



County of Ottawa *Administrator's Office*

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County Administrator's Weekly Digest February 11, 2011

NEW EMD DIRECTOR (Sheriff Gary Rosema)

I am pleased to announce the selection of Beth Thomas as the Sheriff's Office new Emergency Management Director. Beth has been with our department's Emergency Management Unit since 2005 and most recently has been serving as Homeland Security Regional Planner for Region 6. Prior to her employment with Ottawa County, Beth was the Director of Emergency Services with the American Red Cross of Ottawa County. In addition, Beth spent 9 years with the KLM Royal Dutch Airlines based in Amsterdam, Netherlands. During her tenure with KLM Beth served in a number of areas including Corporate communications, Department of Emergency Management, and Department of Flight Operations.

Director Thomas will begin her new duties effective Sunday, January 30, 2011.

Director Thomas can be contacted at 616.738.4050 (office), 616.638.7760 (cell) or by email at bthomas@miottawa.org

NARROWBANDING – OCCDA (Michael Muskovin)

The next major project of the OCCDA will be implement a narrowbanding system per federal requirements over the next few years. This will have an impact on other county operations and local units of government that utilize radio transmissions for non-police and fire uses. The following meeting notice provides an opportunity to learn early on what some of the impacts and issues are.

I would like to invite you to attend an informational session on narrowbanding. VHF and UHF radio frequencies are required to operate with narrowband transmissions by December 31, 2012. Come see what this mandate means and how it may impact your organization. All sessions will be presented by and hosted at Ottawa County Central Dispatch Authority (OCCDA). Please pass this invitation on to appropriate individuals within your organization.

Narrowbanding for Local Officials and Department Heads
Wednesday, February 23rd
10:00am or 1:00pm

Narrowbanding for License Holders
Wednesday, March 2nd
10:00am

Please RSVP to Laura DeGoede at (616) 994-7810 or ldegoede@ocdda.org

Sincerely,
Michael T. Muskovin, ENP

Data/Radio Systems Manager
Ottawa County Central Dispatch Authority
12101 Stanton St
West Olive, MI 49460
(616) 994-7800 office

JANUARY DISPATCH STATISTICS (Tim Smith)

The numbers handled through Central Dispatch for January 2011 were:

Total Incidents – 8,709 up 9.5% over January 2010

Fire Incidents – 1,054 up 10% over January 2010

Law Incidents – 7,655 up 9.5% over January 2010

911 Calls – 8,252 down 1.1% over January 2011

911 Hang Up calls - 952 up 2% over January 2011

Wireless 911 calls – 77.6% of 911 calls for January 2011

911 calls answered in 10 seconds or less - 96.1% for January 2011
(NENA recommended standard is 90% within 10 seconds)

THIS WEEK IN TECHNOLOGY (Dave Hulst)

During this past week, we experienced what can only be described as a Series of Unfortunate Incidents. The major event was caused by a drive failure on the County fileserver. Last Friday, the fileserver was critically low on drive space with less than 2% of the space remaining. Departments were contacted to clear unnecessary files. On Monday, we began to experience slowness in the County's Fileserver which we initially attributed to the file clearing processes taking place. We restarted the server to clear up any processes and this seemed to speed up the system. However, the slow response issue came back.

Further investigation revealed that one hard drive in the storage unit failed. Error messages from the storage unit were adding to the problem. The system began to rebuild the data from the failed drive on the hot spare. This process took priority. Our support vendor was contacted and a new drive was received on Wednesday. The new drive began the automatic data recovery process which completed Wednesday night. We confirmed the problem was resolved on Thursday morning when the bulk of employees were logged on and the system continued to provide responsive service.

The other issues that occurred included the failure of a UPS resulting in a power loss to data switches that disconnect the Register of Deeds office from their server, and an outage with our internet connection to Grand Haven. The MugShot server restarted for an unknown reason and came up with its firewall configured which blocked access. The Web Database Server also restarted for an unknown reason resulting in short term outage on the County web site.

