

Agenda
Tuscola County Board of Commissioners
Committee of the Whole – Monday, April 11, 2016 – 8:00 A.M.
HH Purdy Building - 125 W. Lincoln, Caro, MI

Finance
Committee Leaders-Commissioners Kirkpatrick and Bierlein

Primary Finance

1. Preliminary Year-End 2015 Financial Review (See A)
2. Draft Wind Revenue Informational Documents (See B)
3. County Insurance Renewal – 9:00 A.M. (See C)
4. County Road Commission Millage Renewal Requests (See D)
5. Equalization Director Replacement and Joint Director Alternatives
6. Mosquito Abatement Annual Report
7. Village of Cass City DDA/TIFA Request (See E)
8. MSU-e 2016 General Fund Loan Repayment (See F)
9. Overview of Backup Audit – IT Director
10. Sheriff Department Request to Change Cellular Telephone Carriers (see G)

On-Going Finance

1. Jail Planning – Committee Meeting 4-11-16
2. Meeting with MMRMA Mitigation Insurance Losses and Litigation – 4-19-16
3. Johnson Controls Energy Efficiency
4. Road Commission Legacy Cost (Schedule)
5. Dispute Concerning Wind Turbine Assessing/Taxation
6. Update Multi-Year County Financial Plan
7. MAC 7th District Meeting Agenda/Date, Etc.
8. Michigan Renewable Energy Collaborative Meeting 4-27-16

Personnel
Committee Leader-Commissioner Trisch

Primary Personnel

1. Mosquito Abatement Staffing Request (See H)

On-Going Personnel

Building and Grounds
Committee Leader-Young

Primary Building and Grounds

- 1. Courthouse Stain Glass Window**
- 2. Update on Vanderbilt Park Signage**

On-Going Building and Grounds

- 1. Vanderbilt Park Grant Application**

Other Business as Necessary

Public Comment Period

mhoagland@tuscolacounty.org

From: mhoagland@tuscolacounty.org
Sent: Thursday, April 7, 2016 2:16 PM
To: ctrisch@tuscolacounty.org; 'Bardwell Thom'; 'Bierlein Matthew'; 'Kirkpatrick Craig'; 'Thomas Young'
Subject: Preliminary 2015 Year-End Financial Review
Attachments: Financial Assessment.ppt

Commissioners

I have prepared a **PowerPoint presentation that summarizes our year-end 2015 financial position**. This is preliminary information. Our official position will not become available until the 2015 audit is completed at the end of June. As you know a comprehensive understanding of county financial position is critical to effective policy making.

As you review this information you will see that our **overall 2015 financial situation showed improvement over the previous year**. This was largely due to the completion of the **Consumer Energy wind turbine project** which is the third project in Tuscola County. General fund wind turbine revenue increased by approximately \$526,000 from \$721,000 in 2014 to \$1,247,000 in 2015. It is important to note the amount of wind revenue received declines substantially with time. The county bond rating remains strong at AA-. **Overall highlights of financial standing are as follows:**

- All 50 plus county funds finished the fiscal year in a positive fund balance position
- General fund revenues exceed expenditures by approximately \$186,000
- Wind turbine development produced the largest revenue increase of all revenue sources
- 2015 was the first year in over a decade that full state revenue sharing was received
- For the first time in many years a favorable transfer was made for capital improvement needs of approximately \$649,000
- The balance in the general fund remains at approximately 17% of expenditures which meets the auditor recommended minimum balance amount of 2 months operating expenses
- Funds continued to be escrowed pending the outcome of the NextEra and other wind company appeals
- Prisoner medical costs were reduced to \$86,000 compared \$338,698 only two years ago (costs vary significantly from year to year)

The County has been proactive through multi-year financial planning always working to maintain a long-term stable financial position. **Recent dynamics and changes that have helped to improve financial standing include:**

- Passage of Veterans millage
- Passage of Michigan State University – Extension millage
- Changing the retirement system for new hires from defined benefit to defined contribution and bonding to reduce costs
- Revenue from wind energy development
- Maintaining an important multi-year approach to financial planning
- Changing telephones to VOIP

- 14 bed jail addition – eliminating costs to house prisoners in other counties – estimated annual savings \$200,000
- Consolidation of services

Some of the challenges that will continue into the future include:

- Adequately funding growing capital improvement needs and importantly the aging Jail and Courthouse
- Limited tax base that has encounter multi-year declines in residential value and minimal growth other than from wind turbines
- Managing and reducing wind turbine revenue dependency because of the substantial decline in the amount revenue received from this source over time.
- Unstable state funding sources and new mandates without funding

Mike

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VISIT US ON LINE FOR COUNTY SERVICES @ www.tuscolacounty.org

2015 Financial Year in Review (Unaudited)



Financial Progress in 2015 Accomplishments

- All funds finished 2015 in a positive fund balance position - no deficits
- General Fund (GF) revenues exceeded expenditures by approximately \$186,000
- GF balance is approximately 17% of expenditures which satisfies auditor recommended fund balance level
- \$649,000 transferred for capital improvement CI - major accomplishment - first significant transfer to CI in years
- Changes implemented to control retirement system costs
- Escrow of funds continues pending wind energy dispute
- Bond rating stable and reaffirmed at AA-

2015 Favorable Financial Factors

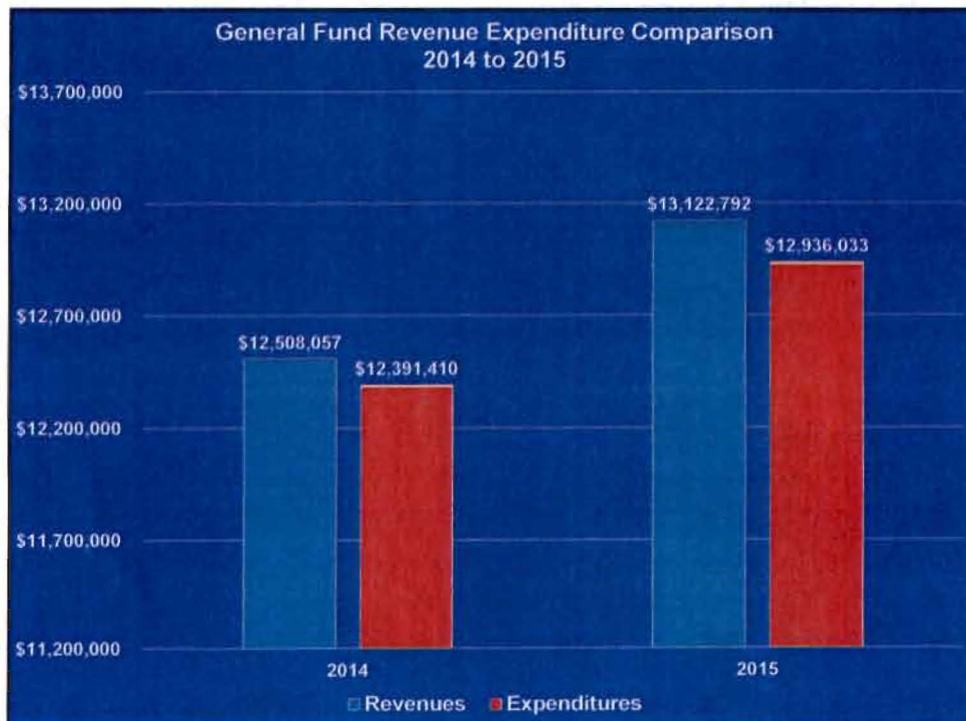
- Consumers Energy wind project completed ahead of schedule - significant wind turbine revenue received in 2015
- First full year of state revenue sharing received
- Significant staff turn-over resulting in wage/fringe benefit costs under budget
- CPI allowed property tax increase from current tax base
- 3 year dog licensing first year of change results in uptick
- Cunningham issue resolved - full court revenue collected
- First time in many years revenue from housing other county prisoners received – not likely to continue

2015 Favorable Financial Factors (Continued)

- Prisoner medical costs well below typical year expenditures
- Abused, neglected and delinquent child costs moderated
- Utility costs moderated
- Buildings and grounds equipment and building maintenance costs reduced from 2014
- VOIP telephone changes - results

