

RESOLUTION

NO: 2017-11-186

LIVINGSTON COUNTY

DATE: November 6, 2017

RESOLUTION ADOPTING THE 2018 LIVINGSTON COUNTY BUDGET - BOARD OF COMMISSIONERS

WHEREAS, in accordance with the provisions of Public Act 2 of 1968, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, requires that each local unit of government adopt a balanced budget for all required funds; and

WHEREAS, the County Administrator has submitted a proposed budget as required by statute which implements board policies; Elected Officials, Judges and Department Directors were requested to submit a line-item budget; and,

WHEREAS, the Finance Committee has requested and reviewed the proposed budget for the County departments, including the courts, under the scope of its policy, and recommends adoption of the Proposed 2018 Budget to the Board of Commissioners; and

WHEREAS, the County of Livingston was allocated 5.0 mills by the County Tax Allocation Board and on the 5th of June, 2017, the Livingston County Board of Commissioners approved the Headlee rolled back millage rate of 3.3484 to support the 2018 General Fund Operations; .2962 to support Ambulance and; .1190 to support Veterans Services; and

WHEREAS, it is recommended that the 2018 General Fund Budget be approved for the total of \$47,331,383 and Special Revenue and Enterprise Funds approved as shown in the Proposed 2018 Budget Plan, as well as the informational summary of projected revenues and expenditures for Internal Service Funds; and

WHEREAS, the recommended 2018 Budget was filed with the Livingston County Clerk for public viewing on the 27th day of October, 2017; pursuant to state statute.

THEREFORE BE IT RESOLVED that the 2018 General Fund Budget is approved in the amount of \$47,331,383 and revenues shall be appropriated and expenditures budgeted for the 2018 General Fund Budget, Special Revenue Funds, and Enterprise Funds on a fund and cost center basis in the amounts set forth below.

PROSECUTING ATTORNEY		
Prosecuting Attorney	101-26700	\$2,209,890
Family Support – GF Contribution	101-26717	\$102,389
Federal Grants – Family Support	238-26717	\$301,143
State Grants—Crime Victims' Rights	239-26718	\$143,003

EQUALIZATION		
Equalization	101-25700	\$572,320

MSU EXTENSION		
MSU Cooperative Extension	101-26100	\$235,411

VETERANS SERVICES

Veterans Operation & Svcs	295-68900	\$849,940
Veterans Relief Fund	293-68900	\$50

COUNTY CLERK

County Clerk	101-21500	\$527,446
Co. Clerk Circuit Court Div.	101-21599	\$839,819
Tax Allocation	101-24800	\$1,355
Elections	101-26200	\$260,379
Concealed Pistol Licensing	268-21500	\$133,835

REGISTER OF DEEDS

Plat Board	101-24900	\$300
Register of Deeds	101-26800	\$663,521
Co. Survey Remonumentation	245-27800	\$141,688
Register of Deeds Automation	256-26801	\$293,319

TREASURER

Treasurer	101-25300	\$1,015,567
Chargebacks	101-89900	\$3,000
Homestead Property Exemption	255-22300	\$7,324

BOARD OF COMMISSIONERS/COUNTY ADMINISTRATION

Board of Commissioners	101-10100	\$560,202
Administration	101-17200	\$638,645
ERP Project	101-19200	\$10,000
Professional Services	101-22300	\$110,715
Purchasing	101-23300	\$175,501
Facilities Services	101-26500	\$72,337
Civil Counsel	101-26900	\$152,740
Human Resources	101-27000	\$683,621
Insurance Policies & Bonds	101-85100	\$1,125,000
Ins – Unemployment	101-87000	\$25,000
Appropriations – Capital Replace	101-96600	\$597,500
Contingencies	101-96800	\$250,000

AMBULANCE

Medical Examiner	101-64800	\$424,623
Ambulance Fund	210-65100	\$11,270,652

COMMUNITY & ECONOMIC DEVELOPMENT

Economic Development	101-72800	\$200,000
Community Action Programs	101-74700	\$577,117

