Agenda
Tuscola County Board of Commissioners
Committee of the Whole Monday, June 21, 2021 – 8:00 A.M.
HH Purdy Building - 125 W. Lincoln, Caro, MI

Public may participate in the meeting electronically:

Join by phone: (US) +1 513-472-0839 PIN: 329 117 568#
Join by Hangouts Meeting ID: meet.google.com/vbc-gxnv-zra

8:00 A.M. Call to Order – Chairperson Bardwell
Roll Call – Clerk Fetting

County Updates

None

New Business

1. Promotion Pay - ***Sgt. James Hook (See A)***
2. MSU and 4-H Updates ***- Jerry Johnson***
3. Murphy Lake Project Schedule ***– Robert Mantey, Drain Commissioner (See B)***
4. Behavioral Health Systems Board Request ***(See C)***
5. Police Officers Association (POAM) Letter of Understanding ***(See D)***
6. S&P Global Ratings Report for Tuscola County ***(See E)***
7. MAC Overview of Benefits ***(See F)***

10:00 a.m. BREAK

8. Updates on Local Government Issues - ***Gary Rolka***
9. Michigan Renewable Energy Collaborative (MREC) – Update
    a. Tuscola County Reserves for Tax Appeals ***(See G)***
10. Senate Bill 441 ***(See H)***

Old Business

1. None

Finance/Technology

Committee Leader **Commissioner Young** and Commissioner DuRussel

Primary Finance/Technology

1. Land Bank Potential Loan ***(See I)***
2. MGT Cost Allocation Plan – Voted Millage Cost ***(See J)***

On Going and Other Finance and Technology

Finance

1. Proposed L-4029 Tuscola County 2021 Special Voted Tax Rates
2. American Rescue Plan (ARP) Act Ad-Hoc Committee
3. Preparation of Multi-Year Financial Planning
4. Pension Obligation Bond Refunding

Technology

5. GIS Update
6. Increasing On-Line Services/Updating Web Page

Building and Grounds

Committee Leader **Commissioner Grimshaw** and Commissioner DuRussel

Primary Building and Grounds

1. **NONE**

On Going and Other Building and Grounds

1. State Police Water and Annexation
2. IT Department Space Needs

3. Vanderbilt Park Survey

Personnel

Committee Leader **Commissioner Grimshaw** and Commissioner Vaughan

Primary Personnel

1. **NONE**

On-Going and Other Personnel

1. Paperless Payroll Update
2. Workman's Compensation
3. Michigan Employees Retirement System (MERS)
4. Michigan Association of Counties (MAC) 7th District Meeting Updates
5. Safety Committees – Watch for Grant Opportunities

Other Business as Necessary

1. **NONE**

On-Going Other Business as Necessary

1. Animal Control Ordinance

Public Comment Period

A.

SHERIFF
TUSCOLA COUNTY
SHERIFF GLEN SKRENT UNDERSHERIFF ROBERT BAXTER
420 COURT STREET, CARO, MI 48723
Phone: 989-673-8161 Fax: 989-673-8164

June 15, 2021

Ref: Pay

Shelly Lutz,

Pursuant to our recent conversation I am writing you this letter to clarify and expand on some information that was in my original letter with regards to my pay when I was promoted. Specifically, as to why I had not brought this to anyone's attention before now.

The simplest answer is that I assumed that everyone promoted after me was treated the **same** as me and started on the same Wage Step in the POLC-Command contract that I was started at. Last year when one of our deputies was promoted to Sergeant, I learned that my assumption was incorrect. If the deputies promoted after me were treated the same as me than each of them would have started on the Wage Step immediately higher than their wages as a deputy, but not necessarily at least 50 cents more an hour. It wasn't until last year when a deputy was promoted that I learned that not only was this not the way the promoted deputy was being treated, but every deputy promoted after me was treated the same as this deputy.

Since I have been promoted there have been 3 deputies promoted from Deputy to Sergeant. Last year I learned that each of them was treated **differently** than me with regards to pay. If these deputies would have been treated the **same** as me than the first two promoted deputies would have started at Wage Step 2 like me, and the last deputy would have started at Wage Step 3. As I have stated, I learned last year that the first two deputies started at Wage Step 3 and the deputy promoted last year started at Wage Step 4. If

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I had known that these deputies were treated **differently** than me when they were promoted, I would have addressed this then.

Respectfully,

James Hook

James Hook

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September 11, 2020

Ref: Pay

Sheriff Skrent:

Pursuant to our conversation on 9-11-2020 I am submitting this letter to you reference my pay when I was promoted to Sergeant.

I was promoted to Sergeant in September of 2013. Prior to my promotion taking affect Lee Teschendorf (the Sheriff at the time) had told me that my wages as Sergeant would be Step 2 in the union contract for command officers. At this step I would be making 28 cents more than what I was making as a deputy.

The Deputy's contract at that time and the Command's contract at that time, both had a clause in them that stated that anyone promoted to a position in a higher pay classification, would have their pay started at a step higher and at least 50 cents more per hour than what they were making prior to the promotion. Based on this information I should have started at step 3 on the wage scale and not step 2.

At the time James Giroux was the Lieutenant in charge of the road patrol. I went to him and explained the situation. I told him that I felt that I should be starting at step 3 and not step 2. He agreed and said he would look into the matter.

James Giroux spoke to me a day or so later and told me that he had spoken to you about this situation. He told me that your response was that those sections in the contract did not pertain to me. He said you felt that those clauses only applied to employees promoted to positions within the same bargaining unit. He also told me that you referenced your situation when you were promoted. You told him that when you were promoted that your raise was even less than mine. I believe he said it was 10 or 20 cents more than what you were making as a deputy.

At the time I considered filing a grievance over the issue, but as a newly promoted Sergeant I did not think that was an appropriate way to start my tenure as a command officer. I also assumed that deputies promoted to the command unit after me would be treated the same as me, and would have also been brought in at step 2 wages, or simply the next step higher on the wage scale than what they were making as deputies. I have recently learned that this is not the case.

There have been 3 promotions since mine and they are Sgt. Nitz, Sgt. Herman, and Sgt. Robinson. I recently learned that Sgt. Herman and Sgt. Nitz were each started at step 3 on the wage scale. Sgt. Robinson started at step 4 only because step 3 was 50 cents less an hour than what he was making as a deputy.

If the contract language had been applied to these 3 deputies the same way it was applied to me than Sgt. Nitz and Sgt. Herman should have started at step 2 and Sgt. Robinson should have started at step 3.

As a result of my starting pay as a command officer being a step behind where I should have been, I made at least 70 cents less an hour for the 4 years following my promotion. As a result, this cost me over $6000.00 over the course of those 4 years.

I am asking that you review this matter and/or forward this matter to other county personnel. I am hoping that some kind of fair resolution can be made in this matter to compensate me for the loss in pay I have incurred. I am also open to discussions with you and/or any other administrative employees about this issue in order to come up with a fair resolution.

