

2011 County of Otsego, Michigan Dashboard and Citizens Guide



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2011 County of Otsego, Michigan Dashboard



Fiscal Stability

	2010	2011	Progress
Annual general fund expenditures per capita	\$307.55	\$297.09	↑
Fund balance as a percent of annual general fund expenditures	15.80%	19.42%	↑
Unfunded other post employment benefits (OPEB) liability as a percent of annual general fund revenues	15.36%	18.07%	↓
Debt burden per capita	\$123.83	\$111.56	↑
Ratio of active employees to pensioners	1.92	1.75	↓
Number of services delivered via cooperative venture	3	3	↔
Number of Employees per 1,000 Residents	6.21	5.61	↑
Pension Funded at %	2009: 73%	2010: 73%	↔

KEY: Arrows represent the change from prior to current year; The color of the arrow represents if the change was positive (**GREEN**) or negative (**RED**). A double arrow represents no change (**NEUTRAL**)

Economic Strength

	2010	2011	Progress
Average Annual Unemployment	14.9%	12.4%	↑
	2009	2010	Progress
Estimated Median Household Income	\$42,831	\$43,601	↑
% in Poverty (all ages)	12.5%	12.8%	↓

Public Safety

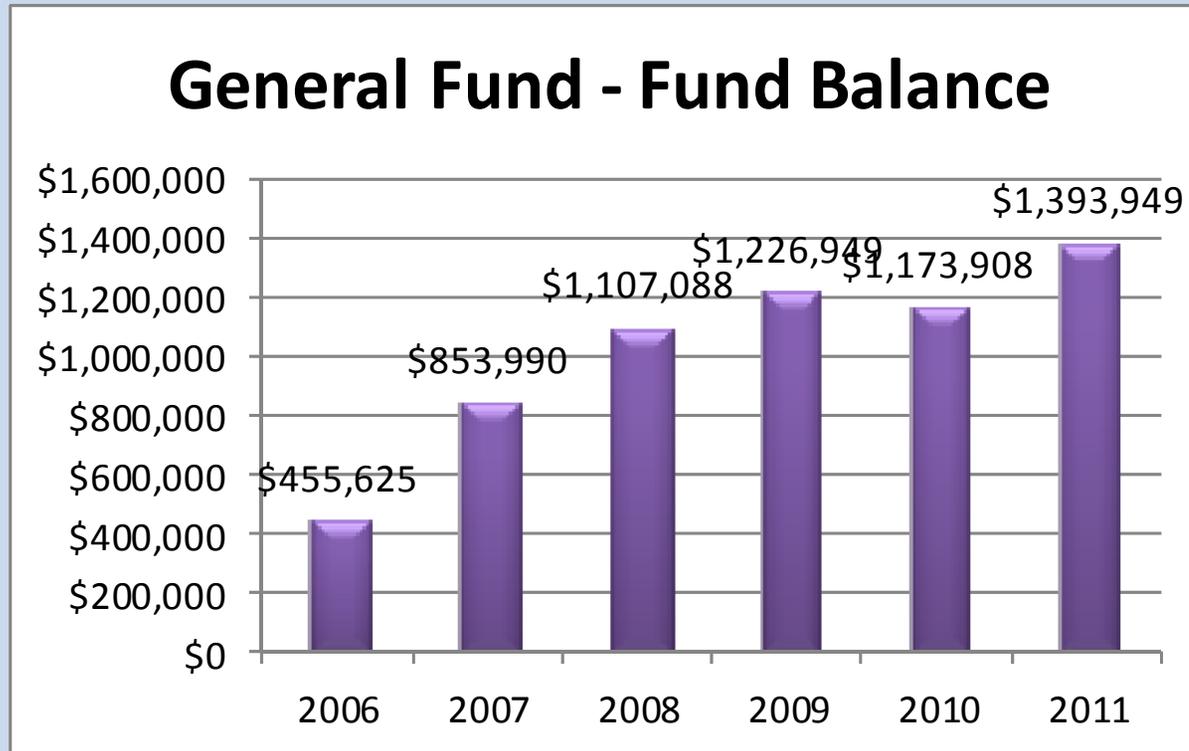
	2010	2011	Progress
Violent Crimes (Incidents) Source: MI Incident Crime Reporting	223	262	↓
Personal Property Crimes (Incidents) Source: MI Incident Crime Reporting	804	584	↑
Traffic Accidents Source: MI State Police, Traffic Crash Reporting System	700	825	↓

Quality of Life

	2010	2011	Progress
Number of Public Parks, Playgrounds, and Campgrounds	39	39	↔
Miles of Minimum 4-Foot Paved Shoulders	22	24.5	↑
Number of Golf Courses	21	21	↔
Miles of Groomed, Signed, Snowmobile Trails	93	93	↔

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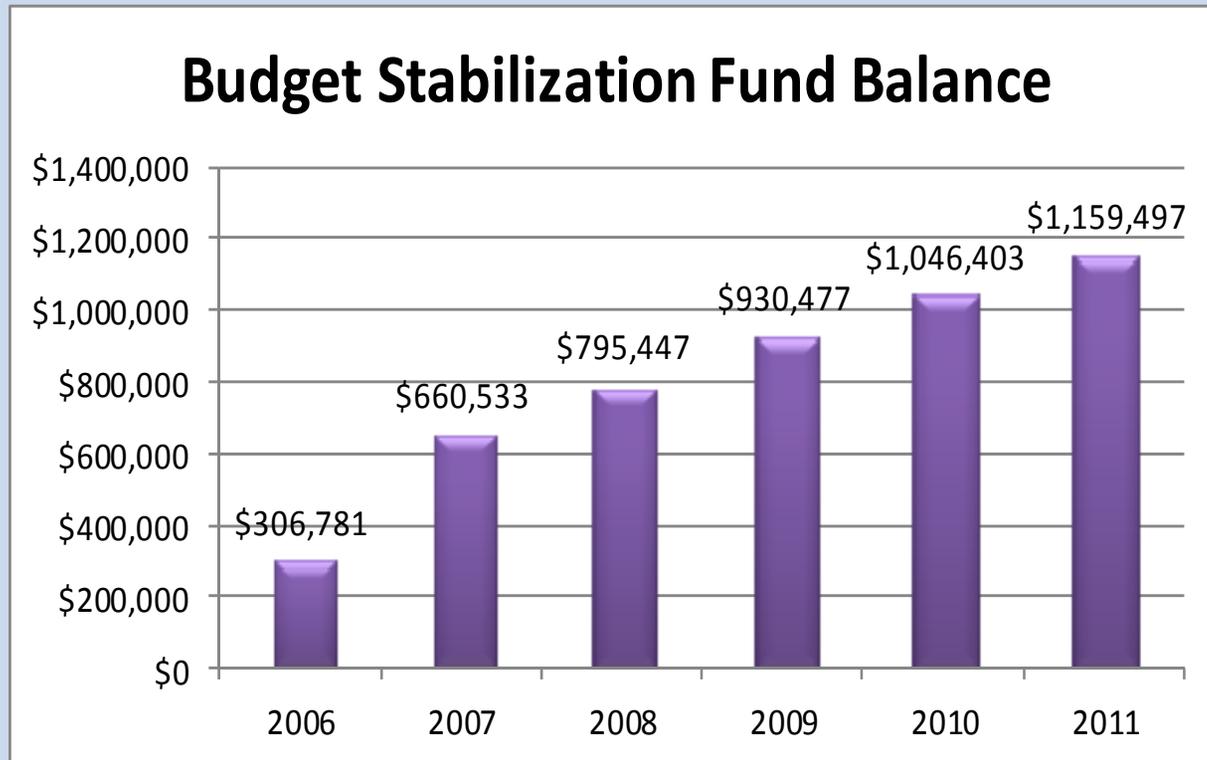
Fiscal Stability



The General Fund is the primary fund of the County used to account for all revenues and expenditures of the County that are not legally restricted as to use. The primary source of funding for the General Fund is property tax revenues. Other sources of funding include fees and charges, transfers, and grants. Additionally, the Fund Balance is needed to assist with cash flow as the County waits for property tax revenue to be collected in the fall each year.

