

Commissioner Minutes of January 25, 2011

The Gladwin County Board of Commissioners met in Regular Session January 25, 2011. The meeting was called to order at 9:00 a.m. by Chairman Reid. The Pledge of Allegiance was recited. Roll call found all Commissioners present, except Commissioner Whittington who had been excused.

Agenda – *The Clerk has requested the addition of an election of Canvassers and approval of Billings Township election workers as time permits within the agenda. Additionally Gina Conrad will address the Board at 10:15.*

The Regular Session minutes of January 11, 2011 were then considered. *Motion by Commissioner Smith, supported by Commissioner Walters, to approve the minutes as presented. Ayes carried, motion passed.*

The cash balances for the General Fund and the Judicial Management Fund were then read. *General Fund - \$409473.86 231 Fund – \$860.67.*

The semi-monthly Finance report totaling \$53,477.02 was then considered for payment. *Motion by Commissioner Rhode, supported by Commissioner Walters, to approve the bills for payment as presented. Ayes carried, motion passed.*

Public Comments – *Commissioner Carl took a moment to thank everyone for their kindness and support after the passing of his wife Rosalind, noting it was very much appreciated by he and his family.*

Correspondence from the Chairman:

- On a letter received by Dr. Bratton on the appointment of Deputy Medical Examiner.
- On a letter from DHS.
- That the Personnel and Non-Union Benefits manuals will be available to departments this week.
- On a letter from Doug Jacobson regarding ZBA issues.

Dan Bolle, Equalization Director, came before the Board with the **2010 Equalization Study** to be used with the 2011 Equalization projections. Mr. Bolle reviewed the report, noting that once he had final projections for 2011 he would give copies to the Board. Discussion. *Motion by Commissioner Carl, supported by Commissioner Smith, to accept the 2010 Equalization Study as presented. Ayes carried, motion passed.*

Laura Brandon-Maveal, County Clerk, asked that the Board approve the following **workers for the Billings Recall Election:** Kathie Hart - Chair, Connie Reale, Jim Cooper, Norene Cooper, Kathy Halloran and Mickey Hetherington. *Motion by Commissioner Carl, supported by Commissioner Rhode, to approve the election workers as requested. Ayes carried, motion passed.*

The Board then voted by ballot on the Democratic member to the Canvassing Board. Bob Wilton was named the new Democratic canvass member.

Committee Reports by District –

Commissioner Walters reported:

- On attending the Sage Township meeting on the 12th.
- On the Sherman Township meeting on the 18th.
- On attending the Fair Board meeting also on the 18th.
- On the Democratic meeting on the 19th.
- On attending the Public Safety meeting on the 20th, commenting that John Nielson and Leo Gary are working together on security items and will get back with the committee.
- On the Emergency Management Local Planning meeting on the 20th, noting it was a very interesting meeting.
- On attending the Parks and Rec meeting on the 20th.

Veterans Matters – On the loss of Veteran Edwin Nash from Sage Township who served in Vietnam.

Commissioner Carl reported:

- That he has nothing to report from his district at this time, but stated the following on legislation now before the State Senate that will impact out County.

"In particular I am speaking about HB 4054 a bill which could create right-to-work zones in a city, county, township, village, public school district, or an intermediate school district. In effect it has the potential to create county wide right-to-work zones. Also, Senate introduced bills on public employee wages and benefits which include three pieces of legislation. SJR B would cut base wages for public employees by 5% for three years. SJR C would allow the state to regulate all public employee health care and forbid local governments from differing from the benefits dictated by the state and SB 7 would require that public employees contribute 20% of the total for health benefits. I think this is another case of state government dictating to the county, township, cities, villages and public school systems what is best for them and at what costs. We certainly are not a Wayne, Oakland, or Macomb county. I think the county and the schools have a good working relationship with the unions and taken into consideration the economic downturn in the state and counties. As the Michigan Association of Counties has written the goal of containing the cost of government is laudable. However the problem arises when the state gets its hands on a new arena of influence with no responsibility to the people they serve regarding their own employee costs. If the state can make counties cut their employees wages and benefits it can also tell them to increase them when they think the times are good at no costs to the state. The possibilities for more unfunded mandates would increase significantly under these proposals." Motion by Commissioner Carl, supported by Commissioner Walters, that the Gladwin County Board of Commissioners go on record in opposition to HB 4054 SJR B, SJR C, and SB 7, and that a copy of this record be sent to the appropriate legislators in Lansing. Ayes carried, vote unanimous.

Commissioner Rhode reported:

- On attending the EDC meeting and discussion of working with Michigan Works.
- On the Northern MAC meeting, noting dues will change for 2012.
- On attending the Gladwin City Housing Commission meeting, noting Lauren Essenmacher will address the issues from the meeting later in the agenda.
- On the Gladwin City Council meeting.

- On the report given at the Health and Human Services Board on the 211 call activity.
- On attending the Michigan Works meeting, noting unemployment rates are still high.
- On the EMCOG meeting and the list of federal grant projects that were reviewed, noting that he had been elected 1st Vice Chairman.

Commissioner Birgel reported:

Finance Matters –

1. **Debbie Primeau**, Secretary to Judge Evans, is requesting payment for five (5) unused vacation days per the Court's Personnel Policy. Total payment of \$751.80 to come from 101-131-704.000 upon approval. *Motion by Commissioner Birgel, supported by Commissioner Carl, to approve payment as requested. Ayes carried, motion passed.*
2. **Justin Eastman**, Jail Administrator, has requested to renew his membership with **Kirtland College for the 2011 Corrections Training Consortium**. Cost of the membership is \$1,760.00 and can be paid from 264 funds once approved. *Motion by Commissioner Birgel, supported by Commissioner Walters, to enter into the 2011 Membership as outlined. Ayes carried, motion passed.*
3. **County Clerk, Laura Brandon-Maveal**, is requesting that a **public hearing** be posted to answer questions and brief the public on the process of the **USDA grant application** for Emergency Response vehicles. This is a required process by USDA and should be scheduled for February 8th prior to the regular Board meeting at 8:45 a.m. *Motion by Commissioner Birgel, supported by Commissioner Carl, to approve the publication of the Public Hearing as required. Ayes carried, motion passed.*
4. **Andrews, Hooper and Pavlawk** have sent the County an **engagement letter for audit services**. A motion is needed to allow the Chairman to sign the letter of agreement for 2010-2012 audit services. *Motion by Commissioner Birgel, supported by Commissioner Walters, to engage in 2011 audit services with Andrews, Hooper, Pavlawk. Ayes carried, motion passed.*
5. **Cathy Roehrs**, past Deputy Drain Commissioner, has made a request to the Finance committee for **differential pay while acting as Drain Commissioner** upon Mrs. Augustine's retirement. Total expense requested is \$1,876.23. *Motion by Commissioner Birgel, supported by Commissioner Smith, to not support the request by Ms. Roehrs. Ayes carried, motion passed.*

