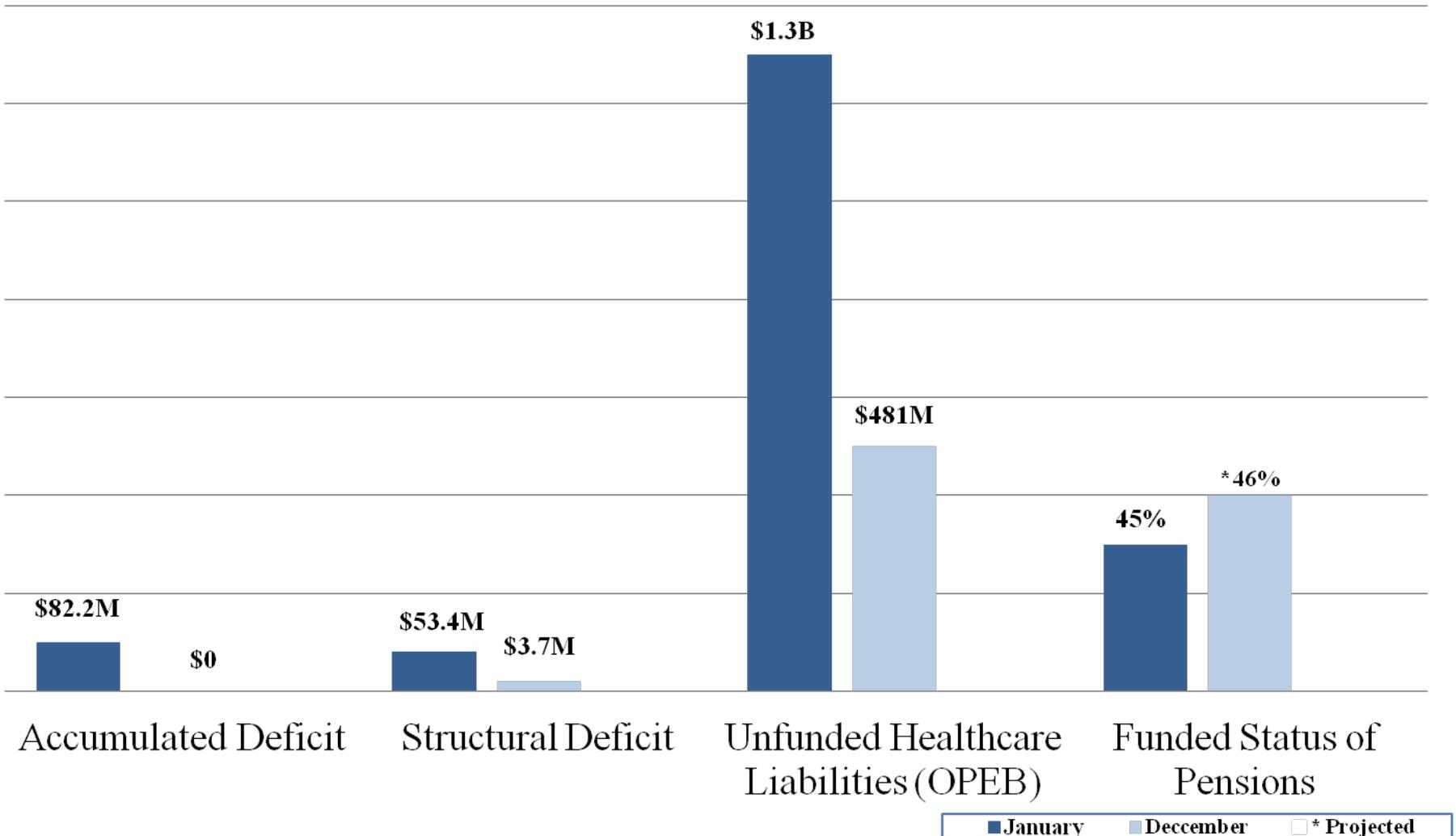




Wayne County Financial Review

1/1/15 to 12/31/15





2015 Operations and Department Efficiency Improvements

- Consolidation of departments and divisions to form the Department of Health, Veterans and Community Wellness (DHVCW)
- Centralization of DHVCW operations teams for finance, personnel and contract management and a “no wrong door” process for direct referrals between six DHVCW divisions was established
- Elimination of the top-heavy and ineffective Economic Development Growth Engine (EDGE)
- Consolidation of office space and closure of underutilized County buildings
- Reduction of Executive appointees by nearly 8% (from 144 to 133)

