

CHARTER TOWNSHIP OF FLUSHING

6524 N. SEYMOUR ROAD

FLUSHING, MICHIGAN 48433

BOARD OF TRUSTEES MINUTES

DATE: FEBRUARY 9, 2012

TIME: 7:00 P.M.

PHONE: 810-659-0800

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WEB PAGE: <http://www.flushingtowship.com>

ADMINISTRATION MEMBERS

SUPERVISOR: Terry A. Peck

CLERK: Julia A. Morford

TREASURER: William J. Noecker

TRUSTEES

Michael S. Gardner

Scott R. Matzke

Scott P. Minaudo

Mark H. Purkey

TOWNSHIP ATTORNEY:

STEVEN MOULTON

Cooley Moulton & Smith LLP

727 S. Grand Traverse Street

Flint, Michigan 48502

MEETING CALLED TO ORDER at 7:00 p.m. by **SUPERVISOR TERRY A. PECK** with Roll Call and the Pledge of Allegiance to the American Flag.

ROLL CALL: Terry A. Peck, Julia A. Morford, William J. Noecker, Michael S. Gardner, Scott R. Matzke, Scott P. Minaudo, Mark H. Purkey, and Attorney Steve Moulton

MEMBERS ABSENT: None

OTHER INDIVIDUALS PRESENT: Thirty-six (36) other individuals

APPROVAL OF THE AGENDA: PURKEY MOVED, seconded by Minaudo to approve the Agenda as presented.

ACTION OF THE MOTION

AYES: 7

NAYS: 0

Motion Carried.

APPROVAL OF PREVIOUS MINUTES: NOECKER MOVED, seconded by Matzke to approve the Minutes of January 12, 2012 as presented.

ACTION OF THE MOTION

AYES: 7

NAYS: 0

Motion Carried.

APPROVAL OF PAYMENT OF BILLS: MINAUDO MOVED, seconded by Purkey to pay the bills as presented.

ACTION OF THE MOTION

AYES: 7

NAYS: 0

Motion Carried.

UNFINISHED BUSINESS:

1. Update of Charter Township of Flushing User Fees

PURKEY MOVED, seconded by Matzke to approve the proposed new Charter Township of Flushing User Fees.

DISCUSSION:

After the user fees were reviewed by the three (3) member committee, the Planning Commission, and the Zoning Board of Appeals, there were a few fees combined, some changed and some deleted as they were no longer needed in the township.

ACTION OF THE MOTION

AYES: 7

NAYS: 0

Motion Carried.

2. Flint Area Narcotics Group (FANG) Dues for 2011-2013

The Supervisor postponed the Flint Area Narcotics Group Dues indefinitely.

3. Genesee County G.A.I.N. (Auto Theft) Dues

The Supervisor postponed the Genesee County G.A.I.N. Dues indefinitely.

4. Sale of Three (3) Properties Received from the Genesee County Land Bank

UPDATE: Flushing Township had received three (3) properties from the Genesee County Land Bank: 1) 10481 W. Mt. Morris Road, Flushing Mi has been sold for \$10,000, a check has been received, and Attorney Steve Moulton (Attorney Moulton) has drawn up the Purchase Agreement and Quit Claim Deed. 2) the lot on Seymour Road, across from the Flushing Community Schools Bus Barn, has been offered to Flushing Schools and hopefully will be taken care of this month. 3) the vacant lot on Stanley Road, West of Seymour Road, has a price tag of \$8,000; the Supervisor recommended everyone drive by the property and review then get back with him (the Supervisor) as to your ideas; the property is long and narrow.

5. Group Report on Police Coverage

In December 2011, an informational group, consisting of the Supervisor, Clerk, and Treasurer, was appointed to explore alternatives for police services to the Flushing Township residents. A report will be brought to the Board of Trustees at the February 9, 2012 Meeting .

