

**COUNTY OF OTTAWA
DEBT SERVICE FUND (5690-5695)**

Building Authority Fund (5690-5695) - This Fund was established to account for the accumulation resources for payment of principal and interest on bonds issued to finance building projects for the County of Ottawa. Bonds have been issued for the following projects: 1990-Ottawa County Central Dispatch Authority; 1992-Probate Court/Jail Complex; 1997-Jail addition and Sheriff Administrative Annex; 2005 - Holland District Court Building; Grand Haven Courthouse - 2007. The 1990 bonds were refunded during 2003 and 2005, and a portion of the 1992 bonds were refinanced during 2006. A portion of the 1997 bonds were refunded during 2005. Financing is provided by cash rental payments pursuant to lease agreements with the County of Ottawa or other identified payment mechanisms.

Resources

Personnel

No personnel has been allocated to this department.

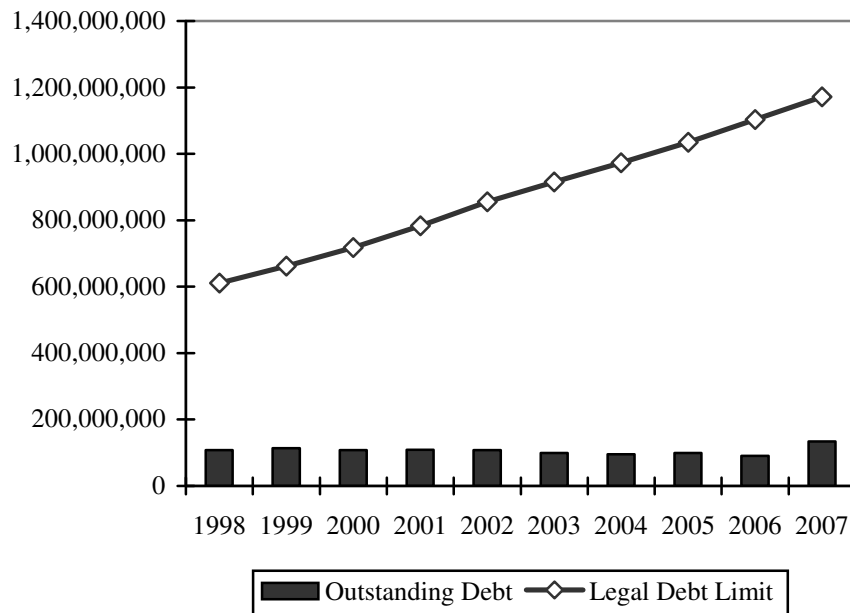
Funding

	2004 Actual	2005 Actual	2006 Actual	2007 Current Year Estimated	2008 Adopted by Board
Revenues					
Charges for Services					
Interest and Rents	\$4,573	\$13,975	\$7,539	\$640	\$5,300
Rents	\$2,243,461	\$2,008,656	\$2,439,503	\$2,977,797	\$3,525,923
Other Revenue					
Other Financing Sources		\$10,562,974			
Total Revenues	\$2,248,034	\$12,585,605	\$2,447,042	\$2,978,437	\$3,531,223
Expenditures					
Debt Service	\$2,299,902	\$2,299,621	\$2,453,395	\$2,977,797	\$3,525,923
Other Financing Uses		\$10,792,190			
Total Expenditures	\$2,299,902	\$13,091,811	\$2,453,395	\$2,977,797	\$3,525,923

County of Ottawa Debt Information

The County of Ottawa assumes debt to provide funding for the construction of water and sewage disposal systems, drains, buildings, and to refund previously issued bonds. Under the State of Michigan Constitution of 1963, Article VII, Section 11, "No County shall incur indebtedness which shall increase its total debt beyond 10% of its assessed valuation." Consequently, Ottawa County, with a 2007 assessed value of \$11,719,793,894 is limited to no more than \$1,171,979,389 of debt. The County's total debt at the statement date is \$133,972,073, or approximately 1% of the assessed value - well below the legal limit. The graph below illustrates the additional legal debt capacity of the County of Ottawa.

**County of Ottawa Legal Debt Limit and Debt
Outstanding**



Ottawa County has obtained a AAA rating from Fitch on General Obligation Limited Tax Bonds. Moody's Bond Rating is Aa1 for General Obligation Unlimited and Limited Tax Bonds. Standard and Poor's Bond Rating is AA for General Obligation Unlimited and Limited Tax Bonds.