COMMUNITY & ECONOMIC DEVELOPMENT

Planning	101-72100	\$392,998
Planning Federal Grant	238-72100	\$238,000

HEALTH & WELFARE

Animal Services	101-43000	\$803,640
Mental Health	101-64900	\$600,470
Senior Services	101-67200	\$155,326
Social Welfare	290-67000 <i>General Fund Appropriation</i>	\$7,100 \$4,500
Child Care – Social Services	292-66300 <i>General Fund Appropriation</i>	\$845,000 \$845,000

DRAIN COMMISSIONER

Drain Commission	101-27500	\$2,208,215
DPW	101-44100	\$193,327
Drains Public Benefit	101-44500	\$220,000
Landfill Fund	517-44100 <i>General Fund Appropriation</i>	\$95,132 \$71,000
Septage Receiving Station	578-0275	\$1,198,050

AIRPORT

Airport Fund	581-05400	\$1,260,857
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BUILDING & SAFETY INSPECTIONS

Building Safety	542-37100	\$3,037,239
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CENTRAL DISPATCH / 911

Emergency Management	101-42600	\$208,073
Emergency Mngt-Fed Grant	238-42600	\$307,970
911 Services Operations	261-32500	\$4,042,113
911 Enhanced Services	261-32525	\$372,249
911 Personal Training	261-32526	\$34,000

HEALTH DEPARTMENT

Communicable Diseases	101-60500	\$4,000
Health Department	221-60100 <i>General Fund Appropriation</i>	\$3,843,978 \$688,292

SHERIFF

Sheriff – Road Patrol	101-30100	\$7,673,382
Secondary Road Patrol	101-30106	\$176,345
Jail	101-35100	\$10,371,570
Federal Marine Grant	238-33100	\$7,600

SHERIFF		
Federal Grant	238-30100	\$14,208
State Grant	239-30100	\$12,000
State Secondary Road	239-30106	\$262,001
Correction Officer Training	263-35100	\$21,236
Drug Law Enforcement Fund	265-30100	\$4,500
Federal Equitable Sharing	266-30100	\$35,081
Criminal Forfeiture Fund	296-30100	\$3,000
Jail Commissary Fund	595-35100	\$111,308

LIVINGSTON ESSENTIAL TRANSPORTATION SERVICE		
L.E.T.S.	588-53800 <i>General Fund Appropriation</i>	\$4,011,386 \$50,000

BE IT FURTHER RESOLVED that the Board of Commissioners requested and the Courts presented line-item budget requests and those are authorized in the amounts set forth below:

COURTS		
Circuit Court	101-13100	\$1,831,098
District Court	101-13600	\$2,730,944
Probate Court	101-14800	\$731,529
Juvenile Court	101-14900	\$792,024
Guardianship Services	101-15000	\$13,200
Circuit Court Probation	101-15100	\$87,238
Appellate Court	101-16700	\$68,700
Central Services	101-16800	\$2,388,541
Court Security Officers	101-30500	\$271,615
Family Counseling Services	214-14100	\$14,000
Friend of Court	215-14100 <i>General Fund Appropriation</i>	\$2,556,548 \$866,777
Federal Grants	238-16800	\$467,764
State Grants	239-16800	\$547,000
Law Library Fund	269-14500	\$6,600
Child Care - Juvenile	292-66200 <i>General Fund Appropriation</i>	\$2,479,281 \$849,181

BE IT FURTHER RESOLVED that the projected revenues and expenditures for Internal Service Funds is also approved; but not as part of the Livingston County Budget for 2018, pursuant to Public Act 2 of 1968, as amended, in the amounts set forth below:

FACILITY SERVICES		
Facility Services	631-26500	\$3,893,800

CAR POOL		
Car Pool Fund	661-26300	\$1,696,544
INFORMATION TECHNOLOGY		
Information Technology	636-22800	\$4,290,617
BENEFIT FUND		
Employee Benefits	677-85200	\$9,742,700

BE IT FURTHER RESOLVED that Board of Commissioners authorizes \$15 million of General Fund fund balance to be assigned for cash flow purposes.