I. REPORT FROM SUPERVISOR TERRY PECK:

The Supervisor reviewed the Contracted Police Fund for 2012 – 2014 with the following details:

REVENUES:

- a. Estimated final budget ending fiscal year March 31, 2012 will be \$945,572
- b. Proposed budget ending fiscal year March 31, 2013 will be \$877,850
- c. Proposed budget ending fiscal year March 31, 2014 will be \$882,850

EXPENDITURES:

- a. Officers Wages (Estimated final budget ending fiscal year March 31, 2012) \$350,000 (current officers)
- b. Proposed budget ending fiscal year March 31, 2013 will be \$544,411 which will be for everything .(Sheriff’s Department)
- c. Proposed budget ending fiscal year March 31, 2014 will be \$544,411.
 - 1. Can’t compare the \$350,000 because there are other expenses such as buy-backs.
 - 2. Unemployment 03/31/2012 = \$9,000; 03/31/2013 = \$36,000 (laid off officers)
 - 3. Pension Contract Expense: \$60,000 for 03/31/2012, 03/31/2013, and 03/31/14
 - 4. Legal Fees: 2012 = \$40,000; 2013 = \$30,000; and 2014 = \$5,000

5. Telephone Expense/Internet: 2012 = \$4,000; 2013 = \$1,000; and 2014 = \$1,000
 6. Building Maintenance: 2012 = \$7,000; 2013 = \$1,000; and 2014 = \$1,000
 7. Post Retirement Pension (Command): 2012 = \$75,000; 2013 = None; 2014 = \$75,000
 8. Post Retirement Pension (Patrol): 2012 = \$25,000; 2013 = None; 2014 = \$25,000
 9. Post Retirement Health Care: 2012 = \$25,000; 2013 = \$25,000; and 2014 = \$25,000
- d. Ending Fund Balance: 2012 = \$191,240; 2013 = \$321,079; and 2014 \$443,418. Not good to have the money in the Fund Balance so would like to pay as much as possible out of the Fund Balance to MERS**

The Supervisor reviewed important facts from the Document received from Plante & Moran dated February 8, 2011:

- The township should save approximately \$150,000 (16.7%) in the first year of the contract with the Sheriff's Department.
- The township should save more in future years of the contract, estimated at approximately \$237,000 (26.5%), assuming no cost increases in the Sheriff's contract, a constant \$60,000 MERS required contribution in future years and without consideration of inflation.
- The County contract provides for four (4) full time police deputies vs. three (3) full-time patrol officers in the current environment, providing better coverage of the Township on a daily basis. Forty (40%) percent of a Det/Sergeant's pay will be paid by the Township; he/she will patrol the roads two (2) days a week. There will be 24/7 coverage.
- If the Township chooses to move forward with the Sheriff's contract, the MERS plan will be "closed" and MERS will re-calculate the Township's required contribution for 2013-2014 and annually thereafter, based on an accelerated amortization schedule for the unfunded liability.
- We (Plante & Moran) recommend that a new actuarial analysis be performed to understand the specific financial impact of this action with respect to the Township's annual MERS commitment. (It was recommended to wait until April when the normal audit is completed).
- The Township Police Department assets currently have a net book value of approximately \$177,500, which could be sold for cash proceeds. There could be a one-time cash flow of approximately \$50,000 to \$100,000 upon the sale of the assets.
- Plante and Moran's analysis does not consider an analysis of the Police Department revenues and is solely based on analysis of the costs of the two (2) scenarios.
- In order to ensure contained costs for the Sheriff's contract, Plante & Moran recommended including language in the contract that would limit the amount the Sheriff's Department could increase costs for the Township for the duration of the contract period..
- The costs for the Sheriff's Department will be actual and the township will pay that amount so that it does not come out of the Sheriff's funds; most of the deputies are on a 401K which will make the cost cheaper.
- The Sheriff Department has contracted with Vienna Township, Atlas Township, and Fenton Township.

QUESTIONS AND ANSWERS:

1. **Explain the 4.4 officers?** Flushing Township will be paying for four (4) patrol officers and forty (40%) for one(1) Det/Sgt who will cover the days off for the officers. The Det/Sgt will be in uniform working in the Flushing Township office doing detective work forty (40%) percent of the week. There will be 24/7 police coverage.