Bonds:

The County principally uses general obligation bonds to provide funds for these projects. The majority of the general obligation bonds, \$101,883,533, were issued by the Ottawa County Public Utilities System, a component unit of Ottawa County, for water and sewer projects. The principal and interest payments on these water and sewer project issues are repaid generally from funds received from local municipalities in the County. The interest rate on these issues ranges from 2.5% to 7.6% percent.

In addition, \$326,500 is estimated for inter-county drainage projects. Principal and interest is paid from drain assessments levied. The interest rate on these issues ranges from 4.5% to 7.0% percent.

Last, \$29,680,000 is estimated debt outstanding at 12/31/07 for five Ottawa County Building Authority projects. These five projects include:

- E-911 Central Dispatch operation
- Probate Court/Jail facility
- Sheriff and Administrative Annex and additional Jail pod
- Holland District Court facility
- Grand Haven Courthouse Project

The E-911 issue was refunded during 1993. The Probate Court/Jail facility was refunded in 1997 in conjunction with the issue for the Sheriff and Administrative Annex and additional Jail pod. The unrefunded portion of the E-911 bonds and the Sheriff and Administrative Annex and additional jail pod were refunded during 2005. The Building Authority makes the principal and interest payments with revenues collected from lease agreements with the County. The interest rate on these issues ranges from 3.0% to 5.05% percent.

The County has pledged its full faith and credit for payment on the above obligations.

Other Bonds:

In November 2001, the Ottawa County Road Commission issued Public Act 143 bonds for the purpose of constructing a maintenance facility in Holland. The estimated balance of these bonds at 12/31/07 is \$1,800,000. The borrowing will be paid from State revenues allocated to the County Road Commission for road purposes. The County did not pledge its full faith and credit for these bonds.

Notes Payable:

The Drain Commissioner has issued two small notes to provide funding for drainage projects in Ottawa County. The notes total \$253,200, and the County did not pledge its full faith and credit for the above notes.

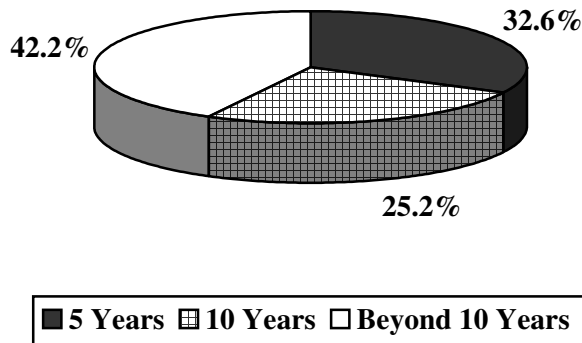
Land Contracts:

Ottawa County has \$28,840 in land contracts. The land contract was made to secure land purchases for the Ottawa County Parks system. The principal and interest payments will be made from the voted parks millage and recorded in the Parks and Recreation Special Revenue fund. The final payment on the land contract will be made during 2008.

Debt Retirements:

The percentage of debt to be retired in five, ten, and beyond ten years indicates how fast the County is retiring its debt. Rating agencies expect 50% of the debt to be retired within ten years. The graph that follows shows that Ottawa County, scheduled to retire 57.8% of its debt within ten years, is retiring debt within established standards.

County of Ottawa Debt Retirements



Debt per Capita

Ottawa County has experienced high growth in the last several years. Consequently, debt has been issued to fund the required infrastructure. Listed below is the debt per capita information for the last ten years.

Year	Population	Net Bonded Debt per Capita (Direct Debt)
1997	220,403	\$114
1998	224,357	107
1999	230,261	99
2000	238,314	91
2001	243,571	84
2002	245,913	78
2003	249,391	71
2004	252,351	65
2005	255,406	91
2006	257,671	84

The schedule that follows details the principal and interest payments by year.

