

2020 Annual Report

Eaton County Treasurer



April 2021

Robert A. Robinson, ACPFIM

TREASURER

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Bob Robinson, ACPFIM

Eaton County Treasurer

First Vice President, Michigan Association of County Treasurers

Thank you for allowing me to serve as Eaton County Treasurer.

As Eaton County's Foreclosing Governmental Unit, I am committed to doing everything I can to keep families in their homes and business owners in their properties during this difficult time. As First Vice President of the Michigan Association of County Treasurers (MACT), I have also worked with MACT and the Michigan Legislature to protect property rights, including the passage of new laws to assure that property owners do not lose the equity in their homes when they are tax foreclosed. Beginning in 2021, the Eaton County Treasurer's Office will pay leftover revenue from homes sold at tax auction back to parties of interest in the property.

In 2020, due to the COVID-19 emergency, I commuted foreclosure on all owner-occupied residential and business properties. Because of eviction moratoriums from both the state and federal government, rental property foreclosures were also postponed. This has given those facing the devastation of tax foreclosure more time to deal with financial hardships that have resulted from the COVID-19 emergency. Only one (1) unsafe and derelict property was foreclosed in 2020.

Since taking office in 2012, the treasurer's office has increased investment returns significantly. The interest rate plummet in 2020, however, has had a negative impact on investment returns. Swift action was taken to assure that county financial resources are kept safe, liquid, and earning as much return as possible. County cash flow will be monitored carefully in the months ahead to determine the long-term impact of lower interest returns and the outcome of the COVID-19 emergency on county resources.

Nonetheless, in 2020 the Eaton County credit rating with Standard & Poor's was upgraded from AA- to AA. Overall county debt ratios remain low. I stand prepared to work hard with the Eaton County Commission and County Administration to deal with the difficult times that we may face in the coming months.

Sincerely yours in Service,

A handwritten signature in blue ink, appearing to be 'Bob Robinson', written in a cursive style.

County of Eaton

Office of the Treasurer

2020 Annual Report

Overview

The treasurer's office works to improve access to information, reduce debt and costs, streamline business processes, and increase revenue for Eaton County. This report presents the results of the daily work conducted in the treasurer's office to achieve those objectives.

Mission

To administer all responsibilities and duties professionally, efficiently, cost effectively and without waste through sound management and best practices that serve the best interests of the citizens of Eaton County.

Core Values: C.A.I.R.

Cooperation

The Eaton County treasurer's office will encourage cooperation between all Eaton County governmental departments, local units of government, and the taxpaying public.

Accountability

The Eaton County treasurer's office will work to assure full accountability, transparency, and dependability in running efficient and cost-effective operations at all times.

Integrity

The Eaton County treasurer's office will adhere to the highest standards of ethics and trustworthiness in handling all its affairs.

Respect

The Eaton County Treasurer's office will treat all others with the utmost respect, kindness, and dignity.

Duties Completed by the Treasurer

Delinquent tax collection

Real property foreclosure

- Hold Show Cause Hearing for properties in foreclosure
- Post properties held in property tax forfeiture
- Notify all parties of interest on tax forfeited properties
- Hold two foreclosed real property tax auctions on foreclosed properties
- Support foreclosure prevention and financial literacy

Maintain tax roll for Eaton County

- Make refunds of all Board of Review adjustments
- Make refunds on all Tax Tribunal adjustments

Tax certification of deeds

Execute tax settlement with all taxing units in Eaton County

- Oversee the calculation of borrowing for tax notes for annual settlement

Depository for all county departments

Record revenue for county government

Financial disbursements to all county departments and facilities

Manage and reconcile bank accounts for the County's General Fund and County Facilities

Manage all county investments

- Produce quarterly investment reports for Board of Commissioners and public

Disburse State Educational Taxes to school districts

Manage Eaton County library disbursements from state penal fines

Sell Eaton County dog licenses and maintain database of all dog owners

Manage Drain Commission accounts

Manage the Delinquent Tax Revolving Fund

Manage bond issues for Eaton County

Serve as Chairperson for the Eaton County Building Authority

Serve as Chairperson for the Eaton County PACE District

Supervise and manage treasurer's office staff

Serve as liaison to the county controller's office and Board of Commissioners

Major Accomplishments in 2020

Communications and Outreach to Constituents

The treasurer's office focused on communications with the public and local units of government in 2020. These initiatives included:

- **Foreclosure Prevention Initiative**
 - Commuted all owner-occupied tax foreclosures due to financial hardship created by the COVID-19 state of emergency
 - Held a Pre-Hearing Service Day for those facing tax foreclosure
 - Organized through Zoom, Capital Area Community Services brought in Eaton County Veteran Services, Tri-County Office on Aging, Volunteer Income Tax Assistance (United Way), Case Credit Union, and Mid Michigan Housing Services to help those facing foreclosure find assistance for getting paid up on delinquent taxes.
 - Included printed mail inserts provided by Capital Area Community Services to all delinquent tax bills sent in Eaton County to put those having tax problems in touch with help getting taxes paid.
 - Sent press releases to media county wide informing citizens of the opportunity to attend the Pre-Hearing day to seek advice and assistance with delinquent taxes.
 - Updated the "Guide to Tax Foreclosure" to keep Eaton County citizens aware of the tax foreclosure process and legislation affecting how the process operates.

Paperless office operations

The Eaton County Treasurer's office continues to reduce the cost of government operations by pursuing paperless operations, which increases levels of service to county citizens.

Technology upgrades and management

The COVID-19 emergency has forced changes in the work environment for county government and staff. Technology in the treasurer's office has been upgraded to improve working capabilities in the event of governmental emergencies. Security protocols for treasurer technology has been tightened to assure the utmost in secure financial operations.

The office is currently researching e-notice and kiosk payment alternatives to tax bills to further reduce the cost of tax collections. This could reduce costs by \$10,000 or more annually.

New dog license website, email notices, and reminder cards

- Created a new dog license website to further simplify the purchase of dog licenses for one and three-year dog licenses.
- Improved dog license efficiency by condensing all dog license sales through the Eaton County treasurer's office, and select outlets such as local veterinarian offices and the Eaton County Humane Society.
- Offered amnesty on all 2019 dog licenses to help pet owners transition to the new dog licensing system based on the pet's rabies vaccination dates rather than a calendar year renewal.
- Created a new flyer to inform Eaton County citizens about the new 3-year dog licenses and new renewal dates for dog licenses.
- Sent email reminders to pet owners reminding them of their renewal dates for dog licenses.
- Advertised new dog license rates, 3-year licenses, and new renewal dates in countywide publications and on Facebook.

Evaluated all county investments

The treasurer is the custodian of all county accounts and investment manager for the county. Interest rates reduced drastically in 2020. The Fed has further committed to keeping rates close to 0% throughout 2021. This has reduced revenue among respective Eaton County departments by more than \$700,000 since 2019. An investment evaluation was completed to safely maximize the return on county investments and reduce banking costs. Investments were reallocated into safe accounts in order to minimize interest risk, maximize rates of return, and reduce banking costs.

Safety, liquidity, and rate of return continue to be the top priorities for Eaton County investments.

Staff Training

The treasurer's office works to continually improve technology and training to maintain a high level of efficiency in all operations. Staff training in 2020 included:

- Training for the foreclosure specialist on Land Banks through the Michigan Association of Land Banks.
- Commercial drone pilot license training for use of a drone in conducting large property site inspections on tax forfeited property.
- Training for all staff on the new foreclosure legislation to enable foreclosed property owners to make claim for gainful revenue made at the Eaton County tax auction sale.
- Zoom training for treasurer and chief deputy treasurer was completed with the Michigan Association of County Treasurers virtual conference in August of 2020.

- Cross training for staff on settlement and drain accounts

Unfortunately, due to COVID-19, quarterly meetings of the Treasurers of Eaton County Networking Group, best practices exchange have been temporarily suspended. Selective training and cross training will continue to assure the treasurer's office maintains maximum levels of efficiency and security in the months and years ahead.

