

# County Administrator's Digest

August 10, 2012

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## **MARCIE VERBEEK NAMED HR DIRECTOR**



I am pleased to announce that Marcie Verbeek has been named Human Resources Director. Marcie has served in the role of Assistant Human Resources Director since her employment with the County began in May of 2008. Prior to employment with Ottawa County, Marcie worked as a Benefits Supervisor with the Grand Rapids Public Schools and before that she was a Human Resources Supervisor with the Ottawa Area Intermediate School District.

Marcie has a BA in Human Resource Management from Michigan State University and a Masters in Public Administration/HR from Western Michigan University.

Marcie has done an outstanding job with Ottawa County. She worked side by side with Marie to build our new HR department and focus on developing employees and was also the primary architect of the health benefit changes that improved coverage and saved the County and employees significant money.

The position was posted per our normal procedure and Marcie had the best experience by far of any candidate.

Please join me in congratulating Marcie on her promotion and wishing her the best for continued success!

## **JULY COUNTY CONNECTIONS EMPLOYEE NEWSLETTER**

Please [click here](#) to access the July County Connections newsletter.

## **OUT AND ABOUT**

Bob Spaman, Keith Van Beek, and I presented the budget at the Holland Chamber governmental affairs meeting this morning and it was a great session with about 30 in attendance and many good questions were asked. We also had



brown bag lunches with Juvenile Services, Sheriff's Office, Fillmore staff, Hudsonville, and the Health Department within the past two weeks. Lunches have been well attended and discussion good. Most of the time at the lunches has been spent on the health management program and biometric screenings that were completed this week, the 2012 budget process, and the status of the Four C's strategic focus.

### **FEDERAL INNOVATION & TECHNOLOGY GRANT PROGRAMS SEMINAR** (Paul Sachs)

This past Wednesday (August 8) the County Planning Commission hosted a seminar on the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs. These programs are the federal government's largest research and development grant opportunities with over \$2 billion awarded to entrepreneurs and small businesses annually.

The SBIR and STTR grants are the best source of early stage risk capital available to help fund the development of promising new technologies and can serve as a pathway to equity financing. More than \$1 million can be awarded per business to develop new technology ideas.

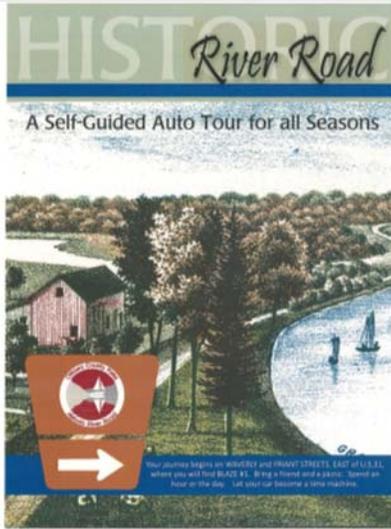
Attendance at the seminar achieved capacity with nearly 50 local entrepreneurs, small business owners, and farmers who came to learn more about the grant programs. The Seminar was held at the County's Hemlock Crossing Nature Center and was conducted by Jim Greenwood, of Greenwood Consulting Group. Jim is a nationally recognized expert in the SBIR and STTR programs. Jim has also been hired by the County to conduct a Market Needs & Feasibility Study for a proposed *Agriculture-based Technology Business Incubator*.



### **GOVERNOR SNYDER'S THREE C'S**

The Four C's emerged from the Board's strategic planning retreat as a future focus of the County and include Communication; Customer Service; Continuous Improvement; and Cultural Competence. I was interested to see that Governor Snyder has unveiled what he calls his three C's: "Collaborating with the private sector, Creating talent in terms of working with our educational institutions and then Connecting those two worlds."

## **HISTORIC RIVER ROAD** (John Scholtz)



Local historian Marjje Viveen conceived the idea for a *Self-Guided Auto Tour for All Seasons* following the route of the historic river road(s) located along both the north and south side of the Grand River. She partnered with Ottawa County Parks and received help from numerous other organizations to make her vision a reality.

Travel along the river corridor began with Native Americans and became more formal in 1837 when the federal government laid out a road from Detroit to the mouth of the Grand River.

Signs for Historic River Road have been installed along a route beginning on Waverly Street in Grand Haven and following along Mercury Drive to Green Street, then to North Cedar and Warner, then crossing the river at 68<sup>th</sup> Avenue and following Leonard Road back to Spring Lake and then returning to Grand

Haven. A beautiful tour guide booklet tells the stories of the numbered points along the way including the story of the 1874 harness racing track located east of Grand Haven, the story of JacJungle, a notorious dance hall that operated along the river in Robinson Township between 1930 and 195, and many other fascinating stories of local history related to the river – 30 stories in all.

