schleede said Knight is one of 25 mentors through 4-H right now, but there's always a waiting list of children in need of positive role models.

TRIICK FARM ARTICLE – GRAND RAPIDS PRESS

Ms. Monica Scott of the GR Press interviewed Commissioner Hehl and I and a number of others in relation to the Triick Farm – DNR trail dispute. Ms. Scott typically does weekend editorials but with the layoffs at the Press she may be doing this as an article.

DETROIT FREE PRESS EDITORIAL ON ROAD COMMISSIONS (Don Stypula)



January 16, 2010

EDITORIAL

Give counties choice to merge independent road commissions

Michigan's budget crisis has forced state and local governments to consider sharing such services as police and fire fighting and consolidating school districts and other layers of government. Giving all of Michigan's 83 counties the option to merge their road commissions with county government, as called for by Senate bills 124 and 125, is another way to reduce administrative costs and increase accountability.

Not all counties will want to abolish independent road commissions -- nor should they. For example, Oakland County Executive L. Brooks Patterson, an outstanding fiscal manager, has said he wants to retain a separate road commission, arguing that Oakland's commission runs efficiently and makes decisions in the broadest public interest. But other counties, unhappy with the political patronage and added costs that often accompany separate commissions, might choose another road. State law should allow them to do so, either by a vote of the people or an act of the county commission. Today, all of Michigan's counties except Wayne have independent road commissions -- but Macomb County will soon join Wayne. Led by state Rep. Fred Miller, D-Mt. Clemens, Macomb County will merge its road commission with county government next year. A bill sponsored by Miller authorized a countywide vote on folding the Road Commission of Macomb County into the new county executive's office, but the bill applied only to Macomb County. In April, Macomb County voters approved the plan by a 2-1 margin.

Historically, Miller said, the Road Commission of Macomb County had become a soft landing for former county commissioners, with unreasonably high pay and perks. Moreover, commissioners appointed to the part-time post often had little or no transportation experience.

Not surprisingly, the County Road Association of Michigan opposes efforts to merge road commissions with county government. Deputy Director Ed Noyola says such mergers save little if any money and inject too much politics into road decisions. Administrative costs for road commissions have averaged 7.5%, CRAM reports.

To be sure, the share of a road budget saved by consolidating legal, purchasing, payroll and other administrative departments won't be large, given the size of transportation budgets. In Macomb County, for example, the road commission's budget exceeds \$60 million, with more than \$1 million, or less than 2% of the budget, going to administrative costs. Still, in these tough times, saving even several hundred thousand dollars helps.

Nor do separate road commissions eliminate politics from road policy. More than a third of county road commissions are elected now. With appointed boards, political patronage inevitably becomes part of the process. Putting road operations under elected county commissioners or a county executive should make them more accountable to the people.

In an era of scarcity, local governments need to reorganize for maximum efficiency. State law should give them the power to abolish independent road commissions and make other sensible changes.

SENATE GOVERNMENT REFORM PROPOSAL

[The rest of the Digest consists of information that GVMC Executive Don Stypula sent to the GVMC Board of Directors this week regarding the Senate proposal.](#)

January 19, 2010

About an hour ago, Senate Republicans started unveiling parts of their much-anticipated "government reform" package.

Under the sweeping Senate GOP reform package, every public employee in the state - including all county and local employees -- would receive a 5 percent pay cut and would be required to pay 20 percent of the cost of their health. Both measures would be accomplished through constitutional amendments that Senate Majority Leader Mike Bishop (R-Rochester) said the Senate GOP wants to place on the August ballot. The pay cut and premium also would be required of elected officials, including state legislators.

The proposals also call for curbing optional services under Medicaid although Senate Republicans have yet to determine which services they want to eliminate. The number of state departments would be cut to 11 - including the consolidation of all permitting and licensing functions under one department.

In total, Senate Republicans said their proposals would cut government costs by \$2.24 billion to \$2.6 billion - with \$1.7 billion to \$2 billion in savings for the 2010-11 fiscal year. The proposals contained no measures addressing tax reform

I will continue watching this package as it begins moving through the process and will report updates as warranted.

January 20, 2010

From press reports and my conversations with Lansing insiders I report the latest developments on the move by Senate Republicans to move their so-called "government reform" package through the Legislature and on to Michigan voters.

This morning, Senate Republicans in Lansing are plotting their next move regarding their plans to place three "government reform" amendments to the Michigan Constitution on the August, 2010 election ballot. As they attempt to line up the votes in the Senate and House (amendments to the Michigan Constitution require a 2/3 vote in the 110-member House and a 2/3 vote in the 38-

member Senate) reaction to the plan to cut the wages of all public employees by 5 percent and require public employees to pay 20 percent of their health care costs (15 percent with a health savings account) is strong.

The Michigan Senate's top Democrat said yesterday that local officials are experienced in negotiating contracts with public employees and state government should not usurp that power even if it means saving \$1.8 billion, as Republicans claim. Senate Minority Leader Mike Prusi (D-Marquette) was asked if the Senate Republican's plan killed collective bargaining for the next three years.