General Fund Revenue Expenditure Comparison 2014 to 2015

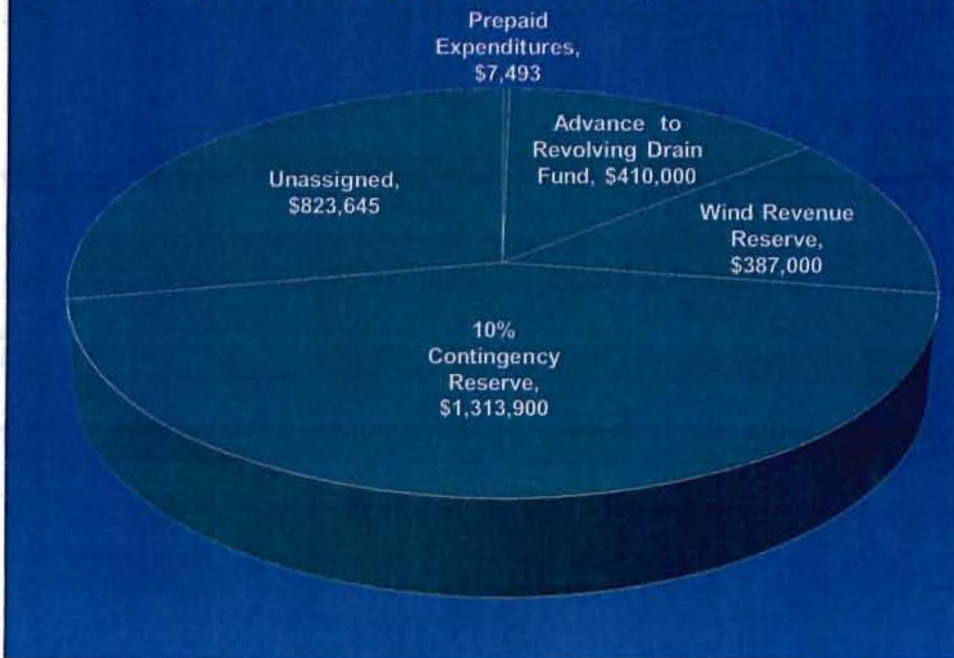
Year	Revenues	Expenditures	Revenues over (under) Expenditures in Dollars	Revenues over (under) Expenditures in Percent
2014	\$12,508,057	\$12,391,410	\$116,647	0.9%
2015	\$13,122,792	\$12,936,033	\$186,759	1.4%
Dollar Increase	\$614,735	\$544,623	-	-
Percent Increase	4.9%	4.4%	-	-



General Fund - Fund Balance by Category

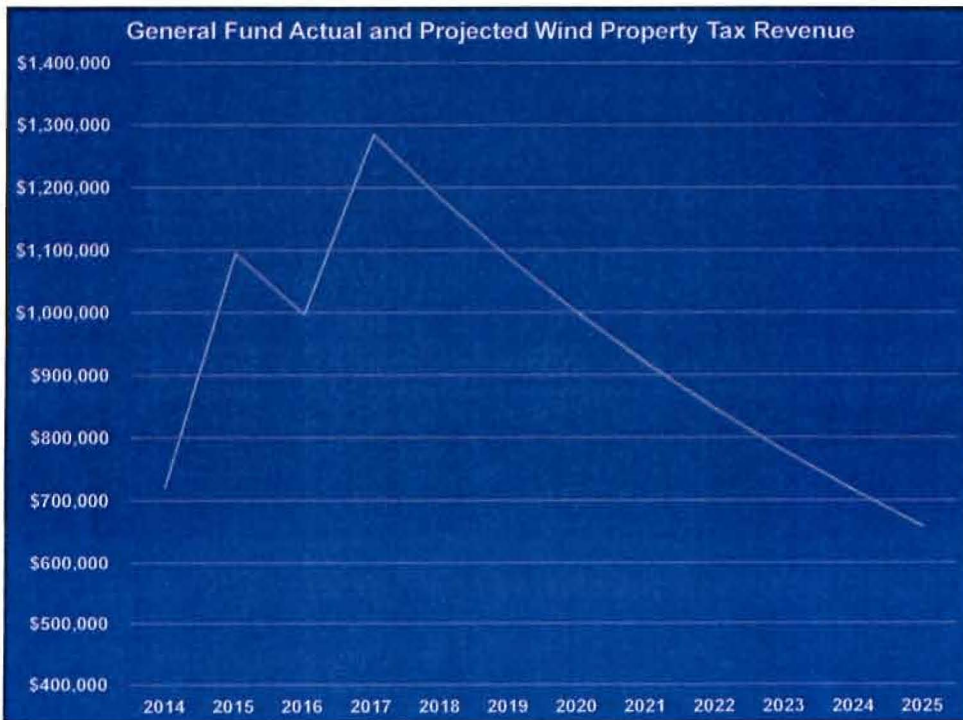
Category	2014	2015	Change
Prepaid Expenditures	\$7,310	\$7,493	\$183
Advance to Revolving Drain Fund	\$410,000	\$410,000	\$0
Wind Revenue Reserve	\$150,000	\$387,000	\$237,000
10% Contingency Reserve	\$1,312,000	\$1,313,900	\$1,900
Unassigned	\$883,279	\$823,645	(\$59,634)
Total	\$2,755,279	\$2,942,038	\$186,759

2015 General Fund Balance by Category



General Fund Revenue Increases 2014 to 2015

Revenue Source	2014	2015	Dollar Increase
Wind Property Tax	\$721,120	\$1,247,050	\$525,930
State Revenue Sharing	\$945,806	\$1,095,464	\$149,658
Non-Wind Property Tax	\$5,535,524	\$5,638,309	\$102,785
Diverted Felon Progrm	\$86,080	\$152,335	\$66,255
Dog Licenses	\$127,991	\$173,501	\$45,510
District Bond and Court Costs	\$230,805	\$270,970	\$40,165
Delinquent Taxes	\$658,253	\$695,776	\$37,523



General Fund Revenue Decreases 2014 to 2015

Revenue Source	2014	2015	Dollar Decrease
Building Codes	\$369,043	\$252,390	(\$116,653)
Convention/Liquor Tax	\$219,473	\$123,591	(\$95,882)
Friend of the Court Indirect Costs	\$140,981	\$77,931	(\$63,050)
Tax Foreclosure Fund	\$50,000	\$20,000	(\$30,000)

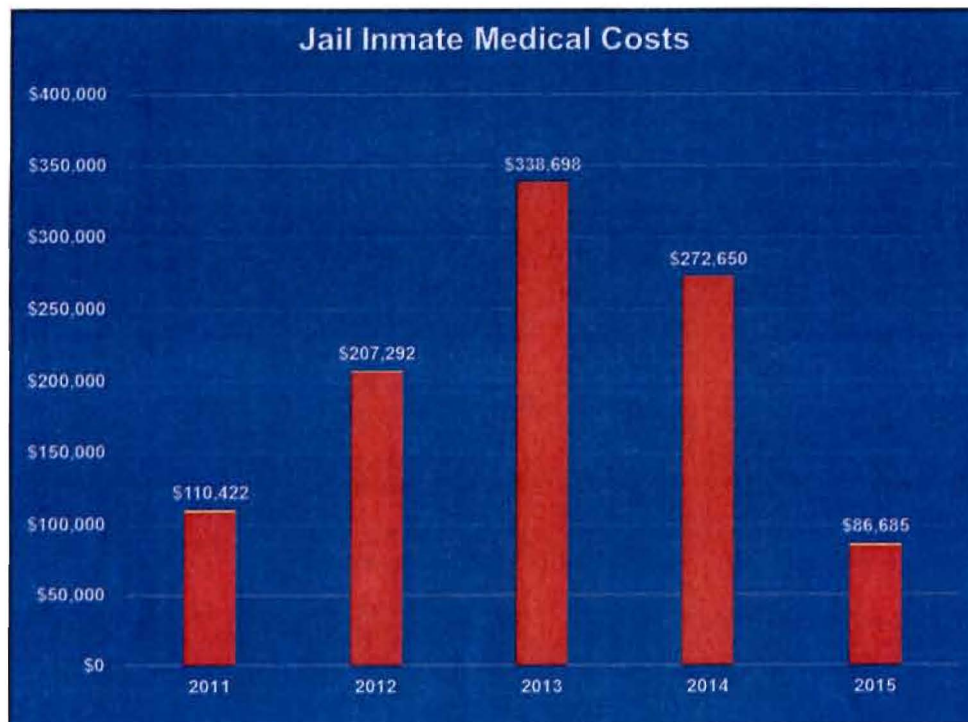
General Fund Expenditure Increases 2014 to 2015

Expenditure Category	2014	2015	Dollar Increase
Capital Improvement	\$0	\$649,448	\$649,448
Wind Revenue Escrow	\$150,000	\$237,000	\$87,000
Equipment Fund	\$213,600	\$278,000	\$64,400
Computer Operations	\$387,872	\$445,000	\$57,128
MSU-e/4-H	\$107,366	\$140,153	\$32,787
Unified Court	\$2,250,792	\$2,279,518	\$28,726

