



Introducing the First Edition

Welcome to the first edition of the *News from the Administrator*. I created this newsletter as a way to keep you informed. Communication is important to me and I am committed to sharing as much as I can, as quickly as possible, but without sacrificing thoughtfulness. This newsletter will be published monthly and it will include updates on key initiatives, financial information and highlights from various departments.

From all of us in Administration, we look forward to working with you. I hope you find the following articles informative. Feel free to contact me directly at 222-3401 or by [email](#) with any feedback, comments, or suggestions.

My Vision

I have lived in this community for over thirty years and I have worked for Washtenaw County Government for twenty eight years. I care deeply for this community and this organization. Since my appointment, a lot of people have asked me why I want to be Administrator and the most sincere answer I can give is that I want to make this great organization even better. To be successful in this new role it's important to have a clear, crisp shared vision, so let me share my vision with you:

To more closely align our organizational structure with the community's needs and expectations, while managing the limited resources that we are likely to experience over the next decade.



News from the *Administrator*

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The Next Deputy County Administrator



I am pleased to officially announce the appointment of William (Bill) Reynolds as the next Deputy County Administrator. The Board of Commissioners unanimously approved this appointment at their meeting on June 2nd. He will be joining us on Monday, June 21st. Bill has worked for the last three years as the Administrator for Chippewa County, Wisconsin and prior to that he spent six years with the United States Senate as the Chief of

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Staff for Senator Arlen Specter. Bill has demonstrated his ability to balance change and continuity, to continually strive to improve customer service and program performance within the government framework, to create a work environment that encourages creative thinking, and to maintain focus, intensity and persistence, even amid adversity. Bill’s ability to lead and manage change will make him a great addition to the Administration team.

Search for the new Finance Director

We received 86 applications and I worked closely with Human Resources to narrow the candidates down to six final candidates. I have assembled an interview committee that consists of Bill Reynolds, Pete Ballios, Pete Collinson, Curtis Hedger, Tony Vanderworp, Dan Myers, Jennifer Watson and myself and we will be conducting the interviews in late June. I hope to make a final decision soon after the interviews are completed. Stay tuned to eCentral or the next newsletter for updates on the progress.

Changes in County Leadership



Over the last several months we have had several of our long-time Department Heads announce their retirement beginning with Finance Director Pete Ballios, ETCS Director Trenda Rusher and Veteran Affairs Director Mark Lindke. This is a tremendous loss for the organization, but at the same time offers a great opportunity to take a closer look at each department and identify opportunities for efficiencies and possible reorganizations.

We are taking some time to thoroughly evaluate ETCS and explore new possibilities. Several months ago, Administration convened a group of key stakeholders and asked for their feedback on some alternate leadership models. ETCS is a complex organization and it will take time to do this analysis. Bill Reynolds and I will be working together throughout the summer and plan to bring a recommendation to the Board of Commissioners in the Fall. My hope is that the recommendation will save money and offer a better solution for delivering services.

I want to take a moment to recognize the ETCS Interim Director Patricia Denig. She is doing an outstanding job managing the day-to-day operations. I’ve thoroughly enjoyed working with Patricia during this transition and I am continually impressed by her positive attitude and her commitment to public service.

Court/Jail Expansion Nearly Complete



An image from the outside of the new 14A1 District Court and the newly renovated jail.

The 14A1 Court and Jail Expansion is more than 80% complete.

Project crews are currently installing the furnishings for the new Court, which will be turned over and ready for occupancy in early June. Working in this new environment will incorporate new processes and procedures for Court staff. The actual relocation is scheduled to begin on July 16th with court proceeding in the new facility on July 19th.

The jail expansion is complete and currently occupied at partial capacity which provides temporary housing. Landscaping is

nearing completion with paving expected to be complete in mid-June, pending any weather delays.

The existing jail renovations are scheduled for completion in late August. The entire expansion project is expected to be fully completed in September.

Recently, Facilities Manager Dave Shirley gave a presentation on this topic to the Board of Commissioners at their May 20th Working Session. The [presentation](#) and the [webcast](#) are available online. Watch eCentral and future newsletters for updates on the project and news about a grand opening.

