



OAKLAND COUNTY MICHIGAN



1999 Financial Summary



Prepared by

Department of Management & Budget

Jeffrey C. Pardee, Director

R-
OCDOC
HJ
9012
.M5
O363Z
1999
c.1



Photo courtesy of Tim Thompson, Oakland Press



The **County of Oakland** is committed to providing the highest quality services to its citizens while maintaining the lowest possible tax rate. **Services Include Award-Winning Waterparks,** Waterford Oaks is the home of Michigan's first wave-action pool. The waterpark also has a 515-foot flume ride and the 300-gallon Big Bucket. Red Oaks, located in Madison Heights, has Michigan's largest wave-action pool and a three-flume water slide. **Accessible Health Care,** The Health Division offers immunizations for protection against diphtheria, tetanus, pertussis, measles, mumps, rubella, influenza, pneumonia and hepatitis B. Immunizations are one of the most effective public health measures available to protect children and adults from disease and death. Childhood immunizations are provided free of charge. **Innovative Corrections Programs,** The Boot Camp has been modeled after the U.S. Marine Corp Boot Camp on Parris Island. The eight-week program strives to teach inmates life skills through mandatory educational programs covering drug abuse, alcohol abuse, and domestic violence. Inmates without a high school diploma can also prepare for the high school equivalency exam (GED). Inmates learn marketable job skills from community service projects. A new level of self-respect is attained as they successfully master different phases of the program. **And Responsible Storm Water Management.** A \$144 million drain project has been undertaken to control combined sewer overflows in the Twelve Towns Drainage area and eliminate the discharge of pollutants into the Red Run Drain, a tributary of the Clinton River. The project includes the construction of a new sanitary interceptor, increases storm water retention capacity, disconnects storm drains and re-routes combined sewers currently connected to the system. One of the project's goals is to improve the water quality of the Red Run Drain, Clinton River and, ultimately, Lake St. Clair.

HJ
9012
.MS
0363
1999
e.1

To the Citizens of Oakland County:

I am pleased to present the Financial Summary for Fiscal Year 1999. Each year the County of Oakland publishes a document called the Comprehensive Annual Financial Report (CAFR). This report contains financial statements for the County, which are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the standards and guidelines set by the Governmental Accounting Standards Board. The CAFR also includes an independent auditor's report. This report basically states that the information contained in the financial statements has been reviewed by the firm, and with reasonable assurance, the financial information is complete, presented accurately, and in the correct format. To meet GAAP requirements, much of the information in the report is technical and complex. The result is a document that is not very user friendly for the average person. This financial summary has been prepared to provide a less technical discussion of County finances. It also includes a brief discussion of County programs and initiatives. Hopefully, this document will help Oakland's residents gain a better understanding of County government.



I am also pleased to announce that Oakland County's Financial Summary for 1998 has received the prestigious Popular Annual Financial Report Award from the Government Finance Officers Association of the United States and Canada, which is detailed on the last page of this document.

Once again, the intent of this report is to portray financial information presented in the CAFR using more easily understood terms. It is not intended to replace the CAFR, which is still available from the Department of Management and Budget. It is designed to assist those who want or need a less technical overview of the County's financial activities.

-L. Brooks Patterson, County Executive

AN OVERVIEW OF OAKLAND COUNTY

Incorporated in 1820, Oakland County covers an area of approximately 900 square miles with a population of 1.17 million. The County's reputation as a world class community is due not only to its renowned business environment, but to many attributes that contribute to an excellent quality of life.

Oakland has a reputation as home to many of the region's top educational facilities. State tests measuring student skill levels show that County public schools consistently rank among the highest in Michigan. In addition, SAT scores and the number of college bound graduates, indicate that graduates are among the best in the nation. Oakland is also home to prestigious private schools (Detroit Country Day, Cranbrook and Roper) which have received national kudos for their high caliber programs. In addition, there are 13 institutions of higher learning located in the County, including the highly regarded Oakland University.

Cultural entertainment venues include the popular Meadow Brook Theater. For professional sports fans, the Palace of Auburn Hills is home to the Detroit Pistons. The County's seven museums include the world renowned Cranbrook Academy of Art Museum and the Cranbrook Institute of Science. Golf enthusiasts enjoy over 52 public and 22 private golf courses, some of which have hosted the PGA, U.S. Open and LPGA U.S. Open. The prestigious Ryder Cup will be held at Oakland Hills Country Club in 2003. Shopping opportunities abound - from bargain shopping for unrivaled deals at Great Lakes Crossing, to the ultimate shopping experience at the posh Somerset Collection, the County's most exclusive mall. Oakland County is also home to Arts, Beats & Eats, a four-day food, arts and entertainment festival held Labor Day weekend. More than 600,000 attended the 1999 funfest. People from all over the world come to participate in the largest celebration (1.2 million) of the car culture, the WOODWARD DREAM CRUISE. On it's 200th anniversary, the Library of Congress recognized the cruise as the event that most represents the Detroit metropolitan area.

Oakland's communities range from villages with small downtown shopping districts; "bedroom communities," like Royal Oak, which has been transformed into *the* spot for cappuccino, collectibles and antique furniture; to cities like Pontiac with cutting edge art galleries, pubs and nightclubs. For those enjoying a quieter pace, the County has many rural areas and lake communities.

County residents, no matter where they live, are never more than a 20-minute drive or walk from the nearest park, nature trail or lake. The County packs more than 88,000 acres of parkland and more than 450 lakes within its borders.



Oakland County's Economy

The strength of the County's economy serves as the basis of Oakland County's strong financial condition. From 1990 through 1997, County employment grew about 70% faster than the State of Michigan and 80% faster than the nation. Private-sector job growth was 22.9%. Oakland County is the number one job-producing county in Michigan, producing nearly 50% of all new jobs in recent years. Between 1991 and 1998, an average of 20,700 jobs were added annually. Almost half of the additional jobs were filled by growth in the County's labor force. Another third were filled by new commuters from surrounding counties, with the remaining being filled by the unemployed. Figure 1 illustrates this job growth and a forecast for the year 2000.

