Agenda
Tuscola County Board of Commissioners
Committee of the Whole – Monday, April 24, 2017 – 8:00 A.M.
HH Purdy Building - 125 W. Lincoln, Caro, MI

Finance
Committee Leaders-Commissioners Kirkpatrick and Bierlein

Primary Finance

1. Caro Regional Center Update as of 4/24/17 (See A)
2. Sheriff Overview of Public Safety Concerns
3. Agreement for the Mobile Examination Center use of County Parking Lot (See B)
4. Drain Commissioner – Copy Machine (See C)

On-Going and Other Finance

1. Human Development Commission CDBG Housing Rehabilitation Loan
2. Jail Planning Committee
3. Millage Renewal Planning
4. Monitor Wind Turbine Development and Assessing/Taxation Dispute
5. Continue Review of Road Commission Legacy Costs
6. Delinquent Tax Revolving Fund
7. Century Link Millennia Invoice

Personnel
Committee Leader-Commissioner Bardwell

Primary Personnel

On-Going and Other Personnel

1. Reporting Relationship (Nepotism Policy)
2. Initiate Turnover and Wage Survey to Minimize Vulnerability to Loss of Critical Positions
3. Update Personnel Policies with Federal Changes such as ACA, Exempt/non-Exempt
4. Develop Parameters for 2017 Labor Negotiations
5. Review Re-Establishment of Judicial Committee Meetings
6. Review Formation of Quarterly Meetings with Senior Leaders and Road Commissioners
7. Develop a Method to Communicate County Concerns to State Senator and Representative

Building and Grounds
Committee Leaders-Commissioners Young and Vaughan

Primary Building and Grounds

1. Carpet Cleaner Bid
2. Parking Lot Sealing Bids

On-Going and Other Building and Grounds

1. Vanderbilt Park
2. Update 10 Year Capital Improvement Plan
3. Continue Work with Jail Planning Regarding Potential Jail Renovation and Additional Jail Bed Space for Holding Cells and Potential Revenue Generation
4. Implement 2017 Budgeted Capital Improvement Projects
5. Fire Safety Planning

Other Business as Necessary

Public Comment Period
Compelling Reasons to Build the New State Psychiatric Facility in Tuscola County

Tuscola County Board of Commissioners

Thomas Bardwell, Chairperson
Matthew Bierlein, Vice Chairperson
Craig Kirkpatrick
Thomas Young
Kim Vaughan

Prepared by: Michael R. Hoagland
Tuscola County Controller/Administrator
Compelling Reasons to Build a State Psychiatric Facility in Tuscola County

- The State Psychiatric Hospital in Tuscola County has had local community and cultural acceptance for over 100 years. The NIMBY reaction of other communities will make a relocation extremely difficult for the state.

- The facility is centrally located for the transportation of patients, 80% of which come from adjacent counties also in the southeast counties of Michigan.

- According to a recent economic impact study, without the facility being located here the unemployment rate would dramatically increase from the current 7.9% to an estimated 14.7%. The state's action would result in Tuscola County having the highest unemployment rate of any county in the state.

- This is an economically distressed rural area that cannot sustain the crushing blow of additional job cuts. According to a recent economic impact study, if a new facility is not built here devastating job losses would occur with the elimination of 349 direct jobs and 398 indirect jobs for a total of 747 jobs lost.

- The Caro Regional Center provides nearly $54 million annually to the regional economy.

- An economic loss of this scale will likely result in lowering of the county bond rating causing the cost to borrow funds to increase.

- Loss of tax base from closure of this facility will put more tax burden on remaining local residents in order to have enough funding to provide state required government services.

- It is centrally located with 70% of staff traveling under 30 miles to work at the current location.

- Land and existing infrastructure are available in the current location.

- The facility is close to medical providers that are accredited by the State.

- The State has already cut jobs in the county when the Camp Tuscola Prison was closed.

