CHAIRPERSON
SARAH ANTHONY

VICE-CHAIRPERSON
CAROL KOENIG

VICE-CHAIRPERSON PRO-TEM
RANDY MAIVILLE

LAW & COURTS COMMITTEE
KARA HOPE, CHAIR
TERI BANAS
VICTOR CELENTINO
CAROL KOENIG
BRYAN CRENSHAW
RANDY SCHAFER
RANDY MAIVILLE

INGHAM COUNTY BOARD OF COMMISSIONERS

P.O. Box 319, Mason, Michigan 48854 Telephone (517) 676-7200 Fax (517) 676-7264

THE LAW AND COURTS COMMITTEE WILL MEET ON WEDNESDAY, JULY 12, 2017 AT 6:00 P.M., IN THE PERSONNEL CONFERENCE ROOM (D & E), HUMAN SERVICES BUILDING, 5303 S. CEDAR, LANSING.

NOTE CHANGE IN DATE

Agenda

Call to Order
Approval of the June 15, 2017 Minutes
Additions to the Agenda
Limited Public Comment

1. Sheriff's Office
   a. Resolution to Authorize the Ingham County Sheriff's Office Garden Initiative to Accept Donations in the Form of Goods, Services, and Money
   b. Resolution to Authorize a Contract with the Michigan Department of Human Services for Transport Services of Specific Juveniles by Sheriff's Deputies

2. Prosecutor's Office – Resolution Honoring Sally Auer

3. Controller's Office
   a. Resolution to Adopt the 2018 Juvenile Justice Community Agency Process Calendar
   b. Resolution Authorizing Adjustments to the 2017 Ingham County Budget

4. Board Referral – Report from Maner Costerisan Regarding the Annual Accounting for the Ingham County 9-1-1 Service District for the Years Ended December 31, 2016 and 2015

Announcements
Public Comment
Adjournment

PLEASE TURN OFF CELL PHONES OR OTHER ELECTRONIC DEVICES OR SET TO MUTE OR VIBRATE TO AVOID DISRUPTION DURING THE MEETING

The County of Ingham will provide necessary reasonable auxiliary aids and services, such as interpreters for the hearing impaired and audio tapes of printed materials being considered at the meeting for the visually impaired, for individuals with disabilities at the meeting upon five (5) working days notice to the County of Ingham. Individuals with disabilities requiring auxiliary aids or services should contact the County of Ingham in writing or by calling the following: Ingham County Board of Commissioners, P.O. Box 319, Mason, MI 48854 Phone: (517) 676-7200. A quorum of the Board of Commissioners may be in attendance at this meeting. Meeting information is also available on line at www.ingham.org.

LAW & COURTS COMMITTEE
June 15, 2017
Draft Minutes

Members Present: Hope, Banas, Celentino, Crenshaw, Koenig, Maiville, and Schafer

Members Absent: None.

Others Present: Prosecutor Carol Siemon, Undersheriff Andy Bouck, Lisa McCormick, Teri Morton, Liz Kane, and others

The meeting was called to order by Chairperson Hope at 6:01 p.m. in Personnel Conference Room D & E of the Human Services Building, 5303 S. Cedar Street, Lansing, Michigan.

Approval of the June 1, 2017 Minutes

MOVED BY COMM. CRENSHAW, SUPPORTED BY COMM. SCHAFER, TO APPROVE THE MINUTES OF THE JUNE 1, 2017 LAW AND COURTS COMMITTEE MEETING.

THE MOTION CARRIED UNANIMOUSLY.

Additions to the Agenda

None.

Limited Public Comment

None.

MOVED BY COMM. MAIVILLE, SUPPORTED BY COMM. CRENSHAW, TO APPROVE A CONSENT AGENDA CONSISTING OF THE FOLLOWING ITEMS:

1. Sheriff's Office
   a. Resolution to Extend the Canteen Inmate Commissary Contract
   b. Resolution to Extend the Contract with Canteen Services for Kitchen Management and Laundry Services

THE MOTION CARRIED UNANIMOUSLY.

THE MOTION TO APPROVE THE ITEMS ON THE CONSENT AGENDA CARRIED UNANIMOUSLY.

2. Animal Control – Michigan Department of Agriculture and Rural Development Inspection Report (*Informational Item*)

Teri Morton, Deputy Controller, stated no action was needed on the item, but it was a good report that the Commissioners could read it if they wished.

3. Law & Courts Committee – Prosecuting Attorney Diversion Program (*Presentation/Discussion*)

Lisa McCormick, Ingham County Prosecutor's Office, stated the additional case worker they had added for the diversion program would still allow the program to break even in 2017. She further stated this year had been a pilot program to make sure they could fund both case workers with their revenue they brought in from the service fees for the diversion program, and because they would be able to break even this year, the Prosecutor's Office would continue with the additional case worker in 2018.

Prosecutor Carol Siemon, Ingham County Prosecutor's Office, stated when she came on board in the beginning of 2017, she had looked at how to expand the diversion program they had in the County, while still meeting the safety needs of the community. She further stated they had discussed modifying the eligibility requirements, to include people previously barred because of juvenile adjudications or misdemeanors, or felonies not including high-risk individuals.

Prosecutor Siemon stated she had looked at cases they could expand the diversion program to, and they found a lot of cases of inhalant use that were not included in diversion before, as well as Animal Control or DNR violations that were not violent or serious, and non-assaultive MSU ordinances. She further stated she met with these corresponding agencies to discuss the possibility of using the diversion programs, because she wanted to bring in other people exposed to the criminal justice system.

Prosecutor Siemon stated she had also looked into the fees associated with diversion programs, because there were sometimes issues with the offender's ability to pay. She further stated one future concern of hers was to address what a diversion program would look like for someone who was not able to afford the full fees associated with it.

Prosecutor Siemon stated that overall, when she spoke with elected prosecutors across the State, Ingham County had a model program that could offer a lot to other counties. She further stated that the County's diversion program was the wave of the future, offering diversion pre-warrant, as opposed to post-disposition, which prevented creating a criminal record for the offender if that was their only offense.

Commissioner Crenshaw asked what currently happened to those offenders who could not pay to be in the diversion program.

Prosecutor Siemon stated they had a threshold for the diversion program, where $6,000 was the maximum amount someone could owe, because otherwise it was likely they would not be able to pay more back.

Ms. McCormick stated the Prosecutor's Office did not volunteer the option of ability to pay, because they wanted the program to be fully funded by these fees and not take anything from the General Fund. She further stated that there had been cases over the years where the program coordinator would ask her if they could work something out if someone could not pay.

Ms. McCormick stated there was not currently poverty or indigence forms defendants could fill out, but in the future she would like to see the program be like the tether program, where there was a pocket of money participants could apply for to help get their fees covered.