Contact Ottawa County Parks at (616) 738-4810 or at [ocparks@miottawa.org](mailto:ocparks@miottawa.org) to request a free tour guide. Thanks to the Grand Haven Area Community Foundation and Wesco for helping to fund the first printing.

## **DOG LICENSE RENEWALS BY EMAIL** (Bradley Slagh)

August 2012 marks the first time that Dog License Renewals have ever been sent out by email rather than the U.S. Postal service. This process is a result of several requested program changes in the BS&A animal licensing software, and the County's IT department setting up and enabling mass emailing of notices. Embedded within the email is a link to the web site where an owner can purchase their pet's license on-line. Knowing that this possibility was coming, the County Treasurer's office began collecting email addresses in January of this year as we interacted with dog owners. At this time, our database of email addresses is somewhat small, but we hope to collect many more, which will reduce postage costs and allow us to better service those who would like to communicate with us using technology.

## **JULY DISPATCH STATS** (Tim Smith)

The numbers handled through Central Dispatch for July 2012 were:

Total Incidents – 12,132 even with July 2011 and up 4.6% YTD over 2011

Fire Incidents – 1,421 up 3% over July 2011 and up 3% YTD over 2011

Law Incidents – 10,711 down 1% over July 2011 and up 4.9% YTD over 2011

911 Calls – 11,478 down 1.9% over July 2011 and up 2.9% YTD over 2011

911 Hang Up calls – 1,211 down 24% over July 2011 and down 6.9% YTD over 2011

Wireless 911 calls – 86.1% of 911 calls for July and 85.8% of 911 calls YTD

911 calls answered in 10 seconds or less – 93.1% for July and 94.1% YTD 2012

(NENA recommended standard is 90% within 10 seconds)

### **STATUS OF NEW BATTERY PLANTS**

The attached article “Drained Charged” ([click here](#)) appeared in the most recent edition of MiBiz and I thought it contained a good update on the status of the various battery plant projects in West Michigan.

### **PERTUSSIS OUTBREAK** (Dr. Heidel)

The Center for Disease Control (CDC) recently announced that several areas of the United States are currently experiencing outbreaks of pertussis. Commonly known as whooping cough, pertussis is a respiratory illness which can be fatal, particularly in infants and small children. Although the number of cases in Michigan is currently below the number of cases seen last year at this time, Ottawa County has experienced a sharp increase in pertussis in 2012. Currently Ottawa County has the fourth highest number of cases of any county in the state, and has already equaled the total number of cases for all of 2011. Health experts continue to stress the importance of being fully immunized as the best way to prevent the spread of this disease. Not only is it important for children to be immunized against this disease, it is also important for adults to be immunized with a pertussis booster vaccine known as “Tdap”. All adults should receive a onetime dose of “Tdap”, especially women who may be pregnant or who may become pregnant, and individuals who are around infants and small children.

For questions relating to pertussis or the pertussis immunizations please contact the Ottawa County Health Department at 616-494-5548.

### **GVMC WEEKLY UPDATE**

I've attached GVMC Executive Director John Weiss' weekly update ([click here](#)). He is off to a great start. The last quarterly meeting was co-sponsored by the Grand Valley Metro Council and the Grand Rapids Area Chamber of Commerce and featured Lt. Governor Brian Calley as the speaker. This was the first quarterly

luncheon to make more money than it cost. The next luncheon will be co-sponsored by the GVMC and Grand Rapids Bar Association and the featured speaker will be Michigan Attorney General Bill Scheutte.



# COUNTY CONNECTIONS

## Parks Around the County

By Kim Hewitt

Connor Bayou is a park that I have visited often because it is within an easy bike ride from my home in Robinson Township. I first discovered it a few years ago when bicycling down North Cedar Drive. I noticed the open gates of the entrance and rode down a two-track path through the park to a log cabin on the Grand River. The setting was so beautiful! After that, I visited often.

The purchase of the Connor Park lands by the County started in 2003. This 142 acre property includes nearly a mile of Grand River frontage. Plans for the future call for the



development of trails, picnic areas, a canoe launch and a family campground. Although this park remains under development, it is open for hiking. There are some unmarked trails throughout the property and the walk back to view the river and the cabin is definitely worth it.

Connor Bayou is open year-round at the following times:

- April 1 through October 31 - 7 a.m. to 10 p.m.
- November 1 through March 31 - 7 a.m. to 8 p.m.

