

County Administrator's Digest

May 18, 2012

Alan G. Vanderberg, County Administrator

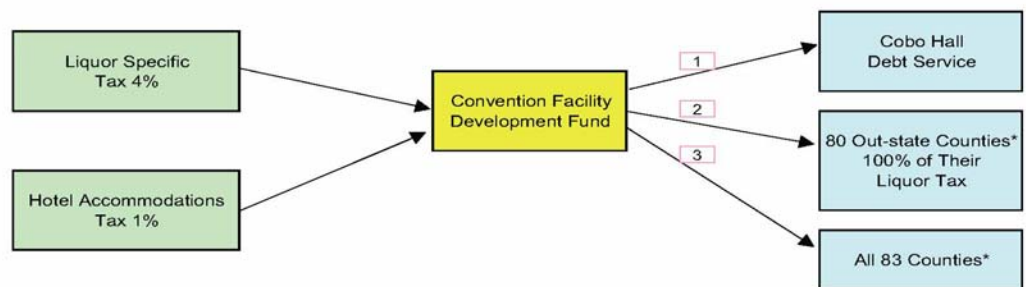
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TRUTH IN TAXATION HEARING EXPLAINED

The Board of Commissioners will consider a resolution at its regular Board meeting on May 22 to set a Truth in Taxation Hearing for the Board meeting on June 12. This is probably a little more confusing than truth in taxation hearings are already because the Board initially set the public hearing during its May 8 regular meeting for the May 22 Board meeting.

I received a call from an upset business owner on Thursday who thought that the hearing (already noticed in the paper) was about the County increasing taxes and wanted to know if it applied to real property, personal property or both. Due to the misunderstandings inherent in how we must do this I thought it would be good to explain this procedure in a Digest article. Bob Spaman and Mike Galligan, Fiscal Services and Equalization Directors, co-wrote this article with me. The answer to the business owners' question is "neither". The tri-county convention facilities tax is levied by the state under Public Act 106 of 1985 and the liquor tax by Public Act 58 of 1998. State law requires a portion of this revenue to be redistributed to county governments for substance abuse prevention and treatment (see chart below).

Chart 1
Convention Facility Development Fund
Sources and Uses



Distributions

- 1 Cobo Hall bonds have first claim on Convention Facility Development Funds.
- 2 The 80 out-state counties have second claim.
- 3 All 83 counties split the remaining funds. One-half of distributions are used for substance abuse programs.

Prepared By: Office Of Revenue and Tax Analysis, Michigan Department of Treasury

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Counties are required to reduce their base tax rate by the amount of increased revenue collected over the previous year per the Headlee Amendment. For the past two years the sum of the general operating levy plus the convention/liquor/cigarette tax redistribution resulted in less revenue than the previous year. For 2013, a significant increase in the convention tax redistribution results in a slightly higher total revenue over the previous year from the general operating levy and convention/liquor/cigarette redistribution.

Fiscal Services requested numbers from the State for the Truth in Taxation (TNT) calculation on April 30. No response was received, and the deadline we've historically held to is June 1 to ensure that local units have enough time to complete their tax bills for July 1 distribution. As a result, Fiscal Services used the most recent number received from the State for 2012 Convention Facility Tax which was \$1,167,623 (received in May of 2011 - see first attachment). Since this represented a 12.6% increase over actual 2011 revenue we felt this was a conservative estimate. On May 15, the letter from the State arrived giving us the revised estimate of \$1,289,108 (see 2nd attachment) as the number to use for the TNT calculation - a 24.3% increase over actual 2011 revenues. Unfortunately, this variance was too large for our original TNT calculation to remain accurate.

However, since we published the original hearing based on the 2011 state estimated number instead of the new number, the 2012 TNT public hearing will be need to be rescheduled at the June 12 Board meeting, instead of May 22, with the revised Public Hearing notice published prior to the hearing. The motion to approve and authorize the Board Chairman and Clerk to sign the Resolution of Intent to Increase the 2012 Millage Rate and schedule a Public Hearing on June 12 will be on the May 22 Board agenda.