- It is not in the best interest of the taxpayers to abandon this area after 100 years of service provided at the Caro Regional Center in Tuscola County.
The Current Location is the Correct One for a New Facility

This analysis was prepared to document the compelling reasons why a new State Psychiatric Facility should be built in Tuscola County to replace the current Caro Regional Center. The Caro Regional Center has been integral to not only the Caro area and Tuscola County, but the entire regional economy for over 100 years. It would be a devastating economic blow to not have this facility in Tuscola County. Building a new State Psychiatric Facility in the current location in Tuscola County is a good business decision and is the right choice for the taxpayers of the state.

According to a recent Economic Impact Study conducted by the Tuscola Economic Development Corporation, the Caro Regional Center directly employs 349 and indirectly employs an additional 398 for a total of 747 individuals. The facility puts nearly $54 million annually into the regional economy. Without this facility located in Tuscola County, the study estimates the county unemployment rate would increase from the current 7.9% to a staggering 14.7%. Businesses, schools, and residents are extremely dependent on it being here for their livelihood and way of life.

This is a distressed rural area that has not recovered from the great recession. Several distress indicators are discussed later in this report. One important measure of distress is population change. Below is a graph that documents the significant population losses that have occurred in Tuscola County. People have moved from the area because of lack of employment opportunities. TUSCOLA COUNTY CANNOT AFFORD FURTHER JOB LOSSES AND POPULATION DECLINE.

The county population has been declining for many years. According to the U.S. Census, the estimated 2006 population was 57,502 compared to 53,411 in 2016. This is a decline of over 4,000 people or 7.1%. While the County decreased, the nation increased and the state has started to increase. Also of significance is that the population is not only declining, it is also aging. In 2014, 18.3% of the county population was 65 or older compared to the state at 15.4% and nation at 14.5%.
Caro Regional Center Service District

The map below shows that the Caro Regional Center serves a large district, but very few patients come from northern counties.

Caro Regional Center Service District in Green
The Current Location is Central to Best Serve Patients and Families

Review of the map below shows that without question the current Caro location in Tuscola County is the most centrally located to serve the majority of patients and families in this district. Without question the current location minimizes prisoner transport and visitor travel times. Although the Caro Regional Center serves a large area of the state, the majority of patients come from southeast Michigan and more specifically the nearby counties of Genesee and Oakland. Approximately 80% of patients are from counties with a driving time of one hour or less. Only 13 patients are from northern Michigan counties. This is only about 9% of the patients at the facility.

The decision to locate the facility here over 100 years ago still makes perfect sense because most patients still come from the population centers just to the south. Moving this facility to the west and north would significantly increase travel times and be a burden for the vast majority of patients and families. It would also be inefficient by increasing law enforcement patient travel times. See map below.

Patients by County of Origin

![Patients by County of Origin Map]
The Facility is Centrally Located with 70% of Staff Traveling Under 30 Miles to Work

In addition to patients and families, the current facility location is best suited for employees. The map below shows that approximately 70% of employees live within 30 miles of the facility. The current location minimizes employee travel times. A different location would result in current employees being forced to move from the area or significantly increase their driving times. The displacement of employees would be devastating to families, the housing market, businesses, schools, government operations and the overall regional economy.

Staff Place of Residence in Relation to Caro Regional Center Location
Land and Infrastructure Available in Current Location

The state owns approximately 650 acres around the current Caro Regional Center ideally suited for building. Costs of land purchase is avoided by using this existing land. The aerial photograph below shows most of the site is a woodlot providing a natural buffer from the minimal number of homes in the area. The City of Caro sewer system serves the site and if desired city water can be extended. The sewer system has ample capacity with approximately 45% of total capacity remaining. The current facility is adjacent to M-81 which is a major state trunk line that connects to I-75 which is only about 25 minutes away.

Location of Caro Regional Center and Vast Amounts of Available Property Shown in Red

Facility is Close to Medical Providers

Caro Community Hospital is within four miles of the facility and this hospital can manage the vast majority of patient health issues. Caro Community Hospital is licensed and accredited by the State of Michigan. Currently the facility uses Covenant Healthcare, but this is not necessary. President and CEO of Caro Community Hospital has explained in writing that the hospital is greatly interested and prepared to provide service to the patients of the Caro Regional Center. Other significant medical providers in the area include; Hills and Dales Hospital and other specialty medical providers including dialysis, oncology, MRI and closed head injuries.
Current Location is Accepted in the Community

The current facility location has been accepted in this community for over 100 years. Others may want the state to build a psychiatric hospital in their community, but they may find that convincing the residents of having this facility in their backyard will be difficult, if not impossible. Caro and this entire region appreciate having the facility and want to have a new facility built here because for over 100 years its economic importance has been well understood.

