

DRAFT – Agenda
Tuscola County Board of Commissioners
Committee of the Whole – Wednesday, November 10, 2010
Annex Board Room
207 E. Grant Caro, MI

Finance

Committee Leaders-Commissioner Peterson and Bardwell

Primary Finance Items

1. **2011 Draft # 1 County Budget Update (See A)**
2. **Office Space Financial Update (See B)**
3. **Controller Office Contingency Reduction Planning**
4. **Out of State Travel Request (See C)**
5. **Potential Refunding of 2003 Medical Care Facility Bonds (See D)**

Secondary/On-Going Finance Items

1. Treasurer Bank Statement Reconciliation
2. Dog Licensing Alternatives
3. Audit Bids
4. DELEG Energy Grant
5. Domestic Violence Against Women Grant
6. Tire Collection Program
7. Juror Card Program
8. Probate Court Budget Change Request
9. Allied Information Systems
10. Draft Policy Confidential Information on Copiers and Fax Machines
11. Register of Deeds – Automation Fund Budget Amendment Request
12. Jail Prisoner Overcrowding Alternatives
 - House Arrest Services Re-Contacted – Tether Program
 - Evaluation of Housing More Prisoners in Tuscola Jail

Personnel

Committee Leader-Commissioners Peterson and Roggenbuck

Primary Personnel Items

1. **Probate Court Staffing Update**

Secondary/On-Going Personnel Items

1. Circuit/Family Court Personnel Policies
2. MERS Bridged Benefits Valuation

3. Labor Negotiations

Building and Grounds

Committee Leader-Commissioners Petzold and Kern

Primary Building and Grounds Items

1. Office Space Planning – Next Steps
2. Request to Use Courthouse Lawn
3. Security System Changes

Secondary/On-Going Building and Grounds Items

1. Moving Bids
2. Airport Zoning Ordinance

Correspondence/Other Business as Necessary

1. Other County Resolutions

Public Comment Period

Closed Session – If Necessary

Other Business as Necessary

Notes:

Except for the Statutory Finance Committee, committee meetings of the whole are advisory only. Any decision made at an advisory committee is only a recommendation and must be approved by a formal meeting of the Board of Commissioners.

If you need accommodations to attend this meeting please notify the Tuscola County Controller/Administrator's Office (989-672-3700) two days in advance of the meeting.

This is a draft agenda and subject to change. Items may be added the day of the meeting or covered under other business at the meeting.

Statutory Finance Committee

1. Claims Review and Approval

TO: Tuscola County Board of Commissioners



FROM: Controller/Administrator

DATE: Tuesday, November 9, 2010

RE: 2011 Budget Development Update

Without adjustments, the 2011 general fund expenditures could have exceeded revenues by an estimated \$450,000 to \$500,000. However, adjustments were made in the preparation of the Draft #1 budget using five primary factors to bring revenues and expenditures back in line. This plan was presented at the October 5, 2010 Board meeting. Adjustments did not rely on any staff reductions for 2011. The five budget balancing factors are:

- o Wage freeze for all employees
- o Health insurance cost reduction for all employees - \$290,000 estimated reduction
- o Line item cost reductions
- o Minimal use of reserves in the amount of \$30,000
- o One-time state funds in 2011 for reimbursement of a portion of the data workflow imaging system implemented in 2009 – estimated net general fund revenue for 2011 of approximately \$167,000

Since this information was presented on October 5, 2010, the following **updates are provided:**

- o The County Drain Commissioner originally estimated 2011 drain-at-large costs at \$469,471 - the revised estimate is \$422,186 - this situation is favorable to the general fund by \$47,285
- o The first round of meetings with all bargaining groups has been completed – generally positive responses are occurring in terms of the two year wage freeze
- o Also, an overall positive response is being received related to the health insurance changes

The Draft #1 2011 general fund budget is \$12,122,000. The favorable change since October 5, 2010 is the county drain-at-large costs were reduced by \$47,285. However, it is assumed the anticipated cost reduction with health insurance will not be as much as when the Draft #1 budget was prepared. Based on discussions with officials for the county involved with labor negotiations, a reasonable estimate is 75% of the original \$290,000. Therefore, rather than a savings of \$290,000, a savings of \$217,500 is assumed at this point in time. One other change is the computer service contracts cost had to be increased by \$4,500. The net effect of these factors is a minimal increase in the use of reserves of \$29,625.