Commissioner Crenshaw asked what happened if someone was in the program and lost the ability to pay.

Ms. McCormick stated it was a case by case basis. She further stated they could usually work something out where they paid what they could and then did community service to make up the rest, or when they went to court, the Prosecutor's Office would ask the judge to take into account what they would already pay by going through the diversion program if they were to issue fines.

Prosecutor Siemon stated they wanted to make sure people who were removed from the diversion program was because of their actions, not their ability to pay.

Commissioner Maiville stated he understood that this part of the diversion program was self-funded. He asked if they knew the savings of court costs or incarceration costs were.

Ms. McCormick stated they did not keep that data. She further stated she assumed the court fines and costs were similar to the diversion program, but she was not sure about the costs of incarceration.

Prosecutor Siemon stated the offenses seemed to cluster in certain areas, like retail fraud, and they were not usually things people were jailed for. She further stated the goal of the diversion program was to eliminate a criminal conviction for these offenders.

Ms. McCormick stated they proved a case and then put the person in diversion, so they did not have a felony charge on their record when they applied for a job. She further stated there was a ripple effect by diverting these offenders, because they got jobs after the program and then they were more likely to stay out of the criminal justice system.

Prosecutor Siemon stated the lack of a felony charge affected their ability to get a job or serve in the military, along with other things. She further stated that people who participated in the diversion program usually bumbled into the criminal justice system, and did not show criminal intent, for example, juvenile indiscretions.

Prosecutor Siemon stated the diversion program coordinator had maintained relationships with some of the diversion participants, and he had seen good results from those who came back to update him. She further stated that for some of the participants, this was the first time a person had given them attention and helped them, which was very beneficial for them.

Commissioner Banas asked how Ingham County stacked up against other counties' programs in the State, or across the country, and if their program was progressive or cutting-edge in any way. She further asked how many people these case workers were able to see in a month.

Ms. McCormick stated that the case workers saw about 45-60 people monthly. She further stated they had a unique diversion program in Ingham County, because most prosecutors charged and then diverted, whereas Ingham County reviewed the cases and then diverted, so they were not printed.

Ms. McCormick stated that the lack of printing would be better when the participants applied for a job later on. She further stated that in Monroe County, they put defendants through the court system and then referred them to diversion at the end of the process.

Commissioner Banas stated she appreciated how Ingham County handled the process, because the societal benefits were huge, and she hoped the participants could find gainful employment to provide for their families.

Ms. McCormick stated if a defendant was printed at some point during the process and it was found out that they could go through diversion, the Prosecutor's Office would withdraw the record. She further stated it was much easier if the defendant never had to be printed, and they were able to do it that way because the program was run through the Prosecutor's Office and not the probation department.

Prosecutor Siemon stated when she looked at what other counties did, she was surprised to find how many did not have true diversion programs, because they happened after the defendant was charged. She further stated when she was an Assistant Prosecuting Attorney in the 1980's, the County had a robust diversion program that was cutting edge.

Prosecutor Siemon stated the idea for diversion originally came from the East Coast, and that was where a lot of the progress was driven. She further stated in Michigan, Ingham County was considered on the cutting edge of diversion programs, because when she tried to find where in the State they could receive more training, she found they could actually provide more training to other places.

Commissioner Schafer stated he understood the Prosecutor's Office currently had two case workers and they were breaking even with their finances. He asked if there was a chance the Prosecutor's Office would ask for more personnel, or if they had reached a saturation point in the program.

Ms. McCormick stated she could not guarantee that they would break even with employing another case worker, because the fringes and benefits for a case worker were about $90,000 for each case worker and they would need to bring in a lot more cases to break even. She further stated if they expanded the diversion program using some of the suggestions Prosecutor Siemon had suggested, then they would be bringing in more people who did not have the ability to pay the full fees, but could possibly bring in a little more income.

Commissioner Schafer asked how many diversion cases they processed in a year.

Ms. McCormick stated it depended, because some defendants were in the program for two years or finished the program early, or some could not pay the full amount. She further stated that when there was only one case worker, they were losing participants because the case load was too high and they could not properly manage their cases or get them into the program to begin with.

Ms. McCormick stated it was hard to add more costs when the County was asking them to cut $300,000 from their budgets.

Commissioner Schafer stated if he was in a situation where he could be diverted without paying for it, he would do everything he could to do so.

Prosecutor Siemon stated they needed to be careful about the cases they were diverting and the tensions between the courts and others about keeping the fines. She further stated she did not want to have the program solely driven by the amount of income it brought in, especially when they were looking at expanding the program to those who did not have the ability to pay the full amounts.

Prosecutor Siemon stated the intention would be to serve more people, but they did not expect they could add more staff because they expected some of those people would not be able to pay. She further stated they did not include assaultive offenses, and at some point, the Prosecutor's Office would reach a point where they could not divert any more types of cases.

Commissioner Koenig asked where the Prosecutor's Office received pushback in the community about the diversion program, because she assumed many of the cases were minor.

Ms. McCormick stated most of the victims of these crimes were looking for restitution, not penalization, so there was a quicker turnaround when they went through the Prosecutor's Office rather than through the court. She further stated that if they went through the court, they would have to go through arraignments and negotiations with attorneys.

Ms. McCormick stated it was rare that they had a victim call them to say they were upset with the diversion program, and if they did call, once the program was explained to them, they were usually fine.

Prosecutor Siemon stated there was some pushback with DNR and Animal Control when she spoke with them about expanding the program to include crimes in their area, but they were on board once she explained that they were not including violent offenses.

Ms. McCormick stated the Prosecutor's Office had had diversion for so long that the police did not give pushback about the program either.

Commissioner Koenig asked if there were any holistic justice practices incorporated into the program, or if the defendant was required to apologize to the victim.

Ms. McCormick stated they did not do letters of apology in the program anymore; they just handled the restitution or drug issues.

Commissioner Koenig stated she understood these crimes tended to be economic crimes.

Ms. McCormick stated most were economic crimes, so the victims were not looking for that type of reparation. She further stated they had tried to do restorative justice with sexual assault crimes, and it did not go well.

Commissioner Koenig asked what they were missing with regard to restorative justice practices.

Prosecutor Siemon stated there were things missing, but it was not in the diversion program. She further stated there were places where they could move toward that, but it needed to be victim-centered, not driven by the defendant, and it would not be considered diversion.

Ms. McCormick stated they always had support from the community about the diversion program, and it was more about the restitution for the victims.

Commissioner Koenig stated she had heard that restorative justice sometimes helped keep the defendants from committing that crime again, if they saw that it hurt a real person.

Commissioner Koenig asked why people failed the diversion program.

