

**County of Jackson
120 W. Michigan Ave.
Jackson, MI 49201
(517) 788-4335**



BOARD OF COMMISSIONERS

**Clifford E. Herl, District 1
David F. Lutchka, District 2
Todd N. Brittain, District 3
Philip S. Duckham III, District 4
Earl J. Poleski, District 5
James C. Videto, District 6
James E. Shotwell, Jr., District 7
Gail W. Mahoney, District 8
Mike Brown, District 9
Patricia A. Smith, District 10
Michael J. Way, District 11
David K. Elwell, District 12**

ELECTED OFFICIALS

**Amanda Riska, Clerk
Dan Heyns, Sheriff
Mindy Reilly, Register of Deeds
Janet Rochefort, Treasurer
Geoffrey Snyder, Drain Commissioner
Hank Zavislak, Prosecuting Attorney**

COUNTY STAFF

**Randy Treacher, Administrator/Controller and
Human Resources Director
Adam Brown, Deputy Administrator
Charles Adkins, Circuit Court Administrator
Tammy Bates, District Court Administrator
Andy Crisenbery, Friend of the Court
Gerard Cyrocki, Finance Officer
Connie Frey, IT Director
Jim Guerriero, Parks Director
Teresa Hawkins, Youth Center Director
Juli Ann Kolbe, Equalization Director
Dr. John Maino, Medical Director
Kent Maurer, Airport Manager
Jan Seitz, MSU Ext.-Jackson County Director
Kristy Smith, Department on Aging Director
Steve Thelen, Fair Manager
Dave Welihan, Veterans Affairs Officer
Ted Westmeier, Health Officer**

County Commission Agenda November 18, 2008

Order of Business:

- Call to Order
- Invocation
- Pledge of Allegiance
- Roll Call
- Approval of Agenda
- Awards and Recognitions
- Communications and Petitions
- Special Orders/Public Hearing(s)
- Public Comment
- Special Meetings of Standing Committees
- Minutes
- Consent Agenda
- Standing Committees
 - A. County Affairs
 - B. County Agencies
 - C. Human Services
 - D. Personnel & Finance
- 14. Unfinished Business
- 15. New Business
- 16. Public Comment
- 17. Commissioner Comment
- 18. Closed Session
- 19. Adjournment

Public Comment

Any person desiring to speak on a matter to the Board of Commissioners may do so under the Public Comment items near the beginning and end of the meeting. Please state your name and use the microphone. Please note that the Commission allocates a maximum of five minutes per individual at the beginning of the meeting and three minutes per individual at the end of the meeting for this purpose.

Consent Agenda

Items on the Consent Agenda are items generally routine in nature that have passed a Standing Committee and will be enacted by one motion and one vote. There will be no separate discussion on these items. Any Commissioner may remove an item from the Consent Agenda and it will be considered by separate motion at the proper place during the meeting.

Standing Committees

The Board of Commissioners operates under a Standing Committee system with the following Committees: County Affairs, County Agencies, Human Services, Personnel & Finance. All departments of the County coordinate their business through one of the Standing Committees. The Committees then forward their recommendations to the Board of Commissioners.

Closed Session

The Board of Commissioners is permitted under the Open Meetings Act to go into Closed Session to discuss labor contracts, purchase of property, and certain employee matters if requested by the employee. A two-thirds vote of the Commission is required to go into Closed Session.

"Your interest in your County Government is appreciated"

AGENDA
JACKSON COUNTY BOARD OF COMMISSIONERS BOARD MEETING
November 18, 2008
7:00 p.m.
County Commission Chambers

***Mission Statement:** Jackson County Government, in cooperation with the community
and local governmental units, strives through a planned process
to deliver quality services that address public needs.*

1. **CALL TO ORDER** – *Chairman Steve Shotwell*
2. **INVOCATION** – *by Commissioner Cliff Herl*
3. **PLEDGE OF ALLEGIANCE** – *by Chairman Steve Shotwell*
4. **ROLL CALL** – *County Clerk Amanda Riska*
5. **APPROVAL OF AGENDA**
- 5A. **APPOINTMENT OF COMMISSIONER FOR DISTRICT 3**

Attachments:

*Letter from Todd Brittain dated 11-6-08

6. **AWARDS & RECOGNITIONS** – None.
7. **COMMUNICATIONS/PETITIONS** – None.
8. **SPECIAL ORDERS/PUBLIC HEARINGS**

- 7:15 p.m.** A. **Public Hearing Regarding Revolving Loan Fund (RLF) Grant Application by Jackson County to the Economic Development Corporation of Jackson County to Assist in Funding the County Economic Development Strategic Plan**

Attachments:

*Public Hearing Notice

- 7:20 p.m.** B. **Public Hearing to Review and Adopt the 2009 General Fund Budget**

Attachments:

*Public Hearing Notice – 2009 General Fund Budget

- Roll Call** C. **Resolution (11-08.41) Jackson County 2009 General Appropriations Act**

Attachments:

*Resolution (11-08.41)

*2009 General Fund

Roll Call D. **Resolution (11-08.40) to Establish the 2009 Budget for Special Revenue, Enterprise, Capital Project, and Internal Services Funds for the County of Jackson**

Attachments:

*Resolution (11-08.40)

*2009 Special Revenue and Other Funds

E. **Strategic Planning Presentation**

1. Education

Attachments:

*Jackson County Education Team Goals

9. **PUBLIC COMMENTS**

10. **SPECIAL MEETINGS OF STANDING COMMITTEES** – None.

11. **MINUTES** - Minutes of the 10/21/08 Regular Meeting of the Jackson County Board of Commissioners

Attachments:

*10/21/08 Regular Meeting Minutes

12. **CONSENT AGENDA** (*Roll Call*)

A. **County Affairs**

1. **Gift of Materials and Labor from the Jackson County Livestock Association to the Jackson County Fairgrounds**

Attachments:

*Memos from Fair Manager and MSU Extension

2. **Drain Commission 2007 Annual Report**

Attachments:

*2007 Annual Report

*Current Inventory of County Infrastructure

3. **Apportionment Report**

Attachments:

*Memo from Equalization Director dated 10-31-08

*Apportionment Report

4. Resolution (11-08.39) Authorizing the Jackson County Administrator/ Controller to Approve and Sign Remonumentation Grant Contracts

Attachments:

*Resolution (11-08.39)

B. County Agencies

5. Strategic Planning Grant

Attachments:

*Strategic Planning Grant

6. Economic Development Administration (EDA) Revolving Loan Fund (RLF) Re-Use Plan

Attachments:

*EDA RLF Re-Use Plan

7. Small Cities Community Development Block Grant (CDBG) Revolving Loan Fund (RLF) Re-Use Plans

Attachments:

*Small Cities Community Development Block Grant (CDBG) Revolving Loan Fund (RLF)

C. Human Services

8. Teen Parent Program Grant Award and Contract

Attachments:

*Memo from Health Director regarding Teen Parent Program

*Teen Parent Program Grant Award and Contract

D. Personnel & Finance

9. Resolution (11-08.38) Adopting Jackson County Second Amended and Restated Section 125 Cafeteria Plan

Attachments:

*Second Amended and Restated Section 125 Cafeteria Plan

*Resolution (11-08.38)

E. **Claims** – 10/1/08 – 10/31/08

13. **STANDING COMMITTEES**

A. **County Affairs** – *Commissioner Dave Lutchka*

None.

B. **County Agencies** – *Commissioner Gail W. Mahoney*

None.

C. **Human Services** – *Commissioner Mike Way*

None.

D. **Personnel and Finance** – *Commissioner James Videto*

None.

14. **UNFINISHED BUSINESS** – None.

15. **NEW BUSINESS** – None.

16. **PUBLIC COMMENTS**

17. **COMMISSIONER COMMENTS**

18. **CLOSED SESSION** – None.

19. **ADJOURNMENT**

Consent Agenda
Motions

November 18, 2008

Roll Call

1. Motion: Approve the Gift of Materials and Labor from the Jackson County Livestock Association to the Jackson County Fairgrounds
2. Motion: Accept the Drain Commission 2007 Annual Report
3. Motion: Approve the Apportionment Report
4. Motion: Approve Resolution (11-08.39) Authorizing the Jackson County Administrator/Controller to Approve and Sign Remonumentation Grant Contracts
5. Motion: Approve the Strategic Planning Grant
6. Motion: Approve the Economic Development Administration (EDA) Revolving Loan Fund (RLF) Re-Use Plan
7. Motion: Approve the Small Cities Community Development Block Grant (CDBG) Revolving Loan Fund (RLF) Re-Use Plan
8. Motion: Approve the Teen Parent Program Grant Award and Contract
9. Motion: Approve Resolution (11-08.38) Adopting Jackson County Second Amended and Restated Section 125 Cafeteria Plan
10. Motion: Approve the Claims 10/1/08 – 10/31/08

County Affairs	\$ 299,281.76
County Agencies	651,480.00
Human Services	107,536.14
Personnel & Finance	405,889.89

RECEIVED

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JACKSON COUNTY
ADMINISTRATOR'S OFFICE

November 6, 2008

Amanda Riska, Jackson County Clerk
312 N. Jackson St.
Jackson, MI 49201

Madam Clerk,

As you know, I have been elected as the Supervisor of Leoni Township and will assume office on November 20, 2008. In order to give my successor on the Board of Commissioners an opportunity to hit the ground running, I have decided to resign as a County Commissioner effective November 17, 2008.

It has been my honor to serve as a Jackson County Commissioner but I look forward to my new challenges. If you need any additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Todd N. Brittain', with a large, sweeping loop at the end.

Todd N. Brittain

Cc: James E. Shotwell, Jr.

NOTICE OF PUBLIC HEARING

Official notice to the citizens of Jackson County of a Public Hearing to consider approval of a Revolving Loan Fund (RLF) grant application by Jackson County to The Economic Development Corporation of Jackson County to assist in funding the County Economic Development Strategic Plan. The RLF grant application request is \$145,000.

Please note that the Jackson County Board of Commissioners will hold a Public Hearing to consider the RLF grant application at approximately 7:15 p.m. on November 18, 2008 at the County Tower Building located at 120 West Michigan Avenue in the City of Jackson, Jackson County, Michigan.

The County Board of Commissioners makes this announcement to conform to requirements associated with the seed money source of the RLF, the federal Community Development Block Grant (CDBG) funds.

All information regarding the application is on file at the Economic Development Corporation of Jackson County offices located at One Jackson Square, Suite 1100. Specific questions can be directed to Debbie Kelly, RLF Program Administrator at (517) 788-4455 ext. 108. All interested persons are invited and encouraged to attend and will be offered an opportunity to comment upon the application.

Amanda Riska
County Clerk
Jackson County

**NOTICE OF PUBLIC HEARING
2009 BUDGET**

A public hearing will be conducted by the Jackson County Board of Commissioners on Tuesday, November 18, 2008, at 7:20 p.m. in the County Commission Chambers, 2nd Floor, Jackson County Tower Building, 120 W. Michigan Ave., Jackson, MI. The purpose of said hearing is to review and adopt the 2009 General Fund Budget, Capital Improvement Fund Budget and Equipment Fund Budget. Copies of each are available at the County Administrator's Office, 6th Floor, Jackson County Tower Building, 120 W. Michigan, Jackson, MI 49201.

THE PROPERTY TAX MILLAGE RATE PROPOSED TO BE LEVIED TO SUPPORT THE PROPOSED BUDGET WILL BE A SUBJECT OF THIS HEARING.

SUMMARY OF PROPOSED 2009 GENERAL FUND BUDGET

REVENUE	
Taxes	\$ 22,609,500
Licenses & Permits	123,875
Intergovernmental Revenue	5,021,802
Charges and Fees	5,185,436
Fines & Forfeitures	1,419,900
Interest & Rents	1,190,097
Other	1,450,504
Transfers In	<u>7,223,523</u>
TOTAL	<u>\$ 44,224,637</u>
EXPENDITURES	
Legislative	\$ 220,152
Judicial	9,654,583
General Government	6,730,768
Public Safety	12,728,996
Health/Social Services	3,070,975
Other	4,130,855
Transfers Out	<u>7,688,308</u>
TOTAL	<u>\$ 44,224,637</u>

Projected Fund Balance 12-31-09, Unreserved/Undesignated \$10,833,984

SUMMARY OF PROPOSED 2009 CAPITAL IMPROVEMENT FUND BUDGET

REVENUE	<u>\$ 603,500</u>
EXPENDITURES	<u>\$ 603,500</u>
Projected Fund Balance 12-31-09, Unreserved/Undesignated	\$ 688,309

SUMMARY OF PROPOSED 2009 EQUIPMENT FUND BUDGET

REVENUE	<u>\$ 389,500</u>
EXPENDITURES	
Vehicles	\$ 187,300
Equipment/Computers	<u>202,200</u>
TOTAL	<u>\$ 389,500</u>
Projected Fund Balance 12-31-09, Unreserved/Undesignated	\$ 320,272

Resolution (11-08.41)
JACKSON COUNTY 2009 GENERAL APPROPRIATIONS ACT

WHEREAS, in accordance with the provisions of Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, it is the responsibility of the Jackson County Board of Commissioners to establish and adopt the annual County Budget; and

WHEREAS, the County Administrator/Controller has received budget requests from all County and appropriated departments and submitted a proposed budget in which revenues equal expenses; and

WHEREAS, Commissioners at a Committee of the Whole meeting have reviewed the Administrator's proposed budget and made appropriate recommendations; and

WHEREAS, the full Board of Commissioners has reviewed the proposed General Fund Budget and a General Appropriations Act balancing total expenses with anticipated revenues has been formulated; and

WHEREAS, a public hearing was publicized and held on the Budget for the fiscal year 2009; and

WHEREAS, the FY 2009 Budget is predicated on the removal of certain positions that will be vacated in 2009; and

WHEREAS, the FY 2009 Budget transfers out \$1,000,000 to the General Fund Balance; and

WHEREAS, the FY 2009 Budget reimburses employee mileage based on the IRS recognized rate.

NOW, THEREFORE, BE IT RESOLVED, that the Jackson County Board of Commissioners does hereby adopt the 2009 operating budget as the official budget for Jackson County for the fiscal year beginning January 1, 2009; and

BE IT FURTHER RESOLVED that the FY 2009 Budget is based on an operating millage rate of 5.1187 mills; and

BE IT FURTHER RESOLVED that the FY 2009 Budget is based on a Jail millage rate of 0.4851 mills; and

BE IT FURTHER RESOLVED that the FY 2009 Budget is based on a Senior millage rate of 0.2473 mills; and

BE IT FURTHER RESOLVED that the FY 2009 Budget is based on a Medical Care Facility millage rate of 0.1398 mills; and

BE IT FURTHER RESOLVED that appropriate funds as detailed in the budget be transferred to the General Fund; and

BE IT FURTHER RESOLVED, pursuant to Michigan Public Act 2 of 1986, that 50% of the actual Convention Facility/Liquor Tax revenues received from the State shall be used for the specific purpose of substance abuse prevention in the County; and

BE IT FURTHER RESOLVED, pursuant to Michigan Public Act 264 of 1987, that 12/17ths of the Health and Safety Fund Act revenues shall be distributed to the local Health Department to be used only for public health prevention programs and services; and

BE IT FURTHER RESOLVED, also in accordance with Michigan Public Act 264 of 1987, that the remaining 5/17ths of the Health and Safety Fund Act revenues shall be distributed for personnel and operating costs, which are in excess of 1988 levels, at an existing county jail or juvenile facility.

James E. Shotwell, Jr., Chairman
Jackson County Board of Commissioners
November 18, 2008

2009 General Fund Budget Jackson County, Michigan



Activity		Expenditure		Revenue
12TH DISTRICT COURT	\$	3,570,651	\$	4,181,400
ADMINISTRATIVE SERVICES	\$	601,540	\$	-
ADMINISTRATOR/CONTROLLER	\$	327,551		
ANIMAL SHELTER	\$	434,298	\$	85,200
APPROPRIATIONS	\$	862,317		
BLACKSTONE COMPLEX	\$	12,153		
BOARD OF COMMISSIONERS	\$	220,152		
CIRCUIT COURT	\$	2,251,949	\$	591,258
CIRCUIT COURT PROBATION	\$	15,315		
COMMUNITY CORRECTIONS BOARD	\$	254,402	\$	198,900
CONGREGATE MEALS	\$	312,540	\$	241,000
CONTINGENCY	\$	45,043		
COUNTY CLERK	\$	949,879	\$	537,783
COUNTY JAIL	\$	5,500,708	\$	652,500
COUNTY SHERIFF	\$	4,222,984	\$	568,270
COUNTY TREASURER	\$	123,502	\$	25,918,720
COURTHOUSE MAINTENANCE	\$	666,297	\$	-
DIST COURT INTENSIVE PROBATION	\$	197,935	\$	169,300
DRAIN COMMISSIONER	\$	186,333		
EMERGENCY DISPATCH	\$	1,432,142	\$	88,403
EMERGENCY MANAGEMENT	\$	158,802	\$	92,546
EQUALIZATION	\$	543,679	\$	25,000
GERIATRIC MENTAL HEALTH	\$	198,116	\$	79,380
GIS	\$	235,043	\$	120,000
GRANDPARENTS PROGRAM	\$	49,042	\$	31,550
HOME DELIVERED MEALS	\$	1,065,050	\$	670,000
HUMAN RESOURCES	\$	-		
HUMAN SERVICES BUILDING	\$	371,778		
IN HOME SERVICES	\$	597,312	\$	275,000
INFORMATION TECHNOLOGY	\$	773,560	\$	16,500
JURY COMMISSION	\$	220,172	\$	36,000
LAWNET NARCOTICS GRANT	\$	217,322	\$	24,427
MARINE LAW ENFORCEMENT	\$	76,787	\$	59,259
MEDICAL EXAMINERS	\$	310,070	\$	50,500
MISC EXPENSES	\$	1,068,075		
MSU EXTENSION	\$	326,391		
NORTHLAWN MAINTENANCE	\$	236,806	\$	36,887
OPERATING TRANSFER IN			\$	7,223,523
OPERATING TRANSFER OUT	\$	7,688,308		
PRINTING	\$	-	\$	-
PROSECUTING ATTORNEY	\$	1,783,230	\$	66,579

2009 General Fund Budget Jackson County, Michigan



Activity	Expenditure		Revenue	
PROSECUTING ATTY/CHILD SUPPORT	\$	224,702	\$	152,605
PROSECUTING ATTY/VICTIM RIGHTS	\$	190,629	\$	101,000
PUBLIC DEFENDER	\$	1,200,000	\$	216,000
PUBLIC ELECTIONS	\$	133,770	\$	62,820
REGISTER OF DEEDS	\$	315,251	\$	1,007,225
REMONUMENTATION	\$	64,594	\$	64,594
RETIREEES BENEFITS	\$	2,155,420		
ROAD PATROL	\$	283,496	\$	236,898
SENIOR CENTER	\$	109,790	\$	36,600
SENIOR CITIZENS PROGRAM	\$	281,211	\$	71,020
TOWER BUILDING MAINTENANCE	\$	852,305	\$	153,210
TRUANCY GRANT	\$	148,055	\$	82,780
VETERANS AFFAIRS	\$	113,104		
VETERANS BURIAL CLAIMS	\$	34,740		
WOOLWORTH BUILDING MAINTENANCE	\$	10,336		
Grand Total	\$	44,224,637	\$	44,224,637

Resolution (11-08.40)
**To Establish the 2009 Budget for Special Revenue, Enterprise,
Capital Project, and Internal Services Funds for the County of
Jackson**

WHEREAS, it is the responsibility of the Board of Commissioners to establish budgets for various activities of Jackson County in addition to the General Fund; and

WHEREAS, those funds include Special Revenue, Enterprise, Capital Project, and Internal Service funds, and

WHEREAS, budgets for those funds have been presented to the Board of Commissioners.

NOW THEREFORE BE IT RESOLVED, that the Jackson County Board of Commissioners adopts budgets for FY 2009 for the several funds outlined in the attached document.

James E. Shotwell, Jr., Chairman
Jackson County Board of Commissioners
November 18, 2008

2009 Special Revenue and Other Funds Budget Summary Jackson County, Michigan



FUND	ACTIVITY	REVENUE	EXPENSE
208	Parks	\$ 974,529	\$ 974,529
215	Friend of Court	\$ 2,904,952	\$ 2,904,952
218	Golf Courses	\$ 645,262	\$ 645,262
221	Health Department	\$ 3,827,046	\$ 3,827,046
256	Automation	\$ 125,000	\$ 125,000
257	Budget Stabilization	\$ -	\$ -
260	Revenue Reserve	\$ 3,317,901	\$ 3,317,901
263	Omnibus Forfeiture	\$ 2,500	\$ 2,500
264	PA Drug Enforcement	\$ 10,000	\$ 10,000
265	Sheriff Drug Enforcement	\$ 35,000	\$ 35,000
267	Joint Narcotics Forfeiture	\$ 275,000	\$ 275,000
269	Law Library	\$ 6,500	\$ 6,500
278	CAA Grant	\$ 300,000	\$ 300,000
280	Jail Millage	\$ 2,159,394	\$ 2,159,394
281	DOA Millage	\$ 1,253,200	\$ 1,253,200
285	Michigan Justice Training Grants	\$ 60,000	\$ 60,000
290	Jackson County FIA*	\$ 900,000	\$ 900,000
292	Child Care	\$ 6,163,156	\$ 6,163,156
294	Veteran's Trust	\$ 50,000	\$ 50,000
295	Airport	\$ 507,835	\$ 507,835
297	Maintenance of Effort	\$ 931,000	\$ 931,000
466	Sheriff Equipment	\$ 762,400	\$ 762,400
561	Fair	\$ 1,327,781	\$ 1,327,781
575	Soil Erosion	\$ 61,014	\$ 61,014
*	based on 2008 budget		

Jackson County Strategic Plan

Education Team Report

November 18, 2008

Vision Statement

Jackson County recognizes education fuels a thriving community and provides a progressive environment that promotes education at all levels to give residents a competitive advantage.

Overview of Preliminary Goals

- Kids come to school ready for kindergarten
- Support for early childhood programs
- All children progressing (academically, socially and physically)
- All students meet statewide graduation requirements
- All students will be college/career ready
- Jackson County Bachelor degree rates exceed the national average
- We have productive work ready citizens in Jackson County

Subsequent Work

Focus on limited number of goals with specific measures.

- Data is available about students' academic progress.
- Measures of students' social and physical progress are not readily available.
- Some post high school measures will need to be identified or developed.
- The cost of gathering information was a consideration.

Community Question

If Jackson County is moving forward on these measures, do we agree we have a good indication of educational progress in our community?

School Readiness

Children come to school ready to learn, particularly in terms of literacy.

- Two measures of literacy readiness were administered to kindergarten students in all schools throughout the county this fall.
- The data is being compiled.
- We will know how Jackson County students compare to national norms and have a baseline to measure future progress.

Elementary Academic Progress

Elementary students meet or exceed state standards in critical areas of reading and math.

- % of students proficient on the 3rd, 4th and 5th grade MEAP test in reading;
2007 83.4% (84.1 state)
- % of students proficient on the 3rd, 4th and 5th grade MEAP test in math;
2007 84.3% (83.4 state)

Middle School Academic Progress

Middle grade students meet or exceed state standards in critical areas of reading and math.

- % of students proficient on the 6th, 7th and 8th grade MEAP test in reading;

2007 75.6% (80.5 state)

- %of students proficient on the 6th, 7th and 8th grade MEAP test in math;

2007 70.3% (77.7 state)

High School Academic Progress

High school students academically ready for post secondary education and employment.

- % of students scoring 4 or 5 or above on WorkKeys-Reading for Information
- %of students scoring 4 or 5 or above on WorkKeys-Applied Math
- % of students scoring 18* or above on ACT reading
- % of students scoring 18* or above on ACT math

**cut scores to be determined*

High School Completion

Students stay in school and graduate.

- Four year graduation rate

*73.0% (75.4% State)**

- Drop-out rate

*16.7% (15.1% state)**

**Note: 2007 data first year of a new measure*

Post Secondary Transition*

Jackson County youth will have workforce/ life skills readiness (soft skills) and successful transition into higher education and employment.

- A graduate follow-up system would need to be developed.
- A credible and cost effective measure of soft skills would need to be identified or developed.

**Future Possibilities - These measures are not currently in place.*

College Degrees in Community*

The proportion of Jackson County citizens with college degrees will exceed the national average.

- % of population with an associates degree or higher
- %of population with a bachelor degree or higher
- %of population with a graduate degree

**Future Possibility-There is currently not a consistent and accurate source of this information available on an annual or bi-annual basis.*

Related Community Initiatives

Great Start Collaborative

Legacy-JCF

United Way Education Solutions Team

Countywide School Initiatives and Collaborations

K-12/Higher Education Collaboration

Others (e.g.,SCMW, EG, JAMA, GJCC, JA, JCEG)

Next Steps

- Seek comments from variety of school and community groups.
- Continue to compile data and prepare summary reports.
- Focus immediate energy in the area of mathematics from pre-K through college.
- Continue to build partnerships.
- Increase advocacy for and understanding of the importance and value of education.

Education Team Members

- Adam Brown, Deputy County Administrator
- Mary Cunningham-DeLuca, Community Action Agency
- Dr. John Graves, Jackson County Intermediate School District
- Dr. Patty Kaufman, Baker College
- Irene LeCrone, Jackson County United Way
- Nancy Miller, Jackson Legacy Program, JCCF
- Dr. Daniel Phelan, Jackson Community College
- Earl J. Poleski, County Commissioner
- Doug Schedeler, JCISD and Columbia School Boards
- Jan Seitz, Michigan State University Extension
- Ken Toll, Jackson County United Way
- Linda Brian, Hanover Horton Schools

MINUTES
JACKSON COUNTY BOARD OF COMMISSIONERS
ANNUAL MEETING
October 21, 2008
7:00 p.m.
County Commission Chambers

- 1. CALL TO ORDER:** Chairman Shotwell called the October 21, 2008 Annual meeting of the Jackson County Board of Commissioners to order at 7:00 p.m.
- 2. INVOCATION:** by Commissioner David Elwell
- 3. PLEDGE OF ALLEGIANCE:** by Chairman Steve Shotwell
- 4. ROLL CALL:** County Clerk Amanda L. Riska

(12) Present: Commissioners Herl, Lutchka, Brittain, Duckham, Poleski, Videto, Mahoney, Brown, Smith, Way, Elwell, and Shotwell.

5. APPROVAL OF AGENDA

Cmr. Herl added Ad Hoc Committee on Addressing and Street Re-Naming under New Business Item #15 E.

Moved by Mahoney, supported by Brittain for the approval of the agenda as amended.
Motion carried.

6. AWARDS & RECOGNITIONS

None.

7. COMMUNICATIONS/PETITIONS

None.

8. SPECIAL ORDERS/PUBLIC HEARINGS

A. Hospital Finance Authority – Tax Exempt Finance Reform Act (TEFRA) Public Hearing and Resolution

Peter Ecklund and Hendrick Schuur spoke regarding the resolution.

Moved by Videto, supported by Brown for approval of Resolution (10-08.36) Hospital Finance Authority – Tax Exempt Finance Reform Act (TEFRA). Roll call: (12) Yeas.
Motion carried unanimously.

