

GRAND TRAVERSE COUNTY BOARD OF COMMISSIONERS
Wednesday, August 2, 2017 @ 5:30 p.m.
(or immediately following completion of Joint meeting @ 4:30, whichever is later)
Governmental Center, 2nd Floor Commission Chambers
400 Boardman, Traverse City, MI 49684

General Meeting Policies:

- ❖ Please turn off all cell phones or switch them to silent mode.
- ❖ Any person may make a video, audio or other record of this meeting. Standing equipment, cords, or portable microphones must be located so as not to block audience view.

If you need auxiliary aid assistance, contact 231-922-4760.

CALL TO ORDER:

1. OPENING CEREMONIES OR EXERCISES
(Pledge of Allegiance)
2. ROLL CALL
3. APPROVAL OF MINUTES
(Reading aloud is waived as long as the Board has been furnished a copy in the packet prior to the meeting)
 - a. Minutes of July 26, 2017 (Regular Meeting)3
4. FIRST PUBLIC COMMENT

Any person shall be permitted to address a meeting of the Board of Commissioners which is required to be open to the public under the provision of the Michigan Open Meetings Act. Public Comment shall be carried out in accordance with the following Board Rules and Procedures:

Any person wishing to address the Board shall state his or her name and address.

No person shall be allowed to speak more than once on the same matter, excluding time needed to answer Commissioners' questions, if any. The Chairperson shall control the amount of time each person shall be allowed to speak, which shall not exceed three (3) minutes. The Chairperson may, at his or her discretion, extend the amount of time any person is allowed to speak.

Public comment will be solicited during the two public comment periods noted in Rule 5.4, Order of Business. However, public comment will generally be received at any time during the meeting regarding a specific topic currently under discussion by the board. Members of the public wishing to comment should raise their hand or pass a note to the clerk in order to be recognized, and shall not address the board until called upon by the chairperson.

5. APPROVAL OF AGENDA
6. CONSENT CALENDAR:

The purpose of the Consent Calendar is to expedite business by grouping non-controversial items together to be dealt with by one Commission motion without discussion. Any member of the Commission, staff or the public may ask that any item on the Consent Calendar be removed and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected.

If any item is not removed from the consent calendar, the action noted (receive & file or approval) is approved by a single Commission action adopting the consent calendar.

All Information identified on the Consent Calendar can be viewed in it's entirety at www.grandtraverse.org.

- a. Receive and File:
 - 1) Resolution regarding Great Lakes Initiative Funding (Bay County) 10
 - 2) 2016 Audited Financial Statement:
<http://www.co.grand-traverse.mi.us/ArchiveCenter/ViewFile/Item/1084>

b. Approvals:	
1) Election Equipment Grant	11
2) Healthy Futures Services Agreement – Amendment #12 – Renewal	15
c. Action:	
7. SPECIAL ORDERS OF BUSINESS:	
a. Presentation of the 2016 Audit – Gabridge & Company.....	20
8. ITEMS REMOVED FROM CONSENT CALENDAR	
9. DEPARTMENTAL ITEMS:	
a. ADMINISTRATION:	
1) Agreement with Chestnut Hills	37
10. OLD/UNFINISHED BUSINESS:	
a. Pension Stabilization (continued discussion from June 21)	
1) Bonding	
2) Sales of Assets (Property)	
b. Establishment of Pension Stabilization Trust (Tabled on July 26 th).....	43
c. Appropriation of Whitewater Township Property Sale Proceeds (Postponed on July 26 th).....	46
11. NEW BUSINESS:	
a. Veteran's Affairs Committee Update	48
b. County Administrator Search	
12. SECOND PUBLIC COMMENT (Refer to Rules under Public Comment/Input above.)	
13. COMMISSIONER/DEPARTMENT REPORTS:	
14. NOTICES	
15. CLOSED SESSION (IF REQUIRED)	
16. ADJOURNMENT	

GRAND TRAVERSE COUNTY
BOARD OF COMMISSIONERS

Regular Meeting
July 26, 2017

Vice-Chairman Clous called the meeting to order at 5:30 p.m. at the Governmental Center.

OPENING CEREMONIES OR EXERCISES

The Pledge of Allegiance to the Flag of the United States of America was recited.

PRESENT: Ron Clous, Bob Johnson, Dan Lathrop, Tom Mair, Addison Wheelock, Jr. and Cheryl Gore Follette

EXCUSED: Carol Crawford

APPROVAL OF MINUTES

June 28, 2017 – Special Session

June 28, 2017 – Study Session

July 19, 2017 – Special Meeting

Moved by Mair, seconded by Johnson to approve the minutes as presented. Motion carried.

PUBLIC COMMENT

Christine Maxbauer – spoke on the County Administrator candidate

Gerald Dobek – spoke on the Keystone property

Kurt Sanford – spoke on the Keystone property

Jessi Kempf – spoke on the Keystone property

APPROVAL OF AGENDA

Addition under new business: Discussion of County Administrator candidate, Erik Tungate

Moved by Lathrop, seconded by Mair to approve the agenda as amended. Motion carried.

CONSENT CALENDAR

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Commission motion without discussion. Any member of the Commission, staff, or the public may ask that any item on the consent calendar be removed and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected.

If any item is not removed from the consent calendar, the action noted (receive & file or approval) is approved by a single Commission action adopting the consent calendar.

A. RECEIVE AND FILE

1. Northwest Michigan Community Action Agency minutes of May 18, 2017
2. Northwestern Regional Airport Commission minutes of May 23, 2017
3. Department of Health & Human Services minutes of May 26, 2017 – *removed from calendar*
4. Northwestern Regional Airport Commission minutes of June 13, 2017
5. Northern Lakes Community Mental Health minutes of June 15, 2017
6. Support to Maintain the Required Funding of the Michigan State University (MSU) Research Spotted Wing Drosophila (Antrim County)
7. Resolution 2017-01 – Strongly Advise Against Sale of the Grand Traverse Pavilions by the Grand Traverse County Board of Commissioners (Grand Traverse Pavilions Foundation Board) – *removed from calendar*
8. Road Commission – June Report – *removed from calendar*
9. Conservation District – May Report
10. Grand Traverse County Staff Report for July 2017 – *removed from calendar*
11. Budget to Actual Revenue and Expenditure Report

B. APPROVALS

1. Resolution 71-2017
Health Department
Deputy medical Examiner Appointment
2. Resolution 72-2017
Finance
FY 2017 Budget Amendments
3. June 2017 Claims Approval – *removed from calendar*
4. Resolution 73-2017
FY 2018 Annual Implementation Plan of the
Area Agency on Aging

ACTION ON THE CONSENT CALENDAR

After the Chief Deputy County Clerk read the Consent Calendar for the record, the following items were removed:

Item #a3

Page 17

By Gore Follette

Item #a7	Page 30	By Clous
Item #a8	Page 32	By Gore Follette
Item #a10	Page 38	By Gore Follette
Item #b3	Page 68	By Gore Follette

Moved by Wheelock, seconded by Gore Follette to approve the Consent Calendar minus items #a3, #a7, #a8, #a10 and #b3. Motion carried.

SPECIAL ORDERS OF BUSINESS

None

ITEMS REMOVED FROM CONSENT CALENDAR

Item #a3 – Department of Health & Human Services minutes of May 26, 2017

Kory Hansen, Grand Traverse Pavilions CEO, answered Commissioners’ questions.

Moved by Wheelock, seconded by Mair to receive and file the Department of Health & Human Services minutes of May 26, 2017. Motion carried.

Item #a7 – Resolution 2017-01 – Strongly Advise Against Sale of the Grand Traverse Pavilions by the Grand Traverse county Board of Commissioners (Grand Traverse Pavilions Foundation Board)

Moved by Wheelock, seconded by Gore Follette to receive and file Resolution 2017-01 – Strongly Advise Against Sale of the Grand Traverse Pavilions by the Grand Traverse county Board of Commissioners (Grand Traverse Pavilions Foundation Board). Motion carried.

Item #a8 – Road Commission – June Report

Jim Cook, Road Commission Manager, answered Commissioners’ questions.

Moved by Gore Follette, seconded Wheelock to receive and file Road Commission – June Report. Motion carried.

Item #a10 – Grand Traverse County Staff Report for July 2017

Moved by Johnson, seconded by Wheelock to receive and file the Grand Traverse County Staff Report for July 2017. Motion carried.

Item #b3 – June 2017 Claims Approval

Resolution 74-2017
Finance
June 2017 Claims Approval

Moved by Gore Follette, seconded by Johnson to approve Resolution 75-2017

DEPARTMENT ACTION ITEMS

a. Treasurer

- 1. Blair Township Water System Refunding
Cindy Green, Chief Deputy County Treasurer, and John Axe, Bond Counsel, reviewed request for Blair Township Water System Refunding and answered Commissioners' questions.

Resolution 76-2017

Resolution Approving the Revised Contract for the Township of Blair Water System Improvements Project

Moved by Gore Follette, seconded by Lathrop to approve Resolution 76-2017
Roll Call Vote: Yes 6, No 0, Excused 1

Resolution 77-2017

Resolution to Authorize the Issuance of Not to Exceed \$4,500,000 Grand Traverse County – Township of Blair Water System Improvement Project Refunding Bonds, Series 2017

Moved by Wheelock, seconded by Johnson to approve Resolution 77-2017
Roll Call Vote: Yes 6, No 0, Excused 1

- 2. PACE (Program of All-Inclusive Care for the Elderly) Bonding
Cindy Green, Chief Deputy County Treasurer, and John Axe, Bond Counsel, reviewed request for PACE Bonding and answered Commissioners' questions.

