

**County of Ottawa
Grand Haven, Michigan**

2015 Budget



2015 BUDGET
for
OTTAWA COUNTY
GRAND HAVEN, MICHIGAN
www.miottawa.org

2014 BOARD OF COMMISSIONERS
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THE FISCAL SERVICES DEPARTMENT

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page Number</u>
Letter of Transmittal	7
Distinguished Budget Presentation Award	21
Organizational Chart	23
<u>USER'S REFERENCE GUIDE</u>	
Document Guide	25
Budget Calendar	33
Impact of County Financial Policies on the Budget	34
Property Tax/Levies	36
County Personnel Additions	39
Services Provided by the County Tax Dollar	40
Financial Outlook and Strategic Planning	40
<u>SUMMARY INFORMATION</u>	
Governmental Funds Overview	80
2015 Budget Summary - All Governmental Funds	83
Summary by Fund for 2013, 2014, and 2015	84
2015 Budget Summary - Other Funds	112
2015 Budget Summary - Component Unit	113
<u>REVENUE SOURCES</u>	67
<u>GENERAL FUND</u>	
Fund Description	115
Revenue Graphic	115
Expenditure Graphic	116
Departmental Summary of Revenues	117
Departmental Summary of Expenditures	119
<u>Expenditure Type</u>	
Legislative	122
Judicial	125
General Government	143
Public Safety	196
Public Works	219
Health and Welfare	221
Community and Economic Development	227
Other	234
Operating Transfers Out	238

TABLE OF CONTENTS

<u>SPECIAL REVENUE FUNDS</u>	<u>Fund Number</u>	<u>Page Number</u>
Fund Descriptions		241
Summary of Special Revenue Funds		244
Parks and Recreation	2081	245
Friend of the Court	2160	258
9/30 Judicial Grants	2170	250
Other Governmental Grants	2180	251
Health	2210	252
Administration/Epidemiology Division		255
Public Health Preparedness		256
Environmental Health Division		259
Public Health Services Division - Community Health		263
Public Health Services Division – Clinic		266
Health Promotion Division		270
Mental Health	2220	274
Developmentally Disabled Division		274
Other Populations		278
Mentally Ill Adult Division		279
Mentally Ill Child Division		280
Administration Division		281
Substance Abuse Disorder	2225	283
Solid Waste Clean-Up	2271	284
Landfill Tipping Fees	2272	285
Transportation System	2320	288
Farmland Preservation	2340	289
Brownfield Redevelopment	2430	290
Infrastructure	2444	291
Public Improvement Fund	2450	292
Homestead Property Tax	2550	293
Register of Deeds Automation Fund	2560	294
Stabilization	2570	295
Prosecuting Attorney Grants	2601	296
Sheriff Grant Programs	2609	297
Sheriff Contracts	2610	298
Sheriff Grants & Contracts	2630	299
Sheriff Road Patrol	2661	300
Law Library	2690	301
Workforce Investment Act - Administration	2740	302
Workforce Investment Act - Youth	2741	302
Workforce Investment Act - Adult	2742	303
Workforce Investment Act - 6/30 Grant Programs	2743	303
Workforce Investment Act - 12/31 Grant Programs	2744	304
Michigan Works	2745	305
Community Action Agency	2746	305

TABLE OF CONTENTS

<u>SPECIAL REVENUE FUNDS (continued)</u>	<u>Fund Number</u>	<u>Page Number</u>
Workforce Investment Act - 9/30 Grant Programs	2748	314
Workforce Investment Act - 3/31 Grant Programs	2749	315
Grant Programs - Pass Thru	2750	315
Emergency Feeding	2800	316
Federal Emergency Management Agency	2810	316
Community Corrections	2850	317
Revenue Sharing Reserve	2855	318
Community Action Agency (9/30 Fund)	2870	319
Weatherization	2890	319
Department of Human Services	2901	320
Child Care – Circuit Court	2920	321
Child Care - Social Services	2921	324
Veterans Trust	2941	325
DB/DC Conversion	2970	326
Compensated Absences	2980	327
 <u>DEBT SERVICE FUNDS</u>		
Ottawa County Building Authority	3513-3517	329
County Debt Information		330
Schedule of Debt Service Requirements		333
 <u>CAPITAL PROJECTS FUNDS</u>		
Qualified Energy Conservation Bonds	4010	334
Capital Improvement Fund	4020	335
Capital Construction Projects (narrative)		336
Schedule of Capital Construction Projects – Construction Costs & Annual Operating Costs		342
Capital Equipment Projects		341
 <u>PERMANENT FUNDS</u>		
Cemetery Trust	1500	345

TABLE OF CONTENTS

APPENDIX

Resolution to approve 2015 Operating Budget	347
2015 Budget Summary by Fund-All Governmental Funds	349
Financing Tools Projections	359
History of Positions by Fund	367
Community Profile	371
County of Ottawa Budget Related Financial Policies	384
Glossary of Acronyms	439
Glossary of Budget and Finance Terms	450



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September 9, 2014

Chair Holtrop and Board of Commissioners:

Detailed herein are the 2015 Operating Budgets as proposed by the Finance and Administration Committee in accordance with Public Act 621 of 1978 (Uniform Budget and Accounting Act). Section I is comprised of this letter detailing significant issues within the 2015 Budget as well as a resolution to approve the 2015 Operating Budget. Section II provides summary information and detail by fund of the 2015 Budget by source and activity. Section III includes fund descriptions, a General Fund summary by department, and summaries for all other funds. Section IV contains the majority of the information required to be presented under Public Act 621 and summarizes each fund's prior year actual, current year amended budget, and recommended 2015 Budget. Section V reports the 2015 personnel requests and recommendations. Section VI details the 2015-2020 Capital Improvement Plan.