Future Projects to Improve Operations & Efficient Delivery of Service

- The reorganization of the deactivated Wayne County Land Bank Authority and introduction of new programming for the revamped authority
- Plans to solve the County’s jail situation and fund the underfunded pension system
- A revitalized approach to the distribution of Community Development Block Grant (CDBG) funds with a focus on community wellness
- New strategies to reduce security costs in the Circuit and Probate Courts as well as for jail medical and electronic monitoring
- A state of the art procurement system centered around strategic sourcing that is measured by key performance indicators designed to save the County millions
- Initiatives by the Department of Health, Veterans and Community Wellness (DHVCW) to provide direct client services at satellite locations within communities and expand primary care services through the County’s Federally qualified Health Centers
- Initiatives by the Department of Public Services: 13 Capital road improvement projects, ongoing parks programming, improving the County’s permitting process and aligning regulatory requirements with the needs of businesses



FOR IMMEDIATE RELEASE

December 2015

COUNTY EXECUTIVE WARREN C. EVANS REVIVES WAYNE COUNTY FINANCES

93% of Structural Deficit Eliminated, Accumulated Deficit Gone

Tough Decisions Lay Foundation for Wayne County to Thrive in Future

Evans Administration Paves Way for Sweeping Changes to Service Delivery

DETROIT – Wayne County’s financial health has significantly improved since January and the prognosis calls for a full recovery by the middle of 2016 because of Wayne County Executive Warren C. Evans’ sound decision making and decisive action toward implementing his Recovery Plan.

To date, the County’s unfunded healthcare liabilities have been reduced by almost \$1 billion. Future pension liabilities have been reduced by nearly \$126 million and the structural deficit has been reduced by 93%. Projections also show that the \$82.2 million accumulated deficit is eliminated, pending an independent audit.

2015 brought tremendous change to Wayne County as Executive Evans entered his new role, aligning actions with words. Recognizing that Wayne County’s success required more than a changing of the guard, Executive Evans began to reengineer the County to better serve each of its stakeholders. That process began with the most talked about and the most concerning obstacle facing the home of 43 communities; its finances. The Evans Administration has put the County’s finances on the right track, and did so while not losing sight of the importance of delivering quality services.

“Our actions this year have been swift and impactful,” said Executive Evans. “The substantial progress we have made, particularly regarding our finances, has been possible because of innovative ideas from my team, the cooperative relationship we have established with the County Commission and the support of other leaders across Wayne County. There is still plenty of work to be done, but our accomplishments of 2015 are the foundation we must build on over the next few years.”

Looking Ahead to 2016

Next year requires a focus on continuous and deliberate action toward adequately funding the underfunded pension system, solving the County's jail situation and several other programs or initiatives that include:

- The reorganization of the deactivated Wayne County Land Bank Authority and introduction of new programming for the revamped authority;
- A revitalized approach to the distribution of Community Development Block Grant (CDBG) funds with a focus on community wellness and strategic coordination;
- A state of the art procurement system centered around strategic sourcing that is measured by key performance indicators designed to save the County millions;
- Initiatives by the Department of Health, Veterans and Community Wellness (DHVCW) to provide direct client services at satellite locations within communities and expand primary care services through the County's Federally Qualified Health Centers; and
- Initiatives by the Department of Public Services to make improvements to the permitting process and align Wayne County's regulatory requirements with the needs of businesses.

The County's Financial Recovery

On day one, Executive Evans knew the County's finances were in bad shape, but the significant depth of the financial hole came after the County Executive enlisted credible third-party auditors to help assess the situation. The grim numbers would profoundly dictate the seriousness and speed for which change needed to happen.

"The results showed the hole was deeper than originally anticipated," said Deputy County Executive Richard Kaufman. "With CEO Evans leading the way, every executive appointee accepted a five-percent wage reduction, a spending freeze was implemented and we developed the Recovery Plan, which served as our roadmap to financial solvency."