Participation in the Michigan Association of County Treasurers (MACT)

The treasurer and chief deputy treasurer participate in training and professional development conferences with the Michigan Association of County Treasurers. MACT is an organization of county treasurers that promotes the education of county treasurers, assists with the enactment of legislation, shares solutions to problems through networking, and works to protect the interest of taxpayers throughout the state. Treasurer Bob Robinson was elected 1st Vice President to the Board of Directors for the statewide association in 2020. Bob will rotate through all five (5) of the organization's officer positions and serve as president in 2022.

Participation with the MACT Board of Directors and its Legislative and Communications Committees has given the Eaton County Treasurer direct participation on important legislative matters affecting taxpayer concerns throughout the State. MACT continues to be engaged in seeking ways to improve tax foreclosure law to better serve all taxpayers.

Foreclosing Governmental Unit (FGU) - Foreclosure

A significant number of changes were made to Michigan's tax foreclosure law in 2020/2021. Chief among them was legislation that allows the previous owners of tax foreclosed property to file a claim to equity in the property if it sells at the property tax auction for more than the tax lien due on the property. Previously, county treasurers were required to place leftover funds generated at tax auctions into a restricted foreclosure fund that could only be used to manage foreclosures. After two years those funds could be transferred to a county's General Fund. Eaton County, however, has never profited from tax foreclosures and has never transferred foreclosure funds to the county's General Fund operations.

Under new foreclosure law, beginning in 2021, leftover auction revenue can be claimed by those who held an interest in the property before it foreclosed. This includes mortgage holders, mortgagees, land contract holders, and others who may have held a lien on the property. These parties of interest will have until July 1 in the year of the foreclosure to claim their interest in auction proceeds. All claims for proceeds will then be forwarded to the circuit court judge who ordered the foreclosure. The circuit court judge will then issue a court order to the treasurer's office after determination of how the auction proceeds should be disbursed. The county treasurer will have thirty (30) days from the date of foreclosure to disburse funds as ordered. By law, the treasurer's office will be paid five (5) percent of sale proceeds for conducting foreclosure and tax sale activities.

Fee revenues from the foreclosure process will be deposited into the Eaton County treasurer's Foreclosure Fund. These funds will be used to manage foreclosed properties for the public safety and welfare. Expenses on foreclosed properties includes inspection, boarding and securing the property for public safety, lawn maintenance, snow removal, and maintenance of structures on the property.

The treasurer's office completed its fifth year as Foreclosing Governmental Unit (FGU) for tax delinquent properties in Eaton County, and held its fourth tax foreclosed property auctions, one in September and another in October, 2019. The Treasurer cancelled foreclosure on all owner-occupied properties in 2020 because of the COVID-19 crises. Only one (1) unsafe property was foreclosed. It did not successfully sell at auction but was eventually sold and will be placed on the active tax roll again in 2021.

County control of tax foreclosures has produced positive results for tax delinquent property owners, local units of government, the treasurer's office, and Eaton County government.

Statistics for the 2019 tax foreclosure year are below.

- **Accepted 341 property forfeitures into the treasurer's office in March of 2020.**
- **Drastic foreclosure prevention measures due to COVID-19.** Because of the state of emergency, the treasurer commuted all foreclosures on owner-occupied residential structures, all rental properties (to comply with state and national moratoriums on eviction), and business properties that provided a source of primary income for its owner in 2020. Twenty-seven (27) property foreclosures were postponed for one (1) year. The only tax foreclosures that proceeded in 2020 were on properties that posed a threat to public safety and welfare. Only one (1) property was foreclosed in 2020 as a result.
- **Worked with Capital Area Community Services on extensive foreclosure prevention initiatives.** Capital Area Community Services in Lansing provided free foreclosure prevention counseling to delinquent taxpayers to help them qualify for a variety of assistance programs for the payment of back taxes. A Day of Service was held via Zoom to help those facing tax foreclosure connect with available service agencies for possible assistance including: Eaton County Veterans Services, Capital Area Commission on Aging, Housing Services of Mid Michigan, Legal Services of South-Central Michigan, and Chase Credit Union (for low interest loans).
- **Facilitated the sale of one (1) tax reverted property.** One neglected property was foreclosed in 2020, located in Oneida Township. Because of the severe condition of the property, it did not sell at either property tax auction. The treasurer negotiated the sale of the property to an adjacent property owner who has entered into an agreement to rehabilitate the property with Oneida Township and the Eaton County Treasurer. The property will be combined with an existing farm parcel, a positive outcome for surrounding parcel owners, Oneida Township, and Eaton County.

Progress Toward Reduced Borrowing

The county treasurer purchases delinquent taxes from local units of government in March of each year. This allows local taxing units including schools, cities, villages, libraries, ISDs, Road Commission, and EATRAN to operate unimpeded by delinquent tax debt. The ongoing collection of delinquent taxes then becomes the responsibility of the county treasurer. More than \$5,104,501 of delinquent taxes were returned to the treasurer's office in 2020. In 2011 the treasurer's office borrowed \$4,400,000 to complete settlement, paying the loan back from collected delinquent taxes. Since 2012, the treasurer has worked to reduce the amounts borrowed each year. In 2020, the treasurer's office borrowed \$3,298,500. Because of the unpredictability of county cash flow and tax collections during the COVID-19 emergency, this was a \$500,000 increase from 2019 borrowing to hedge for the possibility of emergency cash flow needs. The long-term objective of the treasurer is still to reduce annual borrowing to \$0 by 2023, so that the county can facilitate settlement with local units debt free.

The Eaton County Land Bank Authority

As an economic development tool, the Land Bank will work to return vacant, abandoned, and tax-foreclosed properties that do not sell at the property tax auctions to an active use so they can go back on the county's tax roll.

- Received one buildable property in Charlotte that did not sell at property tax auction. This property is currently for sale by the Land Bank, and is a buildable lot within the city limits of Charlotte.

Working Every Day for Continuous Improvement

Work in the treasurer's office to improve efficiency and will continue. Major initiatives include:

- Reduce borrowing for tax notes until the County is self-funded.
- Increase the County's credit rating with Standard and Poor's to AA+ from AA by 2023.
- Increase dog licensing online to 60 percent of all dog license sales by the end of 2022.
- Continued collaboration with nonprofit organizations for greater access to foreclosure prevention throughout all of Eaton County.
- Continued networking with city, village, and townships for the exchange of best practices and the consolidation of resources and services whenever feasible.
- Continue work on legislative improvements to the General Property Tax Act through work with the MACT Legislative Committee.

Annual Budget

2019/2020 Fiscal Year Budget

The treasurer's office operated on a budget of \$548,552.78 in 2020. Personnel and benefits comprised the largest amount of the treasurer's budget totaling \$445,712.17. Action has been taken to adjust the treasurer's budget and revenues to compensate for the reduced investment earnings so that budget amounts remain sustainable. The office operates on a staff of five (5), six (6) including the treasurer.

The following pages are a detailed report of the treasurer's budget for the 2019/2020 fiscal year.