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TUSCOLA COUNTY
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420 COURT STREET, CARO, MI 48723
Phone: 989-673-8161 Fax: 989-673-8164

Thank you for your time in reviewing this matter and I look forward to your response.

Sincerely,

James Hook

Det./Sgt. James Hook#86

	Step 2	Step 3	Step 4	Step 5	Step 6	Difference	Hours		Total Owed
9/28/13	$21.68	$22.37							
1/1/14						$0.69	560	95 days/ 14 weeks x 40 hours	$386.40
1/1/14	$22.01	$22.70							
9/28/14						$0.69	1560	270 days / 39 weeks x 40 hours	$1,076.40
9/28/14		$22.70	$23.41						
1/1/15						$0.71	560	95 days/ 14 weeks x 40 hours	$397.60
1/1/15		$23.15	$23.88						
9/28/15						$0.73	1560	270 days / 39 weeks x 40 hours	$1,138.80
9/28/15			$23.88	$24.58					
1/1/16						$0.70	560	95 days/ 14 weeks x 40 hours	$392.00
1/1/16			$24.36	$25.07					
9/28/16						$0.71	1560	270 days / 39 weeks x 40 hours	$1,107.60
9/28/16				$25.07	$25.84				
1/1/17						$0.77	560	95 days/ 14 weeks x 40 hours	$431.20
1/1/17				$25.57	$26.36				
9/28/18					$26.36	$0.79	1560	270 days / 39 weeks x 40 hours	$1,232.40
								Total	$6,162.40

Fica $471.42

$6633.82

POLC - Superv.

H. Filling Vacancy: The three (3) applicants receiving the highest combined ratings, or in the event of a tie, the applicants with the three (3) highest ratings shall be notified that they have been selected for consideration by the Sheriff for promotion. The names of the selected applicants will be posted at the Jail. The Sheriff shall fill the vacancy from the three (3) applicants submitted to him for promotion.

I. Promotional List: The promotional list shall be valid for a period of one (1) year from the date of its creation, and in the event another promotion to the same classification becomes available within the Department, within that one year period, selection shall be made from the remaining two (2) applicants submitted to the Sheriff for promotion. That procedure shall follow until one (1) year lapses from the original appointment, and the promotional procedure shall not be reinstituted until the facts outlined in paragraph I above reoccur.

J. Right to Decline Promotions: A candidate may ask not be promoted to a current vacancy. The candidate's name will remain on the eligibility list for the remaining effective period. The candidate will be considered for promotion to any subsequent vacancies without penalty or loss of position on the promotional list.

Section 10.1. Pay Upon Promotion. When an employee is permanently promoted to a position in a higher classification, the employee's pay shall be increased to the step on the higher classification that gives a minimum of 50 cents an hour pay raise. On a promotion, if there are no rates above, the employee would receive the same rate of pay.

Section 10.2. Pay Upon Demotion. In application to the pay scale only, if an employee is permanently demoted to a position in a lower classification, the employee's pay shall be decreased to the step on the lower classification pay scale immediately below their present pay rate.

Section 10.3. Training Upon Transfer. When employees are transferred from one classification to another, the Employer shall provide training for said employee before the transfer is made, except in the case of an emergency situation.

LEAVES OF ABSENCE

Section 11.0. Unpaid Leave of Absence. A leave of absence without pay, is a written authorized absence from work for a definite period of time without pay and with no accumulation of seniority. A request for a leave of absence without pay shall be made by an employee in writing and shall state the reason for such leave upon the application. Only a permanent full-time employee who has worked continuously for the Employer for one year or more may be granted a leave of absence.

A. Leaves requested due to personal illness or illness in the immediate family must be accompanied by a medical doctor's certificate, certifying that the employee or the immediate family member is unable to work or needs personal attention and reason therefore, a request for a personal illness leave or a leave because of the illness in the immediate family shall be granted.

B.

Murphy Lake Project Schedule

BIDDING		
Plans Available to Bidders	**Monday, May 10, 2021**	
Days for Contractor's Review	24	
Pre-Bid Meeting	**Tuesday, May 18, 2021**	
Days after Plans on Shelf	8	
Bid Opening	**Thursday, June 3, 2021**	
LANDOWNER NOTICES FOR SPECIAL ASSESSMENT HEARING		
Computation of Cost Prepared by	**Monday, June 7, 2021**	6 Days after Bid Opening
Finalize Assessment Roll with CoC	**Tuesday, June 8, 2021**	
First Class Mail to Landowners	**Thursday, June 10, 2021**	or sooner
Must be 10 days prior to Special Assessment Hearing		
1st Publication in Newspaper	**Wednesday, June 9, 2021**	or sooner
Must be 10 days prior to Special Assessment Hearing.		
2nd Publication in Newspaper	**Wednesday, June 16, 2021**	
Any time prior to Special Assessment Hearing		
SPECIAL ASSESSMENT HEARING AND COUNTY BOARD APPROVAL		
Special Assessment Hearing	**Tuesday, June 22, 2021**	
County Board Approval	**Thursday, June 24, 2021**	
2nd and 4th Thursday of Each Month		
Appeal Period Ends	**Friday, July 9, 2021**	
15 Days after Board Approval		
CONSTRUCTION		
Notice to Proceed	**Wednesday, August 18, 2021**	
Days After Appeal Period (Financing)	40	

c.

TUSCOLA
Behavioral Health Systems

June 15, 2021

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

Dear Commissioners,

At the May 27, 2021 Tuscola Behavioral Health Systems Board of Director's meeting, they asked that I request that the Commissioners take action to remove Ms. Linda Ackerman from the Tuscola Behavioral Health Systems Board of Directors due to lack of participation. Ms. Ackerman has failed to attend the last four meetings (February, March, April, & May).

Please feel free to contact me with any questions or concerns at 989-673-6191.

Sincerely,

Sharon Beals

Sharon Beals
Chief Executive Officer

SB/clm

Enclosure

cc: Jody Fetting, Tuscola County Clerk

D.

TUSCOLA COUNTY
TUSCOLA COUNTY SHERIFF
-and-
POLICE OFFICERS ASSOCIATION of MICHIGAN
(Bargaining Unit 1, Non-Supervisory Act 312 Eligible Unit)

Letter of Understanding Sponsoring New Hires to Attend Police Academy

1. The parties understand that Tuscola County and the Tuscola County Sheriff's Office (jointly "Employer") are considering sponsoring candidates to attend police academy training (the "Program"), and the parties wish to outline the terms of such program through this Letter of Understanding ("LOU").

2. Applicants to the Program would need to meet MCOLES educational requirements to attend a police academy, but the EMPCO test will be waived.

3. Applicants will be responsible for the costs of any required pre-academy testing. Applicants will also be responsible for completing all documentation required to obtain admission to a police academy program.

4. Employer will offer to pay the entirety of academy tuition costs for Applicants who are accepted to the Program.

5. Applicants accepted to the Program ("Academy Temporary Employees") will be employed as temporary employees by Employer during their time at the academy.

6. Academy Temporary Employees will not be members of any bargaining unit (and will not be subject to the terms of any Collective Bargaining Agreement) until such time as they are MCOLES certified and begin work as a Deputy Sheriff with Employer.