County of Ottawa

Schedule of Debt Service Requirements

OTTAWA COUNTY - PRIMARY GOVERNMENT					OTTAWA COUNTY - COMPONENT UNITS				REPORTING ENTITY
Budget Year	Amount Outstanding Beginning of Year	Principal Retirements	Interest Requirements	Total Requirements	Amount Outstanding Beginning of Year	Principal Retirements	Interest Requirements	Total Requirements	Total Requirements
General Obligation Bonds (Non-major Funds):					General Obligation Bonds:				
2008	\$29,680,000	\$2,235,000	\$1,301,434	\$3,536,434	\$104,010,033	\$8,032,767	\$4,623,542	\$12,656,309	\$16,192,743
2009	27,445,000	2,335,000	1,206,246	3,541,246	95,977,266	6,693,767	3,993,432	10,687,199	14,228,445
2010	25,110,000	2,035,000	1,114,332	3,149,332	89,283,499	7,321,766	3,734,896	11,056,662	14,205,994
2011	23,075,000	2,110,000	1,033,868	3,143,868	81,961,733	5,756,767	3,471,947	9,228,714	12,372,582
2012	20,965,000	1,635,000	949,794	2,584,794	76,204,966	5,263,767	3,249,891	8,513,658	11,098,452
2013	19,330,000	1,690,000	887,519	2,577,519	70,941,199	5,410,766	3,035,798	8,446,564	11,024,083
2014	17,640,000	1,775,000	807,019	2,582,019	65,530,433	5,361,767	2,812,870	8,174,637	10,756,656
2015	15,865,000	1,860,000	722,419	2,582,419	60,168,666	4,328,767	2,613,440	6,942,207	9,524,626
2016	14,005,000	1,950,000	629,419	2,579,419	55,839,899	4,528,766	2,432,385	6,961,151	9,540,570
2017	12,055,000	2,045,000	536,469	2,581,469	51,311,133	4,740,767	2,247,519	6,988,286	9,569,755
2018-2022	10,010,000	5,025,000	1,778,358	6,803,358	46,570,366	18,105,366	8,677,251	26,782,617	33,585,975
2023-2027	4,985,000	4,985,000	614,896	5,599,896	28,465,000	13,880,000	5,319,702	19,199,702	24,799,598
2028-2032					14,585,000	14,480,000	2,084,159	16,564,159	16,564,159
2033-2036					105,000	105,000	8,073	113,073	113,073
Parks and Recreation Land Contracts (Major Fund):					Notes Payable*:				
2008	28,840	28,840	2,668	31,508	253,200	107,600	7,961	115,561	147,069
2009					145,600	107,600	6,467	114,067	114,067
2010					38,000	7,600	1,737	9,337	9,337
2011					30,400	7,600	1,389	8,989	8,989
2012					22,800	7,600	1,045	8,645	8,645
2013					15,200	7,600	695	8,295	8,295
2014					7,600	7,600	347	7,947	7,947
2015									
		\$29,708,840	\$11,584,441	\$41,293,281		\$104,263,233	\$48,324,546	\$152,587,779	\$193,881,060

All figures are as of 11/20/07

*Notes payable of the component unit are not guaranteed by the County.

**COUNTY OF OTTAWA
CAPITAL PROJECTS FUND**

Building Authority Fund (5690-5695) - This Fund was established to account for construction projects of the building authority and/or County. Financing is provided by bond proceeds, interest income and occasionally State grants. This fund records only those projects funded with bond proceeds. Other capital construction projects funded with cash are reported primarily in the Public Improvement Fund (Special Revenue Fund 2450). Projects at County park facilities are reported in the Parks and Recreation Fund (Special Revenue Fund 2081).

Resources

Personnel

No personnel has been allocated to this department.

Funding

	2004 Actual	2005 Actual	2006 Actual	2007 Current Year Estimated	2008 Adopted by Board
Revenues					
Intergovernmental Revenue					
Interest		\$19,680	\$49,431	\$75,060	\$60,000
Other Revenue		\$29,042	\$12,999		
Other Financing Sources		\$7,997,998	\$68,161	\$10,000,000	\$8,827,327
Total Revenues		\$8,046,720	\$130,591	\$10,075,060	\$8,887,327
Expenditures					
Capital Outlay		\$3,044,672	\$2,251,029	\$6,221,356	\$12,831,971
Bond Issue Costs		\$458,638			
Other Financing Uses		\$2,169,258		\$162,775	
Total Expenditures		\$5,672,568	\$2,251,029	\$6,384,131	\$12,831,971

Budget Highlights:

In October of 2007, the County issued bonds for the construction of a new Grand Haven Courthouse facility. Completion is anticipated in 2009.

2008 Capital Construction Projects

Grand Haven Courthouse project County Building

The plan shown herein depicts a 118,000 square foot, \$23 million Courthouse Building that will replace the existing County Building on Washington Street in Grand Haven. The concept plan was presented to the Board of Commissioners in June 2004 and



approved in June 2006. The plan represents a refinement of several options that were considered. The replacement of the forty-year-old, 67,000 square-foot County building with this new traditionally

designed Courthouse will suit the style and vision of the City of Grand Haven's Hilltop Neighborhood and signals a commitment to Grand Haven as the county seat well into the future. In addition to aesthetic improvements, prominent features of the design include the ability to separate staff, victim, and defendant populations in the justice system, and the ability for citizens to access more services than are currently available in Grand Haven through a public service counter near the building's entrance. As the County grows and departmental needs change, this new facility will have ample space to meet these growing demands. Construction of the new facility began in August 2007, and is anticipated to be a twenty four month project with completion prior to the end of 2009.