There are no fees to get into the park. A small parking area is located on the north side of N. Cedar Drive just west of 128th Avenue. ■



## Ottawa County Tuition Reimbursement is Back!

By Laura Mousseau

We are pleased to report that the Board of Commissioners recently approved reinstatement of the Tuition Reimbursement Program effective for fall 2012 classes. The Tuition Reimbursement Program was suspended for the past two years (2010 and 2011) due to budgetary constraints. The Tuition Reimbursement Program provides reimbursement to eligible employees (full time and part time benefited employees) for tuition costs in accordance with the Tuition Reimbursement Policy (HR-13). The Tuition Reimbursement Policy can be located on the Front Page under Policies and the applicable Tuition Reimbursement Request Form can be located on the Front Page under Forms. The Policy goes into detail on

the specifics of the program and the qualifications for reimbursement. Below you will also find a list of frequently asked questions to provide you with additional information. If you have any questions, please don't hesitate to contact Laura Mousseau, Training and Development Coordinator, at 738-4801.

### How soon can I start taking classes?

*The Tuition Reimbursement program has been reinstated by the Board of Commissioners effective August 2012.*

Continued, Page 3

# Kounty Kudos

## Professional Achievements

- Bobby Alonzo has been voted in as the 2012 Michigan Juvenile Detention Association Child Care Worker of the Year and Sara Trigg as the 2012 Support Staff Worker of the Year for 20th Judicial Circuit Court/Ottawa County Juvenile Detention Center. Bobby has been with the detention center as a youth specialist since 2003. Sara has worked as a youth specialist since 2001 and became a shift supervisor in 2009. Hats off to both!
- Congratulations James Bush (Equalization) for attaining the Michigan Master Assessing Officer certification designation with the Michigan State Tax Commission. In addition to numerous assignments and papers, to attain this level of certification, candidates are required to write a 200 to 300 page demonstration narrative appraisal report. This year long examination process was successfully completed by less than half of candidates who started this first year of the new program.
- Compliments to Dave Hulst and the IT Department who were awarded the 2012 Digital Counties Survey Award. The winning counties carried out strategies with measurable benefits that aligned with county priorities. Successful programs also showed progress over the previous year, utilized innovative solutions, and revealed a commitment to collaboration within and outside of their organization.
- Congratulations to Connie VanderSchaaf and her team who were recognized with the Government Finance Officers Association's Distinguished Budget Award. This is the 17th year that the County has been acknowledge with this honor.
- Cheers to John Scholtz (Parks), Misty Cunningham (Administrator's Office), Shannon McGoran (Fiscal Services/Administrator's Office) and Shannon Felgner (Health Department/Administrator's Office) who all graduated from a 12 week Dale Carnegie Training.
- Kudos to the Children's Special Health Care Services Team who was awarded the Ottawa County Health Department's Quality Improvement Award. This traveling trophy is awarded annually to the person or team who strides for continuous quality improvement.
- Kim Hewitt (Community Mental Health) received a MS in Rehabilitation Counseling on May 12th from the University of Wisconsin-Stout. In October, she will be taking the certification exam to be a Certified Rehabilitation Counselor.



*Bobby Alonzo & Sara Trigg*



*Distinguished  
Budget  
PRESENTATION  
Award*

## Retirements

- Laurel Parrott retired after 32 years of service on July 13. She served as the Financial Coordinator for Mi Works! and Community Action Agency during her tenure with the County. Her initial plan for retirement is relaxation.
- Best wishes to Gary Scholten, Register of Deeds, who retired from Ottawa County on July 1. Gary started with the County in 1972 and held various positions until elected to Register of Deeds in 1997.

## Births

- Many blessings to Charlie & Kristi Chittenden (IT) on the birth of their son, Benjamin Charles Chittenden. He was welcomed on June 14 weighing in at 9 pounds 13 ounces.
- Jason and Elizabeth Dephouse (Juvenile Detention) welcomed Ethan on May 11 weighing 5 pounds 9 ounces.
- Matt and Casey Silwa (Juvenile Detention) welcomed Juliet on June 3 weighing 7 pounds 7 ounces.

## Personal Milestones

- Staff members, and spouses, from the 58th District Court Probation Department participated in the Zeeland Zoom 5K Foot Race & Walk on June 26. This was a great way to promote the new County health management program. This was the second 5K this Spring/Summer that staff members have participated in. Congratulations to the following people on a job well done: Lauren Benes, Kendra Hayes, Natasha Lemmen, Alma and Jason Valenzuela (Spouse), Chad and Stephanie Whitman (Spouse), Elizabeth and Jeremy Wiersema (Spouse).



