



COUNTY OF SAGINAW

OFFICE OF COUNTY CONTROLLER

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SAGINAW, MICHIGAN 48602

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May 31, 2023

Honorable Chairman and Members of the Board of Commissioners
County of Saginaw
111 S. Michigan Avenue
Saginaw, MI 48602

RE: **2024 Fiscal Year Budget**

Dear Chairman Boyd, Vice-Chair Tany, and Commissioners:

I hereby present to you the "Controller Recommended" Fiscal Year 2024 County Budget in accordance with the Board adopted *County of Saginaw 2024 Budget Calendar* for the Operating Budget for Fiscal Year 2024 (**Attachment #1**) and the Uniform Budgeting and Accounting Act, P.A. 2 of 1968 as amended.

The development of the Fiscal Year (FY) 2024 County Budget involved Koren Thurston, Finance Director and me meeting with County-wide Elected Officials and/or their representatives and specific Department Heads whose budget impacts the General Fund or contained significant capital investments. We met with departments May 8 through May 15, 2023 to review their "Department Requests" and discuss the level of funding available in the General Fund, Public Improvement Fund, and other respective funds.

The FY 2024 County Budget remains relatively the same as Fiscal Year 2023. The FY 2024 budget does incorporate \$2,195,342 from the American Rescue Plan Act (ARPA) of 2021 funding for revenue shortfalls and anticipated increased expenditures because of inflation.

Financial Highlights:

<u>County Budget</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Difference</u>
Total County Budget:	\$276,128,168	\$260,231,852	\$15,896,316
Total Number of Employees:	593.32	588.32	5.00
Total Payroll:	\$38,383,292	\$36,922,231	\$1,461,061
Total Fringe Benefits:	\$34,152,820	\$31,707,508	\$2,445,312
Total Capital:	\$7,900,271	\$6,932,212	\$968,059

County of Saginaw Fiscal Year 2024 commences October 1, 2023 and ends September 30, 2024. The Fiscal Year 2024 budget includes the use of \$3,356,809 in fund balance/retained earnings in 28 Funds for operations, such as staffing, programs, and services or for capital purchases and/or projects. A specific list of those Funds is attached herewith for your review (**Attachment #2**).

The Fiscal Year 2024 County budget is built on a total millage levy of 10.9210, which is a net increase of 0.342 mills. This net increase is comprised of a decrease in the Debt Millage levy of 0.019 mills and a voter approved increase of 0.361 mills in the Mosquito Abatement millage. There was no impact on millage rates related to the Headlee Amendment. The Debt Millage levy is voter approved support of HealthSource Saginaw capital improvement and expansion. The County Operating Millage Levy for FY 2024 is 4.8485 mills, which is the same as FY2023.

Property Tax revenues are projected to grow by 6.0 percent for Fiscal Year 2024. The Fiscal Year 2024 County Budget reflects \$2,627,251 in Local Community Stabilization Share Revenue. The Local Community Stabilization Share Revenue is the State’s reimbursement for the phase out of personal property tax.

<u>General Fund</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Difference</u>
Total General Fund Budget	\$58,282,438	\$56,135,957	\$2,146,481
Total Number of Employees	279.90	277.90	2.00*
Total Payroll:	\$17,363,909	\$16,754,863	\$609,046
Total Fringe Benefits:	\$15,791,674	\$14,403,654	\$1,388,020
Total Capital:	\$136,050	\$103,904	\$32,146

*The 2.0 positions represent Jail Transport deputies, which were previously reflected in the Law Enforcement Fund.

The Fiscal Year 2024 General Fund Budget totals \$58,282,438 and represents a \$2,146,481 (3.82%) increase from current Fiscal Year 2023 General Fund Budget. The FY 2024 General Fund is presented with the use of \$2,195,342 in ARPA funds to balance due to increases in lower Court revenues, “Contributions to Other Funds”, increased legacy costs, and general cost increases.

FY 2024 is a transition year for Board Priorities. The Board of Commissioners held a strategic planning Session on April 21 and 22, 2023 and proposed Seven (7) Board Priorities (“2023 Proposed Board Priorities”), which have not been formally approved. The FY 2024 Budget reflects both 2019 approved and 2023 proposed Board Priorities.

The Board of Commissioners met on March 8 and 9, 2019 to undertake strategic planning and develop Board *Priorities* to **Enhance the quality of living in our community**. These 2019 approved Board Priorities were used, in part, to guide the development of this proposed Fiscal Year 2024 Budget. The Board identified three *Priorities* – **Quality of Life; Accessibility of Services; and Revenue/Cost Control/Efficiency**, which are set forth below. I would like to elaborate on specific elements of this proposed FY 2024 Budget and/or current efforts that meet these 2019 approved Board *Priorities*. They are:

QUALITY OF LIVING

Creating a community where citizens feel safe, healthy, accepted, and comfortable, so they can undertake work and participate in and enjoy life events.

