

WEDNESDAY, April 11, 2018

PRESENT: Comm. Stimpson, Bales, Bolton, Collins, Driskill, Knoblauch, Lapham, Tillotson, and Wittenbach

ABSENT: None

Also Present: Marilyn Woods, Kim Murphy, Shelly DeLong, Suann Hammersmith, Joe Brezvai, Burke Castleberry, Ian Wendt (WLEN), David Panian (The Telegram), Harvey Schmidt, Jen Ambrose, Martin Marshall, and Roxann Holloway,

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

Comm. Knoblauch moved to approve the minutes from the March 14, 2018, meeting, Comm. Wittenbach seconded, Motion CARRIED.

Comm. Tillotson moved to accept the agenda as presented, Comm. Bolton seconded, Motion CARRIED.

Communications were read.

Equalization Director Shelly DeLong presented the 2018 Annual Equalization Report.

Comm. Knoblauch moved to accept report and place on file, Comm. Bolton seconded, Motion CARRIED.

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

Consent Agenda:

LTC – Controlled Substances & Alcohol Misuse Testing Policy

RES#2018-010

Whereas, the Lenawee County Board of Commissioners has made known its intent to provide public transportation service; and,

Whereas, the Lenawee County Board of Commissioners has contracted with the Lenawee Transportation Corporation to provide that transportation service; and

Whereas, a policy had been developed for a controlled substances and alcohol testing program for Lenawee Transportation promoting safety, concern for the welfare of its citizens and employees, and to comply with the mandated guidelines of the U.S. Department of Transportation Federal Transportation Administration; and

Whereas, a RE-revised policy has been developed to ensure the most up-to-date language and regulations of the US DOT FTA has been included; now therefore be it,

Resolved, the Lenawee County Board of Commissioners approves the updated Controlled Substances and Alcohol Misuse Testing Policy, and,

Hereby, authorize the Chairman and the County Clerk to sign the aforementioned confirmation form.

Delinquent Tax Revolving Loan Fund

RES#2018-011

Whereas, Lenawee County maintains a Delinquent Tax Revolving Fund that enables the County to obtain sufficient funds to pay local units of government the amount of delinquent property taxes returned to the County.

Therefore Be It Resolved that an advance from the Lenawee County General Fund via a transfer to the Delinquent Tax Revolving Fund be authorized in an amount not to exceed \$500,000.00 as of June 2, 2018, and

Be It Further Resolved that pursuant to Act 206, upon continuation of the fund, the County Treasurer is to act as agent for the County to administer the fund for 2018, and in this capacity receive administrative expenses in connection with the Fund, such sums as are provided by law subject to the following conditions: (a) interest at the rate of 2% payable to the general fund from June 2, 2018 through date of pay-off, and (b) payments back to the general fund beginning July 1, 2018, until the advance is fully paid which is anticipated to be paid off on or before August 28, 2018.

Lenawee County Planning Commission: Robert Behnke is appointed to the County Planning Commission; term expiration of 12/20.

Community Mental Health Authority Board: The resignation of Donna Yearsin was accepted. Scott Clites, Ralph Tillotson, and Deidre Reed are reappointed to the Community Mental Health Authority Board with term expiration of 3/21.

Armed Security Position Request: The new Court Security Deputy position is APPROVED, and the budget adjustment of \$28,426 from Personnel Contingency to Court Bailiff Personnel (101.346) FY 2018 is AUTHORIZED.

2019 Budget Calendar: The 2019 budget calendar is APPROVED.

Refunding HSB Bonds: Issuance of bonds in the County's name is APPROVED, and the Administrator is AUTHORIZED to award the bonds at the conclusion of the bond sale in May.