2. **Will there be an increase in the Sheriff's cost?** The Sheriff's Contract is for two (2) years and can be cancelled. The \$544,000 does not include the cost of insurance; the Sheriff's Department is going to the 80/20 Program.
3. **Can Flushing Township pick and choose the deputies they would like?** If the township does not like the deputy, Flushing Township can call the Sheriff's Office and there will be a replacement within a short period of time.
4. **Did the Supervisor, Clerk, and Treasurer sit down and discuss the issues?** The Supervisor took care of the budget, the Clerk met with different municipalities, and the Treasurer met with Plante Moran.
5. **What happens if the replacement deputy makes more money then what happens?** The Township has their choice and can state they do not want a higher paid deputy; the Sheriff Department will try to keep the pay similar for the replacement. The cost is based on two (2) high seniority deputies and two (2) low seniority deputies, but if the Township chooses four (4) low seniority deputies, the cost will be less.
6. **It was mentioned that three (3) of the municipalities recently signed a new contract with the Sheriff's Department, are all three (3) contracts basically the same or what is the main bullet points of the contract?** All the contracts are basically the same. The Flushing Township Contract will be comparable to Atlas Township. If there is an emergency and overtime is necessary or extra deputies have to be called in, Flushing Township will have to pay for the costs.
7. **Process for applying for a position at the Sheriff's Department.** The Flushing Township Police Officers have to go to the Genesee County Sheriff's Department and apply for a position. The contract will state the laid off and active officers will be able to apply for a deputy position. There is a three (3) part process that each officer will have to go through: 1) physical, 2) mental, and 3) interview. It had also been mentioned by Undersheriff Swanson that the Flushing Township Police Department Officers applications would be put ahead of anyone else; currently there are two (2) openings without the Flushing Township contract. If Flushing Township went with the Sheriff's Department, there would be 4.4 union jobs in the Township.
8. **Was Montrose and the City of Flushing contacted regarding joint services?** Montrose City currently contracts with Montrose Township and they are not interested in joining forces; Supervisor Bryan Sepanak of Clayton Township had some figures and wanted to work with Flushing Township – wanted to pick slip all the officers and form a new organization. Supervisor Peck had talked to Flushing City Manager Dennis Bow about combining and he was very much in favor of doing something. All municipalities that received statutory revenue sharing had to file a proposal by December 2011 to the State that included shared services. Dennis Bow put in that he would like to have shared services with the City of Flushing, Flushing Township, Clayton Township, the City of Swartz Creek, Montrose Township, and Montrose City; Montrose City is already contracting with Montrose Township. Montrose Township is not interested.
9. **Did Supervisor Peck ask Dennis Bow if the shared services could include just the City of Flushing and Flushing Township?** No
10. **What about the School Resource Officer?** Nothing will be done regarding the positions of the Chief and School Resource Officer tonight. Supervisor Peck has met with Superintendent Tim Stein to bring him up to date regarding the alternatives of the Police Department. If Flushing Township did go with the Sheriff's Department, Supervisor Peck and the Sheriff would sit down and make sure there was a School Resource Officer in the schools. Currently, Sgt Brian Fairchild is the School Resource Officer. The school currently pays \$54,000 for the Resource Officer; the Sheriff Department cost would be \$75,000 for nine (9) months. Sgt Fairchild will not be the School Resource Officer in the Flushing Schools after he is de-certified. The decision is left up to the Flushing Board of Education.

TIMETABLE:

If the Township decides to keep the Flushing Township Police Department, then nothing changes. If the Township decides to go with the Sheriff, 1) a contract would be prepared for signing, 2) the Contract would be taken to the Genesee County Finance Committee, 3) to the Government Operations Committee and 4) then to the Genesee County Board of Commissioners. The next meeting of the Genesee County Board of Commissioners is Wednesday, February 22, 2012.

II. REPORT FROM CLERK JULIA MORFORD:

On December 21, 2011 GARDNER MOVED, seconded by Minaudo that:

Whereas, the Township has suffered reduced tax revenues

Whereas, the Township should explore the best way to provide the most police coverage.

Whereas, there are many ways to provide police services.

Whereas, the Governor and Legislature have asked communities to explore ways to efficiently provide public services through joint efforts.

GARDNER moved that the Board appoint an information-gathering group made up of the Supervisor, Treasurer, and the Clerk, and that group explore the alternatives for providing police services.

After checking with different municipalities, Police Chiefs, and other elected officials, the following facts were gathered. . . .