PERSONAL PROPERTY TAX

[GVMC Executive Director put out a call for personal property tax data to member communities earlier this week as a bill was predicted to be introduced in the Michigan Senate that would eliminate the tax and Keith sent the following information to him.](#)

Senate Bill 34 – Personal Property Tax Elimination

Here is some info for Ottawa County regarding the potential impacts of SB 34, which would eliminate the Personal Property Tax in Michigan.

The data is taken from the 2010 Ottawa County Equalization Report, and compiles the county total for the taxable value total of personal property. The aforementioned equalization report can also be referenced to find the individual totals for each municipality within Ottawa County at http://www.miottawa.org/CoGov/Depts/Equalization/pdf/2010/Equalization_Report_2010.pdf.

County Total, Taxable Personal Property	\$591,639,176
County Millage Tax Rates	County Operating 3.60 mills
	E-911 0.44 mills
	Parks 0.3165 mills
Loss of Revenue	County Operating \$2,129,901 annually, from total of \$34,543,402
E-911	\$260,321 annually, from total of \$4,221,961
Parks	\$187,254 annually, from total of \$3,036,931
Total	\$2,577,476 annually, from total of \$41,802,294

It is difficult to say exactly what would have to be eliminated in these three organizations based upon the proposal, but it would have a large negative impact on operations that have already experienced a 4.05% reduction from the decline of overall taxable value in 2010, and an expected additional drop of approximately 3% in 2011. This would be in addition to further eliminations of other significant sources of funding that are expected in the coming budget proposed by Governor Snyder.

USA TODAY ARTICLE ON BERLIN – MARNE – WRIGHT TOWNSHIP

Tim Smith passed this on and as he said, it is not very often that someplace in Ottawa County makes it in USA Today. Congratulations to Supervisor JoAnn Becker on a job well done. To read the article, follow the following link:

http://www.usatoday.com/news/nation/2011-02-09-1Awarsimpact09_CV_N.htm

2011 MLGMA WINTER INSTITUTE CONFERENCE

The Michigan Local Government Management Association (MLGMA) held its 2011 Winter Institute in Detroit last week. The program featured a variety of interesting and timely presentations for participants. The keynote sessions featured a program on Diversity and Inclusion by Dr. Steve Robbins, a presentation on the emergency financial management by Robert Bobb, Perspectives on Leadership by David Brandon, and Bob O’Neill who presented a session on Positive Leadership in a Negative Environment. Other sessions included presentations on NPDES Phase II Stormwater Permitting, Revenue Sources, Health Care Reform, The Future of Technology, Strategic Operational Reviews, Shared Municipal Services, Union Negotiations, and various student sessions.

Assistant County Administrator Keith Van Beek Chaired the Conference Planning Committee and did an outstanding job. Local government managers from Ottawa were well represented and included: Pat McGinnis, City Manager of Grand Haven; Ryan Cotton, Village Manager of Spring Lake; Gordon Gallagher; Spring Lake Township Manager; Tim Klunder, City Manager of Zeeland; Karen Doyle, Assistant City Manager/Finance Director, Zeeland; Patrick Waterman, City Manager of Hudsonville; and Bill Cargo, Grand Haven Township Manager.

The MLGMA was known as the Michigan City Management Association (MCMA) until 2001 when the name was changed to Michigan Local Government Management Association to reflect the growing number of city managers who became county administrators and township managers and vice-versa. Daryl Delabbio, Kent County Administrator/Controller was the first county administrator to serve as president of the group and I was the second. I turned over the president position to Steve Brock, City Manager of Farmington Hills toward the end of the conference. It was a pleasure and an honor to

serve as President of MLGMA and I thanked the Board of Commissioners, at Tuesday's meeting, for allowing me to take on this leadership role.

BIBLE POD REPORT (Sheriff Rosema)

Bible Pod Report

A periodic informational newsletter from the Ottawa County Jail Bible Pod
February 2011

Hi. I'm Chaplain Mike Wilkinson. I have had the privilege of teaching in the Bible Pod while Chaplain Dan has taken some time off. Chaplain Dan is due to return in March and a Bible Pod report is in order to keep the ministry's progress up to date.