Commissioner Smith reported:

1. That she attended Personnel Negotiations with Dispatchers on the 12th, noting she was pleased with the process.
2. On the Special DATA meeting on the 18th. From this meeting a survey of IT services was compiled and sent to all Departments. She plans to attend the Department Head meeting tomorrow to discuss the survey and how we hope to implement the results.
3. On attending the District Library Board meeting on the 18th, noting each Commissioner should have received a Circulation Report for distribution to all Townships.
4. On the Parks and Rec meeting on the 20th with the following information being discussed:
 - There was much discussion about the lodge. Madeline Meixner asked to reserve the Lodge for her son's wedding reception on June 25, 2011. The committee made motion at the meeting to allow Madeline Meixner to reserve and rent the Lodge on June 25, 2011. Discussion. Commissioner Smith noted this action will be pending repairs to the bathroom prior to May 1, 2011. Discussion. *Motion by Commissioner Smith, supported by Commissioner Walters, to repair the Lodge so that it can be available for rentals from May 1, 2011 – October 31, 2011. Ayes carried, motion passed. Commissioner Rhode voting no.*

Scott Govitz and Mark Berdan then came before the Board with consideration of the **EDC and Michigan Works partnering together to provide a full time EDC Director**. Discussion on process of hiring and duties given to the Director to benefit the County. Mr. Govitz commented that the workings of EDC will not change the way finances are handled or meetings conducted. Commissioner Carl commented on the need to provide the information on the change to the Townships and asked if there was a memo of understanding that could be forwarded to the Townships. Discussion. *Motion by Commissioner Smith, supported by Commissioner Reid, to approve the concept and movement forward with the merger.* Ayes carried, **motion passed.**

Lauren Essenmacher, Council on Aging and CCT, came before the Board with handouts and updates of services. Mrs. Essenmacher reviewed the Transit's budget and asked the Board to consider the **resolution of intent to approve the proposed Financial Assistance Application for fiscal year 2011-12**. *Motion by Commissioner Smith, supported by Commissioner Carl, to approve the resolution for Financial Assistance as requested by City County Transit.* Roll call vote as follows: Walters – yes, Carl – yes, Rhode – yes, Reid – yes, Birgel – yes, Smith – yes, Whittington – excused. 6 yes, 1 excused. Ayes carried, **resolution 2011-001 declared adopted.** Mrs. Essenmacher then outlined the shortfall in funding for the home delivered meals program and the ability to utilize a portion of the retained earnings for the program to satisfy the shortfall. Discussion. *Motion by Commissioner Rhode, supported by Commissioner Carl, to allow Council on Aging to utilize \$59,569.00 of the retained earnings toward the home delivered meals program.* Ayes carried, **motion passed.**

County Treasurer, Christy VanTiem, came before the Board with three resolutions for consideration.

- 1) **Resolution to Borrow Against Anticipated Delinquent 2010 Real Property Taxes.** *Motion by Commissioner Smith, supported by Commissioner Walters, to approve the resolution as requested.* Roll call vote as follows: Carl – yes, Rhode – yes, Reid – yes, Birgel – yes, Smith – yes, Whittington – excused, Walters – yes. 6 yes, 1 excused. Ayes carried, **resolution 2011-002 declared adopted.**
- 2) **Resolution for Depository Designation.** *Motion by Commissioner Rhode, supported by Commissioner Smith, to approve the resolution as outlined by the Treasurer.* Roll call vote as follows: Rhode – yes, Reid – yes, Birgel – yes, Smith – yes, Whittington – excused, Walters – yes, Carl – yes. 6 yes, 1 excused. Ayes carried, **resolution 2011-003 declared adopted.**
- 3) **Resolution for Authorizing Deposit and Investment of County Funds and Approving County Investment Policy.** *Motion by Commissioner Carl, supported by Commissioner Walters, to approve the resolution as presented.* Roll call vote as follows: Reid – yes, Birgel – yes, Smith – yes, Whittington – excused, Walters – yes, Carl – yes, Rhode – yes. 6 yes, 1 excused. Ayes carried, **resolution 2011-004 declared adopted.**

Gina Conrad, **Gypsy Moth** Coordinator, came before the Board with a request to purchase a **new laptop** for her office from her 239 fund. Total cost of the laptop is **\$1,769.99** and has been approved by the IT Director. *Motion by Commissioner Walters, supported by Commissioner Carl, to approve the purchase as requested. Ayes carried, motion passed.* Ms. Conrad then noted that the **GIS data links are available on the County website and a letter has gone out to the Townships for their user name and password.**

Commissioner Smith then continued her report:

- Joanne Varner has resigned from the Parks and Rec committee and a replacement is needed. Discussion. *Motion by Commissioner Smith, supported by Commissioner Walters, to appoint Madeline Meixner to fill the vacancy. Ayes carried, motion passed.*
 - Rick Seebeck gave a report on the usage of the trails.
 - 1) Currently there are 3 ½ miles of groomed trails for cross-country skiing.
 - 2) There are 35 to 40 regular skiers.
 - 3) The summer handicapped trail has been turned into a snow-shoeing trail.
 - Sources of revenue were discussed.
 - 1) Offering the sale of down/dead wood
 - 2) Host a triathlon in the summer with running, biking, and canoes or swimming.Commissioner Reid spoke about a “summer kickoff event” at the Lodge before opening to promote the park.
 - The Committee is also asking for a defined role under which they operate, report to, etc.
5. On attending the Beaverton Area Business Association brainstorming meeting on the 24th. Everyone in attendance received very interesting information about Website development, Gladwin Chamber of Commerce Publication, Beaverton School Election and other issues. There were a lot of people in attendance, and found it very interesting to visit with many of them. Commissioner Smith stated that she was the winner of the 42” television that was given away as the grand prize.
 6. On attending the Beaverton City Council meeting on the 24th, noting she gave her report and distributed the Chamber Booklet, “Welcome to Gladwin County.”