Interestingly, if the County complies with Section 16 of the Uniform Budgeting and Accounting Act, Public Act 2 of 1968 (we do meet all criteria), the County is not required to hold a TNT public hearing. Since we hold a public hearing on the budget each year in any event, the Board may decide in the future to forgo the Truth In Taxation hearing if it is not required. That decision would be made prior to next year's tax levy. County met all Section 16 criteria when the millage was set last year and meets the criteria again this year. By meeting this criteria, the 2012 TNT Public Hearing scheduled for the May 22 Board meeting could be cancelled. Due to the fact that we already scheduled the public hearing once and because the notice makes it sound (incorrectly) that the Board is contemplating raising taxes, we believe it best to go through with the hearing.

STATE REVENUE ESTIMATING CONFERENCE (Bob Spaman)

I attended the May 2012 Revenue Estimating Conference in Lansing on May 16. This is usually an update to the January Conference revenue projections. The overall news was generally good. On the U.S. economy, the numbers are good but not great. The U.S. is adding jobs at the rate of about 150,000 per month. Unfortunately, that is not enough. We should be adding at least 250,000 to reduce unemployment, add the new people entering the job market who are graduating soon and those who have reentered the job market after giving up several months or years ago.

Auto sales, which have a major impact on the Michigan economy, are increasing and are currently at a pace of 14.5 million units per year rising to 15.6 million units in 2014 with Detroit having a 45% share of the market. Gross Domestic Product is at a 2.2% rate and should be at 2.5% to sustain continued growth. The largest risk

factor for the U.S. at this time is the on-going stress in Europe, particularly in Greece right now. Negative actions in Greece could affect the U.S. economy. Larger yet is what may happen in Italy whose economy is much larger than Greece. In the U.S, expectation is that nothing will happen at the Federal level due to the election year. No interest rate hikes through 2014 and mortgage rates should stay under 5% through 2014. Federal spending in 2012 will be lower than 2011 with little or modest growth in 2013 and 2014. Most likely a debt ceiling increase. Also, a modest tax increase in 2014 with the 2% FICA reduction being reinstated in 2013. New home construction is up but only at 1/3 of the mid-2000 levels. Existing home sales are also increasing. Per the economist, oil prices will increase slightly though 2014 and inflation should run at about 2% per year through 2014.

The Michigan forecast is slightly better than the U. S. forecast. High wage jobs (over \$57,000 per year) had the largest increase in employment in the last year. The problem today is that jobs do exist but employees are not appropriately trained for these jobs. Private sector jobs will continue to grow while public sector jobs are expected to continue declining. Michigan lost 859,000 jobs from 2000-2009 and has recovered 151,000 so far with another 133,000 by the end of 2014 but still a long time before all the jobs are recovered. Unemployment rate in the State, currently at 8.3%, is projected to be 7.7% in 2014.

The General Fund revenue estimate is \$34 million higher in 2012 than the January estimate. The 2013 revenue estimate is down \$65 million from the January estimate, the only negative news at the conference. And 2014 estimate is increased by \$23 million from the January estimate. The school aid fund is even better news with increased estimates in 2012 through 2014 of \$146, \$115 and \$151 million in each year see press release immediately following below:

May 16, 2012

FOR IMMEDIATE RELEASE	Contact: Caleb Buhs
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State Treasurer, State Budget Director, and Fiscal Agencies Reach Consensus on State's Economic and Revenue Projections

State Treasurer Andy Dillon, State Budget Director John Nixon, Senate Fiscal Agency Director Ellen Jeffries, and House Fiscal Agency Director Mary Ann Cleary today reached a consensus on economic and revenue figures for the remainder of Fiscal Year (FY) 2012, and for the 2013 and 2014 Fiscal Years.