I would like to share some testimonies from some of the men about what the bible Pod has meant to them.

A man who recently accepted Christ says: "The Bible Pod is a place to get to know Jesus Christ as our Savior. I've always tried to change and better my live on my own. But now I realize I need God to help me."

Another man wrote: "My relationship with God started in the jail... (the) jail rescued me. I asked Christ into my life...I have learned a whole new way of life here."

An additional pod member states: "When I first came to the Bible Pod I didn't know what to expect...I knew I would be studying the Word (and) I actually believed I was saved...What I didn't expect was that I hadn't given my self over to Christ...confessed my sins and repented from my sins. I find I am able to give my cares to the Lord more readily and am overcoming my need to do things my own way."

One more testimony: "Through all the pod makes available in teaching, prayers, fellowship and study materials...it provides an awesome opportunity to grow and be strengthened in the Lord."

Obviously, the Bible Pod is not some magical place that changes men's hearts; it is a place of intense instruction, Bible reading, meditation and fellowship. The materials used (marriage improvement, discipleship, financial management, parenting, Bible study, etc.) are only tools to help give life skills to live out the Christian walk in a God-glorifying, productive manner. The real change agent is the Lord as He teaches and empowers those wanting and willing to change.

Along with Paul, we chaplains understand that God allows one to plant the seed, another to water the seed, but God makes it grow (I Cor. 3:6). Please pray for the F.F.M. staff at Ottawa County Jail that we would be good servants of the Lord as we work the field God in which God has placed us. All the Bible Pod men know that Christ is the One Who has changed and is changing them. Yet, they have a healthy understanding that they must be aware of the dangers and fiery arrows facing them from the world, the flesh and the devil as they return to society. Pray that they grow in dependence on and knowledge of the Lord Jesus Christ (I Pet. 3:18).

From the Ottawa County Jail

Here is what was accomplished during **January 2011** in the **Ottawa County Jail** through **Forgotten Man Ministries** & volunteers, under the direction of **Chaplain Larry Norman**

Bible Issues 77

Intro Courses Issued 37

Bible Courses Issued 92
Bible Lessons Graded 513
Bible Courses Completed 52
Professions of Faith 18
Bible Pod Classes 42
Bible Study Classes 5
Worship Services 5
Library Cart 30
One-on-One Counseling 15
Drug/Alcohol Classes 9
Faith Based Programs-
Attendance 945

Your prayers for and
support of the whole
ministry at the
Ottawa County Jail
Are greatly appreciated!

THANK YOU

*Please send comments to Chaplain Dan R. Maguire Jr.
Ottawa County Jail
12130 Fillmore
West Olive, MI 49460
616-786-4183
dmaguire@miottawa.org*

MOODY RATINGS COUNTY CREDIT RATING AFFIRMED

MOODY'S ASSIGNS Aaa RATING TO OTTAWA COUNTY'S (MI) \$2.9 MILLION OTTAWA COUNTY

2011 REFUNDING BONDS (HOLLAND AREA SEWAGE DISPOSAL SYSTEM) (GOLT)

Aaa RATING APPLIES TO \$143.5 MILLION OF GENERAL OBLIGATION DEBT, INCLUDING CURRENT ISSUE

Ottawa (County of) MI
County
Michigan

Moody's Rating

Issue

Rating

2011 Refunding Bonds (Holland Area Sewage Area Disposal System) (General Obligation Limited Tax) Aaa

Sale Amount \$2,895,000

Expected Sale Date 02/10/11

Rating Description General Obligation Limited Tax

NEW YORK, February 9, 2011 -- Moody's Investors Service has assigned a Aaa rating to Ottawa County's (MI) \$2.9 million Ottawa County 2011 Refunding Bonds (Holland Area Sewage Disposal System) (General Obligation Limited Tax). Concurrently, Moody's has affirmed the Aaa rating on the county's outstanding \$143.5 million general obligation limited tax debt, including the current offering.

