# 2015 County of Otsego, Michigan Dashboard and Citizen's Guide

Citizens can obtain financial documents and other pertinent information about Otsego County by visiting www.otsegocountymi.gov

Otsego COUNTY
ESTABLISHED 1875 MICHIGAN

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Otsego COUNTY MICHIGAN
ESTABLISHED 1875

# 2015 County of Otsego, Michigan Dashboard & Citizen's Guide

## Fiscal Stability

| | Prior | Current | Progress |
|---|---|---|---|
| Annual general fund expenditures per capita | $312.66 *2014* | $320.05 *2015* | ↑ |
| Fund balance as a percent of annual general fund expenditures | 33.06% *2014* | 36.73% *2015* | ↑ |
| Debt burden per capita | $104.47 *2014* | $94.01 *2015* | ↑ |
| Number of Employees per 1,000 Residents, Source: Otsego County | 5.46 *2014* | 5.85 *2015* | ↓ |
| Number of services delivered via cooperative venture | 8 *2013* | 8 *2014* | ↓ |
| Pension Funded at % | 71% *2014* | 64% *2015* | ↔ |
| Pension Unfunded Accrued Liability | $5,641,443 *2014* | $7,992,844 *2015* | ↓ |
| Other Post Employment Benefits (OPEB) | $3,742,809 *2011* | $2,537,155 *2014* | ↑ |

**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 2015 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 Dept. of Tech., Mngmt, & Budget | 8.1% *2014* | 5.9% *2015* | ↑ |
| Population (estimate) Source: U.S. Census Bureau | 24,158 *2014* | 24,253 *2015* | ↑ |
| Estimated Median Household Income Source: U.S. Census Bureau | $47,016 *2013* | $44,693 *2014* | ↓ |
| % in Poverty (all ages) Source: U.S. Census Bureau | 13.6% *2013* | 13.2% *2014* | ↑ |

## Public Safety

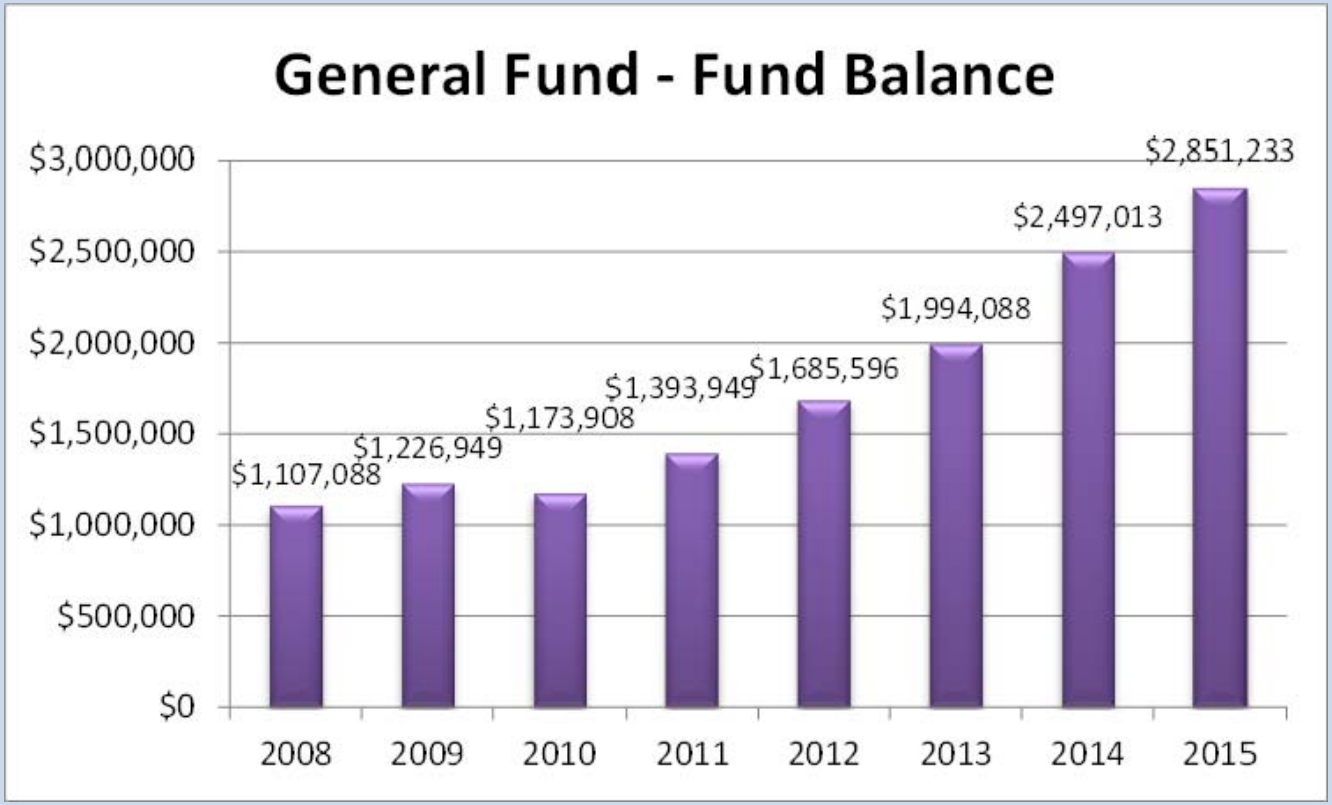
| | Prior | Current | Progress |
|---|---|---|---|
| Violent Crimes (Incidents) Source: MI Incident Crime Reporting | 225 *2014* | 246 *2015* | ↓ |
| Personal Property Crimes (Incidents) Source: MI Incident Crime Reporting | 513 *2014* | 535 *2015* | ↓ |
| Traffic Accidents Source: MI State Police, Traffic Crash Reporting System | 850 *2014* | 866 *2015* | ↓ |

## Quality of Life

| | Prior | Current | Progress |
|---|---|---|---|
| Number of Public Parks, Playgrounds, and Campgrounds, Source: OCPR | 41 *2013* | 41 *2014* | ↔ |
| Miles of Minimum 4-Foot Paved Shoulders, Source: OCRC | 47.12 *2014* | 53.12 *2015* | ↑ |
| Number of Golf Courses Source: GACTB | 17 *2012* | 17 *2013* | ↔ |
| Miles of Groomed, Signed, Snowmobile Trails, Source: OCRC | 103.5 *2014* | 96 *2015* | ↓ |

# 2015 County of Otsego, Michigan Dashboard

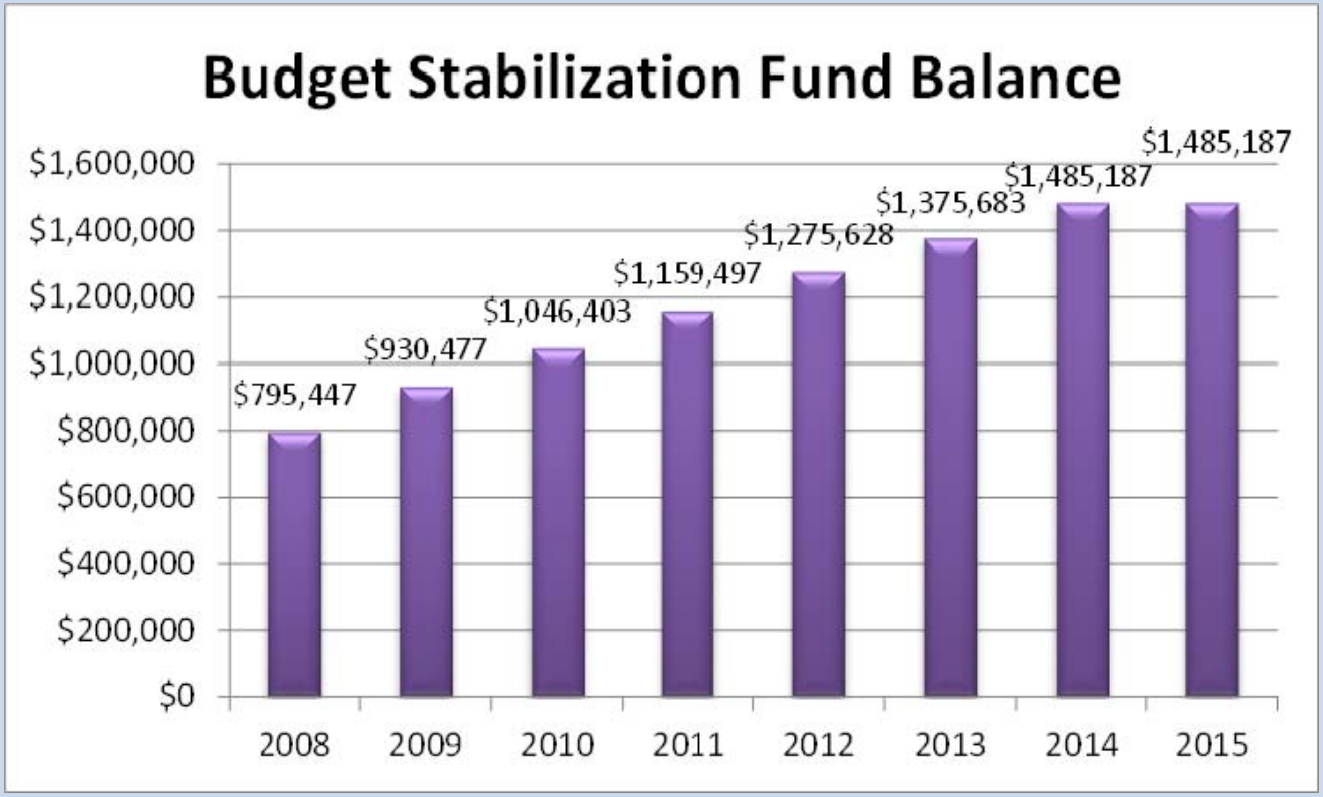
## Fiscal Stability




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.