Change in Budget Factors Since 10/5/10

	Original	Updated	(Unfavorable)
Budget Factors	Draft #1	Draft #1	Favorable
Drain at Large	\$469,471	\$422,185	\$47,286
Computer Service Contracts	\$154,000	\$158,500	(\$4,500)
Health Insurance Cost Reduction	\$290,000	\$217,500	(\$72,500)
Use of Reserves	\$30,000	\$59,625	(\$29,625)

See back of page.

Department Budget Comments

- Controller presented a Draft #1 2011 general fund budget for review/consideration by the Board on October 5, 2010
- Board directed that the Draft #1 be released for department review and comment
- Department comments were received and reviewed at the October 14, 2010 Board committee meeting – comments were received from four departments: District Court, Circuit/Family Court, Recycling and County Park
- District Court has requested a meeting with commissioners to negotiate their budget, Circuit/Family court is still reviewing certain financial information, Recycling is requesting a roof replacement paid by the county and funding for Vanderbilt has been stated as inadequate
- All other departments did not comment and therefore it is assumed the Draft #1 is acceptable

Next Steps to Adopt the 2011 County Budget

- The Board needs to decide a method to communicate with departments that have raised budget concerns
- All other special revenue and debt service funds need to be reviewed and completed
- A timeline for a public hearing needs to be scheduled, advertised and conducted
- Budget adoption before the end of the calendar fiscal year needs to occur

It is important to remember that any budget is premised on a set of assumptions occurring and the financial information that is available at a given point in time. Should the financial information and assumptions materially change, then budgetary modifications will be required.

Office Space Financial Analysis
Courthouse-Annex HH Purdy Building Changes

	<u>2011</u>	<u>2012</u>	<u>Comment</u>
Estimated Annual Revenue			
Additional Indirect Costs to GF for FOC Move to Ct. House		\$ 43,110	Management of America Est.
Additional Indirect Costs for FOC use of Courtroom - Paid to GF		\$ 21,366	Management of America Est.
Additional CRP to GF - PA IV-D area	\$ 4,842	\$ 4,842	Court Admin Est.
Additional CRP to FOC Fund - Paid to FOC Fund	\$ 36,767	\$ 36,767	Court Admin Est.
Total Estimated Annual Revenue	\$ 41,609	\$ 106,085	

Minus

Estimated Annual Expenses			
HH Purdy Lease	\$ 97,080	\$ 100,000	HH Purdy Est. - 2nd year inflation inc.
HH Purdy Building Utilities	\$ 10,000	\$ 10,300	Controller Est.
HH Purdy Building Part-Time Janitorial	\$ 21,785	\$ 21,785	Controller Est.
Adult Probation Rent (Discontinued)	\$ (39,600)	\$ (39,600)	Actual annual rent payment
Adult Probation Utility Costs (Discontinued)	\$ (9,099)	\$ (10,000)	Controller Est.
FOC Security (Discontinued)	\$ (54,240)	\$ (54,240)	Actual 2009 cost
Remodeling and Moving Costs	\$ 214,400		Controller Est.
Total Estimated Annual Expenses	\$ 240,326	\$ 28,245	

Estimated 1st and 2nd Year Impact Favorable (Unfavorable)	\$ (198,717)	\$ 77,840
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Tuscola County Victim Services
Empowering Crime Victims

November 9, 2010

Honorable Chairman Bardwell and the Tuscola County Board of Commissioners:

The new Tuscola County Domestic Violence Unit/ Coordinated Community Response Grant Program is on schedule and moving forward as planned. As a federal grant, there are many stipulations and we are taking great care in establishing the program in accordance with federal guidelines. Hopefully our compliance along with a demonstration of effective program performance will help in securing continued funding after the initial two years is up.

New grantee teams are required to attend one mandatory event – an Orientation Session that covers valuable information about project development, available technical assistance, and grant reporting/data collection forms and procedures. This year's Orientation will be held in Washington, DC, on December 6-8, 2010. As Program Manager I will be required to attend along with our team consisting of Amy Gregor and Mark Reene. Clayette Zechmeister will be required to attend the Financial Manager's training which is offset a day from the Orientation training.

