Verna McDaniel Months as the County Administrator

Administrator Transition

Audit Presentation

Building Master Plan

Cash Mgmt Policy Development

Coordinated Funding

ECGC Collaboration

ETCS Reorganization

FTE by Department

Fund Balance Mgmt

Internal Controls Review

Jail and Court Project

Jail Staffing Levels

Juvenile Division Move

Local Units Collaboration

Lump Sum Agreement

MSU Extension Restructuring

Planning Initiative

Police Services Analysis

Revenue and Grants **Pursuit**

Revenue Approach for **Indirect Costs**

Revenue Trending Model

WCHO/CSTS Integration

ADMINISTRATOR'S VISION

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.

ADMINISTRATOR'S PLAN

Verna McDaniel laid out a plan at the beginning and focused on internal management of an organization undergoing significant economic challenges. It challenged organizational leadership to embrace change and imagine new possibilities for Washtenaw County Government. She structured her plan into three distinct phases: the first 100 days, first year and the next five years. An assessment of her first six months as County Administrator is a critical development tool that demonstrates her commitment to continuous organizational and individual improvement.

Since the release of her plan she has implemented many of the components. She has categorized the plan into four key categories:

- 1. Internal Management
- 2. Financial Stability
- 3. Organizational Restructuring
- 4. Community Impact

THE RESULTS

1. INTERNAL MANAGEMENT

- Established a solid executive team by hiring Deputy Administrator William Reynolds and Finance Director Kelly Belknap.
- Appointed Interim Directors in Employment Training and Community Services (ETCS), Finance Department and The Department of Veteran Affairs.
- Convened a Planning Advisory Team with representation from the Board of Commissioners to help identify the process and solutions for dealing with the projected \$20M budget deficit for 2012/2013.
- Established reoccurring meetings with Elected Officials to cultivate relationships and share ideas.
- Created a monthly newsletter to ensure effective communication with the entire organization.

2. FINANCIAL STABILITY

- Monitored the 2010/11 budget for changes in revenue and expenditures.
- Projected a 2010 surplus of \$4.5M and although it is less than the originally planned carry forward of \$774,000, plans are in the works to balance 2011.
- Reviewed and updated 2011 revenue projections and currently engaging in scenario development for 2012 and beyond.



FINANCIAL STABILITY CONTINUED ...

- Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 2010/11 Budget Summary publication.
- Presented the Audit to the Board at the April 7, 2010 Board meeting.
- Introduced the Administrator's Recommendation for the 2011 budget reaffirmation.
- Established a subcommittee of the Labor Management Team to educate, review and analyze all fringe benefits provided within Washtenaw County. The Fringe Benefit Workgroup began with a comprehensive review of fringe benefits currently provided by Washtenaw County, and then reviewed potential options for benefit modifications and associated costs. HR/Labor Director Diane Heidt gave a presentation on benefits at the Board's August 5, 2010 Working Session. The group will continue meeting for the next few months.
- Instructed staff to update and distribute a report identifying FTEs by Department to the Board every six months.
- Worked with the Finance Department on the Fund Balance Management presentation given to the Board at the April 7, 2010 Board meeting.
- Managed an Internal Controls Review and worked with the Finance Department to present the results to the Board at the April 22, 2010 Working Session.

NEXT STEPS

- Engage in a Planning Process for 2012/2013 to balance a projected \$20M budget deficit.
- Lead a review of the County's Building Assets as part of the 2012/2013 Planning Process.
- Develop a Cash Management Policy as part of 2012/2013 Planning Process.
- Pursue revenue and grants more aggressively.
- Review approach for indirect costs is ongoing internally with updates to the Board as part of 2012/2013 Planning Process.
- Incorporate Revenue Trending Models into the 2011 Budget Reaffirmation and 2012/2013 Financial State of County.
- Recommend an outside agency to the Board to perform county wide internal audit.



