

Agenda
Tuscola County Board of Commissioners
Committee of the Whole – Monday, May 23, 2016 – 8:00 A.M.
HH Purdy Building - 125 W. Lincoln, Caro, MI

Finance
Committee Leaders-Commissioners Kirkpatrick and Bierlein

Primary Finance

1. **HDC Senior Home Delivered Meal – Request to Increase Funding (See A)**
2. **Indian Creek Intercounty Drain Financing (See B)**
3. **Finance Committee Recommendations for Capital Improvement Fund (See C)**
4. **Legislative Retirement System Alternative (See D)**
5. **Insurance Company Recommendations to Reduce Claim Exposure (See E)**
6. **Eean Work for LUG – Reese and Mayville**
7. **Media Coverage Regarding Funding local Government (See F)**
8. **2016 Tax Rate Form (See G)**
9. **Success of Changing New Hire Retirement from DB to DC and Bonding (See H)**
10. **Michigan Association of Counties**
 - **House Raises the Age for Juvenile Offenders**
 - **Dark Stores**
 - **2017 State Budget – State Revenue Sharing**

On-Going Finance

1. Jail Planning Committee - Meeting 5-23-16
2. Road Commission Legacy Cost
3. Dispute Concerning Wind Turbine Assessing/Taxation
4. Update Multi-Year County Financial Plan
5. Adult Probation Telephones
6. VOIP New Telephones – IT Director
7. CGI Communications Video
8. Medical Examiner System
9. National Institute of Corrections Jail Training

Personnel
Committee Leader-Commissioner Trisch

Primary Personnel

1. **Jury Board Resignation (See I)**
2. **Sheriff Hiring Requests (See J)**
3. **Updating Driving Record for County Vehicle Operations (See K)**

4. **Exemption for Overtime Pay**
5. **Resolution in Honor of Lieutenant Service (See L)**

On-Going Personnel

1. Refilling Equalization Director
2. Employee Personnel Policy Update
3. Employee Handbook

Building and Grounds
Committee Leader-Young

Primary Building and Grounds

1. **Michigan Agricultural Environmental Assurance Program Awards (See M)**
2. **Jail Plumbing Update**

On-Going Building and Grounds

1. Vanderbilt Park Grant Application
2. Courthouse Stain Glass Window

Other Business as Necessary

Public Comment Period



429 Montague Avenue • Caro, MI 48723
PH. (989) 673-4121 • Fax (989) 673-2031

- BAD AXE PH. (989) 269-9502
Fax (989) 269-6166
- LAPEER PH. (810) 664-7133
Fax (810) 664-2649
- SANDUSKY PH. (810) 648-4497
Fax (810) 648-5422

**Human Development Commission
Tuscola County Senior Millage Special Request
May, 2016**

NEED

Funding to cover additional Home Delivered Meals

AMOUNT REQUESTED

\$18,130

BACKGROUND/RATIONAL

The Home Delivered Meals (HDM) program is in need of support to cover the cost of additional meals. Based on the current level of meals provided, projections reflect that HDC will exceed its contracted number by 14,800 meals. Region VII Area Agency on Aging has allowed us to transfer funding from the Congregate Meal Program, as well as utilize carry-over funding, to cover a portion of the projected over-service. However, we still project approximately 7,400 meals will remain unfunded for the fiscal year ending September 30, 2016. Our projections anticipate the serving of 88,848 meals to 456 residents of Tuscola County. The additional millage support will allow us to continue to provide services to those most in need and avoid placing customers on a waiting list. If a customer is placed on the waiting list, they are prioritized based upon need. This is determined by the completion of an assessment which establishes the customer's need based upon Activities of Daily Living (ADL's)

As you can see, HDM customers are those who are most frail and in need of the assistance. The program provides not only a meal for the customer, but may be the only contact they have with another person as many are shut-in with no local relatives.

We appreciate your consideration of this request.

BUDGET STATUS REPORT

Fund 297 VOTED SENIOR CITIZENS
 Department 672 HUMAN DEV COMM

Tuscola County
 Period Ending Date: April 30, 2016

Account Number Account Name	Previous Actual	Current Year Appropriated Budget	Current Year Total Amended Budget	Month-to-date Actual	Current Year-to-date Actual	Current Budget Balance	Percentage Spent/Received
Fund 297 VOTED SENIOR CITIZENS							
Fiscal Year 2016							
Department 672 HUMAN DEV COMM							
Revenues							
672-402-000 CURRENT/DELINQUENT TAXES	286,784.90	294,000.00	294,000.00	349,077.66	348,891.54	-54,891.54	118.67%
672-402-891 CURRENT TAX WIND REVENUE	36,841.27	55,000.00	55,000.00	0.00	0.00	55,000.00	0.00%
672-665-000 INTEREST REVENUE	775.07	1,000.00	1,000.00	1.72	1.72	998.28	0.17%
Revenues Total	324,401.24	350,000.00	350,000.00	349,079.38	348,893.26	1,106.74	99.68%
Expenses							
672-700-010 HUMAN DEVELOPMENT COMMISSION	223,404.50	233,773.00	233,773.00	57,818.25	125,636.50	108,136.50	53.74%
672-700-020 EXTRA HOME DELIVERED MEALS	0.00	7,500.00	7,500.00	0.00	0.00	7,500.00	0.00%
672-700-070 HDC VEHICLE MAINT/SUPPORT	3,500.00	3,500.00	3,500.00	875.00	1,750.00	1,750.00	50.00%
672-700-090 HDC SENIORS MISC. CARE	20,000.00	20,000.00	20,000.00	5,000.00	10,000.00	10,000.00	50.00%
672-700-150 VOLUNTEER MILEAGE	9,842.00	9,842.00	9,842.00	2,460.50	4,921.00	4,921.00	50.00%
672-707-000 SALARIES - PER DIEM	475.00	250.00	250.00	0.00	0.00	250.00	0.00%
672-715-000 F.I.C.A.	36.36	20.00	20.00	0.00	-0.01	20.01	-0.05%
672-964-000 REFUNDS & REBATES	670.07	1,000.00	1,000.00	131.37	131.37	868.63	13.14%
672-980-100 HDC REPLACEMENT FREEZER	13,000.00	0.00	0.00	0.00	0.00	0.00	0.00%
Expenses Total	270,927.93	275,885.00	275,885.00	66,285.12	142,438.86	133,446.14	51.63%
HUMAN DEV COMM Dept Total	53,473.31	74,115.00	74,115.00	282,794.26	206,454.40	-132,339.40	278.56%
Department 673 HEALTH DEPT							
Expenses							
673-700-040 FLU SHOTS	352.00	1,000.00	1,000.00	0.00	80.00	920.00	8.00%
673-700-080 GERIATRIC PROGRAM	31,738.00	33,340.00	33,340.00	9,311.00	9,311.00	24,029.00	27.93%
673-700-120 OTHER	8,272.00	9,000.00	9,000.00	0.00	0.00	9,000.00	0.00%
Expenses Total	40,362.00	43,340.00	43,340.00	9,311.00	9,391.00	33,949.00	21.67%
HEALTH DEPT Dept Total	40,362.00	43,340.00	43,340.00	9,311.00	9,391.00	33,949.00	21.67%

BUDGET STATUS REPORT

Fund 297 VOTED SENIOR CITIZENS

Tuscola County

Department 674 SENIOR CITIZENS OTHER

Period Ending Date: April 30, 2016

Account Number Account Name	Previous Actual	Current Year Appropriated Budget	Current Year Total Amended Budget	Month-to-date Actual	Current Year-to-date Actual	Current Budget Balance	Percentage Spent/Received
Department 674 SENIOR CITIZENS OTHER							
Expenses							
674-700-030 REGION VII AGENCY DUES	3,402.00	3,500.00	3,500.00	0.00	3,402.00	98.00	97.20%
674-700-100 TRIAD	477.36	500.00	500.00	0.00	0.00	500.00	0.00%
674-707-000 SALARIES - PER DIEM	1,325.00	1,000.00	1,000.00	125.00	125.00	875.00	12.50%
674-715-000 FICA	101.36	100.00	100.00	9.56	9.56	90.44	9.56%
674-861-000 TRAVEL	933.03	1,000.00	1,000.00	46.44	104.52	895.48	10.45%
674-891-000 ESCROW PORTION OF WIND REVENUE	0.00	12,121.00	12,121.00	0.00	0.00	12,121.00	0.00%
674-955-000 SENIOR BALL/FAIR-SENIOR ALLIANCE	1,000.00	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00%
674-956-000 SENIOR DINNER/DANCE-SR.ADVISORY	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	0.00	100.00%
674-999-101 INDIRECT COSTS	1,507.00	1,747.00	1,747.00	436.75	873.50	873.50	50.00%
Expenses Total	9,745.75	21,968.00	21,968.00	1,617.75	5,514.58	16,453.42	25.10%
SENIOR CITIZENS OTHER Dept Total	9,745.75	21,968.00	21,968.00	1,617.75	5,514.58	16,453.42	25.10%
Revenues Total	324,401.24	350,000.00	350,000.00	349,079.38	348,893.26	1,106.74	99.68%
Expenses Fund Total	321,035.68	341,193.00	341,193.00	77,213.87	157,344.44	183,848.56	46.12%
Net (Rev/Exp)	3,365.56	8,807.00	8,807.00	271,865.51	191,548.82	-182,741.82	

Beginning/Adjusted Balance
30,528.24 +

YTD Revenues 348,893.26
YTD Expenses 157,344.44
Current Fund Balance = 222,077.06

At a regular meeting of the Board of Commissioners of the County of Tuscola held on May 26, 2016.

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and seconded by _____:

RESOLUTION RE: Indian Creek Intercounty Drain Note, Series 2016

WHEREAS, proceedings have been taken by the Drainage Board for the Indian Creek Intercounty Drain for improvements to the Indian Creek Intercounty Drain (the "Project") pursuant to a petition filed with the Lapeer County Drain Commissioner under the provisions of Chapter 8 of the Drain Code of 1956, as amended (the "Drain Code"); and

WHEREAS, in order to pay for certain preliminary costs of acquiring and constructing the Project, the Drainage Board is expected to authorize and provide for the issuance by the Indian Creek Intercounty Drain Drainage District (the "Drainage District") of a note designated "Indian Creek Intercounty Drain Note, Series 2016" (the "Note") in the aggregate principal amount of not to exceed \$300,000, bearing interest at a rate not to exceed 4.0% per annum, and maturing no later than December 1, 2017, in anticipation of bonds (the "Bonds") to be issued by the Drainage District to provide the permanent financing for the Project; and

WHEREAS, 84.1% of the cost of the Project has been apportioned by the Drainage Board to the County of Lapeer, 4.2% of such cost has been apportioned by the Drainage Board to

the County of Sanilac and 11.7% of such cost has been apportioned by the Drainage Board to the County of Tuscola (the "County"); and

WHEREAS, the Drainage Board deems it advisable and necessary to obtain from this Board a resolution consenting to the pledge of the limited tax full faith and credit of the County of Tuscola on the Note to the extent that the cost of the Project has been apportioned to the County; and

WHEREAS, the Project is necessary to protect and preserve the public health and it is in the best interest of the County of Tuscola that the Note be sold.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF TUSCOLA:

1. Pursuant to the authorization provided in Section 434 of the Drain Code, provided that the Drainage Board authorizes and provides for the issuance of the Note within the parameters set forth above, the Tuscola County Board of Commissioners, by a 2/3 vote of its members, does hereby irrevocably pledge the limited tax full faith and credit of the County of Tuscola for the prompt payment of 11.7% of the principal of and interest on the Note when due, and does agree that in the event that the Bonds are not issued prior to the date on which the principal of and interest on the Note are due and that moneys are not otherwise available to the Drainage District on such date to pay such principal and interest, the County Treasurer is directed to immediately make such advancement from general funds of the County to the extent necessary to pay the County's share of the principal of and interest on the Note when due. The ability of the County to levy taxes to pay its share of the principal of and interest on the Note shall be subject to constitutional and statutory limitations on the taxing power of the County.

2. In the event that, pursuant to said pledge of full faith and credit, the County of Tuscola advances out of County funds, any part of the principal of and interest due on the Note, it shall be the duty of the County Treasurer, for and on behalf of the County of Tuscola, to take all actions and proceedings and pursue all remedies permitted or authorized by law for the reimbursement of such sums so paid.

3. This resolution shall become effective only if the Board of Commissioners of the County of Lapeer and the Board of Commissioners of the County of Sanilac each adopt a resolution substantially in the form of this resolution that pledges the limited tax full faith and credit of each respective county to the payment of the principal of and interest on the Note to the extent of its apportioned share of the cost of the Project.

4 All resolutions and parts of resolutions, insofar as the same may be in conflict with the provisions of this resolution, are hereby rescinded.

ADOPTED: Yeas: _____

Nays: _____

STATE OF MICHIGAN)
) SS
COUNTY OF TUSCOLA)

I, the undersigned, the duly qualified and acting County Clerk of the County of Tuscola, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by a 2/3 vote of the members of the Tuscola County Board of Commissioners at a regular meeting of said Board of Commissioners held on May 26, 2016, the original of which is on file in my office.