Resolution 78-2017

Approve Plans, Cost Estimate, Estimate of the Period of Usefulness and Lease Contract

Moved by Johnson, seconded by Wheelock to approve Resolution 78-2017
Roll Call Vote: Yes 6, No 0, Excused 1

Resolution 79-2017

Resolution Approving Sublease to Approve Financing Improvements to a Building for PACE through the Grand Traverse County Building Authority

Moved by Johnson, seconded by Wheelock to approve Resolution 79-2017
Roll Call Vote: Yes 6, No 0, Excused 1

Resolution 80-2017

Resolution Authorizing the Public Hearing to Comply with the Requirement of the Internal Revenue Code of 1986, As Amended.

Moved by Johnson, seconded by Wheelock to approve Resolution 80-2017
Roll Call Vote: Yes 6, No 0, Excused 1

b. Central Dispatch/911

- 1. Resolution in Support of HB 4651 and SB 400
Jason Torrey, Central Dispatch Director, reviewed the Resolution in Support of HB 4651 and SB 400.

Resolution 81-2017
Resolution in Support of HB 4651 and SB 400

Moved by Gore Follette, seconded by Wheelock to approve Resolution 81-2017
Motion carried.

- 2. Intergovernmental Agreement for Next Generation 911 Call Handling System
Jason Torrey, Central Dispatch Director, reviewed the Intergovernmental Agreement for Next Generation 911 Call Handling System.

Moved by Gore Follette, seconded by Lathrop to approve Intergovernmental Agreement for Next Generation 911 Call Handling System.
Motion carried.

c. Finance

- 1. Establishment of Pension Stabilization Trust

Moved by Lathrop, seconded by Johnson to approve Resolution for Establishment of Pension Stabilization Trust.

Moved by Mair, seconded by Gore Follette to table discussion of the establishment of the Pension Stabilization Trust.
Voice Vote: Yes 5, No 1, Excused 1
Nay: Lathrop

- 2. Appropriation of Whitewater Township Property Sale Proceeds
Postponed discussion until August 2, 2017 meeting.

- 3. Deficit Elimination Plans-LaFranier DPW and Woodmere Debt Service Funds and Motor Pool Internal Service Fund

Jody Lundquist, Finance Director, reviewed the deficit elimination plans.

Resolution 82-2017
Finance
Deficit Elimination Plan

Moved by Gore Follette, seconded by Johnson to approve Resolution 82-2017
Motion carried.

d. Administration

1. Expansion of the Economic Development Board (EDC)

Moved by Gore Follette, seconded by Wheelock to approve expansion of Economic Development Board from nine (9) members to eleven (11) to add representation of the City and Cherry Capital Airport Director. Motion carried.

OLD BUSINESS

a. Review of Parks & Recreation Action of June 8th to Rescind Parks & Recreation Resolution #03-2016

Moved by Clous, seconded by Lathrop to reverse the Parks & Recreation Commission action of June 8th to rescind Parks & Recreation Resolution #03-2016 and to list the Keystone property for sale with Mike Street of Coldwell Banker Schmidt.

Roll Call Vote: Yes 1, No 5, Excused 1

Motion failed

NEW BUSINESS

a. Erik Tungate, County Administrator candidate

Public Comment

Gordie LaPointe – spoke on the interview process

Moved by Gore Follette, seconded by Wheelock to reaffirm commitment of offer to Erik Tungate.

Roll Call Vote: Yes 4, No 2, Excused 1

Nays: Clous and Mair

Commissioner Mair was excused at 7:39 p.m.

PUBLIC COMMENT

Gordie LaPointe – spoke on the Grand Traverse Pavilions

COMMISSIONER/DEPARTMENT REPORTS

None

NOTICES

a. Next Regular Meeting will be held on August 2, 2017

b. Joint Meeting on August 2, 2017 at 4:30 p.m. (IT Strategy Presentation)

CLOSED SESSION

None

Meeting adjourned at 7:41 p.m.

Sarah B. Lutz, Chief Deputy County Clerk

Ron Clous, Vice-Chair

APPROVED: _____
(Date) (Initials)

DRAFT

BAY COUNTY BOARD OF COMMISSIONERS

JULY 11, 2017

RESOLUTION

BY: THE BAY COUNTY BOARD OF COMMISSIONERS

WHEREAS, The Great Lakes are a critical resource for our nation, supporting the economy and a way of life in Michigan and the other seven states within the Great Lakes region. The Great Lakes hold 20 percent of the world's surface freshwater and 90 percent of the United States' surface freshwater. This globally significant freshwater resource provides drinking water for more than 30 million people and directly supports 1.5 million jobs, generating \$62 billion in wages; and

WHEREAS, The Great Lakes Restoration Initiative (GLRI) provides essential funding to restore and protect the Great Lakes. This funding has supported long overdue efforts to clean up toxic pollution, reduce runoff from cities and farms, combat invasive species, and restore fish and wildlife habitat. Since 2010, the federal government has partnered with public and private entities and invested more than \$2 billion in over 2,900 projects throughout the region. Over its first six years, the GLRI has provided more than \$425 million for more than 500 projects in Michigan alone. The Brookings Institution has estimated that every dollar invested in the Great Lakes produces two dollars in long-term economic benefits; and

WHEREAS, GLRI projects are making a significant difference. They have restored more than 150,000 acres of fish and wildlife habitat; opened up fish access to more than 3,400 miles of rivers; helped implement conservation programs on more than 1 million acres of farmland; and accelerated the cleanup of toxic hotspots. In Michigan, GLRI funding has been instrumental in removing contaminated sediments from Muskegon Lake, the River Raisin, and the St. Mary's River; in restoring habitat along the St. Clair River, Cass River, Boardman River, and the Keweenaw Peninsula; and in the delisting of White Lake in Muskegon County and Deer Lake in the Upper Peninsula as areas of concern; and

WHEREAS, While a significant investment, past GLRI funding represents only a small portion of the amount needed to restore and protect the Great Lakes. Toxic algal blooms, beach closings, fish consumption advisories, and the presence of contaminated sediments continue to limit the recreational and commercial use of the Great Lakes; and

WHEREAS, Any cuts to GLRI funding would jeopardize the momentum from over a decade of unprecedented regional cooperation. Draft federal budgets have proposed a 97 percent reduction in GLRI funding. These cuts would be a short-sighted, short-term cost-saving measure with long-term implications. Restoration efforts will only become more expensive and more difficult if they are not addressed in the coming years; now, therefore, be it

RESOLVED That the Bay County Board of Commissioners opposes slashing federal funding for the Great Lakes Restoration Initiative; Be It Further

RESOLVED That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation as well as the other 82 Michigan counties.

THOMAS M. HEREK, CHAIR
AND BOARD

Sponsored by Commissioner Michael E. Lutz, 7th District

MOVED BY COMM. DURANCZYK

SUPPORTED BY COMM. RYDER

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
<u>MICHAEL J. DURANCZYK</u>	X			<u>KIM J. COONAN</u>			X	<u>MICHAEL E. LUTZ</u>	X		
<u>ERNIE KRYGIER</u>	X			<u>THOMAS M. HEREK</u>	X						
<u>AUGHN J. BEGICK</u>	X			<u>TOM RYDER</u>	X						

VOTE TOTALS:

ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____
VOICE: X YEAS 6 NAYS 0 EXCUSED 1

DISPOSITION: ADOPTED X DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____

-59-

RESOLUTION

XX-2017

Voting Equipment Grant

WHEREAS, the Grand Traverse County Clerk wishes to apply to the Secretary of State for a grant to purchase a new voting system, which includes precinct tabulators, Absent Voter Counting Board (AVCB) tabulators, accessible voting devices for use by individuals with disabilities, and related Election Management System (EMS) software; and

WHEREAS, partial funding for the new voting system will be provided by the State, and will include a combination of Federal Help America Vote Act and State-appropriated funds; and

WHEREAS, the County and local jurisdiction funding obligations will be required with estimated details available on the attached quote by Election Systems & Software (ES&S); and

WHEREAS, the Grand Traverse County Clerk plans to begin implementation of the new voting system in 2018; and.

WHEREAS, the deadline for submitting the required State Grant Application is upon receipt of grant paperwork from the State of Michigan, which should be approximately late 2017.

NOW, THEREFORE, BE IT RESOLVED that this Board authorizes the Finance Department to take the necessary action to amend the budget for receipt and appropriation of grant funding for the purchase of equipment and software.

BE IT FURTHER RESOLVED THAT this Board approves acceptance and authorizes the County Clerk and/or Board Chair to sign the necessary documents to effectuate this action.