I am seeking authorization from the Board to attend this mandatory out-of-state session and permission to temporarily increase the limit on the County credit card issued to me to \$3000, as I have also been making purchases for the new office with that account. All costs are covered by the DOJ Office of Violence Against Women with no obligation to the County.

Thank you for your attention to this matter.

Sincerely,

Diane Santhany

420 Court St.
Caro, MI 48723

(989) 673 - 8161 ext. 2241
(989) 673 - 8164
tcvs@tuscolacounty.org

TUSCOLA COUNTY CONTROLLER/ADMINISTRATOR'S OFFICE

Michael R. Hoagland
Controller/Administrator
mhoagland@tuscolacounty.org

207 E. Grant Street
Caro, Michigan 48723-1660

Telephone
989-672-3700

November 9, 2010

Honorable Chairman and members of the Board of Commissioners

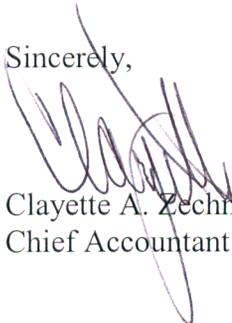
As you know Tuscola County has been awarded a grant for \$400,000 from The Office on Violence Against Women. This grant program encourages communities to treat domestic violence, sexual assault, dating violence and stalking as serious crimes by strengthening the criminal justice response to these crimes and promoting a coordinated community response.

One of the required stipulations of this award is to attend one of the Financial Management Training Seminars sponsored by the U.S. Department of Justice. This is a certification program for the participant and will be good for two years. The seminar is designed for the person responsible for the financial formula and/or discretionary grants award for Federal grant programs.

All cost is covered by The Office on Violence Against Women.

I will need your authorization to attend this mandatory training in Washington DC from December 7th through December 9th.

Sincerely,



Clayette A. Zechmeister
Chief Accountant

Bendzinski & Co.



municipal finance advisors



October 27, 2010

(D)

Mr. Michael Hoagland, County Controller
County of Tuscola
440 N. State Street
Caro, MI 48723-1555

RE: Refunding of 2003 General Obligation (Medical Care Facility) Bonds

Dear Mike:

We have been recently contacted by Robert W. Baird & Co., Inc., indicating that the 2003 General Obligation Medical Care Facility Bonds are a candidate to be refunded at this time. Based upon interest rates as of September 20, 2010, the estimated savings are approximately \$256,000 and a net present value savings of \$237,000 over the remaining life of the Bonds.

Please review the copy of the enclosed analysis and advise us as to how you would like to proceed.

Should you have any questions, or require any additional information, please do not hesitate to call.

Sincerely,

BENDZINSKI & CO.
Municipal Finance Advisors

Robert J. Bendzinski, CIPFA

RJB/jll

Enclosure

cc: Warren M. Creamer, III

S:\Clients\County\Tuscola\RefundingAnalysisLetter.lwp

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County of Tuscola
Limited Tax General Obligation Bonds, Series 2010
Dated: December 1, 2010
2003 General Obligation Bonds (Medical Care Facility)

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Tuscola County
2003 General Obligation Bonds (Medical Care Facility)
Dated: 4/1/03
Callable: 6/1/11 @ 100

Debt Service To Maturity And To Call

Date Refunded Bonds	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S	
06/01/2011	6,400,000.00	129,431.25	6,529,431.25	- 3.600%	129,431.25	129,431.25	
12/01/2011	-	-	-	-	129,431.25	129,431.25	
06/01/2012	-	-	950,000.00	3.750%	129,431.25	1,079,431.25	
12/01/2012	-	-	-	-	111,618.75	111,618.75	
06/01/2013	-	-	1,000,000.00	4.000%	111,618.75	1,111,618.75	
12/01/2013	-	-	-	-	91,618.75	91,618.75	
06/01/2014	-	-	1,025,000.00	4.000%	91,618.75	1,116,618.75	
12/01/2014	-	-	-	-	71,118.75	71,118.75	
06/01/2015	-	-	1,100,000.00	4.050%	71,118.75	1,171,118.75	
12/01/2015	-	-	-	-	48,843.75	48,843.75	
06/01/2016	-	-	1,125,000.00	4.150%	48,843.75	1,173,843.75	
12/01/2016	-	-	-	-	25,500.00	25,500.00	
06/01/2017	-	-	1,200,000.00	4.250%	25,500.00	1,225,500.00	
Total	\$6,400,000.00	\$129,431.25	\$6,529,431.25	\$6,400,000.00	-	\$1,085,693.75	\$7,485,693.75