General Fund Expenditure Decreases 2014 to 2015

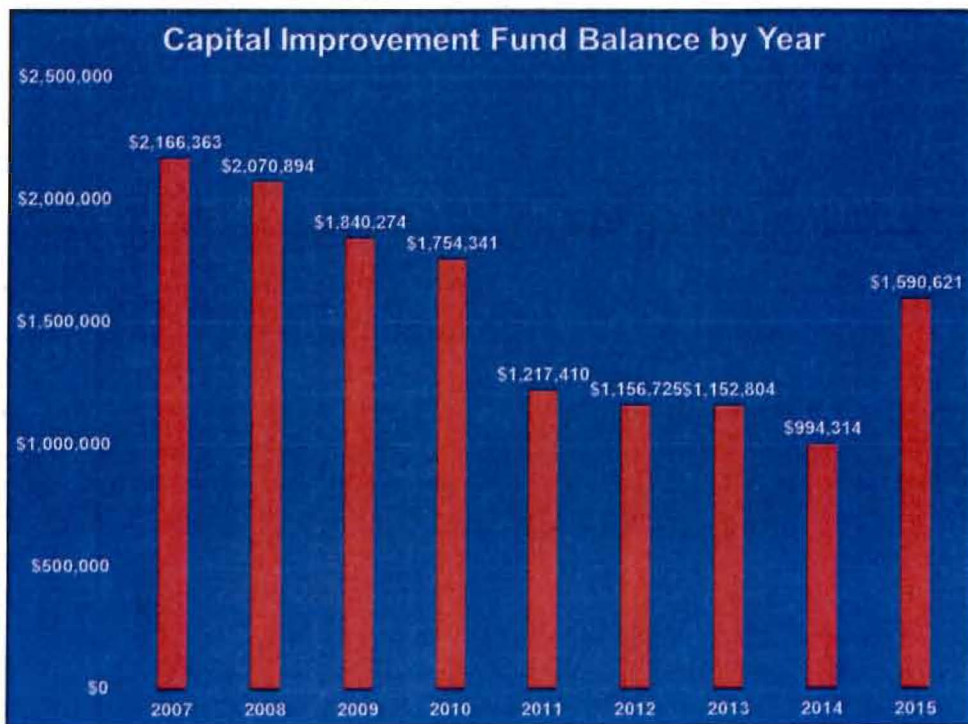
Expenditure Category	2014	2015	Dollar Change
Building Codes	\$369,043	\$252,390	(\$116,653)
Child Care Human Services	\$366,000	\$300,000	(\$66,000)
Jail	\$2,212,205	\$2,161,470	(\$50,735)
Substance Abuse	\$109,737	\$61,795	(\$47,942)
Buildings and Grounds	\$777,207	\$744,343	(\$32,864)
Elections	\$88,917	\$58,000	(\$30,917)
Insurances	\$111,340	\$82,010	(\$29,330)
Drain-At- Large	\$443,611	\$426,951	(\$16,660)
Legal Services	\$80,620	\$64,592	(\$16,028)

Jail Inmate Medical Costs



Voted Special Purpose Millage Fund Balance as of 12/31/15 (Unaudited)			
Voted Special Purpose Millage Funds	Millage Amount	Estimated 12/31/2015 Fund Balance	Fund Balance Information
Bridge and Streets - 296	0.4807	\$1,613,240	Road Commission plans to spend down balance for needed road/bridge improvements - cities and villages receive portion of bridge and street millage revenue - if millage reduced they would also receive less
Senior Citizens - 297	0.2000	\$30,528	Pressure on millage funds continues to grow because of state and federal cuts
Medical Care Facility - 298	0.2500	\$775,737	Used for operations, equipment, capital improvements and Maintenance of Effort payments
Road Patrol - 207	0.9000	\$230,016	Public safety operation
Primary Roads and Streets - 214	0.9657	\$134,992	Cities and villages receive a portion of street funds - if this millage is reduced they would also receive less - ultimately funds will be spent on needed roads
Mosquito Abatement - 240	0.6316	\$205,536	\$205,000 fund balance is less than the recommended minimum \$250,000 per the Mosquito Abatement and Health Directors in case of a disease outbreak
Recycling - 230	0.1500	\$367,818	Recycling Committee reviewing relocating to continue current and potential additional recycling programs
Medical Care Facility Debt - 391	0.0000	\$1,430,672	Full 1.0 mill levy was discontinued for 2015 - fund balance will be used to payoff remaining debt service
Veterans - Fund 295	0.1700	\$6,050	Millage was first levied in 2015 and will be collected in 2016
MSU-e	0.1000	\$0	The first time funds will be levied is 2016 and collected for the 2017 budget

Special Revenue Fund Balances					
Fund	2014	2015	Fund	2014	2015
Friend of the Court	\$204,880	\$287,958	Regional DWI Court Grant	\$8,383	\$0
Dispatch/911	\$465,511	\$413,111	Geographic Information Systems	\$0	\$23,106
Health Department	\$398,391	\$1,204,787	Forfeiture Sheriff/Prosecutor	\$147,937	\$56,344
Equipment Fund	\$38,587	\$154,070	Child Care Human Services	\$128,637	\$7,884
CDBG Housing Grant	\$15,606	\$32,306	Child Care Probate Juvenile	\$122,211	\$200,037
Principal Residence Exemption	\$56,649	\$77,794	Medical Care Facility	\$3,006,863	\$2,425,010
Register of Deeds Automation	\$159,759	\$69,398	Capital Improvements	\$994,446	\$1,590,621
Concealed Pistol Licensing	\$0	\$14,274			



Future Financial Dynamics

- Veterans millage passed – relieving about \$85,000 in GF cost
- MSU-e millage passes – relieving about \$140,000 in GF cost
- Changed defined benefit to defined contribution retirement
- May be new renewable energy standard soon – producing further increase in wind turbines
- At least 1 and possibly 2 additional wind projects – 120 turbines
- Proactive multi-year approach to financial planning is effective
- Outcome of wind turbine dispute extremely important

Future Financial Challenges

- Adequately funding growing capital improvements requirements to properly maintain county buildings and grounds
- Both the Courthouse and Jail have major infrastructure needs including internal plumbing and electrical replacement
- Wind revenue dependency is too high
- Amount of wind revenue declines to 30% of original value in approximately 10 years (\$1,000,000 declines to \$300,000)
- Non-wind tax base is flat – very limited new construction
- Tax base can only increase at the rate of inflation
- State funding unstable - state budget has pressures - roads, Flint Water, Detroit Schools, overall economy
- Management of fund balances in special revenue funds critical

DRAFT

Tuscola County Board of Commissioners
Resolution Regarding Wind Turbine Development in Tuscola County

Whereas, there are currently 189 turbines in the County with two more planned projects that could add an estimated 120 additional turbines and,

Whereas, the potential for even more turbines exists especially if the state and federal government require increased energy production from renewable sources and,

Whereas, because local units of government (cities, villages and townships) are provided the legal authority to prepare zoning and wind ordinances, this authority should be used to reasonably and fairly satisfy the needs of wind developers while also protecting the public health, safety and welfare and,

Whereas, building wind turbines in Tuscola County with over 54,000 people and many existing homes requires effective well-reasoned wind ordinances and site planning for safe and publically acceptable projects and,

Whereas, wind turbine development requires the preparation of ordinances that contain generally accepted regulations to protect public health, safety and welfare including, but not limited to: noise levels, setbacks from homes, setbacks from property lines, turbine height-size, shadow flicker, vibration-pulsation and procedures for citizen complaints along with procedures for decommissioning turbines and,

Whereas, it is vital that land owners, citizens, local officials and wind developers work in the spirit of cooperation to resolve issues or unfortunate consequences can be expected for future wind projects including costly project delays and lawsuits which will limit the ability to implement future wind projects if public health, safety and welfare interests are not reasonably protected.

Now Therefore Be It Resolved That, the Tuscola County Board of Commissioners encourages:

1. The use of city, village and township legal authority to establish wind ordinances that enable residents continued reasonable use of their property and protection of their health, safety and welfare.
2. The use of city, village and township legal authority to establish wind ordinances that enable wind turbine construction by developers provided the rights of residents are fairly protected.
3. Establishment of regulations that allow for profitable wind development while mitigating resident concerns such as: noise levels, setbacks from homes, setbacks from property lines, turbine height-size, shadow flicker and vibration-pulsation.
4. The use of cooperation, sensitivity and well-reasoned judgement by elected officials, residents and wind developers to resolve wind turbine issues in order to prevent costly project delays and lawsuits and enable future wind development that is acceptable to all parties.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to city, village and township officials in Tuscola County, known wind developers, Senator Mike Green and Representative Ed Canfield.

Date _____

Thom Bardwell, Chairperson

Tuscola County Board of Commissioners

I, Jodi Fetting, Tuscola County Clerk, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Tuscola County Board of Commissioners at its regular meeting on April 14, 2016.

Date _____

Jodi Fetting

Tuscola County Clerk

DRAFT Wind Turbine Financial Information (4/11/16)



1. **Are there requirements and incentives for renewable energy development?**
– Yes

The State passed laws that required utility companies to produce 10% of their energy from renewable sources by the year end of 2015. Compliance with this requirement has been achieved primarily using wind energy development. The state has been studying a new standard for energy generation from renewable sources. Also, the federal government is providing funding for part of the construction cost and tax incentives promoting renewable energy development to reduce dependency on fossil fuels.