# 2015 County of Otsego, Michigan Dashboard

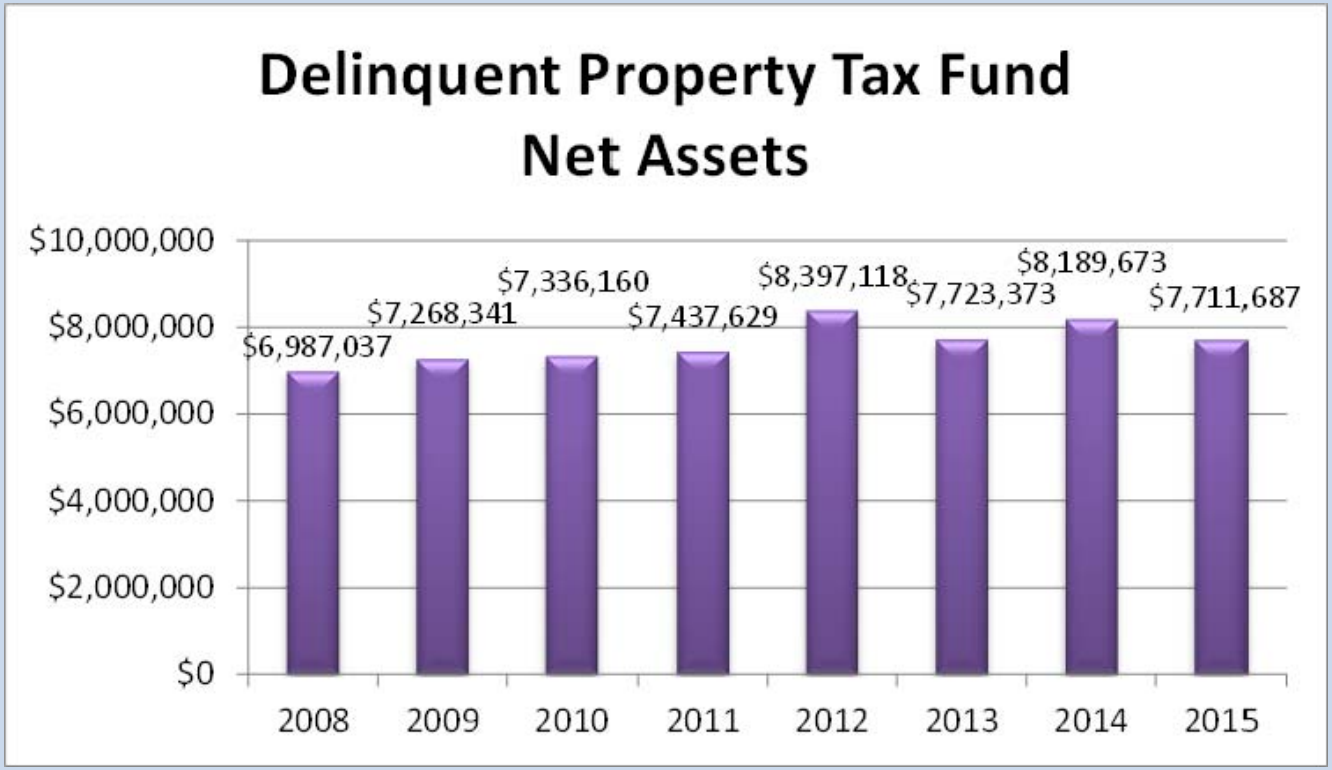
## Fiscal Stability




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.

# 2015 County of Otsego, Michigan Dashboard

## Fiscal Stability

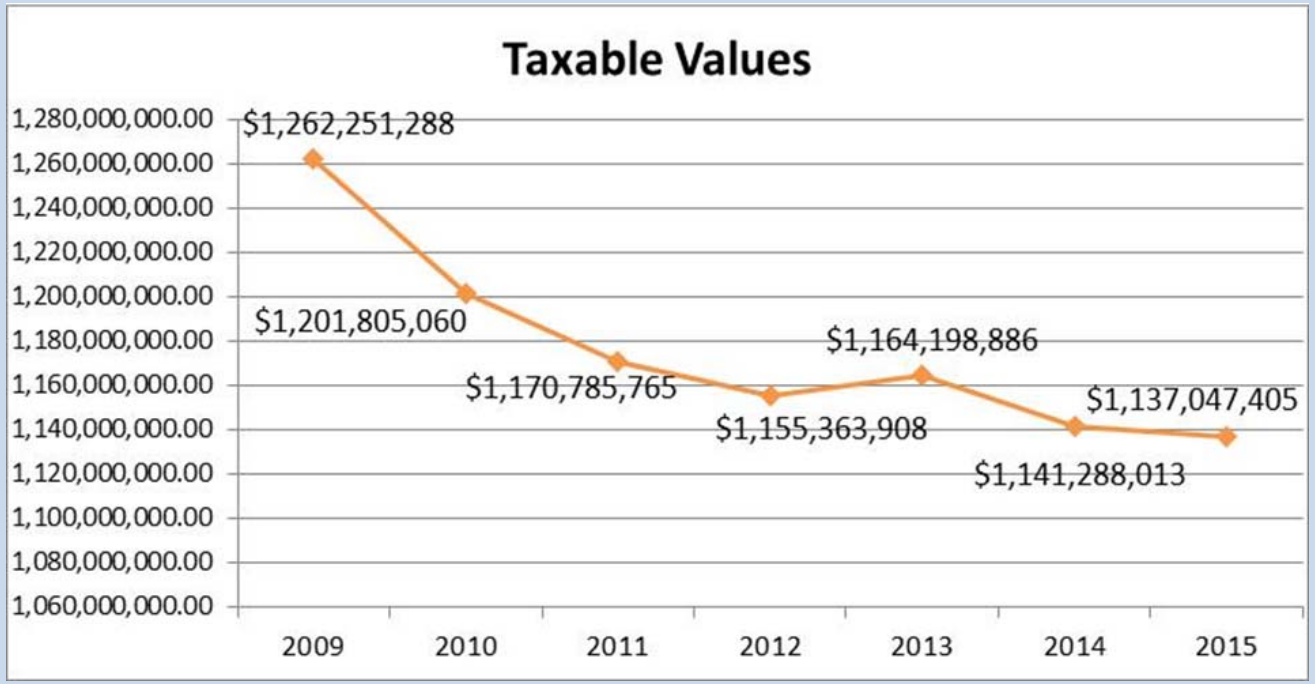



In March of each year, the County pays each taxing unit in the County, such as schools, townships, and other municipalities, the balance of their property tax levy so they are made whole, totaling approximately $3 million per year. The County is then responsible for following up and collecting all delinquent 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.

Only a portion of the Delinquent Tax Fund is in actual cash or investments while the remaining is made up of delinquent tax receivables. The majority of those dollars will be used to meet the cash flow needs for the $3 million settlement payout each spring.