Commissioner Reid reported:

- On attending the EDC meeting on the 12th.
- On the Hay Township meeting, noting there will be no ORV changes for the Township.
- On attending the Airport meeting on the 13th.
- On the Secord Township meeting on the 19th, noting there was discussion on equalized values.
- On attending the Finance meeting on the 20th.
- On the Public Safety meeting.
- On working with Emergency Management on Grant opportunities and attending the Local Planning Team meeting.

Commissioner Reid then briefed the Board on the following items that have been accomplished:

- Provided signature on all the Letter of Understandings for the Union Health Insurance issue.

- On sending correspondence to the Courts to begin negotiations, the Judges are waiting to hear from the employees before scheduling a date.
- The quarterly reports from OEM have been signed, and a new filed started.
- The USDA grant applications for patrol vehicles have been signed.
- The door for the Annex Building has been repaired.
- The 911 center rooftop unit has been repaired.
- The IT Director has taken care of an acid boil on backup batteries for the AS400.
- There will be a Department Head meeting tomorrow at 9:00 a.m.

Commissioner Carl then commented on the nice job the EDC committee is doing, noting that it is important to keep the Townships updated on what is going on with EDC changes. Commissioner Reid stated that he will prepare a cover letter to send out with the fact sheet that was presented by Mr. Govitz today to the Townships.

Public Comments – Commissioner Walters stated that the 4-H fish fry dinner will be held February 11th from 4-7 p.m.

Motion by Commissioner Carl, supported by Commissioner Walters, to receive and file various reports and correspondence. Ayes carried, motion passed.

Motion by Commissioner Carl, supported by Commissioner Walters, to adjourn. Ayes carried. Meeting adjourned at 10:50 a.m. until February 8, 2011 at 9:00 a.m. unless otherwise directed.



Laura Brandon-Maveal, Clerk



Josh Reid, Chairman

RESOLUTION OF INTENT

*The approved resolution of intent to apply for state formula operating assistance for
fiscal year 2012 under act 51 of the public acts of 1951, as amended*

WHEREAS, pursuant to Act 51 of the Public Acts of 1951, as amended (Act 51), it is necessary for the
Gladwin County Board of Commissioners, (hereby known as THE APPLICANT) established under
(Applicant's Name, Authoritative Body)
Act 94, to provide a local transportation program for the state fiscal year of 2012 and, therefore, apply
for state financial assistance under provisions of Act 51; and

WHEREAS, it is necessary for THE APPLICANT, to name an official representative for all public transportation
matters, who is authorized to provide such information as deemed necessary by the State Transportation
Commission or department for its administration of Act 51; and

WHEREAS, it is necessary to certify that no changes in eligibility documentation have occurred during the
past state fiscal year; and

WHEREAS, the performance indicators for this agency have been reviewed and approved by THE
APPLICANT; and

WHEREAS, THE APPLICANT, has reviewed and approved the proposed balanced (surplus) budget, and
funding sources of estimated federal funds \$ 260,690, estimated state funds \$ 571,727, estimated local
funds \$ 450,650, estimated fare box \$ 197,500, estimated other funds \$ 148,748, with
total estimated expenses of \$ 1,629,315

NOW THEREFORE, be it resolved that THE APPLICANT hereby makes its intentions known to provide public
transportation services and to apply for state financial assistance with this annual plan, in accordance with Act 51;
and

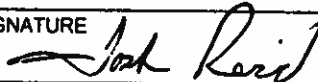
HEREBY, appoints Lauren Essenmacher, Executive Director as the Transportation Coordinator, for
all public transportation matters, who is authorized to provide such information as deemed necessary by the State
Transportation Commission or department for its administration of Act 51 for 2012.

I, Laura Brandon-Maveal, Gladwin County Clerk, of
(Name) (Secretary, Clerk)

THE APPLICANT, having custody of the records and proceedings of THE APPLICANT, does hereby certify that I
have compared this resolution adopted by THE APPLICANT at the meeting of January 25, 2011, with the original
minutes now on file and of record in the office and that this resolution is true and correct.

IN TESTIMONY WHEREOF, I have hereunto set my hand and
affixed seal of said Resolution, this 25 day of January,
A.D. 2011.

SIGNATURE



Gladwin City-County Transit



615 Weaver Court, P.O. Box 498, Gladwin, MI 48624
Phone: (989) 426-6751 Fax: (989) 426-5947

RESOLUTION OF INTENT

Resolution# 2011-001

The following resolution was offered by Smith

And supported by Carl

Be it resolved, that the County of Gladwin does hereby approve the proposed Financial Assistance Application submitted by Gladwin City-County Transit for fiscal year 2011-2012.
Under
Act No. 51 of the Public Acts of 1951.

Be it resolved that Josh Reid, Board Chairman and Lauren Essenmacher, Executive Director be authorized and directed to execute the Financial Assistance Application for and on behalf of Gladwin County Board of Commissioner.

Resolution Declared Adopted.