2. **Who has regulatory authority over wind turbine development? – Townships, villages and cities.**

Regulatory authority over wind energy development is entirely with local units of government - not the county government. Local units of government include: townships, villages and cities. Regulatory authority is exercised through the development of wind and zoning ordinances. Typical regulatory provisions include height, setback and permitted noise (decibel) levels.

3. **When was the first wind turbine project built and how many have been built in Tuscola County at the end of 2015? – The first turbines were built in 2012 in Gilford Township with two more projects built in other townships of the county since 2012 for a total of 189 turbines.**

The first project was built by NextEra Energy in 2012 with the construction of 68 turbines in Gilford Township. The second project was constructed by NextEra in 2014 in Akron, Fairgrove. Gilford and Wisner Townships with 59 turbines. The third project was constructed by Consumers Energy in 2014 and 2015 with 62 turbines primarily in Columbia Township. There are 189 wind turbines currently in Tuscola County. These turbines are located in the Townships of Akron, Columbia, Fairgrove, Gilford and Wisner.

4. Is there more wind turbine construction planned in Tuscola County? – Yes

NextEra Energy is planning a third 55-60 turbine project in Ellington and Almer Townships with construction currently slated to begin in 2016 and project completion anticipated in 2017. Consumers Energy has a second planned project currently for the year 2022 for Columbia and nearby Townships.

5. Are there beneficiaries from wind turbines? – Yes, property owners that have leases with the wind companies in addition to governments, schools and libraries and other entities with wind projects in their community that levy millage to provide public services.

The amount of funds generated is based on the number of mills levied and the taxable value of the turbines located in the political jurisdiction. In 2014, \$4,070,000 total tax revenue was paid to taxing jurisdiction with wind turbines including: Intermediate School District (\$775,000), certain individual school districts (\$968,000), County (1,389,000), townships (\$718,000), libraries (\$151,000) and other (\$69,000).

With the addition of the Consumers Energy wind project the amount of total revenue received will increase. These funds are used for public services. The total amount paid in private property leases is unavailable. Lease payments provide increased spendable capital that has an overall positive economic impact. Development of renewable energy reduces dependency on fossil fuels and the negative environmental effects of carbon dioxide emissions

6. Has wind turbine revenue been beneficial to balancing the county budget? – Yes

Tuscola is a county of modest financial means because of a limited tax base and a weak economy. The county is still financially recovering from the great recession that occurred from 2009 to 2012. Without the estimated \$1.4 million in revenue from wind turbine construction and the International Transmission Company new electrical transmission line construction, balancing the county budget would have been much more difficult.

7. Does wind turbine revenue for taxing entities remain constant? – No, the amount of revenue received declines each year based on what is called a Multiplier Schedule.

Depending on which Multiplier Schedule a local assessor uses, the year one multiplier may be 100% of taxable value, by year two this may drop to 90%, year three 80% and so on until the percentage levels out in 10 to 12 years at about 30% to 40% of the first year amount. If a taxing entity receives \$400,000 in the first year, the amount declines each year until in about 10 to 12 years only \$120,000 to \$160,000 is received.

The fact that revenue declines with time has major financial implications. Entities that receive these funds have to be careful to not build a level of dependency that cannot be sustained long term. The multiplier schedule remains highly controversial and has not been agreed to by the wind companies, state and local taxing entities.

8. Is the method of assessing and taxing wind turbines agreed to by taxing entities and wind companies? – No, the Multiplier Schedule and Federal 1603 Cash Grants are in dispute.

The dispute between county/local government and wind developers regarding the Multiplier Schedule and Federal 1603 Cash Grants has been on-going for over four years and is a major issue because literally revenue involving tens of millions of dollars per wind project is at stake.

NextEra has for several years appealed their assessment for the wind projects in Tuscola County. They have argued that 30% of qualified costs cash grant can be deducted from historical cost when using the cost approach for determining true cash value. In other words, NextEra argues because Federal funding was involved (1603 cash grants) the true cash value of the wind projects is 30% less which in their opinion means their tax responsibility is 30% less. The position of county/local government is the true cash value of the projects are not reduced because Federal 1603 cash grants paid a portion of the construction cost.

With respect to the multiplier schedule, in 2012 officials at the Michigan Tax Commission (STC) changed the schedule. The net effect of this change was the amount of tax revenue received over the life of a wind project was reduced by about 28%. There was no rationale provided by the STC to justify this change. This was extremely frustrating to counties and local units of government because the impact was the amount of revenue received was reduced by approximately 28%.

9. What has been done to resolve the on-going dispute? – The Michigan Renewable Energy Collaborative was formed and law/appraisal professionals were hired to assist. The Federal 1603 Cash Grant Issue is being heard by the Michigan Tax Tribunal.

Tuscola County assisted in forming and joining the Michigan Renewable Energy Collaborative (MREC) with four other counties (Huron, Sanilac, Gratiot and Mason) and many of the local units of government in each of the counties. MREC was formed to protect the county, local government and public interests with respect to fair and equitable assessing and taxation of wind turbines. The law firm of Clark Hill and Appraisal Economics was hired. Appraisal Economics conducted a comprehensive study to determine a fair and equitable Multiplier Schedule.

The dispute will be decided by the Michigan Tax Tribunal (MTT). MREC and NextEra attorneys have both filed their “briefs”. Pending the case outcome, MREC or NextEra could appeal to the Michigan Court of Appeals. Tuscola County has escrowed funds to payback portions of taxes collected if the case is lost.

10. Has the Michigan Tax Tribunal made any decisions? - Yes

The legal team assisting MREC (Clark Hill) has recently received a favorable opinion from the Chief Judge of the MTT regarding the issue of Federal 1603 cash grants. Contrary to the arguments of NextEra a 30% of qualified costs cash grant cannot be deducted from historical cost when using the cost approach for determining true cash value. Simply stated, this opinion is Federal 1603 cash grants do not reduce true cash value of wind turbines and the corresponding amount of tax revenue that has to be paid. An adverse ruling for MREC would have been a tremendous potential loss in assessments (tens of millions per wind farm) and tax revenues.

This is the first decision of its kind in the country. The logic behind the decision should also be beneficial in other wind energy system tax appeals where the wind developer has argued for a similar deduction using the cost approach whether they have received a cash grant or taken a production tax credit or investment tax credit.

In addition the MTT has ordered the production of documents related to tax and other corporate financial information by the end of March.

Of course, it is important to note that the decision can be and probably will be appealed to the Michigan Court of Appeals.



mhoagland@tuscolacounty.org

From: Tim McClorey <tmcclorey@mrrma.org>
Sent: Friday, March 25, 2016 11:59 AM
To: mhoagland@tuscolacounty.org
Cc: Katie Schoening
Subject: 2016 Renewal
Attachments: DOC032516-03252016073329.pdf

Mike,

Thank you for meeting with me on Wednesday. I enjoyed our discussion with you and your staff regarding the renewal and some of the calculations that went into the renewal. As suspected by Erica, there was something unusual about the calculations relating to law enforcement and the number of officers reported. After comparing what was originally reported to MMRMA it was discovered that there was an officer listed as not certified that was actually certified. That correction accounted for a larger than necessary calculation from our underwriters.

I have attached a revised Renewal Proposal that takes into account that adjustment. Also attached is a revised contribution breakdown.

Your 2016 total contribution is \$232,780 which is up \$9,020 or a 4% increase over last year. The increase is primarily due to the increase in law enforcement exposure as well as the overall increase in rates for law enforcement liability. We also discussed how MMRMA was able to increase property coverage for Property in Transit, Fine Arts, Accounts Receivable, Marine Property and Income and Extra Expense. In addition, we discussed Tuscola County continues to take advantage of our Risk Avoidance Program and you received \$6177 for four grants. Tuscola County will also continue to benefit from our Net Asset Distribution policy as the MMRMA Board of Directors declared \$31.8 Million to be distributed to the Membership. This brings the total funds returned to MMRMA Members to over \$226 Million. Your portion of that has not yet been determined but will be announced at the end of April. The total funds received by Tuscola County as a result of the Net Assets Distribution Policy since 2006 is \$331,370.

If you have any questions or concerns please call or email me.

Thank you again for your time and for your business.

