

AGENDA

COMMITTEE OF THE WHOLE

Tuesday, October 12, 2021 – 4:00 p.m.

111 S. Michigan Ave., Room 200, Saginaw MI 48602

Members: Sheldon Matthews - Committee Chair, Christopher Boyd, Carol Ewing, Kyle Harris, Dennis Krafft, Gerald Little, Carl Ruth, Jack Tany, James Theisen, Michael Webster, Cynthia Winiecke

Others: Controller/CAO, Civil Counsel, Board Staff, Elected Officials, Department Heads

- I. Call to order
- II. Welcome – Roll-call
- III. Public comment (*Speakers limited to 3 minutes*)
- IV. Agenda
 1. **Amos O’Neal, State Representative**, re: Presentation on Veterans services in Saginaw County
 2. **Robert Belleman, Controller/CAO, and Christina Harrington, MPH, Health Officer**, re: Discussion of General Fund contribution (Maintenance of Effort) to the Health Department
 3. Other Issues of Interest/Concern – Board of Commissioners
- V. Miscellaneous
- VI. Adjournment

Note: Upon completion of discussion, only motions to refer to an organized committee or to postpone indefinitely shall be allowed - Article IX, Section 9.5, and 2021 Board Rules.



COUNTY OF SAGINAW COMMITTEE OF THE WHOLE

OFFICE OF COUNTY CONTROLLER

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

ROBERT V. BELLEMAN
Controller/Chief Administrative Officer
rbelleman@saginawcounty.com

October 8, 2021

Carl E. Ruth, Chairman
Board of Commissioners
County of Saginaw
111 S. Michigan Avenue
Saginaw, MI 48602

RECEIVED
SAGINAW COUNTY
BOARD OF COMMISSIONERS
2021 OCT -8 PM 2:44

RE: **GENERAL FUND ANNUAL CONTRIBUTION TO THE SAGINAW COUNTY HEALTH DEPARTMENT**

Dear Chairman Ruth:

I have requested the Board of Commissioners hold a Committee of the Whole meeting to review and discuss the County of Saginaw's annual General Fund contribution to the Saginaw County Health Department, which is also referred to as Maintenance of Effort (MOE). The FY 2022 General Fund budget, as approved by the Board of Commissioners at its September 21, 2021 regular session, establishes the MOE for Fiscal Year 2022 at \$1.5 million. Christina Harrington, Health Officer, has requested the Board of Commissioners contribute an additional \$878,000. The additional funding request is not sustainable for the General Fund. The FY 2022 General Fund is projected to use \$2,115,331 of fund balance.

The General Fund has made the following contributions to the Health Department:

<u>Year</u>	<u>General Fund</u>	<u>Additional Funding</u>	<u>Total</u>
2010	\$1,519,046	\$0	\$1,519,046
2011	\$1,519,046	\$0	\$1,519,046
2012	\$1,519,046	\$0	\$1,519,046
2013	\$1,519,046	\$0	\$1,519,046
2014	\$1,519,046	\$0	\$1,519,046
2015	\$1,519,046	\$0	\$1,519,046
2016	\$1,519,046	\$0	\$1,519,046
2017	\$1,519,046	\$0	\$1,519,046
2018	\$1,519,046	\$40,583*	\$1,559,629

2019	\$1,676,402	\$39,895**	\$1,716,297
2020	\$1,716,297	\$419,823***	\$2,136,120
2021	\$1,761,636	\$650,000****	\$2,411,636

*The Board approved an additional \$40,583 to cover the cost of two part time WIC staff going fulltime.

**The Board approved maintaining additional funding to WIC and increase our MOE by \$157,356

***The additional \$419,823 represents an \$122,793 increase in MOE and \$297,030 increase in IT Allocation covered by the General Fund

****The Board of Commissioners approved contribution of \$650,000 in CARES Funding

When considering inflation between 2010 and 2021 our \$1.5 million MOE should be \$1.9 million.

