2013 County of Otsego, Michigan Dashboard and Citizen's Guide

Otsego COUNTY
ESTABLISHED 1875 MICHIGAN

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Fiscal Stability

	Prior	Current	Progress
Annual general fund expenditures per capita	$308.96 *2012*	$312.54 *2013*	↓
Fund balance as a percent of annual general fund expenditures	22.71% *2012*	26.44% *2013*	↑
Debt burden per capita	$94.82 *2012*	$83.76 *2013*	↑
Number of Employees per 1,000 Residents, Source: Otsego County	5.66 *2012*	5.64 *2013*	↑
Number of services delivered via cooperative venture	4 *2012*	8 *2013*	↑
Pension Funded at %	72% *2012*	71% *2013*	↓
Other Post Employment Benefits (OPEB) Unfunded Actuarial Liability	$3,946,926 *2008*	$3,742,809 *2011*	↑
Other Post Employment Benefits (OPEB) Net OPEB Obligation	$1,581,161 *2012*	$1,890,308 *2013*	↓

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**)

Data Source: Otsego County 2013 Audit, unless otherwise specified
OCPR: Otsego County Parks & Recreation
OCRC: Otsego County Road Commission
GACTB: Gaylord Area Convention & Tourism Bureau

Economic Strength

	Prior	Current	Progress
Average Annual Unemployment Source: MI Bureau of Labor Statistics	10.9% *2012*	11.1 *2013*	↓
Population (estimate) Source: U.S. Census Bureau	24,020 *2012*	24,129 *2013*	↑
Estimated Median Household Income Source: U.S. Census Bureau	$44,129 *2011*	$48,242 *2012*	↑
% in Poverty (all ages) Source: U.S. Census Bureau	13.6% *2011*	14.0% *2012*	↓

Public Safety

	Prior	Current	Progress
Violent Crimes (Incidents) Source: MI Incident Crime Reporting	262 *2011*	236 *2012*	↑
Personal Property Crimes (Incidents) Source: MI Incident Crime Reporting	585 *2011*	646 *2012*	↓
Traffic Accidents Source: MI State Police, Traffic Crash Reporting System	768 *2012*	886 *2013*	↓

Quality of Life

	Prior	Current	Progress
Number of Public Parks, Playgrounds, and Campgrounds, Source: OCPR	40 *2012*	41 *2013*	↑
Miles of Minimum 4-Foot Paved Shoulders, Source: OCRC	27.4 *2012*	37.6 *2013*	↑
Number of Golf Courses Source: GACTB	17 *2012*	17 *2013*	↔
Miles of Groomed, Signed, Snowmobile Trails, Source: OCRC	93 *2012*	93 *2013*	↔

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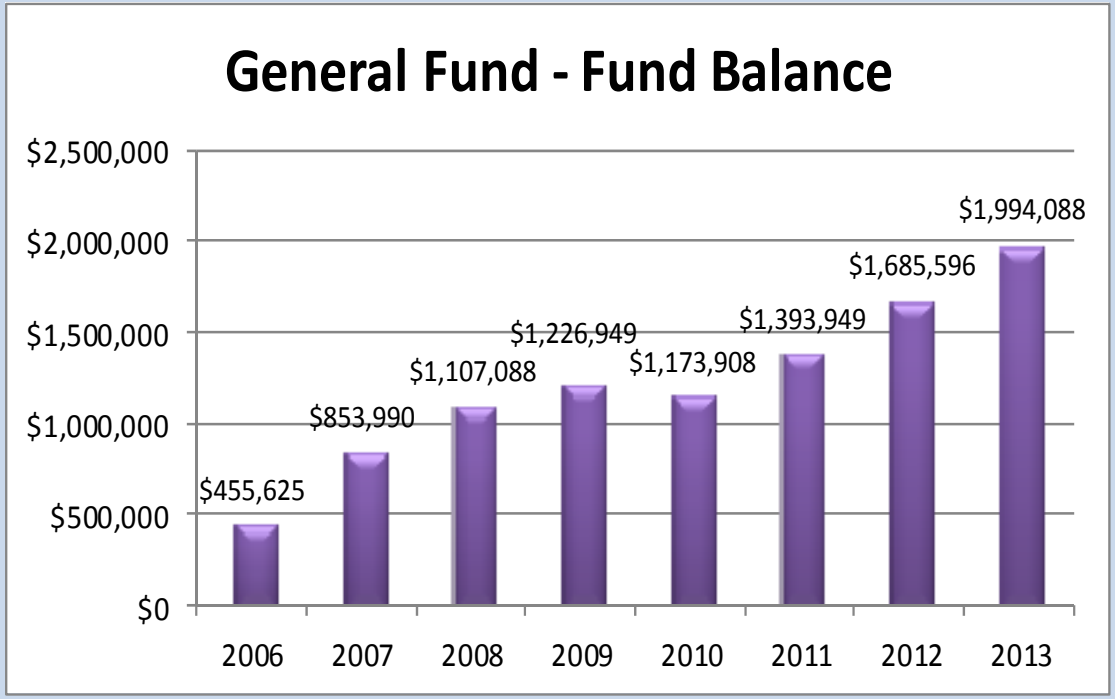
Fiscal Stability



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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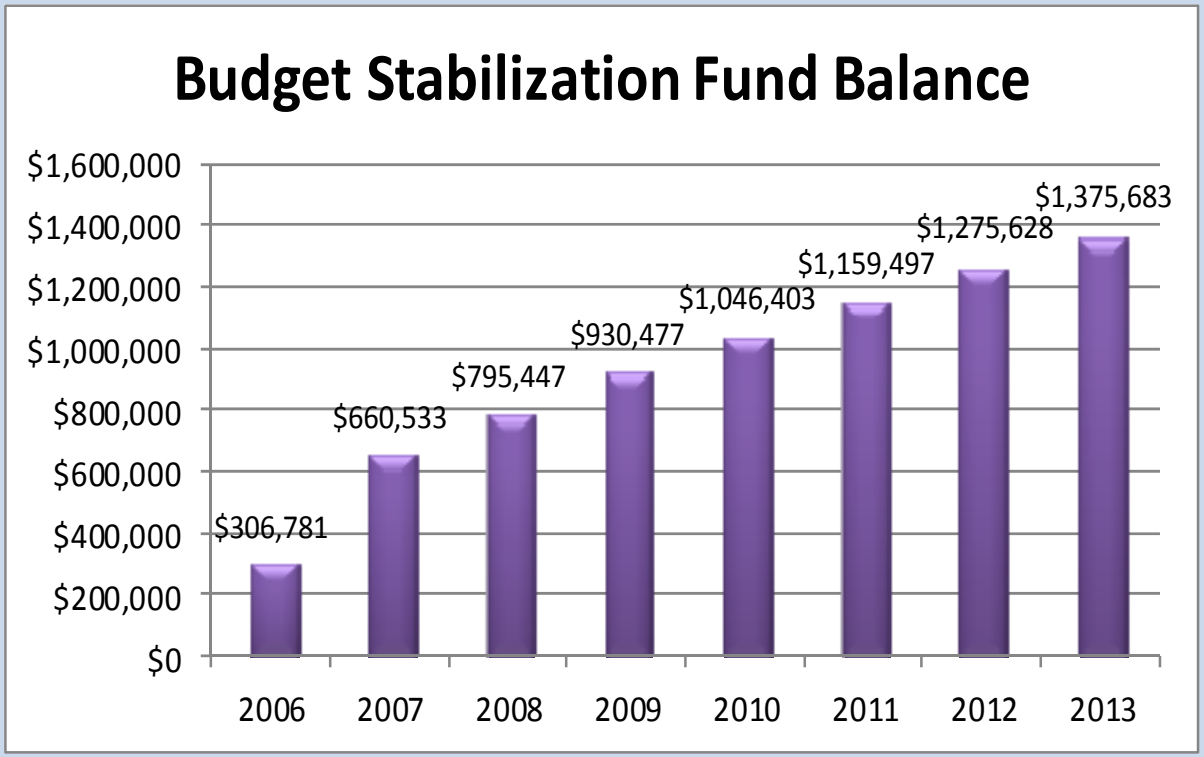
Fiscal Stability



