



MEMORANDUM

January 28, 2021

TO: Honorable Commissioners
FROM: Robert J. Sarro, County Administrator
RE: **Strategic Work Plan**

During the January 14, 2021, Board Meeting, the Board Planning Input Survey was reviewed. This survey does not in any way duplicate the Citizen Survey. In fact, our current process was designed to ensure that our citizen's input, as summarized by the National Citizen Survey consultants, was able to be considered for placement in actionable plans or next steps.

Upon review of the Board Planning Input Survey results, the direction of the Board was for the County Administrator to propose a general approach, work plan, for next steps.

The Board has been in possession of all survey responses. No additional responses or data were used in the development of the work plan. The work plan is not intended to dismiss or highlight any one particular comment but rather to form an approach to the overarching themes and outcomes by category.

Recommendations relative to the budget process include the formation of 2022 fiscal year changes, four additional years of planning, and up to 20 years of capital projects.

Quality of Life – In general, the responses appear to be reflective of, and covered by, other categories of the survey.

Public Safety (and Justice)

The judicial and law enforcement areas combined account for over 60% of the General Fund. As these areas represent a strong focus of the tax limitation discussions that have occurred with the Board, it continues to be recommended that the County, Courts, Prosecutor, Sheriff and Defender meet and review interrelated needs to identify any solutions available using existing resources, or potentially by requesting additional resources.

Subsequent to these discussions, it is recommended the previously submitted Sheriff's Department Plan and other related budgetary requests from the Justice system be re-evaluated by this interconnected group. Root issues to needs should be identified and solutions focused on those root issues. At a minimum, the Sheriff's previous plan would be revised as he has requested time to do such. It is recommended the plan (or any related plans) be converted to a 5 year budget plan submitted by May 31, 2021 for consideration of changes to be implemented for the State funding year 2022 (which begins in October 2021).

Through the survey there is mention of related technology considerations. Of course, these could be reviewed through this process.

Economy

Lakeshore Advantage is currently the County's connection into Economic Development. The contract with Lakeshore Advantage has been renewed for an additional three years with an increase representing an average 5% percent annual adjustment from the time of implementation to maintain existing service

levels. The investment to Lakeshore Advantage could be increased with specific results to be obtained if such expectations vary from Lakeshore Advantage's existing plans. It is recommended the Board consider the suggestions for increased economic activity (through scheduled planning session discussions in 2021) and provide direction to the Administrator to develop a plan in conjunction with Lakeshore Advantage to address the selected areas of focus:

Based on the survey, areas include:

Affordable Broadband Access

Accessibility to healthcare and fitness centers

Income levels, housing availability, inclusion and accessibility to and attainment of college education are economic factors and indicators currently part of Lakeshore Advantage's plans as these are heavily discussed in the Economic Development arena currently.

Infrastructure improvements (water, sewer, etc.)

Social distancing, remote work, and other methods to support employers and provide flexibility for employees in the new norm

Small business sustainability

Land Acquisition

Recreation and Wellness

Based on the percentages on the dashboard report for items below benchmark, the need for more access to fitness opportunities (affordable fitness centers) is the 1st lowest, access to Mental Health Service the 2nd lowest and access to preventative care is the 3rd lowest.

Many comments in this category or throughout the survey related to Parks and Recreation as well.

In addition, comments also focus on Public Health funding and resources.

Access to health care and fitness - For access to preventative health care and affordable fitness centers the Administrator has included the topics under Economy.

Mental Health - Accessibility to Mental Health Services it is recommended to be referred to the Community Mental Health Authority.

Parks and Recreation – The current Parks plan does not expire until the end of 2024. As such, it is recommended the Citizen Survey and all of the Parks related comments from the Board Input Survey be referred to the Parks Department and Advisory Board for evaluation of the current plan and determination as whether the plan addresses the feedback. If not, a recommendation should be formed for the Board's consideration in the form of changes to the Parks plan with the related funding proposal.