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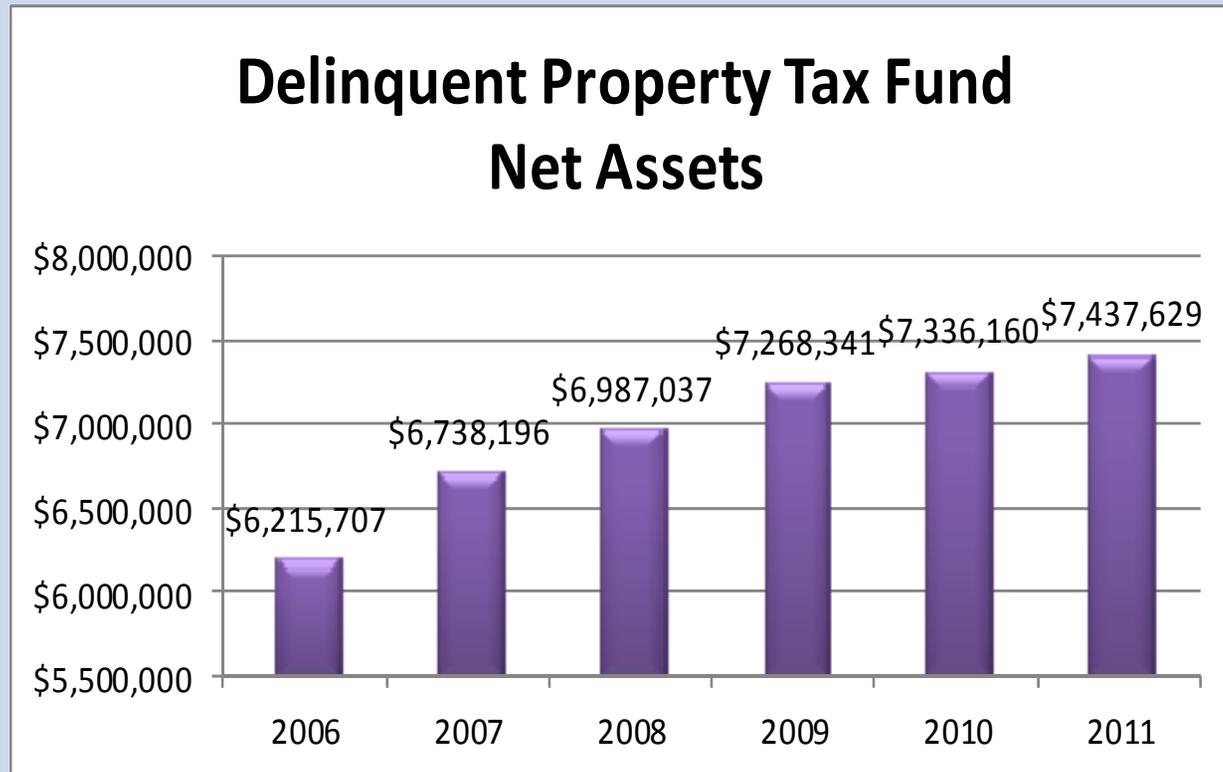
Fiscal Stability



By statute, the purpose of the Budget Stabilization Fund is to set aside monies to assist the County in keeping with current service levels during difficult budget times. The monies can be used as an allocation in the County General Fund to keep existing programs and service levels, but cannot be used to develop new programs, add staffing, fund capital projects, or purchase equipment. In the case of Otsego County, the funds are borrowed and repaid each year in order to help with cash flow while waiting for property tax revenues to be collected in the fall each year.

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Fiscal Stability

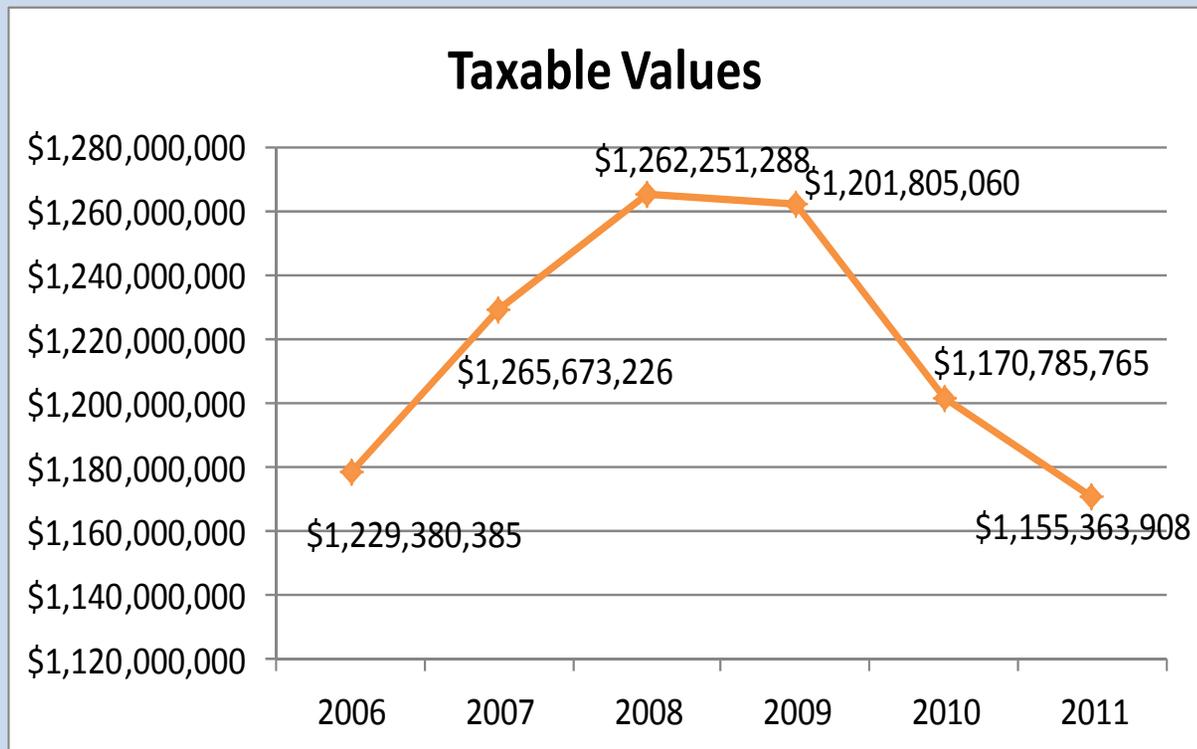


In March of each year, the County pays each taxing unit in the County, such as schools, townships, and other municipalities, the balance of their property tax levy so they are made whole, equaling approximately \$3 million per year. The County is then responsible for following up and collecting all delinquent real taxes plus interest and penalties. Without this fund, the County would have to borrow money annually to pay the local units their property tax levy.

A large portion of the Delinquent Tax Fund's net assets is made up of delinquent taxes receivable. Of the \$7,437,629 shown in 2011, only \$4,018,336.75 represents cash and investments. The majority of those dollars will be used to meet the cash flow needs for the \$3 million settlement payout each spring.

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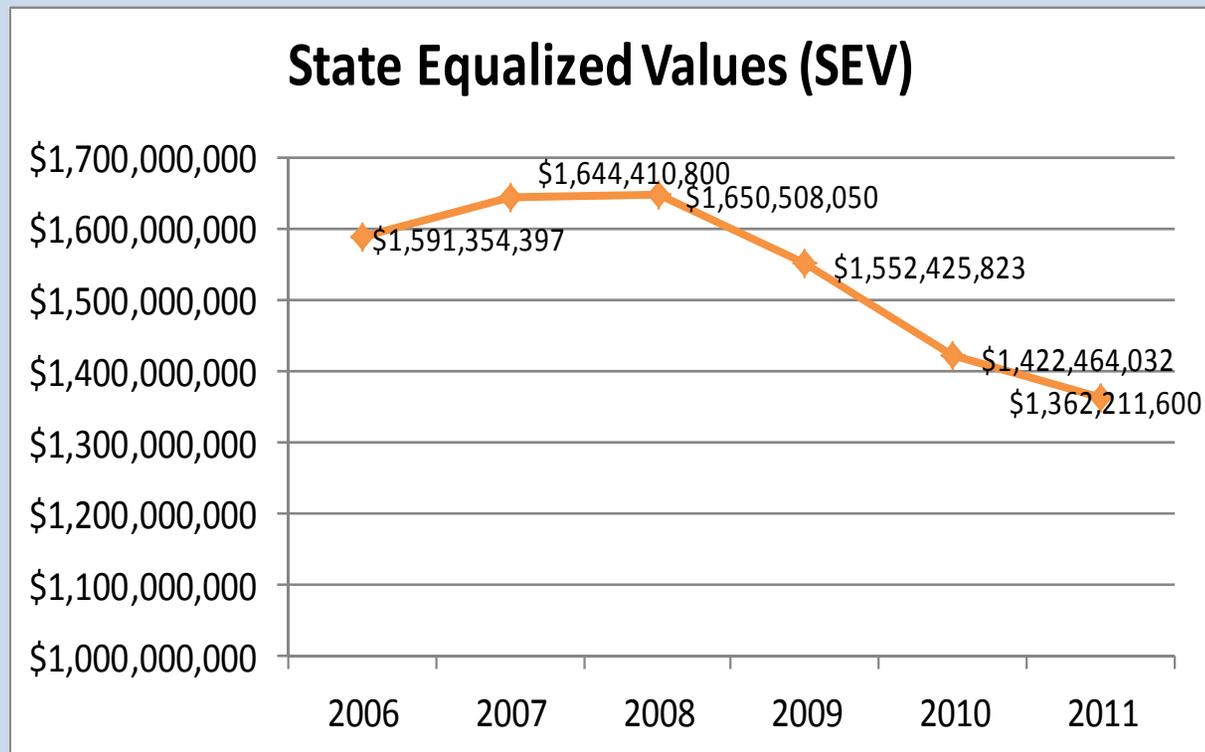
Fiscal Stability



Taxable Value is the value used to calculate property taxes. Property tax revenue equals the Taxable Value divided by \$1,000 and then multiplied by the millage rate, less TIFs (Tax Increment Financing).