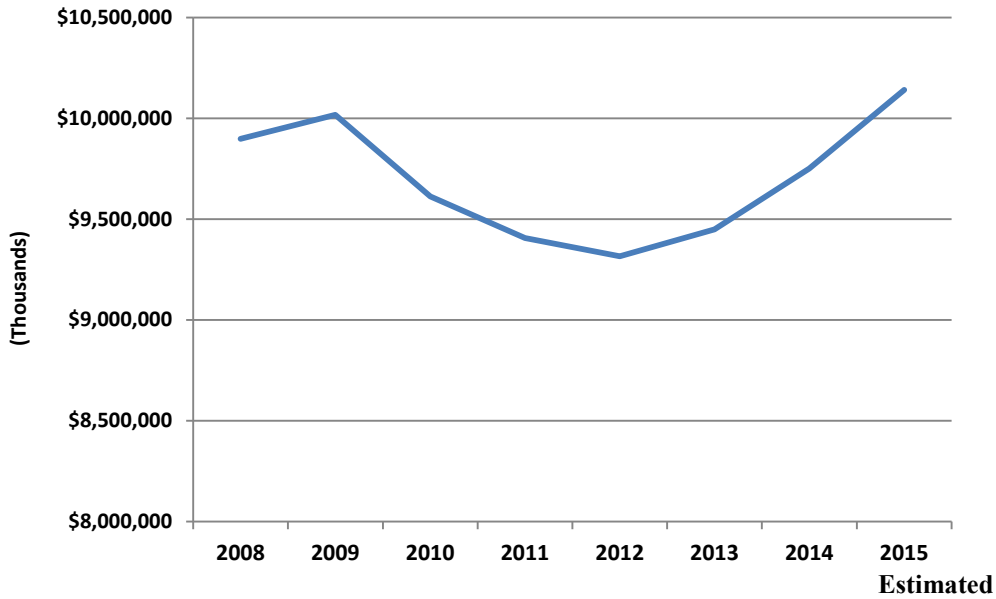
FINANCIAL ISSUES

The County believes with the passing of Proposal 1 and the creation of a statewide authority for the purpose of collecting Use Tax revenue from the State and paying it out to the local governments along with the recovery of property values brings a positive financial outlook.

Revenues: Several of the County's revenues are improving. The County's unemployment is currently lower than the state as well as the national average. These indicators directly and indirectly impact not only the tax base, but other economy driven revenues as well.

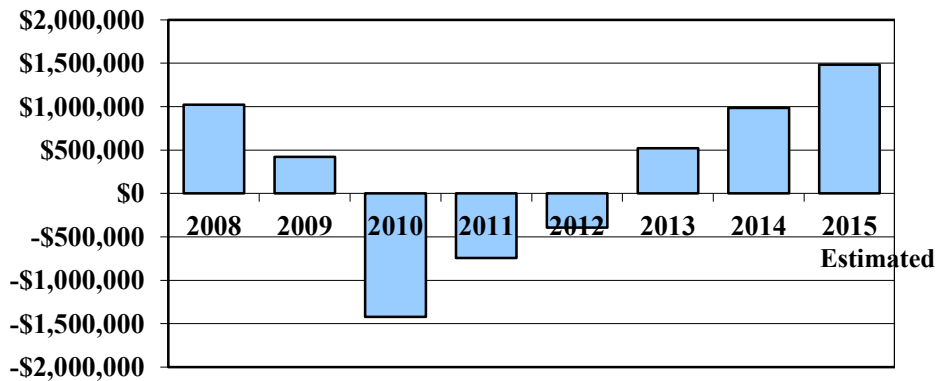
Tax Base: After three years of growth, fiscal year 2015 represents the first year that taxable values will exceed the pre-great recession values of 2009. With an estimated 4% increase in 2015, taxable value will exceed the 2009 values by 1.2%.

Ottawa County Taxable Value



This is a significant mark of recovery for Ottawa County and a welcome indicator to support the demand for services. Tax revenue is projected to increase almost \$1.5 million in 2015.

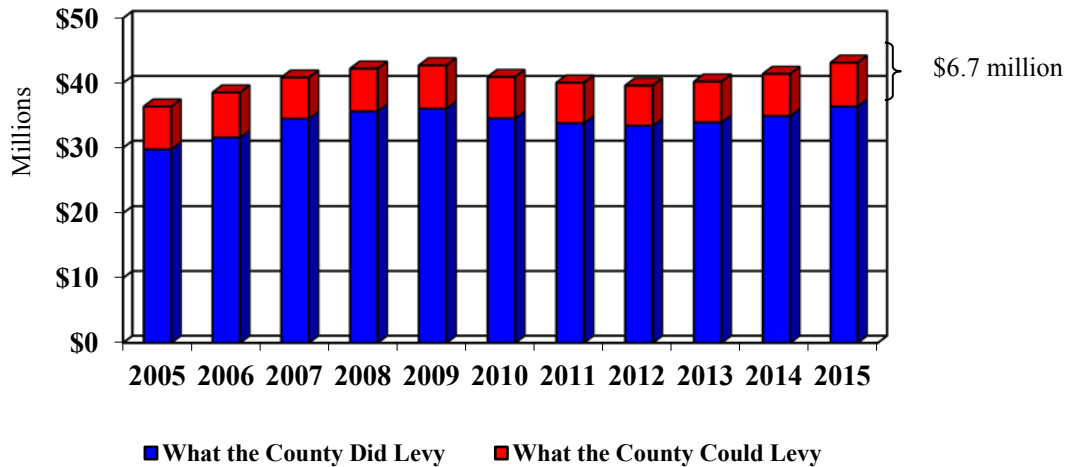
Ottawa County Change in Operating Tax Revenue



Property Tax Revenue and the Citizen Tax Burden: The County remains sensitive to taxpayer contributions. Ottawa County has a maximum tax limit of approximately 4.2650 mills for 2015 County operations. The Board of Commissioners has chosen to continue to levy the lower amount of 3.6 mills, well below its legal maximum levy, for 2015 operations. **Specifically, the difference in the levy from the maximum of 4.2650 mills to 3.6000 mills represents a 16% savings to the taxpayers.** This is the eighteenth consecutive year that the County has levied less than the maximum.