Eaton County

Budget Worksheet Report

Budget Year 2021

Account	Account Description	2020 Adopted Budget	2020 Actual Amount
Department	Licenses and Permits		
Sub-Department	Treasurer		
	<i>Licenses And Permits</i>		
	Dog Licenses	45,000.00	160,619.05
	<i>Licenses And Permits Totals</i>	<u>\$45,000.00</u>	<u>\$160,619.05</u>
Sub-Department	Treasurer Totals	<u>\$45,000.00</u>	<u>\$160,619.05</u>
Department	Licenses and Permits Totals	<u>\$45,000.00</u>	<u>\$160,619.05</u>
Department	- Charge For Services		
Sub-Department	Treasurer		
	<i>Charges For Services</i>		
	Department Fees	11,000.00	13,210.00
	<i>Charges For Services Totals</i>	<u>\$11,000.00</u>	<u>\$13,210.00</u>
Sub-Department	Treasurer Totals	<u>\$11,000.00</u>	<u>\$13,210.00</u>
Department	- Charge For Services Totals	<u>\$11,000.00</u>	<u>\$13,210.00</u>
Department	Interest & Rentals		
Sub-Department	Treasurer		
	<i>Interest And Rents</i>		
	Interest & Dividends	250,000.00	79,196.96
	<i>Interest And Rents Totals</i>	<u>\$250,000.00</u>	<u>\$79,196.96</u>
Sub-Department	Treasurer Totals	<u>\$250,000.00</u>	<u>\$79,196.96</u>
Department	Interest & Rentals Totals	<u>\$250,000.00</u>	<u>\$79,196.96</u>
Department	Other Revenue		
Sub-Department	- Treasurer		
	<i>Other Revenue</i>		
	Cash Over and Short	.00	25.00
	Cash Over and Short NSF Checks	.00	775.00
	<i>Other Revenue Totals</i>	<u>\$0.00</u>	<u>\$800.00</u>
Sub-Department	Treasurer Totals	<u>\$0.00</u>	<u>\$800.00</u>
Department	Revenue Totals	<u>\$0.00</u>	<u>\$800.00</u>
	REVENUE TOTALS	<u>\$306,000.00</u>	<u>\$253,826.01</u>
EXPENSE			
Department	- Treasurer		
Sub-Department			
	<i>Personnel - Wages</i>		
	Salaries - Supervisory	81,048.00	80,821.20
	Salaries - Regular	178,619.00	167,186.38
	Salaries - Regular Longevity	2,100.00	2,100.00

Eaton County

Budget Worksheet Report

Budget Year 2021

Account	Account Description	2020 Adopted Budget	2020 Actual Amount
General Fund			
EXPENSE			
Department	Treasurer		
Sub-Department			
Personnel - Wages			
	Sick Pay	2,260.00	2,260.44
	<i>Personnel - Wages Totals</i>	\$264,027.00	\$252,368.02
Personnel - Fringes			
	Social Security	20,198.00	18,406.17
	Workers Compensation Ins	317.00	317.73
	Unemployment Insurance	18.00	18.44
	Retirement	67,632.00	66,395.04
	Life & Disability Insurance	2,244.00	2,209.64
	Health Insurance	85,632.00	78,977.90
	Retirees Health Insurance	16,423.00	17,216.55
	Retirees Health Insurance HCSP	6,390.00	6,075.18
	Dental Insurance	3,825.00	3,727.50
	<i>Personnel - Fringes Totals</i>	\$202,679.00	\$193,344.15
Supplies			
	Supplies - Office	2,600.00	1,929.14
	Postage	2,000.00	7,074.26
	Supplies - Dog Licenses & Tags	2,500.00	4,805.75
	Gas, Oil & Antifreeze	75.00	50.29
	<i>Supplies Totals</i>	\$7,175.00	\$13,859.44
Other Services And Charges			
	Contractual	18,000.00	16,277.37
	Memberships & Subscriptions	650.00	424.00
	Telephone	2,400.00	1,152.28
	Travel Mileage	1,100.00	362.29
	Travel Lodging	700.00	.00
	Printing	1,600.00	627.72
	Property & Liability Insurance Property Insurance	1,204.00	1,204.00
	Property & Liability Insurance Liability Insurance	1,885.00	1,884.00
	Repairs & Maintenance Office Equipment	1,475.00	698.37
	Bank Service Charges	20,000.00	45,114.14

Eaton County

Budget Worksheet Report

Budget Year 2021

Account	Account Description	2020 Adopted Budget	2020 Actual Amount
Fund	General Fund		
EXPENSE			
Department	- Treasurer		
Sub-Department			
<i>Other Services And Charges</i>			
Training		2,500.00	128.00
<i>Other Services And Charges Totals</i>		<u>\$51,514.00</u>	<u>\$67,872.17</u>
Sub-Department	Totals	<u>\$525,395.00</u>	<u>\$527,443.78</u>
Department	Treasurer Totals	<u>\$525,395.00</u>	<u>\$527,443.78</u>
Department	- Insurance and Bonds		
Sub-Department	- Treasurer		
<i>Other Services And Charges</i>			
Contractual		18,000.00	15,989.00
<i>Other Services And Charges Totals</i>		<u>\$18,000.00</u>	<u>\$15,989.00</u>
Sub-Department	- Treasurer Totals	<u>\$18,000.00</u>	<u>\$15,989.00</u>
Department	- Insurance and Bonds Totals	<u>\$18,000.00</u>	<u>\$15,989.00</u>
Department	Capital Outlay		
Sub-Department	- Treasurer		
<i>Capital Outlay</i>			
Office Equipment		5,300.00	5,120.00
<i>Capital Outlay Totals</i>		<u>\$5,300.00</u>	<u>\$5,120.00</u>
Sub-Department	Treasurer Totals	<u>\$5,300.00</u>	<u>\$5,120.00</u>
Department	- Capital Outlay Totals	<u>\$5,300.00</u>	<u>\$5,120.00</u>
EXPENSE TOTALS		<u>\$548,695.00</u>	<u>\$548,552.78</u>
Fund	- General Fund Totals		
REVENUE TOTALS		<u>\$306,000.00</u>	<u>\$253,826.01</u>
EXPENSE TOTALS		<u>\$548,695.00</u>	<u>\$548,552.78</u>
Fund	- General Fund Totals	<u>(\$242,695.00)</u>	<u>(\$294,726.77)</u>
Net Grand Totals			
REVENUE GRAND TOTALS		<u>\$306,000.00</u>	<u>\$253,826.01</u>
EXPENSE GRAND TOTALS		<u>\$548,695.00</u>	<u>\$548,552.78</u>
Net Grand Totals			
		<u>(\$242,695.00)</u>	<u>(\$294,726.77)</u>

Treasurer’s Office - Revenue vs Expenditures

2020 Revenue

Deed / Treasurer Services	\$ 14,125.00
DTRF Fees and Interest	\$864,445.73
DTRF Admin Fees	\$405,803.98
Foreclosure fees and interest	\$188,267.63
Dog license sales*	\$160,619.05
NSF Fees	\$ 800.00
Interest earnings**	\$ 79,196.96
Tax auction	\$ 0.00

2020 Expenses

Operational Costs	\$ 548,552.78
Legal	\$ 8,549.18
Title search	\$ 29,740.00
Recording	\$ 25,500.00
Travel	\$ 362.29
Property insurance	\$ 3,088.00
Communications costs	\$ 10,261.53
Post foreclosure costs	\$ 2,764.17

