

Agenda
Tuscola County Board of Commissioners
Committee of the Whole Monday, February 25, 2019 – 8:00 A.M.
HH Purdy Building - 125 W. Lincoln, Caro, MI

Finance/Technology
Committee Leaders-Commissioners Young and Jensen

Primary Finance/Technology

1. Discussion with Senator Daley and Representative Green (See A) – 8:30 A.M.
2. Psychological Services for Jail Inmates (See B)
3. Child Care Fund Budget Amendment Requests (See C)
4. Medical Examiner System (See D)
5. CLEMIS Road Patrol Software – Impacts on Local Police Departments
6. Clerk Elections Programming
7. New System for Paying Jurors

On-Going and Other Finance

Finance

1. Work with MREC to Resolve Remaining Assessing/Taxation Disputes with Wind Turbine Companies
2. Providing Water to Caro Regional Center
3. Water Rates Paid for County Facilities Along M24 and Deckerville Roads
4. Opioid Lawsuit
5. State Assessing Changes
6. Prepare of Updated Multi-Year Financial Plan
7. Update Wind Turbine Revenue Information
8. Continue Review of Road Commission Legacy Costs
9. 2018 Comprehensive Annual Report Development
10. Convert to New State Chart of Accounts
11. 2020 Budget Development
12. Second Year MIDC Plan and Budget
13. Determine if any Drain Bonds can be Retired Early or Refinanced
14. Property and Liability Insurance Renewals

Technology

1. New Kronos Time Attendance and BSA Finance/General Ledger Software
2. Animal Control Camera and Other Security
3. New Server and Network Storage Capacity
4. Jail Live Scan Scanner
5. CLEMIS Road Patrol Software
6. GIS Update
7. Increasing On-Line Services
8. Updating County Web Page
9. Implementation of New Computer Aided Dispatch System

Personnel

Committee Leader-Commissioner Vaughan and Bardwell

Primary Personnel

1. EDC Board Member Appointments
2. Video Conferencing MAC for Updates – 10:00 A.M.
3. Replacing Retiring Controller/Administrator (See E)

4. Scheduling a MAC 7th Meeting to Determine if Organization will Continue
5. Behavioral Health Systems Board Appointments (See F)
6. Previous Board Actions Impacts on Current Boards (See G)
7. Administration of the Airport Zoning Ordinance

On-Going and Other Personnel

1. Updating Animal Control Ordinance
2. Review of Potential Policy Regarding Employment of Relatives
3. Negotiation of Expiring Union Contracts – Setting Financial and Other Objectives
4. Strengthen and Streamline Year-End Open Enrollment
5. Evaluate Potential Training Programs
6. Start the Development of Pay Grade Schedule and Updated Job Descriptions

Building and Grounds

Committee Leaders-Commissioners Jensen and Grimshaw

Primary Building and Grounds

1. County Jail Study Committee – Development of a Concept Plan

On-Going and Other Building and Grounds

1. Cass River Greenways – Robert McKay to bring Information to a March Meeting
2. Complete Formation of County Land Bank
3. County Physical and Electronic Record Storage Needs – Potential Use of Recycling Pole Building
4. County Property Ownership Inventory
5. Review of Alternative Solutions Concerning the Caro Dam
6. Sidewalk Improvements and Parking Lot Sealing
7. Purdy Building Awning, Sign and Stucco Repairs
8. Jail Entrance Step and Ceiling Tile
9. State Police Post Water Tank Inspection, Sidewalk and Parking Lot Repairs
10. Potential Sale of Certain County Properties
11. New Septic System at Vanderbilt Park and Vegetation Clearing
12. Health Department Painting, Animal Control Ceiling and Court Windows
13. Recycling Soil Removal and Construction

Other Business as Necessary

1. Methods of Providing Dental Care to Indigent
2. Elected Versus Appointed Road Commissioners
3. Work with DTE and Others to Solve Increasing Energy Demands in the County
4. Update County Policies

Public Comment Period

A

mhoagland@tuscolacounty.org

From: mhoagland@tuscolacounty.org
Sent: Wednesday, February 20, 2019 8:38 AM
To: Senator Kevin Daley; Matthew Bierlein; Representative Phil Green
Cc: 'Bardwell Thom'; 'Dan Grimshaw'; 'Kim Vaughan'; 'Mark Jensen'; 'Tom Young'
Subject: Request to Attend Tuscola County Committee of the Whole Meeting 2-25-19
Attachments: Senate Bill 46.pdf

Senator Daley and Representative Green

The Board of Commissioners would like to meet with both of you at the Committee of the Whole meeting on Monday, February 25, 2019 to discuss issues and other matters of mutual concern. The meeting will be at the County Purdy Building 125 W. Lincoln Street, Caro. Some of the topics that the board would like to discuss include:

1. Senate Bill 46 - See A
2. 2019 Michigan Association of Counties Priorities – See B
3. Raise the Age – See C

Mike

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

Legislators Representing Districts with Wind Turbine Projects¹

Branch County

Rep. Eric Leutheuser (R)(58)
Sen. Mike Shirkey (R)(16)

Delta County

Rep. Beau LaFave (R)(108)
Sen. Ed McBroom (R)(38)

Emmet County

Speaker Lee Chatfield (R)(107)
Sen. Wayne Schmidt (R)(37)

Grand Traverse County

Rep. Larry Inman (R)(104)
Sen. Wayne Schmidt

Gratiot County

Hamilton, Lafayette, North Star and Wheeler Townships – Rep. Graham Filler (R)(93)
Bethany, Emerson and Pine River Townships - Rep. James Lower (R)(70)
Sen. Rick Outman (R)(33)

Huron County

Rep. Phil Green (R)(84)
Sen. Dan Lauwers (R)(25)

Isabella County

Rep. Roger Hauck (R)(99)
Sen. Rick Outman

Mason County

Rep. Jack O'Malley (R)(101)
Sen. Curt VanderWall (R)(35)

Midland County

Ingersoll and Mount Haley Townships – Rep. Roger Hauck
Sen. Jim Stamas (R)(36)

Missaukee County

Rep. Daire Rendon (R)(103)
Sen. Curt VanderWall

Osceola County

Rep. Jason Wentworth (R)(97)
Sen. Curt VanderWall

¹ Party and legislative districts noted.

Saginaw County

Blumfield Township – Rep. Rodney Wakeman (R)(94)

Sen. Ken Horn (R)(32)

Sanilac County

Rep. Shane Hernandez (R)(83)

Sen. Dan Lauwers

Tuscola County

Rep. Phil Green

Sen. Kevin Daley (R)(31)

Wexford County

Rep. Michele Hoitenga (R)(102)

Sen. VanderWall

SENATE BILL No. 46

January 22, 2019, Introduced by Senator VANDERWALL and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 27 (MCL 211.27), as amended by 2013 PA 162.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 27. (1) As used in this act, "true cash value" means the
2 usual selling price at the place where the property to which the
3 term is applied is at the time of assessment, being the price that
4 could be obtained for the property at private sale, and not at
5 auction sale except as otherwise provided in this section, or at
6 forced sale. The usual selling price may include sales at public
7 auction held by a nongovernmental agency or person if those sales
8 have become a common method of acquisition in the jurisdiction for
9 the class of property being valued. The usual selling price does
10 not include sales at public auction if the sale is part of a
11 liquidation of the seller's assets in a bankruptcy proceeding or if

1 the seller is unable to use common marketing techniques to obtain
2 the usual selling price for the property. A sale or other
3 disposition by this state or an agency or political subdivision of
4 this state of land acquired for delinquent taxes or an appraisal
5 made in connection with the sale or other disposition or the value
6 attributed to the property of regulated public utilities by a
7 governmental regulatory agency for rate-making purposes is not
8 controlling evidence of true cash value for assessment purposes. In
9 determining the true cash value, the assessor shall also consider
10 the advantages and disadvantages of location; quality of soil;
11 zoning; existing use; present economic income of structures,
12 including farm structures; present economic income of land if the
13 land is being farmed or otherwise put to income producing use;
14 quantity and value of standing timber; water power and privileges;
15 minerals, quarries, or other valuable deposits not otherwise exempt
16 under this act known to be available in the land and their value.
17 In determining the true cash value of personal property owned by an
18 electric utility cooperative, the assessor shall consider the
19 number of kilowatt hours of electricity sold per mile of
20 distribution line compared to the average number of kilowatt hours
21 of electricity sold per mile of distribution line for all electric
22 utilities.

