

DRAFT – Agenda
Tuscola County Board of Commissioners
Finance Committee – Thursday, April 12, 2012 - 8:30 A.M.
HH Purdy Building –125 W. Lincoln, Caro, MI

Finance

Committee Leaders-Commissioner Peterson and Allen

Primary Finance Items

1. Updated 2012 Property Tax Revenue Projections – Equalization Director (See A)
2. 2012 General Fund Budget Amendments for 4-12-12 (See B)
3. Proposed State Revenue Sharing Reductions (See C)
4. Proposed Personal Property Tax Changes (See C)
5. Wind Energy Assessing and 2013 General Fund Revenue Update
6. Review and Approval of Caro DDA/TIFA Agreement
7. 2012 Budgeted Equipment and Capital Improvement Projects (See D)
8. Recycling Committee Financial Questions

Secondary/On-Going Finance Items

1. Akron/Fairgrove Sewer System Property Ownership
2. Jail Bed Addition Update
3. Cold War Veterans
4. Behavioral Health and HDC Audits
5. Court Collections Plan (Child Care Fund and General Fund)
6. County Equalization Department Assessing Proposal to Akron Township
7. County Hiring Freeze – Reducing Cost Through Attrition
8. LUG Fiscal Indicators
9. Stabilize Funding for the Tuscola County Economic Development Corporation
10. County Cash Flow Analysis
11. Tax Foreclosure Fund
12. Evaluate Consolidation of Central Service Functions
13. Explore Grant Opportunities that would be Beneficial to the County
14. Review Methods of Reducing Utility Costs
15. Purdy Building Security Review
16. Soil Erosion

Personnel

Committee Leader-Commissioners Peterson and Allen

Primary Personnel Items

Secondary/On-Going Personnel Items

1. Prepare Labor Negotiations Strategy
2. Health Insurance Cost Reduction Alternatives
3. County Hiring Freeze – Reducing Cost Through Attrition
4. Monitor the Status of Lawsuits Filed Against the County
5. Review County Compliance with Act 152 Requirements
6. New Hire Wage/Fringe Benefits
7. Schedule Employee Training Sessions Regarding Conduct in the Workplace, Minimum Insurance Claims, etc.

Correspondence/Other Business as Necessary

Public Comment Period

Closed Session – If Necessary

Other Business as Necessary

Notes:

Except for the Statutory Finance Committee, committee meetings of the whole are advisory only. Any decision made at an advisory committee is only a recommendation and must be approved by a formal meeting of the Board of Commissioners.

If you need accommodations to attend this meeting please notify the Tuscola County Controller/Administrator's Office (989-672-3700) two days in advance of the meeting.

This is a draft agenda and subject to change. Items may be added the day of the meeting or covered under other business at the meeting.

Draft - not final

2012 ESTIMATE to ACTUAL TV

Indicated Change in TV by Class

Class	CPI	2012 ACTUAL TV	2012 TV (estimate)	2011 to 2012 Difference	% Change	
101 Agricultural	1.027	363,423,634	362,326,897	1,096,737	0.30%	
201 Commercial	1.027	95,225,831	96,906,058	-1,680,227	-1.73%	
301 Industrial	1.027	20,579,842	19,793,709	786,133	3.97%	
401 Residential	1.027	809,300,983	810,217,925	-916,942	-0.11%	
others Personal	1.027	103,939,858	101,768,169	2,171,689	2.13%	
		less REN ZONE TV	-18,722,014	-19,752,899		
		Possible Gain in TV from uncappings		1,413,012		GF op mills
		NET TAXABLE Value	1,373,748,134	1,372,672,871	1,075,263	3.9141
Gross Summer TAX \$ for GF		\$5,376,988	\$5,372,779	4,209	0.08%	Estimated Difference
NET Summer TAX \$ for GF		*\$5,350,103	\$5,345,915	4,188	0.08%	Actual to Estimate

Note: This is a work in progress and subject to change

Assumptions:

ESTIMATED Assessed values based on data as of Feb 14, 2012

Gain in TV from residential (10% uncap), commercial(10%), and industrial (10%) uncappings.

Gain in TV from ag uncappings estimated 10% of sales will uncap.

1% Increase in non- Ren Zone Personal Property

Inflation Multiplier based on CPI change of 1.027

NET collection after estimated accrual accounting, DDA capture, unpaid personal, DNR PILT, IFT

Potential 2012 Budget Amendments – 4-12-12

1. Increase general fund property tax revenue by \$112,204 based on current equalization director estimates
2. Increase building codes SCMCCI revenues and expenditures from \$225,000 to \$269,000 based on 2011 actual revenues and expenditures
3. Reduce tax administration fees from \$65,000 to \$48,000 based on 2011 actual revenue
4. Increase the revolving tax fund revenue from \$765,000 to 790,000
5. Increase diverted felon revenue by \$10,000

(B)

2012 General Fund Original and Amended Revenue Budget

<u>Account Number</u>	<u>Revenue Category/Department</u>	<u>2010 Year-End Actual</u>	<u>2011 Year-End Actual</u>	<u>2012 Original Revenue Budget</u>	<u>2012 1/26/2012 Revenue Budget</u>	<u>2012 4/12/2012 Revenue Budget</u>
Taxes						
402-253	Current Taxes	\$5,565,373	\$5,454,379	\$5,237,899	\$5,237,899	\$5,350,103
404-253	Payment in Lieu of Taxes	5,282	5,554	5,000	5,000	5,000
425-253	Trailer Park Fees	4,291	3,220	4,300	4,300	4,300
	Total Taxes	5,574,946	5,463,153	5,247,199	5,247,199	5,359,403
Licenses and Permits						
476-215	Marriage Licenses	1,922	1,912	1,700	1,700	1,700
476-301	Pistol Permits (Sheriff)	7,457	7,170	8,000	8,000	8,000
477-215	Pistol Permits (Gun Board)	12,922	12,438	16,000	16,000	16,000
477-253	Dog Licenses	101,105	113,027	100,000	100,000	100,000
477-301	Sheriff Licenses	3	1	12	12	12
478-215	Pistol Permits (Renewal)	80	80	100	100	100
479-215	Laminating Fee (Clerk)	471	478	550	550	550
	Total Licenses & Permits	123,960	135,106	126,362	126,362	126,362
Intergovernmental						
506-253	Civil Defense	28,836	27,777	25,000	25,000	25,000
508-253	LEPC Fees	0	0	0	0	0
509-346	Byrne Jag TNU/Lapeer Co	57,867	59,235	55,284	55,284	55,284
541-253	Judges Salary (Cir,Pro,District)	239,887	240,570	239,703	239,703	239,703
542-253	Juvenile Officer Salary	27,317	0	0	0	0
544-253	Marine Safety	21,825	16,642	12,071	12,071	12,071
545-253	Secondary Road Patrol	97,556	94,181	87,030	87,030	87,030
562-301	SSI Incentive	5,800	5,200	4,200	4,200	4,200
563-253	Co-op Reimbursement Prosecutor	74,992	70,400	75,000	75,000	75,000
570-253	Cigarette Tax Monies	9,620	3,595	10,000	10,000	10,000
574-253	State Revenue Sharing	975,763	1,018,162	831,603	831,603	831,603
575-253	Liquor Licenses	0	0	0	0	0

2012 General Fund Original and Amended Revenue Budget

Account Number	Revenue Category/Department	2010 Year-End Actual	2011 Year-End Actual	2012 Original Revenue Budget	2012 1/26/2012 Revenue Budget	2012 4/12/2012 Revenue Budget
577-253	State Hotel/Liquor Tax	131,059	134,271	130,000	130,000	130,000
580-229	Prosecutor HDC STOP Funds	17,273	0	0	0	0
578-253	State Payment Court Equity Fund	251,966	233,691	245,000	245,000	245,000
507-253	Justice Benefits Inc.	1,127	878	1,200	1,200	1,200
452-441	Building Codes SCMCCI	275,567	269,213	225,000	225,000	269,000
578-143	FOC Bench Warrant Enforcement Fees	0	0	0	0	0
668-253	Human Services Lease Payment	267,506	267,506	267,506	267,506	267,506
	Total Intergovernmental	2,483,961	2,441,320	2,208,597	2,208,597	2,252,597
	Charges for Services					
544-136	District Court Case Flow Assistance	15,766	18,202	11,700	11,700	11,700
544-215	Drug Caseflow Fund Circuit Court	344	366	366	366	366
590-215	Certifieds	31,364	29,014	27,000	27,000	27,000
601-136	District Court Probation Fees	198,341	191,111	200,000	200,000	200,000
608-136	District Court Intensive Prob. Fees	50,499	35,645	38,000	38,000	38,000
609-215	Waiver Marriage Lic. 3 Day	190	250	200	200	200
604-136	MIP Deferral Program	7,700	5,564	5,000	5,000	5,000
602-136	Dist. Court (Court & Bond Costs)	315,544	252,230	250,000	250,000	250,000
602-143	Court Costs FOC	48,126	47,475	48,000	48,000	48,000
602-215	Court Costs	216,095	205,102	218,000	218,000	218,000
603-136	District Court Bond Costs	2,561	2,443	2,800	2,800	2,800
605-136	Dist.Ct. Screening Assessment Fee	26,245	23,111	25,000	25,000	25,000
607-215	DNA Assessment County Share	12	7	50	50	50
607-301	DNA Assessment Sheriff	30	18	50	50	50
608-215	Bench Warrant Fee	4,586	8,839	8,000	8,000	8,000
610-132	Admin Fees/Family Division	31,313	32,207	27,000	27,000	27,000
610-148	Probate Court-Service Fees	24,913	21,171	22,000	22,000	22,000
610-215	FOC Processing Fees	6,036	5,636	6,000	6,000	6,000
611-215	DBA Co-Partnership Clerk	5,030	4,860	5,200	5,200	5,200
612-236	Register of Deeds-Transfer Tax	75,038	75,546	74,000	74,000	74,000
613-215	Clerk Foreclosure Sale	150	50	0	0	0
613-236	Register of Deeds-Recording Fee	128,496	133,093	124,000	124,000	124,000

