



*Kalamazoo County
2015 Budget Retreat
September 9, 2014*

Kalamazoo County Board Of Commissioners

2015 BUDGET RETREAT

September 9, 2014

4:00 p.m. to 6:00 p.m.

County Administration Building

Call to Order

Chairman Maturen

Introduction

Peter Battani

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Tracie Moored

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New Funding Requests 55-57

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Citizens Time

Adjourn



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Alcohol Tax

Preliminary State of Michigan estimates of the 2014-2015 distribution for Kalamazoo County ~~are~~ is \$2,091,660,408,998. The Truth in Taxation amount for 2014 is \$2,034,763,441,616. This amount equates to ~~.2355~~ 3093 mills of the County General Operating and Law Enforcement Levy for rollback purposes. Projected payments will rollback property tax rates, and recapture of any of the rollback through Truth in Taxation hearings must divert 50% of the rollback to Substance Abuse prevention and treatment services.

The 2015 budget proposes that revenues from Alcohol Tax not be used to reduce property taxes but be recaptured through the Truth in Taxation hearing; and that the Substance Abuse Coordinating Agency be directed to prepare a plan for the use of 50% of the funds received. It is acknowledged that the other 50% is used to reduce the levels of the overall deficit. Effective ~~October 1, 2002~~ January 1, 2014, the Substance Abuse Coordinating Agency was transferred from ~~the Health & Community Services Department (formerly Human Services Department)~~ to Kalamazoo Community Mental Health Services to South West Michigan Behavioral Health.

At Large Drain Assessments

The 2015 General Fund Budget includes \$12,500,16,900 for the County share of At Large Drain Assessments for 2014.

This policy recognizes that in the past the County has paid 100% of the total assessment including the share allocable to the Kalamazoo County Road Commission. Due to funding limitations in 2005, this policy acknowledges that the County has asked the Kalamazoo County Road Commission to pay its allocable share of At Large Drain Assessments in the future.

This policy of sharing the costs of At Large Drain Assessments in accordance with the Michigan Drain Code shall remain in effect for all future years unless revoked or amended by Board of Commissioners action.

~~This policy also establishes the level of the General Fund advance to the Revolving Drain Fund at \$185,000 for 2014. The advance is intended to cover minor repair or maintenance costs for various drains. Should the Drain Commissioner determine that a drain needs major repair, maintenance or construction, the Drain Commissioner may submit a request to the County Administrator and Board of Commissioners for a special one-time increase in the advance.~~

~~The Drain Commissioner will provide monthly accounting reports to the Office of Finance and make a maximum effort to recover outstanding balances owed to the Revolving Drain Fund by preparing appropriate drain assessments each year. Any outstanding balances that the Drain Commissioner Attorney or Corporate Counsel opines to be uncollectible shall be reported to the Board of Commissioners as soon as determined.~~

Carryover

The 2015 budget contains \$~~329,500~~2,600,000 in the General Fund and \$0 in the Law Enforcement fund as Carryover. Of this carryover amount, \$2 million is a capital fund allocation from fund balance.

Cigarette Tax

Preliminary estimates of the 2014 and 2015 distributions for Kalamazoo County are \$1,500 and \$0 respectively. Because 2013 distributions were \$2,280,411 less-higher than estimated, the actual Truth in Taxation amount for 2014 is -\$728,411. This amount equates to .0024-0011 mills of the County General Operating and Law Enforcement Levy for rollback purposes. Projected payments will rollback property tax rates. Recapture of any rollback through Truth in Taxation hearings must divert 12/17 of the rollback to Preventive Health programs and 5/17 of the rollback to Public Safety.

The 2015 Budget does not contain revenues from Cigarette Tax.

Compensation

The Kalamazoo County Board of Commissioners establishes compensation policy for Kalamazoo County Government. The term, "compensation", is traditionally understood to mean salary or pay. By compensation, the Board of Commissioners recognizes according to this policy, a larger definition to mean both salary and benefits. Salary and benefits together constitute a very significant budget expenditure for the County, and should be viewed by employees as two parts of one compensation package.

~~In 2014, Administration will conduct a review of Merit Based Pay options, particularly those applicable to the public sector, and bring a written report, summarizing its findings and recommendations, to the Board of Commissioners by September 1, 2014.~~

It is the policy of the Kalamazoo County Board of Commissioners to set employee compensation levels consistent with the following principles:

- Compensation is under the authority of the Board of Commissioners, and shall be annually reviewed and established by the Board of Commissioners.
- Compensation shall be set at levels necessary to recruit and retain qualified employees. Salary levels are determined by the duties and responsibilities of the particular position, the educational requirements for the position, and a comparison to the salary levels for other County positions, the prevailing salary levels for similar positions with other employers within relevant labor markets, the financial condition of the County and other relevant considerations.
- Benefit levels are determined by the prevailing benefit levels with other employers within relevant labor markets, including both cost and value of benefits, the financial condition of the County and other relevant considerations, with consideration that deferred benefits should be crafted to encourage continued service by qualified employees.
- Each year the County Administration shall make recommendations to the Board of Commissioners during the budget process for changes in compensation levels based upon the financial condition of the County, changes in the cost of living, prevailing compensation levels for employees of other employers within relevant labor markets and other relevant considerations.
- Compensation shall be established in a manner, which is fiscally prudent and does not jeopardize either vital County services or the County's financial well-being.

Delinquent Tax Revolving Fund

Delinquent Tax Revolving Fund operates based on the statutory responsibility of the County Treasurer to collect delinquent real property taxes in the County for all units of government. Cash flow to the units is adversely impacted because taxpayers have a period of time to pay their taxes after delinquency begins. Legislation allows [the Board of Commissioners to authorize](#) the County Treasurer to borrow short term against those taxes and reimburse the units, including the County, for their share of the delinquencies. As the delinquent taxes are collected, the cash is used to pay off the notes and the interest on the notes. When the notes are paid off, the accumulated interest income, collection fees, and penalties (the net gain on the revolving funds) are transferred to the General Fund. This process was used by Kalamazoo County through 1994.

Passage of Proposal A limited the growth of property assessments and reduced the amount of taxes collected for schools on residential property. This proposal also caused the amount of delinquent property taxes to drop significantly in 1995. Beginning that year, the County Treasurer did not borrow funds externally, but utilized a short-term advance from the General Fund to purchase each year's delinquent taxes from all units. The ultimate goal of that change was to build an adequate reserve in the Delinquent Tax Revolving Fund so that borrowing of any kind was unnecessary. This goal was reached in 2000.

