

FINANCE, CLAIMS AND ACCOUNTS COMMITTEE MEETING MINUTES

February 19, 2015

A regular meeting of the Chippewa County Board of Commissioners' Finance, Claims and Accounts Committee was held on Thursday, February 19th, 2015 at the Chippewa County Courthouse in Sault Ste. Marie, Michigan. Chairman Martin called the meeting to order at 5:30 p.m. with a quorum present.

MEMBERS PRESENT: Jim Martin, Scott Shackleton, Don McLean, Conor Egan and Rudy Johnson

MEMBERS ABSENT: None

OTHERS PRESENT: Greg Grant, Attorney; Tim McKee, Robert Savoie, Cathy Maleport, Margie Hank, David Martin, Jim German and Kelly Church

Approval of the Agenda

It was moved by Commissioner McLean supported by Commissioner Shackleton, to approve the agenda as presented. On a voice vote, the motion CARRIED.

Public Comment

Sheriff Robert Savoie and OES Director Tim McKee both spoke on the benefits of increasing the dollar amount of the County's current Purchasing Policy No. 320, which is on the Agenda.

CLOSED SESSION

It was moved by Commissioner McLean, supported by Commissioner Egan, at 5:37 p.m. to move into closed session to update legal correspondence. On a roll call vote, the motion CARRIED

Chairman Martin declared the closed session ending at 6:28 p.m.

It was moved by Commissioner McLean, supported by Commissioner Johnson, to reconvene the Finance Committee meeting at 6:28 p.m. On a roll call vote 5-0, the motion CARRIED.

Correspondence and Informational Items

The Committee received the Treasurer's investment report for December and January, the monthly travel report, which included Administrator travel that needs to be approved, the December Visa billing statement for review and the MERS – Retiree Health Funding Vehicle quarterly statement.

It was moved by Commissioner McLean, supported by Commissioner Shackleton, to approve Administrator German's travel to the U.P. Administrator's conference in Escanaba on April 26th. On a voice vote, the motion CARRIED.

AGENDA ITEMS

Chippewa County Health Department – 2% Funding Request – EUP Hospice Services

The Committee received and reviewed the Health Department's request for support of 2% Funding Request for EUP Hospice Services, this funds help to ensure ongoing bereavement and end of life support to patients and families receiving Hospice Care through Hospice of the EUP.

It was moved by Commissioner Shackleton, supported by Commissioner McLean, to approve and authorize signature for the Health Department's 2% Funding Request for EUP Hospice Services. On a voice vote, the motion CARRIED.

Chippewa County Health Department – Additional \$6,700 Budget Request – U. P. Smiles grant

The Committee received and reviewed the documents for the U.P. Wide Smiles Project, offered through Marquette County Health Department, to improve the oral health of U. P. children to support a school rinse program. To help the children in the U.P. that are at high risk of dental disease. Discussion ensued and included questions regarding how the services would be offered, the Health Department's fund balance, legacy costs and their cash available status, as well as, the County \$15, 249 FY15 fund balance.

It was moved by Commissioner McLean, supported by Commissioner Shackleton, to support the U.P. Smile grant, by splitting the requested \$6,700 between the Health Department and the County, with each providing \$3,350.00 for the local grant match. On a voice vote, the motion CARRIED.

Circuit Court – Jail Diversion Agreement

The Committee reviewed the updated 'NorthCare Network Jail Diversion Agreement' between Hiawatha Behavioral Health and Chippewa County, which facilitates collaboration and support between Law Enforcement, County Corrections, the Court, Prosecutor's Office and Hiawatha Behavioral Health to effectively utilize available mental health and community resources when deemed appropriate as an alternative to incarceration. The agreement shall be in full effect as of January 30, 2015, and demonstrates community compliance with the Mental Health Code, Section 330.1207.

It was moved by Commissioner McLean, supported by Commissioner Shackleton, to approve and authorize signature for the NorthCare Network Jail Diversion Agreement, effective January 30, 2015, which demonstrates compliance with the Mental Health Code, Section 330.1207. On a voice vote, the motion CARRIED.