ARTS, ENTERTAINMENT & RECREATION GOAL: Provide diverse, high-quality events and activities that educate, recreate, and entertain.

- 1. Increase overnight tourism through continued partnership with Saginaw County Convention and Visitors Bureau.** The County continues to levy its 5 percent accommodations (Hotel/Motel) tax pursuant to County Ordinance #103. The FY 2024 budget estimates collection of approximately \$3,909,000. Lodging properties are entitled to up-to \$750 per quarter tax credit for individual property advertising efforts totaling \$102,000. The County Treasurer retained 5 percent or \$200,000 of the hotel tax collected for administrative costs. Frankenmuth's CVB is estimated to receive \$1,523,000 which is 75% of the accommodation taxes collected from within Frankenmuth; the balance was forwarded to the Saginaw County CVB, \$2,084,000 for marketing and programming efforts. The Saginaw County CVB and Frankenmuth CVB leverage these tax dollars to draw in excess of 5,800,000 visitor days to Frankenmuth and Saginaw County. The occupancy rate in the County averaged 51.3% percent in calendar year 2022. Dr. Rummel continues to work with the Treasurer to ensure this accommodation tax is collected from private property owners renting their property through VRBO and Airbnb. These tax dollars are used to directly market the City of Frankenmuth and Saginaw County and indirectly, the Great Lakes Bay Region. Because of the reduction in overhead costs as a benefit of regionalization, the Saginaw County CVB annually proposes to invest these cost reduction room tax dollars into community economic development activities. Dr. Rummel has identified the Henry Marsh Bridge Plaza project for the CVB's current economic development project focus. Additionally, the Saginaw County CVB committed \$800,000 of its retained earnings to cover bid fee costs associated with hosting the 2024 CHL Memorial Cup Championship in Saginaw.
- 2. Ensure adequate funding to continue providing high-quality entertainment facilities and draw visitors from all over to The Dow Event Center and Jolt Credit Union Event Park.** The FY 2024 budget includes the voter approved millage increase of 0.225 mills for the Dow Event Center. The Dow is undergoing an \$8.5 million capital improvement project to renovate the visitor locker rooms, expand the private suites, install an elevator, replace the arena ceiling, and replace the windows in the theatre lobby in preparation of the 2024 CHL Memorial Cup and to remain the premiere entertainment and sport venue in the region. The Dow Event Center & Jolt Credit Union Event Park have drawn over 147,000 visitors to a variety of events over the first 7 months of the current fiscal year.
- 3. Promote Saginaw County Parks and provide diverse recreational opportunities and programs to satisfy all age groups and levels of ability.** Saginaw County Parks had a significant milestone in Spring 2023 with the soft opening of Saginaw River Headwaters Rec Area in collaboration with the State of Michigan Department of Natural Resources. The 334-acre passive recreational facility offers opportunities for hiking, biking, wildlife observation, and fishing along the Saginaw River. The site features over three miles of trails, including ½ mile of paved trail and 2.5 miles of aggregate trails meeting ADA standards. This is the first new Saginaw County Park opened since the Saginaw Valley Rail Trail in the early 2000's and is also the first County Park in the City of Saginaw. Saginaw County Parks looks forward to a more formal community celebration and ribbon cutting; likely in Spring 2024 after the next phase of development which is slated for Fall 2023. Due to the delay in construction at the state level, the soft opening was announced this spring to allow public access on the completed portions of the facility. Early usage has been steady, with over 1000 visitors across the first three weeks at the park. This development is one of many projects currently underway focused on providing diverse recreational opportunities for all age groups and abilities.

In 2022, Saginaw County Parks and Recreation added a splashpad and playground addition at Haithco Recreation Area. This was the main contributor to our busiest season on record. Over 100,000 patrons visited Haithco Recreation Area and Imerman Memorial Park between Memorial Day and Labor Day 2022, with 64,000 visiting Haithco Recreation Area alone, up from a previous record of 40,000 in 2021. The physical amenity additions were centered around increased accessibility for all users including additional ADA parking, concrete walkways, and universally accessible play features. Improvements at Haithco continued through FY 2023, with additional walkways to our pavilions, a connector pathway to Saginaw County Commission on Aging, restroom renovations,

and entry drive repaving. FY 2024 proposed budget will complete final paving projects at Haithco, with an ADA accessible canoe/kayak launch planned for FY2025.