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	12/01/2010
Average Life.....	4.133 Years
Average Coupon.....	4.1047023%
Weighted Average Maturity (Par Basis).....	4.133 Years

Refunding Bond Information

Refunding Dated Date.....	12/01/2010
Refunding Delivery Date.....	12/01/2010

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County of Tuscola
Limited Tax General Obligation Bonds, Series 2010
Dated: December 1, 2010
2003 General Obligation Bonds (Medical Care Facility)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
12/01/2010	-	-	-	0.12	-	0.12
06/01/2011	6,523,576.00	0.180%	5,855.13	6,529,431.13	6,529,431.25	-
Total	\$6,523,576.00	-	\$5,855.13	\$6,529,431.25	\$6,529,431.25	-

Investment Parameters

Investment Model [PV, GIC, or Securities].....	Securities
Default investment yield target.....	Bond Yield
Cash Deposit.....	0.12
Cost of Investments Purchased with Bond Proceeds.....	6,523,576.00
Total Cost of Investments.....	\$6,523,576.12
Target Cost of Investments at bond yield.....	\$6,463,655.19
Actual positive or (negative) arbitrage.....	(59,920.93)
Yield to Receipt.....	0.1795068%
Yield for Arbitrage Purposes.....	2.0352588%
State and Local Government Series (SLGS) rates for.....	9/15/2010

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County of Tuscola
Limited Tax General Obligation-Bonds, Series 2010
Dated: December 1, 2010
2003 General Obligation Bonds (Medical Care Facility)

Sources & Uses

Dated 12/01/2010 | Delivered 12/01/2010

Sources Of Funds

Par Amount of Bonds..... \$6,680,000.00

Total Sources..... \$6,680,000.00

Uses Of Funds

Deposit to Net Cash Escrow Fund..... 6,523,576.12

Costs of Issuance..... 86,450.00

Total Underwriter's Discount (1.000%)..... 66,800.00

Rounding Amount..... 3,173.88

Total Uses..... \$6,680,000.00

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County of Tuscola
Limited Tax General Obligation Bonds, Series 2010
Dated: December 1, 2010
2003 General Obligation Bonds (Medical Care Facility)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2010	-	-	-	-	-
06/01/2011	30,000.00	1.050%	61,461.25	91,461.25	91,461.25
12/01/2011	-	-	61,303.75	61,303.75	-
06/01/2012	1,050,000.00	1.200%	61,303.75	1,111,303.75	1,172,607.50
12/01/2012	-	-	55,003.75	55,003.75	-
06/01/2013	1,075,000.00	1.400%	55,003.75	1,130,003.75	1,185,007.50
12/01/2013	-	-	47,478.75	47,478.75	-
06/01/2014	1,080,000.00	1.600%	47,478.75	1,127,478.75	1,174,957.50
12/01/2014	-	-	38,838.75	38,838.75	-
06/01/2015	1,130,000.00	1.950%	38,838.75	1,168,838.75	1,207,677.50
12/01/2015	-	-	27,821.25	27,821.25	-
06/01/2016	1,130,000.00	2.250%	27,821.25	1,157,821.25	1,185,642.50
12/01/2016	-	-	15,108.75	15,108.75	-
06/01/2017	1,185,000.00	2.550%	15,108.75	1,200,108.75	1,215,217.50
Total	\$6,680,000.00	-	\$552,571.25	\$7,232,571.25	-

Yield Statistics

Bond Year Dollars.....	\$27,060.00
Average Life.....	4.051 Years
Average Coupon.....	2.0420224%
Net Interest Cost (NIC).....	2.2888812%
True Interest Cost (TIC).....	2.2964341%
Bond Yield for Arbitrage Purposes.....	2.0352588%
All Inclusive Cost (AIC).....	2.6397014%

IRS Form 8038

Net Interest Cost.....	2.0420224%
Weighted Average Maturity.....	4.051 Years

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County of Tuscola
Limited Tax General Obligation Bonds, Series 2010
Dated: December 1, 2010
2003 General Obligation Bonds (Medical Care Facility)