Equipment purchases and requests

Snow Machine – Purchase and Trade-In

The Committee reviewed the administratively approved purchase (due to timing constraints); the bid summary and the bid submission forms for the purchase of one (1) new 4 stroke snowmobile and trade-in of two (2) Arctic Cats and one (1) Ski Doo, both bids met specifications. The low bid was from the Fish and Hunt Shop for a 2015 Ski Doo Renegade 900 less the trade-ins price of \$7,350.00.

It was moved by Commissioner Egan, supported by Commissioner Johnson to approved the purchase of the 2015 Ski Doo Renegade 900, with the trade-ins as summarized, for an amount not to exceed \$7,350.00 to the Fish and Hunt Shop. On a voice vote, the motion CARRIED.

Used Mini Van – Purchase

The Committee reviewed the administratively approved purchase (due to mechanical breakdowns) and the bid summary for the purchase of one (1) used van, both bids met specifications, with the low bid being offered from O'Connor Chrysler Dodge Jeep Ram bid price of \$16,665.00.

It was moved by Commissioner Shackleton, supported by Commissioner McLean, to approve the purchase Chrysler Town & Country for an amount not to exceed \$16,665.00 from O'Connor Chrysler Dodge Jeep Ram. On a voice vote the motion CARRIED.

Telephone Switches – Purchase and Waive Purchasing Policy - \$7,289.20

The Committee was updated on the Zultys Media Exchange (MX) Communications system that will be installed and has been previously purchased through DS Tech, through the County's bidding policies. The Committee was provided with a quote from DS Tech for the needed switches for the telephone project, and was asked to waive the County's purchasing policy for this item, so that the County does not get caught between vendors at and future date, and also due to fact that our current maintenance support agreement expires on May 2, 2015.

It was moved by Commissioner McLean, supported by Commissioner Egan, to approve the purchase of the Switches as quoted from DS Tech, at a price not to exceed \$7,289.20, and to waive the County's purchasing policy to expedite this purchase and installation of the new communications system. On a voice vote, the motion CARRIED.

Approval to Release RFQ for the purchase of two Patrol Units

The Committee received and reviewed the previously budgeted RFQ for the purchase of two Patrol Units.

It was moved by Commissioner McLean, supported by Commissioner Johnson, to approve the release of the RFQ for the purchase of two (2) Patrol Units as presented. On a voice vote, the motion CARRIED.

Approval to Release RFQ for the purchase of two multifunction copier machines

The Committee received and reviewed the previously budgeted RFQ for the purchase of two multifunction copier machines.

It was moved by Commissioner Johnson, supported by Commissioner Shackleton, to approve the release of the RFQ for the purchase of two (2) multifunction copier machines as presented. On a voice vote, the motion CARRIED.

Purchasing Policy No. 320 - Update

Administrator German addressed the Committee requesting an update to the County's Purchasing Policy No. 320, to help improve efficiency with certain purchases that are approved through the budget, but get delayed due to the Administrator's limits. The Committee reviewed the draft changes to Policy No. 320. Discussion followed.

It was moved by Commissioner McLean, supported by Commissioner Shackleton, to approve the changes to Policy No. 320 Purchasing, Contracts and Sales, as presented. On a voice vote, the motion CARRIED. (Policy attached)

Resolution No. 15-03 Electrical Power (Forward to Full Board)

The Committee reviewed and discussion to Electrical Power Resolution, which supports a major upgrade of the transmission capability though the Eastern Upper Peninsula, down through the Straits to Gaylord.

It was moved by Commissioner McLean, supported by Commissioner Shackleton, to support Resolution 15-03 Electrical Power, and to forward it to the full Board for approval. On a voice vote, the motion CARRIED.

County Commissioners Benefits & Compensation Policy No. 121(from Personnel)

The Committee reviewed the updated County Commissioners Benefits & Compensation Policy No. 121, which eliminates Chippewa County Commissioners eligibility to receive and/or accrue County retirement or hospitalization/medical insurance as of January 15, 2017.

It was moved by Commissioner McLean, supported by Commissioner Shackleton, to approve Policy No. 121 County Commissioners Benefits & Compensation as amended. On a voice vote, the motion CARRIED.