Lenawee County Capital Improvement Refunding Bonds, Series 2018 **RES#2018-014**
Bonds Not To Exceed \$3,300,000

Whereas, pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948, as amended ("Act 185") the Lenawee County Building Authority issued its Building Authority Bonds, Series 2010A (Federally Taxable Recovery Zone Bonds), dated as of February 1, 2010, in the original principal amount of \$3,900,000 (the "2010 Series A Bonds") and its Building Authority Bonds, Series 2010B, dated as of February 1, 2010, in the original principal amount of \$550,000 (the "2011 Series B Bonds"), to defray part of the cost of constructing improvements to the Lenawee County Human Services Building and parking lot; and

Whereas, the 2010 Series A Bonds remain outstanding in the aggregate principal amount of \$2,760,000 maturing in various principal amounts on May 1 in the years 2019 through 2030 and bear interest at rates of 5.35% through 6.10%; and

Whereas, the 2010 Series B Bonds remain outstanding in the aggregate principal amount of \$380,000 maturing in various principal amounts on May 1 in the years 2019 through 2030 and bear interest at rates of 4.00% through 5.00%; and

Whereas, hereinafter the 2010 Series A Bonds and the 2010 Series B Bonds are referred to (together as the "Prior Bonds")

Whereas, pursuant to Act 34 of the Public Acts of Michigan of 2001 ("Act 34") the County is authorized to refund all or any part of its funded indebtedness; and

Whereas, the County has determined that it is necessary and appropriate at this time to issue a series of Bonds pursuant to Act 34 to refund the Prior Bonds maturing in the years 2019 through 2030; and

Whereas, the County may call the outstanding Prior Bonds maturing in the years 2019 through 2030 on June 1, 2018 or the first day of any month thereafter by issuing its Refunding Bonds.

Now, Therefore, Be It Resolved By The Lenawee County Board of Commissioners as follows (full text on file with County Clerk)

Medicaid Enrollment Misclassification resolution: Resolution ADOPTED requesting that the state and federal government work out the differences between the Medicaid and Medicare program coverages to correct the shortfall in reimbursement for service.

Medicaid Enrollment Misclassification resolution **RES#2018-013**

Whereas, Lenawee Community Mental Health Authority (LCMHA) provides mental health services to adults with a severe mental illness, children with a serious emotional disturbance, and individuals with an intellectual/developmental disability, and individuals with substance use disorders; residing in the county; and

Whereas, Lenawee Community Mental Health is part of a four county Prepaid Inpatient Health Plan (PIHP) with Washtenaw, Livingston, and Monroe counties, which form the CMH Partnership of Southeast Michigan; and

Whereas, the PIHP is under contract with Michigan Department of Health and Human Services (MDHHS) for the provision of mandated and medically necessary specialty mental health services for Medicaid eligible individuals under a risk based capitated funding model in which Medicaid funds are distributed to the PIHP; and

Whereas, the PIHP contracts with Lenawee Community Mental Health Authority to provide specialty mental health services for Medicaid eligible individuals residing in the county; and

Whereas, Medicaid beneficiaries are classified into Disabled, Aged and Blind (DAB) or Temporary Assistance for Needy Families (TANF); and

Whereas, Medicaid expansion has also provided an additional benefit known as Healthy Michigan Plan (HMP); and

Whereas, the classifications of Medicaid beneficiaries has an associated average rate of reimbursement for the CMH systems across the State of Michigan; and

Whereas, the rate differential makes it essential that individuals are placed in the appropriate Medicaid classification and the CMH system receives adequate revenue to meet the specialty mental health service needs of the residents; and

Whereas, the CMH system has experienced revenue loss due to the misclassification of Medicaid beneficiaries that has resulted in budgetary challenges for CMH Partnership of Southeast Michigan as well as the CMH system statewide; and

Whereas, throughout fiscal years 2016 and 2017, this misclassification of beneficiaries has equated to approximately \$97m loss in Medicaid revenue across PIHPs and CMHs statewide and a local loss of over \$4,650,891 in Medicaid revenue for the CMH Partnership of Southeast Michigan.

Therefore Be It Resolved the Lenawee County Board of Commissioners fully supports the efforts of the Lenawee Community Mental Health Authority Board to use all appropriate means to fully engage necessary entities and individuals to seek a resolution to this issue; and

Be It Further Resolved the Board directs County Clerk to share this resolution with the Lenawee Community Mental Health Authority Board, delegation to the Michigan Legislature, the legislative leaders in both chambers of the Michigan Legislature, Governor Rick Snyder, and

Lenawee County's members of the United States Senate and United States House of Representatives.

PA 116 Applications: Two applications to enter property located in Ogden Township into the PA116 program are APPROVED.