Following today's Revenue Estimating Conference, net FY 2012 General Fund-General Purpose (GF-GP) revenue is projected at \$9.064 billion, up \$34 million from the estimate agreed to at the January revenue conference. Net FY '12 School Aid Fund (SAF) revenue is now estimated at \$10.876 billion, up \$113 million from January. Combined, GF and SAF estimates are up \$146 million for FY '12.

Net GF-GP revenue for the 2013 Fiscal Year is now forecasted at \$8.970 billion, down \$65 million from the January estimate, while the FY '13 SAF revenue estimate has been revised up \$115 million to an estimated \$11.170 billion.

In FY 2014, GF-GP revenue is estimated at \$9.259 billion and SAF revenue is estimated at \$11.472 billion.

"The improvement in economic activity that occurred in Michigan in 2011 has carried over into 2012. Employment is rising, motor vehicle production is increasing, and tax collections are growing," said State Treasurer Andy Dillon. "Continued improvement in the national economy, along with Governor Snyder's ongoing efforts to create jobs and increase investment in Michigan, are expected to continue to generate economic growth in Michigan into 2013 and 2014."

Treasurer Dillon noted there are several risks to revenue estimates agreed to today, including the on-going debt crisis in Europe, national debt concerns, and high oil and gas prices. Rising energy costs and a corresponding downturn in the economy could have a dampening effect on the state's economic growth.

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THE MIND IS A POWERFUL THING (Misty Cunningham)

Last summer Al mentioned to me that he was thinking of having me take the Dale Carnegie Course. At the time, I really didn't know anything about it so I did a little research online and realized it was some sort of public speaking course. I started to immediately feel a little sick and my heart rate shot up, I was thinking, "no way am I taking this class." I was hoping that he would forget about it and for awhile, I thought I was golden. Around the middle of March this year, Al brought up the class again and was 100% serious this time; of course, he left it up to me to decide. That feeling I had when I first looked it up started to come back, especially when he told me the first class was April 24. Immediately I tried to come up with a way to get out of it, thinking to myself maybe it will interfere with too much I have going on personally since it is an evening course. Unfortunately, my conscience got in the way and I couldn't say no; however, I decided I was going to whole-heartedly embrace this experience.

Well, now that I have been to four of the twelve classes (orientation, plus sessions 1-3) I am actually enjoying it. I never thought I would say this, but I am already more comfortable speaking in front of this group than I ever was at the end of any speech class I have ever taken. I have also learned that this is more than just a public speaking course. It is a course in Effective Communications and Human Relations/Skills for Success. So far, I can see that there will be multiple benefits, but my main hope though, is for more self-confidence. Even if you think you are a great public speaker, the benefits of this course are far more than improving your public speaking abilities. I would definitely recommend it.

REVERSE AUCTION IMPLEMENTATION UPDATE (Christine Miller)

Ottawa County is in the process of implementing an innovated reverse auction procurement tool in collaboration with Kent County. A reverse auction (also called a procurement auction or e-auction) is a real-time auction where sellers compete to sell goods or services for progressively lower prices. The reverse auction increases competition and transparency for commodity purchases, while streamlining the procurement process through technological and workflow advances.

Ottawa County Purchasing is currently piloting the system within the County. Software programming is under design that will give us the ability to offer the system to other Ottawa County local governmental agencies. The Purchasing Department will begin systematically rolling out the system to County departments and Ottawa County local governmental agencies beginning later this year.