Dated: August 2, 2017



11208 JOHN GALT BLVD
 OMAHA, NE 68137-2364
 (402) 593-0101

**2017 Order Quote for use by the Counties and Local Units of
 Government in the State of Michigan that have elected to
 acquire ES&S equipment under RFP #007116B0007029**

Customer P.O. #: _____

1st Election Date: To be Agreed Upon by the Parties

Estimated Delivery Date: To be Agreed Upon by the Parties

Phone Number: _____

Fax Number: _____

Customer Contact, Title: _____

County Name: **Grand Traverse County**

Bill To: _____
 Grand Traverse County

Ship To: _____
 Grand Traverse County

Item	Description	Qty	Unit Price with Discount	Total
1	Precinct Tabulator ES&S DS200 Tabulator Includes: Plastic Ballot Box with Steel Door and e-Bin, Internal Backup Battery, Paper Roll, and 4GB USB Memory Device	46	\$4,193.00	\$192,878.00
2	Precinct Tabulator @ No-Charge ES&S DS200 Tabulator Includes: Plastic Ballot Box with Steel Door and e-Bin, Internal Backup Battery, Paper Roll, and 4GB USB Memory Device	1	No-Charge	No-Charge
2	DS200 Wireless Modem AT&T		\$249.00	
3	DS200 Wireless Modem Sprint		\$249.00	
4	DS200 Wireless Modem Verizon	37	\$249.00	\$9,213.00
5	DS200 Blue Tote Bin/Ballot Storage Box Tote Bin/Ballot Storage Box	23	\$175.00	\$4,025.00
6	DS200 Blue Tote Bin/Ballot Storage Box Tote Bin/Ballot Storage Box (Buy One get One Free Through June 30, 2017)	23	No-Charge	No-Charge
6	Accessible Voting System ES&S ExpressVote Includes: Soft-sided Case, Internal Backup Battery, Detachable ADA Keypad, 4GB USB Memory Device, Headphones, and Privacy Screen which attaches to the AutoMARK table.	31	\$2,697.00	\$83,607.00
2	Accessible Voting System @ No-Charge ES&S ExpressVote Includes: Soft-sided Case, Internal Backup Battery, Detachable ADA Keypad, 4GB USB Memory Device, Headphones, and Privacy Screen which attaches to the AutoMARK table.	1	No-Charge	No-Charge
7	ExpressLink Activation Card Printer Activation Card Printer		\$725.00	
8	Full EMS Includes: ElectionWare PYO, Election Reporting Manager, ElectionWare Results Web-Based Election Night Reporting, Automated Test Deck Creation (Michigan Specific), Text to Speech (English, Spanish, Bengali), and EXP Utility	1	\$91,432.00	\$91,432.00
9	Accumulation Only Software Includes: Election Base Package - Reporting Only (Home, Acquire and Produce Modules), ElectionWare Results Web-Based Election Night Reporting, Automated Test Deck Creation (Michigan Specific), Media Burn, and EXP Utility		\$36,635.00	
10	AVCB Tabulator-DS850 DS850 Scanner Includes: Steel Table/Cart, Dust Cover, Reports Printer, Audit Printer, UPS Battery Backup, Two (2) USB Cables, Start-Up Kit with Three (3) 8GB USB Memory Devices		\$98,487.00	
11	AVCB Tabulator-DS450 DS450 Scanner Includes: Steel Table/Cart, Dust Cover, Reports Printer, Audit Printer, UPS Battery Backup, Two (2) USB Cables, Start-Up Kit with Three (3) 8GB USB Memory Devices	1	\$36,416.00	\$36,416.00
12	3rd Party System EMS System	1	\$15,810.00	\$15,810.00
13	3rd Party System Installation 3rd Party Configuration and Installation - Customer Site (Per Day)	2	\$2,300.00	\$4,600.00
14	Other			
15	Other			
Order Total				\$437,981.00

Payment Terms: As per Contract RFP Section 8.2: Payment Methods

Warranty Period: As per Contract RFP Section 1.6: Services and Maintenance



11208 JOHN GALT BLVD
 OMAHA, NE 68137-2364
 (402) 593-0101

2017 Order Quote for use by the Counties and Local Units of Government in the State of Michigan that have elected to acquire ES&S equipment under RFP #007116B0007029

Customer P.O. #: _____
 1st Election Date: To be Agreed Upon by the Parties
 Estimated Delivery Date: To be Agreed Upon by the Parties
 Phone Number: _____
 Fax Number: _____

Customer Contact, Title: _____
 County Name: Grand Traverse County

Bill To: _____
Grand Traverse County

Ship To: _____
Grand Traverse County

Years Six (6) through (10) Annual Hardware and Software Maintenance and Support Fees:

1	Precinct Tabulator	DS200 Tabulator (Silver Plan)	47	\$220.00	\$10,340.00
2	Accessible Voting System	ExpressVote BMD (Silver Plan)	32	\$175.00	\$5,600.00
3	AVCB Tabulator-DS850	DS850 High Speed Tabulator (Silver Plan)		\$4,941.00	
4	AVCB Tabulator-DS450	DS450 High Speed Tabulator (Silver Plan)	1	\$3,173.00	\$3,173.00
5	Full EMS	Includes: ElectionWare PYO, Election Reporting Manager, Automated Test Deck Creation (Michigan Specific), Text to Speech (English, Spanish, Bengali), and EXP Utility	1	\$20,130.00	\$20,130.00
6	Accumulation Only Software	Includes: Election Base Package - Reporting Only (Home, Acquire and Produce Modules), Automated Test Deck Creation (Michigan Specific), Media Burn, and EXP Utility		\$5,400.00	
Total Annual Hardware Maintenance & Software License Fees					\$39,243.00

ELECTION SYSTEMS AND SOFTWARE, LLC

Authorized Signature

Richard J. Jablonski

Printed Name

Vice President - Finance

Title

July 12, 2017

Date

COUNTY OR LOCAL UNIT OF GOVERNMENT

Authorized Signature

Printed Name

Title

Date

Trade-In Equipment:
 ES&S will coordinate and pay for the pickup and transportation of the trade-in equipment from Customer's site on a date to be mutually agreed upon by the parties. Customer is responsible for preparing, packaging and palletizing the trade-in equipment for shipment. If Customer is unable or unwilling to prepare, package and palletize the trade-in equipment for shipment, ES&S will assume these responsibilities and Customer shall reimburse ES&S for all costs incurred.

Special Notes:
 Counties may distribute additional copies of the Accumulation Only Software Modules, as needed, to the Local Jurisdictions at No-Charge.

This Quote is submitted by the County or Local Unit of Government pursuant to that certain Contract No. _____. The Deliverables ordered under this Quote and all rights and obligations of ES&S and the Local Unit of Government shall be governed by the terms and conditions of this Contract.

RESOLUTION

Healthy Futures Services Agreement – Amendment #12

WHEREAS, The Grand Traverse County Board of Commissioners met in regular session on August 2, 2017, and reviewed request from the Health Officer to approve renewal of the contract agreement with Munson Medical Center to offer Healthy Futures Registered Nurse Care Coordination services to citizens of Grand Traverse County; and,

WHEREAS, In exchange for the Health Department performing these duties Munson Medical Center will assist with continuation of financial support in the amount of \$30,000, which is an increase of \$7,944 over the 2016-2017 FY amount of \$22,056; and,

WHEREAS, the terms of this agreement are for the period of July 1, 2017 through June 30, 2018; and,

NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF COMMISSIONERS, THAT Grand Traverse County approve and authorize the chair to sign the Healthy Futures Services Agreement – Amendment #12 for \$30,000, with Munson Medical Center for providing nurse care coordination services for the period July 1, 2017, through June 30, 2018.

APPROVED: August 2, 2017

**HEALTHY FUTURES SERVICES AGREEMENT
(TWELTH AMENDMENT/RENEWAL)**

THIS AGREEMENT is entered into effective July 1, 2017, by and between **MUNSON MEDICAL CENTER**, a Michigan nonprofit corporation, of 1105 Sixth Street, Traverse City, Michigan 49684 (the “Hospital”), and the **GRAND TRAVERSE COUNTY HEALTH DEPARTMENT**, a Michigan local public health department, of 2600 LaFranier Road, Suite A, Traverse City, Michigan 49686 (the “Health Department”).

RECITALS:

1. The Hospital and the Health Department entered into an Agreement for a term of one year dated effective July 1, 2005, a First Amendment/Renewal dated effective July 1, 2006, a Second Amendment/Renewal dated effective July 1, 2007, a Third Amendment/Renewal dated effective July 1, 2008, a Fourth Amendment/Renewal dated effective July 1, 2009, a Fifth Amendment/Renewal dated effective July 1, 2010, a Sixth Amendment/Renewal dated effective July 1, 2011, a Seventh Amendment/Renewal dated effective July 1, 2012, an Eighth Amendment/Renewal dated effective July 1, 2013, a Ninth Amendment/Renewal dated effective July 1, 2014, a Tenth Amendment/Renewal dated effective July 1, 2015, and an Eleventh Amendment/Renewal effective July 1, 2016 (collectively, the “Agreement”), a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

2. Paragraph 12 of the Agreement provides for modification and changes only by a written agreement executed by the parties.

3. The Hospital and the Health Department desire to renew and amend the Agreement. All capitalized terms used but not defined herein are as defined in the Agreement.

TERMS:

NOW, THEREFORE, in consideration of the mutual promises set forth below and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Agreement to provide as follows:

- A. **Paragraph 1- Purpose.** This paragraph is deleted in its entirety and replaced with the following

The purpose of this Agreement is to establish an arrangement whereby the Health Department is able to offer continued Healthy Futures RN Care Coordination services to the citizens of Grand Traverse County, Michigan in accordance with the current program model. In exchange for performing the duties outlined in Paragraph 2, below, and meeting the Quality Metric, as hereinafter defined, Munson will assist with the continuation of this program by providing financial support in the amount Thirty Thousand and No/100 Dollars (\$30,000.00). The Quality Metric shall be defined as achievement of

reporting all attempted contacts for the non-Medicaid families to the Healthy Futures program manager on an annual basis.

B. **Paragraph 3- Duties of Hospital.** This paragraph is deleted in its entirety.

C. **Paragraph 5 - Term.** The following sentence is added to Paragraph 5 of the Agreement:

The Agreement shall continue in effect July 1, 2017 through June 30, 2018.

C. All other terms and conditions of the Agreement shall remain in full force and effect as written.

[Remainder of Page Intentionally Blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement (Twelfth Amendment / Renewal) on the dates set opposite each of their signatures, below.