The following graph shows a history of the maximum allowable millage rate for County operations versus the actual levy for budget years 2005 - 2015:

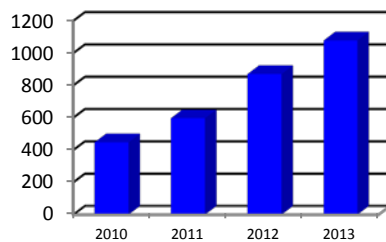
Maximum Allowable Levy vs. Actual Levy



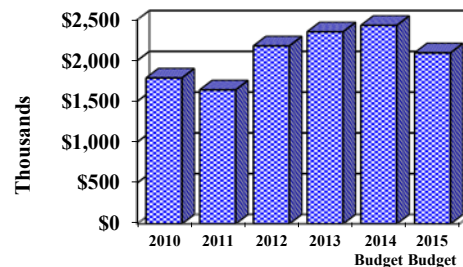
New Legislation Impacting Personal Property Taxes: As mentioned above the passing of Proposal 14-1 Public Act 80 includes a number of personal property tax reforms enacted in 2012 reducing taxes on business while protecting local governments from revenue losses. Public Act 80 reimburses local governments and School Aid Fund for revenue lost in phasing out most of the Personal Property Tax by redirecting a portion of the money collected from the state use tax to create a new local tax (the local community stabilization tax) and create a statewide taxing authority to administer the new tax. Proposal 1 did not raise taxes and provides a projected saving to the general fund in the amount of \$2.6 million.

Economy Related revenue: The estimated increase in taxable value is not consistent across all property related revenues. A significant portion of County revenue comes from the Register of Deeds office for fees associated with the recordation of deeds, both for mortgage refinancing and new construction. Although there has been an increase in Residential and non-residential new construction building permits, refinancing activity has declined. Recording fees are projected to be lower than budget in 2014 and 2015 estimates were updated to reflect the trend.

Residential Building Permits



Register of Deeds Revenue

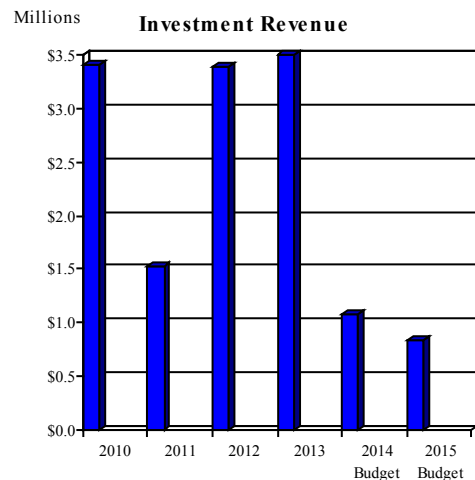


State and Federal Funding: Governor Rick Snyder’s budget includes State Revenue sharing payments equal to what they were when he first took office. This represents a \$939,713 increase from 2014 adopted budget. The County intends to comply with all State requirements established by the County Incentive Program (CIP) to receive the maximum revenue sharing available.

Mental Health: Starting April 1, 2014 the State of Michigan implemented Healthy Michigan. This plan provides health care to individuals who previously did not qualify for Medicaid and cannot afford health insurance under the Affordable Care Act. In 2015, the first full-year of implementation, the program adds \$956,664 and reduces State General Fund payments by \$1,470,530.

Investment Revenue: Interest revenue includes realized and unrealized capital gains and losses reported through a change in fair value as well as actual interest received. The County's investment portfolio is laddered over a 5 to 7 year period with an average maturity just over 3 years. By laddering the portfolio, the changes in interest rates are averaged while providing opportunity for swings in fair market value. It is important to note that although the fair value has fallen, the County intends to hold these investments to maturity; therefore, the fair market losses are not expected to be realized.

As indicated in the graph to the right, investment revenue can vary significantly. The County is limited by the State of Michigan in its choice of investment vehicles and anticipates average return rates to remain low. Also, because interest rates have remained low for such an extended period, longer term investments that were at higher rates have matured and have been reinvested at lower rates.



One-time Dollars: County financial policies stress the importance of matching operating revenues to operating expenditures. To counter-balance the conservative approach to estimating revenues without eliminating programs, the 2015 budget includes a \$500,000 transfer from the Ottawa County Insurance Authority. The County has budgeted the same amount in prior years, but the last time dollars were actually transferred was fiscal year 2005. At 12/31/13, the Insurance Authority’s net position was \$21.2 million. The County contributed money to start the Authority in 1990, and the balance of that contribution is \$4.7 million.

Expenditures: Like most organizations, the County faces continued increases in expenditures, and, over time, these increases can negatively impact the provision of services. Since approximately 60% of General Fund expenditures are funded with property tax, increases in expenditures should also approximate the change in taxable value.

Wages: Increases are a combination of annual step increases (per pay scale) and negotiated cost of living adjustments. Additionally, a wage and classification study will be completed in the fall of 2014, to be effective January 1, 2015.

In 2015, 4.50 full-time equivalents (FTE) were added to the budget. A Communication Specialist that has been previously shared between Administration (.5 FTE) and Parks Fund (.5 FTE) was upgraded to a full-time position in both departments. A Human Resource Specialist (1 FTE) was added to support benefit administration due to health care reform and employee training. County Administration was increased by a .5 FTE clerical position to support the 4C Strategic Initiatives program. An Application Specialist II was added to Innovation and Technology Department as a result of the 2012 Plante Moran IT Study. And, to support a contract between the Sheriff, Intermediate School District, and the Child Care Fund, a Deputy was added to manage truancy matters.