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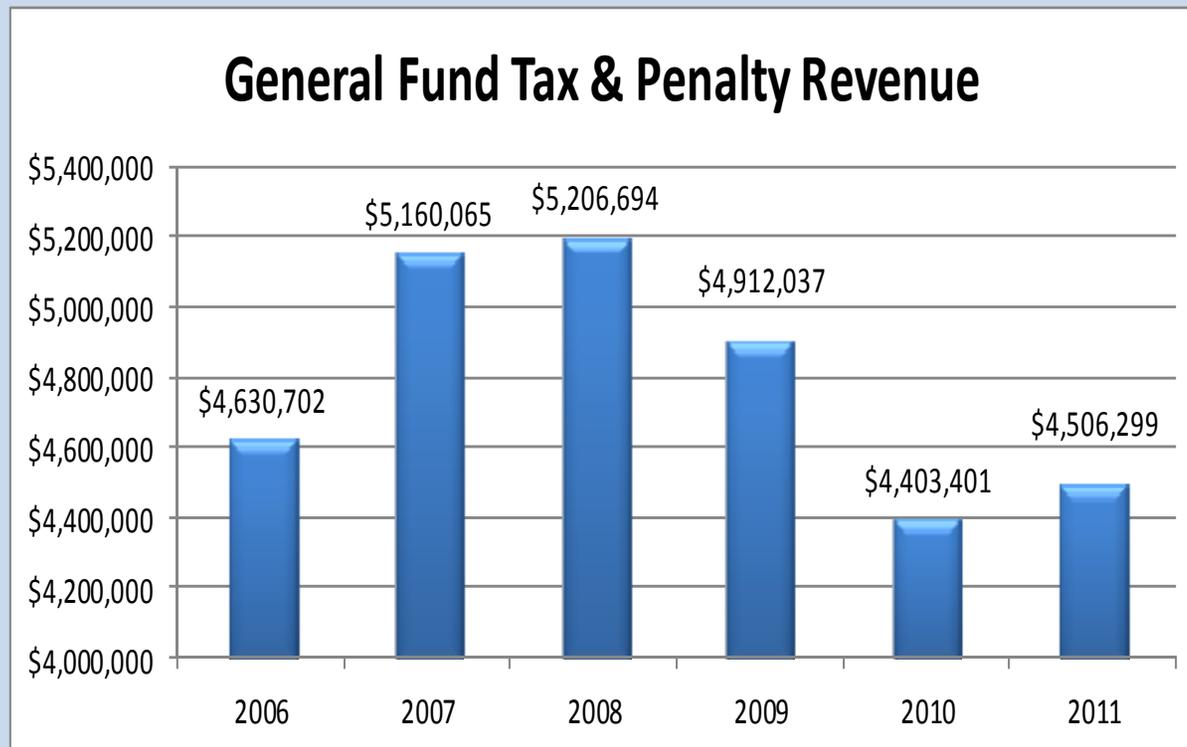
Fiscal Stability



Michigan's Constitution requires that the assessed value of every property be a uniform proportion, not to exceed 50 percent, of the "true cash value," referred to as state equalized value (SEV). The assessed values are equalized among the local municipalities within a county, and among the counties, by the State Tax Commission to ensure uniformity throughout the state. Source: CCR (Citizens Research Council) Memorandum No. 1058, March 2001.

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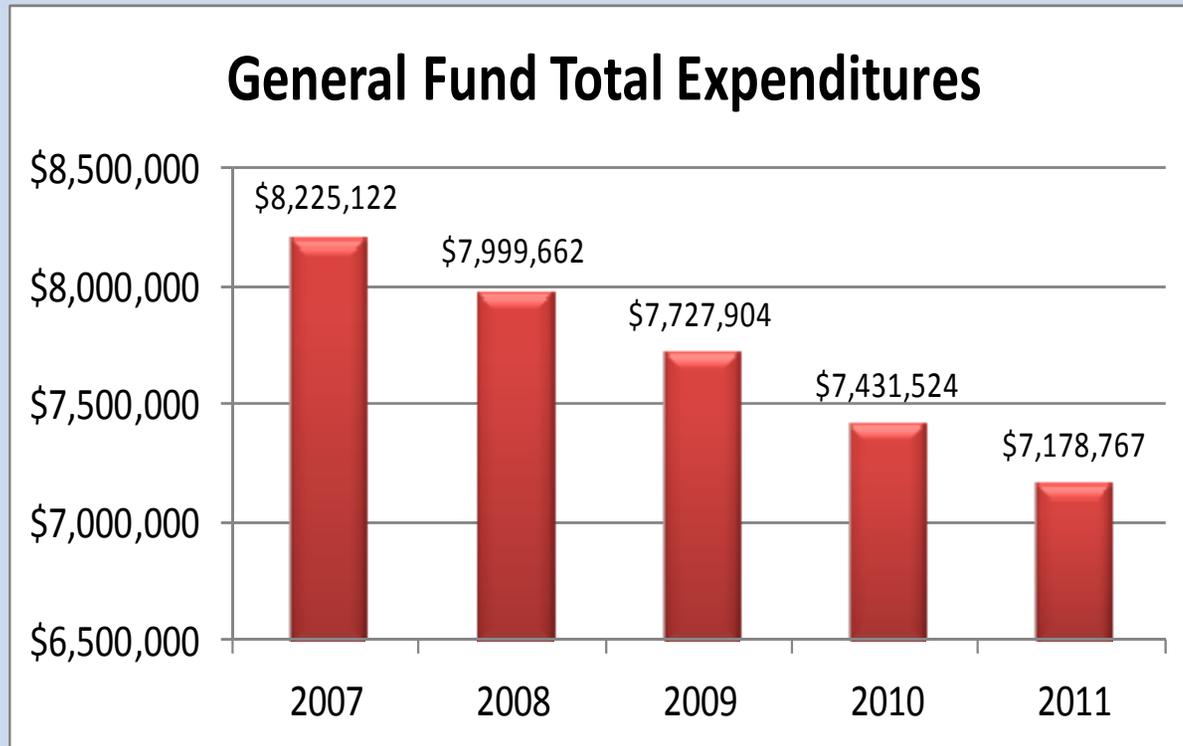
Fiscal Stability



This graph shows an overall decline of General Fund property tax revenue over the three years. The 2010 revenue dropped disproportionately due to higher than normal tax chargebacks through Michigan Tax Tribunal cases.

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Fiscal Stability

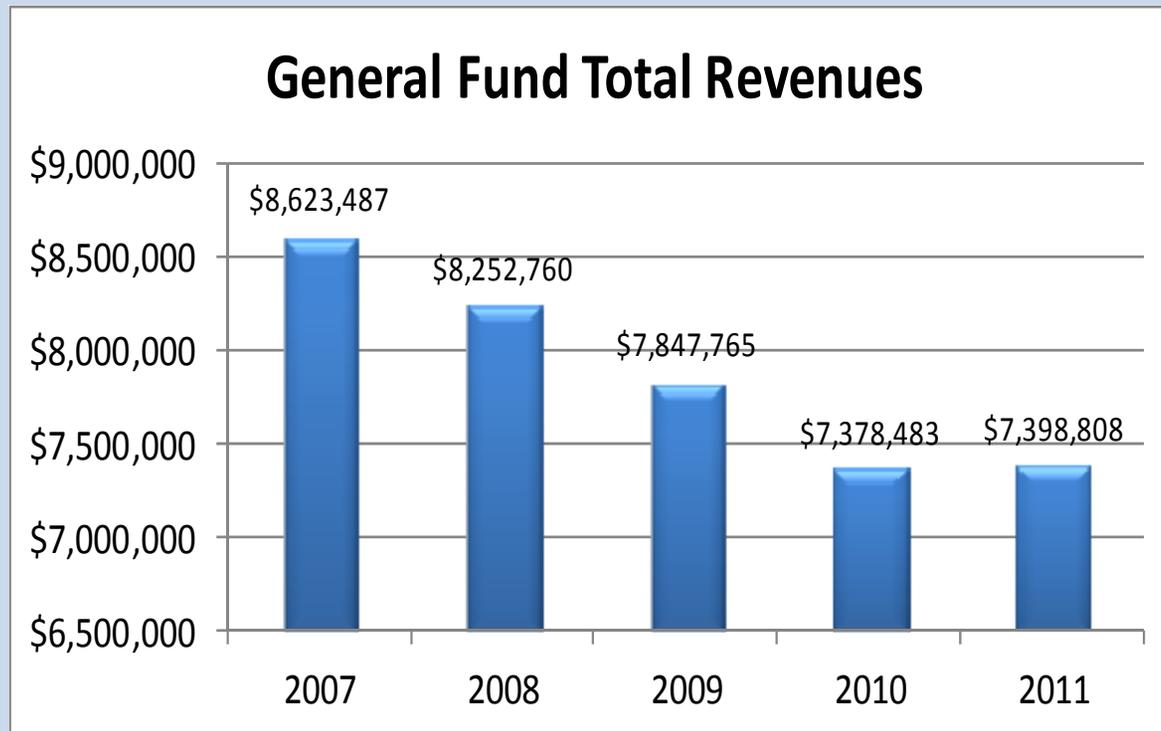


As General Fund revenues have declined, so have the General Fund Expenditures. This has been achieved by a variety of methods including employee reduction, privatization of services, and increased cost to employees for benefits.

Note: The Expenditures include Operating Transfers out to other funds, which support county programs that are accounted for in separate funds.