By stat-ute, 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

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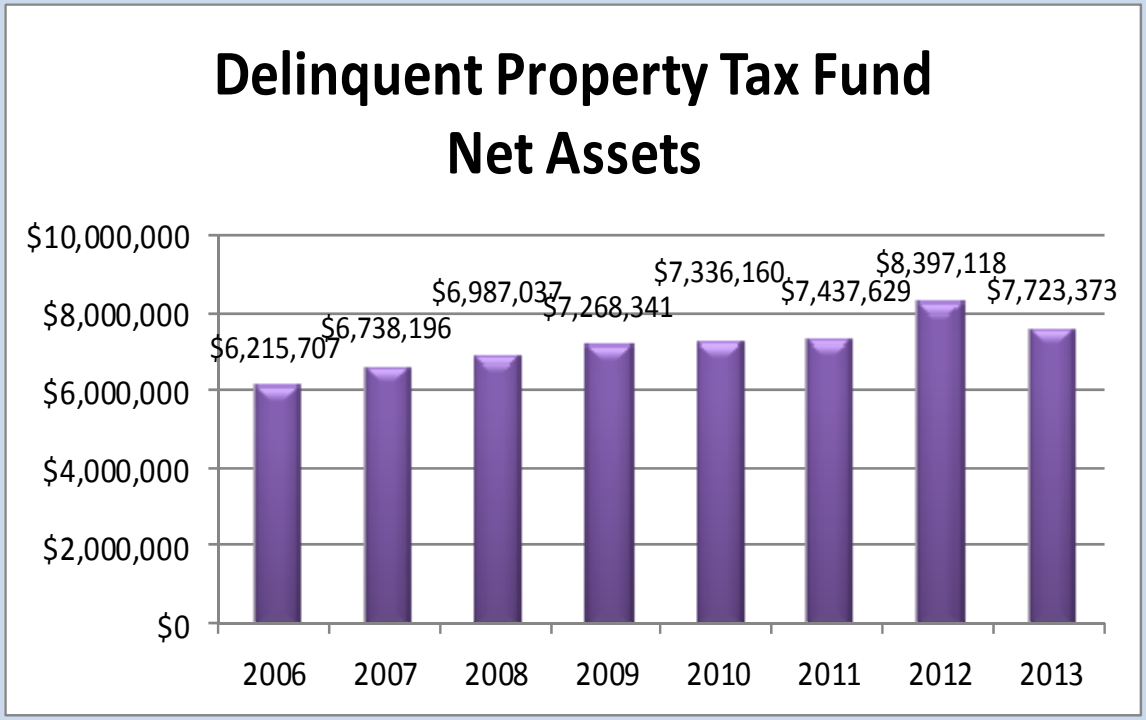
Fiscal Stability



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, totaling 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 $7,723,373 shown in 2013, only $4,911,465 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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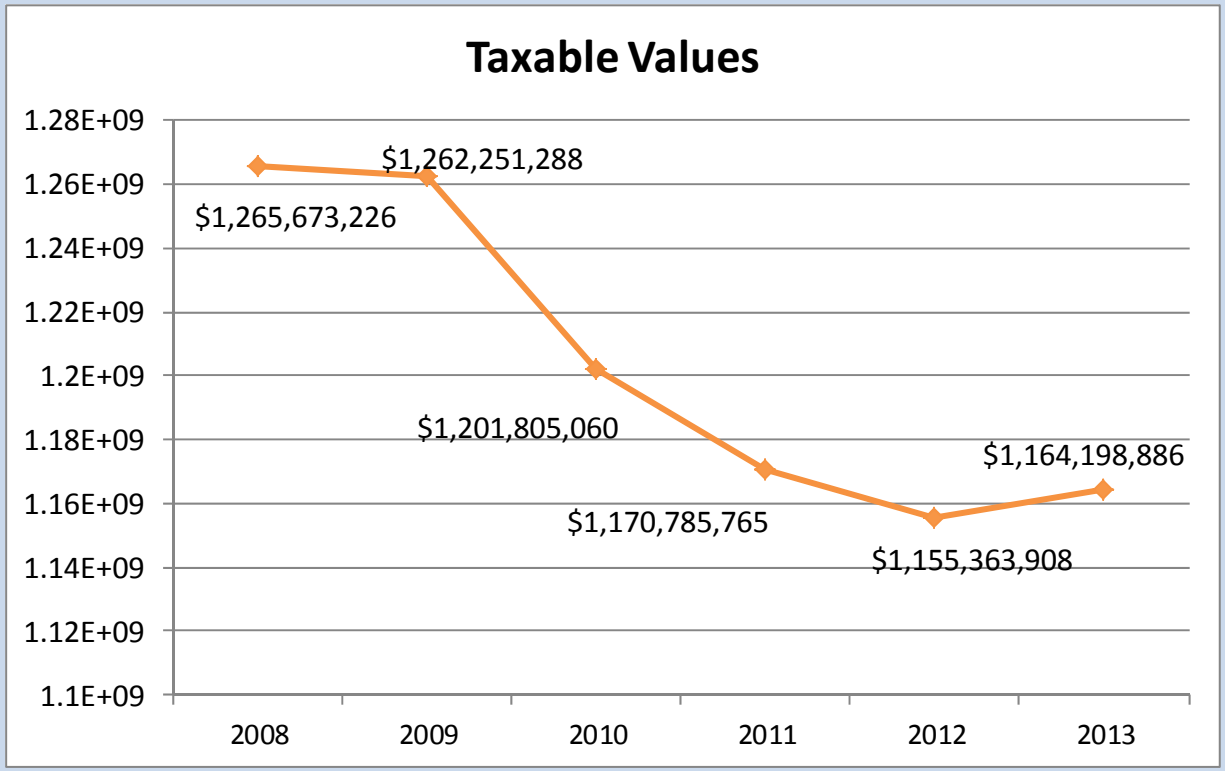
Fiscal Stability



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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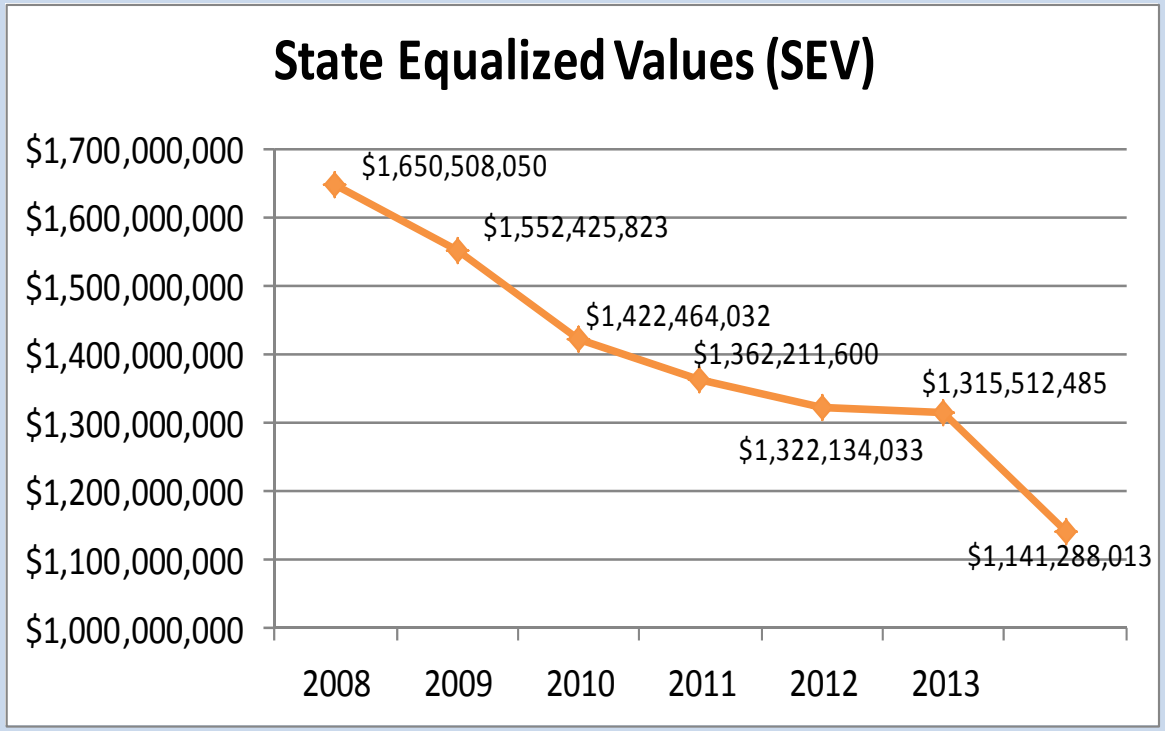
Fiscal Stability