MUNSON MEDICAL CENTER

Dated: _____, 2017

By: _____
Alfred E. Pilon, Jr.
Its President

Dated: _____, 2017

GRAND TRAVERSE COUNTY HEALTH DEPARTMENT

By: _____
Chair, Grand Traverse County Board of Commissioners

2005041/Amendment Renewal effective 7.1.17 to MMC – GTCHD Healthy Futures Services Agreement



Action Request

Meeting Date:	August 2, 2017		
Department:	Finance	Submitted By:	Jody Lundquist
Contact E-Mail:	jlundquist@gmail.com	Contact Telephone:	231-922-4680
Agenda Item Title:	Presentation of 2016 Audited Financial Statements by Gabridge & Co.		
Estimated Time:	20 minutes <small>(in minutes)</small>	Laptop Presentation:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Summary of Request:

Gabridge & Co. performed the annual financial audit on Grand Traverse County's financial statements for the year ending December 31, 2016. Joe Verlin, Principal in Charge, will present the financial statements and audit findings.

The full audit can be found at the following we addresses:

Grand Traverse County Website - <http://grandtraverse.org/ArchiveCenter/ViewFile/Item/1084>

State of Michigan Document Search Site - https://treas-secure.state.mi.us/LAFDocSearch/tl41R01.aspx?&lu_id=1539&doc_yr=2016&doc_code=AUD

Suggested Motion:

Receive and file 2016 Grand Traverse County Audited Financial Statements

Financial Information:

Total Cost:	General Fund Cost:	Included in budget: <input checked="" type="radio"/> Yes <input type="radio"/> No
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If not included in budget, recommended funding source:

This section for Finance Director, Human Resources Director, Civil Counsel, and Administration USE ONLY:

Reviews:	Signature	Date
Finance Director	<i>JML</i>	7/26/2017
Human Resources Director		
Civil Counsel		

Administration: Recommended Date: _____

Miscellaneous: _____

Attachments:

Attachment Titles:
2016 Independent Auditor's Report and Management's Discussion and Analysis

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Grand Traverse County
Traverse City, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County, Michigan (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Grand Traverse County Road Commission, which represent 69 percent, 95 percent, and 68 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Traverse County Road Commission is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grand Traverse County, Michigan, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the required pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Gabridge & Company, PLC
Grand Rapids, Michigan
June 28, 2017

Management's Discussion and Analysis

Grand Traverse County Management's Discussion and Analysis

As management of Grand Traverse County, Michigan (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2016.

- The County implemented GASB Statement No. 68 in 2015. In addition to the expanded disclosure requirements made again this year, the County has reported a total net pension liability of \$64,262,282 on the statement of net position as of December 31, 2016, an increase of \$5,679,668 over the prior year.
- Together, the increases associated with pension, other post-employment benefits (OPEB), and compensated absences increased the County's total liabilities by \$6,738,047.
- The assets and deferred outflows of the County's governmental activities exceeded its assets and deferred inflows at the close of the most recent fiscal year by \$532,513 (*net position*).
- Total net position of the governmental activities decreased by \$3,631,016.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$21,909,370, an increase of \$3,268,351 in comparison with the prior year. The unassigned fund balance was \$6,074,735, or 27.7% of total fund balances, as of December 31, 2016.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,469,735, or 21.4% of total General Fund expenditures and transfers out.
- The County's total long-term debt decreased by \$2,137,559 during 2016, due to principal payments made by the County's building authority and Medical Care Facility (the Pavilions).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

This report contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected special assessments).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety (including the jail), health and welfare, economic development, and recreation and culture. The business-type activities of the County include the medical care facility, delinquent tax collections, inspections and solid waste.

The government-wide financial statements include not only Grand Traverse County itself (known as the primary government), but also a legally separate Road Commission, Department of Public Works, Drain Commission, Brownfield Redevelopment Authority, Land Bank Authority, and Hospital Finance Authority for which Grand Traverse County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Grand Traverse County Building Authority, although legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found as listed in the table of contents.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial

statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. For instance, the net change in fund balance on the governmental fund statement of revenues, expenditures, and changes in fund balance of \$3,268,351 must be adjusted by such major items as depreciation expense, net changes in pension and OPEB liabilities, and net change in compensated absences to reflect the long-term financial obligations associated with employee benefits. The result of the governmental funds reconciliation provided in the financial statements is a *negative* change in net position reported on the government-wide financial statements of \$3,631,016.

The County maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Commission on Aging, and Health Department funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenues funds. The basic governmental fund financial statements can be found as listed in the table of contents.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The County uses enterprise funds to account for its medical care facility, delinquent tax collections, inspections and solid waste operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Grand Traverse County uses internal service funds to account for its computer equipment maintenance and replacement, insurances, fringe benefits, office supplies, and motor pool. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Grand Traverse Pavilions and the Delinquent Tax Revolving funds, both of which are considered to be major funds. The internal service funds are combined into a separate

single, aggregated presentation in the proprietary fund financial statements. Individual fund data for nonmajor enterprise funds and internal service funds are provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found as listed in the table of contents.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found as listed in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found as listed in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide retirement and other postemployment benefits to its employees.

Required supplementary information (RSI) can be found as listed in the table of contents.

The combining and individual fund financial statements and schedules are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found as listed in the table of contents, with the statistical data immediately following.

Government-wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$33,134,864 at the close of the most recent fiscal year.

Grand Traverse County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
ASSETS						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 14,069,780	\$ 10,493,785	\$ 15,109,442	\$ 14,425,393	\$ 29,179,222	\$ 24,919,178
Investments	318,713	223,346	2,114,302	3,644,475	2,433,015	3,867,821
Taxes Receivable	3,033,861	2,448,512	3,307,256	3,097,926	6,341,117	5,546,438
Accounts Receivable	4,481,765	3,494,146	3,387,698	3,488,796	7,869,463	6,982,942
Interest Receivable	15,327	24,286	315,294	270,363	330,621	294,649
Due from Other Governments	6,089,045	6,492,181	-	9,400	6,089,045	6,501,581
Inventories	35,445	-	138,619	122,907	174,064	122,907
Prepays	735,865	1,112,787	189,517	9,921	925,382	1,122,708
Other Current Assets	129,017	-	-	-	129,017	-
Total Current Assets	28,908,818	24,289,043	24,562,128	25,069,181	53,470,946	49,358,224
<i>Noncurrent Assets</i>						
Restricted Cash	-	-	169,050	-	169,050	-
Capital Assets not Being Depreciated	15,639,877	18,774,788	1,839,513	1,919,218	17,479,390	20,694,006
Capital Assets Being Depreciated	29,916,689	27,522,707	19,842,042	20,623,338	49,758,731	48,146,045
Total Assets	74,465,384	70,586,538	46,412,733	47,611,737	120,878,117	118,198,275
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Advance Refunding	-	-	91,430	192,394	91,430	192,394
Pensions	1,360,273	3,013,912	2,303,229	1,946,046	3,663,502	4,959,958
Total Deferred Outflows of Resources	1,360,273	3,013,912	2,394,659	2,138,440	3,754,932	5,152,352
LIABILITIES						
<i>Current Liabilities</i>						
Accounts Payable	2,190,568	1,117,782	369,110	247,610	2,559,678	1,365,392
Accrued Liabilities	558,185	1,253,501	917,603	965,764	1,475,788	2,219,265
Accrued Interest	32,956	34,931	23,056	32,924	56,012	67,855
Unearned Revenue	214,788	91,940	-	-	214,788	91,940
Due to Other Governments	119,209	125,562	782,384	786,716	901,593	912,278
Current Portion of Long-term Debt	590,000	616,175	35,000	480,973	625,000	1,097,148
Current Portion of Compensated Absences	33,367	46,175	53,785	55,973	87,152	102,148
Internal Balances	(285,262)	2,121,058	285,262	(2,121,058)	-	-
Total Current Liabilities	3,453,811	5,407,124	2,466,200	448,902	5,920,011	5,856,026
<i>Noncurrent Liabilities</i>						
Long-term Debt	8,166,104	8,708,077	3,175,328	4,298,766	11,341,432	13,006,843
Net Pension Liability	52,973,278	48,591,571	11,289,004	9,991,043	64,262,282	58,582,614
Net OPEB Liability	3,149,271	2,563,066	1,471,452	1,030,470	4,620,723	3,593,536
Compensated Absences	1,449,281	1,398,206	522,169	527,056	1,971,450	1,925,262
Internal Balances	2,719,112	-	(2,719,112)	-	-	-
Total Liabilities	71,910,857	66,668,044	16,205,041	16,296,237	88,115,898	82,964,281
DEFERRED INFLOWS OF RESOURCES						
Taxes Levied for a Subsequent Period	3,382,287	2,768,877	-	-	3,382,287	2,768,877
Total Deferred Inflows of Resources	3,382,287	2,768,877	-	-	3,382,287	2,768,877
NET POSITION						
Net Investment in Capital Assets	36,800,462	36,973,243	18,562,657	17,955,211	55,363,119	54,928,454
Restricted	8,115,869	6,333,156	-	-	8,115,869	6,333,156
Unrestricted	(44,383,818)	(39,142,870)	14,039,694	15,498,729	(30,344,124)	(23,644,141)
Total Net Position	\$ 532,513	\$ 4,163,529	\$ 32,602,351	\$ 33,453,940	\$ 33,134,864	\$ 37,617,469

One of the largest portions of the County's net position (\$55,363,119) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to

acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (\$8,115,869) represents resources that are subject to external restrictions on how they may be used. The remaining amount of net position was an unrestricted deficit of \$30,344,124. This is primarily the result of the requirement to record the County's MERS net pension liability.

