Administrator's Message

Verna McDaniel

It has been a while since I've communicated with the organization, as we have been in a holding pattern until the budget is developed. I hope everyone's staying cool and safe during this very hot summer. As many of you may or may not know, the Administration office has gone through a few changes in the past couple of months. Those changes include a slight restructuring in our support staff. We are excited to announce the addition of Jason Brooks to the Administration office beginning August 15th.

Jason spent over a year as Management Intern in the Office of City Management for the City of Lincoln Park, Michigan. He began his career with Washtenaw County in December, 2006 as Management Analyst for the Washtenaw County Clerk/Register of Deeds. Jason holds a Master of Public Administration Degree from the University of Michigan – Dearborn. He will work alongside Cheryl Perry who came to our office in April of 2010. She came to us from the Ford Motor Company as a Project Management Analyst and prior to that Eastern Michigan University as the Senior Secretary for McKenny Union and Campus Life. Cheryl holds a Master of Liberal Studies in Information Security from Eastern Michigan University. Cheryl and Jason are a great team and have provided excellent support to the Board of Commissioners and County Administration. Next time you stop by the Administration office, please congratulate them on their new roles.

News from the *Administrator*

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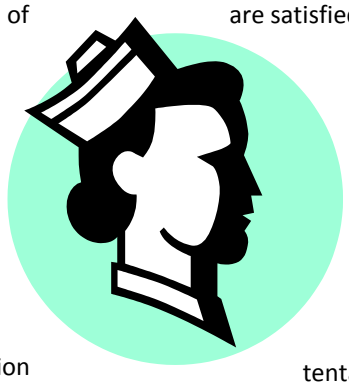
Nurses Labor Negotiations

As previously mentioned, we are very busy with internal Budget Development and Labor Negotiations. But I promised I'd share as much information as I could when it became available. With that said, the Michigan Nurses Association Unit I has signed an agreement with Washtenaw County, which was approved by the Board of Commissioners at the August 3rd Board meeting.



Beginning in February, 2011, Administration and Human Resources / Labor Relations brought to the Board of Commissioners an overview of the collective bargaining process, including the status and process for negotiations with those labor union contracts which were set to expire 12/31/2011. In March and April, 2011, the Washtenaw County Board of Commissioners provided their approval of a recommended strategy for negotiations.

Given the current strained economy in Washtenaw County and the State of Michigan, it was understood from the onset that these negotiation would be a difficult process. However, the vision for the process has been "To create a product and process that both the union and management are satisfied with."

The collective bargaining agreement with the ***Michigan Nurses Association – Unit I***, is scheduled to expire December 31, 2011. The bargaining unit consists of ***Program Coordinators***, ***Nurse Coordinators*** and ***Public Health Nurses*** within the Public Health Department.The parties have been negotiating with the focus of reaching a tentative agreement by July 1, 2011. The parties reached an agreement on June 29, 2011, and the Union has ratified the agreement. A copy of the MNA Unit I agreement can be found on the *county website*.

United Way Stuff the Bus Begins August 15

Ann Arbor, Michigan – August 5th, Kicking off their 2011 United Way Campaign, Washtenaw County Employees are reaching out to the public in a "United" effort to collect needed school supplies to students in the Washtenaw County Public School Districts.

"Washtenaw County employees have always had a strong commitment to public service. It is this commitment that has inspired them to continue to support the remarkable mission of the United Way."

We will be partnering with Target and collecting school supplies for the Ypsilanti, Willow Run, Chelsea, Manchester and Whitmore Lake School districts. Washtenaw County employees and the public at large will "Stuff the Bus" with everything from backpacks to pencils to crayons and glue sticks. On **August 15th-August 19th**, a full sized school bus provided through the Public School District will be staffed each day with volunteers. To "Stuff the Bus" with your donation, visit the following location between 9am-3:30pm.

Monday – Friday, August 15 – 19th
TARGET, 3749 Carpenter Rd. Ypsilanti

Blood Drive Report Out

Thank you to all of those who participated in the July round of American Red Cross Blood Drives. It was a slow summer due to vacations, but our employees still stepped up! Take a look at the results for the July 18th blood drive below:

- **Downtown Ann Arbor** – *87% turnout.* The goal was 31, 27 employees donated.
- **The LRC**– *100% turnout.* The goal was 25, 25 employees donated.

If you missed these opportunities to donate join us October 13th and 14th for the next round of blood drives at 200 N. Main and the LRC. Questions? Contact Administration's Cheryl Perry at 222-6784.