County departments participating in the Reverse Auction have experienced the following savings:

Item	Reverse Auction Vendor	Contract Dates	Qty	Unit of Measure	Previous Cost	Reverse Auction Cost	Savings to Date
Rock Salt	Fibers of Kalamazoo	2011/2012 Winter season	16	Skid	\$282.61	\$204.33	\$1,252.48
AA Batteries	Grainger	As needed	144	EA	\$0.43	\$0.22	\$30.96
Copy Paper	Paper Central	1/2012 - Present (as needed)	68	Carton	\$29.50	\$28.00	\$102.00
Toner - various	Various	1/2012 - Present (as needed)	369	EA	Varies	Varies	\$2,719.39
Pearlux Soap	KSS Enterprises	1/1/12 - 6/29/12	240	Case	\$36.10	\$31.00	\$1,224.00
1 Ply TP	Arnold Sales	4/2/12 - 9/29/12	156	Case	\$69.03	\$32.75	\$5,659.68
2 Ply TP	KSS Enterprises	1/1/12 - 6/29/12	225	Case	\$46.04	\$33.00	\$2,934.00
Roll Towel	KSS Enterprises	12/12/11 - 6/29/12	195	Case	\$30.26	\$19.00	\$2,195.70
Multi-Fold Towels	KSS Enterprises	4/2/12 - 9/29/12	440	Case	\$29.35	\$15.75	\$5,984.00
						Total	\$22,102.21

Savings are based on original vendor prices. Prices fluctuate from auction to auction. Auction contract dates were previously set for 2-3 months but are now set for 6 months. Savings to date reflect savings for the duration of the current contracts, with the exception of batteries and copy paper.

COUNTY PARK UPDATES (John Scholtz)

Park Improvement Updates

- **Olive Shores**: Ottawa County's newest park will open on May 23 with a brief dedication ceremony at 4 p.m. followed by refreshments and an opportunity to explore the park. Olive Shores features wooded dunes and 738 feet of Lake Michigan beach. Parking, picnic areas, restrooms, dune stairs and boardwalks and lake overlooks are nearing completion to be ready to the opening in time for the Memorial Day weekend. Olive Shores is located on Olive Shores Road in Port Sheldon Township just north of Croswell Street.
- **Connor Bayou**: Park improvements are well underway at Connor Bayou to establish this site as a new county park on the Grand River. The \$535,000 project includes parking areas, walkways, trails and boardwalks, fishing dock and renovations to the existing log home to make it suitable for rentals for group outings. Completion is anticipated by August 1 and park dedication activities will be included as part of the August 18 Community Picnic sponsored by the Grand River Greenway Parks Celebration.
- **Memory Grove at Eastmanville Farm**: Eastmanville Farm was the site of the "county poor farm" from 1866 until 2000 and this important era in Ottawa County's history will be commemorated at the "Memory Grove", a small sitting area with interpretive signs focusing on the site's history and stories of the people who lived on the property. The project will be completed by Memorial Day weekend.
- **Grand River Park Boat Launch Improvements**: Another spring project targeted for completion by Memorial Day is improvements to the boat launch at Grand River Park. The project features upgraded drives, parking and walkways.
- **Macatawa Greenspace Improvements**: The large EPA funded wetland restoration project will be in full gear over the summer at the former Holland Country Club property. Concurrently, park facility improvements will be underway including the development of trails, walkways, picnic areas, parking, and a disc golf course. All work is expected to be completed by late fall, 2012.

Grant Applications Submitted

The Parks and Recreation Commission submitted two applications to the Michigan Natural Resources Trust Fund this spring including requests for grant funding assistance to 1) provide universally accessible canoe/kayak launches at Grand River Park and Connor Bayou which, when linked with the existing Eastmanville Bayou launch, will improve access for all paddlers regardless of their level of ability to an extensive stretch of the Grand River; and 2) purchase 57 riverfront acres in Tallmadge Township to expand Grand River Open Space with grant assistance. Grant decisions will be announced in December with successful projects moving forward.

COUNTY VEHICLE AUCTION (Christine Miller)

The County will be utilizing *Rangerbid* to auction retired County vehicles. Currently there are 4 vehicles listed on the site. They may be viewed at <http://auction.rangerbid.com/items.cfm?auction=2737>

The vehicles may also be inspected at 7580 Expressway Drive SW, Grand Rapids, MI 49548 on Tuesday,

May 23 from 9:00 a.m. to 3:00 p.m. and Auction day Wednesday, May 30 from 9:00 a.m. to 3:00 p.m.