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: *CRC (Citizens Research Council) Memorandum No. 1058, March 2001.*

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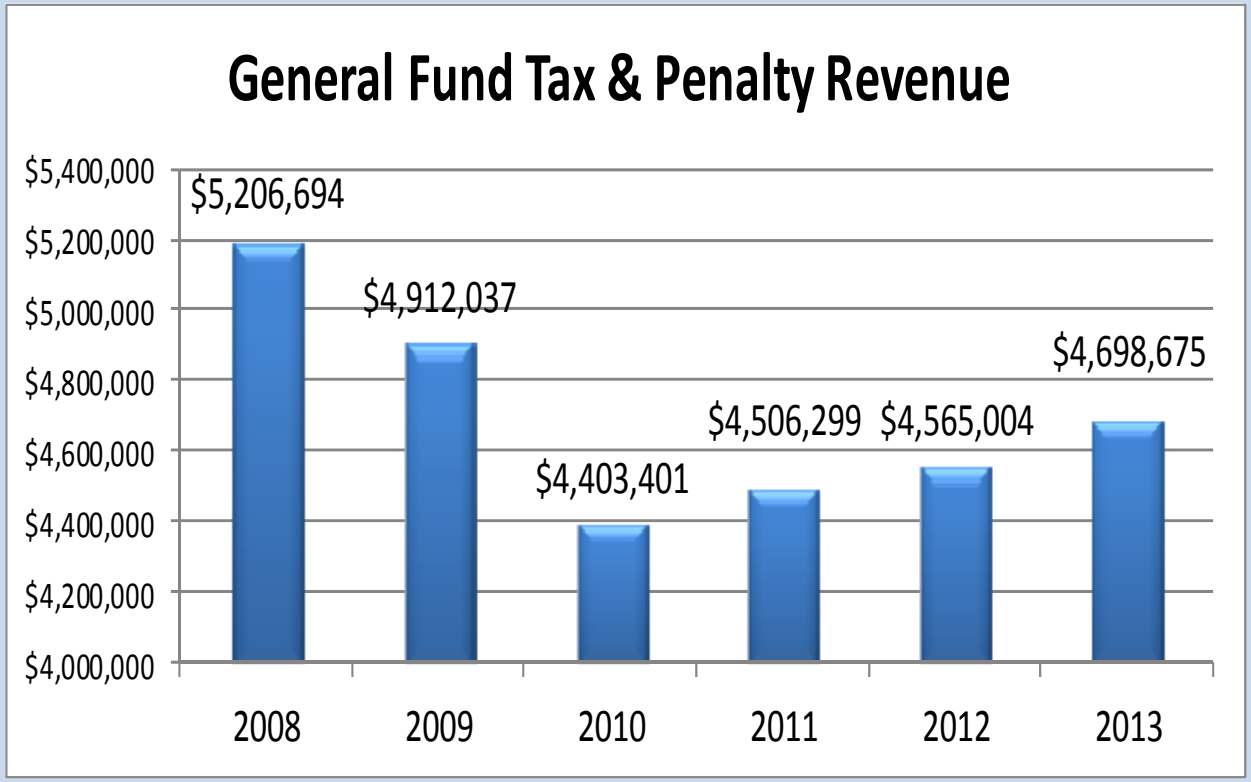
Fiscal Stability



This graph shows the decline of General Fund property tax revenue from 2008 through 2011, with a substantial drop in 2010 due to higher than normal chargebacks from tax tribunal cases. This trend appears to be at an end as you can see with the increase in 2012 revenue.

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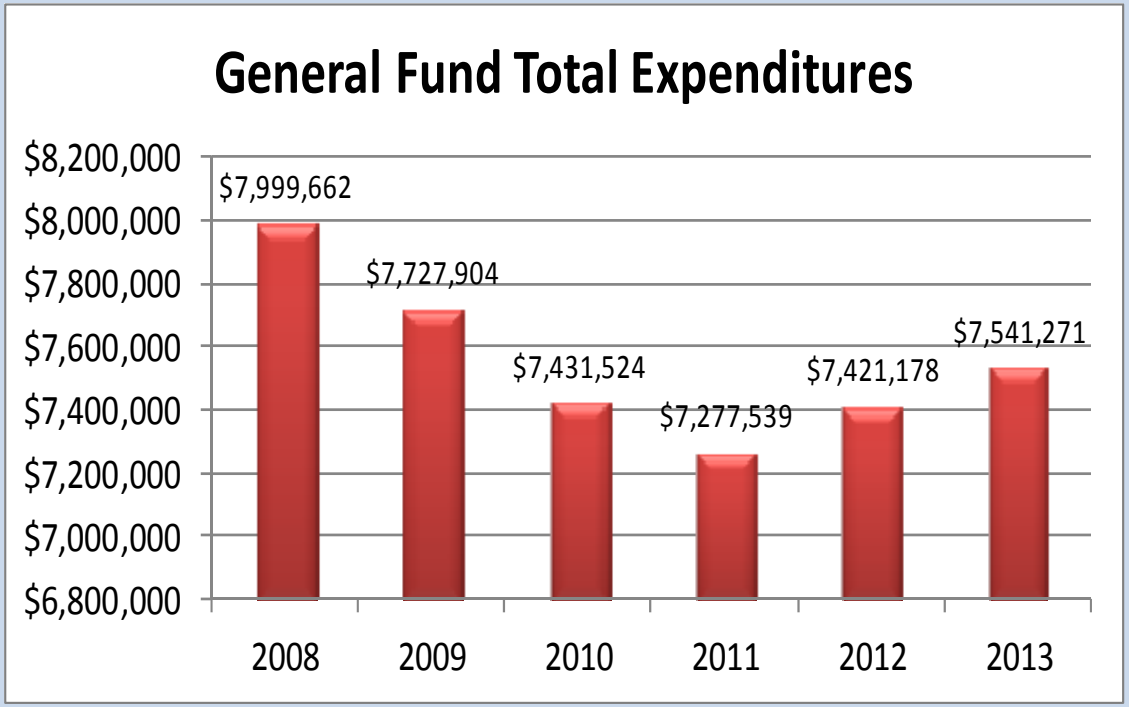
Fiscal Stability



As General Fund revenues declined from 2007 through 2011 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.