7. Academy Temporary Employees will be paid at a rate, to be set by Employer in its sole discretion, less than the then-existing Step 1 rate for a Deputy Sheriff.

8. Employer, in its sole discretion, will decide whether to terminate an Academy Temporary Employee who: (i) fails to successfully complete academy training, (ii) fails in any way to obtain appropriate certification, or (iii) commits any act or acts which would prevent hiring under normal circumstances.

9. Employer maintains sole discretion regarding extending offers of employment for the Academy Temporary Employee position and all other positions with Employer.

10. Academy Temporary Employees who had their tuition paid by Employer will be required to reimburse Employer for the costs of their academy training if they

voluntarily leave employment prior to achieving three years of service as a certified deputy. The amount of required reimbursement will be pro-rated based on years of service as a certified deputy at time of separation (100% for less than 1 year, 66% for between 1 and two years, and 33% for between 2 and 3 years).

11. Employer may terminate the Program and this LOU at any time.

FOR THE COUNTY	FOR THE UNION
______________________	______________________
______________________	______________________
______________________	______________________
______________________	______________________

E.

S&P Global
Ratings

RatingsDirect®

Summary:
Tuscola County, Michigan; General Obligation

Primary Credit Analyst:
Matthew T Martin, New York + 1 (212) 438 8227; Matthew.Martin@spglobal.com

Secondary Contact:
Benjamin D Gallovic, Chicago + 1 (312) 233 7070; benjamin.gallovic@spglobal.com

Table Of Contents

Summary:
Tuscola County, Michigan; General Obligation

Credit Profile		
US$5.56 mil GO ltd tax pension obligation rfdg bnds (taxable) ser 2021 due 10/01/2034		
Long Term Rating	AA-/Stable	New
Tuscola Cnty tuscola county medical care facility cap imp rfdg bnds		
Long Term Rating	AA-/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AA-' rating to Tuscola County, Mich.'s approximate $5.520 million series 2021 general obligation (GO) taxable limited-tax pension obligation refunding bonds. At the same time, we affirmed our 'AA-' rating on the county's existing limited-tax GO debt. The outlook is stable.

Officials intend to use bond proceeds to refund its outstanding series 2015 pension obligation bonds for interest cost savings taken level throughout the maturity schedule.

The county's limited-tax GO debt is secured by a full-faith-and-credit pledge, payable from ad valorem taxes levied on all taxable property, subject to statutory limitations. The county pledges to annually levy ad valorem taxes within authorized millages to fund debt service payments and, to the extent that taxes are insufficient, all other available revenue sources are pledged for payment. Given debt service is a first budget obligation, and factoring in the county's very strong budget flexibility, we do not distinguish the limited-tax GO rating from an unlimited-tax GO rating.

A portion of the county's debt is from its backing of drainage districts with its GO pledge, but we recognize that the county has never had to make a debt payment on any drainage district transaction. The county has multiple outstanding bond issues with structures whereby it pledges its limited-tax GO support to all or part of debt service, while additional underlying taxing units also pledge limited-tax GO support to either portions or all of the debt service. In each case, each party pledges to annually levy ad valorem taxes within authorized millages to fund their obligations and, to the extent that taxes are insufficient, all other available revenue sources are pledged for payment. In each case, our rating is based solely on Tuscola County.

Credit overview

Through proactive management, planning, and fiscal oversight, in our opinion, the county maintains financial stability that continues to support its credit quality and offset economic limitations and potential budgetary pressures. Amid the COVID-19 pandemic, the county did not sustain any substantial, long-term economic disruption despite its unemployment rate averaging just over 10% in 2020; however, it has since moderated to 5.9% as of April 2021. Because of the pandemic, management took the necessary actions to mitigate potential revenue losses by curbing expenditures and while we expect a slight deficit for fiscal 2020 results, it was affected by the county's loss of state shared revenues while operations remained sound. We expect that the county will maintain its level of available reserves given its projections and stable revenue mix. The stable outlook reflects our views that Tuscola's strong management practices, maintenance of current reserves and liquidity, and manageable debt burden will continue to support the rating over the next two years.

The 'AA-' rating also reflects our view of the county's:

- Weak economy, with a high county unemployment rate exceeding 10%;
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with a slight operating surplus in the general fund and an operating surplus at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 52% of operating expenditures;
- Very strong liquidity, with total government available cash at 77.1% of total governmental fund expenditures and 12.5x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability profile, with debt service carrying charges at 6.2% of expenditures and net direct debt that is 58.7% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value and rapid amortization, with 69.7% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Environmental, social, and governance (ESG) factors

Our rating incorporates environmental, social, and governance (ESG) factors. We believe the township has taken adequate steps to manage responses to environmental risks and is taking steps to mitigate its exposure to cyber security risks. Therefore, we view its environmental and governance risks as being in line with those of the sector.

Stable Outlook

Upside scenario

If economic indicators, such as per capita effective buying income (EBI) and market value per capita, materially improve to levels that are commensurate with those of higher-rated peers, with other rating metrics remaining unchanged, we could consider raising the rating.

Downside scenario

All else equal, if the county enters a period of structural imbalance leading to material and sustained draws on reserve or liquidity positions, we could consider a lower rating.

Credit Opinion

Weak economy

We consider Tuscola County's economy weak. The county has an estimated population of 52,138. The county has a projected per capita effective buying income of 74.1% of the national level and per capita market value of $112,772. Overall, the county's market value grew by 3.0% over the past year to $5.9 billion in 2022. The county's average unemployment rate was 10.1% in 2020, which we consider high and a negative credit factor, driven by economic impacts from the COVID-19 pandemic. At the onset of the pandemic, the county unemployment rate spiked to 29.3% in April 2020 but has since moderated to 5.9% as of April 2021.

The county's economy is largely agricultural and seasonal, with labor force trends following the tourism and food-processing seasons. The tax base has performed well in recent years relative to peers across the state, largely as a result of the development of wind turbines and related infrastructure. Wind-turbine-related energy has resulted in modest taxpayer concentration. The two largest taxpayers are each energy and wind power driven, and combine to represent approximately 15% of total TV. The next-leading taxpayer, another wind power company, is only 2.7% of total TV.

Despite the pandemic, management reports ongoing development in the area, highlighted by a potential 1000-acre solar farm as well as an approximate $13 million soybean processing plant expected to take root in the county.

Strong management

We view the county's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

The county uses a line-by-line approach for each department when preparing the budget, has look-back information for three years, and has demonstrated reliable assumptions based on its performance. It reports the budget-to-actuals on at least a quarterly basis to its board members. Management annually updates a five-year financial plan and a 10-year capital improvement plan that is presented to the board. The county has its own investment policy, which adheres to state guidelines and it presents the investments' performance and holdings to the board at least quarterly. Tuscola County does not have a debt management policy but adheres to state guidelines. It has a policy to maintain general fund reserves at 10% of expenditures, and to maintain delinquent tax fund reserves at $5.6 million. Both of these policy levels are being met.