# 2015 County of Otsego, Michigan Dashboard

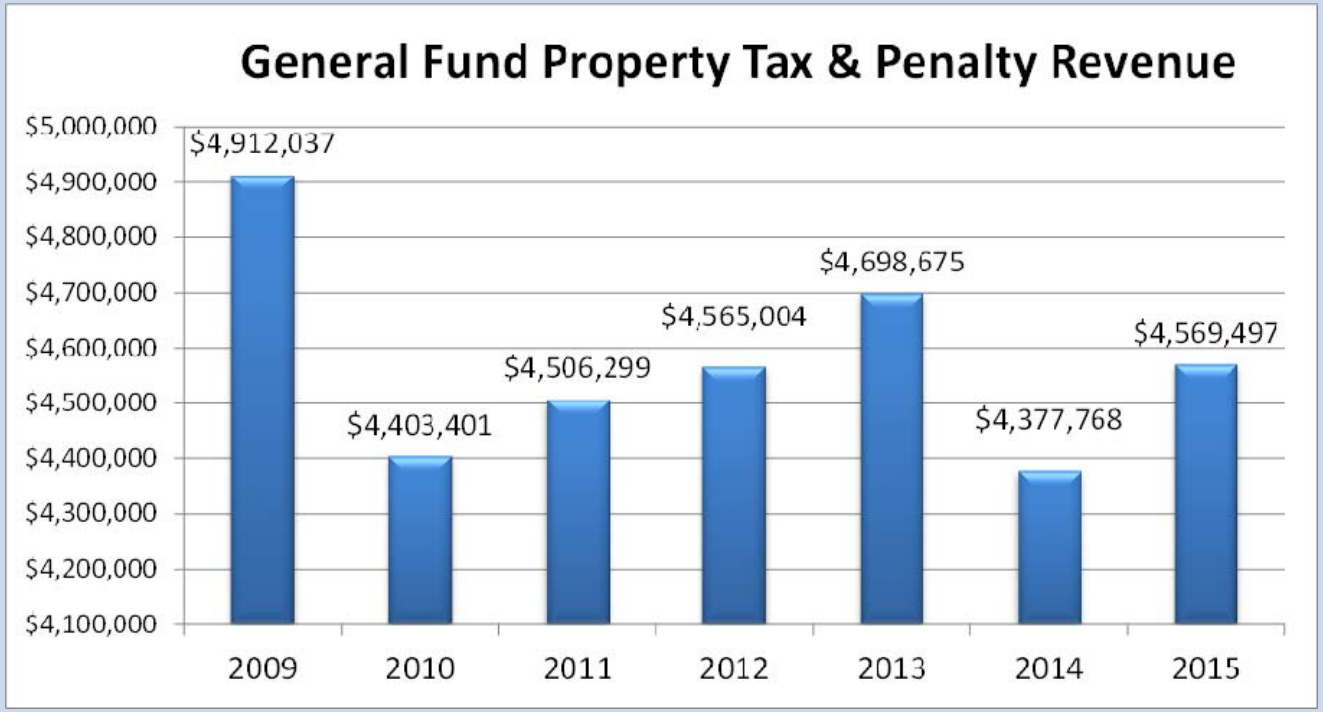
## Fiscal Stability




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.*

# 2015 County of Otsego, Michigan Dashboard

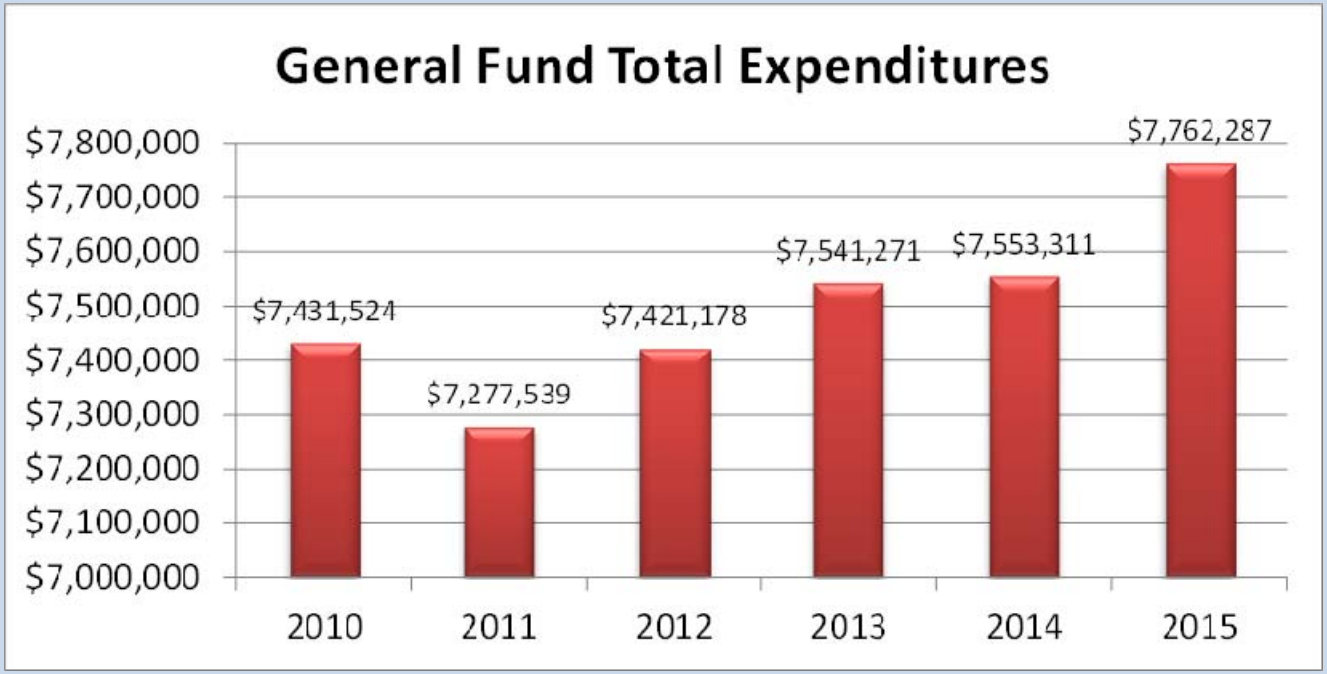
## Fiscal Stability




This graph shows the volatility of the General Fund property tax revenue from 2009 through 2015.

# 2015 County of Otsego, Michigan Dashboard

## Fiscal Stability

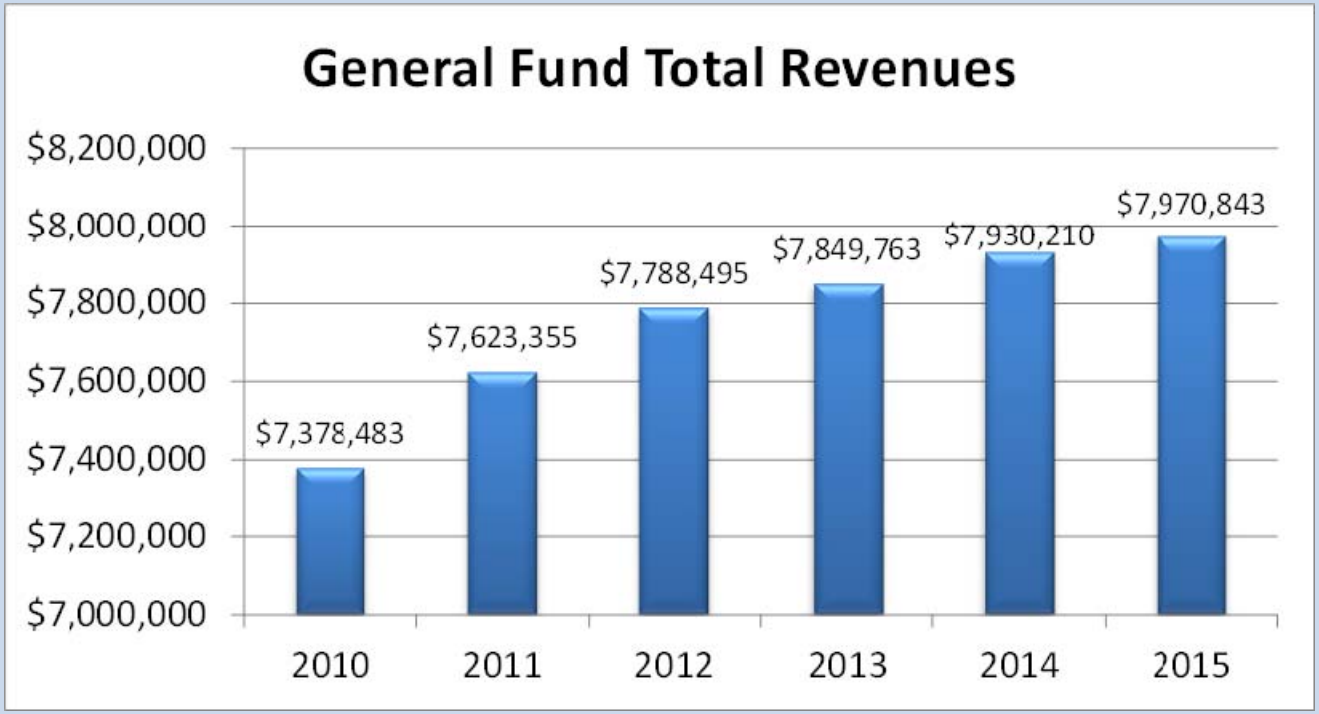



The County has consistently kept its General Fund expenditures in line with its General Fund revenues. This has been achieved by a variety of methods including employee reductions, privatization of services, and increased cost to employees for benefits.