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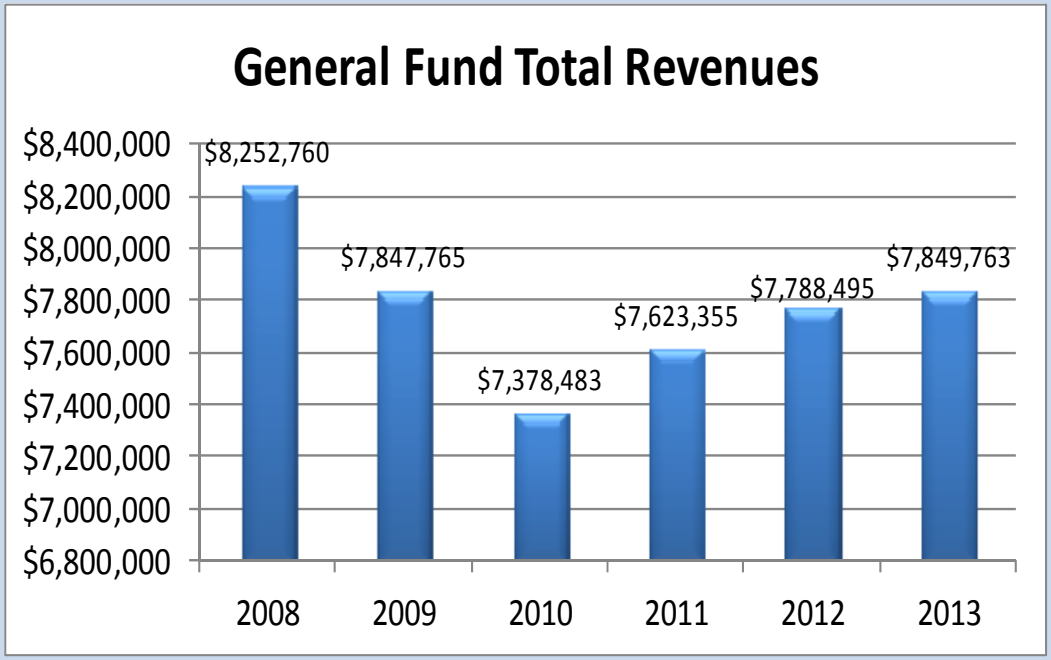
Fiscal Stability



The graph above illustrates the general decline in General Fund revenue through 2011 referenced on the previous page, which appears to have stopped in 2012 with a modest increase.

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

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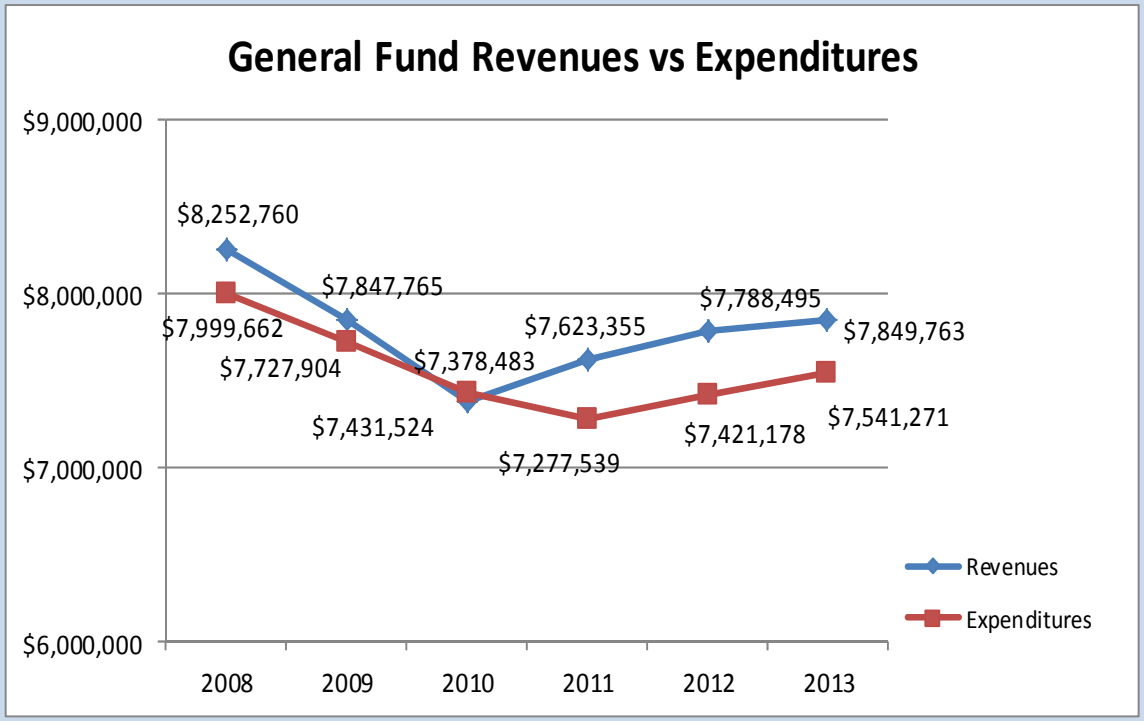
Fiscal Stability



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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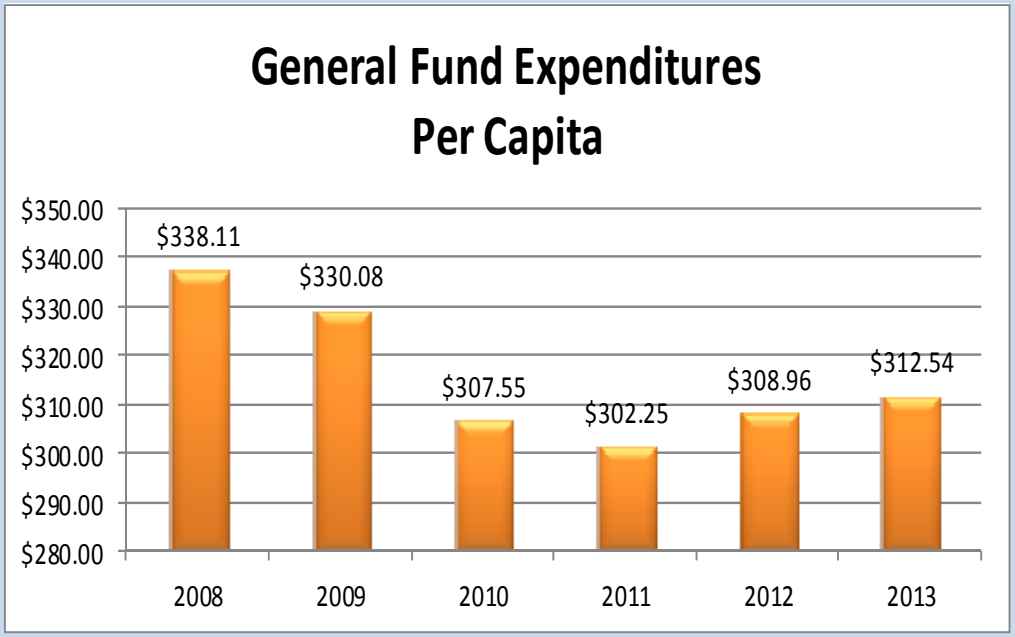
Fiscal Stability



Source: Population Data: U.S. Census Bureau

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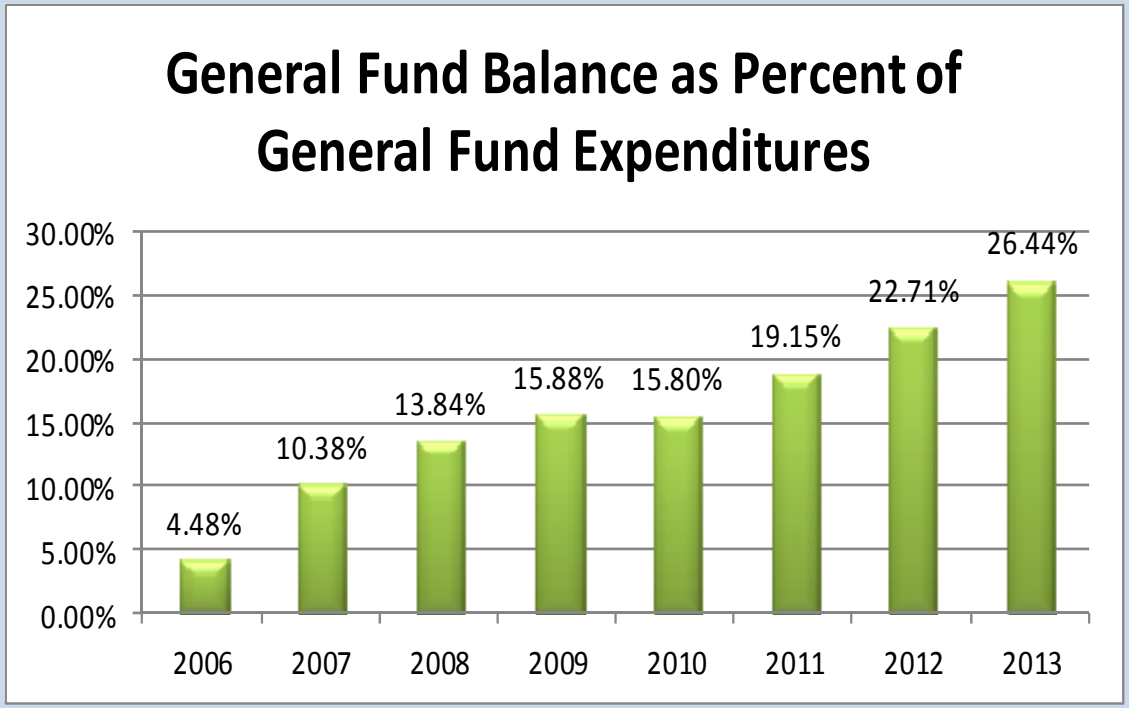
Fiscal Stability



