

To: Tuscola County Board of Commissioners
Chairperson, Gerald Peterson
From: Controller/Administrator
Michael R. Hoagland
Date: July 16, 2003
Re: County Activity Report

The following report is intended to provide a brief status of various projects and work activities in the county. The report is divided into three sections: projects that are underway, completed projects, and projects to be initiated. The report will be updated at different points during the year to provide commissioners, employees, and the general public an on-going status report of various activities and projects of County Government.

UNDERWAY

Millage Planning

The Board of Commissioners and Tax Allocation Board have prepared and approved ballot language asking for public funding approval to resolve county financial problems. The public vote will occur on October 28, 2003. An increase of approximately 1.6 mills in the allocated millage is being requested.

County government is struggling to retain vital services. Three millage-funding requests were made in 2002; all of these requests failed. For 2003, the County Board of Commissioners has been forced to adjust to financial problems by reducing or eliminating services in order to maintain a balanced budget. Unfortunately, even more services are in serious jeopardy of being reduced/eliminated. These services are critical to the quality of life we enjoy in Tuscola County.

State Financial Changes Effecting County Government

The state has reduced State Revenue Sharing payments to the county by over \$90,000. The method of payment by the state to the county for diverted felons has been changed resulting in a substantial reduction in this revenue source. A potential requirement that the caseload per casework for children cannot exceed 20 to 1 would likely result in increased cost to the county. There is discussion of changing the method used by the state to pay taxes for state land to \$2 per acre from the current method based on taxable value. In the first year alone, this could cost the county over \$45,000. The loss would be even greater in future years.

Construction of County Pole Building

Because of their own space needs, Indianfields Township discontinued the use of space at one of their garages by a Camp Tuscola Work Crew that assists the county with drain cleanout work. The availability of this crew has resulted in significant cost savings to County taxpayers. Alternative methods of providing work crew and equipment storage were reviewed. The chosen alternative was to build a county pole building on county property along Luder Road to be used by the work crew. Estimated costs for this building are \$40,000. Current budgeted funds were reprioritized. The original 2003 County Budget included \$50,000 for Courthouse lobby repairs. These funds were reduced to \$10,000 in order to provide the \$40,000 budget for the pole building. It is anticipated that the pole building will be completed in August of 2003.

Animal Control

In order to balance the 2003 County Budget, the Animal Control Operation was closed. Since then, the

County has signed agreements with Sanilac and Bay Counties to provide assistance with Animal Control in Tuscola County. The Sanilac County agreement provides services related to bite cases, cruelty cases, and kennel licenses. The Bay County agreement is more limited, essentially providing kennel space on an as-needed basis. The Sheriff Department and other local police agencies are also responding to animal bite cases and animal cruelty cases. A new Animal Control Ordinance has been written to account for the fact that the county no longer has an Animal Control Operation.

The County is no longer able to respond to stray dog situations and general animal complaints. A draft lease is under review that would allow the Tuscola County Humane Society to rent the County Animal Shelter. Details of this arrangement may be completed within the next few weeks.

Storage Space

Staff is working with individual departments in discarding unnecessary files to create additional file space in the Storage Building. Although this may not be an adequate long-term solution, it is providing a short-term partial solution. Assistance from the various departments has been helpful in the success of this effort. Continued success is dependent upon annual program management. Files need to be reviewed and unnecessary records discarded on an annual basis.

Recycling Operation

The Recycling Committee and staff are accomplishing recycling improvements enabled by the public millage approval. A new paper shredder has been purchased and is in full use. The oil-recycling program is anticipated to be initiated soon. A part-time recycling educator has been hired to work on explaining the importance and value of recycling to students and others in the community. Expansion of the used-tire recycling program is underway. Also, the household hazardous waste program will be continued. In mid-year 2003, an electronics hazardous waste program will be initiated.

County Policy

The County Board is working on a comprehensive re-write to the overall County Policies. Policies are being reorganized and simplified. After drafts of certain policies are completed, they are being submitted to departments for review and comment. The Committee is requesting that all questions and comments are submitted in writing. Eventually, all employees will receive a copy of the policies for reference.

Government Accounting Standards Board-Rule 34

Tuscola County, as with most other units of government in the nation, must comply by the end of 2003 with new accounting standards called GASB-34. These are new accounting standards that require significant changes in the organization and format of information presented in the County Comprehensive Annual Financial Report. Significant time by staff and the auditors will be required to gain compliance, but non-compliance is not an option.

Labor Negotiations

All county labor contracts will expire at the end of 2003. The County Board of Commissioners will begin negotiations this summer. One of the primary bargaining issues will be containing escalating health insurance costs.

Vanderbilt Park

Because of financial constraints, Vanderbilt County Park has been closed. The county will investigate a potential state take-over of this park. If it is not used as a park, it reverts to the Vanderbilt family.