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

# 2015 County of Otsego, Michigan Dashboard

## Fiscal Stability

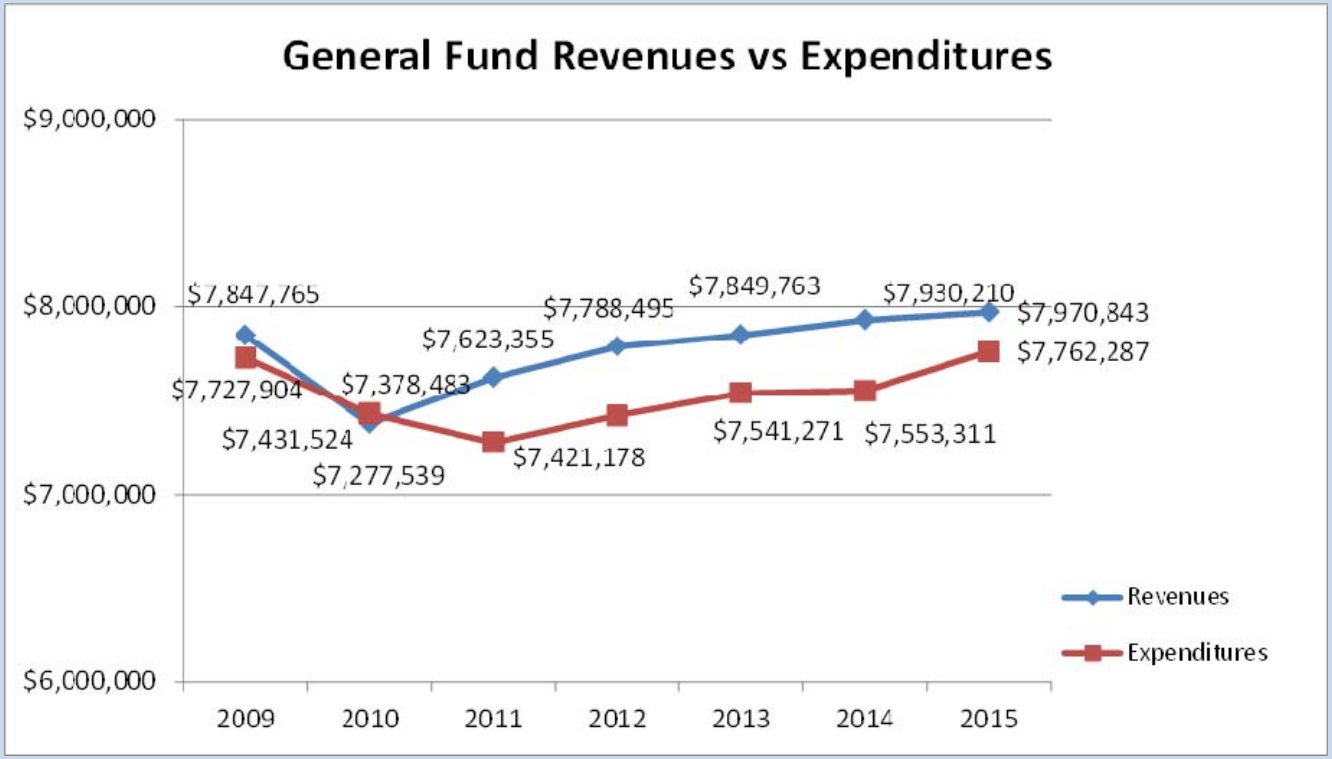



The graph above illustrates an overall increase in total County General Fund revenues since 2010.

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

# 2015 County of Otsego, Michigan Dashboard

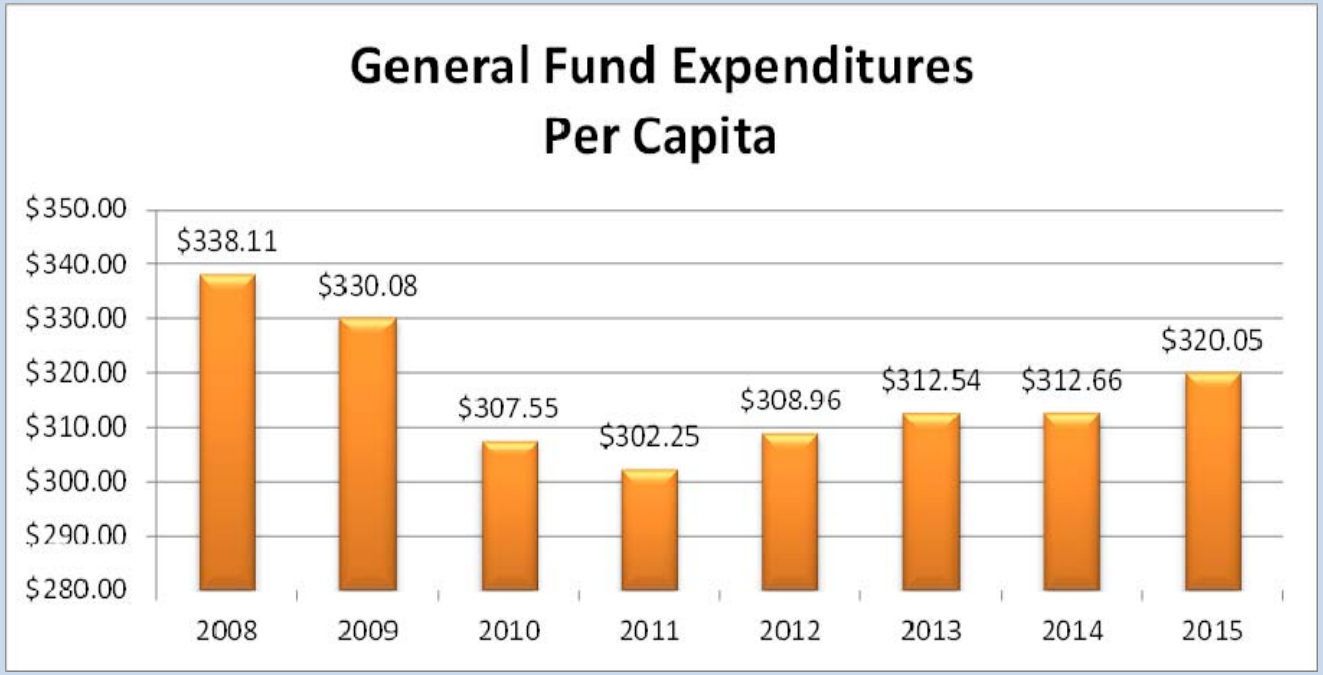
## Fiscal Stability




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.