23 (2) The assessor shall not consider the increase in true cash
24 value that is a result of expenditures for normal repairs,
25 replacement, and maintenance in determining the true cash value of
26 property for assessment purposes until the property is sold. For
27 the purpose of implementing this subsection, the assessor shall not

1 increase the construction quality classification or reduce the
2 effective age for depreciation purposes, except if the appraisal of
3 the property was erroneous before nonconsideration of the normal
4 repair, replacement, or maintenance, and shall not assign an
5 economic condition factor to the property that differs from the
6 economic condition factor assigned to similar properties as defined
7 by appraisal procedures applied in the jurisdiction. The increase
8 in value attributable to the items included in subdivisions (a) to
9 (o) that is known to the assessor and excluded from true cash value
10 shall be indicated on the assessment roll. This subsection applies
11 only to residential property. The following repairs are considered
12 normal maintenance if they are not part of a structural addition or
13 completion:

- 14 (a) Outside painting.
- 15 (b) Repairing or replacing siding, roof, porches, steps,
16 sidewalks, or drives.
- 17 (c) Repainting, repairing, or replacing existing masonry.
- 18 (d) Replacing awnings.
- 19 (e) Adding or replacing gutters and downspouts.
- 20 (f) Replacing storm windows or doors.
- 21 (g) Insulating or weatherstripping.
- 22 (h) Complete rewiring.
- 23 (i) Replacing plumbing and light fixtures.
- 24 (j) Replacing a furnace with a new furnace of the same type or
25 replacing an oil or gas burner.
- 26 (k) Repairing plaster, inside painting, or other redecorating.
- 27 (l) New ceiling, wall, or floor surfacing.

1 (m) Removing partitions to enlarge rooms.

2 (n) Replacing an automatic hot water heater.

3 (o) Replacing dated interior woodwork.

4 (3) A city or township assessor, a county equalization
5 department, or the state tax commission before utilizing real
6 estate sales data on real property purchases, including purchases
7 by land contract, to determine assessments or in making sales ratio
8 studies to assess property or equalize assessments shall exclude
9 from the sales data the following amounts allowed by subdivisions
10 (a), (b), and (c) to the extent that the amounts are included in
11 the real property purchase price and are so identified in the real
12 estate sales data or certified to the assessor as provided in
13 subdivision (d):

14 (a) Amounts paid for obtaining financing of the purchase price
15 of the property or the last conveyance of the property.

16 (b) Amounts attributable to personal property that were
17 included in the purchase price of the property in the last
18 conveyance of the property.

19 (c) Amounts paid for surveying the property pursuant to the
20 last conveyance of the property. The legislature may require local
21 units of government, including school districts, to submit reports
22 of revenue lost under subdivisions (a) and (b) and this subdivision
23 so that the state may reimburse those units for that lost revenue.

24 (d) The purchaser of real property, including a purchaser by
25 land contract, may file with the assessor of the city or township
26 in which the property is located 2 copies of the purchase agreement
27 or of an affidavit that identifies the amount, if any, for each

1 item listed in subdivisions (a) to (c). One copy shall be forwarded
2 by the assessor to the county equalization department. The
3 affidavit shall be prescribed by the state tax commission.

4 (4) In finalizing sales studies for property classified as
5 agricultural real property under section 34c, an assessor and
6 equalization director shall determine if an affidavit for the
7 property has been filed under section ~~27a(7)(n)~~—27A(7)(O). If an
8 affidavit has not been filed, the property shall be reviewed to
9 determine if classification as agricultural real property under
10 section 34c is correct or should be changed. The assessor for the
11 local tax collecting unit in which the property is located shall
12 contact the property owner to determine why the property owner did
13 not file an affidavit under section ~~27a(7)(n)~~—27A(7)(O). Unless
14 there are convincing facts to the contrary, the sale of property
15 classified as agricultural real property under section 34c for
16 which an affidavit under section ~~27a(7)(n)~~—27A(7)(O) has not been
17 filed shall not be included in a sales study.

18 (5) As used in subsection (1), "present economic income" means
19 for leased or rented property the ordinary, general, and usual
20 economic return realized from the lease or rental of property
21 negotiated under current, contemporary conditions between parties
22 equally knowledgeable and familiar with real estate values. The
23 actual income generated by the lease or rental of property is not
24 the controlling indicator of its true cash value in all cases. This
25 subsection does not apply to property subject to a lease entered
26 into before January 1, 1984 for which the terms of the lease
27 governing the rental rate or tax liability have not been

1 renegotiated after December 31, 1983. This subsection does not
2 apply to a nonprofit housing cooperative subject to regulatory
3 agreements between the state or federal government entered into
4 before January 1, 1984. As used in this subsection, "nonprofit
5 cooperative housing corporation" means a nonprofit cooperative
6 housing corporation that is engaged in providing housing services
7 to its stockholders and members and that does not pay dividends or
8 interest upon stock or membership investment but that does
9 distribute all earnings to its stockholders or members.

10 (6) Except as otherwise provided in subsection (7), the
11 purchase price paid in a transfer of property is not the
12 presumptive true cash value of the property transferred. In
13 determining the true cash value of transferred property, an
14 assessing officer shall assess that property using the same
15 valuation method used to value all other property of that same
16 classification in the assessing jurisdiction. As used in this
17 subsection and subsection (7), "purchase price" means the total
18 consideration agreed to in an arms-length transaction and not at a
19 forced sale paid by the purchaser of the property, stated in
20 dollars, whether or not paid in dollars.

21 (7) The purchase price paid in a transfer of eligible
22 nonprofit housing property from a charitable nonprofit housing
23 organization to a low-income person that occurs after December 31,
24 2010 is the presumptive true cash value of the eligible nonprofit
25 housing property transferred. In the year immediately succeeding
26 the year in which the transfer of eligible nonprofit housing
27 property occurs and each year thereafter, the taxable value of the

1 eligible nonprofit housing property shall be adjusted as provided
2 under section 27a. As used in this subsection:

3 (a) "Charitable nonprofit housing organization" means a
4 charitable nonprofit organization the primary purpose of which is
5 the construction or renovation of residential housing for
6 conveyance to a low-income person.

7 (b) "Eligible nonprofit housing property" means property owned
8 by a charitable nonprofit housing organization, the ownership of
9 which the charitable nonprofit housing organization intends to
10 transfer to a low-income person after construction or renovation of
11 the property is completed.

12 (c) "Family income" and "statewide median gross income" mean
13 those terms as defined in section 11 of the state housing
14 development authority act of 1966, 1966 PA 346, MCL 125.1411.

15 (d) "Low-income person" means a person with a family income of
16 not more than 60% of the statewide median gross income who is
17 eligible to participate in the charitable nonprofit housing
18 organization's program based on criteria established by the
19 charitable nonprofit housing organization.

20 (8) For purposes of a statement submitted under section 19,
21 the true cash value of a standard tool is the net book value of
22 that standard tool as of December 31 in each tax year as determined
23 using generally accepted accounting principles in a manner
24 consistent with the established depreciation method used by the
25 person submitting that statement. The net book value of a standard
26 tool for federal income tax purposes is not the presumptive true
27 cash value of that standard tool. As used in this subsection,

1 "standard tool" means that term as defined in section 9b.

2 (9) FOR PURPOSES OF A STATEMENT SUBMITTED UNDER SECTION 19,
3 THE TRUE CASH VALUE OF A WIND ENERGY SYSTEM IS THE SUM OF ITS
4 ORIGINAL (HISTORICAL) INSTALLED COST MULTIPLIED BY THE APPLICABLE
5 MULTIPLIER, PLUS THE VALUE OF ANY APPLICABLE EASEMENTS, RIGHTS-OF-
6 WAY, OR LEASEHOLD INTERESTS PRORATED PER MEGAWATT FOR EACH WIND
7 TURBINE, BUT NOT LESS THAN \$29,067.00 PER MEGAWATT. AS USED IN THIS
8 SUBSECTION:

9 (A) "APPLICABLE MULTIPLIER" MEANS 1 OF THE FOLLOWING:

10 (i) FOR EACH WIND ENERGY SYSTEM REPORTED, A MULTIPLIER SET
11 FORTH IN A TABLE OF MULTIPLIERS ADOPTED BY THE STATE TAX COMMISSION
12 ON OR BEFORE NOVEMBER 30, 2019 BASED ON THE FOLLOWING ASSUMPTIONS:

13 (A) THE AVERAGE SERVICE LIFE OF A WIND ENERGY SYSTEM IS AT
14 LEAST 30 YEARS.