Ms. McCormick stated that she believed the diversion program had about an 88% success rate, but those that did fail could have possibly picked up another charge, or some might have drug problems that were beyond the scope of their program and needed the court to order rehabilitation.

Prosecutor Siemon stated some defendants also insisted that they did not commit the crime, so they wanted to go through the trial and they were not accepted into the diversion program.

Commissioner Koenig asked how many defendants they diverted in a year, and what their goal was.

Ms. McCormick stated she did not have the exact numbers, but could bring them to the budget review meeting.

Ms. Morton stated she could email the Committee the activity indicators for the Prosecutor's Office.

Discussion.

Commissioner Koenig asked if people ever approached the Prosecutor's Office about expunging their criminal record, and if so, what they did in that situation.

Ms. McCormick stated the Prosecutor's Office did not offer legal advice, but they did guide them to a website that would allow them to get a form to apply, if they qualified, for getting their record expunged.

Commissioner Koenig stated she knew the American Friends Service Committee helped people expunge their record.

Discussion.

Ms. McCormick stated that many people did not know how to expunge their record, or even that they were able to do so, so they still had a criminal record on file from years ago.

Discussion.

Chairperson Hope asked if someone failed diversion, what happened.

Prosecutor Siemon stated a warrant would be issued for them.

Ms. McCormick stated the defendant would then have other opportunities offered to them at that point.

Chairperson Hope asked what drug offenses were sent through the diversion program.

Prosecutor Siemon stated possession and use of marijuana and inhalant use were usually sent through diversion.

Ms. McCormick stated also analogs, like the possession of Vicodin without a prescription, if the person was not a doctor, were sent through diversion.

Commissioner Schafer stated he understood that usually diversion dealt with crimes against an individual, not society.

Prosecutor Siemon stated some of the diversion cases were crimes against individuals, but she considered possession of marijuana a crime against society.

Ms. McCormick stated the diversion program did deal with a lot of property crimes, and some crimes like disturbing the peace.

Commissioner Schafer stated there used to be a program with Ann Smiley to work with defendants, because a lot of them were not familiar with all of the details that were associated with a crime. He further stated defendants would be caught off-guard when they received a bill from the Treasurer's Office after being charged through the courts, and then they could also have potential issues with the Secretary of State's office if they did not pay their fines.

Prosecutor Siemon stated she had spoken to a judge about this issue, where when someone failed to appear they would get a bench warrant and a suspended license, which meant they needed to pay the oversight fee to the Secretary of State before they could get their license back. She further stated many people did not have experience dealing with the myriad of systems involved, and sometimes that meant people on a bench warrant spent more time in jail than those on felony charges.

Chairperson Hope asked if they tracked the recidivism rates of program participants.

Ms. McCormick stated they did not have the ability to track that in their system, but anecdotally, most participants moved on and they did not see them again in the system.

Announcements

None.

Public Comment

None.

Adjournment

The meeting was adjourned at 6:35 p.m.

JULY 12, 2017 LAW & COURTS AGENDA
STAFF REVIEW SUMMARY

RESOLUTION ACTION ITEMS:

The Deputy Controller recommends approval of the following resolutions:

1a. *Sheriff's Office – Resolution to Authorize the Ingham County Sheriff's Office Garden Initiative to Accept Donations in the Form of Goods, Services, and Money*

This resolution will authorize the acceptance of donations for the Sheriff's Office Garden Initiative program. The Sheriff's Office Correctional and Educational Staff have instituted a program that will help inmates learn agricultural skills and give them opportunity to give back to the community. The Ingham County Sheriff's Office anticipates working with local agricultural and community partners to help educate inmates and continue to enhance the program. All food produced in the garden will be used by the Jail Kitchen to offset inmate food cost and introduce healthy, fresh food into the inmate diet. Any food not used by the kitchen will be donated to local food banks. See attached memo for details.

1b. *Sheriff's Office – Resolution to Authorize a Contract with the Michigan Department of Human Services for Transport Services of Specific Juveniles by Sheriff's Deputies*

This resolution will authorize the renewal of a contract with the Michigan Department of Human Services (MDHS) for the transportation of specific in-custody juvenile inmates for an amount up to $10,000 for the duration of the contract starting October 1st 2017 and expiring September 30th 2018 with two, one year extension options. This service provides a safer method for in-custody juveniles to be transported to secure locations. The Sheriff's Office uses off duty officers to provide these services on an infrequent basis and is reimbursed the associated overtime expenses and vehicle mileage. See attached memo for details.

3a. *Controller's Office – Resolution to Adopt the 2018 Juvenile Justice Community Agency Process Calendar*

This resolution will authorize the adoption of the 2018 Juvenile Justice Community Agency Process calendar to establish time lines and a budget amount. The Law & Courts Committee has traditionally recommended $100,000 (on an annual basis) out of Juvenile Justice Millage funds for this program. See attached memo for details.

3b. *Controller's Office – Resolution Authorizing Adjustments to the 2017 Ingham County Budget*

This resolution would authorize the recommended adjustments to the Ingham County budget for the second quarter of 2017. The total decrease to the General Fund is $631,975. Included with this memo is an update of the 2017 Contingency Account and a Budget to Actual Report of the General Fund as of June 30, 2017. See attached memo for details.

HONORARY RESOLUTION:

2. *Prosecutor's Office – Resolution Honoring Sally Auer*

Agenda Item 1a

TO: Law & Courts Committee
Finance Committee

FROM: Major Davis, Ingham County Sheriff's Office Corrections Division

DATE: June 29, 2017

RE: **RESOLUTION TO AUTHORIZE DONATIONS TO THE INGHAM COUNTY SHERIFF'S OFFICE GARDEN INITIATIVE IN THE FORM OF GOODS, SERVICES, AND MONEY**

This resolution is to authorize donations to the Ingham County Sheriff's Office Garden Initiative in the form of goods, services, and money.

In June 2017, the Ingham County Sheriff's Office instituted a garden program. The Sheriff's Office Correctional and Educational staff has developed a program that helps inmates learn agricultural skills as well as giving them opportunity to give back something to the community. There is strong evidence pointing to the importance of education in reducing recidivism. The learning and teaching skill will continue from the garden to the kitchen where inmates will have the opportunity to work with fresh produce and learn new cooking techniques. Correctional facilities across the country have instituted similar programs for decades with positive effects within the facility and throughout the community. The Ingham County Sheriff's Office anticipates working with local agricultural/community partners to help educate inmates and continue to enhance the program. All food produced in the garden will be utilized by the Ingham County Sheriff's Office Jail Kitchen to offset inmate menu cost and introduce healthy fresh food into the inmate's diet. Any foods that are not utilized by the kitchen will be donated to local food banks.