Public Health - If the Board desires to evaluate Public Health services levels and funding, it is recommended that Public Health work in conjunction with County Administration to conduct a gap analysis and identify the necessary funding to fill significant gaps (in a similar approach to how Environmental Services was reviewed). Outcomes, should be submitted through the budget process by May 31, 2022 (may need to extended depending upon pandemic demands) for final Administrative recommendation and Board consideration in the documented budget process. At this time, the immediate demands of the pandemic do not allow a process to be completed this year. However, needs specific to the pandemic continue to be monitored and resources may still be requested relative to that response. Public Health can cover a broad spectrum of services, the Board's expectations should be clear as to the extent the County is willing to provide services. For example, is the focus on meeting mandate, being able to impact community needs beyond the planning, or somewhere in between? Areas could include homelessness, access to healthcare/dental/mental health services, nutrition, wellness, etc. We have

community needs assessments and reports from the Healthy Allegan County Coalition. Are these areas we are looking to directly impact or still maintain a planning role?

Transportation

The plan, as previously presented, to restore and enhance Transportation services remains accurate. With changes resulting from COVID-19, the plan may have options for a phased approach. It is recommended the plan be converted to a 5 year budget plan submitted by May 31, 2021 for consideration of changes to be implemented for the State funding year 2022 (which begins in October 2021).

Debt

Many of the plans relative to the input received will require funding. It is likely funding will require an increase in the operating millage. It is recommended that debt reduction not be a separate consideration but rather a means to accomplish the plans while limiting the amount of additional millage needed through elimination of interest and reallocation of existing payments.

Overall Citizen Survey (Beyond Summary Areas) - In general, the responses appear to be reflective of, and covered by, other categories of the survey.

Strategy Map – Please see individual comments.

Services to Expand - In general, the responses appear to be reflective of, and covered by, other categories of the survey. Technology and support is an area that has been woven throughout the survey responses.

Services to Reduce – In general, responses either indicated no reductions were necessary or that areas suggested are linked to mandates the County does not have discretion over.

State mandated function of the Board (P.A 156 of 1856) – The majority of responses in each area listed reflect overall satisfaction in these function areas. Areas that have the most opportunity for improvement based on the responses are:

Board meetings – More efficient/concise meetings, live remote access (which is currently live through Zoom) but two comments reflect desire to stream on YouTube or other media.

Facility planning – It is recommended facility planning efforts continue. Space is available and through innovation the Courthouse is still adequate to address Court needs if non-court functions are moved. With CMH plans proceeded it is recommended the County consider the County Services Building to occupy non-court functions. The Youth Home should be a focus. In general, we have been successful at incorporating general building maintenance and infrastructure upgrades in the Capital Plan; however, needs exceed available funding.

Compensation – Plans are already in place to review compensation over the next 18 months. The review should determine more objectively where the County stands in the comparable market. Recent input from employee groups is to focus on reducing the number of steps. The County has already been working towards this and some improvement is expected to be recommended.

Staffing Requests	2021 Bud Req	2022 Startup	2022 Operations	2023	2024	2025	2026
Sheriff Staff (4)	400,750	180,000	411,345	415,085	433,604	445,090	464,407
FOC Bench Warrant Officer	27,566	45,000	28,787	30,059	31,436	32,799	34,193
District Court Clerks (2)	121,537	10,000	126,733	132,158	137,764	143,745	149,984
Prosecuting Attorney Staff (4)	284,376	30,000	298,744	313,780	329,683	344,971	344,972
Total Request	834,229	265,000	865,609	891,082	932,487	966,605	993,555

Transportation Support - - 850,000 892,500 937,125 983,981 1,033,180

SD Full Plan, 2018 Presentation: 575,000 1,490,000 1,564,500 1,642,725 1,724,861 1,811,104

This plan is designed only to address transportation and public safety/justice.
This does not address any additional economic development or capital/infrastructure needs, and only a small degree of public health funding (although external funding is dynamic and ever-changing.)
The positions above are taken from department requests, and are being used for financial planning & illustrative purposes. They do not represent recommendations from Administration.