COUNTY ERP UPDATE (Bob Spaman)

The Enterprise Resource Planning (ERP) Project Team would like to bring Ottawa County employees up to date on the ERP project. Since our last correspondence, we had our kickoff meetings in December 2011. Our implementation of Phase 1, the basic Financials, began in January 2012. We have now completed three full months of meeting with our vendor, Munis Systems, on how we currently handle our Financials, including Purchasing. As a result of those meetings, we worked with our vendor's Project Manager to perform these tasks using best practices and the Munis software. We had some training on how the modules work and how the developments in financials will change how we process our paperwork more electronically eventually through workflows.

We spent a considerable amount of time reorganizing our Chart of Accounts and reducing the number of accounts from over 60,000 to fewer than 20,000 accounts using the last four (4) years of data for conversion. There will be some fund and department number changes to correspond to the Michigan Chart of Accounts. The structure of the accounts will also change and be explained through training sessions in the future. The Accounts Payable area was also reviewed and we reduced the number of current vendors from 65,000 to 23,000 active vendors. This, like the Chart of Accounts, was a monumental effort on the part of the Fiscal staff. Verification of checks and General Ledger line item entries is also being updated. These activities run at about 250,000 and over 1.5 million entries, respectively. The Budgeting module requires a great deal of mapping for the appropriate roll ups to take place as well. This is currently taking place or has just been completed and is waiting for feedback and testing from our vendor. We are on track to go live with the Financials and Purchasing on October 1, 2012. Training for core user will take place in May with user user training closer to the go-live date. The Treasury Department has also been working with our implementers on the revenue collection, general billing and cash receipting functions. The IT Department has worked with the Munis implementers during this period also. There is still much to learn in this area as well. The terminology has some changes that we will explain during training sessions later this year.

The HR/Payroll module meetings began the last week of March 2012 with a discussion on the payroll process. As with the financial modules, the Munis implementer began with how we currently process our payroll through our current system. They will then return with best practices and how the Munis software may require changes in our processing and set up. We are planning on the go-live for HR/Payroll modules for January 1, 2013 or our first payroll of 2013.

There is still much to learn in this project. The cooperation has been fantastic and we look forward to the completion of this project in mid-2013 with the Phase 3 items.(e.g. Work Orders, Employee expense reimbursements, Contract Management, and Bid Management).

NATIONAL WELLNESS MONTH (Lois Havermans)

A healthy workforce benefits everyone.

Celebrate Global Employee Health & Fitness Month!

More and more, employers around the globe are understanding the benefits of promoting the health and fitness of their employees. From making small adjustments like providing healthy options in vending machines, to changing the entire culture of their company through a structured worksite wellness plan, employers and employees both reap the rewards of a healthier work environment. And that benefit extends far beyond the walls of the company to family, friends, and community. [Click here to learn more about Global Employee Health & Fitness Month and related events.](#)

Make Your Mark in Worksite Wellness!

The National Wellness Institute now offers two top-notch certification programs in the field of worksite wellness:

Certified Worksite Wellness Specialist (CWWS)**July 14-15, 2012 at the National Wellness Conference****University of Wisconsin-Stevens Point**

The CWWS Certification Program delivers the tools required to carry out a successful worksite wellness program. This program differentiates itself from other certifications in that it focuses on the importance of changing the organizational culture to ensure long-term results. Using the most current information and research in the field, the program instructors will walk participants through several modules focusing on the core principles of worksite wellness. [Click here for details on CWWS.](#)

Certified Worksite Wellness Program Manager (CWWPM)**July 16-17, 2012 at the National Wellness Conference****University of Wisconsin-Stevens Point**

The CWWPM Certification Program is designed for practitioners who are either in a worksite wellness program supervisor or manager role, or are working toward a worksite wellness program supervisor or a management position. This program covers critical competencies in managing the planning, design, implementation, and measurement of a comprehensive worksite wellness/health management program. Pre-requisites apply.