[Any surplus in the fund may be transferred to the County General Fund by action of the County Board of Commissioners. A surplus will be calculated according to relevant statutory provisions and the generally accepted accounting principles for government entities.](#)

~~Approval of Tax Reversion Legislation in 1999 affected delinquent tax collections. The funding level allocated to General Fund will be reviewed each year. Amounts above cash flow needs will be transferred to the General Fund.~~

Drug Court Reserve

1. A Drug Court Reserve activity will be established in the General Fund. This reserve would be carried forward, along with any future-year allocation, minus any utilized funds. The parameters established for utilization would mirror the grant spending tests that currently occur in the County.
2. The first allocation was the new funding approval of \$20,000 in the 2010 budget. A full year allocation of \$40,000 was established in the 2011 budget. The same annual amount was recommended in subsequent operational budgets. ~~and is again recommended for 2014~~ The 2015 amount is recommended to be \$32,000. Due to the elimination of the Economic Development Fund, an additional, one time amount of \$288,000 was reserved in the Allocated Funds process in 2013. ~~At the Board's discretion, allocations~~ Allocations will continue to be made each year into the reserve ~~until contributions and will reach a the Board's~~ until contributions and will reach the Board's maximum of \$500,000 in 2015.
3. The Circuit Court will continue to be committed to pursuing all grant funding opportunities. The Circuit Court will continue to request funding from the Drug Treatment Court Foundation as needed. Should funding be necessary to support any differences in expense and revenue not covered by grants or Foundation support, funds may be transferred by the Board of Commissioners from the Drug Court Reserve to the operating budget of the 9th Circuit Court to support the Drug Courts.
4. The Circuit Court agrees that funds allocated from the Drug Court Reserve account into the operating budget of the Court for the Drug Courts may not be used for future reductions in the Courts operational budgets, should they become necessary, without the concurrence of the Board of Commissioners.

Drug Court Reserve Funding

Year	Allocated	Used	Balance
2010	\$ 20,000	-	\$ 20,000
2011	\$ 40,000	-	\$ 60,000
2012	\$ 40,000	\$ 39,304	\$ 60,696
2013	\$ 40,000	\$100,000	\$ 696
2013	\$288,000*	-	\$288,696
2014	\$ 40,000	-	\$328,696
2015	<u>\$ 32,000</u> <u>\$500,000</u>		<u>\$360,696</u>

*one time

Drug Law Enforcement Fund

The Drug Forfeiture fund is used to account for earmarked revenue set aside for drug law enforcement under provisions of Public Act 135 of 1985 as amended. The property seized by the County shall be retained in this fund for official use by the Sheriff.

Allowable expenditures include payments for expenses of seizure, forfeiture and sale. The available balance is to be used to enhance law enforcement efforts pertaining to controlled substances.

Employee Benefits Fund

Funding of employee benefits has a major impact on the operations of County Government, both general operations and grants. The budget for 2015 ~~establishes~~—continues four benefit rates, based on the level and costs of benefits, with the understanding that Employee Benefits Fund revenues and expenditures must be closely monitored.

The rate for temporary employees and others with no benefits will be 10%, the rate for part-time employees with retirement only benefits will be 15.7%, the rate for FOP and Sheriff Command union members will be 54% and the rate for all regular full-time and part-time employees with benefits will be 36.5%.

This fund covers costs associated with health insurance for both active employees and retirees, life insurance, vision and prescription benefits, long term disability insurance, FICA, pension, workers' compensation, unemployment, and various employee fringe activities such as safety, wellness, etc.

The 2015 Healthcare reform changes shall be closely monitored and recommendations will be forthcoming.

Sound financial management practices for an employee benefit fund call for a fund balance in the amount of \$5,000,000. This balance level is based upon three (3) months cash need and the fact that the County is self-insured on a number of critical fronts as follows:

- | | |
|-----------------------------|--|
| * Health Insurance | \$ 150,000 200,000 specific |
| * Workers' Compensation | \$400,000 specific |
| * Unemployment Compensation | County at total risk |

The 2015 Budget sets the charges as stated above, with the ability for staff to alter the percentages in conjunction with the level of fund balance when the situation dictates.

Employee Training & Memberships

The 2015 General Operating Budget includes funding for employee training and memberships. In consideration of the importance of employee training and as acknowledgment of the significant funding limitations. The following guidelines for expenditure of Employee Training & Membership funds shall be adopted:

1. Travel or attendance at conferences shall be limited to within the State of Michigan only (i.e. no County funded out of state travel).
2. Department heads, court administrators and elected officials are encouraged to evaluate and compare the costs of County paid memberships and the benefits to the County, department and employee of the membership.

This policy shall also apply to grant funded activities and employees.

This policy does not apply to travel or attendance at conferences when state or federal law or a grant award requires travel or attendance at the conference.

The County Administrator or designee is given express authority to grant exceptions to the above based upon a written request.

The Board of Commissioners recognizes that annual budget appropriations for professional memberships, licenses, dues and subscriptions are an integral part of ongoing staff development for County departments/courts and employees.

Fees For Services

Recognizing that governments provide services to citizens and that while the costs of providing services generally increases from year to year, revenues frequently increase at a rate less than the rate of increase in costs, many governmental units have implemented a fee policy which is intended to recover from the user of services, part of the costs of providing the services.

This policy affirms that it is the intent of Kalamazoo County to establish uniform, consistent and defensible procedures for setting fees for services offered by and through Kalamazoo County Government.

Administrative staff shall establish and adopt procedures to assist departments in determining whether to charge a fee, in determining the full cost of the service and determining the fee level.

Bi-annually, departments shall conduct a service cost analysis and if needed propose to the Board of Commissioners, through Administration, fee changes or implementation of new fees.

The Board of Commissioners shall have final authority for setting all fees unless otherwise limited by law or contract.

Fund Balance

The County will maintain an unrestricted, uncommitted, unassigned General Fund balance within a range adequate to meet unexpected fiscal and liquidity needs of County operations. This balance allows orderly adjustment to changes resulting from fluctuations of revenue sources or expenditure emergencies.

Property Tax is the County's largest revenue source. The collection of this stream for the General Fund does not begin until tax bills are distributed in July. The County is required to sustain an operational fund balance to support activities that occur prior to the collection process and beyond. Practice must support a \$18 million cash flow requirement for 2015.

The County also receives federal, state and grant revenues of approximately \$40 million. These sources of revenue are not in the control of the County. The continuation of these sources, as we have experienced in the past, are not guaranteed. Fund balance is the only mechanism that allows the County to appropriately react without immediate elimination of valuable services. This fund has also been the only source outside of revenue sharing to fund capital projects.

Because the fund balance formula can fluctuate with revenue adjustments, a target range of uncommitted General Fund balance to General Operating Revenues will be at 20% to 25%. Any amounts over the 20% threshold shall be limited to non-operational expenditures. The projected unrestricted General Fund balance for year end 2015 is 23.619.9%.

General County Public Improvement Facilities and Capital Expense

During the past twenty years, federal funds and millage supported bonded indebtedness have supported funding for Law Enforcement, Juvenile Court, and Administration Building projects, as well as major improvements/renovations to the Courthouse and other facilities.

While acknowledging the importance of programs, compensation, and various other matters, the emphasis in the past years has been on setting aside funds for major capital funding. During 1999, the Board of Commissioners began the process of developing a vision of how the facilities supporting the County's Law Enforcement function might be renovated in the future. In 2004, the decision was made to utilize State Revenue Sharing Reserves to create a funding mechanism to expand jail facilities.

With the return of State Shared Revenue, given the extensive capital needs within the County, this budget year it is the recommendation to designate ~~\$2,978,800~~ \$3,838,800 of State Shared Revenue in 2015 as resources for capital needs. Jail operations "match" for the expanded jail operations has been reduced from the total revenue projected in the amount of \$1,350,000.