The Board of Commissioners authorized a millage to be placed on the November 2020 Ballot, in part, to assist in with a more stable funding source and to build the necessary infrastructure for addressing community health needs. The millage passed and was levied and collected in December 2020. The initial millage funds were not budgeted or used. The millage dollars were not intended to be eroded with current fixed costs of County Indirect and IT Cost Allocations.

The Health Department has received a significant amount of COVID-19 related response funding over the past several years. I believe the County should establish a base MOE amount. I believe the amount should be established at \$2,063,889 as we made a commitment during our millage discussion to maintain the County's current contribution. This MOE contribution will require an additional use of \$544,843 in fund balance or through American Rescue Plan Act of 2021 funding.

I have attached the Essential Public Health Services Maintenance of Effort (MOE) Calculation for Fiscal Year 2022 and a spreadsheet of the past 12 years of Revenues for the Health Department, the County's Contribution (MOE) and related Indirect and IT Cost Allocation charges for your reference.

Sincerely,



Robert V. Belleman
Controller/CAO

C: Koren Thurston, Finance Director
Christina Harrington, Health Officer

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

ACTUAL

SAGINAW COUNTY DEPARTMENT OF PUBLIC HEALTH

PROJECTED

ESSENTIAL LOCAL PUBLIC HEALTH SERVICES

MAINTENANCE OF EFFORT (MOE) CALCULATION

FOR THE FISCAL YEAR 10/01/2021 THROUGH 09/30/2022

LOCAL FISCAL PERIOD #1 LOCAL FISCAL PERIOD #2
TO 10/1/2021 - 9/30/2022

1	General Fund Projected Expend. for Health Department		1,519,046	1,519,046
LESS EXPENDITURE ADJUSTMENTS:				
2	County Central Service Cost Allocation Plan expenditures INCLUDED in item #1' above:		-362,041	-362,041
3	Reallocations included in item #1 above (County Information Systems)		-772,783	-772,783
4	Fees collected for Health Department services that are returned to the Health Department through item #1 above			384,222 CREDIT for Service Delivery of IT and CCS
5	Other adjustments needed, (e.g., non-public health activities) Explanation:			333,241
6	* Prior years encumbrances projected to be liquidated in these local fiscal periods. (Expended and unexpended)			
7	Adjusted General Fund projected expenditures (line 1 less lines 2 - 6)		384,222	717,463
ADJUSTMENTS FOR NEW ENCUMBRANCES				
8	Adjusted General Fund projected expenditures (line 7)		384,222	717,463
9	* New encumbrances projected to be set up in period (Detailed schedules must be attached)			
10	General Fund projection for use in MOE calculation (line 8 plus line 9)		384,222	717,462.5
11	Percentage of local fiscal period that pertains to 10/01/2019- 09/30/2020 fiscal year		100%	
12	Item #10 times item #11		384,222	
13	Total of the two numbers in item #12		384,222	717,463
14	Maintenance of Effort Required (Base year 10/01/92 - 09/30/93)		1,262,305	DIFFERENCE -544,843

* NOTE: Explanations of projects in Item #6 and Item #9 must be attached.

NOTE: Item #13 must exceed item #14, if not agency may not be eligible for full LPHO funding.

Appropriate documentation is available and will be maintained.

