

Bi-Weekly Update from County Administrator/Controller Kelli Scott, 12/12/13:

2014 Budget

On December 5 the Board of Commissioners approved a balanced budget for the County's Fiscal Year 2014. The budget initially was projected with a \$3.3 million deficit, which was addressed with only one employee layoff due to other difficult budget-balancing measures including bargained employee pay and benefits cost containment, expected retirements under a new Early Retirement Incentive Program, and across-the-board cuts in departmental spending county-wide. The new budget totals just over \$40 million in the General Fund, which is \$1.5 million less and includes 38 fewer staff positions than in 2010. Despite these cuts, the county plans to deliver similar levels of mandated and necessary services to our residents next year. There were two notable additions included: the Office of the Sheriff is now providing law enforcement services in the City of Springfield, and the Veterans Affairs Office budget will be funded with a new voter-approved 0.10 millage dedicated to providing a variety of services to the thousands of veterans within Calhoun County.

The budget was balanced without dipping into the County's \$4.5 million in fund balance, which will remain at 11% of our annual operations.

Road Department Updates

Managing Director Jerry Peterson continues to meet with township officials to plan for next year's local road projects and get input on any safety concerns that the Road Department may be able to help address. Recent meetings included Clarence Township and Emmett Township.

Road Department operations reports that all bridge repair and replacement projects are now complete for this year. The Road Department recently addressed various drainage concerns reported by residents, with some relief provided simply by cleaning out clogged pipes instead of implementing more costly solutions. A competitive bid will soon be issued for gravel processing. This bid will be the first to be issued jointly with the Jackson County Department of Transportation.

Those traveling on county-maintained roads will notice this winter a slightly different look in the materials being used to treat snow and ice. Starting within the next week, sugar beet juice will be added to salt to help reduce bounce, reduce the freezing point of the salt and help put a residual layer of beet and salt on road, which will lower the volume of salt needed to keep roads clean.

Marshall Regional Law Enforcement Center

The City of Marshall, the County, and the Michigan State Police are continuing collaborative efforts toward a new regional law enforcement center to be built in Marshall. We now have what should be final site plans and cost allocation figures, and a tentative timeline that targets July 2015 for occupancy. The total building space has been greatly reduced to a footprint totaling approximately 36,000 square feet, and a total estimated project cost of \$13.9 million for all three

agencies combined. The City of Marshall has already purchased the land where the building will be developed.

Representatives from the City and the County met on December 12 with our financial advisors and legal counsel to work out financing plans. Per their advice, we are proposing that the Marshall Building Authority will construct and own the facility, and then lease space to the county for further sub-lease to the state for their portion. Because of the County's strong 'AA-' bond rating and larger debt capacity, the least cost financing model will be for the County to issue bonds to finance both our portion and the state's portion, and then recoup the state's debt service payments through our sub-lease. Operating costs will be split proportionately between all three agencies, and include reductions due to building efficiencies and the sharing of staff. At this point if the state does award 50% of the construction costs in a grant, the project seems financially sound and will likely be recommended by County Administration as the best option to replace our out-of-service former jail building that housed the Sheriff's law enforcement division before its roof was badly damaged last month.

The next steps include: Marshall submitting an application within the next week or so to seek state funding to cover 50% of the County's and City's capital costs through the Competitive Grant Assistance Program (CGAP); County Board of Commissioners discussion and authorization in January to begin the required 45 day referendum for consideration of our issuance of bonds; and the execution of applicable lease documents.

Veterans Affairs Committee

The Calhoun County Veterans Affairs Committee met on December 11 and welcomed new members Jack Hunn and George Beam, and new administrative assistant Lisa Vanameyden. County Administrator/Controller Kelli Scott and Assistant County Administrator Brad Wilcox attended the meeting along with Director Scott Losey and Service Officer Kristina Higgins, and assisted in the discussions of the committee's plans to increase the capacity of the office starting next year, made possible through the new county-wide veterans affair millage. The Veterans Affairs Committee meets the second Wednesday of each month at 2:30 p.m. at their office in the Toeller Building in Battle Creek.

