



STATE OF OTTAWA COUNTY 2012

PRESENTED BY COUNTY ADMINISTRATOR
ALAN G. VANDERBERG TO THE
OTTAWA COUNTY BOARD OF COMMISSIONERS
FEBRUARY 28, 2012

Chair Kuyers, Vice-Chair Holtrop, and members of the Board, I thank you for the opportunity to present this 8th annual State of the County address in which I will reflect on some of the accomplishments of the past year and also focus on new initiatives for 2012 and beyond. Our vision is to make Ottawa County the first choice for people to live, work, and play. 2010 U.S. Census data released last year showed that Ottawa County is still the fastest growing county over 200,000 in population and the County has the distinction of being the sole County among Michigan's 83 counties to grow at a double-digit rate for each of the past 5 decades. Ottawa County is committed to excellence and the delivery of cost-effective public services. This mission clearly defines who we are for our residents, customers, and employees. We continue to focus on four overarching goals as follows:

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

The first goal, MAINTAIN AND IMPROVE THE STRONG FINANCIAL POSITION OF THE COUNTY, is so critical to what we do. Residents trust Ottawa County government to use tax dollars wisely, and with Michigan's economic climate, prudence and foresight has always been important to our organization. We stand on the shoulders of prior Boards and Administrations and have a responsibility to make decisions that will allow future Boards and Administrations to stand on our shoulders.

The County has accomplished much over the past 30 years in terms of excellence in financial management:

- The general property tax levy stands at 3.6 mills, 5th lowest in the state and the Board takes \$6,300,000 less in property taxes than allowed by the Headlee cap.
- Other Post Employment Benefit (OPEB) expense is very low compared to other county and city governments at \$793,596.
- The Financing Tools including the Solid Waste Clean-up Fund, Infrastructure Fund, Public Improvement Fund, Stabilization Fund, Delinquent Tax Revolving Fund, and Equipment Replacement Fund, save taxpayers \$7.1 million per year, or the equivalent of .7642 mills.
- Effective cost allocation programs charge \$800,000 in overhead expense to state and federal grants.

- The Board added a major piece to this legacy of good management in 2011 when it decided to move all new County hires into a defined contribution plan instead of the current MERS Defined Benefit plan. In 2011, employees representing sixteen of seventeen pension groups have agreed to this change which is estimated to save County taxpayers an estimated net \$30 million after 30 years.
- A new health benefit plan began on January 1, 2011 and we experienced first year savings in excess of \$4.8 million. A new health management plan was also initiated with the goal of significantly reducing future claims expense.
- The Board approved an investment of \$1.6 million in a new Enterprise Resource Planning system (ERP).

Financial challenges for 2012:

- Property tax value is expected to continue to go down, albeit much slower than in recent years at 1.25%.
- Governor Snyder's proposed budget would threaten revenue sharing as a stable source of revenue.
- State leaders plan to eliminate the Personal Property Tax which nets \$2.7 million for the County General Fund. The challenge will be the extent to which the tax is replaced from other sources.
- On the expenditure side of the equation, the 2013 cost of the healthcare benefit will be our largest concern.
- We continue to enjoy the top credit ratings of FitchRatings (AAA) and Moodys Ratings (Aaa) and plan to seek the top rating of Standard & Poors later this year.

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

It has become an important practice to periodically gather input and data from our employees and residents. An employee survey was administered in June of 2011 to obtain objective information from employees on their perceptions regarding the status of the organization. We were pleased to receive a marked increase in employee participation (64%), the highest since the initial survey conducted in 2005. Results continue to indicate a marked improvement in communication and overall satisfaction from that first survey, although with a softening in overall satisfaction linked to the economy and associated effects on employee benefits. To maintain and improve those results we will continue efforts such as brown bag lunches, the employee newsletter, Administrator's Digest and *Casting for Comments*, and the Labor-Management Cooperation Committee. Overall, the dedication and professionalism of our employees continues to be the main ingredient in being able to offer a high level of services in a time of economic constraint. In 2012 a citizen survey will again be used to ask

residents' opinions about county services and priorities for the four strategic plan goals, serving as a gut check for the Board.