I further certify that notice of the meeting was given in accordance with the Open Meetings Act.

County Clerk
County of Tuscola

Subject: FW: Capital Improvement Fund

DRAFT

Commissioners

One of the decisions made from the 2014 and 2015 multi-year financial planning was to suspend all capital improvement projects because of financial concerns. The capital improvement fund balance had dropped to a multi-year low point of under \$1 million. The county has 15 buildings and grounds to maintain. It is estimated that on average \$400,000 needs to be spent annually to be proactive and maintain these facilities.

On a positive note, the construction of another wind project provided an increase in revenue for 2015 that enabled the transfer of \$649,448 from the general fund to the capital improvement fund. For the past 7-8 years no transfers or very minimal transfers were able to be made resulting in a major reduction of capital improvement funds. The significant 2015 general fund transfer increased the capital improvement fund balance to \$1,590,621 for the start of 2016.

The finance commissioners believe that the suspension of capital improvement projects can now be lifted to meet some of the outstanding capital improvement needs. Taking a cautious approach it is estimated that approximately \$350,000 could be spend on capital improvement projects in 2016 and still maintain the same fund balance to start 2017 shown as follow.

- **2016 beginning fund balance \$1,590,621**
- Plus \$70,000 (first of three year payment to total (\$210,000) for the sale of county property to MCF
- Plus \$250,000 general fund transfer to capital improvement fund
- Minus \$350,000 capital improvement expenditures
- **Estimated 2017 beginning fund balance \$1,560,621**

The finance committee recommends to the buildings and grounds committee the following priority projects be budgeted for 2016. These projects focus on the jail and the major work needed to repair this structure which is over 50 years old.

- Replace jail water supply system \$150,000 – leaks have been reoccurring
- Replace jail windows \$160,000 (may only be enough to replace some of the windows and architectural assistance to develop specifications for this project is approved) – **this is a project that will help to reduce high energy costs**
- Replace sidewalk around the jail \$10,000 – public safety and liability issues
- Tuck Point Courthouse \$10,000 – important maintenance for building structural stability
- Tuck Point DHHS \$10,000 – important maintenance for building structural stability
- Tuck Point Health Department \$10,000 – important maintenance for building structural stability
- **Total \$350,000**

It is the opinion of the finance committee that a second year preliminary capital improvement budget should be established and recommends to the buildings and grounds committee the following projects be budgeted for 2017 which focus on energy efficiency improvements that will produce a return on investment..

- Adult Probation seal parking (1/2 of lot) lot \$2,000 – proactive maintenance
- Jail C-wing air conditioner \$9,000 – proactive maintenance
- Potential expediting of implementation of higher energy efficiency lighting (significant research required to determine approach) - \$50,000
- 911 roof replacement \$30,000 – proactive maintenance
- 911 window replacement \$10,000 – proactive maintenance
- Parking lot sealing projects 5 locations \$11,500 – proactive maintenance
- Adult Probation parking lot replacement (1/2 of lot) \$15,000 – proactive maintenance
- Animal shelter Tuck Pointing \$15,000 – important maintenance for building structural stability
- Potential additional Jail window replacement costs (Cost unknown until project defined and bid) ??
- Jail Electrical (Cost unknown until project defined and bid) ?? – 50 year old building
- **Total without potential additional window and electrical costs - \$142,500**

Departments may also submit valid budget requests for 2017 that should be considered for funding.

Mike

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

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



mhoagland@tuscolacounty.org

From: Erica Dibble <edibble@tuscolacounty.org>
Sent: Tuesday, May 10, 2016 4:08 PM
To: Mike Hoagland
Subject: MERS
Attachments: Pages from 2014-12-29. commissioner health insurance.pdf; DC explanation.pdf; Commissioner DC plan.pdf

Mike- As we discussed the BOC will need to make a decision on MERS eligibility for new commissioners under the new Defined Contribution Plan.

Under the former Defined Benefit Plan Commissioners were eligible, however the new Defined Contribution Plan documents state that only full time employees are eligible. Our Commissioners are classified as part time and work less than 29 hours per week so they do not automatically qualify for the MERS Defined Contribution Plan. The options are

- BOC can do nothing and Commissioners elected after 1/1/16 would not be eligible to participate
- BOC can make a resolution that our DC plan is a benefit to Full time employees **and** County Commissioners

If the current Board votes to allow Commissioners to be eligible, each elected Commissioner would be able to make a one time decision if they would like to participate. As the plan documents state that the Governing Body members are the only employees who have the choice to opt in or out.

I have attached the plan options for you to review, as well as an estimated cost to the budget for a Commissioner. The retirement wages would include the base pay and per diem payments, but would not include mileage.

--

Erica Dibble

Tuscola County

Human Resource Coordinator

125 W. Lincoln St.

Caro, MI 48723

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Fax (989)672-4011

edibble@tuscolacounty.org

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Consent Agenda Resolution - None

New Business -

-Affordable Care Act – Commissioner Health Insurance -

14-M-226

Motion by Kirkpatrick, seconded by Bierlein that for the term of office for the years 2015 and 2016, and thereafter until further official action otherwise, the members of the Tuscola County Board of Commissioners shall each be required to provide no more than an average twenty-nine (29) hours of service in such capacity per calendar week, and in no case shall any member of the Tuscola County Board of Commissioners engage in more than Five Hundred Nineteen (519) hours of service in any period of ninety (90) consecutive days, nor more than One Thousand Five Hundred Fifty Nine (1,559) hours of service in any one (1) year period. Also, it shall be the responsibility of each member of the Tuscola County Board of Commissioners to ensure their own compliance with the hourly service limitations set forth herein.

Recessed at 8:09 a.m. (to allow for communication to Commissioner Trisch to be re-established)

Reconvened at 8:19 a.m.

Roll Call Vote - Allen - yes; Bardwell - no; Trisch - no; Kirkpatrick - yes; Bierlein - yes. Motion Carried.

-Commissioner Compensation - Commissioners discussed transferring the currently received stipend into the Commissioners base salary pay. This transfer will maintain the current amount of salary received and will not increase the amount the Commissioners receive.

14-M-227

Motion by Bierlein, seconded by Kirkpatrick that the current \$2,000 stipend paid to county commissioners be rolled into the base commissioner compensation and the stipend for Commissioners be eliminated. The health insurance incentive for other eligible County employees will remain in effect. Roll Call Vote - Bardwell - no; Trisch - no; Kirkpatrick - yes; Bierlein - yes; Allen - yes. Motion Carried.

-Resolution Regarding County Commissioner Compensation -

14-M-228

Motion by Bierlein, seconded by Allen to accept the following resolution regarding County Commissioner compensation:



Tuscola County

Retirement Benefits

Welcome to Tuscola County! As a full time employee you will be enrolled in our MERS Defined Contribution Plan.

The following items are not specific in the attached handbook.

Employer/Employee Contributions:

Employee Contribution	Employer Contribution
0% - 4%	4%
5%	4.50%
6%	5%

- * Employee contributions are pre-tax
- * Decision must be made at hire & cannot be changed

Vesting Schedule:

Graded Vesting	
25% Vesting	after completing 3 years of service
50% Vesting	after completing 4 years of service
75% Vesting	after completing 5 years of service
100% Vesting	after completing 6 years of service
Automatic Vesting at age 60	

This means after 6 years you can keep 100% of what the employer has paid on your behalf.

You will always get 100% of what you contribute.

Estimated Employer Cost per Commissioner

ANNUAL PAY		Employer Contributions		
		4.00%	4.50%	5.00%
Base Salary	\$10,949.80	\$437.99	\$492.74	\$547.49
Average Per Diems	\$2,562.00	\$102.48	\$115.29	\$128.10
Estimated Average Employer Cost per year per Commissioner		\$540.47	\$608.03	\$675.59

May 3, 2016

Mr. Mike Hoagland
Tuscola County Administrator
123 W. Lincoln Street
Caro, MI. 48723

RE: Best Practice Reviews

Dear Mr. Hoagland,

On behalf of MMRMA, I would like to thank you and your staff for meeting with us recently to conduct our Best Practice Reviews. Your staff was well prepared and helpful during this review process. More importantly, they were very receptive to our suggestions during the course of this process.

There are only a handful of suggestions that we would like you to consider based upon our review process. The following is a description of the issues we believe will assist you in mitigating potential exposure:

- a) The contractors that Tuscola utilizes need to provide you a copy of their automobile insurance.
- b) Employees who utilize their personal vehicles for municipal business need to provide the County with a copy of their vehicle insurance.
- c) New employees who are going to be tasked with handling currency transactions should have financial background checks prior to employment.
- d) A new rule needs to be written for all county employees who operate vehicles and/or, are involved in critical tasks that requires them to report to their supervisors any medication, prescribed or over the counter, that may impair or have the potential to impair, their performance before they begin their work day (We've already emailed you an example of this).
- e) Supervisors need to be trained in specific, sensitive areas which have the potential of creating significant areas of liability exposure for the county. These include: workplace harassment awareness, workplace violence and cultural diversity awareness. We have a staff member who can provide this training for your staff.

In addition, Tim McClorey has already emailed you a copy of our Risk Transfer Manual which will also provide you additional resources. We're confident this resource will assist you in mitigating potential liability issues.

Thank you again for assisting us in this review process. We hope we've provided Tuscola County with a solid foundation of information and guidance which will hopefully prevent potential risk exposure.

Please feel free to contact me should the need arise. I truly enjoyed the time spent with you and your staff and look forward to seeing you in the future.

Respectfully,

Mike Berthā
Senior Liability & Risk Consultant

Cc: Tim McClorey, RRM
Risk Control File

MB/sp

From: Mike Bertha <mbertha@mrrma.org>
Sent: Friday, May 6, 2016 10:19 AM
To: mhoagland@tuscolacounty.org
Subject: Recommendation Letter
Attachments: Tuscola County BPR Recommendation Letter.docx

Mr. Hoagland,

Here is a draft copy of the letter I indicated I would be sending you to review. I'm fairly sure I've taken the approach we spoke of. I apologize for the delay getting it to you, it's just been a very busy couple of weeks since we last spoke.

Take a look at it and let me know what you think. I'm leaving Sunday for Camp Grayling and I'll be up there all week conducting several training classes for our law enforcement members, so you needn't worry about this getting done today or Monday.

If you need me in the future, please don't hesitate contacting me.

You and yours be well!

Mike Bertha
Senior Liability & Risk Consultant
Northwestern University SPSC #49
F.B.I.N.A. #188
Michigan Municipal Risk Management Authority
14001 Merriman Road
Livonia, MI. 48154

Office: 734-245-7764 Cell: 734-216-9789



Michigan

Wayne County executive out to fix Michigan's 'broken' funding model for cities

By [Emily Lawler | elawler@mlive.com](#)

on May 16, 2016 at 10:01 PM, updated May 16, 2016 at 11:23 PM

ANSING, MI -- When Wayne County Executive Warren Evans took office he set out to right the county's budget. He did it, but realized about halfway through his first year in office that the way Michigan's cities get money is, in his words, "broken."

Balancing the budget... it made me realize that even running effectively and getting ourselves on firm financial footing, we just didn't have the resources going forward with the existing state of municipal financing," Evans said.

He's launching a statewide tour titled, "Investing in Michigan Communities: Finding Fair Funding for Strong, Successful Communities."

Evans is kicking off the tour in Trenton, and plans to talk with local officials about financing mechanisms that fuel their communities and challenges they face. In addition to Southeast Michigan, he plans to visit Grand Rapids, Lansing, Flint, Traverse City and the Upper Peninsula.

The goal is to build consensus around a solution. Evans laid out a problem in his March State of the County address: the county lost \$418 million less in tax receipts from 2008 to 2014 due to declining property values and limitations on how local municipalities can recover those funds.

He plans to hear from local officials statewide on this tour, and spend this year gathering information. In 2017, he intends to gather what he has learned and put forward solutions with broad support.

Evans is not the only one who has delved into municipal finance lately. Michigan State University researchers have [traced local financial problems](#) back to state policies, and the Michigan Municipal League recently [launched a website](#) that aims to educate on Michigan's "abysmal record" of investing in local governments.



Flint syndrome: Fewer cops, abandoned parks, and why more cities may crumble

Evans recognized that there are differences between municipalities, and there may be disagreement on how to proceed.

If that weren't the case we'd have a remedy now," Evans said. "But we think that if we know enough about the problem and know enough about the issues that different parts of the state have, that gives us a leg up on trying to craft something that we can all live with."

around Wayne County Evans said he hears almost universally that residents want two things: better infrastructure, like roads, and more public safety workers.

He said there are levels of nuance and differences between communities, but there are also a lot of similarities. Statewide solutions are necessary for all communities, Evans said.

In Wayne County, he's confident he's put the area on a sound financial footing. But he's still hearing about public safety, about roads.

Without additional revenue, we, like a lot of communities are going to fall short of being able to perform the way that we think our citizens expect us to perform," Evans said.