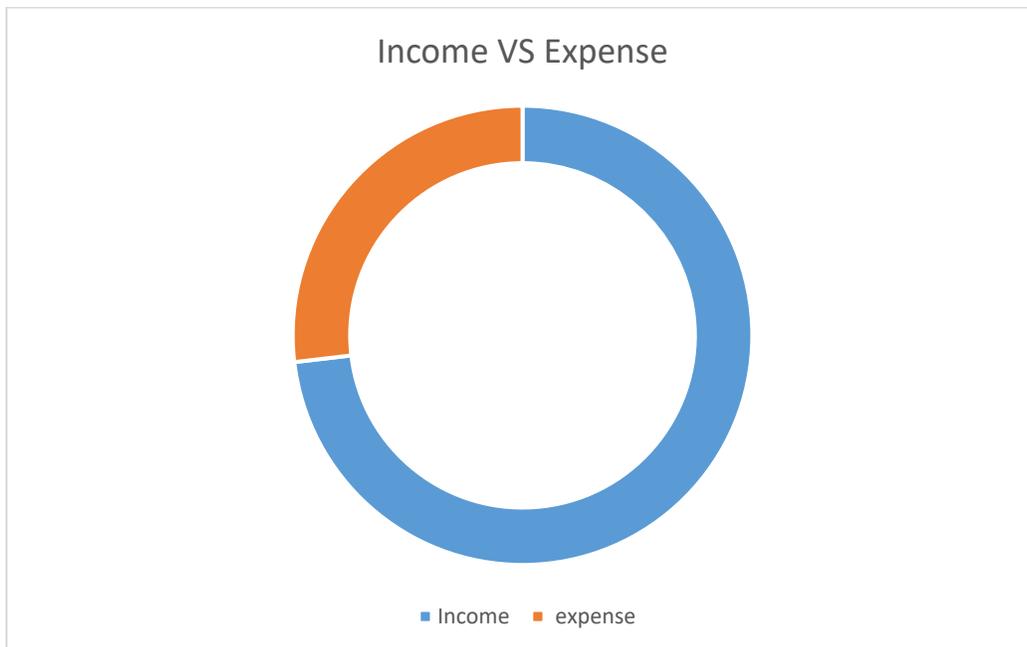
Total Revenue **\$1,713,258.35**

Total Expenses **\$ 628,817.95**

Revenue after expense **\$1,084,440.40**

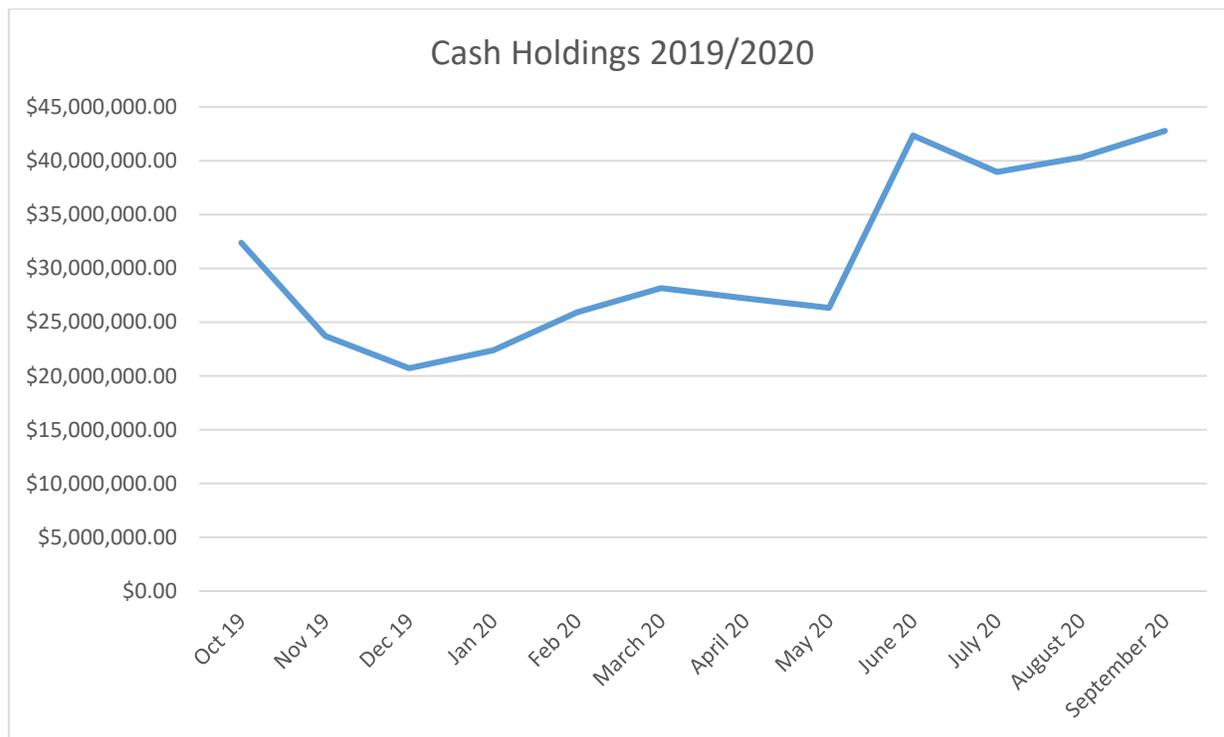
**Collected in the treasurer's office for Animal Control.*

***Disbursed throughout all county departments such as Road Commission, Drain Commissioner, parks...*



Custodian of County Funds

The treasurer is the custodian for all county funds in accordance with Act No. 40, Public Acts of Michigan 1932. Cash management activities include receipt for revenues, coordinate cash drawers and impressed cash for all departments, maintain bank accounts, manage investments, reconcile receivables, and coordinate disbursement of funds held in trust.



Performance priorities established for cash management are:

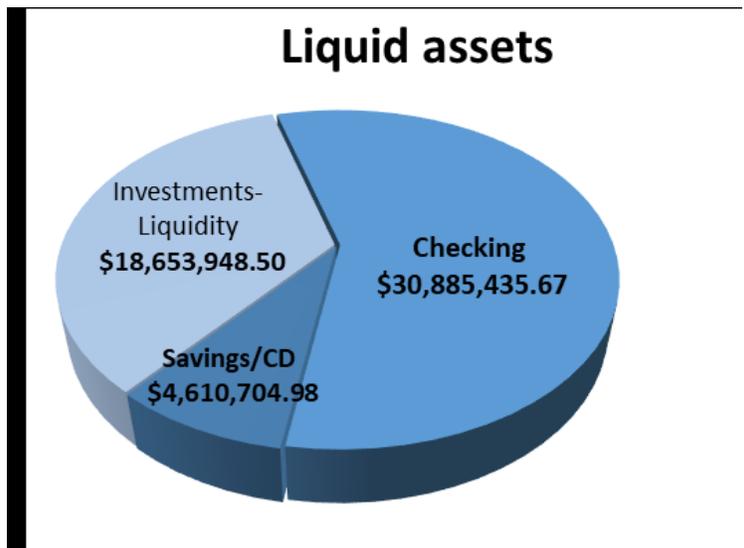
1. Safety of funds
2. Liquidity
3. Return on capital
4. Efficiency of funds management
5. Reduce management costs

Cash holdings for the budget year ending September 30, 2020 were sufficient to meet operating costs, and within expected variation from month to month. If all testing requirements are met, local banking institutions get first consideration for deposit of county funds.

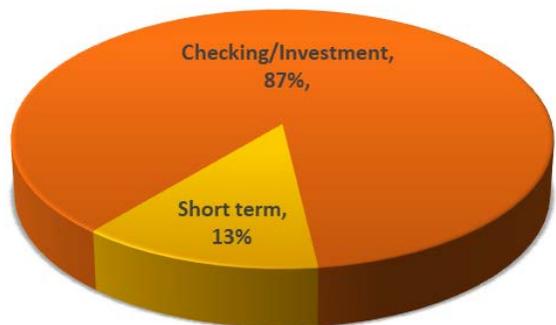
Continued Diversification of Cash Holdings

Although slower than expected, the U.S. economy continued performing well in 2020. Fed interest rates, however, unpredictably tanked from 1.55 percent to .15 percent. The Fed has indicated these low rates will continue through 2021 to safeguard economic expansion. The Eaton County Treasurer has cautioned that we could see an interest rate inversion into a negative rate environment in the years ahead. Some banks have begun to assess earnings credits rates in the negative range. To safeguard against the negative impact of reducing rates of return, the county's funds are in safe and liquid interest-bearing accounts that are staggered in maturity dates not exceeding 180 days. Total interest earnings for 2019 exceeded \$700,000. Interest returns for 2020 plunged to \$79,196.96. Interest returns for 2021 are expected to be less than \$25,000.

The following chart illustrates the percentage of county funds invested in trust in agency accounts, such as Road Commission, Law Library, Parks, and Drain accounts, in addition to general operating funds, and savings as of September 2020.