EMPLOYMENT TRENDS

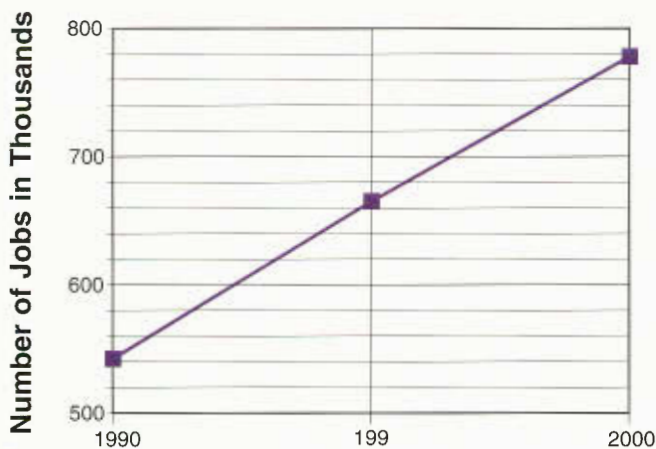


Figure 1

Business growth has accelerated at the same pace as job growth. From 1991 to 1998, the number of businesses located in the County rose by 51.9% to 43,900 with the total annual payroll increasing by 67.8% to \$26.6 billion. New business incorporations have increased each year since 1993 and totaled 9,355 in 1995. This represents 30% of all new incorporations in the State of Michigan. This activity has definitely been enhanced by the attractive business climate and dynamic economic development programs. Employment growth provides a useful and current measure of economic activity, but it does not give a complete picture of the economic health of an area. It is also important to consider per capita income. Oakland County has the highest income per person among major Michigan market areas and is ranked within the top 1% of the nation's counties, ranking 24th out of 3,110.

This wealth manifests itself in the housing market. The demand for housing has caused the sales volume of new construction and existing homes to increase by 32% between 1997 and 1998. As a result, the average price of single family homes has increased by 11.5% from \$159,900 to \$178,300.

MILLAGE RATE

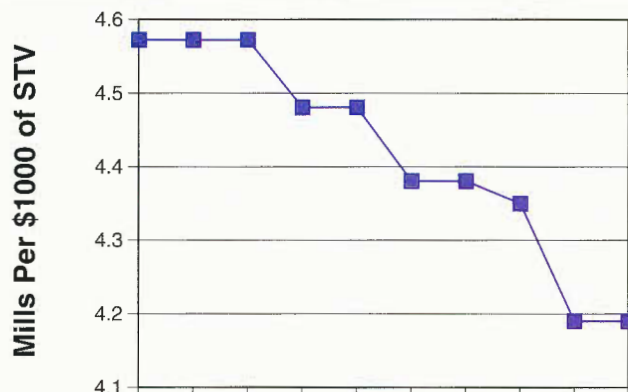


Figure 2

Oakland County's Tax Base

A decade of a booming economy has produced a 62% increase in the taxable value of real and personal property in the County since 1991. During this period of growth, the County has exercised a prudent and conservative approach to tax revenues by controlling the millage rate levied on the tax base. Several reductions in the millage rate have produced moderate increases to the tax levy as illustrated by Figures 2, 3, and 4. This increase in tax revenue has allowed the County to keep pace with current programs and technology.

STATE TAXABLE VALUE

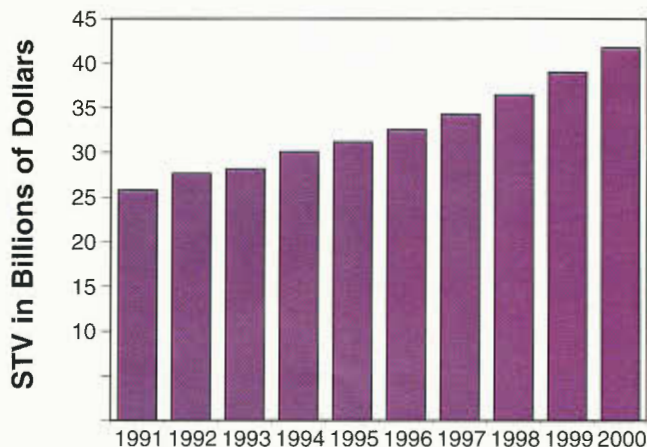


Figure 3

Oakland County's Financial Condition

The general fund is the principal fund to record the operations of typical government functions. The fund's primary source of revenue is the property tax. Figure 5 shows the revenues and expenditures of this fund for the period 1990 to 1999. An indicator of a healthy operating environment is a favorable fund balance in the entity's general fund. Note that the operating shortfalls for 1991-1993 occurred due to a decline in revenue growth without a comparable reduction in expenditures. These shortfalls were covered by the fund's balance. Sound fiscal management has reversed the trend of the early 1990's and produced a moderate, but steady, growth in this financial indicator. The County's solid tax base and financial policies have been acknowledged by the financial community in recent years. Standard and Poors, one of Wall Street's most prestigious bond rating firms, has bestowed on the County the highest bond rating achievable, AAA.

TAX LEVY

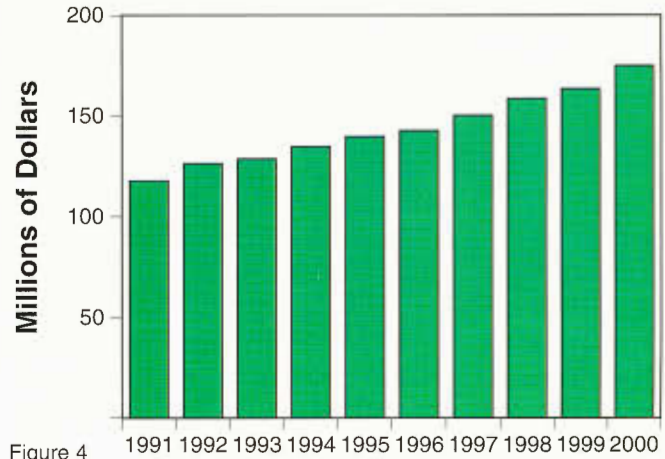


Figure 4

The County's financial activities have a much broader perspective than the general fund. Many other types of funds are used in accordance with Generally Accepted

GENERAL FUND REVENUE AND EXPENDITURES

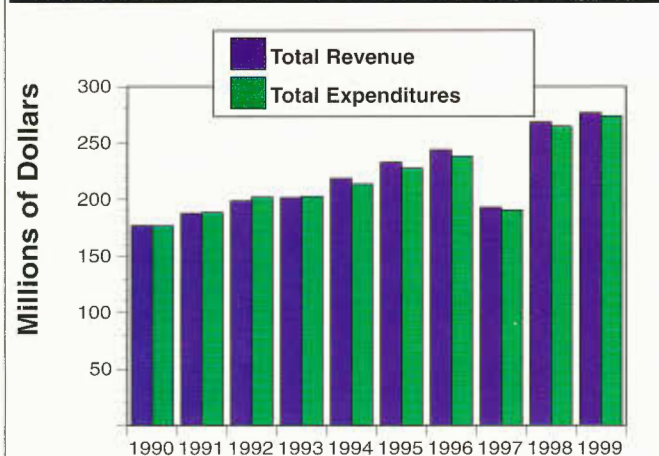
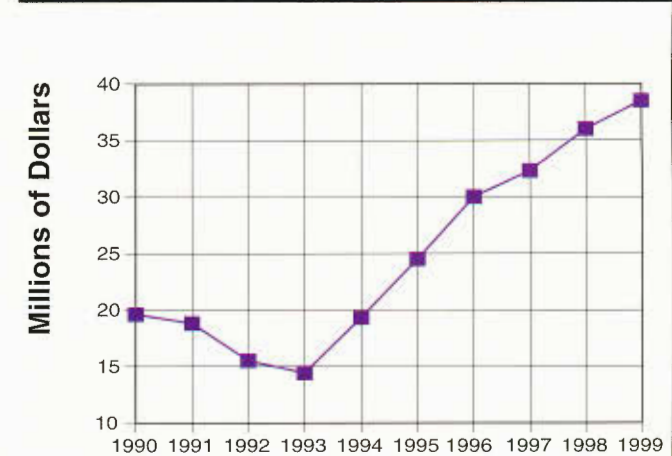