BE IT FURTHER RESOLVED, that County revenues and expenditures may vary from those which are currently projected and accordingly may be amended from time to time by the Board of Commissioners during the 2018 fiscal year as deemed necessary. It is the responsibility of the Chief Judges, County Elected Officials and County Department Heads to monitor their respective budget quarterly. If projected expenditures exceed the authorized budget or projected revenues are less than budgeted, then they shall come before the Board of Commissioners and present a corrective plan of action to the Finance Committee.

BE IT FURTHER RESOLVED, items under \$100,000 that are approved with the adoption of the 2018 Budget, and include department line item detail deemed sufficient by the County Administrator or Deputy County Administrator/Financial Officer will receive authorization to purchase or enter into contract as of January 1, 2018. Variances of the amount listed in the detail for that item, that are greater than 10 percent or \$25,000, whichever is lower, will require Board authorization prior to purchase or entering into contract. Variances less than 10 percent or \$25,000 of the line item detail may be approved by the County Administrator.

BE IT FURTHER RESOLVED, that the County Administrator is authorized to execute transfers among line items and cost centers within funds in amounts not to exceed \$25,000 per transfer. The County Administrator will notify the Finance Committee of any such transfers.

BE IT FURTHER RESOLVED, that any services funded by State/Federal grants which costs exceed grant funding and which services are not basic to the health and safety of the residents of Livingston County and/or which are provided by others; shall be discontinued and the grant funding declined.

BE IT FURTHER RESOLVED, that any services that lose funding (either charges-for-services, fees, or contractual, etcetera) or which costs exceed the revenue generated and which services are not basic to the health and safety of the residents of Livingston County and/or the services are provided by others; shall be reduced to commensurate with funding levels.

BE IT FURTHER RESOLVED that all Judges, County Elected Officials and County Department Heads shall abide by the Purchasing Policy, as adopted and amended from time to time by this Board, for all purchases made with funds appropriated by the Board of Commissioners and these budgeted funds shall be appropriated contingent upon compliance with the Purchasing Policy.

BE IT FURTHER RESOLVED that all Judges, County Elected Officials and County Department Heads shall abide by the County Cash Policy, as adopted and amended by this Board from time to time.

BE IT FURTHER RESOLVED that all Judges, County Elected Officials and County Department Heads shall abide by the County Claims & Payable Policy and Budget Transfer Policy, as adopted and amended by this Board from time to time.

BE IT FURTHER RESOLVED that the mileage reimbursement rate for employees and elected officials for use of their personal vehicles to travel/perform county business be established at \$.40 per mile.

BE IT FURTHER RESOLVED that all County Elected Officials and County Department Heads shall review departmental fees and make a recommendation, with justification, for fee adjustments to the Board of Commissioners to cover the costs of providing services.

BE IT FURTHER RESOLVED that the approved Authorized & Funded Employee List contained in the attached budget reflects the number of employees who are authorized to be employed and no funds are appropriated for any position or employees not on the approved Authorized & Funded Employee List.

BE IT FURTHER RESOLVED that the positions and position changes below be authorized as of January 1, 2018 and included in the budget as active positions in Position Control.

DRAIN

- Creation of One (1) full time Drain Construction Manager, or 1.0 FTE

HUMAN RESOURCES

- Increase of hours for an Admin Specialist moving the position from .75 FTE to 1.0 FTE

HEALTH DEPARTMENT

- Addition of One (1) part time Health Promotion Specialist, or .73 FTE
- Elimination of One (1) Program Clerk II, or .73 FTE

L.E.T.S.

- Addition of Five (5) full time Drivers, or 5.0 FTE

IRREGULAR STAFF

- Addition of One (1) part time Airport Worker, or .10 FTE
- Addition of One (1) part time Election Assist./Vital Records Clerk, or .05 FTE
- Addition of One (1) part time Building Inspector, or .25 FTE
- Addition of 2.4 FTE part time Paramedics
- Addition of .60 FTE part time Dispatchers

BE IT FURTHER RESOLVED that the County utilizes Position Control in the County's ERP system to maintain all Board authorized positions. Creation of new positions should be presented during the budget process. Resolutions for new positions or department reorganizations being presented to the Board of Commissioners for approval will clearly state the funding source and amount requested for that position on the resolution, as well as the position control number with position description and FTE. Positions being funded by grants or other stated sources of funding will not be made active in the County Position Control module until an approved categorized budget from the awarding agency is received by County Administration Finance as the position will be tied to this funding source in Position Control.