9. PUBLIC COMMENT

Bill Worth, Attorney for Robert Zenz, stated that he received a letter from the State Attorney General which cleared Zenz from any allegations. He would like a public apology from the Board of Commissioners.

John Calhoun, Treasurer of Columbia Township, related the history of Vineyard Lake Common Fund from his perspective. They are asking for a reasonable settlement to refund lost interest.

Adam Ulbin, Supervisor of Norvell Township, requested that the County return lost interest to the Vineyard Lake Common Fund.

10. SPECIAL MEETINGS OF STANDING COMMITTEES

A. Personnel & Finance

1. Vineyard Lake Bond Debt Interest

The meeting was briefly recessed to allow the commissioners who are members of the Personnel & Finance Committee to meet behind Cmr. Videto's Chair.

11. MINUTES:

Minutes of the 8/19/08 and 9/23/08 Regular Meetings of the Jackson County Board of Commissioners.

Moved by Mahoney, supported by Way to Approve the Minutes of the 8/19/08 and 9/23/08 Regular Meetings of the Jackson County Board of Commissioners. Motion carried unanimously.

12. CONSENT AGENDA

Moved by Mahoney, supported by Brittain for Approval of the Consent Agenda as Amended. Roll call: (12) Yeas. Motion carried unanimously.

A. County Affairs

1. Approval of Phase III – Aviation Heritage Park Project

B. County Agencies

2. Appointment of Non-Attorney Magistrate

C. Human Services

3. Annual Grant Contract with Michigan Department of Environmental Quality for Environmental Health Services

D. Personnel & Finance

4. Budget Adjustments

D. Claims

13. STANDING COMMITTEES

A. County Affairs – Commissioner Dave Lutchka

1. October 2008 Appointments

a. Human Services Board – one public member, term to 10/31/2011

Cmr. Lutchka stated that the committee recommended Brad Williams. No other nominations from the floor. (12) Yeas. *Brad Williams appointed.*

b. Land Bank Authority – one Commissioner member, term to 10/31/2012

Cmr. Lutchka stated that the committee recommended Pat Smith. No other nominations from the floor. (12) Yeas. *Pat Smith appointed.*

c. Land Bank Authority – one City of Jackson member, term to 10/31/2012

Cmr. Lutchka stated that the committee recommended Andrew Frounfelker. No other nominations from the floor. *Andrew Frounfelker appointed.*

d. Land Bank Authority – one Construction Experience member, term to 10/31/2012

Cmr. Lutchka stated that the committee recommended Kevin Cunningham. Cmr. Brittain nominated Robert Sutherby. Roll Call: (11) Cunningham. Cmr. Herl, Lutchka, Duckham, Poleski, Videto, Mahoney, Brown, Smith, Way, Elwell, and Shotwell. (1) Sutherby. Cmr. Brittain. *Kevin Cunningham appointed.*

A. County Agencies – Commissioner Gail W. Mahoney

None.

C. Human Services – Commissioner Mike Way

None.

D. Personnel and Finance – Commissioner James Videto

1. Resolution (10-08.37) Vineyard Lake Common Fund Interest Refund

Moved by Videto, supported by Mahoney to Adopt Resolution (10-08.37) Refund Vineyard Lake Common Fund Interest Authorizing the Reimbursement of \$43,835 in Unrealized Interest.

Moved by Poleski, supported by Herl to move the question. Roll Call: (9) Yeas. Cmr. Herl, Lutchka, Poleski, Videto, Shotwell, Mahoney, Brown, Way, and Elwell. (3) Nays. Cmr. Brittain, Duckham, and Smith. Motion carried.

Original motion to *Adopt Resolution (10-08.37) Refund Vineyard Lake Common Fund Interest Authorizing the Reimbursement of \$43,835 in Unrealized Interest*
Roll Call: (8) Yeas. Cmr. Herl, Lutchka, Poleski, Videto, Shotwell, Mahoney, Brown, and Elwell. (4) Nays. Brittain, Duckham, Smith, and Way. Motion carried.

14. UNFINISHED BUSINESS

None.

15. NEW BUSINESS

A. Plat Book Update for 4-H Program – Waive Fees for County Data and Maps for Farm & Home Publisher's

Moved by Mahoney, supported by Lutchka to Approve the Plat Book Update for the 4-H Program and Waive Fees for County Data and Maps for Farm & Home Publisher's. Motion carried unanimously.

B. Resolution (10-08.35) in Opposition to the Michigan Commission on Law Enforcement Standards (MCOLES) 520 Hour Standard for Police Officers

Moved by Elwell, supported by Lutchka to Approve Resolution (10-08.35) in Opposition to the Michigan Commission on Law Enforcement Standards (MCOLES) 520 Hour Standard for Police Officers. Roll Call: (12) Yeas. Motion carried unanimously.

C. Tentative Agreement Summary between Jackson County and the Sheriff of Jackson County and Jackson County Deputy Sheriff's Association

Moved by Herl, supported by Videto to Approve the Tentative Agreement Summary between Jackson County and the Sheriff of Jackson County and Jackson County and Jackson County Deputy Sheriff's Association. Roll Call: (12) Yeas. Motion carried unanimously.

E. Policies – New and Revised

1. New Information Technology Policy – 6060 Laptop

Moved by Mahoney, supported by Poleski to Adopt New Information Technology Policy – 6060 Laptop. Motion carried unanimously.

2. Revised Administrative Policy – 5040 Freedom of Information

Moved by Elwell, supported by Mahoney to Adopt Revised Administrative Policy – 5040 Freedom of Information. Motion carried unanimously.

F. Form an Ad Hoc Committee for Street Naming and Addressing Review to be Chaired by Cmr. Elwell and Represented by the Board of Commissioners by Cmr. Herl and Cmr. Duckham.

Moved by Elwell, supported by Way to Form an Ad Hoc Committee for Street Naming and Addressing Review to be Chaired by Cmr. Elwell and Represented by the Board of Commissioners by Cmr. Herl and Cmr. Duckham. (11) Yeas. (1) Nay. Motion carried, with Cmr. Brittain opposing.

16. PUBLIC COMMENTS:

Brad Williams thanked the Board for his appointment and he pledged to fulfill his responsibility.

17. COMMISSIONER COMMENTS:

Cmr. Duckham and Cmr. Birttain expressed their disappointment with not being able to discuss the refunding of the Vineyard Lake interest.

18. CLOSED SESSION:

None

19. ADJOURNMENT:

Chairman Shotwell adjourned the September 23, 2008 meeting of the Jackson County Board of Commissioners at 7:43 p.m.

James E. Shotwell – Chairman, Jackson County Board of Commissioners

Amanda L. Riska – County Clerk

Respectfully submitted by Carrianne VanDusseldorp – Chief Deputy County Clerk



Jackson County Fair

Established in 1853

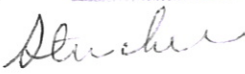
200 West Ganson Street Jackson, MI 49201

Steve Thelen
Manager

www.co.jackson.mi.us/fair
email: sthelen@co.jackson.mi.us

Telephone: 517-788-4405
FAX: 517-788-4667

Memo

To: Randy Treacher, Jackson County Administrator
From: Steve Thelen, Jackson County Fair Manager 
Date: October 28, 2008
Re: Gift of Materials & Labor to the Jackson County Fair

This to confirm the action taken by the Jackson County Fair Board at their September 16, 2008 meeting. The action was to accept the gift of approximately \$7,000.00 of Cement and the Installation Labor to provide the proper finish for barn use from the Jackson County Large Animal Committee. This committee is affiliated with the Jackson County MSU Extension Office. This donation upon installation of the cement becomes the property of the County of Jackson. A copy of the letter of understanding is included for your records.

MICHIGAN STATE
UNIVERSITY
EXTENSION

DATE: October 1, 2008

TO: Steve Thelen, Jackson County Fair Manager

FROM: Renée Applegate, 4-H Extension Educator
Rusty Pelham, Chairperson,
Jackson County Livestock Association

RE: Sheep Barn Improvements



JACKSON COUNTY

Michigan State University
Extension

1715 Lansing Ave., Suite 257
Jackson, Michigan
49202-2193

(517) 788-4292

FAX: (517) 788-4640

www.msue.msu.edu/jackson

The Jackson County Livestock Association has voted to cement the sheep barn areas on the grounds of the Jackson County Fairgrounds that are not currently cemented. This project will be paid for by the Jackson County Livestock Association.

The Jackson County Livestock Association and the Jackson County 4-H Youth Program relinquishes any rights to the property due to the improvements and does not claim any ownership in the improvements to the sheep barn areas. The Jackson County Livestock Association and the Jackson County 4-H Youth Program donates the results of this project in its entirety to the Jackson County Fairgrounds with no restrictions or requirements.

Michigan State University Extension
programs and materials are open to all
without regard to race, color, national
origin, gender, religion, age, disability,
political beliefs, sexual orientation,
marital status, or family status.

Michigan State University,
U.S. Department of Agriculture and
counties cooperating.

MSU is an affirmative-action,
equal-opportunity institution.

ANNUAL REPORT 2007

Geoffrey W. Snyder
Jackson County Drain Commissioner

September 29, 2008

Honorable Board of Commissioners
County of Jackson
Jackson, Michigan

Dear Commissioners:

Complying with Section 31 of Chapter 2 of Act No. 40 of the Public Acts of 1956, as amended, I submit the Annual Report containing the financial statement of the Jackson County Drain Commissioner's Office for the fiscal year beginning January 1, 2007, and ending December 31, 2007.

I hereby certify that this report, identifying all special assessment districts within which work was performed during the fiscal year, and the financial statement of all districts are true and correct.

The report also contains information on Act 342 and Act 185 Sewer and Water projects that are administered by this Office, outside of the scope of Act 40.

Respectfully Submitted,

Geoffrey W. Snyder

DRAINAGE AND SANITARY SEWER SYSTEMS

Jackson County Drain Commission
2007 Annual Report

ACTIVE CONSTRUCTION
OR
MAINTENANCE WORK PERFORMED ON
COUNTY OR INTERCOUNTY DRAINS

The following county drains were in various stages of construction during the fiscal year:

DARLING-CHRISTIE DRAIN, Tompkins Township

Five thousand one hundred twenty-five lineal feet of drain was cleaned out, and 80 feet of 12"x20" D.W. was installed. The ditch banks were seeded.

DECKER DRAIN, Leoni Township

Installed a steel sheeting dam on the open ditch and removed a concrete headwall. Installed five lineal feet of 15" N-12 and flared end section bedded on 6A stone. Limestone of the 3" to 6" size was installed as riprap around the flared end section. Cleaned out 50 lineal feet of the open ditch portion of the drain upstream of the new end section.

Leaves were periodically cleaned from the grate.

EAGLE CREST DRAIN, Grass Lake Township

Two catchbasins at 12249 Old Farm Lane were vacuumed, and an outletting swale was cut to the rear of the lot.

ERIE DRAIN, Blackman Township

Brush was cut away from the drain, and the drain was dredged from Blackstone Street to the Grand River.

Jackson County Drain Commission
2007 Annual Report

Active Construction or Maintenance
Work Performed on County or Intercounty
Drains (Continued)

GRAND RIVER INTERCOUNTY DRAIN, Various counties and Townships

A Section 319 grant in the amount of \$150,000, with local match, was awarded from the Michigan Department of Environmental Quality for a project titled "Upper Grand River Watershed Planning Initiative". A draft of the watershed management plan has been completed. A draft of the "Adopt-a-stream" program has been completed as part of the project.

HURD MARVIN DRAIN, Blackman Township

The pond/sediment basin was cleaned.

KENNEDY DRAIN, Blackman Township

Cleaned the storm line of the drain.

MUNITH DRAIN, Leoni Township

A portion of the drain was excavated from M-106 to the Plumb Orchard Drain.

O'LEARY DRAIN, Grass Lake Township

A portion of the drain was excavated, along with having trees removed.

Jackson County Drain Commission
2007 Annual Report

Active Construction or Maintenance
Work Performed on County or Intercounty
Drains (Continued)

OTTER CREEK (MOORE) INTERCOUNTY DRAIN, Springport Township

Pump No. 1 was removed, rebuilt and reinstalled in the pump station. A stone filter was replaced around the pump inlet box.

RICKS DRAIN, Summit Township

A manhole on the drain was repaired to prevent piping of soil. A blowhole was also repaired.

SHOEMAKER WOODS LATERAL OF THE FISK DRAIN, Summit Township

Replaced 20' of plastic drain pipe with 12" ductile iron pipe, and graded.

WHITMAN DRAIN, Springport Township

Five Hundred Fifty lineal feet of open ditch was cleaned, and 24 lineal feet of 58"x91" concrete pipe was installed.

Jackson County Drain Commission
2007 Annual Report

ACTIVE CONSTRUCTION
OR
MAINTENANCE WORK PERFORMED ON
SANITARY SEWER COLLECTION AND WATER DISTRIBUTION SYSTEMS

LAKE COLUMBIA SANITARY SEWER SYSTEM IMPROVEMENTS-EAST AND WEST
SEGMENT: (\$ 11,000,000)

This project involves the construction of 49,400' of pressure sewer around the east side of Lake Columbia and the installation of one submersible lift station. The project will provide service to 665 residential customers. The project was completed June 1, 2007, with approximately 80% of the homes connected.

LEONI REGIONAL UTILITY AUTHORITY, Blackman, Columbia, Leoni,
Grass Lake, Napoleon, Liberty, Hanover, Norvell, Lyndon, Sylvan
Townships, Brooklyn and Grass Lake Village

The Leoni Regional Sewer System formed an authority of the member communities. These include the Townships of Leoni, Grass Lake, Columbia, Napoleon, Norvell, Blackman, Lyndon, Cambridge, Liberty, Hanover, Sylvan and the Villages of Grass Lake and Brooklyn. The Authority is presently developing a "business plan" which will allow the "Authority" to substitute it's for that of Leoni Township's.

PARMA VILLAGE SEWER LAGOON, Parma Township (\$2,093,403.00)

The Parma Village Sewer project was in the design stage, and construction is expected to start in the late fall of 2008.

Jackson County Drain Commission
2007 Annual Report

Active Construction or Maintenance
Work Performed on Sanitary Sewer Collection
and Water Distribution Systems
(Continued)

RIVES SANITARY SEWER SYSTEM, Rives Township (\$2,630,000)

The Rives Township Board has petitioned the Jackson County Drain Commission to assist them with the development of a sanitary sewer system to serve the Rives Junction area of the Township. There is a severe pollution problem in this area and the public waters are being polluted. The system is proposed to be a gravity system within the unincorporated Village, with a forcemain to discharge to the Blackman Township sewer system. The project will be funded in part by a 1.7 Million-Dollar grant from the U.S. Rural Development Agency and a low interest loan of \$1,075,000, for forty (40) years. This financing plan will keep the rates and charges down to the customers. It is anticipated that this system will be constructed within one-year time frame.

ROUND/FARWELL LAKES SANITARY SEWER SYSTEM, Hanover/Liberty Townships (\$3,900,000)

This project involved the construction of 51,000' of pressure sewer around Round and Farwell Lakes. The project will serve 540 residential customers. The project was completed in December of 2007.

SOUTHERN INTERCEPTOR-SEWER SYSTEM IMPROVEMENT: (\$4,600,000)

This project involves the construction of approximately 77,000 feet of 12" and 16" forcemain from Round and Farwell Lakes, through Liberty and Columbia Townships, to tie into the existing collection system near Clark Lake. The project also included installation of three lift stations and an equalization chamber near Clark Lake that will allow additional capacity to be used in the Clark Lake interceptor. The project will be completed in the fall of 2008.

Jackson County Drain Commission
2007 Annual Report

Active Construction or Maintenance
Work Performed on Sanitary Sewer Collection
and Water Distribution Systems
(Continued)

VINEYARD LAKE SANITARY SEWER SYSTEM IMPROVEMENTS, Norvell and
Columbia Township (\$6,100,000)

This project involved the construction of 67,000 feet of pressure sewer around Vineyard Lake and the installation of two submersible lift stations. The project provides service to 652 residential costumers. The construction of this project was substantially complete on February 25, 2007, and is being finalized the fall of 2007.

Jackson County Drain Commission
2007 Annual Report

Proposed drain/public works projects, for which estimates of cost for construction were prepared, and which are awaiting petition filing, Board of Determination action, Judicial or Administrative Processing.

Jackson Community College
Sewer Lagoon

Summit Township

Parma Village Sewer Lagoon

Parma Township

Pleasant Lake Sewer Project

Henrietta Township

Swains Lake Sewer Project

Pulaski Township

Jackson County Drain Commission
2007 Annual Report

CONDOMINIUM REVIEW AND APPROVAL

Two (2) condominiums were reviewed, by this office, as required by the Condominium Act, being Act No. 59 of the Public Acts of 1978. This review consisted of preparing dedication deeds, approving design and construction plans, and performing inspections on the following condominiums:

Hallett Crossing Site
Condominium

Leoni Township

Midway Business Centre
Site Condominium

Grass Lake Township

Jackson County Drain Commission
2007 Annual Report

PLAT REVIEW AND APPROVAL

There were no subdivisions reviewed by this office, as required by the Plat Act, being Act No. 288 of the Public Acts of 1967. This review consists of approving design and construction plans, attending various meetings, and performing inspections on the following plats:

Jackson County Drain Commission
2007 Annual Report

PROPOSED DEVELOPMENT REVIEWS
AND RECOMMENDATIONS

Nine (9) proposed developments were reviewed by this office, over and above the previously mentioned plat reviews or condominium reviews. The reviews were conducted in response to a request by a municipality for a recommendation regarding the drainage of the proposed development.

This review consisted of inspections of the site, meetings with the developer, and letters to the municipalities indicating the observations of this office, and the recommendations with regard to drainage of the following:

Dollar General	Parma Township
Dollar General	Summit Township
East Gate Professional Park	Leoni Township
Interstate I-94 Vehicle Auction	Parma Township
Metal Form Building	Rives Township
Nite Crawlers	Columbia Township
Tim Horton's	Summit Township
Torrent Campus Improvements	Summit Township
Weaver Archery Building	Columbia Township

Jackson County Drain Commission
2007 Annual Report

TYPICAL RESPONSES TO DRAINAGE PROBLEMS
NOT DIRECTLY RELATED TO ESTABLISHED COUNTY DRAINS

The Drain Commissioner's office received approximately One Hundred and Forty-eight (148) complaints of drainage problems that required field investigation. These requests came from property owners, governmental officials and concerned citizens. The nature of those drainage problems ranged from: requests for solutions to certain problems with existing county drains; requests for technical advice on those problems involving private drains, and; requests for the establishment of new county drains.

The following are examples of the problems that received attention as a result of complaints being filed:

3500 Balmars Avenue, Blackman Township

The property owner's basement floods after heavy rains. Water also ponds in the backyard. The property owner thinks that the water is coming from a culvert under Morrill Road.

The existing culvert under Morrill Road needs to be cleaned out to handle the heavy rain. The drainage system is not an established county drain, nor a system of the Jackson County Road Commission the Michigan Department of Transportation.

Suggested to the property owner to petition for a lateral to the Loretta Branch Drain, which is the nearest county drain, or have the culvert cleaned independently.

852 Brentwood, Blackman Township

Neighbor's yards of the Ginsburgh Building on Airport Road are becoming flooded due to runoff from the building's eaves.

Explained to property owner that the roadside ditch is in good working condition and that the issue is a private matter that needs to be handled with the owner of the Ginsburgh Building.

Jackson County Drain Commission
2007 Annual Report

Typical Responses to Drainage Problems
Not Directly Related to Established County Drains
(Continued)

2707 Kibby Road

Property owner indicated that there is standing water at the intersection of Kibby and Strathmoor.

The Jackson County Road Commission cleaned the cross tube to remedy the problem.

519 19th Street, Summit Township

Property owner has had the basement waterproofed, however, the sump pump runs constantly.

The sump pump discharges into the roadside ditch on the North side of the property owner's driveway. Because there is no driveway culvert, the water is trapped there.

Explained the above information to the property owner and suggested contacting the Jackson County Road Commission to have a driveway culvert installed.

4201 Lancashire, Summit Township

A manhole in the property owner's yard is creating water problems for this property and a neighboring property.

A catchbasin is located on a storm sewer in the property owner's backyard. The storm sewer is not an established county drain, nor a Jackson County Road Commission system. It appears that the developer of the subdivision installed the storm sewer.

Suggested to the property owner the options of having the storm sewer cleaned independently, or to petition for the establishment of a county drain.

Jackson County Drain Commission
2007 Annual Report

REVOLVING DRAIN FUND

The following Revolving Drain Fund deficits will be cleared by future drain tax levies or other Act 40 reimbursements:

Ballard Creek	\$ 33.93
Cascades Vista	58.47
Chanter	4,241.64
Chapel Heights	275.00
Colbrook Meadows	308.44
Darling Christie	1,500.00
Decker	10,221.91
Eagle Crest	622.02
Fisk	294.24
Ganton Drive Lateral	30.14
Gatewood	662.59
Glenngary	932.60
Grand River Phase II	1,071.93
Grand River SEMCOG	750.00
Grand River (Tetra Tech)	2,000.00
Grand River (Tetra Tech) \$72	2,913.53
Grass Lake	3,106.55
Kedron	45.00
Kennedy	17,884.03
Ladd-Main	337.08
Liberty Heights	4,800.00
Moore Intercounty	3,551.16
Munith	10,005.00
Murray Branch	2,063.48
O'Leary	1,670.61
Ricks	1,811.00
Ruel	1,153.57
Shoemaker Woods	5,627.27
Sunnydell	32.78
Thompson Lake	309.76
Three Forty Farms	204.49
Upper Grand River (319)	5,750.00
West Jackson	20,641.95
W. Jackson (Cortland Blvd)	26.26
Whispering Woods	434.00
Whitman	6,548.00
Wild Intercounty	61,679.37

Total	\$173,597.80
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DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DRAIN</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Blackman	Acme	3/29	11834a	Engineering	58.52
Blackman	Allen Branch	3/29	11835	Maintenance	92.62
	Of Thompson Lk	7/10	11883	Maintenance	31.46
		12/12	11934	Maintenance	<u>31.46</u>
					155.54
Blackman	Chanter	5/14	11859	Easement Acq.	3,750.00
		7/10	11887	Reg. Of Deeds	<u>19.00</u>
					3,769.00
Blackman	Erie	2/26	11823	Maintenance	1,672.50
		5/09	11857	Maintenance	<u>370.00</u>
					2,042.50
Blackman	Hurd Marvin	2/26	11824	Maintenance	2,240.00
		12/26	11946	Engineering	<u>379.80</u>
					2,619.80
Blackman	Rives-Blackman	8/1	11895	Engineering	96.60
Blackman	John Saines	3/29	11839	Engineering	107.04
Blackman	Thompson Lake	3/29	11845	Maintenance	62.04
		7/10	11885	Maintenance	31.46
		12/12	11940	Maintenance	<u>58.96</u>
					152.46
Columbia	Kedron	5/25	11864	Maintenance	560.64
		7/26	11891	Maintenance	27.78
		9/06	11909	Maintenance	<u>45.00</u>
					633.42

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DRAIN</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Grass Lake	Eagle Crest	10/ 12/12	11921 11939	Maintenance Engineering	525.00 <u>97.02</u> 622.02
Grass Lake	Grass Lake	12/26	11950	Maintenance	199.22
Grass Lake	O'Leary	2/05 2/20 2/20	11819 11820 11821	Maintenance Maintenance Maintenance	1,460.00 123.02 <u>87.59</u> 1,670.61
Henrietta	Munith	1/31	11815	Maintenance	1,400.00
Leoni	Ballard Creek	3/29	11841	Engineering	63.80
Leoni	Decker	3/29 4/11 4/11 5/25 7/10 9/06 10/17 12/12 12/20	11842 11849 11850 11868 11884 11908 11916 11938 11949	Engineering Engineering Maintenance Maintenance Maintenance Maintenance Maintenance Maintenance Maintenance	1,378.34 94.82 9,125.63 152.90 61.16 91.74 30.58 30.58 <u>28.38</u> 10,994.13
Leoni	Kennedy	10/17 10/17	11914 11915	Maintenance Maintenance	3,072.50 <u>285.00</u> 3,357.50
Leoni	Page Avenue Lateral	1/25 3/29 7/10	11814 11837 11877	Maintenance Engineering Engineering	675.00 420.10 <u>62.92</u> 1,158.02
Liberty	Liberty Heights	7/10	11889	Maintenance	4,800.00

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DRAIN</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Norvell	Ladd & Main	3/29	11844	Engineering	337.08
Spring Arbor	Sunnydell & Ext	8/01	11896	Engineering	32.78
Springport	Moore (Otter Creek)	2/26	11825	Prog. Payment	11,998.50
		3/05	11826	Electrical	2,290.86
		3/05	11827	Maintenance	1,100.00
		3/29	11847	Electrical	1,086.15
		4/26	11851	Prog. Payment	18,300.88
		4/26	11852	Electrical	727.23
		5/09	11855	Engineering	1,450.30
		5/09	11856	Engineering	2,061.80
		5/26	11860	Electrical	1,423.05
		5/31	11870	Drain Note	60,508.67
		6/27	11873	Electrical	1,269.39
		7/10	11875	Engineering	1,646.84
		7/10	11876	Engineering	408.66
		7/10	11882	Maintenance	1,100.00
		7/26	11890	Electrical	1,213.74
		7/26	11892	Prog. Payment	10,000.00
		8/17	11900	Maintenance	1,100.00
		9/25	11910	Electrical	389.93
		10/17	11919	Electrical	438.54
		11/20	11924	Electrical	490.57
		12/12	11928	Electrical	167.86
		12/12	11929	Engineering	221.10
		12/12	11930	Engineering	222.86
		12/12	11931	Engineering	439.34
		12/12	11932	Engineering	677.82
		12/12	11933	Engineering	1,000.94
		12/26	11945	Electrical	507.58
Summit	Cascades Vista	3/29	11836	Maintenance	59.84
Summit	Carson	3/05	11828	Special Tax	20,142.86
Summit	Conger	5/25	11862	Maintenance	30.14
Summit	Fisk	5/25	11863	Engineering	494.21
		7/10	11874	Engineering	57.64
		8/01	11893	Engineering	87.78
		9/06	11804	Engineering	30.14

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DRAIN</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Summit	Fisk (Cont.)	12/12	11935	Engineering	<u>117.92</u> 787.69
Summit	Ganton Dr. Lateral	3/29	11843	Engineering	30.14
Summit	Gatewood	12/12	11943	Maintenance	537.63
		12/12	11944	Engineering	<u>127.96</u> 662.59
Summit	Glengarry	7/10	11886	Maintenance	481.40
		8/01	11898	Engineering	<u>101.20</u> 582.60
Summit	Golfside Terrace	12/12	11936	Engineering	30.58
Summit	Lowe-Ridgeway	5/25	11861	Maintenance	861.00
		5/25	11865	Engineering	146.00
		8/01	11894	Engineering	61.60
		9/06	11905	Maintenance	<u>339.00</u> 1,407.60
Summit	McCain	12/26	11947	Maintenance	75.14
Summit	Oak Street	3/05	11829	Special Tax	7,657.14
Summit	Ricks	2/20	11822	Maintenance	330.00
		3/29	11838	Engineering	395.72
		4/26	18854	Maintenance	950.00
		5/25	11866	Engineering	418.44
		9/06	11907	Maintenance	<u>861.00</u> 2,955.16
Summit	Shoemaker Woods	4/11	11848	Engineering	406.34
	Lateral/Fisk	4/26	11853	Maintenance	1,520.00
		3/31	11871	Bank Note	41,622.00