Figure 5

CHANGE IN GENERAL FUND EQUITY



Revenue and Expenditures (millions):

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997*</u>	<u>1998</u>	<u>1999</u>
Total Revenue	\$177.0	\$187.8	\$198.8	\$201.7	\$218.5	\$232.8	\$243.7	\$193.0	\$268.4	276.4
Total Expenditures	<u>176.8</u>	<u>188.6</u>	<u>202.1</u>	<u>202.8</u>	<u>213.6</u>	<u>227.6</u>	<u>238.2</u>	<u>190.7</u>	<u>264.7</u>	<u>273.9</u>
Excess (Shortfall)	0.2	(0.8)	(3.3)	(1.1)	4.9	5.2	5.5	2.3	3.7	2.5
Beginning Equity	<u>19.4</u>	<u>19.6</u>	<u>18.8</u>	<u>15.5</u>	<u>14.4</u>	<u>19.3</u>	<u>24.5</u>	<u>30.0</u>	<u>32.3</u>	<u>36.0</u>
Ending Equity	\$19.6	\$18.8	\$15.5	\$14.4	\$19.3	\$24.5	\$30.0	\$32.3	\$36.0	38.5
As a % of Revenue	10.96%	10.01%	7.80%	7.14%	8.83%	10.59%	12.30%	16.74%	13.41%	13.93%

Source: Oakland County Comprehensive Annual Financial Reports

* Nine months reported due to change in fiscal year

Accounting Principles (GAAP) to record the programs and services provided by the County. Special revenue funds are used to record the activities that receive monies for restricted purposes such as Health, Friend of the Court, Parks and Recreation and all grant-funded activities. Debt Service funds record the transactions related to the assessment of tax levies and payment of principal and interest of long-term debt, usually bonds. Capital Project funds account for the purchase or construction of major capital facilities, like buildings, drains and sewer projects. Enterprise funds account for functions that operate similar to businesses and are financed primarily through user charges. Expendable Trust funds account for activities where the County, acting as a trustee, operates a specific program.

The overall 1999 revenues and expenditures for major County activities by individual fund type are derived from the Comprehensive Annual Financial Report (CAFR) and shown in figure 6. It is interesting to note that revenues and expenditures for specific and

restricted activities of the County are as large as the general governmental activities. This chart allows the reader to easily refer to the Comprehensive Annual Financial Report where such totals are presented by function. The program presentation used in this document relates to the services provided by the County and, therefore, is more easily identifiable to the citizens for which it is intended. Subsequent sections present the major programs in more detail.

The Statement of Activities does not present the revenues or expenses of the Internal Service funds of the County, nor certain Fiduciary funds. The focus of this document is to present information on services provided to the citizens, not services provided internally to other County operations. The funds of the component units (Road Commission and Community Mental Health Authority) are also not presented, as services are provided by another County entity.

Figure 6

OAKLAND COUNTY
Statement of Activities
For the Year Ended September 30, 1999

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Enterprise	Total
Revenues:							
Taxes	\$157,386,962	\$9,267,040					\$166,654,002
Special Assessments		2,522,218	\$40,574,639	\$13,301,899			56,398,756
Federal Grants		10,941,002		324,853			11,265,855
State Grants		46,595,163					46,595,163
Other Intergovernmental	36,093,759	2,192,888			\$28,825,116		67,111,763
Charges for Services	70,422,892	22,302,491	48,815			\$75,546,495	168,320,693
Use of Money	10,077,579	1,324,766	916,743	1,003,197	7,588,203	2,360,199	23,270,687
Other	<u>2,371,334</u>	<u>407,439</u>		<u>786,380</u>	<u>15,078,392</u>	<u>1,640,945</u>	<u>20,284,490</u>
Total Revenues	<u>276,352,526</u>	<u>95,553,007</u>	<u>41,540,197</u>	<u>15,416,329</u>	<u>51,491,711</u>	<u>79,547,639</u>	<u>559,901,409</u>
Expenditures/Expenses							
Public Safety	139,634,862	41,269,159			1,035,479		181,939,500
Economic Development	23,645,508	25,368,229			971		49,014,708
Citizen Services	20,910,184	51,986,288			34,300,595	69,649,760	176,846,827
Infrastructure	24,892,576	7,472,179	46,703,276	37,436,407		2,960,428	119,464,866
General Government	<u>26,356,766</u>				<u>993,507</u>		<u>27,350,273</u>
Total Expenditures/Expenses	<u>235,439,896</u>	<u>126,095,855</u>	<u>46,703,276</u>	<u>37,436,407</u>	<u>36,330,552</u>	<u>72,610,188</u>	<u>554,616,174</u>
Other Financing Sources (Uses)	<u>(38,442,916)</u>	<u>35,268,889</u>	<u>3,151,776</u>	<u>31,097,788</u>	<u>(38,792)</u>	<u>(2,560,000)</u>	<u>28,476,745</u>
Excess (Deficit) Revenues and Financing Sources	<u>\$2,469,714</u>	<u>\$4,726,041</u>	<u>(\$2,011,303)</u>	<u>\$9,077,710</u>	<u>\$15,122,367</u>	<u>\$4,377,451</u>	<u>\$33,761,980</u>