Ancillary/Advisory Committee Attendance Policy No. 122

The Committee reviewed the new Ancillary/Advisory Committee Attendance Policy No. 122, which is a new policy to establish a procedure for the removal of Ancillary/Advisory Committee Members who do not attend committee meetings.

It was moved by Commissioner McLean, supported by Commissioner Johnson, to approve Policy No. 122 Ancillary/Advisory Committee Attendance Policy as presented. On a voice vote, the motion CARRIED.

FINANCE

Claims and Accounts

The Committee reviewed the bills and payroll presented for approval.

It was moved by Commissioner McLean, supported by Commissioner Egan, to recommend the approval of December and January bills and payroll as follow: the general claims totaling \$841,484.21, other fund claims \$1,024,942.87, payroll \$1,036,941.83 and Health Department claims \$1,267,444.44 and total claims \$4,170,813.35 and vouchers H-1 through H-145 and H-1 through H-487. On a voice vote, the motion CARRIED.

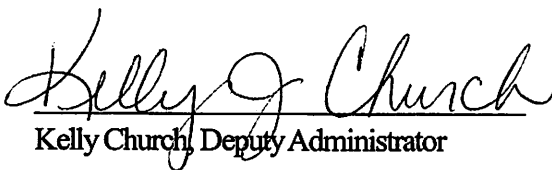
Committee and Chairman's Comments

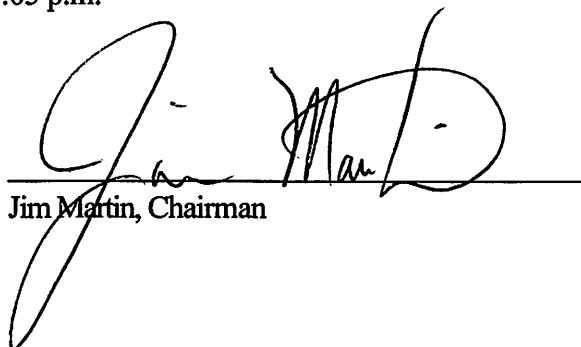
Commissioner McLean, commended Commission Martin for doing a good job at his first Finance meeting, Commissioner Martin thanked everyone for their help and patience during his first meeting and briefly discussed the 2016 Budget including places where savings could potentially be made.

Adjourn

It was moved by Commissioner McLean, supported by Commissioner Shackleton, to adjourn the meeting.

Chairman Martin declared the meeting adjourned at 7:05 p.m.


Kelly Church, Deputy Administrator


Jim Martin, Chairman

County Board Approval: February 23, 2015

A. Background.

1. In accordance with the Uniform Budgeting and Accounting Act (MCL 141.421 - 141.440a), and in order to identify the County's purchasing policies and exceptions to those policies, all purchases of the County will be made pursuant to the guidelines contained herein.
2. The management of contracts and the sale of County property will fall under the provisions as outlined herein.

B. Title. This document shall be known and may be cited as the Purchasing Policy of the County of Chippewa.

C. Definitions. For the purposes of this policy, the following terms, phrases, words and their derivations shall have the meaning ascribed to them.

1. Contractual services shall mean and include the rental, purchase, ownership, repair or maintenance of equipment, machinery and other property (except for real property). The term shall not include professional, insurance and personal services or other contractual services which are unique and not subject to competition as determined by the Board of Commissioners.
2. Supplies shall mean and include all consumable and non consumable operating supplies, materials and equipment that are not specifically covered under the term "contractual services."
3. Using agency means any department, agency, commission, bureau, authority or other unit in the County government using supplies or procuring contractual services as provided for in this policy.
4. Specified budget line item means that budget line item against which an expense for supplies or contractual services is charged.

D. County Purchasing Agent. The County Administrator is designated as the County Purchasing Agent and is responsible for the purchase and sale of all County property.

E. Powers and Duties of the Purchasing Agent. The Purchasing Agent shall:

1. Act to procure the highest quality in supplies and contractual services at the least expense to the County.
2. Encourage full and open competition on all purchases and sales.
3. Establish and amend, as required, all rules and regulations authorized by this policy and associated policies pertaining to purchasing, contracts and sales of County property.