Conduit Installation Request: \$31,800 for Conduit Installation to be paid out of the Capital Fund with intent to be reimbursed from bond proceeds is APPROVED.

Property Survey Request: \$3,000 for the property survey to be paid out of the Capital Fund with intent to be reimbursed from bond proceeds is APPROVED.

Electric Service Request: \$30,000 for the electrical site plan to be paid out of the Capital Fund with intent to be reimbursed from bond proceeds is APPROVED.

Mobile Data Terminal loan Request: Authorized to enter into lease agreement with Dell for the balance of the mobile data terminal partnership equipment purchase (\$54,000) is APPROVED.

Comm. Bolton moved to adopt the following resolution, Comm. Wittenbach seconded,
Lenawee 2018 Report of County Equalization **RES#2018-012**
WHEREAS, It is the responsibility of the Lenawee County Board of Commissioners, under MCL 211.34, to equalize the value of Lenawee County each year, and
WHEREAS, In fulfillment of that responsibility the Lenawee County Board of Commissioners maintains the Lenawee County Equalization Department to advise and assist the board in equalization matters as provided in MCL 211.34(3), and
WHEREAS, The Lenawee County Equalization Department has reviewed the assessment rolls of the 26 assessment jurisdiction in Lenawee County and has recommended equalized values for each real property class and the personal property class as a whole as detailed in the attached 2018 Report of County Equalization.
NOW THEREFORE, BE IT RESOLVED that the Lenawee County Board of Commissioners adopts the equalized values as recommended by the equalization department in the attached 2018 Report of County Equalization, and
BE IT FURTHER RESOLVED that the Lenawee County Board of Commissioners appoint the Lenawee County Equalization Director, Marchelle L. DeLong, to represent the County of Lenawee in equalization matters before the Michigan State Tax Commission.
Motion was CARRIED by a Unanimous Roll Call Vote.

Comm. Bolton moved to adopt the following resolution, Comm. Bales seconded,
Volunteer Recognition Week **PRO#2018-001**
WHEREAS, National Volunteer Week is an opportunity to celebrate the impact of volunteer service and the power of volunteers coming together to tackle tough challenges, and build stronger, more resilient communities.
WHEREAS, during this week, the country's more than 64 million volunteers will perform service projects all over the nation and volunteers are being recognized for their support; and

WHEREAS, volunteers can connect with local service opportunities through many community service organizations, such as the Lenawee Community Foundation and its partner community service organizations through their Volunteer! Lenawee center; and

WHEREAS, Lenawee County volunteers consistently step up to challenges that face us as a community; they are an exceptional force making a difference right here in our neighborhood.

THEREFORE BE IT RESOLVED that the Board of Commissioners hereby proclaim April 15 through April 21, 2018, as National Volunteer Week in Lenawee County; and

BE IT FURTHER RESOLVED, that all local clubs, organizations, and community leaders take a moment to acknowledge the people and causes that inspire us to serve; and

BE IT FURTHER RESOLVED, that all residents be urged to lend their time, talent and voice to make a difference in the Lenawee County community.

Motion CARRIED by a Unanimous Roll Call Vote.

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

Comm. Driskill reported from the Human Services Committee.

Comm. Collins reported from the Criminal Justice Committee.

Comm. Knoblauch reported from the Physical Resources Committee.

Comm. Tillotson reported from the Accounts Payable Committee.

March 15, 2018-

Comm. Tillotson moved to approve total vouchers for payment in the amount \$1,484,599.61 with general fund's portion being \$253,091.83, Comm. Bolton seconded. Motion CARRIED.

March 29, 2018-

Comm. Tillotson moved to approve total vouchers for payment in the amount \$1,467,327.57 with general fund's portion being \$109,347.29 Comm. Collins seconded. Motion CARRIED.

Comm. Lapham reported from the Policy & Procedure Committee.

Comm. Lapham moved to approve the following amended Contract Authority / Designate Signatory policy as presented, Comm. Knoblauch seconded. The amended Contract Authority/Designate Signatory Policy is on file. Motion Carried.

The only change to the Fixed Asset Policy was the value of other fixed assets to be capitalized changed from \$5,000 to \$10,000.