15 (B) THE APPROPRIATE MULTIPLIER FOR THE YEAR IMMEDIATELY
16 SUCCEEDING COMPLETED INSTALLATION OF A WIND ENERGY SYSTEM IS 1.0;
17 FOR EACH YEAR THAT PASSES THEREAFTER, THE APPROPRIATE REDUCTION OF
18 THE MULTIPLIER MUST NOT EXCEED 0.04; AND, NO MATTER HOW MANY YEARS
19 PASS AFTER INSTALLATION, THE MULTIPLIER MUST BE AT LEAST 0.4 UNTIL
20 THE WIND ENERGY SYSTEM IS PHYSICALLY REMOVED.

21 (C) NO ADJUSTMENTS TO MULTIPLIERS ARE TO BE MADE FOR TAX OR
22 OTHER GOVERNMENTAL INCENTIVES.

23 (ii) IF THE STATE TAX COMMISSION FAILS TO ADOPT THE MULTIPLIER
24 TABLE DESCRIBED IN SUBPARAGRAPH (i) ON OR BEFORE NOVEMBER 30, 2019,
25 FOR EACH WIND ENERGY SYSTEM REPORTED, A MULTIPLIER SET FORTH IN A
26 TABLE THAT THE STATE TAX COMMISSION SHALL ADOPT ON OR BEFORE
27 DECEMBER 31, 2019 BASED ON THE FOLLOWING ASSUMPTIONS:

1 (A) THE AVERAGE SERVICE LIFE OF A WIND ENERGY SYSTEM IS AT
2 LEAST 30 YEARS.

3 (B) THE APPROPRIATE MULTIPLIER FOR THE YEAR IMMEDIATELY
4 SUCCEEDING COMPLETED INSTALLATION OF A WIND ENERGY SYSTEM IS 1.0;
5 FOR EACH YEAR THAT PASSES THEREAFTER, THE APPROPRIATE REDUCTION OF
6 THE MULTIPLIER IS 0.04; AND, ONCE THE MULTIPLIER FOR A WIND ENERGY
7 SYSTEM IS REDUCED TO 0.4, IT REMAINS 0.4 FOR ALL SUBSEQUENT YEARS
8 UNTIL THE WIND ENERGY SYSTEM IS PHYSICALLY REMOVED.

9 (C) NO ADJUSTMENTS TO MULTIPLIERS ARE TO BE MADE FOR TAX OR
10 OTHER GOVERNMENTAL INCENTIVES.

11 (B) "ORIGINAL (HISTORICAL) INSTALLED COST" MEANS THE ORIGINAL
12 COST NEW OF ALL SITE IMPROVEMENTS IN THE YEAR INCURRED REPORTED IN
13 ACCORDANCE WITH THE ASSET RECORDING METHODS REQUIRED UNDER
14 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, INCLUDING, BUT NOT
15 LIMITED TO, THOSE COSTS DESCRIBED IN SUBPARAGRAPHS (i) AND (ii),
16 AND SUBJECT TO SUBPARAGRAPH (iii), AS FOLLOWS:

17 (i) DIRECT COSTS, INCLUDING, BUT NOT LIMITED TO, COSTS OF
18 INSTALLATION, EQUIPMENT, MATERIALS, AND LABOR; COSTS OF THE ROTOR,
19 DRIVE TRAIN, TOWER, CONTROLS, ELECTRIC INTERFACE, AND TOWER
20 FOUNDATION; COSTS OF ALL LAND IMPROVEMENTS OTHER THAN BUILDINGS,
21 INCLUDING, BUT NOT LIMITED TO, ROADS AND FENCES; COSTS OF COMPUTER
22 EQUIPMENT AND COMMUNICATION FACILITIES; AND THE CONTRACTOR'S PROFIT
23 REQUIRED TO CONSTRUCT THE WIND ENERGY SYSTEM.

24 (ii) INDIRECT COSTS, INCLUDING, BUT NOT LIMITED TO,
25 ADMINISTRATIVE COSTS, OVERHEAD, FREIGHT, WIND STUDIES, AND
26 PROFESSIONAL FEES; FINANCING COSTS, INCLUDING INTEREST PAID ON
27 CONSTRUCTION LOANS; TAXES, INCLUDING SALES TAX; AND THE BUILDER'S

1 OR DEVELOPER'S ALL-RISK INSURANCE DURING CONSTRUCTION.

2 (iii) COSTS UNDER THIS SUBDIVISION SHALL BE DETERMINED WITHOUT
3 ADJUSTMENT FOR PURCHASE-METHOD, FRESH-START, OR PUSH-DOWN
4 ACCOUNTING AND WITHOUT REDUCTION FOR THE VALUE OF ANY TAX OR OTHER
5 GOVERNMENTAL INCENTIVES.

6 (C) "WIND ENERGY SYSTEM" MEANS THAT TERM AS DEFINED IN SECTION
7 8 (1).

SENATE BILL 46

MREC PROPOSAL TO AMEND PROPERTY TAX ASSESSMENT CRITERIA

Senate Bill 46 is intended to put an end to almost 7 years of litigation in the Michigan Tax Tribunal ("MTT") with respect to taxation of wind energy systems. This will save everyone an enormous amount of money in terms of litigation costs and appraisal fees.

Litigation was instigated by wind park developers and utilities includes over 875 tax appeals, involving 813 turbines and 1,957 separate assessments. 540 of these cases have been resolved, including all cases involving Exelon, Ivenergy and Nextera. Consumers and DTE appeals remain in litigation.

SB 46 clarifies the assessing process for wind energy systems, allowing budgeting consistency for both wind energy system owners and local governments. Developers and utilities could accurately estimate their costs as well as improve goodwill in the communities that were relying on tax projections made when the projects were originally approved.

Wind energy systems are classified as personal property by state statute. In 2008, the State Tax Commission ("STC") decided that wind energy systems should be taxed as *industrial* personal property. Industrial personal property taxes are paid to townships, cities, counties and intermediate school districts. By treating wind systems as industrial personal property, the STC exempted wind systems from school operating millages and state education tax (24 mills), unlike coal, nuclear and natural gas electric generators.

The STC has adopted multiplier tables for wind energy systems that are available to local tax assessors in helping to determine true cash value of the property. The bill provides a uniform tax multiplier for wind energy systems as the presumptive true cash value. The bill prevents manipulation of the original historical cost numbers and avoids confusion in defining terms.

Using the multiplier table, taxable value is determined by multiplying the original historical cost of a wind energy system by the multiplier for the applicable year of taxation.

The STC table that existed in 2011 was generally deemed acceptable to everyone. It started at 1.0 and then went down about 5% per year. Inexplicably, a new table was adopted in September of 2011 that started at 80% and then dove down to 30% by year 7. Where this table came from is not known with certainty. This blind-sided the municipalities.

In 2014, a new table was adopted by the STC that remains in effect today. This table provides for a turbine to be assessed at 100 percent of original historical cost in year 1 and declines (but not in a straight line) over only ten years to 30 percent of its original cost for the remaining life of the turbine. The multiplier drops each year in different amounts, ranging from .05 to .20.

Unfortunately, the current and prior STC multiplier tables were not based upon facts, not based upon input from industry sources, and not based upon market data. In fact, such data is generally

kept from the public (including the STC) and even kept from most of the non-utility participants involved in the Michigan Public Service Commission ("MPSC") rate-setting process.

Consequently, in early 2015, MREC commissioned its own table prepared by Appraisal Economics, Inc. ("AE"). The AE table is based on fact. In developing its table, AE considered the useful life of wind energy systems, estimation of functional and economic obsolescence factors, depreciation; calculations of replacement cost and cost data, among other things.

SB 46 bill would amend Section 27 of the General Property Tax Act to establish criteria for the STC to follow in adopting a new table this year that would require a multiplier of 1.0 in year 1 and allow for reducing the multiplier by no more than 4% each year until it reaches 40%, which is the floor until the property is decommissioned and removed. The useful life is set at 30 years, which is consistent with how the MPSC treats wind energy systems.