# 2015 County of Otsego, Michigan Dashboard

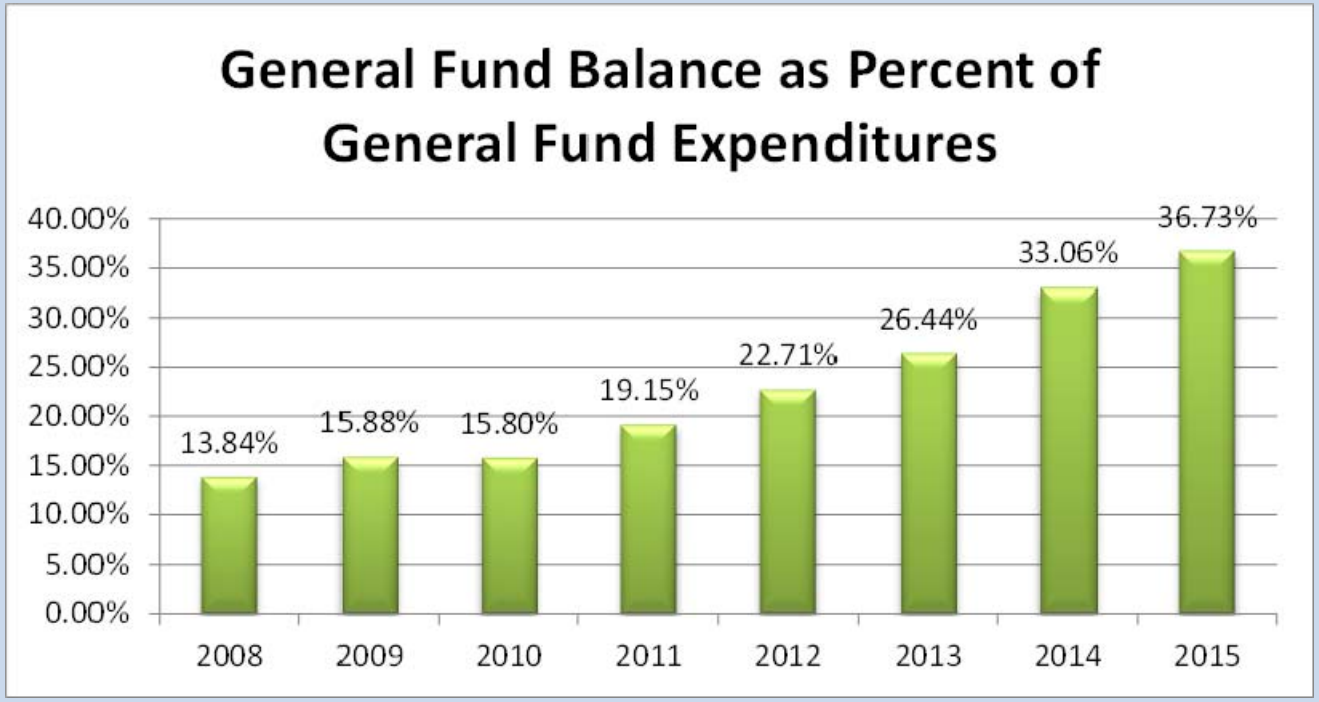
## Fiscal Stability




Source: Population Data: U.S. Census Bureau

# 2015 County of Otsego, Michigan Dashboard

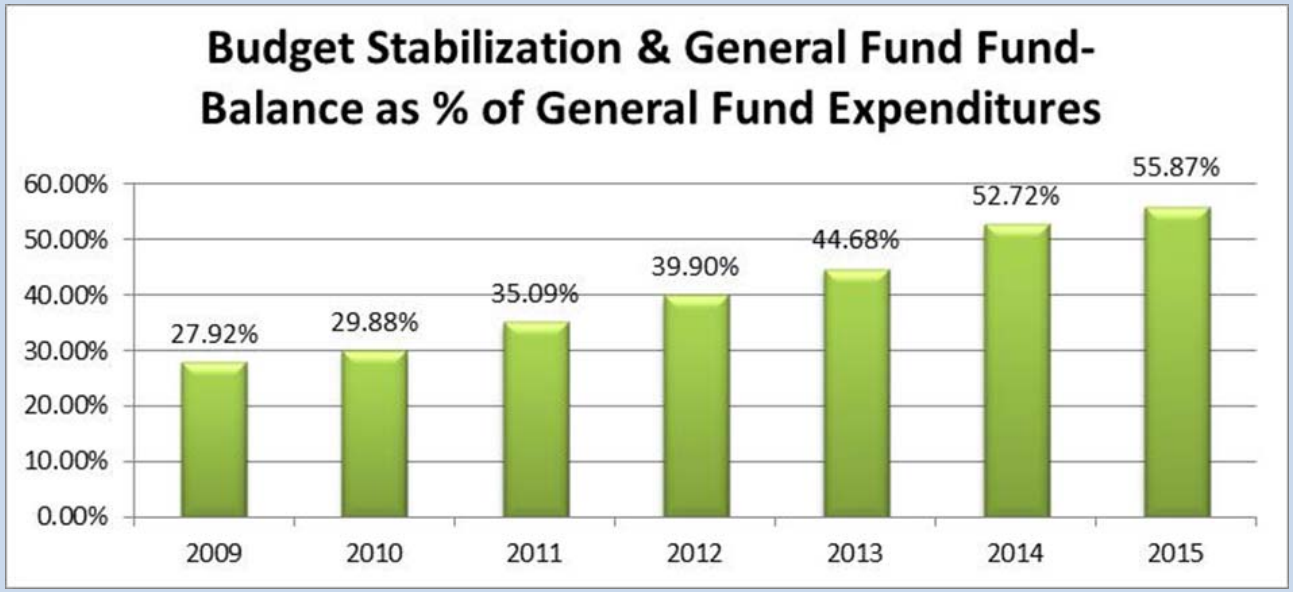
## Fiscal Stability




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

# 2015 County of Otsego, Michigan Dashboard

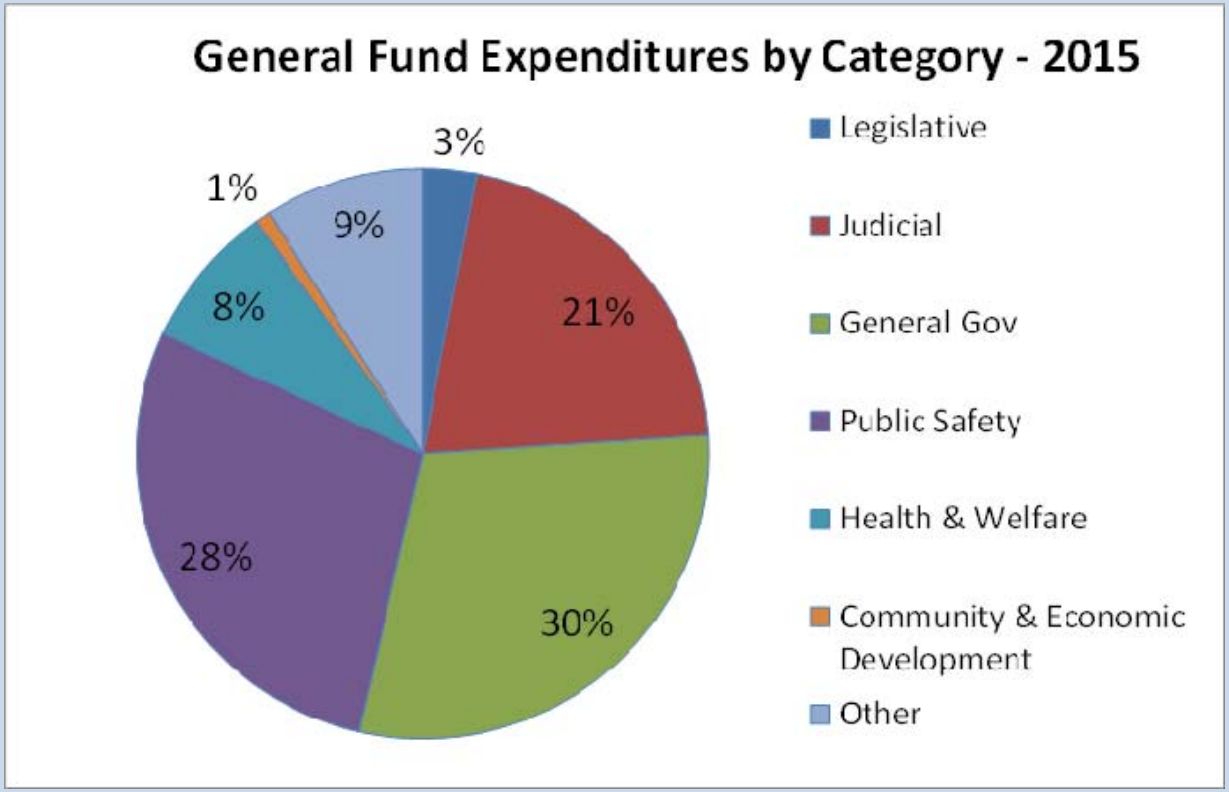
## Fiscal Stability




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 approximately 55%, 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.

# 2015 County of Otsego, Michigan Dashboard

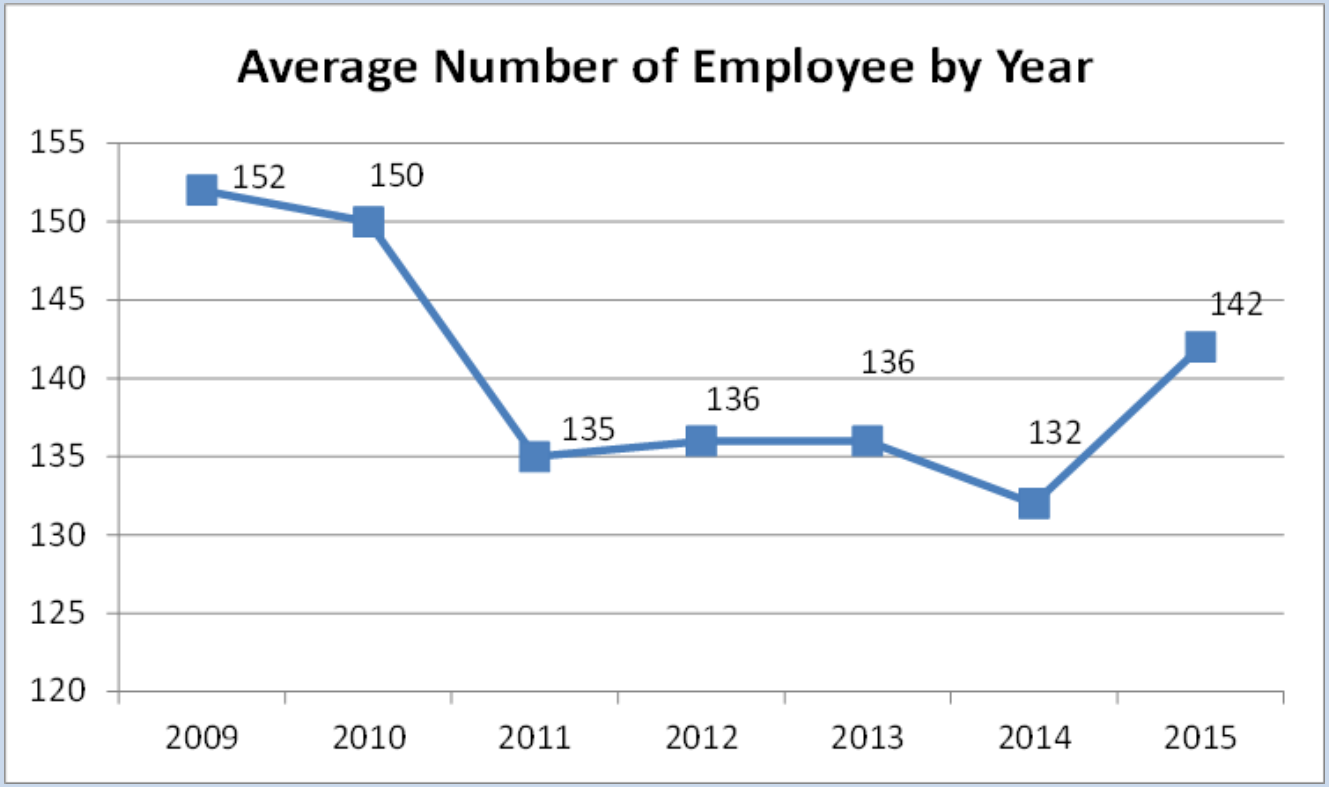
## Fiscal Stability




The chart above shows that approximately (49%) of the County General Fund Expenditures in 2015 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 30% of the Expenditures.