Expenditures for capital matters fall into ~~three~~ four tiers. Tier I expenditures are for the replacement of routine items such as desks, minor renovations, mowers, vehicles, and other direct support issues needed by employees to carry out their responsibilities. Early each year, in preparation of the next year's budget, the Capital Improvement Program (CIP) Committee prioritizes and reviews the requests and prepares a recommendation. Once reviewed by Administration, the CIP recommendation is incorporated into the Budget for approval by the Board.

A sub-category to Tier I is Tier I-a and has been created to account for Sheriff vehicle purchases in the General Fund and Law Enforcement Fund. These are capital purchases that were previously accounted for in the field operation activity.

The 2015 recommendations for Tier I expenditures are:

General Fund	\$500,000 <u>488,500</u>
I-a: GF Sheriff Vehicle	201,000
Law Enforcement Fund	150,000
I-a: LE Sheriff Vehicle	<u>123,600</u>
 Total	 \$974,600 <u>963,100</u>

Tier II expenditures are major building repairs, alterations and major renovations of space and/or building systems not fundable from normal Buildings and Grounds funds. In 2015, \$250,000 is allocated for these expenditures. The intent of these funds is to enable the County to properly care for such needs as may occur.

**General County Public Improvement
Facilities and Capital Expense (continued)**

Tier III expenditures are for major building construction or expansion and where extensive renovation is required. Capital projects have been outlined with the completion of the Facilities Master Plan.

The allocation in Tier III totals \$~~2,798,800~~4,838,800 for the General County reserve in 2014. There is \$3,838,800 to provide funding for the Gull Road Court Facility currently being constructed. (The remaining \$2,500,000 funding for the Gull Road Court Facility will be from fund balance with the 2014 Allocated Fund Balance process.) There is also \$1,000,000 to provide funding for additional projects outlined in the Facilities Master Plan.

Tier IV expenditures are for Capital Technology needs. The projects in this category will be outlined in the Technology Planning Policy.

This Policy provides the following funding for capital:

TIER I	\$	974,600 963,100
TIER II		250,000
TIER III		2,798,800 4,838,800
TIER IV		<u>1,000,000</u>
TOTAL	\$	<u>4,023,4007,051,900</u>

For 2015, Tier I expenditures are funded by the General Fund and Law Enforcement Fund. Tier II, Tier III and Tier IV expenditures are funded by the General Fund.

This policy confirms the intent to continue funding Tier I, Tier II, Tier III and Tier IV expenditures from the General Fund and Law Enforcement Fund in future years as appropriate.

General Fund Law Enforcement Ratio

Each year, Kalamazoo County budgets have recognized that the 1980 Law Enforcement Millage Resolution and each subsequent renewal has included a maintenance-of-effort provision. This provision states that the percent of the General Operating budget allocated to the Law Enforcement area would be within five percent of the rate as established by current County Board budget policies in effect at the date of passage the resolution for millage renewal.

The table below provides the percent of the General Operating budget allocated to Law Enforcement as approved with each millage renewal.

YEAR	MAINTENANCE OF EFFORT %
1980	63.6
1986	62.6
1992	60.7
1998	61.2
2004	64.3
2010	67.3
2011	65.7
2012	64.0
2013	63.8
2014	64.1

This budget policy recognizes that the Law Enforcement areas make up 64.0% of the General Operating Budget, which is within the five percent limitation imposed by the Board of Commissioners in the millage resolution.

The 2015 Budget continues the process of maintaining an appropriate level of law enforcement funding in the General Fund. The calculation is derived as follows:

General Fund Percentage Allocated to Law Enforcement

General Operating Budget	\$ 86,750,200
Less Law Enforcement	(11,502,100)
Less Alcohol Tax	(2,409,000)
Less Cigarette Tax	0
	\$ 72,839,100

General Fund – Law Enforcement Ratio (continued)

Law Enforcement Departments:

Circuit Court: Administration	\$ 5,932,100	
Circuit Court: Trial Division	433,900	
Circuit Court: Family Division	821,500	
Friend of the Court	3,243,600	
Law Library	57,900	
Adult Probation	50,700	
Child Care Fund	<u>7,173,600</u>	\$ 17,713,300
District Court		\$ 4,983,700
Probate Court		\$ 915,100
Prosecuting Attorney		\$ 2,461,800
Sheriff		\$ 16,796,100
Animal Services & Enforcement		\$
623,500		
Capital and Debt	\$ 646,600	
Courthouse Security	573,100	
Restricted Reserve	522,600	
Utilities and Insurance	1,307,500	
Percent of Contingencies	<u>68,300</u>	\$ <u>3,118,100</u>
Total Law Enforcement - General		<u>\$ 46,611.600</u>
Percent of Law Enforcement to General Operating		<u>64.0%</u>

Grant Application & Award

To maintain proper administrative and fiscal control of all funds appropriated to the County from the Federal, State and local governments, non-profit agencies, and other private sources, this policy sets forth guidelines for the application, acceptance and administration of grants for Kalamazoo County Government.

Departments are encouraged to seek revenues in the form of grants or other funding sources to expand programs and services to meet existing community needs which are consistent with the established mission of the County of Kalamazoo and the submitting department or court.

The Kalamazoo County Board of Commissioners shall have final authority for acceptance of all grant awards. The Chair of the Board or a designated official where authorized, shall sign all grant award contracts.

The submitting department is responsible for ensuring that the grant application and award procedures supported by this policy are followed. Complying with the internal grant review procedures will ensure that all contracts are reviewed and approved by Corporate Counsel before submission to the Board of Commissioners and all awards requiring local match are approved by the Director of Finance.

The submitting department should identify a plan for program continuation/termination after grant funding ends so that there will be little or no impact on the General Fund.

It is understood that the County incurs indirect costs associated with the operation and oversight of all federal, state and other grants, therefore all grants shall be charged either indirect costs or rental for space occupied to the extent allowed by the awarding agency.

Jail Reimbursement

In 1989, the State of Michigan began a program to reimburse counties \$35 per day for inmates housed in the County's Jail who were qualified under the State Minimum Sentencing Guidelines for a sentence of twelve months or more.

The 1991 Budget allocated State Jail Reimbursement revenue to fund one Detective Sergeant Position and two Road Patrol Officer positions. This Policy recognizes that monies derived from this program are at the discretion at the State and currently only covers two Road Patrol Officers.

In 2009 and 2010 this reimbursement was not funded by the State and was restored for 2011. This reimbursement remains uncertain for future years.

Law Enforcement Contracting

The 2015 Budget includes the continuation of contracting with municipalities for Law Enforcement services. Current contracts are in effect through December 31, 2014.

Beginning in 2012, the County subsidized indirect cost of each contracted officer while the Township will reimburse 100% of the direct costs.

This policy will be evaluated yearly and may be subject to revision by the Board of Commissioners. In subsequent years, depending on budgetary consideration, subsidizing indirect costs may be discontinued.

Loans for Governmental Purposes

As a governmental unit, Kalamazoo County does not make loans except for those functions which may be specifically authorized by law, and deemed necessary by the Board of Commissioners on a case by case basis for governmental purposes.

Local Corrections Officers Training Fund

Public Act 124 of 2003, as amended, imposes a booking fee on each inmate when first admitted into a county jail. The County is allowed to retain \$10.00 per inmate as a source of revenue. Use shall be approved by the County Board of Commissioners.