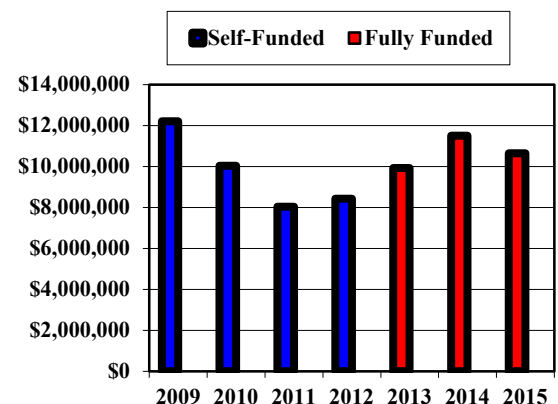
Beginning in 2010 a number of elected officials/departments agreed to temporarily leave an approved position vacant. All of the following General Fund positions will continue to be held vacant with the 2015 budget:

Elected Official/Department	Position	Full Time Equivalent	Cost (2010)	Comments
Prosecutor	Assistant Prosecuting Attorney I	1.00	\$88,700	Vacancy began in 2009
Fiscal Services	Accountant I	.50	\$37,368	Vacancy began in 2010
Treasurer	Clerical	1.00	\$57,840	Vacancy began in 2010
Sheriff – Auto Theft Grant	Road Patrol Deputy	1.00	\$87,559	Vacancy began in 2009
Sheriff - Road Patrol	Cadet (Part-time, unbenefited)	N/A	\$ 8,872	Vacancy began in 2009
Sheriff – Administration	2 Clerical (Part-time, Unbenefited)	N/A	\$19,233	Vacancy began in 2009

Fringe Benefits: The strategic plan directs the County to reduce the negative impact of rising employee benefit costs on the budget. Prior to 2011, the County self-insured health insurance costs. After putting it out for bid, the County saved money by changing to a fully insured plan through Priority Health, and the County has renewed their contract with them for 2015. During 2012, the County launched their health management initiative described as the “Know Your Numbers” campaign.

During 2013, the County launched the “Work Your Numbers” campaign. Employees who do not show improvement in any metrics outside of the plan threshold and who opt out of working with their doctor will be charged a noncompliance penalty on their health insurance. The revenue generated from these penalties will more than cover the \$175,000 budget for the health management program. Nevertheless, the graph to the right shows that 2015 budgeted costs are still lower than 2009. In fact, the costs in 2009 totaled \$12.2 million; the 2015 budget is \$10.6 million.

Ottawa County Health Care Costs



Other Post-Employment Benefits: The County implemented Governmental Accounting Standards Board Statement # 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, also known as OPEB, with the 2008 budget. Ottawa County has two sources of OPEB. Retirees of certain employee groups receive a credit of \$4-\$10 per month per year of service on their health insurance. In addition, the County allows retirees under age 65 to purchase health insurance at group blended rates. However, as of January 1, 2008, retirees over age 65 can only purchase insurance at the full actuarially determined cost, and the County no longer provides credits towards the premium. As a result, the County’s OPEB unfunded accrued actuarial liability on January 1, 2105 was just \$596,839. The annual required contribution (ARC) included in the 2015 budget is \$230,287.

Defined Benefit Retirement Plan: The County is a member of Michigan Employment Retirement System (MERS), an independent non-profit organization, to manage the retirement plan. As of April 2013, all new employees (except Judges) hired by the County participate in a defined contribution plan. The defined benefit plan is closed to new employees. Knowing there would be a near term increase during the transition to the defined contribution plan, the County set aside funds in separate fund (DB-DC Financing Tool).

When a defined benefit plan closes, MERS policy is to reduce the amortization period of the unfunded accrued liability by two years each year, increasing the annual required contribution. At the same time, the annual required contribution is expressed as a monthly payment, instead of a percent of active enrollment making it difficult to budget.

The 2014 rates were estimated too low and the shortage was funded from the DB-DC Financing Tool. As a result, the 2015 rates reflect a higher than would otherwise be necessary increase. The General Fund increase is 18% which translates to a \$541,000 increase.

Unfunded Mandates: Unfunded mandates are state or federal legal requirements, which result in service and financial obligations on local governments without corresponding revenue. The concern over unfunded mandates is identified in the County’s Strategic Plan and continues to be monitored as new legislation is considered.

Fund Balance/Net Position: Ottawa County has a long standing history managing annual operating costs with current year revenues and 2015 is consistent with this philosophy.

Fund Type	Total Equity 2011	Total Equity 2012	Total Equity 2013	Amended Budget 2014	Proposed Budget 2015
General Fund	\$ 21,244,490	\$ 20,347,872	\$ 20,995,416	\$ 19,580,780	\$ 18,554,718
Special Revenue Funds	32,575,283	33,466,087	35,654,185	28,189,923	28,051,383
Capital Project Fund	-	-	3,162,866	3,985,498	1,463,149
Delinquent Tax					
Revolving Fund	24,023,477	24,009,202	23,749,935	22,629,289	20,832,551
Permanent Funds	5,770	5,814	5,837	5,860	5,883
Internal Service Funds	34,045,916	36,898,377	40,058,694	40,002,578	39,721,096
Total Equity	\$ 111,894,936	\$ 114,727,352	\$ 123,626,933	\$ 114,393,928	\$ 108,628,780

General Fund: Each year the County appropriates assigned fund balance (fund balance set aside from previous years savings) to accommodate department and elected officials under-spending appropriations. The remaining use of fund balance is for programs/projects that the Board has committed previous savings to accomplish or restrict funds (like donations).

Special Revenue Fund: The decline in reserve between 2013 and 2014 is two main factors; the Public Improvement Fund with a fund balance of \$3.9 million was closed to the Capital Project Fund and Parks and Recreation is using \$2.6 million of fund balance because projects funded by a previous millage roll over until complete.

The decline of \$138,540 between the amended 2014 budget and 2015 proposed budget is mainly the result of three funds. Parks and Recreation is expected to add \$426,682 to reserve for future projects. The Solid Waste Cleanup fund is expected to use \$275,353 of fund balance in connection with on-going monitoring at the landfill. The Health fund is spending \$200,000 in reserve; the fund is subsidized by the General Fund and therefore retains minimal fund balance.

Capital Projects Fund: This fund was created from the reserves of the Public Improvement Fund (2450) which will be closed as of 12/31/14 to account for 2015 planned capital projects.

As planned, net position in the Delinquent Tax Revolving Fund (DTRF) is decreasing. To be conservative the County does not include new foreclosures in the revenue estimates and multiple bond payments and an operating transfer to the General Fund are paid from the fund. Consequently, net position is expected to decrease through 2017, after which one of the larger bond issues will be paid off.

