



STATE OF OTTAWA COUNTY 2014

PRESENTED BY COUNTY ADMINISTRATOR
ALAN G. VANDERBERG TO THE
OTTAWA COUNTY BOARD OF COMMISSIONERS
JUNE 10, 2014

Chair Holtrop, Vice-Chair Baumann, and members of the Board of Commissioners, I thank you for the opportunity to present the ninth annual State of the County address. I will reflect on Ottawa County's accomplishments during the past year plus highlight new initiatives for 2014 and beyond.

Like many counties, our vision is to make Ottawa County the location of choice for living, working, and playing. Ottawa County has carved out its place among Michigan counties as a leader and innovator as it seeks to best serve its residents, businesses and visitors. The four overarching goals have proven to be effective guides as we seek to continually improve the County and its services:

- 1) MAINTAIN AND IMPROVE THE STRONG FINANCIAL POSITION OF THE COUNTY
- 2) MAINTAIN AND ENHANCE COMMUNICATION WITH CITIZENS, EMPLOYEES AND OTHER STAKEHOLDERS
- 3) CONTRIBUTE TO A HEALTHY PHYSICAL, ECONOMIC AND COMMUNITY ENVIRONMENT
- 4) CONTINUALLY IMPROVE THE COUNTY'S ORGANIZATION AND SERVICES

The first goal, MAINTAIN AND IMPROVE THE STRONG FINANCIAL POSITION OF THE COUNTY, is critically important. Residents trust Ottawa County government to use tax dollars wisely. Ottawa County has a long legacy of financial leadership which has made wise and at times, difficult decisions. The result is today's Ottawa County characterized by its strong financial condition.

This decades-long trend of financial management excellence continued in 2014:

- The general property tax levy stands at 3.6 mills, the 5th lowest among 83 counties in the state. When additional county millages are factored, Ottawa County stands as the 2nd lowest statewide.
- The Board takes \$6.3 million less in property taxes than allowed by the Headlee cap.
- Other Post Employment Benefit (OPEB) liability is very low compared to other county and city governments at \$894,142.
- The Financing Tools, including the Solid Waste Clean-up Fund, Infrastructure Fund, Public Improvement Fund, Stabilization Fund, Delinquent Tax Revolving Fund and Equipment Replacement Fund, save taxpayers \$7.3 million per year, or the equivalent of .7477 mills.
- Careful cost allocation programs charge \$1.1 million indirect cost and \$1.2 million in IT overhead appropriately to state and federal grants.

- Ottawa County is one of four Michigan counties to hold at least one triple A credit rating and one of only three Michigan counties to hold more than one triple A credit rating. Top scores allow local units of government to borrow money for capital improvement projects with lower interest rates, ultimately saving taxpayer dollars.
- A new defined contribution retirement system was implemented for the new hires of more than half of the County pension groups in 2012 and the balance of the pension groups in 2013. This change will save county taxpayers an estimated \$30 million after 30 years.
- Major strides were made in 2013 with implementation of the health management plan, attacking future health expenses. A net 20% of those classified as “high risk” moved to “medium risk,” 4% of those classified as “high risk” moved to “low risk,” and 23% of those classified as “medium risk” moved to “low risk.” The calculated return-on-investment thus far is that for every \$1 dollar spent on Health Management, the County realized a return of \$1.66.

Financial outlook for 2014:

- Property tax value was budgeted for no increase in 2013 however, at year end, a 1.44% increase was realized, the first increase since 2009. Property tax value will increase by 3.19% in 2014. Residential value comprises 70% of the County tax base. During 2012 there was a 30% increase in single family home construction, a 193% increase in multi-family home construction, and a 47% increase in commercial and industrial construction.
- Governor Snyder proposed restoration of revenue sharing to the level that it was when Snyder first took office in 2010. If approved, this will restore \$939,998 to the County.
- The Michigan Legislature adopted over a dozen "fix it" bills that would remove the specter of reduction or even elimination of the County \$2.7 million General Fund personal property tax revenue. However, a State ballot proposal must be approved by voters to create the authority that would collect and distribute State Use Tax dollars to local units of government as replacement for lost personal property tax revenue.
- The 2015 cost of the employee healthcare benefit will be an area of continuing focus and concern. Due to the successful adoption rate of the High Deductible HSA plan by County employees and the early successes in health management, actual County health rates rose by only 4.8%. However, the actual rate increase born by the County and its employees was 10.3% with the balance of additional cost. Approximately \$550,000 was paid to the federal government per the new Affordable Health Care Act tax on employers, which made up the balance of rate increase.