Year	Millage Use & Amount		Opportunities Created	
			Dollars Freed	Dollars Needed
2022				
\$	1,130,000	Annual UAL Bond Payment	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
\$	1,000,000	UAL Fund contribution - to MERS	624,000	MERS UAL portion eliminated by lump-sum payment
\$	1,100,000	UAL Fund contrib - Pension Bond		\$ 1,130,609 Staffing & start-up Requests, as proxy for consensus plan
	344,476	Net Diff in Opportunities		\$ 850,000 Transportation Support
\$	3,574,476	0.6281 mills	1,636,133	\$ 1,980,609
2023				
\$	1,130,000	Annual UAL Bond Payment	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
\$	-	extra line	624,000	MERS UAL portion eliminated by lump-sum payment
\$	2,400,000	UAL Fund contrib - Pension Bond		891,082 Staffing Requests, as proxy for consensus plan
	147,449	Net Diff in Opportunities		\$ 892,500 Transportation Support
\$	3,677,449	0.6244 mills	1,636,133	\$ 1,783,582
2024				
\$	1,130,000	Annual UAL Bond Payment	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
\$	-	extra line	624,000	MERS UAL portion eliminated by lump-sum payment
\$	2,400,000	UAL Fund contrib - Pension Bond		932,487 Staffing Requests, as proxy for consensus plan
	233,479	Net Diff in Opportunities		\$ 937,125 Transportation Support
\$	3,763,479	0.6174 mills	1,636,133	\$ 1,869,612
2025				
\$	2,000,000	Funding for priorities	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
\$	-	extra line	624,000	MERS UAL portion eliminated by lump-sum payment
\$	-	extra line		2,246,376 Staffing Requests, plus remainder of 2018 Sheriff Full Plan, as proxy
	1,594,225	Net Diff in Opportunities		983,981 Transportation Support
\$	3,594,225	0.5724 mills	1,636,133	\$ 3,230,358
2026				
\$	2,000,000	Funding for priorities	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
\$	-	extra line	624,000	MERS UAL portion eliminated by lump-sum payment
\$	-	extra line		2,340,253 Staffing Requests, plus remainder of 2018 Sheriff Full Plan, as proxy
	1,737,300	Net Diff in Opportunities		1,033,180 Transportation Support
\$	3,737,300	0.5779 mills	1,636,133	\$ 3,373,433
2027				
\$	2,000,000	Funding for priorities	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
\$	-	extra line	624,000	MERS UAL portion eliminated by lump-sum payment
\$	-	extra line		2,457,265 Staffing Requests, plus remainder of 2018 Sheriff Full Plan, as proxy
	1,905,972	Net Diff in Opportunities		1,084,839 Transportation Support
\$	3,905,972	0.5836 mills	1,636,133	\$ 3,542,105
2028				
\$	2,000,000	Funding for priorities	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
\$	-	extra line	624,000	MERS UAL portion eliminated by lump-sum payment
\$	-	extra line		2,580,129 Staffing Requests, plus remainder of 2018 Sheriff Full Plan, as proxy
	2,083,077	Net Diff in Opportunities		1,139,081 Transportation Support
\$	4,083,077	0.5894 mills	1,636,133	\$ 3,719,210