Joining Evans on the tour are Bill Anderson, Government Finance & Operations Specialist for the Southeast Michigan Council of Governments; Eric Scorsone, founder of Michigan State University's Center for Local Government Finance and Policy; Tony Minghine, Associate Executive Director & COO of the Michigan Municipal League; Eric Lupher, President of the Citizens Research Council of Michigan; and city of Taylor Mayor Rick Sollars.

Emily Lawler is a Capitol reporter on MLive's statewide Impact Team. You can reach her at elawler@mlive.com, subscribe to her on [Facebook](#) or follow her on Twitter: [@emilyjanelawler](#).

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Public sector

Flint syndrome:

Fewer cops, abandoned parks, and why more cities will crumble unless Michigan changes

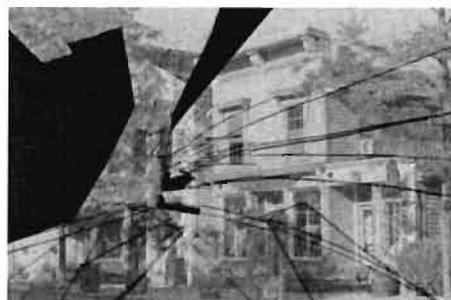
12 May 2016

by **Ron French and Mike Wilkinson**

In one decade, Michigan cities lost 2,300 police officers.

That's like laying off every Michigan State Police trooper. Twice.

Ann Arbor lost 23 percent of its police force; Saginaw, 41 percent; Troy, 48 percent.



And it only happened here. No other Midwestern state witnessed anything close to the massive police layoffs that occurred in Michigan between 2005 and 2014.

The distinction isn't about crime rates but the arcane issue of municipal finance. Simply put, Michigan funds its cities differently than most states. As a result, the old industrial city of Flint is in notably worse financial shape than the old industrial city of Toledo, just across the state line.

The disappearance of one in five city police officers may be the most noticeable impact of Michigan's growing municipal finance crisis, but it's far from the only one. In some cities, dwindling revenues have meant abandoned parks or cuts to youth programs. Other communities have deferred maintenance on streets and buildings, or are holding fundraisers to buy basic fire equipment.

And then there's Flint, where high levels of lead in the drinking water potentially caused life-long neurological damage to thousands of children. The series of bad decisions that led to the drinking water crisis in that cash-starved city emerged from the same milieu of state-level choices cracking the budgets of cities across Michigan.

Flint, with its tragic decision to

Database: Big drop in cops 2005–2014 

save money by switching its water source. Cities, villages and townships across Michigan were

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 save money by switching its water source without properly safeguarding the new water supply, is only the most grievous example. But it is hardly alone among Michigan cities and towns that are facing seismic decisions about how to provide basic services to residents in the face of grim revenue numbers.

Call it the Flint Syndrome, where systemic, long-term disinvestment has imperiled the safety and frayed the quality of life for residents of many Michigan cities.

And the grim choices cities must make are likely going to get worse, unless the state makes fundamental changes to the way cities are funded, say municipal finance experts.

“Cities are bound and gagged financially by the state,” said Mitch Bean, former long-time director of the nonpartisan House Fiscal Agency. “And there’s no way out.”

State’s role in starving cities

Josh Sapotichne, assistant professor of political science at Michigan State University, looked at a map showing the locations of financially distressed cities in the U.S., and noticed something odd. Most distressed cities were clustered in only a handful of states.

Michigan is one of only three states with a double-digit number of cities designated as financially distressed since 2000, according to data he shared with Bridge. Michigan has had 11 designations (Flint and Hamtramck, twice); Ohio, 13, and Pennsylvania, 14. California cities have had their own financial struggles, with several declaring bankruptcy, but the state has no state program to take over the books of cash-strapped municipalities.

“It’s not like Michigan is the only state in the nation with cities that are dealing with the

Fewer cops, abandoned parks, and why more cities will crumble unless Michigan changes cities, villages and townships across Michigan were forced to cut police officers as lower taxes — from dwindling property taxes and state revenue sharing — forced many to solve budget woes by going after personnel costs. With police typically the biggest department and officer pay the biggest expense, many were cut. It’s left many Michigan communities with far fewer officers per capita than cities in the Midwest and the country, a byproduct of a municipal finance system that some say is broken. Statistics below are from 2005 and 2014, the latest year for which full data was available. Note: Cities that did not report data to the FBI in both 2005 and 2014 are not included.

Search database:

City	2014 Pop.	Gain/Loss since 2005	2014 Officers	Gain/Loss since 2005	Percent change	Officers per 1,000 residents	Percent change
Detroit	684,694	-24.0%	2,318	-1,009	-30.3%	3.39	-8.3%
Grand Rapids	193,385	-1.0%	283	-48	-14.5%	1.46	-13.7%
Warren	135,080	-0.8%	196	-43	-18.0%	1.45	-17.3%
Sterling Heights	131,604	3.2%	144	-26	-15.3%	1.09	-17.9%
Ann Arbor	117,768	3.6%	117	-35	-23.0%	0.99	-25.7%
Lansing	113,901	-2.7%	192	-51	-21.0%	1.69	-18.8%
Flint	99,166	-17.2%	102	-142	-58.2%	1.03	-49.5%
Clinton Township	98,897	3.0%	86	-19	-18.1%	0.87	-20.5%
Dearborn	95,396	-0.2%	182	-3	-1.6%	1.91	-1.5%
Livonia	94,833	-4.2%	117	-33	-22.0%	1.23	-18.6%
Canton Township	89,073	5.1%	78	-2	-2.5%	0.88	-7.3%
Troy	83,279	2.2%	70	-64	-47.8%	0.84	-48.9%
Westland	82,246	-4.8%	77	-23	-23.0%	0.94	-19.1%
Farmington Hills	81,682	1.0%	104	-9	-8.0%	1.27	-8.9%
Shelby Township	76,556	11.9%	62	-8	-11.4%	0.81	-20.9%

Showing 15 out of 326 entries. Type in the ‘search database’ box to find your results.

Source: *The FBI’s Uniform Crime Reports*. Local agencies report personnel statistics annually to the federal agency.

consequences of post-industrialism,” Sapotichne said. “So why is it happening here and why hasn’t it happened elsewhere?”

The surprising answer, **according to a report** by Sapotichne and a group of MSU researchers: most cash-starved cities weren’t broke because of something they’d done; they were broke because of things their state had done.

“Michigan incubates municipal financial distress,” Sapotichne told Bridge. “There’s a reason why cities in North Carolina or Tennessee are not experiencing the same kinds of financial pressures. Even an all-star team of city officials and managers could not design a strategy to manage their way through the constraints Michigan’s policies place on a Flint, an Ecorse, or a Benton Harbor.”

Those restraints, the report suggests, are an accumulation of decisions by legislators and the public that date back 40 years. Those decisions include:

Headlee Amendment

In 1978, the **Headlee Amendment** limited increases in property tax revenue collected by cities to the rate of inflation. So during years when property assessments increased more than inflation, millage rates were reduced so total property tax revenue matched the inflation rate. But cities could bump their millage rates back up in years when property tax increases were going to be below the inflation rate. The result: cities lost a lot of revenue in years when property values were skyrocketing, but could make up only some of that loss in other years.

Proposal A

In 1994, voters approved **Prop A**, which put a cap on property assessment increases of 5 percent or the rate of inflation, whichever was less. In simplest terms, property tax revenues, the bread-and-butter of city budgets, could go down quickly and steeply when property values spiraled, as they did during the Great Recession, but could never go up quickly.

Farmington Hills, for example, lost so

much property value during the Great Recession that, given Prop A’s limits on increases, it will take until 2028 just to get back to pre-recession assessment levels.

Thinning blue line

In the last decade, the number of police officers protecting Michigan cities has plummeted as the state fell further behind the nation and neighboring states. For example, if a city like Livonia had the Midwest rate, it’d have 44 more officers than the 117 it had in 2014.

City size	Officer per 1,000 residents (2014)			Change, 2005–2014		
	Nation	Midwest	Michigan	Nation	Midwest	Michigan
over 250,000 people*	2.6	3	3.4	-7.1%	-9.1%	-8.3%
100,000 to 250,000	1.7	1.7	1.3	-10.5%	-10.5%	-23.5%
50,000 to 100,000	1.6	1.5	1.2	-5.9%	-6.3%	-20.0%
25,000 to 50,000	1.7	1.5	1.2	-5.6%	-6.3%	-14.3%
10,000 to 25,000	1.8	1.7	1.5	-5.3%	-5.6%	-11.8%
under 10,000	3.7	2.8	1.6	12.1%	7.7%	-11.1%

*Note: For Michigan, Detroit is the only city over 250,000 people.

Source: **The FBI’s Uniform Crime Reports**. Local agencies report personnel statistics annually to the federal agency.

Bridge • The Center for Michigan Fewer cops, abandoned parks, and why more cities will crumble unless Michigan changes increases, it will take until 2038 just to get back to pre-recession assessment levels – without taking inflation into account, according to calculations by Robert Kleine, former Michigan treasurer.

Prop A also nixed the provision in Headlee that allowed cities to “roll up” their millage rates when the rise in taxable value was less than inflation; that revision made it easy for cities to lose money, but impossible to gain it back. Combined with Headlee, Michigan devised the **second-tightest local taxation limits in the nation**, ahead of only Colorado.

Revenue sharing

All of which left Michigan cities more reliant on revenue sharing, which is a share of sales tax collected by the state and distributed to cities, villages and townships. The state is required by the state constitution to distribute 15 percent of sales tax revenue to these local governments; a **1998 law** passed by the Legislature sets the distribution of another 21.3 percent of the first 4 percent of sales tax revenue to cities. But while setting that distribution level, the law doesn’t require the appropriation. So every year, the legislature decides whether that money actually goes to cities, or is used for other things in the state budget. The Legislature and a series of Republican and Democratic governors have routinely kept some of that 21.3 percent for other uses. By 2015, about \$5.5 billion in revenue sharing had been diverted from the cities and towns that were supposed to benefit from that money (another estimated \$2 billion has been kept from counties).

With full revenue sharing since 2002, Grand Rapids would have \$82 million more in its coffers; Lansing, \$63 million; Flint, \$62 million.

“Cities are on the bottom of the food chain,” Sapotichne said. “If the state needs to balance a budget, they can not make good on these commitments on revenue sharing made in the ‘90s.”

You can look up how much your community has lost in revenue sharing [here](#).

“For most cities, about 75 percent of revenue comes from property taxes and revenue sharing,” said Anthony Minghine of the Michigan Municipal League, which advocates for Michigan cities. “One is horribly restrained and the other is cut drastically. So cities are never getting ahead of the game.”

Gideon D’Assandro, spokesperson for House Speaker Kevin Cotter, R-Mt. Pleasant, suggested to Bridge in November that Michigan cities have no one to blame but themselves for their financial mess.

Legacy costs – expensive retiree health care and pensions – is hurting cities, D’Assandro said. Sapotichne’s report also cites legacy costs as a contributing factor in city budget problems. “There do appear to be some bad deals out there,” D’Assandro said.

Shedding police

The impact of fiscal limitations can be seen in police departments in cities across the state.

**Postcards from a city’s edge:
First of two parts**



Today: Flint draws the headlines, but cities

Michigan's 22 largest communities and 48 of the top 50 had fewer police officers per capita in 2014 than a decade earlier. (St. Clair Shores and Muskegon had slightly more police per capita.)

Michigan cities fell even farther behind the nation and the Midwest. On average, Michigan cities had 17 percent fewer cops than their Midwestern neighbors in 2005; by 2014, Michigan cities had 24 percent fewer police officers (1.6 police per 1,000 Michigan city residents, compared to 2.1 across the Midwest).

While Michigan has the fewest city police officers, its cities have the highest rate of violent crime and motor vehicle theft in the Midwest. Minnesota added officers in the decade, despite having the lowest violent crime rate in the Midwest.

Flint, with one of the highest rates of violent crime in the nation, was forced to cut its police force from 244 in 2005 to 102 a decade later. By comparison, fellow rust belt city Toledo has more than twice the number of cops per capita, despite a lower violent crime rate than of Flint.

In Hazel Park, the police force has been trimmed from 40 to 33 in recent years. "There's a minimum number of human bodies you need to perform services," said City Manager Edward Klobucher. "Nobody wants to relocate to a community that can't protect itself."

The impact on public safety is not immediately clear. There's no crime data to suggest the decline in police officers in Michigan cities has made cities less safe. Crime rates in Michigan have **dropped over the past 20 years**, as they have nationally.

But police do more than investigate murder, rape, assault, car thefts and burglaries. They are there when there's a car accident, or when a woman is menaced by her spouse or partner (domestic violence is a crime but not in federal crime statistics). They do crowd control and catch speeders. They line the street when there's a parade and stroll the stands at Friday night football games.

And in places like Wayne, near Detroit, where the force has shrunk from 42 to 23 officers over the past decade, they routinely work 12-hour shifts to keep residents safe. "Every night I go to bed and I pray that they come home okay," Wayne Mayor Susan Rowe told Bridge of her city's overworked patrol officers. "I fear for their safety."

The impact of fewer officers may show up in other ways.

