

May 14, 2019

Minutes of a Meeting of the Arenac County Board of County Commissioners:

Chair Adam Kroczaleski called the meeting to order at 1:36 P.M. in Room 201 of the Arenac County Courthouse in Standish, Michigan pursuant to Public Notice and the Michigan Open Meetings Act with the Board reciting the Pledge of Allegiance to the U. S. Flag.

Present: Commissioners: Adam Kroczaleski, Bobbe Burke, Harold Woolhiser, Lisa Salgat, & Sally Mrozinski.

Approval of an Agenda:

Moved by Ms. Salgat & 2nd by Ms. Burke to approve the proposed agenda with the separation of the Motion # 3 into: Motion 3: Fairgrounds Contract with F & V Engineers and Planners via the EDC for site planning at the proposed fairgrounds move and development and Motion 11: Requesting a Financial RFP to send to local financial institutions for a development loan for the proposed Fairgrounds Improvements via the EDC. Motion carried.

Public Comments: None.

Approval of Various Minutes:

Committee of the Whole of April 23, 2019: Moved by Ms. Burke & 2nd by Mr. Woolhiser to approve the Minutes as presented/prepared. Motion carried.

Board Session of April 23, 2019: Moved by Mr. Woolhiser & 2nd by Ms. Salgat to approve the Minutes as presented/prepared. Motion carried.

Budget & Finance Committee: After discussion regarding the proposed payback schedule for 911 in the minutes and agreed upon between Budget & Finance & 911 Director, it was moved by Mr. Woolhiser & 2nd by Ms. Burke to approve the minutes. Motion carried: It is noted that the payback schedule is for \$40,000 in 2019; \$45,000 in both 2020 & 2021 without any other charges or interest with funds returned to the fund from which they were loaned from in the first instance.

Claims and Accounts: Checks on Demand:

After review and discussion, it was moved by Ms. Salgat & 2nd by Mr. Woolhiser to approve the payment of the listed batches of **Checks on Demand for the Month of April 2019** as follows:

Date	Fund Name	Amount	
4-09-19	Trust and Agency Funds	\$153,623.16	
4-17-19	Road Commission	\$518,920.46	
4-17-19	General Bank of Funds	\$116,782.59	
4-30-19	Tax Administration Funds	\$50,360.04	
4-30-19	General Bank of Funds	\$25,787.99	
4-30-19	Trust & Agency Funds	\$584,671.07	
Total All Funds for April 2019		\$1,450,145.31	Motion Carried. Chair signed off on the listing.

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Book of Bills:

After review, moved by Mr. Woolhiser & 2nd by Ms. Salgat to approve the Book of Bills in the amount of \$93,845.47. Motion carried. Chair signed the Claims Docket.

Unfinished Business: MAC Summit:

After some discussion, it was moved by Ms. Salgat & 2nd by Mr. Woolhiser that any Commissioner wanting to attend the Michigan Association of Counties Regional Summit in Frankenmuth later this Summer would be registered by the Board Secretary. Motion carried.

Review of Board Correspondence Listing:

The Commissioners reviewed the Correspondence Listing with the Clerk and after, the Board Chair directed that said be placed on file.

Motions to be acted upon:

Motion 1: Resolution and Approval of the Arenac County Investment Policy:

It was moved by Mr. Woolhiser & 2nd by Ms. Burke to adopt the following resolution:

RESOLUTION FOR THE DEPOSIT AND INVESTMENT OF ARENAC COUNTY FUNDS

RESOLUTION 2019-03

WHEREAS, under the laws of the State of Michigan, Act No. 40 of the Michigan State Acts of 1932, 1st Extra Session, as amended (MCL 129.12), this Board is required to provide, by resolution, for the deposit of all public monies, including tax monies, belonging to, or held for, the State, County or other political units coming into the hands of the County Treasurer, in one or more banks, savings and loan associations or credit unions within the State.