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614-215	Xerox Copies	7,056	7,844	7,100	7,100	7,100
614-236	Register of Deeds-Copies	45,279	44,045	47,000	47,000	47,000
615-215	Searches Circuit	6,084	6,536	6,000	6,000	6,000
615-236	Register of Deeds-Searches	0	0	0	0	0
616-215	Motion Fees	10,515	11,305	10,500	10,500	10,500
616-236	Handling Fees	846	270	500	500	500
617-132	Filing Fee/Family Court	0	0	0	0	0
617-215	Jury/Entry/Forensic	19,009	24,533	18,500	18,500	18,500
617-253	BC/BS Administrative Fee Retires	2,031	2,313	2,000	2,000	2,000
618-215	Notary Bond Filing Fee	945	1,115	1,000	1,000	1,000
618-253	Notary Fees Treasurer	95	151	100	100	100
608-301	Sex Offenders Registration Fee	150	40	150	150	150
608-430	Boarding-Animal Control	2,014	2,404	2,000	2,000	2,000
618-301	Sheriff Contractual	17,028	15,777	16,500	16,500	16,500
619-136	Civil Fees (District Court)	173,531	172,391	150,000	150,000	150,000
619-215	Passport Fees	5,765	1,425	1,500	1,500	1,500
619-301	Drug Testing Fees	1,580	4,244	4,000	4,000	4,000
620-132	Collection Fees/Family Div.	5,979	0	0	0	0
620-215	Late Fees	307	119	300	300	300
621-215	Circuit Court Fees	710	470	700	700	700
621-301	Kiosk Fees - Sheriff		0	0	3,000	3,000
622-225	Equalization LUG Tax System	254	340	50	50	50
623-215	Funeral Home Corrections	81	0	100	100	100
624-253	County Treasurer - Other	1,529	1,382	1,300	1,300	1,300
626-215	Passport/CCW Photo Charge	4,809	3,416	4,500	4,500	4,500
626-253	County Treasurer - Other	2,037	0	0	0	0
624-215	Victims Rights Admin. Fee	1,822	2,524	2,000	2,000	2,000
624-648	Medical Examiner Fees	1,330	2,900	1,600	1,600	1,600
625-236	County Share MSSR Fee	518	536	600	600	600
625-215	Voter Registration Processing	926	810	500	500	500
626-225	Tax Administration Fees	71,602	47,960	65,000	65,000	48,000
627-218	Dispatch Tech Services	5,000	5,000	5,000	5,000	5,000
638-301	Care of Prisoners Work Release	31,433	26,879	23,000	23,000	23,000

2012 General Fund Original and Amended Revenue Budget

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628-301	Care of Prisoners DOC Detainer	35,117	23,485	21,000	21,000	21,000
629-301	Prisoners-Other Counties	0	0	0	0	0
634-301	Felon Diverted Program	79,791	83,762	63,000	63,000	73,000
636-301	Charge to Prisoners for Jail	57,647	62,666	66,000	66,000	66,000
637-301	Day Reporting	5,536	2,088	2,000	2,000	2,000
629-253	Sales Treasurer	9,846	10,138	10,000	10,000	10,000
630-301	Sheriff Paper Service	20,641	24,723	28,000	28,000	28,000
631-301	Sheriff Photo Service	6,204	5,219	5,000	5,000	5,000
633-301	Boat Livery Inspections	0	4	75	75	75
635-301	Inmate Phone Revenues	29,367	22,894	20,000	20,000	20,000
642-259	Fees CD - Rom Info	17,641	10,122	11,000	11,000	11,000
643-430	Sales-Animal Shelter	430	220	400	400	400
646-301	Sales Sheriff - Auction	4,671	4,013	5,000	5,000	5,000
647-301	Sales Sheriff - Canteen	3,157	3,830	3,500	3,500	3,500
655-301	Bond Forfeitures-Sheriff	0	0	0	0	0
658-253	Return Check Charge	460	275	300	300	300
667-369	Rent for County Property	5,490	6,100	5,490	5,490	5,490
447-253	Summer Tax Collection	116,735	108,842	114,000	114,000	114,000
676-226	Equalization Contract to Huron County	36,000	36,000	39,060	39,060	39,060
676-227	Equalization Base Contract Caro	49,260	59,005	57,618	57,618	57,618
677-227	Equalization Assessing Services Caro	5,100	0	0	0	0
620-722	Airport Zoning Application Fees		35	175	175	175
625-722	Zoning Board of Appeal Fees		0	350	350	350
	Total Charges for Services	2,091,737	1,942,054	1,915,834	1,918,834	1,911,834
	Fines & Forfeits					
655-253	County Treasurer Forfeitures	5,200	15,730	10,000	10,000	10,000
655-430	Bond Forfeiture Animal	0	0	0	0	0
656-136	District Court Bond Forfeitures	9,146	6,912	8,000	8,000	8,000
657-136	District Court Ordinance Fines	20,767	23,891	20,000	20,000	20,000
659-136	Warrant Fees District Court	22,509	24,911	23,000	23,000	23,000

2012 General Fund Original and Amended Revenue Budget

<u>Account Number</u>	<u>Revenue Category/Department</u>	<u>2010 Year-End Actual</u>	<u>2011 Year-End Actual</u>	<u>2012 Original Revenue Budget</u>	<u>2012 1/26/2012 Revenue Budget</u>	<u>2012 4/12/2012 Revenue Budget</u>
	Total Fines & Forfeitures	57,622	71,444	61,000	61,000	61,000
	Interest & Rentals					
664-253	Interest - Summer Taxes	34,507	33,197	33,000	33,000	33,000
665-253	Pooled General Fund Interest	139,968	118,710	120,000	120,000	120,000
667-151	Rent DOT	0	0	0	0	0
667-301	Rentals (Use of Van)	2,700	0	2,700	2,700	2,700
677-301	Sheriff Medical Service Reimb.	12,537	13,172	14,000	14,000	14,000
667-253	Thumb Cellular Tower Rental	2,735	2,817	2,600	2,600	2,600
	Total Interest & Rentals	192,447	167,897	172,300	172,300	172,300
	Refunds & Reimbursements					
625-301	Inmate Phone Cards	4,090	6,674	8,000	8,000	8,000
674-253	Thumb Narcotics Unit Reimburse	31,418	31,549	34,674	34,674	34,674
674-301	Reimbursements FOC Warrants	763	942	1,000	1,000	1,000
676-191	State Reimbursement/Elections	208	0	28,000	28,000	28,000
676-215	GAL Attorney Fee/Reimbursement	28,842	43,699	48,000	48,000	48,000
676-253	Reimbursements & Refunds	3,551	5,690	3,000	3,000	3,000
676-301	Reimbursement Sheriff	10,024	9,493	8,000	8,000	8,000
676-306	Weigh Master	0	6,392	72,175	72,175	72,175
676-400	Reimbursement Planning Commission	0	0	0	0	0
676-430	Reimbursement Animal Shelter	8,408	12,545	10,000	10,000	10,000
580-253	Reimbursement State Jury	25,145	16,830	20,000	20,000	20,000
677-215	Reimbursement Crt Appt Atty Fees	7,002	9,571	10,000	10,000	10,000
677-191	Reimb-School Election	11,419	5,798	8,000	8,000	8,000
677-223	East Central Local Share	0	0	0	0	0
677-253	Juvenile Office Position	111,056	0	0	0	0
694-253	Cash Over/Short	(1,681)	398	0	0	0
694-215	Cash Over/Short	(6)	(19)	0	0	0
679-215	DE Novo Transcripts		32	100	100	100
678-191	Twsp. - Election Supplies	27,904	8,149	30,000	30,000	30,000