Year	Millage Use & Amount		Opportunities Created	
			Dollars Freed	Dollars Needed
2029				
	\$	2,000,000	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
	\$	-	624,000	MERS UAL portion eliminated by lump-sum payment
	\$	-	2,709,135	Staffing Requests, plus remainder of 2018 Sheriff Full Plan, as proxy
	\$	2,269,038	1,196,035	Transportation Support
	\$	4,269,038	1,636,133	\$ 3,905,171
		0.5954 mills		
2030				
	\$	2,000,000	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
	\$	-	624,000	MERS UAL portion eliminated by lump-sum payment
	\$	-	2,844,592	Staffing Requests, plus remainder of 2018 Sheriff Full Plan, as proxy
	\$	2,464,296	1,255,837	Transportation Support
	\$	4,464,296	1,636,133	\$ 4,100,429
		0.6016 mills		
2031				
	\$	2,000,000	1,012,133	Pension Bond Payment expense - General Fund and FOC Fund
	\$	-	624,000	MERS UAL portion eliminated by lump-sum payment
	\$	-	2,986,822	Staffing Requests, plus remainder of 2018 Sheriff Full Plan, as proxy
	\$	2,669,318	1,318,629	Transportation Support
	\$	4,669,318	1,636,133	\$ 4,305,451
		0.6079 mills		

1965 Millage Level, Affirmed in 2020: 5.7 mills
 Estimated Maximum Level, as of July 2022: 5.6295 mills
 Levied in July 2020: 4.5125 mills (includes Vets' .02 mills)
 Estimated Additional Levy Available, 2022: 1.1170 mills

Additional Funds Available, at Max Levy	Available Mills	Available Operating Funds	Proposed Add'l Operating Funds	Proposed Add'l	
				Levy from Annual Plan	% of Estimated Add'l Levy
2022	1.1170	6,356,546	3,574,476	0.6281	56.2%
2023	1.1101	6,538,235	3,677,449	0.6244	56.2%
2024	1.1032	6,725,118	3,763,479	0.6174	56.0%
2025	1.0964	6,883,925	3,594,225	0.5724	52.2%
2026	1.0896	7,046,482	3,737,300	0.5779	53.0%
2027	1.0828	7,247,891	3,905,972	0.5836	53.9%
2028	1.0761	7,455,058	4,083,077	0.5894	54.8%
2029	1.0695	7,668,146	4,269,038	0.5954	55.7%
2030	1.0628	7,887,324	4,464,296	0.6016	56.6%
2031	1.0562	8,112,768	4,669,318	0.6079	57.6%

Year	Taxable Value	Annual Change	Year	Taxable Value	Annual Change
2003	3,183,712,735		2021	5,419,553,809	5.0%
2004	3,407,613,586	7.03%	2022	5,690,531,499	5.0%
2005	3,613,773,880	6.05%	2023	5,889,700,102	3.5%
2006	3,869,212,894	7.07%	2024	6,095,839,605	3.5%
2007	4,122,933,815	6.56%	2025	6,278,714,794	3.0%
2008	4,244,166,515	2.94%	2026	6,467,076,237	3.0%
2009	4,374,781,225	3.08%	2027	6,693,423,906	3.5%
2010	4,197,981,628	-4.04%	2028	6,927,693,742	3.5%
2011	4,146,547,631	-1.23%	2029	7,170,163,023	3.5%
2012	4,046,274,579	-2.42%	2030	7,421,118,729	3.5%
2013	4,100,799,252	1.35%	2031	7,680,857,885	3.5%
2014	4,172,085,468	1.74%			
2015	4,285,907,516	2.73%			
2016	4,312,758,553	0.63%			
2017	4,454,082,356	3.28%			
2018	4,650,980,863	4.42%			
2019	4,928,233,566	5.96%			
2020	5,161,479,818	4.73%			
Average Increases		2.93% 2004-2020			
		2.12% 2011-2020			
		3.80% 2016-2020			
		5.04% 2018-2020			

UAL FUND (#2590) Reserve Balance Progression/Uses

As of Dec 31,	Existing Set-aside	"Regular" SRS	Additional Operating Levy	Debt Pay-off	Total set-aside	
2021	4,818,264	925,000	-	-	5,743,264	
2022	5,743,264	925,000	2,100,000	7,650,000	1,118,264	MERS UAL
2023	1,118,264	925,000	2,400,000		4,443,264	
2024	4,443,264	925,000	2,400,000	7,750,000	18,264	PENSION BOND
2025	18,264	925,000			943,264	
2026	943,264	925,000			1,868,264	
2027	1,868,264	925,000			2,793,264	
2028	2,793,264	925,000		3,850,000	(131,736)	JAIL BOND

This analysis does not consider any General Fund fund balance distribution. Any additional funds (such as GF fund balance distribution) could allow for an earlier pay-off of the Jail Bond.

