

County Administrator's Digest

October 10, 2014

Alan G. Vanderberg, County Administrator



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OTTAWA COUNTY'S NINTH ANNUAL WATER QUALITY FORUM—REGISTER NOW



November 7 • 8AM - 3:30PM
12220 Fillmore, West Olive. Main Conference Room

Featuring initiatives and research conducted to preserve and protect one of our most valuable resources: *Water.*

View the agenda, register or print a registration form at www.miOttawa.org. Registration fee is \$12 online or \$10 by mail and is limited to the first 150 participants. Registration must be received by November 4. Continental breakfast and lunch will be provided. Please contact Misty Cunningham at 616-738-4898 or mcunningham@miottawa.org with questions.

register now

CANINE ADVOCACY PROGRAM (Stephanie Stoddard)

In late August, the Ottawa County Prosecuting Attorney's office welcomed a new four legged volunteer named Sydney. She is a member of the Canine Advocacy Program, which was developed to provide advocacy services to children. Utilizing a highly trained dog, this program helps to alleviate some of the anxiety that a victim encounters when going through the criminal justice process.

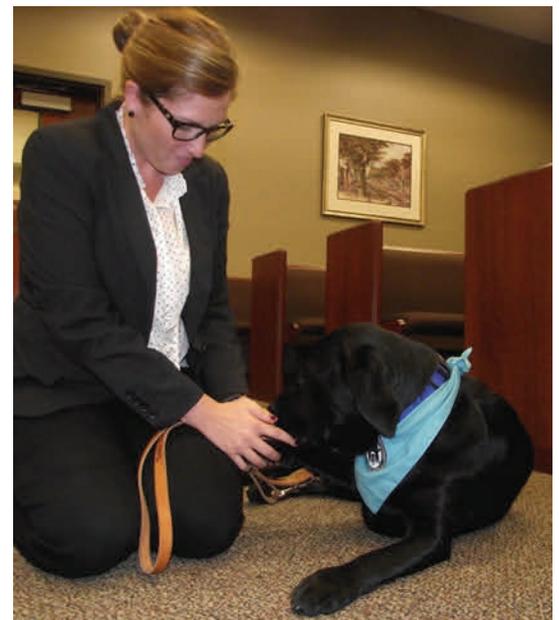




Sydney, a 2 ½ year old black Labrador retriever, was donated by Leader Dogs for the Blind, a Rochester Hills-based organization that trains guide dogs for the visually impaired. After graduating their training program, she was specifically screened for her temperament around children and the ability to operate in high stress environments. She will work mainly with child victims of sexual assault in an effort to lessen the stress and possible trauma that can result from confronting their abuser. Their “canine friend” assists by merely being close at hand to provide support. Sydney will be used in multiple different settings including forensic interviews, trial preparation and court proceedings. The Prosecutor’s Office

is pleased to have the support of the court system, law enforcement agencies and County Administration as they begin to implement this program to better serve the citizens of Ottawa County.

Sydney is cared for and expenses are paid by her handler Stephanie Stoddard, a victim advocate within the Prosecutor’s office. Sydney is also fortunate to receive local donations to assist with some of the equipment necessary to perform her job. She would like to give a “paw” to those who have helped! When not working at her office job, Sydney is just like any other dog. She loves playing with canine friends, chasing squirrels, and running in the backyard. Click the link to friend “[Sydney Canine](#)” on Facebook to stay up to date with her adventures.



M231 BYPASS PHOTOS (Steve Van Hoeven, Ottawa County Road Commission)

While working I had a chance to take photos of the 1st beam placement at the M231 bridge over the Grand.



PENSION OBLIGATION BONDING

This is the intro to the pension bonding report addendum that was presented to the Board of Commissioners in the work session last week. I thought it was worth reproducing in the Digest because of the reach of the Digest and the potential for misunderstanding of why the County might take this approach.

Some Ottawa County residents and observers probably think that the County has improperly managed its finances or at least taken leave of its senses by considering the sale of a \$29 million bond to pay toward pension liability.

In response to requests from county and local governments and government lobbies, the State enacted a law, PA 329 of 2012, which opened up a two-year window for county and local governments to sell pension and/or OPEB bonds. Though this two-year window is set to close on December 31, 2014, the House and Senate have approved legislation that would extend the sunset until December 31, 2015, and it is on the Governor's desk ready for signing. A practical limitation on the viability of the bonds is the interest rate paid on the bonds. As the interest rate rises it increases the risk and lowers potential return on use of the bonds. Interest rates are projected to rise early next year.