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings	Fiscal Total
12/01/2010	-	-	(3,173.88)	-	3,173.88	-
06/01/2011	91,461.25	967,100.00	1,058,561.25	1,096,531.25	37,970.00	41,143.88
12/01/2011	61,303.75	-	61,303.75	129,431.25	68,127.50	-
06/01/2012	1,111,303.75	-	1,111,303.75	1,079,431.25	(31,872.50)	36,255.00
12/01/2012	55,003.75	-	55,003.75	111,618.75	56,615.00	-
06/01/2013	1,130,003.75	-	1,130,003.75	1,111,618.75	(18,385.00)	38,230.00
12/01/2013	47,478.75	-	47,478.75	91,618.75	44,140.00	-
06/01/2014	1,127,478.75	-	1,127,478.75	1,116,618.75	(10,860.00)	33,280.00
12/01/2014	38,838.75	-	38,838.75	71,118.75	32,280.00	-
06/01/2015	1,168,838.75	-	1,168,838.75	1,171,118.75	2,280.00	34,560.00
12/01/2015	27,821.25	-	27,821.25	48,843.75	21,022.50	-
06/01/2016	1,157,821.25	-	1,157,821.25	1,173,843.75	16,022.50	37,045.00
12/01/2016	15,108.75	-	15,108.75	25,500.00	10,391.25	-
06/01/2017	1,200,108.75	-	1,200,108.75	1,225,500.00	25,391.25	35,782.50
Total	\$7,232,571.25	\$967,100.00	\$8,196,497.37	\$8,452,793.75	\$256,296.38	-

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	234,284.55
Net PV Cashflow Savings @ 2.640%(AIC).....	234,284.55
Contingency or Rounding Amount.....	3,173.88
Net Present Value Benefit.....	\$237,458.43
Net PV Benefit / \$6,400,000 Refunded Principal.....	3.710%
Net PV Benefit / \$6,680,000 Refunding Principal.....	3.555%

Refunding Bond Information

Refunding Dated Date.....	12/01/2010
Refunding Delivery Date.....	12/01/2010

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County of Tuscola
Limited Tax General Obligation Bonds, Series 2010
Dated: December 1, 2010
2003 General Obligation Bonds (Medical Care Facility)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/01/2011	Serial Coupon	1.050%	1.050%	30,000.00	100.000%	30,000.00
06/01/2012	Serial Coupon	1.200%	1.200%	1,050,000.00	100.000%	1,050,000.00
06/01/2013	Serial Coupon	1.400%	1.400%	1,075,000.00	100.000%	1,075,000.00
06/01/2014	Serial Coupon	1.600%	1.600%	1,080,000.00	100.000%	1,080,000.00
06/01/2015	Serial Coupon	1.950%	1.950%	1,130,000.00	100.000%	1,130,000.00
06/01/2016	Serial Coupon	2.250%	2.250%	1,130,000.00	100.000%	1,130,000.00
06/01/2017	Serial Coupon	2.550%	2.550%	1,185,000.00	100.000%	1,185,000.00
Total	-	-	-	\$6,680,000.00	-	\$6,680,000.00

Bid Information

Par Amount of Bonds.....	\$6,680,000.00
Gross Production.....	\$6,680,000.00
Total Underwriter's Discount (1.000%).....	\$(66,800.00)
Bid (99.000%).....	6,613,200.00
 Total Purchase Price.....	 \$6,613,200.00
 Bond Year Dollars.....	 \$27,060.00
Average Life.....	4.051 Years
Average Coupon.....	2.0420224%
 Net Interest Cost (NIC).....	 2.2888812%
True Interest Cost (TIC).....	2.2964341%

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Tuscola County
2003 General Obligation Bonds (Medical Care Facility)
 Dated: 4/1/03
 Callable: 6/1/11 @ 100

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I
06/01/2011	950,000.00	3.600%	17,100.00	967,100.00
Total	\$950,000.00	-	\$17,100.00	\$967,100.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation.....	12/01/2010
Average Life.....	0.500 Years
Average Coupon.....	3.6000000%
Weighted Average Maturity (Par Basis).....	0.500 Years

Refunding Bond Information

Refunding Dated Date.....	12/01/2010
Refunding Delivery Date.....	12/01/2010