*Deputy Health Officer, Donovan Thomas, and the Children's Special Health Care Team: Sandy Boven, Laura Haiderer, Leslie Ver Duin, Mary Cushman, Brenda Kempf, Janine Chittenden, and Amy Fontaine.*



*Register of Deeds, Gary Scholten & Chairman of the Board of Commissioners, Phil Kuyers*

*If you wish to see your personal or professional announcement in this column, please submit it to a newsletter editorial board member. Thank you!* 📧

# Appreciation

By Misty Cunningham

When it comes to having a good day on the job, nothing compares to feeling appreciated and valued. The organizational advantages of appreciated employees have been well documented: employee retention, improved productivity AND enhanced customer service. Unfortunately, we live in a society that does not offer or accept appreciation well. Think of a time when

you have given appreciation to someone. Have you noticed the recipient immediately try to think of some way to appreciate you in return? Was there an occasion when you were the recipient of appreciation? Did you instantly dismiss the compliment with excuses of why it was not warranted? Dale Carnegie lists offering sincere appreciation among the top human relations principles, and suggests that the best way to receive appreciation is with a simple "Thank You." Sincere appreciation in the workplace is important. It not only makes other people happy, but also makes you feel good. If you are having a bad day, try going to three people and telling them something you sincerely appreciate about them. You will be amazed at how it lifts your mood and brightens the rest of your day!

County Connections will be featuring a new column on appreciation. In this section, you are invited to publicly express gratitude to a colleague. (But please be sure to express your thanks in person, as well! In other words, do not let this column be your sole source for offering appreciation.) In addition, if you had an instance where you have felt especially appreciated or valued, please share that as well. These submissions can be emailed to Misty Cunningham. ■

PS: If you have an idea for a title to this new column, we would *appreciate* your suggestion! Email it to Shannon Felgner.



## Tuition Reimbursement, Continued from page 1

**How do I request reimbursement for a class?** *Submit the Ottawa County Tuition Reimbursement Request Form along with the required supporting documents (official course description, verification of enrollment and costs, verification of financial aid) to your department head. They will forward the form to Human Resources for approval. A signed copy of the form will be sent to you as verification of approval for the course. You must complete one form for each course.*

**Do I have to get approval for my class before I register?** *The policy requires employees to receive approval for classes before starting them, not before enrolling in them. Please make sure you submit your Request for Reimbursement at least two weeks prior to the start of your classes – the earlier the better.*

**Is there a limit to the amount of money I can receive in a year?** *There is no specific dollar amount limit per employee per year. Since classes must be taken outside of work hours, there may be a practical limit to the number of courses an employee can take without adversely affecting their work performance.*

**What employees are eligible for tuition reimbursement?** *All benefited employees, full time and part time are eligible for the tuition reimbursement program. Part time employees will receive tuition reimbursement proportionate to their FTE. (An employee working .5 FTE or 20 hours per week would be entitled to 50% of the allowable reimbursement rate)*

**Do I have to get a certain grade to qualify for reimbursement?** *Yes. Undergraduate courses require a 2.0 grade or equivalent (C or better) and graduate level courses require a 3.0 grade or equivalent (B or better) based on a 4.0 scale.*

**Does the reimbursement apply to undergraduate or graduate level classes?** *Both. Reimbursement can be applied to classes at any level of an accredited college curriculum, as long as the classes are directly related to your current position.*

**How much will the county pay per class?** *The county will reimburse tuition costs for each course up to a maximum amount equivalent to the current per credit costs at Grand Valley State University at the time the course is taken.*

**Can I take a college class on any subject?** *No. The IRS places restrictions on what types of educational expenses can be reimbursed. The classes must be directly related to maintaining or improving the skills required by your current position. If a class is required for a particular degree, but it does not pertain to your existing job, it will not be reimbursable. (For example, a physical education class or science class may be required for your degree. However, those classes may not directly relate to improving skills required for your current job.)*

**Can I be reimbursed for conferences or other certification programs?** *Courses must be part of an accredited, county recognized, college curriculum as determined by the Human Resources Department. Most conferences or short term training programs would not be covered under this program, but may be paid by your department's training budget. If you have questions about a specific program, please contact Human Resources directly.*

**Can I take online classes?** *There are a number of excellent online college programs available now. Again, any accredited, county recognized college course would be considered for reimbursement whether the coursework is completed in a classroom or online.*

**What expenses are reimbursable?** *Only direct tuition costs are reimbursable up to the maximum amount per class. The cost of books, registration, fees, supplies, etc. are not reimbursable.*

**What happens if I leave Ottawa County after I am reimbursed for classes?** *If you leave Ottawa County employment within one year of completion of a reimbursed course, you will be required to repay a portion of the expense. ■*

### 2011-2012 Tuition at Grand Valley\*

\$412 per credit hour for undergraduate courses  
\$504 per credit hour for graduate level courses

\*These may change for the 2012-2013 school year.