Diversification by investment type



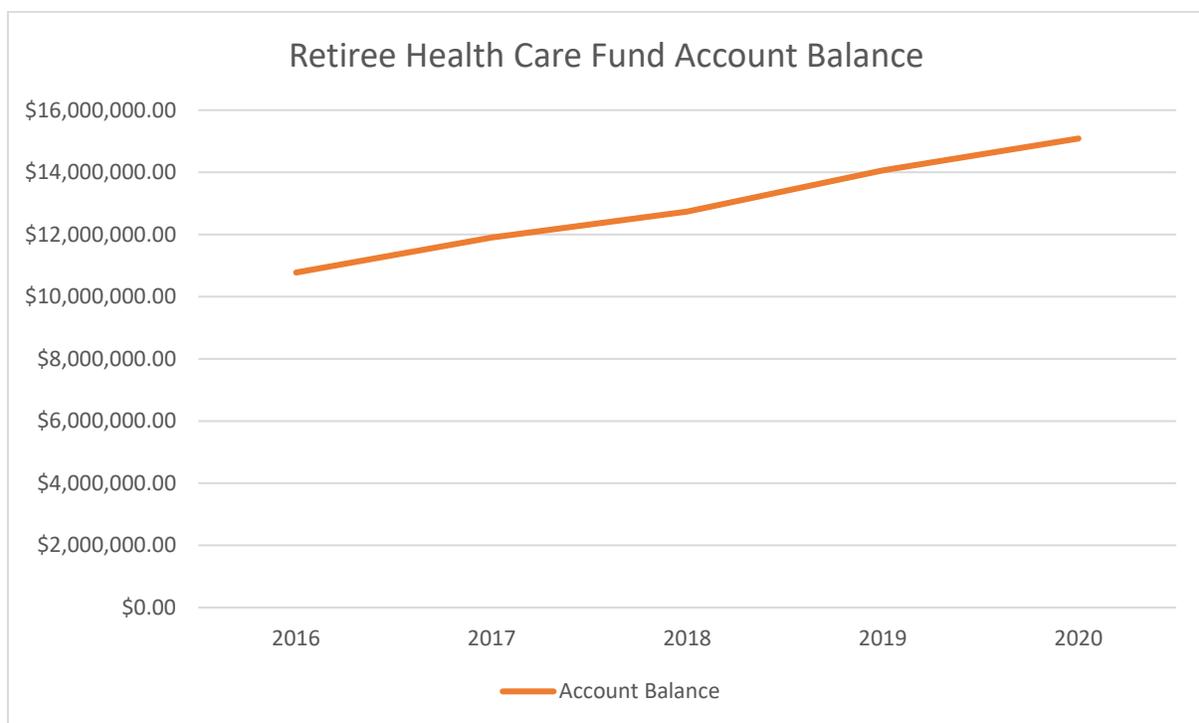
■ Checking/Investment ■ Short term

Workers Compensation Fund

The County has established a Workers Compensation fund. Total value of the fund at year-end was \$366,526.

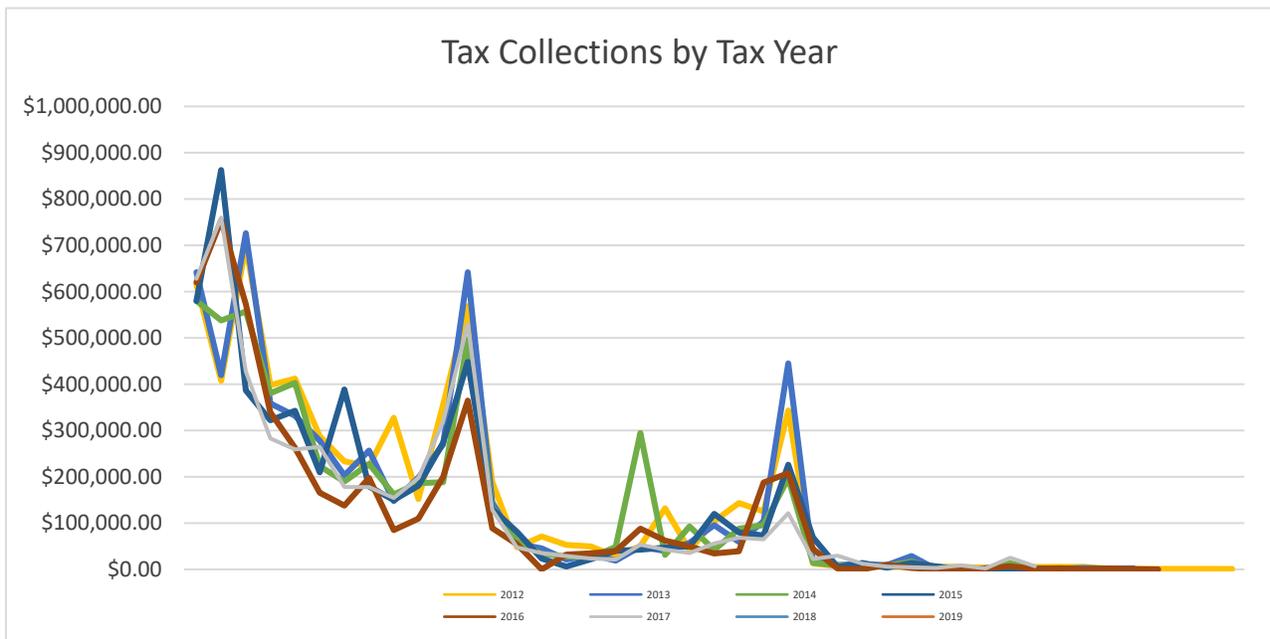
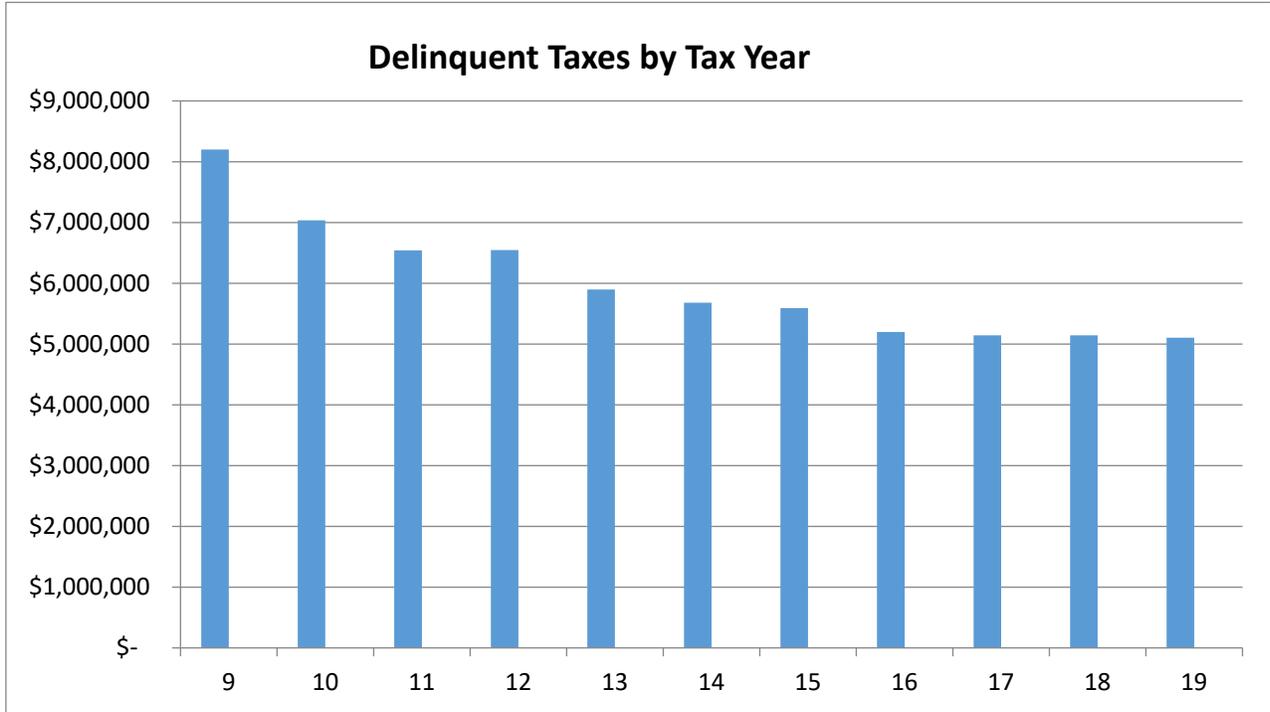
Retiree Health Insurance Investment Fund

Retiree Health Care Funds were consolidated in 2019. These funds are long-term investments of 20 years and longer, regulated by Public Act 314, and are subject to fluctuation – gains and losses each year. The current balance as of September 30, 2020 in the fund was \$15,086,535.00.