- The County enjoys the top credit scores of Fitch Ratings and Moody's and will continue to pursue the top rating of Standard & Poor's.

The County Documents, *Dollars and Sense: How Ottawa County Spends Your Money* and *Budget In Brief* are posted at miOttawa.org. Together, they offer translation and transparency for unraveling complex County finances in compliance with State Economic Vitality Incentive Program requirements.

The second goal is to **MAINTAIN AND ENHANCE COMMUNICATION WITH CITIZENS, EMPLOYEES, AND OTHER STAKEHOLDERS.**

miOttawa.org continues to expand, not only as the place to find information about the County, but also the place to conduct County business and as a means to streamline County processes and make employees more efficient and effective. A 2013 Digital Counties Survey winner, the website uses technology to improve access to services. miOttawa.org surpassed \$1 million in transactions for the first time in 2013. Departments continue to work with our contractor, WebTecs, Inc., to develop new online services for citizens, saving trips to County offices.

Also online and available to residents is the annually updated Ottawa County dashboard. Of the 15 metrics, ten showed an improvement in performance over the previous year, one remained unchanged and four showed a decline in performance:

- The annual unemployment rate decreased from 6.8% to 6.5%.
- Real personal income per capita increased from \$28,212 to \$28,280.
- Real GDP increased by 1.9%.
- The percent of structurally deficient bridges decreased from 2.9% to 2.2%.
- Ottawa County's bond rating from Moody's remained at the highest possible rating of Aaa.
- The County's debt burden per capita decreased from \$79 to \$72.
- The percent of third graders reading at grade level increased from 75.0% to 78.8%.
- The infant mortality rate increased from 5.9 deaths to 6.2 deaths per 1,000 births.
- Violent crimes per 100,000 people increased from 136.7 to 162.8.

A total of 600 employees participated in the 2013 employee survey, an important component of communicating with, investing in and getting the best out of our employees. After a slight decline in overall satisfaction relating to the economic recession in 2011, 2013 saw a return to increasing employee satisfaction with their work and the County. These results represent continued improvement from baseline results

in 2004. The survey noted a growing enthusiasm about the County's culture of continuous improvement and recent training in customer service.

The third goal is to CONTRIBUTE TO A HEALTHY PHYSICAL, ECONOMIC, AND COMMUNITY ENVIRONMENT.

Health contributes to the long-term economic, social and environmental health of the County. Businesses locate in areas where a culture of health is embraced. The Ottawa County Department of Public Health and partners, such as hospitals, health care providers and community clinics, work together addressing important health issues. In fact, the Robert Wood Johnson Foundation named Ottawa County the Healthiest in Michigan in 2014. The Gallup-Healthways Physical Health Index ranked the Grand Haven-Holland healthiest out of 189 metropolitan statistical areas.

The Ottawa County Department of Public Health continues to be committed to efficiency and excellent customer service. The Grand Haven office move was a strategic one to help reduce county costs while maintaining quality services. The beach closure policy was changed to more accurately reflect current scientific evidence. This brought opportunity to develop and implement a beach health education campaign, which recently won the Michigan Department of Community Health Director's Award. Through strategic planning, data driven decision making and identifying factors that contribute to poor health such as income and education level, the Public Health Department is able to develop cost effective programs that get proven results.