A Different BOC in 2013

The year 2012 is an election year and there are going to be a couple of changes to the makeup of our Board of Commissioners due to redistricting.

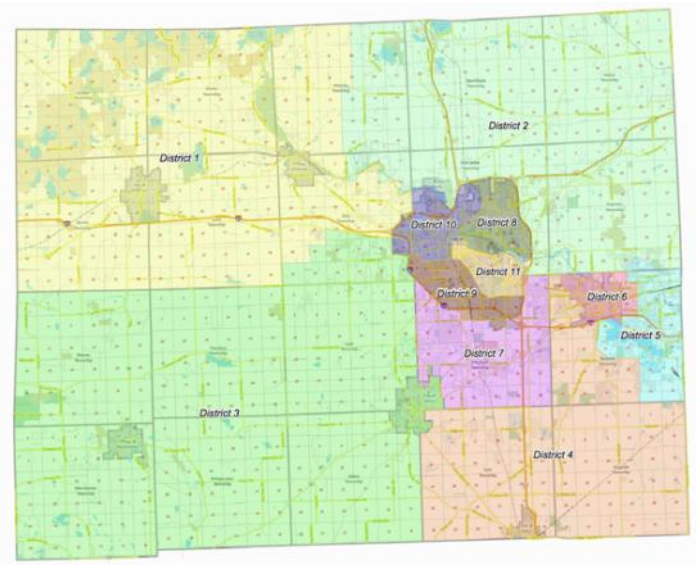
As some of you may know, beginning in April, the county began work on the redistricting process. Their work has been completed and the Apportionment Commission has voted unanimously on a plan that will reduce the number of districts in Washtenaw from 11 to 9 (see the before and after maps below).

Redistricting, a process mandated by state law, is lead by the apportionment commission and takes place every 10 years as new population data is available. The Apportionment Commission has five members: The County Clerk (Larry Kestenbaum), County Treasurer (Catherine McClary), County Prosecuting Attorney (Brian Mackie), and the Chairs of the County Republican Party (Mark Boonstra), and Democratic Party (Cleveland Chandler).

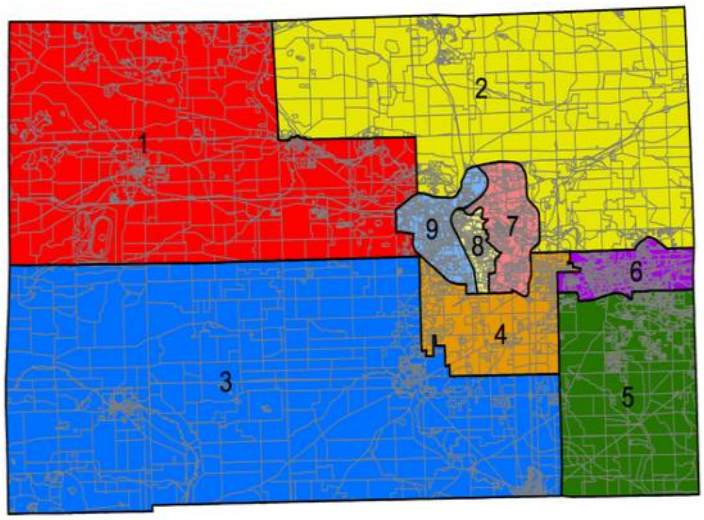
Through the months of April and May the commission reviewed census data and multiple redistricting plans. Ultimately, coming up with two plans that were favored; one of which would expand the board to 12 members and another which would reduce the number of commissioners to 9. Under the 12 district plan, proposed by Larry Kestenbaum, Ann Arbor would still have four representatives and a new district would be created in Scio Township to reflect population growth in the township.

The prevailing 9 district plan, proposed by County Prosecutor Brian Mackie, and passed unanimously at a May 11th meeting will reduce the number of Ann Arbor districts from four to three and eliminate another district elsewhere in the county. This newly approved plan will bring some significant changes to the County Board of Commissioners, placing two Ann Arbor Commissioners, Leah Gunn and Yousef Rabhi, in the newly drawn District 8. While also placing Commissioner Wesley Prater and Commissioner Alicia Ping in the newly expanded District 3. The new districts will be in effect for the August primary and November general election in 2012.

Please go to the eWashtenaw website to get a better view of the District Boundary Maps.