2012 General Fund Original and Amended Revenue Budget

Account Number	Revenue Category/Department	2010 Year-End Actual	2011 Year-End Actual	2012 Original Revenue Budget	2012 1/26/2012 Revenue Budget	2012 4/12/2012 Revenue Budget
678-132	State Tax Lein Fee		30			
678-301	Reimb. DDJR		2,179			
679-215	Reimb De Novo Trans		32			
679-191	Reim. Special Election Supplies	0	0	0	0	0
	Total Reimbursement & Refunds	268,143	159,983	280,949	280,949	280,949
	Total Operating Revenue	10,792,816	10,380,956	10,012,241	10,015,241	10,164,445
	Revenue Transfers Other Funds					
699-211	County Diseaster Fund					
699-215	Friend of the Court Indirect Cost	97,120	398,226	120,602	120,602	120,602
	Data Workflow Imaging Indirect Costs	0		0	0	0
699-216	Family Counseling Indirect Costs	4,680	0	0	0	0
699-218	Dispatch Fund Indirect Costs	67,627	91,744	79,994	79,994	79,994
699-221	Health Department Indirect Costs	9,308	9,308	19,729	19,729	19,729
699-010	Veterans Operations Indirect Cost	1,667	1,667	2,296	2,296	2,296
699-020	Health Department Lease	85,676	85,676	85,676	85,676	85,676
699-251	Principle Residence Exemption	0	2,423	2,380	2,380	2,380
699-240	Mosquito Control	39,544	59,931	51,073	51,073	51,073
699-242	Reimburse Time EECBG	3,096	1,574	0	0	0
699-254	Violence Against Women Indirect	3,303	13,210	9,909	9,909	9,909
699-286	Retirement					
699-294	Veterans Trust	1,000	1,000	1,000	1,000	1,000
699-297	Senior Citizens Fund Indirect Cost	1,495	1,310	1,240	1,240	1,240
699-298	Medical Care Facility Indirect Cost	1,280	660	729	729	729
699-230	Recycling Indirect Costs	25,000	25,000	25,000	35,713	35,713
699-243	Reimburse Time Brownfield	3,024	0	0	0	0
699-441	Building Codes SCMCCI Rent	24,996	20,000	20,000	20,000	20,000
699-000	Domestic Violence Grant	0	0	0	0	0
699-532	Tax Foreclosure	50,000	50,000	50,000	50,000	50,000

2012 General Fund Original and Amended Revenue Budget

<u>Account Number</u>	<u>Revenue Category/Department</u>	<u>2010 Year-End Actual</u>	<u>2011 Year-End Actual</u>	<u>2012 Original Revenue Budget</u>	<u>2012 1/26/2012 Revenue Budget</u>	<u>2012 4/12/2012 Revenue Budget</u>
699-626	Delinquent Tax Revolving Fund	755,776	810,272	765,000	765,000	790,000
699-801	Drain Assessment Services	0	2,113	2,113	2,113	2,113
	Total Revenue Transfers from Other Funds	1,174,592	1,574,114	1,236,741	1,247,454	1,272,454
	Grand Total Revenues Recurring Sources of Funds	11,967,408	11,955,070	11,248,982	11,262,695	11,436,899
	Budgeted General Fund Balance or Other One-Time Sources of Funds					
672-390	General Fund Use of Fund Balance	0		234,907	188,798	8,463
699-286	Transfer in Retirement Reserve					
699-211	Transfer in County Disaster					
	Total Budgeted General Fund Balance or Use of Other One-Time Sources	0		234,907	188,798	8,463
	GRAND TOTAL REVENUES INCLUDING USES OF NOT RECURRING SOURCES OF FUNDS	\$11,967,408	\$11,955,070	\$11,483,889	\$11,451,493	\$11,445,362

Excludes \$325,394 one time transfer from retirement fund and \$2,692 transfer from Disaster Fund for GASB 54 compliance

2012 General Fund Original and Amended Expenditure Budget

<u>Expenditure Category/Department</u>	<u>2010 Year-End Expenditures</u>	<u>2011 Year-End Expenditures</u>	<u>2012 Original Expenditure Budget</u>	<u>2012 1/26/2012 Expenditure Budget</u>	<u>2012 4/12/2012 Expenditure Budget</u>
Legislative					
Board of Commissioners	\$ 139,474	\$ 100,003	\$ 107,867	\$ 102,875	\$ 102,875
Special Programs	1,232	53,274	5,650	5,650	5,650
Total Legislative	140,706	153,277	113,517	108,525	108,525
Judicial					
Circuit/Family Court	1,230,037	904,045	907,295	905,620	909,780
District Court	1,053,294	1,065,189	1,036,337	1,034,277	989,411
Jury Commission	4,162	5,083	4,418	4,418	4,418
Probate Court	278,056	253,950	266,526	265,181	265,181
Adult Probation	47,327	37,548	9,400	9,400	9,400
Total Judicial	2,612,876	2,265,815	2,223,976	2,218,896	2,178,190
General Government					
Elections	66,842	16,992	96,213	96,213	96,213
Accounting Services	42,105	41,230	37,730	37,730	37,730
Legal Services	109,594	58,704	70,000	70,000	70,000
Clerk	387,926	390,861	407,907	398,830	407,357
Controller/Administrator	335,729	348,179	323,694	322,945	322,945
Equalization	195,341	190,645	188,551	188,551	188,551
Equalization/Huron County	10,444	10,897	11,366	11,366	11,366
Equalization Caro Assessing Contract	28,301	38,894	40,529	30,749	40,529
Prosecutor	474,150	483,739	493,530	472,094	491,395
Co-Op Prosecutor	167,318	173,082	163,310	163,310	163,310

2012 General Fund Original and Amended Expenditure Budget

Expenditure Category/Department	2010 Year-End Expenditures	2011 Year-End Expenditures	2012 Original Expenditure Budget	2012 1/26/2012 Expenditure Budget	2012 4/12/2012 Expenditure Budget
Register of Deeds	229,189	223,772	233,777	233,777	233,777
Treasurer	305,661	325,165	318,379	317,829	317,829
MSU Cooperative Extension	136,094	76,170	107,619	87,750	89,175
Computer Operations	350,941	349,602	349,895	349,895	349,895
Building & Grounds	681,931	742,851	756,199	737,263	737,263
Human Services Building Maint.	55,302	50,394	52,971	52,971	52,971
Drain Commission	175,245	189,383	189,505	188,505	188,505
Total General Government	3,752,113	3,710,560	3,841,175	3,759,778	3,798,811
Public Safety					
Courthouse Security	66,401	135,028	168,933	168,933	168,933
Jail	2,092,397	2,060,463	2,035,023	2,035,023	2,048,725
Bench Warrant Enforcement	-	-	-	-	-
Weigh Master	-	6,392	72,175	72,175	72,175
Liquor/Traffic Enforcement	-	-	-	-	-
Marine Safety	21,937	16,642	12,071	12,071	12,071
Secondary Road Patrol	97,556	94,181	87,030	87,030	87,030
Thumb Narcotics	89,299	90,190	89,958	89,958	90,273
Planning Commission	4,551	5,118	5,050	4,930	4,930
Plat Board	-	-	628	628	628
Emergency Services	87,322	80,811	84,411	84,161	78,239
Animal Shelter	124,921	129,412	125,500	125,500	125,500
Livestock Claims	-	-	-	-	-
Total Public Safety	2,584,384	2,618,237	2,680,779	2,680,409	2,688,504

2012 General Fund Original and Amended Expenditure Budget

<u>Expenditure Category/Department</u>	<u>2010 Year-End Expenditures</u>	<u>2011 Year-End Expenditures</u>	<u>2012 Original Expenditure Budget</u>	<u>2012 1/26/2012 Expenditure Budget</u>	<u>2012 4/12/2012 Expenditure Budget</u>
Public Works					
Building Codes (See note below)	275,567	269,213	225,000	225,000	269,000
Board of Public Works	2,286	1,938	2,846	2,846	2,846
Drain-at Large	491,243	422,186	416,821	416,821	416,821
Total Public Works	769,096	693,337	644,667	644,667	688,667
Health & Welfare					
Substance Abuse	65,530	67,136	65,000	65,000	65,000
Medical Examiner	47,783	35,868	43,000	42,575	42,575
Veterans Burial	13,520	13,060	15,000	15,000	15,000
Airport Zoning Board		157	678	678	678
Economic Development	46,302	46,302	34,727	29,727	29,727
Total Health & Welfare	173,135	162,523	158,405	152,980	152,980
Other					
Insurance & Bonds	153,333	146,894	251,000	251,000	202,527
Building Lease/Purchase Agreement	24,370	73,910	-	-	-
Other Total	177,703	220,804	251,000	251,000	202,527
Contingency					
Contingency	-	-	54,656	54,656	49,968
Total Contingency	-	-	54,656	54,656	49,968

