

Bi-Weekly Update from County Administrator/Controller Kelli Scott, 11/24/15:

Give Thanks! County offices will be closed on Thursday, 11/26 and Friday, 11/27 in observance of the Thanksgiving holiday. As we take time off to count our blessings and enjoy time with our families, please be safe and remember those who continue to be on duty to serve and protect in our 24/7 public safety, Road Department and juvenile home operations.



2016 Budget

The County's budget is finally balanced for 2016 after our Finance department, the Board of Commissioners Budget Committee, and leadership county-wide put months of work in to close the projected \$3.7 million gap. Our approximately \$40 million General Fund budget assumes less than a ½% increase in total revenues. Improvements in the economy are bringing slow increases in real property tax revenues, and we are expecting full state reimbursement for the loss of personal property tax revenues being phased out. This increase is offset, however, by reductions in several other revenue sources, including an expiring statewide liquor tax, court fines and fees, charges for services and other departmental revenues. As a result, continued expenditure reductions, including holding nearly all of the 30+ vacant unfunded positions open, and leveraging available special revenue and grant funds as appropriate, are included in order to balance the 2016 budget. The recommended budget maintains \$4.5 million in unrestricted reserves, which is 11% of our annual operations; it continues our commitment to invest at least \$500,000 per year to keep up our facilities and equipment; and our health insurance costs keep trending down as a result of strategies we've been implementing since 2010. County administration is recommending for Board consideration a budget resolution that calls for 1.5% pay scale increases for county non-union employees and elected officials, and 0% adjustment for our Board of Commissioners based on input from the Budget Committee. Collective bargaining efforts are now underway in attempt to bring forth new union contracts with 7 of our 10 represented employee groups. The county's long-term forecast shows that if current trends continue, our budget gap still exists through 2020 but narrows significantly because we have been making structural, and not just one-time, budget improvement decisions.

The Board of Commissioners is expected to adopt the budget at their regular meeting at **7:00 p.m. on December 3**. As has been our practice, we will provide again this year a budget transmittal memorandum that explains the budget and includes some graphs showing historical trends. The annual

appropriations resolution will also contain some important budgetary and staffing controls so that the Board of Commissioners and the public can be reassured that there is accountability in place for the budget that is adopted. We also provide an authorized staffing list, our capital improvement plan, a fee schedule for certain services provided by departments, and the budgets for many of the county's special revenue funds. The Road Department budget is also included in our budget book. All of our budget information is available on the county's website, www.calhouncountymi.gov.

Road Department Updates

Local Impact of Michigan's New Road Funding Package -- Governor Snyder signed bills HB 4736 and HB 4738 (PA 174 and PA 176 of 2015) last week. These two bills provide \$600 million of new constitutionally protected revenue that will be deposited into the Michigan Transportation Fund (MTF or Act 51) beginning January 1, 2017. Another \$600 million from the general fund will be phased in over a three-year period (2019-2021). All in all, this represents \$1.2 billion in new road funding. In addition, fuel taxes will be indexed to inflation starting on January 1, 2022. Managing Director Christopher Bolt reports that local road agencies will not see any of the new revenue until March, April, or May of 2017. The new taxes and fees do not take effect until January 1, 2017, and the distribution of MTF revenues always lags behind by two months. Thus, the absolute soonest we would see an uptick in revenue is March 2017 – but that is only if MDOT completes a study of 50-year roadway design, construction, and materials on time with a House/Senate Joint Resolution approved prior to January 1, 2017. Otherwise, no new revenues will be available to counties until about May of 2017 if the study is not completed before the deadline of January 2017. Eventually, Calhoun County will realize a 68% boost in MTF revenues—from our current level of \$8.5 million per year to \$14.2 million per year by 2021—as a result of this legislation. We can now plan accordingly.

Seasonal Road Workers Needed -- The Calhoun County Road Department (CCRD) is accepting applications for seasonal road workers to carry out winter road maintenance duties including snow plowing, salting, patching and scraping, and maintaining truck and other equipment as needed. The seasonal work is expected to span from December through March, and the starting wage is \$14.00 per hour. More information and an employment application can be found online at www.calhouncountyroads.com.

Bid Solicitations -- Sealed bids are currently being solicited from qualified providers to provide catch basin cleaning on local roads, and roadside mowing services. Specifications may be found on Calhoun County's website at www.calhouncountymi.gov, or by contacting the Purchasing Office at 269.781.0981.

Board of Public Health November Meeting

The Calhoun County Public Health Board met on November 16 and received a presentation by manager Diana Buist on the County's Women, Infants and Children (WIC) Program. WIC is special supplemental nutrition program for women, infants, and children funded by the United States Department of Agriculture (USDA). WIC services in Calhoun County are provided by CCPHD in Battle Creek, Albion, and Marshall. Ms. Buist reported that one out of every two babies born in Michigan receives WIC benefits, and that for every dollar spent by this program, more than three dollars in subsequent health care costs are saved. Public Health Officer Jim Rutherford also reviewed with the Board the Health Department's Fiscal Year 2014 annual report, and reported that the Health Department is discussing with Kalamazoo County the possibility of sharing a Medical Director, following the recent sudden passing of Dr. Gregory Harrington, Calhoun County's prior Medical Director. The Board of Health will also be seeking at least

one new Board member, with the upcoming planned departure of Dr. Mahesh Karamchandani, the current Health Board Chairperson. Kathy-Sue Dunn continues to serve on the Health Board as the County Board of Commissioners representative. The next scheduled meeting date is **December 14, 2015, at 8:00 a.m.** at the Health Department in the Toeller Building in Battle Creek.

Calhoun Visitors Bureau November Board Meeting

The Calhoun Visitors Bureau (CVB) Board met on November 10 and approved a revised Reserve Fund Policy, increasing the minimum required fund balance reserve to 6 months of the organization's annual operations upon recommendation from CEO Linda Freybler. The policy also allows for any excess reserves to be made available to fund projects throughout Calhoun County that promote tourism. Such funding has been instrumental in past years in assisting with various projects including Franke Center renovations in Marshall, Bohm Theatre renovations in Albion, and Bailey Park upgrades in Battle Creek. The CVB is funded primarily with revenues collected by local hotels from the County's hotel accommodations tax, which generates approximately \$1.2 million per year for the enhancement and promotion of tourism and convention activities and facilities. The financial situation for the CVB continues to be very healthy, with budget performance continuing to be positive and cash well-managed. County Commissioner Kathy-Sue Dunn is the current CVB board chair, and I am the Treasurer. The CVB from time to time holds its meetings at various locations represented by members of the Board, The next scheduled meeting is **January 12, 2016, at 12:00 noon** at the Holiday Inn Battle Creek, on Harper Village Drive.

Calhoun County Veterans Affairs Committee November Meeting

The Calhoun County Veterans Affairs Committee met on November 12, with Chairman Rodger Seidel presiding. I attended the meeting on behalf of County Administration. Mr. Greg Allen, with Talons Out Honor Flight, presented an overview of the Southwest Michigan based program, which is an all-volunteer organization whose mission is to take Veterans to Washington D.C. for an all-expense paid tour of war memorials there. The committee also heard updates from Director Aaron Edlefson, who reported that the office is currently in the hiring process for a second Service Officer position, made possible with funds from the county-wide veterans millage approved by voters in 2012. The office is also being renovated to allow for better customer service and a new conference room for committee meetings, which are open to the public. The next scheduled meeting is **December 9, 2015, at 2:30 p.m.** at the Veterans Affairs Office in the Toeller Building in Battle Creek.