State has Already Cut Jobs in this Area

It is important to explain other job losses that have already occurred in this area from previous state decisions to close a state prison along with employee cuts at the Caro Regional Psychiatric Facility. In 1985, the state opened a 260 bed minimum security state prison that employed approximately 65 people. After closing it in 2005 it was reopened in 2006 as a residential re-entry state prison facility. It was closed again in 2012 resulting in the permanent loss of 65 good paying jobs. Adding to this job loss, at about the same point in time, was the loss of another 50 jobs which were cut at the Caro Regional Center. The combined loss of over 100 jobs from these events was without question very damaging to our local economy.

Rural Economically Distressed Area Needs the Facility

It is an understatement to say the current facility is critical to the economic viability of not only the Caro area but all of Tuscola County and this region of the state. Businesses, schools, and area residents in this rural struggling part of the state depend on the facility for their livelihood. The loss of approximately 349 direct jobs and 398 indirect jobs would be a devastating blow to this already distressed rural area. Explained below are indicators of economic distress. The new state facility needs to be in Tuscola County or a difficult economic situation will become much worse.

With fewer employment opportunities, families are forced to move from the area. This situation is evident with student enrollment counts which are severely declining. In 2006, there were 11,052 students enrolled compared to only 8,772 in 2015. This is a decline of over 20% in just 10 years.
The number of people receiving public assistance continues to increase primarily driven by the lack of job opportunities.

The limited economy is evident by comparing 2014 household income with the county at $44,017, the state at $49,087 and the nation at $53,482.
ECONOMIC IMPACT OF THE CARO CENTER

A Tuscola County Analysis

Tuscola County Economic Development Corporation
Economic Impact of the Caro Center

Purpose and Background

Governor Snyder has placed $115 million dollars for the construction of a new psychiatric hospital in the current proposed budget for Michigan. The proposed psychiatric hospital construction does not state the location of the new construction.

The Caro Center is located in Indianfields Township in Tuscola County and was first established in 1914. It is presently a State of Michigan Psychiatric Hospital and the second largest employer in Tuscola County. The Caro Center currently employs 349 professionals of varying degrees and skills sets. They are a fully accredited hospital and are Medicare and Medicaid certified. They offer quality care in a safe environment. The Caro Center currently offers 150 patient beds.

Given the importance of understanding the specific role and economic impact the Caro Center provides to the economy in Tuscola County the County of Tuscola has requested that the Tuscola County Economic Development Corporation develop an economic impact analysis of the Caro Center.

An economic impact analysis is an effective way of demonstrating the economic contribution that the Caro Center makes to Tuscola County. To estimate the economic and employment impact of the Caro Center an economic model was chosen that provided the appropriate economic analysis that tracks the interdependence among various producing and consuming sectors of an economy to estimate the economic contribution of the Caro Center on the Tuscola County economy.
Methods

To estimate the economic and employment impact of the Caro Center, the Tuscola County Economic Development Corporation used the new industry multipliers and economic impact standards developed by the firm of Dobson/DaVanzo, authors of “The Economic Impact of Inpatient Psychiatric Facilities (2010).”

In their work Dobson/DaVanzo used IMPLAN, a well-respected and accepted proprietary economic model, to estimate the economic and employment impact of inpatient psychiatric facilities. This analytic tool is a type of applied economic analysis that tracks the interdependence among various producing and consuming sectors of an economy to estimate the economic contribution of an industry or economic sector on either a defined region or on the entire United States economy.

By determining the direct expenditures and employment of the Caro Center, the Tuscola County Economic Development Corporation was able to estimate the economic impact, employment impact, and employee compensation impact of the Caro Center, as well as the multiplier effect of direct expenditures and employment. The economic impact and multiplier effects can be interpreted as follows:

- **Direct Effect** – the initial revenue, earnings, and employment (jobs) for the Caro Center
- **Indirect effect** – the inter-industry transactions, as supplying industries respond to the direct effects of the Caro Center
- **Total economic impact** – the combined effect or sum of overall Caro Center direct and indirect effects.