2012 General Fund Original and Amended Expenditure Budget

<u>Expenditure Category/Department</u>	<u>2010 Year-End Expenditures</u>	<u>2011 Year-End Expenditures</u>	<u>2012 Original Expenditure Budget</u>	<u>2012 1/26/2012 Expenditure Budget</u>	<u>2012 4/12/2012 Expenditure Budget</u>
Operating Transfers Out					
County Park	-	5,000	2,500	2,500	2,500
Friend of the Court	320,131	417,151	282,970	282,970	282,970
Friend of the Court/Workflow Imaging	-	-	-	-	-
Health Department	263,727	263,727	240,000	215,000	215,000
Behavioral Health	288,243	288,243	288,243	288,243	288,243
Equipment Fund	-	131,305	79,637	79,637	79,637
Equipment Fund/Workflow Imaging	-	-	-	-	-
Re monumentation	26	34	-	-	-
Community Corrections	11,735	14,236	16,000	16,000	16,000
Child Care Human Services	87,500	149,000	127,000	127,000	127,000
Department of Human Services	10,000	9,000	9,000	9,000	9,000
Child Care Probate	470,000	492,932	300,000	400,000	400,000
Soldiers & Sailors Relief	28,500	28,500	7,500	7,500	7,500
Purdy Building Debt	-	-	73,600	73,600	70,208
Cigarette Tax	6,791	2,538	8,471	8,471	8,471
Medical Examiner	10,293	10,293	10,293	10,293	10,293
Veterans Counseling	67,395	67,395	40,500	40,500	40,500
Capital Improvements Fund	-	-	-	-	-
Employee Sick/Vacation	91,860	30,000	30,000	19,868	19,868
Total Operating Transfers Out	1,656,201	1,909,354	1,515,714	1,580,582	1,577,190
GRAND TOTAL EXPENDITURES	\$11,866,214	\$11,733,907	\$11,483,889	\$11,451,493	\$11,445,362



Mike Hoagland

From: Mike Hoagland [mhoagland@tuscolacounty.org]
Sent: Thursday, March 29, 2012 3:09 PM
To: Senator Mike Green (senmgreen@senate.michigan.gov); Senator Green and John Lazet (jlazet@senate.mi.gov); Jim Mcloskey (mclloskey@charter.net); Kurt Damrow
Cc: Ben Bodkin (bodkin@micounties.org); Deena Bosworth (Bosworth@micounties.org); Taylor Moreno (taylor@micounties.org); Tim McGuire (mcguire@micounties.org); Dorman Kathy (kdorman@sanilacounty.net); JODI ESSENMACHER; Tom Hickner (hicknert@baycounty.net); Amanda Roggenbuck; Bob Mantey (drain-commissioner@tuscolacounty.org); Brian Nueville (briann@hdc-caro.org); Charles Walker (walkerca@michigan.gov); Curtis Stowe (ces95@fastmail.fm); Dan Grimshaw (dgrimshaw@tuscolacounty.org); Dan Grimshaw (register-of-deeds@tuscolacounty.org); Eean Lee (elee@zimco.net); Erickson Steve (executivedirectortuscola.edu@centurytel.net); Fraczek Donna (dfraczek@tuscolacounty.org); Glaspie Judge (d71bglaspie@gmail.com); Glen Skrent (undersheriff@tuscolacounty.org); Gretchen Tenbusch (Gretchen Tenbusch); Hal Hudson (Hal Hudson); Jim Matson (scac@avci.net); Joseph Bixler (bixlerj@anr.msu.edu); Keith Kosick (keith@tssfinc.com); Kim Green (kgreen@tuscolacounty.org); Lee Teschendorf (sheriff@tuscolacounty.org); Margie White (MWhite@TuscolaCounty.org); Margot Roedel (Margot Roedel); Mark Reene; Mark Reene (mreene2011@gmail.com); McDonald Greg (gmcdonald@tuscolacounty.org); Mike Miller (Mike Miller); Mike Tuckey (mtuckey@tuscolaroad.org); Nancy Thane (Nancy Thane); Pat Finn (Pat Finn); Patricia Gray; Richard Colopy; Robert Klenk; Robert Klenk (Robert Klenk); Ronald Amend (ramend@tchd.us); Tuscola County EDC Excutive Director; Walt Schlichting (Walt Schlichting); ckrampits@tuscolacounty.org; Clayette Zechmeister (Clayette Zechmeister); Mari Young (Mari Young); Renee Ondrajka; Jerry Peterson (jerry58c@yahoo.com); Roger Allen (beetman95@yahoo.com); Tom Bardwell (tbardwell@hillsanddales.com); Tom Kern (commishkern@gmail.com)
Subject: State Revenue Sharing and Personal Property Tax
Attachments: Board Letter of Concern.pdf; MAC Information.pdf

State Senator Green and State Representative Damrow

The Tuscola County Board of Commissioners are extremely frustrated by state proposals regarding state revenue sharing and elimination of the personal property tax. The Board is requesting your support and the support of other Michigan senators and representatives.

We need restoration of common sense and fairness by honoring previous state revenue sharing agreements and by providing full state revenue sharing funding without new state requirements being imposed. Tuscola County officials are getting the job done and have been good stewards of public funds by making the difficult staffing reductions, health insurance changes and other sacrifices without the need for more state edicts. As you know Tuscola County is a conservative county that has made the changes and fiscal adjustments required to continue to live within our financial means. Yet once again, despite our best efforts, we feel we are on the doorstep of more unrealistic state edicts and critical revenue cuts.

Why are we being penalized? Enough is enough, counties cannot continue to provide state mandated services at "serviceable" levels while receiving more state revenue cuts. The question needs to be what state mandated services will counties no longer be required to provide if revenue is not restored.

Attached is a letter approved at the March 29, 2012 Board of Commissioners meeting

that explains in more detail the reasons for this frustration. Also attached is information provided by the Michigan Association of Counties explaining the concerns and issues regarding both state revenue sharing and elimination of the personal property tax.

The Board of Commissioners respectfully request that you vote to reject the state revenue sharing proposal and restore full state revenue sharing funding without special conditions that have to be met to qualify for funding. Also, the Board requests you only support elimination of the personal property tax if a constitutional guarantee of full replacement funding is established.

Your review and favorable support of these critical financial issues is greatly appreciated.

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

TUSCOLA COUNTY BOARD OF COMMISSIONERS

125 W. Lincoln Street
Suite 500
Caro, MI 48723

Telephone: 989-672-3700
Fax: 989-672-4011

March 29, 2012

Senator Green and Representative Damrow

HELP RESTORE COMMON SENSE

Your assistance is needed to restore common sense to the relationship between state and county government. Tuscola County should not be penalized for being good stewards of public funds. Once again, despite our best efforts, we feel we are being undermined and on the doorstep of more unrealistic edicts and revenue cuts by our state officials.

As former county commissioners both of you know that Tuscola is a conservative well managed county. We have made the difficult decisions and sacrifices to live within our means. We have kept the County in good financial standing even with declining land values and one of the lowest allocated millages in the state. We have reduced staff and cut employee benefits to remain in good financial standing. Many sacrifices have been made by our employees, public and others. Yet ironically, our state officials respond with more cuts and more conditions that have to be met to qualify for the same funds that are required to provide the services mandated by the state. If these cuts are made the question should be "What services does the state no longer want the counties to provide?"

STATE REVENUE SHARING CUTS UNJUSTIFIED

Why are we again being penalized by our state officials with cuts and conditions placed on essential state revenue sharing? In 2004, the counties worked with the state to establish the "revenue sharing reserve fund" which saved the state over \$1 billion and helped it through some extremely tough financial times. This was done with the agreed understanding and promise that the state would restore full funding to counties when the reserve fund was exhausted. Unfortunately, this did not happen.

Instead, the state implemented cuts and more conditions that must be met for counties to even qualify for state revenue sharing. One of the most concerning conditions is in order to receive 1/3 of the funding under "Category 3 Employee Compensation" the multiplier for employees in defined benefit plans must be reduced to 1.5% if the employee qualifies for social security. This would have a tremendous impact on negotiated and contractual employee retirement plans. State revenue sharing was never intended to be a conditioned or a reward system. It was established for counties by the state in the 1960's when the county taxing authority was eliminated. Why is state revenue sharing not constitutionally guaranteed for counties as it is for cities, villages and townships?

It is vital that you vote to reject this proposal and restore the promised full funding of state revenue sharing without conditions.