FY 2024 budget shifts major capital improvement focus to Imerman Memorial Park, Saginaw County Parks oldest facility opened in the early 1970's. Improvements include a renovation of the boat launch, addition of a canoe kayak launch, accessible pathways throughout the park and the addition of an ADA compliant/family style restroom. This is in addition to the renovation of the park drive currently underway.

Saginaw County Parks is currently seeking grant awards through the MDNR's SPARK program to match investments from Saginaw County's ARPA allocations and Saginaw County Parks fund balance.

Saginaw County Parks has submitted two grant applications to the Michigan Natural Resources Trust Fund. The proposed projects are to renovate the oldest sections of the Saginaw Valley Rail Trail (\$300,000 with \$200,000 in match) and accessibility improvements at Price Nature Center (\$194,000 total, \$144,000 matching funds).

The Parks and Recreation Commission continues to prioritize projects that eliminate ADA deficiencies identified in the Saginaw County Parks ADA Transition Plan Update completed in 2021.

Saginaw County Parks kicked off the planning process to update our 5 Year Recreation Plan in May of 2023, offering the joint plan model to any interested municipal partners from within the County. Six townships and the county are taking part in the process which will begin with a public input survey in June/July 2023. A draft plan will be available for review and comment in fall of 2023, and the final plan will be presented to the Board of Commissioners in December 2023 for adoption.

EMPLOYMENT GOAL: Collaborate with government, business, and educational institutions to increase education and employment opportunities.

- 1. Advance economic growth and employment through continued funding and collaboration with Saginaw Future Inc.** The FY 2024 General Fund budget includes a \$200,000 contribution to Saginaw Future, Inc. The county has an agreement with Saginaw Future, Inc. whereby it receives an annual base contribution of \$50,000 and the opportunity to earn an additional \$150,000 when Saginaw Future Inc. achieves the agreed upon metrics associated with (1) Job Creation, (2) Investments (property tax revenues) and (3) Government Contracts. Saginaw Future, Inc. provides administrative support to the Saginaw County Economic Development Authority and the Brownfield Authority.
- 2. Provide quality educational programs and services in skilled trades by partnering with organizations like Great Lakes Bay Michigan Works!, K-12 education and local universities and colleges.** County of Saginaw is one of five (5) Counties that created Great Lakes Bay Michigan Works! who provide workforce development programs to Saginaw County and regional businesses. The FY 2024 proposed budget includes Great Lakes Bay Michigan Works! programs.

Additionally, the Saginaw County Health Department has established collaborative relationships to provide educational opportunities for future public health and medical practitioners. As the established academic health department with CMU Medical Education Partners a public health rotation was created in which medical students perform a 4-week full time rotation through public health programs. SCHD accepts educational opportunities for internships through the U-M school of Public Health Training Center, SVSU, Grand Valley State, and CMU at the undergraduate and graduate level. Fiscal Year 2024 development will include expanding education opportunities with CMU Medical Education Partners for medical residents with public health practical experience and service delivery. This is anticipated to begin in January 2024.

HEALTHCARE GOAL: Provide affordable healthcare and services and ensure equal access to healthy choices and opportunities.

1. **We rely on the health department to be the local public health system convener and leader.** The SCHED has created and is leading the BWell Saginaw partner coalition, comprised of 13 partner organizations, creating, and implementing a county wide health improvement plan prioritizing maternal and child health, obesity and related chronic diseases, and mental health and substance use. The FY 2024 budget supports a realignment within the health department to focus on responsiveness to these priority areas, better addressing the needs of our County. Resources and initiatives are being dedicated to elevating Saginaw from one of the least healthy counties in Michigan into the top 25 over the next decade. The health department is facilitating three taskforces and a newly created health equity council to ensure a lens of equity.

HOUSING GOAL: Increase opportunities for individuals to live in safe housing to reduce the risk of homelessness.

1. **Improve quality of assisted housing and increase assisted housing choices.** This objective is being met through other public and private agencies. The City of Saginaw has launched several programs to aid its residents by replacing furnaces or repairing roofs. The Executive Committee of the Board of Commissioners has recommended Saginaw Future, Inc. assist the county in deploying the \$1 million in American Rescue Plan Act funding the Board of Commissioners have allocated to improving housing in the County.
2. **Promote Self-Sufficiency** – The County Board of Commissioners has allocated American Rescue Plan Act (ARPA) funding to Saginaw County Community Action Committee (\$250,000) for its affordable housing program and Youth Development Corporation (\$100,000) for its “Education training and career placement with skilled trades.” The County also funds MSU Extension which provides financial management educational services to area residents.
3. **Serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.** The County’s FY 2024 budget includes funding for the Prosecutor’s Victim Rights office (\$334,137) and a contribution to Underground Railroad twenty-five (\$25,000) along with free office space in the Courthouse & Governmental Center to assist women of domestic violence with securing Personal Protection Orders (PPO).