The bill provides that if the STC fails to adopt a revised table this year, a new multiplier table would be required that would take the multiplier from 1.0 in year 1 to .40 (or 40% of original cost) in year 10 and thereafter, with a straight-line reduction of .04 in each of the first 10 years.

STC tables for other electric generation such as gas are much more beneficial to local units of government than even the proposed wind tables (see attached chart).

SB 46 also sets the value of any applicable easements, rights-of-way, or leasehold interests based on the electric output of turbines that would be prorated per megawatt for each wind turbine, with a minimum of \$29,067 per megawatt.

SB 46 disallows adjustments to multipliers (and true cash value) for tax or other governmental incentives. This is consistent with MTT precedent.

Note that STC tables are not obligatory for assessors – they are meant to be used as guides for assessors in preparing assessments.

Currently, townships and counties are forced to escrow substantial portions of their yearly wind energy system tax collections in anticipation of repeated costly tax appeals by wind energy system owners. SB 46 would solve that problem.

SB 46 is constitutional. The legislature has the power under the Michigan Constitution to determine the process by which personal property is defined and taxed.

Michigan Renewable Energy Collaborative ("MREC") membership includes 6 counties (Gratiot, Huron, Mason, Saginaw, Sanilac and Tuscola), and over 40 townships and over a dozen intermediate school districts in those counties. Wind energy systems are situated in all of these jurisdictions.

**TUSCOLA COUNTY
CONTROLLER/ADMINISTRATOR'S OFFICE**

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

125 W. Lincoln St. Caro, Michigan 48723
Telephone: 989-672-3700

December 12, 2018

Honorable Michigan Senate Members

RE: Support of Senate Bill ⁴⁶1096 (Introduced by Senator Green) to Provide a Fair Method of Assessing/Taxing Wind Turbines

This letter is written to request your help to resolve a major assessing/taxation problem. This problem has occurred because the State Tax Commission (STC) has not established a fair method of assessing/taxing wind turbines (WT). Approval of SB ⁴⁶1096 (introduced by Senator Green) would establish an equitable method that would settle many of the issues. This seven year costly dispute between county/local governments and wind developers needs resolution now. On behalf of MREC we respectfully request that you approve SB ⁴⁶1096.

The assessing/taxation problem with WT started just before the construction of the first WT project. It was at this point in time that the STC arbitrarily changed the original multiplier table (MT) without input from counties and local governments. The MT is the annual value placed on WT and typically this value declines slightly with time. Most disturbing is the change was made without the support of any studies, market research or analysis. It resulted in an unacceptable potential reduction of an estimated 27% in WT revenue which amounts to millions of dollars to local governments that is needed for essential public services.

Considering just Tuscola County and local governments within the county, approximately \$8,136,000 in WT revenue was collected in 2017. If this had to be reduced by 27% based on the STC MT, the estimated revenue loss would be \$2,196,000. Intermediate and local schools would lose approximately \$1,100,000 with a loss of \$318,000 for county general fund operations and \$316,000 for road/bridge improvements. The same 27% reduction would impact police, senior citizens, recycling, medical care facility, veterans, fire, ambulance and other millage funded services. Calculated over 20 years these losses increase tremendously. Considering WT are currently in seven or eight other counties (and potentially more in the future) the collective revenue loss is huge.

Counties and local communities responded to this impulsive unexplained STC MT change. The Michigan Renewable Energy Collaborative (MREC) was formed and the law firm of Clark Hill was hired. MREC is a grassroots organization made up of: Gratiot, Huron, Mason, Sanilac and Tuscola counties along with many townships, libraries, intermediate schools districts and local school districts within these counties. The STC arbitrary MT change resulted in MREC establishing the primary objective of developing an equitable method of assessing/taxing WT. Members of MREC firmly believe citizens in communities hosting WT deserve a fair MT that does not under or over value WT.

Numerous meetings were held over an extended period of time with MREC, wind developers, STC and other state officials to discuss various MT. Unfortunately, these meetings were unsuccessful in resolving the dispute. The STC did not and still has not made a decision as to what MT will be used. It was suggested by the STC and others that MREC hire a professional firm to conduct a study to determine what would be an appropriate MT for WT.

MREC agreed to finance the study believing it would provide the needed comprehensive market research information for the STC to make a decision. Appraisal Economics was hired by MREC. This is one of the most respected companies in the country for conducting property valuation and appraisal studies. The study was completed and a well-reasoned MT was developed. It was presented to the STC, but unfortunately it was not adopted which opened the door for numerous tax appeals.

Most local assessors have chosen to use the well-reasoned Appraisal Economics MT rather than the arbitrary STC MT. Hundreds of tax appeals have been made by wind developers to the Michigan Tax Tribunal. Again, this could have been prevented if the STC adopted the Appraisal Economics MT. Counties and other taxing entities in MREC have paid the legal bills over the last seven years to defend these cases which have been extremely costly. Most of these cases have been won by MREC using the Appraisal Economics MT. The fact that these cases were won shows that the Appraisal Economics study provides a logical basis for assessing/taxing WT.

As the 33 year Controller/Administrator for Tuscola County, I can say without hesitation that seven years of this unresolved dispute has created a financial planning nightmare. Every year the county and local governments have to escrow funds. This is because it is unknown if 27% or some other portion of the WT revenue collected will have to be repaid to wind developers or can be retained for essential public services. It is also disconcerting from a financial planning standpoint, that the lack of an adopted MT makes it impossible to accurately annually determine the amount of WT revenue that will be received for public services.

By the end of 2019, considering just Tuscola County, \$1,269,000 in WT funds have been escrowed. If all MREC members are included, the amount of escrowed WT revenue would be tens of millions of dollars. Escrowing funds results in restricting the ability to undertake important projects such as road and bridge improvements, jail upgrades and building maintenance. It also limits the amount of senior citizen, veterans, police, recycling, medical care facility and other services that can be delivered by the county. Other services that are compromised because funds have to be escrowed include: intermediate school district, local schools, fire protection, ambulance, emergency services and township operations.

It is important to note that the dispute with private WT developers has been resolved. These developers have agreed to use the Appraisal Economic MT but public utilities have not agreed to the MT. SB 1096 incorporates the Appraisal Economic MT. This unfortunate costly dispute was in part caused by an arbitrary STC change in the original MT. We now have a fair and equitable method of assessing/taxing WT with the Appraisal Economic MT. In the best interests of the public, we respectfully request that you approve SB 1096 which after seven costly years would finally resolve this unfortunate dispute.

Thank you for your review of this issue of highest importance.

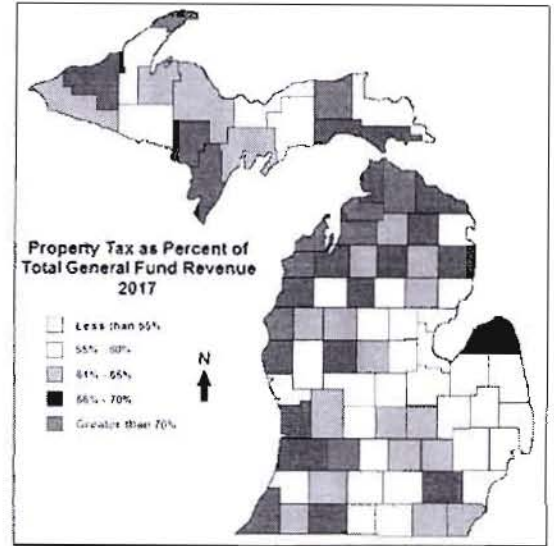
Michael R. Hoagland
Tuscola County Controller/Administrator

2019 State Priorities

The following list represents many of the policy and funding issues MAC is pursuing — but is not an exhaustive look at the issues we advocate for on behalf of Michigan's 83 counties.

Reforming Michigan's System of Financing Local Government

- In 2017, 66 of 83 counties relied on property taxes for at least 55 percent of their general fund revenue, and most counties are still operating with property tax revenues below their 2000 levels (adjusting for inflation).
- The revenue growth and recovery restrictions under Proposal A will prevent county property tax revenues from recovering to pre-recession levels for decades.
- Sustainable local government finance (including revenue sharing, local revenue options and cost sharing among all levels of government for mandated services) must be a prime initiative in Lansing in 2019.
- To that end, MAC supports policies that create stable and sufficiently funded revenue streams for counties by requiring the state to fully reimburse counties for revenues lost via tax exemptions.
- MAC supports the creation of a secure and dedicated county revenue sharing trust fund, mandated reimbursements for increases in services, flexibility in local revenue options and cost sharing models across all levels of government.