2011 County of Otsego, Michigan Dashboard

Fiscal Stability

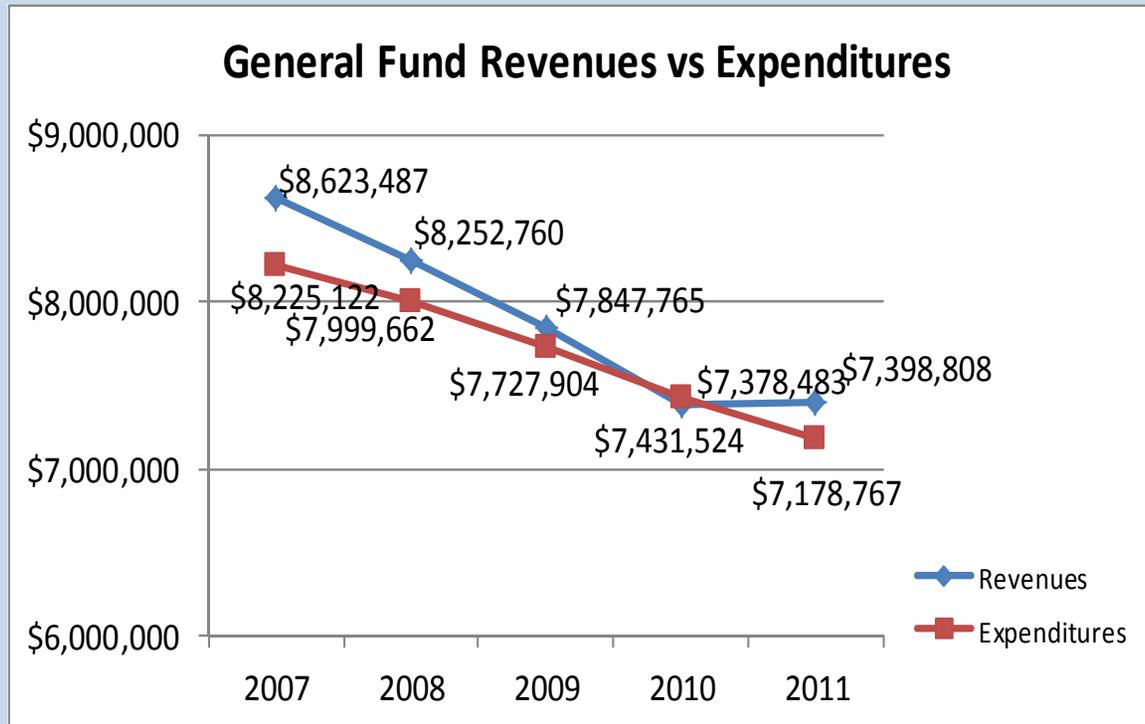


The graph above illustrates the decline in General Fund revenue referenced on the previous page.

Note: The Revenues include Operating Transfers in from other funds, which support county programs in the county's General Fund.

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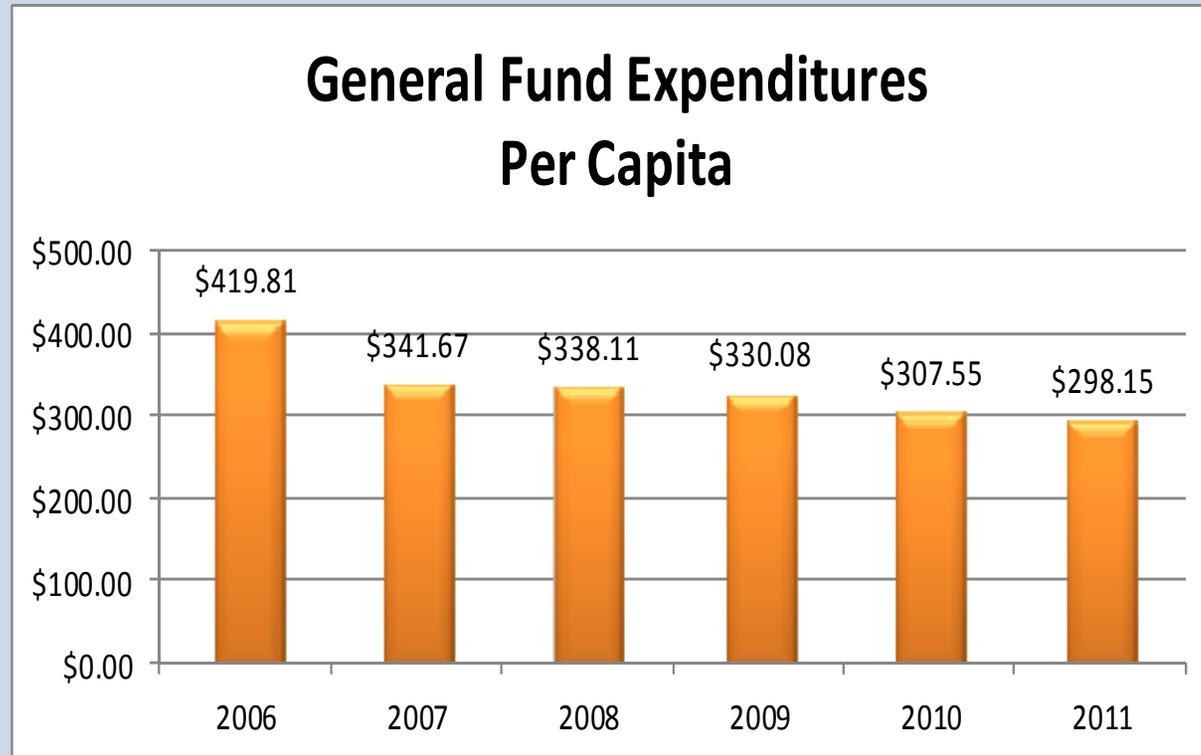
Fiscal Stability



The graph above shows the success of Otsego County in reducing expenditures to match declines in revenue. The only exception was in 2010 due to higher than anticipated tax chargebacks due to challenges at the Michigan Tax Tribunal on individual property taxes.

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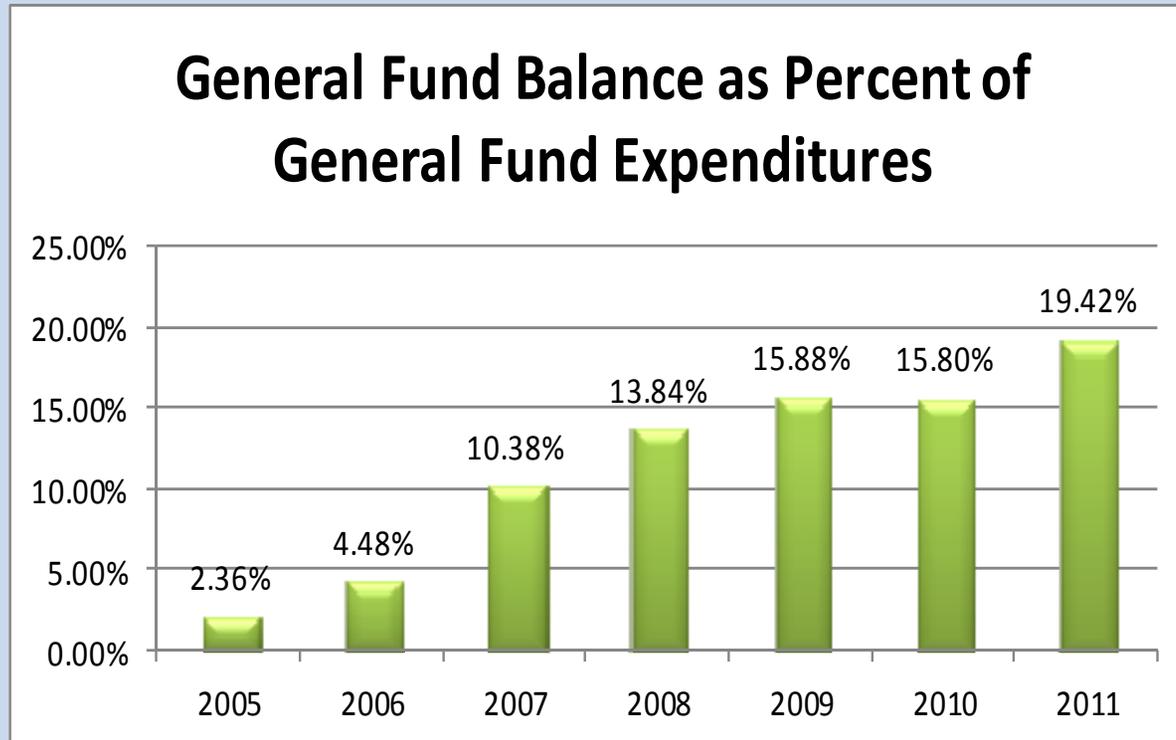
Fiscal Stability