THEREFORE BE IT RESOLVED, (1) the Arenac County Board of Commissioners hereby directs Dennis M. Stawowy, Arenac County Treasurer, to deposit all public monies and funds coming into his hands as County Treasurer in any bank, savings and loan associations or credit union within the State which is a legal depository as defined by State and/or Federal law, and (2) the County Treasurer is authorized to invest funds, as set forth by the Arenac County Investment Policy, with these institutions or any institution legally permitted by State Statute, Act No. 20 of the Michigan Public Acts of 1943, as amended (MCL 129.91), or Federal law or regulation within the limits set therein.

THEREFORE BE IT RESOLVED, that the County Treasurer is authorized to enter into and execute on behalf of the County any contracts with any bank or trust company for the safekeeping or third party custodianship of any of the County's securities as well as any contracts or repurchase agreements, on such terms and conditions as the County Treasurer shall require.

BE IT FURTHER RESOLVED, that the County Treasurer is authorized to rely on the continuation of this resolution until amended or replaced by a subsequent resolution of this or successor Board of Commissioners.

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Roll Call Vote: Yes: Mrozinski, Salgat, Burke, Woolhiser, and Kroczaleski. No: None. Motion carried by a 5 yes to 0 no vote. Copy of Resolution will be directed to the Arenac County Treasurer.

INVESTMENT POLICY FOR THE COUNTY OF ARENAC

As Required by Public Act 20 of 1943, as amended

1.0 PURPOSE

The deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. It is the policy of Arenac County to invest public funds in a manner which will ensure the preservation of principal while providing the highest investment return with maximum security, meeting the daily cash flow requirements of the county and conforming to all State statutes governing the investment of public funds. Arenac County will meet the requirements of State statutes by addressing common deposit and investment risks related to credit risk, concentration of credit risk, and interest rate risk.

2.0 SCOPE

This investment policy applies to all financial assets of the County. These assets are accounted for in various funds of the County and include the general fund, special revenue funds, capital project funds, enterprise funds, internal service funds, trust and agency funds and any new fund established.

3.0 OBJECTIVE

Arenac County's primary objectives, in priority order are safety, minimized risk, liquidity and return on investments, with the foremost objective of this policy being safety of principal funds. Investment transactions undertaken by the county treasurer will be conducted in a manner to ensure the preservation of capital in overall portfolio. The objective will be to minimize credit risk and interest rate risk.

- 3.1 **Safety:** Safety of principal is the foremost objective in the investment of county funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 3.2 **Credit Risk:** (Custodial Risk and Concentration of Credit Risk) The County will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issue or backer, by: limiting the investments to the types of securities listed in Section 6.0 of this policy; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the County will do business in accordance with this policy.
- 3.3 **Investment Rate Risk:** The County will minimize Interest Rate Risk, which is the risk that value of securities in the portfolio will fall due to changes in the market interest rates, by: structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the County's known cash requirements.

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- 3.3 **Foreign Currency Risk:** The County is not authorized to invest in investments which have this type of risk.
- 3.5 **Liquidity:** The investment portfolio shall remain sufficiently liquid to enable the County Treasurer to meet all operating requirements which might be reasonably anticipated.
- 3.6 **Return to Investments:** The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow characteristics of the portfolio.

4.0 DIVERSIFICATION

The county treasurer shall diversify his/her investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than 60% of the total investment portfolio will be invested in a single security type and no more than 60% of the portfolio with a single financial institution.

5.0 DELEGATION OF AUTHORITY

Attached here, as Appendix #1, is the Arenac County Board of Commissioner's depository and investment resolution as required by the State statute (PA 40 of 1932 and MCL 129.12). Management responsibility for the investment policy is hereby delegated to the County Treasurer.

