

TUSCOLA COUNTY BOARD OF COMMISSIONERS – July 2008 Activity Report

- The Tuesday, August 5, 2008 primary election will determine the fate of funding for four county millage renewals: primary roads, bridges, medical care facility and recycling – all of these millages have been previously renewed and provide revenue needed to operate these public services
- As a method of balancing the state budget, state officials suspended approximately \$200 million in state revenue sharing payments to all 83 counties in 2004 – counties were allowed to collect general operating property tax under a new payment timeline which enabled the creation of a fund to replace the temporary suspension of state revenue payments – the revenue sharing reserve fund lasts different periods of time for each county – because Tuscola County has a low operating millage and low tax base, it is the first county to exhaust the reserve fund in 2008 when a partial state payment is required

Although the state has agreed to re-establish payments, the amount to be paid in the first year is in question – Tuscola County maintains that the partial payment amount the state owes the county in 2008 is approximately \$85,000, whereas the state maintains that approximately \$19,000 is due – the difference has to do with Downtown Development Authorities/Tax Increment Finance Authorities (DDA/TIFA) – both Tuscola County and the Michigan Association of Counties agree that state revenue sharing payments to counties should not be reduced because DDA/TIFA's capture county tax dollars – the county is waiting on a state decision to the appeal made by the county

- A tremendously positive development has occurred leading to job development in Tuscola County – the County and Village of Cass City have agreed (state is anticipated to agree) to extend the tax exempt period of time for 45 acres of a renaissance zone in the Cass City industrial park – this is a critical factor that will determine whether the Dairy Farmers of America (DFA) will invest and conduct phase 1 operations on this land – this operation is anticipated to initially create 30 new jobs – some of these jobs being available to local citizens – if implemented, phases II and III of the DFA project adds more jobs in the future
- A critical revenue factor to county operations is investment earnings – all county funds are invested by the County Treasurer – because this source of revenue varies considerably from year-to-year, it is monitored closely because of its significance to overall county financial ability – a recent investment report from the County Treasurer shows interest earnings have fallen by two or more percentage points from last year, which results in significantly less earnings – considering all county funds interest earnings for 2007 were approximately \$1,425,000 compared to \$815,000 estimated for 2008 – this is a decline of \$610,000 or 43%.
- A sound system was recently implemented in the Circuit Court Room to overcome the audio problems that have been occurring during court sessions – total cost for this important system was approximately \$67,000

- The 2008 County Budget includes funds to maintain the structural stability of the County Courthouse by cleaning, tuckpointing, waterproofing and masonry repairs to the facility
- Four out of six county labor contracts have now been settled – all contracts expired at the end of 2007
- The Internal Revenue Service increased the mileage rate from \$.505 to \$.585 July 1, 2008

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