



# “Road To The Future - A Positive Direction”



**Charter County of Wayne, Michigan**

# Popular Annual Financial Report <sup>2012</sup>

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

## COUNTY EXECUTIVE’S MESSAGE



“ In recent years, Wayne County has increasingly confronted new challenges in economic policy, including rising fringe benefit costs, low household consumption, decreasing property tax revenues and inefficient operations. It is now widely acknowledged by all that major structural adjustments are needed to address these issues and implementing serious reforms is about to take place.

achieved that goal by providing monthly financial information to our Department Directors, the Wayne County Commission, and other elected officials.

Luckily, I work alongside some of the most talented thinkers and we are working together with all of the stakeholders of the County, including business leaders and the State of Michigan to change all that. We have spent a considerable amount of time examining the daunting challenges confronting Wayne County government. The understanding of the past has helped us to redefine the next goals and design the most effective policies for the decades to come. What the future of Wayne County looks like will chiefly depend on the actions we take now, as the future is shaped by us in every moment. Although fiscal year 2013 got off to a slow start, we are cautiously getting today’s plans, projects and decisions right. Stay tuned to a more sustainable Wayne County.

In my 20 plus years in elected office, I have learned that, although every organization has its fair share of issues, every organization has the SAME sets of issues. Whether it is uphill budget battles, unhappy citizenry, issues managing daily operations or long term planning, it almost always boils down to a lack of good processes anchored with a participatory culture and the means to do something about it.

Small cities, big cities, counties, states, airports, water and sewer authorities, consulting firms...everybody wants the best tools and data possible so they can make informed decisions and allocate resources in the most efficient and productive manner possible. We have

Sincerely,

Robert A. Ficano  
Wayne County Executive

## ABOUT WAYNE COUNTY

Wayne County (the County) is the 15th most populous county in the United States. Located in the southeastern portion of the State of Michigan and incorporated in 1796, the County was one of the Northwest Territory's original counties. It is one of only two charter counties within Michigan structured by limits set in state law and constitution. The County stretches over 672 square miles and is comprised of 34 cities, 9 townships and 41 school districts. Wayne County government is comprised of executive, legislative and judicial branches.

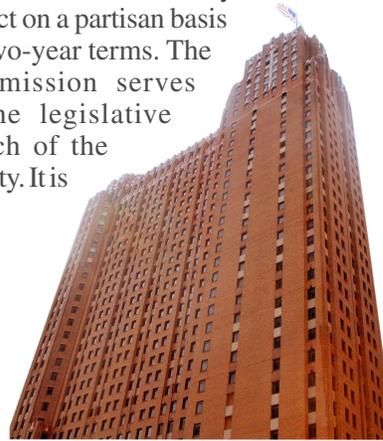
The Wayne County Executive is elected on an at-large basis for a four year term. The Office of the County Executive has administrative and executive powers to supervise, coordinate, direct and control all County functions, operations and facilities. The Wayne County Commission (legislative) is comprised of 15 members elected by a district on a partisan basis for two-year terms. The Commission serves as the legislative branch of the County. It is

responsible for establishing policy and approving the County budget.