Tim

Timothy J. McClorey, A.R.M, A.I.C.
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MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

Member:	County of Tuscola	Proposal No: Q000002085
Date of Original Membership:	February 24, 2004	
Proposal Effective Dates:	March 24, 2016 To March 24, 2017	
Member Representative:	Michael Hoagland	Telephone #: (989) 672-3700
Regional Risk Manager:	Michigan Municipal Risk Management Authority	Telephone #: (734) 513-0300

A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. County of Tuscola (hereinafter "Member") is eligible to be a Member of MMRMA. County of Tuscola agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

County of Tuscola is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Proposal summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Proposal, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

B. Member Obligation - Deductibles and Self Insured Retentions

County of Tuscola is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). County of Tuscola's SIR and deductibles are as follows:

Table I
Member Deductibles and Self Insured Retentions

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	N/A	\$75,000 Per Occurrence
Vehicle Physical Damage	\$1,000 Per Vehicle	\$15,000 Per Vehicle \$30,000 Per Occurrence
Fire/EMS Replacement Cost	N/A	N/A
Property and Crime	\$1,000 Per Occurrence	N/A
Sewage System Overflow	N/A	N/A

The member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The **County of Tuscola** is afforded all coverages provided by MMRMA, except as listed below:

1. Sewage System Overflow
- 2.
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

County of Tuscola agrees to maintain the Required Minimum Balance as defined in the Member Financial Responsibilities section of the MMRMA Governance Manual. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

Table II
Limits of Coverage

Liability and Motor Vehicle Physical Damage	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Liability	10,000,000	N/A	N/A	N/A
2 Judicial Tenure	N/A	N/A	N/A	N/A
3 Sewage System Overflows	0	N/A	0	N/A
4 Volunteer Medical Payments	25,000	N/A	N/A	N/A
5 First Aid	2,000	N/A	N/A	N/A
6 Vehicle Physical Damage	1,500,000	N/A	N/A	N/A
7 Uninsured/Underinsured Motorist Coverage (per person)	100,000	N/A	N/A	N/A
Uninsured/Underinsured Motorist Coverage (per occurrence)	250,000	N/A	N/A	N/A
8 Michigan No-Fault	Per Statute	N/A	N/A	N/A
9 Terrorism	5,000,000	N/A	N/A	5,000,000

Property and Crime	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Buildings and Personal Property	35,953,343	350,000,000	N/A	N/A
2 Personal Property in Transit	2,000,000	N/A	N/A	N/A
3 Unreported Property	5,000,000	N/A	N/A	N/A
4 Member's Newly Acquired or Constructed Property	5,000,000	N/A	N/A	N/A
5 Fine Arts	2,000,000	N/A	N/A	N/A
6 Debris Removal (25% of Insured direct loss plus)	25,000	N/A	N/A	N/A
7 Money and Securities	1,000,000	N/A	N/A	N/A
8 Accounts Receivable	2,000,000	N/A	N/A	N/A
9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	0	10,000,000	N/A	N/A
10 Fire and Emergency Vehicle Rental (12 week limit)	0 per week	N/A	N/A	N/A
11 Structures Other Than a Building	5,000,000	N/A	N/A	N/A
12 Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
13 Marine Property	1,000,000	N/A	N/A	N/A
14 Other Covered Property	10,000	N/A	N/A	N/A
15 Income and Extra Expense	5,000,000	N/A	N/A	N/A
16 Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
17 Faithful Performance	Per Statute	N/A	N/A	N/A
18 Earthquake	5,000,000	N/A	5,000,000	100,000,000
19 Flood	5,000,000	N/A	5,000,000	100,000,000
20 Terrorism	50,000,000	50,000,000	N/A	N/A

TABLE III

Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense Coverage

Limits of Coverage

Retroactive Dates:

For Coverage A -- Data Breach and Privacy Liability Coverage: 07/01/2013

For Coverage C -- Electronic Media Liability Coverage: 07/01/2013

Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense	Limits of Coverage Per Occurrence/Claim	Annual Aggregate	
	Member	Member	All Members
	\$1,000,000	\$1,000,000	\$15,000,000
Coverage A -- Data Breach and Privacy Liability Coverage: Each Claim:	Included in the limit above		
Coverage B -- Data Breach Loss to Member Coverage: Each Unauthorized Access:	Included in the limit above		
Coverage C -- Electronic Media Liability Coverage: Each Claim:	Included in the limit above		
Coverage D -- Breach Mitigation Expense Coverage: Each Unintentional Data Compromise:	Included in the limit above		

The total liability of MMRMA shall not exceed \$1,000,000 per Member aggregate Limit of Liability for coverages A, B, C, and D, in any coverage period.

The total liability of MMRMA shall not exceed \$15,000,000 for All Members aggregate Limit of Liability for coverages A, B, C, and D, from July 1, 2015, to June 30, 2016.

TABLE IV

Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense Coverage

Deductibles

Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense	Deductible Per Occurrence/Claim
	Member
Coverage A -- Data Breach and Privacy Liability Coverage: Each Claim:	\$25,000
Coverage B -- Data Breach Loss to Member Coverage: Each Unauthorized Access:	\$25,000
Coverage C -- Electronic Media Liability Coverage: Each Claim:	\$25,000
Coverage D -- Breach Mitigation Expense Coverage: Each Unintentional Data Compromise:	\$25,000

D. Contribution for MMRMA Participation

County of Tuscola

Period: **March 24, 2016** To **March 24, 2017**

Coverages per Member Coverage Overview:	\$195,099
Stop Loss Coverage:	\$12,681
Member Loss Fund Deposit:	\$25,000
TOTAL ANNUAL CONTRIBUTIONS:	\$232,780

E. List of Addenda

1. Stop Loss Program Participation Agreement

This document is for the purpose of quotation only and does not bind coverage in the Michigan Municipal Risk Management Authority, unless accepted and signed by both the authorized Member Representative and MMRMA Representative below.

Accepted By:

County of Tuscola

Proposal No:

Q000002085

MMRMA

Member Representative



MMRMA Representative

Date

3-25-2016

Date

ADDENDUM

**STOP LOSS PROGRAM
PARTICIPATION AGREEMENT**

Optional

The Stop Loss Program limits the Member's cash payments during a July 1 - June 30 year for those costs falling within the Member's SIR. The Stop Loss Program responds only to cumulative Member SIR payments, including damages, indemnification, and allocated loss adjustment expenses, within a July 1 - June 30 calendar year. The paid costs include payments for any coverage provided to the Member by MMRMA provided that the costs are actually paid within the July 1 - June 30 period. On July 1 of each year, the Member's paid costs accumulate from zero.

If the Member has chosen to participate in the Stop Loss Program, and if the Member's paid costs exceed the member's entry point, the Stop Loss Program will pay, until July 1, all costs that would, in the absence of the Stop Loss Program, be paid from the Member's SIR. **County of Tuscola's** entry point is **\$100,000**. Withdrawing Members do not participate in the Stop Loss Program after the date of withdrawal.

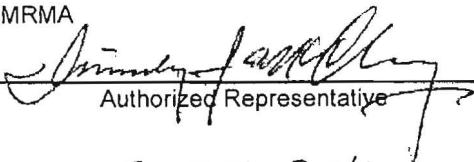
The Member agrees to be bound by MMRMA rules relating to the Stop Loss Program.

Accepted by:

Member Representative

Date: _____

MMRMA



Authorized Representative

Date: 3-25-2016



MICHIGAN MUNICIPAL
RISK MANAGEMENT
A U T H O R I T Y

March 22, 2016

Mike Hoagland
Tuscola County
125 W. Lincoln Street
Caro, MI 48723

Dear Mr. Hoagland,

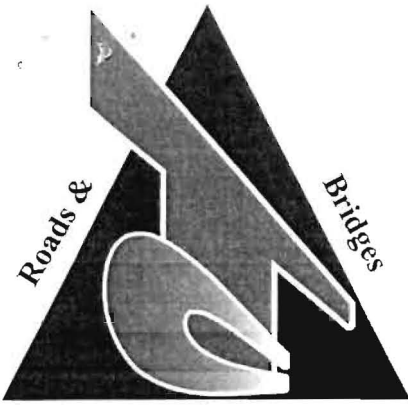
The following is a breakout of the annual contribution of your coverage with Michigan Municipal Risk Management Authority (MMRMA) for the policy period March 24, 2016 to March 24, 2017.

Automobile Liability & Vehicle Physical Damage	\$ 33,449
11 Private Passenger	\$ 6,200
22 Police	\$13,488
31 Service Trucks	\$13,761
Police Professional Liability	\$ 80,183
Public Officials Liability	\$ 30,731
All Other Liability	\$ 13,684
Property	\$ 37,052
Stop Loss	\$ 12,681
Contribution without Retention Fund Allocation	<u>\$207,780</u>
Retention Fund Allocation	\$ 25,000
Total Contribution with Retention Fund Allocation	<u>\$232,780</u>

If you have any questions or need any additional assistance don't hesitate to contact me.

Sincerely,

Katie Schoening
Risk Management Coordinator



Tuscola County Road Commission
1733 Mertz
Caro, MI 48723
Phone 989 673-2128
Fax 989 673-3294



To Our Future

MEMORANDUM

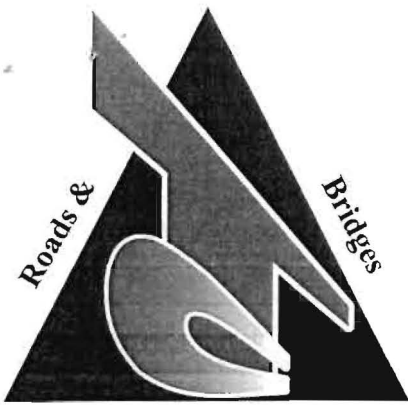
Date: March 31, 2016

To: Mike Hoagland, Tuscola County Controller/Administrator

From: Michael Tuckey, Director of Finance/Clerk of the Board

R/E: County-Wide Millages

Attached please find a Resolution adopted by the Tuscola County Board of Road Commissioners at their March 24, 2016 regular meeting regarding the County-Wide Primary Road Millage and the Local Bridge Millage. If you should have any questions or need additional information, please contact me. Thank you.