4. Keep informed of current developments in the field of purchasing, prices, market conditions and new products.
5. Secure for the County the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations and private business organizations.
6. Exploit the possibilities of buying supplies in bulk so as to take advantage of quantity discounts. In this instance, bulk purchase of supplies is not oriented toward buying an everlasting/unlimited amount of an item, but rather it is oriented toward combining the need of several using agencies under one purchase in order to obtain a quantity discount.
7. Act to procure all tax exemptions to which the County is entitled.

F. County Purchase Order (PO). All departments shall secure a County purchase order for equipment and consumable supplies.

G. Small Item Purchase (under \$500).

1. All items under the price of \$500 may be purchased directly by the using agency when it has been determined by the Purchasing Agent that it is not economically feasible to buy the item in such quantities to obtain a lower price.
2. Receipt of and accounting for supplies.
 - a. Receipt/invoice/billing tag must contain:
 - 1.) The signature of the County employee who received initial custody of the supplies.
 - 2.) The signature of the Department Head or Elected Official (or their designated representative) who authorized the purchase.
 - 3.) The budget line item number against which the purchase is to be charged.
 - b. The Department Head or Elected Official will turn the properly annotated receipt/invoice/billing tag for the supplies purchased to the Finance Department for proper processing.
 - c. As outlined above, a County Purchase Order will be used for all equipment purchases under this Section in excess of \$250.

H. Large Item Purchase (between \$500 and \$5000).

1. All purchases of supplies and contractual services between \$500 and \$5000 will be approved by the Purchasing Agent.
2. Sealed bids need not be taken for such items at the discretion of the Purchasing Agent.

3. Prior to approving such purchases, the using agency shall verify to the Purchasing Agent:
 - a. That funds have been properly appropriated by the Board of Commissioners in the budget for this purchase.
 - b. That a sufficient unencumbered balance remains in the appropriate budget line item to cover this purchase.
4. The procedures for receiving and accounting for large item supplies that have been purchased are the same as for small item purchases.

I. Major Item Purchase (greater than \$5,000).

1. Purchases of supplies or contractual services in excess of \$5,000 must be made in accordance with the following:
 - a. Purchases that are estimated to exceed \$5,000 but not more than \$10,000 may be made where there is an appropriation for such purchase in the annual budget and where the Purchasing Agent obtains at least three competitive cost quotations. These quotations, with a recommendation from the Purchasing Agent, will be submitted to the County Board for approval via its standing Finance Committee. No purchase order shall be written or vouchers drawn until the Board approves the purchase.
 - b. Purchases that are estimated to exceed \$10,000, where there is an appropriation for such purchase in the annual budget, shall be awarded on written contract following receipt of sealed, competitive bids in accordance with the procedures contained herein. The foregoing shall not prohibit the County Board from waiving the competitive bidding requirement if it determines that exigent circumstances exist or there is no advantage to the County to proceed by competitive bid. When the sealed bid process is set aside by Board action, documentation regarding this action shall be filed with the appropriate purchase documents.
 - c. All purchases in excess of \$10,000 must be reduced to a written contract or agreement.
2. No sale or purchase shall be divided for the purpose of circumventing the dollar limitation contained in this Section.
3. Sealed bids for contractual services may be waived on approval of the County Board when it is deemed to be in the public interest. In similar fashion to the above, when the sealed bid process for contractual services is set aside by Board action, documentation regarding this action shall be filed with the appropriate contractual service purchase documents.
4. The procedures for receiving and accounting for major item supplies are the same as for small and large item purchases.

