

February 22, 2007

2007 Kent County Update

Roger Morgan – Board Chair:

Last year, we did something a little different than the “traditional” State of the County address. Along with then-Board Vice Chair and Chair of the Finance Committee Dan Koorndyk and Legislative Committee Chair Dean Agee, I provided presentations on what the County had accomplished in 2005 and what plans we had in mind for 2006. I’d like to continue that format this year, and have asked Board Vice-Chair and Finance Committee Chair Dick VanderMolen and Legislative Committee Chair Dean Agee to join me once again in briefly reporting on our busy 2006, and what is shaping up to be a busier 2007.

I am again both honored and humbled by the responsibility you have placed in me as Chair of the Kent County Board of Commissioners. I continue to believe that we have a high quality organization, which starts with the individuals our citizens have elected to this Board. Our collective efforts and genuine interest in public service have enabled us to accomplish so much during the past 12 months—indeed, over many, many years.

As I reflect on 2006, the following major accomplishments stand out:

1. Sports Commission: Through the efforts of a subcommittee that included Commissioners VanderMolen, Morren, former Commissioner Koorndyk (who chaired the subcommittee), and citizen Bill MacDonald, along with staff Wayman Britt and Matthew VanZetten, the Board once again showed its ability to look long-term and out-of-the-box and approved the creation of the West Michigan Sports Commission, which will begin its operations in earnest in 2007 and could provide a significant boost to the tourism economy in West Michigan. I would also like to thank the many individuals throughout the community and the State who spent time discussing the prospects of a Sports Commission with the subcommittee.

2. DHS Facility: After decades of studying, planning, negotiating, re-negotiating, more studying, more planning, more negotiating and re-negotiating, the County was successful in bringing a new DHS building to the County, located in the heart of the City of Grand Rapids and within 3 miles of about 70 % of the agency's clients. The project will be built on the site of the Sheldon clinic, will also include a Health Department clinic and an Area Community Services Employment and Training agency (ACSET) service center. It is a \$27 million investment in the community. This is a win-win-win-win, for the County, the State, the City of Grand Rapids, and the citizens of Kent County. I would like to acknowledge former Board Chair Dave Morren for his leadership in this effort, staff members Mary Swanson, Bob Mihos, Wayman Britt, Sherry Batzer, Linda Howell, and Bob White, and with a great deal of appreciation, former State Representative Jerry Kooiman for helping to shepherd this milestone through the state.

3. Dispatch Authority: Another long-discussed and studied endeavor, we now have a County Dispatch Authority, which includes representation from the cities of Grand Rapids, Wyoming, Grandville, Lowell, Rockford, Michigan State Police, local police agencies, township and fire representatives. The initial meeting of the Authority has already taken place and it will be formalizing its plans for the future. I would like to express my appreciation to the Interim Authority, including its Chair, Wyoming City Manager Curtis Holt, and members Commissioner Art Tanis, Sheriff Larry Stelma, Walker City Commissioner Chuck Deschaine, and Grandville City Council member Joe Sierawski, along with Dar Baas from the Administrator's Office who served as staff for the Interim Board, for their dedication to this effort and their continued participation in the Authority.

4. County Park System: It was a beautiful day in June when we celebrated the re-dedication of Wahlfield Park. Fritz, thank you and Marlene for your foresight, generosity, and patience, as we worked slowly but steadily over the past 25 years to bring this dream to reality! Last year, the Board also approved an updated Master Plan for Millennium Park, which outlines our “vision” for this unprecedented green space and passive recreation area. Millennium Park is a first-class facility, through and through, and we will continue to work on its development and to maintain it as the community treasure it is. Congratulations to Parks Director Roger Sabine for his efforts on this project.

5. New Judge: They say that justice delayed is justice denied. Last year, the Board approved a new Circuit Court judgeship, as recommended by the State. The additional judge has been assigned to hear cases from both the Criminal/Civil and Family Divisions of the Court, and continues the County investment in a judicial system that is accessible and efficient.