With the structural deficit, significantly underfunded pension system, and long-term liabilities, the County was headed down a dangerous path of insolvency. If this continued, in just five years the accumulated deficit was projected to grow to \$171 million.

Using the Recovery Plan, the County made remarkable progress, which included: renegotiating contracts with care management organizations and the Wayne County Circuit Court, consolidating departments and settling the landmark MacDonald lawsuit. After about six months, the County realized \$23 million in savings, but even tougher decisions were required to eliminate the County's structural deficit.

"Good-faith negotiations on expired union contracts were already underway, and at this point we had 45 bargaining sessions and spent around 1,500 hours preparing, developing and negotiating agreements; but no end was in sight," said Tony Saunders, Wayne County's Chief Restructuring Officer. "Executive Evans next step was bold, deliberate, and in many circles unpopular. He made the tough decision that no one else would have made to get Wayne County into financial recovery."

On June 17, Executive Evans requested Governor Rick Snyder perform a financial review of Wayne County. Subsequent to the States' declaration of a financial emergency, the Wayne County Commission agreed a Consent Agreement was the best course of action. By September 17, Executive Evans and his team secured renegotiated Collective Bargaining Agreements with the majority of the County's unions that were approved by the Wayne County Commission on October 1, 2015.

"With the measures we have taken, 93% of the structural deficit is eliminated and I expect that by the middle of next year we will have managed our way out of this financial emergency," said Executive Evans. "Our efforts during this first year were dedicated to restoring fiscal stability and laying the foundation for the County to thrive for years to come."

Operational Efficiency Creates Stronger Service Delivery

Executive Evans' Recovery Plan was about more than balancing the books. It called for creating operational efficiencies - stating that the County must engage in continuous improvement of its operations, perform its mandated functions well and better serve its citizens.

Early in the year, Executive Evans assembled a team to investigate department operations and identify opportunities to improve efficiencies and enhance the quality and level of services delivered to County residents. The end product was an Executive Reorganization Plan, which was unanimously approved by the Wayne County Commission. The Plan called for the consolidation of departments and paved the way for sweeping changes in how the County provides services to its residents.

"For a while, government in Wayne County was broken, and unfortunately the status quo was the acceptable norm, but this year my team and I were on a mission to change the trajectory of County government one department at a time," said Executive Evans.

Two major components of the Reorganization Plan included consolidation of departments and divisions to form the Department of Health, Veterans and Community Wellness (DHVCW) and eliminate the top-heavy and ineffective Economic Development Growth Engine (EDGE) program.

The newly created Department of Health Veterans and Community Wellness generated immediate efficiencies. The operations teams for finance, personnel and contract management were centralized, underutilized buildings were closed and office space was consolidated, and a “no wrong door” process for direct referrals between six DHVCW divisions was established. This paved the way for sweeping enhancements in how the County provides health and human services to Wayne County residents. Results from 2015 include:

- 15% increase in the number of clients receiving Women, Infant, and Children’s (WIC) services.
- 200,000 new clients as a result of MSU Extension and Community Development programs being brought into the Wellness Division. A leaner juvenile correctional care system that reduced the cost of caring for young offenders by \$3 million dollars while maintaining an outcome based standards of care.
- A new federally qualified health center at the health department in Wayne to open its doors in January, serving more than 112,000 residents in underserved, high needs and low income communities.

“The achievements made this year in program delivery and strategic planning exceeded our expectations,” said Genelle Allen, the Assistant Wayne County Executive who oversees the activities of the DHVCW. “The New Year will bring a continued focus on improving department operations along with new and improved initiatives to better serve our Wayne County communities.”

Economic Development Done Differently

The Executive Reorganization Plan also created a pathway to generate real economic development. Executive Evans and his team set out to change the paradigm of how Wayne County approaches economic development with its 43 communities.

“Economic development prior to the Evans’ Administration relied heavily on big-ticket projects that generated plenty of headlines, but yielded very few results,” said June Lee, the Assistant County Executive who oversees economic development activities. “We realize that good government begins with listening to and hearing the needs of our communities. This is why we have elected to engage our cities and townships to fully understand their economic development goals.”