REVENUES

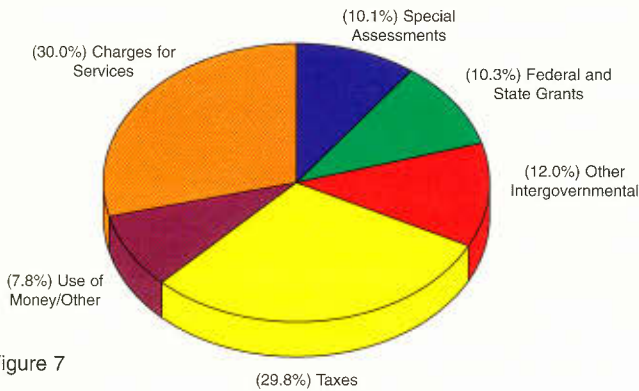


Figure 7

MAJOR PROGRAM EXPENDITURES

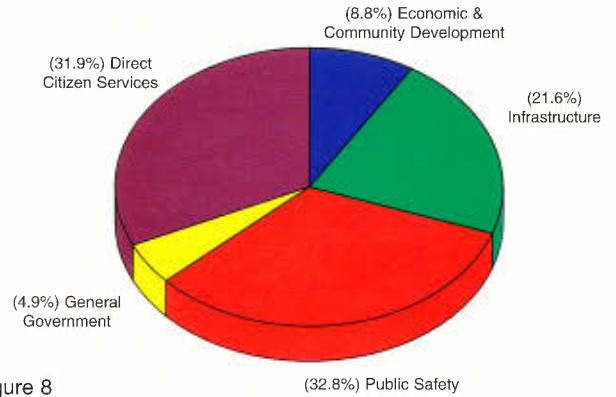


Figure 8

The distribution of County revenues are illustrated in Figure 7 and defined as follows:

Taxes: \$166,654,002 - The County's actual property tax is based on a rate of 4.19 mills which is less than the maximum authorized millage rate for General Fund operations of 4.4805 mills. Parks and Recreation is also supported by taxes which are reported as a Special Revenue fund.

Special Assessments: \$56,398,756 - Funds received from special charges to parties benefitting from the County's drainage systems, lake level controls and lake improvements.

Federal and State Grants: \$57,861,018 - Restricted funding provided by the federal or state governments.

Other Intergovernmental: \$67,111,763 - Revenue from state or local governments in the form of shared revenue or payments in lieu of taxes.

Charges for Services: \$168,320,693 - Revenue from fees received for time and material services.

Use of Money and Other: \$43,555,177- Interest on investments, revenue from rebates, refunds of prior years expenditures, and miscellaneous sources.

Expenditures

For discussion purposes, County expenditures have been broken into five broad program areas: Public Safety, Direct Citizen Services, Economic and Community Development, Infrastructure and General Government.

Public Safety: \$181,939,500, consists of all aspects of law enforcement and justice administration, including the Courts, Prosecuting Attorney, Sheriff's Department, Medical Examiner, Probation and Children's Village. The County Clerk, the official recorder of County records and Clerk to the Circuit Court, and Animal Control, which has investigative and enforcement responsibilities, have also been included.

Direct Citizen Services: \$176,846,827, represents all areas which provide direct services to individual citizens. Included in this program is the Human Services and Public Services Departments, Parks and Recreation, Water and Sewer and the Libraries.

The **Economic and Community Development** program, \$49,014,708, reflects all efforts to promote and sustain a strong business and economic climate, a healthy environment and vibrant communities. The Department of Economic and Community Development, the Drain Commissioner and the Register of Deeds provide services in this area.

Infrastructure: \$119,464,866, refers to all operating systems that form the foundation of basic County functions. Included are Facilities Management, Airport and Information Technology as well as all Capital Projects and debt service expenditures.

The final program, **General Government:** \$27,350,273 includes all areas of the County involved in the administration and financial aspects of County business. Included in this program are the County Executive, Board of Commissioners, Treasurer, Management and Budget, Personnel and Central Services Departments. The Election Division, which oversees County-wide elections and records Board of Commissioners minutes, is also included.

Public Safety

A major goal for County government is to insure a safe environment for its residents. As a result of this focus, many new initiatives have been implemented to insure the swift administration of justice and to protect citizens and their communities.

Protective Services: The Sheriff's Department serves over 240,000 County residents through patrol contracts with 12 communities. In addition, its investigative division provides centralized services including arson investigation, forensic analysis, auto theft prevention, and narcotics enforcement to 43 local police agencies, reducing the cost to local government. Dispatch services are provided to communities contracting the service.

PUBLIC SAFETY

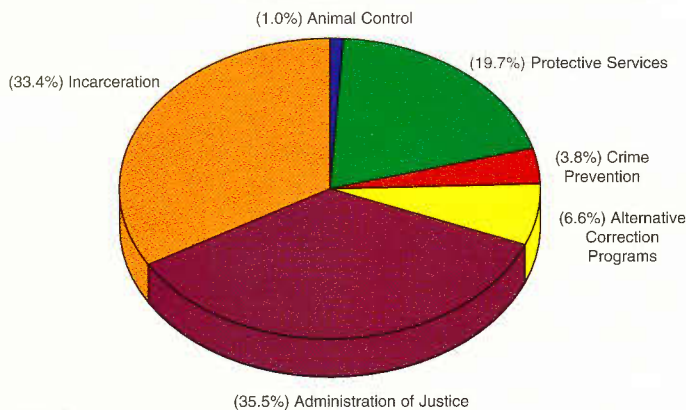


Figure 9

The Sheriff recently re-instituted the Canine Unit with the acquisition of five tracking dogs to be used during investigations to locate missing persons, fugitives, bombs and drugs. The Traffic Enforcement Unit has acquired 12 motorcycles to be used for traffic control. The ease of maneuverability and low operational costs of motorcycles is ideal for addressing severe traffic problems.

In cooperation with other agencies, the Prosecuting Attorney and Medical Examiner co-sponsored a multi-disciplinary training program on investigations into the deaths of children. The seminars were presented statewide. Also in conjunction with local police departments, specialized procedures for the investigation of child sexual assault and child abuse and neglect cases were prepared and published.

Justice Administration: The 1998-99 Grand Jury issued 23 indictments on cases which could not be solved by conventional police investigations. Thirteen indictments were for murder, solving 69 years of unsolved murders. Nine indictments were for organized crime drug trafficking and one for kidnapping.

The Prosecuting Attorney's Economic Recovery Unit initiated forfeiture actions to seize over \$615,000 of profits earned from criminal activity. Of that amount, \$133,000 went to defray expenses incurred by the Prosecutor's office during the investigation. The balance of more than \$480,000 went to local police departments to fund future investigations and prosecutions, shifting part of the financial burden from taxpayers to the criminals.

There were 5,724 felony cases tried in Circuit Court with a conviction rate of 97%. In the 22 murder trials, convictions were obtained in 95% of the cases.

A number of programs have been implemented to assist crime victims and provide increased safety to victims of Domestic Violence. The Prosecuting Attorney has expanded the scope of the Victim Services unit to the four 52nd District Courts. The program helps victims of domestic violence, child abuse, sexual assault and other major crimes through what can be a confusing and frustrating legal system. Victim advocates work cooperatively with local agencies to coordinate services to the victims. Services include crisis intervention, court advocacy, agency referrals, and other assistance to insure that victims are informed of all developments in their case.