Health Officer

Christina A. Harrington

Date

Health Department

History of Grants, General Fund Contribution, IT Allocation & Indirect Costs

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	Budget <u>2021</u>	Budget <u>2022</u>
Federal Grants	6,975,337.17	6,552,205.16	6,319,889.34	6,046,845.49	3,443,744.15	2,135,459.85	1,968,049.39	1,643,335.86	1,852,238.61	1,899,312.36	3,269,247.00	400,775.00	2,213,667.00
State Grants	<u>1,881,301.62</u>	<u>1,641,770.68</u>	<u>2,258,145.94</u>	<u>2,683,869.22</u>	<u>2,277,766.51</u>	<u>2,523,629.40</u>	<u>1,953,462.51</u>	<u>2,522,699.45</u>	<u>1,974,012.46</u>	<u>1,988,103.82</u>	<u>1,750,724.03</u>	<u>5,184,115.00</u>	<u>3,584,830.00</u>
Total Fed/State Grants	8,856,638.79	8,193,975.84	8,578,035.28	8,730,714.71	5,721,510.66	4,659,089.25	3,921,511.90	4,166,035.31	3,826,251.07	3,887,416.18	5,019,971.03	5,584,890.00	5,798,497.00
Less Substance Abuse/B.A.S.A.R.A.:													
Federal Grants	3,026,185.94	2,466,684.00	2,493,353.00	2,103,939.00	-	-	-	-	-	-	-	-	-
State Grants	<u>532,988.00</u>	<u>558,460.00</u>	<u>931,639.00</u>	<u>1,048,806.73</u>	<u>837,898.50</u>	-	-	-	-	-	-	-	-
Total Substance Abuse Fed/State Grants	3,559,173.94	3,025,144.00	3,424,992.00	3,152,745.73	837,898.50	-	-	-	-	-	-	-	-
Net Fed/State Grants	5,297,464.85	5,168,831.84	5,153,043.28	5,577,968.98	4,883,612.16	4,659,089.25	3,921,511.90	4,166,035.31	3,826,251.07	3,887,416.18	5,019,971.03	5,584,890.00	5,798,497.00
General Fund Contribution	1,519,046.00	1,519,046.00	1,519,046.00	1,519,046.00	1,519,046.00	1,519,046.00	1,519,046.00	1,519,046.00	1,559,629.00	1,716,297.00	2,136,120.00	2,411,636.00	1,519,046.00
G/F Contr as a % of Total Fed/State Grants	17.15%	18.54%	17.71%	17.40%	26.55%	32.60%	38.74%	36.46%	40.76%	44.15%	42.55%	43.18%	26.20%
G/F Contr as a % of Net Fed/State Grants	28.67%	29.39%	29.48%	27.23%	31.10%	32.60%	38.74%	36.46%	40.76%	44.15%	42.55%	43.18%	26.20%
IT Allocation	244,004.00	265,397.00	313,944.00	299,255.00	318,424.00	344,321.00	349,503.00	323,343.00	281,550.00	323,214.00	572,788.00	689,985.00	772,783.00 *
Indirect Costs	<u>227,766.00</u>	<u>166,862.00</u>	<u>184,816.00</u>	<u>234,753.00</u>	<u>237,160.00</u>	<u>350,278.00</u>	<u>295,841.00</u>	<u>245,950.00</u>	<u>170,148.00</u>	<u>210,714.00</u>	<u>301,027.00</u>	<u>323,251.00</u>	<u>362,041.00</u> *
Total IT/Indirect	471,770.00	432,259.00	498,760.00	534,008.00	555,584.00	694,599.00	645,344.00	569,293.00	451,698.00	533,928.00	873,815.00	1,013,236.00	1,134,824.00
G/F Contr Over/(Under) IT/Indirect	1,047,276.00	1,086,787.00	1,020,286.00	985,038.00	963,462.00	824,447.00	873,702.00	949,753.00	1,107,931.00	1,182,369.00	1,262,305.00	1,398,400.00	384,222.00
IT/Indirect as a % of G/F Contribution	31.06%	28.46%	32.83%	35.15%	36.57%	45.73%	42.48%	37.48%	28.96%	31.11%	40.91%	42.01%	74.71%
IT/Indirect as a % of Net Fed/State Grants	8.91%	8.36%	9.68%	9.57%	11.38%	14.91%	16.46%	13.67%	11.81%	13.73%	17.41%	18.14%	19.57%

* Subject to Change upon Receipt of Final Allocation Plans