

WEDNESDAY, January 9, 2019

PRESENT: Comm. Stimpson, Bales, Bolton, Collins, Jenkins-Arno, Knoblauch, Lapham, Tillotson, and Wittenbach

ALSO PRESENT: Dale Wingerd, Jennifer Ambrose, Mark Haag, Dick Germond, Paige Fuoco, Burke Castleberry, Jacob Jenkins, Andrew Munson, Jack Welsh, Troy Bevier, Marilyn Woods, Kim Murphy, Dmitry Shapiro (The Telegram), Ian Wendt (WLEN), Martin Marshall, and Roxann Holloway

The meeting was opened with an invocation and the Pledge of Allegiance.

Comm. Bolton moved to approve the minutes from the December 12, 2018, meeting, Comm. Knoblauch seconded, Motion CARRIED.

Comm. Bolton moved to approve the minutes from the January 4, 2019, meeting, Comm. Wittenbach seconded, Motion CARRIED.

Comm. Tillotson moved to accept the agenda as amended, Comm. Knoblauch seconded, Motion CARRIED.

There were no communications.

Sheriff Jack Welsh announced that after 43½ years, he is retiring effective February 28, 2019. He shared that he had set a few goals before he retired. One goal was a new Sheriff's Dept. Building and the other was a Professional Strategic Plan, and both are well underway. He stated that the department is running very smoothly and he feels this is a good time to retire.

Comm. Collins and Comm. Knoblauch commended the sheriff for his years of dedication and service.

Comm. Knoblauch announced that today is Law Enforcement Appreciation Day, and thanked those that serve. He also stated that we need to continue to support them.

Comm. Knoblauch moved to approve the following consent agenda, as amended, Comm. Collins seconded, Motion CARRIED by a Unanimous Roll Call Vote.

Consent Agenda:

### **Rules and Appointments Committee (01/08/19)**

**2019 Standing Committees:** The Standing Committees remain the same other than the following changes:

- Bob Knoblauch, Vice Chair of Rules & Appointments Committee
- Dawn Bales, Chair of Human Services Committee
- Nancy Jenkins-Arno, Member of Human Services Committee
- Human Services Committee will meet on the Tuesday before the 2nd Wednesday at 1:30 p.m.

- There is a pending appointment to the Physical Resources Committee.
- The 2019 Standing Committee appointments are CONFIRMED.

**2019 Board**

**Reappointments:**

- **Building Authority - 3 members / 3 year term**  
Martin Marshall, County 12/21
- **County Planning Commission - 7 members/3 year term**  
Karol “KZ” Bolton 12/21
- **Economic Development Corporation (EDC) – 12 members / 5 year term**  
Thomas Boldt, District 6 12/23  
Chris Wittenbach, District 9 12/23  
Kim Murphy, At-Large 12/23
- **GIS Policy Committee – 13 members / 2 year term**  
Shelly Delong, Equalization Department 12/20  
Jenny Escott, Drain Commission 12/20  
Bob Knoblauch, County Commission 12/20  
Dereck Wilt, GIS Coordinator as staff 12/20  
Dan Swallows, City of Tecumseh 12/20  
Al Boggs, Representing Townships 12/20  
Kevin Pickford, County Surveyor 12/20
- **Land Bank Authority – 7members / 3 year term**  
Marilyn Woods, County Treasurer 12/21  
Martin Marshall, Assessor Representative 12/21
- **Parks & Recreation Commission – 5 members / 3 year term**  
Karol “KZ” Bolton 12/21  
Ralph Tillotson 12/21
- **Region 2 Planning Commission - 10 members / 3 year term**  
Terry Collins, Adrian 12/21  
Ralph Tillotson, Adrian Township 12/21  
Chris Wittenbach, Clinton 12/21
- **Southeast Michigan Consortium Board - 2 members - 1 year term**  
Karol “KZ” Bolton, Adrian 12/19  
Chris Wittenbach, Clinton 12/19

**New appointments:**

- **Airport Commission - 3 members / 3 year term**  
John Lapham 12/21
- **GIS Policy Committee – 13 members / 2 year term**  
Nathan Burd, City of Adrian 12/20

**Liaison appointments:**

The 2019 Liaison appointments will remain the same other than the following:

- **Road Commission:** Dawn Bales
- **Posey Lake-Lake Improvement Board:** Nancy Jenkins-Arno
- **Access to Healthcare Committee:** Dawn Bales

The Board appointments, reappointments, and liaison appointments as presented are CONFIRMED.