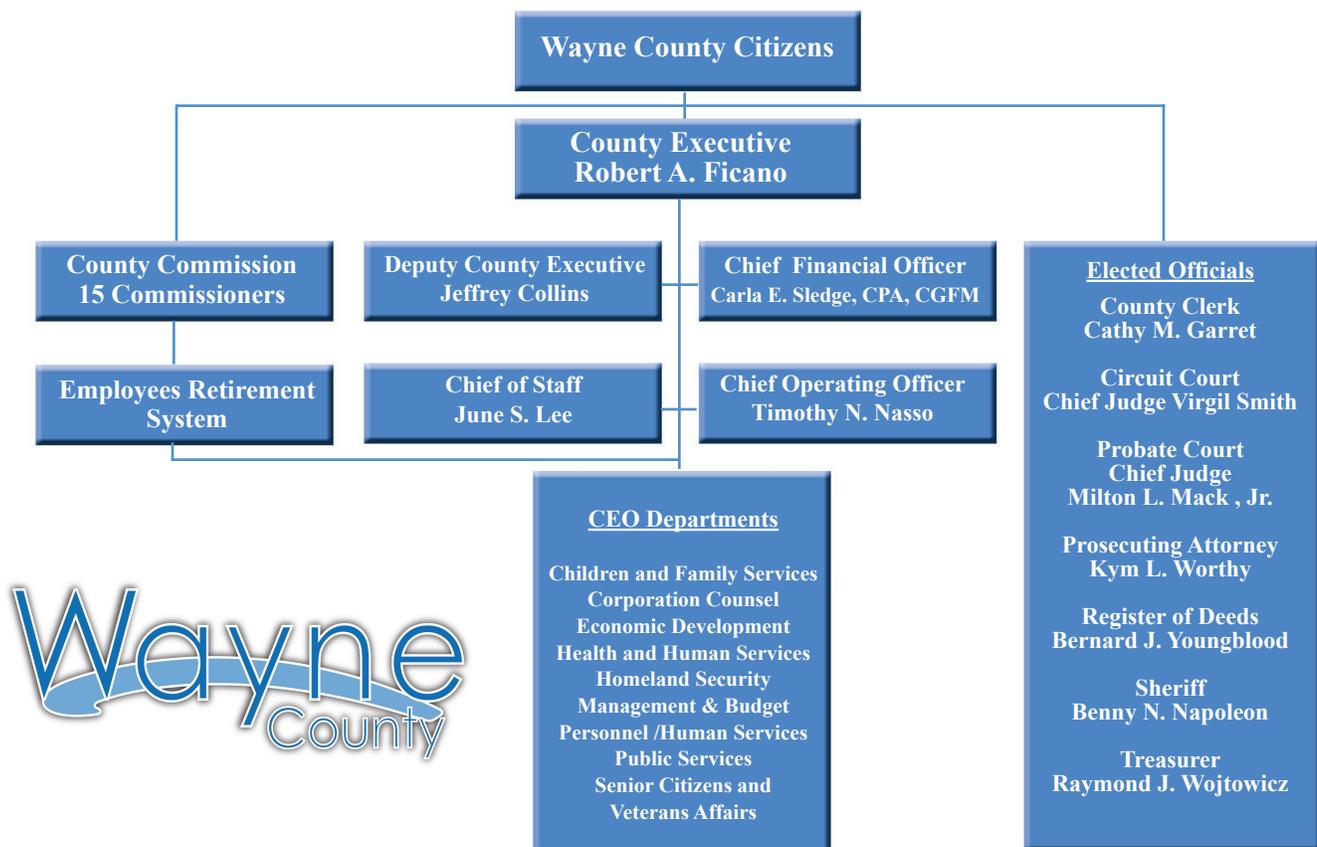
Wayne County also elects the following officials on an at-large basis for four-year terms:

- County Clerk
- Register of Deeds
- Prosecuting Attorney
- Sheriff
- County Treasurer

The County Clerk and the Register of Deeds are responsible for the general recording of official records. The Prosecuting Attorney and Sheriff are responsible for providing quality criminal justice services to all people of the County. The Treasurer is responsible for the receipt, custody and investment of all County funds and collection of taxes.



## A VIEW OF WAYNE COUNTY GOVERNMENT



# COUNTY ECONOMY AND OUTLOOK

POPULATION: 1,802,096 • UNEMPLOYMENT RATE: 12.6% • PERSONAL INCOME PER CAPITA: \$ 34,012

Recent economic data shows that the State of Michigan is rebounding. The state's unemployment rate was at 8.9 percent in December 2012, slightly lower than the 9 percent jobless rate from December a year ago. Forty-seven counties reported unemployment below 10 percent as the jobless rate remains stubbornly high across much of Michigan.



For the County, the economic outlook continues to be guarded. Cost pressures, particularly in the health care and pension area continue to challenge County finances. The state of the economy plays a significant role in the County's ability to provide core services and the mix of other services sought by its stakeholders.

Despite these cost challenges, progress in other areas of the County continues to improve. The North American International Auto Show (NAIAS) continues to provide a huge annual economic boost to this region, benefiting hotels, restaurants, exhibit companies, and retail throughout the metro area. Short term improvements were made to Cobo Hall, approximately \$3 million during 2009 and the Auto Show kicked off with the 25th annual black tie Charity Preview on January 18, 2013 as usual. This event, originally known as the Detroit Auto Show (1907) has



now become one of the largest global shows in the United States. It has earned a top spot of almost every car maker in the world. According to the NAIAS, the economic impact to the city, state and region is approximately \$365 million, more than the Super Bowl, World Series and the Stanley Cup Playoffs. Attendance at this event slightly up from the same time last year amounting to more than 795,000 in attendance.