In Bay City, for example, drunk driving arrests have **declined with the number of police officers**.

"With less people ... less gets done," Bay City Public Safety Director Michael Cecchini told MLive in 2013.

across Michigan are facing dire, perhaps dangerous choices in part because of state budget policies.

- **Fewer cops, abandoned parks, and why more cities will crumble unless Michigan changes its ways**
- **Searchable Database: How many cops has YOUR town lost?**
- **WAYNE: Need fire hoses? Pass the hat**
- **BATTLE CREEK: A starving Cereal City**
- **SAGINAW: Parks and wreck**

NEXT WEEK Part Two: What Michigan can learn from budget policies in Ohio and Pennsylvania.

In Ann Arbor, where the police force shrank 22 percent, the decline has meant the

Bridge • The Center for Michigan Fewer cops, abandoned parks, and why more cities will crumble unless Michigan changes
 in Ann Arbor, where the police force shrank 25 percent, the decline has meant the elimination of the drug education DARE program in schools and dedicated foot patrols on the city's main thoroughfares.

Because the cuts occurred over more than a decade, there has been little public notice that a police force that once stood at 198 is down to 122, with officers working 12-hour shifts, said Ann Arbor Police Chief Jim Baird.

"I think the public has been shielded (from the cuts)," Baird said. "Police are always going to provide the core services. It's the other stuff that falls by the wayside."

Other public-safety funding cuts are harder to hide. **In Battle Creek**, the police station smells of sewage, and office supplies are stored on shelves in the women's bathroom.

Back in the city of Wayne, community members held a fundraiser at a bowling alley **to raise funds for new fire hoses.**

"Wayne has a stable population, middle-class housing stock and a large, operating industrial complex, and it's still almost bankrupt," said Minghine of the Michigan Municipal League. "That's the world we live in."

Because the financial squeeze on local governments happened gradually, deferred maintenance on sewer systems, old playground equipment and outdated public safety vehicles aren't noticed by the public until there's a problem. MSU's Sapotichne compared it to a man eating bacon cheeseburgers every day. Outwardly, his health may seem fine, right up to the day he has a heart attack. "We're feeling the cumulative effect of 40 years of choices," Sapotichne said. "This structural financial gap is toxic to cities.

"Cities are going to make mistakes, because they're being squeezed," Sapotichne said. "And the consequences of those mistakes are exacerbated because of this financial structure."

Those mistakes could mean bankruptcy.

In Flint's case, it meant poisoned water.

"If all these cities are struggling, it tells you there's something wrong with the model," Minghine said. "We lose sight of how everyone is dancing on the edge of the cliff."

56 comments from Bridge readers.

Tom Ivacko

May 12, 2016 at 9:03 am

Through the Michigan Public Policy Survey at UM we interviewed 76% of Michigan's local government leaders last fall on issues of public safety. We found very mixed views when it comes to police services. In Michigan's biggest jurisdictions (cities and townships), despite the steep cuts in the number of officers, and despite widespread concern that crime is a problem (especially drug and property crimes), 95% of local leaders are still satisfied with the services provided by their local police departments. 86% think most people feel safe in their communities. And 76% think most people are confident the police will arrive in time to deal with an emergency. Of course, we'd like to see those percentages at 100%, and it is possible local leaders were giving relative assessments of satisfaction based on the funding constraints they

have to work within, but those are still pretty positive assessments.

On the other hand, 47% of these leaders in the biggest jurisdictions say they do not have sufficient funding to meet their law enforcement needs, even though 37% report they have recently succeeded at raising local funding for police services

through millages or special assessments.

Since 2009 we have been tracking how local governments have responded to their growing fiscal challenges, and there is no question that overall they've been very active at making cuts to live within their reduced revenue streams. They've found efficiencies and tried to do more with less. They've cut staffing, made employees pay more for fringe benefits, renegotiated labor contracts, collaborated with neighboring jurisdictions, delayed infrastructure maintenance, and more. Meanwhile, public demands for services and infrastructure maintenance or improvements are growing in many places, but the funding to meet those demands hasn't kept pace.

In 2012 we asked about their views on the system of funding local government in the state and found that 58% thought it needed significant reform, including 77% in the largest jurisdictions. Fewer than half (43%) thought the system would allow them to maintain the package of services they were delivering at that time. In the largest jurisdictions, only 22% thought the system would be sufficient to maintain services.

We are repeating those survey questions now in the spring of 2016, with four more years of "recovery" from the Great Recession under the belt, and we'll report those findings this fall. All findings and data are available via <http://closup.umich.edu/mpps.php> or by email to closup@umich.edu

Susan Murdie

May 12, 2016 at 11:34 am

"95% of local leaders are still satisfied with the services provided by their local police departments"

Those "local leaders" set a budget for local police department! Of course "THEY" are satisfied!

Get real, look at actual crime statistics in Michigan, not the perceptions of those who are responsible for allocating funds for local police departments.

"We are repeating those survey questions"

Stop repeating failed questions! Look at facts, not just the perceptions of those who make budgets for City Hall.

Susan Murdie

May 12, 2016 at 11:35 am

<http://www.neighborhoodscout.com/neighborhoods/crime-rates/top100dangerous/>

Tom Ivacko

May 12, 2016 at 11:49 am

A few of Michigan's largest cities are among the most dangerous in the country. At the same time, crime rates are down (http://www.mlive.com/lansing-news/index.ssf/2014/11/fbi_data_michigans_crime_rates.html). Even in Detroit (<http://www.freep.com/story/news/local/michigan/detroit/2016/01/07/detroit-crime-homicide-rates-2015/78401536/>).

John S.

May 12, 2016 at 3:10 pm

There's a positive correlation in Michigan between municipal crime rates and police department staffing levels but it's not as large a correlation as one might think. One of the most important jobs for mayors (and local managers) is to get public safety staffing levels "right." What is "right," of course, will vary from community to community, and include factors other than the crime rate. There's need, however, for mayors (and local managers) to be more transparent and give reasons or justifications for staffing levels that, controlling for the crime rate, are below or above average.

Jarrett Skorup

May 12, 2016 at 9:38 am

This piece does a lot on the revenue side but almost nothing on the costs to cities, which is a much bigger issue. Bridge should do a deeper dive into pension and retiree costs.

As my colleague James Hohman noted recently: "Consider that the state police retirement system now costs between 57 percent and 63 percent of the Michigan State Police's total payroll. It is not because the benefits are lavish. It is because

the state is trying to pay for promises that it made in the past but didn't set money aside for — the state saved only 63 percent of what pensions are expected to cost."

Municipal governments are the same. Almost no cities in Michigan have fully-funded their pension systems.

John Bebow

May 12, 2016 at 10:23 am

Jarrett – Been there. Done that. And I believe the Mackinac Center recognized this previous special report... Michigan's Broken Legacy... <http://bridgemi.com/tag/series-michigans-broken-legacy/>

Mike Wilkinson

May 12, 2016 at 11:48 am

Jarrett, we'll talk a bit about how differently it's done in Ohio in a story next week. Pensions there are funded and manageable, with almost all public employees in five statewide plans. Cities can budget and not worry about looming OPEB and pension costs derailing their budgets.

Jarrett Skorup

May 12, 2016 at 12:01 pm

Thanks guys, looking forward to the piece. Sorry I missed Pat's old series.

David Waymire

May 12, 2016 at 1:47 pm

Michigan has cut its effective state tax rate from 9.49 percent of income in 2000 to about 6.75 percent today... and the Mackinac Center led the way, saying doing so would create a more vibrant economy, and actually lead to more government revenues. We know by now that the Laffer Curve was a laugh, and that tax cuts lead to fewer public goods like education and good cities, which lead to... Michississippi.

If we had not cut taxes and had instead continued to invest in our people — and our pensions — we wouldn't look like this today. We would have had \$70 billion more to spend on pensions, cities, universities, etc. See Figure 19 here. http://www.senate.michigan.gov/sfa/Publications/BudUpdates/EconomicOutlook_MostRecent.pdf This year alone, we are \$7 billion under the 2000 level of tax effort.

Observer

May 12, 2016 at 4:05 pm

We do not in fact "know by now that the Laffer Curve was a laugh," Perhaps Mr. Waymire has forgotten that the Big Three suffered a large loss of market share beginning in 2000. It may very well be that the tax cuts did stimulate our economy, but the effects were overwhelmed by the loss in market share.

And Figure 19 of the Senate Fiscal Agency report does not show the difference in revenue due to tax cuts. Rather, it shows how far Michigan's revenue is below the constitutional limit.

david waymire

May 15, 2016 at 11:31 am

Actually, by dividing state spending by personal income, it provides a very useful measure of tax effort. And the reduction in business taxes from 2000 to now along with cuts in the personal income tax rate from that time are matters of historical fact.

In other words, the limitation numbers implicitly take into account the auto industry's problems. It shows that if we were still providing state government with 9.49 cents of every dollar — even if those dollars might be smaller due to auto industry cuts to worker wages (certainly not executive pay) — we would have billions of dollars to invest in services, infrastructure and pensions.

Lynn Markland

May 13, 2016 at 4:12 pm

While it's true that most cities pension funds are not fully funded, it's not because most cities have not made their full payment into their pension systems. Most cities made their full payments as calculated by the actuaries for their pension fund. The Great Recession, and the resulting pension fund losses in the stock market, created a larger gap in pension funding (or a lower percentage of funding as you have pointed out).

osp in pension funding for a smaller percentage of funding as years are passed out.
 In addition, the use of new assumptions (future return on investments and years of amortization) used by actuaries have increased the underfunding gap. In an effort to reduce pension costs, a number of cities have reduced pension benefits for new and future employees. As benefit groups have been closed to new and future employees, the amortization time for those closed groups (or the time allowed for full funding) has been decreased resulting in a spike or increased cost for pension benefits. Eventually the cost for employee pensions will be reduced, but it will take some time for this to happen. Long-term problems do not have short-term solutions.

Wayne

May 14, 2016 at 1:29 pm

[https://ballotpedia.org/Michigan_Police_Collective_Bargaining_Amendment,_Proposal_G_\(1978\)](https://ballotpedia.org/Michigan_Police_Collective_Bargaining_Amendment,_Proposal_G_(1978))

Randall

May 12, 2016 at 9:54 am

This is only part of the story. Take, for example, Garden City. As the city faced declining revenue, the officials put forth a millage vote to sustain the police and fire departments. They used scare tactics such as claiming that heart attacks or other medical emergencies would not be responded to.

The tactic worked and the voters approved a high millage for 3 years. However, the revenue from that specific millage was not totally provided to the police and fire departments. Those departments received less than half of the revenue with the bulk going into the general fund. Using the same tired scare tactics, (i.e. lay-offs of police looming), the millage was re-approved recently and extended to five years.

Basically, city officials lied to and scared citizens into giving up more of their income and that money isn't going to where it is supposed to.

Diana Menhennick

May 12, 2016 at 10:03 am

This article demonstrates and supports the argument of the state of municipal finance, that it is an outdated model which needs overhauling. As a former elected city council official in the Upper Peninsula I can provide numerous examples of how the State of Michigan engaged in policies that strangled my community instead of facilitating a partnership that allows investment of an aging infrastructure and outdated revenue generation models. Communities are doing much more with less however they will reach a point in the near future where they will no longer be able to continue doing more with less. Michigan communities large or small can not look to the state for partnership or collaboration in dealing with this ongoing fiscal and infrastructure issues and I don't see this changing anytime soon.

Rich

May 12, 2016 at 10:04 am

I have never understood the concept of revenue sharing, something that has come about in perhaps the last 50 years. Each governmental entity, federal, state, and county/city/township, has a defined role of things that it is supposed to provide. Each entity should establish a tax plan for the items it will provide. If revenues do not match expenses, then either revenues have to be increased or expenses decreased. The citizens spoke when they established Prop A and the Headlee Amendment to prevent what was common prior to those acts of taxes increasing uncontrollably and people being forced to sell their house when they could no longer afford it.

Enter revenue sharing which is just a transfer of money from the government entity above to the entity below. Eventually it gets to the federal level transferring to the state, but the federal government is not bound by a dictate to balance a budget. Furthermore, it can, as one of its defined powers, just print money. This is just as bad as the pre Prop A taxes, as the inflation caused by just printing money will force people into a lower lifestyle if their income increase does not match the inflation.

If entities make bad choices in promising more than they fund, then why are those that have always lived within their means forced to correct the bad choices. Perhaps it is because those making the bad choices have enough lag time before the bad choice becomes a problem. In any event, we would be much better off without revenue sharing at any level.

David Waymire

May 12, 2016 at 1:51 pm

If you live in a low-tax township and work in city, you are using its services...and not paying for them. If you live in a township and eat in the nearby suburb, you are using that suburb's services, and not paying for them. If you live in

Bridge • The Center for Michigan Fewer cops, abandoned parks, and why more cities will crumble unless Michigan changes township and eat in the nearby suburb, you are using that suburb's services, and not paying for them. If you live in Wixom and go to a baseball game in Detroit, you are using the city's services and not paying for them. That's why we have revenue sharing. Not many people live, work, eat, play and die in the same small geographic area. Revenue sharing was a tacit realization that externalities need to be addressed in municipal finance as they do in basic capitalistic economic systems.