The County has an extremely low OPEB liability of \$600,000. The Board also took action in recent years to curb its long-term pension liability by closing the MERS Defined Benefit Plan to new hires and establishing a MERS Defined Contribution Plan to replace it. This action predictably created a situation where the DB "pipeline" was closed off to employer and employee contributions from new hires so it created a gap or bulge in the pipeline in the form of higher payments necessary to close out the DB Plan over time. Smaller employer and employee matched amounts are paid into the DC plan as new hires begin with the County. The projected savings over 30 years comparing DB to DC expense is \$38 million. The cost to pay the higher amortization expense was projected at \$8 million leaving a net savings for taxpayers after 30 years of \$30 million.

The question today is; the best use of cash to deal with the spike in cost as we transition from a DB to a DC pension.

There have been many changes that have impacted the cost of closing the DB Plan since the Board made the decision.

- Michigan law did allow pension bonding in 2009.
- MERS changed their DB actuarial timeframe from 30 years to 25 years.
- MERS figures from 2009 do not appear to have fully appreciated how deep and difficult the Great Recession and its aftermath would be.

The projections were done with actuarial value and did not include the full impact of the 2008 loss.

There are three main reasons why a government would want to sell pension bonds:

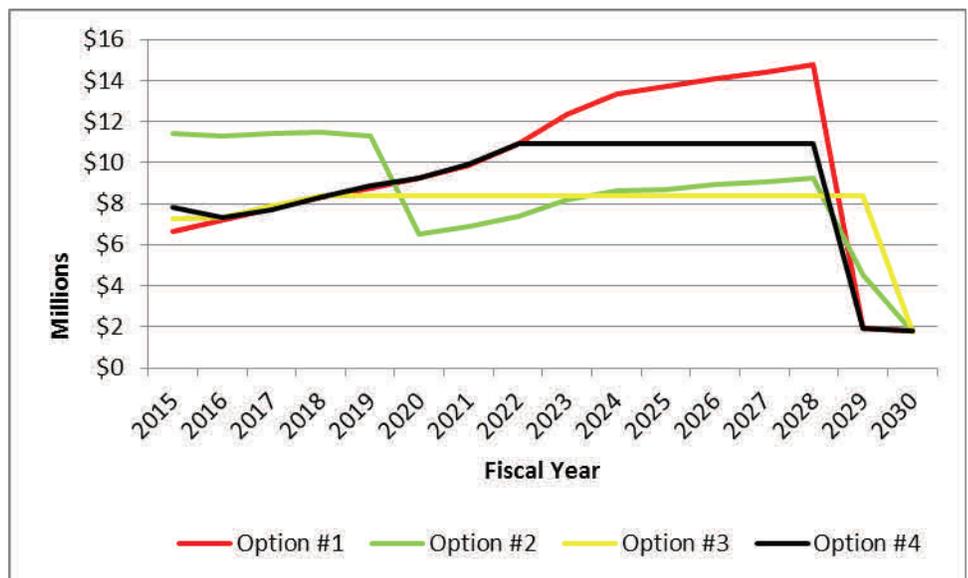
- 1) Because adequate funds do not exist to pay for pension liability, i.e., they “need” the money.
- 2) To invest funds in a pension system which has less restriction on investment instruments than exist on typical governmental investment, this is the speculation option.
- 3) To manage cash flow.

Ottawa County is considering the sale of Pension Obligation Bonds for the third reason - managing cash flow to smooth the spike in cost. Five (5) options were initially considered with one discarded quickly; an increase in the millage to level the cash flow in order to fund the higher pension expense. Of the 4 options presented, option #3 was discarded due to the significantly higher risk of selling a \$59 million bond. Option #1 (Do Nothing) would result in the highest payments of any options considered. The two options remaining are #2 (Pay Down the Liability with Existing Funds) and #4 (Issue a Pension Obligation Bond of Approximately \$29 Million).

We believe that Option #2 requires too much cash over the next 5 years. Since the County Operating Tax levy was forwarded from winter to summer in 2005, the General Fund fronts up to \$45 million in cash to the budget until the majority of taxes are received September 1st. We also believe that use of cash to this magnitude may negatively impact the Triple A credit ratings to which we have become accustomed to and our local governments have benefited from.

After further review, we believe Option #4 to be the best. If the worst scenario occurs, which is loss of 25% of portfolio value (mirrors the Great Recession loss which was the worst nationally since the Great Depression), we would lose 25% of our pension value and 25% of the \$29 million dollar bond. If such a crisis does not occur, and assuming the projections are correct, the County would see a positive balance of \$15 million, which when added to the \$30 million could see taxpayers benefit to the tune of \$45 million total.