# 2015 County of Otsego, Michigan Dashboard

## Fiscal Stability



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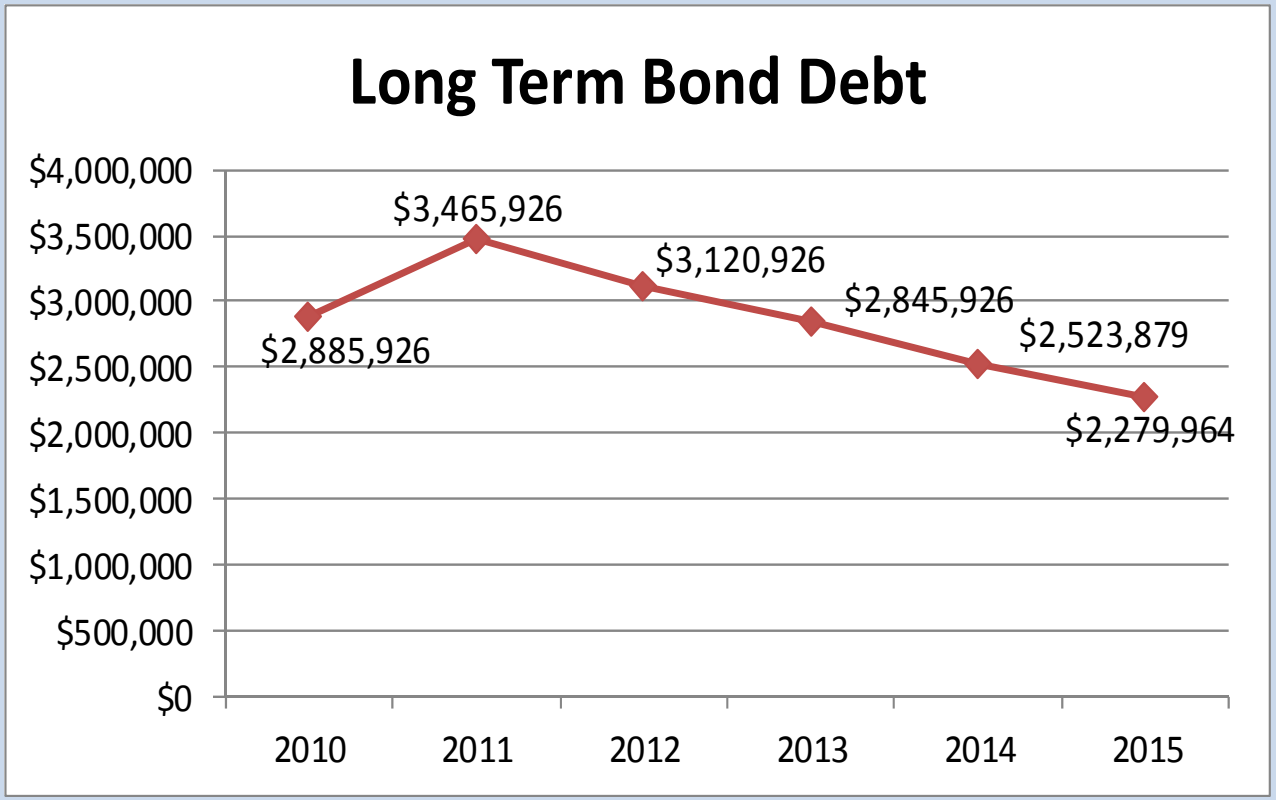
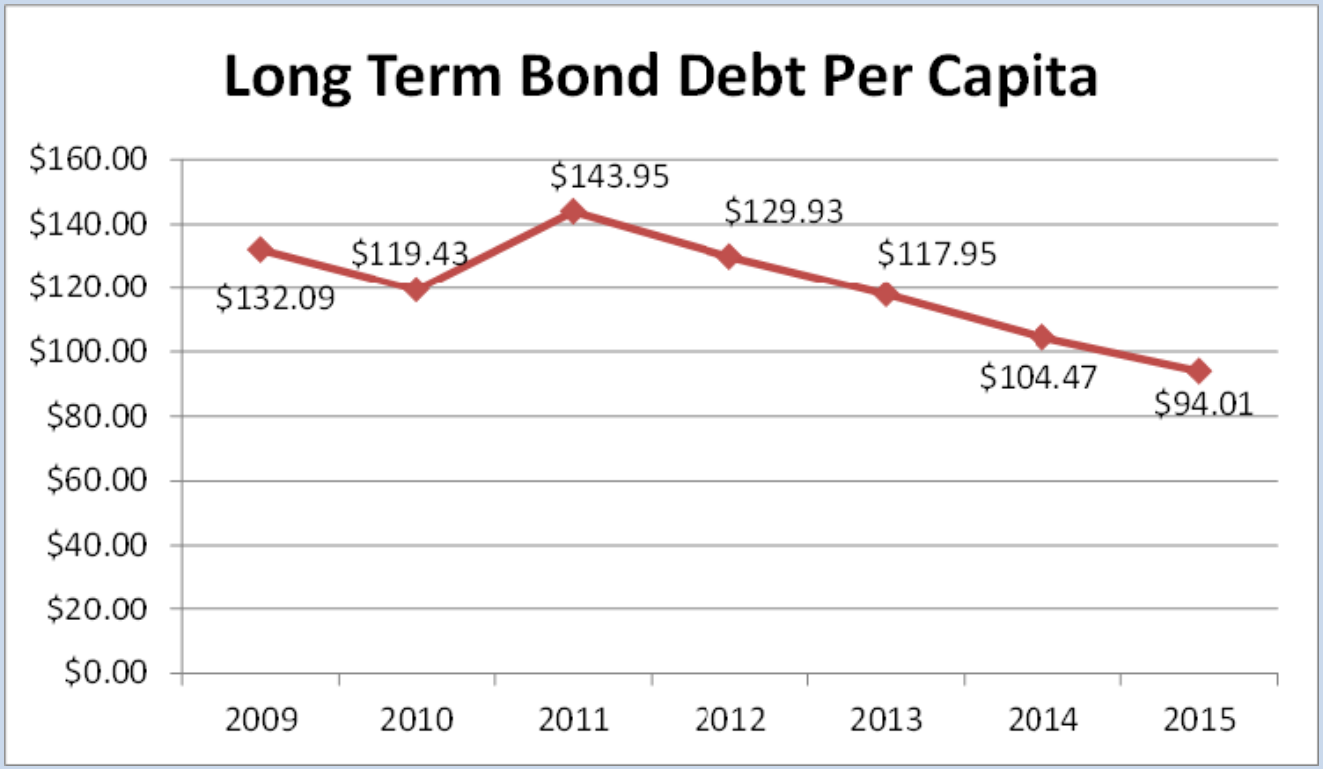



Long Term Debt includes debt incurred by the County and its Component Units. Funds used to pay for debt comes from a variety of sources including the General Fund, dedicated Extra-voted Millages, and rent charged to outside agencies.

The only remaining debt payments are for the University Center/M-TEC, debt payments for the Road Commission for a Salt Storage Barn, and a loan from the State to the Brownfield Authority for property cleanup. 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.

