



County of Marquette
BOARD OF COMMISSIONERS

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SENATE BILL 495-497

Marquette County has been proactive in dealing with projected economic challenges since early 2000. Financial challenges are an opportunity to create a better organization, an opportunity rather than a decline. We are concerned about the erosion of state funding for mandated services.

UNFUNDED MANDATES

- Role of county government is to act as the grass roots deliverer of mandated services.
- Approximately 75% of county services are required or mandated by state law/rules.
- About one-half of the expense of mandates is funded by state revenue; the remainder is funded by local revenues, fees, and property taxes.
- In 2001, 22% of our total general fund expenses were funded by state sources. In 2013, only 10%.
- Marquette County Health Department receives approximately \$278,605 to provide eight mandated programs (Food Service Protection, On-site Sewage Treatment, Drinking Water Protection, Communicable Disease, Sexually Transmitted Disease Prevention, Immunizations, and Vision and Hearing). Following the Public Health Code funding formula, Marquette County should be receiving \$454,696. These programs are underfunded by 39%.
- Court Operations (Circuit/District/Probate)
 - From 2001 to 2013, the direct cost to operate the courts rose 23% (an annual average of 1.9%). We have the same number of FTE's, but our costs for hospitalization and retirement have increased significantly.
 - Over the same period, combined state funding for court operations decreased 20%. There has been no change to the reimbursement for the judges, but State Court Equity funding has dropped 50% from \$495,670 in 2001 to \$245,935 in 2013.
 - In 2001, General Fund support for the courts was \$433,208, or 4.2% of the ad valorem tax revenue that year. In 2013, General Fund support for the courts was \$937,529 and is now 8.2% of ad valorem tax revenue.
- Jail/Public Safety
 - Due to DOC policies and procedures, the county jail continues to house parole violators at an exceptionally high rate. Ten years ago, a parole violator would have been sent back to prison, not to the county jail. Result = jail overcrowding. The Detention Center, a minimum security facility, was opened to help with jail overcrowding, but due to the increased number of felons, space at the Detention Center is not helping to alleviate the jail overcrowding issue. Annual costs to operate the Detention Center are in excess of \$750,000.
 - Currently, there are six state inmates housed at the county jail, which is typical.
 - Net expense for Rehabilitation rose 84%. Of that amount, 41% of the increase is attributable to operation of the Detention Center.

CHALLENGES

- Through creatively managing health benefits over the past 10 years, the County was able to stabilize the health insurance premium increase to an average of six per cent annually. For 2014, however, the County experienced a 45% increase.
- The last actuarial reports show unfunded liability for pensions is 28 million and shows unfunded liability for retiree health care is 57 million.

- Ability to provide for Airport
 - Local subsidy for operations has averaged over \$490,000 annually over the past five years
 - Sale proceed revenues that have been used to subsidize airport operations will run out in 2016
- Marquette County has significantly reduced our public safety services to meet budgetary challenges.
- County cannot afford to provide subsidy to the Road Commission.
- Despite our local efforts to improve services to the elderly of Marquette County, challenges remain. It is estimated that our population of seniors will increase by over 20% over the next six years.
- State funding for senior services has continued to decline. State funding for our senior volunteer program was reduced by 20%. Funding for in-home care for seniors has decreased by 23% since 2007.
- FY 2013 – Revenue Sharing to Marquette County \$973,476 (approximately \$226,000 less than full funding)
- FY 2012 – Revenue Sharing to Marquette County \$965,487
- Marquette County has 20% fewer regular employees than 12 years ago

FUTURE CONCERNS

- Further imposition of unfunded state mandates
- Potential continued reduction of revenue sharing