In January 2014 Community Mental Health of Ottawa County joined the Lakeshore Regional Partners (LRP) Prepaid Inpatient Health Plan (PIHP). The LRP is the public behavioral health plan for people with mental illness, developmental disabilities, and substance use disorders in Allegan, Kent, Lake, Mason, Muskegon, Oceana, and Ottawa counties. The organization manages the services provided under a contract with the State of Michigan's Department of Community Health to residents in the region who have Medicaid or are under insured and who are eligible for services as defined by the Michigan Mental Health Code. The LRP is one of ten PIHPs in Michigan and seeks to build upon and maximize the unique strengths of the individual Member Boards while establishing a regional organization that supports an essential standard for services.

The Planning and Performance Improvement Department raised \$450,000 for the Phase II Water Resource Study, including \$350,000 from the State, \$20,500 from private and non-profit groups and \$34,000 from all 17 townships. In February 2014, the Board of Commissioners appointed a 13-member Groundwater Task Force to determine how to proceed with the Study. The Task Force reviewed study proposals from the MSU

Institute of Water Research and the Michigan Groundwater Association. Barr Engineering of Ann Arbor was hired to conduct an independent third-party review to evaluate the scientific validity of each proposal and evaluate whether each proposal meets the County's goals and objectives for the Study. The review was completed and presented to the Groundwater Task Force at the beginning of June, resulting in proceeding with the MSU Institute of Water Research proposal moving forward.

Several reports highlighted Ottawa County's healthy economic environment:

- In its "Leading Locations for 2013" assessment, Area Development Magazine ranked the Holland-Grand Haven Metropolitan Statistical Area 23rd out of the nearly 400 metro areas for economic and job growth.
- Ottawa County's business climate was recently recognized as a "shining example" by George Erickcek, Senior Regional Analyst at the W.E. Upjohn Institute for Employment Research. Ottawa County continues to lead the state and nation in job growth and this trend is expected to continue through 2015.
- The Holland-Grand Haven area was recently ranked as the most secure mid-size city in America, according to a study by Farmers Insurance. The study considered a number of factors including economic stability, housing depreciation and employment rates.

The Holland-Grand Haven metro area is now part of the Grand Rapids-Wyoming metro area, which consists of four counties (Ottawa, Kent, Montcalm, and Barry) with a combined 2012 population of just over one million people. The new metro area, the 52nd largest (out of 381 metro areas) based on population, will likely be used for economic rankings in the future.

The final goal is to CONTINUALLY IMPROVE THE COUNTY'S ORGANIZATION AND SERVICES.

Ottawa County remains at the forefront among counties in Michigan, and nationally, in verifying the cost-effectiveness of its programs and services. The performance outlines that were created for Ottawa County's budgeting process by the Planning & Performance Improvement Department are the first known to incorporate measures that quantify actual department outcomes. As of December 31, 2013, evaluations completed by the Planning & Performance Improvement Department have saved over **\$12.6 million** as a result of recommendations that modified, privatized, or discontinued ineffective programs and services.

Late in 2012 the County evaluated and addressed many operating systems and equipment within its facilities, especially buildings at James Street and the jail and detention facilities at Fillmore. A Request for Proposals resulted in an initial audit being performed by Johnson Controls (JCI). That initial audit grew into a contract with JCI to replace and upgrade aging equipment which will save utility and operational costs. The contract guarantees a minimum of \$3.65 million in utility and operational savings over 15 years. The County bonded for the \$5.45 million project, utilizing Qualified Energy Conservation Bonds that provided nearly no cost financing (net 0.213% after federal subsidies). The overall project allows for creative financing and guaranteed return-on-investment for many facility improvements that were needed.

The County continued to work with various inter-governmental partners on a number of collaborative ventures over the past year and this work will quicken even more in 2014. While the County is not the 800 pound gorilla trying to build an empire, valuable administrative infrastructure exists to aid local units of government. Opportunities to lower cost while maintaining or improving services for public, private, or non-profit partners are welcomed.