CONSTITUTIONAL GUARANTEE IF PERSONAL PROPERTY TAX IS ELIMINATED

With the proposed elimination of the personal property tax, will this critical source of revenue be constitutionally guaranteed? Tuscola County receives approximately \$400,000 in annual revenue from the personal property tax. The county cannot continue to provide state mandated services if the revenue from the personal property tax is not completely replaced. The state has a poor track record of fulfilling its responsibility for its share of funding (state revenue sharing, PILT, public health, jail reimbursement, etc.).

It is essential to approve a repeal of the personal property tax only if there is a constitutional guarantee of full revenue replacement.

You should entrust county officials to continue to effectively administer Tuscola County government by providing the funding necessary to provide state services. We maintain an A+ Bond rating and there are no emergency managers headed our way. We sincerely hope that you work to restore local control, local management and the funding needed to provide state required services. All private sector financial models do not necessarily work well in the public sector.

As a former county commissioner it is our belief you can positively impact your fellow senators and representatives by explaining the importance of full funding of state revenue sharing, by explaining why state revenue sharing should not have incentive conditions and by explaining the importance of a constitutional guaranteed if the personal property tax is eliminated.

Your review, understanding and favorable support of these issues of critical importance to Tuscola County to continue to provide state mandated services is appreciated.

MAC INFORMATION

County	FY 2012 Final Appropriation	Fiscal Year 2013 Recommendation				FY2013 Full Funding Amount	Governor's Recommended FY2013 Cut
		Category 1 Accountability & Transparency	Category 2 Consolidation of Services	Category 3 Employee Compensation	Governor's Recommended 2013 Total (Category 1,2,3 totalled)		
Livingston		\$544,272	\$544,272	\$544,272	\$1,632,816	\$2,179,378	\$546,562
Luce	\$97,259	\$32,052	\$32,052	\$32,053	\$96,157	\$128,344	\$32,187
Macomb	\$8,982,062	\$4,093,392	\$4,093,392	\$4,093,393	\$12,280,177	\$16,390,790	\$4,110,613
Manistee		\$35,327	\$35,327	\$35,329	\$105,983	\$141,459	\$35,476
Marquette	\$965,487	\$318,181	\$318,181	\$318,184	\$954,546	\$1,274,066	\$319,520
Mecosta	\$328,651	\$211,520	\$211,520	\$211,520	\$634,560	\$846,970	\$212,410
Menominee	\$263,057	\$131,924	\$131,924	\$131,926	\$395,774	\$528,254	\$132,480
Midland		\$98,941	\$98,941	\$98,943	\$296,825	\$396,183	\$99,358
Missaukee	\$175,272	\$70,557	\$70,557	\$70,559	\$211,673	\$282,527	\$70,854
Monroe		\$231,811	\$231,811	\$231,812	\$695,434	\$928,221	\$232,787
Montcalm	\$941,570	\$310,299	\$310,299	\$310,302	\$930,900	\$1,242,505	\$311,605
Muskegon	\$2,728,905	\$899,326	\$899,326	\$899,328	\$2,697,980	\$3,601,090	\$903,110
Newaygo	\$723,025	\$238,277	\$238,277	\$238,277	\$714,831	\$954,111	\$239,280
Oceana		\$114,279	\$114,279	\$114,280	\$342,838	\$457,598	\$114,760
Ontonagon	\$108,378	\$43,174	\$43,174	\$43,176	\$129,524	\$172,880	\$43,356
Osceola	\$427,382	\$140,846	\$140,846	\$140,846	\$422,538	\$563,977	\$141,439
Ottawa	\$3,552,369	\$1,170,704	\$1,170,704	\$1,170,704	\$3,512,112	\$4,687,741	\$1,175,629
Roscommon		\$48,165	\$48,165	\$48,165	\$144,495	\$192,863	\$48,368
Saginaw	\$3,460,411	\$1,140,398	\$1,140,398	\$1,140,401	\$3,421,197	\$4,566,393	\$1,145,196
Sanilac	\$694,282	\$228,804	\$228,804	\$228,806	\$686,414	\$916,181	\$229,767
Schoolcraft	\$65,807	\$45,842	\$45,842	\$45,842	\$137,526	\$183,561	\$46,035
Shiawassee	\$1,092,259	\$359,960	\$359,960	\$359,961	\$1,079,881	\$1,441,356	\$361,475
St. Clair		\$410,110	\$410,110	\$410,112	\$1,230,332	\$1,642,168	\$411,836
St. Joseph	\$1,040,842	\$343,015	\$343,015	\$343,016	\$1,029,046	\$1,373,505	\$344,459
Tuscola	\$831,603	\$274,059	\$274,059	\$274,061	\$822,179	\$1,097,391	\$275,212
Van Buren	\$1,165,592	\$384,127	\$384,127	\$384,129	\$1,152,383	\$1,538,127	\$385,744
Washtenaw		\$392,533	\$392,533	\$392,535	\$1,177,601	\$1,571,786	\$394,185
Wayne	\$37,899,209	\$12,489,906	\$12,489,906	\$12,489,908	\$37,469,720	\$50,012,170	\$12,542,450
Wexford		\$85,296	\$85,296	\$85,298	\$255,890	\$341,546	\$85,656
Total	\$115,000,000	\$41,866,636	\$41,866,636	\$41,866,728	\$125,600,000	\$167,642,794	\$42,042,794

Data Source: Michigan Department of Treasury



Governor's 2013 County Revenue Sharing
Recommendation by County

County	FY 2012 Final Appropriation	Fiscal Year 2013 Recommendation				FY2013 Full Funding Amount	Governor's Recommended FY2013 Cut
		Category 1 Accountability & Transparency	Category 2 Consolidation of Services	Category 3 Employee Compensation	Governor's Recommended 2013 Total (Category 1,2,3 totalled)		
Alger	\$144,860	\$47,739	\$47,739	\$47,740	\$143,218	\$191,158	\$47,940
Allegan	\$1,372,109	\$559,907	\$559,907	\$559,910	\$1,679,724	\$2,241,987	\$562,263
Alpena	\$551,458	\$181,736	\$181,736	\$181,737	\$545,209	\$727,710	\$182,501
Arenac	\$254,306	\$83,808	\$83,808	\$83,808	\$251,424	\$335,585	\$84,161
Barry	\$503,265	\$285,156	\$285,156	\$285,159	\$855,471	\$1,141,827	\$286,356
Bay	\$1,958,129	\$645,312	\$645,312	\$645,314	\$1,935,938	\$2,583,966	\$648,028
Berrien	\$2,745,830	\$904,904	\$904,904	\$904,906	\$2,714,714	\$3,623,425	\$908,711
Branch	\$732,967	\$241,553	\$241,553	\$241,554	\$724,660	\$967,230	\$242,570
Calhoun	\$2,271,022	\$748,428	\$748,428	\$748,430	\$2,245,286	\$2,996,863	\$751,577
Cass	\$786,640	\$259,241	\$259,241	\$259,244	\$777,726	\$1,038,058	\$260,332
Chippewa	\$393,827	\$178,000	\$178,000	\$178,000	\$534,000	\$712,749	\$178,749
Clare	\$489,010	\$161,156	\$161,156	\$161,157	\$483,469	\$645,303	\$161,834
Delta	\$607,619	\$200,244	\$200,244	\$200,245	\$600,733	\$801,820	\$201,087
Dickinson		\$86,624	\$86,624	\$86,625	\$259,873	\$346,862	\$86,989
Eaton	\$1,305,989	\$551,971	\$551,971	\$551,972	\$1,655,914	\$2,210,207	\$554,293
Genesee	\$7,489,076	\$2,468,069	\$2,468,069	\$2,468,069	\$7,404,207	\$9,882,659	\$2,478,452
Gladwin	\$385,969	\$127,198	\$127,198	\$127,199	\$381,595	\$509,329	\$127,734
Gogebic	\$255,898	\$84,332	\$84,332	\$84,334	\$252,998	\$337,685	\$84,687
Gratiot	\$650,691	\$214,438	\$214,438	\$214,441	\$643,317	\$858,658	\$215,341
Hillsdale	\$711,404	\$234,447	\$234,447	\$234,448	\$703,342	\$938,776	\$235,434
Houghton	\$517,137	\$170,425	\$170,425	\$170,427	\$511,277	\$682,419	\$171,142
Huron	\$84,212	\$198,235	\$198,235	\$198,236	\$594,706	\$793,775	\$199,069
Ingham	\$4,596,741	\$1,514,883	\$1,514,883	\$1,514,883	\$4,544,649	\$6,065,905	\$1,521,256
Ionia	\$892,388	\$294,091	\$294,091	\$294,093	\$882,275	\$1,177,604	\$295,329
Iosco	\$393,093	\$132,623	\$132,623	\$132,625	\$397,871	\$531,053	\$133,182
Iron		\$23,853	\$23,853	\$23,856	\$71,562	\$95,516	\$23,954
Isabella	\$942,325	\$310,548	\$310,548	\$310,551	\$931,647	\$1,243,502	\$311,855
Jackson	\$2,555,909	\$842,314	\$842,314	\$842,317	\$2,526,945	\$3,372,803	\$845,858
Kalamazoo	\$3,928,700	\$1,294,726	\$1,294,726	\$1,294,726	\$3,884,178	\$5,184,351	\$1,300,173
Kent	\$9,132,460	\$3,009,655	\$3,009,655	\$3,009,657	\$9,028,967	\$12,051,284	\$3,022,317
Lapeer	\$1,266,704	\$417,449	\$417,449	\$417,451	\$1,252,349	\$1,671,555	\$419,206
Lenawee	\$1,536,840	\$506,474	\$506,474	\$506,476	\$1,519,424	\$2,028,029	\$508,605