Ensuring State Funding for Changes to Juvenile Justice

- Michigan remains one of the last states to prosecute 17-year-olds as adults. The Legislature has been pursuing bills to increase the adult prosecution age for most crimes to 18.
- While MAC supports the concept of further accessibility to rehabilitation and community-based programs for 17-year-olds, moving them to the juvenile system will add significant costs to the county juvenile justice system should the state fail to fund the increase in services.
- MAC supports full state funding for any mandate incorporating 17-year-olds in the juvenile justice system.

Reforming Tax Capture Districts

- Counties are often at the whim of tax-increment financing plans authored by these approximately 1,000 economic development districts created by cities, townships and villages.
- The capture of special millages, approved by voters to ensure the funding of specific priorities of residents, should be prevented, as it runs counter to their intended purpose.
- MAC supports legislation that ensures county tax dollars are not captured without a county's approval.
- MAC supports legislation to reset baseline property values after a certain number of years of tax capture, thereby allowing counties to receive tax revenue increases they have been denied for decades.
- MAC supports legislation to require county approval of any extension of a capture or change in scope of a district capturing county revenue.

2019 State Priorities

Establishing Stable and Comprehensive Funding for Trial Courts

- Operation of Michigan's local courts, led by the 57 circuit courts, represents the single largest unfunded mandate on counties.
- The 2014 *Cunningham* decision to invalidate court fees highlighted the uncertain funding foundation for courts.
- Stopgap measures since 2014 have restored fee authority to judges and established the Trial Court Funding Commission to identify a comprehensive solution.
- MAC supports continuance of the fee system until the commission can identify a long-term funding solution that is verified by data and creates efficiencies at the local and state levels.

Enhancing Programs to Divert Offenders from County Jails

- More data is needed to verify and understand anecdotal evidence from counties *where jail populations and costs continue to rise, even as state correctional costs continue to fall.*
- MAC is encouraged by the PEW Charitable Trusts' decision to evaluate Michigan's efforts and work with counties to support policy reforms.
- MAC supports a coordinated effort with PEW and the state to fully understand Michigan's jail system; and supports cost-saving efforts, such as successful jail diversion programs, without creating onerous, one-size-fits-all state mandates.

Breaking Lansing Habit of Funding Its Tax Cuts with Local Dollars

- In last decade, legislators have produced a torrent of bills to exempt specific groups or activities from the property taxes local governments use to fund local services.
- State legislators should fund their tax-cutting preferences with state, not local, resources.
- To that end, MAC supports a conversion of the existing property tax exemption for veterans and surviving spouses to a credit from the state income tax.
- MAC supports a moratorium on exemptions to real and personal property taxes.

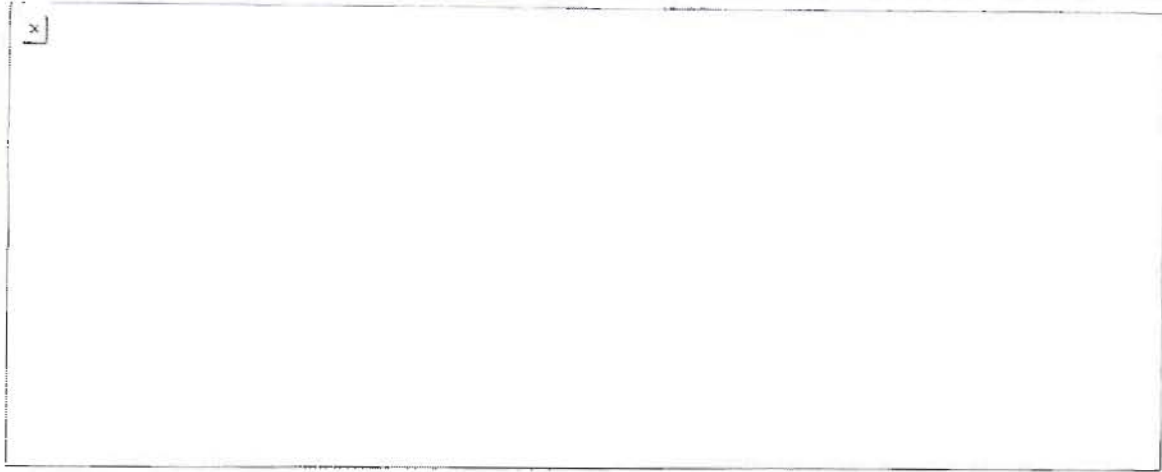
Reforming the Michigan Tax Tribunal

- Since 2013, the Tax Tribunal has pursued policies that have reduced local revenues by more than \$100 million by incorrectly lowering the values of "Big Box" retail locations.
- A 2016 decision by the Michigan Court of Appeals (*Menards Inc. vs. City of Escanaba*) detailed why these "Dark Stores" appeals do not conform to Michigan law.
- MAC continues to support legislation that ensures all three methods of property valuation (cost, sales, income) are considered by the tribunal; prevents the consideration of deed-restricted properties as fair "comparables"; and enhances the training and qualifications of tribunal members.

Investing in and Properly Managing Michigan's Infrastructure

- Counties play a central role in our states most critical infrastructure needs, from building and maintaining roads and bridges, to the preservation of drainage and ensuring safety at county beaches.
- MAC supports increased funding and efforts to address the PFAS contamination crisis of our waters.
- MAC continues to support legislation to adequately fund infrastructure upgrades, strikes a balance between efficient use of existing revenue and new revenue to meet county infrastructure needs and develops better statewide asset management tools.

©



Michigan household incomes

The median household income in Michigan is down 15 percent since its 1999 high when adjusted for inflation. In fact, the median income in 2017 was essentially the same as the income 20 years earlier according to data from the Federal Reserve Bank of St. Louis. During that same 20-year span, the median household income in the United States increased 13 percent

(See an interactive version of this graphic by [clicking here](#).)

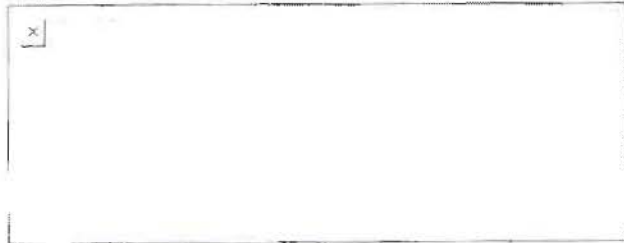
JUVENILE JUSTICE

"Raise the Age" bills reintroduced in both Chambers

A package of bills was reintroduced in both the House and Senate chambers to raise the age of which individuals are considered adults for the purposes of prosecuting and adjudicating criminal offenses. Under the proposed legislation, 17-year olds would be treated as minors within the juvenile justice system in many cases.

MAC has opposed similar legislation in prior years, due to a lack of identified funds for the county to provide additional rehabilitative services to this new population. The bill package does include two different funding bills- one for reimbursement through the child care fund and another that creates a new "raise the age fund". While this a great first step, ensuring the funding mechanism is viable and the appropriate level of money is provided by the state will be critical next steps.

Legislative leaders have expressed a commitment to pass "Raise the Age" legislation this term. MAC will continue working closely with the Legislature and Administration to ensure this does not become an unfunded mandate, but rather a prospering system. While



setting young offenders up for success through more comprehensive rehabilitative services may reduce recidivism and reward taxpayers with cost savings long-term. up front investment by the state is needed to ensure such success.

For more questions, please contact Meghann Keit at keit@micounties.org.

mhoagland@tuscolacounty.org

From: Glen Skrent <ggs@tuscolacounty.org>
Sent: Wednesday, February 20, 2019 8:28 AM
To: Mike Hoagland
Subject: tbhs

We had to pay TBHS every time they saw an inmate. i had sent that figure for 2018 a few weeks ago. I believe it was about \$16,000 . Other than that TBHS offers no other service to our inmates. So instead of paying them to do the psych stuff with inmates we will be paying this company.