During 2013 and thus far in 2014, the County:

- Supported and monitored progress toward objectives set forth by the Ottawa County Road Commission and the Ottawa County Board of Commissioners.
- Continued partnerships and discussions with local units of government relative to collaboration and cost sharing. Specific examples include assessing services for the City of Grand Haven and Crockery Township and police services for Spring Lake Village and the City of Ferrysburg.
- Continued discussions with other potential partners in the areas of assessing, Information Technology, GIS, telephone and document imaging.
- Assisted local units of government with achieving cost savings through participation with the reverse purchasing module.
- Rolled out GOLD Leadership training to local units of government.
- Hosted a technology forum which highlighted innovative practices which local units could adopt to improve their operations.
- Created a new regional entity in the Community Mental Health system in conjunction with five other counties to better manage and provide services.
- Share its expertise on partnerships and collaborations via the Michigan Municipal Services Authority with Governor Snyder's recent appointment of

Administrator Al Vanderberg to the group and Vanderberg's Election to Chairperson of the Grand Valley Metropolitan Council.

FOUR C's INITIATIVE

Progress was made on the ambitious Four C's Initiative launched by the Board of Commissioners in 2013 and thus far in 2014.

CREATIVITY

Career Development-

Human Resources is leading the Career Development component which includes the three legged stool approach to hiring and training. A total of 838 employees completed the Kolbe Index and 520 have now completed the initial training. In 2014, the County will become equipped to provide Kolbe training and reporting in-house. The DiSC assessment continues to be a core piece in our leadership training program. A total of 815 employees have completed the DISC Behavioral Assessment and training. EQ-I 2.0, an emotional intelligence assessment, was added to the three legged stool this year. HR has become certified to administer the assessment on a position basis. This empathy assessment further expands the affective leg of the stool reducing the possibility for a bad fit employee. Human Resources and Performance Planning and Improvement are creating a data collection form that will provide a baseline for future performance indicators. With internal staff certified in these assessments, the organization will be equipped to blend each tool's benefits into the daily culture of Ottawa County with greater flexibility. Many of these departments are already utilizing their results in the areas of leadership, communication, understanding style differences and team building.

Innovation-

The County Board approved an agreement with the New North Design Center of Holland for a six-day training series focused on methods and tools for improving innovation in the County. The topics include innovation overview, design thinking, building ideas and concepts into layers, filtering ideas, navigating constraints, building presentations that sell, top tools for innovation and building new portfolio platforms. The first session, *Harnessing your Creative Capital for Change*, was held recently and was a success. Fifty county employees participate in the series.

Continuous Improvement-

Ottawa County is partnering with the Michigan Lean Consortium by hosting Lean 101, 201 and 301, three statewide LEAN educational offerings held at the Fillmore Administrative Complex. Approximately 35 participants attended the first session including 13 County participants who learned basic LEAN definitions and LEAN tools.

Technology-

The County moved forward with implementation of the Plante & Moran and ISI studies and completed \$1.4 million in improvements to the technology infrastructure of the County. The improvements increased network speed by tenfold, significantly improved server and storage infrastructure, and expanded wireless to all County facilities with public access added at all facilities as well.

COMMUNICATION

Social Networking-

Ottawa County began utilizing Facebook and Twitter in December of 2013. In only five months, the engagement has surpassed expectations with an audience of 1,013 individuals on Facebook and 266 Twitter followers. Social media is proving itself as an effective method for Ottawa County to reach its residents. For example, during the storms of the past February, traffic deputies worked with the Administrator's Office to communicate extreme driving conditions. A single cautionary message posted by Ottawa County was shared by the Facebook audience so many times that it ultimately reached 17,730 people through the medium. Since its inception, Facebook posts generated 211,166 impressions and 8,201 interactions on the social media platform. Content of the posts vary and represent many departments within the organization. This is especially helpful for those divisions who have an interest in social media, but are not equipped to staff and monitor the medium.

Media Relations-

In the absence of a generous marketing budget, media relations is paramount to earning publicity in local news outlets. Along with the promotion of programs, ensuring regular interaction and easy access to County staff can boost both favorable coverage and prominent placement. During 2013, the Administrator's Office disseminated 28 press releases plus another nine so far in 2014. Topics of the press releases were diverse and represented various departments within the organization, helping to meet their needs for communication support.

