

**TRAVERSE COUNTY
BOARD OF COMMISSIONERS**

**SPECIAL MEETING
TUESDAY, AUGUST 14, 2012
START TIME: 8:30 A.M.**

Chairman Leininger called the meeting to order at 8:30 AM.

All members were present.

The Pledge of Allegiance was recited.

Agenda Items were discussed as follows:

1. RFP for Medical Benefits- Proposals were received from Blue Cross Blue Shield (BCBS) and Medica. The proposals were opened by Justin Anderson, acting Human Resource Professional for Traverse County. Rhonda Antrim, Traverse County Coordinator, made the board aware that Medica did submit a proposal, but it was after the deadline specified in the RFP and was delivered via secure email rather than the requested number of paper copies outlined in the RFP. It was discussed whether to allow the submission of Medica's proposal. Dave Salberg stated that the bid should not be accepted. Todd Johnson said we should not prohibit ourselves from getting the best deal. Matt Franzese, Traverse County Attorney, stated that a late arriving bid could be deemed an immaterial violation of the bidding procedure and therefore be waived, as Medica was not aware of the bid submitted by Blue Cross and did not otherwise received any other advantage from submitting a late bid. He believed the Board could therefore accept the bid and consider it. If either company were to sue because of Traverse County accepting Medica's proposal, they would have to prove a material violation. The lowest bid was the submission from BCBS. Justin recommended that BCBS Account Manager Terry be present for the board meeting on August 21, 2012. The insurance committee will be meeting on August 15, 2012, with the goal of recommending one of the proposals at the August 21st board meeting.
2. Minutes of August 7, 2012 meeting were approved unanimously upon a motion by Dave Salberg, and a second by Don Appel.
3. The board reviewed the materials for the Human Resources position as well as the Human Resources RFP. A motion to proceed with the plan to advertise was made by Jerry Deal and seconded by Todd Johnson and carried unanimously.
4. The proposed resolution to authorize bonding for the court house project and consideration of hiring bond counsel for the court house project were discussed simultaneously. The board reviewed the proposed resolutions submitted by County Attorney Franzese. Franzese drafted two separate proposals, one which included the question of whether to bond and one which

included the question of whether to use levy dollars. He explained that bonding meant tax payers would be taxed on their house and one acre as opposed to levy which meant they would be taxed based on all land. Jerry Deal added that bonding would eliminate lake shore property. Todd Johnson had concerns around shifting the taxes to the elderly and rental properties which would result in a huge funding shift, stating, "that would be tough pill for many households to swallow." A motion was made by Jerry Deal to include the authorization to bond to construct a new Traverse County Courthouse on the ballot. There was discussion around when the deadline to make a decision is. Kit Johnson, Traverse County Auditor/Treasurer, believed September 21, 2012 is the absolute deadline for ballot submission, but everything needs to be submitted before that. Townships and cities use the deadline of August 24, 2012, to make sure absentee voting is ready. Kit recommended a deadline of the August 21, 2012, meeting at the latest.

Kit also had called Doug Green, from Springsted Consulting. Doug recommended bringing in bond counsel before we prepare the question. He thought the bond counsel would provide this service for little or nothing. Doug also recommended Dorsey and Whitney as bond counsel. Todd Johnson expressed his desire to have more time to research it. He would like to know the impact on the various tax base of one option over the other. Don Appel also questioned if we are going to use any of the building fund or other funding to contribute to the cost. Franzese first requested the Chair to call the question regarding Jerry Deal's motion. The motion failed for lack of a second.

Kit stated that the building fund has approximately \$600,000.00 plus \$160,000.00 from MCIT dividend coming back. Kit distributed samples of ballot questions as well as a debt analysis for Traverse County. Kit also mentioned the opportunity for a special election, but said that the cost would be close to what this election is. Dave Salberg also mentioned that we have a large reserve in Social Services and could possibly use \$1,000,000.00 of that, which would bring the project easily below \$1.5 million. Kevin Leininger commented we're already in debt for \$7 million and expects the bid over-runs to equal 20%. So the County would be over \$10M in debt with a \$3M dollar project. "That is above and beyond everyday business," he stated. Todd Johnson also had concerns that the per capita costs increase dramatically because of declining population. The consensus was to have Kit follow up with the bond counsel to look over the ballot question as long as it was at no cost and not to hire them at this time. Kit will put together rough estimates to compare examples and scenarios of what it will cost at various tax capacities. Todd Johnson really wants what is a best fit for demographics of the county.

Meeting adjourned 9:20AM.

Attest to: _____

Rhonda Braaten-Antrim/Coordinator Kevin Leininger/Board Chair