CERTIFIED

Laura Brandon-Maveal

Laura Brandon-Maveal
County Clerk

Jan 25, 2011
Date

**CITY COUNTY TRANSIT
OPERATING BUDGET
FY 11/12**

32,000 Vehicle Hours

Approved: _____

Approved

SALARIES		
Admin	50102	147,632
Drivers	O-50101	433,348
Trainer	O-50102	37,957
Dispatch	O-50103	85,640
Mechanics	M-50102	125,323
FRINGE		
Admin	50200	73,119
Operations	O-50200	100,993
Maintenance	M-50200	35,340
PENSIONS		
Admin	50201	55,204
Operations	O-50201	17,249
Maintenance	M-50201	17,035
OTHER BENEFITS		
Admin	50202	13,905
SERVICES		
Advertising	50302	8,755
Audit	50305	6,700
Admin	50399	9,654
Maintenance	M-50399	29,175
MATERIALS/SUPPLIES		
Admin - Office Supplies	50499	9,289
Fuel	O-50401	167,525
Tires	O-50402	10,300
Major Supplies	50404	
Major Supplies	O-50404	
Major Supplies	M-50404	13,686
Other - Maint/Supplies	M-50499	15,844
Other - Bus Parts	O-50499	39,731
UTILITIES		
Admin	50500	50,658
INSURANCE		
Admin	50699	9,517
Operations	O-50603	60,423
TAXES & FEES		
Operations	50700	
Operations	O-50700	206
TRAVEL		
Admin	50902	5,305
Operations	O-50902	849
Maintenance	M-50902	424
MISC		
Admin - Dues/Subscriptions	50903	2,472
Admin - Misc Expense	50999	402
Operations	O-50999	4,917
DEPRECIATION		
Admin	51300	13,580
Operations	O-51300	13,580
Maintenance	M-51300	13,580
INELIGIBLE EXP		
Admin	51400	
TOTAL EXPENSES:		<u>1,629,315</u>

67,500	Passenger Fares
130,000	Special Fares
8,500	Advertising Revenue
10,000	Interest Income
260,690	Fed Section 18 - 16.00%
571,727	State Operating - 35.09%
450,650	Millage
-	Single Business Tax
<u>\$ (170,244)</u>	<u>Gain/(Amount to be</u>
	<u>used from retained earnings)</u>

**RESOLUTION TO BORROW AGAINST
ANTICIPATED DELINQUENT 2010 REAL PROPERTY TAXES**

At a Regular meeting of the Board of Commissioners of the County of Gladwin, State of Michigan held at Gladwin, Michigan, on the 25th day of January, 2011.

PRESENT: Walters, Carl, Rhode, Birgel, Smith, Reid

ABSENT: Whittington

Smith offered the following resolution and moved its adoption. The motion was seconded by Walters.

WHEREAS, the Board of Commissioners of the County of Gladwin (the "County") has heretofore adopted a resolution establishing the Gladwin County Delinquent Tax Revolving Fund (the "Fund") pursuant to Section 87b of Act No. 206, Public Acts of Michigan, 1893, as amended ("Act 206"); and

WHEREAS, the purpose of the Fund is to allow the Gladwin County Treasurer (the "County Treasurer") to pay from the Fund any or all delinquent real property taxes that are due and payable to the County and any school district, intermediate school district, community college district, city, township, special assessment district, the State of Michigan or any other political unit for which delinquent tax payments are due; and

WHEREAS, it is hereby determined to be necessary for the County to borrow money and issue its notes for the purposes authorized by Act 206, particularly Sections 87c, 87d and 87g thereof; and

WHEREAS, it is estimated that the total amount of unpaid 2010 delinquent real property taxes (the "delinquent taxes") outstanding on March 1, 2011, will be approximately Two million dollars (\$2,000,000.00), exclusive of interest, fees and penalties.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Gladwin, State of Michigan, as follows:

Authorization of Borrowing

1. Pursuant to and in accordance with the provisions of Act 206, Public Acts of Michigan, 1893, as amended, and especially Sections 87c, 87d and 87g thereof, the County shall borrow the sum of not to exceed Two million five hundred thousand Dollars (\$2,500,000.00) and issue its notes (the "notes") therefor for the purpose of continuing the Fund for the 2010 tax year. The exact amount to be borrowed shall not exceed the amount of delinquent taxes outstanding on March 1, 2011, exclusive of interest, fees and penalties. The County Treasurer shall designate the exact amount to be borrowed after the amount of the 2010 delinquent taxes outstanding on March 1, 2011, or the portion of the 2010 delinquent taxes against which the County shall borrow, has been determined.

Note Details

2. Pursuant to provisions of applicable law and an order of the County Treasurer, which order is hereby authorized, the notes may be issued in one or more series; shall be known as "General Obligation Limited Tax Notes, Series 2011" with a letter designation added thereto if the notes are issued in more than one series; shall be in fully registered form in denominations not exceeding the aggregate principal amounts for each maturity of the notes; shall be sold for not less than 98% of the face amount of the notes; shall bear interest at fixed or variable rates not to exceed the maximum interest rate permitted by applicable law; shall be dated, payable as to interest and in principal amounts, be subject to redemption in whole or in part prior to maturity,

including any redemption premiums, and be subject to renewal, at such times and in such amounts, all as shall be designated in the order of the County Treasurer. Notes or portions of notes called for redemption shall not bear interest after the redemption date, provided funds are on hand with the note registrar and paying agent to redeem the same. Notice of redemption shall be given in the manner prescribed by the County Treasurer, including the number of days' notice of redemption and whether such notice shall be written or published, or both. If any notes of any series are to bear interest at a variable rate or rates, the County Treasurer is hereby further authorized to establish by order, and in accordance with law, a means by which interest on such notes may be set, reset or calculated prior to maturity, provided that such rate or rates shall at no time be in excess of the maximum interest rate permitted by applicable law. Such rates may be established by reference to the minimum rate that would be necessary to sell the notes at par; by a formula that is determined with respect to an index or indices of municipal obligations, reported prices or yields on obligations of the United States or the prime rate or rates of a bank or banks selected by the County Treasurer; or by any other method selected by the County Treasurer.

Payment of Principal and Interest

3. The principal of and interest on the notes shall be payable in lawful money of the United States from such funds and accounts as provided herein. Principal shall be payable upon presentation and surrender of the notes to the note registrar and paying agent when and as the same shall become due, whether at maturity or earlier redemption. Interest shall be paid to the owner shown as the registered owner on the registration books at the close of business on such date prior to the date such interest payment is due, as is provided in the order of the County Treasurer. Interest on the notes shall be paid when due by check or draft drawn upon and mailed by the note registrar and paying agent to the registered owner at the registered address, or by such other method as determined by the County Treasurer.

Note Registrar and Paying Agent

4. The County Treasurer shall designate, and may enter into an agreement with, a note registrar and paying agent for each series of notes that shall be the County Treasurer or a bank or trust company that is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The County Treasurer may from time to time designate a similarly qualified successor note registrar and paying agent. Alternatively, the County Treasurer may serve as note registrar and paying agent if so designated by written order of the County Treasurer.