These revenues are restricted to be used only for costs relating to the continuing education, certification, re-certification, and training of local corrections officers and inmate programs including substance abuse and mental health programs in the county. However, revenue from the fees shall not be used to supplant current spending by the county for continuing education, certification, re-certification, and training of local correction officers.

Mileage, Meals & Incidental Expenses Reimbursement

This policy recognizes that mileage, meals and incidental expenses may be incurred as part of the normal course of business. The County follows the Internal Revenue Service policies and guidelines when determining reimbursement eligibility unless addressed in other policies established by the Board of Commissioners.

Mileage

The 2014 Budget acknowledges that the per mile reimbursement to employees for business travel on behalf of the County is the published Internal Revenue Service (IRS) allowance as of January 1. This rate is now 56.5-0 cents per mile for the remainder of 2014, but has not been published for 2015.

Meals & Incidental Expenses

The 2015 Budget acknowledges that the meals and incidental expenses reimbursement to employees for business travel on behalf of the County, as contained in the Business Expense Reimbursement Policy, will not exceed the Federal Meal & Incidental Expense rates per locality as published by the Internal Revenue Service.

Millage Levies – Truth In Taxation

The 2013 property tax levies for Kalamazoo County were 4.6871 mills for the General Operating millage and 1.4491 mills for the Law Enforcement millage.

Due to declines in 2014 taxable valuation, a Base Tax Rate Fraction (BTRF) is not required in the General Operating and Law Enforcement levies.

Also, referring to the policies on alcohol and cigarette taxes, a rollback in property taxes of \$~~2,022,446~~,~~2,441,616~~ or ~~.2593~~-~~3093~~ mills (~~.1981~~-~~2363~~ and ~~.0612~~~~0730~~) and \$~~728~~-~~8,411~~ or ~~.0001~~-~~0011~~ mills (~~-.0001~~-~~0.0008~~ and ~~.0000~~~~0003~~) respectively is necessary.

The following table summarizes the rollback factors and the levy impact:

LEVYROLLBACK FACTORS/ MILLAGE ROLLBACK						
	BTRF	Alcohol	Cigarette	BTRF	Alcohol	Cigarette
G.O.M	1.0127 0.976	0.9577 0.496	1.0000 0.9998	4.7466 4.6759	4.4890 4.4508	4.6872 4.6863
L.E.M.	1.0127 0.976	0.9577 0.496	1.0000 0.9998	1.4675 1.456	1.3879 1.3761	1.4491 1.4488
Total	1.0127 0.976	0.9577 0.496	1.0000 0.9998	6.2141 6.1215	5.8769 5.8269	6.1363 6.1351

Individual and total levy rollback is summarized as follows:

	General	Law Enforcement	Total
2013 Actual Levy	4.6871	1.4491	6.1362
Truth in Taxation	(.0595) 0.0112	(.0184) 0.0035	(.0779) 0.0147
Alcohol Tax	-.1981 0.2363	-.0612 0.0730	-.2593 0.3093
Cigarette Tax	-.0001 0.0008	-.0000 0.0003	-.0001 0.0011
Total Rollbacks	-.1385 0.2483	-.0428 0.0768	-.1813 0.3251

Millage Levies – Truth In Taxation (continued)

	General	Law Enforcement	Total
2014 Legal Tax Rate	4.5486 4.4388	1.4063 1.3723	5.9549 5.8111
2014 Recaptures			
BTRF	(0.0595) 0.0112	(0.0184) 0.0035	(0.0779) 0.0147
Alcohol Tax	0.2363	0.0730	0.2593 0.3093
Cigarette Tax	0.0001 0.0008	0.0000 0.0003	0.0001 0.0011
Total Recaptures	<u>.13850.2483</u>	<u>-.04280.0768</u>	<u>.18130.3251</u>
2014 Recaptured Levy	<u>4.6871</u>	<u>1.4491</u>	<u>6.1362</u>

The 2014 Budget recognizes the recapture of the Base Tax rollback (~~-0.779~~0.0147 mill), Alcohol Tax (~~-0.2593~~0.3093 mill) and Cigarette Tax (~~-0.0001~~0.0011 mill) for a total levy of 6.1362 mills (4.6871 and ~~1.787~~1.4491mills) respectively.

In terms of tax revenue growth, excluding effects of refunds, 2015 tax revenues are budgeted ~~equal to~~ 1.5% higher than 2014. Because the Headlee Rollbacks of 1993 and 2003 were not recaptured, there exists about \$~~1,682,000~~1,702,000 in unlevied property taxes.

Other Post Employment Benefits (OPEB)

Government Accounting Standards Board (GASB) Statement No. 45 requires plan sponsors to start recording an annual expense for other post employment benefits besides pension benefits. The intent of this requirement is to recognize the cost of providing this benefit as it is earned. The primary example of OPEB is retiree health insurance, but it may include other items such as life insurance, dental insurance or vision insurance.

The annual expense must be determined by an actuarial valuation of assets and liabilities for each benefit plan. In addition to recording the Annual Required Contribution (ARC)¹, the plan sponsor must disclose the Net OPEB Obligation (NOO). The Net OPEB Obligation is the cumulative difference between the annual OPEB costs (ARC) and the annual actual employer contributions accumulated from the implementation of Statement No. 45.

For Kalamazoo County, GASB No. 45 applies to the retiree health insurance plan.

This policy recognizes that health insurance costs have risen dramatically in the past ten years and that the Board of Commissioners has made changes in the benefit plan recently to reduce the growth in costs with the option of Retiree Health being closed for new hires after December 31, 2011. This will increase our required ARC for several years. The availability to new hires ceases and the plan structure accelerates. The 2015 contribution will be 50% of the ARC plus \$300,000 based on pension changes and an additional amount of savings based on any post 65 savings in the Retiree Health Plans. This will be adjusted to meet pay as you go requirements.

Administration continually reviews various options to reduce the cost of retiree health care (i.e. Unfunded Actuarial Accrued Liability and Annual Required Contribution).

1 "ARC" is defined as the employer's required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal costs for the year and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Parks Improvement Fund

The 2015 Budget does not contain an appropriation from the Parks Fund to the Parks Improvement Fund. The following policy replaced a 1985 policy in 2006 and remains in effect for 2015:

However, at the end of each year, if the actual final appropriation is less than the budgeted appropriation, then the Parks Improvement Fund will receive one-half of the difference and the General Fund keeps one-half. If the actual final appropriation from the General Fund is more than the budget, then the Parks Improvement Fund will not receive a designation.

Payment of Indirect Costs or Rent

Departments, courts and elected officials are encouraged to seek revenues in the form of grants or other funding sources to expand programs and services to meet existing community needs which are consistent with the established mission of the County of Kalamazoo and the submitting department, court or elected official.

This policy acknowledges that the County incurs costs associated with the operation and oversight of all federal, state and other grants, therefore all grants shall be charged either indirect costs or rental for space occupied to the extent allowed by the awarding agency.

The indirect costs include primarily support services such as County Administration, Legal Services, Purchasing, Treasurer's Office, Human Resources, Information Systems, Document Services and Finance. Space occupancy costs include support by Buildings & Grounds, security, insurance and utilities.

This policy is consistent with a prior Board of Commissioner policy first adopted on October 3, 1978 and subsequently reaffirmed by inclusion in the Grant Application & Award Policy.