The best example that I have heard for pension bonding is to compare it to our Insurance Authority. This mechanism allows the County to pay funds into the Authority which is legally allowed to have a much more flexible investment policy much like the pension system does. We invest money into the pension system and if the funds make more than they cost, we can create a much more positive cash flow and ultimate cash position than if we try to pay as we go.





miOttawa Department of
Public Health



CAN YOU EAT ON JUST \$4.15 PER DAY?

SNAP Challenge participants are finding out

In Ottawa County, there are 26,966 residents who live in poverty. Each person faces the challenge associated with feeding their families and hunger. At times, people may have to choose between paying their electric bill, rent or buying groceries. Ottawa County Food Policy Council members are participating this week in the SNAP Challenge. The council wanted to experience hunger first-hand and raise awareness about how difficult it can be to eat on just \$4.15 per day. Participants have committed to eating all of their meals from a limited food budget comparable to that of a person receiving SNAP. “The SNAP Challenge offers a great opportunity to reflect on ways to make your dollars stretch. Coupon clipping, cooking from scratch, making and sticking to a meal plan or supplementing groceries with home-grown produce are creative ways to make it possible to eat each day with so little,” said Elianna Bootzin, Executive Administrative Assistant with Feeding America West Michigan Food Bank.

“Monday, I started the SNAP Challenge for the entire week. **Grocery shopping was stressful, trying to plan realistic and affordable meals that were also nutritious.** As I walked the aisles of the grocery stores, I felt deprived. Everything suddenly looked so good. My cart had many less fruits, vegetables, and whole grain foods than usual. I was tempted to eat more today, but feared that I’d run out of food mid-week,” said health educator Lisa Uganski, RD with the Ottawa County Department of Public Health.

Supplemental Nutrition Assistance Program (SNAP), formerly food stamps, provides monthly benefits to supplement the food budgets of families in need, but in many cases these households still struggle to put food on the table. The average SNAP household has about 2 people, with a gross monthly income of \$744 and countable assets of just \$331. While it is impossible to fully comprehend the difficult decisions low-income families face, we invite you to share in the discussions about issues of hunger in America.

Tell your story and share your thoughts at www.ottawafood.org/ofblog

Feeding America Real Story: Dawn <http://youtu.be/OsRjPZN0cCU>



Suggested Tweet: Can you eat on just \$4.15/ day? SNAP Challenge participants are finding out!
@feedingwestmich Join the conversation www.ottawafood.org/ofblog

GVMC WEEKLY UPDATE (John Weiss)

[Click here](#) for the most recent updates.



October 3, 2014

GVMC Members Speak to Amway's China Leaders in Development Program

Kent County Commission Chairman, Dan Koorndyk, Grand Rapids City Manager Greg Sundstrom and I had the opportunity to speak to a group of about 30 Chinese leaders when they recently visited our area. The host for the meeting was Caledonia Township Supervisor Bryan Harrison who also works for Amway Governmental Affairs.

During the session, each of us explained local government at the city, township and county level. We also discussed cooperation and collaboration that occurs throughout our region and the many ways in which our govern-

ments work together.

There was a great deal of interest in our multi-tiered governmental system and how we collaborate on such issues as police, fire, utilities and other public services. There were also questions about voting and elections and our democratic system of government and how voting and citizen participation impact local government.

Jing Han and George Yang of our GVMC staff also attended the session.



West Michigan Policy Forum Selects Roads and Infrastructure as the Top Priority

The message was quite clear this week coming out of the West Michigan Policy Forum. **"Fix our Roads"**! Our deteriorating roads and infrastructure was on the minds of the 400 plus attendees at the 2014 conference.

GVMC and our members have long experienced the impact of decreased investment in Michigan's infrastructure and we have spoken clearly that we need permanent funding for infrastructure maintenance.

At the Policy Forum, 97% of the attendees agreed that Michigan business leaders should hold our legislators accountable for insuring adequate funding for roads and infrastructure.

Term limits and Talent were also major topics. Proposals were discussed to amend term-limits and 71% of the voters agreed they need to be modified while 27% thought that term limits should be eliminated.

The Policy Forum overwhelmingly supported giving more flexibility to school districts to develop career oriented curriculum.

The West Michigan Policy Forum is held every other year in Grand Rapids.

Save the Date!