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

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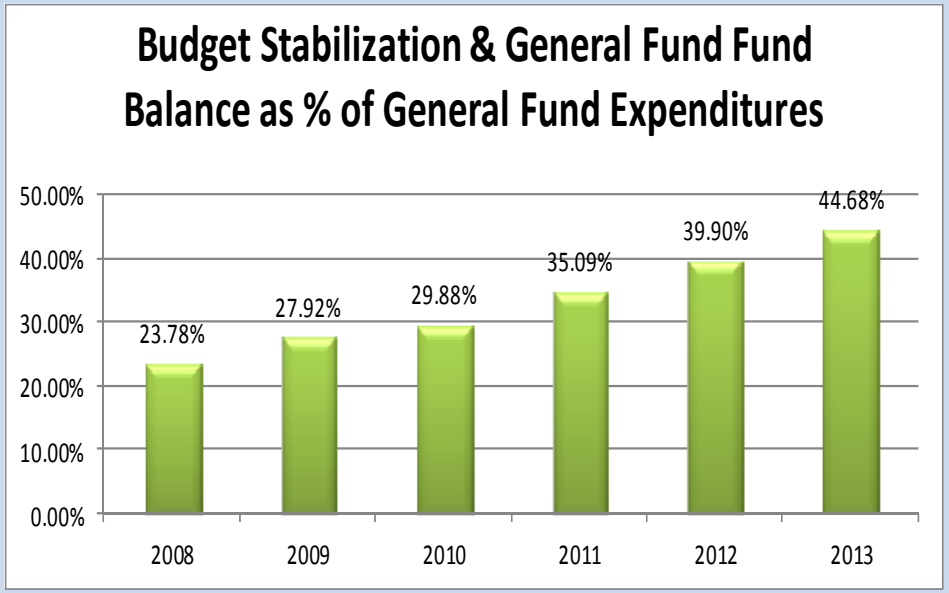
Fiscal Stability



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 approximately 45%, 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.

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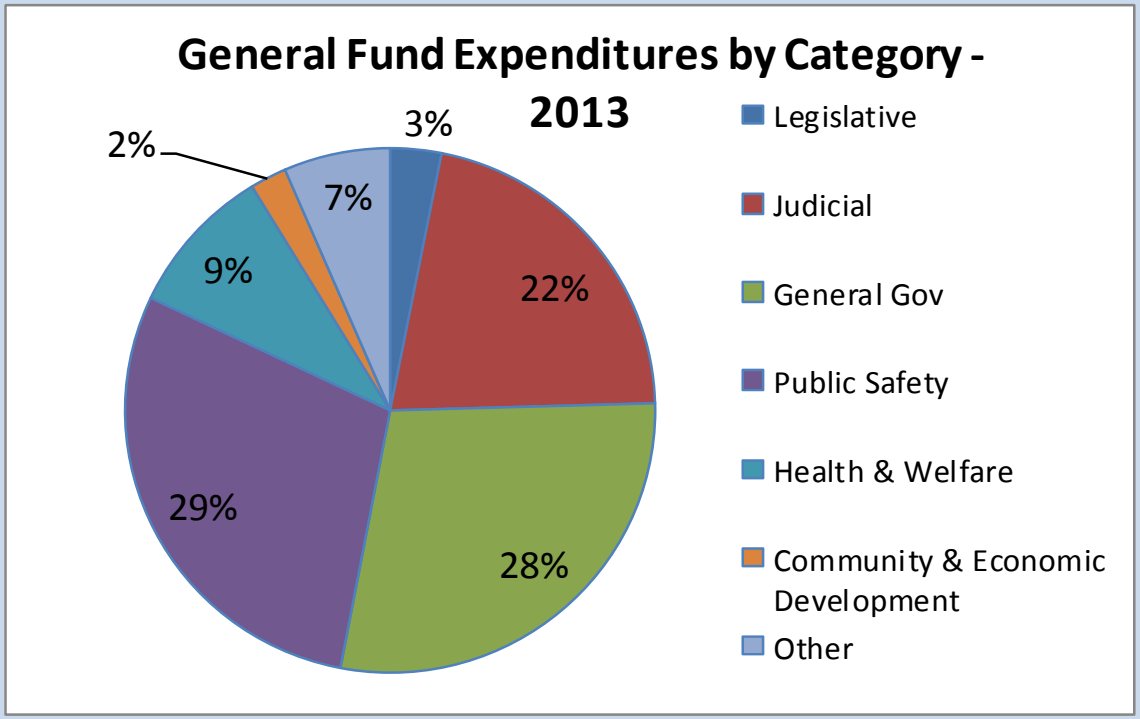
Fiscal Stability



The chart above shows that the majority (51%) of the County General Fund Expenditures in 2013 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 28% of the Expenditures.

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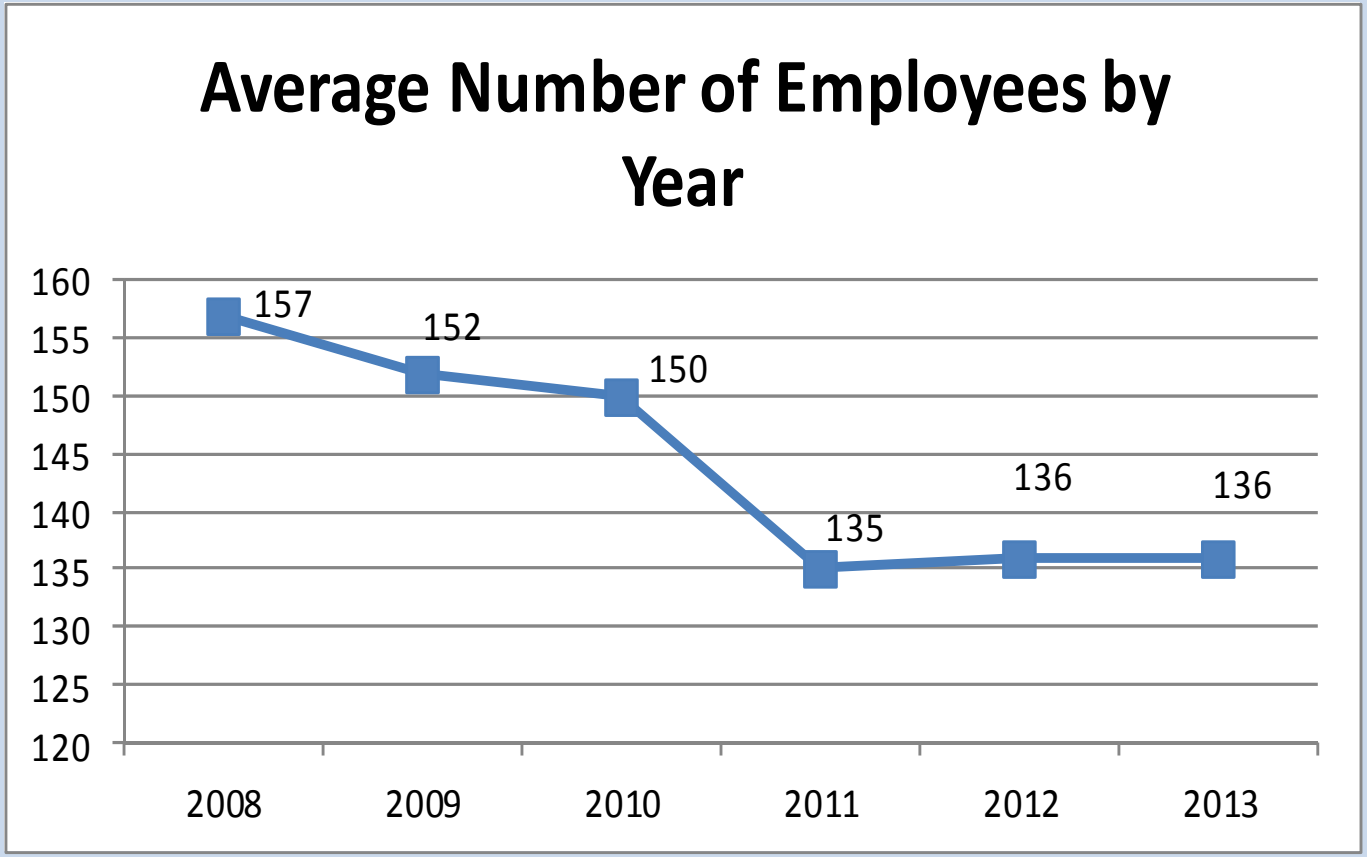