BE IT FURTHER RESOLVED that prior to filling vacant positions, all Judges, County Elected Officials and County Department Heads will hold the position open during the 2018 fiscal year for the appropriate duration of time to properly compensate for vacation and/or sick pay-offs and/or any separation payments to insure personnel expenditures don't exceed the 2018 authorized budget provided that mandated functions can be performed at serviceable levels. Positions that will become vacant where the department head deems it necessary to temporarily double fill for either transition or succession planning purposes will need to bring this request to the Board for approval and authorization of funding.

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Moved:
Seconded:
Carried:

Roll Call Vote:



LIVINGSTON COUNTY ADMINISTRATION

LIVINGSTON COUNTY, MICHIGAN

304 E. Grand River Avenue - Suite 202 - Howell MI 48843

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KEN HINTON
COUNTY ADMINISTRATOR

November 6, 2017

BUDGET MEMORANDUM

TO: LIVINGSTON COUNTY BOARD OF COMMISSIONERS

FROM: KATE LAWRENCE - BOARD CHAIRWOMAN
WILLIAM GREEN - FINANCE CHAIRMAN

CAROL S. GRIFFITH - BOARD VICE-CHAIRWOMAN
KEN HINTON - COUNTY ADMINISTRATOR

DATE: NOVEMBER 6, 2017

RE: LIVINGSTON COUNTY 2018 BUDGET

Attached for your consideration is the Livingston County Budget Plan for Fiscal Year 2018. The plan, as presented, is balanced and complies with Public Act 2 – the Uniform Budgeting and Accounting Act, as amended. The proposed budget is guided by the Board of Commissioners commitment to provide the residents of Livingston County the efficient delivery of services while continuing to maintain its financial integrity. Through the budget appropriation, the Livingston County Board of Commissioners provides funding to departments to provide services. The budget also serves as a tool the Board uses to communicate its priorities and provide financial transparency to the citizens of Livingston County and other interested parties.

The recommendations made within this budget align with the County's 2015-2020 Strategic Plan. The County Strategic Plan represents the collaborative efforts of the Board of Commissioners, Elected Officials, Department Directors and County staff to identify the best ways to improve communication and partnership with other stakeholders to efficiently provide services that are important to our residents. The budget is based on several core budgeting principles; conservative but realistic revenue projections, recurring expenditures that are funded by recurring revenue sources, use of fund balance for one time purchases or projects, and a conscious effort to maintain a sufficient level of reserves for cash flow requirements and unexpected situations. The 2018 Budget Plan includes funding for both department operations and capital improvement projects.

We are proud to present a budget that does not require an increase in taxes nor a reduction in the levels of service provided in 2017. Livingston County continues to operate with the lowest County millage rate in the state. In August of 2016 the voters approved a millage for Veteran's Services of up to .139 mills for six years, however, the millage authorized by the Board of Commissioners for Veteran Services was less than the maximum authorized amount. The Board of Commissioners formally adopted the 2017 operating millage rates on June 5, 2017. The total proposed millage rate for 2017 is 3.7636, down from the 2016 total millage rate 3.7922. The 2017 millage includes 3.3484 mills for General Operations, .2962 mills for EMS, and .1190 mills for Veteran Services.

The 2018 budget for all funds totals \$86.7 million which includes approximately \$5.38 million of transfers to other funds. This is an increase of 1.8% over the prior year. Included in this total is the budget for all General Fund activity in the amount of \$47.3 million, special revenue funds totaling \$29.3 million, and enterprise funds totaling \$10.1 million. Department budgets in all funds include internal service charges for information technology, facility use, and car pool services within their budgets. The total budget amount also includes \$2.64 million of recommended Capital Projects.

2018 REVENUES

The 2018 budget process was approved by the Board of Commissioners at its Full Board meeting on May 15, 2017 and begins with the Revenue Forecast Committee, a multi department committee comprised of certain elected officials and county staff, meeting to review and develop the estimated revenue for the upcoming year. This is an essential step in the budget process and serves as the foundation for making decisions during the development of the budget plan.

