



BOARD OF COMMISSIONERS

1 S. Main St., 9th Floor
Mount Clemens, Michigan 48043
586.469.5125 ~ Fax: 586.469.5993
www.macombBOC.com

JUSTICE AND PUBLIC SAFETY COMMITTEE

TUESDAY, JULY 22, 2014

FINAL AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Adoption of Agenda
4. Approval of Minutes dated June 3, 2014 **(previously distributed)**
5. Public Participation (five minutes maximum per speaker, or longer at the discretion of the Chairperson related only to issues contained on the agenda)
6. Annual Accounting for Macomb County 9-1-1 Service District (page 1) **(attached)**
7. Department Budget Review - Sheriff
8. Department Budget Review - Prosecutor
9. Department Budget Review - Juvenile Justice Center
10. Department Budget Review - Emergency Management/Homeland Security Grants
 - a) Response to RFI 05-21-14 JPS COMTEC Info for 07-22-14 Meeting EM **(attached)**
(page 10)

MACOMB COUNTY BOARD OF COMMISSIONERS

David J. Flynn – Board Chair
District 4

Kathy Tocco – Vice Chair
District 11

Mike Boyle – Sergeant-At-Arms
District 10

Toni Mocerì – District 1
Don Brown – District 7

Marvin Sauger – District 2
Kathy Vosburg – District 8

Veronica Klinefelt – District 3
Fred Miller – District 9

Robert Mijac - District 5
Bob Smith – District 12

James Carabelli – District 6
Joe Sabatini – District 13

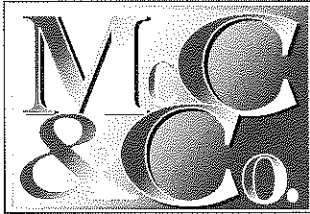
11. New Business
12. Public Participation (five minutes maximum per speaker or longer at the discretion of the Chairperson)
13. Adjournment

*To review the 2015 recommended budget, click on link below:

<http://www.macombgov.org/finance/pdf/2015%20BUDGET/2015%20FULL%20RECOMMEND%20BUDGET%207-1-14.pdf>

A copy is also available in the Board Library for review purposes only.

MEMBERS: Vosburg-Chair, Smith-Vice-Chair, Boyle, Brown, Sabatini, Sauger, Tocco and Flynn (ex-officio)



McCartney & Company, P.C.

Certified Public Accountants

2121 University Park Drive,
Suite 150 • Okemos, Michigan 48864
Telephone (517) 347-5000
Fax (517) 347-5007

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Jeffery A. Irwin, CPA
Edward B. Rebman, CPA
Susan J. Schanski, CPA

June 13, 2014

Chairperson
Macomb County Board of Commissioners
40 N. Main
Mt. Clemens, MI 48043

Dear Sir or Madam:

You will find enclosed an annual accounting for the Macomb County 9-1-1 Service District. Section 405 of Senate Bill No. 303 of 1986 requires that telephone service providers of each service district prepare an annual accounting of the 9-1-1 technical (network) revenues and expenses.

We have been retained by the service providers listed on the attached statement to compile this information. This report provides your district's information for each listed provider of 9-1-1 service in your district. The over (under) collection amount may result in a change in the 9-1-1 technical rate. Rate changes are generally done annually in May to be effective July 1.

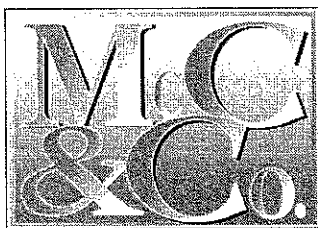
If you have any questions regarding the information, please contact our office.