Observer

May 12, 2016 at 3:35 pm

Mr. Waymire is absolutely right about the need to address externalities, but I don't think his examples are that substantial. Somebody working in a city they don't reside in, is using services they don't pay for, but how many? And what if they spend money in the city? Isn't that a contribution to its economy? And someone eating in a community consumes very few services. And the services consumed while attending a ball game are not that significant.

Consider where the revenue sharing money comes from. The state's taxpayers. To a large extent, a large portion of the revenue sharing a city receives will have come from that city's residents. After all, the revenue sharing received and the taxes paid are both proportional to a city's size. There may not be much cross border transfer. Revenue sharing can be justified as payment for services mandated by the state.

Matt

May 12, 2016 at 4:04 pm

David, in addition to Observer's problems with your accusing the non-resident of free loading off the cities, you also ignore the fact that that anyone who does any business in a city is in fact paying towards the tax bill of that vender, and also many people (my wife) work in cities that levy income taxes and at the end of the day they leave asking little to nothing in return other than the use of their roads. This is a very common, false and myopic view of how the economy works which I believe you're smarter than falling for.

Scott Groups

May 12, 2016 at 11:11 pm

I don't agree with this statement, "If you live in a low-tax township and work in city, you are using its services... and not paying for them." I consider this blatantly false and will list my reasons:

1. If you work in a city that taxes income of non-residents, then you are absolutely paying for services.
2. In addition, you actually are paying for the services indirectly Property taxes are paid by your employer which support the services you use. Corporate property taxes are much higher because they do not have the homestead/principle home owner exemption in addition to business property being valued at much higher values than typical homes for the typical home-owner. \$3million building, \$10, \$30 million value for a large building — those services are paid for by the building owner. You use the local restaurants — they pay property taxes that pay for the services provided to you.

Using your logic, people who rent don't pay for the services they receive. Except — the landlords pay for the services indirectly which pay for the services they receive. In that case, that proves my point.

Cheryl Farmer

May 12, 2016 at 10:21 am

"Michigan incubates municipal financial distress,"

This is the best synopsis yet of how Michigan cities are being starved for funds by the tax structure, a topic I have been talking about since I was Mayor (1995-2006) The article contains a calculation for each Michigan municipality. The amount of Revenue Sharing lost since 2002 for my city of Ypsilanti was \$10,511,032.06. Check out how much revenue your own city has been denied!

"If all these cities are struggling, it tells you there's something wrong with the model," Minghine said. "We lose sight of how everyone is dancing on the edge of the cliff."

Only our state legislature can bring us back from the edge of the cliff by fixing the state's broken tax structure. Every additional year that our legislators ignore this problem, more cities in Michigan slip closer to bankruptcy. And we have

seen how unsuccessful the Emergency Manager model is in addressing these problems!

Eric

May 12, 2016 at 10:39 am

Left Michigan years ago and only go back to vacation in summer. Live in Cincinnati now. where the new mavor has hired

100 police and firemen, it's a city that works and feels safe.

Mike Wilkinson

May 12, 2016 at 11:43 am

Eric, come back next week when we take a look at how differently Ohio treats cities.

Mike

May 12, 2016 at 10:54 am

There is a political dimension/reality at play here very infrequently discussed. Local government officials tend to handle public safety expenditures in tandem, it more or less dollars are deemed available, police and firemen are treated equally. This ignores the reality of modern municipalities. For the past 60 years, the need for and role of police protection has increased, while the necessity of fire fighting bodies has markedly decreased (think building codes, sprinkler systems, modern fireproofing and alarms). But the better political skills of firefighters, keeps spending in equilibrium with police. It is true the unfunded pensions (again think of the political aspect) won't be addressed in time to prevent municipal downfalls in 10-15 years, but the inability to evaluate two different services on their respective need will lend itself to an earlier police crisis.

Phil Hathaway

May 12, 2016 at 11:32 am

This public finance argument has foundations from 70+ years ago and then onward as many have stated in this string of observations. Other influences such as ex-urban subdivision developments spurred through the interstate highways system (for commuters), affordable personal transportation, subsidized single family home ownership policies, and the Clean Water Act with water and sewer system grants to localities. Resultant Independent fiefdoms developed together with woeful city policies mimicking General Motors generosity in job benefits, poor annexation proposals (versus justifiable ones), state boundary commission decisions, state law fixing boundaries, voluntary tax base sharing (i.e., hit or miss results), disinvestment in older commercial properties in favor of strip development taxed at lower rates in ex-urban government locales. As examples of better-not perfect-treatments exist in the Battle Creek region and Midland where the concept of a city-state governance model shows how relative municipal prosperity can operate. Just about everyone can take a bow in this story's assignment of responsibility. I am a fan of cautious government restraint and am even a greater fan of how government is organized to provide services. Michigan and most of the Northwest Territorial States (except the Minneapolis/St. Paul city-state) are designed, unintentionally at the outset, to reside in a compromised setting. Sadly, as an inner urban official once said when these arguments were posed at a think-tank symposium awhile back, "Still, you got to get in the game."

Matt

May 12, 2016 at 4:18 pm

"The impact on public safety is not immediately clear. There's no crime data to suggest the decline in police officers in Michigan cities has made cities less safe. Crime rates in Michigan have dropped over the past 20 years, as they have nationally."

So what is the point here??? Fewer police equals less crime? Fewer police doesn't equal more crime? Is this arguing that we should have more police even though there's less for them to do? This seems like another Bridge article arguing for higher taxes to spend on something that we're not sure really makes any difference.

David Zeman

May 12, 2016 at 4:35 pm

Actually, Matt, it's another Bridge article that gives readers nuance as well as both sides of the equation. If we were in the tank for more money to spend on cops, that statistic about crime going down over this period wouldn't have found its way into the story. There seems to be a lot of room for research on whether the former level of public safety personnel was in fact too high across the country as well as in Michigan. But as this and the other Bridge stories in this package also point out, this drop in cops has perhaps hurt communities in ways that can't always be measured by crime statistics. Such as more police having to work grueling long shifts, often with no partners. Or struggling towns that lose good cops to other communities that can pay them better or offer better hours. As one city discovered, fewer cops meant fewer arrests of drunk drivers, which almost certainly creates other problems.

John Q. Public

May 12, 2016 at 11:19 pm

Fewer arrests of “drunk drivers” almost certainly ELIMINATES a whole host of problems for people whose only reason for being pulled over was having a tail light out, or driving 40 in a 35 zone (i.e., they weren’t any sort of observable menace to others, unlike the fellow below). We’ll never know how much unnecessary disruption to the financial and social fabric of individual households has been prevented because fewer police are available to arrest people with .08 BAC levels. The legislative branch passed the “super-drunk” law to remove the really dangerous menaces—like their colleague—from the road, and this is what the executive and judicial branches give us instead:

MARQUETTE – State Rep. John Kivela, D–Marquette, was sentenced Jan. 13 to 12 months probation and fined \$1,510 on a drunk driving charge. Kivela was arrested in November and charged with operating while intoxicated after he was driving 80 mph on a freeway near Lansing, swerving in and out of traffic and nearly causing an accident, according to police. His blood–alcohol content was nearly three times the legal limit for operating a vehicle. An open bottle of whiskey was also found in his pickup truck. (The Mining Journal 1/21/2016)

Given how the DUI laws are enforced, (Joe Sixpack sometimes getting jail for a first–offense .08, while super–drunks who belong in prison but are well connected get probation), on balance fewer DUI arrests seems more good than bad.

The bigger point, as you note, is the begging of the question as to the right number of officers. It is entirely possible that we were “over–policed” a few years ago, and now have the right number—or even still are overstaffed, only not as much. “We’re understaffed, simply because we have fewer than we used to” doesn’t fly. And while working long hours with no partner is certainly distasteful to the officer who has to do it, is there any real evidence that such a situation is tangibly harmful to the communities?

Observer

May 12, 2016 at 4:51 pm

The authors say, “By 2015, about \$5.5 billion in revenue sharing had been diverted from the cities and towns that were supposed to benefit from that money (another estimated \$2 billion has been kept from counties).” Unfortunately, they don’t enlighten us about the possible alternatives. Would they recommend that the state should have raised taxes in order to make the revenue sharing payments? As I recall, those were difficult times in this state; would raising taxes and making the revenue sharing payments been a net benefit?

And the authors say, “With full revenue sharing since 2002, Grand Rapids would have \$82 million more in its coffers; Lansing, \$63 million; Flint, \$62 million.” That would have been much more meaningful if those figures had been expressed as percentages of their revenue.

And the authors also say, “There’s no crime data to suggest the decline in police officers in Michigan cities has made cities less safe. Crime rates in Michigan have dropped over the past 20 years, as they have nationally.” If the authors could not detect any difference between the decline of crime rates in Michigan and the decline of national crime rates, what was the point of including the material about police layoffs?

There is no question that the citizens of Michigan made a large mistake by not allowing property tax revenues to grow more quickly in exceptional circumstances like the housing boom and bust. Bridge should make a sustained effort to persuade the voters to rectify that mistake.

Matt

May 12, 2016 at 6:03 pm

One of the big drivers of our revenue problem is the insane idea of basing tax on your home’s “value”. A better, more stable and cheaper to administrate approach would be to scrap value based approach and go to a square footage approach. Revenues would stabilize and the tax system wouldn’t be a disincentive to new residents moving in or existing residents keeping their homes in top appearance. Fundamental systemic reforms are rarely discussed by the Center for Michigan and too much time on hand ringing.

Another disservice the authors do here, for that matter almost never do, is ask why some towns/cities were able to

go through the last ten years with little to no decline in police numbers where others had a huge drop. What was different between them? Seems like they’re reluctant to take the chance of assigning blame to a city’s own choices.

David L Richards

May 15, 2016 at 6:09 pm

Cities vary in their ability to raise money. A city with very valuable real estate (such as Bloomfield Hills or Dearborn) can afford to pay for city services even in a downturn. A city with real estate having a low SEV relatively speaking (such as Detroit), which usually means a high tax rate to start with, has no room to deal with a downturn in values, resulting in a downturn in tax revenue and reduced services. Other municipalities are between extremes, and therefore have varying degrees of hardship.

Ren Farley

May 12, 2016 at 6:19 pm

We need to consider a very substantial change in the way we fund municipal governments in Michigan. Proposition A decoupled the funding of public schools from local property values and produced a much more equitable system for funding education. Do we need a Proposition A for supporting municipal governments. Could we establish one property tax rate for home owners, another for commercial properties and a third for non-profits? Let the state collect all those funds and then distribute them to municipalities primarily on the basis of their population as counted in the last census or a special census. And then some consideration should be given to reducing the number of local government. Is it cost efficient to have 124 municipal governments in the three county Detroit metro area? Some of the southern states switched to a county system of local government. Could that be considered in Michigan?

duane

May 12, 2016 at 8:32 pm

Mr. Farley,

It seems your focus is paying money and how to the cities get more of it. I the focus should start with what are the appropriate services, what results the services should deliver before we figure out ways to grow the amount of money the cities have to spend.

I would start with what are the appropriate services for governments to provide, what services the cities can deliver better than others, what are the results the services should deliver [using metrics that are measuring results rather than simply amount being spent], how to ensure those services are maintained , focus on how they can consistently deliver those results. Once those are established then we determine how much it will cost and how to pay for it.

By talking about the number of municipalities you suggest efficiency is the key in getting value for the money. I would allow the communities to have their independence/authority and encourage them to decide on what services they felt were most important and then contract with those that deliver most effectively. The people contracting for the services have to most leverage over those providing the services, ask any business [if the don't deliver what the customer wants they risk the customer going elsewhere].

Consider Apple they provide a high cost service [Apple eco-system] and yet they have an abundance of customers. Why not turn municipalities into customers rather than employers, get the value and people will be much more open to how they pay for the value.

Determine the results, identify the services that will provide it, identify the most effective provide, and then establish how to pay for the value.

Robert Kleine

May 12, 2016 at 6:28 pm

No one who has commented seems to understand why revenue sharing is needed. It is because of unequal tax bases. A city with a taxable value of \$20,000 per capita will need levy a tax rate twice as high as a city with a tax base of \$40,000 per capita. The result is that people and business will move out of the city to lower tax jurisdiction. If the low tax base city does not charge higher taxes they will have a low level of services and people and business will also move out.

Without a strong revenue sharing program the only way many cities can survive is with metro government so the tax base is spread over a wider area. A number of states have metro or county governments.

With few exceptions the cities fiscal problems are not due to mismanagement but to a dysfunctional system of organizing and financing local governments. This is a problem that only the state can solve. Michigan will never be in the top tier of states

economically without fiscally stable cities.

Michigan has the lowest taxes in the Great Lakes region which is why our roads, cities and schools are all among the worst in the country. It seems that many of the commenters do not care how poorly this state is doing.

Jamie Buchanan

May 12, 2016 at 8:42 pm

Are you saying that tax cuts and smaller government doesn't automatically make everything better? I'm shocked!

duane

May 13, 2016 at 10:37 am

Jamie,

Are you suggesting that increasing taxes and spending makes governments better? I'm skeptical.