OPTIONS FOR POLICE SERVICES:

- 1. **Did anyone ask Chief Stevenson if he had any suggestions to keep the officers?**

The Chief has worked for the Michigan State Police, the Caro Police Department and might have some great suggestions.

Since the township has demonstrated that it is unable to provide the needed basic services for our constituents which they deserve, if the township and the police bargaining unit are able to resolve the Police contract in such a manner there are no new additional costs or benefits, then the Township could again hire part time officers. I think the Board should support giving the Chief the opportunity to resolve the situation.

- 2. **Go with the Sheriff Department. . . .**

The Supervisor, Clerk, and Treasurer met with Undersheriff Chris Swanson. Details have been given by Supervisor Peck.

- 3. **Appoint the Sergeant to the position as Acting Police Chief for a \$2,080 a year raise as long as he serves in that position. . . .**

The money allocated for the Chief’s position, \$68,298 could be used to pay the Acting Chief. It would also return a laid off officer to duty to work as long as the money lasts.

- 4. **Merge with the City of Flushing. . . .**

The City of Flushing has filled out the proposal for shared services that was signed by the Governor and Legislator (Economic Vitality Incentive Grant Program. The extra money could be used to pay MERS (depending upon the amount received). Flushing Township patronizes the City so why not have a joint agreement. Public Act 63 would provide municipalities more and better services at a lower cost. Act 7 of 1967, Urban Cooperation Act of 1967 would allow the two (2) municipalities to have their own pay scale. (This was described by Labor Attorney Steve Schultz, who was present at the Board Meeting.)

Many police officers from other municipalities have retired through attrition

and have given the young officers a job. Some of the “veteran” officers have gone back to work as part time security personnel for colleges, universities, schools etc. The process would give individuals the opportunity to support his/her family.

Recently an article was in the Flint Journal that described where Plante & Moran had completed a study for Davison Township and Davison City, which showed different alternatives for the municipalities to save money. Over a ten (10) year period, the municipalities could save over \$1,000,000 by having shared services.

Flushing Township is at a crossroads where it has an opportunity through the State of Michigan and local government partners to build for the future, to reduce the cost of local government, while providing better service to those who have placed their trust in the Township. As with most grants, time is crucial so I feel we should get on board with the City of Flushing because of the shared service benefits; the Sheriff Department is great, but the Township would not receive the extra benefits.

An old saying “Good decisions are made on good information.”

III. REPORT FROM TREASURER WILLIAM NOECKER

In Treasurer Noecker’s opinion the problem began in 2004 at a Board Meeting where five (5) members decided to start a Municipal Employees Retirement System (MERS) pension plan. . . .the decision was based on sand and straw and didn’t have a chance to survive the way it was set up. . . . President Clinton gave extra grants. . . . Flushing Township hired four (4) new police officers.

Facts given out by the Treasurer. . . .

- The 2011 year end retirement plan has been received and the township paid out in excess of \$363,000 to former Flushing Township employees not to work; next year it will exceed \$410,000 of which \$200,000 is for the Flushing Township Police Department employees.
- When you have a \$100,000 budget and you spend twenty-five (25%) percent of the budget for retirement, you are in trouble.
- The 2004 vote commanded a community of 10,000 residents to guarantee a benefit (not a 401K) to people regardless of the future economy.
- In the 1990’s, it was great, no one foresaw what would come; no one saw foreclosures; if a house in Flushing Township had a “For Sale” sign on it, it was sold within a week.
- People are losing their homes and can’t pay their bills; times are tough.
- It is time to change our thinking.
- The Township has \$2.3 million dollars in unfunded liabilities to MERS; \$1.2 million is responsible to the Police Department.
- The Township paid approximately \$65,000 over and above what was billed last year and still went an additional \$311,000 in the hole.
- This year the Township paid an additional \$100,000 over and above that which was billed (haven’t received the numbers yet) but will lose ground again after paying our bills; won’t know until the end of May or June 2012.
- The Township has to move forward in the best interest of the residents.
- Since the Chief came to Flushing Township, the Police Budget has improved and the Township is moving in the right direction.
- Everyone is trying the best they can to find a solution.
- When the ship is sinking, you have two (2) choices: bail out or stop the leak. It is time to stop the leak based on the numbers; it is not an easy decision for the Board to make.
- No one likes to see people lose their jobs including (in this area) 80,000 to 85,000 shop workers, carpenters, plumbers, pipe fitters, drywallers, etc.