Very truly yours,

Edward B. Rebman

EBR:kp
Enclosures
cc: 911 coordinator

MACOMB COUNTY
E911 Technical Surcharge Pool
Financial Statements
December 31, 2013 and 2012



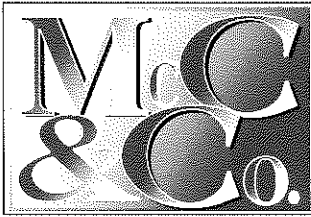
McCartney & Company, P.C.
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Okemos, Michigan

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Accountant's Compilation Report

Telephone Service Suppliers
Macomb County E911 Technical Surcharge Pool
Okemos, MI

We have compiled the accompanying statements of trust assets and liabilities of the Macomb County E911 Technical Surcharge Pool (an association) as of December 31, 2013 and 2012, and the related statements of trust receipts and expenditures and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Telephone Service Suppliers are responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the Telephone Service Suppliers in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to the Macomb County E911 Technical Surcharge Pool.

McCartney & Company, P.C.

June 3, 2014

Macomb County E911 Technical Surcharge Pool
 (An Association)
 Statements of Trust Assets and Liabilities
As of December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Current Assets		
Equity in Common Funds	\$ 58,690	\$ 0
Accounts Receivable - Service Suppliers	<u>73,416</u>	<u>99,984</u>
Total Current Assets	<u>\$ 132,106</u>	<u>\$ 99,984</u>
Current Liabilities		
Deficiency in Common Funds	\$ 0	\$ 3,233
Accounts Payable - Service Suppliers Service Users	<u>25,625</u> <u>106,481</u>	<u>25,547</u> <u>71,204</u>
Total Current Liabilities	<u>\$ 132,106</u>	<u>\$ 99,984</u>

See accountant's report and notes to the financial statements.

Macomb County E911 Technical Surcharge Pool
 (An Association)
 Statements of Trust Receipts and Expenditures
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Receipts - Technical Surcharges	\$ 518,264	\$ 553,855
Expenditures - Provision of Service	<u>482,987</u>	<u>507,385</u>
Surplus of Receipts Over Expenditures	35,277	46,470
Accounts Payable - Service Users, Beginning of Year	<u>71,204</u>	<u>24,734</u>
Accounts Payable - Service Users, End of Year	\$ <u><u>106,481</u></u>	\$ <u><u>71,204</u></u>

See accountant's report and notes to the financial statements.

Macomb County E911 Technical Surcharge Pool
 (An Association)
 Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Accounts Receivable	\$ 26,568	\$ (39,705)
Accounts Payable	<u>35,355</u>	<u>46,755</u>
Net Cash Flows Provided by Operating Activities	<u>61,923</u>	<u>7,050</u>
Increase in Common Funds	61,923	7,050
Deficiency in Common Funds, Beginning of Year	<u>(3,233)</u>	<u>(10,283)</u>
Equity (Deficiency) in Common Funds, End of Year	<u>\$ 58,690</u>	<u>\$ (3,233)</u>

See accountant's report and notes to the financial statements.

Macomb County E911 Technical Surcharge Pool
(An Association)

Notes to Financial Statements

Note 1 - Nature of Activities

The Macomb County E911 Technical Surcharge Pool (Pool) is an unincorporated association of suppliers of emergency (911) telephone service within Macomb County, in the State of Michigan. It was formed to provide for the settlement of costs between suppliers as required by Public Act 32 (P.A. 32) of 1986, as amended.

The service suppliers for this Pool are AT&T, Comcast, Verizon North, Inc., Matrix Telecom, and TelNet Worldwide. In accordance with P.A. 32, these suppliers are entitled to recovery of costs as defined by the statute. In addition, the statute requires uniform billing on a geographic basis. Each supplier reports its billings and costs. These amounts are then pooled and settlements for over or under collections are made.

Note 2 - Significant Accounting Policies

Basis of Accounting: These financial statements are prepared on the accrual basis of accounting. Receipts are recorded when billed and expenditures are recorded based upon the provisions of tariffs filed with the Michigan Public Service Commission.

Trust Funds: All funds within the Pool are held in trust solely for the service suppliers. Since the statute mandates cost recoveries, there is no income, loss or corresponding fund balance. Due to the nature of the Pool, taxes on income are not applicable. Accordingly, these financial statements do not reflect a provision for income taxes and the Pool has no other tax positions which must be considered for disclosure. Management has evaluated income tax positions taken or expected to be taken, if any, and the likelihood that upon examination by relevant jurisdictions, those income tax positions would be sustained. Based on the results of this evaluation, management determined there are no positions that necessitated disclosures and/or adjustments.