Robert Kleine

May 13, 2016 at 2:47 pm

No, but there is a point where taxes are so low you can no longer provide a reasonable level of public services. I think we have passed that point. Adjusted for inflation many cities have suffered revenue losses of 25 to 30 percent or more. It is going to get worse. Because of the cap on taxable value it will be 20 to 30 years before many cities get back to the 2008 level and adjusted for inflation they will never get back to the 2008 level. You should ask yourself why does Minnesota with the highest taxes in the region have the strongest economy and better financed schools, roads and cities.

duane

May 13, 2016 at 6:15 pm

Robert,

How can you be so sure? Do you have some criteria you use to measure the quality and effectiveness of the services our tax dollars are paying for? Do you have a particular threshold in those service that show when the taxes have gone too low?

Would you share you criteria do those of us who have lost confidence in our those spending our tax dollars can verify that we should begin trusting the government officials and support increases in our taxes?

Robert Kleine

May 13, 2016 at 9:43 pm

By .ny measure our roads are among the worst in the nation. We have many more cities under state control than any other state. Our school districts ha ve the lowest credit rating of any governmental units in the nation. We have the sixth highest college tuition in the nation. We rank 37 th in per capita income. We have the lowest state business taxes nationally but we are growing no faster than the national economy. We have cut spending more than any state in the country. From 2002 to 2012 state aid to municipalities increase 48 percent nationwide.. In Michigan it declined 56 percent, dead last by a mile.

If you need more I can give you more.

Tom Ivacko

May 14, 2016 at 9:29 am

Duane – when it comes to local government services, the record shows most voters still trust government to deliver value for their tax dollars. Local millages for all kinds of services, even for general operations, have repeatedly been approved across the state for the last decade.

duane

May 15, 2016 at 8:37 pm

Robert,

The roads almost make sense, but how would measure a change in quality? Simply raising taxes doesn't mean the roads will be any better, that the construction or repairs will be done better, that the ride on the roads will be any smoother. So how would raising taxes for roads change anything? I rode on roads this weekend that had no visible problems but we bumped and bounced along as if they had potholes and broken concrete. How would more taxes make the agency accepting those roads, spending the taxes, change what quality they would accept. Or how many roads are a rough ride because the repairs are so sloppy that the road is no longer flat. I don't see credit rating as a measure because simply raising the taxes could raise the ratings [it's all about paying for the borrowing], but it wouldn't change what we get for the money. It would simply make it easier for more borrowing, not create more value.

Paying for more of the tuition doesn't change the quality of the education, it doesn't change what is being taught, or the degrees being earned. I will admit it will give the students a better lifestyle in school, getting unlimited food, getting better housing, giving the students more money to spend, but what value would it create for the people who money is being spent. Does it change the employment rate of those graduating? I am not sure how raising the taxes would raise the per capita income [depending how you calculate per capita income (reduce income of tax payers and raise income of tax receiver?). Aside from raising the cost for those paying the taxes I don't see how it would draw higher paying jobs to the State. Simply raising taxes does change the quality and quantity of services that employer would receive for the higher taxes,

It has always seem to me the what a person earnings has much to do with their productivity not with the tax level in the state. It seems to me that the economy has shifted in the past 60s from strength [be strong, work harder, work longer] to a knowledge and skilled [work smarter, take more responsibility and exercise more authority/decision making] economy. I don't see any correlation to taxing and work value. I do see how the state and other government agencies could increase hiring but would they have meaningful work to do, how would you measure that?

I don't doubt we have cut spending, in my town the government is now renting our office space they previously used. But what do you measure to show the change in value to the taxpayers? What does 'dead last' mean? Does it mean we have more [per capita] starving to death people than any other state, more are dying because of lack of housing, that more are dying because of refusal of medical care, that we have fewer seats in schools so kids are being refused an education, etc.? What does being 'dead last' mean?

duane

May 15, 2016 at 8:42 pm

Tom,

In my town, we have had special assessments be voted down [recently one passed], tax hikes for roads voted down, City meetings where so many people showed you a special lightly assessment was withdrawn. In my community many of the government officials are trying new and different ways to raise revenues and are going out to the public more often then before and into the neighborhoods to have meetings.

It seems they are concerned that the voters aren't as trusting as before.

Robert Kleine

May 16, 2016 at 8:18 pm

How do you explain the fact that we were doing much better in all these areas in the 1990s when taxes and spending were higher.

Higher tuition means fewer can afford college or have much more deb when they graduate. The states with the most college graduates have the strongest economies.

Dead last means Michigan cut state aid to locals by 56 percent and the next largest cut was 14 percent. Please do not try to defend the indefensible.

duane

May 17, 2016 at 12:12 am

Robert,

Is it fewer can afford or that fewer are getting jobs that pay them enough so they can pay off the loans?

As an example it the average loans for a graduate is between \$30-40,000 and they had earned a BS in engineering with an average entry level salary fresh with degree in hand is more than \$60,000 a year that would suggest if they only paid 10% of their starting salary toward the loan each year it would take them 5-7 years to pay off that debt. I am not clear on how burdensome that would be.

As for the 90s, then we were experiencing a growing economy, the productivity improvements were growing faster than in the 80s, 70s, even 60s. Competing in a global marketplace hadn't truly been appreciated by the mid and small companies, they hadn't realized that it would reach their local markets. The wages today haven't

grown as fast as the spending by the colleges/universities, the standards of living on campus have increased faster than the wages for students. With the changes in productivity and the competition by the under employed have pushed the college students out of the market or kept the wages available to them low.

The schools and the government don't exist in a vacuum, there is a dynamic economy that they are a small part of that is changing all around them. The economy has change drastically around the schools and the students and the government and those changes have more influence on the jobs and wages available to students then the simple reduction in state giving to the colleges and universities.

If the students earned a degree in a field that seldom offer starting jobs in that field and the graduate had to

Bridge • The Center for Michigan Fewer cops, abandoned parks, and why more cities will crumble unless Michigan changes take on minimum wage employment I could see how the loans would be a burden.
My question to you is when does the student take responsibility for their choices? And when do those who made more fiscally responsible choices get to benefit from those choices and their labors?

Steve M Duchane

May 12, 2016 at 10:00 pm

The problems stated here have been ongoing for numerous years without action being taken to correct it. Taxpayers for the Michigan Constitution a 501c3 will be filing suit against the state of Michigan in the next two weeks to correct improper funding practices to local government and failure to follow Headlee.

13 other Michigan cities to date are supporting this effort financially and we are working with the Suger Law Center seeking that the state follow the Constitution and ensure that 48.9 % of state spending is on local government and education.

Other violations include counting Charter Schools as local units of government and payments to cities reimbursing them for service on trunk lines as contributions to local government.

Eastpointe initiated several unique actions to remain solvent including forming Public Safety Authority with Hazel Park that we are now hoping to extend to assist the City of Wayne. However these actions would not be necessary had the proper level of funding ha been received similar to the stories in this edition of the Bridge. This practice has been going on for years costing cities such as Flint 54 million dollars over 10 years and City of Warren 45 million dollars.

There is no political solution to this crisis, a state legislature that consistently violates its own Constitution only understands one thing.

Please contact me for further information 586.524.6927. sduchane@eastpointecity.org or John Mogk Professor Wayne Law j.mogk@wayne.edu

Tim

May 12, 2016 at 11:26 pm

The article details what Michigan is doing to incubate financial disaster, what are Ohio and Pennsylvania doing wrong? And since crime has been going down with the reduction of police forces what metric should be used to determine success?

JD Sullivan

May 13, 2016 at 3:47 am

Nice to see a different angle confirming the investigative editorial I wrote last year on road funding that found that the state starved local municipality budgets. <http://metrognnews.com/editorial/michigans-road-tax-a-double-taxation-shell-game/>

Str8

May 13, 2016 at 9:13 am

Yet the pay and PENSIONS of other employees continue to rise !!

When the annual retirement pay of a government employee is bigger than he/she ever earned while working, you know the system is CORRUPT !!

Michael Kiella

May 14, 2016 at 3:30 pm

Perhaps it is time that we stop speaking poorly of pensioners. I posit that the process of attracting and maintaining qualified workers via delayed compensation packages is not the problem.

The process and impact of municipalities not making payments to fully fund their promises to workers might well be studied on a state and regional basis. Indeed, externalities, such as down-turns in the stock market, which fund much of pension annuities; and mechanisms to mitigate the impact of the down-turns should likewise be studied to determine...to see if there are any generalizable observations and conclusions.

This alone would provide meaningful information regarding the habits of employers (municipalities, in this case) with respect to actively managing total compensation packages. I suspect that the liabilities of those systems, exceeds asset. But by how much, on a city, county, and state basis?

In its simplest terms, time (t) is in the exponent of the compound interest function; that means that if pension payments are not made in full on time, then the anticipated growth over future time is not possible....AND the crisis is realized in exponential terms over time (e.g. the shortfalls increase exponentially as years of under-funding go

by...year after year). It is irrational to remain reliant on linear means of correction (if any) to correct this problem (e.g. the fix over time requires reimbursement of the missed fund contribution PLUS the loss of planned income from those funds over that time interval).

Remember, the payment to pensioners is a constant value, regardless of the growth of the annuities that fund those payments.

I would be beneficial for citizens to ask this question of their municipalities: does your budget reflect 100% funding of your delayed compensation plan. If the answer is no, make demands that they are fully funded including any "make-up" funding that is required. Just because diversion of delayed compensation is legal, it is certainly not prudent. If a municipality chooses not to pay today, then the citizens should demand that they pay at a time certain...in an amount that keeps the system solvent.

Let's stop blaming working people, who are reliant upon promises made to them at the time of hire, for the systemic failures in city hall.

Here is the first question: OK, _____city name_____, how did you spend the money promised to pay for delayed compensation; how will you pay the compounded amount back into the system?

Barry Visel

May 13, 2016 at 9:29 am

This is a story about picking winners and losers, which unfortunately, government at all levels has become too good at. The State of Michigan fails to collect over \$30Billion dollars each year because of tax exemptions, tax deductions and tax incentives. We all take advantage of these tax expenditures in one form or another (just take a look at your last tax filing and see how that "adjusted income" was calculated). It's also a story about legacy costs, although not much was said. We know about unfunded retirement accounts...consider that our crumbling infrastructure is also an unfunded liability...we put it in the ground and forgot that it might need replacement someday. Finally, this is a story about us, and how we have come to expect government to take care of all our problems...if only we gave them more money. This is especially true at the Federal level, but this problem creeps in at all levels of government.

I'm not sure what the ultimate solution is (but I've concluded government will not have the answers), but I would begin by eliminating tax expenditures, and use the revenue to reduce tax rates at the State level so citizens would have more money to support local needs.

Thomas Yack

May 13, 2016 at 12:34 pm

It should also be noted that Michigan Tax Tribunal judges and their convoluted approach to valuing property has led to the loss of revenue in the hundreds of millions, if not more to the State of Michigan and local taxing authorities. The judges have permitted big boxes, apartment owners and corporations to get huge tax reductions based on flawed thinking. They have permitted these owners to use as comps empty similar sized buildings, all the while there rent sheets show huge profits. Headlee and Proposal A working in tandem with a series of Governors and legislatures that don't value local government has pushed scores of municipalities to the brink.

As was pointed out revenue sharing was used by the State to balance its budget...in good and bad times. In the case of Canton it started under big John who capped the amount of revenue sharing a community could receive via increased population. In just ten years that lost revenue amounted to over \$15,000,000. Every Governor since has continued the practice of slowly killing communities.

Vincent Caruso

May 13, 2016 at 10:51 pm

Shame on you!

Flint did not switch its water supply, it was Snyder and the EM!

Fix your copy. Hard to believe the rest of this story with this falshood.

Kris Douponce

May 14, 2016 at 1:41 pm

Time to look at term limits.... Need to go back to professional legislators. By the time they learn how things work they are out of office....

duane

May 16, 2016 at 12:07 am

Kris,

Why, what special knowledge and skills can people only learn in office? Or does it might the quality of who is elected have to do with who is running and the lack of criteria people should be using when they make their selections?

Greg Thrasher

May 17, 2016 at 8:41 pm

Less cops fewer lawsuits and unarmed Black Americans being executed without due process in American streets

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Michigan

Database: See your community's population growth, decline between 2015-2010



By **Brian McVicar** | bmcvicar@mlive.com

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on May 19, 2016 at 7:30 AM, updated May 19, 2016 at 7:44 AM

New data from the U.S. Census Bureau shows population change in Michigan's cities and townships between 2015 and 2010.

The data shows Grand Rapids and communities like Macomb Township in southeastern Michigan have seen their population grow, while cities like Detroit and Flint continue to gradually lose residents.

To see how your city or township fared, use the searchable database below.