**MICHIGAN ASSOCIATION OF COUNTIES
2012 LEGISLATIVE CONFERENCE**

A History of the Erosion of Local Taxing Authority and the
Implications for Our Own Time

March 27, 2012

REVENUE SHARING

- In 2004 counties worked with the Governor and the Legislature to implement revenue sharing and property tax collection changes that have saved the state over \$ 1 billion.
- The statutory changes required the counties to move up their property tax collections from winter to summer over a three year period, and deposit the one-time revenues into a revenue sharing reserve fund. The State suspended revenue sharing payments to counties and in turn allowed counties to draw down an amount that would be equivalent to their annual revenue sharing payments. Once the reserve was exhausted counties would begin receiving state revenue sharing payments again.
- In 2012 50 counties are scheduled back on line.
- The 2012 adopted budget, however, reduced the amount the 50 counties should have received by 24.2%.
- In place of statutory revenue sharing the Governor's 2013 budget proposal allocates \$125.6 million for a county incentive program. Full funding of the county statutory formula would amount to \$167.6 million or \$42 million (25.1 %) less than the Governor's recommendation.
- The Governor's recommendation also creates a county incentive program whereby in order to qualify for what should be "revenue sharing payments", counties would now have to comply with 3 categories of incentive payments. Failure to comply with any one of the categories would result in the loss of one-third of an individual county's incentive payment.
- The incentive categories include accountability and transparency, consolidation of services, and employee compensation. For a more detailed explanation please refer to tables 3-5 from a Senate Fiscal Agency memorandum issued on March 13, 2013. (copy attached)
- The Governor's proposal also includes a 10% penalty for any county that fails to comply with Public Act 152 of 2011. PA 152 places limits on the contributions of public employers towards the costs of employee health care. The Act provides that local units of government must comply with either the hard dollar or percent caps and provides a penalty for cities, villages, townships (CVTs), and school districts that do not comply. The Governor's budget expands the penalty to counties and requires that CVTs and counties comply with both the hard dollar and the 80/20% caps as opposed to one or the other.

**Senate Fiscal Agency Memorandum Regarding Governor's Recommendation for
Revenue Sharing in 2013 Excerpt Regarding Incentive Requirements**

Table 3

Category 1, Accountability and Transparency Requirements Incentive Requirements	
FY 2011-12	FY 2012-13
<ul style="list-style-type: none"> • Citizen's guide to finances including recognition of unfunded liabilities. • Performance dashboard of local finances. 	<ul style="list-style-type: none"> • Add requirement that the Citizen's Guide is base don the most recent local finances. • Continue dashboard requirement. • Require three-year projected budget report including detail on debt service.

Table 4

Category 2, Consolidation of Services Incentive Requirements	
FY 2011-12	FY 2012-13
<ul style="list-style-type: none"> • Develop a plan with one or more proposals to increase cooperation, collaboration, and consolidation, either within or among jurisdictions and include estimated savings. • Include previous consolidations and estimated cost savings. 	<p><u>First year participants:</u></p> <ul style="list-style-type: none"> • Develop a plant that lists previous consolidations and estimated cost savings. • Include at least one new proposal with estimated savings and implementation timeline. <p><u>Second year participants:</u></p> <ul style="list-style-type: none"> • Update status of projects, identify barriers to implementation, and include project timeline. • Include at least one new proposal with estimated savings and implementation timeline.

**Senate Fiscal Agency Memorandum Regarding Governor's Recommendation for
Revenue Sharing in 2013 Excerpt Regarding Incentive Requirements**

Table 5

**Category 3, Employee Compensation
Incentive Requirements**

FY 2011-12	FY 2012-13
<ul style="list-style-type: none"> • Develop an employee compensation plan that the local government intends to implement with new or modified contracts or employment agreements. • Compensation plans must meet minimum requirements listed below for defined benefit plans, retirement plan contributions, and health care plans. 	<p><u>All participants:</u></p> <ul style="list-style-type: none"> • Require all new, modified, or extended contracts or employment agreements entered into after September 30, 2012 to comply with the defined benefit plan limits and retirement plan contribution limits established in FY 2011-2012. • Include a list of contracts, employment agreements and expiration dates. <p><u>First year participants:</u></p> <ul style="list-style-type: none"> • Develop a plan that describes how the local government will implement the incentive conditions. <p><u>Second year participants:</u></p> <ul style="list-style-type: none"> • Update and report on the previous plan, including barriers to implementation.
<p><u>Defined benefit plan minimum requirements:</u></p> <ul style="list-style-type: none"> • Cap defined benefit multiplier at 1.5% for employees eligible for social security. • Cap defined benefit multiplier at 2.25% for employees not eligible for social security, unless retiree health care is not provided, then 3.0%. • Calculate final average compensation (FAC) using at least three years of compensation and no more than 240 hours of paid leave. • Exclude overtime from FAC. 	<ul style="list-style-type: none"> • Continue minimum requirements
<p><u>Retirement plan contribution minimum requirements:</u></p> <ul style="list-style-type: none"> • At 10% of base salary for employees eligible for social security. • At 16.2% of base salary for employees not eligible for social security. 	<ul style="list-style-type: none"> • Continue minimum requirements
<p><u>Health care minimum requirements:</u></p> <ul style="list-style-type: none"> • For new hires, a minimum employee share of 20%, or an employer share that is cost competitive on a per-employee basis with the State preferred provider organization plan. 	<ul style="list-style-type: none"> • Remove from compensation plan and replace with a requirement to certify by April 1, 2013 either compliance with Sections 3, 4, and 5 of P.A. 152 of 2011 regarding health care cost sharing or that no health care benefits are offered. Failure to certify would result in a 10.0% penalty on all incentive program payments.

PERSONAL PROPERTY TAX REPEAL

MICHIGAN ASSOCIATION OF COUNTIES WEBSITE SUMMARY

The Issue

An effort is underway to repeal the personal property tax (PPT) in Michigan. Repealing the tax without replacing the revenues would be financially devastating to counties across the state.

MAC Position

The Michigan Association of Counties is willing to support the repeal of PPT so long as there is a constitutionally guaranteed revenue replacement.

Talking Points

- Counties levy over \$212 million in commercial, industrial and utility personal property taxes.
- Personal property taxes make up anywhere from 3% to 27% of a county's total taxable value. Reliance on PPT varies widely across the state.
- In conversations about the repeal of PPT, The Governor and the Legislature all claim to want to replace some of the funding to local government should they vote to repeal PPT.
- The funding replacement is said to come from expiring business tax credits in the future. This would require an annual appropriation from the legislature for the replacement revenue but there would be no guarantee the funding would actually get appropriated.
- The only way to guarantee to guarantee that PPT replacement funding would get to the counties would be through a constitutional guarantee. A constitutional amendment would have the authority to bind future legislatures and ensure replacement funding to the locals.

<http://www.micounties.org/legislative/hottopics/personaltax.plan>

GOVERNOR'S PROPOSAL

As of today there is no official proposal on the table. Last week, however, the Lt. Governor, spoke to the Michigan Municipal League and offered the following general outline.

- The industrial portion of the PPT would be phased out beginning in 2016.
- The first \$40,000 of taxable value for commercial property would become exempt effective as early as next year..
- No constitutional guarantee of replacement revenue.

- The replacement revenue for the phase out of the industrial portion of the PPT would come from expiring tax credits

OTHER INFORMATION

A coalition of local units of government has been formed called "Replace, Don't Frase". The coalition advocates a call to action to the state Legislature to fully replace the PPT. See attachments for more detail.

Based on 2010 taxable value figures for PPTs the counties millage levies generated the following revenues:

\$60.3 million Commercial

\$68.9 million Industrial

\$50.5 million Utilities

\$32.7 million Industrial Facilities Tax.

\$212.4 million Total.

The Governor has previously called upon local units to develop the distribution formula for the replacement revenue.

REPLACE DON'T ERASE



MICHIGAN'S PERSONAL PROPERTY TAX

REPLACE, DON'T ERASE Michigan's Personal Property Tax!