Agenda Item 1a

Introduced by the Law & Courts and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO AUTHORIZE THE INGHAM COUNTY SHERIFF'S OFFICE GARDEN INITIATIVE TO ACCEPT DONATIONS IN THE FORM OF GOODS, SERVICES, AND MONEY

WHEREAS, the Ingham County Sheriff's Office is responsible for providing education and helping reduce the recidivism rate of inmates within Ingham County; and

WHEREAS, on June 26, 2017, Ingham County Sheriff's Correctional and Education staff implemented the Ingham County Sheriff's Office Garden Initiative; and

WHEREAS, the Garden Initiative utilizes a portion of the Ingham County Sheriff's Office property that is not currently being utilized; and

WHEREAS, the Ingham County Sheriff's Office is working in conjunction with Canteen Services and several agricultural resources to help educate inmates with the program; and

WHEREAS, the agricultural resources have offered to donate items that will help to minimize the cost of maintaining the garden and to further the education process; and

WHEREAS, the Ingham County Sheriff's Office currently does not have money budgeted for a garden program; and

WHEREAS, all food produced in the garden will be utilized by the Ingham County Sheriff's Office Correctional Facility Kitchen or donated to the local food bank; and

WHEREAS, all donations to the Ingham County Sheriff's Office Garden Initiative shall be utilized in the garden program.

THEREFORE BE IT RESOLVED, the Ingham County Board of Commissioners authorizes the Sheriff's Office to accept donations to support the Garden Initiative.

BE IT FURTHER RESOLVED, that the Controller/Administrator is directed to make the necessary adjustments to the 2017 Sheriff's Office budget.

BE IT FURTHER RESOLVED, that the Chairperson of the Ingham County Board of Commissioners is authorized to sign any contract documents consistent with this resolution and approved as to form by the County Attorney.

Agenda Item 1b

TO: Law & Courts Committee
Finance Committee

FROM: Chief Deputy Jason Ferguson, Ingham County Sheriff's Office

DATE: July 3rd 2017

RE: A CONTRACT RENEWAL WITH THE MICHIGAN DEPARTMENT OF HUMAN SERVICES

Resolution #14-234 authorized a contract with the Michigan Department of Human Resources (MDHS) to participate in a pilot project where the Sheriff's Office would provide transportation of specific in-custody juvenile inmates under the care of MDHS when requested throughout Ingham County and its contiguous counties for the time period of August 1, 2014 through July 31, 2015. Two contract extension options were executed by both parties making September 30th, 2017 the expiration date of this contract

The MDHS requested this service in an effort to find a safer method for their staff and in-custody juveniles to be transported to secure locations. The Sheriff's Office uses off duty officers to provide these services on an infrequent basis and is reimbursed the associated overtime expenses and vehicle mileage.

MDHS is seeking to renew the current contract in the amount of $10,000 with two one year contract extension options.

Therefore, the Michigan Department of Human Resources will reimburse Ingham County for the Sheriff Deputy's overtime wages and transportation costs at an amount not to exceed $10,000.

Agenda Item 1b

Introduced by the Law & Courts and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO AUTHORIZE A CONTRACT WITH THE MICHIGAN DEPARTMENT OF HUMAN SERVICES FOR TRANSPORT SERVICES OF SPECIFIC JUVENILES BY SHERIFF'S DEPUTIES

WHEREAS, Ingham County Board of Commissioners Resolution #17-193 authorized an amendment to a current contract with the Michigan Department of Human Services. The actual contract is set to expire on September 30th, 2017. The original contract (Resolution 14-234) requires a renewal effective October 1st, 2017; and

WHEREAS, this contract will again authorize the Ingham County Sheriff's Office to provide secure transportation for specific, in-custody juveniles at the request of the Michigan Department of Human Services; and

WHEREAS, the Ingham County Sheriff's Office wishes to continue the service provided to the Michigan Department of Human Services for transportation of specific, in-custody juveniles; and

WHEREAS, the Michigan Department of Human Services shall reimburse Ingham County for the Sheriff Deputies' overtime wages and transportation costs in an amount not to exceed $10,000.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby authorizes the Ingham County Sheriff's Office to renew and continue their participation with the Michigan Department of Human Services for the transportation of specific in-custody juvenile inmates for an amount up to $10,000 for the duration of the contract starting October 1st 2017 and expiring September 30th 2018 with two, one year extension options.

BE IT FURTHER RESOLVED, that the Chairperson of the Ingham County Board of Commissioners and the Sheriff are authorized to sign any necessary contract documents consistent with this resolution and approved as to form by the County Attorney.

Agenda Item 2

Introduced by the Law & Courts Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION HONORING SALLY AUER

WHEREAS, Sally Auer began her service to the County in 1985, serving as a Clerk in the Prosecuting Attorney's Office; and

WHEREAS, Sally Auer began working for then-Prosecutor Peter Houk, and after 32 years of service, she is one of only two employees with continuous service through the tenure of five Prosecuting Attorneys; and

WHEREAS, Sally Auer has attained this longevity due to her impressive record of service to the criminal justice system. As the Prosecutor's Chief Intake Coordinator, Sally Auer has annually processed thousands of criminal files, and has guaranteed that the prosecutors and courts have accurate information about each pending case; and

WHEREAS, as an advocate for workers and organized labor, Sally Auer has fought to improve the lives of thousands of Ingham County residents and their families, advocating for fair pay, health care, life insurance, and a secure retirement. Sally Auer's actions on behalf of organized labor have helped to sustain the middle-class jobs that serve as the backbone of our community; and

WHEREAS, Sally Auer has consistently developed new skills to match the emerging technologies utilized by the courts and the Prosecutor's Office. Ms. Auer has shown expertise throughout the evolution of numerous file systems, as we have moved from typewriters to word processors to the paperless On Base project; and

WHEREAS, Sally Auer has now earned a well-deserved retirement from the County and the Prosecutor's Office.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby honors Sally Auer for her many years of dedicated service to the County of Ingham and for the contributions she has made to the Office of the Prosecuting Attorney.

BE IT FURTHER RESOLVED, that the Board wishes her continued success in all of her future endeavors.

Agenda Item 3a

TO: Law & Courts and Finance Committees

FROM: Teri Morton, Deputy Controller

DATE: June 28, 2017

SUBJECT: Resolution to Adopt the 2018 Juvenile Justice Community Agency Process Calendar

For the meeting agendas of Law & Courts July 12 and Finance July 19

BACKGROUND

This resolution would authorize the adoption of the attached 2018 Juvenile Justice Community Agency Process calendar to establish time lines and a budgeted amount for the process. The Board of Commissioners has reserved a portion of the Juvenile Justice Millage annually to enable this grant process. This process partners with local agencies to provide some preventive services to eligible at-risk county youth outside the formal judicial process to help reduce the Court's formal dockets.