The County website, miOttawa.org, continues to improve upon its status as an award-winning website. The website continues to offer increased services to residents and businesses online, which is not only more convenient for the citizen but also increases the efficiency of our operations. The site generated 25% more revenue for departments in 2011, which translated into a 12% increase in convenience fee revenue.

Highlights from 2011 include the following:

- The Planning and Performance Improvement Department created two web-based Performance Dashboards in an effort to provide greater transparency to the public. The first Dashboard compares Ottawa County to the State using the State's format and the second dashboard is comprised of County data.
- The Fiscal Services Department completed the 20-page *Dollars and Sense: How Ottawa County Spends Your Money* and was added to miOttawa.org in September.

The third goal established in the strategic plan is to **CONTRIBUTE TO A HEALTHY PHYSICAL, ECONOMIC, AND COMMUNITY ENVIRONMENT.**

- In June 2011, Ottawa County was awarded a \$20,000 grant from the United States Department of Agriculture to complete a Market & Needs Assessment, Feasibility Study, and Business Plan for an agriculture-based technology business incubator.
- The Agricultural Preservation Board established both endowed and non-endowed funds through two separate local community foundations for the purpose of purchasing development rights in order to permanently preserve agricultural land.
- The Ottawa County Brownfield Redevelopment Authority (BRA) approved their first Brownfield Plan on April 27, 2011 for Cedar Crest Dairy in the City of Hudsonville. This project included \$2,152,007 in local investment and will also clean up a contaminated site and create 17-20 new jobs.
- The Ottawa County Economic Development Corporation (EDC) approved the issuance of up to \$10 million in limited obligation refunding revenue bonds for Hope College, saving the college an estimated \$3.2 million.
- In 2011, Ottawa County was ranked as the healthiest county in Michigan.

Water quality remains an important component for maintaining a high quality of life in Ottawa County.

- In 2011, Ottawa County hosted its Sixth Annual Water Quality Forum. One of the highlights from this year's forum included a presentation from Dr. Elizabeth Alm, of Central Michigan University, regarding a grant to monitor Sea Gulls on Lake Michigan beaches, and the effects they have on the amount of bacteria in the beach sand. The planned study area will be the city and state beaches in Grand Haven.
- The Institute of Water Research at Michigan State University (IWR) was selected in 2011 to conduct a countywide Water Resource Study which will provide decision-making tools and policy recommendations that will help the County and local units to address groundwater issues.

The Parks and Recreation Commission made progress in 2011 in acquiring land to establish greenways along the county's river corridors including the following highlights:

- Following over 10 years of work, a 100 acre site in Georgetown Township with outstanding views of the Grand River was finally acquired to create a new 168 acre park called Grand River Ravines.
- The Grand River Open Space in Tallmadge Township was expanded with the acquisition of 122 acres with funding assistance from Ducks Unlimited and the United States Fish and Wildlife Service.
- The Marne Bog Natural Area was expanded from 40 acres to 83 acres with an acquisition that also helped to accomplish the Board's objective to protect an agricultural business from impact from the extension of the Musketawa Trail through Wright Township.
- The Parks Commission was excited to open the new Holland Harbor Fishing Access, an impressive new waterfront walkway with fishing docks located at the Historic Ottawa Beach Parks, previously known as Park 12 in Park Township.
- Park improvements were also completed at Eastmanville Bayou Open Space located on the south side of the Grand River near the Eastmanville Bridge.
- Ground breaking also took place in the fall at the Olive Shores site on Lake Michigan in Port Sheldon Township and at Connor Bayou in Robinson Township with both new parks scheduled to open in 2013.

The final goal established by the Board of Commissioners is to CONTINUALLY IMPROVE THE COUNTY'S ORGANIZATION AND SERVICES.

Since 2003, outcome-based evaluations completed by the Planning and Performance Improvement Department have saved over *\$6.9 million* in taxpayer dollars as a result of recommendations that modified, privatized, or discontinued ineffective programs

and services. Moreover, *\$25 million* in County programming and services has been verified as cost-effective through the evaluation process.