Tuscola County Road Commission
1733 Mertz
Caro, MI 48723
Phone 989 673-2128
Fax 989 673-3294

To Our Future

Motion by Zwerk seconded by Parsell that the following Resolution be adopted:

RESOLUTION

WHEREAS, the current county-wide Primary Road Millage and Local Bridge Millage in Tuscola County are due to expire in 2016, and

WHEREAS, the Tuscola County Board of Road Commissioners deem these two county-wide millages as critical for preserving the infrastructure of Tuscola County, and

WHEREAS, the Tuscola County Board of Road Commissioners request that the county-wide Primary Road Millage and Local Bridge Millage be placed on the ballot for renewals with the August 2016 Primary Election, and

WHEREAS, the Tuscola County Board of Road Commissioners request that both renewals be rolled up to the original levy amount, with the same ballot language as the previous renewals with amended dates and revised estimates, and to be renewed for another eight (8) year period.

THEREFORE, BE IT RESOLVED, that this Tuscola County Board of Road Commissioners ask the Tuscola County Board of Commissioners to consider this resolution when developing and scheduling the election ballots and county-wide millage renewals for 2016.

Sheridan, Matuszak, Zwerk, Parsell, Laurie – Carried.

I hereby certify that the foregoing is a true and correct copy of a motion made and adopted at a regular meeting of the Board held on the 24th day of March, 2016.

Signed: 
Secretary-Clerk of the Board

mhoagland@tuscolacounty.org

From: mhoagland@tuscolacounty.org
Sent: Friday, April 8, 2016 11:30 AM
To: Mike Tuckey
Cc: jfetting@tuscolacounty.org; Walt Schlichting (Walt Schlichting); ctrisch@tuscolacounty.org; 'Bardwell Thom'; 'Bierlein Matthew'; 'Kirkpatrick Craig'; 'Thomas Young'
Subject: FW: County Road Commission Millage Renewal Language
Attachments: Tuscola County - Primary Road and Bridge millage proposals (renewal and increase) (S1307296).DOCX; Tuscola County - Primary Road and Bridge millage proposals (renewal) (S1307375).DOCX

Mike

Please see email from county attorney below and alternative ballot languages which are attached. Will you please ask the Road Commissioners which way they want to request the millage renewal. Maybe you can stop by at the Committee of the Whole meeting on Monday and up-date us. I would like to get this resolved for action at the April 14, 2016 Board of Commissioners meeting.

Mike H.

Michael R. Hoagland
Tuscola County Controller/Administrator
989-672-3700
mhoagland@tuscolacounty.org

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From: Gary E. Gudmundsen [mailto:gargud@BraunKendrick.com]
Sent: Friday, April 8, 2016 9:47 AM
To: 'mhoagland@tuscolacounty.org' <mhoagland@tuscolacounty.org>
Subject: RE: County Road Commission Millage Renewal Language

Mike -

Attached for review are drafts of the Primary Road and Bridge millage ballot proposals. Two versions are attached for consideration, one being a renewal, and the other being a renewal and increase.

Please note the highlighted language of the renewal and increase millage proposals. The last voted upon millage proposals in 2008 were for renewal at the existing .9657 and .4807 rates, respectively. Therefore, in order to roll the millages up to the original 1.0 and .5 mills, it is necessary to let the voters know that it is a renewal of the previously voted millages, plus an increase.

Let me know if you have any question or would like to further discuss the same.

Thanks.

Gary.



GARY E. GUDMUNDSEN

Attorney

Tel: 989.399.0215

Fax: 989.799.4666

Email: gargud@braunkendrick.com

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From: mhoagland@tuscolacounty.org [<mailto:mhoagland@tuscolacounty.org>]
Sent: Thursday, April 07, 2016 3:47 PM
To: Gary E. Gudmundsen
Subject: RE: County Road Commission Millage Renewal Language

Gary

Based on the tentative 2016 taxable value of Tuscola County, the following are estimates of the tax dollars that will be raised in the first year of levy:

1 mill = \$1,733,500

.5 mill = \$866,750

Mike Hoagland

From: Gary E. Gudmundsen [<mailto:gargud@BraunKendrick.com>]
Sent: Thursday, April 7, 2016 2:53 PM
To: 'mhoagland@tuscolacounty.org' <mhoagland@tuscolacounty.org>
Cc: Clayton J. Johnson <CLAJOH@BraunKendrick.com>
Subject: FW: County Road Commission Millage Renewal Language

Mike -

Clay asked me to assist with respect to the millage ballot proposals. Per Michigan law, a renewal and increase can be submitted using a single question if the requested additional millage is .5 mills or less. Otherwise, it must be submitted using two questions. Here, the requested additional millage is less than .5 mills, so a single question can be used, as a renewal and increase.

I will email to you the draft language when ready. For such purpose, can you please let me know the estimated amount of revenue to be raised in the first year for each millage, as we will need to include a statement as such in the proposals. Also, will these first be levied in 2017?

Thanks.

Gary.



BRAUN KENDRICK

GARY E. GUDMUNDSEN

Attorney

Tel: 989.399.0215

Fax: 989.799.4666

Email: gargud@braunkendrick.com

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Begin forwarded message:

From: "mhoagland@tuscolacounty.org" <mhoagland@tuscolacounty.org>
Date: April 6, 2016 at 10:38:00 AM EDT
To: <mhoagland@tuscolacounty.org>, 'Clayton Johnson' <clajoh@braunkendrick.com>
Cc: <jfetting@tuscolacounty.org>, 'Mike Tuckey' <mtuckey@tuscolaroad.org>, <ctrisch@tuscolacounty.org>, 'Bardwell Thom' <bardwellthomas1@gmail.com>, 'Bierlein Matthew' <mbierlein@tuscolacounty.org>, 'Kirkpatrick Craig' <ckirkpatrick@tuscolacounty.org>, 'Thomas Young' <CTAYOUNG@HOTMAIL.COM>
Subject: RE: County Road Commission Millage Renewal Language

I forgot the bridge millage which is attached above.

Mike

From: mhoagland@tuscolacounty.org [mailto:mhoagland@tuscolacounty.org]
Sent: Wednesday, April 6, 2016 10:36 AM
To: Clayton Johnson <clajoh@braunkendrick.com>
Cc: jfetting@tuscolacounty.org; Mike Tuckey <mtuckey@tuscolaroad.org>; ctrisch@tuscolacounty.org; 'Bardwell Thom' <bardwellthomas1@gmail.com>; 'Bierlein Matthew' <mbierlein@tuscolacounty.org>; 'Kirkpatrick Craig' <ckirkpatrick@tuscolacounty.org>; 'Thomas Young' <CTAYOUNG@HOTMAIL.COM>
Subject: County Road Commission Millage Renewal Language

Clayton

The county has two (2) special purpose millages related to the County Road Commission. One is for Primary Roads and the other for Bridges. Attached is a resolution approved by the County Road Commission requesting renewal of the millages. Both of these expire in 2016. The renewal request is to "roll-up" to the originally approved amounts of 1.0 mills for primary roads and 0.5 mills for bridges. **Can this "roll up" be**

done and still call these renewals? The request is for an eight (8) year period. I have also attached the language used the last time these millages were renewed. If possible could you complete your recommended languages by noon Friday so I can include the information in the Committee of the Whole meeting packet for the Monday morning meeting.

Thank you.

Mike

Michael R. Hoagland
Tuscola County Controller/Administrator
989-672-3700
mhoagland@tuscolacounty.org

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PRIMARY ROAD/STREET IMPROVEMENT
(Renewal and Increase)

For a period of eight (8) years, from 2016 and continuing through 2023, inclusive, shall the previously voted increase in the taxable property rate limitation of Tuscola County of .9657 mills (\$.9657 for each \$1,000 of taxable value) be renewed and increased for a levy of up to 1.0 mills (\$1.00 for each \$1,000 of taxable value) to provide funds for primary county roads and streets within Tuscola County? If approved and levied in its entirety, this millage would raise in the first year an estimated \$1,733,500. All revenue shall be disbursed only to the Tuscola County Road Commission, villages and cities, and be used exclusively for the construction, repair and maintenance of primary county roads and major streets within Tuscola County.