The jail expansion will...

- Add **112 new beds** to the existing jail
- Allow for more efficient and secure **arraignment**
- Renovate the existing jail's **infrastructure**

Article of Interest

2009 Digital Communities Digital Infrastructure Task Force white paper - "Opportunity in Crisis: Consolidation, Collaboration & Cooperation in Local Government"

Todd Sander, director of the Digital Communities program, recently asserted that given the economic and fiscal realities local governments face today, the central question in the debate about governance has shifted from, "How much government do we need?" to "How much government can we afford?". As we work to determine exactly how much government we can afford here in Washtenaw County, Sander suggests that we have a great opportunity to enhance collaborations and cooperation within County departments and across governments. Sander, with the help of the Digital Infrastructure Task Force, highlights examples and opportunities for collaboration/consolidation in information and communication technology. As government services become more dependent upon technology, some of the best opportunities for cost savings will be found in collaborations around technology services. To learn more, the entire article can be found [here](#).

Financial Update

Budget “Did You Know”

Less than 20 revenue sources make up 95% of the General Fund budget. Property taxes comprise 63% of revenues, two thirds of this is from residential housing.

Other major General Fund revenues include collections by the Sheriff, Clerk/Register of Deeds, Water Resources, Treasurer and the Courts.

We experienced our first ever reduction in taxable property value in 2009 and we estimate further reductions in property tax revenue through 2013.

The county’s two largest tax payers in 2009—Pfizer and General Motors—are now off the tax roll.

The county currently transfers \$6.5M from its Revenue Sharing Reserve Fund as directed by the State. This fund will be depleted in 2013 with only a partial year of funding available. The future of revenue sharing is uncertain.

Interest earnings have declined from a high in 2007 of \$1.3M to only \$146,000 in 2009 due to cash flow reductions and low interest rates. The current average yield is 0.44%.

The General Fund fund balance as of year end 2009 is \$9,773,059. This is in line with the policy of maintaining 8% of the total budget in reserve.

The financial status of the organization impacts each and every one of us. Given the nature of the economic situation, I want to keep you informed each month on the financial condition of the county. We remain committed to Guiding Principle #1: Long-Term Fiscal Stability. However, the ability to provide stability has been challenged and will continue to be for the next several years predominately due to property taxes. My goal remains to preserve jobs and services wherever possible, while leading the organization to through strategic policy, programmatic, and financial decisions with a long-term perspective.

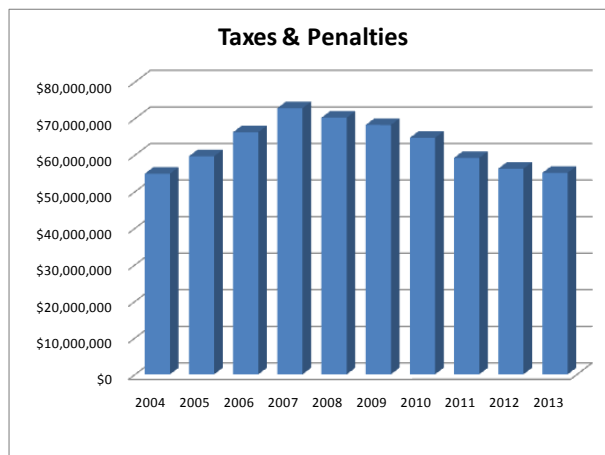
The County has persevered during this economic downturn, as is evident in the unanimous approval of a balanced budget for 2010/11 which included minimal job and service reductions, accurate forecasting of property tax revenue for 2010, the retention of AA+ bond ratings and a 2009 General Fund year end surplus of \$585K. However, challenges continue to lie ahead.

2010 Equalization Report: A “Cushion”?

By now I’m sure you’ve heard that in April the County received good news – it had adequately projected the decline in property tax revenue and would realize \$1.7 million more revenue than budgeted in 2010. This so called “cushion” has been the subject of much discussion. The general directive from the Board of Commissioners is to save the funds to assist us over the next few years as our financial challenges continue. I believe this is a prudent approach, as the 1st Quarter Budget Update shows we may not have as much funding as planned to carry forward to 2011, even with this additional revenue (see next page).

