

2008 State of the County

ROGER MORGAN

Good morning. I would like to continue the format for presenting the State of the County that I've used since becoming Chair, 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 accomplishments for 2007 and looking at what is in store for us in 2008.

I am again gratified and honored by the responsibility you have placed in me as Chair of the Kent County Board of Commissioners. I've said it before, and I'll say it again: We have a high quality organization, which starts with the individuals our citizens have elected to this Board. As a result, we have accomplished much.

As I reflect on 2007, the following major accomplishments stand out:

1. Human Services Complex: After decades of studying, planning, negotiating, re-negotiating, more studying, more planning, more negotiating and re-negotiating, the County finally broke ground on new Human Services Building! The Sheldon Complex, which previously occupied that site, is gone. We are providing a \$27 million investment in this community. In about 20 months, we'll be occupying this site with the State's Department of Human Services, a Health Department Clinic, and an Area Community Services Employment and Training agency (ACSET) service center. This is a huge accomplishment that this Board should be very proud of and I would like to specifically thank former Chair Dave Morren for his leadership and being the catalyst for this to finally become a reality.

2. Parks: The acquisition of 114 acres in the center of the Millennium Park footprint was a key achievement for the County and its private partners, making the next phase of development

- more than 20 miles of biking and hiking trails possible. Our thanks to Ambassador Secchia, Fred Meijer, Rich and Helen DeVos and the others who made this part of the vision a reality.

The County also added 91 acres at the confluence of the Thornapple and Coldwater rivers to its Parks inventory, using \$900,000 in Michigan Natural Resources Trust Fund grant dollars and a \$100,000 contribution from Caledonia Township to help fund the purchase.

Other acquisitions included property adjacent to Fallasburg and Wahlfield parks, and 100 acres of land in a location designated for a Lowell Regional Park, all consistent with the Parks Master Plan.

Near and dear to my heart, Myers Lake Park began a transformation with the development of a new entry drive as well as improved parking. The new entry provides great views to the lake.

3. Sports Commission: In its first year of existence, a 41-member board was appointed to the West Michigan Sports Commission; an executive director and other staff were hired; and an *Inventory Analysis* was completed. The Sports Commission hosted Michigan State University Basketball Coach Tom Izzo at its first annual banquet/meeting with over 800 guests in attendance. Not a bad first year. The Sports Commission is currently working on over 15 different sporting events which is estimated to provide over 20,000 room nights and the potential for almost \$15 million dollars in economic impact to this area. Most recently, the Sports Commission has been negotiating to bring a series of championship events to the area, and is working in close partnership with the Michigan Golden Gloves to deliver a “knock-out” national tournament to West Michigan in May.

4. Kent School Services Network: For the past 18 months, we have been piloting a new way to deliver human services to our citizens. The Kent School Services Network is a systemic

reform of education, health and human services that allows professionals in each field to do what they do best. That is: Principals lead; teachers teach; social workers address child and family welfare needs; mental health professionals, nurses, public health professionals add their expertise where needed. All at a location close to a child's home—a Neighborhood School. This system of change – led by the Kent County Family and Children's Coordinating Council – is starting to see results: Suspensions are down, attendance is up, and parental involvement is increasing.

5. Central Dispatch: We are seeing movement, based upon the State's enabling legislation passed late in 2007. Our Dispatch Authority has been diligent in its work, and now this month we will be making decisions on ongoing, sustainable funding for needed equipment enhancements and service improvements.

6. Airport Parking Ramp: In the fall of 2007, the County issued \$117.3 million in bonds for the new airport parking ramp, utilizing the County's AAA bond rating. Using our bond rating resulted in a savings of \$4.3 million for the Airport and its users. This savings is a great illustration of this Board's commitment to sound fiscal policy year in and year out.

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 Standing Committee Chairs Dick VanderMolen and Dean Agee to make some comments.

DICK VANDERMOLEN

Thank you, Roger. I, too, would like to express my thanks to you for placing your trust in me as Vice-Chair, and I look forward to the opportunity to work with all of you during 2008.

Financially, the County continues its long tradition of being solid and stable. I am pleased to note that our 2008 Budget is a balanced budget, where current revenues are anticipated to meet current expenses. This is the first structurally balanced budget we have adopted in five years. This is significant, because maintaining the long-term financial health of the County is one of our “governing values,” and we continue to take that fiduciary responsibility seriously.

But we must continue to watch our financial situation, because we are not out of the woods just yet. Going forward, we still have to make some tough choices in the near- and mid-term future.

One major accomplishment, aside from adopting a balanced budget for 2008, was the adoption of an economic development policy, which provides a mechanism for the County to participate in a local unit’s economic development activities in a prudent, consistent manner. The County was able to put this policy into practice by crafting, with the Townships of Grand Rapids and Plainfield, an agreement on their recently-created Corridor Improvement District.