Net position in the Internal Service Funds is expected to stay steady.

Fund Balance as a Percentage of Expenditures:

	2015 Budgeted Expenditures	Estimated Equity	Equity as a % of Expenditures
General Fund	\$69,560,969	\$18,554,718	26.7%

It is the County of Ottawa’s policy to maintain an unassigned fund balance in the General Fund of not less than 10% and not more than 15% of the most recently audited General Fund expenditures and transfers out. The proposed budget maintains the maximum 15% unassigned fund balance and the remaining 11.7% is non-spendable (inventory), restricted (donation), committed (Board initiatives), or assigned fund balance.

Financing Tools

Long-term financial planning is addressed extensively in the County's Strategic Plan. The County Board adopted fiscal policies and procedures, which specifically address the County's long-term financial needs through various Financing Tools, which partially provide alternative funding sources.

The following funds are budgeted as Special Revenue funds, but consolidated with the General Fund for reporting purposes:

- Solid Waste Clean-up Fund (2271) is continuing to pay on-going monitoring cost at the Southwest Ottawa Landfill in 2014 (\$281,481). Estimated equity at 12/31/15 - \$3,785,320.
- Infrastructure Fund (2444) had been established to loan funds to municipalities for infrastructure development. The loans made since inception total \$2,155,000. Currently, the fund is also contributing \$125,000 per year toward the Fillmore expansion/Grand Haven building project for debt service payments. These payments will continue through 2027. Estimated equity at 12/31/15 – \$1,554,136
- Stabilization Fund (2570) is providing the General Fund with approximately \$40,000 in interest earnings. In addition, the fund provides additional flexibility to deal with unexpected occurrences that have the potential to negatively impact finances. Estimated equity at 12/31/15 - \$9,041,610
- DB/DC Conversion Fund (2970) was established to partially fund the near-term increase in retirement funding as a result of closing the defined benefit retirement plan. Estimated equity at 12/31/15 - \$4,663,654.
- Compensated Absences (2980) was established to pay for the County’s accrued liability which resulted from discontinuing the accumulation and payoff of employee sick days. Estimated equity at 12/31/15 - \$3,401,216.

BUDGET SUMMARY

The 2014 budget reflects the on-going implementation and refinement of the action plans addressed in the Ottawa County Strategic Plan. The fluctuations between the 2014 amended and 2015 budgets are discussed below.

Comparison of Revenues for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Permanent Fund - Primary Government

Source	2014 Amended Budget	2014 Percent of Total	2015 Proposed Budget	2015 Percent of Total	Percent Increase (Decrease)
Taxes	\$ 42,193,404	26.1%	\$ 43,882,776	29.1%	4.0%
Intergovernmental Revenue	75,426,395	46.7%	67,557,514	44.8%	-10.4%
Charges for Services	15,494,802	9.6%	16,036,172	10.6%	3.5%
Fines and Forfeits	84,200	0.1%	79,400	0.1%	-5.7%
Interest on Investments	309,869	0.2%	122,810	0.1%	-60.4%
Rental Income	5,305,467	3.3%	4,701,441	3.1%	-11.4%
Licenses and Permits	1,135,850	0.7%	1,134,423	0.8%	-0.1%
Other Revenue	2,693,922	1.7%	2,067,050	1.4%	-23.3%
Operating Transfers In	11,260,860	7.0%	11,527,218	7.6%	2.4%
Bond Proceeds	-	0.0%	-	0.0%	N/A
Fund Balance Use/(Contribution)	8,056,243	5.0%	3,686,928	2.4%	-54.2%
Total Revenues	\$ 161,961,012	100.4%	\$ 150,795,732	100.0%	-6.9%

Taxes serve as the primary revenue source for the General Fund, E-911, and Parks and Recreation Fund. The 2014 tax revenue budget includes levies for the following purposes:

	<u>Millage for 2014 Budget</u>
General Operations	3.6000
E-911	.4400
Parks and Recreation	<u>.3165</u>
	4.3565

As discussed earlier, the County is choosing to levy 3.6 mills rather than its maximum allowable. The County is estimating a 4% increase in taxable value in 2015. However, the E-911 and Parks tax revenue are based on the 2014 taxable value which increased by 3%.

Intergovernmental Revenue represents 44.84% of the Governmental funds revenue budget and is decreasing. Fluctuations by fund are listed below, with major changes outlined in the narrative that follows:

<u>Fund</u>	<u>Change over 2014</u>
General Fund	\$1,266,313
Parks & Recreation	(\$774,500)
Health	\$431,713
Friend of the Court	\$229,484
Substance User Disorder	\$1,141,857
Child Care Fund	\$352,680
Capital Project Fund	\$515,613
Workforce Investment Act (WIA) Funds/	(\$10,249,631)
Community Action Agency/Weatherization	(\$1,888,501)
Other	<u>\$1,106,091</u>
	<u>(\$7,868,881)</u>

In the General Fund, County Incentive Plan funding from the State (\$939,713) and the estimated increase in Convention and Facilities Tax (\$277,438) account for the increase in revenue. The Parks & Recreation Fund received a grant for the Macatawa Greenway Trail that is not reoccurring in 2015. Based on information from the State, the Health Fund is expecting to receive the final catch up payment for Medicaid Cost Settlement in 2015. Friend of the Court and the Child Care fund is increasing in tandem with expenditures. Grant funding pays a percentage of eligible expenditures. Substance Abuse Disorder is a new fund managed by Mental Health, through the Lakeshore Regional Partnership. In the 2015 Capital Improvement Plan, the Spoonville Trail project is funded partially from a grant.

In September of 2012, the Board approved a change in budgeting policy for Michigan Works and Community Action Agency (CAA) funds in that these funds will not be part of the annual budget process. Instead, budget adjustments will be made as grant awards come in. The rationale for the change is:

- No County general fund dollars go to Michigan Works or CAA; Michigan Works and CAA revenue sources are primarily grants.
- Due to year-ends that are different than the County year-end, up to three separate budgets may be required in a year, taking up significant staff time.

- Once grants are established, a budget amendment would take place that creates a budget on that specific grant. This is done for other grants the County receives during the budget year.