And guarantee the revenues for local services and local communities so the Legislature can't raid the funds for the state budget.

WHAT IS REPLACE DON'T ERASE?

A call to action to the state Legislature to fully replace the personal property tax with revenues that would continue to go to local communities for essential local services. The replacement funds must be guaranteed for local services so future Legislatures can't raid them for the state budget. Anything short of fully replacing the funds with guaranteed revenues will almost certainly lead to future raids by the Legislature and higher taxes on rural homeowners who would have to pay more in property taxes for local services.

WHO:

A coalition of Michigan organizations consisting of the Michigan Association of Chiefs of Police, the Michigan Association of Counties, the Michigan Association of School Administrators, the Michigan Association of School Boards, the Michigan Library Association, Michigan Municipal League and the Michigan Professional Fire Fighters Union.

COALITION MEMBERS

ABOUT THE ISSUE:

This issue affects all levels and types of government including schools, libraries, counties, cities, villages and townships. Organizations representing these local government units and the services they provide to the community have banded together to bring attention to this issue.

MEDIA CONTACT:

Matt Bach, Communications Director
Michigan Municipal League
734 669 6317
mbach@mml.org

City Reliance on Personal Property Tax



[CLICK HERE](#) to view map of county reliance on PPT by percentage

[CLICK HERE](#) to view map of county reliance on PPT by dollar amounts.

MORE:

[Watch video clips](#) about the 2010 coalition press conference



REPLACE DON'T ERASE

Replace, Don't Erase the Personal Property Tax

www.replacedonterase.com

- Fully replace the revenues to head off tax increases on homeowners
- Guarantee the funds for local services — no raids by Legislatures

The Issue

An effort is underway in the Michigan Legislature to reduce business taxes up to \$1.2 billion by eliminating the personal property tax (PPT). The PPT is paid only by businesses on equipment and machinery. The PPT is not paid by individual taxpayers or homeowners. The tax is administered and collected by local governments — none of the funds come to Lansing for the state budget. Cities, counties, public schools, libraries and townships use PPT revenues for police and fire protection, teachers, library services, senior citizen services, clean drinking water, road and bridge repairs, and other essential local services.

Constitutional Guarantee: Only Way to Keep the Revenues Local

If the Legislature scraps the PPT, a guarantee in the state constitution is the only way to ensure the revenues continue to go to local communities for local services. When tax revenues go to Lansing without a constitutional protection, one of two things happen: the Legislature spends all of the money or divert some of the money to their earmarked projects, and local services lose. Even when the Legislature has promised to return locally collected tax revenues to local communities for local services, state lawmakers have broken that promise time and time again (consider local revenue sharing, which has been slashed by \$5 billion in the past decade). We are constitutionally required to provide local services, so funding for those local services should also be constitutionally guaranteed. Revenues for transportation and public schools are already guaranteed in the constitution to prevent Legislatures from spending the funds on something else.

Fully Replace the PPT to Head off Tax Increases on Homeowners

Failing to fully replace PPT revenues with guaranteed revenues would have dire financial consequences for homeowners and others who pay local property taxes. It would drive credit ratings lower and, thus, borrowing costs higher for local capital projects. Eliminating all or in some cases a portion of the funds would also trigger automatic millage increases on homeowners in school districts still legally obligated to repay the banks that financed their bonds, but suddenly without the PPT revenues that secured the loan.

The Solution: Full & Guaranteed Replacement

If the Legislature eliminates the PPT, the funds must be fully replaced to head off local tax increases and guaranteed in the constitution for local services so future Legislatures won't raid the money.

For more information, visit www.replacedonterase.com



Revenue Sharing Talking Points

In the Governor's recommendation for the FY 2013 budget, counties are scheduled to get a 25% cut from what they are projected to receive based on the deal struck in 2004/2005. For the second year in a row, the Governor ignored the statutory commitment to fund counties at the level required. The Governor is recommending an appropriation of \$125.6 million, \$42 million less than statutorily required and counties will be required to "earn" their funding by meeting the same best practices criteria required of cities, villages and townships.

- Counties have saved the state **more than a billion dollars since 2005** when they gave up revenue sharing temporarily to help the state with its budget problem. Counties will continue to help the state budget until the final county exhausts its reserve account well past the year 2020.
- Revenue sharing is more than just a pot of money to be allocated in whole or in part to counties. It is a statutory promise made to counties in exchange for a change in local taxing administration.
- Revenue sharing is used by counties to pay for the multitude of state mandated services including the courts, the jails, the constitutional officers, elections and the public health system.
- Revenue sharing was never intended to be conditional or a reward system, but was established for counties in the 1960's when local taxing authority was eliminated.
- The recent reductions in property values and increased mandated state service delivery have stretched counties to their financial limit.
- With the proposed budget for Fiscal Year 2013, counties would receive a cut of about \$42 million; a total of 25 percent or a reduction from \$167 million to \$125 million.
- Counties have worked diligently for the past decade by leading the effort to reform, consolidate, and right size government in an effort to increase efficiency and adjust to declining revenues.
- In 2004/2005, counties agreed to forgo revenue sharing for a period of time, in order to assist Michigan in balancing the budget and were promised a return of that funding once reserves were depleted.
- The state has pledged to keep promises to businesses for current tax credits, and needs to keep this promise to the state's partner and service arm, counties, by restoring revenue sharing.
- The current model of mandating counties to deliver services on behalf of state government without paying for them is unsustainable.

MAC is committed to being a positive voice and is willing to work with the state to find solutions that work for both parties. Counties believe that their prior sacrifice on the state's behalf, coupled with their leadership in reforming local government, sharing services, and reducing the size and scope of government, are a testament to their efficiency in providing state mandated services for little or no cost. This dedication and willingness to partner with the State should be part of this discussion.

MAC urges the Legislature and the Governor to live up to their end of this important promise which benefits the state by continuing revenue sharing payments to the new slate of counties in fiscal year 2013.



Personal Property Tax Talking Points

An effort is underway to repeal the personal property tax in Michigan. Repealing the tax without replacing the revenues would be financially devastating to counties across the state.

- Counties levy over \$212 million in commercial, industrial and utility personal property taxes.
- Personal property taxes make up anywhere from 3% to 27% of a county's total taxable value. Reliance on PPT varies widely across the state.
- In conversations about the repeal of PPT, the Governor and the Legislature all claim to want to replace *some of the funding* to local governments should they vote to repeal PPT.
- The funding replacement is said to come from expiring business tax credits in the future. This would require an annual appropriation from the legislature for the replacement revenue but there would be no guarantee the funding would actually get appropriated.
- The state has a poor track record of fulfilling its' statutory promises for its share of funding for things like revenue sharing, payment in lieu of taxes (PILT), public health, Medicaid reimbursement, and county jail reimbursement.
- The only way to guarantee that PPT replacement funding would get to the counties would be through a constitutional guarantee. A constitutional amendment would have the authority to bind future legislators and ensure replacement funding to the locals.
- Michigan counties cannot continue to provide state mandated services if the revenue from personal property taxes is not fully replaced with a constitutionally guaranteed revenue source.
- The Michigan Association of Counties supports the repeal of PPT so long as there is a constitutionally guaranteed revenue replacement.

The Michigan Association of Counties is willing to support the repeal of PPT so long as there is a constitutionally guaranteed revenue replacement.