ALTERNATIVES

This is a discretionary program and is not required.

FINANCIAL IMPACT

The Board of Commissioners has traditionally funded this program at $100,000 annually from the Juvenile Justice Millage proceeds. The 2016 year end audited fund balance is $2,264,332 for the Juvenile Justice Millage Fund.

OTHER CONSIDERATION

Last year's grant awards were in the amount of $100,000:

- Child and Family Charities – Nexus Program $ 39,341
- Child and Family Charities - Teen Court $ 26,114
- Resolution Services Center of Central Michigan $ 32,500
- Small Talk Children's Assessment Center $ 10,012

RECOMMENDATION

I recommend approval of the attached resolution after the Board of Commissioners establishes an amount (historically $100,000) for the 2018 Juvenile Justice Millage Community Agency Process along with the attached calendar.

Agenda Item 3a

Introduced by the Law & Courts and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO ADOPT THE 2018 JUVENILE JUSTICE COMMUNITY AGENCY PROCESS CALENDAR

WHEREAS, a Juvenile Justice Millage was approved by the voters of Ingham County in November of 2002 and renewed most recently in 2016, for the purpose of funding an increase to Ingham County's capacity to detain and house juveniles who are delinquent or disturbed, and to operate new and existing programs for the treatment of such juveniles; and

WHEREAS, the Ingham County Board of Commissioners wishes to adopt a resolution to establish the 2018 Juvenile Justice Community Agency Process and to reserve Juvenile Justice Millage funds in the amount of $ ---------- for this purpose.

THEREFORE BE IT RESOLVED, the Ingham County Board of Commissioners hereby adopts the attached 2018 Juvenile Justice Community Agency Process Calendar to establish time lines for the process.

2018 JUVENILE JUSTICE COMMUNITY AGENCY PROCESS CALENDAR

July 25, 2017	The Board of Commissioners adopts the 2018 Juvenile Justice Community Agency Process Calendar Resolution.
July 26, 2017	A press release is prepared announcing the availability of Juvenile Justice Community Agency funds and invites community organizations to submit an application. The application deadline is August 21, 2017 at 5:00pm.
August 25, 2017	The Controller's Office prepares a summary of the Juvenile Justice Community Agency applicants and forwards the summary to the County Attorney's Office to ensure that the agencies' proposed purposes are legal under Michigan Law and comply with the intent of the Juvenile Justice Millage.
September 26, 2017	A Juvenile Justice Community Agency notebook is prepared by the Controller's Office. The notebook includes all agencies who submitted applications for review by the Law & Courts Committee. (Notebook is distributed at the September 26, 2017 Board of Commissioners' Meeting)
September 28, 2017	The Law & Courts Committee reviews the Juvenile Justice Community Agency applications and makes recommendations for funding. Juvenile Justice Community Agency applicants are invited to attend the Law & Courts Committee meeting. The Law & Courts Committee makes their recommendations by resolution to the Finance Committee.
October 4, 2017	The Finance Committee approves the resolution for Juvenile Justice Community Agency funding to the Board of Commissioners.
October 10, 2017	The Board of Commissioners authorizes a resolution for the 2018 Juvenile Justice Community Agency grant awards.
October 13, 2017	The Juvenile Justice Community Agency applications are sent to the County Attorney's Office for contract preparation.
October 13, 2017	Juvenile Justice Community Agencies are notified of the County grant award and informed that a County contract will be forthcoming in December.
December 2017	Contracts are received from the County Attorney's Office and mailed to the Juvenile Justice Community Agencies for appropriate signatures. When the contracts are mailed, a request is made to agencies to mail their Certificate of Insurances and a Revised Scope of Services if the grant award is different than the original requested amount.
January 2018	Fifty percent of the grant award is sent to the Juvenile Justice Community Agency upon receipt of the agency's signed contract and the appropriate documentation as listed above.
July 13, 2018	The Juvenile Justice Community Agencies send in their first six month report to the Controller's Office and upon review by staff, a check for the remaining portion of the grant is sent to the agency.

Agenda Item 3b

MEMORANDUM

June 29, 2017

TO: Finance and Liaison Committees

FROM: Teri Morton, Deputy Controller

RE: Second Quarter 2017 Budget Adjustments, Contingency Fund Update, and Quarterly Statement

Enclosed please find the recommended adjustments to the Ingham County budget for the second quarter of fiscal year 2017. The total decrease to the General Fund is $631,975.

The quarterly budget amendment process as authorized by the Board of Commissioners is necessary to make adjustments to the adopted budget. Usually, adjustments are made as a result of updated revenue and expenditure projections, grant revenues, reappropriations, accounting and contractual changes, and general housekeeping issues.

There are several revenue adjustments to the general fund this quarter. First, there is an increase to property tax revenue of $300,000 based on the 2017 Equalization Report. Taxable value increased slightly more than budgeted.

In the Family Division, indirect cost reimbursement needs to be decreased by $372,728 as a result of a change in State rules. The net loss to the general fund is half that amount, because there is an offsetting expense. Fortunately, this is a one-time budget problem. Beginning October 1, the State will use a flat 10% reimbursement rate for most child care fund expenses, which will result in a revenue increase in 2018 and going forward.

There were also some errors in the 2017 budget that need to be corrected. Concealed Weapons permit revenues are now collected in the Concealed Weapons Permit fund, so general fund revenue needs to be reduced by $60,000. There was a miscalculation in the Prosecuting Attorney's forfeiture funds that should be transferred to the general fund budget in 2017. This amount needs to be reduced by $21,306. Finally, due to a change in allocation of Family Division personnel, the Michigan Department of Human Services Grant revenue needs to be reduced by $102,067. This was offset by a decrease in the transfer out to the Child Care fund in 2016, but the revenue was not reduced in the 2017 budget.

The largest revenue adjustment is a reduction of $378,572 to state prisoner care revenue. This is related to the loss of revenue associated with the unfulfilled Wayne County contract and the closure of post 4 of the Ingham County Jail. This is offset somewhat by a projected $50,000 decrease in Sheriff overtime and an increase of $2,698 in the Marine Safety Grant.

On the expense side, budgeted pension contributions are reduced by a total of $395,611 as a result of the $1.85 million transfer made to MERS in 2016 to eliminate the County's unfunded accrued liability for the Library and Judges divisions.

The Road Department budget is increased by nearly $4 million as a result of $1.5 million in 2016 surplus funds and $2.5 million in additional revenue.

The Machinery and Equipment revolving fund is increased by $90,331 to complete the scheduled replacement of computer equipment in 2017 at the Health Department. This was not originally budgeted, due to limited funds and because the IT department historically had not been able to complete purchase and installation of all scheduled replacements. IT does expect to have all scheduled replacements up to date by the end of this year.