SAFETY GOAL: Maintain community safety and make court processes more efficient.

1. **Implement paperless record keeping system to create efficiencies and free up resources.** The County of Saginaw, for the past two years, has invested \$10.7 million to transition from our antiquated Mainframe System, which used COBOL to five (5) different software packages including, but not limited to Prosecution by Karpel, Odyssey, and JAILTRACKER, which incorporates paperless record keeping and other features that will create efficiencies, and ultimately, free up resources. These systems went “Live” in June 2022. The Saginaw County Courts are working through the transition with additional training and program adjustments to ensure the most efficient system.
2. **Maintain staffing at Public Safety departments.** The Sheriff’s Department will maintain a sworn personnel level at 58.
3. **Retain Employees through personal and professional development opportunities.** The Saginaw County Sheriff’s Department has a contract with VirTra Inc. for simulated Firearm Equipment and Training Services. This training program is available to law enforcement personnel and corrections officers. Additionally, the Saginaw County Sheriff’s Department maintains an annual subscription service with Lexipol for updated policies and procedures impacted by changes in federal and state laws. Deputies and correction officers are required to complete routine training sessions on these policies and procedures. The General Fund – and Law Enforcement Fund FY 2024 budgets includes \$100,000 for professional development.

ACCESSIBLE SERVICES

Making critical services within reach for everyone.

CENTRALIZED SERVICES GOAL: Centralize County services into one County campus.

- 1. Install drop boxes and electronic kiosks in the County Building to easily access services.** The County installed a drop box in front of the Courthouse and Governmental Center for residents to provide payments or submit documents to the Courts or County offices. This “Drop Box” was installed during the pandemic and has been maintained due to its popularity in use. The Sheriff’s Department has a payment kiosk for inmates held at the Saginaw County Jail. The County Treasurer and Saginaw County Animal Care & Control Resource Center (SCACCRC) has activated a PayPal account to obtain online donations. The County continues to explore other opportunities to install kiosks for after-hours transactions to benefit residents who cannot arrive during normal business hours.
- 2. Provide mobile healthcare and education services dispatched from central locations.** The Health Department purchased and is utilizing two mobile clinics (a van and a Class A motorhome) to provide immunization and other mobile clinics throughout Saginaw County.
- 3. Maximize Building usage through collaboration.** The FY 2024 General Fund budget includes approximately \$20,000 for the Saginaw County Medical Examiner’s office to co-locate within the current Health Department building. The County is also evaluating a new location for Mosquito Abatement Commission facility so the current property can be sold to the Public School District of the City of Saginaw. The relocation of Mosquito Abatement Commission may result in the Maintenance Department relocating to the Courthouse and more effective use of its storage facilities on Hospital Road. Additionally, the County continues to explore the relocation of the Controller’s Office, Clerk’s Office, and Treasurer’s Office for space expansion within existing County facilities including the former Sheriff Administration Building and Courthouse. The Board of Commissioners at its 2023 Strategic Planning Session considered the creation of three separate campuses. The three campuses would include (1) Courts & Law Enforcement, (2) Medical, and (3) Executive/Administrative. The creation of three separate campuses may impact where certain county offices and services are located.
- 4. Direct resources towards opiates, pre-trial supervision, and bail reform.** Community Correction Advisory Board has recommended to the Board of Commissioners the filing of a \$761,886 Michigan Department of Corrections Community Correction Grant which includes \$54,755 to fund an opiates program through TriCap and pre-trial services. The County is monitoring and adjusting to “bail reform.” The County secured a contract with JSG for tether services at a 36 percent reduction in the daily rate, which will make this service more affordable to defendants. Additionally, the FY 2024 budget includes \$100,000 in the PLUS Home Confinement Fund to cover possible costs associated with indigent defendants who the Courts place on the tether program but may not be able to afford a portion or all the per day tether fee. The County will also use Opioid litigation settlement proceeds to cover treatment costs within the Saginaw County Jail and other prevention programs through the Saginaw County Health Department and community organizations.