Tuscola County

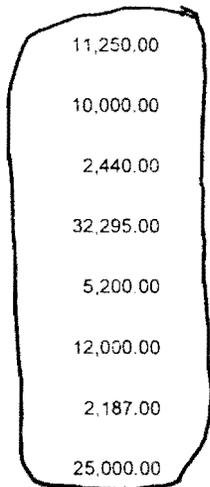
Period Ending Date: March 31, 2012

Fund 244 EQUIPMENT/CAPITAL IMPROVEMENTS

Department 132 CIRCUIT/FAMILY COURT

Account	2011 Actual	2012 Appropriated Budget	2012 Total Amended Budget	Month-to-date Actual	2012 Year-to-date Actual	2012 Budget Balance	Percentage Spent/Received
Fund 244 EQUIPMENT/CAPITAL IMPROVEMENTS							
Department 132 CIRCUIT/FAMILY COURT							
Expenses							
132-970-002							
DESK & RETURN	0.00	500.00	500.00	0.00	0.00	500.00	0.00%
Expenses Total	0.00	500.00	500.00	0.00	0.00	500.00	0.00%
CIRCUIT/FAMILY COURT Dept Total	0.00	500.00	500.00	0.00	0.00	500.00	0.00%
Department 148 PROBATE COURT							
Expenses							
148-971-003							
COPY/FAX/PRINTER/SCANNER	0.00	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Expenses Total	0.00	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
PROBATE COURT Dept Total	0.00	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Department 207 ROAD PATROL							
Revenues							
207-582-000							
JANKS GRANT CAMERAS	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00%
207-587-000							
BULLETPROOF VEST GRANT - DOJ	4,968.66	0.00	0.00	0.00	0.00	0.00	0.00%
Revenues Total	8,868.66	0.00	0.00	0.00	0.00	0.00	0.00%
Expenses							
207-970-000							
BODY ARMOR	9,937.32	0.00	0.00	0.00	0.00	0.00	0.00%
207-975-000							
HANDGUNS	1,014.68	969.00	969.00	340.59	340.59	628.41	35.15%
207-976-000							
JANKS CAMERAS	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00%
Expenses Total	14,852.00	969.00	969.00	340.59	340.59	628.41	35.15%
ROAD PATROL Dept Total	-5,983.34	-969.00	-969.00	-340.59	-340.59	-628.41	35.15%
Department 215 CLERK							
Expenses							
215-981-000							
IMAGESOFT DATA WORKFLOW	0.00	15,000.00	15,000.00	0.00	0.00	15,000.00	0.00%
Expenses Total	0.00	15,000.00	15,000.00	0.00	0.00	15,000.00	0.00%
CLERK Dept Total	0.00	15,000.00	15,000.00	0.00	0.00	15,000.00	0.00%
Department 244 CONTROL							
Revenues							
244-699-101							
OPERATING TRANSFERS IN-GENERAL	131,305.00	79,637.00	79,637.00	0.00	19,909.25	59,727.75	25.00%
Revenues Total	131,305.00	79,637.00	79,637.00	0.00	19,909.25	59,727.75	25.00%
CONTROL Dept Total	131,305.00	79,637.00	79,637.00	0.00	19,909.25	59,727.75	25.00%

Account	2011 Actual	2012 Appropriated Budget	2012 Total Amended Budget	Month-to-date Actual	2012 Year-to-date Actual	2012 Budget Balance	Percentage Spent/Received
265-982-012 SEAL LUDER RD PARKING LOT	516.00	0.00	0.00	0.00	0.00	0.00	0.00%
265-983-000 SEAL ANNEX LOT	4,453.00	0.00	0.00	0.00	0.00	0.00	0.00%
265-984-000 POOL CAR	19,944.00	0.00	0.00	0.00	0.00	0.00	0.00%
Expenses Total	29,754.28	11,000.00	11,000.00	0.00	0.00	11,000.00	0.00%
BUILDINGS & GROUNDS Dept Total	29,754.28	11,000.00	11,000.00	0.00	0.00	11,000.00	0.00%
Department 275 DRAIN COMMISSIONER							
Expenses							
275-981-000 UPDATE DRAIN ASSESSMENT SOFTWARE	6,363.00	8,430.00	8,430.00	0.00	0.00	8,430.00	0.00%
Expenses Total	6,363.00	8,430.00	8,430.00	0.00	0.00	8,430.00	0.00%
DRAIN COMMISSIONER Dept Total	6,363.00	8,430.00	8,430.00	0.00	0.00	8,430.00	0.00%
Department 304 JAIL							
Expenses							
304-971-003 COMPUTER WORKSTATIONS	0.00	11,250.00	11,250.00	0.00	11,250.00	0.00	100.00%
304-971-004 LAPTOP COMPUTERS	0.00	10,000.00	10,000.00	0.00	9,867.34	132.66	98.67%
304-971-005 UPS	0.00	2,440.00	2,440.00	0.00	0.00	2,440.00	0.00%
304-971-006 SERVER	0.00	32,295.00	32,295.00	1,249.99	29,276.93	3,018.07	90.65%
304-971-007 HVAC	0.00	5,200.00	5,200.00	0.00	0.00	5,200.00	0.00%
304-971-008 KIOSK	0.00	12,000.00	12,000.00	12,000.00	12,000.00	0.00	100.00%
304-971-009 NAS	0.00	2,167.00	2,167.00	1,843.34	1,843.34	343.66	84.29%
304-986-000 JAIL INTERCOM	0.00	0.00	25,000.00	0.00	0.00	25,000.00	0.00%
Expenses Total	0.00	75,372.00	100,372.00	15,093.33	64,237.61	36,134.39	64.00%
JAIL Dept Total	0.00	75,372.00	100,372.00	15,093.33	64,237.61	36,134.39	64.00%
Revenues Total	140,173.66	79,637.00	79,637.00	0.00	19,909.25	59,727.75	25.00%
Expenses Fund Total	120,464.08	186,698.00	211,698.00	25,549.03	84,083.45	127,614.55	39.72%
Net (Rev/Exp)	19,709.58	-107,061.00	-132,061.00	-25,549.03	-64,174.20	-67,886.80	



Beginning/Adjusted Balance YTD Revenues YTD Expenses Current Fund Balance
 155,253.68 + 19,909.25 - 84,083.45 = 91,079.48

BFB Rev Exp EFB
 155,254 79,637 211,698 23,193

Account	2011 Actual	2012 Appropriated Budget	2012 Total Amended Budget	Month-to-date Actual	2012 Year-to-date Actual	2012 Budget Balance	Percentage Spent/Received
930-982-008 CLERK/FOC FURNITURE	23,068.16	0.00	0.00	0.00	0.00	0.00	0.00%
930-982-009 PROSECUTOR FURNITURE	27,885.90	0.00	0.00	0.00	0.00	0.00	0.00%
930-983-000 JAIL TUCKPOINTING	59,139.26	0.00	0.00	0.00	0.00	0.00	0.00%
930-985-000 PROBATE ARCHITECTUAL SERVICES	12,295.50	0.00	0.00	0.00	0.00	0.00	0.00%
930-985-001 PROBATE REMODELING	171,030.47	0.00	0.00	0.00	5,883.30	-5,883.30	100.00%
930-985-002 PROBATE MISCELLANEOUS	2,931.25	0.00	0.00	0.00	0.00	0.00	0.00%
930-986-000 FOC BUILDING REMODEL	37,219.50	0.00	0.00	0.00	0.00	0.00	0.00%
Expenses Total	543,165.65	0.00	0.00	0.00	7,342.42	-7,342.42	100.00%
2010 RELOCATION OF OFFICES Dept Total	543,165.65	0.00	0.00	0.00	7,342.42	-7,342.42	100.00%
Department 931 COURTHOUSE							
Expenses							
931-982-001 REMODEL COURTHOUSE BASEMENT	0.00	25,000.00	25,000.00	0.00	0.00	25,000.00	0.00%
931-982-002 REPAIR/REMODEL DIST CRT BATHROOM	0.00	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
931-982-003 PAINT DIST COURT CHAMBERS	0.00	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
931-982-004 PAINT DIST CRT CLERKS OFFICE	0.00	3,500.00	3,500.00	0.00	0.00	3,500.00	0.00%
931-982-005 COURTHOUSE ROOF	0.00	50,000.00	50,000.00	0.00	0.00	50,000.00	0.00%
931-982-006 WINDOW TREATMENTS DISTRICT CRT	0.00	3,500.00	3,500.00	0.00	0.00	3,500.00	0.00%
Expenses Total	0.00	92,000.00	92,000.00	0.00	0.00	92,000.00	0.00%
COURTHOUSE Dept Total	0.00	92,000.00	92,000.00	0.00	0.00	92,000.00	0.00%
Department 932 JAIL							
Expenses							
932-982-001 JAIL ROOF	0.00	60,000.00	60,000.00	0.00	0.00	60,000.00	0.00%
932-982-002 JAIL SIDEWALKS	0.00	6,000.00	6,000.00	0.00	0.00	6,000.00	0.00%
932-982-003 JAIL WINDOWS	0.00	25,000.00	25,000.00	0.00	0.00	25,000.00	0.00%
932-982-004 JAIL ENTRY DOORS	0.00	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
Expenses Total	0.00	93,000.00	93,000.00	0.00	0.00	93,000.00	0.00%

Account	2011 Actual	2012 Appropriated Budget	2012 Total Amended Budget	Month-to-date Actual	2012 Year-to-date Actual	2012 Budget Balance	Percentage Spent/Received
JAIL Dept Total	0.00	93,000.00	93,000.00	0.00	0.00	93,000.00	0.00%
Revenues Total	6,570.68	0.00	0.00	710.83	791.36	-791.36	100.00%
Expenses Fund Total	543,501.65	185,000.00	190,000.00	0.00	7,342.42	182,657.58	3.86%
Net (Rev/Exp)	-536,930.97	-185,000.00	-190,000.00	710.83	-6,551.06	-183,448.94	
Beginning/Adjusted Balance	1,217,409.94	YTD Revenues 791.36	YTD Expenses 7,342.42	Current Fund Balance = 1,210,858.88			

Beginning Fund Balance
 \$1,217,410

Revenues
 0

Budgeted Expenditures
 \$190,000

Ending Fund Balance
 \$1,027,410