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DRAIN</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Summit	Shoemaker Woods	6/13	11872	Bank Note	1,612.85
	Lateral/Fisk	8/15	11899	Bank Note	1,612.85
		10/29	11920	Maintenance	<u>968.00</u>
					47,742.04
Summit	Three Forty Farms	8/01	11897	Engineering	194.82
Summit	West Jackson	3/29	11840	Engineering	824.24
		5/25	11867	Engineering	31.90
		7/10	11878	Engineering	122.34
		9/06	11906	Engineering	<u>90.00</u>
					534.10
Tompkins	Darling-Christie	9/26	11912	Maintenance	1,500.00
		10/29	11913	Maintenance	1,500.00
		10/29	11923	Maintenance	4,688.70
		12/12	11927	Maintenance	<u>210.00</u>
					7,898.70
Tompkins	Grand River	2/05	11818	Engineering	1,433.89
	Intercounty	3/05	11830	Contribution	7,000.00
		3/21	11831	Engineering	235.87
		3/21	11832	Engineering	8,521.30
		3/21	11833	Engineering	9,520.91
		3/21	11834	Engineering	2,913.53
		5/09	11858	Engineering	12,870.17
		7/10	11879	Website Plan	1,843.00
		7/10	11880	Prof. Service	12,067.41
		7/10	11881	Prof. Service	7,000.25
		9/25	11901	Prof. Service	5,940.00
		9/25	11902	Prof. Service	6,162.17
		9/25	11911	Prof. Service	7,000.00
		11/20	11925	Website Plan	476.50
		11/20	11926	Prof. Service	12,826.24
		12/26	11948	Engineering	198.44
		11/19	11952	Prof. Service	<u>12,465.74</u>
					108,475.42

Total Drain Orders Written \$356,847.69

COUNTY OF JACKSON
STATE OF MICHIGAN
WASTEWATER DISPOSAL FACILITY
(Village of Brooklyn Section) 1996 SERIES BONDS
FUND NO. 851.180.959.170

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Columbia	12/14	9959	Legal Services	499.00
	12/26	9968	Transfer to Brooklyn	102,358.88

Total Drain Orders Written	\$102,857.88
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COUNTY OF JACKSON
STATE OF MICHIGAN
WASTEWATER DISPOSAL FACILITY
(Lake Columbia Section) 1994 SERIES BONDS
FUND NO. 851.185.959.170

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Columbia	1/4	9779	Progress Payment	81,302.81
	1/11	9783	Inspection Services	175.00
	1/11	9784	Engineering	13,434.83
	2/07	9802	Inspection Services	210.00
	2/07	9803	Engineering	13,747.02
	2/15	9807	Progress Payment	76,702.85
	2/22	9808	Progress Payment	49,936.95
	3/15	9815	Engineering	24,456.16
	3/15	9816	Inspection Services	140.00
	3/15	9817	Progress Payment	76,835.37
	4/11	9825	Engineering	28,382.73
	4/20	9829	Progress Payment	57,621.71
	4/26	9835	Inspection Services	35.00
	5/09	9838	Engineering	19,247.77
	5/09	9841	Progress Payment	43,028.18
	5/14	9848	Inspection Services	595.00
	5/14	9849	Inspection Services	525.00
	5/14	9850	Progress Payment	48,799.28
	6/06	9858	Inspection Services	385.00
	6/06	9859	Inspection Services	420.00
	6/06	9860	Inspection Services	455.00
	6/06	9861	Inspection Services	420.00
	6/06	9862	Inspection Services	420.00
	6/14	9863	Progress Payment	91,311.68
	8/01	9869	Progress Payment	36,528.38
	8/01	9870	Engineering	31,329.41
	8/01	9871	Engineering	26,329.05
	8/15	9875	Engineering	21,218.17
	8/23	9876	Inspection Services	525.00
	8/23	9877	Inspection Services	525.00
	8/23	9878	Inspection Services	525.00
	8/23	9879	Inspection Services	490.00
	8/23	9880	Inspection Services	525.00
	9/06	9886	Legal Services	220.00
	9/06	9887	Inspection Services	525.00
	9/06	9888	Inspection Services	630.00
	9/06	9889	Inspection Services	560.00
	9/06	9890	Inspection Services	315.00

COUNTY OF JACKSON
STATE OF MICHIGAN
WASTEWATER DISPOSAL FACILITY
(Lake Columbia Section) 1994 SERIES BONDS
FUND NO. 851.185.959.170 (Cont.)

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Columbia	9/26	9909	Engineering	15,186.33
	10/23	9913	Inspection Services	560.00
	10/23	9914	Inspection Services	560.00
	10/23	9915	Inspection Services	175.00
	10/23	9916	Inspection Services	525.00
	10/23	9917	Inspection Services	70.00
	10/23	9918	Engineering	10,139.30
	10/23	9919	Legal Services	251.00
	11/06	9924	Inspection Services	595.00
	11/06	9925	Inspection Services	560.00
	11/06	9926	Inspection Services	595.00
	11/28	9945	Inspection Services	560.00
	11/28	9946	Inspection Services	350.00
	12/12	9954	Inspection Services	455.00
	12/12	9955	Inspection Services	210.00
	12/12	9956	Inspection Services	560.00
	12/26	9961	Inspection Services	560.00
	12/26	9962	Inspection Services	140.00
	12/26	9967	Progress Payment	19,290.00

Total Drain Orders	\$2,029,722.83
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COUNTY OF JACKSON
STATE OF MICHIGAN
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY
Vineyard Lake Sanitary Sewer
FUND NO. 851.250.959.000

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Columbia/ Norvell	1/11	9781	Inspection Services	105.00
	1/11	9782	Inspection Services	70.00
	1/18	9790	Engineering	1,078.75
	2/07	9807	Inspection Services	35.00
	2/07	9808	Inspection Services	35.00
	2/07	9809	Inspection Services	70.00
	2/07	9810	Engineering	1,040.79
	3/15	9818	Engineering	3,043.07
	3/15	9819	Inspection Services	140.00
	3/15	9820	Inspection Services	105.00
	3/15	9821	Register of Deeds	17.00
	3/21	9822	Legal Services	6,706.85
	4/11	9826	Engineering	3,733.55
	4/11	9828	Progress Payment	39,565.87
	4/26	9833	Inspection Services	105.00
	4/26	9834	Inspection Services	280.00
	5/09	9837	Engineering	6,564.84
	5/09	9839	Township Expenses	3,219.12
	5/09	9840	Township Expenses	36,007.50
	5/14	9845	Inspection Services	70.00
	5/14	9846	Inspection Services	140.00
	5/14	9847	Legal Services	198.75
	6/06	9856	Inspection Services	70.00
	6/06	9857	Inspection Services	70.00
	8/01	9868	Engineering	321.25
	8/15	9873	Engineering	130.50
	8/15	9874	Legal Services	16,315.11
	8/23	9883	Inspection Services	35.00
	8/23	9884	Inspection Services	35.0
	8/23	9885	Inspection Services	35.00
	9/06	9900	Inspection Services	70.00
	9/06	9901	Inspection Services	70.00
	9/06	9902	Inspection Services	35.00
	9/06	9903	Legal Services	1,642.74
	9/26	9907	Legal Services	949.75
	9/26	9908	Engineering	111.85
	10/23	9910	Inspection Services	35.00
	10/23	9911	Inspection Services	35.00
	10/23	9912	Legal Services	198.75
	11/28	9949	Legal Services	997.00

COUNTY OF JACKSON
STATE OF MICHIGAN
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY
Vineyard Lake Sanitary Sewer
FUND NO. 851.250.959.000 (Cont.)

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Columbia/ Norvell	12/12	9957	Inspection Services	70.00
	12/12	9958	Legal Services	543.25
	12/26	9966	Legal Services	1,397.40
		9973	Inspection Services	35.00
		9974	Inspection Services	35.00
	12/23	9975	Engineering	522.00

Total Drain Orders	\$126,203.19
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COUNTY OF JACKSON
STATE OF MICHIGAN
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY
(Southern Regional Interceptor Section)
FUND NO. 851.195.959.000

DRAIN ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Columbia/	1/25	9791	Progress Payment	9,000.00
Hanover	1/25	9515	Progress Payment	38,337.00
Leoni	1/31	9799	Inspection Services	35.00
Liberty	1/31	9800	Legal Services	482.00
	1/31	9801	Legal Services	100.00
	2/22	9809	Legal Services	120.00
	3/15	9812	Progress Payment	4,178.17
	6/27	9864	Progress Payment	1,000.00
	6/27	9865	Progress Payment	1,000.00
	9/27	9910	Progress Payment	29,793.00

Total Drain Orders	\$84,045.17
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COUNTY OF JACKSON
STATE OF MICHIGAN
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY
(Rives Township Section)
FUND NO. 851.255.959.000

DRAIN ORDERS WRITTEN - 2007

<u>VILLAGE/TWP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Rives	11/15	9932	Engineering	180,000.00
	11/15	9933	Legal Services	52,666.28
	11/28	9950	Financial Services	34,499.44
	12/18	9965	Railroad Insurance	1,000.00

Total Drain Orders Written	\$	268,165.72
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COUNTY OF JACKSON
STATE OF MICHIGAN
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY
(Round Lake/Farwell Lake Sanitary Sewer)
FUND NO. 851.245.959.000

DRAIN ORDERS WRITTEN - 2007

<u>VILLAGE/TWP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Hanover/ Liberty	1/04	9778	Progress Payment	44,143.13
	1/11	9785	Progress Payment	9,765.75
	1/11	9786	Inspection Services	35.00
	1/11	9787	Inspection Service	70.00
	1/11	9788	Legal Services	84.00
	2/07	9804	Inspection Services	35.00
	2/07	9805	Engineering	11,901.96
	2/07	9806	Progress Payment	20,280.57
	3/15	9813	Legal Services	220.00
	3/15	9814	Inspection Services	70.00
	3/15	9815	Inspection Services	70.00
	3/29	9823	Progress Payment	5,000.00
	4/26	9832	Inspection Services	350.00
	5/14	9842	Inspection Services	140.00
	5/14	9843	Legal Services	94.00
	6/06	9853	Inspection Services	175.00
	6/06	9854	Inspection Services	350.00
	6/06	9855	Inspection Services	315.00
	6/06	9863	Progress Payment	64,369.50
	6/06	9827	Progress Payment	20,540.63
	8/23	9881	Inspection Services	175.00
	8/23	9882	Inspection Services	595.00
	9/06	9893	Inspection Services	210.00
	9/06	9894	Inspection Services	630.00
	9/06	9895	Inspection Services	210.00
	9/06	9896	Inspection Services	35.00
	9/06	9897	Inspection Services	630.00
	9/06	9898	Inspection Services	420.00
	9/06	9899	Inspection Services	70.00
	9/20	9904	Inspection Services	280.00
	9/20	9905	Inspection Services	70.00
	10/23	9920	Inspection Services	420.00
	10/23	9921	Inspection Services	560.00
	10/23	9922	Inspection Services	350.00
	10/23	9923	Inspection Services	35.00
	11/06	9927	Inspection Services	420.00
	11/06	9928	Inspection Services	35.00
	11/06	9929	Inspection Services	245.00
	11/06	9930	Inspection Services	595.00
	11/06	9931	Inspection Services	140.00
	11/28	9947	Inspection Services	350.00

COUNTY OF JACKSON
STATE OF MICHIGAN
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY
(Round Lake/Farwell Lake Sanitary Sewer)
FUND NO. 851.245.959.000 (Cont.)

DRAIN ORDERS WRITTEN - 2007

<u>VILLAGE/TWP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Hanover/ Liberty				
	11/28	9948	Inspection Services	105.00
	12/12	9951	Inspection Services	350.00
	12/12	9952	Inspection Services	245.00
	12/12	9953	Inspection Services	35.00
	12/26	9960	Inspection Services	420.00
	1/16	9969	Installation Services	2,205.13
	1/16	9970	Installation Services	1,680.00
	1/16	9971	Inspection Services	315.00

Total Drain Orders Written	\$189,987.17
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COUNTY OF JACKSON
STATE OF MICHIGAN
JACKSON COUNTY WASTEWATER DISPOSAL FACILITY
(U.S.-127 Sanitary Sewer)
FUND NO. 851.260.959.000

DRAIN ORDERS WRITTEN - 2007

<u>VILLAGE/TWP</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Columbia	1/18	9789	Engineering	41,216.85
	3/15	9811	Engineering	874.00
	4/11	9824	Engineering	742.50
	4/26	9830	Engineering	2,979.62
	4/26	9831	Engineering	1,872.50
	8/01	9866	Engineering	1,725.00
	8/01	9867	Engineering	350.00

Total Drain Orders Written	\$49,760.47
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LAKE LEVEL DISTRICTS

Jackson County Drain Commission
2007 Annual Report

INLAND LAKE LEVEL PROJECTS

The County Drain Commission addressed the following Lake Level projects, established and regulated through Act No. 146, of the Public Acts of 1961, in 2001, in the following manner:

CRANBERRY LAKE LEVEL, Napoleon Township

Performed a dam safety inspection.

GILLETTS LAKE LEVEL CONTROL STRUCTURE, Leoni Township

Performed a dam safety inspection.

MIRROR LAKE, Liberty Township

Performed a dam safety inspection.

PLEASANT LAKE LEVEL CONTROL STRUCTURE, Henrietta Township

Performed a dam safety inspection.

ROUND LAKE, Hanover Township

Stop logs were periodically removed in preparation for the winter draw down. The grate was periodically cleaned out.

VINEYARD LAKE LEVEL CONTROL STRUCTURE, Norvell Township

Performed a dam safety inspection.

Jackson County Drain Commission
2007 Annual Report

DAM INSPECTION REPORTS

Under the authority of Part 307, Inland Lake Levels, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), the following Lake Levels were inspected:

Cranberry Lake Level

Napoleon Township

Gilletts Lake Level Control Structure Leoni Township

Pleasant Lake Level Control Structure Henrietta Township

Round Lake Level Control Structure

Hanover Township

Vineyard Lake Level Control Structure Norvell Township

Jackson County Drain Commission
2007 Annual Report

REVOLVING LAKE LEVEL FUND

The following Revolving Lake Level Fund deficits will be cleared by future drain tax levies or other Act 40 reimbursements:

Norvell Mill Pond	559.91
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Total	\$559.91
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LAKE LEVEL ORDERS WRITTEN - 2007

<u>TOWNSHIP</u>	<u>LAKE LEVEL</u>	<u>DATE</u>	<u>NUMBER</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Liberty/ Hanover	Round Lake	3/29	11846	Maintenance	161.26
		5/25	11869	Maintenance	176.88
		7/10	11888	Maintenance	66.88
		9/06	11903	Maintenance	341.28
		10/17	11918	Maintenance	438.72
		12/2	11941	Engineering	268.20
		12/12	11942	Engineering	121.88
		12/26	11951	Maintenance	130.68
					<u>1,705.78</u>
Liberty	Mirror Lake	2/	11816	Supplies	15.60
		2/	11817	Supplies	<u>44.23</u>
					59.83
Norvell	Norvell Mill Pond	10/17	11917	Engineering	525.73
Total Lake Level Orders					\$ 2,291.34

**Governmental
Accounting Standards
Board
GASB Statement
No. 34**

Jackson County Drain Commission
2007 Annual Report

Governmental Accounting Standards Board
(GASB Statement No. 34)

The Governmental Accounting Standards Board (GASB No. 34) is the new financial reporting model, which has been established for the purpose of reporting infrastructure assets. Traditionally, state and local governments have not been required to report general infrastructure assets (e.g. road, bridges, dams, drains, sanitary sewers) in their financial statements. However, GASB Statement No. 34 requires that all capital assets, including general infrastructure assets, be capitalized in the financial statements at their historical costs or estimated historical costs. Furthermore, this requirement, as a rule, will apply retroactively to major general infrastructure assets that were required in fiscal years beginning after June 15, 1980, or that received major renovations, restorations, or improvements since that date.

Following is a list of all of the infrastructures, and their costs relative to our Office:

Jackson County Drain Commission 2007				
GASB STATEMENT NO. 34				
DRAIN & LAKE LEVEL	CARD	YEAR 1st CONSTRUCTED	YEAR- MOST RECENT CONSTRUCTION ACTIVITY	AMOUNT
Ackerson Lake	Yes	1919		1,800.00
Acme	Yes	1961		142,718.00
Allen Branch of Thompson Lake	Yes	1902		96,788.00
Argus Court	Yes	1961		8,984.00
Austin	Yes	1975		42,000.00
Bailey	Yes	1983		25,000.00
Baldwin	Yes	1917		
Barnes & Carpenter Intercounty				
Barrett Lateral	Yes	1954		96,337.00
Bateman	Yes			
Batteese Creek (Ingham Co.Only)				
Beaver Creek Intercounty	Yes	1908		840.00
Beebe- Taylor	Yes	1911		26,800.00
Beebe-Taylor Lateral	Yes	1988		23,933.00
Bennett Road		1982		
Blackman #2	Yes	1942		
Bliss	Yes	1922		1,080.00
Boland	Yes	1980		89,452.00
Booth	Yes	1917		4,874.00
Bromley Tile	Yes	1912		262.00
C.E. Walker Intercounty	Yes	1962		
Campbell	Yes	1983		
Carric		2001		
Carson	Yes	1925		4,548.00
Cascades Manor	Yes	1955		8,229.00
Cascades Vista	Yes	1980		9,500.00
Chanter	Yes	1893		
Chapel & Benn	Yes	1886		
Chapel & Finch	Yes	1989		
Chapel Heights		2004		50,000.00
Charmin Highlands	Yes	1969		63,171.00
Christie	Yes	1966		45,000.00
Clinton	Yes	1956		5,255.00
Coachlight West	Yes	1989		80,000.00
Colbrook Meadows		2000		65,000.00
Collier Mud Creek Intercounty				
Conger	Yes	1983		85,000.00
Conger Lateral	Yes	1986		6,000.00
Conner & Bennett	Yes	1898		
Cortland Boulevard	Yes	1942		1,915.00
Country Manor	Yes	1986		32,000.00
Country River Estates	Yes	1996		
Coy	Yes	1992		
Cranberry Lake	Yes	1879		6,462.00
Crane Hallow Estates		2001		65,000.00
Crittenden	Yes	1888		
Curtis Lateral		1993		28,000.00
Darling-Christey/Torey Whitney Branch	Yes	1885		28,000.00
Decker	Yes	1917		1,167.00
Dolbee	Yes	1891		657.00
Donnelly Road	Yes	1961		
Doty	Yes	1952		12,571.00
Eagle Crest		2000		60,000.00
Erie Street	Yes	1962		23,500.00
Erin's Court		2002		20,000.00
Farwell & Pine Hill Dam	Yes	1970		
Faye Lake				
Fisher	Yes	1909		600.00
Fisher Big Wheel				
Fisk	Yes	1929		155,000.00
Flansburgh	Yes	1988		7,084.00
Foote Groove	Yes	1960		17,000.00
Forner & Twin Lake	Yes	1983		175,000.00
Foster-Dodd	Yes			4,124.00
Fox Farm	Yes	1990		11,000.00
Freeman-Marsh Intercounty	Yes	1898		728.00
Fry	Yes	1907		
Gang of Lakes	Yes	1916		10,950.00
Ganton Drive Lateral	Yes	1986		
Gatewood Subdivision	Yes	1992		538,000.00
Gillette Day-Ludlow	Yes	1913		70,000.00
Gillette's Lake Level	Yes	1965		2,900.00
Glennarry	Yes	1997		45,000.00
Golfside terrace	Yes	1968		43,500.00
Golfview Hills	Yes	1990		
Goodall	Yes	1897		42,156.00
Grand Boulevard				
Grass Lake	Yes	1874		
Greenbriar		2001		110,000.00
Greg-Deck	Yes			
Gregory	Yes	1904		12,270.00
Gurley Lake	Yes	1887		2,610.00

DRAIN & LAKE LEVEL	CARD	YEAR	YEAR- MOST RECENT	AMOUNT
		1st CONSTRUCTED	CONSTRUCTION ACTIVITY	
Hammond-Bridenstine	Yes	1940		3,582.00
Harris & Pomeroy	Yes	1886		
Hatt	Yes	1906		5,022.00
Havens Intercounty	yes	1892		460.00
Hendee	Yes	1891		
Henrietta	Yes	1884		525.00
Hollis	Yes	1942		
Horton		1984		23,000.00
Horton Mill Pond	Yes	1965		16,226.00
Huff	Yes			
Hunton Lake				
Huntoon Lake Intercounty	Yes	1920		23,000.00
Huntenlocker	Yes	1903		
Hurd-Marvin	Yes	1888		155,309.00
Hutchs Lateral	Yes	1988		
Imperial Shores	Yes	1978		
Jewell Intercounty	Yes	1904		2,350.00
John Saines	Yes	1988		12,740.00
Kalamazoo River				
Kedron	Yes	1883		33,071.00
Kennedy	Yes	1917		1,209.00
Kent	Yes	1930		5,100.00
Kibby	Yes	1970		146,000.00
King-Needham	Yes	1887		
Knowles-Borner	Yes	1898		1,130.00
Ladd& Manin	yes	1893		16,485.00
Lancashire Downs	Yes			
Laurence Ave.-Hurd-Marvin				
Leslie Intercounty	Yes	1914		7,100.00
Liberty Woods Subdivision		2001		94,000.00
Lime Lake				
Loder	Yes	1918		
Lonepine		1998		15,000.00
Loretta Branch of the John Saines	Yes	1973		141,000.00
Low- Ridgeway	Yes	1969		11,000.00
Lynn Haven	Yes	1983		59,000.00
McKarr		2002		33,000.00
Mac Boulevard	Yes	1989		
Mantleville	Yes	1916		33,950.00
Mar-Rich	Yes	1981		
Mayette & Moe Brewer		1873		
McCain	Yes	1917		4,354.00
Meado Lane	Yes	1965		15,000.00
Meadow Lark Acres	Yes			475,000.00
Melody Lane	Yes	1982		34,000.00
Mercedes Lake		1995		97,339.00
Meridian	Yes	1903		10,605.00
Meyers Avenue	Yes	1982		17,000.00
Miles-Kirkby	Yes	1949		462.00
Miller Acres	Yes	1921		1,750.00
Minard	Yes	1905		
Minard Mill Dam		1905		
Mirror Lake	Yes	1966		190,000.00
Mitchell	Yes	1899		961.00
Moe Lateral at John Saines	Yes	1979		162,000.00
Moe-Brewer	Yes	1890		714.00
Moore (Intercounty)	Yes	1908		2,915.00
Munith	Yes	1961		25,687.00
Murray	Yes	1892		535.00
Natural		2003		85,000.00
Neil	Yes	1934		2,300.00
Nooney	Yes	1953		33,000.00
North Chesning & Dover	Yes	1954		14,603.00
Norvell City	Yes	1983		
Norvell Mill Pond Dam	Yes	1983		280,000.00
Norvell-Manchester	Yes	1883		165,000.00
Oak Street	Yes	1962		52,947.00
Oak View Estates				
O'Leary	Yes	1951		13,036.00
Olney	Yes	1890		294.00
O'Neil Lateral				
Otter Creek				
Otts	Yes			

DRAIN & LAKE LEVEL	CARD	YEAR	YEAR- MOST RECENT	AMOUNT
		1st CONSTRUCTED	CONSTRUCTION ACTIVITY	
Page Avenue Lateral	Yes	1984		56,000.00
Pahl	Yes	1956		38,971.00
Park Forest	Yes	1977		260,000.00
Park Road	Yes			
Parma Village	Yes	1883		
Parnall Road Lateral		1997		
Parsons Lateral		1993		46,300.00
Pauline Drive		1999		
Peacock	Yes	1987		163,265.00
Pierce	Yes	1914		525.00
Pine Hill Lake Dam				
Pleasant Bay Estates		1989		27,680.00
Pleasant Lake Dam	Yes	1962		45,723.00
Pleasant View Lateral		2003		80,932.00
Plum Brook	Yes	1919		4,960.00
Plum Orchard Creek	Yes	1900		10,121.00
Plumb VanAntweep	Yes	1916		1,516.00
Poole	Yes	1912		4,961.00
Portage River				
Portage River (Intercounty)	Yes	1881		94,500.00
Price Lake Farms Subdivision		1998		46,000.00
Ranch Park	Yes	1960		4,320.00
Rhodes	Yes	1893		90,000.00
Rice Creek (Intercounty)	Yes	1883		387.00
Richard St. Site Condo.		2002		13,000.00
Ricks	Yes	1972		36,500.00
Rives-Blackman	yes	1869		374.00
Robinson	Yes	1960		637,849.00
Robinson Road Lateral				24,124.00
Rosemary Lane		2001		139,235.00
Round Lake	Yes	1971		125,000.00
Ruel		2003		16,410.00
Russell & Mead	Yes	1890		249.00
Sand Hill Estates		2000		84,000.00
Sandstone Balckman	Yes	1884		120,000.00
Sandy Ridge Subdivision	Yes	1993		76,000.00
Sanford	Yes	1917		1,191.00
Sharp	Yes	1903		22,012.00
Shaw	Yes	1900		
Shoemaker Woods Lateral		1989		98,000.00
Simon Fortino Lateral	Yes	1986		237,651.00
Spaan's Farm		1999		6,000.00
Spencer Lake Drive		2000		13,000.00
Spring Arbor & Concord	Yes	1886		16,148.00
Spring Arbor Heights		1999		18,000.00
Spring Mill Condo	Yes	1995		115,000.00
Springbrook & Pretty Branch	Yes	1891		139,875.00
Springbrook Farms	Yes	1993		8,000.00
Springport Lateral	Yes	1991		127,628.00
Stanfield	Yes	1893		744.00
Stillwell	Yes	1948		6,986.00
Stonegate Farms	Yes	1981		430,000.00
Stonewall	yes	1970		270,000.00
Stoney Lake	Yes	1868		165.00
Summit	Yes	1924		7,380.00
Suncrest		1999		13,000.00
Sunny Meadows		1999		26,000.00
Sunset Park	Yes	1984		52,000.00
Sunset Ranch Estate Condo.		1999		81,000.00
Surrey Lane	Yes	1981		34,500.00
Swains Lake Dam	Yes	1985		30,000.00
Swank	Yes	1964		1,719.00
Sweezy Lake	Yes	1958		4,202.00
T.T. Townsend	Yes	1890		510.00
TAC Lateral	Yes	1997		11,242.00
Tamarack Glenn		2003		95,000.00
Tanagelwood Lateral		1992		48,000.00
Thompson Lake	Yes	1859		158,000.00
Three Forty Farms	Yes	1980		360,000.00
Timber Meadows	Yes	1980		423,806.00
Tim's Lake		1992		30,000.00
Tobin & Snyder	Yes	1898		317.00
Todd-Klee	Yes	1916		1,449.00
Tompkins-Springport	Yes	1885		1,335.00
Towsey-Fellows	Yes	1886		208.00
Tucker Drain & Foster Branch	Yes	1894		10,805.00
Twenty-second Street	Yes	1930		2,225.00
Twin Lake	Yes	1889		6,925.00
Twin Meadows		2004		146,000.00
Utopia				

DRAIN & LAKE LEVEL	CARD	YEAR	YEAR- MOST RECENT	AMOUNT
		1st CONSTRUCTED	CONSTRUCTION ACTIVITY	
Valleys		2001		145,000.00
Vandercook Drive	Yes	1988		77,000.00
Vera Cruz Lateral		1996		26,000.00
W.B. Miner	Yes	1917		1,078.00
Walcott Road Lateral		1983		11,500.00
Walden Woods	Yes	1982		78,240.00
Wamplers Lake	Yes	1995		5,675.00
Watts Tile	Yes	1911		821.00
West Jackson	Yes	1957		944,725.00
Wheaton Road Lateral		1987		44,000.00
Wheeler	Yes	1897		330,600.00
Whispering Woods Estate	Yes	1990		127,430.00
Whitman	Yes	1893		17,000.00
Whitney Intercounty	Yes			
Wilcox-Wooster	Yes	1886		525.00
Wild Intercounty	Yes	1961		29,700.00
Wolf Lake Highlands	Yes	1997		40,000.00
Woodbine	Yes	1976		17,152.00
Woodliff	Yes	1898		7,759.00
Woodview Height				
Woodworth Intercounty				
TOTAL				12,242,656.00
TOTAL1980-Present				5,982,542.00
SANITARY SEWER COLLECTION SYSTEMS	CARD	YEAR		AMOUNT
		1st CONSTRUCTED		
Clark Lake Sanitary Sewer		1994		787,500.00
Grass Lake Sanitary Sewer		1990		2,638,505.00
Lake Columbia Sanitary Sewer		2004		11,000,000.00
Napoleon Village		2001		1,125,000.00
Round/Farwell Lake Sanitary Sewer		2007		3,900,000.00
Southern Regional Interceptor		2006		4,600,000.00
Sylvain Township		2002		6,500,000.00
U.S. 127 Interceptor		2007		
Village of Brooklyn Sanitary Sewer		1996		1,550,000.00
Village of Springport		1990		300,000.00
Vineyard Lake Extension		1997		500,000.00
Wolf Lake Sanitary Sewer		2000		4,900,000.00
TOTAL SEWER & COLLECTION SYSTEMS				37,801,005.00
WATER DISTRIBUTION SYSTEMS				
Grass Lake Township Water	2002B	2002		565,000.00
Grass Lake Village Water	2002A	2002		2,255,000.00
Parma Village	2002B	2002		1,100,000.00
Parma Village Water	2002A	2001		1,800,000.00
Spring Arbor Water		2005		480,000.00
TOTAL WATER SYSTEMS				6,200,000.00
TOTAL SEWER & WATER 1980-Present				44,001,005.00
GRAND TOTAL FOR DRAINS, SEWERS & WATER				50,043,661.00
GRAND TOTAL FOR DRAIN, SEWER & WATER 1980 to Present				49,983,547.00




Jackson County EQUALIZATION DEPARTMENT

JuliAnne L. Kolbe, Director

October 31, 2008

TO: County Affairs Committee

FROM: Juli Kolbe, Director 
Equalization Department

SUBJECT: 2008 Apportionment Report

The 2008 Apportionment Report is submitted for your approval.