## Awards and Recognition

Wayne County received three awards from the Government Finance Officers Association Awards (GFOA) for high standards in financial reporting and budget compilation.

Each award is an annual award and applied for separately. Such awards are as follows:

- Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the year ended September 30, 2011. The award has been received for thirteen of the last sixteen years.
- Outstanding Achievement in Popular Annual Financial Reporting for the year ended September 30, 2011. The award has been received for twelve of the last fifteen years.
- Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2011 for the eighteenth consecutive year.

### Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**Charter County of Wayne  
Michigan**

for the Fiscal Year Ended

**September 30, 2011**



*Christopher P. Morill*  
President

*Jeffrey L. Easer*  
Executive Director

# FINANCIAL OVERVIEW

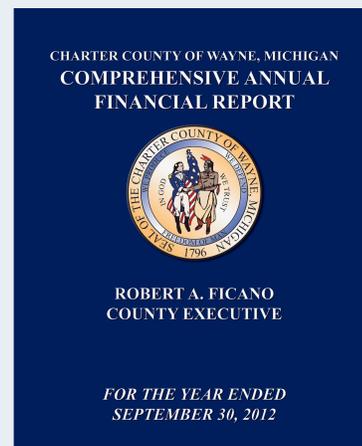
## GENERAL FUND PERFORMANCE



The Popular Annual Financial Report (PAFR) is intended to provide taxpayers, citizens, and other interested parties with a financial overview of the County's financial condition for the year ended September 30, 2012. We seek to educate residents and other interested parties in a concise, easy to read format about Wayne County's (the County) financial conditions and performance. Much of the information included in this report has been taken from the audited financial statements in the County's 2012 Comprehensive Annual Financial Report (CAFR).

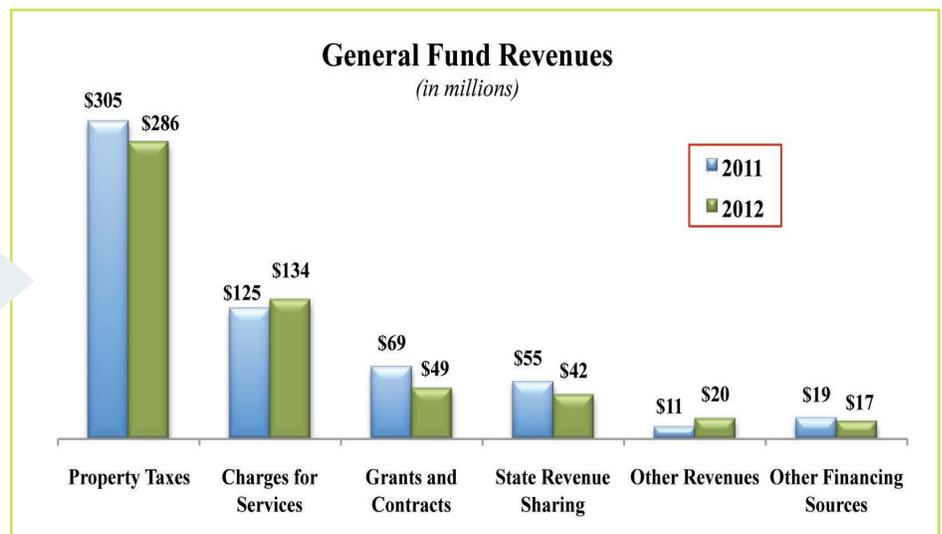
The County's CAFR, which provides complete financial information and disclosures in conformance with Generally Accepted Accounting Principles (GAAP), may be obtained from the Department of Management and Budget, Financial Reporting Division, 500 Griswold, 20th Floor, Detroit, Michigan 48226. In addition, both the CAFR and this report may be viewed on the Wayne County website at [http://www.waynecounty.com/mb\\_info\\_reports.htm](http://www.waynecounty.com/mb_info_reports.htm).

The PAFR is not intended to replace the CAFR, but serves as an executive summary on the services provided by and the overall financial condition of the county. This financial overview will provide readers with the County's financial information for the year ended 2012. The PAFR does not include note disclosures or full presentation of all funds in the County's reporting unit and it is not intended to comply with GAAP. Similar to many other communities across the nation, the County has dealt with fiscal challenges in this economic downturn by taking innovative steps to manage budget difficulties.