ROADS GOAL: Improve transportation systems to achieve ease of mobility and safe travels by partnering with road agencies

- 1. Perform maintenance, reconstruction, resurfacing and drainage work on high-need roads.** The road commission has 15 paving projects, 50 miles of primary road chip sealing and 75 miles of local chip sealing in progress for FY 2023. Going into FY 2024 it will be adding additional paving projects; Dixie Hwy- Willard to Junction, Center Road, Gratiot to State, Brockway-Center to Wieneke, McCarty – Hospital to Hemmeter, 50 miles of primary road chip seal, and 2 bridge replacements. The road commission continues to partner with Saginaw County cities and townships, including Merrill, Zilwaukee, and the City of Saginaw.

- 2. Meet state standards for safety, pavement conditions, bridge conditions and travel time reliability.** Bridge Funding has continued to fall behind our needs, that said, bridge funding at the state level is set to increase over the next few years. Two noted projects for FY 2024 will be the Bueche Road bridge over the Savage Drain and the Wadsworth Rd bridge over the Uncle Henry Drain. These two structures have been chosen to be part of the statewide bridge bundling program.
- 3. Improve our road quality rating.** The road commission currently meets or exceeds all state standards for safety, pavement conditions, and travel time reliability. With increased state revenues, primary road pavement conditions have been steadily improving.

INFORMATION TECHNOLOGY GOAL: Design and implement modern technology to streamline processes, functions, and capabilities.

- 1. Update Information Technology Systems.** Enterprise Wi-Fi: Following the recent RFP to implement Enterprise “Controller-Based” Wi-Fi, IT is looking to implement Wi-Fi at all Saginaw County facilities that desire the functionality. The Courthouse facility has already been tentatively approved as it is necessary in all Courtrooms and Attorney\Client meeting spaces. This install will also ensure the Saginaw County Courthouse becomes LEIN and HIPAA compliant.

Fiber to Saginaw County Animal Care: IT is pursuing a grant to bring the County-owned dark-fiber network to the new Saginaw County Animal Care facility. The cost is approximately \$400,000 and with this connection we will complete our bi-directional connection to the Courthouse Complex as well as all other County facilities. In the years to come, with this dark-fiber network, Saginaw County will have the ability to bring a Disaster Recovery facility online should there be a catastrophic event at the primary Courthouse datacenter.

Implementation of Employee Reimbursement: The next phase of the Human Capital Management (HCM) implementation is the implementation of Employee Reimbursement (ER). ER will allow for employees to submit for, and supervision to approve, reimbursement through Munis. This piece of HCM was included in the Mainframe Modernization contract.

Implementation of ExecuTime: Another portion of Munis HCM is kicking off ExecuTime. ExecuTime is a timekeeping system that can be used through a PC terminal or a physical timeclock. This piece of HCM was included in the Mainframe Modernization contract.

- 2. Transition common services from in person/manual to online and mobile-enabled through department portals and virtual staff training programs.** Re-write Saginaw County website regularly to comply with the latest ADA and technology standards. Continue to further enhance website and online portals for the public.
- 3. Digitize operations for efficiency and user-friendly access for all.** Continue digitization of hard-copy documents through Tyler Content Manager (TCM).

REVENUE AND COST CONTROL EFFICIENCY

Efficiently leveraging our resources to create an attractive and thriving community.

FUNDING GOAL: Create and improve upon revenue-generating initiatives.

- 1. Promote the 2020 Census to ensure adequate federal funding.** This activity is complete.
- 2. Allocate additional resources to grant writing.** The County has created a new position of Social Media Coordinator/Grant Writer to deploy a more concerted effort in communicating with the public and securing grant funding for projects, programs, and services. The Social Media Coordinator/Grant Writer position would market

the County via social media, inform residents of programs and services and assist departments in securing additional grant funding.

- 3. Explore revenue-generating services related to the internet, Harry Browne Airport, toll roads, bridges, office space, vacant properties, and the County jail.** The Sheriff's Department rents beds to the US Marshall Service generating \$587,650, which is used to support the Saginaw County Adult Detention Facility. Information Technology is constructing an "off-site" backup center at SCACC, which the County intends to rent digital space to other municipalities. Harry Browne Airport rents land and hangars to private airplane owners and sells fuel to pilots.

The County should consider developing the former bank property at Michigan Avenue and Cass Street into a restaurant/coffee shop which could be leased. Many employees and visitors to the Courthouse & Governmental Center would be customers of this new restaurant and/or coffee shop.

The Saginaw County Landbank sells its tax reverted properties to interested buyers. The Landbank also assembles property for economic development projects.

The County, through the Saginaw County Economic Development Corporation, continues to market and develop the Great Lakes Tech Park at M46 & M52, which currently is home to Fullerton Tools and Saginaw Controls & Engineering.