The report lists all the millage rates to be levied by each of the 52 taxing authorities within the County. This reports lists on page 1, the townships and their respected millage rates. On page 2, are the City of Jackson and the five (5) Villages with their millage rates. Page 3 lists the four (4) taxing authorities, Jackson District Library, City of Jackson DDA, the Jackson Transportation Authority and the Stockbridge Area Emergency Services Authority (Waterloo Township only). Pages 4 through 10 lists, the local school districts and their respected millage rates for 2008 tax bills. The six (6) Intermediate School District that service Jackson County are listed on pages 11 and 12, along with Jackson Community College.

This report is issued under the authority of P.A. 282 of 1905. Filing of this report is mandatory. Failure to complete and file this report may result in a penalty of \$100.

CERTIFICATION

I hereby certify that this report is a true statement of the taxable valuation of each assessing district and of all ad valorem millages apportioned by the County Board of Commissioners of the

County of _____ for the year _____

Signature of County Equalization Director

NOTARIZATION

Notary Public

County, Michigan

STATE OF MICHIGAN

County of _____ ss

Subscribed before me this _____

day of _____ year _____

My commission expires _____, _____

It is Important That All City ad Valorem Taxes Be Entered On This Sheet. County Board Of Commissioners Do Not Certify City Or Village Rax Rates. These Rates Are For Informational Purposes Only. List All Authorities On Page 3. List All School Districts on Page 4.

Continued on page 3

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.40 VOTED 2008

Continued on page 4

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Statement Showing Taxable Valuations and Mills Apportioned by the County Board of Commissioners of the County of JACKSON for the Year

2008

This report is issued under the authority of P.A. 282 of 1905. Filing of this report is mandatory. Failure to complete and file this report may result in a penalty of \$100.

1 All Property	Non Home- Steak	Comm. Pers.	2 School Districts Name and Code	3 List Each Township/City Where Located Separately	4 Taxable Valuation For Each Township/City	5 Millages			8 County Use (Notes)
						5 ISD Only Allocated	6 Operating	7 Extra Voted Bldg.Site/Debt	
X			CONCORD SCHOOLS 38080	CONCORD	61,272,388			2.5291	2002 debt
	X			CONCORD	11,593,168		18.0000		
		X		CONCORD	1,141,910		6.0000		
X				PARMA	2,470,551			2.5291	2002 debt
	X			PARMA	288,920		18.0000		
		X		PARMA	43		6.0000		
X				PULASKI	31,510,092			2.5291	2002 debt
	X			PULASKI	5,903,911		18.0000		
		X		PULASKI	185,050		6.0000		
X				HANOVER	3,663,116			2.5291	2002 debt
	X			HANOVER	392,996		18.0000		
		X		HANOVER	0				
X				SPRING ARBOR	35,890,107			2.5291	2002 debt
	X			SPRING ARBOR	3,791,848		18.0000		
		X		SPRING ARBOR	138,646		6.0000		
X			EAST JACKSON SCHOOLS 38090	BLACKMAN	39,101,269			5.8400	96 debt 3.22+ 2.62 05 debt
	X			BLACKMAN	23,069,166		18.0000		
		X		BLACKMAN	5,041,007		6.0000		
X				BLACKMAN REZ	778,264				
X				CITY OF JACKSON	240,200			5.8400	96 debt 3.22+ 2.62 05 debt
	X			CITY OF JACKSON	240,200		18.0000		
		X		CITY OF JACKSON	0				
X				HENRIETTA	3,957,594			5.8400	96 debt 3.22+ 2.62 05 debt
	X			HENRIETTA	345,981		18.0000		
		X		HENRIETTA	1,281		6.0000		

2008

Millages

[illegible]

**Statement Showing Taxable Valuations and Mills Apportioned by the County Board of
Commissioners of the County of JACKSON for the Year 2008**

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1 All Property	Non Home- Steak	Comm. Pers.	2 School Districts Name and Code	3 List Each Township/City Where Located Separately	4 Taxable Valuation For Each Township/City	Millages		8 County Use (Notes)
						5 ISD Only Allocated	6 Operating	7 Bldg. Site/Debt
X			JACKSON PUBLIC 38170	CITY OF JACKSON	761,968,148			2.4500 99 d 0.75 + 04 d 1.50 + 0.20 Sinking fund
	X			CITY OF JACKSON	437,982,206		18.0000	
		X		CITY OF JACKSON	28,979,100		6.0000	
X				CITY OF JACKSON REZ	109,014,403			
X				BLACKMAN	100,713,157			2.4500 99 d 0.75 + 04 d 1.50 + 0.20 Sinking fund
	X			BLACKMAN	56,791,884		18.0000	
		X		BLACKMAN	10,158,730		6.0000	
X				BLACKMAN REZ	52,023			
X				LIBERTY	1,056,253			2.4500 99 d 0.75 + 04 d 1.50 + 0.20 Sinking fund
	X			LIBERTY	264,289		18.0000	
		X		LIBERTY	288,069		6.0000	
X				NAPOLEON	5,678,617			2.4500 99 d 0.75 + 04 d 1.50 + 0.20 Sinking fund
	X			NAPOLEON	2,642,794		18.0000	
		X		NAPOLEON	600,095		6.0000	
X				NAPOLEON TOOL & DIE REZ	818,379			
X				SUMMIT	538,692,340			2.4500 99 d 0.75 + 04 d 1.50 + 0.20 Sinking fund
	X			SUMMIT	123,949,737		18.0000	
		X		SUMMIT	9,939,100		6.0000	
X				SUMMIT REZ	2,764,049			
X			JONESVILLE SCHOOLS 30030	PULASKI	903,067			7.4700 99 debt 6.10 + 08 debt 1.37
	X			PULASKI	181,316		18.0000	
		X		PULASKI	0			
X			LESLIE SCHOOLS 33100	RIVES	15,698,448			7.3900 95 debt 2.53 + 98 refin 4.86
	X			RIVES	2,293,963		17.0617	
		X		RIVES	300		5.0617	
X				TOMPKINS	6,726,593			7.3900 95 debt 2.53 + 98 refin 4.86
	X			TOMPKINS	1,870,308		17.0617	
		X		TOMPKINS	12,816		5.0617	
X			LITCHFIELD SCHOOLS 30040	PULASKI	3,297,941			2.8500 96 debt -05 refin
	X			PULASKI	806,937		18.0000	
		X		PULASKI	0			

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Statement Showing Taxable Valuations and Mills Apportioned by the County Board of Commissioners of the County of JACKSON for the Year

2008

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1 All Property	Non Home- Steak	Comm. Pers.	2 School Districts Name and Code	3 List Each Township/City Where Located Separately	4 Taxable Valuation For Each Township/City	Millages		8 County Use (Notes)
						5 ISD Only Allocated	6 Operating	7 Bldg. Site/Debt
X			NORTHWEST SCHOOLS 38140	CITY OF JACKSON	1,562,841			0.9100
	X			CITY OF JACKSON	1,375,241		18.0000	
		X		CITY OF JACKSON	187,600		6.0000	
X				BLACKMAN	345,070,084			0.9100 08 DEBT 12 YEARS
	X			BLACKMAN	139,834,585		18.0000	
		X		BLACKMAN	11,965,211		6.0000	
X				HENRIETTA	97,813,873			0.9100 08 DEBT 12 YEARS
	X			HENRIETTA	17,970,102		18.0000	
		X		HENRIETTA	623,089		6.0000	
X				RIVES	104,067,420			0.9100 08 DEBT 12 YEARS
	X			RIVES	17,846,999		18.0000	
		X		RIVES	431,400		6.0000	
X				SANDSTONE	26,820,270			0.9100 08 DEBT 12 YEARS
	X			SANDSTONE	1,990,656		18.0000	
		X		SANDSTONE	13,898		6.0000	
X				TOMPKINS	40,429,779			0.9100 08 DEBT 12 YEARS
	X			TOMPKINS	8,064,056		18.0000	
		X		TOMPKINS	299,312		6.0000	
X			N'WEST/LESLIE #3 TRANS 0941	RIVES	86,900			0.9100 08 DEBT 12 YEARS
	X			RIVES	0			
		X		RIVES	0			
X			SPRINGPORT SCHOOLS 38150	PARMA	27,886,222			8.9500 03 debt 1.724+05 debt 4.4843+2.7417 06 d
	X			PARMA	4,587,458		18.0000	
		X		PARMA	392,114		6.0000	
X				SPRINGPORT	47,516,594			8.9500 03 debt 1.724+05 debt 4.4843+2.7417 06 d
	X			SPRINGPORT	11,152,004		18.0000	
		X		SPRINGPORT	563,100		6.0000	
X				TOMPKINS	21,082,592			8.9500 03 debt 1.724+05 debt 4.4843+2.7417 06 d
	X			TOMPKINS	3,846,692		18.0000	
		X		TOMPKINS	46,667		6.0000	

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1 All Property	Non Home- Stead	Comm. Pers.	2 School Districts Name and Code		3 List Each Township/City Where Located Separately	4 Taxable Valuation For Each Township/City	5 ISD Only Allocated	Extra Voted		8 County Use (Notes)			
								6 Operating	7 Bldg.Site/Debt				
X			STOCKBRIDGE SCHOOL	33200	HENRIETTA	35,632,619			4.4000	00 debt 3.19(05 refin)+00 debt 1.21			
	X				HENRIETTA	4,513,926		18.0000					
		X			HENRIETTA	56,522		6.0000					
X					WATERLOO	43,904,797			4.4000	00 debt 3.19(05 refin)+00 debt 1.21			
	X				WATERLOO	9,389,978		18.0000					
		X			WATERLOO	226,300		6.0000					
X			VANDERCOOK LAKE	38020	SUMMIT	106,652,854			5.3000	97 debt 3.35 + 07 debt 1.95			
	X				SUMMIT	30,461,139		17.4174					
		X			SUMMIT	1,701,100		5.4174					
X			WESTERN SCHOOLS	38010	BLACKMAN	59,505,664			7.0000	2002 debt			
	X				BLACKMAN	40,334,245		18.0000					
		X			BLACKMAN	5,041,007		6.0000					
X					BLACKMAN TOOL & DIE REZ	251,138							
X					CONCORD	8,919,463			7.0000	2002 debt			
	X				CONCORD	1,216,489		18.0000					
		X			CONCORD	15,600		6.0000					
X					PARMA	32,577,442			7.0000	2002 debt			
	X				PARMA	8,638,857		18.0000					
		X			PARMA	1,141,332		6.0000					
X					SANDSTONE	111,599,890			7.0000	2002 debt			
	X				SANDSTONE	25,144,632		18.0000					
		X			SANDSTONE	1,825,670		6.0000					
X					SPRING ARBOR	162,373,093			7.0000	2002 debt			
	X				SPRING ARBOR	32,620,277		18.0000					
		X			SPRING ARBOR	2,367,582		6.0000					
X					SPRING ARBOR TOOL & DIE REZ	1,407,487							
X					SUMMIT	258,799			7.0000	2002 debt			
	X				SUMMIT	258,799		18.0000					
		X			SUMMIT	0							
X					TOMPKINS	4,653,100			7.0000	2002 debt			
	X				TOMPKINS	1,242,501		18.0000					
		X			TOMPKINS	0							

**Statement Showing Taxable Valuations and Mills Apportioned by the County Board of
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1 All Property	Non Home- Stead	Comm. Pers.	2 School Districts Name and Code	3 List Each Township/City Where Located Separately	4 Taxable Valuation For Each Township/City	Millages		8 County Use (Notes)
						5 ISD Only Allocated	Extra Voted 6 Operating 7 Bldg.Site/Debt	
X			JACKSON INTERMEDIATE	COLUMBIA SCHOOLS	438,883,223	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				COLUMBIA SCHOOLS TOOL & DIE REZ	116,439			
X				CONCORD SCHOOLS	134,806,254	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				EAST JACKSON SCHOOLS	226,236,883	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				EAST JACKSON SCHOOLS REZ	778,264			
X				GRASS LAKE SCHOOLS	259,129,963	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				GRASS LAKE TOOL & DIE REZ	448,068			
X				HANOVER-HORTON SCHOOLS	118,471,566	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				JACKSON PUBLIC	1,295,459,661	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				JACKSON PUBLIC REZ -CITY	109,014,403			
X				JACKSON PUBLIC BLK TOOL & DIE REZ	52,023			
X				JACKSON PUBLIC - NAPOLEON TOOL & DIE	2,293,963			
X				JACKSON PUBLIC - SUMMIT REZ	2,764,049			
X				MICHIGAN CENTER SCHOOLS	201,324,243	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				MICHIGAN CENTER SCHOOLS - LEONI REZ	1,508,626			
X				NAPOLEON SCHOOLS	285,911,334	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				NORTHWEST SCHOOLS	9,178,760	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				SPRINGPORT SCHOOLS	96,485,408	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				VANDERCOOK SCHOOLS	32,577,442	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				WESTERN SCHOOLS	378,228,826	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X				WESTERN -BLACKMAN TOOL & DIE REZ	251,138			
X				WESTERN -SPRING ARBOR TOOL & DIE REZ	1,407,487			
X			TOTAL JACKSON ISD		3,476,693,563	0.3422	7.7678	2.1414 Voc Ed + 5.6264 Sp Ed
X			CALHOUN INTERMEDIATE	ALBION SCHOOLS	8,024,046	0.2519	5.9538	1.4538 Voc Ed + 4.50 Sp Ed
X				HOMER SCHOOLS	1,390,936	0.2519	5.9538	1.4538 Voc Ed + 4.50 Sp Ed
X			TOTAL CALHOUN ISD		9,414,982	0.2519	5.9538	1.4538 Voc Ed + 4.50 Sp Ed
X			HILLSDALE INTERMEDIATE	JONESVILLE SCHOOLS	903,067	0.2674	3.5668	0.8918 Voc Ed + 2.6750 Sp Ed
X				LITCHFIELD SCHOOLS	3,297,941	0.2674	3.5668	0.8918 Voc Ed + 2.6750 Sp Ed
X				NORTH ADAMS SCHOOLS	862,228	0.2674	3.5668	0.8918 Voc Ed + 2.6750 Sp Ed
X			TOTAL HILLSDALE ISD		5,063,236	0.2674	3.5668	0.8918 Voc Ed + 2.6750 Sp Ed

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[illegible]

REVISED 11/5/2008

**Statement Showing Taxable Valuations and Mills Apportioned by the County Board of
Commissioners of the County of JACKSON for the Year 2008**

L - 4402

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1 Taxing Gov. Authority	2 Taxable Valuation	3 Charter or Allocated	Millages		6 Purpose
			4 EV Operating	5 Extra Voted Bldg.Site/Debt	
State Education Tax	4,531,910,364	6.0000			
County	4,531,910,364	5.1187	0.8722		Med Care 0.1398 Jail 0.4851 Sr Services 0.2473
Townships:					
Blackman	543,308,749	0.8313	1.8496		Public Safety
Blackman ReZ	778,264				
Blackman Tool & Die Rez	303,161				
Columbia	343,348,462	0.7214	1.3853		0.9236 police & 0.4617 fire
Columbia Tool & Die Rez	1,116,439				
Concord	74,285,197	0.8322	0.9435		Roads
Grass Lake	223,231,496	0.7033	1.2294	0.2560	Fire/Fire Station Debt
Grass Lake Tool & Die Rez	448,068			0.2560	Fire Station Debt
Hanover	122,134,682	0.7711	0.8377		Fire
Henrietta	137,404,086	0.7818			
Leoni	398,644,936	0.7671			
Leoni ReZ	1,508,626				
Liberty	111,561,337	0.7603			
Napoleon	225,554,370	0.8042		1.2500	Township Hall
Napoleon Tool & Die Rez	818,379			1.2500	Township Hall
Norvell	120,823,559	0.7738			
Parma	69,595,381	0.8455	1.7234		1.2234 fire & 0.50 police
Pulaski	46,202,308	0.7388	1.4118		Fire
Rives	119,852,768	0.7758			
Sandstone	138,420,160	0.7929	1.7042		1.2042 fire & 0.50 police
Spring Arbor	197,523,788	0.8668	1.0145		Fire
Spring Arbor Tool & Die ReZ	1,407,487				
Springport	47,516,594	0.8386	4.5000		1.50 police + 3.00 fire
Summit	649,466,563	0.8168			
Summit Ren Zone	2,764,049				
Tompkins	72,892,064	0.9002			
Waterloo	112,736,501	0.8464	0.4261		Public Safety
	3,763,647,474				

Once Completed, mail to: Michigan Department of Treasury, State Tax Commission, Treasury Building, Lansing, Michigan 48922.

Continued on page 2

RESOLUTION (11-08.39)
Authorizing the Jackson County Administrator/Controller
to Approve and Sign Remonumentation Grant Contracts

WHEREAS, the County of Jackson contracts with surveyors to perform remonumentation work in the county; and

WHEREAS, the remonumentation work is funded through grant money from the State of Michigan; and

WHEREAS, the County must execute a contract with all monumentation surveyors providing services to the Remonumentation Program; and

WHEREAS, all contracts for the Remonumentation Program are to be presented to the County Board of Commissioners for approval and authorization; and

WHEREAS, the Jackson County Board of Commissioners can assign the authority to approve and sign such contracts to the Administrator/Controller.

NOW, THEREFORE, BE IT RESOLVED, that the Jackson County Board of Commissioners authorizes the Jackson County Administrator/Controller to approve and sign Remonumentation Program contracts on behalf of the Jackson County Board of Commissioners.

James E. Shotwell, Jr., Chairman
Jackson County Board of Commissioners
November 18, 2008

**PROGRAM INCOME PROJECT REVIEW FORM (PIPR)
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
REVOLVING LOAN FUND (RLF)**

Note: This form must be forwarded to and approved by the state prior to the use of CDBG RLF funds. Please complete the entire form. If needed, attach additional pages.

Local Government: Jackson County

Street, P.O. Box: 120 W. Michigan Avenue

City, State, Zip: Jackson, Michigan 49201

Contact Person: Debbie Kelly

Telephone: (517) 788-4455 x108

Title: RLF Program Administrator

Fax: (517)782-0061

Net CDBG RLF balance: (after adjusting for revenues and expenses incurred since the last Semi-Annual Status Report) - - - - -	\$ 145,122.37
Less: CDBG RLF funds proposed for this project - - - - -	\$145,000.00
Remaining CDBG RLF balance:- - - - -	\$122.37

1. Proposed use of CDBG RLF funds is consistent with approved reuse plan. Yes ☒ No ☐
If no, attach the reuse plan amendment. Date of the approved reuse plan 11/18/08

2. Provide the following information for the proposed project:

Project Title: Jackson County Economic Development Strategic Plan Project ☐ Loan

Project Location: 120 W. Michigan Avenue ☒ Grant

Business Name: Jackson County

Address: 120 W. Michigan Avenue

Jackson, MI 49201

Use of Funds

☐ Working Capital

☐ Equipment Purchase

☐ Construction/Infrastructure

☐ Purchase Real Estate Property

☒ Other Strategic Planning Grant

Source of Funds

RLF \$ 145,000

Bank \$

Equity \$

Other \$

Total Project Cost \$ 145,000

RLF 100 %

Brief Description: The Enterprise Group of Jackson, Inc. has a contract with Jackson County to provide assistance in completing the Economic Development Strategic Plan for the County of Jackson, in collaboration with the County's Strategic Planning Committee.

**Mail completed form to: Michigan Economic Development Corporation - CDBG
300 North Washington Square, 3rd Floor, Lansing, Michigan 48913
Telephone: (517) 373-6213 Fax: (517) 373-6683**

3. If the proposed use of CDBG RLF funds is for a loan to a private for-profit business, provide the following information:

Interest Rate _____ % Terms _____

Collateral _____

Personal Guaranty(s)

(Name 1) _____ (Name 2) _____

Provide a copy of the following proposed loan documents for state review and approval.

Attachments

☐ Promissory Note **N/A**

☐ Mortgage

☐ UCC Forms

☐ Personal Guaranty

☐ Collateral Agreement

☐ Other _____

4. If the interest rate is other than prime, explain: _____

5. Identify how the project will meet one of the three CDBG national objectives:

X Benefitting 51% Low and Moderate Income Persons

X Area Wide Benefit

X Job Creation

Existing Number of Persons Employed Unknown at this time.

Number of New Jobs to Be Created Unknown at this time.

6. Disclosure of conflict of interest - Identify any conflict of interest situation involving the proposed project including, but not limited to, any personal, business, or family relationships between fund recipients and CDBG RLF and/or local government officials (if yes, explain):

X No

☐ Yes (explain) _____

7. Local public participation – Provide the status of conducting a public hearing on the proposed project including published public notice (attach copies of published notice and hearing minutes):

Attachments

Yes No

Public Hearing Notice Date November 7, 2008 **X** ☐

Public Hearing Date November 18, 2008 **X** ☐

Public Minutes Date November 18, 2008 **X** ☐

8. Environmental review procedures - Provide the following information and attachments

(check one of the project types and the attachments enclosed):

- ☐ Working capital/equipment purchase projects
X a copy of the Categorically Excluded Activities letter and
X the Environmental Review Record
- ☐ All other projects
- ☐ a copy of the sign off letter from the State Historic Preservation Office,
 - ☐ a copy of the sign off letter from the Department of Environmental Quality,
 - ☐ an affidavit of published Environmental Notice, and Release of Funds and Certification of Environmental Review Procedures form, and
 - ☐ the Environmental Review Record

9. Civil rights, equal opportunity, and fair housing - Describe how the local government and project comply with civil rights and equal opportunity requirements:

Civil Rights policy date adopted _____

Brief Description _____ **N/A** _____

10. Do federal labor standards apply to the proposed project? **N/A**

☐ No

☐ Yes

Designated labor standards official name _____

Date _____ Title _____

11. Do property acquisition and/or relocation requirements apply to the proposed project?

X No

☐ Yes

☐ public to public acquisition of real property or public easements

☐ private to private acquisition of real property or public easements

☐ public to private acquisition of real property or public easements

12. Certification: I certify to the best of my knowledge, the above information is complete and accurate.

Amy L. Torres, EDC Executive Director

November 19, 2008

The Economic Development Corporation of Jackson County

Jackson County, Michigan

**US Department of Commerce
Economic Development Administration**

**Revolving Loan Fund Reuse Plan
Title IX Economic Adjustment Program**

RLF 2008 Reuse Plan Amendments
Adopted October 14, 2008 - EDC of Jackson County
Adopted _____ – Jackson County Board of Commissioners
Authorized _____ – EDA Regional Office

Table of Contents

PART I: THE REVOLVING LOAN FUND STRATEGY.....	1
A. ECONOMIC ADJUSTMENT PROGRAM OVERVIEW	3
B. THE BUSINESS DEVELOPMENT STRATEGY	5
C. THE FINANCING STRATEGY	6
D. FINANCING POLICIES.....	7
E. PORTFOLIO STANDARDS AND TARGETS.....	7
F. RLF LOAN SELECTION CRITERIA	8
G. PERFORMANCE ASSESSMENT PROCESS	8
PART II: REVOLVING LOAN FUND OPERATIONAL PROCEDURES.....	9
A. ORGANIZATIONAL STRUCTURE.....	9
B. LOAN PROCESS.....	9
C. LOAN PROCESSING PROCEDURES	10
D. LOAN CLOSING AND DISBURSEMENT PROCEDURES	12
E. LOAN SERVICING PROCEDURES.....	13
F. ADMINISTRATIVE PROCEDURES	14
G. FUND RECAPITALIZATION	15

PART I: THE REVOLVING LOAN FUND STRATEGY

2008 Amendment to EDA RLF Reuse Plan: The EDC of Jackson County herein amends the revolving loan fund reuse plan, dated September 21, 1999, to make it more appealing for a broader range of businesses, provide flexibility, and make it more responsive to the needs of local businesses and the community to assist in attracting more diverse segments to the community and provide resources for existing companies to achieve diversification into new markets independent of the automotive segment.