Delinquent Property Tax Administration

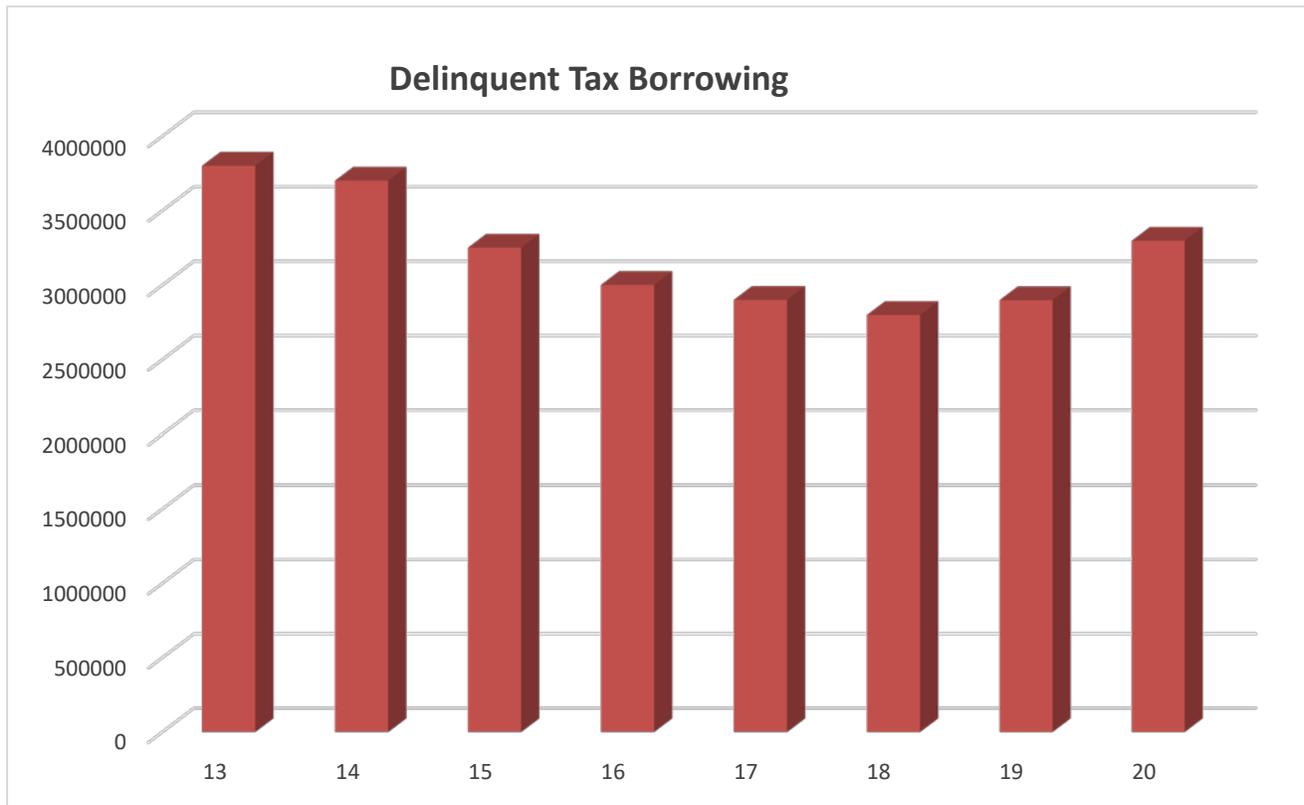
The treasurer collects delinquent real property taxes for the entire county. There has been a downward trend in delinquent taxes, from \$7,074,943 in 2011 to \$5,104,501 in 2019.



Note: By state law, delinquent taxes are returned to the treasurer’s office in March the following year. Unpaid 2020 taxes become collectible at the county treasurer’s office in March of 2021.

Borrowing for Tax Settlement with Local Units of Government

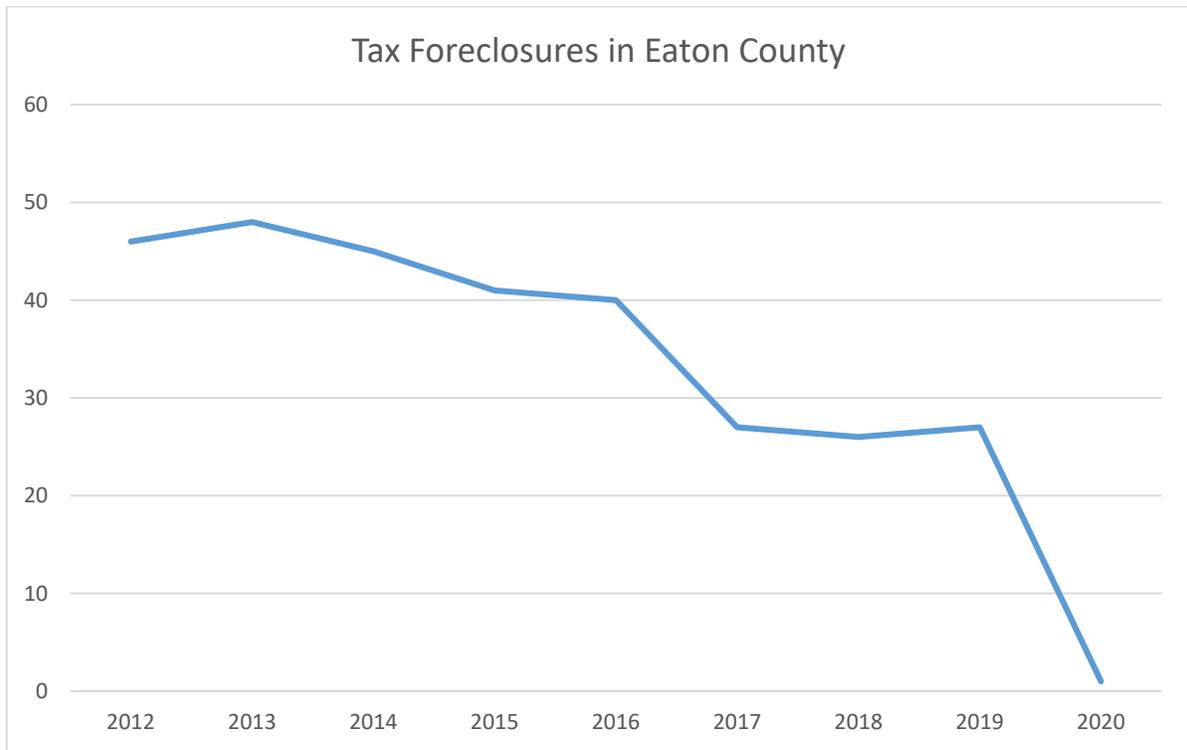
The County operates a Delinquent Tax Revolving Fund from which local taxing authorities – cities, towns, villages, school districts, road millage, EATRAN... are paid their portion of delinquent taxes through a process called settlement. The Fund reduces cost in managing tax forfeitures and foreclosures. The treasurer has reduced annual borrowing for tax settlement with local units from \$4,400,000 in 2011 to \$2,900,000 in 2019. Due to the COVID-19 emergency in 2020, and to hedge against the possibility of cash flow problems in 2020, borrowing was increased to \$3,298,500 in 2020. It is still the treasurer’s long-term goal to reduce borrowing to \$0 by 2022/2023 so the county can self-fund settlement with local units.