Retirement System

The growth in the pension system assets and liabilities has been discussed and reviewed with the Board of Commissioners on an ongoing basis. The funding level includes the **system as a whole** which includes Kalamazoo County Roads and Kalamazoo County Community Mental Health. The following table shows the funding level and employer contribution rate of the Retirement System since 1984:

Date	Actuarial Funding Level	Market Funding Level	County Actual Contribution Rate	County Normal Contribution Rate
1984	89.3%	89.9%	10.44%	10.28%
1985	93.6%	101.2%	9.26%	9.77 %
1986	100.4%	109.3%	8.81%	9.61%
1987	112.6%	114.6%	6.06%	7.93%
1988	110.5%	115.3%	6.16%	7.97%
1989	118.9%	134.0%	5.29%	7.69%
1990	110.0%	114.8%	6.89%	8.37%
1991	108.7%	124.4%	7.65%	9.10%
1992	107.1%	119.0%	7.25%	8.15%
1993	105.4%	119.5%	7.44%	8.78%
1994	102.6%	107.6%	8.01%	9.02%
1995	106.5%	127.9%	7.63%	9.19%
1996	111.5%	135.8%	7.36%	9.14%
1997	123.4%	154.2%	4.62%	9.06%
1998	138.9%	169.5%	4.27%	9.29%
1999	127.7%	147.5%	3.38%	9.25%
2000	132.4%	139.8%	1.15%	9.11%
2001	134.7%	131.6%	0.26%	9.13%
2002	107.6%	95.3%	8.29%	10.40%
2003	113.9%	135.5%	5.25%	9.28%
2004	116.8%	134.9%	6.04%	10.54%
2005	123.3%	136.5%	4.56%	10.57%
2006	129.0%	145.3%	2.90%	9.97%
2007	137.1%	143.0%	2.36%	10.04%
2008	128.4%	93.5%	3.02%	9.07%
2009	119.7%	105.9%	4.92%	8.67%
2010	115.8%	113.7%	5.61%	8.79%
2011	109.8%	103.3%	7.07%	8.79%
2012	105.6%	109.9%	7.67%	8.32%
2013	113.6%	126.0%	4.58%	8.38%

County funding levels for 2013 Actuarial are ~~102.9~~111.0%, and for Market are ~~107.2~~123.0%

Retirement System (continued)

Each year, a possible increased benefit payment to existing retirees could be considered by the Board of Commissioners through an Ad Hoc check. Before any Ad Hoc check is authorized to the retirees in the retirement system, an actuarial valuation must be calculated and presented to the Board of Commissioners and any cost must be pre-funded to the retirement system.

Administration does not recommend an Ad Hoc check at this time.

Revenue Sharing and County Incentive Program

As part of the State's Fiscal Year 2015 budget, the legislature and Governor continues the program for county revenue sharing payments whereby 80% of the projected county payment will be made to eligible counties. The remaining 20% of the payment will be made after each eligible county complies with the new County Incentive Program (CIP). Eligible counties are those counties that have exhausted their reserve accounts and have re-entered the revenue sharing program.

The three required areas for the 20% incentive are:

- Accountability and Transparency
- Consolidation of Services
- Unfunded Accrued Liability Plan

The County agrees to comply with the incentive requirements to receive the 20% Incentive Program funding.

The Revenue Sharing and County Incentive revenue is budgeted in the amount of ~~\$2,798,800~~ 3,838,800 to the General County Public Improvement Fund, and ~~a Sheriff Reserve of \$1,250,350,000 and \$100,000 for utilities cost increase for Jail Expansion.~~ for operational cost for the Jail Expansion.

Revolving Drain Fund Policy

The Kalamazoo County Board of Commissioners created the Kalamazoo County Revolving Drain Fund (RDF) pursuant to the Drain Code of 1956 (MCL 280.1 et al). The amount appropriated to the RDF is considered to be an asset/liability for accounting purposes and is not part of the county's annual budget appropriation.

This policy establishes the level of the General Fund advance to the Revolving Drain Fund at \$200,000 for 2015.

Salaries and Employee Benefits

Non-Union Employees

The County Board adopted a Banding Structure to complement our Hay Compensation System. Implementation of salary bands follows best practices for compensation plans while strengthening internal equity, promoting vesting incentives, and enhancing our ability to attract and retain quality employees.

The 2012 salary schedule recognized a 2% structural reduction. A Fair Labor Standard Act audit was complete in 2013 for non-union employees and a new salary structure was introduced. The 2015 Budget recognizes a 12% salary schedule increase and step recognition for eligible employees.

County-Wide Elected Officials

In 2008, the Board of Commissioners adopted the following policy concerning the establishment of the annual salaries for the offices of County Clerk/Register, County Drain Commissioner, County Prosecuting Attorney, County Sheriff, and County Treasurer (collectively referred to as the county-wide elected officials):

- The Board of Commissioners accepts the Hay Wage Classification Schedule for the county-wide elected officials;
- The Board of Commissioners shall re-evaluate the Wage Classification Schedule for the county-wide elected officials every four years and shall complete the re-evaluation by March 1 of the year in which the re-evaluation commenced; and
- Whenever a person is newly elected to one of the county-wide elected offices, and the person had not previously held that office, the Board of Commissioners shall establish the first year's annual salary for that office at the "A" step for the office under the then current Hay Wage Classification Schedule for that office; and
- Whenever a person is newly elected to one of the county-wide elected offices, and the person had been holding that office prior to the election, the Board of Commissioners shall establish the first year's annual salary for that office at a step level under the then current Hay Wage Classification Schedule for that office.
- State law requires salaries for these elected officials to be set prior to their term of office, and allows the salaries to be raised, but not lowered, during their term of office.

Salaries and Employee Benefits (continued)

The table below reflects salaries and recommended band placement for 2014 for Elected Officials.

	2015	Band
Drain Commissioner	\$ 77,958.40 82,922.00	K13- DE
Treasurer	\$ 93,204.80 99,028.80	K14- EF
Clerk/RoD	\$ 93,204.80 99,028.80	K14- EF
Sheriff	\$ 111,924.80 119,121.60	K16- DE
Prosecutor	\$ 102,190.40 109,200.00	K16- BC

Future step increases will be considered by the Board of Commissioners during the annual budget process.

Judges

Since January 1, 2002, the Judges salaries have been:

Circuit	\$94,195	\$45,724	\$0	\$139,919
Probate	\$94,195	\$45,724	\$0	\$139,919
District	\$92,548	\$45,724	\$0	\$138,272

Information has not been received from the State Officers Compensation Commission (SOCC) regarding 2015 salaries for Judges.

County Commissioners

The following policy regarding County Commissioner compensation is as follows:

Increases in compensation for County Commissioners of Kalamazoo County shall be equivalent to but no greater than the lowest average compensation adjustment granted by the County Board for a non-union County employee group for the two years immediately preceding a new two-year term for County Commissioners.

The compensation for 2015 will ~~mirror the amounts in 2013~~ be as follows:

Chairperson	\$ 15,300 15,376
Vice Chairperson	\$ 13,770 13,839
Other Commissioners	\$ 12,240 12,301

Overtime

Quarterly, an overtime evaluation will be conducted by the Finance Director with respective Department Heads to ensure that projections indicate this line item will remain in budget. Should actual exceed budget, this amount will need to be adjusted within a direct operating line item.