The County bonded for \$10 million for the combined Grand Haven Courthouse/Fillmore Addition project. The remainder of the cost will come from funds set aside for this project. The debt service payments will average \$767,000 per year, and will be covered from the following funds:

Ottawa County Insurance Authority:	\$150,000
Telecommunications	: \$150,000
Delinquent Tax Revolving Fund	: \$150,000
Public Improvement	: \$175,000
Infrastructure	: \$125,000
Funds allocated for the project	: \$ 17,000

In addition, the new facility will increase the square footage by 51,000 square feet. Consequently, additional, ongoing maintenance costs are anticipated. At this point, no additional personnel needs have been identified, so the maintenance costs reflected on the schedule that follows are based on a cost of \$6.50 per additional square foot in 2008. The \$6.50 per square foot covers utilities, grounds maintenance, insurance, and other costs directly attributable to running the facility.

Fillmore Street Addition project

The present allocation of staff between Grand Haven and the Fillmore Administration Complex in West Olive has caused some operational inefficiency and created difficulty for residents to access certain County services. This plan provides an opportunity to consolidate some staff and departments in West Olive while retaining the County's presence and services in Grand Haven.



The recommended 35,000 square-foot expansion of the Administration Building on Fillmore Street will accommodate staff from Cooperative Extension, the County Clerk, Treasurer, Register of Deeds and Drain Commissioner. The move will consolidate operational staff that work together on a daily basis, reconfigure space in the existing facility and allow citizens better access some services that are now available only in Grand Haven. A resolution was adopted by the Board on June 27, 2006 authorizing the County Building Authority to move forward with the planning of a \$6 million addition at Fillmore Street. The revised final project costs of \$7 million and design were presented to the Board for approval in July, 2007. Construction began in October 2007, and is anticipated to be a twelve month project with completion prior to the end of 2008.

Construction costs will be paid from funds set aside for the project in various County funds. Since it is an expansion, additional, ongoing maintenance costs are anticipated. At this point, no additional personnel needs have been identified, so the maintenance costs reflected on the schedule that follows are based on a cost of \$6.50 per additional square foot in 2008. The \$6.50 per square foot covers utilities, grounds maintenance, insurance, and other costs directly attributable to running the facility. As state earlier, the County does expect to gain efficiencies by grouping related department together, but these savings are not quantifiable.

Southwest Ottawa Landfill upgrades

The 43-acre Southwest Ottawa landfill is located a little over one mile east of the shore of Lake Michigan in Park Township between James Street and Riley and 160th and 168th. The landfill opened in 1968 by Ottawa County for the disposal of municipal and industrial waste, it operated until it was



closed in 1981. The County, through the Ottawa County Road Commission, operated the landfill for a few years in the late 1960's and early 1970's then transferred the operation to Waste Management, under contract. In the early 1980's, Waste Management closed the operation and constructed a cap over the landfill consisting of bentonite clay, power plant fly ash and sand.

In 1987, seven purge wells were constructed along with the associated piping and electrical work to supply contaminated groundwater to a treatment plant which was constructed northwest of the intersection of James and 168th on County owned property. The treatment was designed to remove iron and volatile organic compounds from the groundwater leachate per the terms of a water restoration agreement agreed to between the County and the Michigan Department of Environmental Quality (MDEQ) in 1984.

The County is planning improvements to the extraction/treatment system at the landfill because of the degradation of the existing groundwater extraction system and in order to reduce the necessary treatment time and costs. This improvement was also necessitated by a lawsuit against the County from the MDEQ. As a result of the improvement initiative, the MDEQ has dropped its lawsuit.

Specifically, the County is completing the construction of a clay cap over the landfill that will prevent the contamination located in the landfill from leaching to the groundwater (via percolating rain water) and upgrading the purge well and treatment system. The cost is expected to be approximately \$4.2 million with the work taking place throughout 2006, 2007, and 2008.

The upgrades to the Southwest Ottawa Landfill and clean up efforts are divided in three categories: The upgrades to the filtration plant, equipment, new piping, wells and the reshaping, recapping and venting of the landfill. The plan is to cap the landfill, put down new purge wells, close down old ineffective wells, and install new treatment technology.