- 4. Evaluate fees and service charges.** The County as part of its annual budget process requests Elected Officials and Department Heads to review the County's Fee Schedule and recommend adjustments to ensure fees cover the cost of providing services, where applicable.
- 5. Implement Saginaw County marketing plan in collaboration with Saginaw Future, Inc.** Saginaw Future, Inc. continues to market available land for future development. Saginaw Future Inc. also assists existing businesses with expansion needs. The County also partners with Saginaw County Convention and Visitors Bureau (CVB) and the Chamber of Commerce to market the county as a safe place to work, live and visit. Saginaw Spirit will host the 2024 CHL Memorial Cup, which will result in significant marketing of our county and the Great Lakes Bay Region to national and international guests.
- 6. Stimulate business growth through incentives and investment-friendly policies.** The County has adopted policy #254, "Economic Development Commercial Rehabilitation Act (CRA)", to incentivize investment in economically distressed properties eliminating blight and creating jobs through commercial investment.

The County currently has (14) Downtown Development Authorities, (38) Industrial Facilities Taxing districts, and (1) Brownfield Redevelopment Plan with tax capture, which allows capture of investments to encourage cities, townships, and villages to work with private developers in making investments and to reimburse developers for eligible development costs.

The County, through its Treasurer, has approved the Property Assessed Clean Energy (PACE) program, which "is a financing tool that encourages energy efficiency, water efficiency and renewable energy measures for commercial, industrial, and multi-family, non-profit, and faith-based property owners."

- 7. Enable Long-term County Vision and strategic plan.** The Board of Commissioners conducted a strategic planning session on April 21 and 22, 2023 to develop new *Board* Priorities. Attached is a summary of that strategic planning session. (**Attachment #3**) The results are being shared with elected officials, judges, and department heads to integrate their department short- and long-term goals into the (*2023 Proposed Board Priorities*).

EXPENDITURE GOAL: Assess current expenditures to minimize costs while achieving quality, timely outcomes

- 1. Increase and fill key staff positions and implement alternative organizational structures across the County.** Countywide elected officials, department heads and personnel department work collaboratively to ensure adequate staffing, to evaluate restructuring opportunities and to deploy alternative staffing options (i.e., use of temporary employees, hybrid work schedules). The Board of Commissioners should continue to discuss staff reassessment and realignment to ensure recent implementation of technology is leveraged when evaluating annual staffing requests.
- 2. Reorganize staff and compensation structures in County departments to remain efficient and competitive.** The County implemented in 2017 and 2021 its Job Classification & Total Compensation Study results, which is aligning its compensation to market value. The 2024 Budget includes \$84,800 to update the County's Compensation Plan. County Policy #332 Position Classification, section 6.3 states, "Maintenance. The Personnel Division shall review every five years the entire compensation plan or any part thereof." BakerTilly recommended the County update its market analysis every five years. This review is important considering the huge private sector market adjustments and the challenges the County is experiencing in filling certain positions (i.e., nurses, accountants)
- 3. Leverage Contract Service Providers when necessary.** The Health Department has partnered with CMU Medical Education Partners to contract for nurse practitioners and continue to provide an increase in services. Additionally, the County Health Department has received a grant from the State of Michigan for Health Resource Advocates, which are contracted employees. The County also contracts with retirees to assist with transitions, training, and increase in services. The County uses contract employees in its Medical Examiner's Office to provide the statutory services required. The 10th Circuit Court is the recipient of a \$380,000 Virtual Backlog Grant from the State Court Administrative Office (SCAO) to contract with three (3) visiting judges for assisting with the backlog of court cases.
- 4. Utilize partnerships and collaborations to achieve cost efficiencies.** The County excels in partnerships and collaborations. For example, the County continues its partnership with the YMCA of Saginaw to provide enhanced services to area veterans. Commission on Aging has expanded its Foster Grandparents Program to Midland and Bay Counties to grow the program of providing grandparents in schools. The County has a partnership with CMU Medical Education Partners to provide a Medical Officer at the Health Department, which allows us to attract a more talented physician and increase the level of services provided.

The Board of Commissioners, at its April 21 & 22 2023 Strategic Planning Session, identified seven (7) ("*2023 Proposed Board Priorities*"). Those seven (7) Board Priorities include (1) Increased Collaboration Between Public and Private Sectors; (2) Continued Management of Fiscal Resources; (3) Comprehensive Economic Development; (4) Improved Public Safety Perception; (5) Improved Employee Engagement; (6) State of the Art County Services; and (7) Enhanced Infrastructure.

On May 9, 2023 the Executive Committee requested I communicate these seven (7) ("*2023 Proposed Board Priorities*") to elected officials, judges, and appointed department heads and ask that they incorporate their proposed short- and long-term departmental goals into one of the applicable seven (7) ("*2023 Proposed Board Priorities*").