- Treasurer Noecker attended a class at the 2012 Michigan Township Association (MTA) Conference taught by Sheriff Mike Bouchard of Oakland County; the class was very informational.
 - a. In 1960, Oakland County started a contract with other municipalities for Police Service; today the Sheriff is doing over half (1/2) of Oakland County.
- The representative from the Oakland County Sheriff's Department stated that in fifty (50) years, there have been four (4) instances where deputies, from twenty (20) to thirty (30) municipalities, have been sent back to the Sheriff stating there was a "bad apple"; the problem was fixed.
- At another MTA class in Frankenmuth, MI a year ago, with a small rural township like Flushing without bars, nightclubs, three (3) party stores, eight (8) churches, nice river, corn fields, soy beans, that with Flushing to have their own police department it is a Rolls Royce.
- The Governor is going to force municipalities to consolidate; Flushing Township may consolidate with the City of Flushing down the road; it would take a while to work out all the details.
- There have been great reports about the Genesee County Sheriff Department.
- Reference was made to the Budget: depending upon MERS, the Township could accelerate the payment to MERS.
- Some believe the current police department is not working; the Sheriff does promise an opportunity for the laid off officers.
- Thanked Chief Stevenson for his services.

GARDNER MOVED, seconded by Minaudo to accept the report of the working group and to provide police protection to the Township through a contract with the Genesee County Sheriff. As part of my motion, I also move that (1) the contract with the Sheriff shall not cost more than \$550,000 annually, (2) that the other terms and conditions for providing police protection be substantially the same as described by the Supervisor, (3) that the Flushing Township Police Department be eliminated on the date the Sheriff begins providing services, (4) that the current patrol officers be given notice of layoff tomorrow and be placed on administrative leave with pay effective immediately, that (5) the Chief and Sergeant be retained until the Sheriff begins providing services, and (6) that the Supervisor and either the Clerk or Treasurer be directed to execute the appropriate contracts with the Sheriff after review and approval by legal counsel as to form and substance.

DISCUSSION:

It was felt by some that the Board should not be voting on the issue; all the facts should be gathered first; not so sure what the consequences will be since the police department is in arbitration; not appropriate to vote at this time. Others felt the numbers had been reviewed for three (3) years and not getting any better; Plante & Moran did a study several years ago and reviewed the revenue which is not projected to increase for the next ten (10) to fifteen (15) years; expenses will be increasing due to the higher medical bills and the MERS bill will continue to increase; don't see how the township will ever pay the MERS bill off unless go to some other source of revenue such as the Sheriff; if continue as is, could find ourselves like the City of Flint, California, or Greece where pensions have ate everything up. According to the Plante & Moran report, could save \$150,000 the first year; the second year, \$237,000; within four (4) or five (5) years it would be \$1,000,000. It was mentioned there were two (2) people on the Board that had been on the Board when the Township first got involved with MERS for the Elected Officials and the Office: Gardner and Morford. The Supervisor will contact the Sheriff's Department tomorrow.

ACTION OF THE MOTION:

ROLLCALL VOTE:

AYES: Purkey, Gardner, Minaudo, Peck, and Noecker

NAYS: Matzke and Morford

Motion Carried

NEW BUSINESS:

1-a. January Monthly Budget

NOECKER MOVED, seconded by Morford to accept the January monthly budget as presented.

ACTION OF THE MOTION

AYES: 7

NAYS: 0

Motion Carried.

1-b. Appointment of the Supervisor to the Genesee County Water and Waste Advisory Committee

MORFORD MOVED, seconded by Purkey that per the Genesee County Drain Commission, appoint Supervisor Terry Peck to represent the township on the Genesee County Water and Waste Advisory Committee.