The amended plan, as proposed by the EDC of Jackson County, is intended to provide short and long term, variable interest loans for the following purposes:

- Acquisition, construction and/or rehabilitation of industrial property
- Acquisition, construction and/or rehabilitation of commercial property
- Working Capital
- Loan Guarantees

In March, 2007, the Jackson County Board of Commissioners initiated a strategic planning process, which resulted in six vision direction statements as the Future Vision:

- Cooperation Between Governments
- Economic Development
- Education
- Healthy Community
- Improved Work Environment
- Quality of Life

The Jackson County Strategic Planning Economic Development Committee ("Committee") was developed as a result of that planning process. Key challenges to successful economic development were identified, which included the many layers of government, resistance to growth and change, and a fragmented community vision. Ultimately, the Committee identified three economic strategies to address the key challenges:

- **Strategy I** - to create an economic development plan for Jackson County.
- **Strategy II** - to create a streamlined mechanism for permits, requirements and licenses to make it user-friendly to start and maintain businesses.
- **Strategy III** - to determine the feasibility of creating a central web site and/or an "e-commerce" web site as a central and primary resource for anyone researching the possibility of doing business within Jackson County.

The Committee has selected The Enterprise Group of Jackson to prepare and implement the economic development plan for Jackson County (Strategy I), which is expected to be completed by mid-2009. This 2008 Amended Reuse Plan has been updated for submission to the EDC and EDA, as it has not been modified since 1999, but will not yet reflect the goals and strategies of that plan in progress. The goal is to eventually align the Reuse Plan with the County's final Economic Development Strategic Plan, which will be reflected in the next annual EDA RLF Reuse Plan update.

At the same time the County's Economic Development Committee was at work, an application for SmartZone designation by the State of Michigan was compiled by The Enterprise Group of

Jackson, in cooperation with and on behalf of the community, a number of organizations, including Jackson Citizens for Economic Growth, the Chamber of Commerce, the Blackman Charter Township Local Development Finance Authority (BLDFA), and all local units of government. It was submitted by Blackman Charter Township, as the local unit of government in which the SmartZone – Jackson Technology Park – has been proposed. Michigan SmartZones provide distinct geographical locations where technology-based firms, entrepreneurs and researchers locate in close proximity to all of the community assets that assist in their endeavors. Again, because announcement of three additional Michigan SmartZones is pending (there are 12 existing), the next Reuse Plan update will incorporate goals for assistance toward targeted segments to assist in achieving success for the community, if designated. In the event designation does not occur, the community will pursue the business plan developed for the SmartZone application, regardless.

Therefore, the intent of the EDC of Jackson County in continuing the EDA RLF Program and modifying this reuse plan is to diversify the local economy by providing capital for a broad range of businesses and to encourage the location of targeted segments identified in the SmartZone application, and presumed to be included in the County's Economic Development Plan, to include:

- advanced and automotive manufacturing,
- life sciences,
- homeland security and defense,
- alternative energy, and
- small tech businesses.

The RLF is viewed as one of the principal implementation tools in accomplishing these goals and objectives.

Historical Planning Efforts: The initial identification of a strategy to develop a county revolving loan fund (RLF) in Jackson County was identified in 1976 when the original Overall Economic Development Plan (OEDP) was written. The original plan and subsequent plans have identified a goal of "...make necessary adjustments to the local economy through the attraction of new business, diversification and optimization of potentials to create a balanced local economy, which will not be as susceptible to the cyclical economic climate of the state". This goal was intended to be accomplished through the pursuit of "those types of business and industry which can best benefit from the favorable economic features of the state and area".

The case for the development of a RLF was further strengthened in 1980 with the establishment of a goal to "...pursue improvements in the quality, quantity, and distribution of industrial sites in Jackson County in order to meet the expansion needs of existing firms and relocation needs of potential firms from areas outside the county". A project proposed to meet this goal included the establishment of a revolving loan fund "to provide capital to businesses which are unable to meet the requirements of the SBA 504 Debenture Program".

The concept of a RLF was enhanced through the 1982 OEDP Annual Report. This report specifically listed as an action, "the establishment of a RLF for capital for businesses unable to meet SBA 503/504 requirements". This was supported by the preparation of the McManis

Associates reports entitled "Comprehensive Development Strategy for the Jackson Area in September 1983 and "Jackson County Near Term Adjustment Program in May 1983". These reports include three economic development goals for Jackson County, which were incorporated into the 1982 Annual Report. These goals are: 1) strengthen the existing auto supplier base, 2) develop new markets and diversified product lines, and 3) attract new industry and diversify the economic base. The RLF is intended to promote these three goals.

The Near Term Adjustment Program includes a comprehensive economic development strategy. The study suggested that a strategy be developed that will assist the community in adjusting to major plant closings at Clark Equipment and Goodyear, while retaining and increasing employment. The strategy to be developed should also include a plan to increase and retain employment. Currently, in Jackson County, there are no base manufacturing employers that employ more than 700 employees. If one of the employers were to close or relocate, the situation should be more positive economically than that experienced in the 1980's.

The County developed a three pronged approach, which included providing technical assistance, establishing a marketing cooperative, and securing a Revolving Loan Fund.

A. ECONOMIC ADJUSTMENT PROGRAM OVERVIEW *(This section will be updated in the 2009 amendment to include information about the County ED Plan and the SmartZone Application, as well as other ED planning activities)*

- 1) The economic adjustment problems that currently exist in Jackson County are as follows:
 - a) Difficulty in accessing financing, particularly for the minority population;
 - b) Obstacles to technical assistance for the minority population;
 - c) The family structure is weakening, which has a direct impact on employee initiative in the work place;
 - d) Approximately 40% of those who graduate from high school continue in pursuit of a degree from a college and/or university;
 - e) The unemployment rates for Jackson County increased by 2.5% from 2001 to 2007, going from 5.2% to 7.7%. The August, 2008 unemployment rate is 9.2%, compared to 8.5% for Michigan and 6.1% for the nation.

- 2) The Economic Adjustment Strategy was developed as an outgrowth of the Jackson County Overall Economic Development Plan. The sectors that made up that planning committee for the OEDP included the following:
 - Region II Planning Commission
 - Jackson County
 - City of Jackson
 - Township Government
 - Local Colleges and Universities

- Minorities
- Professional Business (an attorney serves currently)
- Private Business
- Manufacturing
- Banking/Finance
- Agriculture
- Utilities
- Organized Labor
- Unemployed/Underemployed

The planning committee is responsible for updating the strategy and overseeing its implementation.

The economic development and community foundation organizations are also involved in the implementation of the strategy.

- 3) In Jackson County there are several resources upon which the strategy is designed to build.
 - Both the City of Jackson and the EDC of Jackson County have Community Development Block Grant (CDBG) funded Revolving Loan Funds.
 - Both communities have established Brownfield Redevelopment Authorities.
 - The communities and economic development agencies also have access to the Michigan Economic Development Corporation, Community Development Block Grant Program and numerous other financial incentive programs for assistance with funding infrastructure and loan projects in rural areas of the county.
- 4) The strategic goals and objectives include the continued use of the Economic Development Administration (EDA) and Community Development Block Grant (CDBG) funded revolving loan funds, possibly the SBA to encourage job creation, retention and the continued diversification of the local economy.
- 5) The programs planned to support the strategic objectives are defined above in Section A3 of the Economic Adjustment Program Overview. The local colleges and universities work in cooperation with The Enterprise Group of Jackson, Inc., (EG) Jackson Area Manufacturers Association (JAMA), The Small Business and Technology Development Center (SBTDC), Procurement Technical Assistance Center (PTAC), and The Brownfield Redevelopment Authority of Jackson County (BRA).
- 6) The Region II Planning Commission is responsible for managing the on-going adjustment program. The agency updates the strategy and evaluates the results. The planning group coordinates the updates to the strategy with all economic development agencies in Jackson County. The EDC of Jackson County will work closely with the Region II Planning Commission to provide updates on the status of assisting businesses with financing through the RLF.

B. THE BUSINESS DEVELOPMENT STRATEGY *(This section will be updated in the 2009 amendment to include information about the County ED Plan and the SmartZone Application, as well as other ED planning activities)*

- 1) The objectives of the business development strategy proposed by the EDC of Jackson County are to:
 - Encourage the location of firms to Brownfield sites, where appropriate.
 - Increase the capacity of local firms to supply parts and services to major industries.
 - Encourage the creation of firms to develop and commercialize products that add value to a local resource.
 - Assist small manufacturing firms to incorporate new production technologies and/or develop new markets.

- 2) The RLF shall be targeted to serve firms in Jackson County.

The highest priority for financing shall be for projects that create new full-time base jobs. Applications will be encouraged from minority, women and disabled residents that are seeking to start or expand a business. The EDC of Jackson County will also target industries identified by The Enterprise Group of Jackson, Inc. In addition, credit-worthy start up ventures with promising business plans will be encouraged to apply for financing via the RLF.

The RLF shall be marketed through the following sources:

- Conventional lending institutions
 - The economic development entities serving Jackson County
 - The Small Business and Technology Development Center (SBTDC) serving Jackson County
 - The Jackson Area Manufacturing Association (JAMA)
 - Procurement Technical Assistance Center (PTAC)
- 3) The businesses in the community have identified the following types of assistance needed:
 - Business plan development
 - Access to financing
 - Availability of incubator space
 - Professional business partner assistance
 - Exporting
 - Government Contracting
 - Research market data

The needs were identified through on site interviews and through counseling provided from the SBTDC.

4) The programs that are in operation to address the identified needs are as follows:

- Both the City of Jackson and the EDC of Jackson County have Community Development Block Grant (CDBG) funded Revolving Loan Funds.
- The City of Jackson and Jackson County have established Brownfield Redevelopment Authorities.
- The Jackson Area Manufacturers Association, in cooperation with other manufacturing-related organizations, has developed a Medical Manufacturing Diversification effort for existing manufacturers.

There are several agencies that serve Jackson County in an effort to address these identified needs. These include The Enterprise Group of Jackson, Inc., the EDC of Jackson County, the US SBA, the local SBTDC, the Michigan Economic Development Corporation, the Jackson Area Manufacturers Association, the Academy for Manufacturing Careers, South Central Michigan Works! and the local community colleges and universities.

C. THE FINANCING STRATEGY

1) Of the 34 total loans made as of 3/31/08, 30% have been for Start-ups; 74% for Industrial; with 12% going to minority owned businesses; and 4% going to women-owned businesses. It is anticipated that the trend will be for the start up and/or commercial/service requests to increase as service businesses are in a better position to determine their market niches, and severance packages from layoffs in the automotive sector provide a means for start-up financing; with layoffs or early retirement providing the incentive.

2) In Jackson County there are several banks and credit unions serving the community. The banks are aggressively seeking projects that require at least \$25,000 in loan funds. The banking community would also like to enter into participation loans with other financing programs for those projects that are deemed to be more risky.

The private lenders will support the local community's business development strategy by referring projects to the programs. They have also assisted the EDC of Jackson County in streamlining the lending policy to mirror bank lending practices.

3) The RLF will occupy a niche of financing those deals that conventional lending practices perceive as too risky or where there is a participation requirement from a private lender.

The amended plan, as proposed by the EDC of Jackson County, is intended to provide short and long term, low interest loans for the following purposes:

- Acquisition, construction and/or rehabilitation of industrial property
- Acquisition, construction and/or rehabilitation of commercial property
- Working Capital
- Loan Guarantees

The loan terms shall range from 1 – 20 years depending upon the purpose of the financing and the useful life of the asset being financed. Loan terms shall mirror the primary lending institution's terms and conditions.

- 4) It is anticipated that the RLF will assist Jackson County in strengthening the local economy by creating and/or retaining job opportunities. The financing will stimulate private investment through leveraging commercial financing with participation loans.

D. FINANCING POLICIES

- 1) The goal of the RLF shall be to provide flexible financing to businesses in Jackson County within the defined parameters of the program. The types of loans shall be fixed asset, working capital, and loan guarantees.
 - a) The interest rate that will be charged to borrowers through the program shall range from 4% below prime to 4% above prime. The rate shall not fall below 4%.
 - b) All borrowers will be required to provide 10% toward any project being financed.
 - c) The standard repayment terms for working capital loans shall be a range of 12 – 36 months. Fixed asset loans will be provided with a term of 3 - 20 years depending upon the purpose of the financing, the useful life of the asset being financed, and the primary lenders repayment terms.
 - i) The RLF shall provide for a moratorium on principal payments for up to 12 months.
 - ii) Cash flow requirements for the business will be the determining factor for any deviations that are allowed. It is anticipated that these exceptions will be provided primarily for startup ventures.
- 2) The RLF shall take the most senior position available to secure the loan on all assets. The collateral may include, but is not necessarily limited to, real estate, machinery & equipment, accounts receivable, inventory, etc.
- 3) The RLF will entertain loans in a range from a minimum of \$15,000 to a maximum of \$200,000.

E. PORTFOLIO STANDARDS AND TARGETS

- 1) It is anticipated that the RLF shall invest funds in the following proportion:
 - a) Industrial 60%
Commercial/Service 40%
 - b) New Businesses 30%

Expansion/Retention 70%

The RLF shall encourage and give preference to projects proposed from minorities, women and the disabled.

- 2) It is anticipated that the RLF shall invest funds in the following proportion:
 - a) Fixed Asset 50%
 - Working Capital 50%
- 3) The leveraging ratio shall be the investment of two private dollars for every one dollar of RLF public investment in the project.
- 4) The minimum impact that must be realized to justify a loan is the creation or retention of one job for every \$10,000 loaned from the RLF. The EDC may consider exceptions to this standard in consideration of high-paying jobs for targeted high-tech industries, which are characteristically lower-volume employers.

F. RLF LOAN SELECTION CRITERIA

Loans will not be made through the RLF unless a determination has been made that the requested amount of funds are not fully available from another source to accomplish the project. The borrower must provide documentation that not all necessary funds can be derived from other sources prior to being considered for funding through the program. The EDC loan is considered to be gap financing and will provide additional funding above and beyond the amount the primary lending institution can loan to the eligible company.

The following criteria will be evaluated when considering loans:

- Number and type of jobs created/retained
- Wage levels proposed for the jobs
- Likelihood of placement with persons from specified groups for jobs created

G. PERFORMANCE ASSESSMENT PROCESS

- 1) The EDC of Jackson County shall assess the performance of the RLF in accomplishing its stated economic objectives on a semi-annual basis.
- 2) The RLF Reuse Plan will be compared to the benchmarks established and amended as necessary by the EDC of Jackson County.

PART II: REVOLVING LOAN FUND OPERATIONAL PROCEDURES

This part of the reuse plan will define how the Economic Development Corporation of Jackson County shall administer the RLF.

A. ORGANIZATIONAL STRUCTURE

- 1) The Economic Development Corporation of Jackson County (EDC) was incorporated in 1977, and serves as Jackson County's economic development agency under the authority of the Economic Development Corporations Act, PA 338 of 1974. Their purpose is to bring quality jobs and new investment to the county and help existing businesses succeed.
- 2) The Enterprise Group of Jackson, Inc (EG) was established in 1997 to lead business recruitment and retention in Jackson County. The EG is a private/public partnership organized to promote and coordinate economic development initiatives and create wealth within Jackson County. The EG provides administration and oversight staffing to the EDC on a contractual basis. The Director of Economic Development position at The EG holds the position of Executive Director of the EDC, serving on the Loan Review Committee. The position of Director of Marketing/Manager Special Projects provides staffing assistance to the EDC, to include oversight of the loan process, administration of the RLF, and general day-to-day management of the EDC.
- 3) The organizational structure within which the RLF operates is graphically depicted as follows:



B. LOAN PROCESS

- 1) Loan application - The EDC staff distributes the loan application to prospective borrowers and conducts a preliminary review of the project. If the project warrants further evaluation, the staff requests the documentation necessary to compile the write-up to analyze the loan for funding. A recommendation is then presented to the loan review committee.

- 2) Loan Review Committee - The loan review committee meets and reviews the recommendation. A decision will be made of whether to fund the application. Once approved:
 - a) The EDC staff notifies the applicant of the decision of the loan review committee.
 - b) The staff notifies the EDC Board of the loan project.
 - d) The EDC staff is responsible for closings, collections, and servicing.
 - e) Staff also handles defaulted loans and foreclosures. This may be done in cooperation with a participating lender on the project.
 - f) The EDC staff is responsible for compliance with RLF grant requirements.
- 3) The Board of Directors of the EDC of Jackson County is comprised of nine members. Each member is appointed by the Jackson County Board of Commissioners and serves for a six-year term. The EDC Board is responsible for lending and servicing the RLF portfolio. A quorum constitutes a majority of the board.

A minimum three-member loan review committee shall be established that consists of members of the EDC Board to include; The Chairman, one member affiliated with banking/accounting, one additional member, one member from the financing industry, and the Executive Director of the EDC. This committee will make lending decisions on prospective applications. This process shall serve to streamline the process of making loans through the RLF.

Once the loan review committee has taken action on a loan, the full EDC Board will be notified of the decision rendered. The EDC has ultimate responsibility for the RLF loan portfolio.

C. LOAN PROCESSING PROCEDURES

The following information will be requested from the prospective borrower in order to perform a financial analysis for funding the project under consideration:

- 1) Standard Loan Application Requirements
 - a) Loan Application
 - b) Profit and Loss Statements (3 years)
 - g) Balance Sheet (3 years)
 - h) Interim Financial Statements that are not more than 90 days old
 - i) Income tax returns (3 years)
 - j) Projected cash flow for at least one year (on a monthly basis)
 - k) Personal Financial Statements for any person that owns at least 20% of the business
 - l) A purchase agreement will be required for real estate
 - m) An invoice will be required for machinery & equipment purchases
 - n) Verification of taxes being paid

Not all items will apply to each loan applicant and certain situations may require different information in order to make a decision.

- 2) Credit reports will be obtained on the business and the individuals that own 20% or more of the business.
- 3) An appraisal report will be obtained to make a determination of the value of the collateral being offered to secure the loan.
- 4) An environmental review for each project will be conducted as required by the program.
- 5) The standard collateral requirements of the RLF shall require personal guarantees and insurance, including key person life, flood, title, and hazard. A determination shall be made regarding the appropriateness of these requirements based on the project being financed.
- 6) An equity injection of 10% shall be required from the borrower. This shall be the same whether it is a new business or an existing business.
- 7) Fixed asset and working capital loans shall have the same equity injection requirement.
- 8) The loan write-up will discuss how proposed loan requests will not be replacing private sector lending sources. The loan write-up will include a discussion of the particular features of the local capital market and/or of the project to be financed that result in the need for RLF financing. The supplemental evidence that will be included shall be a bank commitment letter stating the terms, the maximum amount to be extended by the bank and the need for the RLF's participation.

The other items that will be included in the loan write-up are as follows:

- A summary of the firm's history
 - Management
 - Product
 - Production capability
 - Market conditions
 - Financing sources and uses
 - Collateral available to secure the loan
 - Whether project is consistent with the terms of the RLF financing policy
 - Any environmental issues associated with the project
- 9) The EDC of Jackson County shall follow these procedures when approving loans. The EDC has final authority to approve loans and make policy decisions with respect to RLF activities. In addition to staff assistance, the Board reserves the right to appoint loan review committees to provide additional assistance. Bankers will be utilized to the fullest extent possible, except in cases where the participating bank has a direct interest in the loan.
 - 10) The loan committee will be a minimum of three people, which includes the person responsible for packaging the loan. This person will be readily available to make a recommendation to the committee based on the analysis and research conducted in compiling the loan application. Females and minorities will be provided an opportunity to serve on the loan review committee and to become members of the EDC Board when vacancies occur.
 - 11) A representative of the EDC shall notify the applicant in writing if an application will be funded, has been rejected, or is still under consideration. Said notification shall be

mailed within 45 business days of the date the complete application has been submitted for funding consideration.

D. LOAN CLOSING AND DISBURSEMENT PROCEDURES

- 1) General Closing Requirements - Once a loan has been approved, the funds will not be disbursed until all of the necessary documents have been filed and the borrower can justify repayment ability. The EDC shall require that the borrower inject the 10% required equity into the project prior to disbursing funds toward the project. If a private lender is participating in the project, the lender will be required to provide written documentation regarding the amount, rate, and term of its participation.]
- 2) Loan Closing Documentation Requirements - The borrower will be responsible to reimburse the EDC of Jackson County for expenses incurred in originating the loan. These expenses include, but are not necessarily limited to:
 - a) Title Insurance
 - o) Appraisal
 - p) Survey
 - q) Recording Fees
 - r) Legal Fees
 - s) Title Search
 - t) Credit Reports
 - u) Environmental Survey
 - v) UCC Filing Fees
 - w) Public Notice Publishing Fee
 - x) Attorney Fees
 - y) Other

If there is a participating lending institution involved in the project the Uniform Commercial Code search shall be made after the bank has recorded their position in the assets being financed. If there is no participating lending institution, the search will be conducted at the time the loan is approved.

At the time of the application a good faith effort will be made to calculate the fees. If the revolving loan fund loan is made in participation with a lending institution, then only one appraisal, survey and environmental review may be required. The borrower will be requested to pay the fees at loan closing. An invoice may be provided to the borrower for the fees, which shall be due within 30 days of loan closing.

- 3) RLF Funds Draw Down - The following evidence must be provided by the borrower in order to draw down funds from the RLF:

Equipment	Invoice
Real Estate Acquisition	Purchase Agreement
New Construction	Contractor's Bid
Working Capital	Business Plan and cash flow projections of the business as it currently exists. These shall be compared to the business plan.

E. LOAN SERVICING PROCEDURES

- 1) Loan Payment and Collection Procedures – The EDC shall provide payment coupon books to borrowers in order to submit monthly payments. The funds will be deposited into the RLF bank of account upon receipt from borrowers. The RLF unused funds shall be placed in a lending institution that is Federally Insured. The EDC Staff shall be responsible for RLF bookkeeping and loan servicing.
- 2) Loan Monitoring Procedures – It shall be the policy of the EDC to examine the cause for any delinquencies or defaults and the board upon finding a valid reason for such delinquency or default will consider modification or restructuring of the loan in order to help the business succeed. After 90 days the loan shall be considered in default.

In the event of an incurable default, the EDC shall join the private lender in instituting liquidation procedures.

The EDC will collect and maintain evidence of ongoing compliance with loan requirements, which will include verification of insurance and financial statement review. The financial statements of the borrower will be reviewed on an annual basis. This will alert the EDC of any adverse changes in the financial condition of the borrower.

- 3) Late Payment Follow-up Procedures – If the borrower fails to comply with the terms of the loan, the lender will then be able to accelerate the debt and demand full payment. If the borrower is in default, a late charge may be assessed of 5% of the unpaid payment(s) over 60 days. When a late payment has been received, all regular payments will be applied first to interest, then to principal. The policy of the EDC shall be stated clearly in the loan.

- 4) If a borrower becomes over 90 days in arrears the EDC shall request that the RLF attorney send a letter to the borrower suggesting liquidation unless some form of payment is forthcoming. The EDC Board shall review a policy regarding the amount of time that will be provided to make the loan current.
- 5) Write-off Procedures – After it has been determined that the loan should be liquidated, the EDC shall join the private lender in instituting liquidation procedures. All documentation securing the loan shall be reviewed to determine what may be recovered if the loan is liquidated. Every effort shall be made to recover as much of the outstanding loan balance as possible when the loan is liquidated.

F. ADMINISTRATIVE PROCEDURES

- 1) Procedures for Loan Files and Loan Closing Documentation – The EDC shall maintain a file for each borrower, which shall include the following information:

- a) Application
- b) Loan commitment letters
- c) A copy of the private lender loan agreement
- d) Historical financial statements
- e) Annual insurance certification
- f) Annual site visit reports
- g) General correspondence
- h) Job reports

The loan closing documents shall be kept in a fireproof container. This documentation shall include: All original notes, loan agreements, personal guarantees and security agreements.

- 2) The EDC will comply with EDA reporting requirements by tracking all loan payments. Amortization schedules will assist the EDC in applying principal and interest payments. All idle funds shall be kept in an FDIC insured bank account. Late payment fees shall be placed in the same account.
- 3) The EDC of Jackson County shall certify that the basic loan documents are in place and that these documents have been reviewed by counsel for adequacy to protect the interests of the RLF. The documents are the following:
 - a) Note
 - b) Loan Agreement
 - c) Security Agreement(s)
 - d) Deed of trust or Mortgage
 - e) Agreement of prior lien holder
- 4) The costs incurred in administering the fund shall be paid by the fund from RLF income. The fund will be used to cover eligible, reasonable and documented administrative costs necessary to operate the RLF. Formal accounting records and source documentation will support all costs charged against RLF income.

G. FUND RECAPITALIZATION

Other funding sources may be secured to increase the amount of revenue in the fund. These may include:

- a) State and local governments,
- b) Grants from the private sector,
- c) Local banks, and
- d) Other financing tools.

The Economic Development Corporation of Jackson County

Community Development Block Grant

Revolving Loan Fund Reuse Plan

RLF Reuse Plan Amendments 2008

Adopted October 14, 2008 - EDC of Jackson County

Adopted _____ – Jackson County Board of Commissioners

Authorized _____ – MEDC

INTRODUCTION

The initial identification of a strategy to develop a county revolving loan fund (RLF) in Jackson County was identified in 1976 when the original Overall Economic Development Plan (OEDP) was written. The original plan and subsequent plans have identified a goal of "...make necessary adjustments to the local economy through the attraction of new business, diversification and optimization of potentials to create a balanced local economy which will not be as susceptible to the cyclical economic climate of the state". This goal was intended to be accomplished through the pursuit of "those types of business and industry which can best benefit from the favorable economic features of the state and area".

The case for the development of a RLF was further strengthened in 1980 with the establishment of a goal to "pursue improvements in the quality, quantity, and distribution of industrial sites in Jackson County in order to meet the expansion needs of existing firms and relocation needs of potential firms from areas outside the county". A project proposed to meet this goal included the establishment of a revolving loan fund "to provide capital to businesses which are unable to meet the requirements of the SBA 504 Debenture Program".

The concept of a RLF was enhanced through the 1982 OEDP Annual Report. This report specifically listed as an action, "the establishment of a RLF for capital for businesses unable to meet SBA 503/504 requirements". This was supported by the preparation of the McManis Associates reports entitled "Comprehensive Development Strategy for the Jackson Area in September 1983 and "Jackson County Near Term Adjustment Program in May 1983". These reports include three economic development goals for Jackson County, which were incorporated into the 1982 Annual Report. These goals are: 1) strengthen the existing auto supplier base, 2) develop new markets and diversified product lines, and 3) attract new industry and diversify the economic base. The RLF is intended to promote these three goals.

The Near Term Adjustment Program includes a comprehensive economic development strategy. The study suggested that a strategy be developed that will assist the community in adjusting to major plant closings at Clark Equipment and Goodyear, while retaining and increasing employment. The strategy to be developed should also include a plan to increase and retain employment. Currently, in Jackson County, there are no base manufacturing employers that employ more than 700 employees. If one of the employers were to close or relocate, the situation should be more positive economically than that experienced in the 1980's.