The 58th District Court is thrilled to announce a new and important service to Ottawa County patrons:  
The court is now offering wedding services in Spanish!

## 100 Calorie Blueberry Muffins

1 1/2 c flour      2 t baking soda  
1 t cinnamon      3/4 c sugar  
1/3 c apple sauce   1/3 c fat-free milk  
1 egg              1 t vanilla extract  
2 c blueberries

1. Preheat oven to 400 degrees. Spray muffin tin with nonstick spray.
2. Sift together flour, baking powder and cinnamon. Set aside.
3. In a separate bowl, mix sugar, apple sauce, egg, milk, and vanilla.
4. Add flour mixture and mix by hand until just combined.
5. Stir in fresh blueberries.
6. Fill 16 muffin cups 2/3 full. Bake 20 minutes or until golden.

### Nutrition Facts

Serving Size 50 g	
Amount Per Serving	
<b>Calories</b> 97	Calories from Fat 4
<b>% Daily Value*</b>	
<b>Total Fat</b> 0.4g	<b>1%</b>
<i>Trans Fat</i> 0.0g	
<b>Cholesterol</b> 10mg	<b>3%</b>
<b>Sodium</b> 165mg	<b>7%</b>
<b>Total Carbohydrates</b> 21.6g	<b>7%</b>
Dietary Fiber 0.9g	<b>3%</b>
Sugars 11.7g	
<b>Protein</b> 1.9g	
Vitamin A 1%	Vitamin C 3%
Calcium 1%	Iron 4%
<b>Nutrition Grade C</b>	
* Based on a 2000 calorie diet	

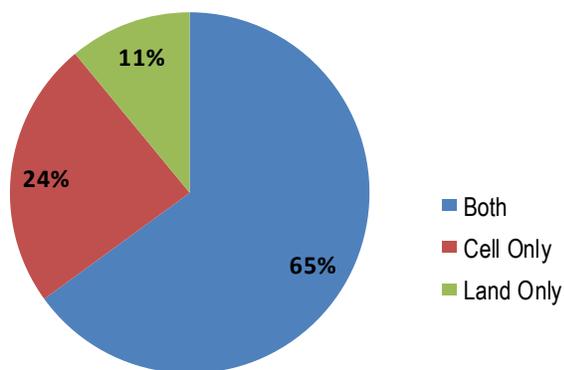
Use this online tool to calculate the [Nutrition Facts](http://caloriecount.about.com/cc/recipe_analysis.php) of your favorite recipes. ([http://caloriecount.about.com/cc/recipe\\_analysis.php](http://caloriecount.about.com/cc/recipe_analysis.php))  
Try substituting ingredients to make a healthier version!

## OC Stats!

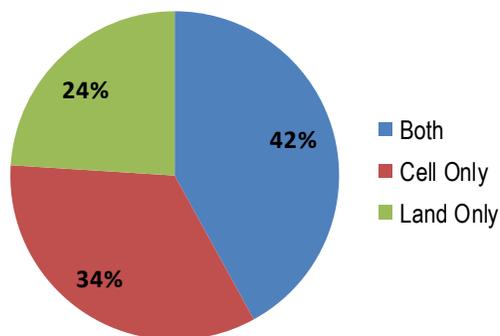
Is the landline going away among Ottawa County residents?

Do you have a landline only, a cell phone only or both?

Among all Ottawa County adults



Among Ottawa County adults living in poverty



The data is also available by race, age, education, income, and geography. If you would like more information, please contact Shannon Felgner or Marcia Knol. ☐

Source: 2011 Ottawa County Behavioral Risk Factor Survey

## Changes in advanced automotive battery market drive suppliers to different decisions

Sunday, August 05, 2012



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By Joe Boomgaard | MiBiz  
jboomgaard@mibiz.com

WEST MICHIGAN — When **Johnson Controls Inc.** opened its advanced battery plant in Holland in 2011, the company knew the plant would likely serve a small niche for electric and hybrid vehicles in the global automotive market.

It turns out the company was right: Electric vehicles and plug-in hybrid cars still struggle to gain momentum with buyers as gasoline hovers well below \$4 per gallon. From January to June of this year, U.S. customers purchased fewer than 17,000 units of EVs or plug-in hybrids — slightly less sales volume than what the aging **Chevrolet Impala** posted in the month of June alone.

Azure Dynamics had been one of JCI's customers for lithium-ion batteries, but the company filed for bankruptcy and stopped producing electric versions of Ford's Transit Connect. JCI is transitioning its Holland, Mich. plant to produce a new style of battery with a new chemistry in support of European customers, including Daimler.