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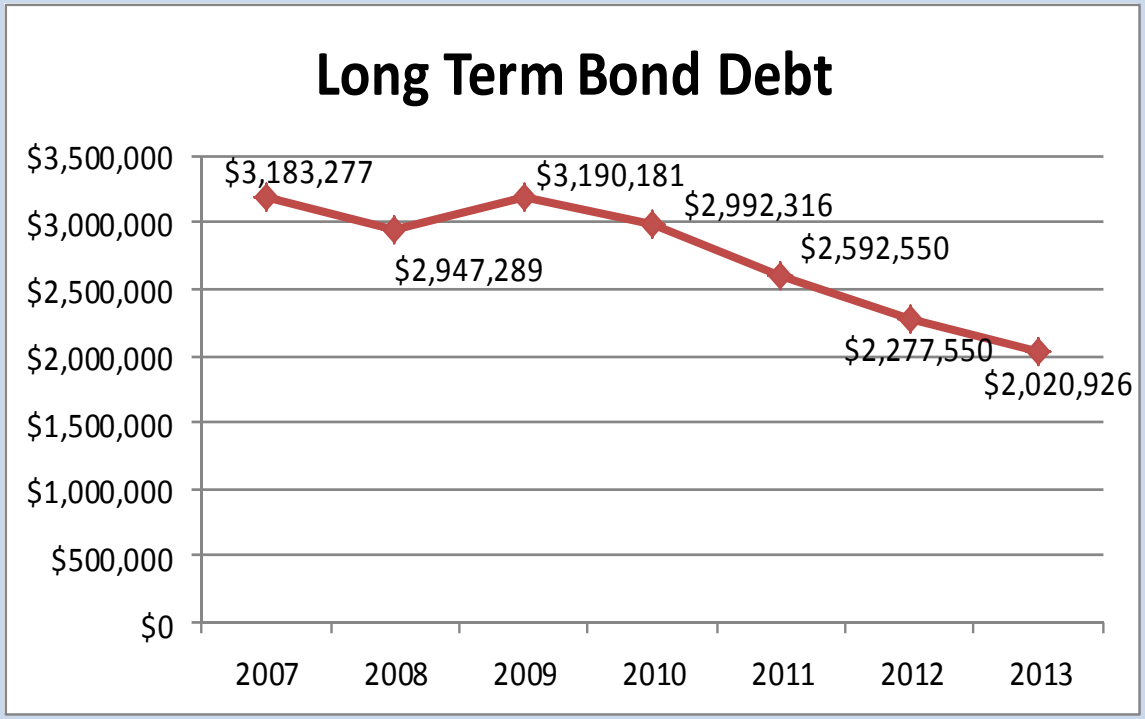

Long Term Debt includes debt incurred by the County and its Component Units. Funds used to pay for debt comes from a variety of sources including the General Fund, dedicated Extra-voted Millages, and rent charged to outside agencies.

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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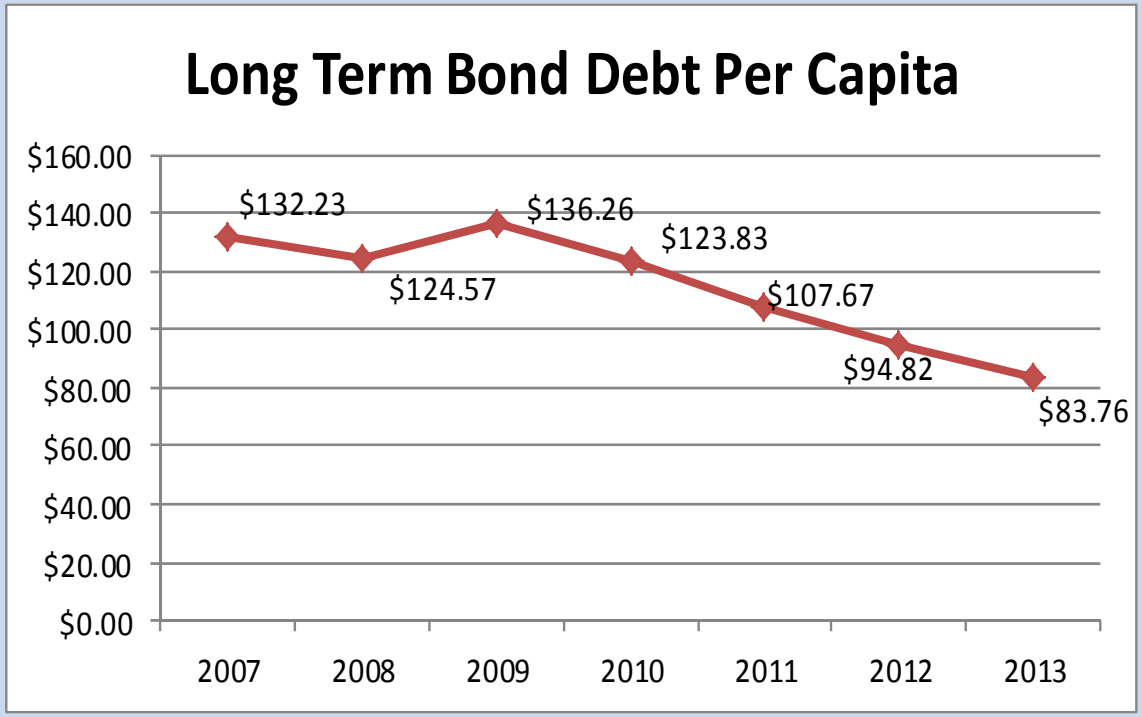
Fiscal Stability