County to Host State Tax Commission Webinar

County Equalization Director Judy Nelson and consultant Rober McEvers announced at a meeting of local assessors on December 2 that the County will be the host site for the State of Michigan Personal Property Webinar on December 17 at 10:30, in the Calhoun County Commission Chambers on the third floor of the County Building in Marshall. The webinar is offered by the State Tax Commission and will cover implementation of changes in personal property law. This is an intergovernmental collaborative initiative, with invitations sent to assessors and treasurers from local units within Calhoun County as well as from surrounding counties. Due to limitations on attendance, this is an invitation only event. It is the first time we've hosted this valuable training opportunity, and it is expected to save costs for travel and other expenses normally incurred for professionals in this industry to get required professional development.

Area Metropolitan Services Agency (AMSA)

The Area Metropolitan Services Agency (AMSA) board met on December 5 to discuss options for cooperative purchasing among local governments. AMSA is a membership organization that currently includes the cities of Battle Creek and Springfield, and the townships of Newton, Bedford, Leroy, Pennfield and Emmett. Jeff Adams, Supervisor of Newton Township, is the chair of the board. The discussion was facilitated by Assistant County Administrator Brad Wilcox, who outlined the processes used by our County Purchasing Department and opportunities available for further consideration. County Commissioner Steve Frisbie, as the County's AMSA liaison member, and County Administrator/Controller Kelli Scott also attended the meeting and encouraged follow up steps to turn this discussion into action items that could provide potential cost savings and efficiencies for governments. Randy Ramsey of Civil Engineers, Inc. also spoke on behalf of County Water Resources Commissioner Christine Kosmowski to discuss the importance of proper drainage reviews for development in the AMSA area. The next AMSA meeting is scheduled for March 6 at 10 a.m. at the city of Springfield.

Southcentral Michigan Planning Council (SMPC)

The Southcentral Michigan Planning Council (SMPC) board met on December 3 and continued discussions about the vision and long-term plans for this newly reorganized entity. County Commissioner Kathy-Sue Dunn is the Chairperson of SMPC, which is the designated regional planning organization for the counties of Barry, Branch, Calhoun, Kalamazoo and St. Joseph. At the meeting on December 3, however, Barry County announced its plans to realign with the region to its north, and thus the SMPC Board voted to accept the resulting need to redraw our region's boundaries to exclude Barry County. In other business, the board heard a special presentation from Ed Micklatcher of the Potawatomi Resource Conservation and Development (RC&D) Council, which "brings people, places, and projects together" for Calhoun and several other counties. The Potawatomi RC&D is one of only seven such councils in Michigan.

Economic Summit

County Commissioner Steve Frisbie and Administrator/Controller Kelli Scott attended on December 6 the Branch County Economic Summit, where economists and other experts gave valuable insight on the status of our national, state and local economies. For several years Branch County has hosted this event, where local officials from surrounding counties are also invited to attend for free due to the county's success in securing sponsorships. George Erickcek of the W.E. Upjohn Institute for Employment Research noted that our national economy continued to experience very slow levels of growth in 2013--a trend that is expected to continue for the next couple years. Erickcek attributed this disappointing pace to several factors: there are still three jobseekers nationwide for every one job opening; consumer debt remains high while confidence is low; interest rates are moving up but still historically low; and political gridlock in Washington and income inequality dampen economic growth. According to the Upjohn Institute, the state's economy saw some good news during 2013, with 60,000 jobs created this year and solid growth predicted for 2014 and 2015, mostly due to manufacturing and a promising automotive industry outlook. On the local scene, Calhoun County's economic performance for 2013 was not as good as forecasted by the Institute, with total job growth of 1.1% versus the

1.7% prediction. Other featured speakers at the Summit included Dr. Donald Myer, an economist from Western Michigan University; Jill Bland from Southwest Michigan First; and Dr. Charles Ballard, an economics professor from Michigan State University. The local economic forecast for 2014 is still being refined for a presentation by Mr. Erickcek to the community in January.