Comm. Lapham moved to approve the amended Fixed Asset Policy as presented, Comm. Bales seconded. The amended Fixed Asset Policy is on file. Motion Carried.

Comm. Wittenbach reported from the Parks Commission.

Comm. Driskill reported from the Road Commission.

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

Comm. Lapham reported from the Department on Aging.

Comm. Knoblauch reported from the Solid Waste Committee.

Comm. Driskill reported from the Airport Commission.

Comm. Bolton reported from Michigan Works.

Comm. Knoblauch reported from MTA.

Comm. Tillotson reported from the Substance Abuse Committee.

Comm. Knoblauch reported from the Veterans Affairs Committee.

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

Comm. Wittenbach reported from the Health Board.

Comm. Wittenbach reported from MAC- General Government.

Harvey Schmidt, Tecumseh City resident and owner of Schmidt and Son Pharmacies in Lenawee County, shared his concerns regarding recent news articles pertaining to the decision of the ProMedica Health Systems and a letter that they mailed to all their employees stating that they can no longer use local pharmacies and to direct all their patients to the CVS Pharmacy. He stated that as a result, his business has lost a lot of customers. He also stated that what is so disappointing is that over the years he and his wife have been generous with pledges and donations to Herrick and ProMedica and feels that ProMedica has forgotten where their local support has come from. He also expressed his concern regarding the Mental Health needs in Lenawee County.

Discussion followed and several commissioners expressed their concerns, as well.

Comm. Bolton moved to adjourn at 2:24 P.M., Comm. Tillotson seconded. Motion CARRIED.

Roxann Holloway, Clerk

David Stimpson, Chair



Contracts/Designate Signatory Policy

POL#2018-004

Adopted: 09/13/2007

Amended: 12/10, 04/18

The Board of Commissioners has budgetary control over County funds, and exercises the legislative power of appropriation. MCL 141.436. The power to authorize agreements binding the County rests with the Board of Commissioners, unless some other statutory provision exists. MCL 46.1 1(1). [Also see: 7 Mich. Civ. Jur. Counties §86.] The Chairperson of the Board of Commissioners is then authorized to sign agreements on behalf of the County or, in his/her absence, another County Commissioner selected by the Board of Commissioners. MCL 46.3. Thus, elected officials, other County officials and employees are not authorized by statute to enter into contracts *on behalf of the County*.

However, the County Board of Commissioners could specifically authorize officials to sign certain contracts within established guidelines when not otherwise prohibited by statute. This could be on a case by case basis through formal Board actions, or by a contracting purchasing policy setting forth Board approved procedures for such arrangements.

However, absent a duly enacted County policy or specific resolution allowing the elected officers to enter into contracts on behalf of the County, these officers have no authority to enter into such contracts that purport to bind the County.



Fixed Assets Policy

POL#2018-005

Date of Adoption: March 15, 2006

Date of Amendments: 12/11, 04/18

Asset Valuation

Fixed assets of the county are to be valued according to the following criteria:

Donated Assets - For those assets acquired by gift, donation, or payment of a nominal sum which is not reflective of the asset's true market value, the cost assigned is to be the fair market value at time of acquisition plus all appropriate ancillary costs. If the fair market value is not practicably determinable due to lack of sufficient records, estimated cost is to be used.

Purchased Assets - Valuation of purchased assets is to be made on the basis of historical costs including all nonrefundable purchase taxes (e.g., sales taxes), and all appropriate ancillary costs less any trade discounts or rebates. If the historical cost is not practicably determinable, then estimated cost is to be used.

The cost of extended maintenance/warranty contracts is included in the valuation of the fixed asset provided the contract is purchased at the same time (or soon thereafter) as the fixed asset. These contracts are depreciated over the useful life of the asset. Payments for contracts not purchased at the same time as the fixed asset are not to be capitalized.

Self-Constructed Assets - When an agency constructs an asset for its own use, the following policy is to govern the valuation of the asset:

- All direct costs associated with the construction are to be included.
- Agency project management costs may be capitalized directly, when practicably discernible and directly associated with the project, or through the application of a percentage of total budgeted project costs. The application rate may or may not be designed to recover total agency project management costs. Indirect costs are to be excluded unless they are increased by the construction.
- Interest costs (if material) incurred during the period of construction should be included in the capitalized cost of the asset.