3. ORGANIZATIONAL RESTRUCTURING

- Challenged the organization to meet within their priority areas to brainstorm and develop creative solutions around collaboration. Department Heads/Elected Officials representing each Priority Area presented at the September Group of 180 meeting. One final group will present at the January 2011 Group of 180 meeting. Ideas from this exercise will be explored in the Planning Process for the 2012/2013 budget.
- Presented a joint recommendation with Sheriff Clayton on Jail Staffing at the March 18, 2010
 Working Session. The recommendation was approved by the Board at the April 7, 2010 Ways and
 Means meeting with a final approval at the April 21, 2010 Board meeting. Positions are currently
 being filled.
- Merged the Budget and Finance offices in August 2010. The merger streamlined operations and encourages greater integration across departmental functions. The benefits to this merger are 1) creating a great team of individuals who can assist in the upcoming strategic planning efforts, 2) enhances communication between departments, 3) creates cross-training opportunities, 4) adds value through differing perspectives and 5) a shared knowledge base between the Finance Director and the Budget Manager.
- Engaged with WCHO to initiate integration of CSTS and WCHO in September 2010. Most of the impact will be programmatic although there will be some modifications to staffing, none of which are anticipated to impact the General Fund. Significant benefits of the integration include the reintegration of budget, finance, and administrative functions which will drive down cost per consumer; realignment of resources and improved access to services particularly in the 48197-98 zip codes. A presentation was given to the Board at the September 16, 2010 Working Session.
- Participated on a taskforce with Michigan State University to assist with the restructuring of MSU Extension. The intent of the restructuring is to focus its efforts on key statewide program areas; enhancing the expertise of staff within these programs; reducing administrative costs, and increasing funding for programs from resources beyond county, state and federal funding. The most significant changes include the creation of 13 districts, creation of District Coordinators and the elimination of the Extension Director position. Deputy Administrator Bill Reynolds is working closely with MSU to resolve questions on the structure and funding.

NEXT STEPS

 Move the Juvenile Division of the Washtenaw County Trial Court from Platt Road to the downtown Ann Arbor courthouse next year. This renovation will not only provide a more efficient use of facility space for all entities, but it will also provide an opportunity for a much broader reorganization of clerk services. We will incur some upfront costs for the renovation, but the structural savings of \$300,000 through increased efficiency and the overall customer service enhancements make the initial investment well worth it.



- Present a recommended reorganization/consolidation of Employment Training and Community Services (ETCS), Energy and Economic Development and the Office of Community Development in the 1st quarter of 2011.
- Identify opportunities for further collaboration with local units of government as part of the 2012/2013 Planning Process.
- Explore the possibility of greater collaboration at The Eastern County Government Center (ECGS).

4. COMMUNITY IMPACT

- Presented a recommendation on Police Services to the Board at the November 4, 2010 Working Session. The recommendation will go before the Board for approval at the November 17th Ways and Means meeting and the December 1, 2010 Board meeting.
- Presented a final report to the Board on the Jail Expansion and new 14A Judicial District Court projects at the May 20, 2010 Working Session. The project completed in the Fall of 2010.
- Met with United Way and the AACF to explore the possibility of having these two private organizations join our streamlined coordinated funding process. The United Way added \$2.3M and the AACF \$300,000 to the funding pool bringing the total to \$5.2M. The enhanced funding model will support and improve the existing system and reinforce the same priority areas funders have historically funded, such as Housing/Homelessness, Aging, School-Aged Youth, Children, Health and Hunger. A presentation was given to the Board at the October 7, 2010 Working Session. The Board approved this process at the October 20, 2010 Ways and Means meeting and final approval was given at the November 3, 2010 Board meeting.

PERSONAL STATEMENT

Verna J. M. Seneel

Evaluating my first six months as County Administrator has been a valuable exercise. It became apparent early on that we have made significant progress. Initially, my most important task was to establish a new executive team that would assist in carrying out the objectives set forth by the Board of Commissioners. Our work has been primarily focused on ensuring the continuation of fiscal stability for this organization and managing significant organizational change. We have a very difficult road ahead as we address the projected \$20M deficit for 2012/2013. As difficult as this road is, it's also an opportunity to truly evaluate this organization and determine the best options for moving forward. This organization will change; it must change. We can no longer be everything to everyone; rather we must have a targeted approach for making the greatest positive impact on this community and I'm looking forward to using my role as County Administrator to do just that.

Thank you,