6.0 AUTHORIZED INVESTMENTS

The County Treasurer is authorized to invest in the following types of securities authorized by Public Act 20 of 1943, as amended:

- 6.1 Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- 6.2 Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.
- 6.3 Commercial paper rated at the time of purchase within the two highest classification established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- 6.4 Repurchase agreements consisting of instruments in subdivisions 6.1.
- 6.5 Bankers' acceptances of the United States banks.
- 6.6 Obligations of this state of any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
- 6.7 Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
- 6.8 Investment pools organized under the local governmental investment pool act, 1985 PA 121, MCL 129.141 to 129.150.
- 6.9 Obligations described in subdivisions (A) through (G), of PA 20 as amended in 1997, if purchased through an inter-local agreement under the Urban Cooperation Act of 1967, 1967(Ex Sess.) PA 7 MCL 124.501 to 124.512.
- 6.10 Mutual funds registered under the investment company act of 1940, title 1 of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-3 and 80a-4 to 80a-64, with the authority to purchase only

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investment vehicles that are legal for direct investment by the County. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share.

7.0 SAFEKEEPING AND CUSTODY

It shall be the responsibility of the County Treasurer to determine which securities will be held by a third party custodian. Securities held in safekeeping by a third party custodian shall be evidenced by a safekeeping receipt.

8.0 PRUDENCE

The standard of prudence to be used by the County Treasurer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

9.0 REPORTING

The County Treasurer shall provide at least an annual report to the Board of Commissioners, which provides a clear picture of the status and types of investments in the current investment portfolio. This report shall be prepared in a manner, which will allow the Board of Commissioners to ascertain whether investment activities during the reporting period have conformed to the investment policy.

10.0 AGREEMENT TO COMPLY

Before executing an order to purchase or trade the funds of the County of Arenac, a financial intermediary, broker or dealer shall be provided with, and acknowledge receipt of, the County’s investment policy regarding the buying and selling of securities by executing the form attached here as Appendix #2.

11.0 POLICY CONSIDERATIONS

This policy shall be reviewed periodically and amended to reflect changes in State statutes or the needs of Arenac County.

Appendix #2

ACKNOWLEDGEMENT OF RECEIPT OF INVESTMENT POLICY AND AGREEMENT TO COMPLY

I have read and fully understand Act 20 PA 1943, as amended, and the Investment Policy of the County of Arenac.

Any investment advice or recommendation on investments given by _____ representing _____, to the Arenac County Treasurer shall comply with the requirements of Act 20 PA 1943, as amended, and the Investment Policy of the County of Arenac. Any existing investment not conforming to the statute of the policy will be disclosed promptly to the Arenac County Treasurer.

By: _____ Title: _____ Date: _____

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Motion 2: 2019-04 Resolution for MSHDA MOD Program Grant:

Moved by Ms. Salgat & 2nd by Mr. Kroczaleski to table any action until the next meeting of May 28, 2019. Roll call vote: Yes: Mrozinski, Salgat, Burke, Woolhiser, & Kroczaleski. No: None. The resolution was tabled until the next meeting by a 5 yes to 0 no vote.

Order of the Day: Melissa LeFever, 4-H Programs:

Melissa gave a short report to Commissioners and handed out brochures prepared by youth.

Motion 3: Motion Regarding Fairgrounds:

Moved by Ms. Burke & 2nd by Ms. Salgat to authorize the approval of a Planning Contract with Fleis and Vandenbrink in the amount of \$26,500 for New Fairgrounds layout planning grant. Motion carried. Chair to sign contract document.

Motion 4: EMCOG Grant Application for County Master & Recreation Plans:

Moved by Mr. Woolhiser & 2nd by Ms. Salgat to authorize the preparation and submission of the request for grant funds from East Central Michigan Council of Governments for grants toward the cost of new Arenac County Recreation Plan and Arenac County Master Plans to replace plans which are expiring. Motion carried. Mr. Woolhiser and Board Office are working on the project.

Motion 5: MDOT Contract 2019-0013/P4-Arenac Opportunities:

Moved by Ms. Mrozinski & 2nd by Ms. Salgat to approve the proposed contract with Michigan Department of Transportation as listed above and further authorize the Board Chair to sign said. Motion carried. Chair to sign.