## REVENUES – WHERE THE MONEY COMES FROM

*The General Fund is the County's primary operating fund. The General Fund receives its revenue from the following sources: Property taxes, federal, state and local grants, charges for services, state revenue sharing and other revenues. The following chart shows the revenue comparison for fiscal years 2011 and 2012.*

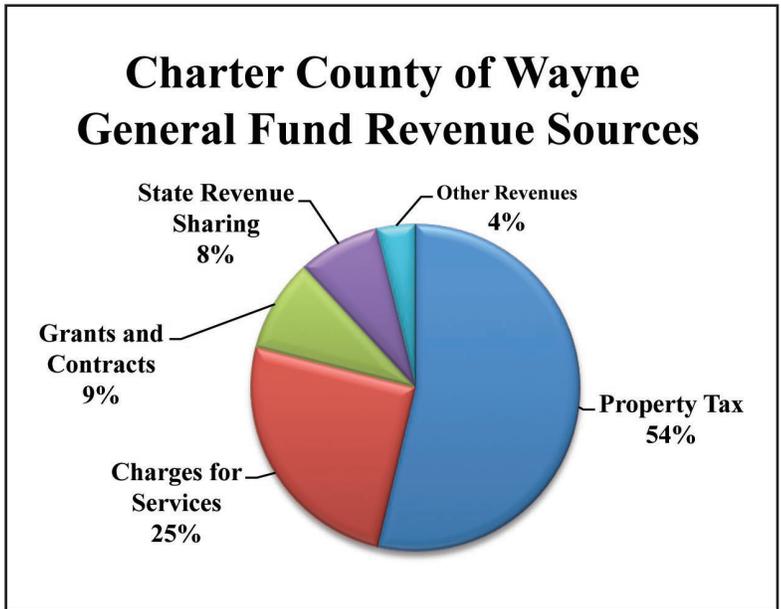
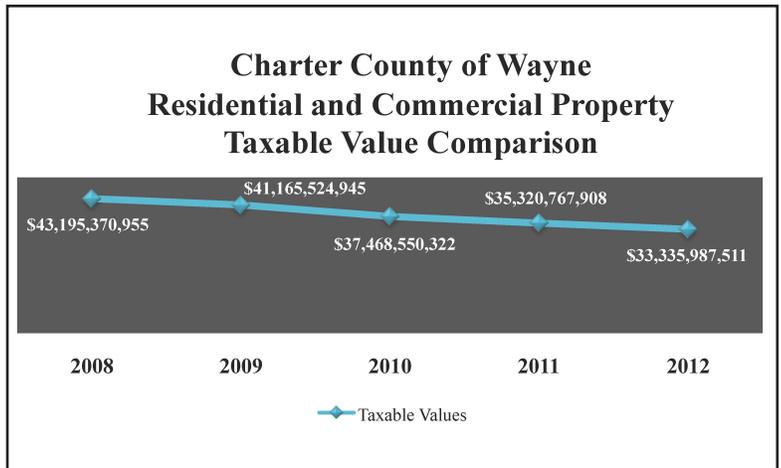


GENERAL FUND PERFORMANCE *continued*

“ The single largest revenue stream for the general fund is property taxes. Property tax revenue is based on the assessed taxable value of commercial and residential properties in the County. Since 2008, there has been a steady decline in taxable values, which has resulted in lower funding levels for the County to provide services.

Property taxes decreased by \$19.6 million in 2012, a decrease of 6% from 2011. Property tax revenue reached a peak of \$383.6 million in 2008 and reduced to \$286.2 million in 2012. It is projected that property taxable values will stabilize in 2014.

The County has the task of balancing the types of services as well as the service levels it can provide to its citizens and find innovative ways to stretch its dollars.



“ Federal, state and local grants and contracts are received to fund specifically identified programs across the County. Some grants sources include: crime prevention, victims of crime programs, providing indigent health care for the uninsured population of the County; funding from the State for Third Circuit Court costs and various public safety grants for the Sheriff and Prosecuting Attorney.

Grant revenue decreased by 29% from the previous year due to the expiration of one-time American Recovery and Reinvestment Act (ARRA) federal grant funds that were received in previous fiscal

years. In 2012, \$6.2 million in ARRA funding was received, compared to \$15.4 million for fiscal year 2011.