ACTION OF THE MOTION:

AYES: 7

NAYS: 0

Motion Carried

1-c. State of Michigan – Qualified Voter File’s Electronic Poll Book (EPB) Laptop & Accessories Purchase

PURKEY MOVED, seconded by Minaudo to send in the Grant Agreement to the State of Michigan for the Laptop Computers (Electronic Poll Book - EPB) so the township will be able to use the EPB for the August 2012 Election if approved.

DISCUSSION:

It had been recommended to get extra laptop computers for backups, but because the *Help America Vote Act* is paying for the computers, the township will only get seven (7) computers if the Grant Agreement is approved. There will not be any costs to Flushing Township for the laptop computers (EPB). There will be a mechanism sitting by the laptop where an individual’s driver’s license will be swiped and in turn the information will come up on the screen of the computer. More details will be coming forth to the residents of the township if the Grant Agreement is approved.

ACTION OF THE MOTION:

AYES: 7

NAYS: 0

Motion Carried

1-d. Current Police Department

The issue was discussed under “Unfinished Business” number 5, *Group Report on Police Coverage*.

COMMITTEE REPORTS:

None

REPORTS:

- 1. **Treasurer’s Report:** As submitted.

8:30 P.M. – OPEN FOR PUBLIC COMMENTS

Three (3) individuals gave their comments.

8:40 P.M. - CLOSED FOR PUBLIC COMMENTS

BOARD COMMENTS:

1. **PURKEY** stated that part time status had been offered to the officers but was refused due to the contract.
2. **NOECKER** felt it was a very sad end to a very sad situation; have been more than fair to the officers; desperately wanted to see the Chief and the Police Department turn a corner and head in the right direction but it didn't work.
3. **MINAUDO** stated the Board has tried every avenue to attempt to solve the situation; wished things had turned out different; there is a lot of information that the public won't know for a long time.
4. **GARDNER** stated a decision has been made which has been a problem even before the term of the current board; tried to hire part time officers but kept hitting road blocks; in the end the decision tonight was the most fiscally responsible decision; the key thing tonight has put an end to the growing MERS debt unfunded pension and most important ly the difference between defined contribution and defined benefit; with a defined contribution you pay an "x" amount per month and the liability is done and goes with the individual; with a defined benefit, you are guaranteed to pay a certain amount even though the stock market goes down; the decision will solve some of the problems because it will stop growing.
5. **SUPERVISOR PECK'S COMMENTS:**
 - a. MERS: heard a discussion in 2008, before the Primary, from a Flushing Township resident Joe Wisniewski, regarding MERS and could not believe the State would allow an organization to run like MERS; a program very easy to get into; the township can get out of the program by a two-thirds (2/3) majority vote of the residents and then would have to pay one hundred (100%) percent (\$2.3 million in debt) or \$1.2 million on one side and \$1.1 million on the other side (Police and Main Office). The money has to be paid up front; if the funds don't make eight (8%) percent the pot keeps going down; would like to get MERS paid up eighty (80%) percent as fast as the township can; there will continue to be a problem for the Board until the employees and their spouses have all passed away.
 - b. Police Chief's Contract: the contract cannot be discussed due to a possible lawsuit.
 - c. Mailbox Mystery: mailboxes have been knocked off the stands - Sgt Fairchild has solved the case; students using pellet guns have shoot out windows in cars and houses – the City of Flushing Police Department has solved the case.
 - d. 24/7 Police Coverage: 24/7 police coverage will be back when the Sheriff Department takes over; \$148,000 will be saved the first year and additional savings thereafter; the Sheriff contract will be for two (2) years; would like to combine services with Clayton Township, City of Flushing, Flushing Township, Montrose City and Township; can't happen now because people are not interested so have to move on; have put a lot of hours in to obtain the facts.
 - e. Thank You Letter: a "thank you" letter was received from Gerald Wood; Supervisor Peck read the letter.

THE NEXT REGULAR SCHEDULED BOARD OF TRUSTEES MEETING WILL BE THURSDAY, MARCH 8, 2012 AT 7:00 P.M. AT THE FLUSHING TOWNSHIP HALL.

ADJOURNMENT: Due to lack of further business, **SUPERVISOR PECK** adjourned the Board Meeting at 9:00 p.m.

JULIA A. MORFORD, Clerk

TERRY A. PECK, Supervisor

APPROVED DATE: _____

02/09/2012 Regular Min