Consequently, there is nothing included in the 2015 adopted budget, as indicated above for these funds.

Charges for Services revenue is 10.6% of total revenue for 2015 and is increasing 3.5% or \$541,370. The main area of increase is in the General Fund. The District Court discovered and corrected how fees are distributed to County and local communities in 2014 and the increase is included in the 2015 estimates. Two new collaboration agreements for financial services support between the County and Local Units are reflected in the 2015 budget.

The 2015 budget does not include a reduction as a result of the Cunningham Case that determined Courts cannot assess operational cost as has been common practice for many years. We believe this matter will be resolved with legislation this year and therefore did not reduce the revenue estimate for 2015. The annual reduction is \$825,000 if this matter is not settled.

Licenses and Permits revenue is decreasing primarily due to decreases in the estimated number of Dog Licenses. Recent years showed higher revenue amounts based on a door to door census. After the catch up period, the number of licenses is expected to decline in 2015.

Rental Income is decreasing in the General Fund because the Probate & Jail complex is fully depreciated.

Fund Balance: Discussed early in the transmittal letter by fund type.

Comparison of Expenditures for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Permanent Fund - Primary Government

Use	2014 Amended Budget	2014 Percent of Total	2015 Proposed Budget	2015 Percent of Total	Percent Increase (Decrease)
Legislative	\$443,145	0.3%	\$464,823	0.3%	4.9%
Judicial	15,981,381	9.9%	16,830,487	11.2%	5.3%
General Government	17,054,249	10.5%	17,860,526	11.8%	4.7%
Public Safety	32,338,660	20.0%	33,920,600	22.5%	4.9%
Public Works	1,724,867	1.1%	986,818	0.7%	-42.8%
Health & Welfare	70,492,058	43.4%	59,468,407	39.3%	-15.6%
Culture & Recreation	7,003,385	4.3%	3,556,418	2.4%	-49.2%
Community & Economic Development	1,080,749	0.7%	1,040,907	0.7%	-3.7%
Other	367,398	0.2%	719,005	0.5%	95.7%
Capital Projects	2,661,328	1.6%	2,857,899	1.9%	7.4%
Debt Service	3,160,491	2.0%	3,137,624	2.1%	-0.7%
Operating Transfers Out	9,653,301	6.0%	9,952,218	6.6%	3.1%
Total Expenditures	\$161,961,012	100.0%	\$150,795,732	100.0%	-6.9%

Legislative expenditures are increasing by 4.9% or \$22,000 partly due to IT software and equipment for commissioners of \$12,000.

Judicial expenditures are increasing by 5.3% or \$849,000. As in all other areas, there is an increase in fringe benefits (health insurance and pension) and cost of living increases. Additionally, the District Court is funded to implement a new drug testing program that will reduce retesting and validation due to the improved accuracy of the initial testing.

General Government expenditures are increasing 4.7% or \$806,000. In spite of the increases the County also has many reductions such as a decrease in GIS of \$156,000 related to the aerial maps completion. A total of 2.0 FTE added (discussed earlier) were in General Government. Additionally, increases in health insurance, pension costs and cost of living contributed to the overall increase. Facilities maintenance rose by \$96,000 to provide higher level of janitorial service. In addition, carpeting and expanded conference space is planned for an estimated cost of \$59,000. Human Resources budget increased \$12,000 for drug and tobacco screening and \$19,500 for new-hire DISC and Emotional Quotient Inventory (EQi) Testing.

Public Safety expenditures, representing 22.5% of total expenditures, are increasing by 4.9%. Sheriff grants and contracts alone rose by \$899,000 or roughly 57% of the overall increase. The new community policing contract with the City of Ferrysburg/Village of Spring Lake added 8 FTE additional positions started July 1, 2014 and will continue in 2015. Supply costs for the General Fund Sheriff increased to \$105,000 due to increased vehicle needs and uniforms. The remaining increases are normal, inflationary increases for cost of living and fringe benefits.

Public Works expenditures are decreasing by 42.8% or \$738,049. In the General Fund a \$290,000 reduction is due to the \$300,000 Park West drain assessment included in 2014. Roughly \$445,446 in 2014 Public Improvement projects have no corresponding 2015 cost as that activity has been moved to the Capital Projects fund for 2015 presentation.

Health and Welfare expenditures, representing 39.3% of total expenditures is decreasing by 15.6% or \$11.024 million. As mentioned earlier Michigan Works and Community Action Agency's budget for 2015 is not included in this document. Unfortunately it skews the numbers and the actual change represents an increase of \$1,295,349. There was an increase in health insurance, retirement, and cost of living in all areas, offset by a staffing reduction in Community Mental Health (CMH). In addition, a new Substance Abuse program was added that will be managed by CMH through the Lakeshore Regional Partnership.