In an effort to pick up the pieces of the previous administration's failed deals and help communities achieve their economic development goals in 2015, Executive Evans and his team provided support to several projects that included:

- In June 2015, the Wayne County Economic Development Corporation negotiated a Purchase agreement with Paul's Real Estate Investment, LLC to purchase more than 200 acres of County-owned land located in Huron Township, which will be developed into a warehouse distribution center, office space, restaurants, lodging, and retail options. The sale netted the County more than \$3 million.
- The more lean and efficient Brownfield Redevelopment Authority approved 16 new projects in communities such as Romulus, Detroit, and Highland Park. Collectively, these projects will reduce blight, create approximately 225 temporary jobs and more than 160 permanent jobs, return businesses to the tax rolls, and spur other development in the community.
- Avenue of Fashion Business District Lighting Project - Executive Evans provided a \$106,000 grant from the Wayne County Economic Development Corp. to the Avenue of Fashion Business Association and University Commons to install 160 LED lights along the front and rear of businesses and in parking lots located on Livernois in northwest Detroit. The new lights provide a safe and enjoyable environment.

Prioritizing Public Safety

As a former prosecutor and sheriff, Executive Evans holds a strong belief that public safety is a quality of life issue for any community. During campaign stops, he vowed to find resources beyond the General Fund to help appropriately fund Wayne County's law enforcement agencies. Executive Evans has taken his commitment further by forging unprecedented working relationships with Prosecutor Kym Worthy and Sheriff Benny Napoleon.

Earlier this year, Sheriff Napoleon praised the Evans Administration for creating a collaborative working relationship with his office, which he viewed as a welcome relief after years of financial squabbles with the previous Administration.

"This year, for the first time in my memory, the County Executive and his team worked with us to establish a realistic budget, one that actually recognizes the true costs of inmate incarceration and the necessity of duties which my staff must perform," Sheriff Napoleon said in July.

By working together and without sacrificing services the County Executive and Sheriff were able to reduce the Sheriff Department budget by \$12.5 million in 2016, through legacy cost savings and management improvements.

As Executive Evans was working on the 2015-2016 budget, the Prosecutor offered her support by stating, “I am confident that the CEO and I will continue to work collaboratively to bring my office where it needs to be to be able to deliver justice in a more timely, efficient, and just way.”

Just five months later, Executive Evans stepped-up his support of Prosecutor Worthy by allocating \$1 million more dollars to the prosecutor’s budget to fund the investigation of backlogged rape kits. He also provided 5,000 square feet of office space in the Guardian Building to house investigators, prosecutors and other sexual assault kit task force members.

Prosecutor Worthy stated during the announcement that the funding and office space committed by Executive Evans, “...shows, in a very tangible and significant way, that the victims whose rape kits were abandoned, do matter...”

Linking Communities with Parks and Roads

Two primary responsibilities of Wayne County government are to maintain 739 center lane miles of primary roads and other infrastructure for motorists and to provide children and families with fun and educational recreation programs at safe and clean parks.

In 2015, the Wayne County Parks system hosted 515 activities and programs across the 40 parks and facilities it operates. As of December 1, it is estimated that more than 200,000 Wayne County residents and visitors participated in events and activities hosted by the Parks Division.

“Wayne County is home to beautiful, well maintained parks that are available year-round to anyone who would like to enjoy them,” said Executive Evans. “My Administration is committed to maintaining the parks and enhancing the experience for visitors. As the renewal of the Wayne County Parks Millage approaches next year we hope residents agree with us that our parks and recreational programs are assets worth the investment.”

As state and federal funding for roads were stretched thin this year, Executive Evans and his team from the Department of Public Services (DPS), worked closely with local communities to prioritize road repair and maintenance projects.

In 2015, the County’s DPS repaired 222,633 pot holes using 6,679 tons of cold patch and made 42.4 lane miles of capital improvements across 15 different Wayne County communities: Hamtramck, Brownstown Township, Dearborn Heights, Detroit, Dearborn, Southgate, Taylor, Belleville, Van Buren Township, Canton, Plymouth Township, Canton Township, Trenton, Livonia and Redford Township.

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