Source: Population Data: U.S. Census Bureau

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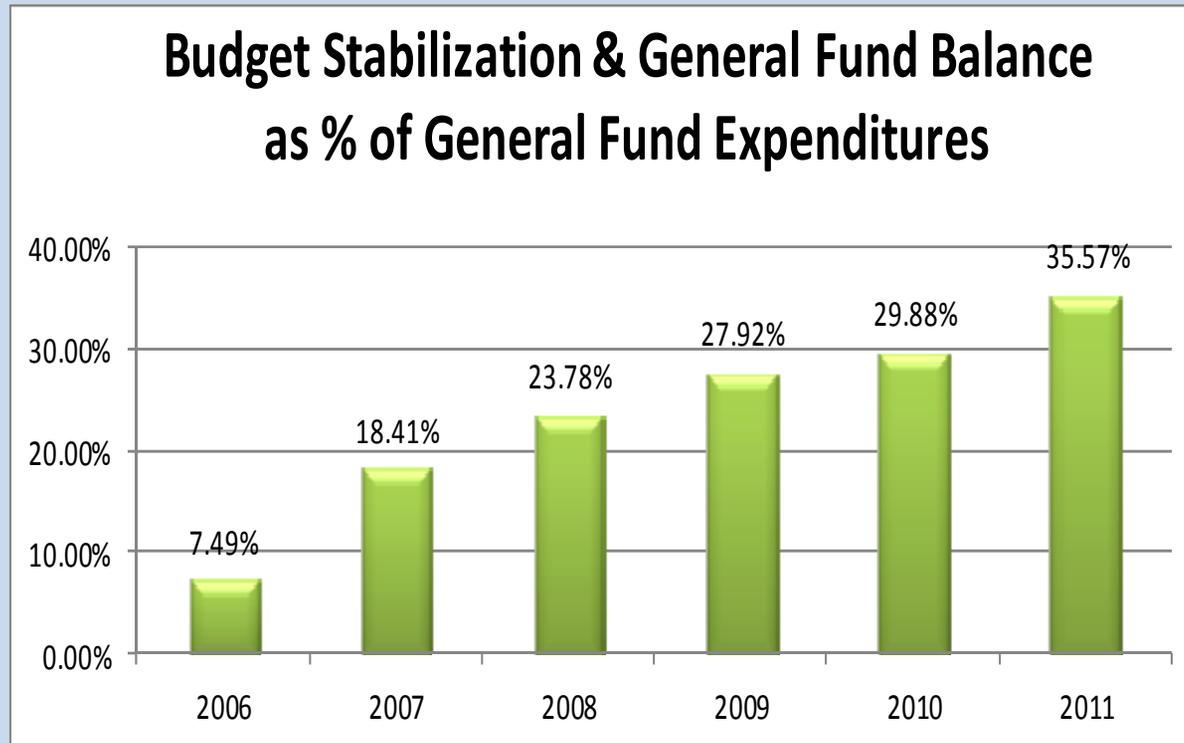
Fiscal Stability



See the next page for a discussion on General Fund balance.

2011 County of Otsego, Michigan Dashboard

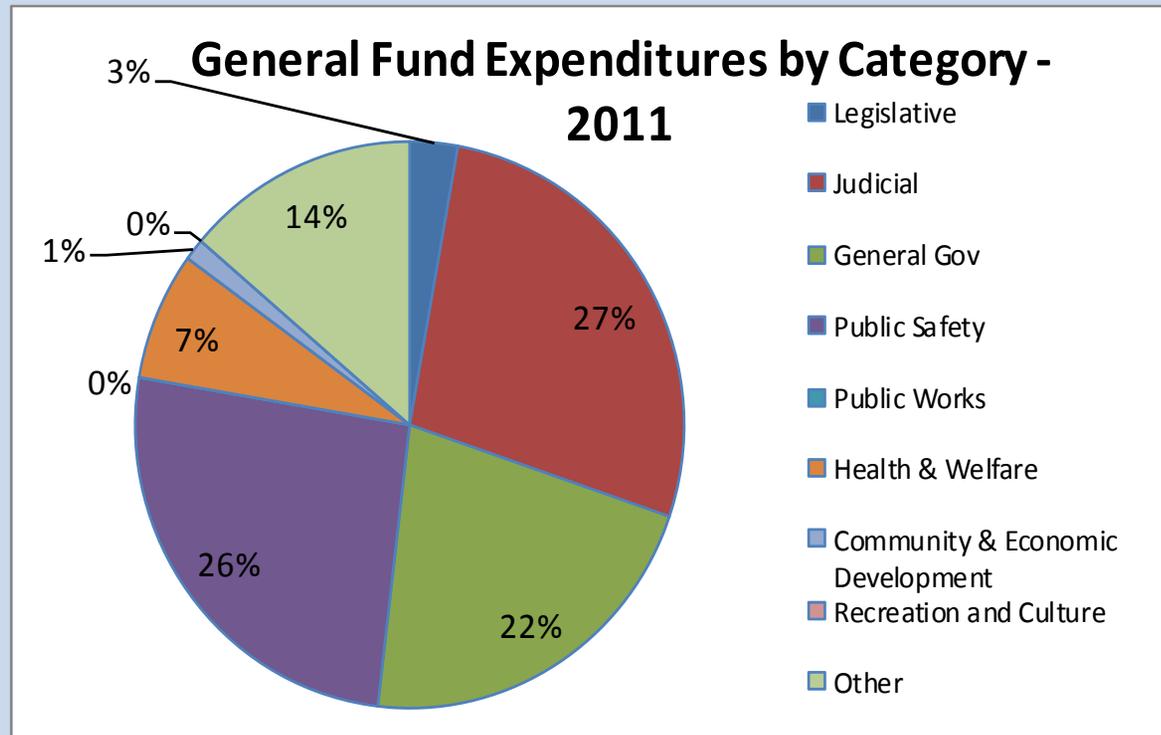
Fiscal Stability



Historically, the County's property tax billing date had been December 1st. Between 2005 and 2007, the State of Michigan shifted that tax billing date to July 1st, delaying the arrival of revenue needed to operate the County General Fund. A common rule of thumb in the past has been that a fund balance of 15% of operational expenditures is needed for operations and contingency. As a consequence of the tax shift, the County must have cash resources on hand to pay bills until the property tax revenue is actually collected in the fall of each year. These July tax billings are due on September 15. So, despite having a fund balance of almost 30%, the County still has to find other sources of cash to draw from in order to operate through almost three-quarters of the year. Before the tax revenues are collected.

2011 County of Otsego, Michigan Dashboard

Fiscal Stability

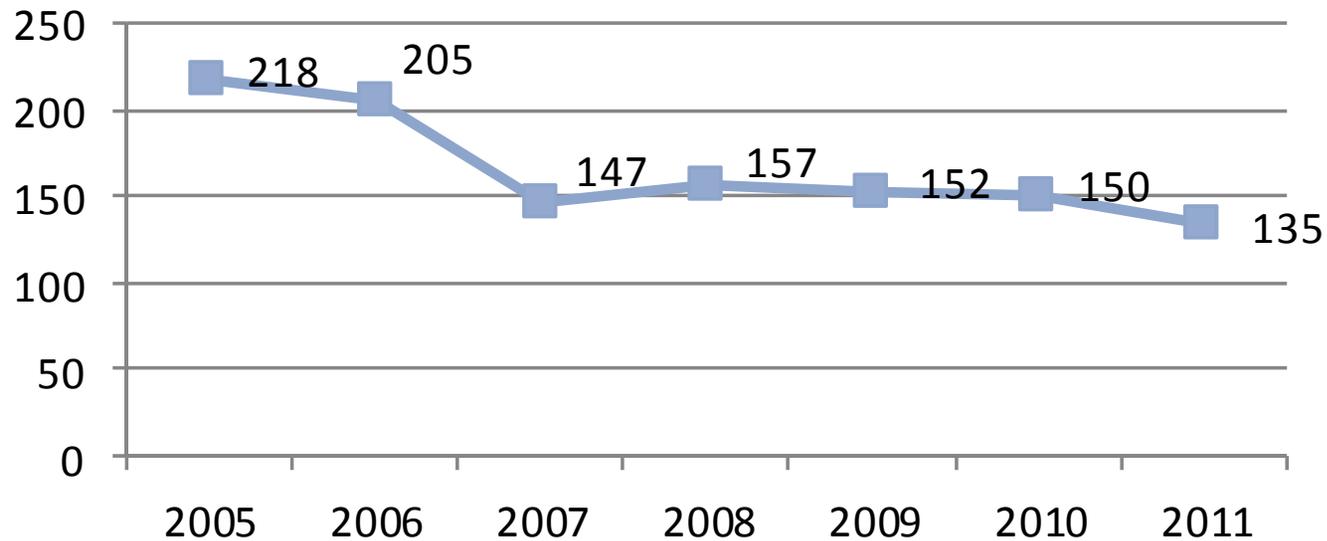


The chart above shows that the majority (53%) of the County General Fund Expenditures in 2011 went towards funding Public Safety and the Court System, while General County Functions (Building & Grounds, Clerk/Register of Deeds, Prosecuting Attorney, Equalization, and Information Technology) accounted for 22% of the Expenditures.