# 2015 County of Otsego, Michigan Dashboard

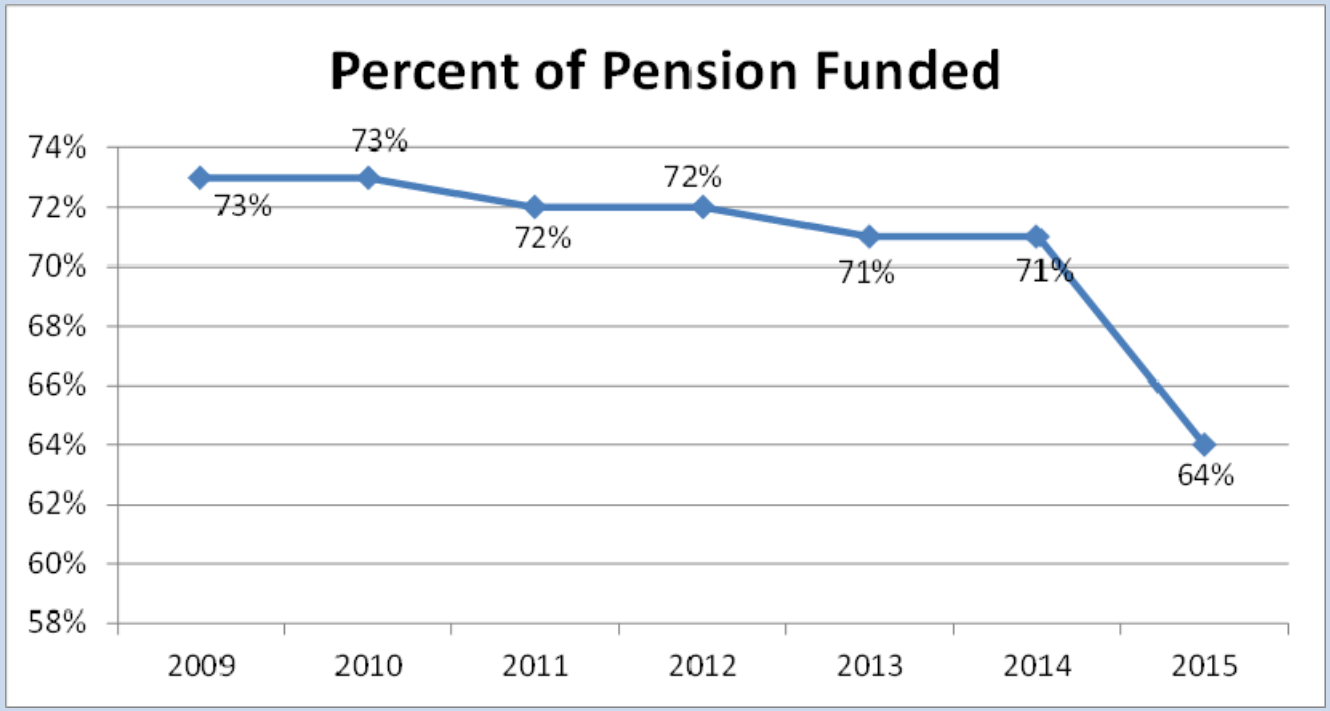
## Fiscal Stability




Source: Population Data: U.S. Census Bureau

# 2015 County of Otsego, Michigan Dashboard

## Fiscal Stability

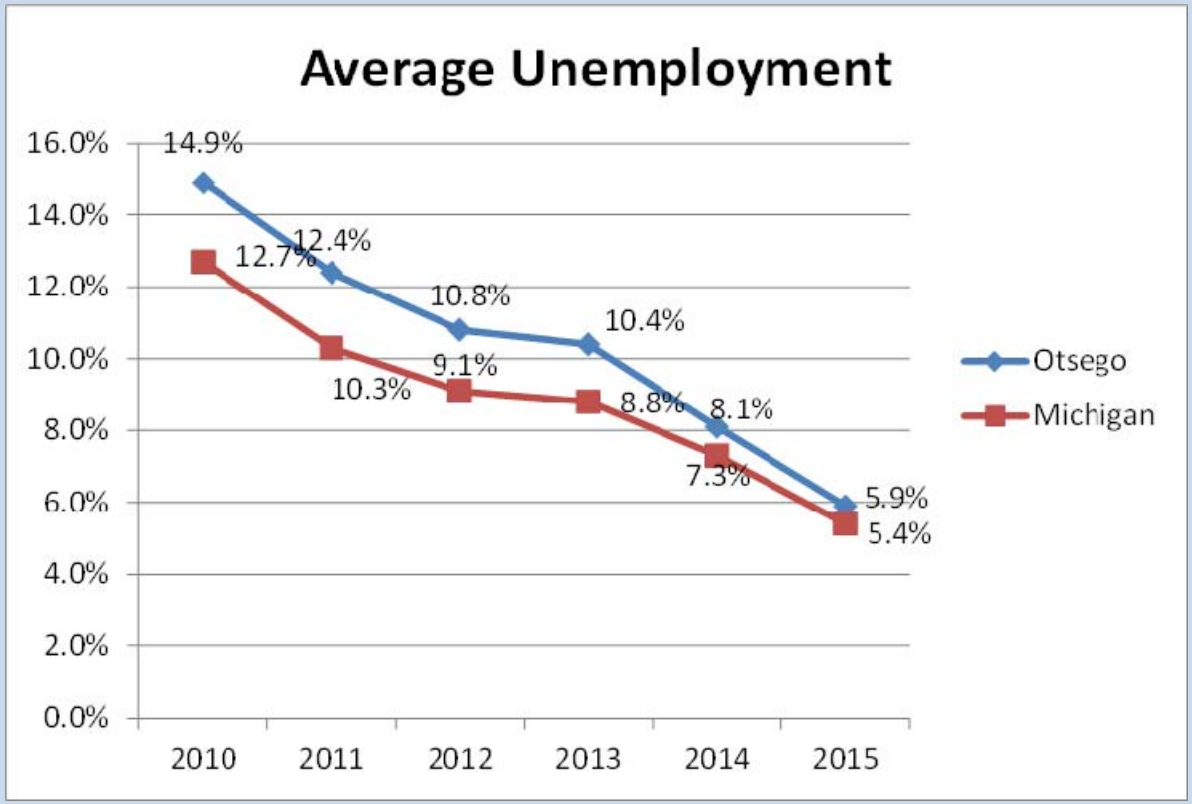



Otsego County is a member of MERS (Municipal Employees Retirement System of Michigan). MERS calculates the unfunded liability in member retirement plans based on a variety of assumptions, which are updated annually. Required changes in reporting requirements resulted in the drop for 2015.

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. The County has begun making extra payments to MERS as well as exploring other options.

# 2015 County of Otsego, Michigan Dashboard

## Economic Strength

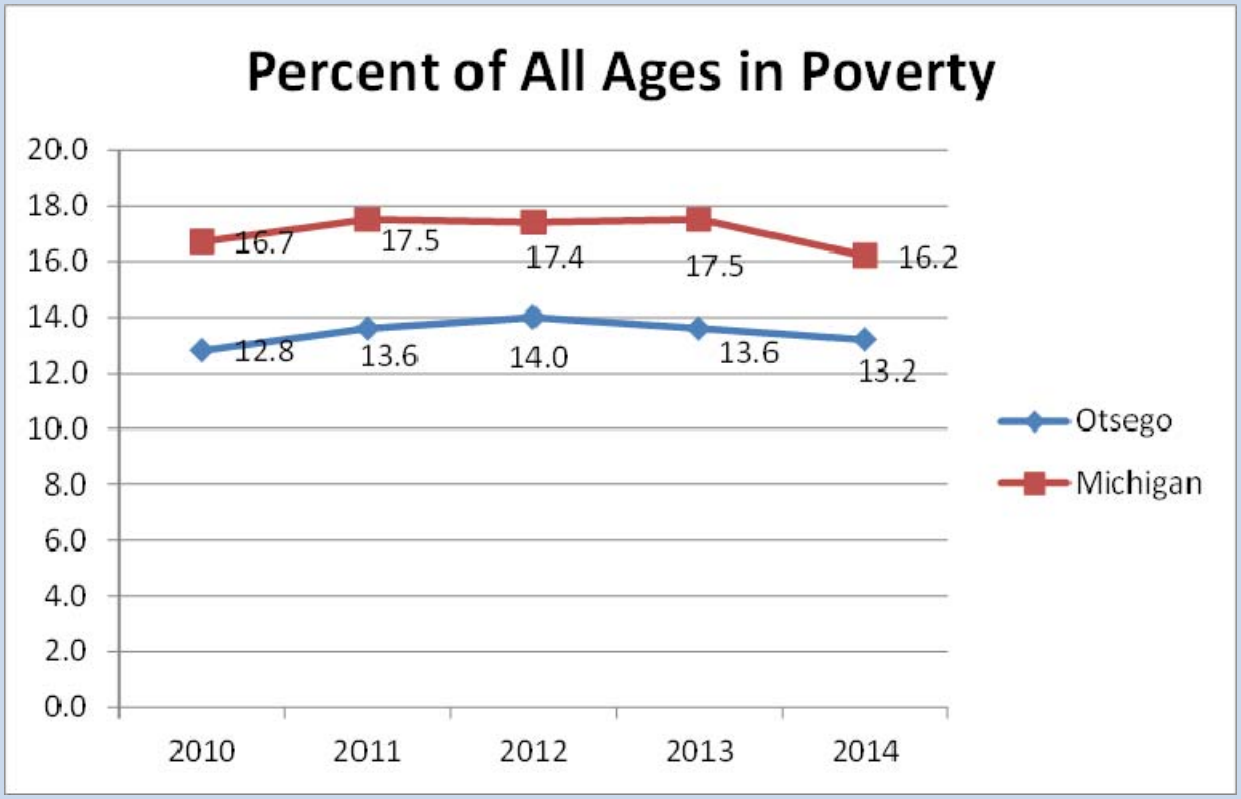



Source: MI Dept. of Technology, Management, & Budget

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.