We feel the company that we use for medical now would be the best bet for the psych part also. Their company works in my correctional facilities. They know how to save money on prescriptions for inmates. We worry if we went with some other private company that does not realize the inmate issue our prescription costs can rise. Also the doctor for our current medical will be able to renew prescriptions prescribed by the psychiatrist since they work for the same company. Right now they cant if we had TBHS involved.

Sheriff Glen Skrent Tuscola County Sheriff's Office

"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do."-**Mark Twain**

Correctional Healthcare Companies, LLC

A Wellpath Company

February 8, 2019

Lt. Brian Harris, Jail Administrator
Tuscola County Jail
420 Court Street
Caro, MI 48723

RE: Price Quote for Mental Health Coverage

Dear Lt. Harris,

Hope this letter finds you well. Correctional Healthcare Companies (CHC) feels fortunate to work alongside you in providing quality care to the detainees of the Tuscola County Jail.

Enclosed, please find our staffing proposal to provide Mental Health coverage. This price quote is an addition to the Health Care Services Agreement and not a standalone project. The rates quoted herein will be added to the current monthly rate being charged to the County.

We thank you for the opportunity to present this proposal. Should you have any questions or concerns, please do not hesitate to contact Elaine Kaiser, Operations Manager at 989-280-2030, or Jack Jadin, Director of Partner Services, at 920-304-6397.

Sincerely,

Stan Wofford
Senior Regional Vice President, Operations

cc: Elaine Kaiser, Operations Manager
Nanette Worley, Director of Operations
Jack Jadin, Director of Partner Services
Adolfo Cisnero, Senior Director of Partner Services

Price Quote for Inmate Medical Services at Tuscola County Jail

Effective: January 1, 2020

Proposed Modification	FTE	Hours	Annual Price	Monthly Price
Mental Health Professional *	0.05	2	\$8,744.64	\$728.72
Tele - Psychiatrist	0.025	1	\$16,405.44	\$1,367.12
Social Worker – On Call Services		0	\$1,412.40	\$117.70
Total	0.075	3	\$26,562.48	\$2,213.54

*MHP hours will be 4 hours every other week and includes round trip mileage.

Once approved, the rate listed above will be added to the current monthly medical services rate via a contract amendment. To affirm moving forward, please return a signed copy to Stephanie Parkinson, Partner Services Specialist, at sdparkinson@wellpath.us.

Upon receipt of the signed quote, our Legal department will draft a contract amendment reflecting these changes, and route to the appropriate individuals for signature. All terms of the current Agreement, including any changes detailed above, shall remain in full force and effect through end of contract period.

The undersigned is authorized by Tuscola County to accept the above terms.

Authorized Tuscola County Representative

Date Signed

Print Name

Title

PLEASE NOTE: Final delivery of the contract amendment will be via email. If hard copies with original signatures are required, please indicate the number of copies needed: ____.

①

mhoagland@tuscolacounty.org

From: Caryn Michalak <cmichalak@tuscolacounty.org>
Sent: Thursday, February 21, 2019 10:09 AM
To: Mike Hoagland
Subject: Budget Amendment

Good morning Mr. Hoagland,

I am requesting to be placed on the agenda for the February 25th meeting for action on the 292 Child Care Fund Budget. I am not requesting an amendment to the budget to add additional funds, but a request is being made to move funds to the Out-of-State line item, which are currently in the local budgetary institutional line item.

This request will not create any further cost to the county at this time. I have provided the amended MDHHS 2091 form which will need to be signed by Mr. Bardwell to your office and I will be present at the meeting to answer any questions.

Thank you,
Caryn Michalak

Caryn Michalak
Tuscola County Family Court
(989) 672-3702

County Child Care Budget Summary (DHS-2091)

Michigan Department of Health and Human Services (MDHHS)

Children's Services Agency

Tuscola County for October 01, 2018 through September 30, 2019

Organization Tuscola County	Court Contact Person Caryn M. Painter - CCF Organization Fiscal Staff	Telephone Number (989) 672-0075	E-Mail Address cpainter@tuscolacounty.org
Fiscal Year October 01, 2018 through September 30, 2019	MDHHS Contact Person Irene Waller - CCF Organization Management	Telephone Number (810) 667-0895	E-Mail Address walleri@michigan.gov

TYPE OF CARE I. CHILD CARE FUND	ANTICIPATED EXPENDITURES		
	MDHHS	COURT	COMBINED
A. Family Foster Care.....	\$300,000.00	\$2,000.00	\$302,000.00
B. Institutional Care.....	\$650,000.00	\$242,000.00	\$892,000.00
C. In-Home Care.....	\$0.00	\$524,284.54	\$524,284.54
D. Independent Living.....	\$10,000.00	\$0.00	\$10,000.00
E. SUBTOTALS.....	\$960,000.00	\$768,284.54	\$1,728,284.54
F. Revenue.....	\$20,000.00	\$20,000.00	\$40,000.00
G. Net Expenditure.....	\$940,000.00	\$748,284.54	\$1,688,284.54

COST SHARING RATIOS	County 50% / State 50%
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II. CHILD CARE FUND	COURT	COMBINED
Foster Care During Release Appeal Period.....	\$0.00	\$0.00

COST SHARING RATIOS	County 0% / State 100%
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III. JUVENILE JUSTICE SERVICES FUND	MDHHS	COURT	COMBINED
Basic Grant.....	\$0.00	\$15,000.00	\$15,000.00

COST SHARING RATIOS	County 0% / State 100% \$15,000.00 Maximum
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IV. TOTAL EXPENDITURE.....	\$1,703,284.54
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BUDGET DEVELOPMENT CERTIFICATION

THE UNDERSIGNED HAVE PARTICIPATED IN DEVELOPING THE PROGRAM BUDGET PRESENTED ABOVE. We certify that the budget submitted above represents an anticipated gross expenditure for the fiscal year: October 01, 2018 through September 30, 2019; and any requests for reimbursement shall adhere to all state law, administrative rules and child care fund handbook authority.

Presiding Judge 	Date 02-11-19
County Director of MDHHS Signature	Date
Chairperson, Board of Commissioner's Signature	Date
And/or County Executive Signature	Date

<p>Michigan Department of Health & Human Services (MDHHS) will not discriminate against any individual or group because of race, religion, age, national origin, color, height, weight, marital status, sex, sexual orientation, gender identity or expression, political beliefs or disability. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you are invited to make your needs known to an</p>	<p>AUTHORITY: Act 87, Publication of of 1978, as amended COMPLETION: Required. PENALTY: State reimbursement will be withheld from local government.</p>
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mhoagland@tuscolacounty.org

From: mhoagland@tuscolacounty.org
Sent: Tuesday, February 19, 2019 3:09 PM
To: 'Bardwell Thom'; 'Dan Grimshaw'; 'Kim Vaughan'; 'Mark Jensen'; 'Tom Young'
Cc: 'Russel Bush MD'; Clayette Zechmeister (Clayette Zechmeister)
Subject: Medical Examiner Budget Amendments
Attachments: 2019 Medical Examiner Budget Amendments.xls

Commissioners

As you are aware there have been major changes proposed to the Medical Examiner system. These changes were proposed by Dr. Virani (Forensic Pathologist). There has been considerable correspondence regarding this issue between Dr. Bush and Dr. Virani. If these changes are not implemented by March 1, 2019, Dr. Virani has explained he will discontinue doing autopsies on that date. At this point Dr. Bush is not aware of any alternatives to Dr. Virani's proposed changes. The changes will increase costs and the 2019 Medical Examiner Budget will have to be amended.

The most significant increase is for autopsies which will increase from \$750 to \$1,100 per autopsy. It has been approximately 10 years since autopsy costs have increased. This increase includes compensation to Dr. Virani, morgue charges and pathology laboratory costs. Also, an estimated \$1,375 has been added for back-up services to be performed by Dr. Hunter (Genesee County Pathologist) when Dr. Virani is on vacation or not available. These costs were previously paid by Dr. Virani when a back-up Pathologist was needed. Depending on the actual number of autopsies performed, the Medical Examiner autopsy line item needs to be increased from \$35,000 to an estimated \$55,700.

The Body transport cost is anticipated to increase for the added mileage when the back-up services of Dr. Hunter in Genesee County are needed instead of Lapeer where most of the autopsies are performed. The Body transport line item was increased by \$500 for this purpose.