COURTESY PHOTO

The advanced battery companies in West Michigan continue to face overcapacity issues as well as other turmoil as the nascent technology market develops. Contrary to previous announcements, the German company **Fortu PowerCell** is not building a new plant in Muskegon anytime soon. Work

continues at the **LG Chem Michigan** plant in Holland, but the company has not scheduled a start date to begin production of its lithium-ion batteries. Meanwhile, Johnson Controls had to redesign its mainstay advanced battery product and its processes to keep in the battery industry while the market catches up with the capacity.

Industry observers and company officials say the more than \$1.1 billion committed to the industry in West Michigan positions the region to be a player when the market does take off, even if that could be about a decade away.

"We take a long-term approach to those markets and where we see investments relative to those markets and where we think we can win," Ray Shemanski, vice president and general manager of original equipment business at Johnson Controls Power Solutions, told *MiBiz*.

The first operating advanced battery plant in West Michigan at Johnson Controls Inc.'s Meadowbrook campus in Holland continues to produce lithium-ion battery assemblies. But the plant is going through a series of changes as the company reacts to recent market forces, including the bankruptcy filing by a major client, the buyout of a joint venture partner and a customer's demand for a different battery style with a new chemistry. The company also halted expansion plans for the plant.

In March, one of JCI's advanced battery customers, Oak Park, Mich.-based **Azure Dynamics Corp.**, which is headquartered in Burnaby, British Columbia, filed for bankruptcy in Canada and ceased vehicle production. After securing \$1.3 million in state tax credits from the **Michigan Economic Growth Authority** in 2009 and a reported \$6 million investment from JCI in 2010, Azure began producing an all-electric version of **Ford's** Transit Connect van.

JCI's Shemanski said the loss of the Azure business has short-term impacts on volume and revenue from the Holland plant, but it does not signal any long-term change in JCI's commitment to lithium-ion battery technology.

"It would be foolish to build a business around one customer, and we haven't done that," he said. "Long term, it's not changed what we're doing."

Another significant development for JCI came when it ended its joint venture with the French battery company **Saft**. The joint venture operated a plant in Nersac, France and developed the Meadowbrook facility in Holland. As part of the buyout of Saft, JCI kept all of its European automaker customers, but must give back the French plant to Saft at the end of 2012.

As a result, Shemanski said JCI is transitioning its capacity from France to Holland to serve European customers by Jan. 1, 2013, marking the first time the Holland plant will export production-ready advanced batteries.

Currently, JCI is preparing the Holland plant to supply German automaker **Daimler** for the launch of a new hybrid vehicle.

"It will far surpass what we were shipping to Azure," Shemanski said.

The company is also switching over to new cell technology becoming standardized by VDA, the German Association of the Automotive Industry. The industry group has pushed for the widespread development of prismatic — or rectangular — cell design and new chemistry compared to the cylindrical cell model JCI had produced before. The change caused the company to invest in new cell assembly equipment at the Holland plant, Shemanski said.

"Depending on how you look at it — from a capital spend or pieces of equipment — a fairly high proportion of our equipment would be carryover," he said of the new battery cell format and new chemistry.

While JCI representatives appeared before the **Holland Planning Commission** in April with plans that would double the approximately 190,000 square feet of advanced battery production space, Shemanski would not confirm the company is moving ahead with those plans, which he described as "very early planning."

"We're at the early stages of planning additional investments, the Holland location being one consideration," he said. "There's nothing we've announced or plan to announce soon."

With its existing footprint at the Meadowbrook plant, JCI could ramp up to about 300 employees. It currently has about 75 to 100 people working at the facility.

Competitor **LG Chem Michigan Inc.** is also mum on its future plans. The Korean company completed construction of its plant in Holland and is currently in the pre-production approval process, said Randy Boileau, LG Chem's spokesperson. He said the plant, which currently employs about 200 people, has not scheduled a date for production launch.

Meanwhile, plans for a 168,000-square-foot advanced battery plant in Muskegon have stalled. The **Muskegon Chronicle** reported in January that the European economic instability caused German company **Fortu PowerCell** to delay its project. A spokesperson for the company had no updates on the project when contacted for this report. In previous interviews with *MiBiz*, Fortu said it was pursuing a broad-based market strategy, one not focused solely on the passenger vehicle market.

Of the other battery plants in Michigan, **A123 Systems** — a Waltham, Mass.-based manufacturer with plants in Livonia and Romulus — appears to be raising the most red flags. A report in **Crain's Detroit Business** in July speculated the company was the potential target of an acquisition. Despite burning through cash and experiencing a string of faulty products, it was ramping up hiring.