The Planning and Performance Improvement Department, in conjunction with Department officials, took the development of the outcome based performance system to a new level with the completion of performance plans that will serve as the cornerstone of the County's new Performance-Based Budgeting System. This comprehensive set of performance measures, related to workload, efficiency, outcomes, and customer service, is one of the only known programs which incorporates measures that quantify actual department outcomes and ties it back to the budgeting process.

Major progress was made with intergovernmental collaboration in 2011 including the following highlights:

- The County and City of Grand Haven approved a contract whereby the Ottawa County Equalization Department provides City Assessor services for Grand Haven.
- The City of Grand Haven and Ottawa County successfully competed for a Michigan Municipal League grant to study possible collaboration with Finance, Treasury, and Human Resources services.
- The finishing touches are being put on an agreement where the Ottawa County Facilities Department will perform periodic maintenance inspection for City of Holland building systems.
- Local governments cooperating with the County were able to access just over \$50,000 in funding for energy audits and nearly \$380,000 in funding for projects to improve energy efficiency projects through the Energy Efficiency and Conservation Block Grant (EECBG) federal program.

2012 AND BEYOND

We have an exciting year to look forward to as we work to raise the County organization to a new level in what is being referred to as "the four C's" including Communication, Customer Service, Continuous Improvement, and Cultural Competency.

Communication

The Board of Commissioners adopted a Communications Plan for Ottawa County two years ago and amended the plan last year. The decision of the Grand Rapids Press and other publications to distribute three days per week instead of seven, the greatly reduced coverage of County Board and Standing Committee meetings, and the exploding nature of social media communication has necessitated that we take a more aggressive approach to communication. We will create a new Countywide Marketing

and Communications Manager position in the County Administration for the following purposes:

- Make communications services available to County departments and offices through the Administrator's Office much like GCSI lobbyist services are available to County departments and offices through the Administration.
- Aggressively implement the Board of Commissioner's Communications Plan including new social media approaches.
- Work to develop news stories with quotes and photos on important Board actions and other County business and submit these to the various media markets.
- Manage and promote speaker's bureau.

For 2012, we will utilize 25 percent of Shannon Felgner's time in the Administrator's Office and she will continue to spend the balance of her time serving as the Communication Specialist with the Ottawa County Health Department. If demand for the position is as strong as we suspect, we would then plan to implement the position full-time effective January 2013.

Customer Service

In my role as a consumer I have seen dramatic shifts in customer service in recent years. It is not difficult to tell which organizations have invested heavily in customer service and which have not. I was at the teller window in my bank and while a check was being cashed a customer service representative approached me and informed me that if I made minor changes in our accounts I could make a little more interest. While purchasing paint at an area lumber yard, I was presented with a card that tracks all paint purchases, color & mixes, what room the paint is used in, all for use in future paint purchases. We also know when we have received bad customer service as depicted in the famous Discount Tire advertisement in which an elderly woman heaves a tire through a plate glass display window.

A new initiative for 2012 will be the development of an Ottawa County unique brand of customer service. As a large, decentralized County with 35 departments, courts, offices, and agencies delivering services from multiple locations we have significant variation in customer service. We will engage County leaders in an inclusive effort to develop a consistent customer service approach and will include the new approach in employee training programs from orientation moving forward. We plan to develop process tools from Disney, Nordstrom, and other models of excellence while making sure that the customer service brand retains our own Ottawa County DNA. Misty Cunningham will work closely with this effort as she is currently the focal point of many of those seeking

service from Ottawa County. Both our external and internal customers deserve the very best customer service and our goal will be to do just that!

Continuous Improvement

The *lizard brain* is the part of the human brain that unconsciously protects us. For example, if you have ever driven somewhere, arrived, and not remembered the actual driving part...the lizard brain got you there safely. The lizard brain also remembers times when we were embarrassed and tries to avoid those situations in the future. A great lizard brain example is the story of the young couple that celebrates their first Christmas together and invites her parents and grandparents for dinner. As she is preparing the ham she cuts both ends off and puts it in the pan and then into the oven. She pauses and asks her mother why it is that they always cut the ends off of the ham when preparing it. Her mother thinks and says that the daughter should ask the grandmother why the ham is prepared this way because this is also the way that the mother has always prepared the ham. When the grandmother is asked the question upon arrival, she responds that when she and the grandfather were first married, they had a small pan to cook the ham in and both ends were cut off in order for the ham to fit into the pan. We have an example from one department where a certain document was being handled with two separate stamping processes. When a new department head asked why this was the case he learned that a mistake had been made 10 years ago and the second stamp process added. It was determined that the second process added little value and 4 hours of employee time was immediately terminated when the process was ended. Most organizations have many examples of this that can be ferreted out.