What: West Michigan Prosperity Alliance General Session

When: October 10, 2014 10:00 am to Noon

Where: GVSU Kirkhoff Center (Allendale Campus)

Topic: Review and Priority Selection of the Nominated Projects of Regional Economic Significance

RSVP: Respond to this email or mccrathg@gvmc.org

FREE Parking: Parking for this event will be available in Lot H. This is directly across from the Kirkhoff Center.

Refreshments will be Served



September 26, 2014

Jason Moore Presents eREGIS to Michigan GIS Conference.

Our REGIS GIS Coordinator Jason Moore recently presented "REGIS Silverlight Apps" at the 19th Annual Communities GIS Conference. Jason has been with GVMC for 6 years. He has worked on many projects for our REGIS Members.

His presentation focused on our eREGIS Apps, built for local government service needs. eREGIS serves many departments of local government and is widely used by our member communities. An agency of GVMC, REGIS serves 19 communities in our area.



GIS Coordinator Jason Moore

Open Invitation to Attend the General Session of the West Michigan Prosperity Alliance

On October 10th you are invited to attend a General Session of the West Michigan Prosperity Alliance to be held at the Kirkhoff Center at GVSU. The session will be from 10:00 to noon.

This is the third General Session and the focus will be to ask participants to vote on our priority projects for 2015. At our March General Session a set of criteria to evaluate the projects was determined. Through a public process, 31 projects of "significant economic importance" to the region were nominated.

The 31 projects have been evaluated by a committee of regional representatives and categorized. Presentations will be made by the top project's representatives and priorities we voted on during our October 10th session.

The nominated projects represented very wide variety of types and geographical area.

Some of the projects to be considered include:

- Connected Community Engagement Program
- Emerge Regional Website Portal
- Protecting Lake Michigan Water Quality through Establishment of a Dedication Revenue Stream for Watershed Management
- Michigan Works Strategic Re-design for Region 4
- Port of Muskegon Regional Logistics Hub
- Michigan Works Ready Communities

These are 6 of the projects that will be presented on October 10th. Participants will be asked to prioritize them. The projects will be the focus of our 2015 Regional Prosperity efforts and we will focus our energy in helping to get these projects underway.

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September 19, 2014

An Interesting Quote from Inside Michigan Politics

At our last Board Meeting we had an interesting conversation about Proposal 1 and the non-partisan, public/private sector team that was created to support the elimination of PPT. This dramatic change in our tax law received overwhelming bipartisan support in the legislature. Because GVMC is focused on collaboration/cooperation, I wanted to share with you an interesting quotation from Inside Michigan Politics.

Glen Czuba of the the Glenariff Group which did the polling for Prop 1 stated:

“More intriguing to me on the broader scale was the story on Prop 1 that too many either missed or were unwilling to tell. We hear a constant drumbeat about how civility has been lost, how partisanship is hurting things, how neither side will work with the other side. Proposal 1 was the exact opposite of the dysfunction narrative... and who in the press told that story? Nobody. Stories of bipartisanship don’t get told, because ‘people working together’ doesn’t sell ink. If there’s a valuable lesson in Proposal 1, it’s that the press holds as much responsibility for dysfunction as everyone else, because they’re unwilling to tell stories of when both sides of the aisle work together”

“Inside Michigan Politics”, 8-21-2014

West Michigan Celebrates 30 Years of Service by the Pere Marquette Line

On Tuesday morning a celebration took place to mark the 30th anniversary of Pere Marquette train line serving Grand Rapids to Chicago.

Speakers at the event included John Weiss, Executive Director of GVMC, Grand Rapids Mayor George Heartwell, MDOT Director Kirk Steudle, Ray Lang of Amtrak, Peter Varga, CEO, The Rapid, and Al Koole, from the Michigan Association of Rail Passengers.

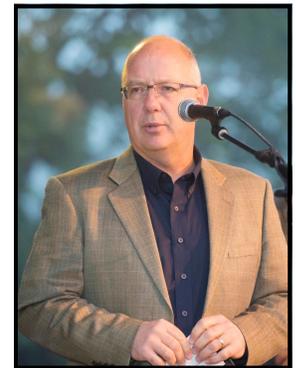
The Pere Marquette is a passenger line operated by Amtrak that is funded in part by MDOT. It carries passengers on the 176-mile route from Grand Rapids to Chicago with several stops along the way. Over 104,000 passengers a year ride the Pere Marquette.



Grand Rapids Mayor
George Heartwell



GVMC Executive Director
John Weiss



MDOT Director
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