J. Bid Process.

1. An invitation to bid will be advertised at least once in an official newspaper published in the County.
2. This request for bid proposals will contain sufficient information to permit legitimate and competitive bids to be made, including:
 - a. Specifications of the item(s) or service(s) to be purchased.
 - b. The amount of surety to be submitted with the bid.
 - c. The surety to be given with the contract.
 - d. Sealed bid envelope marking requirements.
 - e. The time and place for opening of the bids.
 - f. The conditions of the award of the contract, including any preference and the amount of such preference expressed as a percentage of the bid price which may be considered in determining the lowest and best bidder.
 - g. A statement as follows: "Chippewa County reserves the right to reject any or all proposals, to negotiate separately with any source whatsoever in any manner necessary to attend to the best interests of the County, to waive irregularities in any proposal and to accept a proposal which best meets the needs of the County, irrespective of the bid price."
3. At least five calendar days shall intervene between the date of the last publication of the notice and the final date for submitting of bid proposals.
4. Determining the Best Bid. Purchases shall be made from the lowest and best bid proposal. Sales shall be made to the bidder whose bid is most advantageous to the County. In determining which bid is most advantageous and/or best, the County Board shall consider:
 - a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
 - b. Whether the bidder can fulfill the contract or provide the service promptly or within the specified time frame without delay or interference.
 - c. The character, integrity, reputation, judgment, experience and efficiency of the bidder.
 - d. The quality of performance of previous engagements with the bidder.
 - e. Previous and existing compliance by the bidder with laws and ordinances relating to the contract or services.

- f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
- g. The quality, availability and adaptability of the supplies or contractual services to the particular use required.
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
- i. The number and scope of conditions attached to the bid.
- j. Any potential conflicts of interest between bidders and the County governing body and staff.

K. Preference for Local Vendors. If all bids received are reasonably equivalent other than with respect to cost, bidders whose business is located within Chippewa County shall be given preference as follows:

- 1. If bids are taken for items or services for a cost between \$500 and \$5,000, the bid of the Chippewa County vendor shall not exceed the lowest bid by more than 5.0%.
- 2. For bids exceeding \$5,000, the bid of the Chippewa County vendor must not exceed the lowest bid by more than 3.0%.

L. Bid Deadline. Bids shall be received up to a deadline date and time as specified in the request for bid proposals. Bids received after the date and time specified shall be returned to the bidder with a notice of disqualification. Changes in the amount or condition of the bid will not be allowed once the bid has been received.

M. Bid Deposits. As determined necessary by the County, or as required by law, a surety shall be required of bidders in an amount and in such form as advertised by the County in the public notice inviting bids or other requests for bids.

N. Bid Opening Procedure. All bids shall be submitted to the Purchasing Agent as described in the request for bid proposals. Bids shall be opened in public and read at the time and place stated in the public notice/request for bid proposal.

O. Appropriation Sufficiency. Prior to the approval of any purchase by the County, the using agency shall certify to the Purchasing Agent that an appropriation has been made for this purchase and that a sufficient unencumbered balance remains in the specified budget line item for this purchase or that funds will be available by budgetary reprogramming to cover the claim and/or meet the obligation when it becomes due and payable.

P. Emergency Purchases. In case of an emergency which requires immediate purchase of supplies or contractual services in excess of \$10,000, the Purchasing Agent, County Board Chairman and Chairman of the standing Finance Committee, acting singly or in concert, are empowered to purchase, on the open market at the lowest obtainable price, any necessary contractual services or supplies. Documentation regarding this action shall be filed with the appropriate contractual service purchase documents and such report shall be provided to the Board of Commissioner within five (5) days of the purchase.

Q. Public Improvements. No public improvement costing more than \$5,000 shall be contracted for or commenced until estimates, drawings, profiles, specifications or site plans, where appropriate, have been submitted, reviewed and approved by County Board.

R. Contracts.

1. All contracts or agreements to purchase supplies and/or contractual services included in the approved budget must be approved by the County Controller. All contracts or agreements to purchase supplies and/or contractual services not included in the approved budget must be approved by resolution of the County Board.
2. Signature authority:
 - a. Following approval, all contracts or agreements to purchase supplies and/or contractual services shall be submitted to the County's corporation counsel for legal review, unless deemed unnecessary by the Board or Controller. In cases where no written draft exists, corporation counsel may be asked to draft a formal agreement.
 - b. Following the review and approval of corporation counsel, the Controller or Chairman of the Board of Commissioners shall sign all contracts or agreements. In no case shall any contract or agreement be signed without approval of the Controller or Board. Contracts signed by anyone other than the Controller or Board Chairman shall be considered void and shall not be binding on the County.
3. In all cases where County officials have entered into a written contract or agreement for the purchase of supplies or contractual services, the original, or at a minimum, a copy of the signed document must be forwarded to the Controller for record purposes.