Tax Foreclosures

Extensive foreclosure prevention efforts of the treasurer’s office have made a significant impact on the number of annual foreclosures in Eaton County. Foreclosure prevention efforts include working with two (2) nonprofit foreclosure prevention agencies, referring taxpayers to Michigan Housing Development Authority’s Hardest Hit program, and social media public awareness on foreclosure prevention. One of the prevention methods provided by the treasurer is a Hardship Extension, which gives taxpayers that have unusual circumstances extra time to pay taxes and keep their property. The Treasurer took drastic action in 2020 to curb foreclosure due to COVID-19 and commuted foreclosure on all owner-occupied residential properties, owner operated business properties, and rental properties (to comply with the eviction moratorium issued in 2020). Hardship extension was provided to 28 families and business owners in 2020. Only one (1) unsafe property was foreclosed in 2020.

The treasurer’s office performed inspections on more than 275 parcels in September 2020. This site visit to each parcel of property in tax forfeiture is required to provide parcel description information to the Court on properties subject to tax foreclosure. Vacant, abandoned, or unoccupied parcels are posted in a visible area. If an occupant was present, the treasurer advised the occupants of the foreclosure process and provided contact information to agencies that offer foreclosure assistance.



Tax Certification of Deeds

Michigan Compiled Law 211.135 requires the county treasurer to certify deeds that convey ownership of property. A tax certificate confirms that taxes on a property have been paid in full for the past five (5) years. Michigan law requires the treasurer to charge \$5 to certify a deed with up to twenty-five (25) legal descriptions. Additional legal descriptions beyond twenty-five (25) are charged .20 cents per description. The treasurer's office certified 2,524 deeds in 2020 generating a total fee revenue of \$14,125.01.

Eaton County Dog Licenses

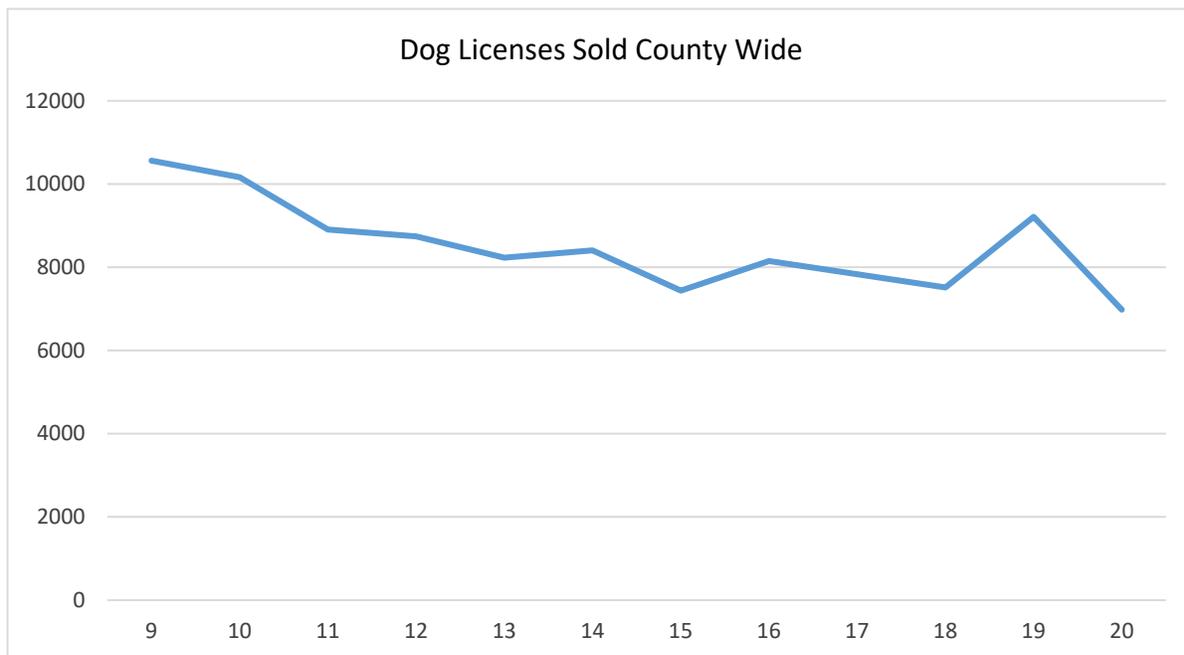
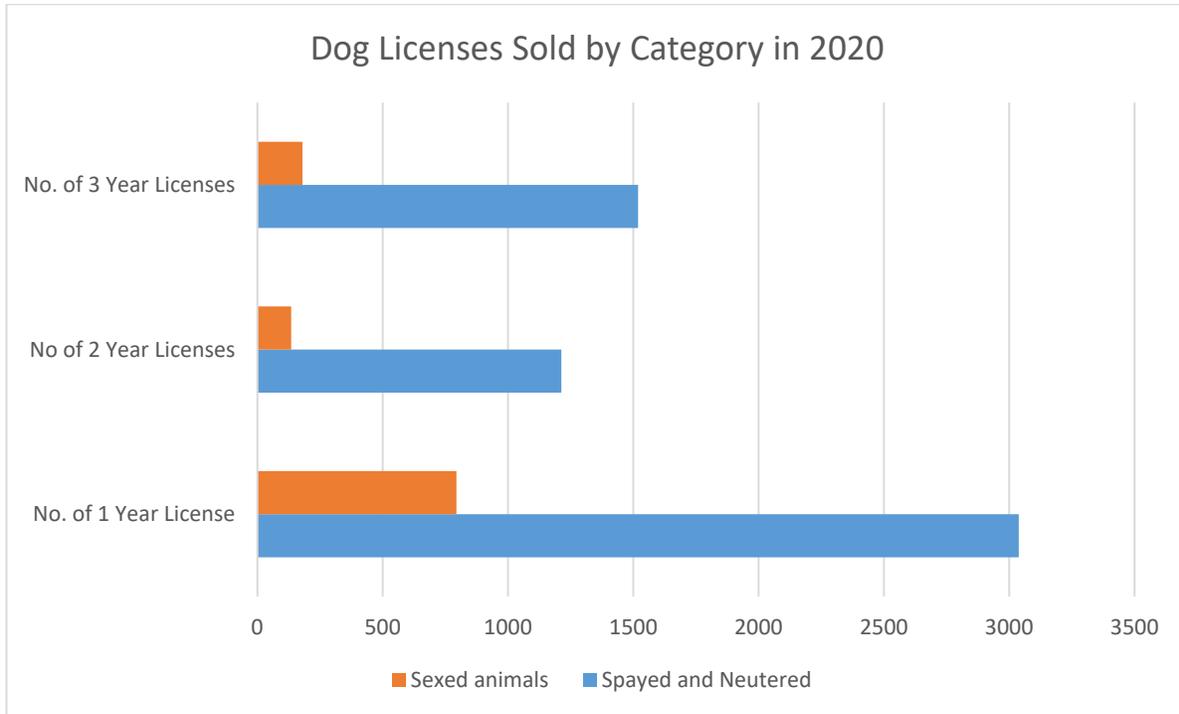
As part of streamlining dog license sales, townships, cities, and villages no longer make tags available. This has alleviated an unproductive burden on locals, which previously lost money and time on issuing licenses. While some pet owners – especially those without internet access, have not liked the new system, it has been overwhelmingly positive with pet owners countywide. A mail-in option is available for those without internet service and all local units have forms readily handy to help those who stop locally for a dog license.