While the advanced battery industry faces its share of headwinds, the industry continues to develop in West Michigan. A May survey of Holland-Zeeland area employers conducted by **Lakeshore Advantage** found the battery companies and their supply chain employ some 400 workers, said Randy Thelen, the group's president.

"We certainly are well-positioned in terms of the investment in the knowledge base. We've become a mini tech hub. That's great. That's positive," said Mike Wall, director of automotive analysis at **IHS Automotive**. "But there are headwinds (suppliers) need to factor into the mix. That's not to say the technology isn't viable — it absolutely is. But as they think about quoting on the business, they need to keep in mind the volumes and have contingencies."

Many experts believe the market will eventually react favorably to electric vehicles, but it requires numerous factors to fall into place, including high gasoline prices, government subsidies on EVs and an available charging infrastructure.

A new report from McKinsey predicts traditional gasoline-powered vehicles will continue to be several thousand dollars cheaper to buy than electrified vehicles for at least the next decade. Battery costs continue to decline about 6 percent to 8 percent per year.

"Battery packs now cost about \$700 to \$1,500 per kilowatt hour, but that could drop to as little as \$420 per kilowatt hour by 2015 under an aggressive cost reduction scenario," the report states.

If electrified vehicles were to become part of the mainstream by 2020, they'd have to reach 10-percent global market penetration, which would translate into about 6 million to 8 million vehicles per year, according to the McKinsey report. At that rate, the annual sales of advanced batteries could approach \$60 billion, the report stated.

The authors estimate a plug-in hybrid vehicle with 40 miles of electric driving range will cost \$11,800 more than a vehicle with an internal combustion engine by 2015. The premium for a plug-in hybrid vehicle with a 100-mile electric range would be \$24,100.

Because of the cost difference, the niche for pure electric vehicles will likely remain below one percent of the overall automotive market in North America through 2025, while hybrids will grow to about 8 percent market share, IHS Automotive's Wall said.

"At 2025, we still see the internal combustion engine being the primary mode for motion for these vehicles," Wall said. "The internal combustion engine is not going away."

JCI's Shemanski agrees the internal combustion engine will remain significant for the foreseeable future, especially as automakers continue to invest in technology to drive increased efficiency from the engines because of stricter emissions and environmental standards in the years ahead.

"Automakers are clearly motivated to keep the internal combustion engine around and alive. They have so much investment in that, and they'll invest in new technology to eke out more efficiency. When they do that, it puts all the powertrains in competition with each other," Shemanski said. "Every year and every day the automakers continue coming out with improvements to the internal combustion engine, ... making the business case for other technology harder and harder to make."

That realization led JCI to restructure its power solutions division to have one unit be able to offer OEMs solutions using advanced lithium-ion batteries or traditional lead-acid batteries, for which the company is a market leader, Shemanski said. The move also positions JCI to better serve the growing hybrid market, he said.

"We're engaged with the customers across the entire spectrum of technologies and we're helping them make decisions and informing our own strategy," he said. "As each of those powertrains compete, that competition drives a different battery from us, so we need to take a broader view of what's happening with the (automakers).

"(Electric vehicle) costs are going to come down, and volumes play a part in that. So does standardization. But it becomes a question of timing and rate. What we believe is that hybrid products, for sure, will have a primary place in the market. We believe the electric vehicle and plug-in hybrids will continue to be challenged by the improvements the OEs continue to make to the internal combustion engine. But the question becomes: What products will be required for the proliferation of products in the hybrid (vehicle) space? That's what we're asking, and it doesn't preclude lithium-ion (batteries)."

The McKinsey report and IHS Automotive's Wall indicated the strongest advanced battery companies certainly have an edge to survive in the fledgling domestic lithium-ion battery industry, and both cited JCI on that short list of good operators.