Funding for the project is coming from two places. The Ottawa County Insurance Authority is covering \$2.1 million of the cost which represents the capping of the landfill. The remainder of the project will come from the Solid Waste Clean-up fund, Special Revenue fund 2271. Ongoing maintenance costs will be required to operate the purge wells. The County anticipates it will cost approximately \$127,000 per year to cover the utility and chemical costs to operate the purge wells. The \$127,000 represents a savings from operational costs before the improvements. Specifically, from 2000 through 2006, annual operational costs averaged \$155,000. Although the improvements are also expected to reduce the treatment time, those savings are currently indeterminable.

Once the improvements have been made, the County plans to use the land to provide new recreational opportunities. The top of the landfill has been shaped to allow sledding and hiking. The low land pond will provide a natural flora and fauna habitat. After completion of the improvements to the landfill portion of the work, the 230-acre parcel (which includes the 43-acre landfill) will be transferred to the County Parks system.

Parks and Recreation Projects

The Parks and Recreation department will begin construction of a nature education center at Hemlock Crossing in late 2008 with completion anticipated in early 2009. The approximate 8,000 square foot facility will be the focal point for all department nature education programs and function as a visitor center for the Ottawa County park system. The \$1.5 million dollar project will be funded by a combination of donations, parks millage dollars and revenues from managing red pine on county lands.

Public access to the 500 acre North Ottawa Dunes property will be enhanced with a project undertaken in cooperation with the City of Ferrysburg at their Coast Guard Park. A parking lot, trailhead and donor recognition signage for North Ottawa Dunes will be constructed at Coast Guard Park at an estimated cost of \$100,000.

Continued improvements at the Upper Macatawa Natural Area are planned for 2008 with construction of a two-mile non-motorized pathway between Byron Road and Adams Street. Completion of this project as proposed, with cost estimated at \$600,000, is dependent upon funding assistance from federal transportation enhancement funds.

Several smaller projects are also planned for 2008. Replacement of an aging dune stairway at Tunnel Park (\$45,000 project cost) is scheduled along with replacement of a large section of retaining wall (\$20,000) as part of walkway and boardwalk maintenance at the Historic Ottawa Beach Park. A project involving wetland restoration and native grassland establishment at Hemlock Crossing is scheduled at a cost of \$15,000. The habitat improvements will benefit educational opportunities at the new nature center. Finally, new parking areas and kiosks at the Bur Oak Landing property on the Grand River in Polkton Township are planned for 2008 at a cost of \$15,000.

Ongoing maintenance costs consisting of supplies and utilities for all of the park projects are expected to be minimal.

County of Ottawa
Capital Construction Projects - Construction Costs
 Budget Year Ending December 31, 2008

PROJECT DESCRIPTION	CAPITAL CONSTRUCTION COSTS					
	PROPOSED METHOD OF FINANCING	ESTIMATED COSTS		EXPENDED TO DATE (INC. CURRENT YR)	BUDGET YEAR 2008	FUTURE YEARS
		ORIGINAL	AMENDED			
Ottawa County (primary government)						
West Olive Addition/ Grand Haven Courthouse (1)	Bond Issue/ Fund Balance	\$24,000,000	\$30,000,000	\$1,164,102	\$12,831,971	\$10,978,512
SouthWest Ottawa Landfill (2)	Insurance Authority/ Landfill Surcharge	\$4,500,000	\$4,200,000	\$1,949,964	\$1,373,182	\$0
Tunnel Park Replace dune climb stairs. (2)	Parks & Recreation Millage	\$45,000	\$45,000	\$0	\$45,000	\$30,000
Hemlock Crossing Wetland / Native Grassland (2)	Parks & Recreation Millage	\$15,000	\$15,000	\$0	\$15,000	\$0
Park 12 Switchback Replacement (2)	Parks & Recreation Millage	\$20,000	\$20,000	\$0	\$20,000	\$0
Bur Oak Landing Kiosk and Parking (2)	Parks & Recreation Millage	\$15,000	\$15,000	\$0	\$15,000	\$0
Upper Macatawa Non-Motorized Pathway (2)	Parks & Recreation Millage	\$600,000	\$600,000	\$0	\$600,000	\$0
North Ottawa Dunes Phase I (2)	Parks & Recreation Millage	\$100,000	\$100,000	\$0	\$100,000	\$0
Nature Education Center Construction (2)	Red Pine Revenue Donations Millage	\$1,500,000	\$1,500,000	\$0	\$1,500,000	\$0
Grand Total - Primary Government		\$30,795,000	\$36,495,000	\$3,114,065	\$16,500,153	\$11,008,512
Ottawa County Public Utilities (component unit)						
Wyoming Water Plant Expansion	Public Act 342 Bonds	\$31,673,000	\$31,673,000	\$17,328,000	\$8,129,000	\$6,217,000