In 2019, the Eaton County Commission, in conjunction with the treasurer's office and Eaton County Animal Control, established new rates for dog licenses and added a new, discounted 3-year dog license. A new, rolling renewal date for dog tags based on the pet's rabies vaccination date was implemented in 2020. Monthly reminders are now sent directly to pet owners 30 days prior to their license renewal date.

Prior to our new online and mail-in renewal process, locals were selling dog tags using antiquated carbon paper forms and receipt books. None of it was automated, and each year the county treasurer's office had to undergo annual reconciliation with each local to pay them a mere \$1 per license for their time. Costly for both the local and the county. The process hadn't been updated in decades. We had to collect receipt books from each local and manually enter the information into our dog license database, taking even more time and taxpayer resource to complete the process. Local townships, villages, and cities have complained for many years about the time consuming and outmoded process. Additionally, Eaton County Animal Control, under the independent direction of the Sheriff's office, for decades sold licenses non-centrally. Another disjointed and time-consuming process. Delta Township and the City of Grand Ledge also sold licenses independently. So, we had no centralized database of dog licenses. A terrible management routine.

The new system is automated and far more efficient. Pet owners can purchase their licenses online from the convenience of their home instead of making a special trip to their local government office. This streamlines the behind-the-scenes complexity, and provides us with a centralized database of pet owners so that we can send renewal reminders when licenses are due. Folks have been asking for reminders for many years, and the Eaton County Treasurer is happy to make it happen. This also helps facilitate more effective dog owner location when animals are lost and picked up by Animal Control. We now have one database source to use in finding the owner. In cases where folks are at their local office, paying their taxes or other reason, and they want to purchase a dog license, townships, cities, and villages with a supply of mail-in forms they can give their residents.

Our new system with three-year dog license availability has been tremendously successful. Countywide, dog licensing has continued a downward trend in total numbers since 2009. This will continue until such time as a new dog census is conducted.

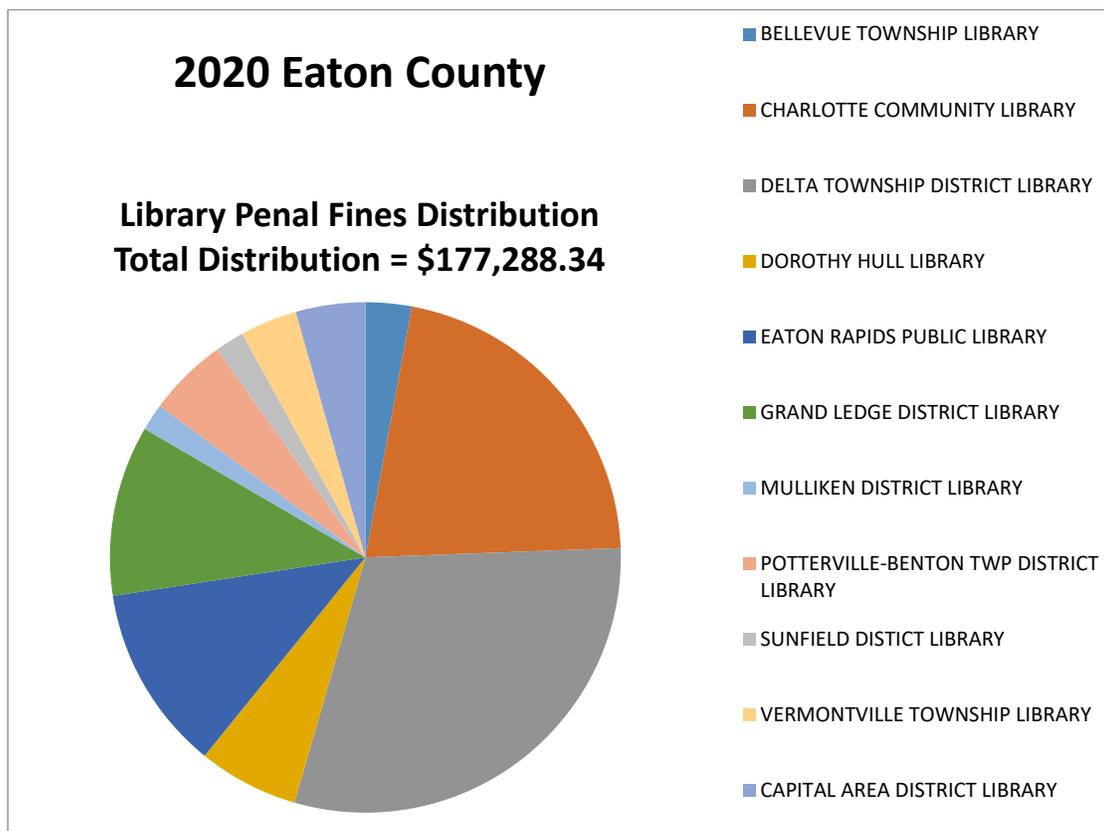


Library Penal Fines Distribution to Local Libraries

The Michigan Constitution of 1963 requires penalties collected for violations of state penal law be divided by court costs, statutory fees, and penal fines. Fines are deposited into a library fund to support public libraries and a county law library as required by Public Act 59 of 1964, Public Act 236 of 1961, and Michigan Compiled Law 600.4851. The Michigan Department of History, Arts and Libraries sends a listing of eligible libraries and their associated service population to the treasurer’s office in July each year. The county treasurer is then required to pay local libraries their share of total collected fines and interest by August 1.

Library Penal Fines Distributed by District: July 1, 2019 to June 30, 2020

DISTRICT LIBRARY	POPULATION	PERCENTAGE	AMOUNT
BELLEVUE TOWNSHIP LIBRARY	3,150	2.9232%	\$ 5,182.47
CHARLOTTE COMMUNITY LIBRARY	23,157	21.4896%	\$ 38,098.59
DELTA TOWNSHIP DISTRICT LIBRARY	32,408	30.0745%	\$ 53,318.61
DOROTHY HULL LIBRARY	6,838	6.3456%	\$ 11,250.08
EATON RAPIDS PUBLIC LIBRARY	12,670	11.7577%	\$ 20,845.06
GRAND LEDGE DISTRICT LIBRARY	11,649	10.8102%	\$ 19,165.28
MULLIKEN DISTRICT LIBRARY	1,848	1.7149%	\$ 3,040.40
POTTERVILLE-BENTON TWP DISTRICT LIBRARY	5,413	5.0232%	\$ 8,905.63
SUNFIELD DISTICT LIBRARY	1,997	1.8532%	\$ 3,285.53
VERMONTVILLE TOWNSHIP LIBRARY	3,895	3.6145%	\$ 6,408.17
CAPITAL AREA DISTRICT LIBRARY	4,734	4.3931%	\$ 7,788.52
	107,759	100.0000%	\$ 177,288.34



The Treasurer greatly appreciates the Board of Commissioners and Eaton County Administration for their support of the staff and mission of the treasurer's office.

Bob Robinson, ACPFIM
Treasurer, County of Eaton
Chairperson, Eaton County Land Bank Authority

Respectfully submitted to:

The citizens of Eaton County, Michigan

Commissioner Tim Barnes, District 1
Commissioner Blake Mulder, District 2
Commissioner Terrance Augustine, Chair, District 3
Commissioner Brandon Haskell, District 4
Commissioner Jeanne Pearl-Wright, District 5
Commissioner Jane Whitacre, District 6
Commissioner Mark Mudry, District 7
Commissioner Joseph C. Brehler, District 8
Commissioner Brian Droscha, District 9
Commissioner Dairus Reynnet Bowen, District 10
Commissioner Wayne Ridge, District 11
Commissioner Brian Lautzenheiser, District 12
Commissioner Jim Mott, District 13
Commissioner Jeremy Whittum, District 14
Commissioner Barbara A. Rogers, District 15

County Controller, John Fuentes

April 1, 2020