Source: Population Data: U.S. Census Bureau

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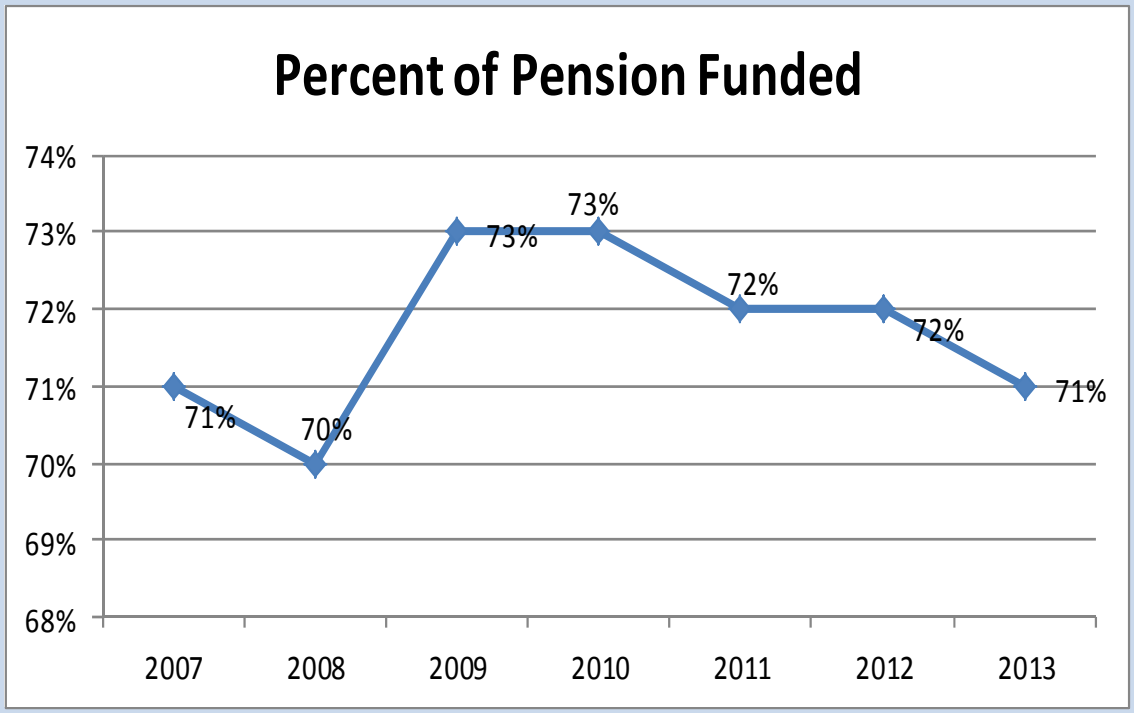
Fiscal Stability



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. MERS uses 10-year smoothed average market return rate for the assets, which accounts for the small drop in 2011. The County has adopted changes to its retirement plan migrating most employees to a hybrid of defined benefits and defined contributions, which should eventually decrease the County's unfunded liability.

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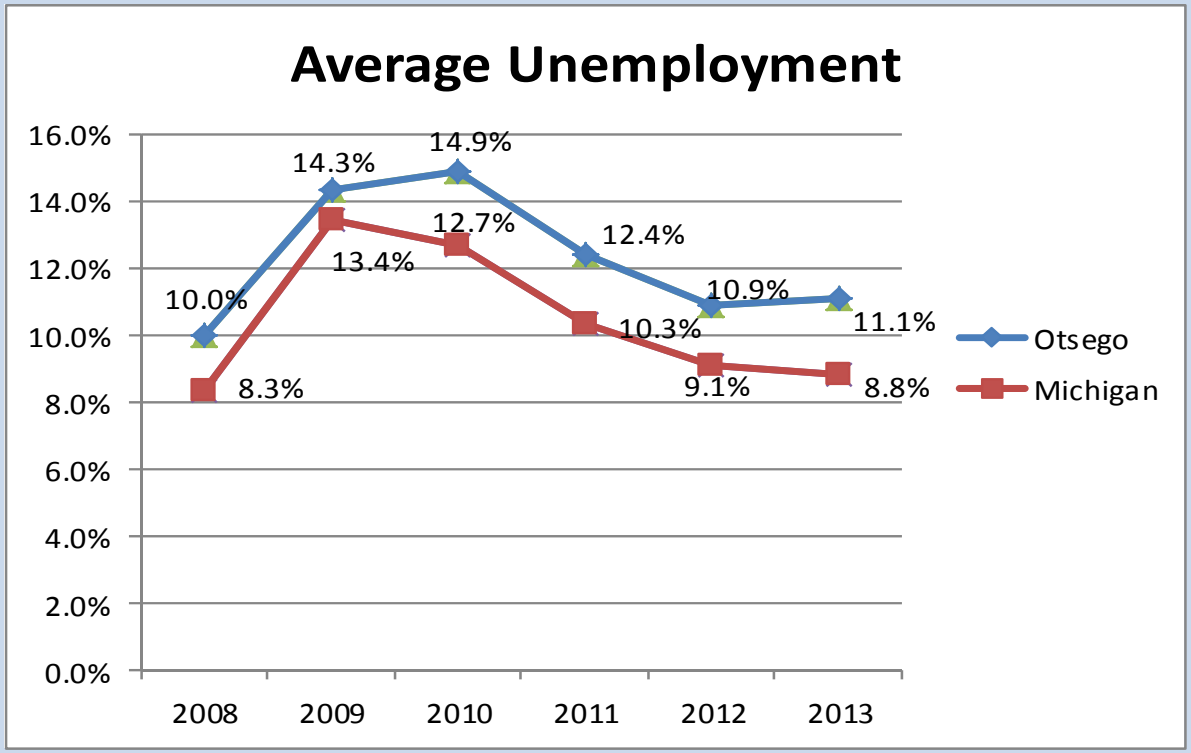
Economic Strength



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

While the unemployment rate for Otsego County is historically higher than that of the State of Michigan, the rates for the County as well as for the state have been improving since 2010.

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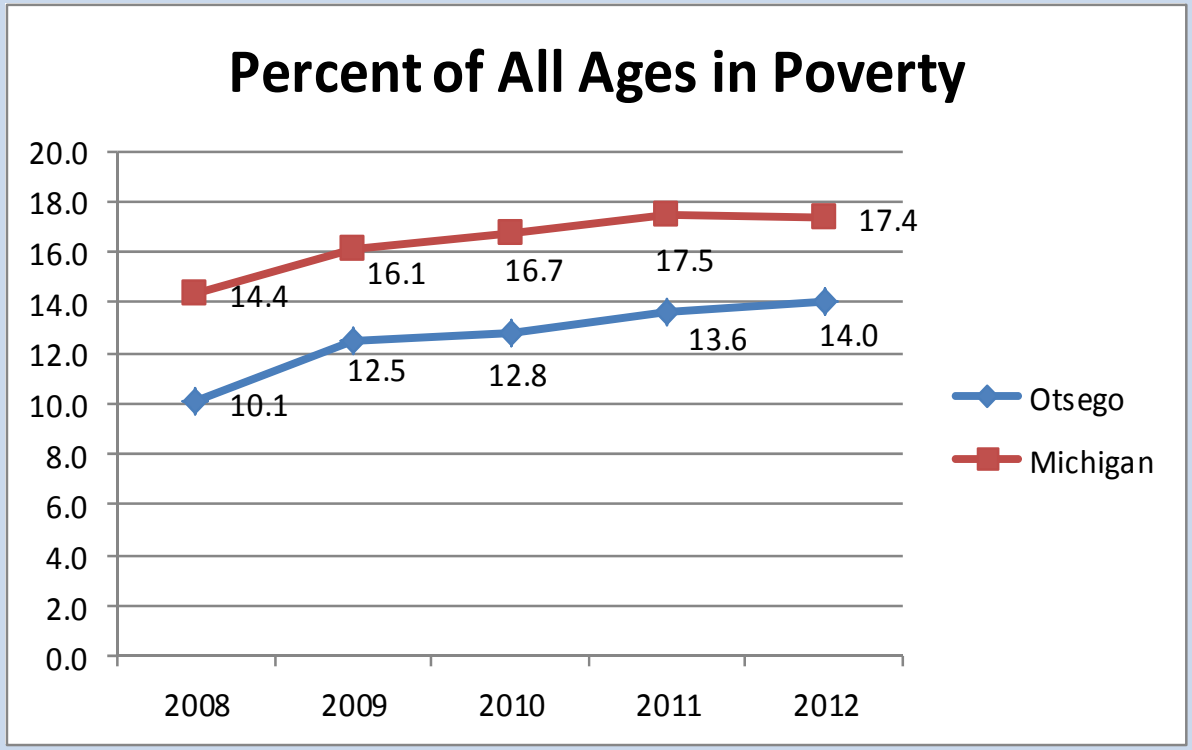
Economic Strength



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.