[Click here for full details on CWWPM.](#)

Register early to guarantee your spot! Sign up online at NationalWellness.org/Conference or call 715.342.2969.

The National Wellness Conference is presented annually by the [National Wellness Institute, Inc.](#)

NationalWellness.org/Conference

APRIL OCCDA STATISTICS (Tim Smith)

The numbers handled through Central Dispatch for April 2012 were:

- Total Incidents – 9,134 up 4.8% over April 2011 and up 5.8% YTD over 2011
- Fire Incidents – 1,011 even with April 2011 and up 3.7% YTD over 2011
- Law Incidents – 8,123 up 6.4% over April 2011 and up 5.9% YTD over 2011
- 911 Calls – 7,995 down 3.1% over April 2011 and up 3.4% YTD over 2011
- 911 Hang Up calls - 916 up 1.3% over April 2011 and up 3.2% YTD over 2011
- Wireless 911 calls – 84.6% of 911 calls for April and 85.4% of 911 calls YTD
- 911 calls answered in 10 seconds or less - 95% for April and 95.2% YTD 2012
(NENA recommended standard is 90% within 10 seconds)

GVMC DIRECTOR WEISS UPDATE

[Click here](#) to read the latest weekly update from GVMC Executive Director John Weiss.



**Lt. Governor Brian Calley
To Be Our July Quarterly
Luncheon Speaker**



Our guest speaker for the July 9th GVMC Luncheon will be Brian Calley, Michigan's 61st Lieutenant Governor. The luncheon will once again be held at the Prince Center at Calvin College. We expect a large attendance for this meeting and it will be held in collaboration with the Grand Rapids Chamber of Commerce.

As America's youngest Lieutenant Governor, Brian Calley is transforming Michigan's second highest office to get results. Governor Snyder and his Lt. Governor are committed to renewing our lost spirit of bipartisanship in our government. Brian's public and private career is built around helping small business find success.

Brian is a former banker, was elected twice to the Ionia County Board of Commissioners and in

2006 was elected to the Michigan House of Representatives. He was the ranking Republican on the House Tax Policy committee prior to being selected by Rick Snyder to join him in the campaign.

We hope to have as many members as possible join us for this unique opportunity to hear Lt. Governor Calley speak about he and Governor Snyder's vision for Michigan.

Website Updates

Thank you to the members that have commented recently on our website. We have made significant updates including our financial administration, audits, the 2012 Construction Schedule, our Strategic Initiatives, recent meetings regarding our Emerging Issues and even a link to the WGVU Morning Show with Rob VerHulen and myself talking about GVMC. Visit gvmc.org to see all the new information on our website.

**Reserve Your
Quarterly Luncheon Tickets
for
July 9th with Lt. Gov. Calley
Price: \$25.00 per person
RSVP to Gayle at mccrathg@gvmc.org**

Spotlight on Cooperation:

**Kent County Emergency
Management System Seeks
GVMC Assistance**

At our last Board of Director's meeting a presentation was made by Mic Gunderson, Executive Director of KEMS. The KEMS Board is looking to make changes in their structure by adding two elected or senior appointed governmental leaders to their Advisory Board.

GVMC has been asked to select a governmental leader from any of our townships or the cities of Rockford and Lowell. Their role will be to speak for and represent the non-urban areas of Kent County. Rich Houtteman from the City of Kentwood has been appointed to represent the urban cities.

By adding two governmental leaders (one from the core cities) and (one from the balance of the county), KEMS hopes to have more municipal involvement in shaping the course of the EMS system. If you are interested in serving KEMS in this position please contact me at 776-77604 or john.weiss@gvmc.org This is another excellent collaborative effort.

**Please Email Your Community's
Programs and Ideas for
Cooperation!**