While this economic impact analysis provides estimates of the economic impacts of the Caro Center and related expenditures made in association with the inpatient psychiatric treatment through the 24-hour behavioral health treatment services provided it does not attempt to quantify the broader economic and social benefits of these services, including significant improvements in quality of life for patients and their families. These benefits are the objective of the Caro Center’s activities and in monetary terms would likely far exceed the operational economic benefits estimated in this economic impact analysis.
Caro Center – Direct Effect

In the fiscal year of 2016 the Caro Center had $8,951,400 in direct operational expenditures. This total of expenditures is comprised of food, drugs, fuel, utilities, contract services, supplies, and materials expenses.

The Caro Center currently employs 349 professionals of varying degrees and skill sets. The pay range of the employees of the Caro Center is $15.88 per hour to $87.62 per hour. The annual payroll of the Caro Center employees is $13 million. Of the 349 employees of the Caro Center approximately 111 or 32% live in the Caro area and approximately 133 or 38% live in Tuscola County so combined approximately 244 or 70% of Caro Center employees live in Tuscola County. The majority of the remaining employees live in the Michigan Economic Prosperity Regions of 5 and 6 and are within 30 miles of the Caro Center.

The Caro Center currently treats 150 patients. Each patient and each employee make local purchases from various retailers. Working with a conservative average of $20.00 per week for each patient and each employee this provides an annual expenditure of approximately $518,960 per year.

Working on the conservative assumption that 75 of the 150 patients have at least one person visiting them on a monthly basis and each visitor is making expenditures for meals and lodging this translates into a direct expenditure of $174,600 per year. This conservative estimate is based on the assumption that the average hotel price is $85.00 per night with each visitor spending two nights, and the average meal price is $8.00 per meal for 3 meals per day for two days.

Caro Center Indirect Impact

The $8,951,400 in 2016 direct expenditures for the Caro Center translates to an indirect economic impact of $26,585,658. The indirect economic impact for the Caro Center is factored using the accepted psychiatric hospital economic impact model, whereas for every dollar in direct expenditures Tuscola County, Regions 5 and 6 economies realize $2.97.

Using the accepted psychiatric hospital economic impact model concerning the $518,960 per year in retail purchase expenditures of the Caro Center patients and employees, this translates to an indirect economic impact of $1,541,311 per year for the Tuscola County economy.
Using the accepted psychiatric hospital economic impact model concerning the $174,600 per year in Caro Center patient visitor expenditures this translates into an indirect economic impact of $518,562 per year for the Tuscola County economy.

The direct employment of 349 jobs for the Caro Center translates to a total employment impact of more than 747 jobs. That is for every job that presently exists at the Caro Center, 2.14 jobs are created in the Tuscola County labor market. Concerning the 244 Caro Center employees who live in Tuscola County this translates to a total employment impact of more than 522 jobs.

The direct employee compensation of $13 million for the Caro Center translates to $25,090,000 million in total employee compensation per year. That is, for every dollar earned by Caro Center employees, $1.93 is realized in the Tuscola County and regional economies. The direct employee compensation of $9,100,000 per year for the 244 Tuscola County Caro Center employees compensation translates to $17,563,000 per year.

Caro Center - Total Economic Impact

According to the U.S. Bureau of Labor Statistics in February, 2017 Tuscola County had 10,917 employed residents in various employment sectors, with an unemployment rate of 7.9%. Considering the total employment impact of more than 747 jobs, should the Caro Center be closed this could potentially increase the unemployment rate to 14.7% in Tuscola County.

The total monetary economic impact of the Caro Center is approximately $53,735,531 per year. This amount is derived from the total amounts achieved through the economic indirect impacts of the Caro Center.

The total monetary economic impact for Tuscola County produced from the Caro Center is approximately $19,622,873 per year. This amount is derived from the total amounts achieved through indirect economic impacts for Tuscola County.