[Search Again](#)

County	Place	2014	2015	Change: 2015-2014	% Change: 2015-2014	
Tuscola County	Millington township	4,244	4,227	- 17	-0.4%	Details
Tuscola County	Caro city	4,113	4,099	- 14	-0.3%	Details
Tuscola County	Vassar township	3,956	3,940	- 16	-0.4%	Details
Tuscola County	Elkland township	3,433	3,419	- 14	-0.4%	Details
Tuscola County	Fremont township	3,214	3,200	- 14	-0.4%	Details
Tuscola County	Arbela township	2,976	2,963	- 13	-0.4%	Details
Tuscola County	Denmark township	2,972	2,960	- 12	-0.4%	Details
Tuscola County	Vassar city	2,630	2,620	- 10	-0.4%	Details
Tuscola County	Indianfields township	2,575	2,566	- 9	-0.3%	Details
Tuscola County	Watertown township	2,139	2,131	- 8	-0.4%	Details
Tuscola County	Almer township	2,055	2,048	- 7	-0.3%	Details
Tuscola County	Tuscola township	2,031	2,023	- 8	-0.4%	Details
Tuscola County	Dayton township	1,797	1,791	- 6	-0.3%	Details
Tuscola County	Wells township	1,717	1,710	- 7	-0.4%	Details
Tuscola County	Koylton township	1,542	1,536	- 6	-0.4%	Details

Tuscola County	Fairgrove township	1,533	1,527	- 6	-0.4%	Details
Tuscola County	Kingston township	1,532	1,525	- 7	-0.5%	Details
Tuscola County	Juniata township	1,519	1,513	- 6	-0.4%	Details
Tuscola County	Akron township	1,465	1,458	- 7	-0.5%	Details
Tuscola County	Novesta township	1,444	1,438	- 6	-0.4%	Details
Tuscola County	Ellington township	1,295	1,289	- 6	-0.5%	Details
Tuscola County	Columbia township	1,249	1,244	- 5	-0.4%	Details
Tuscola County	Elmwood township	1,173	1,167	- 6	-0.5%	Details
Tuscola County	Gilford township	719	715	- 4	-0.6%	Details
Tuscola County	Wisner township	670	668	- 2	-0.3%	Details

Records 1-25 of 25

he Census arrives at its population estimate by taking the population base, as measured during the 2010 census, and adding births and migration and subtracting deaths, according to the department.

Brian McVicar covers education for MLive. Email him at bmcvicar@mlive.com or follow him on [Twitter](#).



New Census data shows where Michigan has gained, lost population

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mhoagland@tuscolacounty.org

From: Angie Daniels <angie.daniels@tuscolacounty.org>
Sent: Monday, May 16, 2016 2:41 PM
To: Mike Hoagland
Cc: Walt Schlichting
Subject: County 2016 L-4029 for BOC mtg
Attachments: 2016 County L-4029_July levy.pdf

Good Afternoon Mike,

Please find attached Tuscola County's tax rate request form for the 2016 summer tax levy. Board action plus signatures of the County Clerk and Board Chair will authorize the spread of the General Fund Operating millage on the 2016 Summer tax bills.

Please add this to the agenda for the next available board meeting.

Please let us know if you have any questions or need any additional information.

Thank you,
Angie

--

*Angie Daniels, MAAO (3)
Property Appraiser
Tuscola County Equalization
City of Caro Assessing Department
989.672.5282*

VISIT US ONLINE FOR COUNTY SERVICES www.tuscolacounty.org



mhoagland@tuscolacounty.org

From: Clayette Zechmeister <zclay@tuscolacounty.org>
Sent: Thursday, May 19, 2016 3:02 PM
To: Mike Hoagland
Cc: Erica Dibble
Subject: MERS 2015 Actuarial
Attachments: 7902 - Tuscola Co - 2015.pdf

Mike just wanted to update you on some numbers.

Retirement cost for 2016 are estimated to be around \$845,344 for all funds. This is from accelerated funding, and 9 months of bonding cost.

Retirement Cost all Funds

2015 Budget: \$835,951 Actual \$806,836 (unaudited)

2016 Budget: \$858,441 Estimated: \$845,344

2017 Estimated \$759,744.....***with no bonding we would be at \$920,880 and in 2018 would have hit \$1,023,240***

If we did not bond our funding we would have dropped from 83% to 78% funded

As we reflect on this bonding process it still looks like we did the right thing for the future of Tuscola County!

Attached is the 12-31-15 MERS Annual Actuarial Valuation Report. This does not reflect our bonding on the UAL yet.

--

Clayette A. Zechmeister
Chief Accountant, Tuscola County
125 W Lincoln St, Suite 500
Caro, MI 48723
zclay@tuscolacounty.org
voice 989-672-3710
fax 989-672-4011

Visit us Online for County Services @ www.tuscolacounty.org

CONFIDENTIALITY NOTICE

The information contained in this communication, including attachments, is privileged and confidential. It is intended only for the exclusive use of the addressee. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited if you have received this communication in error. Please notify us by telephone immediately.

STATE OF MICHIGAN



54TH JUDICIAL CIRCUIT COURT

HON. AMY GRACE GIERHART
CIRCUIT COURT JUDGE

440 NORTH STATE STREET
CARO, MICHIGAN 48723

(989) 672-3720

Memorandum

TO: Thomas C. Bardwell

FROM: Hon. Amy Grace Gierhart

RE: Jury Board vacancies

DATE: 5/18/2016

Recently, I have received written resignations from Mary Lou Burns and Carolyn Berry of the Tuscola County Jury Board, which I have accepted. In addition, Karl DeSimpelare has orally communicated to me his intent to resign, and a written memorialization of the same is forthcoming. To fill these vacant positions on the Tuscola County Jury Board, pursuant to MCL 600.1301(1), I am recommending that the Board of Commissioners appoint Ms. Patricia Sauber, Republican of Caro, Mr. John Hunter, Democrat of Caro, and Ms. Beverly Read, Democrat of Caro.

STATE OF MICHIGAN



54TH JUDICIAL CIRCUIT COURT

HON. AMY GRACE GIERHART
CIRCUIT COURT JUDGE

440 NORTH STATE STREET
CARO, MICHIGAN 48723

(989) 672-3720

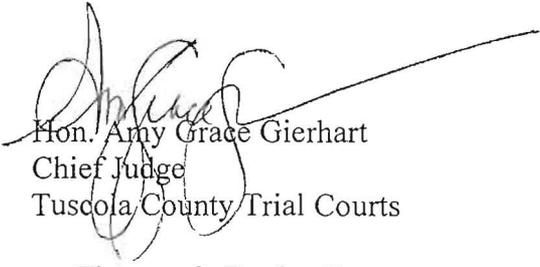
May 16, 2016

Ms. Mary L. Burns
P.O. Box 26
Cass City, MI 48726-0026

Dear Ms. Burns,

I am in receipt of your letter of this same date announcing your resignation from the Tuscola County Jury Board effective immediately. I accept that resignation and its immediate effect. Thank you for your service on the Tuscola County Jury Board.

Sincerely,



Hon. Amy Grace Gierhart
Chief Judge
Tuscola County Trial Courts

cc: Thomas C. Bardwell



Tuscola County Sheriff's Office

420 Court Street • Caro, MI 48723

Lee Teschendorf, Sheriff
Glen Skrent, Undersheriff

Phone (989) 673-8161
Fax (989) 673-8164

May 17, 2016

Tuscola County Board of Commissioners
Mr. Michael Hoagland, County Controller

I am pleased to announce that I have selected Ted Hull to fill the position of lieutenant for the uniformed division of the sheriff's office created by the retirement of Lt. Giroux.

Additionally I have picked Joshua Herman to fill the sergeants position in that division.

I will be making both appointments effective Saturday June 4, 2016.

Since neither opening had more than 3 candidates no testing procedure was required.

Sincerely,

Leland Teschendorf, Sheriff

Cc/Ms. Erica Dibble, Tuscola County Human Resource Coordinator
Glen Skrent, Tuscola County Undersheriff



Tuscola County Sheriff's Office

420 Court Street • Caro, MI 48723

Lee Teschendorf, Sheriff
Glen Skrent, Undersheriff

Phone (989) 673-8161

Fax (989) 673-8164

May 18, 2016

Tuscola County Board of Commissioners
Mr. Michael Hoagland, County Controller

I am pleased to advise you that Ryan LaFlure has been selected to fill a full-time road patrol deputy position. Ryan has been working in a part-time capacity and successfully completed our field training program. His full-time employment date will be June 04, 2016.

Sincerely,

A handwritten signature in cursive script that reads "Leland Teschendorf".

Leland Teschendorf, Sheriff

Cc/Erica Dibble, Tuscola County Human Resource Director
Glen Skrent, Tuscola County Sheriff's Office Undersheriff

From: Lee Teschendorf <lttesch@tuscolacounty.org>
Sent: Friday, May 13, 2016 2:24 PM
To: mhoagland@tuscolacounty.org
Subject: Exemption from hiring freeze

Mike,

Reviewing consent agenda H from the board meeting on 05/19/2016 I noticed the promotions were approved to maintain our supervisory staff level with the retirement of Lt. Giroux.

The board also approved replacing Deputy Oliver who is leaving to take another position. In my letter to the board dated May 4, 2016 I requested the hiring freeze be lifted to replace two uniformed division deputies, one to replace Oliver and the second to fill the vacancy created by the promotions.

Both will be funded by the road patrol millage and will have no impact on county general funds.

Let me know if you need any additional information to amend the motion. Thanks.

Lee.

(K)



TUSCOLA COUNTY CONTROLLER'S OFFICE – HR DEPT

Erica Dibble
Human Resource Coordinator
edibble@tuscolacounty.org

125 W. Lincoln Street
Suite 500
Caro, Michigan 48723

Telephone
989-672-3705
fax 989-672-4011

Your position with Tuscola County may require you to drive a County vehicle. Therefore, our insurance company requires Tuscola County to check your driving record on an annual basis.

Please complete the information below and return to HR. Please print clearly & attach a copy of your driver's license.

Employee First Name:
Employee Middle Name:
Employee Last Name:
Other names used during employment:
Date of Birth:
Driver's License Number:
Was the license issued in Michigan?
If No on previous question, which State Issued the license:
Employee Title:
Department:

I, _____, do hereby authorize the Human Resource Department of Tuscola County to check my driving record on an annual basis.

Signature of Employee: _____ Date: _____

TUSCOLA COUNTY BOARD OF COMMISSIONERS



RESOLUTION HONORING LIEUTENANT JAMES GIROUX

Thursday, May 26, 2016

Whereas, Lieutenant Giroux has dedicated 48 years of his life protecting and keeping us safe which are fundamental responsibilities of government at all levels and,

Whereas, after high school the Lieutenant began serving in the military entering the United States Army in 1968 when his leadership ability became apparent with his assignment as a First Lieutenant Infantry Platoon Leader during the Vietnam War and,

Whereas, Lieutenant Giroux would prefer we not bring to attention his distinguished military service because he is humble and always puts the interests of others above his own. Well, it is now time that we put the Lieutenant first by publically recognizing his bravery and devotion documented by the numerous awards he received during his military service including: the Combat Infantry Badge, the Bronze Star Medal (with Oak Leaf Cluster), the Army Commendation Medal, the Good Conduct Medal, the National Defense Service Medal, the Vietnam Campaign Medal and the Vietnam Service Medal and,

Whereas, the Lieutenant successfully transitioned his military service into highly respected police service starting with the Detroit Police Department in 1972 and then moving to the Tuscola County Sheriff Department in 1973 where he has worked for over 39 years. He has also worked for Cass City, Caro, Caseville and Frankenmuth Police Departments with his everyday top priority being our safety and protection and,

Whereas, Lieutenant Giroux is a fair, common sense leader who clearly gains the highest of respect and trust from those under his command, not only during his time of military service, but also in his many years of essential police work and,

Whereas, his outstanding police service work has been acknowledged and documented by receiving the Certificate of Commendation in 1993, 1997 and 2005, the Citation for Bravery in 1997, the Public Safety Outstanding Performance award in 1997 and the Officer of the Year award in 1995. Maybe the most rewarding way in which the Lieutenant's stellar police service has been recognized is from the many heartfelt letters of appreciation from numerous public safety agencies and citizens.

NOW THEREFORE BE IT RESOLVED, that on behalf of all of the residents of Tuscola County the Tuscola County Board of Commissioners thank you Lieutenant Giroux for being the "go to" leader that you are and for protecting us so we can enjoy our American freedom. JOB WELL DONE LIEUTENANT!

Date _____

Thom Bardwell, Chairperson
Tuscola County Board of Commissioners

I, Jodi Fetting, Tuscola County Clerk, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Tuscola County Board of Commissioners at its regular meeting on May 26, 2016.

Date _____

Jodi Fetting
Tuscola County Clerk

M



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

November 18, 2015

Mr. Paul Horny
Saginaw Valley Research & Extension Center
3775 South Reese Road
Frankenmuth, MI 48734

Dear Mr. Paul Horny:

On April 9, 2015, Mr. Tom Young from the Michigan Department of Agriculture & Rural Development (MDARD) visited your farm located at 3775 South Reese Road, Frankenmuth, Michigan, to verify your farming operation through the Michigan Agriculture Environmental Assurance Program (MAEAP). This visit was made at your request to complete the verification requirements of the MAEAP Cropping System. Your MAEAP verification risk assessment was completed by Mr. Steve Schaub, with the Tuscola Conservation District.