# 2015 County of Otsego, Michigan Dashboard

## Economic Strength

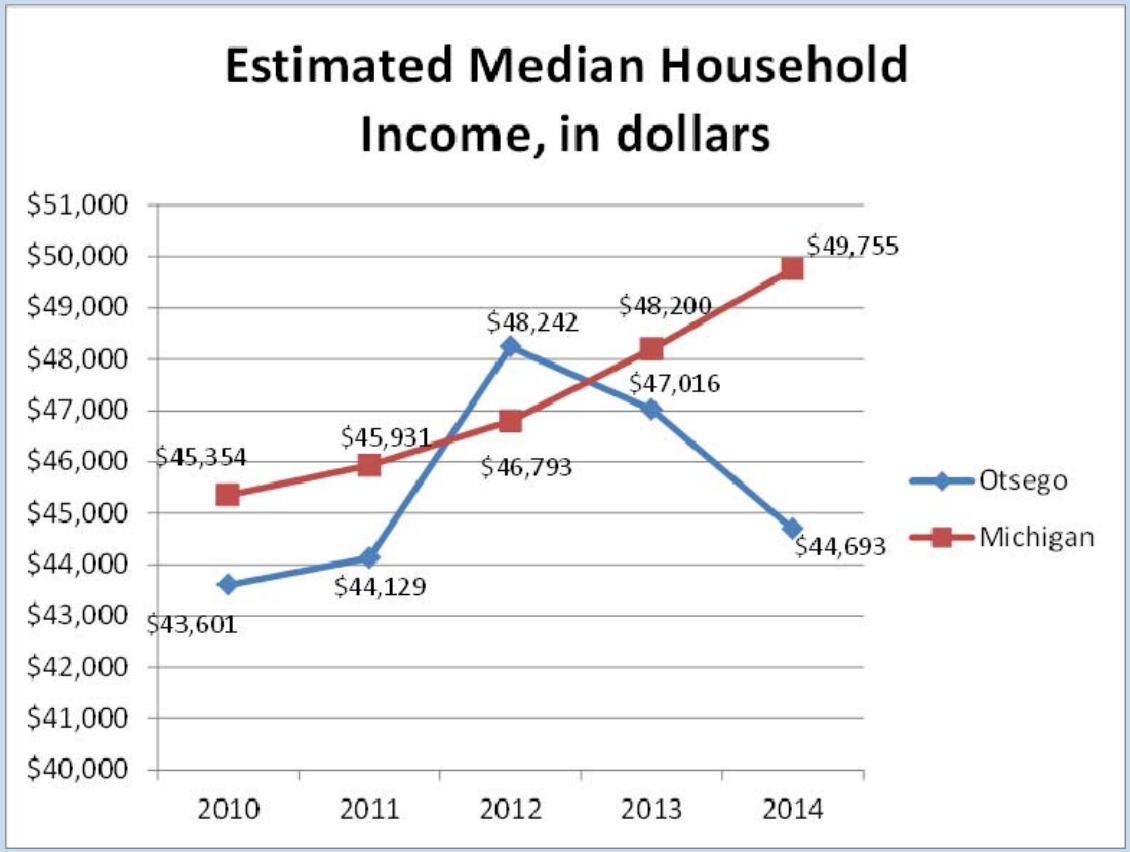



Source: U.S. Census Bureau, Small Area Income and Poverty Estimates

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.

# 2015 County of Otsego, Michigan Dashboard

## Economic Strength




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

# 2015 County of Otsego, Michigan Dashboard

## Economic Strength

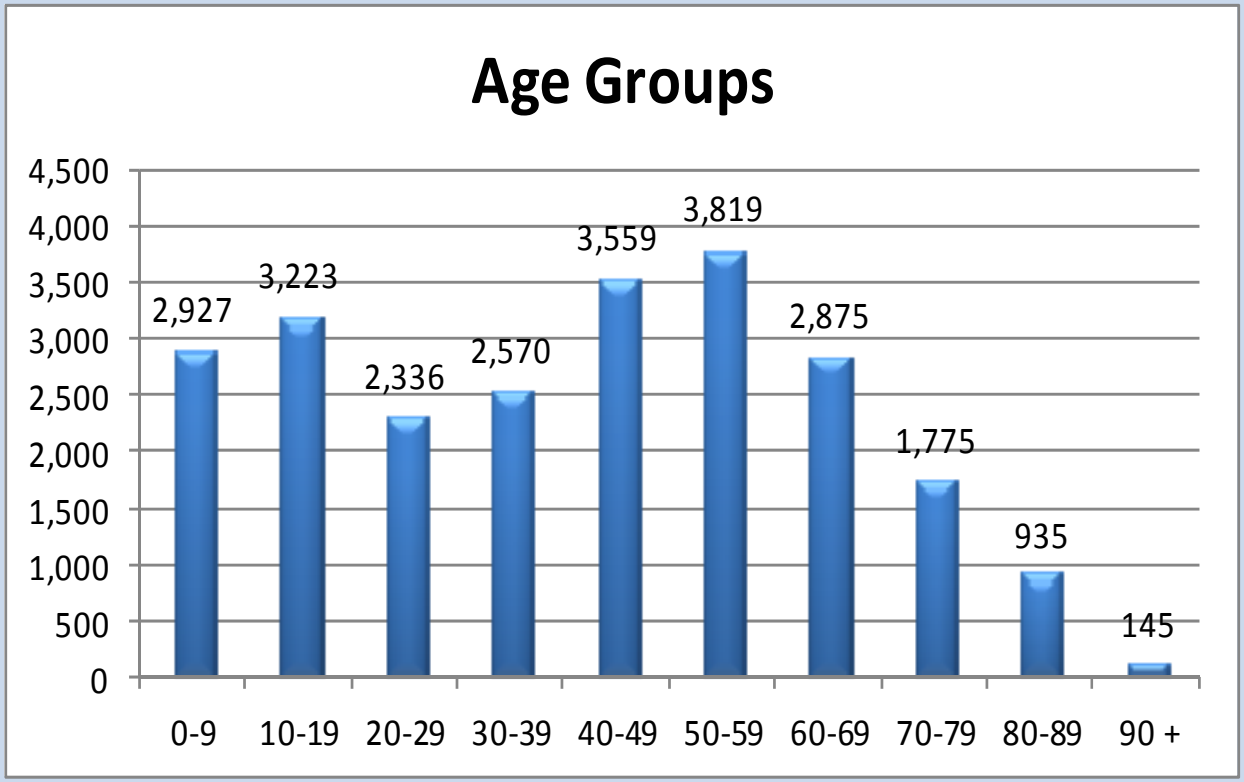
Top 10 Employers in Otsego County

| Company | Number Employed |
|---|---|
| Otsego Memorial Hospital | 700 |
| Wal-Mart | 350 |
| Treetops Resort | 320 |
| Gaylord Community Schools | 300 |
| Meijer | 266 |
| Cooper-Standard Automotive | 200 |
| Otsego Club | 180 |
| Johnson's Oil | 152 |
| Otsego County | 142 |
| Tendercare | 135 |
| | |
| Total Employed by Top 10 | 2,745 |

Source: Otsego County Economic Alliance

# 2015 County of Otsego, Michigan Dashboard

## 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.

# 2015 County of Otsego, Michigan Dashboard

## Economic Strength

| Countywide Voted Millages as of Tax Year 2014 | | 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, 2012 | 2014 Thru 2018 |
| 1.0000 | Commission on Aging | 5 Years - 1 Mill | August 5, 2014 | 2015 Thru 2019 |
| 0.1875 | 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, 2014 | 2015 Thru 2020 |
| 0.4000 | EMS (Ambulance) | 5 Years - 4/10 Mill | November 4, 2014 | 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, 2012 | 2014 Thru 2018 |
| 0.2500 | Recycling | 3 Years - .25 Mill | November 6, 2012 | 2015 Thru 2017 |
| 0.1875 | Sportsplex Building Repair | 5 Years - 3/16 Mill | November 4, 2014 | 2014 Thru 2018 |
| 1.0000 | County Road Commission | 10 Years - 1.0 Mill | November 4, 2014 | 2014 Thru 2023 |
| 9.4785 | Total | | | |

# 2015 County of Otsego, Michigan Dashboard

## 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.

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

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

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

Non-Motorized Trails - Otsego County is partnering with Bagley Township, Otsego Lake Township, and the Michigan Department of Natural Resources to extend the North Central State Trail south and to create a trailhead in downtown Gaylord.

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

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.

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.