Should the proposed new psychiatric hospital be located in another area and the Caro Center closed, this would present an extremely negative economic impact for Tuscola County and its economic prosperity region for years to come.
Attached is the agreement for the CDC NHANES (national health and nutrition examination survey) to use our parking lot this summer from June 1, 2017 - September 30, 2017. Since we only lease from the county, I knew I shouldn’t sign or agree to the terms. Mike Miller and Tom McClain met with Omar Bordatto last Thursday and Mike knows the details. It looks like they would be willing to pay for the pad space?? I never discussed any money arrangements with them. Steve Anderson as a flashdrive that as a 5 minute long overview of the project. I gave it to Steve so he could inform law enforcement and 9-1-1 about the survey taking place this summer. Thanks ann

Hi Ann,
Attached you will find a draft Letter of Agreement that we have used successfully in many locations throughout the country. Please have you legal department review it and if acceptable, please fill in the blanks to begin our negotiations. We can discuss any changes that you or your legal department would like to make to the agreement. We would like to make this as easy as possible. If you prefer to work with a document generated by your legal department, we will be happy to work with your document. I have copied Mike and Jonathan since I have received email from both. If you continue to receive the undeliverable message, you can have either Mike or Jonathan forward the email to me or Manny.
Thanks,
Omar Bordatto
Dear xxx:

The following is a Letter of Agreement (the "Agreement") between Westat, 1600 Research Blvd, Rockville, MD 20850, a Delaware corporation (hereafter "Lessee") and XXX (hereafter "Lessor") to lease pad space located at XXX (hereafter "Premises"). The Agreement is as follows:

1. The Agreement will be for a period of XXX months to begin on XXX and terminate on XXX.

2. The lease amount for the Premises is XXX/month for a total of $XXX. The entire lease amount will be paid at signing.

3. The area will accommodate the MEC and approximately 20 parking spots. The MEC consists of four trailers each approximately 53 feet long and 8 1/2 feet wide which, when connected together with passageways, occupies a space 60 x 70 feet. They will be connected to electricity at a power source (transformer) located at the site. Sewage will be drained into a nearby sanitary sewer and water will be tapped from a nearby spigot. All electrical, plumbing and water hook-ups and teardowns will be at the Lessee's expense. The work will be conducted by locally licensed electricians and plumbers who will obtain all the appropriate permits prior to our setup. At the conclusion of the examination period, the Lessee will return the site to its original state.

4. The utilities will be paid by the Lessee.

5. Lessee and their clients shall have access to the area 24 hours per day and 7 days per week, subject to Lessor's reasonable security requirements, and any lack of access caused by damage or destruction or any acts of the government or third parties.

6. Indemnification

   a. Westat shall indemnify, defend and hold harmless XXX from and against any claims, damages, costs expenses, including an amount equal to reasonable attorney's fees, or liabilities arising out of or in any way connected with this Agreement including, without limitation, claims damages, expenses, or liabilities for loss or damage to any property, or for death or injury to any person or persons but only in proportion to and to the extent that such claims, damages, expenses, or liabilities arise from the negligence or willful acts or omissions of Westat, its officers, and employees.

   b. XXX shall indemnify, defend and hold harmless Westat, its officers, and employees from and against any claims, damages, costs expenses, including an amount equal to reasonable attorney's fees, or liabilities arising out of or in any way connected with this Agreement including, without limitation, claims damages, expenses, or liabilities for loss or damage to any property, or for death or injury to any person or persons but only in proportion to and to the extent that such claims, damages, expenses, or liabilities arise from the negligence or willful acts or omissions of XXX.
7. Insurance

a. Coverage - Westat, at its sole cost and expense, shall insure its activities in connection with this Agreement and obtain, keep in force and maintain insurance as follows:

i. Comprehensive or Commercial Form General Liability Insurance (contractual liability included) with minimum limits as follows:

1. Each Occurrence $1,000,000
2. Products/Completed Operations Aggregate $1,000,000
3. Personal and Advertising Injury $1,000,000
4. General Aggregate $2,000,000

   a. *Applicable to commercial form only

ii. Business Automobile Liability Insurance for owned, non-owned, or hired automobiles with a combined single limit no less than One Million Dollars ($1,000,000) per occurrence.