Additional prominent activities included the coordination of and participation in radio and television interviews, preparing monthly and as needed talking points for County Commissioners and other representatives and researching government communication strategies. Into 2014 and beyond, the County will bolster the communication initiatives underway, create a County Communications Team and propose additional methods to inform and engage citizens, employees and County Commissioners.

CUSTOMER SERVICE

Customer Service Training-

A total of 765 employees have taken part in the three-day “Ottawa Way” Customer Service Training since it was initiated. Road Commission employees began taking part in the trainings last year as well. Storyboarding activities during the ten sessions have provided a wealth of information to the Customer Service Committee, enabling them to create an extensive plan of action. Storyboarding has also proven a worthy tool for other planning and brainstorming activities.

Customer Service Team-

The Customer Service Team is comprised of 20 enthusiastic County employees. The team is dedicated to creating an environment that empowers employees to provide the best customer service possible, the Ottawa Way. The Customer Service Team has been working diligently to break down barriers to customer service since September of 2013. Initially, the team reviewed the “Barriers to Good Customer Service” storyboards generated from The Ottawa Way Training classes, identifying trends. This information was used to prioritize an action plan. Plans include: Improve building maps, improve phone system, provide telephone transfer protocol, research building greeter volunteers, expand capabilities of employee service directory and create a service recognition program. While many tasks remain in development, the Outstanding Customer Service Awards Program was launched in January of 2014 with an overwhelming response of 53 nominations for the first quarter. The first award recipient, Deputy Ben Terpstra, was honored in May.

CULTURAL INTELLIGENCE

A Cultural Intelligence Committee has developed our mission, vision and county goals to:

1. Increase awareness of social injustice and its effects.
2. Improve fair and equal treatment for all.
3. Enhance county’s reputation as welcoming to all
4. Equip and empower people to resolve social justice issues

During the upcoming year, the Cultural Intelligence Team will develop strategies for achieving the goals.

Six classes of Cultural Intelligence Trainings have been held since late 2013. A total of 160 employees have already completed the course. These two-day sessions are now available monthly and offered throughout various County facilities.

The team, along with many County leaders, attended the Lakeshore Ethnic Diversity Alliance Summit on Race and Inclusion. The summit brought national recognized experts in the areas of civil rights and civil liberties, health, law and public policy, faith, education, business and community.

LEGISLATIVE AGENDA

Ottawa has excellent presence in Lansing this year with Rep. Amanda Price, House Local Government Committee Chair; Sen. Arlen Meekhof, Senate Floor Majority Leader; Rep. Joe Haveman, House Appropriations Committee Chair; Rep. Roger Victory, and Sheriff Gary Rosema who serves as Chair of CLEAR, the Governor's Council on Law Enforcement and Reinvention.

Items of particular interest for 2014-2015 state legislative action work include:

- PA 54 Exemption for Firefighters and Police (HB 5097)
- Freedom Of Information Act (FOIA) (HB 4001)
- Community Mental Health (CMH) FY 2014-15 State General Fund Reductions (HB 4238 and 4239)
- CMH State General Fund and Medicaid Fund Balance Carry-Overs
- CMH Per Capita Funding Levels
- Tax Delinquent Properties – Reduction in Interest Rates (HB 4409)
- Sunset on County Option to Transfer Road Commission to County (HB 5117 and 5118)
- Revenue Sharing Reimbursement
- Unfunded Mandates
- Transportation Funding Impasse

The following items will provide the major focus for 2014-2015 federal legislative action work:

- Tax Exempt Municipal Bonds (HR 112-2013)
- EPA Ozone Air Quality Rule
- Help America Vote
- Economic Development – Expand Michigan Barge Access
- EPA Water Jurisdiction Rule (Clean Water Act – Section 4040)

- Federal Surface Transportation bill (Map-21)
- Sequestration
- Veterans

We look forward to working with the Board of Commissioners on the many challenges that the remainder of this year will bring and on the initiatives that will help shape the future of Ottawa County.