The County's net position decreased by \$4,482,605 during the current fiscal year. The overall decrease was a combination of the decrease in governmental activities net position of \$3,631,016 and a decrease in business-type activities net position of \$851,589.

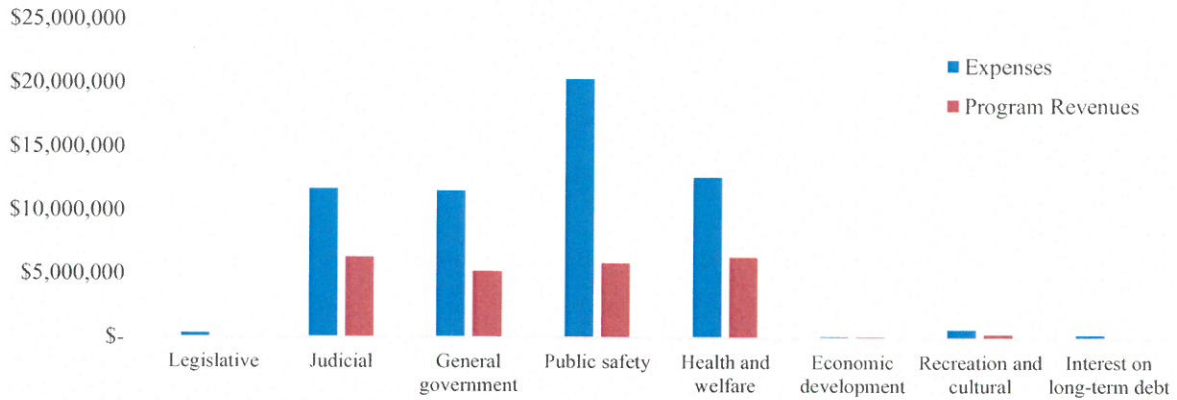
Grand Traverse County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Revenue						
Program Revenues						
Charges for Services	\$ 13,579,154	\$ 10,939,133	\$ 30,266,432	\$ 28,566,723	\$ 43,845,586	\$ 39,505,856
Operating Grants and Contributions	10,715,287	11,780,314	2,513,794	3,437,010	13,229,081	15,217,324
Capital Grants and Contributions	-	3,266	-	-	-	3,266
Total Program Revenues	<u>24,294,441</u>	<u>22,722,713</u>	<u>32,780,226</u>	<u>32,003,733</u>	<u>57,074,667</u>	<u>54,726,446</u>
General Revenues						
Property Taxes	26,026,438	25,870,374	2,472	2,754,195	26,028,910	28,624,569
State Revenue Sharing	2,686,098	1,691,601	-	-	2,686,098	1,691,601
Interest Revenues	155,426	149,110	1,839	-	157,265	149,110
Gain on Disposals of Capital Assets	-	30,650	-	-	-	30,650
Total General Revenues	<u>28,867,962</u>	<u>27,741,735</u>	<u>4,311</u>	<u>2,754,195</u>	<u>28,872,273</u>	<u>30,495,930</u>
Total Revenues	<u>53,162,403</u>	<u>50,464,448</u>	<u>32,784,537</u>	<u>34,757,928</u>	<u>85,946,940</u>	<u>85,222,376</u>
Expenses						
Legislative	354,791	401,656	-	-	354,791	401,656
Judicial	11,702,188	10,768,560	-	-	11,702,188	10,768,560
General Government	11,528,918	8,950,493	-	-	11,528,918	8,950,493
Public Safety	20,352,667	17,689,667	-	-	20,352,667	17,689,667
Health and Welfare	12,629,556	11,896,208	-	-	12,629,556	11,896,208
Economic Development	158,685	118,290	-	-	158,685	118,290
Recreation and Culture	698,345	953,011	-	-	698,345	953,011
Interest on Long-term Debt	280,346	291,449	-	-	280,346	291,449
Grand Traverse Pavilions	-	-	30,922,034	30,337,583	30,922,034	30,337,583
Inspections	-	-	1,332,758	1,187,421	1,332,758	1,187,421
Delinquent Tax Revolving	-	-	162,705	538,836	162,705	538,836
Solid Waste	-	-	306,552	381,555	306,552	381,555
Total Expenses	<u>57,705,496</u>	<u>51,069,334</u>	<u>32,724,049</u>	<u>32,445,395</u>	<u>90,429,545</u>	<u>83,514,729</u>
Change in Net Position Before Transfers	<u>(4,543,093)</u>	<u>(604,886)</u>	<u>60,488</u>	<u>2,312,533</u>	<u>(4,482,605)</u>	<u>1,707,647</u>
Transfers	912,077	1,113,693	(912,077)	(1,113,693)	-	-
Change in Net Position	<u>(3,631,016)</u>	<u>508,807</u>	<u>(851,589)</u>	<u>1,198,840</u>	<u>(4,482,605)</u>	<u>1,707,647</u>
<i>Net Position at the Beginning of Period</i>	<u>4,163,529</u>	<u>3,654,722</u>	<u>33,453,940</u>	<u>32,255,100</u>	<u>37,617,469</u>	<u>35,909,822</u>
Net Position at the End of Period	<u>\$ 532,513</u>	<u>\$ 4,163,529</u>	<u>\$ 32,602,351</u>	<u>\$ 33,453,940</u>	<u>\$ 33,134,864</u>	<u>\$ 37,617,469</u>

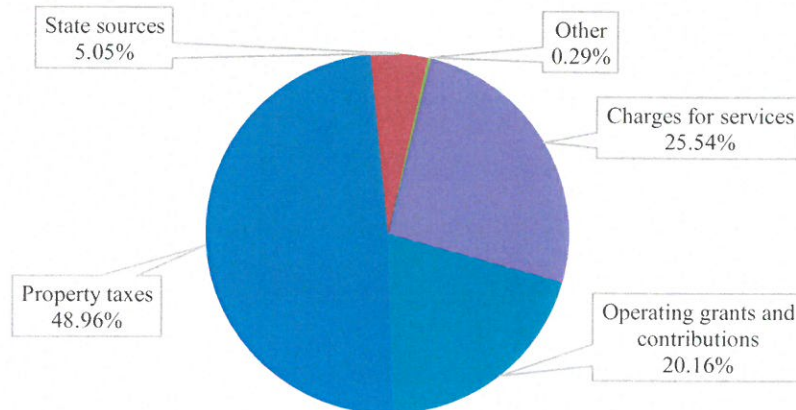
Governmental activities. Governmental activities decreased the County’s net position by \$3,631,016. Key elements of this decrease are as follows:

- Significant decreases across a number of governmental activities were only partially offset by increases in charges for services, property taxes, and state revenue sharing.
- An additional \$6,035,346 of pension liability and related deferred outflows, and the related pension expense, was recognized in various governmental functions contributing to the overall increase in governmental expenses of \$6,636,162 during 2016.
- An additional \$586,205 of other post-employment benefit (OPEB) obligations for retiree healthcare were recorded as a liability in governmental activities as a result of the County’s cost of actual retiree premiums being less than the actuarially determined contributions.

Expenses and Program Revenues - Governmental Activities



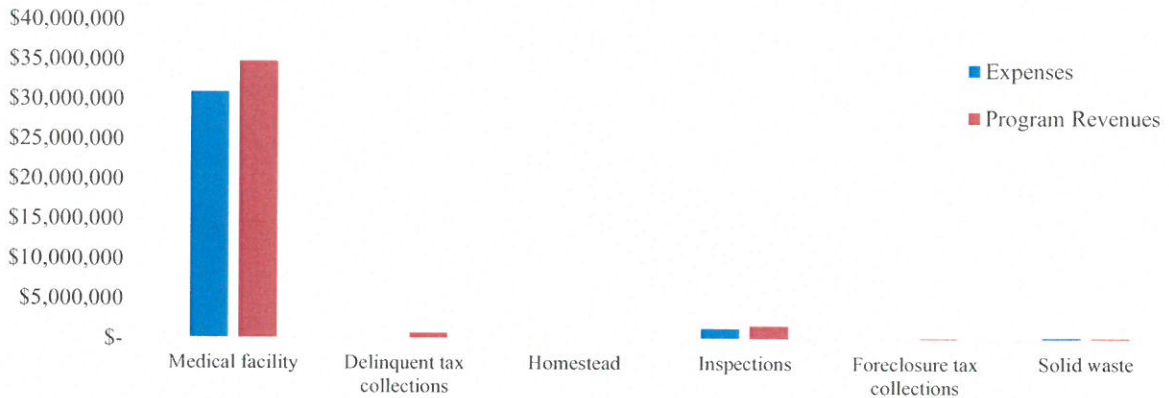
Revenues by Source - Governmental Activities



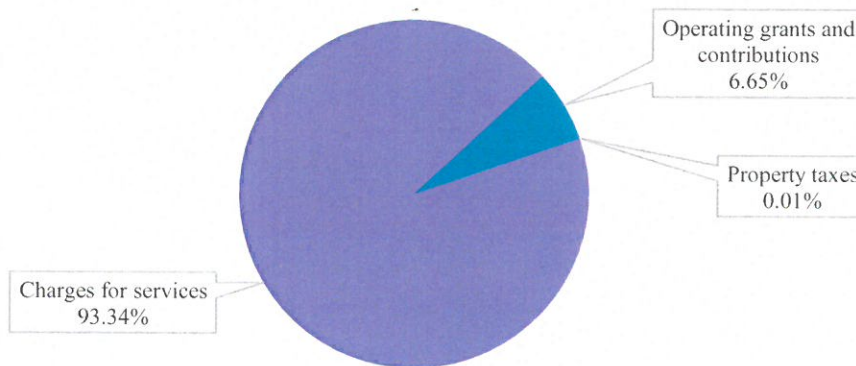
Business-type activities. Business-type activities decreased the County's net position by \$851,589. Key elements of this decrease are as follows:

- An operating loss for the Grand Traverse Pavilions Medical Facility of \$1,023,280 was comparable to the operating loss of \$1,220,904 during 2015. Non-operating property tax revenues declined from \$2,754,195 during 2015 to \$2,472 during 2016 because the debt service millage was discontinued as the underlying bond was paid in full during 2016.
- Operating income of \$721,464 for Delinquent Tax Revolving fund was offset by net transfers out of \$780,926 resulting in a decrease in total net position of \$59,462.
- Operating income of \$444,970 for the other enterprise funds was offset by net transfers out of \$131,151 and non-operating revenues of \$68,273 resulting in a net increase to net position of \$382,092.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$21,909,370, an increase of \$3,268,351 in comparison with the prior year. The unassigned fund balance is \$6,074,735, or 27.7% of total fund balances. The remainder of fund balance is not available for spending at the County's discretion because it is nonspendable \$4,940,135; restricted \$7,924,542; or committed \$2,969,958.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,469,735 while total fund balance was \$12,345,702. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 21.4% of total General Fund expenditures and transfers out.