**PERSONNEL/WAYS & MEANS COMMITTEE (1/08/19)**

**WHEREAS**, under the law of the state of Michigan, Act No. 20 of 1943, as amended by PA 196 OF 1997, This Board is required to provide, by resolution, an investment policy governing the prudent management of all public monies, including general fund, tax monies, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, trust & agency and any new funds established by and belonging to, or held for, the State, county or other political units coming into the hands of the County Treasurer.

**THEREFORE BE IT RESOLVED** as follows:

- (1) the Lenawee County Board of Commissioners hereby directs the Lenawee County Treasurer to direct and oversee the management of all public monies, including monies and funds held for the State Board of Escheats or missing heirs, coming into his/her hands as treasurer in the manner outlined in the accompanying investment policy.
- (2) the Treasurer is authorized to invest funds with any financial institution legally permitted by State statute Act #20 of the Michigan Public Acts of 1943, as amended, or Federal law or regulation within the limits set therein, and
- (3) The 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 securities as well as any contracts or repurchase agreements with any corporation for the purchase of any such securities which will be the subject of such safekeeping or third party custodianship arrangements, on such terms and conditions as the County Treasurer shall require, and
- (4) The Treasurer is authorized to engage a professional management firm to manage the assets, as long as that firm:
  - a. Acknowledges receipt of the investment policy and
  - b. Agrees to comply within the terms of the investment policy regarding the buying or selling of securities and
- (5) The County Treasurer is authorized to rely on the continuing effect of these resolutions until amended or repealed by the subsequent Resolution of this or a successor Board of Commissioners.

Depository & Investment Resolution RES#2019-001 is ADOPTED.

## **LENAWEE COUNTY INVESTMENT POLICY**

**POL#2019-001**

### **To comply with Act 20 PA 1943, AS AMENDED**

It is the policy of Lenawee County to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the County and comply with all state statutes governing the investment of public funds.

This investment policy applies to all financial assets of the County. These assets are accounted for in the various funds of the county and include the general funds, special revenue funds, debt service funds and capital project funds, (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds and any new fund established by the County.

The primary objectives, in priority order, of the County's investment activities shall be:

**Safety**--Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

**Diversification**--The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

**Liquidity**--The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

**Return on Investment**--The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Authority to manage the investment program is derived from the following: Lenawee County Board of Commissioners' most current resolution designating depositories and M.C.L. 48.40 requiring the County Treasurer to be the custodian of the County's funds. Management responsibility for the investment program is hereby delegated to the Lenawee County Treasurer who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, cash purchase or delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral / depository agreements and banking service contracts. No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Lenawee County Treasurer. The Lenawee County Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of the subordinate officials.

The County of Lenawee is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution meeting all criteria as a depository of public funds contained in the state law.
3. Commercial paper rated at the time of purchase within the two (2) highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
4. In United States government or federal agency obligation repurchase agreements.
5. Bankers Acceptances on United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
7. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789,15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
  - a. The purchase of securities on a when-issued or delayed delivery bases.
  - b. The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
  - c. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
8. Investment pools organized under the surplus funds investment pool act, 1982, PA367, MCL129.11 to129.118.
9. The investment pools organized under the local government investment pool act, 1985 PA121, MCL 129.141 to 129.150.

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the County shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts as determined by the Treasurer.

Investments shall be made with judgment 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.

#### **INVESTMENT POLICY ADDENDUM:**

##### **Procedure for Investment in Financial Institution Certificates of Deposit**

Investment funds can be allocated to competing Banks, Savings and Loans and Credit Unions who will put these funds to work in the county for their owners--the citizens of Lenawee County.

The primary concern is for the safety of the principal. Only depositories that meet the quality standards described in this policy shall be considered for investments. The highest yield consistent with the above standards shall be assured by following the competitive bidding procedures. No more than 10% of the county's total investments may be in a single institution above the federal deposit insurance coverage amount.