iii. Worker's compensation and employer's liability insurance in a form and amount covering Westat's full liability.

iv. Such other Insurance in such amount which from time to time may be reasonably required by the mutual consent of XXX and Westat against other insurable risks relating to performance.

b. Additional Insured - The insurance and the coverage referred to under 7.a of this Section shall be endorsed to include XXX as an additional insured. Such a provision, however, shall apply only in proportion to and to the extent of the negligent acts or omissions of Westat, its officers, and employees; or any person or persons under Westat's direct supervision and control.

c. Certificate of Insurance - Licensee, shall furnish XXX with the Certificate of Insurance evidencing compliance with the requirements of this Section.

8. Westat will comply with all local, State and Federal Laws. This contract shall be interpreted under the laws of the State of XXX.

9. This Agreement shall constitute the entire Agreement between the parties. Any prior understanding or representation preceding the date of this Agreement shall not be binding on either party except to the extent incorporated into this Agreement.

10. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by an authorized representative of each party.

11. Any notice which either party may or is required to give shall be given by mailing the same, postage prepaid, to the respective signatory below at the respective address for the party provided above.
12. The parties agree that, in any action against the other party relating to the terms or conditions of this Agreement, the matter shall be tried to the court without a jury and each party specifically waives the right to a jury trial in any such action.

If the foregoing terms are acceptable, please sign below, return one (1) executed copy to me and keep one for your files.

We look forward to working with you on this important research effort being conducted for the National Center for Health Statistics, U.S. Public Health Service.

"Lessor"

XXX

By: ____________________________

XXX

"Lessee"

Westat, Inc.

By: ____________________________

Omar Bordatto
Director, Advance Arrangements
National Health and Nutrition Examination Survey (NHANES)

Date: __________________________

Enclosures:
April 18, 2017

RE: Copy Machine Repair/Replace

Mike Hoagland
Tuscola County Controller

Dear Mike,

I am following up on a conversation that we had about the copy machine in the Drain Office. Our current copier is in the need of a major repair. It needs a new drum that will cost $300 plus labor. This machine is approximately 15 years old and it was a refurbished one at the time. It is now becoming obsolete for some parts for any future maintenance. It does not make sense to put money toward a machine that will be obsolete in the near future.

I have been in contact with Mike Bauerschmidt, Galaxy Office Machines, and he has offered the following options to consider:

1. Fix the current drum for $300+ and take a chance that we do not have any major repairs to this outdated machine.
2. Replace with a refurbished machine for $2,395.00; This machine would eliminate our fax machine, which is also outdated, and be able to be accessed by our computers too.
3. Replace with a new $4,000.00 with the same features as number 2.

A copy of the information supplied to Patty from Galaxy is attached and this is the quality of printing we currently have and it will get worse without a repair.

My suggestion and request is to go with option 2 and get the refurbished machine ASAP. The last refurbished machine lasted about 15 years. We have been very frugal in this office with our budgeting in the past and we usually try to stay under the budget with our spending. I would hope that this could be approved ASAP so we could continue to make quality copies. Please forward this request to the proper Commissioners for approval.

Let me know if you have any further questions.

Regards,

Robert J. Mantey
March 2017

Notes from conversation with Mike Bauerschmidt and Patty regarding the condition of the current copier in the office. The quality of the copies are unprofessional at this time and Galaxy Office Machines technician, Chris Shay, indicated a new drum at $300.00 would take care of the problem.

Patty visited Galaxy Office Machines and spoke with Mike Bauerschmidt. He has the following refurbished copier in his office for $2,395.00

Ricoh Aficio Model 2852

Refurbished

Warranty from Galaxy Office Machines for one year

Copier, scanner, fax and printer all in one machine. Office staff can also send their documents to the copier to be printed.

Will print 8 ½ x 11, 8 ½ by 14 and 11 x 17 sizes of paper

Phone line to receive faxes can be run right to copier.

Will print double-sided documents without an add-on to the copier.

Price: $2,395.00 Brand new would cost $4,000.00