"That's what gives me heart burn. It cuts deep into collective bargaining," said Prusi, adding that he is not ready to put up the four Democratic votes the Republicans need to place the issue on the August ballot.

Senate Majority Leader Mike Bishop (R-Rochester) conceded that the proposed constitutional amendment "suspends collective bargaining" and he said Prusi should be "grateful" that his party (the Senate Republican caucus) has placed this issue on the table, which will balance the state budget without a tax hike.

As for local officials being better suited to negotiate contracts with bargaining units, Bishop was blunt when speaking to reporters.

"The locals don't know better because under the circumstances the locals have gotten us into a jam," he said. "We have employees we can't afford. All of us, Republicans and Democrats, benefit from this plan" (the Senate GOP proposal).

According to the Secretary of State's office, the House and Senate would need to approve by a two-thirds vote a joint resolution by June 4 in order for the proposal to make the August ballot, as Bishop wants. Aside from working with and attempting to influence members of the House and Senate Democratic caucuses, Governor Granholm has no role to play in placing the issue before voters via legislative action. Citizen-sponsored proposals can only be placed on a November general election ballot, so the August primary is not a possibility using the voter petition route. Signature gatherers would need to have more than 400,000 valid voter signatures turned in to the Secretary of State Elections Division by July 5.

So, to get the proposed amendments to the Michigan Constitution on the ballot for the August 5 primary election, Bishop needs Democratic votes to make this happen. What does Prusi, the Senate Democratic Leader, want in return?

"We haven't determined that yet," he told reporters in Lansing. He said that very few of the bills going out of the Senate have a Democrat's name attached as sponsor.

Bishop countered, "I don't know what he wants . . . If it is reasonable, we'll do it," but he excludes any tax increases from that pledge.

However, the Senate leader did not shut the door on debating a proposed sales tax on services coupled with a lower sales tax rate. The Business Leaders for Michigan have been privately urging Bishop to get on board with that concept and the Governor has done the same, as she is expected in her State of the State address next month to embrace the new sales tax system.

I will continue to watch from here as the drama unfolds in Lansing. Look for periodic updates as warranted.

January 22, 2010

Plenty of reaction in Lansing and chatter across the state this day

about the Senate Republican's idea of placing three "governmental reform" amendments to the Michigan Constitution before state voters during the August primary election.

From press reports and conversations with Lansing lobbyists I have some new information and perspective to share.

Yesterday, House Speaker Andy Dillon (D-Redford) publicly questioned whether the government employee pay cuts called for in the Senate Republicans' recently reform plan violate union-represented workers' federal constitutional rights to collectively bargain.

"There is a provision in the U.S. constitutional that respects the integrity of contracts and we're trying to understand if this could have an implication," Dillon told Lansing reporters. "It may violate the U.S. Constitution. I'm trying to understand that. I've got gray answers on that."

And until he gets those questions answered, the Democratic Speaker doesn't want to weigh the measures' chances in the lower chamber. Dillon said House members will take a long, hard look at the FY 2010 budget, which he described as the most difficult budget to date, during a retreat next week. That didn't stop many of his fellow House colleagues from predicting long odds that the constitutional amendment questions mandating state and local employee pay cuts get the 74-vote super majority needed in the House to pass the resolution and place the issue on the August ballot.

House Appropriations Committee Chair George Cushingberry (D-Detroit), when asked if the 5 percent cut would pass if it was limited to only state employees, danced around the question.

"Were the measures the Senate announced really reforms or window dressing?" Cushingberry responded. "I don't think they're really reforms. I think they're just policy changes that I know I won't be encouraging my colleagues to support."

Rep. Fred Durhall (D-Detroit) concurred that in writing his "wish list," Senate Majority Leader Mike Bishop (R-Rochester) advanced the myth that lawmakers and state employees somehow live "like kings and queens." Lawmakers already will see a 10 percent salary cut next year and state employees are paying through additional furlough days.

When reporters asked Bill Nowling, spokesman for House Minority Leader Kevin Elsenheimer (R-Kewadin), the same question about limiting the cuts to state workers, he replied "It's too soon to tell. Right now we don't even know if it will come out of the Senate. The big question is -- if it does, and with a great deal of hue and cry, what happens when it comes over here?"

Nowling also stressed that the House Republican caucus has not taken a caucus position on the Senate reforms. "There are people in the caucus who have problems with some aspects of what the Senate announced," Nowling added.

One of those people is not Rep. Dave Agema (R-Grandville), who introduced a resolution (HR 4500) that would urge the Civil Service Commission to negotiate and implement a 5 percent reduction of pay and benefits for state employees.

"A few months ago I would have said it had no chance to pass," Agema said. "After I put in my resolution I couldn't get any traction for it. But now, with what's happened on the budget since then, I think it might actually have a chance of passing. Not a great chance, but a chance."

"I'll say this, I think that anyone who would vote against it, would be in big trouble with the voters," Agema added. "I can't believe the Governor hasn't already been negotiating for something like this."

Gubernatorial hopeful and appropriations committee veteran Alma Wheeler Smith (D-Salem Twp.) said she'd be very surprised if such a measure could pass in the House.