There are many other issues impacting the county budget resulting in these “extra” funds not being available for allocation. These issues are outlined in the 1st Quarter Budget Update provided in May and summarized on the next page. In sum, we are trying to prevent as many job eliminations for

our employees and service loss to the community as possible. Our 2010/11 budget has provided stability for us in 2010, which will end with a surplus. We are currently updating our revenue projections for 2011 and engaging in scenario development for 2012 and beyond.



1st Quarter Budget Update

Many difficult decisions were made in the development of the 2010/11 budget. We are now seeing the impact of these decisions as all of the actions taken to date will result in a projected surplus of over \$4 Million in 2010. Unfortunately this is not as much as we planned to carry forward to 2011:

	Budget	Project	Variance
Total Revenues	99,362,147	99,963,198	601,051
Total Expenditures	99,362,147	95,592,909	3,769,238
Projected Surplus			4,370,289
Planned Carry-forward			(5,289,000)
Amount Needed for 2011			(918,711)

The 2010 Equalization Report demonstrated that taxable property values were down -5.6% instead of the -7.5% budgeted. As previously stated, this resulted in a revenue surplus of \$1.7M. There are other downward pressures on our revenues, predominately due to a lower number of police contracts, court collections, and interest earnings. The 2010/11 budget included over \$10M in General Fund savings from employee compensation & benefit modifications from both our union and non-union employees. This saved over 100 jobs and allowed for the continuation of services. We are realizing a projected shortfall within our salary and fringes due to some of these savings not fully materializing in the General Fund.

It is very early in our biennial budget and we must continue to monitor it closely. I'm committed to providing monthly updates and more formal quarterly reports to the Board of Commissioners. Later this year we will bring a proposed update to our 2011 budget along with a 5-year forecast and plan. This is in preparation for our 2012/13 budget. Your engagement and understanding in this process will help us determine the future of the organization.

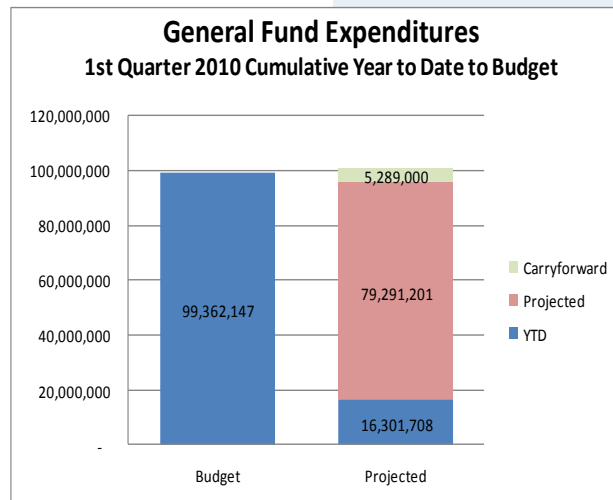
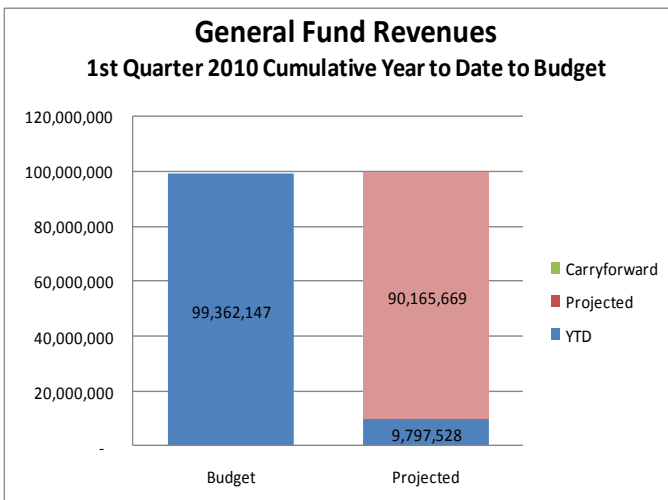
"The 2010/11 Budget will provide us stability for 2010 while we move into planning for our future."