In 1998, approximately 3,000 Personal Protection Orders (PPO) were issued in Oakland County giving police arrest authority and direction when called to a scene involving domestic violence or stalking. A joint pilot project between the Circuit Court, County Clerk, and Sheriff improves the processing of these orders. PPOs will now be entered by the Clerk's Office into the Law Enforcement Information Network on the day the order is issued, eliminating entry delays. In addition, officers called to a scene involving domestic violence or stalking will now contact a single law enforcement agency to obtain information on the PPO.

Another pilot project will also improve the safety of victims of severe domestic violence. Oakland County is

one of the first sites in the nation to launch a coordinated high-tech program to help eliminate domestic violence. The program requires offenders to wear a GPS device which monitors their movements by Global Positioning Satellite. Should an offender enter a "hot zone" around a victim's home, work or other sites, the victim and police are immediately notified. The system is almost tamper proof and outperforms other tethering or monitoring systems now in use.

Incarceration: In recent years, overcrowding at the jail has been a major problem. During weekend overcrowding, prisoners are housed in the gym. As a result of the Jail Staffing Study, 35 positions were added in Corrections to reduce overtime, supervise the increased inmate population and insure the safety and security of officers. Expenditures for overtime were reduced by 11.8% in FY1999. Housing inmates at the Trusty and Boot Camps helps to alleviate main jail overcrowding. These inmates provide more than 50,000 hours annually in community service to local governmental agencies.

Alternatives to Incarceration: In recent years, alternatives to incarceration of nonviolent offenders have been developed to protect the public, punish the offender, increase restitution to victims and provide needed rehabilitative services. Most of these programs are in lieu of jail time and assist in reducing prison and jail overcrowding.

The Weekend Alternative for Misdemeanants (WAM), a nationally recognized program, requires offenders to perform community service on weekends while maintaining their regular employment. In FY1999, 1,384 defendants performed 8,840 days of community service valued at \$565,800, saving the taxpayer \$689,500 for jail expenses.

The Step Forward program uses a day reporting center concept to provide extensive services to help offenders and their families, while ensuring public safety through intensive supervision. Services include onsite substance abuse and mental health counseling, job training and placement and intensive case management.

Impact Weekend exposes first and second time drunk driving offenders to an intensive three days of group therapy, educational lectures and victim's impact panels. Only 3% of the people completing the program are re-arrested for drunk driving offenses, comparing favorably to the State's re-arrest record of 33%.

Crime Prevention: The S.C.O.P.E. program (Stop drinking, Consider consequences, Observe yourself, Protect society, Educate others) provides alcohol education to all school districts within Oakland County. The program has instructed over 33,000 students and has been responsible for more than 300 arrests for operating under the influence of alcohol.

Youth Assistance (YA) is the largest and oldest court based prevention program in the nation. The program recently received a national award from the American Correctional Association for its innovative programming. The Youth Assistance Division works to strengthen youth and families to prevent and reduce delinquency and neglect through volunteer involvement. Staff work in 26 locations to identify and address each community's needs through parenting and family education, skill and self-esteem building, recreation, adult role modeling, youth involvement and recognition.

Approximately 1,050 volunteers contributed 36,700 hours working with the youth and their families. Volunteers raised funds in excess of \$1 million for YA programs. One hundred percent of these funds go directly to YA services. Scholarships were provided to 913 youth for overnight or day camps and to 784 youth for skill building programs. Approximately 1,400 youth received recognition for outstanding contributions to their communities. Two independent studies conducted for a three-year period have shown that 92% of the youth and their families had no further contact with the courts. In 1999, the program provided direct community services to 39,000 children and adults in 60 municipalities and 28 school districts throughout the County.

The Probate Court has implemented two new programs directed at reducing recidivism of juvenile offenders. S.T.R.I.D.E. (Short-Term Rapid Intervention and Diversion Effort) is a non-residential weekend rehabilitative program designed to hold juveniles accountable for their actions. The program provides immediate sanctions as a probation alternative or as the consequence of minor probation violations. Project S.T.A.R.T. (Supervised Transition, Aftercare and Reintegration Tracking) provides intensive, comprehensive services to youth released from residential treatment facilities, such as Children's Village, and their families. The goal is insuring the safety of the community while continuing rehabilitation and treatment in the least restrictive setting.

Animal Control: Due to expanded enforcement and educational programs by the Animal Control Division, the number of licensed dogs has increased by 30% since 1993. Through special programs and by increasing the amount of days animals are held, the number of animals returned to owners has increased by 19% and the number of animals euthanized each year has been reduced by 33%.

Direct Citizen Services

Governmental and enterprise funds totaling \$176.8 million have been expended on direct services to County residents.

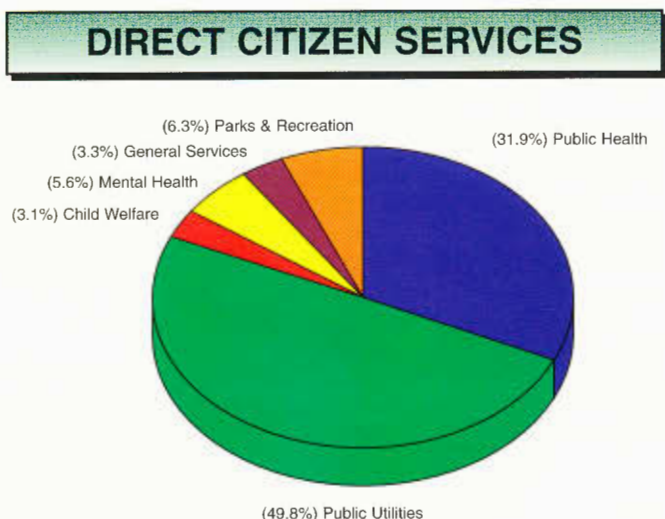


Figure 10

Public Health: It is the role of the Health Division to protect the public’s health through health promotion, disease prevention, and protection of the environment. To meet this goal, the Health Division provides a number of health care services including Child Health Clinics, immunizations, hearing and vision screenings, health education and nutrition services, substance abuse services, and AIDS prevention and control. Some services are provided at no charge; others use a sliding fee scale. In addition, many services are provided to ensure a safe environment for County citizens. Programs cover all environmental aspects affecting public health: air, water, food, shelter, land protection and community environment. As a result of public health initiatives during the last century, the average lifespan of persons in the United States has lengthened by 25 years.

The Health Division received national recognition for its Community Coalition Program. The program provides seed money, training and technical assistance

to County communities for the development of volunteer-based community substance abuse prevention coalitions. Twelve coalitions representing 30 communities have been established bringing together diverse sectors of the community committed to reducing substance abuse, violence and teen pregnancy.

The Health Division also received a national award for a new prevention initiative which educates the public, child caretakers, parents, and other high-risk groups on the dangers of Shaken Baby Syndrome. Most individuals are not aware that shaking a baby can cause serious head injuries which result from the brain rebounding against the skull. These injuries can lead to permanent severe brain damage including mental retardation, blindness, paralysis and even death.