All Funds

CATEGORY - REVENUE	% OF TOTAL	AMOUNT
Taxes	39.0%	\$32,990,866
Charges for Service	26.1%	\$22,148,469
Intergovernmental Revenue	18.0%	\$15,226,224
Transfers in from Other Funds	5.1%	\$4,343,374
*Other Revenue	11.8%	\$9,990,238
Total Revenue All Funds	100.0%	\$84,699,171

General Fund

CATEGORY - REVENUE	% OF TOTAL	AMOUNT
Taxes	62.6%	\$29,474,617
Charges for Service	13.2%	\$6,227,440
Intergovernmental Revenue	11.1%	\$5,243,061
Transfers in from Other Funds	1.5%	\$689,890
*Other Revenue	11.6%	\$5,475,415
Total Revenue General Fund	100.0%	\$47,110,423

*A more comprehensive list of revenue categories are included in the 2018 Budget Plan Summary Pages

Total revenue next year is expected to increase by \$2.17 over the current year revenues. General Fund Revenues are expected to increase overall in 2018 by 3.4%, or \$1.57 million, over the prior year. Taxable values increased from \$8.19 billion in 2016 to \$8.46 billion in 2017, an increase of over \$269.45 million. The rise in State Taxable Value (STV) is expected to increase property tax revenue by approximately 3%, or \$1.4 million. Property Taxes are the largest source of revenue to the general fund providing over 61% of its revenue. Also contributing to the increase in revenue in the general fund is a slight increase in State Share Revenue of 1% and an increase in contract rates with the Sheriff Department to provide county jail space to the U.S. Marshalls. Other revenue sources were budgeted for conservatively and are in line with the current 2017 revised budgets. There are no significant declines in revenue to note. The increases in General Fund revenue sources are sufficient to support the level of County general operations that is being requested in the 2018 budget plan.

Charges for Service provide 26.15% of all revenue. The County has been looking closely at fees and charges for service to make sure they meet State requirements and are in line with the costs associated with providing that service. As a result, the Board of Commissioners has authorized several fee adjustments throughout the year. The adjustments have resulted in both fee increases or in some instances a fee reduction as is the case of the County Building Department that came to the Board with a 25% fee reduction in 2015 and then again in September of 2017 with another request for an additional 25% fee reduction. In this case the department has found several innovative ways to operate more efficiently and therefore are adjusting their Charges for Service accordingly.

Transfers-in from other funds is expected to be 25% higher, or \$139.2 thousand, in the General Fund than in 2017. This is directly related to a one-time \$160,000 proposed transfer-in from the Capital Replacement Fund for capital planning and security projects.

EXPENDITURES

Total Expenditures for all funds are budgeted at \$86.73 million which includes \$47.33 million for General Fund Operations. This is up 2%, or \$1.5 million, from the 2017 revised budget. The General Fund overall Expenditure budget is 3.48%, or \$1.59 million, higher than the prior year. Increased personnel costs, internal service costs, capital improvement projects, and an increase in the cost of providing services have also contributed to this increase.

All Funds

EXPENDITURE CATEGORY	2018 BUDGET	%
Wages & Benefits	\$ 51,303,241	59.2%
Other Operating Costs	\$ 28,118,704	32.4%
Capital - Equipment / Projects	\$ 1,932,525	2.2%
Transfers Out	\$ 5,375,157	6.2%
Total Budget All Funds	\$ 86,729,627	100%

General Fund

EXPENDITURE CATEGORY	2018 BUDGET	%
Wages & Benefits	\$ 28,527,712	60.3%
Other Operating Costs	\$ 14,392,687	30.4%
Capital - Equipment / Projects	\$ 160,000	0.3%
Transfers Out	\$ 4,250,984	9.0%
Total Budget All Funds	\$ 47,331,383	100%

Wages and benefits are approximately 60% of the cost of all operations. The 2018 budget includes increases in employee wage and benefit costs including a 2% increase in wage scales for non-union employees and a 1%-2% increase for union groups based on their approved collective bargaining agreement. This increase is sustainable and consistent with current levels of inflation.