Identification Policy

Upon receipt and acceptance, all inventoriable fixed assets of the county are to be marked in such a manner as to identify that the property belongs to Lenawee County. These tags include the name of Lenawee County and a unique control number. They are issued and controlled by the Administrator's Office.

Capitalized Assets (Assets capitalized for financial statement purposes.)

All land acquisition, regardless of cost (including ancillary costs), is to be capitalized. All other fixed assets with a unit cost (including ancillary costs) of-\$10,000 or greater are to be capitalized unless otherwise noted.

Fixed Assets Policy (*continued*)

For governmental and expendable trust fund type accounts, asset capitalization is to be recorded in the General Fixed Asset Account Group and will be included on the Government-Wide Financial Statements. For proprietary and similar trust fund type accounts, the value of the asset is to be recorded in the account itself. Only capitalized fixed assets are to be considered reportable for financial statement purposes.

New acquisitions - Fixed assets which have no relationship to the addition or improvement to, or the repair or replacement of a component of, existing fixed assets; and meet the \$10,000 threshold stated above are to be capitalized.

Extraordinary repairs, betterments, or improvements - Outlays that increase future benefits from an existing fixed asset beyond its previously assessed standard of performance are to be capitalized if they cost \$10,000 or more. Increased future benefits typically include:

- An extension in the estimated useful life of the asset.
- An increase in the capacity of an existing fixed asset.
- A substantial improvement in the quality of output or a reduction in previously assessed operating costs.

Replacement - Acquisition of a fixed asset to replace a part of another fixed asset is capitalized when the cost of the replacement is \$10,000 or more **and** equal to at least the lesser of 10 percent of replacement value of the asset or \$100,000.

EXAMPLE: A \$9,000 replacement of a heating boiler (which did not meet any of the criteria listed in the previous paragraph) in a building having a replacement value of \$120,000 would not be capitalized. The cost, in this case, is not equal or greater than 10 percent of the building's replacement value. Had the building's replacement value been less than \$90,000, the \$9,000 boiler replacement would have been capitalized.

EXCEPTIONS to this policy are:

- Replacement roof coverings are not capitalized (whether or not the replacement is with superior materials) unless the replacement extends the useful life of the entire building.
- Replacement floor coverings and window coverings are not capitalized.
- Costs to remodel (convert) a building to a different use, where the remodeling does not extend the useful life of the structure itself, are not capitalized.

The cost and accumulated depreciation of the replaced fixed asset are to be removed from the accounting records if the amounts are determinable and the replacement is capitalized. For proprietary and similar trust fund type accounts, the removed amounts are offset by entries to Revenue "Gain or Loss on Sale of Fixed Assets."

Addition - A \$10,000 or more expansion of or extension to an existing capitalized fixed asset is capitalized.

Fixed Assets Policy (*continued*)

Bulk Purchase - Bulk purchases of like fixed assets with unit costs of less than \$10,000 may be capitalized as a group where the allocation of costs for the bulk assets over time is matched to the corresponding revenue generated by the bulk assets.

Computers and Computer Networks

A network is determined to be where individual components may be below the \$10,000 but are interdependent and the overriding value to the county is on the entire network and not the individual assets. The components that are a part of the computer network and have a useful life **less than** 5 years would not be capitalized unless the individual computers and related equipment has a cost greater than \$10,000.

EXAMPLE: A personal computer that is part of the county's network and cost \$2,000 would not be capitalized because its expected life is less than 5 years. However, components such as cabling or modems that have an expected life of at least five years and are considered part of the network and will be capitalized and depreciated as part of that asset for financial statement purposes.

Capital Leases

A capital lease is a lease that transfers substantially all the benefits and risks inherent in the ownership of property to the county. A lease must meet one or more of the following four criteria to qualify as a capital lease:

- By the end of the lease term, ownership of the leased property is transferred to the county; or
- The lease contains a bargain purchase option; or
- The lease term is equal to 75 percent or more of the estimated useful life of the leased property; or
- The lease qualifies as a capital lease if, at the inception of the lease, the present value of the minimum lease payments, excluding executory costs (usually insurance, maintenance, and taxes paid in connection with the leased property, including any profit thereof) is 90 percent or more of the fair value of the leased property. The interest rate to be used in the computation of the present value may be the rate detailed in the lease agreement if available or a reasonable current market rate.