6. County Services Report: Finally, while it may not seem a significant accomplishment, the development of the *Urban and Rural Community Benefits from County Services* was another milestone that cannot be ignored. For the first time ever, staff in the County Administrator’s Office put pen to paper and developed a comprehensive analysis of benefits provided to our local units of government and the public with their County tax payments. Staff Jen DeHaan and Mary Swanson were the primary author and editor of this report, and I appreciate their efforts.

The accomplishments noted above also represent the opportunities and challenges we face this year and in future years. Before I talk about those, I would like Dick and Dean to make their comments.

Richard Vander Molen – Board Vice-Chair and Chair of Finance Committee:

Thank you, Roger. I, too, would like to express my thanks to the Board for placing your trust in me by electing me as Vice-Chair. This will be my second stint in this role, and I look forward to the opportunity to work with all of you during 2007.

Financially, the County continues its long tradition of being solid and stable. Maintaining the long-term financial health of the County is one of our “governing values,” and we continue to take that fiduciary responsibility seriously. Like all local units of government, we are facing challenges. And with a number of issues critical to the County’s financial well-being approaching, we must deliberate and debate how we can most effectively allocate our resources. We will have to make some tough choices in the near- and mid-term future, but I am sure we are all up to that challenge.

One of the more significant issues to be faced is renewal of the corrections and detention millage. The current millage expires in December 2009, and for the past 24 months a cross-departmental staff committee has been looking at the future needs of the Correctional facility, in terms of capacity, staffing, and financing. The Board was presented with a report in early 2006, and we recently received some written information about the facility needs. A formal presentation on the consultant report regarding the correction and detention facilities will be presented in the near future. We do know that we will have to, at the very least, request a millage renewal, since the current levy helps fund the operations as well as retire the debt we incurred the last time we were required to expand the facility. Chair Morgan has appointed a subcommittee of two commissioners (Roger and myself), two township representatives (Township Supervisors

Mike Devries and Denny Hoemke), and two city representatives (Mayors Rob VerHeulen and Rick Root) to develop a recommendation related to next steps in this process. More opportunity for dialogue on this issue will take place during the next 12 to 16 months as we prepare to place a question on the August 2008, ballot.

Another significant issue is the state's finances, which we monitor to determine what the impact will be on our fiscal situation. We make five-year projections so that we can be prepared to address any potential shortfalls in revenues. We should know in the near future whether the state will keep its commitment to restore revenue sharing to counties. In the meantime, we are relying on the proceeds from our Revenue Sharing Reserve Fund to help fund operating costs.

As has been done in the past, the Finance Committee will have budget discussion meetings to review the 2008 budget. This has proven to be an effective way for staff to communicate the progress in developing our annual budgets, and for the Board to provide direction to staff throughout the process. In addition to looking at budget targets, we also intend to look at service programs and levels. We will also have to pay close attention to the Hotel/Motel Tax fund and look at how appropriations in that fund are distributed. We have a significant obligation to make payments on the bonds issued to fund DeVos Place, and we have also made a commitment to contribute \$200,000 to the Sports Commission. We have to work in concert with the Convention & Visitors Bureau and Convention/Arena Authority on this matter. If expenditures/commitments continue to exceed revenues, this fund will be depleted within the next couple of years.

The County continues to look at long-term needs of its facilities, and 2007 will be a year of "brick and mortar." In addition to beginning construction on the DHS Facility that Roger mentioned, funding was also approved by the Board of Commissioners for improvements to

facilities located at the Fuller Campus, including the Boiler Plant, Animal Shelter, Fleet Services, and a major roadway, as well as for the consolidated 63rd District Court facility on the East Beltline, north of Four Mile Road. Also on the horizon will be a report from a Medical Examiner Facility Review Team with information and a recommendation related to the long-term facility needs of the Medical Examiner's Office.

I've just scratched the surface of what's in store for us in 2007. Again, I would like to take this opportunity to thank my fellow commissioners for your support and for your effort and commitment to these projects. And now I would like to turn the next portion of the presentation over to Legislative & Human Resources Committee Chair Dean Agee.