11 County Commissioners (Old)



9 County Commissioners (New)

JDE ERP System

Future direction for the County's Financial/HR Software

Over the last several months, a team of key Financial and HR software stakeholders met to determine the future direction for this very important County software. The main impetus for this effort was our current JD Edwards product was no longer going to be supported at the end of 2013. It was evident that we needed to do something to address this reality.

Further motivation was provided by the current financial situation of the County and the possible opportunity for financial savings from outsourcing our current maintenance, or implementing a less expensive tool. The other driver was a sense of due diligence to determine if there was other software available that provided improved functionality at a better price. With these ideas in mind, the goal of the project was determined: do we upgrade our current software or RFP to find something new.

Starting in February, the team talked to other municipalities, consultants, and vendors to select a handful of tools for review. We invited the companies to do demos, visited sites of local municipalities, and compared total cost of ownership for each tool. After all the work was complete, the team members shared their thoughts in a debrief meeting, and more formally in a recommendation document delivered to the decision making team.

In a unanimous decision the team leaders suggested that we move our JD Edwards maintenance to a third party vendor to immediately see cost savings, and then do an RFP for new software.

High Level Plan

2011 – Move JDE Maintenance Support to Third Party Vendor
2012 – Process Review and RFP Creation
2013 – Software Selection
2014 - Software Implementation

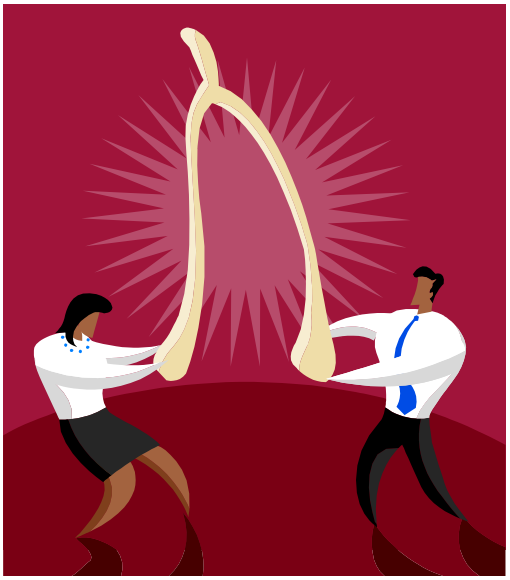
Our current software, JD Edwards, was implemented in 1999 and it has served us well for over 11 years. Several key factors contributed to the decision to evaluate alternate ERP solutions. The Oracle Company, which now owns JD Edwards, is wavering on its support for the tool. The maintenance cost was becoming burdensome. Finally, JD Edwards was not written for local governments, so it lacks some inherent features that a County may be able to benefit from.

The upcoming project is an exciting opportunity for our Organization and we are looking for individuals who are interested in participating in this important project. Our goal is to fully engage our users to assist us in making the best choice for the future of the County.

WCHO Split from the County

County governments across the state have been grappling with challenging economic circumstances and budgetary constraints. These challenging conditions and constraints have necessitated closer collaboration and tighter coordination both between and among governmental entities and county departments. Indeed, there has been significant economizing and alignment efforts between a separately established (WCHO) public entity and a county department (CSTS) created for service provision - even though county general funds play only a small role in underwriting the activities of these parties.

The joint efforts of the WCHO and CSTS to foster closer coordination, eliminate redundancies, and better align roles and responsibilities are worthy goals, but such an endeavor must accommodate the legal distinction between the entities. Indeed, there are important statutory, contractual and liability considerations for respecting and retaining the legal separation of the parties. Federal health care reform legislation - and state implementation decisions - may furnish further grounds (and incentives) for clarifying and maintaining the separate legal status and differentiated business purpose of each entity.



Since its establishment some eleven years ago, the WCHO has leased all core administrative staff - including the Executive Director - from the County; the Organization itself has no employees. Given its designation (i.e., as the community mental health services program for Washtenaw County), its broad financial and contractual obligations, and its risk exposure (both financial and tort liability), the absence of any staff directly employed by the WCHO Board seems inconsistent with the entity's purpose and the scale and scope of its duties. The lease arrangement may also convey the impression of an "agency" relationship, complicating and obfuscating matters of risk and liability exposure.

To better comport with the enabling statute (P.A. 130 of 2000) and other provisions of Michigan's Mental Health Code, and to minimize misperceptions (and exposure) regarding the actual (contractual) relationship between the WCHO and CSTS (a County department), the WCHO Board, after discussions with County Administration, has elected to request the transfer of a limited number of currently leased, non-represented, county employees to the employ of the WCHO. Such transfers and appointments will conform to all requirements and employee protections in statute and with any transfer provisions in the interlocal renewal agreement.