MERS Unfunded UAL

As of Dec 31,	Outstanding Balance	Existing Set-Aside	Regular SRS	Additional Operating Levy	Total set-aside
2021		4,818,264	925,000		5,743,264
2022	7,650,000	5,743,264	925,000	1,000,000	7,668,264

Per the June 2020 Actuarial Study, the estimated unfunded accrued liability, with the experience study, is
 This is the County's most expensive debt, with an implied interest rate of 7.5% (the assumed rate of MERS earnings).

7,650,000

Propose to use the balance in the UAL Fund (#2590), plus additional operating levy, to make a lump-sum payment to MERS, in 2022.

Debt Service Schedule - Pension Liability Bond

As of Dec 31,	Principal	Interest	Outstanding Balance	Existing Set-Aside	"Regular" SRS	Additional Operating Levy	Total set-aside
2021	740,000	390,281	10,105,000	-	-	-	-
2022	760,000	369,266	9,345,000	-	-	1,100,000	1,100,000
2023	785,000	344,496	8,560,000	1,100,000	925,000	2,400,000	4,425,000
2024	810,000	319,368	7,750,000	4,425,000	925,000	2,400,000	7,750,000
2025	840,000	291,100	6,910,000				
2026	870,000	259,000	6,040,000				
2027	910,000	223,400	5,130,000				
2028	945,000	186,300	4,185,000				
2029	985,000	147,700	3,200,000				
2030	1,025,000	107,500	2,175,000				
2031	1,065,000	65,700	1,110,000				
2032	1,110,000	22,200	-				
	10,845,000	2,726,311					

Propose to use Additional Operating Millage to fund the 2022-2024 principal & interest payments, \$ 1,129,377 annually

Eligible to call on 12-16-2024

Interest Savings, if called at the end of 2024: 1,302,900

Funds that would benefit, annually:

General Fund	976,840	Public Safety/Courts umbrella
Central Dispatch	20,000	
Friend of Court	35,293	Covers Bench Warrant Officer
Public Health	35,229	
Child Care Fund	61,547	set aside for Youth Home building needs
	<u>1,128,909</u>	

Debt Service Schedule - Jail Bond

As of Dec 31,	Principal	Interest	Outstanding Balance	Existing Set-Aside	"Regular" SRS	Additional Operating Levy	Total Set-Aside
2021	600,000	298,500	9,525,000	-	-	-	-
2022	700,000	278,625	8,825,000	-	-	-	-
2023	700,000	256,750	8,125,000	-	-	-	-
2024	775,000	233,063	7,350,000	-	-	-	-
2025	800,000	212,376	6,550,000	-	925,000	-	925,000
2026	850,000	188,626	5,700,000	925,000	925,000	-	1,850,000
2027	900,000	162,376	4,800,000	1,850,000	925,000	-	2,775,000
2028	950,000	134,626	3,850,000	2,775,000	925,000	-	3,700,000
2029	950,000	106,126	2,900,000				
2030	950,000	77,626	1,950,000				
2031	950,000	47,938	1,000,000				
2032	1,000,000	16,250	-				
	<u>10,125,000</u>	<u>2,012,882</u>					

Eligible to call on 2-15-2022.

Propose to call the bond at the end of 2028. Do not dedicate additional millage.

Interest Savings, if called at the end of 2028: **247,940**