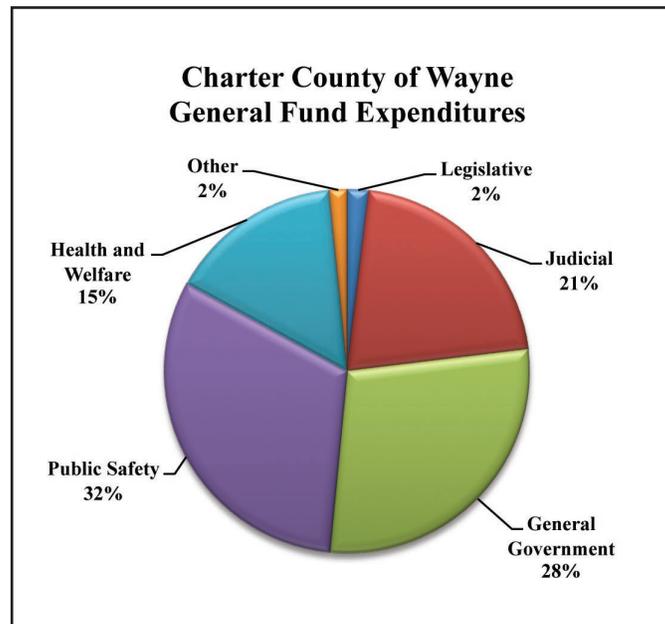
The charges for services represent fees assessed by numerous departments to cover costs of providing services. It also includes reimbursements from various agencies and individuals for services provided.

State revenue sharing represents revenue generated by sales tax. Under the State Revenue Sharing Act, counties receive 25.06% of the 21.3% revenue generated by sales tax. The County received \$42.8 million in 2012.

# EXPENDITURES – WHERE THE MONEY GOES (SERVICES PROVIDED)



County government performs various functions and provides services to its citizens such as public safety, judicial and issuing and recording documents and licenses, to name a few. The chart below shows the breakdown of General Fund expenditures for the fiscal year ending September 30, 2012.



## LEGISLATIVE

Legislative expenditures are the expenses incurred for the Wayne County Commission, a body of fifteen elected officials representing districts throughout the County. The Commission is responsible for: overseeing the County's budget, approving contracts and proposals, executing ordinances and resolutions and approving appointments to various boards.

## GENERAL GOVERNMENT

General government expenditures represent the costs associated with the executive branch of the County government. Departments include the County Executive, Corporation Counsel, Management and Budget and other administrative functions including Personnel and Technology. It also includes services provided by the County Clerk, Register of Deeds, Prosecuting Attorney and the County Treasurer, which are elected positions within Wayne County.

## JUDICIAL

Judicial expenditures reflect the costs of maintaining two courts: the Third Circuit and Probate. The services covered by these courts include providing resolutions for civil, domestic, criminal and juvenile matters.

## PUBLIC SAFETY

Public safety services reflect the costs of the Wayne County Sheriff and Prosecutor offices that provide quality law enforcement services to the Citizens of Wayne County.

## HEALTH AND WELFARE

Health and Welfare expenditures are costs associated with providing public health services. Core services include Headstart, clinical services for public health programs and jail medical services, Alternative Work Force program, Juvenile Detention Facility, Mental Health, Substance Abuse, Medical Examiner and Senior and Veterans Services.

## OTHER EXPENDITURES

Other expenditures include community and economic development and recreational and cultural services. Wayne County promotes economic growth through business and community development strategies that retain and create jobs and encourage a high quality of life. Some of the community and economic development activities in Wayne County are described in more detail on page 8. Wayne County operates two golf courses and twelve parks, and provides library services to some communities.

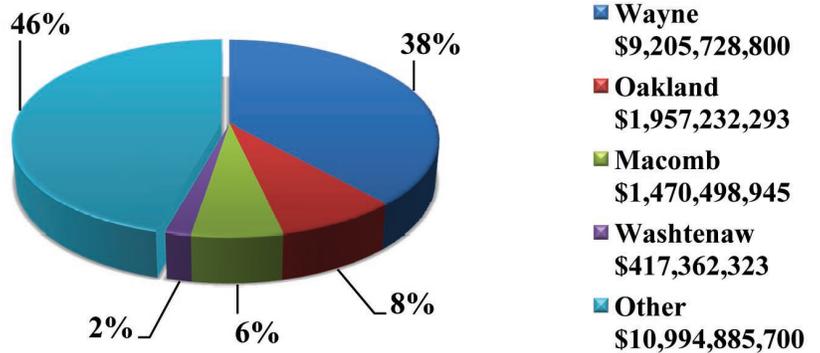
# ECONOMIC REVIVAL

## WAYNE COUNTY'S ROLE

“ Wayne County has and continues to do more with less, attracting more investment activity to Wayne County than its peer economic development competitors in southeast Michigan. Wayne County remains committed to the economic revival of Southeast Michigan.