Adequate budgetary performance

Tuscola County's budgetary performance is adequate in our opinion. The county had slight surplus operating results in the general fund of 1.4% of expenditures, and surplus results across all governmental funds 4.2% in fiscal 2019. Revenues and expenditures for audited fiscal 2019, as well as budgeted fiscal years 2020 and 2021, have been adjusted to include recurring transfers in from the delinquent tax fund and recurring transfers out to various special purpose funds.

Property taxes accounted for 59% of fiscal 2019 general fund revenues, while charges for services (15.2%) and state revenue sharing (14.6%) were the next largest revenue generators. We understand the general fund collected about $1.4 million in revenue (11%) from wind turbines, among other funds receiving turbine revenue. The reliance on wind-turbine revenues, which has helped operations in recent years, could potentially cause longer term pressure.

Though the audit is not yet available, the fiscal year-end Dec. 31, 2020, estimates indicate a slight draw (1%) on reserves due, in part, to lost state-shared revenue amid the pandemic. With more stimulus moneys still on the way, the county did receive approximately $400,000 in CARES Act relief in 2020 and utilized it for unexpected costs relative to managing the pandemic. The county adopted a balanced fiscal 2021 general fund budget totaling $14.6 million, and again expects approximately breakeven performance based on its conservative budgetary assumptions and operations returning to general stability as the economic recovery from COVID-19 continues.

The continued growth of wind turbine construction is critical to the county's operational stability; once operational, the turbines are set to a multiplier schedule, which effectively reduces tax revenues over time. Typically, the county collects and assesses revenues at 100% of the value in the first year of operation, after which it annually collects revenue at a lower assessment ratio that levels out at 30% to 40% after a 10- to 12-year period. Management anticipates revenue from new turbines being more than enough to offset the scheduled losses over the next several years due to the multiplier. We also understand that several energy companies maintain an outstanding appeal since 2011, which, if granted, could lead to a reduction in current wind-turbine revenues. However, the county's legal team, which is representing several counties facing similar appeals, does not anticipate the appeal being awarded. Management has been setting revenue aside, albeit within available reserves, in case there is a required refund. We view the reliance on this revenue source to be a risk, but one that management is monitoring and prepared to address. Part of the county's long-term financial forecast includes projections for wind-turbine revenue through the multiplier schedule.

Very strong budgetary flexibility

Tuscola County's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 52% of operating expenditures, or $7.1 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor. The available fund balance includes $2.6 million (18.7% of expenditures) in the general fund and $4.5 million that is outside the general fund but legally available for operations.

The $4.5 million in available reserves outside of the general fund accounts for the cash and investment position within the tax foreclosure and combined revolving tax funds. The county maintains substantial reserves in this fund, which allows it to fund the annual purchase of delinquent taxes from its underlying municipalities (which all counties do) without needing to issue notes. There is a formal policy stating the intent to maintain reserves above a $5.6 million minimum, and to only transfer annual interest and fee earnings to the general fund, to avoid a reliance on transfers of fund balance; by the county's measure it is currently meeting this policy. In our view, the presence of this reserve provided very strong budget flexibility, especially should budgetary pressure arise from lower wind-turbine revenue or increasing pension costs.

Very strong liquidity

In our opinion, Tuscola County's liquidity is very strong, with total government available cash at 77.1% of total governmental fund expenditures and 12.5x governmental debt service in 2019. In our view, the county has strong access to external liquidity if necessary.

The county has demonstrated strong access to the capital markets with a long history of issuing GO debt. Its investments are mostly in government securities, money markets, and certificates of deposit. Also, it has no direct-purchase or variable-rate debt that we expect could pose a liquidity risk, and we expect the liquidity profile will remain very strong.

Very strong debt and contingent liability profile

In our view, Tuscola County's debt and contingent liability profile is very strong. Total governmental fund debt service is 6.2% of total governmental fund expenditures, and net direct debt is 58.7% of total governmental fund revenue. Net direct debt includes more than $12 million in debt supported by underlying municipalities, on which the county has not had to fund debt service payments. Overall net debt is low at 1.8% of market value, and approximately 69.7% of the direct debt is scheduled to be repaid within 10 years, which are in our view positive credit factors.

The county does not have any additional debt plans at this time.

Pension and other post-employment benefit liabilities

- Tuscola County's pension contributions totaled $410,000, or 1.4% of total governmental fund expenditures, in 2019. The county made 112% of its required pension contribution in 2019. The funded ratio of the largest pension plan is 94.1%.
- However, we view weaker pension actuarial assumptions, such as a high discount rate, as increasing the risk of cost volatility over the long-term.

The county offers three defined-benefit pension plans, each administered by the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiemployer, statewide public pension plan. As of Dec. 31, 2019, the county's largest offered plan:

- General County Employee (GE) Plan: 94% funded with a net pension liability of $2.2 million.
- Medical Care Community (MCC) Plan: net pension liability of $1.3 million.
- Health Department Plan: net pension liability of $1.9 million.

The county issued $7.1 million in GO pension obligation bonds in February 2016 to fund most of the GE plan's obligation. At the time of the financing, the unfunded liability had most recently been reported at $7 million. The plan was closed to new hires beginning Jan. 1, 2016. With the GE and Health Department plans closed, new hires are part of defined-contribution plans. In our view, the MERS plan carries aggressive assumptions, which defer costs and can lead to cost volatility; these include an elevated discount rate and level-percent-of-pay contributions combined with an open amortization schedule. With the current discount rate of 8.0%, we see some risk of cost escalation due to market volatility.

Strong institutional framework

The institutional framework score for Michigan counties with a population greater than 4,000 is strong.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of June 15, 2021)		
Indian Creek Intercounty Dr Drainage Dist dr bnds		
Long Term Rating	AA-/Stable	Affirmed

Ratings Detail (As Of June 15, 2021) (cont.)		
Tuscola Cnty pension oblig bnds (GO ltd tax) (taxable) ser 2015 dtd 03/01/2016 due 09/01/2034		
Long Term Rating	AA-/Stable	Affirmed
Pigeon River Intercounty Dr Drainage Dist, Michigan		
Huron Cnty, Michigan		
Pigeon River Intercounty Dr Drainage Dist, Michigan		
Sanilac Cnty, Michigan		
Tuscola Cnty, Michigan		
Pigeon River Intercounty Dr Drainage Dist ltd tax GO bnds (Pigeon River Intercounty Drain Bonds)		
Long Term Rating	AA-/Stable	Affirmed

F.

MAC
MICHIGAN ASSOCIATION OF COUNTIES

Tuscola County

This report provides an overview of the benefits of Tuscola County's membership with MAC. County entities are also eligible for all benefits in a MAC membership.