Disposition of Note Proceeds

5. The proceeds of the sale of the notes shall be deposited into a separate account in the Fund (the "2011 Account") and shall be used to continue the Fund. The County Treasurer shall pay therefrom and from unpledged funds in the Fund, uncommitted funds in the County General Fund and/or any other legally available funds, if the notes are sold at a discount, the full amount of the delinquent tax roll against which the County has borrowed, delivered as uncollected by any tax collector in the County and that is outstanding and unpaid on or after March 1, 2011, in accordance with the provisions of Act 206. If the notes are sold at a premium, the County Treasurer shall determine what portion of the premium, if any, shall be deposited in the 2011 Collection Account established in Section 6 hereof.

2011 Collection Account

6. There is hereby established as part of the Fund an account (hereby designated the "2011 Collection Account") into which account the County Treasurer shall place delinquent taxes against which the County has borrowed, and interest thereon, collected on and after March 1, 2011, all County property tax administration fees on such delinquent taxes, after expenses of issuance of the notes have been paid, any premium as determined pursuant to Section 5 hereof, and any amounts received by the County Treasurer from the County, the State of Michigan and any taxing unit within the County, because of the uncollectibility of such

delinquent taxes. The foregoing are hereby established as funds pledged to note repayment. The County Treasurer shall designate the delinquent taxes against which the County shall borrow for each series of notes.

Note Reserve Fund

7. There is hereby authorized to be established by the County Treasurer a note reserve fund for the notes (the "2011 Note Reserve Fund") if the County Treasurer deems it to be reasonably required as a reserve and advisable in selling the notes at public or private sale. The County Treasurer is authorized to deposit in the 2011 Note Reserve Fund from proceeds of the sale of the notes, unpledged moneys in the Fund, uncommitted funds in the County General Fund and/or any other legally available funds, an amount not exceeding ten percent (10%) of the face amount of the notes.

Security for Payment of Notes

8. All of the moneys in the 2011 Collection Account and the 2011 Note Reserve Fund, if established, and all interest earned thereon, relating to a series of notes are hereby pledged equally and ratably as to such series to the payment of the principal of and interest on the notes and shall be used solely for that purpose until such principal and interest have been paid in full. When moneys in the 2011 Note Reserve Fund, if established, are sufficient to pay the outstanding principal of the notes and the interest accrued thereon, such moneys may be used to retire the notes. If more than one series of notes is issued, the County Treasurer by order shall establish the priority of the funds pledged for payment of each such series. In such case the County Treasurer may establish sub-accounts in the various funds and accounts established pursuant to the terms of this resolution as may be necessary or appropriate.

Additional Security

9. Each series of notes, in addition, shall be a general obligation of the County, secured by its full faith and credit, which shall include the County's limited tax obligation, within

applicable constitutional and statutory limits, and its general funds. The County budget shall provide that if the pledged delinquent taxes and any other pledged amounts are not collected in sufficient amounts to meet the payments of principal and interest due on each series of notes, the County, before paying any other budgeted amounts, will promptly advance from its general funds sufficient moneys to pay that principal and interest. The County shall not have the power to impose taxes for payment of the notes in excess of constitutional or statutory limitations. If moneys in the 2011 Collection Account and the 2011 Note Reserve Fund, if established, are not sufficient to pay the principal of and interest on the notes, when due, the County shall pay the same in accordance with this section, and may thereafter reimburse itself from the delinquent taxes collected.

Release of Pledge of 2011 Collection Account

10. Upon the investment of moneys in the 2011 Collection Account in direct non-callable obligations of the United States of America in amounts and with maturities that are sufficient to pay in full the principal of and interest on the notes when due, any moneys in the 2011 Collection Account thereafter remaining may be released from such pledge created pursuant to Section 8 hereof and may be used to pay any or all delinquent real property taxes that are due the County and any school district, intermediate school district, community college district, city, township, special assessment district, the State of Michigan or any other political unit to which delinquent tax payments are due for any year or for any other purpose permitted by law.

Sale of Notes

11. The County Treasurer is hereby authorized to offer the notes at public or private sale as determined by order of the County Treasurer and to do all things necessary to effectuate the sale, delivery, transfer and exchange of the notes in accordance with the provisions of this resolution. Notes of one series may be offered for sale and sold separately from notes of another

series. If the notes are to be sold publicly, sealed proposals for the purchase of the notes shall be received by the County Treasurer for such public sale to be held at such time as shall be determined by the County Treasurer and notice thereof shall be published in accordance with law, once in *The Bond Buyer* or the *Detroit Legal News*, both of which are hereby designated as being a publication printed in the English language and circulated in this State that carries as a part of its regular service, notices of sale of municipal bonds. Such notice shall be in the form prescribed by the County Treasurer.

The County Treasurer is hereby authorized to cause the preparation of an official statement for the notes for the purpose of enabling compliance with SEC Rule 15c2-12 (the "Rule") and to do all other things necessary to enable compliance with the Rule. After the award of the notes, the County will provide copies of a final official statement (as defined in paragraph (e)(3) of the Rule) on a timely basis and in reasonable quantity as requested by the successful bidder or bidders to enable such successful bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure

12. The County Treasurer is hereby authorized to execute and deliver in the name and on behalf of the County (i) a certificate of the County to comply with the requirements for a continuing disclosure undertaking of the County pursuant to subsection (b)(5) or (d)(2) of the Rule, as applicable, and (ii) amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The remedies for any failure of the County to comply with and carry out the provisions of the Continuing Disclosure Certificate shall be as set forth therein.

Execution and Delivery of Notes

13. The County Treasurer is hereby authorized and directed to execute the notes for the County by manual or facsimile signature and the County Treasurer shall cause the County seal or a facsimile thereof to be impressed or imprinted on the notes. Unless the County Treasurer shall specify otherwise in writing, fully registered notes shall be authenticated by the manual signature of the note registrar and paying agent. After the notes have been executed and authenticated, if applicable, for delivery to the original purchaser thereof, the County Treasurer shall deliver the notes to the purchaser or purchasers thereof upon receipt of the purchase price. Additional notes bearing the manual or facsimile signature of the County Treasurer and upon which the seal of the County or a facsimile thereof is impressed or imprinted may be delivered to the note registrar and paying agent for authentication, if applicable, and delivery in connection with the exchange or transfer of fully registered notes. The note registrar and paying agent shall indicate on each note that it authenticates the date of its authentication. The notes shall be delivered with the approving legal opinion of Dickinson Wright PLLC, attorneys of Detroit, Michigan.