BRIDGE/STREET IMPROVEMENT
(Renewal and Increase)

For a period of eight (8) years, from 2016 and continuing through 2023, inclusive, shall the previously voted increase in the taxable property rate limitation of Tuscola County of .4807 mills (\$.4807 for each \$1,000 of taxable value) be renewed and increased for a levy of up to .5 mills (\$.50 for each \$1,000 of taxable value) to provide funds for local bridges, roads, and streets within Tuscola County? If approved and levied in its entirety, this millage would raise in the first year an estimated \$866,750. All revenue shall be disbursed only to the Tuscola County Road Commission, villages and cities, and be used exclusively for improvement to local bridges, roads and streets within Tuscola County.

PRIMARY ROAD/STREET IMPROVEMENT
(Renewal)

For a period of eight (8) years, from 2016 and continuing through 2023, inclusive, shall the previously voted increase in the taxable property rate limitation of Tuscola County be renewed at the rate of .9657 mills (\$.9657 for each \$1,000 of taxable value) to provide funds for primary county roads and streets within Tuscola County? If approved and levied in its entirety, this millage would raise in the first year an estimated \$_____. All revenue shall be disbursed only to the Tuscola County Road Commission, villages and cities, and be used exclusively for the construction, repair and maintenance of primary county roads and major streets within Tuscola County.

BRIDGE/STREET IMPROVEMENT
(Renewal)

For a period of eight (8) years, from 2016 and continuing through 2023, inclusive, shall the previously voted increase in the taxable property rate limitation of Tuscola County be renewed at the rate of .4807 mills (\$.4807 for each \$1,000 of taxable value) to provide funds for local bridges, roads, and streets within Tuscola County? If approved and levied in its entirety, this millage would raise in the first year an estimated \$_____. All revenue shall be disbursed only to the Tuscola County Road Commission, villages and cities, and be used exclusively for improvement to local bridges, roads and streets within Tuscola County.

DDA/TIFA PROPERTY TAX CAPTURE POLICY
Adopted 8-12-03

1. PURPOSE

The purpose of this policy is to formulate a comprehensive written County Policy, which clearly defines the Board of Commissioners position with respect to Downtown Development Authorities (DDA) and Tax Increment Financing (TIFA). The policy also communicates to County Elected Officials, Department Heads, Municipalities, and the General Public the formal County policy with respect to tax increment financing. The County Equalization Director shall be responsible for the implementation of this policy.

2. POLICY

2.1 The following policy shall apply to Tax Increment Financing Authorities (TIFA) who are considering improvements to be made in a Downtown Development Authority District (DDA) under Act 197 of 1975 as amended, and also shall apply to any authority established under any statute when that authority desires to capture County tax revenues. Item (8) shall apply to all capturing authorities, both existing and proposed.

2.1.1 In order for the County to consider allowing the capture of property tax revenue in a DDA District subject to capture, and not opt out, a plan must be submitted to the Tuscola County Equalization Director for review by the Tuscola County Board of Commissioners at least 60 days before the time in which the County's time to opt out of the capture expires.

2.1.2 Said plan must have sufficient detail to explain projects to be undertaken, costs, and timeline to complete the projects. The plan shall include all information required by statute for the establishment of the district as well as a list of the parcel numbers of all properties, both real and personal, to be included in the district, and the taxable value of each property in the base year. The plan will specify what assessment year is the base year for the establishment of the initial value of the district. The plan will specify the assessment year in which the capture of revenues will first occur.

2.1.3. The Tuscola County Board of Commissioners evaluation of the plan will be an important factor in determining whether a capture will be authorized.

DDA/TIFA PROPERTY TAX CAPTURE POLICY

- 2.1.4 All incremental updates to the original plan must be submitted at least (60) days before the date on which the County's right to opt out of the capture expires to the Tuscola County Equalization Director for review by the Tuscola County Board of Commissioners. No expansion of district boundaries, to gain a larger capture, are permitted without approval from the Tuscola County Board of Commissioners.
- 2.1.5 The Tuscola County Board of Commissioners may allow a capture of 50% of property tax revenue resulting from growth in total taxable value of the district, both from change in value of existing land, structures and contents in the district, removal, and from new construction or demolition in the district.
- 2.1.6 The above described property tax revenue capture will not be allowed for a period of longer than five (5) years. At the end of five (5) years, a review will be conducted by the Tuscola County Board of Commissioners to determine whether a capture will continue to be allowed.
- 2.1.7 The County Equalization Director will maintain appropriate information to record taxable value changes and property tax captures from all DDA districts in Tuscola County.
- 2.1.8 Each year, prior to the retention of captured revenues, the capturing authority shall submit to the County a list of all parcels in the district showing the initial value, the year in which the initial value was established, current value, and captured value. The values submitted shall be examined for validity by the County. Only those revenues as determined by the County to be validly captured shall be retained by the district/authority. This shall apply to all districts, both new and existing.
- 2.1.9 The County opts out and will not opt back in for property tax capture in a local unit of government that declares an area outside of the business district part of the DDA/TIFA because expansion beyond the business district violates the DDA Act.

mhoagland@tuscolacounty.org

To: Commissioners
Subject: FW: MSU-e Loan Repayment
Attachments: MSU-e.xlsx

From: mhoagland@tuscolacounty.org [mailto:mhoagland@tuscolacounty.org]
Sent: Friday, April 8, 2016 8:25 AM
To: ctrisch@tuscolacounty.org; 'Bardwell Thom' <bardwellthomas1@gmail.com>; 'Bierlein Matthew' <mbierlein@tuscolacounty.org>; 'Kirkpatrick Craig' <ckirkpatrick@tuscolacounty.org>; 'Thomas Young' <CTAYOUNG@HOTMAIL.COM>
Subject: MSU-e Loan Repayment

Commissioners

By previous Board action it was agreed the general fund would fund MSU-e operations from January 1, 2016 to March 8, 2016 with an appropriation of \$25,000. The action further stated that if the MSU-e millage passed, a loan would be provided by the county to fund MSU-e for the March 9, 2016 to December 31, 2016 period. After 2016 the approve millage will fund all MSU-e costs.

I have discussed this matter with Joe Bixler. He has calculated the amount of funding required to continue the MSU-e operation from March 9, 2016 to December 31, 2016 under a status quo arrangement at \$120,651. The attached table shows that this loan amount should be able to be safely paid back over the 6 year approved millage period.

Assumptions used are as follows:

- 1. No interest charged
- 2. Revenue from the 0.1 millage increases by 1% annually
- 3. MSU-e expenditure increase for inflation of 2% annually

Potential Board action:

Move that a loan be provided to MSU-e in the amount of \$120,651.50 to fund the operation for the March 9, 2016 to December 31, 2016 period. Said loan to be repaid to the county from the approved 0.1 mill beginning in 2017. Payment shall be made in six equal annual installments of \$20,651.50 . Also, the loan may be repaid in a shorter time period if this is financially possible.

Mike

Michael R. Hoagland
Tuscola County Controller/Administrator
989-672-3700
mhoagland@tuscolacounty.org

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Michigan State University - Extension Loan			
Loan Repayment Amount - \$120,651			
Year	Estimated Millage Revenue (1% Annual Increase)	MSU-e Operating Costs (2% Annual Inflation Increase)	Estimated Revenue over Expenditures
2016	\$0.00	\$120,651.00	-\$120,651.00
2017	\$174,730.00	\$148,564.02	\$26,165.98
2018	\$176,477.30	\$151,535.30	\$24,942.00
2019	\$178,242.07	\$154,566.01	\$23,676.07
2020	\$180,024.49	\$157,657.33	\$22,367.17
2021	\$181,824.74	\$160,810.47	\$21,014.27
2022	\$183,642.99	\$164,026.68	\$19,616.30
Total	\$1,074,941.59	\$1,057,810.81	\$17,130.78

Michigan State University - Extension Loan			
Loan Repayment Amount - \$120,651			
Year	Loan	Payment	Outstanding Balance
2016	\$120,651.00	\$0.00	\$120,651.00
2017		\$20,108.50	\$100,542.50
2018		\$20,108.50	\$80,434.00
2019		\$20,108.50	\$60,325.50
2020		\$20,108.50	\$40,217.00
2021		\$20,108.50	\$20,108.50
2022		\$20,108.50	\$0.00
Total		\$120,651.00	

Cell Phone Proposal

As you know the Sheriff's Office has been using Thumb Cellular as our cellular carrier for many years. Over time, the equipment that we have been using has not evolved and kept up with the technology currently offered. This has created two basic problems, first, deputies in the field have no ability to photograph critical incidents and relay that information back to the Undersheriff to post on Facebook or even to send to administration as an FYI. Second, since we are currently utilizing old technology (flip phones) it has become increasingly difficult to find replacement phones when one breaks and even finding replacement charging cords has become a challenge.

Because of the two reasons listed above and many more that could be listed, I believe it is time to review the cellular contract to see if there is something that is better for us as a department, not only in potential cost savings but also in the equipment we are using.