State Court Funding

Prior to 1996, PA 189 Court Financing and PA 288 Jury Reimbursement Funding were two sources of funding under this category.

Funds were budgeted at \$770,000 annually and were allocated to the Budget Stabilization Fund in 1994. In 1995, 1996, and 1997, the funds were used to offset declines in cigarette taxes (\$189,000), capital needs (\$83,000) in 1995, and in operations primarily at the law enforcement level (\$300,000).

Court Funding Reimbursement legislation (Public Act 374 of 1996) provided single funding to replace PA 189 Court Financing and PA 288 Jury Reimbursement Funding. This legislation also assumed 100% of the funding for judges' salaries.

The projections are for the County to receive \$~~1,244,000~~1,254,000 for the State's fiscal ~~2013/2014~~2014/2015.

In keeping with the Board's policy relative to General Fund - Law Enforcement Ratio and with its Strategic Planning (Prevention and Facilities), the focus of these funds will be on law enforcement.

Strategic Planning

The 2015 Budget continues the Board of Commissioners' strategy established in 1996 to provide additional funding for a variety of areas that seek to improve the overall face of County Government and services to citizens.

In 2014, the strategic budget is focused on the following three major areas:

1. *Strategic Planning* – The 2015 Budget contains \$5,000 for ongoing work on the strategic planning process initiated by previous Boards and Administration.
2. *Management Audit* – \$5,000 is budgeted in 2015 to be used for reviewing alternatives for meeting service needs and streamlining procedures with the expectation that the long term returns from improved effectiveness and efficiency will outweigh the initial investment. Any proposal for use of these funds must be submitted to the County Administrator for review and approval. Consultant contracts would then be presented to the Board of Commissioners for final approval.
3. *Management Development* - \$5,000 is budgeted to be used for county-wide managerial training or coaching.

Sustainability

Kalamazoo County is committed to fostering a safe, secure future that conserves natural resources while meeting basic human needs and services. This commitment to a sustainable future will be a consideration in making public policy, developing public programs, operating public facilities, and delivering public services.

All employees must therefore recognize and respect the connections between economic, environmental, social, and health systems in meeting their explicit and implied responsibilities to current and future generations. Our goals are:

- Promote and demonstrate efficient and effective use of renewable and consumable resources;
- Collaborate with public and private partners on projects aimed at sustainability;
- Continuously enhance our perspective and expertise in making sustainable choices on behalf of the citizens; and
- Identify and pursue new opportunities that promote sustainable practices.

To monitor its impacts, County Administration will annually present inventory of the county's sustainability efforts, and report on progress related to the stated policy goals.

Tax Foreclosure Fund

The Tax Foreclosure Fund operates based on Public Act 206 of 1893 as amended and is used to manage the tax foreclosure process for Kalamazoo County. The County Treasurer became the Foreclosing Governmental Unit on February 3, 2009, when the County Board of Commissioners adopted a resolution that rescinds the County's election to have the State of Michigan manage tax foreclosed property.

On July 9, 2009, the County Board of Commissioners and the County Treasurer entered into an intergovernmental agreement with the Michigan Land Bank Fast Track Authority creating the Kalamazoo County Land Bank Authority. The 2015 Budget for this fund includes an allocation to the Land Bank Authority in the amount of \$250,000. This transfer amount will be reviewed annually.

Per MCL sections 211.87b, any surplus from this fund can be transferred to the General Fund. This policy sets an amount of \$200,000 of cash to remain in this fund to provide for appropriate cash flow needs. All remaining balances, as reported by the Treasurer in the Annual Report of Balance in Land Sale Proceeds provided in June of the second calendar year after foreclosure, shall be transferred to the general fund in the following County budget year.

Technology Planning

(Intent)

County Administration, in cooperation with Department Heads, Court Administrators and Elected Officials, is developing a Capital Strategy Review to address present and future technology needs.

The 2015 Budget message began this review by requesting a narrative addressing anticipated technology needs with estimated costs for the future five years.

A compilation of the needs is in progress and research is being completed to develop a sustainable funding strategy. In the 2015 budget, a \$1 million commitment from Fund Balance has been established.

County Administration proposes to present a formalized policy in July, 2015.

Preliminary Draft (by year)

Major Technology Equipment (Non CIP Eligible - Non Operational)*	Cost \$	Year	Department
Imaging System	425,000	2015	Prosecuting Attorney
Imaging System	350,000	2015	8th District Court
Imaging System	55,000	2015	Probate Court
Javs - Critical Move Items	200,000	2015	9th Circuit Court
Odyssey's Software - 2014 Release/Update	90,000	2015	9th Circuit Court
I5 Upgrade	50,000	2016	8th District Court
Jury Systems Incorporated - Software Upgrade	75,000	2016	9th Circuit Court
Javs - Long Term	600,000	2016	9th Circuit Court
Jail Archonix Update	340,000	2016	Sheriffs Office
Javs Centro	185,200	2017	8th District Court
Javs Upgrade MAC/Juvenile Hom	600,000	2017	9 th Circuit Court
Intergraph RMS System Upgrade	194,000	2018	Sheriffs Office
Javs Centro	185,200	2018	8th District Court
800 MHz Portable and Mobile Radios	1,500,000	2018	Sheriffs Office
Dispatch Consoles	250,665	2019	Sheriffs Office
Security System MAC	201,661	2020	Court Security Committee
Total		5,301,726	

*all ongoing maintenance must be covered within operational budgets

Use of Budget Stabilization Fund

The 2015 General Fund Budget does not include a revenue transfer from the Budget Stabilization Fund.

Per Public Act 30 of 1978, these funds may only be utilized during the budget process to prevent a reduction in the level of public service provided, or prevent a reduction in the number of employees providing these services. It can also be used due to a natural disaster. A 2/3 vote is required for utilization. Per budget policy, the release of these funds must accompany a pay-back plan.

Per the Public Act, the amount of money in the fund shall not exceed 15% of the most recent General Fund Budget or the average of the last five adjusted budgets, whichever is less.

This policy acknowledges use of these reserves for 2003 as one-time sources of funding and not on going revenue. This policy also recognizes the 2005 deposit of \$750,000 in the Budget Stabilization Fund as repayment of the 2003 withdrawal.

The 2004 General Fund Budget included as revenue a transfer from the Budget Stabilization Fund of \$650,000 as part of the budget balancing process, but the transfer was not needed.

Wireless Emergency Fund

Pursuant to Public Act 81 of 1999 as amended and Public Act 32 of 1986, the County receives funds for Enhanced 911 Emergency Services for all county Public Service Answering Points (PSAPs). These funds are then distributed to the City of Kalamazoo (which includes Western Michigan University's portion) the City of Portage, and Kalamazoo Township. The remaining County share remains in the Wireless Emergency Fund. Use of the fund is to be designated by the County Board of Commissioners.

The County began receiving revenue in budget year 2000. These funds are established to support direct dispatch costs only. In 2005 the County utilized \$215,643 from this fund to assist with costs for the co-located dispatch at Crosstown. In 2011 the County utilized \$460,435 for Motorola Plant System upgrade and replacement. With the 2012 budget reduction measures, the Sheriff proposed, and the Board of Commissioners approved, the transfer of an additional \$80,000 to the General fund for 2012 and 2013 budget years. The 2011 budget policy established a transfer to the General Fund to support direct operating costs for County Dispatch Services.