Tuscola County 2021-22 fees for service: $9,231.89

MAC Program Participation*

In return for these fees for service, Tuscola County and its entities utilize a variety of cost-saving services and programs:

- **Nationwide 457** program — State-of-the-art retirement planning with more than $1 billion of Michigan public funds under management
- **Michigan Counties Workers' Compensation Fund** — Nonprofit pool that offers members an average 35 percent dividend on their premium payments

The county is also eligible for any of the following programs, free of charge, through its MAC membership:

- **Abilita** program — Telecom consulting services, with average savings of 29%
- **American Fidelity** — Employer cost-savings solutions and supplemental insurance benefits
- **Blue Cross Blue Shield Administrative** program — Health insurance with one-stop customer service
- **COBRA Administration** program — Free administration and compliance with all COBRA regulations
- **CoPro+** program — Collaborative purchasing with bulk pricing and shareholder rewards
- **Grant Services** program — Since 2005, this program has helped counties gain almost $6 million in grant money
- **Lincoln Financial** program — 10 percent discount on current life and disability insurance rates as a MAC member

For information on any services coordinated through our Service Corp., please contact Peggy Cantu at cantu@micounties.org or 616-318-2216.

ARP Funds

In early 2021, the American Rescue Plan included direct payments to all 83 Michigan counties for COVID expenses and losses. Your county's total was:

- $10,147,979

Contact MAC at (800) 336-2018 for more information on program participation

Revenue Sharing

Each year, MAC works to educate lawmakers on the importance of appropriating full formula funding for county revenue sharing. Your county's amounts have been:

- Fiscal 2021 $1,147,448
- Fiscal 2020 $1,296,342*
- Fiscal 2019 $1,124,416

**Reflects revenue sharing and CARES Act funds designated as compensation for counties in August 2020.*

For information on MAC's governmental affairs initiatives, contact Deena Bosworth at bosworth@micounties.org or 517-372-5374.

MAC Boards, Committees

The following county officials participate:

- Thomas Bardwell, Finance Committee, Member

If you are interested in serving on a MAC committee, contact Hannah Sweeney at sweeney@micounties.org or 517-372-5374.

MACPAC Donors

Following county officials donated to MACPAC in 2020: None

To donate to MACPAC, visit www.micounties.org or contact Derek Melot at melot@micounties.org or 517-372-5374. A list of current-year donors can be seen in MAC's bimonthly eNewsletter, *Michigan Counties*.

*Additional Participation

The following related county entities utilize MAC services: None

Michigan Counties Workers' Compensation Fund

The following county entities received a premium dividend from this nonprofit, county-run fund in the most-recent plan year:

- Tuscola County/Tuscola County Health, $11,866

G.

Tuscola County

	Wind Reserves as of 12-31-2020		*Nextera Settlement in 2017*
General Fund	$	976,546	$ 667,774
Road Patrol	$	185,552	$ 115,485
Voted Road	$	243,990	$ 122,916
Recycling	$	28,821	$ 19,248
Mosquito	$	121,358	$ 81,044
MSU	$	19,215	$ -
Veterans	$	32,665	$ 16,172
Bridge	$	92,362	$ 61,682
Senior	$	58,259	$ 25,664
Med Care	$	48,036	$ 32,079
TOTAL	$	1,806,804	$ 1,142,064

Combined Total	**$**	**2,948,868**

CLARK HILL
Wind Tax Issues Invoices

5-18-21 Huron Co Invoice (April svc)			$4,357.41	
		PAID	ON-GOING TOTAL	
Akron Twp Billing	248.85		$69,961.49	
Blumfield Twp Billing	18.56		$6,369.42	
Bullard-Sanford Library	17.98		$1,402.70	
Caro Library	9.30		$731.51	
Columbia Twp	218.35		$45,605.99	
Fairgrove District Library	115.30		$25,826.80	
Fairgrove Twp	308.79		$47,471.90	
Gilford Twp	325.01		$74,660.21	
Juniata Twp	92.18		$7,190.39	
Reese District Library	27.77		$6,481.85	
Tuscola ISD	937.96		$208,626.42	
Wisner Twp	4.59		$1,183.46	
Bridge/Streets	117.55		$24,453.08	
Senior Citizens	78.25		$13,696.59	
Medical Care	61.14		$12,748.64	
Road Patrol	325.25		$58,428.24	
Roads/Streets	236.16		$49,245.42	
Mosquito	154.46		$32,205.11	
Recycling	36.68		$7,649.22	
Veterans	41.57		$6,849.11	
MSU	24.45		$3,490.06	
MCF Construction	0.00		$3,675.21	
Total Reimbursements			$707,952.82	
Reimbursement	3400.15			
County Cost			$957.26	
Total Invoice Costs Since 2012			$928,976.17	
Total Reimbursements		707952.82		
Total County Cost To-Date			$221,023.35	

H.

SENATE BILL 441

Providing for a Fair Method of Tax Assessment of Wind Energy Systems

Background

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.

Following enactment of major renewable energy laws in 2007, the STC has adopted multiplier tables (essentially depreciation tables) for wind energy systems that are available to local tax assessors in helping to determine true cash value of the property. 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 original STC multiplier table covering years 2008-2011started at 1.0 and then went down about 5% per year. The table was generally acceptable to everyone and was the basis for tax revenue estimates provided to local governments and the media by the utilities when the original large-scale wind park developments were up for approval.

In October of 2011 the STC abruptly modified the multiplier table. The new table escalated the depreciation multiplier and reduced tax revenues by 40% below that which had been represented by the companies at the time of local approval. This blind-sided the municipalities and has been labeled by many as a "bait and switch."

Wind Energy System owners (including both major utilities) have chosen to appeal their tax assessments seeking a valuation substantially less than promised when they were built, less than the value reported to the Michigan Public Service Commission ("MPSC") (which approved the projects) and less than the original 2008 STC multiplier table. Over 1,109 tax appeals have been filed from 2012 to 2021, flooding the Michigan Tax Tribunal ("MTT").

SB 441 would legislatively establish the original STC multiplier table as the mandated table for assessors to use in assessing wind energy systems and set those amounts as the true cash value for assessment purposes.

Bill Summary

SB 441 would legislatively establish the original STC multiplier table as the mandated table for assessors to use in assessing wind energy systems and set those amounts as the true cash value for assessment purposes.

SENATE BILL 441

SB 441 equitably resolves how to assess wind energy systems (turbines) by providing for a statutory method to establish true cash value for property tax assessment purposes that resets the tax valuation multipliers to the same level that existed at the inception of large-scale wind energy projects in Michigan.

Why SB 441?

Ends litigation: eliminates expenditure of millions of dollars to defend utility and developer lawsuits allowing those funds to be used for police, fire, senior citizens and other critical needs. Utilities seemingly have unlimited funds to challenge assessments putting local governments at an impossible disadvantage. Every year there are hundreds of new tax appeals, with no end in sight.

Public policy fix: provides a public policy solution to a 10-year controversy that will never be resolved in court.

Certainty for utilities/developers: provides tax uniformity and predictability for private and utility wind developers, which developers have identified as the most important tax issue for them in Michigan.

Certainty for local governments: provides certainty for local government budgeting and eliminates the uncertainty of judicial outcomes. Some municipalities are forced to escrow 30% or more in tax revenues yearly to reserve for litigation; other municipalities have not been able to escrow such funds, leaving them at risk for revenue shortfalls on a large scale. Budgeting in this environment is an extreme challenge.