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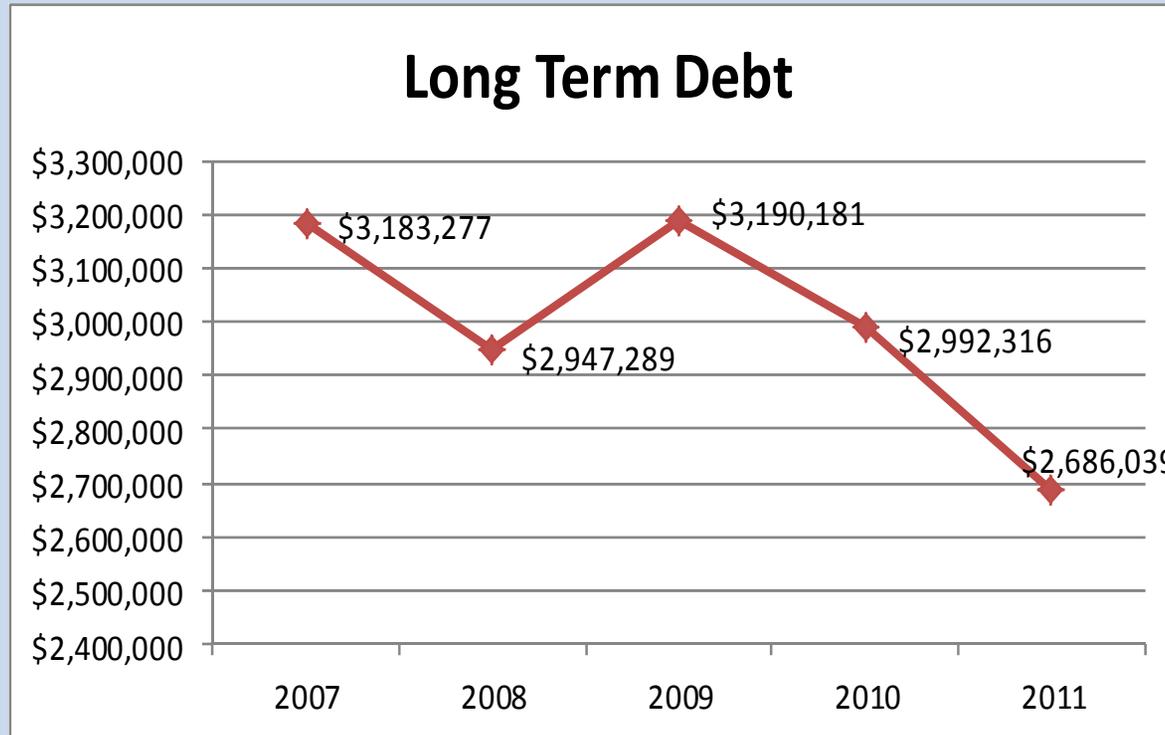
Fiscal Stability

Average Number of Employees by Year



2011 County of Otsego, Michigan Dashboard

Fiscal Stability

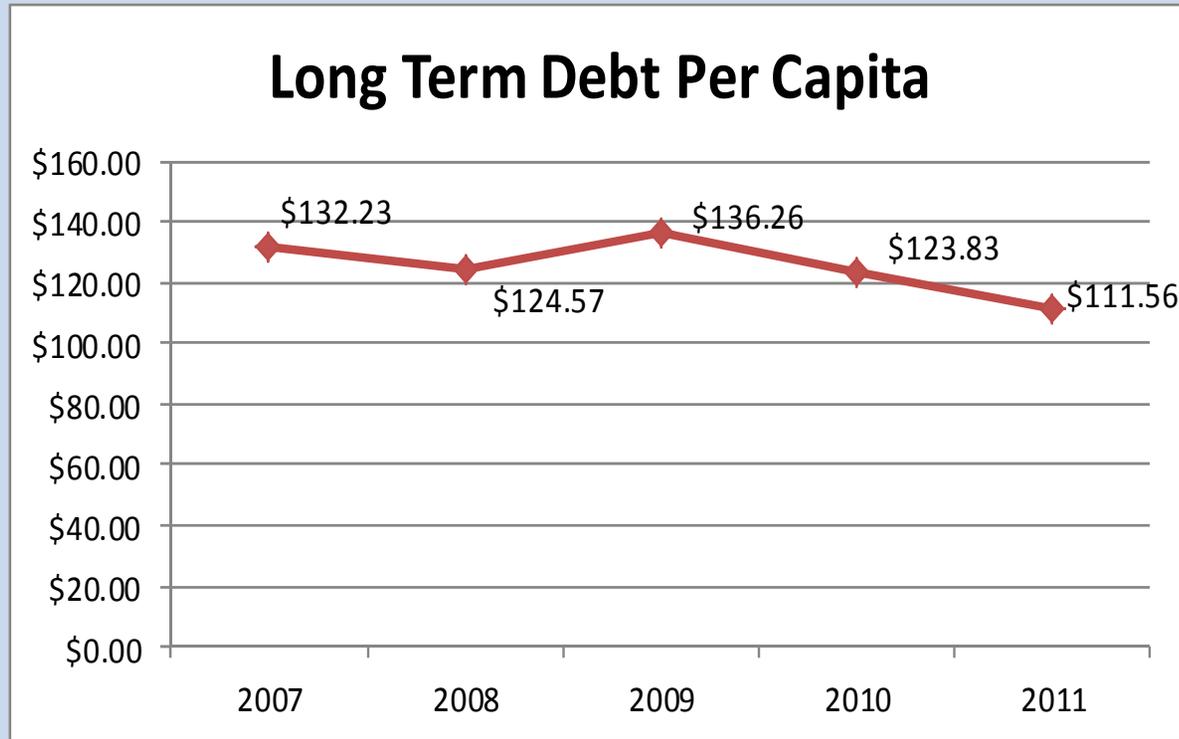


Long Term Debt includes debt incurred by the County and its Component Units. Funds used to pay for debt comes from a variety of sources including the General Fund, dedicated Special Millages, and rent charged to outside agencies.

All non-component unit debt is expected to be paid off by the end of 2014, leaving only debt payments for the University Center/M-TEC

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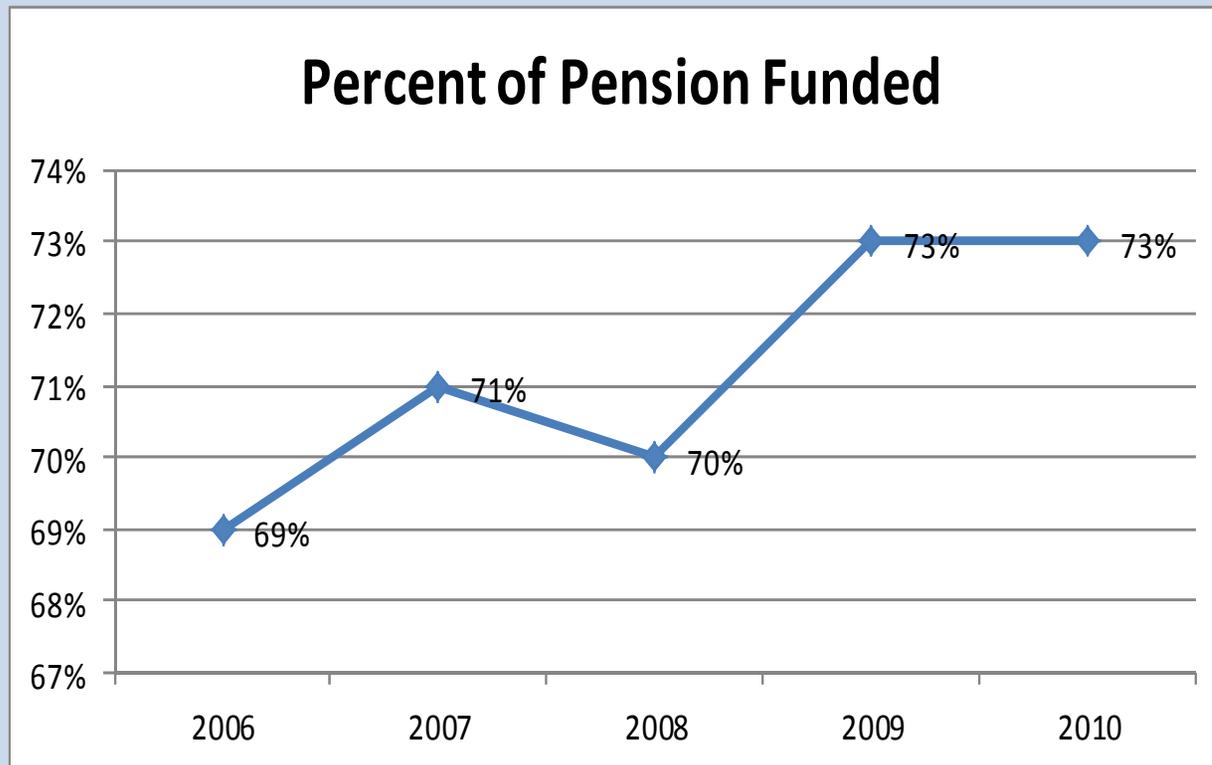
Fiscal Stability