SUMMARY RATINGS RATIONALE

The bonds are ultimately secured by the county's general obligation limited tax pledge, which forms the basis of this rating. Debt service is payable from contract payments from the City of Holland, Charter Townships of Holland and Zeeland, and Townships of Park, Laketown, and Fillmore. Proceeds of the bonds will refund the county's outstanding 2001 Refunding Bonds (Holland Area Sewage Disposal System) for estimated net present value savings. Assignment and affirmation of the Aaa rating reflects the county's substantial, relatively diverse taxbase with recent declines in valuations, well managed financial operations that are supported by solid reserves and alternate liquidity, and debt levels that are expected to remain affordable.

STRENGTHS

- Well managed financial operations with revenue raising flexibility and significant alternate liquidity
- Relatively diverse taxbase with stabilizing employment levels

WEAKNESSES

- Declining valuations
- High unemployment with below average socio-economic indices

SUBSTANTIAL, RELATIVELY DIVERSE TAXBASE; RECENT DECLINES IN VALUATIONS

Located west of Grand Rapids (GOLT rated Aa2/stable outlook) along Lake Michigan, Ottawa County's large \$23.4 billion taxbase had previously grown at a steady pace. Between 2004 and 2008, full value increased at an average rate of 5.5% per year. The county's accessibility to Grand Rapids and other employment centers in western Michigan had made it an attractive area for residential development resulting in a population increase by a significant 26.9% between 1990 and 2000. Growth has somewhat slowed down in recent years as the current estimated population of 261,957 increased by a lesser but still healthy 9.9% from the 2000 census population. In addition, mirroring national trends, the county's full valuation declined by 2.4% in 2009 and additional 6.1% in 2010. Management expects declines in valuations to moderate in the near term, with a 3.5% decline in 2011.

The county's taxbase is relatively diverse, with the top ten taxpayers comprising 6.0% of total assessed valuation. The county is somewhat dependent on manufacturing and as a result the county has experienced significant job

losses in recent years. Delphi Automotive, the county's tenth largest taxpayer in 2007 filed for bankruptcy in October 2005 and closed its Ottawa County plant in 2007. Gentex, the county's third largest employer, and Mead Johnson (senior unsecured rated Baa1/stable outlook), the county's second largest taxpayer, also laid off an estimated combined 1,000 positions in 2009. Although there were contractions in operations of existing employers and taxpayers in 2009, officials note that economic activity in 2010 has resulted in restoration of some jobs from renewable energy companies and in various other industries. The hospitals in the cities of Holland (GOLT rated Aa2) and Zeeland (GOULT rated Aa2) recently completed expansions. Michigan State University opened a Bioeconomy Institute in March 2009 in a former Pfizer laboratory site. Both Sara Lee Corporation (senior unsecured rated Baa1/rating under review) and Boar's Head recently expanded plant operations. Officials report stable operations at the Sara Lee plant and will not be affected by the company's plans to separate into two entities. Additionally, a new dairy processing company is expected to complete construction in the former Delphi Automotive site. The county's October 2010 unemployment rate of 10.6% remains high compared to the nation's rate of 9.0% but has improved since 2008 (12.3%) and 2009 (12.6%) levels. Wealth indices are slightly above state medians, though below similar Aaa rated counties, with per capita and median family income levels at 97.8% and 112.0% of state levels, respectively. Despite the weakened economy, we expect the county's taxbase will begin to stabilize in the medium to long term given recent commercial development and ample land available for future development.