The County developed a three pronged approach, which included providing technical assistance, establishing a marketing cooperative, and securing a Revolving Loan Fund.

The EDC of Jackson County amended the original revolving loan fund reuse plan in 1999 to make it more appealing for a broader range of businesses and to make it more flexible.

The 2008 Amendment includes minor text clarification changes, and also adds to the list of purposes the opportunity to use RLF funds to provide an economic development planning grant. The intent is to use these funds to finance all or part of Jackson County's Economic

Development Strategic Plan with the purpose of creating jobs and investment as a direct result of the plan's implementation. This proposed use of funds meets CDBG eligibility criteria as a "planning-only grant", which must meet the federal L/M Income Benefit objective for any future CDBG-funded projects implemented as a direct result of the plan. The amended plan provides short and long term, variable interest loans (or in some cases grants) for the following purposes:

- Acquisition, construction and/or rehabilitation of industrial property
- Acquisition, construction and/or rehabilitation of commercial property
- Working capital
- Loan guarantees
- Limited Equity Participation
- Infrastructure grants and/or loans
- Training grants and/or loans
- Relocation grants and/or loans
- Marketing Feasibility Study grants
- Economic Development Strategic Planning grants

The intent of the EDC of Jackson County in utilizing the RLF Program is to diversify the local economy by providing capital for a broad range of businesses and to encourage the location of auto suppliers, metal fabricators and the printing industry. The RLF is viewed as one of the principal implementation tools in accomplishing these goals and objectives outlined in the OEDP.

A. BUSINESS ELIGIBILITY CRITERIA

- 1) The objectives of the strategy proposed by the EDC of Jackson County are to:
 - Attract new business or retain existing business.
 - Create and retain job opportunities that will benefit low to moderate income persons.
 - Encourage the location of firms to Brownfield sites, where appropriate.
 - Increase the capacity of local firms to supply parts and services to major industries.
 - Encourage the creation of firms to develop and commercialize products that add value to a local resource.
 - Assist small manufacturing firms to incorporate new production technologies and/or develop new markets.
- 2) The RLF shall be targeted to serve firms and agencies in Jackson County.

The highest priority for financing shall be for projects that create base jobs. Applications will be encouraged from minority, women and disabled residents that are seeking to start or expand a business. The EDC of Jackson County will target industries identified by the

Enterprise Group of Jackson, Inc. In addition, start up ventures, with proper start-up due diligence in place, will be encouraged to apply for financing via the RLF.

- 3) The RLF shall be marketed through the following sources:
 - Conventional lending institutions
 - The economic development entities serving Jackson County
 - Jackson Area Manufacturers Association (JAMA)
 - The Small Business Technology & Development Center (SBDC) serving Jackson County
 - Procurement Technical Assistance Center (PTAC)
 - Retention visits conducted through the Business Success Program, administered by The Enterprise Group of Jackson (staff for the EDC)
 - The Enterprise Group website at www.enterprisegroup.org or www.selectjackson.com, which promotes economic development for Jackson County and identifies resources available through the EDC
- 4) The RLF will occupy a niche of financing those deals that conventional lending practices perceive as too risky or where there is a participation requirement from a private lender.
- 5) It is anticipated that the RLF shall assist Jackson County in strengthening the local economy by creating and/or retaining job opportunities, and/or funding economic development planning efforts to accomplish same. The financing will stimulate private investment through leveraging commercial financing with participation loans.

B. FINANCING POLICIES

- 1) The goal of the RLF shall be to provide flexible financing to businesses in Jackson County within the defined parameters of the program, or finance eligible planning activities through grants
 - a) The interest rate that will be charged to borrowers through the program shall range from 4% below prime to 4% above prime. The rate shall not fall below 4%. Economic justification will be provided if the rate is below prime.
 - 1) All borrowers will be required to provide 10% toward any project being financed.
 - b) The standard repayment terms are as follows:

Working Capital	12-36 months
Training Loan	12-60 months
Relocation Loan	3-5 years
Equipment	3-7 years
Infrastructure Loan	5-10 years
Loan Guarantees	5-15 years

Real Estate

10-20 years

- c) The RLF shall provide for a moratorium on principal payments for up to 12 months. Cash flow requirements for the business will be the determining factor for any deviations that are allowed. It is anticipated that this feature will be provided primarily for start up ventures.
 - 2) The RLF shall take the most senior position available to secure the loan on all assets. The collateral may include, but is not necessarily limited to, real estate, machinery & equipment, accounts receivable, inventory, etc.
- 3) The RLF will entertain loans in a range from a minimum of \$15,000 to a maximum of \$200,000.

C. PORTFOLIO STANDARDS AND TARGETS

- 1) It is anticipated that the RLF shall invest funds in the following proportion:
 - a) Industrial 60%
Commercial/Service 40%
 - b) New Businesses 30%
Expansion/Retention 70%

The RLF shall encourage and give preference to projects proposed from minorities, women and the disabled.

- 2) It is anticipated that the RLF shall invest funds in the following proportion:
 - a) Fixed Asset 50%
Working Capital 50%
- 3) The leveraging ratio shall be the investment of two private dollars for every one dollar of RLF public investment in the project.
- 4) The minimum impact that must be realized to justify a loan is the creation or retention of one job for every \$10,000 loaned from the RLF.
- 5) The EDC shall make every effort to encourage the borrower to enter into an employment agreement with an employment agency. This will ensure that at least 51% of the jobs created shall be made available to low to moderate persons.

D. RLF LOAN SELECTION CRITERIA

Loans will not be made through the RLF unless a determination has been made that the funds are not available from another source to accomplish the project. The borrower must provide

documentation that funds cannot be derived from other sources prior to being considered for funding through the program.

The following criteria will be evaluated when considering loans:

- Number and type of jobs created/retained
- Wage levels proposed for the jobs
- Likelihood that at least 51% of the jobs created will be made available to low to moderate income persons

E. PERFORMANCE ASSESSMENT PROCESS

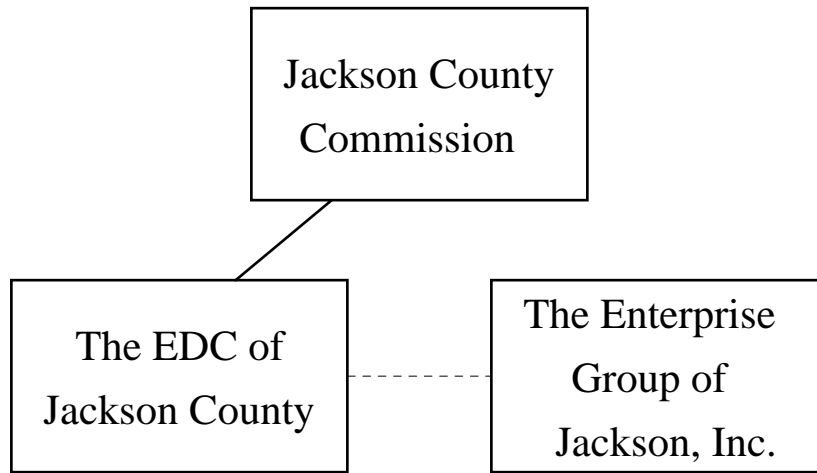
- 1) The EDC of Jackson County shall assess the performance of the RLF in accomplishing its stated economic objectives on a semi-annual basis.
- 2) The RLF Reuse Plan will be compared to the benchmarks established and amended as necessary by the EDC of Jackson County.

REVOLVING LOAN FUND OPERATIONAL PROCEDURES

This part of the reuse plan will define how the Economic Development Corporation of Jackson County shall administer the RLF.

A. ORGANIZATIONAL STRUCTURE

- 1) The organizational structure within which the RLF will be operated is as follows:



The Executive Director of the EDC of Jackson County shall have oversight of the loan process and administration of the RLF, and is also responsible for general management of the steps in the loan process is as follows:

- a) The EDC staff distributes the loan application to prospective borrowers and conducts a preliminary review of the project. If the project warrants further evaluation, the staff will request the documentation necessary in order to compile the write-up to analyze the loan for funding. A recommendation shall be made to the loan review committee.
 - b) The loan review committee will meet and review the application. A decision will be made of whether to fund the application.
 - c) The EDC staff will notify the applicant of the decision of the loan review committee. The staff will then notify the EDC Board of the loan project.
 - d) The EDC staff is responsible for closings, collections, and servicing. The staff will also handle defaulted loans and foreclosures. This may be done in cooperation with a participating lender on the project.
 - e) The EDC staff is responsible for compliance with RLF grant requirements.
- 2) The Board of Directors of the EDC of Jackson County is comprised of nine members. Each member is appointed by the Jackson County Board of Commissioners and serves for a six year term. The EDC Board is responsible for lending and servicing the RLF portfolio. A quorum constitutes a majority of the board.

A minimum three-member loan review committee shall be established that consists of the following representation: The Chairman of the EDC Board, one board member affiliated with banking/accounting/financing, and the Executive Director of the EDC. Additional at-large members not on the EDC Board may be appointed by The EDC. This committee will make lending decisions on prospective applications. This process shall serve to streamline the process of making loans through the RLF.

Once the loan review committee has taken action on a loan, the full EDC Board will be notified of the decision rendered. The EDC has ultimate responsibility for the RLF loan portfolio.

B. LOAN PROCESSING PROCEDURES

The RLF Loan Application Form was revised in 2007 to provide the Loan Review Committee with more relevant documentation, and to make the application more user-friendly. The following information will be requested from the prospective borrower in order to perform a financial analysis for funding the project under consideration:

1) Standard Loan Application Requirements:

- Loan Application
- Profit and Loss Statements (3 years)
- Balance Sheet (3 years)
- Interim Financial Statements that are not more than 90 days old
- Income tax returns (3 years)
- Projected cash flow for at least one year (on a monthly basis)
- Personal Financial Statements for any person that owns at least 20% of the business
- A purchase agreement will be required for real estate
- An invoice will be required for machinery & equipment purchases
- Verification of taxes being paid

Not all items will apply to each loan applicant and certain situations may require different information in order to make a decision.

- .2) Credit reports will be obtained on the business and the individuals that own 20% or more of the business.
- 3) An appraisal report will be obtained to make a determination of the value of the collateral being offered to secure the loan.
- 4) An environmental review for each project will be conducted as required by the program.
- 5) The standard collateral requirements of the RLF shall require personal guarantees and insurance, including key person life, flood, title, and hazard. A determination shall be made regarding the appropriateness of these requirements based on the project being financed.
- 6) An equity injection of 10% shall be required from the borrower. This shall be the same whether it is a new business or an existing business. Fixed asset and working capital loans shall have the same equity injection requirement.
- 7) The loan write-up will discuss how proposed loan requests will not be replacing private sector lending sources. The loan write-up will include a discussion of the particular features of the local capital market and/or of the project to be financed that result in the need for RLF financing. The supplemental evidence that will be included shall be a bank

commitment letter stating the terms, the maximum amount to be extended by the bank and the need for the RLF's participation.

The other items that will be included in the loan write-up are as follows:

- A summary of the firm's history
- Management
- Product
- Production capability
- Market conditions
- Financing sources and uses
- Collateral available to secure the loan
- Whether project is consistent with the terms of the RLF financing policy
- Any environmental issues associated with the project

- 8) The EDC of Jackson County shall follow these procedures when approving loans. The EDC has final authority to approve loans and make policy decisions with respect to RLF activities. In addition to staff assistance, the Board reserves the right to appoint loan review committees to provide additional assistance. Bankers will be utilized to the fullest extent possible, except in cases where the participating bank has a direct interest in the loan.

The loan committee will be a minimum of three people, which includes the person responsible for packaging the loan. This person will be readily available to make a recommendation to the committee based on the analysis and research conducted in compiling the loan application. Females and minorities will be provided an opportunity to serve on the loan review committee and to become members of the EDC Board when vacancies occur.

A representative of the EDC shall notify the applicant in writing if an application will be funded, has been rejected, or is still under consideration. Said notification shall be mailed within 45 business days of the date the complete application has been submitted for funding consideration.

C. LOAN CLOSING AND DISBURSEMENT PROCEDURES

- 1) Once a loan has been approved, the funds will not be disbursed until all of the necessary documents have been filed and the borrower can justify repayment ability. The EDC shall require that the borrower inject the 10% required equity into the project prior to disbursing funds toward the project. If a private lender is participating in the project, the lender will be required to provide written documentation regarding the amount, rate, and term of its participation.

- 2) Loan Closing Documentation Requirements - The borrower will be responsible to reimburse the EDC of Jackson County for expenses incurred in originating the loan. These expenses include, but are not necessarily limited to:

- a) Title Insurance
- b) Appraisal
- c) Survey
- d) Recording Fees
- e) Legal Fees
- f) Title Search
- g) Credit Reports
- h) Environmental Survey
- i) Uniform Commercial Code Filing Fees
- j) Public Notice Publishing Fee
- k) Attorney Fees
- l) Other

If there is a participating lending institution involved in the project the UCC search shall be made after the bank has recorded their position in the assets being financed. If there is no participating lending institution, the search will be conducted at the time the loan is approved.

At the time of the application a good faith effort will be made to calculate the fees. If the revolving loan fund loan is made in participation with a lending institution, then only one appraisal, survey and environmental review may be required. The borrower will be requested to pay the fees at loan closing. An invoice may be provided to the borrower for the fees, which shall be due within 30 days of loan closing.

- 1) The following evidence must be provided by the borrower in order to draw down funds from the RLF:

Equipment	Invoice
Real Estate Acquisition	Purchase Agreement
New Construction	Contractor's Bid
Working Capital	A business Plan and cash flow projection of the business as it currently exists. These shall be compared to the business plan.
Training Loan/Grant	Copy of invoice from vendor providing training.
Infrastructure Loan/Grant	Contractor's Bid
Marketing Feasibility Grant	Invoice from vendor conducting study.
Planning Grant	Invoice from vendor conducting study.

D. LOAN SERVICING PROCEDURES

1) Loan Payment and Collection Procedures –

The EDC shall provide payment coupon books to borrowers in order to submit monthly payments. The funds will be deposited into the RLF bank of account upon receipt from borrowers. The RLF unused funds shall be placed in a lending institution that is Federally Insured. The EDC Staff shall be responsible for RLF bookkeeping and loan servicing.

2) Loan Monitoring Procedures – It shall be the policy of the EDC to examine the cause for any delinquencies or defaults and the board upon finding a valid reason for such delinquency or default will consider modification or restructuring of the loan in order to help the business succeed. After 90 days the loan shall be considered in default.

In the event of an incurable default, the EDC shall join the private lender in instituting liquidation procedures.

The EDC will collect and maintain evidence of ongoing compliance with loan requirements, which will include verification of insurance and financial statement review. The financial statements of the borrower will be reviewed on an annual basis. This will alert the EDC of any adverse changes in the financial condition of the borrower.

Late Payment Follow-up Procedures – If the borrower fails to comply with the terms of the loan, the lender will then be able to accelerate the debt and demand full payment. If the borrower is in default, a late charge may be assessed of 5% of the unpaid payment(s) over 60 days. When a late payment has been received, all regular payments will be applied first to interest, then to principal. The policy of the EDC shall be stated clearly in the loan.

- 3)** If a borrower becomes over 90 days in arrears the EDC shall request that the RLF attorney send a letter to the borrower suggesting liquidation unless some form of payment is forthcoming. The EDC Board shall review a policy regarding the amount of time that will be provided to make the loan current.
- 4)** **Write-off Procedures –** After it has been determined that the loan should be liquidated, the EDC shall join the private lender in instituting liquidation procedures. All documentation securing the loan shall be reviewed to determine what may be recovered if the loan is liquidated. Every effort shall be made to recover as much of the outstanding loan balance as possible when the loan is liquidated.

E. ADMINISTRATIVE PROCEDURES

- 1)** **Procedures for Loan Files and Loan Closing Documentation –** The EDC shall maintain a file for each borrower, which shall include the following information:

- a) Application
- b) Loan commitment letters
- c) A copy of the private lender loan agreement
- d) Historical financial statements
- e) Annual insurance certifications
- f) Annual site visit reports
- g) General correspondence
- h) Job reports

The loan closing documents shall be kept in a fireproof container. This documentation shall include: All original notes, loan agreements, personal guarantees and security agreements.

- 2) The EDC shall track all loan payments. Amortization schedules will assist the EDC in applying principal and interest payments. All idle funds shall be kept in an FDIC insured bank account. Late payment fees shall be placed in the same account.
- 3) The EDC shall certify that the basic loan documents are in place and that these documents have been reviewed by counsel for adequacy to protect the interests of the RLF. The documents are the following:
 - a) Note
 - b) Loan Agreement
 - c) Security Agreement(s)
 - d) Deed of trust or Mortgage
 - e) Agreement of prior lien holder
- 4) The costs incurred in administering the fund shall be paid by the fund from both principal and interest payments at the discretion of the EDC Board of Directors. The time spent administering the fund will be carefully documented for audit purposes. The expenses will include time spent on administering the fund and out of pocket expenditures.

F. FUND RECAPITALIZATION

Other funding sources may be secured to increase the amount of revenue in the fund. These may include: 1) State and local governments, 2) Grants from the private sector, 3) Local banks, and 4) Other financing tools.



Jackson County Health Department

1715 Lansing Avenue • Ste. 221 • Jackson, Michigan 49202

Phone (517) 788-4420

Fax (517) 788-4373

To: Board of Commissioners
Human Services Committee

From: Ted Westmeier, RS, MPH
Director/Health Officer

Re: Teen Parent Program Contract
TP-09-38001
Michigan Department of Human Services

Date: October 31, 2008

The Jackson County Health Department has been approved to receive a grant to conduct a Teen Parent Program from December 1, 2008 through September 30, 2009. The goal of the program is to assist teen parents in completing their education, finding employment, accessing prenatal care for their children, assisting in child health issues, assisting in proper child development and reducing child abuse and neglect. The grant amount totals \$213, 609 for the 22 month period.

A teen parent program has historically been and was being conducted in the county. However, due to financial problems with the nonprofit organization receiving the latest grant, the program and services were discontinued. The Jackson County Health Department provided the teen parent program in the community for several years until it was awarded to the latest nonprofit organization. Community groups encouraged our department to apply for the grant and we just received acknowledgement of the award. The responsibilities required by the grant can be accomplished without the addition of any permanent or part-time staff.

I recommend that the Board of Commissioners accept the grant and approve the Board Chairman to sign the contract. We will provide regular updates to the Human Services Committee regarding our progress and accomplishments. Should you have any additional questions or concerns do not hesitate to contact me.

An Equal Opportunity Employer

Accounting
788-4487

Environmental Health Division
788-4433

Health Education
788-4655

**Personal & Preventative
Health**
788-4420

Contract No: TP-09-38001
Total Contract Amount: \$213,609.00
1st Year Amount: \$97,095.00
2nd Year Amount: \$116,514.00
County: Jackson
Method of Payment: Actual Cost

AGREEMENT

between

Michigan Department of Human Services
(hereinafter referred to as "DHS") &
235 South Grand Avenue
P.O. Box 30037
Lansing, Michigan 48909

Jackson County Health Department
(hereinafter referred to as "Contractor")
1715 Lansing Ave
Jackson, MI 49202

This Agreement is effective from December 1, 2008 through September 30, 2010.

I. **CONTRACTOR RESPONSIBILITIES**

A. **Geographic Area**

The Contractor shall provide services described herein in the following geographic area: Jackson County.

B. **Location of Facilities**

The Contractor shall provide services described herein at the following location(s):

1715 Lansing Ave
Jackson, MI 49202

Client homes within Jackson County

As agreed upon with client

C. **Client Eligibility Criteria**

1. **Definition of Eligibility**

- a. Services shall be provided exclusively to clients who meet the following criteria: Pregnant, custodial, and non-custodial parenting youth under the age of twenty-one (21) who are eligible under the Temporary

Assistance to Needy Families (TANF) Program based on income eligibility.

b. Service priority shall be as follows:

- 1) First priority for service shall be given to youth referred by DHS.
- 2) Second priority for service shall be given to teen parents who are transitioning or have transitioned from the foster care system, referred by DHS or other agencies.
- 3) Third priority for services shall be given to minor parents who are not living in their parents', stepparents' or legal guardian's home.
- 4) Fourth priority shall be given to all other referrals or other eligible youth, including the following:
 - a) Minor parents who are living with their parents, stepparents or legal guardians.
 - b) Youth who are:
 - Pregnant and/or parenting teens who have a child(ren) less than five years of age and
 - Eligible for Medicaid or uninsured

c. Services may be provided to all eligible pregnant and/or parenting minors and teens until service goals have been completed or, at a maximum, until they attain the age of twenty-one (21).

d. The teen father may not necessarily be the father of a child/infant whose (teen/minor parent) mother is receiving services from the Teen Parent Program. The teen father may or may not be the custodial parent, but must be under the age of twenty-one (21) and TANF-eligible.

2. Determination of Eligibility

The Contractor may accept referrals to the Teen Parent Program from DHS, self-referral, or community agencies, including but not limited to: schools, medical clinics, hospitals, public health departments, medical clinics, HMO's, and churches.

D. Credentials

The Contractor shall assure that appropriately credentialed or trained staff shall perform functions under this Agreement.

- The Health Education Coordinator/ shall possess a minimum of a Bachelor's Degree in Health Education with at least 10 years experience in the health field and five years supervisory experience.

- The Teen Parent Program Coordinator/ shall possess a minimum of a Bachelor's degree in a related field.
- The Teen Parent Program Outreach Counselor/ shall possess a minimum of a Bachelor's degree in a related field.
- Teen Parent Program staff will participate in ethnicity training.

E. Services to be Delivered

Service #1 of 4: Referral Process and Development of Community Support Services

1. The Contractor shall:

- a. Meet with local DHS and other community service providers to establish contacts and a process for accepting and making referrals.
- b. Implement a plan within ten (10) working days of the determination of eligibility to encourage the teen father's parental responsibility.
- c. Implement a process to recruit custodial and non-custodial teen parents.
- d. Establish and implement a process that will be used to accept referrals (i.e. referrals taken over the phone, referrals completed by DHS, and referrals made by surface mail).
- e. Initiate face-to-face or telephone contact with a referring source within ten (10) working days of receipt of referral.
 - Confirm receipt of the referral
 - Discuss case dynamics
- f. Develop memoranda of understanding with community agencies that shall provide services to clients in the program (i.e. Work First, homeless youth programs, community health, community mental health, etc.)
- g. Conduct case conference meetings with appropriate service providers to address critical issues during service delivery as needed.

- h. Case conference meetings are required prior to termination of Teen Parent Program services to ensure appropriate follow-up services are in place.
- i. Be available to testify in court concerning a client if a subpoena is issued or if required by DHS.
- j. Identify the McKinney-Vento Homeless Assistance Act <http://www.serve.org/nche/m-v.php> representative in each school district and coordinate access to educational services for eligible teen parents.

2. Volume of Service

Clients - The estimated number of unduplicated eligible clients to be served during the period of this Agreement shall be: 82.5

3. Unit Definition(s): One unit equals fifteen (15) minutes of referral services.

4. Units: The estimated number of units of service to be provided per term of Agreement shall be: 82.5

From the total amount, the estimated number of units that may be expended during the following periods is:

<u>Fiscal Year</u>	<u>Estimated Number of Units</u>
December 1, 2008 through September 30, 2009	37.5
October 1, 2009 through September 30, 2010	45

Service #2 of 4: Assessment and Development of Service Plan

1. The Contractor shall:

- a. Within ten (10) days of referral, contact the teen/minor parent by telephone, and/or the referring source (if the teen/minor parent does not have a phone), to arrange for the home visit at a time that is convenient for the teen/minor parent.
- b. Follow-up with the teen/minor parent by mail to confirm the date and time of the scheduled home visit, including the name of the worker who shall visit the home.

- c. Identify each teen/minor parent accepted into the Teen Parent Program by name, birth date, case number, and social security number on a written referral form. Obtain additional data which includes, but is not limited to: address, contact number(s), non-custodial parent's name/ information, marital status, child(ren)'s social security number, results of substance abuse screening (if applicable), name of current or last school attended, employment status, and any information regarding family members and others residing in the home.
- d. Provide the teen/minor parent with an orientation to Teen Parent Program services at the time of the initial home visit. Information shall be available on all applicable classes, training, supports and services. Specific information on the establishment of paternity, child support obligations of non-custodial parent, legal rights and responsibilities of paternity, and accessing local community resources shall be included.
- e. Obtain an authorization to release information signed by the teen/minor parent and, if appropriate, the adult parent/caregiver/guardian. Explain process to ensure confidentiality of client information. Releases shall include but are not limited to:
 - Release of information to share and receive client information with Community agencies, DHS, schools, physicians, etc.
 - Consent to provide transportation for the family when other options are not available.
- f. Within thirty (30) days of the determination of client eligibility, conduct a minimum of three face-to-face interviews with each teen/minor parent to complete a comprehensive assessment. The contractor shall determine the types of services the teen/minor parent and child(ren) shall receive based on the assessment.
 - 1) Meetings with ancillary individuals (family members) and/or agencies (DHS, referral source, etc.) will also be held to assist in completing the assessment.
 - 2) Services shall begin when determined to be appropriate and may be in place prior to the completion of the comprehensive assessment.

The comprehensive assessment shall include, but not be limited to, the following activities:

- 1) Identification of the teen/minor parent's strengths and risks, the need for self-sufficiency and family support service barriers to

services and community supports, and other problem identification.

- 2) Evaluation of the teen/minor parent's current living situation and family composition.
- 3) Assessment of risk(s) and safety of the teen/minor parent; and evaluation of the client's need for crisis intervention.
- 4) Assessment of the client's needs, income level, work history, income management, need for career and employment training, the need for Family Independence Program (FIP) or other financial assistance programs, vocational interest testing and childcare needs.
- 5) Assessment of the client's medical/health needs (i.e. prenatal care, need for Medicaid, or MI Child medical insurance), status of Well-Baby care and immunizations, determine the need for basic infant care and nutrition.
- 6) Assessment of the client's education level, school involvement, and client's ability to read and write.
- 7) Assessment of the client's self-esteem and interpersonal skills, ability to make sound decisions, level of maturation, and emotional and general coping skills.
- 8) Assessment of the client's parenting skills, parent/child roles, nurturing abilities, and knowledge of child development, child management skills and communication.
- 9) Assessment of the client's need for and ability to access transportation.
- 10) Assessment of the client's need for support services and capacity to locate and independently access services from community agencies.
- 11) Assessment of the client's need for therapeutic counseling (i.e., family, emotional, substance abuse treatment, etc).

g. The Service Plan shall include but not be limited to:

- 1) A detailed narrative description of the family and home situation.