### **BIDDING PROCEDURES**

The County Treasurer shall competitively bid all County of Lenawee Investments that are not managed by a professional management firm. He/She shall in all cases attempt to keep all County of Lenawee investments in financial institutions which are located within the County of Lenawee. The following procedures shall be followed:

- A. All financial institutions wanting to be on the "Bidders" list will be notified annually, in writing, by the Lenawee County Treasurer if they qualify to bid on County of Lenawee investments.
- B. Every day that investments are to be made, telephone calls will be made by the County Treasurer or his/her representative to each financial institution qualified to bid on County of Lenawee Investments detailing the amount and maturity date for each account being invested. This call is to be made no later than 11:00 a.m.
- C. At the time of the 11:00 a.m. call, mentioned in "b" above, each financial institution will notify the County Treasurer's office whether or not they wish to submit a bid on the various amounts. In lieu of this a bank may, in writing, notify the County Treasurer that they wish to be on the bidders list for a certain period of time (monthly, all year, etc) and note any special situations a special call is needed.
- D. Winning bids will be awarded by 12:00 a.m. by a telephone call to the winning bidder. Wire transfer instructions will be processed by the County Treasurer's Office from the various accounts to transfer funds to the winning bidder by 2:00 p.m.
- E. Financial institutions will prepare safekeeping receipts or Certificate of Deposit for each investment made and transmit to the County of Lenawee no later than the following day as proof of purchase. (Note: bidding results by financial institutions will be available at the Treasurer's office by telephone at any time).
- F. Bids will be awarded to the highest bidder, except where the bidder already holds 10% or more of county funds. Tie bids will be broken in the following order:
  1. If all parties to the tie bid agree, the total investment will be allocated as equally as possible to all bidders. (All parties must agree to "hold" the quoted interest rate bid to use this method of tie breaking.)
  2. If case (1) above does not resolve the tie bid situation, an investment will be made in an overnight investment and rebid the next day.

### **MINIMUM BANK STANDARDS**

1. Liquid assets, as a percentage of total assets, must be 25% or more;  
Our ratio is \_\_\_\_\_%
2. Gross loans, as a percentage of total assets, must be 75% or less;  
Our ratio is \_\_\_\_\_%
3. Loan loss reserves, as a percentage of gross loans, must be 1% or more;  
Our ratio is \_\_\_\_\_%
4. Borrowed funds, as a percentage of total assets, must be 10% or less;  
Our ratio is \_\_\_\_\_%
5. Equity capital, as a percentage of total assets, must be 7% or more;  
Our ratio is \_\_\_\_\_%
6. Equity growth must be 8% or more;  
Our ratio is \_\_\_\_\_%
7. Return on assets must equal .75%;

Our ratio is \_\_\_\_\_%

8. Equity growth must be proportionate to asset and deposit growth;

Our ratio is \_\_\_\_\_%

9. County funds on deposit in any one bank shall not exceed 50% of that bank's capital, surplus and undivided profits account; 50% in your case would be \$\_\_\_\_\_.

Lenawee County Investment Policy POL#2019-001 is ADOPTED.

**B. 2019 PEER Group**

**RES#2019-002**

**WHEREAS** The County of Lenawee has entered into a Grant Agreement with the Michigan Department of Licensing and Regulatory Affairs-Office of Land Survey and Remonumentation for the conduction of surveying, monumentation, and remonumentaion in Lenawee County.

The County has need for professional surveyors to serve on the Peer Group under its Grant Agreement to meet at various times during the year to review corners that are to be remonumented under the provisions of the Monumentation and Remonumentation Plan for Lenawee County.

As of June 12, 2014, the State of Michigan requires members of the PEER Group to be appointments of the County Board of Commissioners.

**THEREFORE BE IT RESOLVED**, that the Lenawee County Board of Commissioners does hereby appoint Michael Bartolo, David Erickson, Joseph Fenicle, Glenn Richard, and Scott Warnke to the 2019 PEER Group; these appointments will expire on an annual basis coinciding with the terms of their agreement.

**BE IT FURTHER RESOLVED** that the Chairperson and County Clerk of Lenawee County are hereby authorized and directed to execute said 2019 PEER Group agreement(s) on behalf of the County of Lenawee, Michigan.

Lenawee County 2019 PEER Group Resolution RES#2019-002 is ADOPTED.

**C. Remonumentation Research:** Remonumentation research contracts with Bartolo Surveying, LLC and Associated Engineers, Inc. are APPROVED.