Some departments included the ("*2023 Proposed Board Priorities*") into their FY 2024 budget. For example, the Personnel Department included updating Job Classifications and Total Compensation studies to ensure the County Compensation Plan remains competitive with local and regional markets (#5 Improved Employee Engagement). The Personnel Department also budgeted costs associated with renegotiating expiring collective bargaining agreements (#2 Continued Responsible Management of Fiscal Resources, and #5 Improved Employee Engagement).

Commission on Aging proposes to renew its millage in 2024 (#2 Continued Responsible Management of Fiscal Resources).

Community Corrections includes maintaining multiyear partnerships with JSG Ltd. for electronic monitoring services to reduce financial burden to the County and reduce other local costs, including those associated with incarcerators (#1 Increased Collaboration Between Public and Private Sectors and #2 Continued Responsible Management of Fiscal Resources). Community Corrections proposes pretrial programs designed to maximize the number of clients that can be safely released into the community while detaining those who pose a risk to public safety (#4 Improved Public Safety Perception).

The Saginaw County Health Department FY 2024 budget includes programs and services supporting improved health outcomes to become one of Michigan's Top 25 Healthiest Counties (#1 Increased Collaboration Between Public and Private Sectors).

The Board of Health has recommended the County of Saginaw consider constructing a new health department, which could be integrated with CMU College of Medicine and the Saginaw County Medical Examiner's Office (#1 Increased Collaboration Between Public and Private Sectors; #2 Continued Responsible Management of Fiscal Resources; #3 Comprehensive Economic Development; and #6 State of the Art County Services).

The Medical Examiner's budget includes a partnership with Covenant for lease of its morgue to perform autopsies locally which benefits local law enforcement agencies, funeral homes and residents while reducing our overall operational costs (#1 Increased Collaboration between Public and Private Sectors; and #2 Continued Responsible Management of Fiscal Resources).

Mosquito Abatement Commission budget incorporated relocating its current facility to a new more efficient facility on Towerline Road (#1 Increased Collaboration Between Public and Private Sectors; #2 Continued Responsible Management of Fiscal Resources; #3 Comprehensive Economic Development; and #6 State of the Art County Services). This budget also includes further development of GIS capacities and implementation of UAS Drone to perform cost effective mosquito control. (#2 Continued Responsible Management of Fiscal Resources; and #6 State of the Art County Services.)

Parks and Recreation FY 2024 budget includes Capital Investment in its facilities to address all ADA deficiencies identified in Saginaw County Parks ADA Transition Plan (#7 Enhanced Infrastructure) Parks and Recreation budget also includes major renovations on Imerman Memorial Park; paved pathways, boat launch, new kayak/canoe launch, restroom upgrades (#7 Enhanced infrastructure).

The above is a highlight of departmental goals submitted but is not a complete list of all departmental goals. All departmental goals are listed on the Goals and Themes worksheet. **(Attachment #4)**

BUDGET PROCESS

The Fiscal Year 2024 Budget Process began when the Board of Commissioners, at its March 21, 2023 Regular Board Session, adopted the *Fiscal Year 2024 Budget Calendar*.

The annual budget process includes review and adjustments to ensure revenues and expenditures reflect either historical trends or "Department Requested" amounts. Information Technologies (IT) charges and the Cost Allocation Plan have not been finalized. The Fiscal Year 2024 Budget incorporates estimated charges for IT and Cost Allocation services each at a 10% increase.

CAPITAL BUDGET

The proposed FY 2024 Capital Budget totals \$7,900,271, which represents an increase of \$968,059 from the Board approved FY 2023 Capital Budget. Departments were requested to submit not only the proposed FY 2024 Capital Improvement requests but also to update the 5 Year Capital Improvement Plan so the County can continue to monitor the needs of our departments and continue to invest in its properties and buildings.

The 5 Year Capital Improvement Budget total cost estimate is \$18,202,302 with the largest requests from Harry W. Browne Airport for reconstruction of taxiways and Information Technology for hardware updates and replacements.

STAFFING

The FY 2024 Budget (**Resolution B**) establishes Authorized Personnel at 593.32 fulltime, part-time, and seasonal positions, which represents an increase of 5.00 positions from the FY 2023 authorized personnel compliment. See proposed Staffing Changes in (**Attachment #5**).

Fourteen (14) of the sixteen (16) Collective Bargaining Agreements are scheduled to expire September 30, 2024. Jennifer Broadfoot, Personnel Director, and Dave Gilbert, Labor Specialist, will commence negotiations with the effected unions during the 2024 Fiscal Year to secure successor collective bargaining agreements.