S. Surplus Stock. All County departments, agencies, bureaus, authorities, etc., shall submit to the Administrator a list of supplies that are no longer used or which have become obsolete or worn out. The Administrator may then:

1. Transfer surplus supplies between County departments, agencies, bureaus, authorities, etc.
2. Sell, trade or exchange surplus supplies to the maximum financial advantage of the County and pursuant to any specific guidelines provided by the Board of Commissioners.
3. Conduct an auction for the sale of surplus supplies and property; any such sales shall be to the highest responsible bidder and in accordance with specific guidelines provided by the Board of Commissioners.
4. Donate or dispose of the items.

T. Cooperative Purchasing. The Administrator shall have the authority to join with other units of government in cooperative purchasing plans when the best interest of the County would be served.

- U. **Gifts and Rebates.** Officials and employees of the County are prohibited from personally and individually accepting, either directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract is or might be awarded, any rebate, gift or money which may cause influence on the official or employee as his/her work performance relates to the purchase of or contract for goods and services.

- V. **Payment to Contractor.** Compensation will not be paid to any contractor except in accordance with the terms of said contract.

**Personnel
Management
Policy No. 121**

**County Commissioners
Benefits & Compensation**

County Board Approval: February 23, 2015 (Updated)
County Board Approval: February 13, 2008 (Original)
Reviewed: Legislative & Natural Resources 1/11/2008
Reviewed: Personnel/Equalization/Health and Social Services 2/17/15

Effective January 1, 2007, it shall be the policy of Chippewa County that Chippewa County Board of Commissioners are elected officials with full-time benefits. And shall not be allowed to accumulate vacation days, sick days, or any paid leaves of absences.

Chippewa County Board of Commissioners shall receive a monthly salary and a \$45.00 per meeting, maximum of two per day, eligibility based on Committee appointment or on a special agenda representing the County. Travel expenses directly related to official County business shall be reimbursable in a manner consistent with policy #410.

The Employer agrees to pay the premium for hospitalization and medical insurance coverage for a single subscriber, two person and family coverage for Chippewa County Commissioners who elect to participate in the group insurance plan; coverage shall be equal to the active employees. Employees electing sponsored dependent and/or family continuation coverage are responsible for payment of the premium costs for this additional coverage.

As with other County employees, Commissioners declining health care insurance, who opt out of the County's health insurance shall, as an incentive, be eligible to receive compensation in lieu of health care insurance. It may be paid to the Commissioner in a separate check and upon verification the employee is covered by another health insurance program. This election shall be made on an annual basis and shall be effective for that full year. In the event that an employee loses coverage under the alternative source, they shall be returned to coverage under the County's plan as soon as possible. Spouses of eligible employees shall not be eligible for this benefit.

If a Commissioner has similar insurance through an employer or spouse he/she is expected to maintain that current coverage instead of opting for the County coverage.

Effective January 15, 2017, Chippewa County Commissioners will not be eligible to accrue county retirement benefits, receive as a benefit hospitalization/medical insurance coverage or payment in lieu of coverage.

**Personnel
Management
Policy No. 122**

**Ancillary/Advisory
Committee Attendance Policy**

County Board Approval: February 23, 2015
Reviewed: February 17, 2015 Personnel Committee

Purpose:

Advisory Boards/Committees are established by the Board of County Commissioners to provide representative and knowledgeable advice on projects and programs affecting the public. Committees are governed by the same rules of procedure as the Commission making the sustainment of a quorum critical to achieving the goals and objectives of the committee. The purpose of this policy is to establish a procedure for the removal of Advisory Committee Members who do not attend committee meetings.

POLICY

The Ancillary/Advisory Committee Chairperson is responsible, at their discretion, for recording and reporting issues of absences to the County Commission.

The County Commission by majority vote may remove and replace a committee member for the reason of habitual absenteeism.