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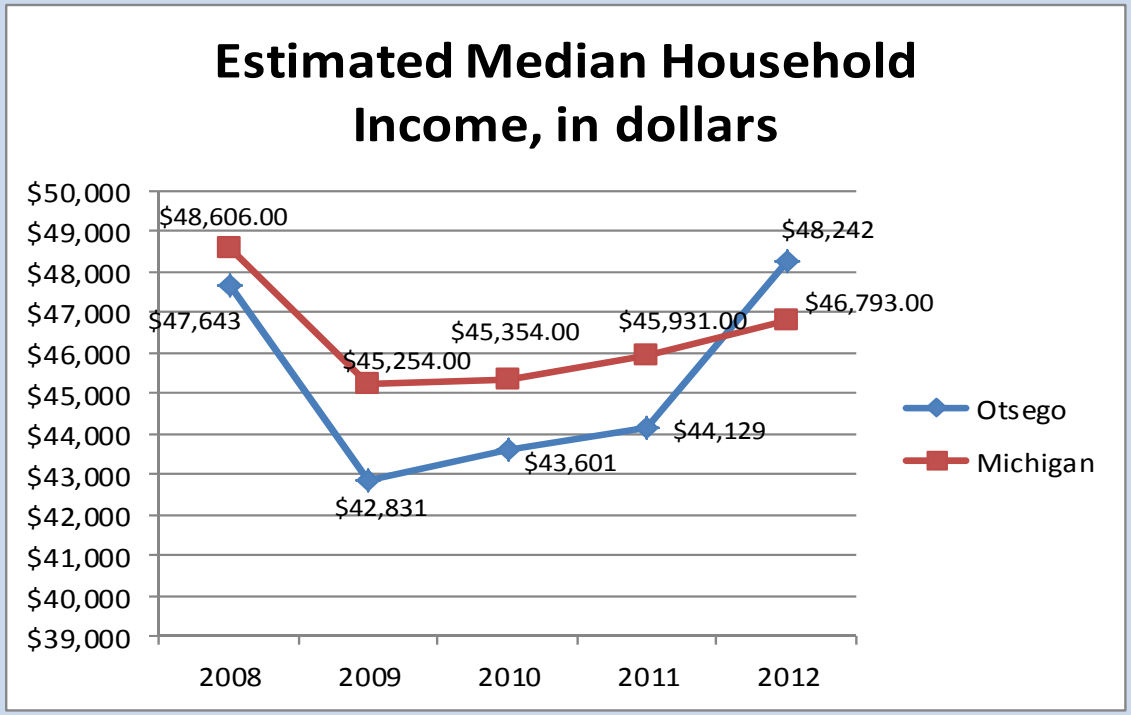
Economic Strength



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 2011.

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Economic Strength

Top 10 Employers in Otsego County

Company	Number Employed
Otsego Memorial Hospital	700
Wal-Mart	350
Treetops Resort	320
Gaylord Schools	300
Cooper-Standard Automotive	184
Otsego Club	160
County of Otsego	136
Tendercare	135
Mayfair Plastics	135
Breitburn	127
Total Employed by Top 10	2,536

Source: Otsego County Economic Alliance

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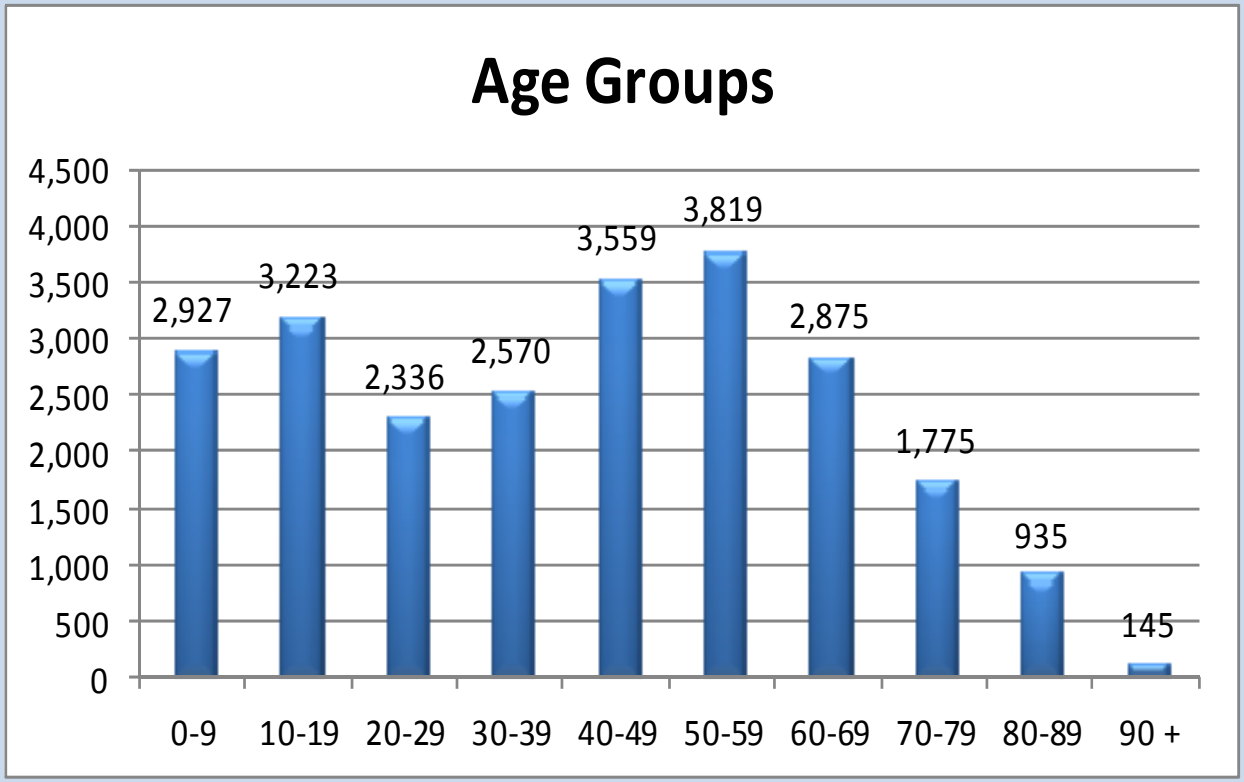
Economic Strength



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

The 2010 U.S. 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.

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Economic Strength

Countywide Voted Millages as of Tax Year 2012		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 - 3/16 Mill	August 3, 2010	2012 Thru 2016
0.2500	Sportsplex	10 Years - 1/4 Mill	November 2, 2010	2011 Thru 2020
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
0.2500	Recycling	3 Years - .25 Mill	November 6, 2012	2012 Thru 2014
8.2910	Total			

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Economic Strength

Otsego County Shared Services

9-1-1 Dispatch - Otsego County and the State of Michigan have historically shared a dispatch center. The building is owned by the State of Michigan, and the property is owned by Otsego County. The County began contracting with the State of Michigan in 2013 to provide 9-1-1 dispatch services including taking over the Dispatcher positions.

Forensic Autopsy Services - Otsego County has an Interlocal Agreement in place with Genesee County for forensic autopsy services for its Medical Examiner's Office.

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. Additionally the county partners with the townships to pay for the service.

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

Recycling - Otsego County worked over a period of four years with the City of Gaylord, the Village of Vanderbilt, the nine townships located in Otsego County to create a plan for countywide recycling, which was then implemented upon the passage of a millage in 2012.

Health Department - Otsego County is a member of the Northwest Michigan Community Health Department, along with Charlevoix, Cheboygan, and Emmet Counties.

Milbocker Road Project - Otsego County participated with the City of Gaylord, the Otsego County Road Commission, and several townships to fund the Milbocker Road project.

Office Space - Otsego County provides office space and support for MSU-Extension and the Otsego County Economic Alliance at no charge to those agencies.