Exchange and Transfer of Fully Registered Notes

14. Any fully registered note, upon surrender thereof to the note registrar and paying agent with a written instrument of transfer satisfactory to the note registrar and paying agent duly executed by the registered owner or his or her duly authorized attorney, at the option of the registered owner thereof, may be exchanged for notes of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered note.

Each note shall be transferable only upon the books of the County, which shall be kept for that purpose by the note registrar and paying agent, upon surrender of such note together with

a written instrument of transfer satisfactory to the note registrar and paying agent duly executed by the registered owner or his or her duly authorized attorney.

Upon the exchange or transfer of any note, the note registrar and paying agent on behalf of the County shall cancel the surrendered note and shall authenticate, if applicable, and deliver to the transferee a new note or notes of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered note. If, at the time the note registrar and paying agent authenticates, if applicable, and delivers a new note pursuant to this section, payment of interest on the notes is in default, the note registrar and paying agent shall endorse upon the new note the following: "Payment of interest on this note is in default. The last date to which interest has been paid is [place date]."

The County and the note registrar and paying agent may deem and treat the person in whose name any note shall be registered upon the books of the County as the absolute owner of such note, whether such note shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such note and for all other purposes, and all payments made to any such registered owner, or upon his or her order, in accordance with the provisions of Section 3 hereof shall be valid and effectual to satisfy and discharge the liability upon such note to the extent of the sum or sums so paid, and neither the County nor the note registrar and paying agent shall be affected by any notice to the contrary. The County agrees to indemnify and save the note registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of notes, the County or the note registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by

the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The note registrar and paying agent shall not be required to transfer or exchange notes or portions of notes that have been selected for redemption.

Book Entry System

15. At the option of the County Treasurer and notwithstanding any provisions of this resolution to the contrary, the County Treasurer is hereby authorized to enter into an agreement with a custodian or trustee for the purpose of establishing a "book entry" system for registration of notes to be fully registered. Pursuant to the provisions of such agreement, the notes may be registered in the name of the custodian or trustee for the benefit of other persons or entities. Such agreement shall provide for the keeping of accurate records and prompt transfer of funds by the custodian or trustee on behalf of such persons or entities. The agreement may provide for the issuance by the custodian or trustee of certificates evidencing beneficial ownership of the notes by such persons or entities. For the purpose of payment of the principal of and interest on the notes, the County may deem payment of such principal and interest, whether overdue or not, to the custodian or trustee as payment to the absolute owner of such note. Pursuant to provisions of such agreement, the book entry system for the notes may be used for registration of all or a portion of the notes and such system may be discontinued at any time by the County. The note registrar and paying agent for the notes may act as custodian or trustee for such purposes.

Issuance Expenses

16. Expenses incurred in connection with the issuance of the notes, including without limitation any premiums for any insurance obtained for the notes, note rating agency fees, travel and printing expenses, fees for agreements for lines of credit, letters of credit, commitments to purchase the notes, remarketing agreements, reimbursement agreements, purchase or sales

agreements or commitments, or agreements to provide security to assure timely payment of the notes, fees for the setting of interest rates on the notes and bond counsel, financial advisor, paying agent and registrar fees, all of which are hereby authorized, shall be paid by the County Treasurer from County property tax administration fees on the delinquent taxes, from any other moneys in the Fund not pledged to the repayment of notes and general funds of the County that are hereby authorized to be expended for that purpose.

Replacement of Notes

17. Upon receipt by the County Treasurer of satisfactory evidence that any outstanding note has been mutilated, destroyed, lost or stolen, and of security or indemnity complying with applicable law and satisfactory to the County Treasurer, the County Treasurer may execute or authorize the imprinting of the County Treasurer's facsimile signature thereon and thereupon, and if applicable, a note registrar or paying agent shall authenticate and the County shall deliver a new note of like tenor as the note mutilated, destroyed, lost or stolen. Such new note shall be issued and delivered in exchange and substitution for, and upon surrender and cancellation of, the mutilated note or in lieu of and in substitution for the note so destroyed, lost or stolen in compliance with applicable law. For the replacement of authenticated notes, the note registrar and paying agent shall, for each new note authenticated and delivered as provided above, require the payment of expenses, including counsel fees, which may be incurred by the note registrar and paying agent and the County in the premises. Any note issued under the provisions of this Section in lieu of any note alleged to be destroyed, lost or stolen shall be on an equal basis with the note in substitution for which such note was issued.

Chargebacks

18. For any principal payment date of the notes on or after January 1, 2014, the delinquent taxes on property foreclosed and sold pursuant to the provisions of Act 206 and against which the County has borrowed shall, if necessary to ensure full and timely payment of

principal of and interest on the notes when due, be charged back to the taxing jurisdictions in such manner as determined by the County Treasurer. The proceeds of such chargebacks shall be deposited in the 2011 Collection Account as security for payment of the notes as described in Section 8 hereof. The provisions of this section shall not limit the authority of the County Treasurer under the laws of the State of Michigan to charge back delinquent taxes under other circumstances or at other times.

Purchase of Notes by County

19. All or any portion of the notes may be purchased or otherwise acquired by the County if the County Treasurer by order deems such purchase or acquisition to be in the best interest of the County. In such case, the County Treasurer is authorized to take such actions to effectuate the purchase or acquisition, including without limitation entering into an agreement to purchase or repurchase the notes. The purchase or other acquisition of notes by or on behalf of the County does not cancel, extinguish or otherwise affect the notes and the notes shall be treated as outstanding notes for all purposes of this resolution until paid in full.