No more broken promises: reestablishes tax revenues to levels based on mutually understood assumptions at the time of wind park approval. Local governments approved massive wind parks that significantly changed the local landscape in return for a promised steady and predictable tax base. The abrupt change in the multiplier table, occurring after local approval and with no apparent empirical underpinning, rescinded those promises and left local governments with a significant potential liability and loss of revenue from utilities and developers seeking millions of dollars in tax refunds.

Promotion of renewable energy: restores trust and promotes goodwill in those communities where revenues have not met expectations. Community support is necessary to meet renewable portfolio standards and goals in current law and utility integrated resource plans. Litigation costs and revenue loss feeds community resentment that is a major impediment to renewable energy growth in Michigan.

Fairness: fixes inequities of a system that is a gravy train for utilities. The utilities, as approved by the MPSC, make a full corporate rate of return in their rate base based upon the full purchase price of the wind park, yet demand to pay property taxes on only a small portion of that amount.

Reconciling values: addresses the underlying hypocrisy in the way utilities approach governmental agencies and officials on wind park valuation. Recent utility appraisals of wind parks, astoundingly, claim that wind park values have declined by as much as 80% in three years. Despite this, no utility has reported such a significant impairment in asset value to federal or state regulators.

I.

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DB: Tuscola County

REVENUE AND EXPENDITURE REPORT FOR TUSCOLA COUNTY

PERIOD ENDING 06/30/2021

GL NUMBER	DESCRIPTION	END BALANCE 12/31/2020 NORM (ABNORM)	2021 ORIGINAL BUDGET	2021 AMENDED BUDGET	ACTIVITY FOR MONTH 06/30/21 INCR (DECR)	YTD BALANCE 06/30/2021 NORM (ABNORM)	% BDGT USED
Fund 626 - COMBINED REVOLVING TAX FUND							
Revenues							
Dept 100 - CONTROL							
626-100-445.000	PENALITIES & INTEREST ON TAXES	529,240.47	0.00	0.00	5,014.93	286,283.45	100.00
626-100-448.000	COLLECTION FEES	209,956.92	0.00	0.00	4,587.70	123,140.12	100.00
626-100-449.000	EXPENSE OF SALE	(15.00)	0.00	0.00	0.00	0.00	0.00
626-100-665.000	INTEREST EARNED	40,530.10	0.00	0.00	0.00	10,765.95	100.00
Total Dept 100 - CONTROL		779,712.49	0.00	0.00	9,602.63	420,189.52	100.00
TOTAL REVENUES		779,712.49	0.00	0.00	9,602.63	420,189.52	100.00
Expenditures							
Dept 100 - CONTROL							
626-100-955.000	MISCELLANEOUS EXPENSE	1,255.25	0.00	0.00	0.00	63.98	100.00
626-100-999.253	OPERATING TRANSFER OUT-ADM. FD	778,489.47	0.00	0.00	0.00	0.00	0.00
Total Dept 100 - CONTROL		779,744.72	0.00	0.00	0.00	63.98	100.00
TOTAL EXPENDITURES		779,744.72	0.00	0.00	0.00	63.98	100.00
Fund 626 - COMBINED REVOLVING TAX FUND:							
TOTAL REVENUES		779,712.49	0.00	0.00	9,602.63	420,189.52	100.00
TOTAL EXPENDITURES		779,744.72	0.00	0.00	0.00	63.98	100.00
NET OF REVENUES & EXPENDITURES		(32.23)	0.00	0.00	9,602.63	420,125.54	100.00
BEG. FUND BALANCE		5,725,110.94	5,725,110.94	5,725,110.94		5,725,110.94	
NET OF REVENUES/EXPENDITURES - 2020						(32.23)	
END FUND BALANCE		5,725,078.71	5,725,110.94	5,725,110.94		6,145,204.25	
TOTAL REVENUES - ALL FUNDS		1,537,251.95	657,128.00	657,128.00	10,474.13	543,995.28	82.78
TOTAL EXPENDITURES - ALL FUNDS		1,103,426.39	501,138.00	734,067.00	7,045.51	107,046.38	14.58
NET OF REVENUES & EXPENDITURES		433,825.56	155,990.00	(76,939.00)	3,428.62	436,948.90	567.92
BEG. FUND BALANCE - ALL FUNDS		7,058,510.64	7,058,510.64	7,058,510.64		7,058,510.64	
END FUND BALANCE - ALL FUNDS		7,492,336.20	7,214,500.64	6,981,571.64		7,929,285.10	

I.