The County’s Sanitary Code was recently revised, requiring all food establishments in the County to have at least one person on staff who is certified as a food service manager. The new requirement will address problems like the Hepatitis A outbreaks that have occurred at two separate restaurants over the past two years. Hepatitis A outbreaks have been increasing steadily throughout the State of Michigan since 1996. The State averaged 317 cases between 1992 and 1996, but the number of cases had skyrocketed to 2,135 in 1998. The change in the Sanitary Code is an important step to safeguard the health of County citizens.

Mental Health: To manage and provide community mental health services in a more proactive, efficient and cost-effective manner, a Mental Health Authority has been established. The new authority is independent of Oakland County, but still receives annual County funding in the amount of \$9.9 million.

This autonomy should allow the Authority to effectively provide quality services in the new managed care environment. To insure accountability, the Board of Commissioners will continue its oversight role through quarterly reports and annual performance audits.

Child Welfare: The Probate Court works to strengthen families and reduce the incidents of child abuse, neglect and delinquency. The County’s shelter care program, which provides temporary housing until a child is able to return home or is placed in a more permanent situation such as foster care, continues to be a major factor.

The court also offers a number of services designed to meet the needs of children, while keeping them in their home and community environment. The Intensive Probation program's primary focus is re-habilitative, providing services to approximately 200 youth. The Sanctuary program provides around-the-clock intervention to runaways and their families. Services include peer counseling, family counseling, and short-term respite care. The Wraparound program coordinates individualized, intensive services for youth with serious emotional disturbances. Research indicates that 90% of youth with psychiatric disorders re-offend in the absence of intervention.

Oakland County's Human Services Coordinating Council provides a number of services to families who are at risk of losing their children due to abuse or neglect. Efforts are made to keep children with a family member rather than placement in foster care. When this is not possible, services are provided to parents to enable the return of the children to their families. One initiative provides services to parents who are in treatment for substance abuse and need additional support and follow-up to maintain a substance-free lifestyle. Other programs teach parenting skills to mothers who do not know how to properly care for their children. For further information call 248-858-2093.

The Circuit Court has implemented two programs to assist parents living separately. The COPE (CO-Parenting Effectively) Program is a voluntary dispute resolution alternative offered to parents involved in divorce and paternity actions. The program seeks to reduce parental conflict and minimize ongoing court battles for parents who are having difficulty with co-parenting roles and time sharing problems. COPE promotes cooperation between parents to help insure secure and satisfying lives for their children. With the help of the COPE Coordinator, parents define the issues, identify possible options and develop a parenting plan in a non-adversarial environment.

Nationally, over 30 percent of children are born outside of marriage. Children need the involvement of both parents to promote healthy psychological, social and sexual development. Forget Me Not is a free educational program to help unwed parents who live separately understand their parental roles and the needs of their children. The two-hour program focuses on the importance of the involvement of both parents to insure the healthy development of their child.

Parks and Recreation: The Parks spent \$14 million on the operation of 11 County parks including 4 golf courses, 2 wave-action pools, 2 campgrounds and 1 nature center. Development of the newest County park, Lyon Oaks, is underway. The park will preserve 985 acres of woodlands and wetlands in an area that is undergoing rapid development. Sixty percent of the park will remain in its natural state. The remainder will include an 18-hole golf course designed by Arthur Hill, driving range, corporate picnic areas, clubhouse and banquet facilities.

Public Utilities: Water and sewer services were provided to approximately 32,000 households through 15 municipal sewer systems, 15 municipal water systems, 26 well water facilities and 97 sewage pumping facilities. Charges to wholesale sewer customers were reduced by \$1.3 million due to "Look-Back Adjustments" resulting from rate overcharges by the Detroit Water and Sewage Department. A further reduction in the amount of \$550,600 was achieved for customers in the Southeastern Oakland County Sewage Disposal System, due to a river overflow agreement negotiated by the Drain Commissioner.

Economic and Community Development

The expenditures for the Economic and Community Development function represent 19.9% of governmental fund expenditures. This function contributes significantly to the quality of life for County residents and creates an environment beneficial to business and industry.

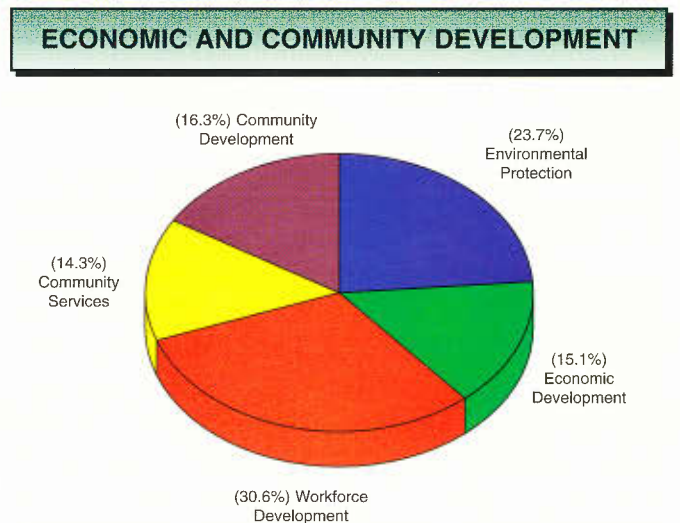


Figure 11

Economic Development: Because the economic vitality of a community is critical to the success of its operations, the County Executive has formed a number of partnerships with the private sector to leverage Oakland County and insure that the services provided are conducive to economic growth within Oakland County.

One partnership is the award winning Automation Alley, a consortium of high-tech firms located along the I-75 and I-696 corridors. The consortium is developing new marketing strategies to leverage the combined strength of the County's private sector and increase their ability to compete in the international arena. These companies have products or processes that are dependent on continual scientific or technological innovation. The current challenge is finding and training skilled workers. There is a scarcity of technical employees due to the growth of the County's information technology and manufacturing firms. Uniting businesses will create an awareness among technically oriented employees throughout the country that this region is as challenging and rewarding as any place in the country. Further information on this initiative can be obtained at www.automationalley.com.

Small business counseling and capital asset financing are provided to businesses through development corporations for the purchase of capital assets. Forty-six companies were assisted in 1999 resulting in \$264 million in new capital investment, 2,325 new jobs and the retention of 3,285 jobs. Financing for small and medium sized companies, through the Small Business Administration, totaled \$27.8 million for 1999; manufacturing/industrial businesses and non-profit organizations secured Tax-Exempt Revenue Bonds totaling \$26 million.

Workforce Development: Federal funds in the amount of \$14.95 million were spent on workforce placement programs, which provide job training and other services for disadvantaged youth and adults. These programs are designed to increase employment, educational skills, occupational skills and to decrease welfare dependency. Programs include on-the-job training, occupational classroom training, basic skills training, work experience and internships, as well as basic readjustment services for dislocated workers.