New this quarter is a general fund budget to actual year to date report. Our bond rating agency suggested that we begin presenting this information to Commissioners on a quarterly basis.

Also included is an update of contingency fund spending so far this year. The current contingency amount is $167,921. The attached document details how the Board has allocated the contingency funds throughout the year, beginning with a balance of $350,000.

Should you require any additional information or have questions regarding this process, please don't hesitate to contact me.

2017 CONTINGENCY

Adopted Contingency Amount	$350,000
R17-042: Temporary Special Assistant Prosecutor	(12,656)
R17-080: Mass Communication Project	(7,125)
R17-147: Additional Electronic Monitoring for Indigent Users	(12,000)
R17-188: Board payment to CAPCOG	(5,000)
R17-194: Inmate Housing Revenue Shortfall	(145,298)
Current Contingency Amount	**$167,921**

Ingham County
General Fund – Budget Actual Report
Year to Date as of June 30, 2017

	Amended Budget (Unaudited)	Actual	Percentage
Revenues			
Taxes	46,300,675	22,707.629	0.49
State Revenue	11,770,800	4,270,430	0.36
Register of Deeds Revenue	1,861,539	1,174,845	0.63
Police Contract	4,151,723	1,829,840	0.44
Indirect Costs	1,855,000	505,976	0.27
Investment earning (loss)	350,000	211,070	0.60
Transfer in from Other Funds	3,606,647	1,543,865	0.43
Other	7,685,159	2,918,693	0.38
Total Revenues	**77,581,543**	**35,162,348**	
Expenditures			
Wages and Fringes	44,307,976	20,660,609	0.47
Supplies and Postage	2,181,830	818,086	0.37
Contractual Services	5,446,667	2,139,179	0.39
Building and Equip Maintenance	2,428,888	1,126,449	0.46
Community Service	677,926	258,310	0.38
Drain Assessment	460,000	491,134	1.07
Utilities and Telephone	1,355,810	503,491	0.37
IT Services	2,263,978	1,006,162	0.44
Mental Health and Substance Abuse	2,683,570	1,142,362	0.43
Other Expenditures	682,950	284,836	0.42
Transfer out to Other Funds	19,541,543	11,858,176	0.61
Capital Outlay	285,341	115,741	0.41
Total expenditures	**82,316,479**	**40,404,535**	
Revenue over expenditures	**(4,734,936)**	**(5,242,187)**	

Prepared July 5, 2017 – additional activity will be recorded after this date

Notes:

1. These statements are prepared on a cash basis and have not been reviewed for accruals.
2. 50% of the July 1 tax levy has been included as tax revenue
3. 50% of the transfer in from the Delinquent Tax Fund has been recognized even though the actual transfer will not occur until December
4. The majority of the transfers to other funds represent 75% of the annual appropriation since many of the receiving funds have a September year end
5. The budget does not include the 2nd quarter adjustments recommended to the Board of Commissioners

Agenda Item 3b

Introduced by the Finance Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION AUTHORIZING ADJUSTMENTS TO THE 2017 INGHAM COUNTY BUDGET

WHEREAS, the Board of Commissioners adopted the 2017 Budget on October 25, 2016 and has authorized certain amendments since that time, and it is now necessary to make some adjustments as a result of updated revenue and expenditure projections, fund transfers, reappropriations, accounting and contractual changes, errors and omissions, and additional appropriation needs; and

WHEREAS, the Liaison Committees and the Finance Committee have reviewed the proposed budget adjustments prepared by the Controller's staff and have made adjustments where necessary; and

WHEREAS, Public Act 621 of 1978 requires that local units of government maintain a balanced budget and periodically adjust the budget to reflect revised revenue and expenditure levels.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby directs the Controller to make the necessary transfers to adjust revenues and expenditures in the following funds, according to the attached schedules:

FUND	DESCRIPTION	2017 BUDGET 7/1/17	PROPOSED CHANGES	PROPOSED BUDGET
101	General Fund	$82,316,479	($631,975)	$81,684,504
201	Road	28,898,520	3,966,600	32,865,120
215	Friend of the Court	5,729,362	0	5,729,362
258	Zoo	4,163,972	2,238	4,166,210
266	Anti-Drug Abuse Grant	413,438	(21,306)	392,132
292	Family Div. Child Care Fund	14,209,698	(372,728)	13,836,970
636	Innovation & Technology	5,696,169	250,000	5,946,169
664	Mach. & Equip. Revolving	1,787,468	90,331	1,877,799

GENERAL FUND REVENUES

	2016 Budget – 7/1/17	Proposed Changes	2017 Proposed Budget
Tax Revenues			
County Property Tax	45,750,675	300,000	46,050,675
Property Tax Adjustments	(50,000)	0	(50,000)
Delinquent Real Property Tax	15,000	0	15,000
Unpaid Personally Property Tax	15,000	0	15,000
IFT/CFT	275,000	0	275,000
Trailer Fee Tax	15,000	0	15,000
Intergovernmental Transfers			
State Revenue Sharing	6,149,564	0	6,149,564
Convention/Tourism Tax - Liquor	1,429,396	0	1,429,396
Court Equity Funding	1,510,000	0	1,510,000
Use of Fund Balance - Committed	1,600,000	0	1,600,000
Use of Fund Balance - Uncommitted	3,134,936	0	3,134,936
Department Generated Revenue			
Animal Control	949,041	0	949,041
Circuit Court - Family Division	1,203,451	(474,795)	728,656
Circuit Court - Friend of the Court	587,000	0	587,000
Circuit Crt - General Trial	2,388,631	0	2,388,631
Controller	3,170	0	3,170
Cooperative Extension	2,500	0	2,500
County Clerk	629,210	(60,000)	569,210
District Court	2,673,298	0	2,673,298
Drain Commissioner/Drain Tax	415,500	0	415,500
Economic Development	63,037	0	63,037
Elections	66,550	0	66,550
Homeland Security/Emergency Ops	60,135	0	60,135
Equalization /Tax Mapping	10,100	0	10,100
Facilities	175,647	0	175,647
Financial Services	63,028	0	63,028
Health Department	178,240	0	178,240
Human Resources	43,303	0	43,303
Probate Court	277,178	0	277,178
Prosecuting Attorney	654,093	(21,306)	632,787
Purchasing	0		0
Register of Deeds	2,036,729	0	2,036,729
Remonumentation Grant	85,000	0	85,000
Sheriff	5,102,331	(375,874)	4,726,457
Treasurer	4,352,133	0	4,352,133