Attached herewith and incorporated into the FY 2024 budget are four (4) resolutions (A-D), which are to be adopted by you at your September 19, 2023 Board of Commissioner meeting.

- **Resolution A** sets forth the annual budget appropriations for all departments and restrictions for the use of those appropriations.
- **Resolution B** sets certain wages not already contained in approved collective bargaining agreements. The list of Authorized Personnel only represents Controller Recommended position additions and deletions.
- **Resolution C** identifies Capital items for your consideration and approval for Fiscal Year 2024.
- **Resolution D** sets fees for all departments. Highlighted fees reflect proposed adjustments to current fees for your consideration and approval.

(**Attachment #6**) includes a summary of outstanding County debt as of September 30, 2023. I share this information with you, so you remain aware of the commitments the County has made over the years and are required to repay with principal & interest payments incorporated into the FY 2024 budget where revenues are coming from a specific fund (i.e. Animal Control, IT).

CHALLENGES/OPPORTUNITIES

The County is facing several major challenges and/or opportunities. These challenges and/or opportunities are:

1. **Technology** - Technology continues to provide the County with challenges and opportunities. The County has recently completed its transition from the legacy Mainframe to six separate software packages. The six software packages include: Tyler Eagle (Vital Records), Tyler Munis (Financials), Tyler Human Capital Management (Personnel/Payroll), Tyler Odyssey (Court Case Management), Karpel (Prosecution) and JailTracker (Jail Management/Probation). As with any significant change, there is a learning curve. The County determined in 2017 that it was appropriate to invest \$10.7 million to transition off of the legacy Mainframe system, which operated on COBOL and was in place for thirty years. The County was losing programmers with the skill set to maintain the Mainframe. Additionally, the new software packages will shift the responsibility of annual maintenance and support to the vendor instead of IT staff.

The County can realize the benefits of these new software systems as employees become more familiar with operating them. The new system will provide the county with the opportunity to provide more customer-oriented services via online portals. Once fully operable, these new systems will be able to provide the County, more specifically, the Board of Commissioners and department heads with valuable information regarding trends and other measurables.

2. **Attraction and Retention** - Attracting and retaining qualified employees is both a challenge and an opportunity. The County struggles to identify and retain qualified candidates. The County has the opportunity to remain competitive by updating its Compensation Plan, which by policy should be updated every five years. Additionally,

employee attraction challenges are requiring the County to “rethink” its approach to advertising. The County has deployed a two-page profile informing prospective candidates with key information about the County’s assets (I.e., education, medical, and entertainment) a candidate may need to evaluate whether to relocate to our community. (**Attachment #7**)

3. **Legacy Costs** - The County continues to be challenged by its unfunded liabilities for MERS Defined Benefit Retirement Plan and Retiree Healthcare. The County has embraced the opportunity to aggressively address its unfunded liabilities by issuing \$52 Million in pension bonds and reducing its retiree healthcare costs while maintaining its annual contributions. The County has reduced its OPEB (retiree healthcare) by approximately \$49 million while increasing its annual contribution thus significantly reducing the unfunded liability. These legacy costs continue to place pressure on our current resources and restrict our abilities in responding to increasing demand for services (I.e., Juvenile/Family Court services to our troubled minors)
4. **Space Utilization** - The County is blessed with an abundance of office space that is limited by the overwhelming volume of onsite file storage. The Board of Commissioners is currently evaluating the concept of three separate campuses. A Courts/Law Enforcement campus, a medical campus, and an Executive Office campus. Consolidation of services would aid the public in better understanding where they need to go in seeking specific services. The campuses could also facilitate internal efficiencies through cross training and staff realignment.
5. **Partnerships** - Internal and external partnerships remain the County’s best opportunity to enhance quality and quantity of services while reducing operating expenses. The County has entered partnerships aiding it in providing enhanced services such as, CMU Medical Education Partners for Medical Director services at the Health Department. The Sheriff’s Department has partnered with area law enforcement agencies for use of its training simulator. The Medical Examiner’s office has partnered with Covenant to perform autopsies locally thus benefitting local law enforcement, funeral homes, and our residents.

Attached herewith is **your** Fiscal Year 2024 budget for all County departments. **The budget is a plan.** A plan to guide how the County proposes to effectively use limited resources taxpayers and granting agencies have entrusted to us. A plan to effectuate your Vision, Mission, Values and Priorities, adopted in 2019 and those proposed by the Board at its 2023 Strategic Planning Session. I look forward to presenting this FY 2024 County Budget to you at our June 26, 2023 Committee of the Whole meeting.

Sincerely,



Robert V. Belleman
Controller/CAO

Attachments