- 2) Identification and documentation of risk(s) to teen/minor parent and/or child(ren).
- 3) Short- and long- term goals based on each area required in the assessment above with a time line for meeting those goals.
- 4) Identification of additional services needed with information on referrals made or a timeline by which the referral will be made.
- 5) Name of the person responsible for completing the service plan.
- 6) Dates when the worker and teen/minor parent met and jointly developed the plan and the date the plan was completed.
- 7) Signatures of the Contractor case manager and the teen/minor parent on the service plan. A signature statement verifying that the teen/minor parent helped created the plan and accepts responsibility for its outcomes/successes.
- 8) A copy of the completed plan shall be provided to the teen/minor parent and DHS within ten (10) days of completing the assessment.

h. Obtain information regarding the non-custodial parent including:

- Name
- Birth date and/or age of non-custodial parent
- Current address or last known address
- Status of paternity (if applicable)
- Employment/income status
- Status of child support
- Extent of involvement with the custodial parent and child(ren)
- Educational level

- i. If the teen/minor parent is not willing to participate in the assessment or services, provide information on other services that the Contractor or other community agencies can offer.
- j. If the teen/minor parent refuses to participate and is a minor parent referred by the DHS, notify DHS of the teen/minor parent's refusal within twenty-four (24) hours.
- k. Make an immediate referral to Children's Protective Services (CPS) if at any time the Contractor has reason to suspect that either the teen/minor parent or the child(ren) are endangered, abused and/or neglected.

- I. Develop a comprehensive service plan within thirty (30) days of the date of client eligibility.
2. Volume of Service

Clients - The estimated number of unduplicated eligible clients to be served during the period of this Agreement shall be: 82.5
3. Unit Definition(s): One unit equals one (1) completed Assessment.
4. Units: The estimated number of units of service to be provided per term of Agreement shall be: 82.5

From the total amount, the estimated number of units that may be expended during the following periods is:

<u>Fiscal Year</u>	<u>Estimated Number of Units</u>
December 1, 2008 through September 30, 2009	37.5
October 1, 2009 through September 30, 2010	45

Service #3 of 4: Delivery of Services

1. The Contractor shall:
 - a. Provide or facilitate access to classes, training and referrals for services in the areas of parenting, employment and career planning, education, health, mental health and other areas of need that will enhance the client's ability to become self-sufficient and a competent parent. The Classes and referrals shall address issues which shall include, but not be limited to:
 - Infant Care/ Early Infant Brain Development
 - Child Development/Management Skills
 - Parent/Child Roles and Communication
 - Responsible Fatherhood
 - Securing appropriate Childcare
 - Personal Health Care/Nutrition
 - Educational/vocational training
 - High School or GED Preparation/Completion
 - Academic tutoring
 - Counseling/Stress Management
 - Career testing Job training

- Financial assistance
- Decision-making/Coping Skills
- Home Safety/Household Management
- Support Services that Increase self-esteem and self-sufficiency
- Accessing Local Community Resources
- Job Search Strategies/Career Counseling

b. Teen Parent Program will deliver services using the following :

- Born Learning Curriculum
- Ages and Stages Questionnaire
- Ages and Stages Questionnaire: Social Emotional
- Hawaii Early Learning Profile
- Nurturing Program
- Zero to Three
- Marriage Matters

c. Assist the teen/minor parent with obtaining all necessary documents i.e., birth certificate, social security card, driver license/state picture identification, work permits, and assist with development of resume.

d. Assist the teen/minor parent in accessing services and support. Advocate on behalf of the teen/minor parent, and/or assist with problem resolution.

1) Assist the teen/minor parent with appointments and transportation to Well Baby medical exams, pediatric health, immunizations or other personal health maintenance services using health care facilities and organizations, i.e. private physicians, HMO's, and other medical clinics in the community.

2) Refer eligible teen parents to Maternal and Infant Health Program (MIHP).

3) Provide information on sexuality, family planning and AIDS education.

4) Refer eligible fathers to the Teen Father Pregnancy Program.

e. Assist the teen/minor parent with accessing and utilizing community resources to obtain emergency needs assistance, regarding: food, clothing, personal care items, childcare, shelter, etc.

- f. Obtain and coordinate services with other service providers to assure that the teen/minor parent has access to and uses services effectively. This shall include but not be limited to:
- 1) Making referrals to community service providers and follow-up on teen/minor parent participation/completion in those services.
 - 2) Making collateral contacts to obtain or determine services eligibility and availability.
 - 3) Documenting service coordination in quarterly service plans.
 - 4) Coordinate with community partners to provide interpreters for deaf and English as second language clients.
- g. Encourage teen parent participation in Contractor services through the following activities:
- 1) Develop a youth advisory board to provide youth input on program improvements, peer mentoring, development of community service projects and a speakers bureau.
 - 2) Outline attendance expectations for the teen/minor parent's participation in all Teen Parent Program services.
 - 3) Provide same day follow-up by phone or a home visit after missed appointments, classes, group sessions, etc. Discuss with the teen/minor parent concerns regarding absences and determine the need for additional support services to ensure continued participation.
 - 4) Provide incentives, stipends, and expense payments to encourage participation by the teen/minor parent. Incentives shall be limited to \$300.00 per family per year. Incentives, stipends and expense payments may include but not be limited to:
 - Food
 - Diapers
 - Coupons
 - Household Items
 - Transportation, i.e. gas cards/bus tickets/taxi fare
 - 5) Provide transportation assistance and education to participants. This includes:
 - a. Provision of bus tokens

- b. Employees of the Teen Parent Program will provide transportation to some services
 - c. Coordination with community partner to transport disabled clients
 - d. Teach participants skills to utilize various forms of transportation
- h. Make face-to-face contact with the teen/minor parent and their child(ren), minimally once a week, in their home for the first 30 days of involvement in the Teen Parent Program. Face-to-face contact must be made at least once a month thereafter.
- i. Complete a quarterly updated service plan within 90 days of completion of the service plan and update every 90 days thereafter. The updated service plan shall include updates for all services defined in the initial service plan and areas defined above. In addition, the plan should track the following:
- 1) Progress achieved toward goals and objectives.
 - 2) Identification of changes in risk levels.
 - 3) Activities the teen/minor parent will participate in during the next quarter.

2. Volume of Service

Clients - The estimated number of unduplicated eligible clients to be served during the period of this Agreement shall be: 82.5

- 3. Unit Definition(s): One unit equals thirty (30) minutes of service.
- 4. Units: The estimated number of units of service to be provided per term of Agreement shall be: 82.5

From the total amount, the estimated number of units that may be expended during the following periods is:

<u>Fiscal Year</u>	<u>Estimated Number of Units</u>
December 1, 2008 through September 30, 2009	37.5
October 1, 2009 through September 30, 2010	45

Service #4 of 4: Crisis Intervention

1. The Contractor shall:

- a. Provide twenty-four (24) hour coverage for crisis situations by establishing a twenty-four (24) hour, seven (7) day a week crisis hotline, and an on-call or pager system for the teen/minor parent to contact professionals or qualified volunteers to handle emergency situations.
- b. Assist the teen/minor parent with identifying solutions and follow-through on actions that resolve the crisis.
- c. Assist the teen/minor parent with identifying and seeking help from natural support systems (i.e., family members, non-custodial parent, churches, friends, and neighbors).
- d. If the minor parent is homeless or precariously housed, assist in the identification of appropriate living arrangements. All minor parents must live in an adult-supervised living arrangement as a condition of eligibility. A minor parent and the dependent child in his or her care must live with the minor parent's parent, stepparent, or legal guardian (state funded) unless good cause is established, in which case the minor parent must live in an acceptable adult-supervised living arrangement.
- e. If a teen parent age seventeen (17) or older is homeless or precariously housed, assist in identification of appropriate living arrangement and rental assistance. Referrals to Homeless Youth Service programs and MSHDA housing services should be made if other safe and appropriate housing arrangements are not available. Shelter services and rental assistance programs should be determined and available whenever possible.
- f. If the teen/minor parent is a victim of domestic violence, make immediate contact with an appropriate domestic violence provider.

2. Volume of Service

Clients - The estimated number of unduplicated eligible clients to be served during the period of this Agreement shall be: 82.5

3. Unit Definition(s): One unit equals thirty (30) minutes of service.

4. Units: The estimated number of units of service to be provided per term of Agreement shall be: 82.5

From the total amount, the estimated number of units that may be expended during the following periods is:

<u>Fiscal Year</u>	<u>Estimated Number of Units</u>
December 1, 2008 through September 30, 2009	37.5
October 1, 2009 through September 30, 2010	45

F. Evaluation Reporting Requirements

The Contractor shall maintain a case file for each client served. The case file shall contain the following:

1. Data and source of referral.
2. Date of admission to program, date of discharge, social security number, and emergency contact person.
3. Intake forms including appropriate release authorization (signed by client) allowing coordination of services and exchange of information, i.e. TANF forms, referral forms, outpatient therapy, medical physician, work training programs, school programs, etc.
4. Service Plan for self-sufficiency and family support services shall be completed by the Contractor within thirty (30) of client eligibility.
5. Document the date the assessment is completed, and the name of the agency and/or individual responsible for completing the assessment.
6. Submit an updated Service Plan quarterly, including contacts with client, significant events, referrals made and services provided, progress made toward goals and objectives, and action steps for the next quarter. Completed within 90 days of the Initial Service Plan, updated quarterly every 90 days thereafter and signed by appropriate program staff.
7. Submit a termination/closing report, which shall be completed within thirty (30) days of the termination of services by the Contractor. The report shall include the signature of the individual completing the report, documentation of the date the report was completed, and the following:
 - Statements outlining reason(s) for closure.
 - Status of teen/minor parent service goals and objectives.
 - Recommendations for the teen/minor parent.
8. Ensure all client reports are complete and submitted timely to the DHS staff upon request.

G. Audit Requirements

Subrecipient Relationship

This Agreement constitutes a subrecipient relationship with DHS. The Contractor is required to comply with all federal regulations that related to the accounting and auditing of the federal award used to fund this contract. This includes, but is not limited to, compliance with OMB Circular A-133.

Regulations applicable to funding sources are included in the Catalog of Federal Domestic Assistance (CFDA). The Federal Program Title, CFDA number, and federal financial participation (FFP) rate DHS will use for this Agreement are:

Federal Program Title	CFDA #	FFP%
TANF	93.558	

However, DHS may change the CFDA number and/or FFP rate during the course of this Agreement. CFDA numbers and FFP rates for this Agreement shall be posted quarterly on the DHS web site. The Contractor is required to check the web site to obtain up to date information regarding the CFDA numbers.

The Contractor shall consult the following website address to obtain CFDA numbers, payments, program updates, and other audit information:

http://www.michigan.gov/dhs/0,1607,7-124-5455_7199_8380---,00.html

DHS agrees to participate in audit cost related to the audit as described in other sections of this contract.

Reporting Requirements

The Contractor must immediately report to the DHS Audit Liaison accounting irregularities including noncompliance with contract provisions.

If the Contractor required per OMB Circular A-133 to have a Single Audit performed, the Contractor must submit the Reporting Package and an Audit Transmittal Letter to the DHS Audit Liaison at the address that follows and in accordance with the time frame established in the Circular.

Reporting Package includes:

1. Financial statements and schedule of expenditures of Federal awards
2. Summary schedule of prior audit findings

3. Auditor's report(s)
4. Corrective action plan, if applicable

Audit Transmittal Letter

The Contractor is responsible to identify in the Audit Transmittal Letter all organizations it operates that administer DHS subrecipient programs and the different names the Contractor may use to contract with DHS. The Contractor is responsible for proper completion and submission of the Audit Transmittal Letter. This letter, to be accurately processed by DHS, must include the following information:

1. Contractor's name as reported in the DHS contract(s)
2. Contractor's Federal Identification number(s) as reported in the DHS contract(s)
3. Contractor's fiscal year end
4. Identify other name(s) and other Federal Identification number(s) used by the Contractor

If a Single Audit is not required per OMB Circular A-133, the Contractor must still submit an Audit Transmittal Letter stating why a Single Audit was not required and the Contractor's fiscal year to which the letter pertains. The Audit Transmittal Letter should include items stated in the section, "Audit Transmittal Letter," described above. The letter may be mailed to the address below or FAX to (517) 373-8771.

Mailing address for all information:

Michigan Department of Human Services
Audit Liaison
235 S. Grand Ave. Suite 1112
Lansing, MI 48909
Attention: William Addison, CPA

If the Contractor is a subrecipient of DHS, but asserts it is not required to have a Single Audit performed, the Contractor shall submit an audit transmittal letter to the DHS Audit Liaison stating the reason the Single Audit is not required. Failure by the Contractor to submit the transmittal letter shall result in invoking the same sanctions on the Contractor as failure to submit the Single Audit report.

Audit Cost

Cost of the Single Audit can only be charged to this Agreement if there is a provision within this agreement that allows payment for the Single Audit cost. No audit cost may be charged to this Agreement if the Contractor is not required by federal requirements to have a Single Audit.

No audit costs may be charged to DHS when audits required by this Agreement have not been performed or have not been performed in accordance with OMB Circular A-133 requirements. Late submission (as defined in OMB Circular A-133) of the Single Audit report and/or Audit Transmittal Letter is considered non-compliance with this section and may be grounds to impose sanctions.

Sanctions

DHS may impose sanctions if the Contractor fails to adhere to any of the audit requirements in this Agreement, including the audit transmittal letter. In cases of continued inability or unwillingness on the part of the Contractor to comply with audit requirements, DHS may impose sanctions such as:

1. Withholding a percentage of Federal award until the audit is completed satisfactorily.
2. Withholding or disallowing overhead costs.
3. Suspending Federal awards until audit is conducted.
4. Terminating the Federal award.
5. Recouping the federal payments made to the Contractor under this or any other agreements between DHS and the Contractor.

H. Service Documentation

The Contractor agrees to maintain program records required by DHS, program statistical records required by DHS, and to produce program narrative and statistical data at times prescribed by, and on forms furnished by, DHS.

I. Fiscal Requirements

The Contractor shall comply with all accounting practices

The Contractor shall install and maintain an accounting system to identify and support all expenditures billed to DHS under this Agreement. The accounting system must record all income and expenses for the Contractor's total program of which services provided under this Agreement are a part. The accounting system, as a minimum, shall consist of a chart of accounts, cash receipts journal, cash

disbursements journal, and general ledger. All expenditures and income must be supported by vouchers and receipts that detail the reason for the transaction.

The Contractor shall maintain, within the accounting system, salary and fringe benefits accounts that break out positions, hospitalization, retirement, workmen's compensation and other fringe benefits. The Contractor shall establish and maintain payroll records for all employees. The Contractor, in establishing and allocating salary and wages for employees, shall support these charges by establishing an adequate appointment and workload distribution system, accompanied by monthly reviews showing the actual changes in the workload distribution of each employee (i.e., an exception reporting system).

J. Billing Method

As used in this Agreement, "Cost Documentation" refers to the CM-468 or CM-469 Total Program Budget Summary, and the Contract Budget Statement Detail sheets attached hereto.

The Actual Cost Reimbursement Method shall be used in claiming reimbursement under this Agreement. The Cost Documentation is hereby made a part of this Agreement. The Contractor certifies that this budget has been prepared in accordance with the Budget Completion Instructions provided by DHS. This document details the amount and object of expenditures for which the Contractor shall use funds paid under this Agreement. The Contractor is authorized to expend funds only for those resources indicated in the budget that are allowable, properly allocated and reasonable as defined in the Budget Completion Instructions. Only cost actually incurred may be billed to DHS.

Where the approved budget, CM-0468 and/or supporting details sheets and/or the Contractor's proposal submitted in response to the DHS Request for Quote issued for this Agreement includes provision for voluntary contributions on the part of the Contractor, the Contractor shall provide the contributions in the proportion indicated for each dollar expended for the identified cost item. The contributions must be identified as match in each monthly DHS-3469 submitted for payment.

The Contractor shall follow and adhere to the budget. However, expenditures up to a 5% increase or \$1,500, whichever is greater above the direct cost line item budget categories are permissible provided the sum of all expenditures does not exceed the total amount of the Agreement. The Contractor shall not be reimbursed for any expenditures incurred in budget line items that do not include dollar amounts. The Contractor must obtain prior written approval from DHS to increase any line item by more than 5% or \$1,500, whichever is greater. The DHS representative authorized to approve budget revisions is the Director, Division of Contracts and Rate Setting. The Contractor's request for DHS

approval must contain sufficient information to allow DHS to identify which budget line items are to be increased and which line items are to be decreased, staying within the originally approved budget total.

For travel costs, including mileage, meals, and lodging, incurred related to services provided under this Agreement, the Contractor may bill DHS the premium state rate, or Contractor's usual reimbursement rate for employees, whichever is less. State of Michigan travel rates may be found at the following website:

http://www.michigan.gov/dmb/0,1607,7-150-9141_13132--,00.html

The Contractor can not charge DHS more for a provision of service than is charged to other entities for whom the Contractor provides services.

K. Billing Procedure

The Contractor shall submit a monthly "Statement of Expenditures" (DHS-3469) to DHS. This Statement of Expenditures shall indicate actual expenditures incurred broken out by category of expense in the performance of this Agreement for the period being billed and the units of service delivered. This Statement shall be submitted to DHS within thirty days from the end of the monthly billing period. For the month of September, billings shall be submitted as reasonably directed by the contract administrator to meet fiscal year end closing deadlines. In no event, shall DHS make payment to the Contractor for billings submitted more than 90 days after the end of a billing period.

II. DHS RESPONSIBILITIES

A. Payment

DHS shall make payments to the Contractor within forty-five (45) days after receipt by DHS of the Contractor's "Statement of Expenditures" detailing program related budgeting expenditures as set forth in Cost Documentation attached to this Agreement.

B. Maximum Amount of Agreement

DHS hereby agrees to pay the Contractor an amount not to exceed TWO HUNDRED THIRTEEN THOUSAND SIX HUNDRED NINE dollars and 00/100 (\$213,609.00) for services performed in accordance with the terms of this Agreement exclusively during the period December 1, 2008 through September 30, 2010.

From the total amount, the maximum amount that may be expended during the following periods is:

<u>Fiscal Year</u>	<u>Contract Amount</u>
December 1, 2008 through September 30, 2009	\$97,095
October 1, 2009 through September 30, 2010	\$116,514

Obligations incurred prior to or after the period covered by this Agreement shall be excluded from the Contractor's monthly invoices.

C. Evaluation Criteria

1. The contractor shall provide all reports required to provide data for the evaluation of the teen parent program. The monthly reports to DHS shall indicate the status and effectiveness of services/activities performed under this agreement.
1. The contractor must provide a monthly report of new admissions and discharges, which occurred the previous month. Reports shall be due the 5th days of each month following the report month.
2. Semi-Annual reports shall include all data required to establish compliance with the established evaluation criteria. Unless otherwise specified, information needed to address the following criteria will be gathered from semi-annual monitoring reports:
 - a. Eighty-five percent (85%) of the teen/minor parents who have not completed high school will attend school fulltime or GED classes within four (4) months of program entry, or
 - b. Seventy-five percent (75%) of the teen/minor parents will be involved in education training programs, or will be employed with four (4) months of program entry.
 - c. Eighty-five percent (85%) of the participating teen/minor parents who are not pregnant at the time of program entry will not become pregnant within twelve (12) months of program entry.
 - d. Ninety percent (90%) of the teen/minor mothers who are pregnant at the time of program entry will participate in prenatal care.
 - e. Seventy-five percent (75%) of the teen/minor parents who are pregnant at the time of program entry will deliver full-term infants.

- f. Ninety percent (90%) of the teen/minor parents' children will be referred to and/or receive comprehensive medical examinations and/or immunizations within two (2) months of entry into the Teen Parent Program with periodic follow-up.
 - g. Eighty five percent (85%) of the teen/minor parents and/or their child(ren) ages 0-3 years will be referred and/or receive child development and parenting education within three (3) months of program entry. The curriculum for these services should be outcome based and proven effective through research.
 - h. Ninety percent (90%) of the teen/minor parents will not have a "preponderance of evidence" child abuse or neglect finding for one (1) year from date of entry into the Teen Parent Program. Data source: DHS Central Office data matches with the Protective Services Management Information System.
 - i. Seventy-five percent (75%) of the teen/minor parent participants will self-report satisfaction with services provided by the Teen Parent Program. Data source: semi-annual distribution of participant satisfaction surveys.
 - j. Eighty-five percent (85%) of the teen/minor parents will be involved in school and/or work full time, six (6) months following the completion or termination of services. Data source: monthly data collection directed by DHS Central Office.
 - k. Ninety percent (90%) of the teen/minor parents will not have a preponderance of evidence finding of child abuse and/or neglect, six (6) months following completion of services. Data source: DHS Central Office data matches with the Protective Services Management Information System.
3. Contractors shall complete each teen/minor parent's monthly intake form and return no later than the 10th day of the following month.
4. Contractors shall complete the semi-annual monitoring report two times a year during the months of April and October and returned within six (6) weeks of issuance to the Data Analysis and Information Management Unit (DAIM), 235 S. Grand Avenue, Suite 1406, Lansing, MI 48909. Extensions may be granted upon request by DAIM.

III. GENERAL PROVISIONS – PUBLIC

A. Conclusion, Termination, and Cancellation Terms

1. DHS' Source of Funds-Termination

DHS' payment of Federal or State funds for purposes of this Agreement is subject to and conditional upon the availability of those funds for such purposes. No commitment is made by DHS to continue or expand activities covered by this Agreement. Funding for services to be provided beyond the end of the initial State fiscal year is dependent on legislative appropriation.

DHS may terminate this Agreement immediately upon written notice to the Contractor at any time prior to the completion of this Agreement if, in the sole discretion of DHS, funding becomes unavailable for this service or such funds are restricted.

2. Cancellation of Agreement

DHS may cancel this Agreement upon thirty days written notice if DHS determines that the Contractor, its agent, or its representative has offered or given a gratuity, kickback, money, gift, or anything of value to an officer, official, or employee of the State to obtain a contract or favorable treatment under a contract. By signing this Agreement, the Contractor hereby certifies that no funds have been given to any state officer, official, or state employee for influencing or attempting to influence such officer, official, or employee of the State.

Except as indicated below, DHS may cancel this Agreement without further liability to DHS or its employees by giving the Contractor written notice of such cancellation thirty days prior to the date of cancellation. The Contractor may terminate this Agreement upon thirty days written notice to DHS at any time prior to the completion of the Agreement period.

In case of default by the Contractor, DHS may immediately cancel this Agreement without further liability to DHS or its employees, and procure the services from other sources.

In addition, DHS may immediately cancel this Agreement without further liability to DHS or its employees if the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor is convicted of a criminal offense incident to the application for or performance of a State, public, or private contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or Federal antitrust statutes; or convicted of any other

criminal offense which, in the sole discretion of DHS, reflects on the Contractor's business integrity.

3. Stop Work Orders

DHS may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by the Agreement for a period of up to ninety (90) calendar days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section of the Agreement. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage.

If a stop work order issued under this section of the Agreement is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The parties shall agree upon an equitable adjustment in the services to be delivered, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in the Contractor's cost properly allocable to the performance of any part of this Agreement; and (b) the Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage, provided that, if DHS decides the facts justify the action, DHS may receive and act upon a Contractor billing submitted at any time before final payment under the Agreement.

B. Closeout Responsibilities

1. Closeout

When this Agreement is concluded or terminated, for any reason, the Contractor shall provide DHS, within thirty (30) days of conclusion or termination, with all financial, performance and other reports required as a condition of this Agreement. DHS shall within the limit of this Agreement reimburse the Contractor for allowable costs not previously reimbursed. The Contractor shall immediately refund to DHS any payments or funds advanced to the Contractor in excess of allowable reimbursable expenditures.

2. Fixed Assets

DHS reserves the right to obtain or transfer title to all fixed assets, real or personal, included in the approved budget of this Agreement, billed in full or in part to DHS by the Contractor, and not fully utilized at the conclusion of the Agreement. Fixed asset costs billed to DHS shall be limited to straight-line determination or a use charge pre-approved by DHS and shall be used only for the performance of the Agreement unless another use is authorized in writing by DHS.

At least sixty (60) days prior to the end date of this Agreement (which includes cancellation of the Agreement) the Contractor shall report to DHS the book value of all fixed assets and non-consumables purchased with DHS funds and request written instructions regarding the disposal of these fixed assets and consumable and/or non-consumable supplies that have been acquired with funds under this Agreement. Any gain on the sale or disposition of fixed assets before completion of this Agreement must be immediately reported and refunded to DHS.

No disposal, sale or transfer of fixed assets obtained under this Agreement in whole or part, may occur without the express written consent of DHS.

3. Continuing Responsibilities

Termination, conclusion, or cancellation of this Agreement shall not be construed as terminating the ongoing responsibilities of the Contractor or rights of DHS contained in Section III, "Examination and Maintenance of Records" and Section III, "Closeout" of this Agreement.

C. Compliance with Rules and Regulations

1. Criminal Background Check

As a condition of this Agreement, the Contractor certifies that the Contractor shall conduct or cause to be conducted:

- a. For each applicant for employment, employee, subcontractor, subcontractor employee or volunteer who works directly with clients under this Agreement, or who has access to client information, an Internet Criminal History Access Tool (ICHAT) check and a National and State Sex Offender Registry check.
- b. For each applicant for employment, employee, subcontractor, subcontractor employee or volunteer who works directly with children under this Agreement, a Central Registry (CR) check.

- c. For each applicant for employment, employee, subcontractor, subcontractor employee or volunteer who works directly with clients or who has access to client information, under this Agreement, a Central Registry (CR) check.
- d. For each employee, subcontractor, subcontractor employee or volunteer who works directly with clients or who has access to client information, under this Agreement shall be required to timely notify the contractor in writing of criminal convictions (felony or misdemeanor) and/or pending felony charges or placement on the Central Registry as a perpetrator.

Additionally, for each applicant for employment, employee, subcontractor, subcontractor employee or volunteer who works directly with clients under this Agreement or who has access to client information and who has not resided or lived in Michigan for each of the previous ten (10) years, the Contractor shall require the applicant for employment, employee, subcontractor, subcontractor employee or volunteer to sign a waiver attesting to the fact that they have never been convicted of a felony or identified as a perpetrator, if they have, the nature and recency of the felony.

The Contractor further certifies that the Contractor shall not submit claims for or assign to duties under this Agreement, any employee, subcontractor, subcontractor employee, or volunteer based on a determination by the Contractor that the results of a positive ICHAT, CR, NCIC response or reported criminal felony conviction or perpetrator identification make the individual ineligible to provide the services. Contractors may consider the recency and type of crime when making this determination.

The Contractor must have a written policy describing the criteria on which its determinations shall be made and must document the basis for each determination. Failure to comply with this provision may be cause for immediate cancellation of this Agreement. In addition, the Contractor must further have a written policy regarding acceptable screening practices of new staff members and volunteers who have direct access to clients and/or client's personal information, which serve to protect the organization and its clients that is clearly defined.

Information about ICHAT can be found at <http://apps.michigan.gov/ichat>.

2. Compliance with Federal and State Requirements

The Contractor shall comply with all Federal, State and local statutes, regulations and administrative rules, and any amendments thereto, as they may apply to the performance of this Agreement. This shall include, but shall not be limited to, those laws and regulations that could have a material effect on the Federal program.

In addition, the Contractor shall comply with all federal grant agreements, provisions stated within the Catalog of Federal Financial Assistance, and state and federal laws and other rules and regulations related to this funding source.