Source: Population Data: U.S. Census Bureau

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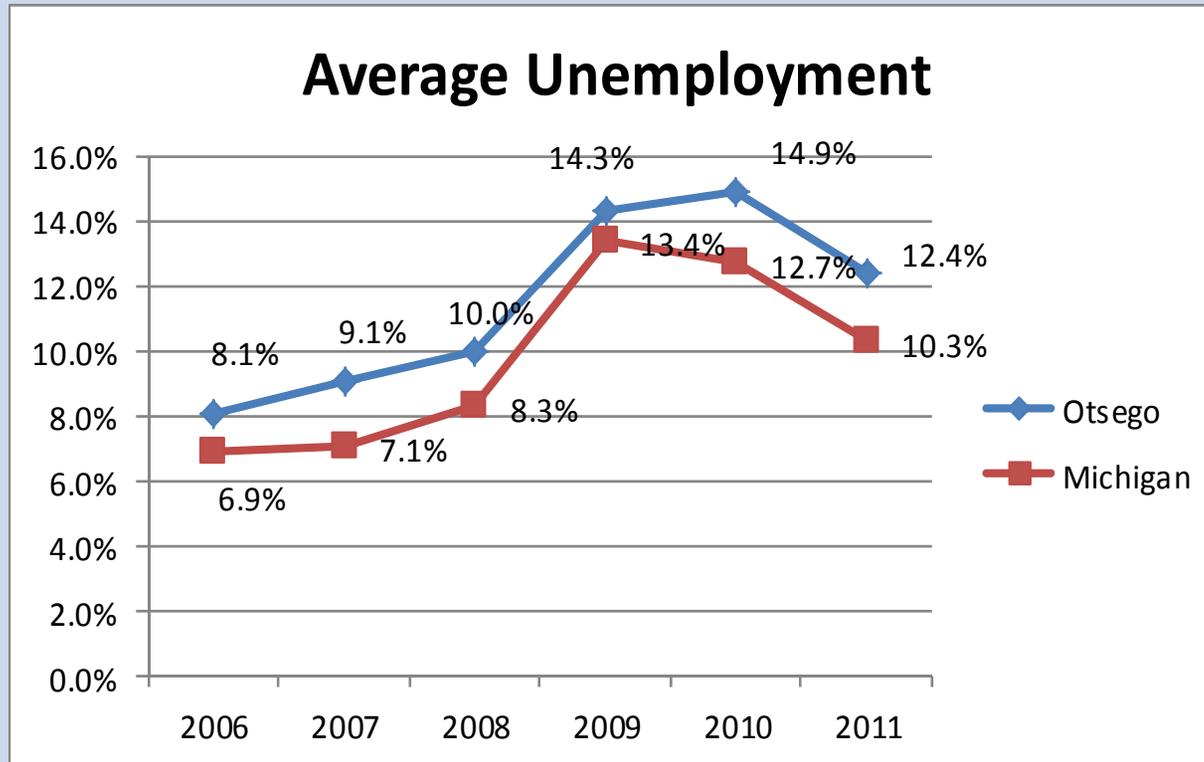
Fiscal Stability



Otsego County is a member of MERS (Municipal Employees Retirement System of Michigan). MERS calculates the unfunded liability in member retirement plans based on a variety of assumptions, which are updated annually. While the amount funded of the County pensions appears to be stagnant currently, changes adopted in the last few years migrating employees to a program that uses a hybrid of defined benefits and defined contributions should begin to show a decrease in the unfunded liability in future years.

2011 County of Otsego, Michigan Dashboard

Economic Strength

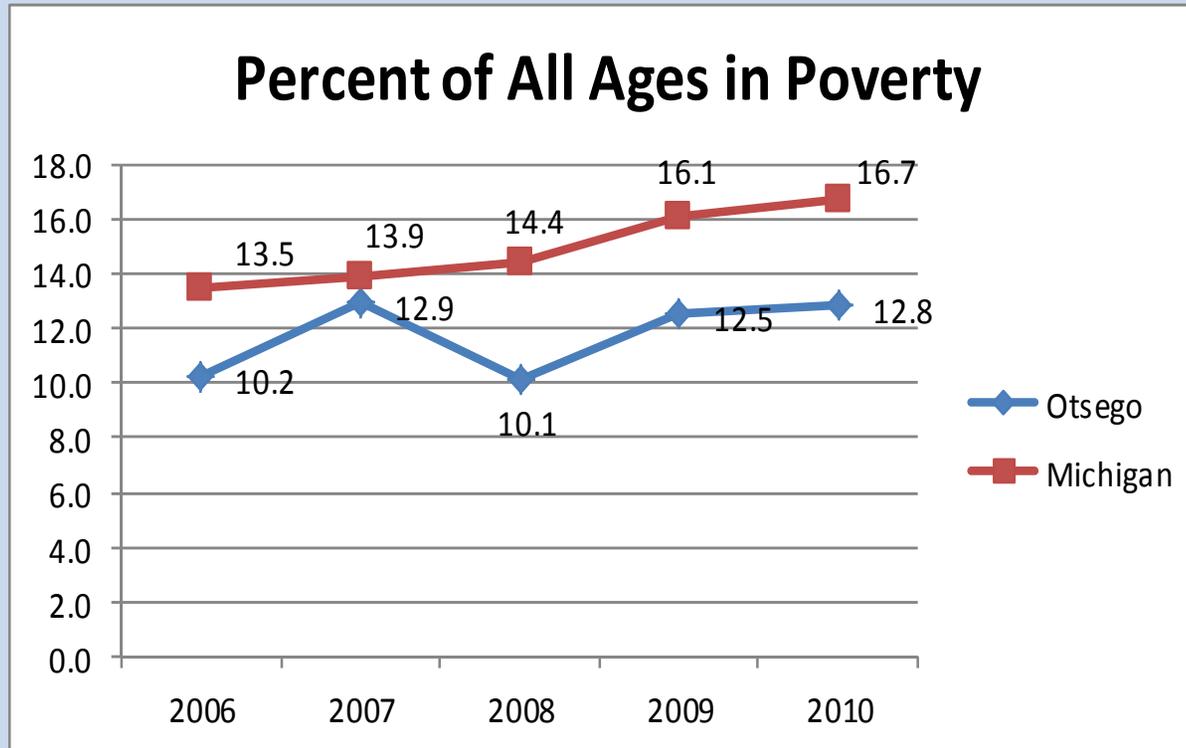


Source: Bureau of Labor Statistics @ www.bls.gov

Unfortunately, the Average Unemployment in Otsego County has been higher than that experienced by the State of Michigan over the several years.

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Economic Strength

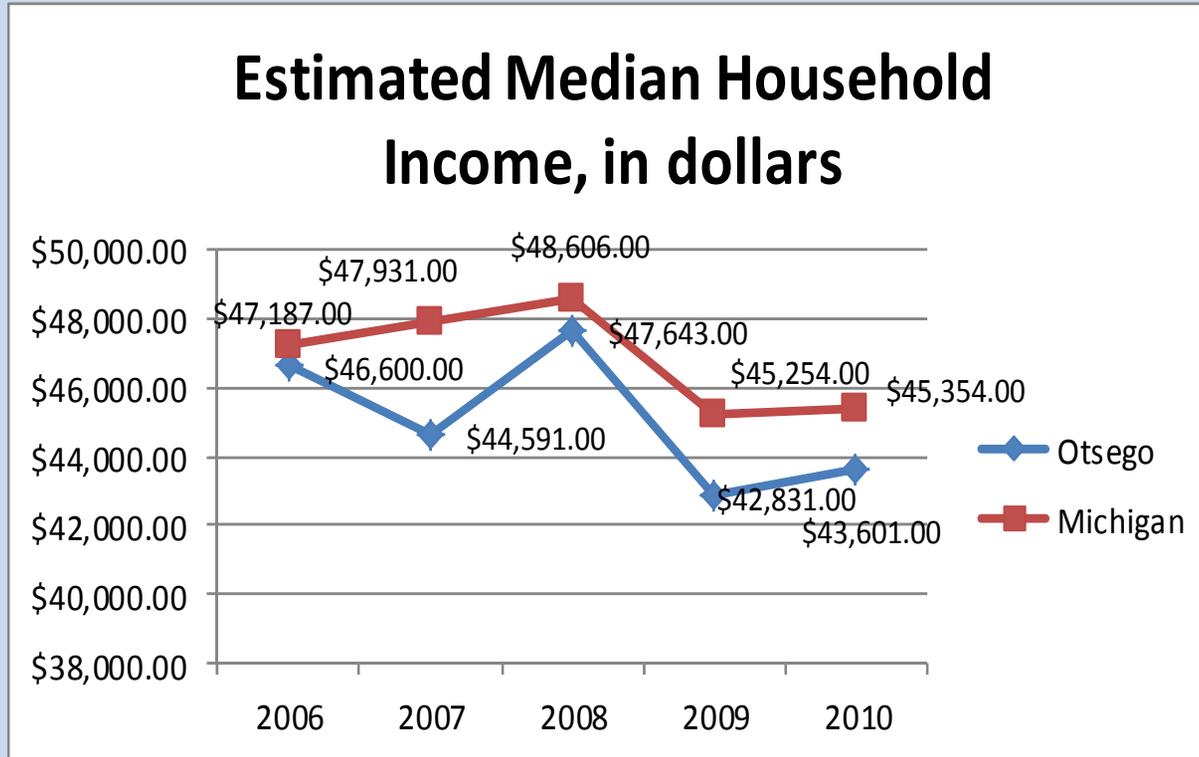


Source: U.S. Census Bureau, Small Area Income and Poverty Estimates

The graph shows that the Percent of All Ages in Poverty in Otsego County has been consistently lower than that experienced by the State of Michigan over the last several years.