Summarized below are a few success stories of development in Wayne County:

### Private Investments by Region 2009-2012



Source: Michigan Economic Development Corporation



Canada and the State of Michigan have announced the construction of a new bridge connecting Detroit, Michigan with Windsor, Ontario. The construction of this bridge will make Wayne County the gateway for trade with the United States, creating the largest international crossing for trade in the Midwest.

The M@dison building, once vacant, is now fully occupied with the City of Detroit's brightest, budding entrepreneurs. This 1917 structure underwent a \$12 million renovation, blending state of the art amenities with many of its original features.

Ford Motor Company upgraded the Flat Rock, Michigan Assembly Plant and will feature a state-of-the-art body shop and an environmentally friendly paint shop when production begins in 2013.

In addition, the upgrade represents a \$550 million investment and 1,200 jobs.

For additional financial information, visit our website at <http://www.waynecounty.com>

## FOR YOUR INFORMATION



**CHARTER COUNTY OF WAYNE**  
**500 GRISWOLD • DETROIT, MICHIGAN 48226**

**WWW.WAYNECOUNTY.COM**

### Did You Know?

Of the top ten Fortune 500 companies in Michigan, half of them are headquartered in Wayne County. They include:

Rank

- 1 General Motors
- 2 Ford Motor Company
- 5 TRW Automotive Holdings
- 7 Ally Financial
- 10 DTE Energy

In 2011, Wayne County saw its per capita personal income rise 1.1% from 2010.\*

Within the 366 metro regions in the county, the Detroit area is now in the Top 40 for per-capita income.\*

*\*Source: Data Driven Detroit, November 2012*

### WAYNE COUNTY COMMISSION

Gary Woronchak-Chairman .....	13th District
Laura Cox-Vice Chair Pro Tempore .....	9th District
Alisha R. Bell-Vice Chair .....	7th District
Jewel C. Ware-Vice Chair *Bernard Parker.....	2nd District
Timothy P. Killeen .....	1st District
Martha G. Scott.....	3rd District
Ilona Varga .....	4th District
Irma Clark-Coleman .....	5th District
Burton Leland .....	6th District
Diane Webb.....	8th District
Shannon G. Price .....	10th District
Kevin McNamara.....	11th District
Richard LeBlanc *Joan Gebhardt .....	12th District
Raymond Basham .....	14th District
Joseph Palamara.....	15th District

*\*Term in Office expired December, 2012.*

## WAYNE COUNTY DIRECTORY

Office of the County Executive .....	(313) 224-0286	Probate Court .....	(313) 224-5706
Children & Family Services.....	(313) 833-3464	Prosecutor .....	(313) 224-5777
Circuit Court .....	(313) 224-5260	Victim Assistance.....	(313) 224-5800
Friend of the Court .....	(313) 224-5300	Vehicle Seizure.....	(313) 224-6688
Corporation Counsel.....	(313) 224-5030	Public Services (DPS).....	(313) 224-7373
County Clerk.....	(313) 224-6262	Report Road Hazards .....	(888) 762-3273
Birth & Death Records.....	(313) 224-6262	Parks.....	(734) 261-1990
CCW.....	(313) 224-5565	Register of Deeds.....	(313) 224-5854
Marriage Licenses .....	(313) 224-6262	Sheriff.....	(313) 224-2222
County Commission.....	(313) 224-2383	Inmate Information .....	(313) 224-2222
Economic Development Growth Engine .....	(313) 224-0410	Road Patrol.....	(734) 721-2222
Health and Human Services.....	(313) 224-0810	Jail Division I.....	(313) 224-0795
Public Health Department.....	(734) 727-7000	Jail Division II.....	(313) 224-2247
Library For The Blind.....	(734) 727-7300	Jail Division III .....	(313) 875-7000
Poison Control .....	(800) 222-1222	Technology.....	(313) 224-0354
Homeland Security & Emergency Mgt.....	(734) 942-5289	Treasurer .....	(313) 224-5990
Management and Budget .....	(313) 224-0420	Property Tax Information.....	(313) 224-5990
Personnel/Human Resources .....	(313) 224-5901	Senior Services.....	(734) 727-7373
Employment Verification .....	(313) 224-5901	Veteran Services.....	(313) 224-5045