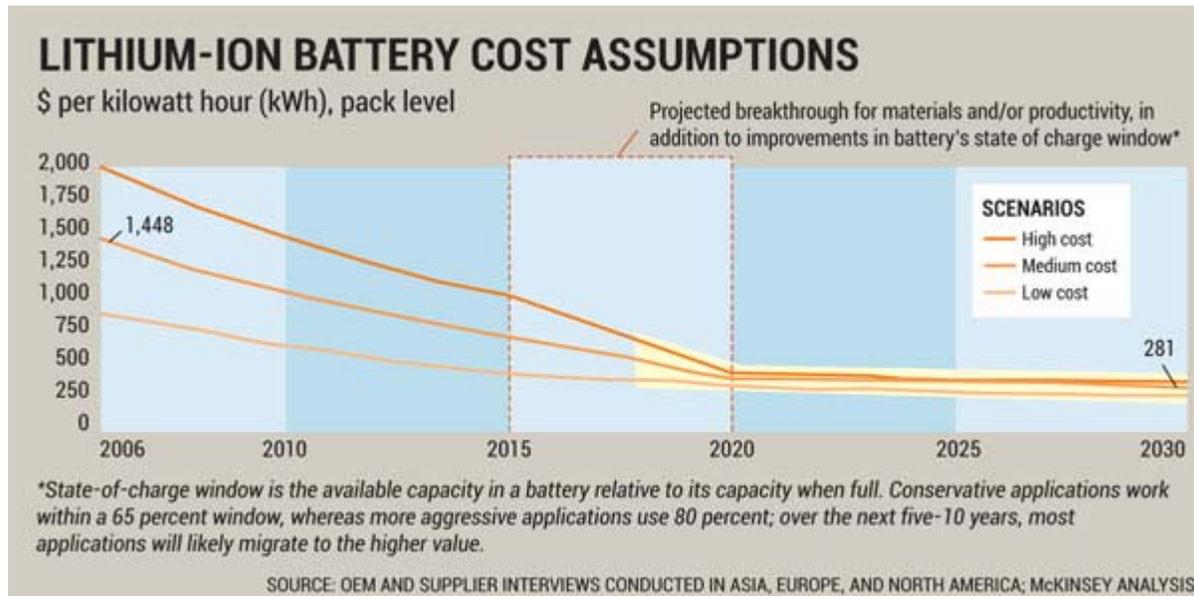
"I think we have some strong, entrenched players over here, especially JCI. We're not recommending anyone forget about the internal combustion engine or leave that footprint, but the opportunities (with electrified vehicles) are real, especially for global implementation," Wall said of his advice to West Michigan auto suppliers.

"It's a technology that's going to be pushed on and that suppliers need to have an answer to. The answer might be that they're not ready or there's not a compelling business case, but I definitely encourage them to have a strategy to attack it and hopefully take advantage of it."

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*Editor's Note: This story has been changed from its original form. The Daimler platform JCI is supplying uses cylindrical batteries that JCI currently produces at its Meadowbrook facility in*

Holland, Mich. However, JCI is gearing up the plant to support a new prismatic battery design being standardized by the VDA, a German automotive group.





### **West Michigan Policy Forum Scholarships**

Eight GVMC members have been selected to receive scholarships to attend the West Michigan Policy Forum on September 12 and 13th. The Policy Forum occurs every other year and brings together business and government leaders from throughout our region and our state.

The West Michigan Policy Forum's mission is to create jobs and opportunities in Michigan. Topics to be discussed this year include our Michigan economy, healthcare, transportation, attracting talent, rebuilding communities and a variety of other critical issues.

In past years over 400 leaders from our region as well as other parts of the state and Ontario Canada have attended the event. This year, Governor Snyder will be the keynote speaker.

For more information go to [www.WMPolicyForum.com](http://www.WMPolicyForum.com). Tickets are still available.

### **Michigan Transportation Commission to Meet in Grand Rapids**

GVMC is working with MDOT and particularly Grand Region Engineer, Roger Safford, PE to host the October 25th meeting of the Michigan Transportation Commission. Our primary focus at this point is working with MDOT to pick a venue to hold the meeting. The Transportation Commission fall meeting will begin on the evening of October 24th with the formal meeting on the morning of the 25th. GVMC members are invited to attend the session. I will keep you informed of further information as it becomes available.

The Transportation Commission is a six member board appointed by the Governor and confirmed by the Senate. The Commission sets policy for MDOT including all transportation programs in Michigan.

### **Wayland City Manager Mike Selden**

#### **New GVMC Board Member**

At our August Board Meeting, the oath of office was administered by County Clerk Mary Hollinrake to Mike Selden the newest member of our Board. Prior to becoming City Manager of Wayland, Mike was the City Manager of Bangor. We welcome Mike to the GVMC Board of Directors.

### **MDEQ Air Advisor Council**

I was recently appointed to the Michigan Department of Environmental Quality Air Advisory Council. The group is working with the Governor's Office of Regulatory Reinvention which focuses on revoking and revising administrative rules in Michigan.

According to the state website, "Governor Snyder created the ORR in order to increase the efficiency and effectiveness of Michigan's government. The primary goal of the ORR is to work with the various state departments to amend duplicative, obsolete, unnecessary or unduly restrictive rules. This will lead to a regulatory environment that is simple, fair, efficient and conducive to business growth and job creation. Gov. Snyder has directed the ORR to review all promulgated and proposed rules and regulations".

Other members of the Council include representatives from the Michigan Chamber of Commerce, DTE and Consumers Energy, the Michigan Economic Development Commission, Michigan Manufacturers Association, General Motors, Ford, and members of the Air Quality Division of the MDEQ.

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