Accounts Receivable or Payable - Service Users: These amounts represent future billings or refunds to adjust for the over or under collection of telephone surcharges from the service users. These adjustments are normally made on an annual basis. Accounts receivable are carried at their estimated collectible amounts and do not bear interest.

Accounts Receivable or Payable - Service Suppliers: These amounts represent the corresponding contra asset or liability to the Accounts Receivable or Payable - Service Users and are amounts due to or from the service suppliers. Accounts receivable are carried at their estimated collectible amounts and do not bear interest.

Equity or Deficiency in Common Funds: The service suppliers utilize a common bank account for the seventy-nine service districts within the State of Michigan. Equity or Deficiency in Common Funds represents the Pool's cash and cash equivalents or advances from this bank account. Cash and cash equivalents consist of cash on deposit and short-term investments with maturities of three months or less. Interest earnings, generally immaterial, are credited to the various pools to reduce reported costs.

Technical Surcharges: Technical surcharges represent the monthly billings by the telephone service suppliers. These amounts are determined in accordance with the provisions of P.A. 32 and are subject to maximum caps as stipulated by that statute.

Macomb County E911 Technical Surcharge Pool
(An Association)

Notes to Financial Statements

Note 2 - Continued

Expenditures: Expenditures represent the costs of providing the emergency telephone network, switching, billing and collection and similar amounts.

Bad Debts: No provision for bad debt expense or allowance for uncollectible amounts is deemed necessary. Management writes off receivables as they are determined to be uncollectible based upon a periodic review of the accounts. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the suppliers to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 - Surcharge Rates

P.A. 32 permits the recovery of both recurring and nonrecurring charges. Recurring charges are defined as the amounts necessary for the ongoing operation of the system. Nonrecurring charges are for the initial setup and non-operational installation of trunks, circuits and similar items. Depending on the date of commencement of service, the nonrecurring charges are subject to various amortization rates and periods of up to ten years. At December 31, the Macomb County billed access-facility monthly rates were:

	2013	2012
Recurring	\$ 0.21	\$ 0.24
Nonrecurring	0.00	0.00
Total	\$ 0.21	\$ 0.24

The rates are not expected to change in 2014.

Note 4 - Fair Value of Financial Instruments

The fair value of short-term financial instruments, including accounts receivable and accounts payable, approximates the carrying amount due to the short maturity of these instruments.

Note 5 - Subsequent Events

The date to which events occurring after December 31, 2013 have been evaluated for possible adjustment to the financial statements or disclosure is June 3, 2014, which is the date on which the financial statements were available to be issued.



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May 21, 2014

TO: Office of the County Executive
 FROM: Dave Flynn, Board Chair *DF*
 RE: RFI 05-21-14 JPS COMTEC Info for 07-22-14 meeting EM

JPS Committee Chair Kathy Vosburg requests the following information, which is in addition to the normal budget review information for the JPS Committee meeting at 9am on Tuesday, July 22, 2014.

(1) Construction: Update on construction related activities for COMTEC. Please include any subcontractors that may still be working on punch lists, last minute construction activities and delays.

(2) Dispatch Operations: Update on moving all dispatch operations to COMTEC. Please include progress-to-date, hard completion dates, outstanding activities and contractor/vendor delays.

(3) Road Monitoring Operations: Update on whether road monitoring is fully operational in COMTEC. Please include such items as progress-to-date, hard completion dates, outstanding activities, and contractor/ vendor delays.

(4) Positions: How many new positions (full- and part-time) are anticipated for COMTEC operations? Have these been anticipated in previous budget cycles; are any additional anticipated for FY 2015-17? Commissioners learned at the May 14, 2014, Finance Committee meeting that a new Director of Traffic Operations for the Department of Roads will assume some responsibilities pertaining to COMTEC operations.

Thank you for your attention to this matter; we look forward to confirmation that the request will be honored. If available, the information should be submitted by July 15, 2014.

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