Dean Agee – Chair Legislative and Human Resources Committee:

Thank you, Dick. We have been, over the past several years, diligently working with our state legislators to pursue legislative changes needed to support the Board’s decisions. Last year was an unprecedented year in terms of Kent County-led initiatives that made their way to the legislature and to the Governor for signature. During 2006, three bills in particular that Kent County initiated were signed into law: *HB 4315* (option for counties to increase the size of road commissions from three to five members) is now *Act 598*; *HB 5545 (Act 609)* amends state law so that larger hotels and motels in Kent County are not required to charge two different Lodging Excise (Hotel/Motel) taxes—in other words, to maintain the current taxing structure; and *HB 6239* (now *Act 555*) provides counties with the option of having a July 1 Fiscal Year. There are still a number of issues that require attention, and include some unfinished business from 2006, including:

1. Inmate Medical Expenses: Kent County favors any attempt to limit liability of counties for inmate medical expenditures, and is seeking support in three specific areas:

- extending to counties the same care exclusions placed on Medicaid recipients and participants in county Indigent Care Plans;
- Eliminating the exclusion of Medicaid coverage while incarcerated; and
- Allowing counties to benefit from rates and discounts negotiated through the State Medicaid program.

2. Consolidation of government services: Given the fiscal constraints facing all local units, and given the increased emphasis on intergovernmental cooperation, the County

should favor any legislation that encourages consolidation of governmental services. And knowing we should “walk the talk,” in 2006, the County has entered into agreements with the City of Grand Rapids to provide commercial and industrial appraisal and lot split services to the City of Grand Rapids as well as information technology services to the 61st District Court.

3. State Convention Facility Development Act: Kent County is strongly opposed to a “freeze” of distributions at the 1999 level so that funds in excess of the “frozen” can be distributed to Wayne, Oakland, and Macomb counties.

4. Telecommunications: While counties are allowed to surcharge for landlines, cellular phones are still not eligible for surcharges for 911 calls. We will be monitoring legislation and advocating surcharges for cellular phones for 911 calls similar to those for landlines.

5. TIFAs, Smartzones, Brownfields: One of the “threats” to the County’s fiscal stability is the ongoing “assault” on property tax revenues as a result of TIFAs, Smartzones, Brownfield Developments, and the like. Approximately \$6 million annually is distributed to these entities. And while the County is not opposed to, and in fact actively supports, economic development, we should endorse and support any legislative efforts to provide for “opt out” provisions for taxing jurisdictions similar to DDA statute. The County has been working with MAC and other taxing jurisdictions, including local governments, to determine if there is a “compromise” approach that can accommodate both the County’s needs and those of our local governments.

6. DHS Board: The County was successful in its attempts to amend state legislation to allow counties the option of increasing Road Commission boards. There is still interest to provide counties with the option to increase the size of DHS boards in like manner.

We enjoyed some success in working with the state to address issues that affect Kent County, and we will seek to do so as issues arise in the future.

In addition to the legislative issues, the Legislative & Human Resources Committee will continue to review performance measures of selected departments to ensure that we move toward outcome-based measures. It is our responsibility to hold County departments accountable to provide services, both mandated and discretionary, in an efficient and cost-effective manner, so that our citizens get the “most bang for their dollar.”

As you can see, the plate of the committee is as full as that of our colleagues on the Finance Committee.

Now I would like to turn back the microphone to Chair Morgan.

Roger Morgan – Board Chair:

Thank you, Dick and Dean, for your comments. A lot has been accomplished and there is a lot more to do. The County's history is one of meeting the challenges and opportunities that have been placed before us. I see no reason why that tradition will not continue in 2007 and beyond. I am confident that with your talent and genuine desire to serve, this Board will be up to any task placed before us.

I appreciate you extending me the privilege of being Chair of this Board again. We have an outstanding County—one of the premier counties in the country. I look forward to working with you, my colleagues on the Board, as well as our dedicated staff, as we collectively discuss and debate the issues that we will face this year.