Tri-County Regional Planning	63,921	0	63,921
Veteran Affairs	388,682	0	388,682
Total General Fund Revenues	**82,316,479**	**(631,975)**	**81,684,504**

GENERAL FUND EXPENDITURES

	2017 Budget – 7/1/17	Proposed Changes	2017 Proposed Budget
Board of Commissioners	616,391	0	616,391
Circuit Court - General Trial	8,708,723	(226,687)	8,482,036
District Court	3,225,412	0	3,225,412
Circuit Court - Friend of the Court	1,520,648	0	1,520,648
Jury Board	1,194	0	1,194
Probate Court	1,547,283	0	1,547,283
Circuit Court - Family Division	5,532,357	(186,364)	5,345,993
Jury Selection	128,472	0	128,472
Elections	259,378	0	259,378
Financial Services	752,732	0	752,732
County Attorney	456,219	0	456,219
County Clerk	957,514	0	957,514
Controller	959,550	0	959,550
Equalization/Tax Services	751,426	0	751,426
Human Resources	724,618	0	724,618
Prosecuting Attorney	6,622,281	0	6,622,281
Purchasing	229,397	0	229,397
Facilities	2,199,467	0	2,199,467
Register of Deeds	749,137	0	749,137
Remonumentation Grant	85,000	0	85,000
Treasurer	557,680	0	557,680
Drain Commissioner	1,011,396	0	1,011,396
Economic Development	137,519	0	137,519
Community Agencies	220,000	0	220,000
Ingham Conservation District Court	8,354	0	8,354
Equal Opportunity Committee	500	0	500
Women’s Commission	500	0	500
Historical Commission	500	0	500
Tri-County Regional Planning	113,053	0	113,053
Jail Maintenance	212,600	0	212,600
Sheriff	20,928,391	(50,000)	20,878,391
Metro Squad	37,500	0	37,500
Community Corrections	172,899	0	172,899
Animal Control	1,979,188	0	1,979,188

Emergency Operations	222,943	0	222,943
Board of Public Works	300	0	300
Drain Tax at Large	460,000	0	460,000
Health Department	5,820,200	0	5,820,200
CHC	2,769,850	0	2,769,850
Jail Medical	1,588,527	0	1,588,527
Medical Examiner	396,575	0	396,575
Substance Abuse	717,954	0	717,954
Community Mental Health	1,968,872	0	1,968,872
Department of Human Services	2,213,279	0	2,213,279
Tri-County Aging	80,867	0	80,867
Veterans Affairs	550,936	0	550,936
Cooperative Extension	454,589	0	454,589
Library Legacy Costs	168,924	(168,924)	0
Parks and Recreation	1,597,379	0	1,597,379
Contingency Reserves	167,921	0	167,921
Legal Aid	20,000	0	20,000
2-1-1 Project	45,750	0	45,750
Community Coalition for Youth	28,000	0	28,000
Capital Improvements	1,636,334	0	1,636,334
Total General Fund Expenditures	**82,316,479**	**(631,975)**	**81,684,504**

General Fund Revenues

County Clerk	Decrease pistol permit revenue $60,000. This revenue is now collected in the Concealed Pistol Permit Fund.
Property Tax	Increase current year property tax revenue $300,000 based on 2017 Equalization report.
Prosecuting Attorney	Decrease transfer in from Forfeiture Fund $21,306. Forfeiture transfer was miscalculated in the 2017 Adopted Budget.
Sheriff	Decrease state prisoner care revenue $378,572 related to loss of contract jail bed revenue and closing of Post 4. Increase Marine Safety Grant $2,698 per grant award.
Family Division	Decrease indirect cost reimbursement revenue $372,728 due to change in State of Michigan's calculation method. There is an offsetting expense reduction equal to 50% of this amount. Decrease Michigan Department of Human Services Grant revenue $102,067 due to staffing allocation changes implemented in 2016.

General Fund Expenditures

Circuit Court	Eliminate MERS payment of $226,687 for Judge's legacy costs. This obligation was prepaid in full in 2016.
Sheriff	Decrease overtime budget $50,000 due to projected decrease in overtime related to maintaining corrections staff after closure of Post 4.
Fam. Div. Child Care Fund	Decrease transfer out to Child Care fund $186,364, due to decrease in indirect cost reimbursement revenue resulting from change in State of Michigan's calculation method.
Library	Eliminate MERS payment of $168,924 for Library legacy costs. This obligation was prepaid in full in 2016.

Non-General Fund Adjustments

Road Department (F201)	Increase revenues as follows: Federal and State Aid $1,318,668, Other Contributions (Smith Drain, Dart and MDEQ Scrap Tire Grant match) $811,253, Township Contributions $336,679, and use of fund balance (available from 2016 surplus funds) $1.5 million. Increase expenses as follows: Increased road maintenance costs relating to increase in state road funding (temporary salaries $50,000, overtime $200,000, asphalt and tack $200,000), Local Road Program Contractual Services $480,000, State Road Program Contractual Services $2,726,600, Drain Assessment $35,000, and Capital Outlay $275,000 (replacement of main sign truck).
Friend of the Court (F215)	Transfer surplus funds from scanner purchase to cover cost of overtime during extended medical leave of staff member. ($2,500)
Zoo (F258)	Increase capital budget to cover actual cost over budget of planned computer replacements ($2,238).
Anti-Drug Abuse Grant (F266)	Decrease transfer out to general fund from Prosecuting Attorney forfeitures. Forfeiture transfer was miscalculated in the 2017 Adopted Budget. ($21,306).
Fam. Div. Child Care Fund (F292)	Decrease indirect cost charges $372,728 due to change in State of Michigan's calculation method. Decrease transfer in from general fund and state child care fund reimbursement by $186,364 each.
Innovation & Technology (F636)	Transfer $50,000 from LOFT reserve account to Imaging reserve account to accommodate necessary expenditures in 2017. Transfer $250,000 from unreserved fund balance to the Machinery and Equipment Revolving Fund to accommodate 2017 and 2018 replacement schedule.
Mach./Equip. Revolving (F664)	Increase CIP upgrade funds to complete replacement of all Health Department PCs and laptops scheduled for replacement through 2017 ($90,331). Transfer $250,000 from Innovation and Technology unreserved fund balance to accommodate 2017 and 2018 replacement schedule.

AGENDA ITEM # 4

Maner Costerisan
Certified Public Accountants
Business & Technology Advisors

Maner Costerisan PC
2425 E. Grand River Ave.
Suite 1
Lansing, MI 48912-3291
T: 517 323 7500
F: 517 323 6346
www.manercpa.com

June 13, 2017

RECEIVED
JUN 16 2017

Chairperson
Ingham County Board of Commissioners
County Building
Mason, MI 48854

Dear Sir or Madam:

You will find enclosed an annual accounting for the period ending December 31, 2016 and 2015 for the Ingham County 9-1-1 Service District. Section 405 of Senate Bill No. 303 of 1986 requires that telephone service providers of each service district prepare an annual accounting of the 9-1-1 technical (network) revenues and expenses.

