



## Administrator's Update 4/1/11

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■ **Bond Refinancing** - Under the leadership of County Treasurer Bill Rokos, the County has reviewed refinancing opportunities for outstanding bond issues. This is appropriate because of the low interest rates we are seeing at this time. One bond issue that was recently refinanced was the Wastewater Treatment Upgrade Refunding Bonds. These are the bonds for the building of the new Wastewater Treatment Plant, which is jointly owned by the City of Traverse City and the townships of Acme, East Bay, Elmwood, Garfield, and Peninsula. I'm pleased to announce that, as a result of the refinancing, taxpayers will save \$2,158,609 on bond payments. The breakdown of savings is as follows: City of Traverse City - \$1,235,220.83, Acme Township - \$186,978.71, East Bay Charter Township - \$74,623.11, Elmwood Charter Township - \$66,593.09, Garfield Charter Township - \$577,492.67, and Peninsula Township - \$17,700.59. In addition, the County is looking at further refundings, which include several water and sewer bonds for East Bay Township. Those bonds will be refinanced in the near future.

In addition, Treasurer Rokos has proposed a new plan that is being undertaken by Grand Traverse County to utilize its cash to buy out bonds as a means of refinancing. This effort provides two benefits. First, as stated above, the bond issue will come back at a lower rate, thereby saving taxpayer dollars. Secondly, using County cash to refinance the bonds will provide the County with a higher rate of investment than we are seeing by our investing our cash in the open market. The result is the holder of the bonds saves money and the County receives greater interest than we normally would in this economy. This was the idea of Bill Rokos, our County Treasurer, and to my knowledge, is the first time it's been done in the State of Michigan. Congratulations Bill on your ingenuity and leadership.

■ **Health Services Building Expansion** - The County has been in the development stages of an expansion of the County Health Services Building. That expansion would include additional dental chairs for Dental Clinics North / Michigan Community Dental Clinics as well as expansion of facilities and clinics services. This has been a step by step process, and we were in the phase of design and bid specification drafting. The County Board of Commissioners brought to our attention possible relocation of the Health Department at the vacant Tom's Building in the Cherryland Mall. Work on the other project was suspended while we evaluated that option. Recently, we presented the results of that analysis to the County Board, which indicated the Tom's Building option was more costly than expansion at the present site. The County Board authorized staff to continue to do full design and specifications for an expansion of the Health Services Building at the present location on Garfield Road. That project is continuing. It is anticipated that the increase in size of the building to accommodate customer needs will be able to be done without any additional funding from taxpayers. This follows the Board's commitment of the last 10 years where we built the new Robert P. Griffin Hall of Justice and remodeled the Law Enforcement Center, the Historic Courthouse, and the Governmental Center and expanded the Jail with no additional tax dollars - all from within existing funds without using additional tax dollars.

■ **Budgeting for Outcomes** - The County directed staff to undertake an evaluation of a new budgeting method commonly known as Budgeting for Outcomes or Priority-Based Budgeting. The Board felt that, in these economic times, the County needed to change its process so that appropriations are more citizen-driven and based on performance and expected outcomes. RFQ's went out early this year. Two bids were received and have been analyzed. A recommendation to move forward with a process will go to the County Board at the Resource Management and Administration Committee meeting on April 13. If adopted by the Board, this process will fundamentally change the way budgets are done in Grand Traverse County and will require a new thought process concentrating on programmatic cost as opposed to departmental cost. More to come on this in the near future.

■ **Labor Negotiations** - Labor negotiations continue to move forward. Human Resources Director Jennifer Seman and I, along with department heads, elected officials, and judges, have been meeting with labor unions and have settled the majority of the contracts. Contract negotiations still remain with the Circuit Court Association, Circuit Court Supervisors, Sergeants, and will soon begin with the Sheriff's Deputies. In addition, we are in the final stages of negotiations with Corrections Deputies and hope to have that contract ready soon. Employees have been understanding of the economic conditions that we currently face and realize that resources are limited at this time. I would characterize these negotiations as cooperative and respectful.

■ **Septage Treatment Plant Settlement** - On Wednesday, the County Board of Commissioners took up the issue of the Septage Treatment Plant settlement. This was probably one of the most difficult decisions that the Board has faced in the 10 years that I've been here. Critics of the settlement offer suggested that the Board of Public Works could do much better and get significantly more than the \$725,000 negotiated by the mediation team. The Board voted 7 to 2 to approve the settlement offer. In summary, the number that was settled was a number that was provided by the mediator who reviewed the full case and suggested this settlement to be reasonable. The County took into account the cost of moving forward with a full litigation, the difficulty and complexity of this case - especially if it went before a jury, and the risk of being unsuccessful in litigation. I believe they made the right decision, and now we can move forward and concentrate on expanding waste flow, reducing costs, and refinancing in 2013.

■ **Dams** - Deconstruction of the dams at Brown Bridge, Sabin, and Boardman and the reconstruction of the Union Street Dam continue to make progress. Most recently, the Implementation Team was awarded \$1,000,000 from the Great Lakes Fisheries Trust, which will allow the design for removal of the Brown Bridge Dam. We currently have more than \$4,000,000 in grant applications pending, and at this point, have secured over \$3,000,000 in grants for this project. The project is getting a lot of interest statewide and, in some cases, nationally. Recently, the Implementation Team went through a quality-based selection process to pick an engineering team for the whole project. A tentative decision to award the project to a team led by MacTec was approved and negotiations with that firm are currently underway. The intention is to begin engineering and design immediately upon signing of a contract. In addition, permit applications to draw down Brown Bridge and Sabin Ponds will take place in the very near future with a proposed draw down this fall and deconstruction to begin next spring.

■ **2011 Work Plan** - On Wednesday, the County Board of Commissioners approved their Work Plan for 2011. That plan can be viewed on the County web site -

[www.grandtraverse.org](http://www.grandtraverse.org) - on the Board of Commissioners section. Some of the major goals and Board priorities include reviewing and continuing the Health Services Building project, incentivizing departments to eliminate unnecessary spending, developing a 2-year revenue expenditure projection, evaluating result-based budgeting, and becoming more involved with state and federal officials to make County needs known.

In addition, the County Board pledged to monitor and communicate with the Board of Public Works on the development of appropriate business plans for the Septage Treatment Plant, assess the needs for a County housing program, reevaluate the structure of the Board of Public Works, and develop a more collaborative relationship with the Road Commission and work towards legislation to allow Road Commissioners to be elected or appointed by district.



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