Motion 6: MDOT Contract 2019-0013/P5-Arenac Opportunities:

Moved by Ms. Mrozinski & 2nd by Ms. Burke to approve the proposed contract with Michigan Department of Transportation as listed above and further authorize the Board Chair to sign said. Motion carried. Chair to sign.

Motion 7: GIS Transmission Restriction Agreement:

Moved by Ms. Burke & 2nd by Mr. Woolhiser to authorize a letter to the USDA Farm Services Agency regarding an agreement to allow them to access GIS Information. Motion carried.

Motion 8: Correctional Health Care Contract Renewal:

Moved by Mr. Woolhiser & 2nd by Ms. Burke to approve the proposed Contract with Correctional Healthcare for the period of July 1, 2019 through June 30, 2020 @ \$6,369/month. After further discussion, Mr. Woolhiser withdrew his motion. It was then moved by Ms. Salgat & 2nd by Mr. Kroczaleski to table action until the next meeting. Roll Call Vote: Yes: Salgat, Woolhiser, Kroczaleski.

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No: Burke, Mrozinski. Motion failed, as it requires a 2/3rds majority. It was then moved by Ms. Burke & 2nd by Ms. Mrozinski to approve the proposed contract.

Roll Call Vote requested: Yes: Mrozinski, Burke. No: Woolhiser, Salgat, & Kroczaleski. Motion fails by a 2 yes to a 3 vote.

Motion 9: Letter of Support to NEMCSA for Sunrise Senior Services Grant Application:

Moved by Ms. Salgat & 2nd by Ms. Mrozinski to authorize the Chair to send a letter of support for the Sunrise Senior Services Inc. to NEMSCA regarding their grant requests to NEMSCA. The motion carried.

Motion 10: 2018 OPEB and Pension Reporting to Michigan Dept. of Treasury:

Moved by Ms. Mrozinski & 2nd by Mr. Woolhiser to recognize and approve the submitted required OPEB and Pension Funding report required by the State of Michigan. Motion carried.

Motion 11: Request for Proposals: Arenac County Fairgrounds Relocation Project:

Moved by Ms. Salgat & 2nd by Mr. Woolhiser to approve the preparation of a Request for Proposal Document for the relocation and site planning of the Arenac County Fair Grounds noting that this is an EDC Project for financing purposes. Motion carried. Chair noted he will work with the County Treasurer on the proposal and possible financing of the project.

Committee Reports and Commissioner Reports:

Commissioner Burke: Discussed Au Gres related projects and recent Michigan Works Meeting and activities. She also noted that MSU E has publisher regarding documents/brochures.

Commissioners: Noted that the Soil District is hosting Tire Recycling this Saturday. The question arose regarding recent MERIT Bills and costs. Also noted was that Netsource1 is requesting consideration of periodic password changes, like every 90 days with 8 characters and at least one capital letter and or symbol. Also discussed was whether there will be timeouts and access restrictions placed on computers after a short period of inaction and how it might affect users.

Adjournment:

Chair declared the meeting adjourned at 2:52 P.M.

Sincerely,

Attest: _____
Adam Kroczaleski, Chair of the Board of Commissioners

Ricky R. Rockwell
Arenac County Clerk

Electronic Notice

Notice of next meeting of the Arenac County Board of Commissioners will be held on: Tuesday, May 28th

Room 201 of the Arenac County Building in Standish, Michigan pursuant to the Board Meeting Schedule.

Committee of the Whole at 10 A. M. & the Board Session will begin at 1:30 P.M.

Please have all bills into the Office of the County Clerk by Friday Noon, May 24th, and note the Building will be closed on Monday, May 27th, in observance of Memorial Day, a Federal Holiday.

Sincerely,

Ricky R. Rockwell, Arenac County Clerk

Dated: May 16th, 2019

Standish, Michigan 48658