These transfers and/or appointments will be confined to a small number (no more than 15) of nonrepresented administrative positions (currently leased) "...who are necessary for the operation of an undertaking created by an interlocal agreement" (M.C.L. 124.505g), *and there is no plan or consideration of further transfers beyond this core group.* Those initially effected (6 positions) have been notified of the potential transfer, but other *possible transferees* have not been advised, *since a final determination has not been made* regarding whether these positions "are necessary for the operation" of the WCHO, and hence, should be transferred. Administrative, non-represented, personnel working at the WCHO who are transferred will continue to be part of the WCHO's personnel lease arrangement with the County.

The technical aspects of transfer arrangements - including employee rights, status and benefits – are currently being examined to ensure compliance with statute protections and requirements. We will have more information for you later this summer, pending completion of the research on these technical issues and employee protections.

The WCHO is a public governmental entity, separate from Washtenaw County and the University of Michigan which created it. It is the Community Mental Health Service Provider (CMHSP) for Washtenaw County under the Mental Health Code and the designated Prepaid Inpatient Health Plan (PIHP) for Washtenaw, Monroe, Lenawee and Livingston counties. It also functions as the Substance Abuse Coordinating Agency (CA) under the Public Health Code for Washtenaw and Livingston counties.

Michigan Treasury's Report Card

Fiscal "grades" for Washtenaw County

Believe it or not, Washtenaw County receives a report card every year! It is not exactly like the ones we received when we were in school. Rather it is a *fiscal* report card. The Michigan Department of Treasury annually evaluates the fiscal condition of each local unit of government in the State using population data, equalization data, and the audited financial information for each local unit. The State grades each local unit on the following factors and gives them a score known as the fiscal indicator score:

1. Population decrease
2. Real taxable value decrease
3. Real taxable value decrease greater than 4%
4. General Fund expenditures greater than 1% of taxable value
5. General Fund operating deficit in most recent year
6. General Fund operating deficit in either of the two previous years (2 points possible)
7. General Fund balance less than 13% of General Fund revenues
8. Fund deficit in one or more major funds in current or previous years
9. General long-term debt greater than 6% of taxable value

One point is given for each factor that is violated. Therefore, the lower a government's fiscal indicator score the better.

- A score of 0 – 4 is considered fiscally neutral.
- A score of 5 – 7 causes the unit of government to be placed on fiscal watch for the year and for the following year.
- A score of 8 – 10 classifies the unit of government as being in poor financial condition wherein assistance and possible intervention by the Department of Treasury is expected. The appointment of an Emergency Manager for that local unit of government by the State could ultimately result.

This would be in compliance with the Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011).

Our report card for year ending December 31, 2009 showed a fiscal indicator score of 3. This is considered fiscally neutral. We received 1 point for having a decrease in real taxable value (factor #2), 1 point for having a large decrease in real taxable value (factor #3), and 1 point for having a General Fund balance less than 13% of General Fund revenues (factor #7). We are trying to watch our finances very closely to ensure that Washtenaw County remains in the fiscally neutral zone of the report card.

For more information on this topic, please see the Michigan Department of Treasury website.

Our 2009 report card is available for your review. The State will begin preparing the 2010 report cards in September and is expected to have the results posted to their website by December.

Community Development Partners with United Bank and Trust (UBT), Secures $300,000 in New Funding

In this time of resource scarcity and seemingly endless challenges, it's always nice to hear some good news. To that end, I want to let you know about a new public-private partnership that will bring new funding to residents in the community.

Community Development has partnered with United Bank and Trust (UBT) to secure $300,000 of new funding to support low-income homeowners in need of critical housing rehabilitation and emergency home repairs. These funds, made available by the Federal Home Loan Bank, are expected to be available into the future, meaning that Washtenaw County Community Development and UBT can continue to attract needed funds for years to come.

Housing projects for lower income residents can range from emergency replacement of an inoperable furnace, to lead remediation, to remedying safety and code violations like exposed electrical wires. And, with the confluence of a burgeoning aging population and a more challenging housing market, we are seeing more and more requests from older homeowners to make accessibility modifications to help them "age in place."

Each year, the Office of Community Development allocates at least $500,000 toward these activities, and yet demand outpaces funding. This partnership with United Bank and Trust will help to stretch current CDBG and HOME funds already designated for these services. And, equally important, it effectively engages the private sector in partnering with government to advance community well-being.