Fund 626 COMBINED REVOLVING TAX FUND

GL Number	Description	PERIOD ENDED 05/31/2020	PERIOD ENDED 05/31/2021
*** Assets ***			
Unclassified			
626-000-001.000	CASH - CHECKING	0.00	(3,293,332.56)
626-000-001.100	CASH - CHECKING/MM	0.00	0.00
626-000-002.000	CASH - SAVINGS	413,665.15	4,509,058.30
626-000-003.000	CERTIFICATE OF DEPOSIT	1,342,014.23	1,269,843.83
626-000-017.000	BOND INVESTMENT	0.00	0.00
626-000-026.000	TAXES RECEIVABLE - DELINQUENT 2000	0.00	0.00
626-000-026.001	TAXES RECEIVABLE - DELINQUENT 2001	0.00	0.00
626-000-026.002	TAXES RECEIVABLE - DELINQUENT 2002	0.00	0.00
626-000-026.003	TAXES RECEIVABLE - DELINQUENT 2003	0.00	0.00
626-000-026.004	TAXES RECEIVABLE - DELINQUENT 2004	0.00	0.00
626-000-026.005	TAXES RECEIVABLE - DELINQUENT 2005	0.00	0.00
626-000-026.006	TAXES RECEIVABLE - DELINQUENT 2006	0.00	0.00
626-000-026.007	TAXES RECEIVABLE - DELINQUENT 2007	0.00	0.00
626-000-026.008	TAXES RECEIVABLE - DELINQUENT 2008	0.00	0.00
626-000-026.009	TAXES RECEIVABLE - DELINQUENT 2009	0.00	0.00
626-000-026.010	TAXES RECEIVABLE - DELINQUENT 2010	0.00	0.00
626-000-026.011	TAXES RECEIVABLE - DELINQUENT 2011	0.00	0.00
626-000-026.012	TAXES RECEIVABLE - DELINQUENT 2012	0.00	0.00
626-000-026.013	TAXES RECEIVABLE - DELINQUENT 2013	170.72	170.72
626-000-026.014	TAXES RECEIVABLE - DELINQUENT 2014	0.00	0.00
626-000-026.015	TAXES RECEIVABLE - DELINQUENT 2015	3,944.90	3,490.73
626-000-026.016	TAXES RECEIVABLE - DELINQUENT 2016	13,565.40	4,139.80
626-000-026.017	TAXES RECEIVABLE-DELINQUENT 2017	108,412.00	12,890.14
626-000-026.018	TAXES RECEIVABLE - DELINQUENT 2018	707,661.08	34,971.99
626-000-026.019	TAXES RECEIVABLE DEL 2019	3,419,121.78	479,952.08
626-000-026.020	TAXES RECEIVABLE - DEL 2020	0.00	2,970,045.32
626-000-026.082	TAXES RECEIVABLE - DELINQUENT 1982	0.00	0.00
626-000-026.083	TAXES RECEIVABLE - DELINQUENT 1983	0.00	0.00
626-000-026.084	TAXES RECEIVABLE - DELINQUENT 1984	0.00	0.00
626-000-026.085	TAXES RECEIVABLE - DELINQUENT 1985	0.00	0.00
626-000-026.086	TAXES RECEIVABLE - DELINQUENT 1986	0.00	0.00
626-000-026.087	TAXES RECEIVABLE - DELINQUENT 1987	0.00	0.00
626-000-026.088	TAXES RECEIVABLE - DELINQUENT 1988	0.00	0.00
626-000-026.089	TAXES RECEIVABLE - DELINQUENT 1989	0.00	0.00
626-000-026.090	TAXES RECEIVABLE - DELINQUENT 1990	0.00	0.00
626-000-026.091	TAXES RECEIVABLE - DELINQUENT 1991	0.00	0.00
626-000-026.092	TAXES RECEIVABLE - DELINQUENT 1992	0.00	0.00
626-000-026.093	TAXES RECEIVABLE - DELINQUENT 1993	0.00	0.00
626-000-026.094	TAXES RECEIVABLE - DELINQUENT 1994	0.00	0.00
626-000-026.095	TAXES RECEIVABLE - DELINQUENT 1995	0.00	0.00
626-000-026.096	TAXES RECEIVABLE - DELINQUENT 1996	0.00	0.00
626-000-026.097	TAXES RECEIVABLE - DELINQUENT 1997	0.00	0.00
626-000-026.098	TAXES RECEIVABLE - DELINQUENT 1998	0.00	0.00
626-000-026.099	TAXES RECEIVABLE - DELINQUENT 1999	0.00	0.00
626-000-040.000	ACCOUNTS RECEIVABLE	0.00	0.00
626-000-056.000	INTEREST RECEIVABLE	0.00	0.00
626-000-081.000	DUE FROM OTHER GOV UNITS	56,692.84	179,707.37
626-000-084.000	DUE FROM OTHER FUNDS	0.00	0.00
626-000-084.101	DUE FROM GENERAL FUND	0.00	0.00
626-000-198.000	LONG TERM ADVANCES	0.00	0.00
626-000-198.218	ADVANCE FOR DISPATCH	0.00	0.00
626-000-198.221	LONG TERM ADVANCE - HEALTH DEPT	0.00	0.00
626-000-198.230	LONG TERM ADVANCE - RECYCLE	0.00	0.00
626-000-198.240	LONG TERM ADVANCES-MOSQUITO	0.00	0.00
626-000-198.253	LONG TERM ADVANCES-REVOLVING TAX	0.00	0.00
Unclassified		6,065,248.10	6,170,937.72
Total Assets		**6,065,248.10**	**6,170,937.72**
*** Liabilities ***			
Unclassified			
626-000-202.000	ACCOUNTS PAYABLE	958.63	95,056.61
626-000-203.000	ACCOUNTS PAYABLE TREASURER	0.00	0.00
626-000-214.000	DUE TO OTHER FUNDS	0.00	0.00
626-000-700.111	RECONCILING DELINQUENT TAXES	(59,720.51)	(59,720.51)

Fund 626 COMBINED REVOLVING TAX FUND

GL Number	Description	PERIOD ENDED 05/31/2020	PERIOD ENDED 05/31/2021
*** Liabilities ***			
Unclassified		(58,761.88)	35,336.10
Total Liabilities		**(58,761.88)**	**35,336.10**
*** Fund Balance ***			
Unclassified			
626-000-390.000	FUND BALANCE ACCOUNT	5,725,110.94	5,725,110.94
Unclassified		5,725,110.94	5,725,110.94
Total Fund Balance		**5,725,110.94**	**5,725,110.94**
Beginning Fund Balance		**5,725,110.94**	**5,725,110.94**
Net of Revenues VS Expenditures - 2020			**(32.23)**
***2020 End FB/2021 Beg FB**		**5,725,078.71**	
Net of Revenues VS Expenditures - Current Year		**398,899.04**	**410,522.91**
Ending Fund Balance		**6,124,009.98**	**6,135,601.62**
Total Liabilities And Fund Balance		**6,065,248.10**	**6,170,937.72**

* Year Not Closed

DELINQUENT TAX REVOLVING FUND POLICY
Adopted 8/12/03

1. PURPOSE

The purpose of this policy is:

1.1 To adopt a written policy concerning the appropriate use of Delinquent Tax Fund earnings because of the importance of this source of revenue to the fiscal stability of the County.

1.2 To establish a policy for managing the use of delinquent tax earnings that prevents from appropriating and expending more from the Delinquent Tax Fund in a given year than is earned in order to prevent from creating a greater dependency on delinquent taxes for operational and capital costs than can be sustained over the long term.

1.3 To establish a balanced policy for using delinquent tax funds for County operating costs, for maintaining adequate principal in the fund to generate sufficient annual interest earnings, for maintaining adequate principal to continue self-funding the delinquent tax process for meeting the County equipment and capital improvement needs.

1.4 To establish the highest priority use of Delinquent Tax Fund earnings to meet the annual County operating costs and to assure a balanced budget.

1.5 To continue to provide a vital service to schools and local units of government by paying the full amount up front of the portion of each local tax levy that is delinquent. This process provides tremendous cash flow benefits to local units of government and schools, but requires the County to maintain a cash balance on hand in the delinquent tax fund sufficient to continue the process.

1.6 Per the recommendation of the County Bond Counsel to maintain adequate reserves in the delinquent tax fund to preserve the County Bond Rating and to serve as collateral if the County decides to issue delinquent tax notes in the future. Without sufficient retained delinquent earnings, the County Bond rating may drop which would increase costs anytime the county borrows funds.

2. POLICY

2.1 Maintain a minimum principal balance (retained earnings) of $5,600,000 in order to generate sufficient interest revenue for operational, facility, capital, self-funding delinquent tax payments to local taxing units and other County service-based needs.

2.2 The maximum amount of delinquent tax revenue that may be appropriated and budgeted by the Board each year shall not exceed the net income before transfers.

2.3 At the end of each fiscal year, the actual amount of delinquent tax revenue required to balance the General Fund and to maintain a desired General Fund balance will be determined. If the amount determined necessary, based on the preceding sentence, is less than the net income identified from the audit as stated in 6.2 above, then by action of the Board, all or part of the difference may be used for facility, capital, equipment or other needs of the County.

2.4 The County Board may also choose to not use net income in a given year to increase principal balance or designate appropriate portions of delinquent tax funds against County liabilities.