The [2015](#) budget continues the policy that \$100,000 will be transferred from the Wireless Emergency Fund to the General Fund.



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Five Year Budget Projections

Five Year Projections Operating Funds*

Revenues	Budgeted 2014	Budgeted 2015
Property Taxes	\$ 47,772,000	\$ 48,762,100
State Court Fund	1,244,000	1,254,000
Alcohol Tax	2,091,700	2,409,000
State Shared Revenue	4,148,800	5,188,800
Departmental Revenue	27,537,600	26,334,100
Carryover	329,500	2,600,000
Interfund Transfers	202,200	202,200
Total Estimated Funds	\$ 83,325,800	\$ 86,750,200
Expenditures		
Salaries	39,203,900	40,644,300
Fringe	16,148,800	16,984,700
Direct Operating	23,497,000	21,716,600
Contingency	250,500	150,500
Capital Tier I	974,600	963,100
Capital Tier II	250,000	250,000
Capital Tier III - General County	2,798,800	4,838,800
Capital Tier IV - Technology	-	1,000,000
Debt	-	-
Interfund Transfers	202,200	202,200
Total Estimated Expenditures	\$ 83,325,800	\$ 86,750,200
Excess Revenues and (Expenditures)	\$ -	\$ -

*General, Law Enforcement, Parks, FOC, Health, Child Care

ASSUMPTIONS

- A- Property tax assumptions: 2015~ 1.50%, 2016~1.50%, 2017~1.50%, 2018 ~ 1.50%, 2019~ 1.50
- B- Projections are flat
- C- Projections tied with transfer needs
- D- Projections reflect an increased 2% salary schedule adjustment and steps for 2015 / steps to follow
- E- Projection includes blended fringe rates
- F- Increased projection of .50% each year

Five Year Projections Operating Funds*

	2016		2017		2018		2019	
\$	49,493,532	\$	50,235,934	\$	50,989,473	\$	51,754,316	A
	1,254,000		1,254,000		1,254,000		1,254,000	
	2,409,000		2,409,000		2,409,000		2,409,000	
	5,188,800		5,188,800		5,188,800		5,188,800	
	26,334,100		26,334,100		26,334,100		26,334,100	B
	-		-		-		-	
	202,200		202,200		202,200		202,200	C
\$	84,881,632	\$	85,624,034	\$	86,377,573	\$	87,142,416	

\$	41,050,743	\$	41,461,250	\$	41,875,863	\$	42,294,622	D
	16,420,297		16,584,500		16,750,345		16,917,849	E
	21,825,183		21,934,309		22,043,980		22,154,200	F
	150,500		150,500		150,500		150,500	
	974,600		974,600		974,600		974,600	
	250,000		250,000		250,000		250,000	
	3,838,800		3,838,800		3,838,800		3,838,800	
	-		-		-		-	
	202,200		202,200		202,200		202,200	
\$	84,712,323	\$	85,396,160	\$	86,086,289	\$	86,782,771	

\$	169,308	\$	227,875	\$	291,285	\$	359,645
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2015 PRELIMINARY RETREAT OPERATIONAL BUDGET

2015 Budget Preliminary Retreat

	General Fund	Parks	F.O.C.
Revenue			
Property Tax	\$ 37,330,000	\$ -	\$ -
State Shared Revenue	5,188,800	-	-
State Court Fund	1,254,000	-	-
Alcohol Tax	2,409,000	-	-
Circuit Court, et al	1,630,700	-	-
District Court	4,029,000	-	-
Clerk/Register	2,182,700	-	-
Treasurer	2,724,000	-	-
Sheriff	3,030,000	-	-
Other Departmental Revenue	1,958,900	1,408,200	2,169,700
Wireless Emergency Fund Transfer	100,000	-	-
Carryover	2,600,000	-	-
Interfund Transfers	-	-	20,000
Total	\$ 64,437,100	\$ 1,408,200	\$ 2,189,700
Expenditures			
Salary	\$ 24,142,700	\$ 853,400	\$ 2,139,600
Fringe	10,309,900	243,600	781,000
Direct Operating	16,762,200	469,000	323,000
Contingency	100,500	-	-
Capital - Tier I	488,500	-	-
Capital - Tier I Sheriff Vehicle	201,000	-	-
Capital - Tier II	250,000	-	-
Capital - Tier III - General	4,838,800	-	-
Capital - Tier IV - Technology	1,000,000	-	-
Debt	-	-	-
Interfund Transfers	-	-	-
Total	\$ 58,093,600	\$ 1,566,000	\$ 3,243,600
Variance	\$ 6,343,500	\$ (157,800)	\$ (1,053,900)

2015 Budget Preliminary Retreat

Health	Child Care	Total General Funds	Law Enforcement	Grand Total
\$ -	\$ -	\$ 37,330,000	\$ 11,432,100	\$ 48,762,100
-	-	5,188,800	-	5,188,800
-	-	1,254,000	-	1,254,000
-	-	2,409,000	-	2,409,000
-	-	1,630,700	-	1,630,700
-	-	4,029,000	-	4,029,000
-	-	2,182,700	-	2,182,700
-	-	2,724,000	-	2,724,000
-	-	3,030,000	-	3,030,000
3,451,100	3,579,800	12,567,700	70,000	12,637,700
-	-	100,000	-	100,000
-	-	2,600,000	-	2,600,000
-	182,200	202,200	-	202,200
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 3,451,100	\$ 3,762,000	\$ 75,248,100	\$ 11,502,100	\$ 86,750,200
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 2,958,000	\$ 3,441,000	\$ 33,534,700	\$ 7,109,600	\$ 40,644,300
1,029,400	1,226,000	13,589,900	3,394,800	16,984,700
1,183,900	2,506,600	21,244,700	471,900	21,716,600
-	-	100,500	50,000	150,500
-	-	488,500	150,000	638,500
-	-	201,000	123,600	324,600
-	-	250,000	-	250,000
-	-	4,838,800	-	4,838,800
-	-	1,000,000	-	1,000,000
-	-	-	-	-
-	-	-	202,200	202,200
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 5,171,300	\$ 7,173,600	\$ 75,248,100	\$ 11,502,100	\$ 86,750,200
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ (1,720,200)	\$ (3,411,600)	\$ -	\$ -	\$ -



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2015 NEW FUNDING REQUESTS

2015 Budget - New Funding

ADMINISTRATIVE RECOMMENDATIONS

Clerk Register of Deeds

Board of Canvassers Compensation

No Operating Increase

- This request is to increase Board of Canvassers' compensation to align with neighboring counties. This approval; would increase compensation to \$50 per half day and \$100 per full day. This increase will be covered within the Elections budget and will not require new operational Funding.
-

NON-RECOMMENDED

Planning

\$6,000

- This request is to increase the operational budget by \$6,000 to cover the Southcentral Michigan Planning Council (SMPC), the membership fee.

Because of the unique salary reimbursement situation the Planning department is able to cover this expense in their operational budget. At such time a salary reimbursement is not on-going this budget would require additional operational funding to cover operations.

Health & Community Services

\$310,000

- Older Adult Services Advisory Council is requesting an additional \$250,000 general fund appropriation to the Area Agency on Aging. The County's 2014 appropriation is \$225,000. The total appreciation would be \$475,000.