Capital leases with a net present value of the future minimum lease payments or fair value, whichever is less, of \$10,000 or more are to be accounted for as an acquisition of a capitalized asset and the incurrence of a liability. If such a lease involves the acquisition of more than one asset, each asset is to be considered capitalizable if its fair value is \$10,000 or more. Capital leases with a net present value of less than \$10,000 are to be accounted for as operating leases. If title to these assets transfers to the county at the conclusion of the operating lease, at title transfer they are to be capitalized and/or inventoried pursuant to their cost to transfer if that amount meets the \$10,000 threshold.

Fixed Assets Policy (*continued*)

Construction in Progress

Assets that are constructed by or for the county are not added to the Fixed Asset system until they are substantially complete (estimate 90% complete). The amount to be capitalized includes all costs of the project including any interest on debt relating to the project while under construction. Any residual amount spent after the initial capitalization will be added to the base asset. The amount to be capitalized will be determined by the Administrator's Office.

Depreciation Policy

Depreciation is to be calculated and recorded for all capitalized fixed assets with the exception of land, construction in progress, and library resources, museum and art collections.

Depreciation is to be calculated, using the straight-line method:

$$\text{Annual Depreciation} = \frac{\text{Cost - Salvage Value}}{\text{Asset Useful Life}}$$

Useful Life - Use of estimated useful life in Schedule A is optional. A shorter or longer estimated life may be used depending on factual circumstances, replacement policies, or industry practices. Proposed deviation in useful life from Schedule A (for fixed assets acquired in new condition) requires prior written approval from the County Administrator's Office.

Inventory Policy

The following fixed assets are to be considered inventoriable assets and carried on the property records of the county:

- Land.
- Fixed assets with a unit cost (including sales tax and ancillary costs) of \$10,000 or greater, unless otherwise noted.
- Assets identified as Tracked Assets.

Departments are responsible to take inventory annually and report any unrecorded disposals or acquisitions to the Administrator's Office on the appropriate Acquisition/Disposal form. See attached forms.

Library resources, including books, films, documents, or other audiovisual material, which are under the control of a recognized cataloging system, are to be recorded on the property records of the agency as a single item. Primary control of this type of asset is to be maintained through the cataloging system.

Departments have the option to develop written policies for identifying and controlling small and attractive assets. Some items that departments may consider small and attractive include: Communications Equipment, Public Safety equipment, Audio and video, Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders, Cameras and Photographic Projection Equipment, Record Players, Radios, Television Sets, Tape Recorders.

Fixed Assets Policy (*continued*)

Infrastructure

Infrastructure includes public domain general fixed assets that are immovable and of value only to the county. Such assets normally do not impact the value of the land on which they are located. Infrastructure includes certain improvements other than buildings such as roads, bridges, curbs, gutters, streets, sidewalks, drainage systems, lighting systems, and similar assets. All land and improvements within the operating right-of-way of the county's transportation system are considered infrastructure.

When streets, sidewalks, lighting systems, and other similar fixed assets are located in a confined setting such as a campus, park, or compound and they meet the county's capitalization policy, they are capitalized and inventoried under the classification of Improvements Other than Buildings.

Infrastructure with a historical cost (or value if donated) of \$50,000 or more is to be capitalized for financial statement purposes.

Records Requirements

The County is to maintain a fixed asset system which includes records for all inventoriable assets. (Assets with a cost of \$10,000 or more.)

Removal of Assets from Inventory

Fixed assets are to be removed from active inventory based on the completion and approval of a Property Disposal Request.

Agencies are to maintain records of fixed asset dispositions in accordance with approved agency records retention schedules.

Schedule A:

<i>Asset Type</i>	<i>Life In Years</i>
Buildings	50
Equipment/Furnishings	5
Copiers	5
Comm Equip	10
Printing Equip	7
Equipment/Computer	3
Land Improvements	40
Vehicles	
Sheriff Patrol Cars	2
Sheriff Unmarked	6
All Other	6