Currently this office has 22 cell phones through Thumb Cellular, of those cell phones, six are smart phones and the remainder (16) are flip phones or equivalent. We are paying anywhere from 14.83 per month to \$83.95 per month per device. The overall total of our monthly service is approximately \$735.77. Of the phones in service, all have no contract except for four numbers (Anderson/Harris/Skrent/Victim Services).

Because of our decreasing budget, I believe we should look to see if there are any other carriers that could meet our needs while potentially offering us a cost savings. I also believe at the same time, it would be beneficial to possibly change the equipment being carried and come more inline with current cellular technology.

Over the last several months, the road patrol, mainly Sgt. Pierce has tested two alternate cellular service providers, Sprint and AT&T. I also looked at Verizon which has an agreement with Thumb Cellular to use their towers, but Verizon would not let us transfer our existing cell phone numbers to them, which is not a big deal for the patrol units, but when you get to phones assigned to specific people, that will create a problem.

Towards the end of last year a test phone was obtained from Sprint, which was one of the newest phones available, an iPhone 6. This phone was given to us at no cost by Sprint to test their service to see if it was something worth looking into. Upon testing the phone by Sgt. Pierce, he found that the phone did not offer a reliable cellular capability as there were several areas throughout the county where the phone was not capable of making a call.

A second test phone was obtained from AT&T. The AT&T phone was a newer model smart phone that would probably be more in line to what the Sheriff's Office should upgrade too. Sgt. Pierce again tested this phone and found that the only "dead spot" for the device was in the Millington Hills area. Based on the testing that was completed with both phone carriers by Sgt.

Pierce, he believed that AT&T would be an acceptable carrier to look at as a possible replacement to Thumb Cellular.

Regardless of the carrier chosen, I am suggesting the following changes to our cellular phone contract:

We currently have 16 cell phones in service that are not under any contract that could easily be changed out, most of which are patrol unit cell phones. Two additional phones have contracts that expire on April 21, 2016 and April 29, 2016.

Current Cell Phone Assignments

<u>Cell Number</u>	<u>User</u>
550-3159	Corrections
553-2227	Lt. Giroux
551-0260	79-07
551-0261	79-24
551-0262	79-21
551-0263	79-25
551-0264	79-20
551-0270	Arbela Twp (lost?)
551-3035	Corrections (Arbela Twp)
553-5556	79-22
553-5557	79-23
553-5737	79-17
551-8165	Community Corrections
551-8171	79-19
550-2073	Det. Jones
550-2074	Det. Baxter
551-8161	Undersheriff Skrent 4/21/16

553-5756	Lt. Harris 4/29/16
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In looking at the last three monthly bills from Thumb Cell, I have found that most of the patrol units phones are being charged around \$15.00 a month with three exceptions. First, 79-23 is currently running an average of \$39.94, second, 79-24 is averaging \$40.00 and finally Arbela Twp which is \$39.83. (Unfortunately we learned that we have been paying \$39.83 for Arbela Twp and they have not been using the phone) I believe that the above listed differences in prices are simply differences in the contracts.

I propose that we eliminate the above listed 18 cell phones and go down to 14 cell phones with the following proposed assignments:

Proposed Cell Phone Assignments

<u>Cell Number</u>	<u>User</u>
550-3159	Corrections
553-2227	Lt. Giroux
551-0260	Sergeants
551-0261	Arbela Twp
551-0262	Vassar Twp
551-0263	Road Patrol
551-0264	Road Patrol
551-0270	Road Patrol
551-3035	Road Patrol
551-8165	Community Corrections
550-2073	Det. Jones
550-2074	Det. Baxter
551-8161	Undersheriff Skrent 4/21/16
553-5756	Lt. Harris 4/29/16

In talking with AT&T, they have proposed the following contract for 14 phones. If we choose the NEXT Plan, each cell phone number listed above will be \$15.00 a month for a total of \$210.00. If we choose to go with the iPhone 6, an additional \$18.34 a month for seven phones only. (this charge would be in effect for two years and would drop off afterwards) In addition, all smartphones will share 25GB of shared data that will cost an additional \$175.00 a month.

If we choose the NEXT plan the total monthly bill would be \$513.38 a month. After two years the price would drop to \$385.00.

In addition, we would have to pay an upfront cost of \$32.99 for each phone (\$461.86). Plus AT&T has offered to provide free Otterboxes for the phone (value of \$50.00 each). In addition each line we transfer over to AT&T will see a one time credit of \$150.00 for a total of \$2100.00 credit that will be applied to our monthly bill after three billing cycles.

An alternate plan from AT&T would be a standard two year contract. Under this plan we would purchase the phones outright for \$199.00 each for a total of \$2799.86. The 25GB of data would be \$175.00 a month and the phones would be \$35.00 a month per line. Total monthly cost if we choose the two year contract would be \$665.00.

In speaking with Corky from Thumb Cell, she made the following proposal:

Based on the information that you emailed me and our conversation, this is what I propose for your new service needs.

The iPhone 5s free on a 2 year contract or the iPhone 6 \$74.00 on a 2 year contract or the Galaxy 5 \$204.00 on a 2 year contract for your cellular equipment.

The monthly service for 8 iPhones or Galaxy's sharing 150GB of data and 2 regular phones would be broke down as follows:

One phone would have 100 GB of shared data bucket costing \$400.00 per month

One phone would have 55 GB of shared data bucket costing \$225.00 per month

Each of the 8 iPhone/Galaxy would be billed \$25.00 per month for a total of \$200.00

Each of the 2 feature phones would be billed \$20.00 per month for a total of \$40.00

I would then take an additional 15% discount (\$129.75) off the monthly service total of \$865.00

Keep in mind that as we spoke of on the phone, I strongly feel 150 GB is considerably higher than you will need.

I can lower those GB at any time and still allow the 15% discount and not change the contract terms.

Our data buckets are as follows:

25 GB \$125.00

40 GB \$175.00
55 GB \$225.00
75 GB \$300.00
100 GB \$400.00

So as you can see, we have several GB options that you and I can work with to make it most cost effective for the county.

Please contact me if you have further questions or concerns regarding these options.

Comparing apples and apples, if we choose the iPhone 6 and the 25GB data plan our cost would be the following: \$25.00 a month per smartphone for unlimited text and talk, \$125.00 a month for the 25GB of shared data for a total of \$475.00 a month.

Additional costs would be the phones \$75.00 each for a total of \$1050.00, plus accessories (cases) for each phone which would be roughly \$50.00 each for a total of \$700.00. The grand total for the phones and accessories would be \$1750.00, which would be above and beyond the monthly charge.

Based on the figures above and the testing that was completed by Sgt. Pierce, I propose what we strongly look at changing carriers and switch over all future contracts as the current contracts with Thumb Cellular expire, which will more than likely provide additional savings to the department.

Respectfully,

Deputy Steven Anderson

Steve,

The BOGO offer for all Samsung devices is ending at the end of this month. However, I was told that the promotion will continue for Apple products moving forward without an end date. This means that at any time they can end the promotion and there will be no exceptions. This does give you a little extra time. With that being said, I did two new breakdowns on pricing both upfront and monthly. The first being on the NEXT plan taking advantage of the BOGO offer. The second being the standard two year contract for 14 phones. Both of those are attached as spreadsheet.

In regards to the one time bill credits. Those will be automatically added to your bill after the 3rd billing cycle.

Jason Osterberg

AT&T National Business Solutions

Client Solutions Executive

Cell: 989-492-1697

Email: jo850t@att.com

TEXTING and DRIVING... It Can Wait.

Current Thumb Cell monthly bill

Det. Jones	\$83.95
Det. Baxter	\$53.95
Corrections	\$15.00
79-07	\$15.00
79-24	\$15.00
79-21	\$15.00
79-25	\$15.00
79-20	\$15.00
Arbela (old)	\$39.83
Corrections (A)	\$15.00
Undersheriff	\$53.78
79-22	\$14.83
79-23	\$40.16
79-17	\$14.83
Com. Corrections	\$14.83
79-19	\$14.83
Lt. Giroux	\$22.82
Lt. Harris	\$53.78
	515.59

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TUSCOLA COUNTY MOSQUITO ABATEMENT

1500 Press Drive
Caro, Michigan 48723-9291
989-672-3748 Phone ~ 989-672-3724 Fax
Kimberly Green, Director

Date: April 5, 2016

To: Mike Hoagland/ Controller

I would like to promote the part time office clerk, Lisa Ozbat, to full time effective immediately. The increase in the budget will be offset by reducing my part time wage line item, therefore creating a neutral budget adjustment.

This change is due to the upcoming retirement of a seasonal office person, who has several years of service. Due to the seasonal position, it takes multiple seasons to be fully trained. Promoting Lisa to full time, will allow her to work full time hours and cover the office as well as train future employees. Currently, the ACA and MERS rules do not allow her to work full time hours and keep the office covered at 100%.

Kimberly Green, Director

Tuscola County Mosquito Abatement
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Caro, MI 48723
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kgreen@tucolacounty.org