Last year I mentioned that 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. This hasn’t changed. 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. And we will need to replace the 520 beds in the “old” portion of the jail that

was not part of the renovation in the early 1990s. More opportunity for dialogue on this issue will take place during the coming year as we prepare to place a ballot question before the voters.

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 the Revenue Sharing Reserve Fund to help fund operating costs.

As has been done in the past, the Finance Committee will have regular budget discussion meetings to review the 2009 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.

The County continues to look at long-term needs of its facilities, and 2008 will be a year of "brick and mortar." In addition to construction on the Human Services Complex, work on a new Animal Shelter will begin, as well as on the consolidated 63rd District Court facility on the East Beltline.

I've just scratched the surface of what's in store for us in 2008. 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

Thanks 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. As I mentioned when the State of the County was presented last year, 2006 was an unprecedented year in terms of Kent County-led initiatives that made their way to the legislature and to the Governor for signature.

Unfortunately, during most of 2007 the Legislature was busy dealing with the SBT and its successor, the Michigan Business Tax, as well as its budget crisis, so there are still a number of issues that require attention, including:

1. Inmate Medical Expenses: Kent County supports any attempt to limit liability of counties for inmate medical expenses;

2. Consolidation of government services: Given the fiscal constraints facing all local units, and given the increased emphasis on intergovernmental cooperation, the County favors any legislation that encourages consolidation of governmental services. We have "walked the talk" with many of our local units of government. Each year, we see a list of intergovernmental activities between the County, our local units, and other stakeholders. And each year that list gets longer.

3. Telecommunications: We saw limited action on the part of the State to approve legislation to allow surcharges for landlines and cellular phones for 911 calls, but the legislation sunsets in February 2009. We will be monitoring progress on an extension to this legislation.

5. Smartzones and Brownfields: One of the "threats" to the County's fiscal stability is the ongoing creation of Smartzones, Brownfield Developments, and similar entities.

Approximately \$6 million of county tax revenues annually is diverted to these authorities. 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 those that exist in the DDA statute.

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.

7. Dog Law: Since 1919, counties have been liable for reimbursing farmers whose livestock have been killed by dogs. Counties can seek reimbursement if they can determine who the owner is, but in many cases the owner cannot be found, and the county is on the hook for the expense. This begs the question, why should counties be on the hook as a non-involved third party. The Michigan Association of Counties has taken the position to work toward removing county obligation for these claims, and we have been working with our lobbyist to find a sponsor for a bill to eliminate this obsolete law.

8. Revenue Sharing: While the County is not yet due for the re-instatement of its revenue sharing funds for another three years, other counties are scheduled to start receiving their funding. Tuscola County was the first to see partial restoration, and three other counties are scheduled to begin receiving revenue sharing in the State’s 2009 Fiscal year budget. As Dick mentioned, we are continuing to monitor this and make sure our legislators know this continues to be a critical issue, representing approximately \$11 million in operations funding annually. As part of this issue, we will continue to closely monitor the State Budget and activities surrounding its development

From an internal, County perspective, the Soil Erosion Subcommittee issued a report supporting the adoption of a Soil Erosion and Sedimentation Control Ordinance, which the Legislative & Human Resources Committee reviewed and recommended to the Board. Following a public hearing on the ordinance, it was adopted by the Board of Commissioners on December 13, 2007.

The Legislative & Human Resources Committee will continue its due diligence by reviewing departmental performance measures 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

Thank you, Dick and Dean, for your comments. We have only scratched the surface on the many and varied activities we have been, and will continue to, face. 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.

Dick and Dean have discussed some of what is on our plate for 2008. One of our primary obligations is to keep our community safe, and I expect the issues of Central Dispatch and replacing the 1950s portion of the jail will dominate our discussions in the coming months. Another justice-related project we will be breaking ground on is the new 63rd District Court Building on Knapp Street near the E Beltline – a project that will improve services and efficiencies for our citizens. We also have to make sure we keep our eye on other issues, such as the Child Care Fund. This Fund provides dollars for services for children who are at risk of or victims of abuse and neglect and the program saw a rise in the number of child removals during the latter part of 2007, which puts considerable strain on the system and the child, and adds to the County's costs. We must continue to monitor this program, and others, where we are called upon to continue to provide exceptional services with reduced revenues.

Unfortunately, much is written and reported when we disagree, but not much is said when we have come together, found common ground and shared purpose and walked together. As previously mentioned, we have a growing list of examples on our intergovernmental and public-private partnerships. When it comes down to it, the facts speak more loudly than the words.

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. I remain confident that with your talent and genuine desire to serve, this Board will be up to any task placed before us.