The only other expected increase is when Dr. Virani has to appear in court as an expert witness. His per appearance charge is \$900. This cost would be paid from the Prosecutor's budget. This does not occur very often; therefore, no changes are recommended in the Prosecutor's budget at this time. This situation can be re-assessed later in 2019 and future years as more cost history is established.

The net effect of these changes is the 2019 Medical Examiner Budget would increase from \$111,038 to \$132,238 which is \$21,200 or about 19%. Attached is a copy of the potential amended budget.

Mike

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

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

2019 Medical Examiner Budget Amendment Recommendations

Number	Account	2016 Actual	2017 Actual	2018 Actual	2019 Original Budget	2019 Amended Budget	Comments
648-703-000	Medical Examiner	\$11,853	\$12,090	\$12,332	\$12,579	\$12,579	
648-705-000	Part-Time MESI	\$18,450	\$19,307	\$26,570	\$25,000	\$25,000	
648-710-000	Workers Compensation	\$0	\$0	\$0	\$188	\$188	
648-715-000	FICA	\$2,318	\$2,402	\$2,976	\$2,875	\$2,875	
648-727-000	Supplies Printing Postage	\$135	\$114	\$415	\$500	\$500	
648-801-020	IT Support Services	\$0	\$595	\$0	\$500	\$500	
648-836-000	Body Transport	\$840	\$3,970	\$3,117	\$3,000	\$3,500	For additional miles to Flint instead of Lapeer for for back-up autopsies
648-839-000	Autopsies	\$24,777	\$43,604	\$42,801	\$35,000	\$55,700	Increase in doctor autopsies fee, Dr. Hunter back-up fees, room cost and pathology lab costs
648-861-000	Mileage	\$0	\$100	\$96	\$200	\$200	
648-957-000	Employee Training	\$436	\$0	\$0	\$400	\$400	
648-957-010	Training MESI	\$185	\$0	\$0	\$500	\$500	
648-965-020	Software Maintenance	\$0	\$1,388	\$2,380	\$2,400	\$2,400	
648-978-000	Equipment	\$1,165	\$829	\$754	\$600	\$600	
Transfer from GF	Secretary Support	\$26,100	\$27,100	\$27,100	\$27,296	\$27,296	
	TOTAL	\$86,259	\$111,499	\$118,541	\$111,038	\$132,238	

3

Timeline and Actions to Hire New Controller/Administrator (CA)		
Action	Responsibility	Date
Draft hiring steps/information submitted to personnel committee (PC)	CA	1/25/19
Request approval for PC to lead hiring process with periodic updates and board actions	PC	1/28/19
Board approves PC leading the hiring process	Board of Commissioners	1/28/19
Current CA retirement letter submitted effective 6/14/19 - board action to receive/place on file	Board of Commissioners	2/14/19
Method of replacement recommended - "traditional" or "fill from within"	PC	2/14/19
Replacement method approved	Board of Commissioners	2/14/19
Recommendation regarding titling the position as CA or administrator	PC	2/14/19
Board acts on hiring position as a CA or administrator	Board of Commissioners	2/14/19
Job description drafted including qualifications and wages	HR, CA and PC	2/15/19
Recommendation regarding job description, qualifications and wages to board	PC	2/28/19
Board acts on job description, qualification, wages and advertising	Board of Commissioners	2/28/19
Recommends applicant be reviewed by HR, CA and two PC commissioners	PC	2/28/19
Board acts to have HR,CA and PC review applicants	Board of Commissioners	2/28/19
Position advertised on job search site, MAC and others for one month until April 1	HR and CA	3/1/19
PC, HR and current CA reviews applicants and chooses up to five or six for interviews	HR, CA and PC	4/5/19
Interview questions developed	HR, CA and PC	4/12/19
Interviews scheduled for April 15 and 16	HR	4/15/19
PC, HR and current CA narrow candidates to two or three	HR, CA and PC	4/17/19
Two or three finalists interviewed by board at committee of the whole meeting	Board of Commissioners	4/22/19
Finalist chosen contingent on acceptable employment terms, physical and background check	Board of Commissioners	4/25/19
Terms of employment negotiated including wages, employment contract, etc.	HR, CA and PC	5/13/19
HR background checks and physical conducted	HR	5/13/19
Board makes official appointment	Board of Commissioners	5/16/19
Individual begins employment anytime after 5/16/19		5/17/19

From: mhoagland@tuscolacounty.org
Sent: Friday, February 15, 2019 10:04 AM
To: 'Thomas Bardwell'; 'Kim Vaughan'; Shelly Lutz
Subject: Next Steps to Fill My Position
Attachments: CONTROLLER Job Description 2.doc

Personnel Commissioners and HR Coordinator

At the 2-14-19 board meeting action was taken to use the traditional approach to fill my position. This action also included making the title of the position controller-administrator and developing a job. The job description is to incorporate qualification requirements and a recommended wage structure. Our attention now needs to turn to preparing the job description, qualification requirements and the wage structure for review and approval at the 2-25-19 Committee of the Whole and 2-28-19 Board meetings.

Attached is a first draft job description for your review. I prepared this draft using various job descriptions that I have had over the years. It also incorporates chief financial officer responsibilities from the Controller's Act, in addition to, my own knowledge of what the essential financial responsibilities involve. The chief administrative responsibilities are based on my experience dealing with these aspects of the position. Also, I did review some other county controller-administrator job descriptions. We may want the county personnel attorney to review this draft before presentation to the full board.

In terms of the position qualifications the key statement currently reads as follows: **"Bachelor's degree in public administration (or related degree) or the equivalent of at least 10 years of experience in management, accounting, business or finance and preferably in a county or local government setting."**

With respect to wages, I previously forwarded the controller-administrator wage comparison in the table below. This comparison is based on Michigan counties with similar taxable values and population. The average 2019 wage is \$101,000 which is \$6,000 more than the current Tuscola controller-administrator. The average years in the position was 10 with a range from 33 years to 1 year. Most of these counties had three year employment contracts for the position and some have contracts with built-in annual wage increases.

Controller and Administrator 2019 Wage Comparison for Similar Michigan Counties					
County	Type of Administration	2019 Wage	Years in Position	2016 Population	Taxable Value (In billions)
Barry	Administrator	\$118,657	23	59,607	\$2.16
Branch	Administrator	\$115,075	14	43,543	\$1.43
Cass	Controller/Administrator	\$104,550	3	51,397	\$2.15
Newaygo	Administrator	\$100,397	3	47,899	\$1.51
St Joseph	Controller/Administrator	\$96,757	2	60,890	\$1.99
Tuscola	Controller/Administrator	\$94,885	33	53,569	\$1.80
Montcalm	Controller	\$90,270	3	62,956	\$1.84
Sanilac	Administrator	\$87,739	1	41,535	\$1.61
Average		\$101,041	10	52,675	\$1.81

It is recommended for personnel committee consideration to list the Tuscola position wage as **"dependent upon education, experience and other qualifications up to \$95,000."**

There may be candidates within the county that might consider a wage of less than \$95,000. However, in all likelihood to attract a candidate from outside the county a wage of \$95,000 or more may be required.

The court administrator will have a wage of approximately \$80,000 for 2019 and \$85,000 for 2020. In my opinion, the county controller-administrator should be paid more than the court administrator. The county controller-administrator is involved in a broader range of managerial responsibilities and oversees the entire county financial operation.

Most of the controllers and administrators in Michigan have employment contracts with built-in step increases. Establishing a higher wage than the current \$95,000 would increase pressure for other position wage increases in the county. This would be especially true for the County Prosecutor which for many years has been paid the same wage as the controller-administrator.

Please review this information and then we should schedule another conference call early next week for discussion before the 2-25-19 Committee of the Whole meeting. We have to keep this process moving to stay on schedule.

Mike

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

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

DRAFT

CONTROLLER/ADMINISTRATOR JOB DESCRIPTION

General Statement of Duties

This position is under the direction of and reports to the Board of Commissioners (BOC). The position is an "at will", exempt position that serves at the pleasure of the BOC. The Controller-Administrator (CA) acts as an agent for the BOC in managing county affairs. This is the highest level professional administrative-managerial position for the county. The CA is both the chief financial-accounting officer and the chief administrative officer. The duties of the CA require excellent leadership, financial, analytical, problem solving, managerial-supervisory, organizational, planning, and written-verbal communication skills.