Pension costs are a major expense in all funds and represents 6% of all expenses. In the General Fund it represents about 7% of total expenditures. The pension valuation report received for December 31, 2016 shows the County as 71% actuarially funded overall with an unfunded liability of over \$41 million. Funding our pension obligation is a priority of the Board and for the past several years the Board of Commissioners has elected to make additional pension payments to reduce this unfunded liability to ensure that our employees receive the retirement benefit they were promised. The Board of Commissioners has authorized a total of \$9.1 million in additional payments over the last seven years and an allocation of \$250,000 is included in the 2018 budget. Even with these additional payments, future annual required contributions are estimated to increase an average of by 7% for the next several years.

Other factors contributing to the increase in expenses include a \$50,000 General Fund appropriation for transportation to Livingston County Essential Transportation System (LETS), to use as a local match. This appropriation will allow them access approximately \$315,000 in additional federal and state operating grant revenue. These grant dollars will be used to expand the area of service in Livingston County to the northern-tier and southern-tier townships and also provide service in the evening and on weekends. Also in the current year, the Courts requested and were authorized to hire 6 full time Bailiffs for each of the Court rooms. These positions will be filled in 2018.

Increases in utilities, phone services, technology, and other services provided by internal service departments went up across the board for all departments. This is the first increase in charges for internal service in several years.

CAPITAL EXPENDITURES

Earlier in the year, the Board of Commissioners authorized that the Capital Improvement Plan be brought in line with the budget process for the first time. The County Planning Department worked with all County Departments and gathered data on their capital needs for the next 5 years. The plan was reviewed by the Planning Commission and brought to the Board of Commissioners at its June 19, 2017 meeting. The capital projects requested for 2018 and 2019 were compiled and included in a capital budget projection. The projects were reviewed and recommendations from County Administration were made.

The proposed plan includes a total of \$2.6 million of capital projects. The projects in the General Fund include planning for the long term facility needs of our Courts; revisions to the office space at the County Clerks' downtown offices to provide increased security; funds for replacement of vehicles including 3 car pool Transit vans, 2 buses and 3 ambulances; a new mudroom for the Building Department Field Inspectors; planning for a Central Dispatch Facility for 911; two (2) Wastewater Treatment Plant upgrades; and an IT security upgrade. Of these projects, \$955,000 is targeted from the Capital Replacement Fund with the balance coming from within either the special revenue or enterprise fund from the department that has requested the project.

CONCLUSION

Livingston County has managed to remain financially sound due to its strong financial policies and practices. Acting prudently and moving forward conservatively is a long term commitment of the County Board of Commissioners as representative of the citizens of Livingston County. Livingston County's leadership is solid and its ability to weather obstacles and plan ahead for times of uncertainty certainly stand out. Livingston County's Aaa bond rating, which was reaffirmed by Moody's in September 2017, is reflective of this leadership.



The annual budget process is a County wide effort. Competing and sometimes conflicting needs must be carefully analyzed to ensure the final recommended budget appropriates the County's limited resources the best way possible and supports the priorities and goals set forth in the County Strategic Plan. The proposed plan is a continuation of solid decisions made by County leadership and will allow the County to remain financially sound in the upcoming years.

Thanks goes out to the many departments in assisting in the development of the budget plan. Each and every employee is a representative of Livingston County and all of us have the responsibility to ensure that public funds be used in the most efficient manner. Fortunately, our Elected Officials, Department Directors and staff understand the financial constraints of the County and are active team players in

finding solutions to continue providing services within the financial parameters set forth and for that we owe them a great deal of appreciation. Also, we must recognize the members of the Revenue Forecast Committee, the Livingston County Planning Department, County Administration and Finance staff for their all of their hard work and effort in preparing their forecasts and compiling the many individual details into a comprehensive budget plan.

KATE LAWRENCE - BOARD CHAIRWOMAN

CAROL S. GRIFFITH - BOARD VICE-CHAIRWOMAN

WILLIAM GREEN - FINANCE CHAIRMAN

KEN HINTON - COUNTY ADMINISTRATOR