2011 County of Otsego, Michigan Dashboard

Economic Strength



Source: U.S. Census Bureau, Small Area Income and Poverty Estimates

The Median Household Income (MHI) in Otsego County has stayed lower than the MHI statewide, but increased from 2009 to 2010.

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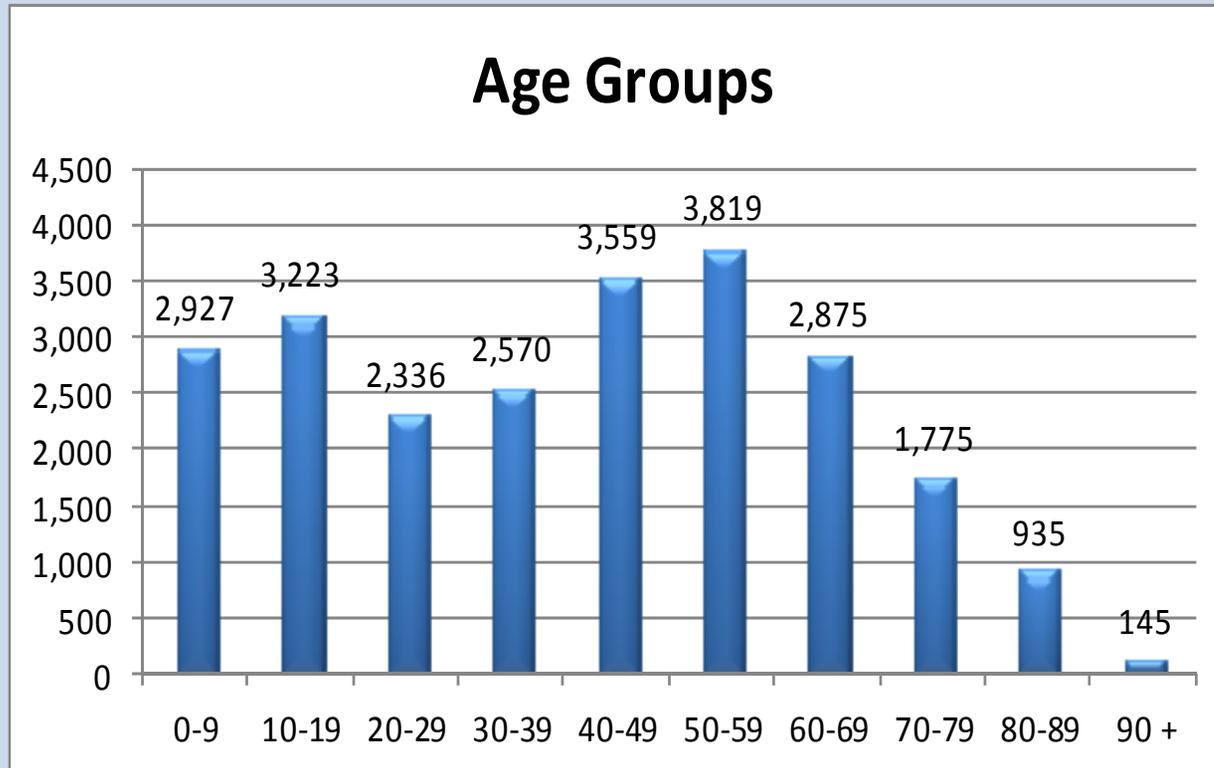
Economic Strength

Top 10 Employers in Otsego County

Company	Number Employed
Otsego Memorial Hospital	550
Wal-Mart	400
Gaylord Schools	375
Treetops Resort	360
Unipro/Van Products	165
Kohls Department Store	150
Otsego Club	150
Lowes	120
Cooper-Standard Auto	100
Tendercare	100
Total Employed by Top 10	2,470

2011 County of Otsego, Michigan Dashboard

Economic Strength



Source: Population Data: U.S. Census Bureau, 2010 Census

The 2010 Census shows the distribution of age groups in Otsego County. The chart above illustrates the smaller than expected number of residents in the 20 to 29 age range, as well as the 30 to 39 age range. This is thought to be a result of an insufficient number of jobs being available for those age ranges.

2011 County of Otsego, Michigan Dashboard

Michigan Department of Treasury, 2009 Fiscal Health Score

Michigan Department of Treasury				
Local Unit: OTSEGO		County	Municode: 69-0-000	Fiscal Score Year: 2009
Indicator	Description	Year	Data	Points
#1 Population Growth	A Decrease in Population=1 Growth or No Change=0	2009 2000	Population: 23412 Population: 23301	0
#2 Real Taxable Value Decline	Current Taxable Value Deflated to Real Dollars Decline in Real Taxable Value=1 Real Growth or No Change=0	2009 2007	Taxable Value: \$1,262,367,138.00 Real Taxable Value: \$1,180,665,112.23 Taxable Value: \$1,228,060,171.00	1
#3 Large Real Taxable Value Decline	Current Taxable Value Deflated to Real Dollars Decline in Real Taxable Value >4%=1 Real Growth or No Change=0	2009 2007	Taxable Value: \$1,262,367,138.00 Real Taxable Value: \$1,180,665,112.23 Taxable Value: \$1,228,060,171.00	0
#4 General Fund Expenditures as a % of Taxable Value	Cities & Villages >5%=1 Townships & Counties >1%=1 Below the Respective Standards=0	2009	General Fund Expenditures: \$6,910,670.00 Taxable Value: \$1,262,367,138.00	0
#5 General Fund Operating Deficit For Current Year	General Fund Expenditures >1% of General Fund Revenues=1 General Fund Expenditures <1% of General Fund Revenues=0	2009	General Fund Revenues: \$7,291,652.00 General Fund Expenditures: \$6,910,670.00	0
#6 Prior Year General Fund Operating Deficit	General Fund Expenditures >1% of General Fund Revenues=1 (for each year applicable) General Fund Expenditures <1% of General Fund Revenues=0 (for each year applicable)	2008 2007	General Fund Revenues: \$7,804,416.00 General Fund Expenditures: \$7,005,608.00 General Fund Revenues: \$8,187,879.00 General Fund Expenditures: \$6,783,744.00	0 0
#7 Size of General Fund Balance	General Fund Balance <13% of General Fund Revenues=1 General Fund Balance >13% of General Fund Revenues=0	2009	General Fund Revenues: \$7,291,652.00 General Fund Balance: \$1,226,949.00	0
#8 Major Fund Deficits in Current or Prior Year	A Deficit in One or More Major Fund in One or Both Years=1 No Major Fund Deficits=0	2009 2008	Major Fund Deficit(s): \$0.00 Major Fund Deficit(s): \$0.00	0
#9 General Long-Term Debt as a % of Taxable Value	General Long-Term Debt > 6% of Taxable Value=1 General Long-Term Debt < 6% of Taxable Value=0	2009	General Long-Term Debt: \$3,226,198.00 Taxable Value: \$1,262,367,138.00	0

TOTAL SCORE 1

Otsego County had a Fiscal Health Score of 1 for 2009, which means that it falls within the category of Fiscally Neutral, meaning not state action is needed. Please go to the Michigan Department of Treasury website at http://www.michigan.gov/treasury/0,1607,7-121-1751_47023-171423--,00.html to learn more about Fiscal Health Scores.



2011 County of Otsego, Michigan Dashboard

Economic Strength

Countywide Voted Millages as of Tax Year 2011		Year/Mills	Voted on	Duration
4.0502	County Operating		August 7, 1978	Fixed Roll Back, 1993, 1999
0.2500	Bus	5 Years - 1/4 Mill	August 7, 2007	2009 Thru 2013, 2014 Thru 2018
1.0000	Commission on Aging	5 Years - 1 Mill	August 4, 2009	2010 Thru 2014
.1875	Parks and Recreation	5 Years - 1/16 Mill	August 3, 2010	2012 Thru 2016
0.2500	Sportsplex	10 Years - 1/4 Mill	November 2, 2010	2011 Thru 2010
0.4000	Library	6 Years - 4/10 Mill	August 5, 2008	2009 Thru 2014
0.4000	EMS (Ambulance)	5 Years - 4/10 Mill	August 7, 2007	2009 Thru 2013, 2014 Thru 2018
0.6464	M-TEC	20 Years - .65 Mill	December 7, 1999	2000 Thru 2019
0.5569	University Center (AREC)	20 Years - .56 Mill	December 7, 1999	2000 Thru 2019
0.3000	Animal Control	5 Years - 3/10 Mill	August 7, 2007	2009 Thru 2013, 2014 Thru 2018
8.0410	Total			

2011 County of Otsego, Michigan Dashboard

Economic Strength

Otsego County Shared Services

9-1-1 Dispatch - Otsego County and the State of Michigan share a dispatch center. The building is owned by the State of Michigan, and the property is owned by Otsego County. Employees from both Otsego County and the State of Michigan work as dispatchers at the center with 3 consoles manned by the State and 2 by the County. The State dispatches throughout the region, while Otsego County dispatches for emergencies occurring within the county boundaries.

Planning and Zoning - the Otsego County Zoning Ordinance covers all nine townships in Otsego County, with funding coming from the township governments. County staff support the County Planning Commission and perform all zoning work including ordinance enforcement.

Building Inspections - Otsego County provides building inspection services for the entire county.