We believe that organizations have lizard brains as well, epitomized by bureaucratic work process routines that go on for decades, in some cases without being questioned. The County has accomplished many initiatives that have attacked the unconscious routines such as departmental reviews and program evaluations that have implemented changes that have saved over \$6.9 million in the past 8 years. The new Justice Imaging system, miOttawa.org, and the new Fiscal Services ERP are examples of radical changes to long term work process flows that have resulted in increased efficiency and in some cases, bottom-line cost savings.

State and federal revenue sources are down and economists say that it will take a long time for the tax base to recover once we break even and begin to add value once again. We must look within the organization for efficiencies that will provide additional resources for the future. The City of Grand Rapids has documented savings of approximately \$1 million per year from its continuous improvement program and the City of Fort Wayne has documented more than \$33 million in savings from its program.

The point person for this initiative will be Shannon McGoran, currently a .70 FTE Accountant in Fiscal Services.

Cultural Competency

Another new initiative for 2012 will be development of an in-house cultural competency effort to complement efforts by major private and non-profit sector organizations to improve cultural competency throughout the organization in order to better compete for the global talent pool. The basic premise is that if this is critically important to major employers in the County we should be active and involved as well. We will engage county business, minority, and educational leaders in a process to define cultural competency and build a learning program around it.

Changes necessary to staff these initiatives on an ongoing basis will be part of a larger reorganization involving the Administrator's Office, Fiscal Services, and Human Resources that will result in net savings to the budget. Temporary consulting services may be utilized to get one or more of these initiatives up and running.

There will be other new initiatives in addition to the four C's. We will continue to define and develop the concept of *Administrative Infrastructure*. Ottawa County has a number of administrative departments that support all departments and offices of the County and are necessary for the effective functioning of the organization including Fiscal Services, Human Resources, Information Technology, Facilities, Corporation Counsel, and Planning and Performance Improvement. In the past we have made specific programs and systems available to local units of government such as Geographic Information Systems (GIS), Justice Imaging and miOttawa.org. The Governor's push for intergovernmental collaboration is causing Ottawa County and others to reevaluate our *Administrative Infrastructure* in order to determine what extent efficiencies can be gained and redundancy eliminated by combining some functions with other local governments.

Initiatives for 2012 include the following:

- Continue the many ongoing discussions with local units of government relative to cost sharing.
- Complete the Road Commission and Public Utilities Report separately examining how best these functions should be organized.
- Continue working with the Holland/Zeeland Future Search process, now a formal standing committee of the Macatawa Area Coordinating Council, as these eleven governments work to find commonality in service provision.

- Continue working with the 8 counties that make up the West Michigan Strategic Alliance to find areas of cooperation.
- A study of the Information Technology function to position the County in the rapidly changing technology world will be completed by early summer, a focus on how to define and maximize cloud computing opportunities and IT for an increased role as business solutions consultant to the organization will be important facets of the evaluation.
- A renewed focus on development of a volunteer system utilizing the increasing number of Baby Boom generation retirees and youth looking for opportunities to gain experience. This will also include a component of seeking youth participation on various County boards and commissions.

Conclusion

Former hockey great Wayne Gretsky once said “A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.” Ottawa County has thus far survived the Great Recession and its aftermath by continuing to make investments in facilities, technology, and most importantly; employees. Raising the organization to a greater capacity in the areas of communication, customer service, continuous improvement, and cultural competency further moves the County to where the puck will be in the future.

The Administration and staff appreciate the leadership of the Board of Commissioners and look forward to working with you toward the betterment of Ottawa County in 2012.