Chief financial accounting officer duties of the CA include but are not limited to: having charge and supervision of all accounts and accounting of every office, officer and department of the county, assuring that a proper system of accounting is in place including a general ledger that records assets-liabilities of all funds, overseeing accounts payable and payroll operations, leading the development of the annual budget and comprehensive annual financial report (audit), reporting county financial condition to the BOC, overseeing central purchasing and fringe benefit programs, conducting multi-year financial planning, and analyzing state-federal bills to determine the impacts on county finances.

Chief administrative officer duties of the CA include but are not limited to: supervising the operation and performance of non-elected departments and heads of departments; identifying, researching and gathering information to solve problems, assisting with labor negotiation, keeping the BOC updated on numerous issues, overseeing county property-liability and other insurance risk management programs, assisting with grant administration, responsibility for maintenance of all county buildings, acting as liaison between the county and its legal counsel, local-state-federal government and elected-appointed officials, and preparing BOC and committee agendas and consent agenda motions.

Distinguishing Features of the Position

As the chief financial-accounting officer duties of the CA include but are not limited to:

- a) Develops and implements the county's budget according to the Uniform Budgeting and Accounting Act
- b) Ensures that a system of accounting is installed and properly kept with respect to all departments and funding units following the Uniform Chart of Accounts
- c) Examines regularly the books and accounts of all county funded operations and reports findings to BOC
- d) Retains a general ledger showing at all times the assets and liabilities of the county and all of its accounts-funds
- e) Operates a centralized purchasing system for all purchases of county funded goods and services
- f) Oversees the preparation of the payroll and accounts payable
- g) Reports on overall county financial health, including planning for future revenues-expenditures and monitoring any increasing demands for funds or declines in revenue
- h) Assures that an Annual Comprehensive Financial Report (Audit) of county finances is prepared in compliance with Generally Accepted Accounting Principles and presented to the BOC
- i) Analyzes numerous financial proposals including millage requests and if necessary prepares alternative-recommendations for commissioner review and consideration
- j) Works with bond attorneys regarding issuing bonds and other financing proposals and explains county financial standing to bond rating agencies
- k) Analyzes pending and new legislation for impacts on the county's financial and operational health
- l) Serves as the liaison between the county and its outside accounting firm to ensure that the county is in compliance with state-federal financial regulations

As the chief administrative officer duties of the CA include but are not limited to:

- a) Supervises the operation and performance of non-elected departments and heads of departments and with the approval of BOC appoints and removes non-elected department heads
- b) Oversees all county human resource operations including fringe benefit programs: health insurance, life insurance, deferred compensation, workers' compensation, disability, pension programs, open enrollment and extensive federal-state reporting requirements, etc.
- c) Identifies, researches, gathers information and makes recommendations to solve problems
- d) Keeps the BOC and others updated regarding numerous issues and other matters impacting the county
- e) Assists in overseeing labor negotiations and cost analysis of union proposals for labor attorneys
- f) Oversees the acquisition and maintenance of all county property, liability and other insurance programs
- g) Oversees the acquisition, development and maintenance of all county buildings and equipment
- h) Coordinates with county legal counsel to ensure that the county is adequately defended against liability claims and is operating in compliance with state-federal law, in addition to, obtaining legal opinions when necessary
- i) Serves as the liaison between the county and local-state-federal government to coordinate the delivery of shared services or operations
- j) Serves as the BOC's liaison with the elected officials-judges regarding their operations
- k) Coordinates the various activities of the county and unifies the management of its affairs
- l) Prepares agendas and attends BOC and committee meetings
- m) Prepares potential consent agenda motions and motions for BOC action
- n) Assists with grant administration
- o) Prepares or supervises the preparation and filing or submission of all reports required of the county by law, and all financial or grant applications authorized by the BOC for the benefit of the county functions
- p) Other duties as assigned by the BOC and as required by law

Training, Skills and Experience Required

Required training, skills and experience of the CA include but are not limited to:

- a) Bachelor's degree in public administration (or related degree) or the equivalent of at least 10 years of experience in management, accounting, business or finance preferably in a county or local government setting
- b) Proven leadership, organizational and planning capabilities preferably in a county or other local government setting
- c) Ability to analyze and creatively solve problems and make decisions preferably in a county or other local government setting
- d) Highly effective written and verbal communication skills preferably in a county or other local government setting
- e) Self-Starter, team player, tactful and courteous with good judgement
- f) Thorough knowledge of the principles and practices of modern personnel and financial administration

Physical Requirements of the Position

The physical demands and work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to communicate with others in person and on the telephone. The employee is required to view and produce written reports. The employee frequently is required to stand, walk, and use hands to finger, or feel, and reach with hands and arms. The employee is occasionally required to stoop, kneel, crouch, or crawl. The employee must frequently lift and/or move items of light to moderate weights.

From: Jamie C. Nisidis <jamnis@BraunKendrick.com>
Sent: Wednesday, February 20, 2019 2:49 PM
To: 'mhoagland@tuscolacounty.org'
Cc: Clayton J. Johnson; Shelly Lutz
Subject: RE: Next Steps to Fill My Position
Attachments: Tuscola County - client draft of Controller job description (S1478187).DOC

Mike

I've reviewed the draft job description and relevant statutes. I didn't see much in need of change. I have attached proposed revisions, which are primarily stylistic and for consistency throughout the document. I changed "class" to "position" in one of the headings since this isn't a union position. However, if the County routinely uses the term "class" in all job descriptions without regard to whether the position is union or not, then you can reject that change.

Also, there are no "physical requirements" in the job description. Since this is an office job, that's not a big concern. Again, I would just be consistent with other job descriptions. If the County typically includes physical requirements, then we should add something. If not, then I would not add anything.

Jamie



BRAUN KENDRICK

JAMIE HECHT NISIDIS
Attorney
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From: mhoagland@tuscolacounty.org [mailto:mhoagland@tuscolacounty.org]
Sent: Wednesday, February 20, 2019 10:02 AM
To: Jamie C. Nisidis
Cc: Clayton J. Johnson; Shelly Lutz
Subject: FW: Next Steps to Fill My Position

Jamie

Please review and revise the attached job description by the end of the day Thursday. Also, please feel free to offer any other comments regarding the email below.

(F)



TUSCOLA

Behavioral Health Systems

February 13, 2019

Tuscola County Board of Commissioners
125 West Lincoln, Suite 500
Caro, MI 48723

Dear Commissioners,

As you are aware, the current terms of several members of the Tuscola Behavioral Health Systems Board of Directors will be expiring as of March 31, 2019. Current contact information is enclosed.

At its regularly scheduled Board Meeting of January 24, 2019, the Tuscola Behavioral Health Systems Board of Directors resolved to recommend to the Tuscola County Board of Commissioners, the re-appointments of Ms. Linda Ackerman, Mr. David Griesing, Ms. Susan McNett, and Mr. Walter Szostak to our Board of Directors for a three year term.

As always, we appreciate your strong support of our efforts and thank you in advance for your consideration of these recommendations.

Sincerely,

Sharon Beals
Chief Executive Officer

SB/clm

Enclosure

cc: Jody Fetting, Tuscola County Clerk

A Michigan Community Mental Health Authority serving Tuscola County since 1973

Mailing and Administration Address: 323 North State Street, Caro, MI 48723

Clinical Programs located at 1332 Propect Avenue, Caro, MI 48723

989.673.6191 or 1.800.462.6814 • TDD 1.866.835.4186 • www.tbhsonline.com



TUSCOLA

Behavioral Health Systems

**RECOMMENDED RE-APPOINTMENTS FOR
TUSCOLA BEHAVIORAL HEALTH SYSTEMS
BOARD OF DIRECTORS**

Linda Ackerman
120 East Gamble Street
Caro, MI 48723

989-882-3050 (Cell)
989-286-3099 (Home)

David Griesing
5678 Buell Road
Vassar, MI 48768

989.823.2687 (Home)

Susan McNett
75 Rodd Drive
Caro, MI 48723

989.673.6175 (Work)
989.673.2019 (Home)
989.325.0089 (Cell)

Walter Szostak
302 West Sherman Street
Caro, MI 48723

989.671.7290 (Cell)
989.894.9804 (Work)
989.450.4759 (Cell)