County Comprehensive Annual Financial Report

The 2002 County Comprehensive Annual Financial Report has been completed. This is an in-depth financial report that provides a comprehensive assessment of county financial status at year-end 2002

following Generally Accepted Accounting Principles. The report is an accurate and in-depth presentation of county financial position as evidenced by the award of a Certificate of Achievement in Financial Reporting from the Government Finance Officers Association of the United States and Canada. All county funds were in a positive fund balance position at year-end 2002.

Emergency Services Plan Update

The Emergency Services Director is pursuing a grant that will enable an update to the County Emergency Services Plan. This is an important document that sets the structure and policy as to procedures to be followed in the case of emergency events such as homeland security, truck spills, natural disasters, etc. The new updated plan will have a checklist format to improve usage and understanding.

Courthouse Lobby Repairs

Thomas Painting was awarded the bid to perform repairs to the plaster and paint in the lower and upper floors of the Courthouse. This work will preserve and protect the deteriorating surfaces in these important public entrance areas of the Courthouse. Various work in this area will be completed over several years.

County Ordinances

Tuscola County currently has four ordinances: animal control, hazardous material cost recovery, noise and water well. The animal control ordinance was recently rewritten to account for the elimination of the animal control operation in the county and to remain up-to-date with respect to state laws. A well ordinance was added at the recommendation of the health department to strengthen the ability to enforce appropriate water well sampling.

Health Insurance Portability Accountability Act

Staff has worked with the county labor attorney and developed a draft policy to gain compliance with the requirements of this act. This act requires privacy and protection of all personal health information. Procedures and training will have to be developed to assure the required protection. More information will be gathered at a meeting in July with experts from the Michigan Association of Counties organization. The county has to be compliant by April of 2004. The county is on schedule to gain compliance by this date.

Remonumentation

An update was recently provided to Commissioners and staff regarding the remonumentation program. This is an important program related determining property locations and other land location matters. Up-to-date technology is being put in place that will improve the accuracy of land surveys. Also, this program will lower costs for conducting surveys and other land transaction recordings. Fees paid as part of land transaction work in the Register of Deeds office provide the funding to enable the important updates accomplished through this program.

Collection of Delinquent Court Fines and Costs

Progress is gradually being made in the collection of delinquent court fines and costs. Certain computer changes have been made that should enable better internal communications and tracking of delinquent cases.

I.S. Director

Staff is in the process of reviewing candidates for a new Information System Director. This is a key county position charged with overseeing the efficient operation of the multi-million dollar countywide computer system. It is anticipated that this position will be filled in the near future.

Automated Fingerprinting Capabilities

A “state of the art” computerized fingerprinting machine has been purchased for the sheriff department. The cost for this equipment was approximately \$32,000 with 75% paid with state grant funds and 25% paid with county funds. The law enforcement officials are pleased with this method of fingerprinting because it quickly authenticates identity and provides excellent storage and retrieval of information when necessary.

Soil Erosion Bonds

If certain construction projects are discontinued the county could be held responsible to pay to correct soil erosion problems that may have occurred as a result of the project. In order to protect the county from this liability a policy and procedure is in the process of being developed that will require the party doing the construction to provide a bond that would assure the funds to the county to correct any soil erosion problems if the project is abandoned.

COMPLETED**Reduction in Resident Telephone Surcharge Costs**

The surcharge on residents telephone bill was reduced. These funds are used to pay for the costs of the County 911/Dispatch operation. The decision to reduce these costs was made after a review that determined more funds were being received than were required at this time. Taxpayer savings is estimated at \$3 per phone line per year.

National Prescription Health Insurance Plan

The Board of Commissioners entered into an agreement that will enable a prescription discount for residents of Tuscola County who are at least 18 years of age and are required to pay for prescriptions with cash. The average prescription medication savings per person from this program is approximately 20%. In Macomb County Michigan, which has been in the program the longest, the average annual dollar savings was \$270 per person. Press coverage and meetings with human service departments have been held to help explain the availability and benefits of the program. For more information you may contact Julie Dillon or Renee Ondrajka in the Controller/Administrator’s Office.

Medical Examiner System

Dr. Smallwood resigned and Dr. Larry Cole replaced him as the Chief Medical Examiner of Tuscola County. A new independent contractor agreement with Dr. Cole was prepared and approved. Dr. Smallwood will continue to serve as the Deputy Medical Examiner. He will also continue his other roles in the county including Medical Director at the Health Department and Administrator of the County Jail Health Program.

Unified Court Budget

The Budgeting/Accounting structure of the Court was changed from multiple court budgets to one primary court budget. The Friend of the Court and Child Care Fund budgets will remain as separate special revenue funds. The State has approved a law that provides the legal structure enabling Judges to work in different areas according to need that will be extremely beneficial using the unified court system.

County Master Plan

Development of the County Master plan has been completed. Copies are being distributed to all local units of government. Copies can be purchased at the Michigan State University Extension Service Office.