Budget "Did You Know"

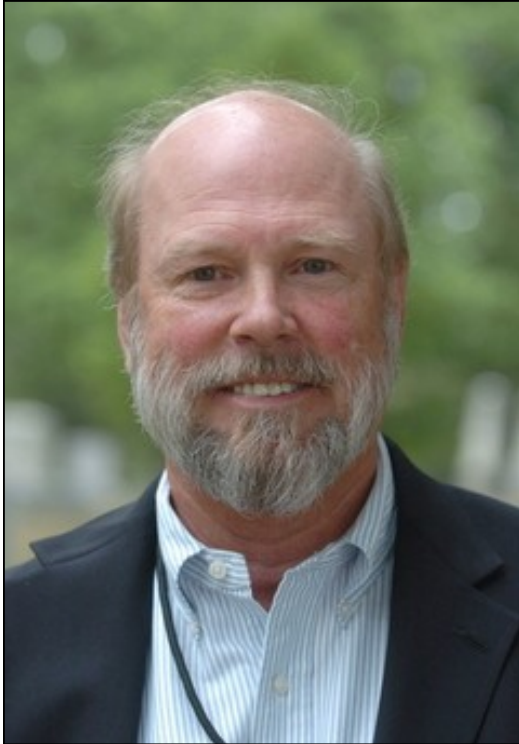
Over 70% of our General Fund budget supports mandated programs. There is some discretion as to the level these mandates are provided.

Personnel costs are 58% of GF expenses supporting 615 positions (approximately half of the total workforce), over-time and part-time employees. An additional 19% of the budget is allocated to non-GF programs, much of which support personnel as well as the County's infrastructure.

The County provides a comprehensive benefits package to employees. Fringe benefits average 45% of salaries and are expected to rise.



Saying Goodbye to Mark Lindke



It's time to say goodbye to Veteran Affairs Director Mark Lindke. Mark has been with us for thirty-seven years and he has demonstrated exceptional leadership and a true commitment to public service. Mark's love for his work was summed up best when he recently said, "I've always felt that if you're going to serve the public what better population to serve than those that have honorably served this Country."

So what's next for Mark? He plans to volunteer in the Community starting with the VA Hospital in Ann Arbor. His last day with the County will be June 25th.

I have decided against posting Mark's position immediately and instead have asked Mark to assist us during this transition which should be completed at the end of the year. I would like to thank Mark for his incredible service and wish him good luck in the next chapter of his life.

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Health Care Reform

Federal Health Care Reform ("Reform") was signed into law by President Obama on March 30, 2010. There continues to be a lot of uncertainty associated with the impact of reform legislation as key regulatory guidance is still pending. The law, however, did specify a number of projected areas of change with anticipated implementation dates ranging from the immediate through 2018.

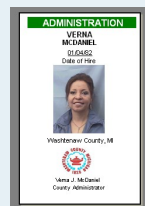
The most immediate impact is with regard to covering dependent children to the age of 26. The rules state "a plan that makes coverage available to any dependent child(ren), must extend that coverage until the attainment of age 26." For Washtenaw County, the timeframe for implementation of this requirement is October 1, 2010. Therefore, Human Resources will be conducting an open enrollment in August, 2010 to allow employees the opportunity to add such dependents effective October 1, 2010. Additional information will be forthcoming from Human Resources as to the eligibility requirements for adding such dependents.

The full impact of Reform on Washtenaw County has not yet been determined. I've requested that Human Resources and Budget work with the County's Health Care Agent-of-Record to analyze the potential impact. The Board of Commissioners will receive a Working Session presentation regarding fringe benefits and the impact of Reform at their August 2, 2010 meeting.

New County ID Badges

I've requested that new identification badges for departments reporting directly to the County Administrator be distributed to all staff beginning Wednesday, June 2, 2010.

Your current & new ID badges will both be active through 6/10/10. Effective 6/11/10 you must begin using your new badge.



Please be sure to test out the new badge prior to the effective date. You may contact Human Resources—222-6800 if you experience any difficulties with your new badge.