The fund balance of the County's General Fund increased by \$2,829,190 during the current fiscal year. The main reasons for this increase were a result of the County's budgeting practice for vacant personnel positions, reorganization of departments resulting in cost savings, and one-time costs that were either avoided or failed to occur by year-end.

The Commission on Aging fund had an increase in fund balance of \$307,126 for an ending fund balance of \$1,922,449 as of December 31, 2016. This increase in fund balance was due to a decrease in operating costs that exceeded the decrease in total revenues.

The Health Department fund had a decrease in fund balance of \$259,107 for an ending fund balance of \$1,983,493 as of December 31, 2016.

General Fund Budgetary Highlights

Differences between the original and final amended budgets for expenditures and transfers out resulted in a net increase of \$240,555 in appropriations. The original budget called for total expenditures of \$26,800,818, excluding transfers out, during the year while the final amended budget had total expenditures of \$27,041,373. There were no departments that had significant amendments to their budgeted expenditures during the year. Increases in total appropriations were often a result of a corresponding increase in revenue to recognize receipt of grants or local contributions.

A portion of the Register of Deeds fees are transferred to the Automation Fund as required by State Statute. Revenues received and transferred to the Automation Fund by year end were reported directly by the Automation Fund resulting in Charges for Services and Register of Deeds expenditures both being reported under budget.

Other variances in projected Charges for Services across General Fund departments resulted in total activity being under budget by \$352,991. In addition, loss of program funding and discontinuation of grant revenue resulted in State Revenue sources being under budget by \$153,291.

The County's annual budgeting process is to budget all positions for the entire year. In a number of departments, including County Administrator, Finance, Facilities, and Public Safety, turnover or positions that remained vacant for an extended period led to unexpended wages and total expenditures well below budget.

In addition to vacancies in staffing positions, Facilities Department appropriations for infrastructure and repairs were placed on hold pending completion of an audit of County properties. These events resulted in actual activity for the department falling below budget by approximately \$241,000.

The County originally budgeted \$359,000 for contingencies during 2016. This amount included \$333,000 for an estimated local commitment for the Boardman River Dams Restoration Project. The County partnered with other local stakeholders in the project and was able to avoid incurring the total budgeted cost resulting in unexpended appropriations by the Contingency Department of \$283,000.

Actual expenditures for general liability insurance and retiree healthcare (OPEB) was less than budget by \$202,800. In 2016 the County budgeted a \$250,000 contribution towards its unfunded retiree healthcare costs. Because the County has historically been pay-as-you-go, or only paid the actual expenditures incurred each year, the contribution to begin pre-funding this liability was postponed until an irrevocable trust or retiree healthcare funding vehicle could be formally adopted.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounted to \$67,238,121. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and vehicles. The total change in the County's net investment in capital assets for the current fiscal year was a decrease of 1.60% for the governmental activities and a decrease of 3.82% for business-type activities.

The following table summarizes capital assets of the County at year-end for each of the past two years:

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 15,639,877	\$ 15,639,877	\$ 1,820,550	\$ 1,820,550	\$ 17,460,427	\$ 17,460,427
Construction in Progress	-	3,134,911	18,963	98,668	18,963	3,233,579
Land Improvements	635,688	732,946	576,291	709,361	1,211,979	1,442,307
Infrastructure	36,744	57,041	-	-	36,744	57,041
Buildings and Improvements	23,799,917	24,787,028	18,757,182	19,500,187	42,557,099	44,287,215
Furniture and Equipment	4,772,143	1,263,919	349,189	317,310	5,121,332	1,581,229
Vehicles and Equipment	672,197	681,773	159,380	96,480	831,577	778,253
Total	\$ 45,556,566	\$ 46,297,495	\$ 21,681,555	\$ 22,542,556	\$ 67,238,121	\$ 68,840,051

Additional information on the County's capital assets can be found in Note 6 to the financial statements.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$14,025,034. Of this amount, \$12,005,000 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents compensated absences and bond issuance discounts and premiums. The following table summarizes long-term debt of the County at year-end for each of the past two years:

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 8,795,000	\$ 9,365,000	\$ 3,210,000	\$ 4,775,000	\$ 12,005,000	\$ 14,140,000
Unamortized Bond Discounts	(38,896)	(40,748)	328	4,739	(38,568)	(36,009)
Compensated Absences	1,482,648	1,444,381	575,954	583,029	2,058,602	2,027,410
Total	\$ 10,238,752	\$ 10,768,633	\$ 3,786,282	\$ 5,362,768	\$ 14,025,034	\$ 16,131,401

The County's total bonded debt decreased by \$2,106,367 during the current fiscal year. Total debt was decreased by scheduled repayments.

The County maintains bond ratings from Standard & Poor's and Moody's Investor Services, which are as follows:

- Standard & Poor's - AA. Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degrees.
- Moody's Investors Service - Aa3. Bonds which are rated Aa3 are judged to be of a high quality by all standards.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is approximately \$576,137,251, which is significantly in excess of the County's outstanding general obligation debt.


Additional information on the County's long-term debt can be found in Note 8 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Grand Traverse County Finance Office
400 Boardman Avenue
Traverse City, Michigan 49684

Action Request

	Meeting Date: July 27, 2017																			
	Department: Administrator's Office	Submitted By: JDeHaan																		
	Contact E-Mail: jdehaan@grandtraverse.org	Contact Telephone:																		
	Agenda Item: Agreement with Chestnut Hills																			
	Estimated Time:	Laptop Presentation: No																		
Type of Request: Contract - New		Requested Action: Action																		
Summary Of Request: <p>The County was approached by the Chestnut Hills Condominium Association, to share in costs of road maintenance in a shared portion of the driveway that provides access to the Public Services Building as well as the Condominiums.</p> <p>The request was referred to legal counsel for review, and it was recommended that an Agreement be developed to address road maintenance for this shared access, which is consistent with the existing easement for ingress/egress.</p> <p>The agreement states that the County and Association will share in costs for maintenance which is jointly agreed upon and subject to the availability of funds.</p> <p>The agreement has been reviewed by Civil Counsel.</p>																				
Suggested Motion: <p>Approve the Agreement with the Chestnut Hills Association to share in costs of road maintenance for the easement which already exists and to authorize the Board Chair to sign the Agreement.</p>																				
Financial Information:																				
Total Cost: Not-to-Exceed \$		Fund:																		
If not included in budget, recommended funding source: n/a																				
Local Preference: No	Vendor Selection: Other	Grant Source:																		
Impacts to Other Departments and/or External Agencies:																				
Approved / Reviewed by: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%;">Approved</th> <th style="width: 20%;">Reviewed</th> </tr> </thead> <tbody> <tr> <td>Administrator</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Finance Director</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Human Resources Director</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Civil Counsel</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Department Head</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>			Approved	Reviewed	Administrator	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Finance Director	<input type="checkbox"/>	<input type="checkbox"/>	Human Resources Director	<input type="checkbox"/>	<input type="checkbox"/>	Civil Counsel	<input type="checkbox"/>	<input type="checkbox"/>	Department Head	<input type="checkbox"/>	<input type="checkbox"/>	Strategic Plan Impact: <input type="checkbox"/> Goal One <input type="checkbox"/> Goal Two <input type="checkbox"/> Goal Three <input type="checkbox"/> Goal Four <input type="checkbox"/> Goal Five <input type="checkbox"/> Goal Six <input type="checkbox"/> Goal Seven <input type="checkbox"/> Goal Eight
	Approved	Reviewed																		
Administrator	<input type="checkbox"/>	<input checked="" type="checkbox"/>																		
Finance Director	<input type="checkbox"/>	<input type="checkbox"/>																		
Human Resources Director	<input type="checkbox"/>	<input type="checkbox"/>																		
Civil Counsel	<input type="checkbox"/>	<input type="checkbox"/>																		
Department Head	<input type="checkbox"/>	<input type="checkbox"/>																		
Proposed Performance Measures/Indicators: None																				
Follow-Up Requirements: None																				
Miscellaneous: None																				
Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Attachment Titles:																		

RESOLUTION

Agreement with Chestnut Hills

WHEREAS, The Grand Traverse County Board of Commissioners met in regular session on August 2, 2017, and reviewed request to approve the Agreement with the Chestnut Hills Association to share in costs of road maintenance for the easement which already exists; and,

WHEREAS, The County was approached by the Chestnut Hills Condominium Association, to share in costs of road maintenance in a shared portion of the driveway that provides access to the Public Services Building as well as the Condominiums; and,

WHEREAS, The request was referred to legal counsel for review, and it was recommended that an agreement be developed to address road maintenance for this shared access, which is consistent with the existing easement for ingress/egress.

