

THOMAS L. HICKNER
BAY COUNTY EXECUTIVE



September 30, 2015

Ms. Cindy Luczak
Bay County Clerk
515 Center Avenue
Bay City, MI 48708

Dear Cindy:

I am in receipt of your September 22, 2015, Service Enhancement Request (“SER”) from your office requesting a part-time contractual employee to perform CPL services/duties. You indicate that you have determined a need for this position “[b]y [p]assage of Senate Bill 34 which allowed funds directly to Co. Clerks.” As you know, I must submit the proposed 2016 budget to the full Board no later than October 1, 2015. I received your SER on September 23rd, approximately one week before the proposed budget is due to the Board.

As you are probably aware, MCL 28.425x did mandate funds be earmarked for use by the County Clerk for CPL purposes, but this means that the CPL fees previously paid to the County’s General Fund are no longer being deposited into that account. In other words, these monies are a credit to the new CPL fund, and a debit to the General Fund, which is used to supplement your budget to provide a serviceable level of funding for the Clerk’s Office’s mandated duties, which include the processing of CPL applications. Therefore, there is no net increase in the amount of money available. The loss of revenue to the General Fund will be offset by the increase in CPL fund. As reflected in the County CPL Fiscal Data survey conducted by the Michigan State Police for 07/01/12 – 06/30/13, you reported that there was a net loss of approximately \$5.77 per CPL application processed, which means the County’s General Fund has been supplementing your budget to cover that loss.

I would suggest instead that you fill out another SERVICE ENHANCEMENT PROPOSAL with a request for a permanent part-time person (up to 29 hours per week) to be an *addition* to your current 101215 staff. This person’s position would not be dependent on the amount of monies collected in the new CPL fund. Funds allocated to CPL work could be transferred back into the General Fund or the employee’s time could be allocated through the payroll process. As you know, a contractual employee for this service is not an option because of our obligations under the collective bargaining agreement with the USW, which does not allow contracting of work previously performed by the bargaining unit.

515 Center Avenue, Suite 402, Bay City, MI 48708-5125 (989) 895-4130

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I will be supportive of such a proposal if in fact you set forth the business necessity for such a position in light of the fact that your full time staff (which is partially funded by CPL fees) already provides the services for which you are requesting an extra part time employee. Because the new CPL statute did not increase the amount of money available for CPL processing, but rather made a simple accounting change, the way your current enhancement request is worded would require me to replace an existing employee and related expenses with this new contractual employee, and I do not believe this was your intent – I am reading your enhancement request as one for *additional* employees, not just a restructuring of your budget.

If you need assistance in filling out the new SEP, I will make a member of the Finance Department available to assist you. Included in that new SEP should be actual data that reflects why you need additional assistance in processing these permits – for instance, name specific extra duties the Clerk's office will be taking on as a result of change in the CPL laws (effective December 1) that it is not already doing. Also, any supporting data reflecting an increase in CPL licenses, backlog, time of response in supplying licenses, etc., would be very helpful in order for me to make a recommendation on your request.

As it is unlikely that you will be able to provide the documentation to me before I must submit the recommended budget tomorrow, I have directed the Finance Department to mark your request as "Under Consideration" and the proposed budget can be amended as necessary after you provide the necessary information and Bob Redmond (on behalf of the Board) and I have a chance to review it. Please let me know how you would like to proceed and how I can be of further assistance to you on this SER.

Sincerely,



TOM HICKNER

Bay County Executive

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