After reviewing your Cropping System Improvement Action Plan and the required components of your Crop*A*Syst, MDARD staff has verified that you have met all of the requirements set forth by the MAEAP Cropping System at the time of the farm inspection.

The MAEAP Cropping System verification is valid for five years from the date of the farm visit. This verification is approved on the basis that you have disclosed to the best of your knowledge, all requested information pertaining to your Cropping System Improvement Action Plan. We understand that you intend to manage your cropping operation as reviewed and follow the applicable Generally Accepted Agricultural and Management Practices (GAAMPs). Changes in your farming operation may necessitate a review of your Crop*A*Syst.

Verification in good standing is contingent on updates as necessary as conditions change on your farm as well as staying in compliance with applicable state and federal laws and following the identified MAEAP standards.

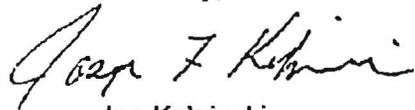
We encourage you to display a sign proudly at your verified site as a sign of your commitment to agricultural pollution prevention and successful completion of the MAEAP Cropping System requirements.

Mr. Paul Horny
November 18, 2015
Page 2

Congratulations on your accomplishment. Your continued participation in MAEAP is proof that the combined efforts of committed individuals, organizations and agencies can foster voluntary change in the agriculture industry.

If I can be of any assistance to you, please don't hesitate to contact me.

Sincerely,



Joe Kelpinski
Program Manager, MAEAP
(517) 284-5609

JFK:FG

Enclosures: Certificate

cc: Denmark Township Clerk
Mr. Steve Schaub, MAEAP Technician
Ms. Delores Damm, Chair, Tuscola Conservation District
Mr. Jim Kratz, Administrator, Tuscola Conservation District
Mr. Thomas Bardwell, Chair, Tuscola County Board of Commissioners
Senator Mike Green
Representative Ed Canfield
Mr. Dan Wyant, Director, MDEQ
Ms. Jamie Clover Adams, Director, MDARD
Mr. James Johnson, Environmental Stewardship Division Director, MDARD



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

November 18, 2015

Mr. Randy Vollmar
Vollmar Farms
4442 Cedar Run Road
Cass City, MI 48726

Dear Mr. Randy Vollmar:

On April 9, 2015, Mr Tom Young from the Michigan Department of Agriculture & Rural Development (MDARD) visited your farm located at 4314 East Cass City Road, Cass City, Michigan, to verify your farming operation through the Michigan Agriculture Environmental Assurance Program (MAEAP). This visit was made at your request to complete the verification requirements of the MAEAP Cropping System. Your MAEAP verification risk assessment was completed by Mr. Steve Schaub, with the Tuscola Conservation District.

After reviewing your Cropping System Improvement Action Plan and the required components of your Crop*A*Syst, MDARD staff has verified that you have met all of the requirements set forth by the MAEAP Cropping System at the time of the farm inspection.

The MAEAP Cropping System verification is valid for five years from the date of the farm visit. This verification is approved on the basis that you have disclosed to the best of your knowledge, all requested information pertaining to your Cropping System Improvement Action Plan. We understand that you intend to manage your cropping operation as reviewed and follow the applicable Generally Accepted Agricultural and Management Practices (GAAMPs). Changes in your farming operation may necessitate a review of your Crop*A*Syst.

Verification in good standing is contingent on updates as necessary as conditions change on your farm as well as staying in compliance with applicable state and federal laws and following the identified MAEAP standards.

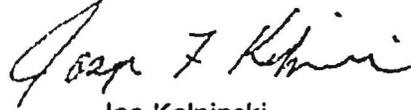
We encourage you to display a sign proudly at your verified site as a sign of your commitment to agricultural pollution prevention and successful completion of the MAEAP Cropping System requirements.

Mr. Randy Vollmar
November 18, 2015
Page 2

Congratulations on your accomplishment. Your continued participation in MAEAP is proof that the combined efforts of committed individuals, organizations and agencies can foster voluntary change in the agriculture industry.

If I can be of any assistance to you, please don't hesitate to contact me.

Sincerely,



Joe Kelpinski
Program Manager, MAEAP
(517) 284-5609

JFK:FG

Enclosures: Certificate

cc: Elmwood Township Clerk
Mr. Steve Schaub, MAEAP Technician
Ms. Delores Damm, Chair, Tuscola Conservation District
Mr. Jim Kratz, Administrator, Tuscola Conservation District
Mr. Thomas Bardwell, Chair, Tuscola County Board of Commissioners
Senator Mike Green
Representative Ed Canfield
Mr. Dan Wyant, Director, MDEQ
Ms. Jamie Clover Adams, Director, MDARD
Mr. James Johnson, Environmental Stewardship Division Director, MDARD



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

November 18, 2015

Mr. Ken Schmandt
Schmandt Farm
2707 Kirk Road
Vassar, MI 48768

Dear Mr. Ken Schmandt:

On April 2, 2015, Mr. Tom Young from the Michigan Department of Agriculture & Rural Development (MDARD) visited your farm located at 2707 Kirk Road, Vassar, Michigan, to verify your farming operation through the Michigan Agriculture Environmental Assurance Program (MAEAP). This visit was made at your request to complete the verification requirements of the MAEAP Cropping System. Your MAEAP verification risk assessment was completed by Mr. Steve Schaub, with the Tuscola Conservation District.

After reviewing your Cropping System Improvement Action Plan and the required components of your Crop*A*Syst, MDARD staff has verified that you have met all of the requirements set forth by the MAEAP Cropping System at the time of the farm inspection.

The MAEAP Cropping System verification is valid for five years from the date of the farm visit. This verification is approved on the basis that you have disclosed to the best of your knowledge, all requested information pertaining to your Cropping System Improvement Action Plan. We understand that you intend to manage your cropping operation as reviewed and follow the applicable Generally Accepted Agricultural and Management Practices (GAAMPs). Changes in your farming operation may necessitate a review of your Crop*A*Syst.

Verification in good standing is contingent on updates as necessary as conditions change on your farm as well as staying in compliance with applicable state and federal laws and following the identified MAEAP standards.

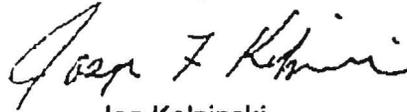
We encourage you to display a sign proudly at your verified site as a sign of your commitment to agricultural pollution prevention and successful completion of the MAEAP Cropping System requirements.

Mr. Ken Schmandt
November 18, 2015
Page 2

Congratulations on your accomplishment. Your continued participation in MAEAP is proof that the combined efforts of committed individuals, organizations and agencies can foster voluntary change in the agriculture industry.

If I can be of any assistance to you, please don't hesitate to contact me.

Sincerely,



Joe Kelpinski
Program Manager, MAEAP
(517) 284-5609

JFK:FG

Enclosures: Certificate

cc: Juniata Township Clerk
Mr. Steve Schaub, MAEAP Technician
Ms. Delores Damm, Chair, Tuscola Conservation District
Mr. Jim Kratz, Administrator, Tuscola Conservation District
Mr. Thomas Bardwell, Chair, Tuscola County Board of Commissioners
Senator Mike Green
Representative Ed Canfield
Mr. Dan Wyant, Director, MDEQ
Ms. Jamie Clover Adams, Director, MDARD
Mr. James Johnson, Environmental Stewardship Division Director, MDARD



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

November 18, 2015

Mr. Wayne V. Bierlein
Bierlein Farm
2705 Bradford Road
Reese, MI 48757

Dear Mr. Wayne Bierlein:

On April 9, 2015, Mr. Tom Young from the Michigan Department of Agriculture & Rural Development (MDARD) visited your farm located at 2705 Bradford Road, Reese, Michigan, to verify your farming operation through the Michigan Agriculture Environmental Assurance Program (MAEAP). This visit was made at your request to complete the verification requirements of the MAEAP Farmstead System. Your MAEAP verification risk assessment was completed by Mr. Steve Schaub, with the Tuscola Conservation District.

After reviewing your Farmstead Improvement Action Plan and the required components of your Farm*A*Syst, MDARD staff has verified that you have met all of the requirements set forth by the MAEAP Farmstead System at the time of the farm inspection.

The MAEAP Farmstead System verification is valid for five years from the date of the farm visit. This verification is approved on the basis that you have disclosed to the best of your knowledge, all requested information pertaining to your Farmstead Improvement Action Plan. We understand that you intend to manage the Farmstead as reviewed and follow the applicable Generally Accepted Agricultural and Management Practices (GAAMPs). Changes in your farming operation may necessitate a review of your Farm*A*Syst.

Verification in good standing is contingent on updates as necessary as conditions change on your farm as well as staying in compliance with applicable state and federal laws and following the identified MAEAP standards. Farms with livestock that expand must be verified through the Site Selection and Odor Control for New and Expanding Livestock Operations GAAMPs as appropriate to remain in good standing as a MAEAP verified farm.

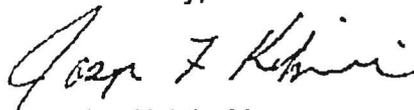
We encourage you to display a sign proudly at your verified site as a sign of your commitment to agricultural pollution prevention and successful completion of the MAEAP Farmstead System requirements.

Mr. Wayne Bierlein
November 18, 2015
Page 2

Congratulations on your accomplishment. Your participation in MAEAP is proof that the combined efforts of committed individuals, organizations, and agencies can foster voluntary change in the agriculture industry.

If I can be of any assistance to you, please do not hesitate to contact me.

Sincerely,



Joe Kelpinski
Program Manager, MAEAP
(517) 284-5609

JFK:FG

Enclosures: Certificate

cc: Denmark Township Clerk
Mr. Steve Schaub, MAEAP Technician
Ms. Delores Damm, Chair, Tuscola Conservation District
Mr. Jim Kratz, Administrator, Tuscola Conservation District
Mr. Thomas Bardwell, Chair, Tuscola County Board of Commissioners
Senator Mike Green
Representative Ed Canfield
Mr. Dan Wyant, Director, MDEQ
Ms. Jamie Clover Adams, Director, MDARD
Mr. James Johnson, Environmental Stewardship Division Director, MDARD



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS
DIRECTOR

November 18, 2015

Mr. Steven Reinbold
Reinbold Organic Farms, LLC
1510 West Darbee Road
Caro, MI 48723

Dear Mr. Steve Reinbold:

On April 2, 2015, Mr. Tom Young from the Michigan Department of Agriculture & Rural Development (MDARD) visited your farm located at 1636 West Darbee Road, Caro, Michigan, to verify your farming operation through the Michigan Agriculture Environmental Assurance Program (MAEAP). This visit was made at your request to complete the verification requirements of the MAEAP Farmstead System. Your MAEAP verification risk assessment was completed by Mr. Steve Schaub, with the Tuscola Conservation District.

After reviewing your Farmstead Improvement Action Plan and the required components of your Farm*A*Syst, MDARD staff has verified that you have met all of the requirements set forth by the MAEAP Farmstead System at the time of the farm inspection.

The MAEAP Farmstead System verification is valid for five years from the date of the farm visit. This verification is approved on the basis that you have disclosed to the best of your knowledge, all requested information pertaining to your Farmstead Improvement Action Plan. We understand that you intend to manage the Farmstead as reviewed and follow the applicable Generally Accepted Agricultural and Management Practices (GAAMPs). Changes in your farming operation may necessitate a review of your Farm*A*Syst.

Verification in good standing is contingent on updates as necessary as conditions change on your farm as well as staying in compliance with applicable state and federal laws and following the identified MAEAP standards. Farms with livestock that expand must be verified through the Site Selection and Odor Control for New and Expanding Livestock Operations GAAMPs as appropriate to remain in good standing as a MAEAP verified farm.

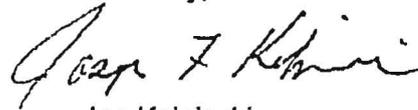
We encourage you to display a sign proudly at your verified site as a sign of your commitment to agricultural pollution prevention and successful completion of the MAEAP Farmstead System requirements.

Mr. Steve Reinbold
November 18, 2015
Page 2

Congratulations on your accomplishment. Your participation in MAEAP is proof that the combined efforts of committed individuals, organizations, and agencies can foster voluntary change in the agriculture industry.

If I can be of any assistance to you, please do not hesitate to contact me.

Sincerely,



Joe Kelpinski
Program Manager, MAEAP
(517) 284-5609

JFK:FG

Enclosures: Certificate

cc: Almer Township Clerk
Mr. Steve Schaub, MAEAP Technician
Ms. Delores Damm, Chair, Tuscola Conservation District
Mr. Jim Kratz, Administrator, Tuscola Conservation District
Mr. Thomas Bardwell, Chair, Tuscola County Board of Commissioners
Senator Mike Green
Representative Ed Canfield
Mr. Dan Wyant, Director, MDEQ
Ms. Jamie Clover Adams, Director, MDARD
Mr. James Johnson, Environmental Stewardship Division Director, MDARD