WHEREAS, The agreement states that the County and Association will share in costs for maintenance which is jointly agreed upon and subject to the availability of funds.

WHEREAS, The Agreement has been reviewed by Civil Counsel.

NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF COMMISSIONERS, THAT Grand Traverse County approve and authorize the chair to sign the Agreement with the Chestnut Hills Association to share in costs of road maintenance for the easement which already exists.

APPROVED: August 2, 2017

ROAD MAINTENANCE AGREEMENT

THIS ROAD MAINTENANCE AGEEMENT is made this _____ day of _____ 2017, by and between the Chestnut Hills Condominium Association and Grand Traverse County.

WHEREAS, the co-owners of Chestnut Hills, represented by the Chestnut Hills Condominium Association, own parcels of land located in the Township of Garfield, County of Grand Traverse, State of Michigan;

WHEREAS, Chestnut Hills is accessed by a non-exclusive easement, commonly known as a portion of Terra Road and more specifically described on **Exhibit "A"** ("Private Road").

WHEREAS, Grand Traverse County also has access to various county facilities via the non-exclusive easement (Exhibit A); and

WHEREAS, the parties wish to share equally in the cost of certain maintenance and repair of that portion of the private road used to access Grand Traverse County facilities, which is defined as: the area of the road running from LaFranier Rd to a line running between the sidewalk adjacent to the County Building across the private road where the private road changes in width from 32 feet to 23 feet including the paved shoulder extensions where LaFrainer Rd meets Terra Rd.

NOW THEREFORE, the parties hereby agree as follows:

1. Cost Sharing. The cost of certain road maintenance and improvements as further set forth below on the portion of the road described above will be shared equally by the parties to this agreement with the Chestnut Hills Condominium Association and Grand Traverse County each being responsible for one half (1/2) of all costs.

The Parties shall meet and agree to the project costs prior to incurring costs and seeking payment. If the Parties cannot agree to the project costs, then this Agreement is automatically terminated.

2. Maintenance Decisions.
 - a. Maintenance and improvement costs to be shared include maintenance and improvements to the road bed and road surface including but not limited to resurfacing, seal, coating, crack filling, asphalt cleaning and

similar maintenance and improvements to keep that portion of the private road fully functional and up to the best standards.

Maintenance and improvement costs to be shared shall be limited to resurfacing, sealing, coating, crack filling and asphalt cleaning.

- b. Maintenance and improvement issues subject to other agreements between the parties are not subject to this agreement. These issues include but are not limited to snow removal, irrigation, lawn care, tree trimming and/or removal, lighting, curbing and appurtenant water run offs.
- c. Decisions regarding road maintenance, including but not limited to, the determination of the scope of work required, shall be determined by agreement of the parties in writing. Neither party shall unreasonably withhold permission or approval to perform necessary work or maintenance.

If the Parties cannot agree to decisions regarding road maintenance, including the determination of the scope of work required, then this agreement is automatically terminated.

- d. All decisions and agreements regarding maintenance are subject to funds available by the respective boards of each party.

If funds are unavailable to a Party, the Party shall provide written notice to the other Party that funds are unavailable and this agreement is automatically terminated.

- 3. Use Restrictions. The parties agree that the portion of the Private Road described above shall only be used for the purposes of ingress and egress. It is the intent of the parties that the portion of the private road described above will be improved and maintained pursuant to this Agreement and may only be improved as may be reasonably necessary and convenient for the normal year-round use by the parties and their respective guests, invitees and customers, and for emergency, utility service, and delivery vehicles.
- 4. Collection of Costs. If either party fails or refuses to pay his or her share of any costs apportioned hereunder or fails to abide by the terms of this Agreement, within sixty (60) days after written notice thereof is given by the other party, then the other party shall have the right to commence legal action against the delinquent party.
- 5. Termination and Amendment. This agreement forms the entire agreement between the parties regarding the content described herein. This agreement

may be terminated by either party for convenience with thirty days (30) written notice.

- 6. Counter-Part Signatures. This Agreement may be executed in counter-part form.

IN WITNESS WHEREOF, the undersigned hereby execute this Agreement on the date first above written.

Date: _____

Jacquelyn V. Gwyn, President
Chestnut Hills Condominium Association.

STATE OF MICHIGAN)
) ss
COUNTY OF GRAND TRAVERSE)

The foregoing instrument was acknowledged before me a Notary Public on the _____ day of _____ 2017, by Jacquelyn v. Gwyn, President of the Chestnut Hills Condominium Association

_____, Notary Public
State of Michigan, County of _____
Acting in the County of _____
My Commission Expires: _____

Date: _____

Carol Crawford, Chairperson
Grand Traverse County Board of
Commissioners



Action Request

Meeting Date:	July 26, 2017 August 2, 2017		
Department:	Administration	Submitted By:	Tom Menzel
Contact E-Mail:	tmenzel@grandtraverse.org	Contact Telephone:	231-922-4780
Agenda Item Title:	Establishment of Pension Stabilization Trust		
Estimated Time:	<input type="text"/>	Laptop Presentation:	<input type="radio"/> Yes <input type="radio"/> No

Summary of Request:

As outlined in the attached memorandum, the Board of Commissioners has met on several occasions to dedicate time and consideration to the discussion of Grand Traverse County's unfunded legacy costs.

The establishment of the Pension Stabilization Trust will assist the County in managing and stabilizing its future pension contributions by pre-funding its defined benefit pension plan obligations for use in future years of market volatility and/or implementation of more conservative actuarial assumptions.

Suggested Motion:

The County establish the Grand Traverse County Pension Stabilization Trust and direct Administration to formalize the action in collaboration with legal counsel in a Trust agreement to be executed by the Board of Commissioners Chairwoman and County Clerk.

Financial Information:

Total Cost:	<input type="text"/>	General Fund Cost:	<input type="text"/>	Included in budget:	<input type="radio"/> Yes <input type="radio"/> No
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If not included in budget, recommended funding source:

This section for Finance Director, Human Resources Director, Civil Counsel, and Administration USE ONLY:

Reviews:	Signature	Date
Finance Director		
Human Resources Director		
Civil Counsel		

Administration: Recommended Date: 7/21/2017

Miscellaneous:

Attachments:

Attachment Titles:

Memorandum and Resolution



Memorandum

Grand Traverse County
Administration
400 Boardman Avenue
Traverse City, Michigan 49684
(231) 922-4780 Fax (231) 922-4636

TO: Board of Commissioners
FROM: Tom Menzel, Administrator
DATE: July 20, 2017
SUBJECT: Establishment of Pension Stabilization Trust

The County Board of Commissioners (the "Board") has met on several occasions to dedicate time and consideration to the discussion of Grand Traverse County's (the "County's") unfunded legacy costs. One of the components of the Pension Stabilization Plan reviewed by the Board recommended the establishment of a Pension Stabilization Trust.

Market volatility and more conservative actuarial assumptions will simultaneously increase the County's unfunded liability and decrease the County's overall funded status, currently at 45%. Through the establishment of the Pension Stabilization Trust, the County will be able to lessen the resulting impact of increased annual pension payments from these events. Assets in this trust, invested under Public Act 20 of 1943, will be protected from market volatility and provide funding for unexpected payments which would otherwise have to come from the County budget during times of economic strain.

The Board recently authorized the sale of property in Whitewater Township. The proceeds from the sale are recommended for appropriation to the Pension Stabilization Trust as well as the OPEB trust (retiree healthcare funding vehicle at MERS) in amounts proportionate to the total share of unfunded legacy costs, currently 87% and 13%, respectively.

Resolutions for both the establishment of the Pension Stabilization Trust and appropriation of sale proceeds are recommended for your approval at the regular meeting of the Board on July 26, 2017.

Should you have additional questions regarding this recommendation, please let us know.

RESOLUTION _____

WHEREAS, Grand Traverse County, a political subdivision of the State of Michigan (the “County”), offers pension benefits to its eligible employees upon their retirement from the County through Grand Traverse Co (#2802) – Municipal Employees’ Retirement System (the “Plan”), which is intended to be a governmental plan under Internal Revenue Code (the “Code”) Section 414 and tax-qualified under Code Section 401(a);

WHEREAS, the County, in order to manage and stabilize its future contributions, desires to pre-fund its Plan obligations through the establishment of this Grand Traverse County Pension Stabilization Trust (the “Trust”);

WHEREAS, in the County’s sole and absolute discretion, funds will from time to time be contributed by the County to the Trust, which funds when received by the Trust will constitute a trust fund for the Trustee (to be designated by the Board of Commissioners) to hold in accordance with the terms of the Trust Agreement;

WHEREAS, the establishment of this Trust, notwithstanding any provision of this Agreement to the contrary, does not create an obligation of the County to fund this Trust or the Plan (or, any benefits payable thereunder);

WHEREAS, the County intends that the contributions to the Trust and any earnings thereon shall be excluded from gross income as income derived from the exercise of an essential governmental function pursuant to Code Section 115(1), and that the Trust shall be deemed an “integral part” of the County within the meaning of Treasury Regulation Section 301.7701-1(a)(3);

WHEREAS, the Trust’s assets shall be held and invested in all respects in a manner consistent with the laws of the State of Michigan, including Public Act 20 of 1943, which governs the investment of funds of public corporations; and

WHEREAS, the establishment of this Trust and any distributions from this Trust shall not constitute or be construed to constitute an “accrued financial benefit” under Article IX, Section 24, of the State of Michigan Constitution of 1963.