"I'm not even sure it could get through the Senate," Smith said. "Here we have people who have already lost pay, they've been asked to do more work because we've cut our work force by a third and now we're talking about hitting them with a 5 percent tax?"

Another House Appropriations Committee member, Rep. Chuck Moss (R-Birmingham), said he wouldn't hazard a guess as to whether or not the pay cuts could pass in the House.

"I actually have some problems with this as it was announced by the Senate," Moss said. "Remember it would also institute the cuts at the local level. My locals tell me we should get our houses in order first before we begin telling them what to do. In many cases they're doing a better job than we are. I even don't know if the reforms as they were announced by the Senate will even be able to get enough votes in the Senate."

MML

A report on Wednesday and Thursday in many of the newspapers in the Booth Newspapers chain gave some local government officials the impression that the Michigan Municipal League had endorsed the Senate GOP proposals - including the idea of cutting municipal workers' pay and require them to pay 20% of their health care premiums. From the report in the Muskegon Chronicle on Wednesday:

"The Michigan Municipal League warned that failing to act on the proposals, which would amend binding arbitration for police officers and firefighters and control pay for members of consolidated public safety departments, "will result in more public safety layoffs and more cuts to essential local services."

MML Executive Director Dan Gilmartin confirmed that the League has NOT endorsed the Constitutional Amendments that would cut pay cut and mandate health care copays, but they do strongly endorse the other parts of the package that begin to tackle the thorny issues of Act 312 arbitration and the intergovernmental cooperation acts that impede local

government service sharing. The GVMC also supports the passage of legislation that accomplishes those goals.

I have included below an editorial opinion from this morning's Detroit News endorsing the entire Senate GOP package.

As this issue moves forward, I will sort through the information and keep you updated as warranted.

THE DETROIT NEWS

January 22, 2010

Editorial: Senate GOP on right track with \$2 billion in proposed state reforms

Senate Republicans have stepped up to the challenge of another gaping hole in the state budget with proposed reforms that would include a three-year pay cut and reduced medical benefits for workers at all levels of government and in public education. They also want to slash spending on optional Medicaid-covered health services to the poor by as much as \$500 million a year.

Sobering proposals such as these are among the few remaining options to help balance the budget. Lawmakers have run out of one-time fixes and now must take on the tough reform measures they for years have tried to avoid.

State government faces a projected revenue shortfall of \$1.6 billion for the budget they have to adopt before Oct. 1 and the outlook could get worse, considering that the state's economic advisers have consistently been too optimistic in recent years.

Local governments and school districts, whose budgets are tied to state aid and revenue sharing, are in the same boat.

The big cost drivers, of course, are payroll and entitlements such as Medicaid, whose costs to the state are mushrooming. Senate Majority Leader Mike Bishop, R-Rochester, said Michigan now spends \$900 million annually on services such as pharmaceuticals and chiropractic treatments that aren't mandated by the federal government for Medicaid, the health program for the poor, and should be trimmed.

It's regrettable that the changes have to come when so many families are struggling and in need of aid.

Bishop's plan calls for a three-year, 5 percent pay cut for all public employees, including elected officials, and a new mandate that public workers must pay at least 20 percent out of pocket for health coverage.

A recent study indicated that Michigan civil service workers pay 0 to 10 percent of their health care costs, depending on their contract, while the average is 20 percent to 30 percent for private employees.

A drawback to the pay and benefits proposals is that Bishop believes they have to be constitutional amendments requiring voter approval. Getting them on the ballot in August, in time for the 2011 budget,

requires approval by a two-thirds majority in each chamber, a tall order for lawmakers.

But it is a vital move if Michigan is to avoid catastrophe.

Among other measures leading to state and local savings of \$2.24 billion to \$2.6 billion in the wide-ranging Republican plan: a cap on school district administrative costs at 28 percent of the annual budget, a proportion currently exceeded by more than 200 school districts; legislation making it easier for local governments to share costs of police and fire protection; and a requirement that school districts take competitive private bids for custodial services, busing and lunch preparation.

State workers have been quick to point out that they've made repeated pay concessions, such as unpaid furlough days and pay freezes, in recent years. They are negotiating with Gov. Jennifer Granholm for more concessions. The Michigan Education Association says teachers and other school employees have helped school districts save \$1 billion during the last three years.

While that may be true, public compensation remains considerably more generous than pay and benefits in comparable private-sector jobs, where workers have had to make greater sacrifices to help their employers avoid bankruptcy. And certainly the state can't afford the 3 percent raise its 52,000 workers are scheduled to get on Oct. 1.

The Senate Republican plan is a productive starting point for necessary government cost shrinking, but there will be no shortage of others.

Granholm has promised to offer her own reform proposals in her Feb. 3 State of the State address. Tax reform ideas have been floated, including a dramatic reduction in the state business tax rate replaced by a broader sales tax. Top corporate leaders have a list of solid proposals.

It's critical that lawmakers sort through them with deliberate speed. They made \$1.2 billion in cuts to balance the current state budget without tax hikes. Now, they must summon the political will to adopt sweeping reforms that will position Michigan for a brighter future.