WELL MANAGED FINANCIAL OPERATIONS SUPPORTED BY SOLID RESERVES WITH ALTERNATE LIQUIDITY

The county's financial operations are expected to remain healthy, supported by conservative budgeting and solid reserves with alternate liquidity. The county has a long history of maintaining healthy General Fund reserves well above the county's policy of keeping undesignated reserves equal to 15% of General Fund revenues. The General Fund has grown from \$14.6 million in fiscal 2003 (25.9% of revenues) to a healthy \$22.1 million in fiscal 2007 (36.2% of revenues). Despite declining property tax and other revenues, fiscal 2008 closed with essentially balanced operations with a General Fund balance equal to \$22.1 million, or 36.1% of revenues. In fiscal 2009, the county used \$5.3 million of reserves for a one-time planned use for the construction of a new court house. As a result, the county's General Fund closed with a balance of \$16.7 million, or a still healthy 27.5% of revenues and an undesignated General Fund balance of \$9.7 million, or an adequate 15.9% of revenues. Officials estimate fiscal 2010 will close with an approximate General Fund balance of \$18 million. The county is committed to adhering to its formal fund balance policy of maintaining a minimum of 15% in undesignated reserves. In addition, as a policy, the county budgets 1-2% of General Fund expenditures for contingencies. While we note that reserve levels are not as robust as other Aaa rated counties, the county remains commensurate within its rating category due to the county's history of conservative budgeting practices and available alternate liquidity.

The county enjoys significant alternate liquidity in its Stabilization and Delinquent Tax Revolving Funds. The Stabilization Fund had a balance of \$8.2

million and the Delinquent Tax Revolving Fund had an unrestricted net asset position of \$24.5 million at the close of fiscal 2009. Notably, going forward, officials plan to maintain reserves in these funds and do not cite needs to transfer funds to support operations. In addition to sizeable reserves, the county consistently remains below the operating millage rate under the Headlee limit. The current tax rate of 3.6 mills is lower than the maximum allowable rate under the Headlee limit of 4.265 mills, translating into a margin of approximately \$6.8 million of property tax revenue annually available for operations.

Effective October 1, 2004, the State of Michigan (GO rated Aa2/stable outlook) temporarily ended revenue sharing payments to counties, while at the same time, to offset the impact of the loss of this revenue stream, called for the county's property tax levy to be moved in phases from December to July over three years. The schedule called for the establishment of a Revenue Sharing Reserve Fund, where certain portions of the levy will be deposited and managed by the county, which can access this fund in an amount equal to what it would have received in 2004 plus an inflationary adjustment. At this time, the county anticipates this fund will be depleted in 2011. Although it is uncertain whether the State will reinstate revenue sharing, management has proactively identified potential expenditure reductions to help offset the impact of the potential elimination of state revenue share payments. The county's practice of maintaining healthy reserves with alternate liquidity, operating margin, and conservative budgeting is expected to provide significant cushion against potential significant cuts from the state and other unforeseen budgetary fluctuations.

DEBT LEVELS EXPECTED TO REMAIN AFFORDABLE

The county's debt levels are likely to remain manageable given modest future borrowing plans. At 0.1% the county's direct debt position is low. Typical of Michigan counties, Ottawa is a frequent issuer of debt on behalf of underlying municipalities. The low 0.1% direct debt figure accounts for the fact that 86% of the county's direct debt is supported by contractual payments from benefited municipalities. The county's overall debt burden of 4.1% is higher, but is predominately the result of borrowing by overlapping jurisdictions, particularly school districts. The principal amortization rate of all county debt, including debt issued on behalf of underlying municipalities is relatively slow with 47.7% of the debt paid in ten years. The county will continue to issue debt annually for water and sewer improvements and expansions for its underlying entities.

KEY STATISTICS

2000 Census population: 238,314 (26.9% increase from 1990)

2009 Estimated population: 261,957 (9.9% increase from 2000)

2010 Full value: \$22 billion

2010 Full value per capita: \$83,914

2000 Per capita income: \$21,676 (97.8% of state)

2000 Median family income: \$59,896 (112.0% of state)

Ottawa County unemployment rate: 10.6% (October 2010)

Fiscal 2009 General Fund balance: \$16.7 million (27.5% of General Fund revenues)

Fiscal 2009 Undesignated General Fund balance: \$9.7 million (15.9% of General Fund revenues)

Direct debt burden: 0.1%

Overall debt burden: 4.1%

Principal amortization (10 years): 47.7% (includes debt issued by county on behalf of underlying municipalities)

Post-sale general obligation debt outstanding: \$143.5 million

WHAT COULD CHANGE THE RATING - DOWN

-Significant erosion of the county's taxbase

-Deterioration in General Fund reserves and loss of financial flexibility

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009.

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