Issuance of Refunding Notes

20. The County shall refund all or part of the notes authorized hereunder and/or notes previously issued by the County to continue the Fund for prior tax years if and as authorized by order of the County Treasurer through the issuance of refunding notes (the "Refunding Notes") in an amount to be determined by order of the County Treasurer. Proceeds of the Refunding Notes may be used to redeem such notes and to pay issuance expenses of the Refunding Notes as authorized and described in Section 16 hereof. The County Treasurer shall have all the authority with respect to the Refunding Notes as is granted to the County Treasurer with respect to the notes by the other Sections hereof, including the authority to select a note registrar and paying agent, to apply to the Michigan Department of Treasury for approval to issue the Refunding Notes, if necessary, to cause the preparation of an official statement and to do all other things

necessary to sell, execute and deliver the Refunding Notes. The Refunding Notes shall contain the provisions, shall be payable as to principal and interest and shall be secured as set forth herein and as further ordered by the County Treasurer. The Refunding Notes may be sold as a separate issue or may be combined in a single issue with other obligations of the County issued pursuant to the provisions of Act 206 as shall be determined by the County Treasurer. The County Treasurer is authorized to prescribe the form of Refunding Note and the form of notice of sale, if any, for the sale of Refunding Notes.

Form of Notes

21. The notes shall be in the form approved by the County Treasurer, which approval shall be evidenced by the County Treasurer's execution thereof.

After discussion, the vote was:

YEAS: Carl, Rhode, Reid, Birgel, Smith, Walters
NAYS: Ø
ABSENT: Whittington

A sufficient majority having voted therefor, the Resolution to Borrow against Anticipated Delinquent 2010 Real Property Taxes was adopted.

STATE OF MICHIGAN)
)ss
COUNTY OF GLADWIN)

I, the undersigned, the duly qualified and acting Clerk of the County of Gladwin, State of Michigan, do hereby certify that the foregoing is a true and complete copy of proceedings taken at a Regular meeting of the Board of Commissioners of said County, held on the 25th day of January, 2011, insofar as the same relate to the Resolution to Borrow Against Anticipated Delinquent 2010 Real Property Taxes, the original of which is on file in my office. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.


Clerk, County of Gladwin

COUNTY OF GLADWIN
DEPOSITORY DESIGNATION RESOLUTION
RESOLUTION #2011- 003

At a regular meeting of the Board of County Commissioners of the County of Gladwin, Michigan held on January 25, 2011, in the Gladwin County Courthouse in Gladwin, Michigan, there was:

PRESENT: Walters, Carl, Rhode, Birgel, Smith,
Reid

ABSENT: Whittington

The following Resolution was offered by Rhode

And supported by Smith

RESOLUTION AUTHORIZING DEPOSITORYS DESIGNATION

WHEREAS, Public Act 40 of 1932 provides for the deposit of County public moneys in certain financial institutions as shall be authorized by the Gladwin Board of County Commissioners; and

WHEREAS, this Board of Commissioners wished to authorize the Gladwin County Treasurer to deposit the County's public moneys in the following named depositories.

NOW, THEREFORE BE IT RESOLVED, by the Gladwin Board of County Commissioners, hereby authorizes the Gladwin County Treasurer to deposit County public moneys in any of the financial institutions named here to pursuant to Act 40 of 1932:

BE IT FURTHERE RESOLVED, that the Gladwin County Treasurer, designate the banks or depositories for the money belonging to the county, including the time for which the deposits shall be made and all details for caring into effect the authority given in this act, and that the Gladwin County Treasurer is authorized to manage funds belonging to the County of Gladwin including depositing funds in approved financial institutions and policies, and

BE IT FURTHER RESOLVED, that the Gladwin County Board of Commissioners approves the following financial institutions as depositories of county funds:

- a) PNC Bank
- b) Chemical Bank and Trust
- c) Comerica Bank
- d) LaSalle Bank
- e) MBIA - Class
- f) Flagstar Bank
- g) Republic Bank
- h) First Financial Bank
- i) Chase
- j) Wolverine Bank
- k) Fifth Third Bank
- l) Independent Bank

BE IT FURTHER RESOLVED, that the Gladwin County Treasurer is authorized to rely on the continuing effect of this resolution until it is specifically amended or rescinded by a future resolution of the Gladwin County Board of Commissioners, or a new Board is seated.

A vote on the foregoing resolution was taken and was as follows:

YEAS: Rhode, Reid, Birgel, Smith, Walters,
Carl

Neas: Ø
Absent - Whittington

ABSTAIN: _____

CERTIFICATION

The undersigned, being the duly qualified and acting Clerk of the County of Gladwin, hereby certifies that the foregoing is a true and complete copy of the resolution duly adopted by the Gladwin County Board of Commissioners at its regular meeting held on January 25, 2011. At which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended and that minutes of such meeting are kept and will be or have been made available as required thereby.

Laura Brandon-Maveal
Laura Brandon-Maveal, Gladwin County Clerk

DATED: Jan 25, 2011



**BOARD OF COMMISSIONERS
COUNTY OF GLADWIN
STATE OF MICHIGAN**

At a regular session of the said Board, held in the City of Gladwin, in said County, Michigan on the 25th day of January 2011 the following Resolution was adopted/amended:

RESOLUTION

Resolution for Authorizing Deposit and Investment of County Funds and Approving County Investment Policy

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

WHEREAS, (1) the Gladwin County Board of Commissioners hereby directs Christy Van Tiem, Gladwin County Treasurer, to deposit all public monies, including monies and funds held for the State Board of Escheats or missing heirs, coming into her hands as Treasurer in any bank, savings and loan association, broker/securities firms or credit union within the State which is a legal depository as defined by State and/or Federal law, and (2) the Treasurer is authorized to invest funds with these institutions or any institution legally permitted by State Statute Act No. 20 of the Michigan Public Acts of 1943, as amended (MCL 129.91) or Federal law or regulation within the limits set therein; and

WHEREAS, pursuant to the provisions of Act No. 20 of the Public Acts of Michigan of 1943, as amended, ("Act 20") the Board of Commissioners of the County of Gladwin may authorize the County Treasurer to invest County funds in certain investments; and

WHEREAS, this Board wishes to authorize such investments as are permitted by Act 20; and

WHEREAS, Section 5 of Act 20 requires this Board of Commissioners in conjunction with the County Treasurer to adopt an investment policy which complies with the provisions of Act 20; and

WHEREAS, the County Treasurer has submitted a proposed Investment Policy which complies with provisions of Act 20; and

WHEREAS, all resolutions and parts of resolutions in so far as they conflict with the provisions of this resolution be and the same are hereby rescinded.