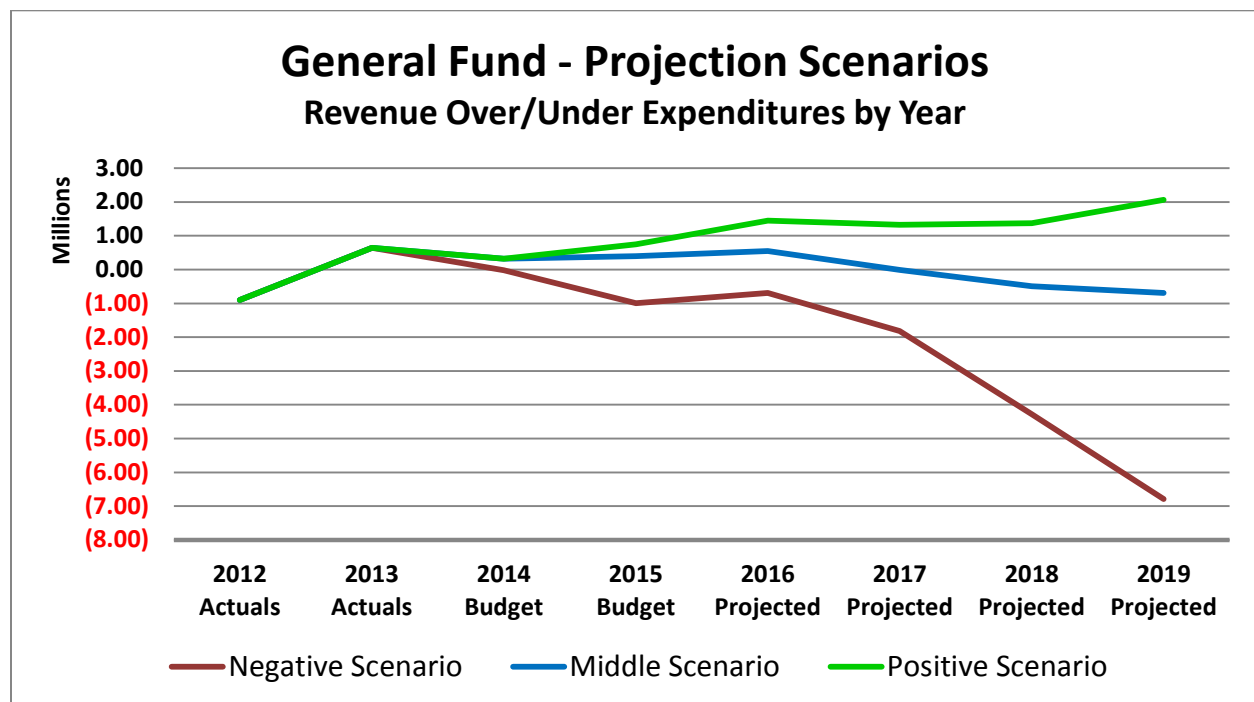
Culture and Recreation expenditures are recorded in the Parks and Recreation Fund (2081) and will vary depending on the land acquisition and capital improvement endeavors. The 2014 capital outlay estimate is \$4.246 million and includes \$1.510 million for the Macatawa Greenway project. In addition \$975,000 is included for the Grand River Ravines Development in 2014. The 2015 capital outlay budget is \$575,500 and includes \$475,500 for the Grand Ravines Phase 1 project.

GENERAL FUND FORECAST

For many years, the County of Ottawa has promoted the use of multi-year projections as a tool to prioritize immediate and long-range needs to maintain a stable financial outlook. Beginning with the 2015 budget year, the County has developed a new forecasting model that incorporates various scenarios to review the range of impact changing economic factors have on County operations.

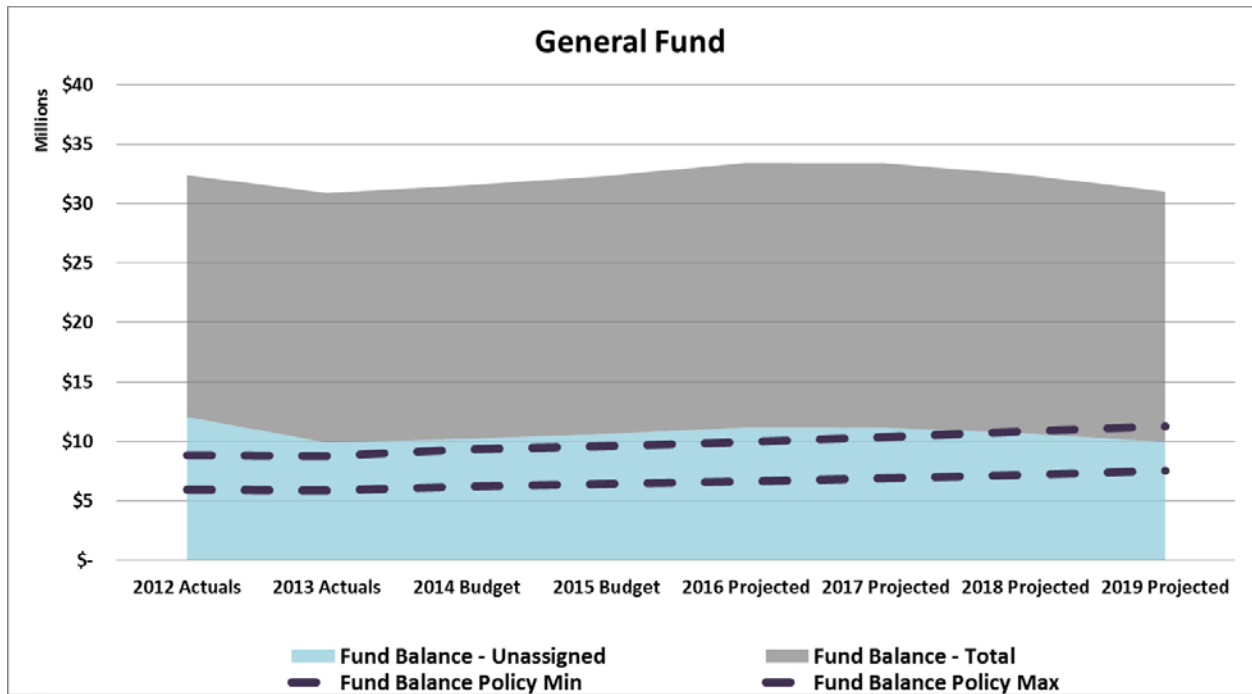
The purpose of developing the new forecasting model is threefold. The first advantage is that it creates a baseline for measuring the impact current budget decisions have during the projection period. For example, operating cost related to a capital improvement project can be added to the projection to estimate the impact on the County operations in various economic situations. The second advantage is that it allows for different scenarios to be tested in order to evaluate potential revenue and expenditure changes. Measuring the financial impact of a range of scenarios is useful in gauging the impact of sudden economic shifts. The third advantage is it creates a baseline of revenues, expenditures and fund balance to assess the County's fiscal health.

As a starting point this year, the County contracted with a local Economist to provide an in-depth analysis of the property value trends within Ottawa County which resulted in a taxable value forecast that provided a basis for various economic scenarios. The graph below depicts three scenarios (positive, middle, and negative) for the General Fund and the revenue over or under expenditures that resulted.