2.5 The County Treasurer is authorized to implement a requirement that beginning 2 weeks before the tax sale, payment be made by certified checks or bank drafts.

2.6 All Delinquent Tax Funds will be reconciled on an annual basis by the County Treasurer.

J.

Voted Millage Indirect Cost Charges by Department for 2021 Budget

Indirect Cost Departments	Road Patrol	Recycling	Mosquito	MSU	Veterans	Veterans Space	Senior Citizens	Medical Care Facility
Building Depreciation	$ -	$ -	$ -	$ 3,855	$ -	$ 1,009	$ -	$ -
Equiment Depreciation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
101-104 Postage	$ 212	$ 10	$ -	$ -	$ -	$ -	$ -	$ -
101-202 Professionsl Svcs	$ 1,334	$ 988	$ 812	$ 82	$ 149	$ -	$ 212	$ 82
101-211 Legal Services	$ 19,547	$ 3,953	$ 9,124	$ 1,140	$ 2,162	$ -	$ 4,014	$ 5,813
101-215 Clerk	$ 875	$ 349	$ 609	$ 11	$ 45	$ -	$ 49	$ 15
101-223 Controller	$ 60,080	$ 19,737	$ 41,193	$ 1,025	$ 2,093	$ -	$ 2,241	$ 860
101-253 Treasurer	$ 9,276	$ 8,896	$ 5,986	$ 937	$ 1,380	$ -	$ 1,881	$ 1,016
101-259 Computer Ops	$ 25,308	$ 4,328	$ 18,281	$ -	$ -	$ -	$ -	$ -
101-265 Building &Grnds	$ 6,032	$ 26,225	$ 10,338	$ 19,182	$ -	$ 2,283	$ -	$ -
101-266 Human Svcs Bldg Maint	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
101-303 Security	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
101-865 Insurance	$ 135	$ 943	$ 1,951	$ 666	$ 162	$ -	$ 300	$ 434
101-863 Sick & Vaca Fringes	$ (6,386)	$ 1,539	$ 5,185	$ -	$ -	$ -	$ -	$ -
	$ 116,413	$ 66,968	$ 93,479	$ 26,898	$ 5,991	$ 3,292	$ 8,697	$ 8,220
Adjust for Direct	$ (25,308)			$ (25,758)				$ (6,247)
FINAL CHARGED	**$ 91,105**	**$ 66,968**	**$ 93,479**	**$ 1,140**	**$ 5,991**	**$ 3,292**	**$ 8,697**	**$ 1,973**

4

2021 Percent of Indirect Cost on Special Millages Tax Revenue

DESCRIPTION	12-31-20 Available Fund Balance	12-31-20 Wind Reserves	TOTAL Fund Balance	2021 TOTAL MILLAGE	2021 INDIRECT COST	2021 % OF TAX REVENUE	2021 General Fund Revenue if Capped at 5%	
Revenues								
VOTED ROAD PATROL	1,089,941.00	243,990.00	1,333,931.00	2,642,572.00	91,105.00	3.45%	91,105.00	3.45%
VOTED PRIMARY ROAD	44,328.18	185,552.00	229,880.18	1,918,746.00	0.00	0.00%	0.00	0
VOTED RECYCLING	33,184.45	28,821.00	62,005.45	298,034.00	66,968.00	22.47%	14,901.70	5%
VOTED MOSQUITO	375,164.47	121,358.00	496,522.47	1,254,953.00	93,478.00	7.45%	62,747.65	5%
VOTED MSU	(19,199.66)	19,215.00	15.34	198,689.00	1,140.00	0.57%	1,140.00	0.57%
VOTED VETERANS	34,323.27	32,665.00	66,988.27	337,773.00	9,283.00	2.75%	9,283.00	2.75%
VOTED BRIDGE	1,448,827.93	92,363.00	1,541,190.93	995,100.00	0.00	0.00%	0.00	0
VOTED SENIOR CITIZENS	94,374.59	58,259.00	152,633.59	635,807.00	8,697.00	1.37%	8,697.00	1.37%
VOTED MEDICAL CARE FACILITY	941,489.66	48,036.00	989,525.66	494,124.00	1,973.00	0.40%	1,973.00	0.40%
	4,042,433.89	830,259.00	4,872,692.89	**8,775,798.00**	**272,644.00**	**3.11%**	189,847.35	
							(82,796.65)	

2020 to 2021
Indirect Cost Comparisons

Incoming General Fund Revenue from Indirect Costs

GL NUMBER	DESCRIPTION	2020 Actual Indirect Costs	2021 Budget Indirect Costs	2020-2021 Changes	2021 Fund Budget	10% De Minimus (1)	Difference from CAP Plan to 10% De Minimus
Revenues							
Dept 000 - CONTROL							
101-000-699.207	INDIRECT COSTS - ROAD PATROL	68,368.00	91,105.00	22,737.00	2,731,668.00	273,166.80	182,061.80
101-000-699.230	INDIRECT COSTS-RECYCLING	42,573.00	66,968.00	24,395.00	385,785.00	38,578.50	(28,389.50)
101-000-699.240	INDIRECT COST - MOSQUITO	84,295.00	93,478.00	9,183.00	1,254,558.00	125,455.80	31,977.80
101-000-699.279	INDIRECT COST VOTED MSU	1,408.00	1,140.00	(268.00)	180,032.00	18,003.20	16,863.20
101-000-699.295	INDIRECT COST VOTED VET	8,482.00	9,283.00	801.00	376,498.00	37,649.80	28,366.80
101-000-699.297	INDIRECT COST - SENIOR CITIZENS FND	7,197.00	8,697.00	1,500.00	582,479.00	58,247.90	49,550.90
101-000-699.298	INDIRECT COST - MEDICAL CARE FAC	1,452.00	1,973.00	521.00	251,483.00	25,148.30	23,175.30
TOTAL REVENUES		213,775.00	**272,644.00**	58,869.00	5,762,503.00	**576,250.30**	303,606.30

(1) De Minimus Calculations are at 100% of Expneses. Actual rules will exclude certain expenses. Those rules are not identified at this time.

Tuscola County

Clayette Zechmeister <zclay@tuscolacounty.org>

Indirect Cost Information Special Voted

Clayette Zechmeister <zclay@tuscolacounty.org> Wed, Jun 16, 2021 at 12:19 PM
To: Tom Young <tyoung@tuscolacounty.org>, Doug DuRussel <ddurussel@tuscolacounty.org>

Good Afternoon Tom and Doug,
I updated the table with percent of millage Tax Funds to reflect if we capped at the 5% what it would cost the General Fund in actual dollars.
To measure this in multiple years moving forward is not possible as the identified costs have not been established yet.
I used 2021 as an example and the General Fund loss of revenue is $82,796.65 if we add in any other potential losses to the General Fund such as the wind revenue depreciation decreases this could be a substantial hit to the General Fund.
Let me know your thoughts and if you want me to look at other measurements.
Thank you
[Quoted text hidden]

Indirect cost 2021 with 5% cap.pdf
67K