RESOLUTION

PAGE 2

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the County of Gladwin as follows:

1. The County Treasurer is authorized to invest funds of the County of Gladwin in investments authorized by Act 20.
2. The Investment Policy attached hereto as Appendix 1 is approved and shall take effect on January 25, 2011.
3. Before executing an order to purchase or trade the funds of the County of Gladwin, a financial intermediary, broker or dealer shall be provided with a copy of the County's Investment Policy and shall acknowledge receipt of the Investment Policy and agree to comply with the terms of the Investment Policy regarding the buying or selling of securities by executing the form attached as Appendix 2.
4. The County Treasurer is authorized to rely on the continuing effect of this resolution until and unless:
 - a. Specifically amended or rescinded by the Gladwin County Board of Commissioners, or
 - b. A new Board is seated.
5. This resolution shall take effect on January 25, 2011.

Motion by: Carl Supported by Walters to adopt the foregoing Resolution.
 The vote being Ayes: Leid, Birgel, Smith, Walters, Carl, Rhode
 Nays: _____ Absent: Whittington

The Resolution was adopted January 25, 2011.

STATE OF MICHIGAN)

)ss

COUNTY OF GLADWIN)

_____, Chairman
 Gladwin County Board of Commissioners

I, Laura Brandon-Maveal, Clerk of the Gladwin County Board of Commissioners, do hereby certify that the Investment Policy for the County of Gladwin was unanimously adopted by the said Board of Commissioners at its regular meeting held on the 25th day of January, 2011 A.D.

Laura Brandon-Maveal
 Laura Brandon-Maveal, Clerk, County of Gladwin

APPENDIX 1

INVESTMENT POLICY FOR THE COUNTY OF GLADWIN AS REQUIRED BY PUBLIC ACT 20 OF 1943, AS AMENDED

1.0 POLICY

It is the policy of Gladwin County to invest public funds in a manner which will ensure the preservation of principal while providing the highest investment return with maximum security, meeting the daily cash flow requirements of the county and conforming to all state statutes governing the investment of public funds.

2.0 SCOPE

This investment policy applies to all financial assets of the county held by the County Treasurer. These funds are accounted for in the County Treasurer's Annual Financial Report.

3.0 OBJECTIVES

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

- 3.1 **Safety:** Safety of principal is the foremost objective in the investment of county funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

Credit Risk (Custodial Risk and Concentration of Credit Risk). The County will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by: limiting investments to the types of securities listed in Section 7.0 of this Investment Policy; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the County will do business in accordance with the Policy.

The County will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Interest Rate Risk. The County will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by: structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the County's known cash requirements.

Foreign Currency Risk. The County is not authorized to invest in investments which have this type of risk pursuant to this Investment Policy.

- 3.2 **Liquidity:** The investment portfolio shall remain sufficiently liquid to enable the county treasurer to meet all operating requirements that might be reasonably anticipated.
- 3.3 **Return of investments:** The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

4.0 **DIVERSIFICATION**

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

5.0 **DELEGATION OF AUTHORITY**

Management responsibility for the investment policy is hereby delegated to the County Treasurer as required by state statute per MCL 48.40, who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, collateral/depositary agreements and banking services contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Gladwin County Treasurer. The Gladwin County Treasurer shall be responsible for all transactions under taken and shall establish a system of controls to regulate the activities of subordinate officials. The Gladwin County Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The Gladwin County Treasurer can use one or more of the investment institutional raters available in the State of Michigan.

The internal control structure established will:

- 5.1 **Control of Collusion.** Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- 5.2 **Separation of transaction authority from accounting and record keeping.** By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved. Due to the limited number of personnel available, the greatest degree of separation possible will be achieved to allow for the efficient function of the office.
- 5.3 **Custodial safekeeping.** Securities purchased from any bank or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.
- 5.4 **Physical delivery of securities.** Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities will be held in Gladwin County Treasurer's safe.

- 5.5 Clear delegation of authority to subordinate staff members. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- 5.6 Written confirmation or telephone transactions for investments and wire transfers. Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by a confirmation call or written communications and approved by the appropriate person. Written communication may be via fax if on letterhead and safekeeping institution has a list of authorized signatures.
- 5.7 Development of a wire transfer agreement with the lead bank or third party custodian. This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers. Gladwin County accomplishes this through wire transfer agreement contracts and signature cards.
- 5.8 Collateral deposit. Gladwin County reserves the right to demand evidence of collateral from institutions it invests in as permitted by Public Act 20.
- 5.9 Banking contracts. Gladwin County Treasurer will have on file signed contractual agreements with financial institution with which it does business.

6.0 AUTHORIZED & SUITABLE INVESTMENTS

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

- 6.1 Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- 6.2 Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution. A public corporation that invests its funds shall not deposit or invest the funds in a financial institution that is not eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- 6.3 Commercial paper with a rating of not less than A1 from Moody's, P1 from Standard & Poor's, and that matures not more than 270 days after the date of purchase.
- 6.4 Repurchase agreements *consisting of* instruments in subdivision 6.1.
- 6.5 Banker's acceptances of United States banks.
- 6.6 Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
- 6.7 Mutual funds registered under the Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public

corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

- a. The purchase of securities on a when-issued or delayed delivery basis.
 - b. The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
 - c. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
 - d. Mutual funds are limited to securities whose intention is to maintain a net asset value of \$1.00 per share, which is not subject to fluctuation. The intention of the funds' portfolio average life will be 90 days or less.
- 6.8 Obligations described in subdivisions of 6.1 through 6.7 if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, 1967 (ex sess) PA 7, MCL 124.501 to 124.512.
- 6.9 Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
- 6.10 The investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

7.0 SAFEKEEPING AND CUSTODY

It shall be the responsibility of the County Treasurer to determine which securities will be held by a third party custodian. A safekeeping receipt shall evidence securities held in safekeeping by a third party custodian. All investment transactions where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institutions with safekeeping receipts.

8.0 PRUDENCE

The standard of prudence to be used by the County Treasurer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well the probable income to be derived.

9.0 REPORTING

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

**ACKNOWLEDGMENT OF RECEIPT OF INVESTMENT POLICY
AND AGREEMENT TO COMPLY**

I have read and fully understand Act 20 PA 1943, as amended, and the Investment Policy for the COUNTY OF GLADWIN.

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

By: _____

Title: _____

Date: _____