



Administrator's Update 8/3/09

County Administration
400 Boardman Avenue
Traverse City, MI 49684
(231) 922-4780
Fax (231) 922-4427

Email: daloia@grandtraverse.org

2010 Budget Dean Bott, the Finance Director, and I continue to meet with departments to work on the 2010 budget, which is due to the Board in approximately 2 weeks. The budget requests totaled more than \$4,500,000 over estimated revenues. This is slightly higher than an average year. Ten new positions are requested. Dean and I have met with 75% of the departments at this point in time to go over their budget requests and will spend the next 2 weeks finishing those meetings up and recommending a budget for the County Board for the Ways & Means meeting in August. Departments have generally been very understanding and cooperative of the economic situation that exists and have been of great assistance to us as we try to pare this budget down to an acceptable level. In these hard economic times, it's important that we try to find ways to hold the line wherever possible.

Jail This past week, I met with John Sych, our County Planner, Sheriff Bensley, Jail Administrator Bob Hall, and Deputy Administrator Buck Monroe, along with a jail consultant, to discuss generally the status of our jail as it relates to the Capital Improvement Program. For the first 6 or 7 years that I was here, jail design, construction, and expansion was a central topic with the County Board of Commissioners and the Sheriff. In 2005, the County spent approximately \$2,000,000 to add 42 beds to the jail. That was helpful, and since that time, jail populations have stabilized. We all know this is a temporary fact and that jail populations will likely increase soon. We are all in agreement that now is the time to renew the planning for meeting our jail needs in the next 3 to 5 years. We discussed locations of the jail on site here at the Boardman Campus and elsewhere and the feasibility of a multi-story jail and some of the costs associated with it. This was a very preliminary meeting, but we thought it was important to resurrect the issue since it is brought forward in the Capital Improvement Program plan as one of the main issues for us to deal with in the near future. Building a jail or expanding a jail will not be easy. The existing building is almost 50 years old and is in need of substantial renovation. Funding for a new jail would have to come from a millage. We have not been able to identify any further funds in the County that might be set aside for this purpose. A jail is expected to cost \$35,000,000 to \$45,000,000. That means we will most likely need to look to the public for millage to support a jail. The first step in that process is an education process to make the citizens aware of the situation that we currently have. We are hopeful that the fact that the joint Law Enforcement Center, the jail expansion, and the new court building, which totaled about \$12,000,000 were built without any additional tax dollars. This was a result of conservative budgeting by the commission over the years and the ability to use existing resources to support those expansions. We intend to resurrect this discussion with the County Board, most likely during the budget of 2010 for initial discussions.

Parks & Recreation Several weeks ago, the County Board approved a change in the staffing plan for the Parks & Recreation Department. There is a position in the Parks Department titled Chief Deputy, which Jason Jones held until he was appointed Director upon the resignation of Tim Schreiner. That position has been held open and now changed to Aquatics Director with the intention to hire someone to focus his/her attention on management of the pool. Applications have been taken and we received applications from across the county. The selection process is now underway, and we hope to interview candidates in the next week with a goal of having someone on board by the end of September. Having an Aquatics Director will free up much time that Jason now spends on pool issues, so that he can concentrate on the other 12 parks that the County has. The Parks Department works with a meager staff, which currently includes the Director, a secretary, an

intern, approximately 3 full-time lifeguards, approximately 25 part-time lifeguards, and 2 part-time caretakers at Twin Lakes. All lifeguards, of course, are dedicated to pool operation. That leaves almost no staff to manage all the other parks of the County including Twin Lakes.


✚ **Third Floor Remodeling** At the County Board meeting last week, the County Board approved the remodeling of the third floor of the Governmental Center. This is the final phase of the large remodeling program the County Board initiated in 2003. That remodeling included the above-mentioned projects, the new courthouse, the remodeling of the historic courthouse, expansion of the jail, and remodeling a new joint law enforcement center. The final phase of this project was remodeling the third floor of the Governmental Center, which previously housed the Friend of the Court while the historic courthouse was remodeled. The new remodeling will include expanded and enhanced facilities for Central Dispatch/911. This is very necessary in that they are in cramped, totally enclosed space with no window or appropriate room for this type of facility. In addition, offices will be moved on the rest of the floor and this includes moving County Administration and Human Resources up to the third floor as well. This will place most government support operations together on the third floor. The offices vacated on the second floor will be turned into a large training room to be used by City and County employees. This will give us a facility that will be considerably more appropriate as a training center. That space can later be used for future expansion when necessary. This project is expected to be completed sometime in the spring of 2010.


✚ **Board of Public Works Attorney Services** We continue to work on hiring Board of Public Works attorneys. The Board is looking at hiring two separate attorney firms. One will concentrate on sewer and water and the other will concentrate on solid waste issues. Separate Requests for Qualifications (RFQ's) were sent and separate interviews will be held. This does not rule out the possibility that the same firm may do both sets of work, but they will be selected individually. The first round of interviews for hiring a sewer and water attorney has been completed and that committee will be meeting very shortly to make a recommendation to the Board of Public Works. We anticipate having that attorney hired by the end of August. We are hopeful to have the solid waste attorney hired by the end of September. In addition, RFQ's are out for hiring an engineering firm to be an in-house consultant to the Board of Public Works. Those applications are due back at the end of August with the hope of having an engineer hired at the end of September as well.

✚ **Road Commission Equipment Lease Purchase Option** The County Board is working with the Road Commission to offer a lease purchase option for their purchase of Road Commission trucks and other equipment. The County will consider loaning the Road Commission the funds to purchase the equipment, which will free up money for more road construction, provide the Road Commission a lower interest rate than what they can get on the open market, and allow the necessary equipment to be purchased at this time. In all likelihood, this will be a 3-year lease purchase and will not harm any foregone investments by the County. Our intent is to charge the same interest that we would get for our investments, which will likely be 5 to 7 points cheaper than what they would get on the commercial market. In this manner, the Road Commission saves money and the County Board remains whole.


✚ **Bond Rating** Finally, this past month, the County sold refinanced bonds for the Pavilions. Part of a bonding process includes an analysis by the rating agencies in New York - Standard & Poor's and Moody's Investors Services. At each bond sale, those agencies have extensive interviews with our Finance staff including Dean Bott, Finance Director, and Bill Rokos, our Treasurer. Initially, we were concerned, with the economic conditions in Michigan and in this area, that while the timing would save money for taxpayers, the rating evaluation could hurt our bond rating. When a bond rating is lowered, it is very difficult to get it increased. I am very pleased to say that while Moody's allowed our bond rating to remain the same, Standard & Poor's actually raised our bond ratings. From what we are told, this is one of the few municipalities in Michigan that has seen a bond rating

increase in the state in these hard economic times. This is a tribute to the County Board and the staff of the County for being a financially stable municipality that meets all of the operational and management requirements expected by the bond rating agencies to keep such a high standard. Our new bond rating is AA. I am pleased to say this resulted in an increase in savings in the refinancing. While we anticipated a savings of about \$530,000, the actual savings came in at almost \$900,000, saving taxpayers an additional \$370,000. Special thanks to Dean Bott and his staff and Bill Rokos and his staff for all the good financial management that they provide.

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In addition, meetings are broadcast live on government channel 99. The meetings are rebroadcast the following Sunday beginning at 1:00 p.m. Meetings not held in the Commission Chambers may be included in the Sunday rebroadcast.

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