Grand Total Capital Construction **\$62,468,000** **\$68,168,000** **\$20,442,065** **\$24,629,153** **\$17,225,512**

1. The County anticipates issuing \$10 million in bonds for this facility with the rest of the cost paid from six other funds. See Capital Projects narrative for more detail.
2. No debt will be issued for this project. Funds have been set aside for this project or will be financed by the Parks tax levy.

County of Ottawa
Capital Construction Projects - Anticipated Annual Operational Costs
 Budget Year Ending December 31, 2008

PROJECT DESCRIPTION	ESTIMATED ANNUAL OPERATION COSTS (includes debt repayment)							
	PROPOSED METHOD OF FINANCING	EXPEN-DITURE TYPE	ACTUAL PRIOR YEAR 2006	ESTIMATED CURRENT YEAR 2007	BUDGET YEAR 2008	FUTURE YEARS		
						2009	2010	2011
Ottawa County (primary government)								
West Olive Addition/ Grand Haven Courthouse (1)	General Fund Various Funds	Maintenance Debt	\$0	\$0 \$207,000	\$0 \$767,000	\$398,196 \$767,000	\$519,099 \$767,000	\$542,905 \$767,000
SouthWest Ottawa Landfill (2)	Solid Waste Clean-up Fund	Maintenance	\$0	\$163,000	\$163,000	\$127,000	\$127,000	\$127,000
Tunnel Park - Replace dune climb stairs (2)	Property Tax Levy	Maintenance	\$300	\$600	\$300	\$300	\$300	\$300
Hemlock Crossing Wetla Native Grassland (2)	Property Tax Levy/Park Twp.	Maintenance	\$0	\$0	\$500	\$300	\$100	\$0
Park 12 Switchback Replacement (2)	Property Tax Levy	Maintenance	\$0	\$300	\$0	\$0	\$0	\$0
Bur Oak Landing Kiosk and Parking (2)	Property Tax Levy	Maintenance	\$0	\$0	\$750	\$750	\$750	\$750
Upper Macatawa Non- Motorized Pathway (2)	Property Tax Levy	Maintenance	\$0	\$0	\$500	\$2,000	\$2,000	\$2,000
North Ottawa Dunes Phase I (2)	Property Tax Levy	Maintenance	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000
Nature Education Center Construction (2)	Property Tax Levy Fee Revenues	Maintenance	\$0	\$0	\$0	\$20,000	\$30,000	\$30,000
Grand Total - Primary Government			\$300	\$370,900	\$933,050	\$1,316,546	\$1,447,249	\$1,470,955

Ottawa County Public Utilities (component unit)

Wyoming Water Plant Expansion (3)	Special Assessments	Debt	\$0	\$0	\$2,075,816	\$1,750,000	\$2,480,000	\$2,480,000
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Grand Total Operational Costs **\$300 \$370,900 \$3,008,866 \$3,066,546 \$3,927,249 \$3,950,955**

1. No new personnel are included in the 2008 budget, but may become necessary in future years. Contractual labor and utility costs will be larger due to the larger sizes of the buildings.
2. No debt will be issued for this project. Estimated Annual Operation Costs are for maintenance including utilities, supplies, etc. No new personnel are projected to be added.
3. The annual operating costs for the public utilities project is strictly for debt service. The maintenance costs are the responsibility of the municipality.

**COUNTY OF OTTAWA
PERMANENT FUND**

Cemetery Trust Fund (1500) - This fund was established under State statute to care for cemetery plots of specific individuals who have willed monies in trust to the County for perpetual care of their grave sites.

Resources

Personnel

No personnel has been allocated to this department.

Funding

	2004 Actual	2005 Actual	2006 Actual	2007 Current Year Estimated	2008 Adopted by Board
Revenues					
Intergovernmental Revenue					
Interest	\$52	\$122	\$237	\$236	\$236
Other Revenue					
Other Financing Sources					
Total Revenues	\$52	\$122	\$237	\$236	\$236
Expenditures					
Supplies					
Other Services and Charges			\$568		
Total Expenditures			\$568		