Administration is not recommending an operating increase at this time.

- This request is to fund an additional 1.0 FTE K7 Social Worker position. Additional funding has been approved in the 2015 State budget for in-home services but not for social workers who are required to develop the care plans and arrange for the in-home or community services

Administration is not recommending additional fte in the 2015 budget.

Probate Court

Increase of 1.0 FTE

\$63,000

- Probate Court is requesting the creation of a 1.0 FTE position to fulfill the statutorily required reviews and assessments that fall within the jurisdiction of the probate court. This function was previously provided by a Circuit Court employee who has now retired. The position would permit greater efficiency and customer service through intake and

2015 Budget - New Funding

the possibility of case managing/reviewing existing guardianship and conservatorship files.

Administration is not recommending additional FTE in the 2015 budget.

Increase of 0.50 FTE

\$32,000

- Probate Court is requesting the creation of a 0.50 FTE - Deputy Register of Probate position. Earlier this summer the Circuit Court requested that a .5 FTE position be split from the 1.0 joint FTE for the Adoption and Program Specialist. The remaining 0.50 FTE was filled in July and Probate is now requesting an additional 0.50 FTE be authorized to allow a single 1.0 FTE

Administration is not recommending additional FTE in the 2015 budget.



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2015 HISTORICAL ANALYSIS

Historical Departmental Revenue Summary Comparison

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual
General Fund	\$ 62,082,438	\$ 63,218,605	\$ 65,128,801	\$ 64,056,984	\$ 60,159,458
Law Enforcement Fund	11,142,226	10,834,790	11,569,823	12,029,019	12,019,936
Information Systems	122,491	87,625	83,310	59,986	-
Parks	717,751	793,725	876,843	1,017,753	1,182,088
Friend of the Court	90,645	87,331	363,703	371,805	2,267,119
Health	2,994,619	3,644,648	3,815,981	4,168,124	3,928,126
Child Care	3,218,556	3,605,302	3,463,388	3,684,429	3,506,278
Grand Total	<u>\$ 80,368,726</u>	<u>\$ 82,272,026</u>	<u>\$ 85,301,849</u>	<u>\$ 85,388,100</u>	<u>\$ 83,063,005</u>

Historical Departmental Revenue Summary Comparison

2011 Actual	2012 Actual	2013 Actual	2014 Adj Budget	2015 Budget	Increase (Decrease)
\$ 64,058,558	\$ 60,330,872	\$ 59,025,042	\$ 66,207,200	\$ 64,437,100	\$ (1,770,100)
11,719,320	11,514,116	11,214,895	11,355,000	11,502,100	147,100
-	-	-	-	-	-
1,184,459	1,319,367	1,577,900	1,326,200	1,408,200	82,000
2,016,126	2,165,088	2,181,749	2,190,800	2,189,700	(1,100)
4,049,638	3,290,039	3,366,195	3,422,900	3,451,100	28,200
3,494,973	3,682,396	3,722,760	3,762,900	3,762,000	(900)
<hr/>					
<u>\$ 86,523,074</u>	<u>\$ 82,301,878</u>	<u>\$ 81,088,541</u>	<u>\$ 88,265,000</u>	<u>\$ 86,750,200</u>	<u>\$ (1,514,800)</u>

Historical Departmental Expenditure Summary Comparison

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual
General Fund	\$ 46,572,781	\$ 49,528,809	\$ 52,808,444	\$ 52,500,686	\$ 54,568,222
Law Enforcement Fund	10,118,343	10,527,878	11,658,270	12,658,599	12,469,434
Information Systems	885,936	925,207	948,255	901,220	-
Parks	984,972	1,056,268	1,154,692	1,319,094	1,440,046
Friend of the Court	2,791,177	2,846,563	2,880,353	2,981,881	2,996,714
Health	5,519,701	5,465,463	5,672,538	5,497,315	5,774,119
Child Care	6,736,317	7,214,555	6,685,497	6,943,724	6,598,294
Grand Total	<u>\$ 73,609,227</u>	<u>\$ 77,564,743</u>	<u>\$ 81,808,049</u>	<u>\$ 82,802,519</u>	<u>\$ 83,846,829</u>

Historical Departmental Expenditure Summary Comparison

2011 Actual	2012 Actual	2013 Actual	2014 Adj Budget	2015 Budget	Increase (Decrease)
\$ 56,721,953	\$ 58,689,962	\$ 52,477,163	\$ 59,697,800	\$ 58,093,600	\$ (1,604,200)
11,151,686	11,640,586	11,724,003	11,355,000	11,502,100	147,100
-	-	-	-	-	-
1,414,419	1,481,269	1,761,341	1,509,700	1,566,000	56,300
2,982,695	2,982,385	3,097,253	3,180,200	3,243,600	63,400
5,665,266	5,251,283	5,110,682	5,457,300	5,171,300	(286,000)
6,169,271	6,678,942	6,618,904	7,065,000	7,173,600	108,600
<hr/>					
<u>\$ 84,105,290</u>	<u>\$ 86,724,427</u>	<u>\$ 80,789,346</u>	<u>\$ 88,265,000</u>	<u>\$ 86,750,200</u>	<u>\$ (1,514,800)</u>

**Fund Balances and Working Capital
(Operating Funds Only)***

Year	Beginning Fund Balance	Revenues	Expenses	Excess Revenues (Expenses)	Ending Fund Balance	Unrestricted Unassigned Balance	Balance as % of Revenues
2015	\$ 26,199,076	\$ 84,150,200	\$ 86,750,200	\$ (2,600,000)	23,599,076	16,723,149	19.9%
2014	26,528,576	82,996,300	83,325,800	(329,500)	26,199,076	21,825,828	26.3%
2013	26,229,376	86,816,862	86,517,662	299,200	26,528,576	21,838,815	25.2%
2012	30,651,926	88,238,867	92,661,416	(4,422,550)	26,229,376	20,320,881	23.0%
2011	28,236,028	92,042,248	89,626,350	2,415,898	30,651,926	24,327,571	26.4%
2010	29,019,852	88,988,567	89,772,390	(783,823)	28,236,028	23,147,791	26.0%
2009	26,434,275	92,822,757	90,237,180	2,585,577	29,019,852	22,867,133	24.6%
2008	22,940,475	93,091,705	89,597,905	3,493,800	26,434,275	18,705,734	21.3%
2007	18,233,191	90,636,244	85,928,960	4,707,284	22,940,475	15,078,874	17.9%
2006	11,473,699	89,256,832	82,497,340	6,759,492	18,233,191	11,017,692	13.3%
2005	9,376,286	84,496,909	82,399,496	2,097,413	11,473,699	6,448,111	7.4%

*Includes General, Law Enforcement, Parks, Friend of the Court, Health and Child Care-Probate Funds.



Budgeted Carryover History

Year	General Fund	Law Enforcement Fund
2015	\$ 2,600,000	\$ -
2014	329,500	-
2013	-	-
2012	500,000	-
2011	1,144,200	202,200
2010	261,700	242,400
2009	221,400	138,000
2008	594,900	146,000
2007	-	-
2006	25,000	-
2005	100,000	25,000
2004	248,000	500,000
2003	522,900	-



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