Environmental Protection: As part of the County's ongoing commitment to protect the environment, the Drain Commissioner has undertaken a number of innovative programs to improve the management of storm water. One initiative identifies and eliminates

illicit discharges of pollutants and illegal connections of sanitary sewers or septic systems to the storm water drainage systems. It also includes public education on the usage and disposal of hazardous waste and encourages reporting of illegal waste disposal.

The department is also using Geographic Information Systems (GIS) to record locations, pictures and testing results for all drainage system connections. In the event of a chemical or sludge spill, the system will quickly identify connections which could be affected by the spill, helping to contain pollution.

Infrastructure

A solid infrastructure is required to support a growing economy and community. Oakland County has been at the forefront of implementing systems to meet these needs.

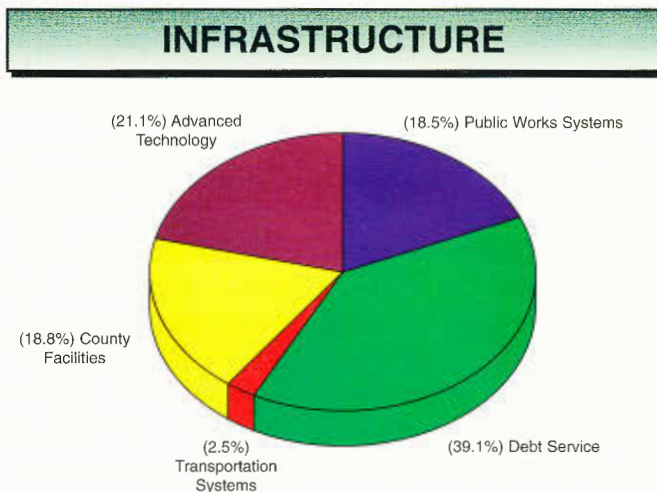


Figure 12

Advanced Technology: In its effort to develop a state-of-the-art technological infrastructure to support County, business and local government operations, the County spent \$25.3 million in 1999 on technology initiatives, many of which are multi-year projects. To address the Y2K problem, \$3.2 million was expended to rewrite current programs and replace non-compliant software with systems that are year 2000 compliant. Another \$2.7 million was spent to upgrade the County-wide E-911 system by replacing obsolete call-taking equipment at 28 Public Service Answering Points.

A number of new technologies have been identified that will expand services to residents and result in more efficient governmental operations. More than \$4.7 million has been spent to develop a Geographic

Information System to be used by County departments, local municipalities and the private sector. To insure the accuracy of the base map, \$2.4 million was advanced to expedite the Clerk/Register's remonumentation process which re-establishes section corners used to determine the exact location of land parcels. Oakland County completed remonumentation of all section corners in 1999, the first County in Michigan to do so.

The County is on the leading edge of technology with implementation of its *@ccess Oakland* program. The system allows citizens and businesses to immediately access residential property record information over the Internet for a nominal fee. There are four major inquiries: The Mortgage Application Acceleration Program estimates the value of a home utilizing comparable housing sales; the Residential Property Profile provides information on a specific parcel of property; the Residential Property Analyzer searches for properties matching criteria established by the user; and Delinquent Tax Statements identifies outstanding tax obligations for a specific parcel.

Approximately \$600,000 was spent in 1999 on improvements to the assessing, equalization, and property tax billing and collection systems. These enhancements have increased the functionality of the systems for the Equalization Division and local tax assessors. The result will be more efficient tax assessment and administration, improving the accuracy and uniformity of assessments throughout the County.

The County has obtained a \$17.1 million COPS-MORE federal grant for the replacement and upgrade of its Court and Law Enforcement Management Information System (CLEMIS). An additional \$.5 million state grant and \$6.4 million provided by the County brings total project cost to \$24 million. The new system will significantly enhance law enforcement's ability to wage a high-tech war against crime. Oakland County and its communities will have a computer system superior to all other counties in Michigan. A number of surrounding communities and the Counties of Livingston and Macomb have petitioned to be connected to the system, resulting in a truly regional system.

Part of the grant monies will be used to purchase additional laptop computers and printers for officers in the field. The new system will improve the records management process and data communications between

dispatchers and police officers in the field. Officers will be able to submit reports, and access fingerprint and mugshot data from the field. The grant also covers the cost of photo imaging systems, automating the livescan fingerprint system and a regional mugshot system. This new technology will significantly reduce the time police officers spend on report-writing, providing a greater police presence in the community. Approximately \$7 million of the grant will be spent to provide high speed data connections between the County's service center and local municipalities.

A new Jury Management System has been implemented to simplify the jury selection process. Optical scanners allow questionnaires to be processed more quickly. On-line bar code readers provide for more efficient juror tracking and attendance processing. The system maintains a complete juror history, downloading responses from questionnaires and eliminating the need for data entry of juror information. Questionnaires, summons, show cause orders and other documents can be generated with a few simple key strokes.

The Register of Deeds has implemented a new imaging system to enhance the retrieval of documents for the public and title companies. Documents will be immediately displayed on a monitor, rather than on microfilm. The customer can search for documents by name, address or property description. The system also assigns the Liber and Page associated with a document as soon as it is recorded. Previously, this information was not available until the document was returned to the owner.

County Facilities: The County spent \$19.7 million on improvements to service center roads, parking lots, utilities, and facilities. Construction of the new 38,000 square foot state-of-the-art Medical Examiner facility was completed in 1999. A County office facility containing offices of the Probate Juvenile Division, Veterans' Services, Community Corrections and Circuit Court Probation also opened in Troy, making services more accessible to residents living in the south end of the County. In addition, the Troy District Court was relocated to a larger facility within the City of Troy complex. The County renovated and expanded an existing City building to house the Court, consolidating all court functions under a single roof. The project was completed for approximately \$5.5 million, much less than the cost of acquiring land and constructing a new

facility. The Parks Commission also spent \$2.7 million on capital improvements at various parks.

Transportation: Approximately \$2.5 million was spent for land acquisition and capital improvements at the Oakland County International Airport, of which \$1.7 million was provided by federal and state grants. The airport is designed to accommodate corporate and business air traffic, and as such, is the nation's fifth busiest. The estimated economic impact of the airport is more than \$100 million per year. The airport has been selected as the best large general aviation airport in the United States in the category of snow and ice removal due to its ability to keep the facility operational in periods of heavy snowfall.

The County provided \$3 million to help fund road improvements which will alleviate traffic congestion at the I-75 and M-59 intersection.