**D. Monumentation/Remonumentation:** Monumentation/Remonumentation contracts with Bartolo Surveying, LLC and Associated Engineers, Inc. are APPROVED.

**E. City of Adrian / Tax Appeal:** Support the City of Adrian in the Lowe's appeal in an amount not to exceed \$20,000 without subsequent authorization with the County covering 1/3 of attorney and appraisal fees and 100% of review appraisal fees. AUTHORIZED.

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Comm. Bolton moved to accept the following proclamation, Comm. Collins seconded,

**LOCAL SCHOOL BOARD MEMBER- RECOGNITION MONTH**

**PRO#2019-001**

**Whereas**, providing for the education of Michigan's school-aged children is a fundamental duty of state government, as stated in Article VIII, Section 2, of the Michigan Constitution of 1963; and

**Whereas**, the education of our youth is the foundation upon which the economic, social, and intellectual capital of our state is built; and

**Whereas**, locally-elected school boards play an important and vital role in a representative democracy, and decisions made by local boards of education directly influence instruction in Michigan's public schools; and

**Whereas**, our 82 local board members contribute hundreds of hours each year leading their districts- whether it is by deliberating important decisions about curriculum; adopting policies; hiring top notch personnel and administrators; listening to staff, parent, and student concerns; or recognizing outstanding programs- board members always keep their eyes on the goal of student achievement; and

**Whereas**, these decisions affect the present and future lives of children, and also set direction to prepare all students to be competitive in a local, state, national, and global 21<sup>st</sup> Century knowledge economy, and

**Whereas**, local school board members are exceptional people who tackle the enormous job of governing school districts, and demonstrate, to the over 15,600 K-12 students in Lenawee County, the high character of civic duty and responsibility that all citizens should engage; and

**Whereas**, Local School Board Member Recognition Month provides an opportunity to build stronger relationships between the thousands of women and men who champion the cause of public education as board members, their schools, and the communities they serve; and

**Therefore Be It Resolved** that the Lenawee County Board of Commissioners recognize the contributions of the local boards of education to the academic success of public school students, and express its sincerest appreciation for their focus on the well-being and achievement of children throughout the county; and

**Be It Further Resolved**, that the Lenawee County Board of Commissioners proclaims January 2019 as *Local School Board Member Recognition Month* in Lenawee County, and encourage local school districts and community leaders to appropriately recognize dedicated local school board members.

Motion CARRIED.

Comm. Wittenbach reported from the Information Technology/Equalization Committee.

There was no Human Services Committee meeting in January.

Comm. Bolton reported from the Rules & Appointments Committee.

Comm. Collins reported from the Criminal Justice Committee.

Comm. Knoblauch reported from the Physical Resources Committee.

Comm. Tillotson reported from the Personnel/Ways & Means Committee.

Comm. Tillotson reported from the Accounts Payable Committee.

December 20, 2018-

Comm. Tillotson moved to approve total vouchers for payment in the amount \$2,654,953.84 with the general fund's portion being \$226,480.78, Comm. Knoblauch seconded. Motion CARRIED.

January 3, 2019-

Comm. Tillotson moved to approve total vouchers for payment in the amount \$1,049,428.76 with the general fund's portion being \$95,890.68, Comm. Bolton seconded. Motion CARRIED.

Comm. Wittenbach reported from the Parks Commission.

Comm. Wittenbach reported from the Dept. of Human Service.

Comm. Knoblauch reported from the Solid Waste Committee.

Comm. Bales reported from the Airport Commission.

Comm. Tillotson reported from the Substance Abuse Committee.

Comm. Knoblauch reported from the Veterans Affairs Board.

Comm. Collins reported from the Emergency 9-1-1 District Board

Comm. Wittenbach reported from the Health Board.

New Business:

Prosecuting Attorney Service Contracts:

Comm. Collins moved to approve the Prosecuting Attorney Service contracts with the City of Morenci, Madison Township, and the City of Tecumseh, Comm. Wittenbach seconded. Motion CARRIED.

Public Comments and Announcements:

Comm. Bolton announced the Lenawee Conservation Annual Meeting will be held on January 17, 2019.

Comm. Tillotson moved to adjourn at 2:06 P.M., Comm. Knoblauch seconded. Motion CARRIED.

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Roxann Holloway, Clerk

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David Stimpson, Chair