Tax/Parcel Information On-Line

The county has implemented a database of tax and parcel information that can be accessed through the Internet. This Internet access is convenient and useful to many public and private entities. This information has been available since the end of March. The annual subscription cost is \$160 per year.

Register of Deeds Fee Changes

Recent legislation has provided for an increase in fees collected in the Register of Deeds Office. These fees will be used to establish a technology fund to maintain and expand technological capability in the Register of Deeds Office. The Board of Commissioners appropriates the use of these funds. The fee increase will also provide more funds for the surveying remonumentation program. This will enable the completion of this program in a shorter period of time.

Dispatch Computer System

On February 3, 2003 Tuscola County Central Dispatch obtained a new Computer Aided Dispatch System installed by LogiSYS, Inc. The system is fully operational. It will decrease the time it takes Central Dispatch operators to dispatch fire and ambulance departments via the system's capability of automatic paging. In the near future, the system will be capable of providing detailed location information and the telephone number for wireless callers. The system has detailed record-keeping capabilities to assist police, fire, ambulance and other users. The system cost was approximately \$200,000.

Building Codes

In 2002, the county entered into a contract with South Central Michigan Construction Code Inc. (SCMCCI) to perform construction code services in Tuscola County. Building code work conducted by this organization is well received by contractors and the public. There is still some work required to complete the transition from the previous county operation to SCMCCI. The County continues to monitor the change from a county-based building code operation to contracting with SCMCCI.

County Insurance Renewal

The County maintains property, general liability, vehicle, and other insurance coverage with the Michigan Municipal Liability and Property Pool. The renewal cost increase for the 2003/2004 period is approximately 10.5%. In 2002, the county increased deductibles to lower premium costs. Each year budget provisions have to be made to cover potential higher deductible costs.

Millington Township Police Services Contract

The County and Sheriff have entered into a three-year contract with Millington Township to provide police services. This is the third township that has decided to contract with the sheriff department for police services.

Lease Agreement Regarding the Cox House

Repairs to the house along Sherman Street behind the Jail have been completed. Roof, porch, and hot water heater repairs were made. The county was obligated to make these repairs as part of the lease arrangement. The individual in the home is entitled to reside there until their death at which time the county takes ownership.

Medical Care Facility Remodeling and Addition of Alzheimer's Beds

Voters approved one mil to make major improvements to the current Medical Care Facility, build 20 beds for Alzheimer's patients and provide for the construction of assisted living units. Bids were received for the issuance of \$12,800,000 in bonds. The bid was awarded to A.G. Edwards for an average annual interest rate of 3.97%. Bond repayment will occur over a 15-year period. Construction will begin by mid-year 2003. It is anticipated that construction will take up to two years to complete.

Law Enforcement Information Network Cost Savings

Tuscola County has completed the installation of a single dedicated connection to the State of Michigan Network. This dedicated connection reduced the cost of access to the LEIN (Law Enforcement Information Network) by over \$20,000 annually. The long-term goal of the county is to bring other law enforcement units into the state network, which will reduce costs even further. One advantage of this connection is that it eliminated the need for other costly LEIN connections. Another advantage is that information will travel to Lansing in a fraction of the time compared to previous technology.

Drain Assessing/Financing Changes

The county is working to stabilize drain-at-large costs. In late 2002, the Board of Commissioners passed a resolution changing the method of assessing drains to degree of benefit rather than a straight 25%. Also, the Road Commission will be required to pay one-half of future drain-at-large costs based on benefit to roads using 14A calculations. On new-petitioned drainage projects, the Drain Commissioner will work with the Road Commission in determining benefit to roads and Road Commission/County costs.

Fraternal Order of Police Union Contract

This contract has remained unsettled for over two years. An Arbitrator ruled regarding settlement of the Fraternal Order of Police Union Contract in late April. This contract will expire at the end of 2003. Negotiations will begin on a new contract.

County Equalization Report

At the April 22, 2003 meeting of the Board of Commissioners, the 2003 County Equalization Report was reviewed and approved. This report identified the state equalized value of property in the County. The taxable value grew by 3.76%. This increase is less than in recent years and will result in less of an increase in property tax revenue than in recent years. The value of agricultural land actually declined. The residential classification accounts for the largest percentage of taxable value at 59% of total followed by agricultural at 26%. The remaining 15% is accounted for by commercial, personal, industrial, developmental and timber-cutover classifications.

TO BE INITIATED

1. Obtain an update from the Court and Clerk regarding status of increasing collection of delinquent court fines/costs and parent responsibility for childcare costs.
2. Reconciliation of Delinquent Tax Funds in the Treasurer's Office.
3. Complete an update to the county non-union personnel policies.
4. Review what should be done next with the Jail space needs study.
5. Preparation of the 2003 Apportionment Report.
6. Review and comment regarding the Michigan Association of Counties Platform.
7. Preparation of the 2004 County Budget.
8. Evaluate alternative methods of entering warrants into the LEIN system.

9. Potential formation of a Community Corrections Committee.