Debt Service: In 1999, \$46.7 million, 39.1% of all infrastructure expenditures, was paid for debt service relating to County facilities, drains and combined sewer overflow projects. Debt service is the amount of principal and interest paid on bonds which were issued for the construction of County facilities (Jail Addition, West Wing Courthouse Expansion and the Computer Center) and drain projects. The drain projects are constructed by the County and financed by bonds issued through the County; however, local governmental units reimburse the County for a portion of the debt service expenses.

Public Works Systems: Approximately \$16.3 million was spent on the design and construction of new water, sewer, lake and drain projects in 1999, including \$7.8 million for the North Arm Relief Drain, which has a total project cost of \$16.8 million. Located in the communities of Beverly Hills, Birmingham, Clawson, Madison Heights, Royal Oak, Southfield and Troy, the project will reduce the risk of basement flooding during major storm events.

General Government

Elections: Currently Oakland County is comprised of 548 precincts with 867,144 registered voters. Improvements to the elections process and the reporting of election results have resulted from the use of optical

scanning by 85% of the governmental units. Optical scanning allows general election results to be transmitted electronically. Vote tallies are posted on the Internet to give voters immediate access to election results. Electronic transmission also reduces the possibility of error in reporting results.

Treasury: In 1999, the State legislature adopted Public Act 123. Under its provisions, the Oakland County Treasurer will now have complete control over the entire delinquent tax process and the delinquency period is reduced from over 6 years to 30 months. The act insures that no resident in Oakland County will lose their property to a land sale without having received a minimum of five written notices and an administrative and Circuit Court hearing. Purchasers of land will now receive clear title to the property and will have the ability to purchase title insurance if they so choose. Any property not sold will be deeded to the city or township in which it is located and removed from the tax roll. The first land sale under this act will be conducted in July, 2002. It is believed that this legislation, which is also called the Urban Homestead Initiative, will bring growth and stability to Michigan's cities by getting vacant land and abandoned houses back into productive use and on the tax rolls.

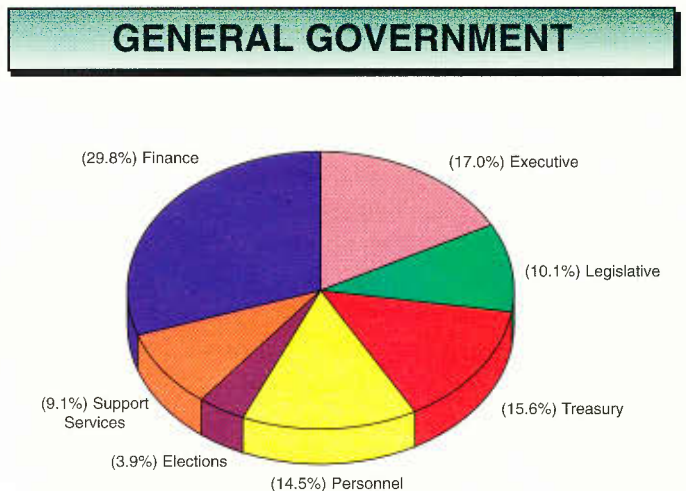


Figure 13

Executive/Legislative: A strong economic environment is the basis of the County's financial strength. In addition, the County's elected officials and staff have developed initiatives and policies to insure that Oakland County government has the ability to maintain quality services,

regardless of the local economic composition. Under Michigan statutes, the County is allowed to have outstanding debt of \$4.79 billion (10% of its State Equalized Value). However, the fiscally conservative policies of the County Executive and Board of Commissioners have resulted in outstanding debt of only \$265.3 million, 5.5% of the permissible level. A contributing factor is acquiring new facilities from the existing operational budget rather than traditional bond issues.

The AAA bond rating allows the County to borrow at the lowest possible interest rate, saving the County millions of dollars in future borrowing costs. Local municipalities can also utilize the County's bond rating to borrow funds, passing the benefit to its corporate citizens in the form of reduced taxes. Not only has the County created a pro-business environment, but it has also directly lowered the cost of doing business in Oakland County.

In addition, the County millage rate for the December 1, 1999 property tax levy remained at 4.19 mills for operations, the lowest tax rate of any county in the State of Michigan. The low rate frees tax dollars for local governmental units who face huge bond construction loans. In addition, \$25 million is being distributed over 5 years from the multimillion dollar Delinquent Tax Revolving Fund to an Environmental Infrastructure Fund. These funds are intended to be used by local communities across the County to help pay the cost of pollution abatement.

Finance: An activities measurement management process which will help managers evaluate the effectiveness of their programs is being implemented. The first phase is identifying major programs, establishing an accounting structure to capture program costs and developing performance indicators to evaluate service efforts and accomplishments. More than 90% of the County departments and divisions have identified major programs and established program cost accounts in 1999. Prior to the implementation of the County's new Human Resource and Financial Information System in October of 1998, it was impossible to capture operational expenses or distribute labor costs at the program level. The new system provides greater flexibility and accountability in financial reporting.

Personnel: The County has undertaken a number of initiatives to attract and retain quality employees in the tightened labor market. The Personnel Department implemented "Hot Skills" compensation for employees who are trained in technical areas with a high market demand for their services. In addition, a "County Bounty" is being offered as a recruitment bonus to employees who are instrumental in filling vacancies in hard-to-fill areas such as computer programmers or civil engineers. Renovations to an existing building for use as a child care facility for County employees have been completed. The facility reinforces the County's reputation as a "work and family friendly" employer.

County's Web Page

The County's Web Page at www.co.oakland.mi.us provides access to a wealth of information on County services. Topics include developing and financing new businesses; parks and recreation facilities and services; how to request legal documents such as marriage licenses and birth certificates; and developing home emergency plans. The web page provides e-mail service to several County departments and direct links to various state and federal government agencies. Residents can access information on current employment opportunities with the County and file applications online. In addition, a number of Friend of the Court forms relating to child support or custodial issues can be accessed for downloading. Vendors interested in conducting business with Oakland County can register online. Financial institutions, realtors, appraisers and the public are also able to obtain property information from *@ccess Oakland* through the web page.

Comprehensive Annual Financial Report

Complete financial statements of Oakland County with additional demographic and economic information are provided in the County's Comprehensive Annual Financial Report. To obtain a copy, send a written request to:

Oakland County
Fiscal Services Division
Executive Office Building
1200 N. Telegraph, Dept. 403
Pontiac, MI 48341-0403



3 9082 07690 3866

2057/06 nu

OAKLAND COUNTY RESEARCH LIBRARY
1200 N. TELEGRAPH ROAD DEPT 453
PONTIAC, MICHIGAN 48342
GFOA Awards

Presented

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

OAKLAND COUNTY, MICHIGAN

For the fiscal year ending
September 30, 1998

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Oakland County for its Popular Annual Financial Report for the fiscal year ended September 30, 1998. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Oakland County has received a popular award for the last two consecutive years (fiscal years ended 1997-1998). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



Cary Brueck
President

Jeffrey L. Esler
Executive Director