We have been retained by the service providers listed on the attached statement to compile this information. This report provides your district's information for each listed provider of 9-1-1 service in your district. The over (under) collection amount may result in a change in the 9-1-1 technical rate. Rate changes are generally done annually in May to be effective July 1.

If you have any questions regarding the information, please contact our office.

Very truly yours,

Jeffery A. Irwin, CPA
Principal

JAI:kp
Enclosures
cc: 911 coordinator

INGHAM COUNTY

E911 TECHNICAL SURCHARGE POOL

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

Maner Costerisan

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Maner Costerisan

Maner Costerisan PC
2425 E. Grand River Ave.
Suite 1
Lansing, MI 48912-3291
T: 517 323 7500
F: 517 323 6346
www.manercpa.com

ACCOUNTANT'S DISCLAIMER REPORT

To the Telephone Service Suppliers of
Ingham County E911 Technical Surcharge Pool

The accompanying financial statements of Ingham County E911 Technical Surcharge Pool as of and for the years ended December 31, 2016 and 2015, were not subjected to an audit, review, or compilation engagement by us and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

We are not independent with respect to the Ingham County E911 Technical Surcharge Pool.

Maner Costerisan PC

May 8, 2017

INGHAM COUNTY E911 TECHNICAL SURCHARGE POOL
(AN ASSOCIATION)
STATEMENTS OF TRUST ASSETS AND LIABILITIES
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Amounts due from common funds	$ 52,164	$ 77,395
Accounts receivable - service suppliers	35,950	31,680
Total assets	$ 88,114	$ 109,075
LIABILITIES		
Accounts payable - service suppliers	$ 47,875	$ 45,173
Surplus	40,239	63,902
Total liabilities	$ 88,114	$ 109,075

See notes to financial statements.

INGHAM COUNTY E911 TECHNICAL SURCHARGE POOL
(AN ASSOCIATION)
STATEMENTS OF TRUST ADDITIONS AND DEDUCTIONS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
ADDITIONS - technical surcharges	$ 149,066	$ 146,305
DEDUCTIONS - provision of service costs	172,729	175,795
DEFICIT	(23,663)	(29,490)
SURPLUS, beginning of year	63,902	93,392
SURPLUS, end of year	$ 40,239	$ 63,902

See notes to financial statements.

INGHAM COUNTY E911 TECHNICAL SURCHARGE POOL
(AN ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - These financial statements are prepared on the accrual basis of accounting. Additions are recorded when billed and deductions are recorded based upon the provisions of Michigan Public Act 32. Since the statute mandates cost recoveries, there is no income, loss or corresponding fund balance.

Classification of assets and liabilities - The financial activities of the Pool do not generally involve a business cycle since the recognition of assets and the payment of liabilities are based on specific circumstances. Accordingly, the classification of assets and liabilities between current and long-term is not used.

Common funds - The service suppliers utilize a common bank account for the seventy-nine service districts within the State of Michigan (the Pool). All funds within the Pool are held in trust solely for participating service suppliers. Cash and cash equivalents consist of cash on deposit and short-term investments with maturities of twelve months or less. Interest earnings, generally immaterial, are credited to the various service districts to reduce reported costs.

Accounts receivable - Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Receivable amounts are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Federal income tax - Due to the nature of the Pool, taxes on income are not applicable. Accordingly, these financial statements do not reflect a provision for income taxes and the Pool has no other tax positions which must be considered for disclosure.

Amounts due to or from common funds - represents the service district's cash and cash equivalents or advances from the Pool bank account.

Accounts payable and receivable - service suppliers - represents the amounts due to or from the emergency telephone service suppliers within the service district. Accounts receivable do not bear interest.

Accounts payable - insufficient funds - represents the amounts due to service suppliers as a result of a lack of funds within the service district to pay all costs submitted by the service suppliers. Michigan Public Act 32 allows for a maximum cost recovery rate of $0.80 per month per end user for recurring charges and $1.00 per month per end user for nonrecurring charges.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Additions - represent the monthly billings of technical surcharges to end users by the service suppliers. These amounts are determined in accordance with the provisions of Michigan P.A. 32 and are subject to maximum caps as stipulated by that statute.

Deductions - represent the costs of providing the emergency telephone network, switching, billing and collection, and similar amounts by the service suppliers to end users in the service district.

Surplus or deficit - represents future refunds or billings to adjust for the over or under collection of surcharges from the service end users.

NOTE 2 - NATURE OF ORGANIZATION, RISKS, AND UNCERTAINTIES

The Ingham County E911 Technical Surcharge Pool is an unincorporated association of suppliers of emergency (911) telephone service within Ingham County, in the State of Michigan. It was formed to provide for the settlement of costs between service suppliers as required by Public Act 32 (P.A. 32) of 1986, as amended.

The service suppliers for this service district are CenturyTel of Upper Michigan, Comcast, Frontier Communications, AT&T, Matrix Telecom, Shiawassee Telephone Company, Springport Telephone Company, TDS Metrocom, and TelNet Worldwide. In accordance with Michigan P.A. 32, these service suppliers are entitled to recovery of costs as defined by the statute. In addition, the statute requires uniform billing on a geographic basis. Each service supplier reports its billings and costs. These amounts are then pooled and settlements for over or under collections are made.

The Pool is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments that potentially subject the Pool to concentrations of credit risk consist principally of temporary cash investments. The Pool places its temporary cash investments with FDIC insured financial institutions. Although such investments and cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

Management evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through May 8, 2017, which is the date the financial statements were available to be issued.

In the preparation of tax returns, tax positions are taken based on interpretation of federal, state and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state and local tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

NOTE 2 - NATURE OF ORGANIZATION, RISKS, AND UNCERTAINTIES (Concluded)

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimated amounts.

NOTE 3 - SURCHARGE RATES

P.A. 32 permits the recovery of both recurring and nonrecurring charges. Recurring charges are defined as the amounts necessary for the ongoing operation of the system. Nonrecurring charges are for the initial setup and non-operational installation of trunks, circuits and similar items. Depending on the date of commencement of service, the nonrecurring charges are subject to various amortization rates and periods of up to ten years. At December 31, the Ingham County billed access-facility monthly rates were:

	2016	2015
Recurring	$ 0.24	$ 0.23
Nonrecurring	0.00	0.00
Total	$ 0.24	$ 0.23

Effective July 1, 2017, the recurring rate will be increased by $0.03 resulting in a total rate of $0.27.