NOW, THEREFORE BE IT RESOLVED, the County hereby establishes the Grand Traverse County Pension Stabilization Trust.

BE IT FURTHER RESOLVED, that the Grand Traverse County Board of Commissioners directs Administration to formalize this action in collaboration with legal counsel in a Trust agreement for execution by the Board of Commissioners Chairwoman and County Clerk.



Action Request

Meeting Date:	July 26, 2017- August 2, 2017		
Department:	Administration	Submitted By:	Tom Menzel
Contact E-Mail:	tmenzel@grandtraverse.org	Contact Telephone:	231-922-4780
Agenda Item Title:	Appropriation of Whitewater Township Property Sale Proceeds		
Estimated Time:	<input type="text"/>	Laptop Presentation:	<input type="radio"/> Yes <input type="radio"/> No
	(in minutes)		

Summary of Request:

The Board of Commissioners authorized the marketing of two parcels for sale on September 21, 2016. On June 7, 2017, the Board approved the sale of the 160 acre parcel in Whitewater Township. As of the most recent valuations, dated December 31, 2016, the County reported a total unfunded pension liability of \$53,821,982 and unfunded retiree healthcare liability of \$7,704,335. The Board has expressed the desire to identify resources for the payment towards these unfunded liabilities through the sale of obsolete properties and assets.

Suggested Motion:

Approve that the sale proceeds from the Whitewater Township Property in the amount of \$240,552.50 be appropriated to the Pension Stabilization Trust in the amount of \$210,430.00 and the MERS Retiree Healthcare Funding Vehicle (OPEB trust) in the amount of \$30,122.50, consistent with the proportionate share of the County's total funded legacy costs. And, that the Finance Department and County Treasurer are authorized to take the necessary actions.

Financial Information:

Total Cost:	<input type="text"/>	General Fund Cost:	<input type="text"/>	Included in budget:	<input type="radio"/> Yes <input type="radio"/> No
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If not included in budget, recommended funding source:

This section for Finance Director, Human Resources Director, Civil Counsel, and Administration USE ONLY:

Reviews:	Signature	Date
Finance Director		
Human Resources Director		
Civil Counsel		
Administration: <input checked="" type="checkbox"/> Recommended	Date:	7/21/2017
<u>Miscellaneous:</u>		

Attachments:

Attachment Titles:
Resolution

RESOLUTION _____

WHEREAS, on September 21, 2016, the Grand Traverse County Board of Commissioners (the “Board”) authorized the marketing of two parcels for sale; and

WHEREAS, on June 7, 2017, the Board approved the sale of the 160 acre parcel in Whitewater Township; and

WHEREAS, Grand Traverse County (the “County”) reported a total unfunded pension liability of \$53,821,982 and total unfunded retiree healthcare liability of \$7,704,335 in the valuations dated December 31, 2016 resulting in funded statuses of 45% and 0%, respectively; and

WHEREAS, the County recognizes the need to address the unfunded liabilities associated with pension and retiree healthcare costs to ensure the long term financial stability of the County;

NOW THEREFORE BE IT RESOLVED that the sale proceeds in the amount of \$240,552.50 be appropriated to the Pension Stabilization Trust in the amount of \$210,430.00 and the MERS Retiree Healthcare Vehicle (OPEB Trust) in the amount of \$30,122.50, consistent with the proportionate share of the County’s total unfunded legacy costs.

BE IT FURTHER RESOLVED that the Finance Department and County Treasurer are authorized to take the necessary actions to execute the appropriation and transfer of the sale proceeds.



Memorandum

Grand Traverse County
Administration
400 Boardman Avenue
Traverse City, Michigan 49684
(231) 922-4780 Fax (231) 922-4636

TO: Carol Crawford, Chairwoman
Ron Clous, Vice Chairman
Commissioners

FROM: Tom Menzel, County Administrator *TM*
Jen DeHaan, Deputy County Administrator *JH*
Bill Hendry, Human Resources Director *BH*

DATE: July 27, 2017

SUBJECT: Veteran's Affairs Committee Update

As you are aware, the Veteran's Affairs Department has been going through some changes over the past few months. During this time, we would like to commend the staff in the office for continuing to demonstrate a high level of professionalism and to continuing to provide high-quality and timely services to our Veteran's, which is the top priority for the Department.

While we have been pleased with the work of the Veteran's Affairs staff, we have had several challenges that we would like to make you aware of, due to the Board of Commissioners responsibility for the Veteran's Affairs Committee (VAC). The current situation has led to our concern over the public perception of the VAC and the services that are provided to our Veterans.

Below is a chronology of the events that have led to this concern:

- In May 2017, the County Human Resources Department was asked based upon several written complaints to investigate issues and concerns at the Veteran's Affairs Department.
- At the VAC meeting on May 18, 2017, Human Resources department presented the findings of the investigation and the VAC directed County Administration and Human Resources to negotiate a resignation agreement with the Director.
- At the VAC meeting on May 25, 2017, the Resignation Agreement was approved by the VAC.
- At the VAC meeting on June 22, 2017, the Chairman of the VAC recommended that the VAC re-hire the former director as a consultant for the Board. No action was taken.
- At that VAC meeting on June 22, 2017, it was also noted by County Administration that there are no by-laws for the Committee and that the enabling legislation for membership on the Committee had changed as a result of Public Act 420 of 2016 and the Committee structure should be reviewed to be consistent with the intent of the law. No action was taken regarding any of these items and they were to be brought to the VAC meeting on July 27, 2017.
- On Monday, July 17, 2017, a meeting was held between County Administrator Tom Menzel, Deputy Administrator Jen DeHaan, Human Resources Director, Bill Hendry, and VAC Chairman Jim Wagener. The purpose of the meeting was to discuss the recruitment process for the new director. A process was outlined and agreed to and Bill Hendry agreed to present the process to the VAC at the meeting on July 27, 2017.
- At the VAC meeting on July 27, 2017, Chairman Wagener called the meeting to order, without a quorum, and made several statements suspending the meeting and indicating that he would be obtaining legal counsel. A copy of this statement is attached.

It is unclear the intent of the recent action by the Chairman Wegener as he did not provide the name of the legal counsel to which he was referring. It is a concern that Mr. Wegener may be acting independently with an intent to incur costs on behalf of the County as this action was not authorized by any members of the VAC. As such, we have concerns that Mr. Wegener may be acting outside of his authority to expend dedicated millage dollars. Of course, Mr. Wegener can always retain counsel for himself through his own payment, should he feel that necessary.

In addition, there are issues related to the structure of the Board that should be reviewed by the Board of Commissioners and have been brought to the VAC in June and July with no action taken. These concerns include:

- With the recent vacancy of the position of Director, the County has conducted a recruitment process and has prepared a process for the VAC to undertake. As noted prior, this process was agreed to by the Chairman and was to be presented to the VAC at today's meeting. It is imperative that the VAC continue its work to select a Director, or we will potentially lose qualified candidates.
- The recent changes to the committee structure (authorized under PA 420 of 2016) have not been implemented. These changes allow the Board of Commissioners to expand membership on the Committee and eliminate the war-time era requirements which have often been difficult positions to fill.
- There are no board by-laws for the VAC which would provide guidance to the VAC regarding meeting structure, officers, and responsibilities of the VAC. A draft was provided to the VAC in June and again in July, however, due to the action by the Committee Chair these issues are not addressed.
- There has been an issue regarding committee member attendance at the meetings. For quite a while there have been only four-members appointed, with one member chronically absent, leaving three members for a quorum. Again, under state statute the expansion of the membership would improve the operations of the Board and allow the Board to focus on supporting services in the community. Data regarding attendance is being gathered and can be provided at a later date.
- The County also provides contracted services to Benzie and Leelanau for which their contract does not afford them voting membership on the Committee. We are recommending that Benzie and Leelanau become voting members, as permissible by state law, and through the development of an intergovernmental agreement in order to support a better operating Committee.
- Given the actions of the Committee Chairman we are concerned about the relationship between the VAC and the staff. The County staff are working hard to maintain services with the upmost level of professionalism and their efforts are supported by County Administration and also need to be supported by the VAC.

Given the above stated issues and concerns, County Administration respectfully requests that the Board of Commissioners, as the appointing body for the VAC, review and address these issues.

County Administration remains willing to assist in actions that will support the services to our Veterans and that will promote a healthy environment for staff.

c: Veterans Affairs Committee
Civil Counsel

Attachment: Statement by Veteran's Affairs Committee member, Jim Wegener.

Grand Traverse County Veterans Affairs Administrative Committee

July 27th 2017. 8am

James Wagener Chairman

Order of March for Meeting

1. Pledge of Allegiance.

2."I am setting aside today's agenda in accordance with guidelines for the Chairmanship of the Grand Traverse County Veterans Affairs Administrative Committee."

3." In accordance with Michigan Public Acts 192, it is within the power of this committee to execute, in conjunction with professional legal counsel, its due diligence in regards to the expedient summary dismissal of Chuck Lerchen, the former Director of the Grand Traverse Veterans Affairs Office. It is in the best interest of this office and its role of serving veterans that appropriate legal counsel be sought out and informed of all of the pertinent facts shrouding this premature and most hasty decision to remove Chuck Lerchen form office after 27 years of impeccable, exemplary and most outstanding service to the veterans of our Greater Grand Traverse Region."

4." I will call for a special meeting after legal council has affirmed OUR role in deciding what is in the best interest of OUR office."

5. "This meeting is adjourned. Any questions may be directed to our legal representative".

~~James Wagener~~
HAVE A GOOD DAY