The following graph depicts the estimated fund balance of the General Fund for the middle scenario. Over the forecasted period, the unassigned fund balance remains within Ottawa County Fund Balance Policy limits.

The total fund balance for the General Fund (grey area) includes non-spendable items such as inventory; restricted items such as grants and donations; Board committed items such as aerial surveys, building improvements, and new initiative program. The forecast does not contemplate and increases or decreases to these designations.



CONCLUSION

Ottawa County's vision is *to be the location of choice for living, working, and recreation*. The mission states that *the County is committed to excellence and the delivery of cost-effective public services*. To accomplish the vision and mission of the County, long-term strategies and financial planning have been implemented for several years.

Ottawa County, through its Strategic Plan and financing tools, has placed itself at the forefront by creating long-term strategies to address space needs, provide for equipment replacement, resolve insurance issues, meet human resource needs, fund statutory mandates, and provide public service and quality of life for our citizens.

With financial forecasting and the creation of long-term financing tools, the County has positively impacted future financial decisions and the County's financial stability. These tools permit the County to reduce taxes to County residents, maintain the County's bond rating, and control costs to departments. Finances continue to be carefully balanced in order to maintain or improve the outstanding bond ratings that save significant taxpayer dollars when the County issues debt or when townships use the County bond ratings for water and sewer system bonds.

The County has continued to control expenditures through long range planning to ensure the fiscal stability of the County. With Ottawa County's fiscal restraint and long-term planning, the County will continue to maintain its financial strength and tradition of providing exemplary services to the public.

Sincerely,



Alan G. Vanderberg
County Administrator



Karen Karasinski, CPA
Fiscal Services Director

DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Ottawa County for its annual budget for the fiscal year ended December 31, 2014. This was the nineteenth year that the County has submitted and received this prestigious award.

In order to receive this award a governmental unit must publish a budget document that meets program criteria as a policy document, as an operational guide, as a financial plan, and as a communications medium.

The award is granted for a period of one year only. We believe our current budget continues to conform to the program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

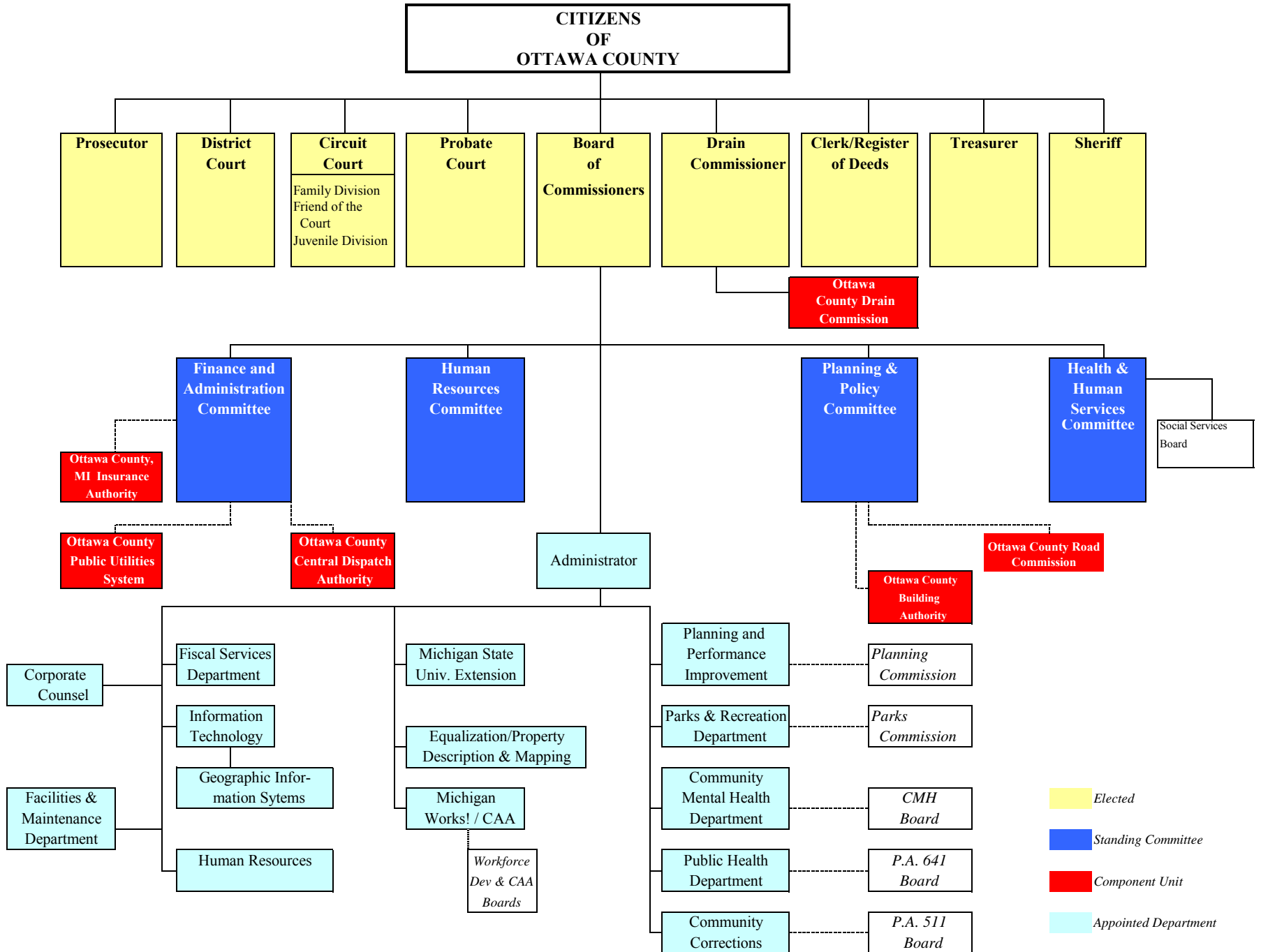
**Ottawa County
Michigan**

For the Fiscal Year Beginning

January 1, 2014

Executive Director

2015 ORGANIZATIONAL CHART



- Elected
- Standing Committee
- Component Unit
- Appointed Department