The Contractor shall comply with all Federal Office of Management and Budget circulars, which apply to the federal funding provided under this Agreement which include but are not limited to:

- A-133 for audit requirements
- A-87 Cost Principles for Government
- Special Federal Grant Provisions

The Contractor shall keep informed of federal, state, and local laws, ordinances, rules, regulations, orders, and decrees of bodies or tribunals having any jurisdiction/authority that in any manner affects those engaged in or employed on the work done under this Agreement or that in any manner affects the conduct of the work done under this Agreement.

3. Civil Service Rules and Regulations

The State of Michigan is obligated to comply with Article XI, Section 5, of the Michigan Constitution and applicable civil service rules and regulations. Other provisions of this Agreement notwithstanding, the State personnel director is authorized to disapprove contractual disbursements for personal services if the State personnel director determines that the contract violates Article XI, Section 5 of the Michigan Constitution or applicable civil service rules and regulations.

4. Compliance with Civil Rights, Other Laws

The Contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight or marital status pursuant to 1976 Public Act 453, Section 209. The Contractor shall also comply with the provisions of the Michigan Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended (M.C.L. 37.1101 et. seq.) and Section 504 of the Federal Rehabilitation Act of 1973,

P.L. 93-112, 87 Stat. 355, which states that no employee or client or otherwise qualified handicapped individual shall, solely by reason of this handicap, be excluded from participation, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Further, the Contractor shall comply with the Americans with Disabilities Act of 1990 (ADA), P.L. 101-336, 104 Stat. 327, which prohibits discrimination against individuals with disabilities and provides enforcement standards. The Contractor shall comply with all other Federal, State or local laws, regulations and standards, and any amendments thereto, as they may apply to the performance of this Agreement.

5. Freedom of Information Act

All information in this Agreement is subject to the provisions of the Freedom of Information Act. 1976 Public Act 442, as amended, MCL 15.231, et seq.

6. Prohibition against Using Funds to Support Religious Activities

The Contractor shall not use financial funds administered by the State or Federal government to support inherently religious activities, such as worship, religious instruction, or proselytization. If the Contractor engages in such activities, it must offer them separately, in time or location, from the programs or services funded with State or Federal assistance, and participation must be voluntary for the beneficiaries of the State or Federally funded programs or services.

The Contractor shall follow guidelines in 42 USC 604a.

D. Fees and Other Sources of Funding

The Contractor guarantees that any claims made to DHS under this Agreement shall not be financed by any source other than DHS under the terms of this Agreement. If funding is received through any other source, the Contractor agrees to deduct from the amount billed to DHS the greater of either the fee amounts, or the actual costs of the services provided.

The Contractor may not accept reimbursement from a client unless the Agreement specifically authorizes such reimbursement in the "Contractor Responsibility" section. In such case, a detailed fee scale and criteria for charging the fee must be included. If the Contractor accepts reimbursement from a client in accordance with the terms of the Agreement, the Contractor shall deduct these fees from billings to DHS.

Other third party funding sources, e.g., insurance companies, may be billed for contracted client services. Third party reimbursement shall be considered payment in full unless the third party fund source requires a co-pay, in which case DHS may be billed for the amount of the co-pay. No supplemental billing is allowed.

E. Confidentiality

The use or disclosure of information concerning services, applicants or recipients obtained in connection with the performance of this Agreement shall be restricted to purposes directly connected with the administration of the programs implemented by this Agreement, and when not prohibited by law. In all cases, use or disclosure of confidential information shall only be allowed when that use or disclosure is in compliance with federal and state laws, court orders and subpoenas, or subpoenas by a grand jury. Confidentiality provisions related to casework activities, family situations and issues, family demographics and any other information that shares case specific details must be strictly observed and may not be disseminated in any way except as specified above.

Unauthorized use or disclosure of confidential information is a violation of this Agreement and may also be subject to criminal penalty pursuant to federal and state statutes and regulations as they may apply.

F. Examination and Maintenance of Records

The Contractor shall permit DHS or any of its authorized agents access to the facilities being utilized at any reasonable time to observe the operation of the program. Further, the Contractor shall retain all books, records or other documents relevant to this Agreement for six years after final payment, at the Contractor's cost. Federal auditors and any persons duly authorized by DHS shall have full access to and the right to examine and audit any of said material during said period. If an audit is initiated prior to the expiration of the six-year period and extends past that period, all documents shall be maintained until the audit is completed. DHS shall provide findings and recommendations of audits to the Contractor. DHS shall adjust future payments or final payment if the findings of an audit indicate over payment to the Contractor in any period prior to the audit. If no payments are due and owing the Contractor, the Contractor shall refund all amounts which may be due DHS within sixty (60) days notice by DHS. The Contractor shall assure, as a condition of any sale or transfer of ownership of the Contractor agency, that the new purchasers or owner maintains the above-described books, records or other documents for any unexpired portion of the six-year period after final payment under this Agreement or the Contractor shall otherwise maintain said records as DHS may direct. If business operations cease, the Contractor shall maintain records as DHS may direct. The Contractor shall notify DHS when and if the Contractor operations cease during the six-year

period after final payments and provide for appropriate storage of records at the Contractor's expense.

The Contractor shall, as a provision of the Agreement between the Contractor and the auditor, assure that DHS may make reasonable inquiries of the auditor relating to audit workpapers and, furthermore, that DHS may review the auditor's workpapers in support of the audit.

G. Reporting and Monitoring

1. Reporting

The Contractor shall comply with all program and fiscal reporting procedures as are or may hereinafter be established by DHS. The Contractor shall also comply with all reporting procedures established by DHS in completion of progress reports at time intervals, on forms, in formats, and by means specified by DHS. In particular, reports or billing documents denoting event dates shall record month, day and year as specified by DHS. In all electronic filings, four digits shall be used to designate century. Any additional reports as deemed necessary by DHS shall be made and submitted by the Contractor upon request.

2. Monitoring Requirements

DHS reserves the right to perform scheduled and unscheduled on-site visits during normal business hours, to monitor the Contractor's activities under this Agreement at any time, either during the term, or within three (3) years after termination of the Agreement. The Contractor shall cooperate with DHS during the monitoring process by making available all records, facilities, and other resources necessary to perform the review.

If DHS detects noncompliance with this Agreement, and/or questioned costs during the course of its review, these items shall be identified and conveyed to the Contractor in an exit conference. DHS shall provide the Contractor with a detailed written report of these findings within sixty (60) days of the exit conference. The Contractor is required to address each item in DHS' report by providing a Corrective Action Plan (CAP) to eliminate or correct each issue of noncompliance. The Contractor shall submit the Corrective action plan to DHS within sixty (60) days from issuance of DHS' report.

If DHS identifies questioned costs that cannot be substantiated, DHS may, at its discretion, and after consultation with the Contractor, require the Contractor to submit a revised DHS-3469, "Statement of Expenditures" to reflect adjustment for disallowed costs. Submission of revised billings to

DHS shall be made within a time schedule established by DHS and the Contractor. If the Contractor fails to comply with monitoring requirements as set forth in this Agreement, and within allotted time frames mutually established, DHS may, at its discretion, invoke sanctions on the Contractor, which may include, but are not limited to, actions to collect disallowed costs and/or cancellation of the Agreements.

3. Audit Reports that Contain a Going Concern Statement

If an audit firm conducts an audit of the Contractor and issues an audit report with a finding of a Going Concern, the Contractor must submit this audit report to the DHS Audit Liaison within 10 days from the date of the audit report. The submission of this audit report to DHS is required regardless of whether an audit is required under this Agreement.

A Contractor receiving a Going Concern must submit a financial plan to the DHS Audit Liaison no later than 25 days from the date of the audit report issued by the audit firm. The financial plan must be approved by DHS. Failure of the Contractor to either timely submit the audit report with the Going Concern, or timely submit a financial plan, or DHS' rejection of the Contractor's financial plan, are grounds for immediately terminating the contract.

Mailing address for all audit information:

Michigan Department of Human Services
Audit Liaison
235 S. Grand Ave., Suite 1112
Lansing, MI 48909

H. Recoupment of Funding and Repayment of Debts.

1. Recoupment of Funding

If the Contractor fails to comply with monitoring requirements as set forth in this Agreement, or fails to submit a revised DHS-3469, "Statement of Expenditures" within allotted time frames established by DHS in consultation with the Contractor, DHS may, at its discretion, recoup or require the Contractor to reimburse payments made under this Agreement which DHS has determined that the Contractor has been overpaid. The Contractor is liable for any cost incurred by DHS in the recoupment of any funding.

Upon notification by DHS that repayment is required, the Contractor shall make payment directly to DHS within 30 days or DHS may withhold current

or future payments made under this or any other agreements, current or future, between DHS and the Contractor.

If the Contractor fails to: (1) correct noncompliance activities identified by DHS, (2) submit revised billings as requested as part of a Corrective Action Plan when required; or (3) remit overpayments or make arrangements to have the overpayments deducted from future payments within 30 days, such failure shall constitute grounds to terminate immediately any or all of DHS' agreements with the Contractor. DHS shall also report noncompliance of the Contractor to Michigan's Department of Management and Budget. Such report may result in the Contractor's debarment from further contracts with the State of Michigan.

2. Repayment of Debts and Other Amounts due DHS

By entering into this Agreement, the Contractor agrees to honor all prior repayment agreements established by DHS with the Contractor or Contractor's predecessors. If the Contractor has an outstanding debt due to DHS but does not have a repay agreement, the Contractor agrees to make monthly payments to DHS at an amount not less than 5% of any outstanding balance and to begin on the date this Agreement is executed.

If the Contractor fails to honor prior repayment agreements, or the Contractor fails to begin repayment on an obligation due DHS that is not subject to a repayment agreement, DHS will initiate the administrative process to reduce payments to the Contractor under this Agreement to recoup the debt. The payment reduction will be made at the amount originally established in the repayment agreement or at an amount not less than 5% of any outstanding balance effective on the date this Agreement is executed.

I. Publication - Approval and Copyright

The State of Michigan shall have copyright, property and publication rights in all written or visual material or other work products developed in connection with this Agreement. The Contractor shall not publish or distribute any printed or visual material relating to the services provided under this Agreement without prior written permission of the State of Michigan.

If the Contractor or an agent of the Contractor creates and/or reproduces under this Agreement materials which are developed for consumption by the general public or as a general information tool and which are funded in whole or in part with State of Michigan funds, the Contractor or its agent must include one of the statements referenced below, as they apply:

- This program is funded by the State of Michigan or
- This program is funded in part by the State of Michigan

News releases (including promotional literature and commercial advertisements) pertaining to this Agreement shall not be made without prior written DHS approval, and then only in accordance with the explicit written instructions from DHS. No results of the activities associated with the Agreement are to be released without prior written approval of DHS and then only to persons designated.

J. Subcontracts

The Contractor shall not assign this Agreement or subcontract this Agreement to other parties without obtaining prior written approval of the DHS Division of Contracts and Rate Setting. DHS, as a condition of granting such approval, shall require that such assignees or subcontractors shall be subject to all conditions and provisions of this Agreement including Criminal Record and Central Registry background checks when applicable. The Contractor shall be responsible for the performance of all assignees or subcontractors.

If subcontracting, the Contractor must obligate the subcontractors to maintain the confidentiality of DHS' client information in conformance with State and Federal requirements. At DHS' request, any employee of the Contractor and of any subcontractor having access or continued access to DHS' confidential information may be required to execute an acknowledgment that the employee has been advised of the Contractor's and the subcontractor's obligations under this section and of the employee's obligation to DHS, the Contractor or subcontractor, as the case may be, to protect such confidential information from unauthorized use or disclosure.

K. Disputes

The Contractor shall notify DHS in writing of intent to pursue a claim against DHS for breach of any terms of this Agreement. No suit may be commenced by the Contractor for breach of this Agreement prior to the expiration of ninety (90) days from the date of such notification. Within this ninety (90) day period, the Contractor, at the request of DHS, must meet with the Director of DHS or designee for the purpose of attempting resolution of the dispute.

L. Agreement Inclusiveness/Amendment

This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto. The Contractor shall, upon request of DHS and receipt of a proposed amendment,

amend this Agreement, if and when required in the opinion of DHS, due to the revision of Federal or State laws or regulations. If the Contractor refuses to sign such amendment within fifteen (15) days after receipt, this Agreement shall terminate upon such refusal. This Agreement may otherwise be amended only by the written consent of all the parties hereto.

M. Reporting of Retiree Employment

All other contract provisions notwithstanding, no reimbursement may be claimed under this agreement for salary or subcontracting expense for any employee who retired from the State of Michigan using the early retirement program authorized by 2002 Public Act 93.

The Contractor shall provide written notification within fifteen (15) days of hiring to DHS Division of Contracts and Rate Setting (DCRS) the name, social security number, and work site of any employee who retired from the State of Michigan using the early retirement program authorized by 2002 Public Act 93. Failure to notify the DCRS within the allotted time period may result in the disallowance of all costs related to this Agreement up to the time the proper notification is received by DCRS.

N. Certifications Regarding Lobbying

As required by section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 28 CFR Part 69, the Contractor certifies that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any persons influencing or attempting to influence an officer or employee of an department, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any department, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard form – LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

O. Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The Contractor certifies that they and their principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal or State department or agency.
2. Have not within a three-year period preceding this agreement been convicted of or had civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in 28 CFR 67, et sec.
4. Have not within a three-year period preceding this Agreement had one or more public transactions (Federal, State or local) terminated for cause and default.

Where the parties are unable to certify to any of the statements in this certification, the Contractor shall attach an explanation to this Agreement.

The Contractor shall promptly notify DHS of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractors, or any of the foregoing entities' then current officers or directors during the term of this Agreement and three years thereafter.

All notices shall be provided in writing to DHS within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements, which are prevented from

disclosure by the terms of the settlement, shall be annotated as such. However, the Contractor shall disclose if any terms of such settlement would impede the Contractor's performance of this Agreement. The Contractor may rely on similar good faith certifications of its subcontractors, which certification shall be available for inspection at the option of DHS.

The Contractor certifies to the best of its knowledge that within the past three (3) years, the Contractor has not;

1. Failed to substantially perform a state contract or subcontract according to its terms, conditions, and specifications within specified time limits.
2. Refused to provide information or documents required by a contract including, but not limited to information or documents necessary for monitoring contract performance.
3. Failed to respond to requests for information regarding contract compliance, or accumulated repeated substantiated complaints regarding performance of a contract.
4. Failed to perform a state contract or subcontract in a manner consistent with any applicable state or federal law, rule, regulation, order, or decree.

The Contractor shall include Section O. (Certification Regarding Debarment, Suspension, and Other Responsibility Matters) language as written above in all subcontracts with other parties.

The Contractor shall require each primary subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether at the time of the award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the State of Michigan. The Contractor shall then inform DHS of the subcontractor's status and reasons for the Contractor's decision to use such subcontractor, if the Contractor so decides.

If it is determined that the Contractor knowingly rendered an erroneous certification under this provision, in addition to the other remedies available to the state, DHS may immediately terminate this Agreement.

If the state finds that grounds to debar exist, it shall send notice to the Contractor of proposed debarment indicating the grounds for proposed debarment and the procedures for requesting a hearing. If the Contractor does not respond with a written request for a hearing within twenty (20) calendar days, the state shall issue the decision to debar without a hearing. The debarment period may be of any length up to eight (8) years. After the debarment period expires, the

Contractor may reapply for inclusion on bidder lists through the regular application process by authority of Executive Order 2003-1.

IN WITNESS WHEREOF, the DHS and the Contractor have caused this Agreement to be executed by their respective officers duly authorized to do so.

The Undersigned has the lawful authority to bind the Contractor to the terms set forth in this Agreement.

Dated at _____, Michigan _____
(Contractor)

this _____ day of _____, _____ By: _____

Witness: _____

Dated at _____, Michigan DEPARTMENT OF HUMAN SERVICES

this _____ day of _____, _____ By: _____
Director

Witness: _____

Contract #: TP-09-38001

County of Jackson

Second Amended and Restated Section 125 Cafeteria Plan



Prepared by:

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Table of Contents

Preamble	1
Article 1	
Definitions.....	1
1.1 “Account”	1
1.2 “Administrator”	1
1.3 “Affiliate”	2
1.4 “Board of Directors”	2
1.5 “Claimant”	2
1.6 “COBRA”	2
1.7 “Code”	2
1.8 “Compensation”	2
1.9 “Dependent”	2
1.10 “Dependent Care Assistance Account”	2
1.11 “Dependent Care Expenses”	2
1.12 “Dependent Care Service Provider”	3
1.13 “Earned Income”	3
1.14 “Effective Date”	3
1.15 “Electronic Protected Health Information (EPHI)”	3
1.16 “Employee”	3
1.17 “Employer”	3
1.18 “ERISA”	3
1.19 “FMLA”	3
1.20 “Group Health Plan”	3
1.21 “Highly Compensated Employee”	4
1.22 “HIPAA”	4
1.23 “Individually Identifiable Health Information”	4
1.24 “Key Employee”	4
1.25 “Medical Expense Reimbursement Account”	4
1.26 “Named Fiduciary”	4
1.27 “Participant”	4
1.28 “Plan”	4
1.29 “Plan Year”	4
1.30 “Privacy Rules”	4
1.31 “Protected Health Information (PHI)”	4
1.32 “QMCSO”	5
1.33 “Qualified Beneficiary”	5
1.34 “Qualified Reservist Distributions”	5
1.35 “Qualifying Event”	5
1.36 “Qualifying Medical Care Expenses”	5

1.37	"Retiree"	5
1.38	"Security Rules"	5
1.39	"Spouse"	5
1.40	"Summary Health Information (SHI)"	5

Article 2

Eligibility and Participation..... 6

2.1	Eligibility Requirements	6
2.2	Commencement of Participation.....	6
2.3	Cessation of Participation	6
2.4	Reinstatement of Former Participant	7
2.5	Family and Medical Leave Act Leaves of Absence	7
2.6	Non-FMLA Leaves of Absence.....	8

Article 3

Employer Contribution 9

3.1	Employer Contribution	9
-----	-----------------------------	---

Article 4

Cash in Lieu of Medical Coverage 9

4.1	Election to Waive Medical Coverage and Receive Cash.....	9
4.2	Revocation of Election Upon Loss of Other Medical Coverage	9
4.3	Description of the Terms of the Group Health Plan	9
4.4	Election Procedure	10
4.5	New Participants	10
4.6	Failure to Elect.....	10
4.7	Changes by Administrator	10
4.8	Revocation of Election by the Participant During the Plan Year	10
4.9	Automatic Termination of Election	10
4.10	Maximum Employer Contributions	10
4.11	Limitation on the Availability of Cash in Lieu of Nontaxable Benefits Payment.....	11

Article 5

Purchase of Benefits Through Salary Reduction..... 11

5.1	Benefit Options	11
5.2	Method of Purchasing Benefits.....	11
5.3	New Participants	12
5.4	Failure to Make Timely Election	12
5.5	Modifications of Elections by Administrator	12
5.6	Revocation of Election by the Participant During the Plan Year	12

5.7	Automatic Termination of Election	12
5.8	Maximum Employer Contributions	12

Article 6

Dependent Care Assistance Program Benefits..... 13

6.1	Maximum Amount of Dependent Care Coverage	13
6.2	Establishment of Dependent Care Assistance Accounts	13
6.3	Crediting of Dependent Care Assistance Accounts	13
6.4	Debiting of Dependent Care Assistance Accounts	13
6.5	Forfeiture of Dependent Care Assistance Accounts	13
6.6	Application for Payment of Dependent Care Expenses.....	14
6.7	Reimbursement or Payment of Dependent Care Expenses.....	14
6.8	Report to Participants on or before January 31 of each Year	14
6.9	Termination of Participation	14

Article 7

Medical Expense Reimbursement Plan Benefits..... 15

7.1	Maximum Amount of Medical Expense Reimbursement Benefits	15
7.2	Establishment of Medical Expense Reimbursement Accounts	15
7.3	Crediting of Medical Expense Reimbursement Accounts	15
7.4	Debiting of Medical Expense Reimbursement Accounts	15
7.5	Forfeiture of Medical Expense Reimbursement Accounts	15
7.6	Application for Payment of Medical Expense Reimbursements	16
7.7	Reimbursement or Payment of Qualifying Medical Care Expenses	16
7.8	Report to Participants on or Before January 31 of Each Year	17
7.9	Termination of Participation	17
7.10	Pediatric Vaccine Reimbursements	17
7.11	Coordination of Benefits.....	17

Article 8

COBRA Continuation of Coverage..... 17

8.1	In General.....	17
8.2	Continuation of Coverage	18
8.3	Qualifying Event.....	18
8.4	Type of Coverage.....	18
8.5	Duration of Coverage.....	19
8.6	Payment of Premium.....	20
8.7	Qualified Beneficiary Must Notify Plan Administrator of Certain Qualifying Events	20
8.8	Notification to Qualified Beneficiary	23
8.9	Special Election Period	23

8.10	Interaction with FMLA	23
8.11	Application of COBRA to the Medical Expense Reimbursement Plan	24

Article 9

Change in Election by the Participant During the Plan Year 24

9.1	Change in Status	24
9.2	Modifications of the Change in Status Rules.....	25
9.3	COBRA Benefits	25
9.4	HIPAA Special Enrollment.....	26
9.5	Court Order	26
9.6	Entitlement to Medicare/Medicaid	26
9.7	Change in Benefit Cost	27
9.8	Significant Curtailment of Benefits	27
9.9	Change in Coverage Options	27
9.10	Change in Dependent Care Provider.....	27
9.11	Change in Another Employer's Plan	27
9.12	FMLA Leave.....	28
9.13	Medical Expense Reimbursement Plan	28

Article 10

Administration 28

10.1	Designation of the Administrator.....	28
10.2	Powers of the Administrator	28
10.3	Examination of Records.....	29
10.4	Reliance on Tables, Etc.....	29
10.5	Nondiscriminatory Exercise of Authority.....	29
10.6	Indemnification of Administrator	29
10.7	Records	29
10.8	Assurance of Receipt of Benefits.....	29
10.9	Conflict of Interest	29
10.10	Exercise of Discretion on a Uniform Basis.....	29
10.11	Timely Filing of Reports.....	29
10.12	Employment of Agents	29
10.13	Reliance Upon Information and Advice	30
10.14	Administration of Claims.....	30
10.15	Compensation of Administrator.....	30
10.16	Liability Limitations	30
10.17	Resignation of Administrator.....	30
10.18	Removal of Administrator; Filling Vacancy.....	30

Article 11

HIPAA Privacy and Security for Medical Expense Reimbursement 30

11.1	Permitted and Required Uses and Disclosures of Summary Health Information.....	30
11.2	Permitted and Required Uses and Disclosure of Protected Health Information.....	31
11.3	Permitted Disclosure of Enrollment/Disenrollment Information	31
11.4	Obligations of Plan Sponsor	31
11.5	Adequate Separation	32
11.6	Certification of Plan Sponsor.....	32
11.7	Miscellaneous Interpretive Provision	32
11.8	Effective Date and Applicability of this Article	33

Article 12

Claims Procedure and Appeal 33

12.1	Application for Benefits.....	33
12.2	Timing of Notification of Initial Benefit Determination	33
12.3	Content of Notification of Initial Benefit Determination	35
12.4	Appeal of Adverse Benefits Determinations	36
12.5	Timing of Notification of Benefits Determination on Review	37
12.6	Content of Notification of Benefit Determination on Review	38

Article 13

Amendment and Termination of the Plan 38

13.1	Amendment and Termination	38
------	---------------------------------	----

Article 14

Miscellaneous Provisions..... 39

14.1	Gender and Number	39
14.2	Headings	39
14.3	Controlling Law	39
14.4	Participation in Plan Not Contract of Employment	39
14.5	Information to be Furnished by Participants.....	39
14.6	Assignment or Alienation of Benefits.....	39
14.7	Qualified Medical Child Support Orders.....	39
14.8	State Recovery of Medicaid Payments	40
14.9	Coordination with Medicaid	40
14.10	Honor of State Subrogation Rights.....	41
14.11	Exclusive Benefit	41
14.12	Action by the Employer	41
14.13	No Guarantee of Tax Consequences.....	41

14.14	Indemnification of Employer by Participants	41
14.15	Funding	41
14.16	Continuation of Coverage	41
14.17	Family and Medical Leave Act.....	42
14.18	Health Insurance Portability and Accountability Act (HIPAA)	42
14.19	Uniform Services Employment and Reemployment Rights Act (USERRA).....	42
14.20	Severability	42

County of Jackson

Second Amended and Restated Section 125 Cafeteria Plan

Preamble

The County of Jackson established this Plan to provide its Employees a choice between cash and certain statutory nontaxable benefits. This Plan is intended to qualify as a “cafeteria plan” under Internal Revenue Code (the "Code") section 125 and is to be interpreted in a manner consistent with the requirements of Code section 125. This Plan is designed to permit an eligible Employee to pay, on a pre-tax salary reduction basis, for his or her share of contributions for benefits under the Group Health Plan (here, major medical insurance), the Medical Expense Reimbursement Plan, the Dependent Care Assistance Program, or for other benefits.

Portions of this document are also intended to satisfy the written plan requirements of the regulations under Code section 105(b) (relating to Medical Expense Reimbursement Benefits) and Code section 129(d)(1) (relating to Dependent Care Programs). For purposes of clarity, the details of these separate plans and programs are combined in this document with the cafeteria plan provisions in order to fully describe the benefits under the cafeteria plan. However, it is the intent of the County of Jackson to have three separate written plans or programs consisting of the following:

1. **Cafeteria Plan.** The Cafeteria Plan shall include all of the terms set forth in this document.
2. **Dependent Care Assistance Program.** The Dependent Care Assistance Program under Code section 129 includes the following Articles of this document: Articles 1, 2, 5, 6, 9, 10, 12, 13 and 14. These Articles shall form a separate written program for all purposes of the Code.
3. **Medical Expense Reimbursement Plan.** The Medical Expense Reimbursement Plan under Code section 105(b) includes the following Articles of this document: Articles 1, 2, 5, 7, 8, 9, 10, 11, 12, 13 and 14. These Articles shall form a separate written plan document for all purposes of the Code.

Article 1

Definitions

When used in this Plan, the following words shall have the following meanings, unless the context clearly indicates otherwise:

- 1.1 **“Account”** means the Dependent Care Assistance Account described in Article 6 and the Medical Expense Reimbursement Account described in Article 7.
- 1.2 **“Administrator”** means the Employer or another person or entity designated by the Board of Directors to administer the Plan in accordance with Article 10.

1.3 **“Affiliate”** means an employer that is sufficiently affiliated with the Employer to be able to participate in the same benefit plan or plans pursuant to the Code.

1.4 **“Board of Directors”** means Employer’s governing body.

1.5 **“Claimant”** means any Participant who seeks to file a claim pursuant to the terms of this Plan.

1.6 **“COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272) Title X, as amended.

1.7 **“Code”** means the Internal Revenue Code of 1986, as amended. References in the Plan to any Code section shall include reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces the Code section.

1.8 **“Compensation”** means the base compensation of the Participant paid by the Employer during a Plan Year prior to any reductions under the salary reduction agreement. Compensation shall not include overtime, commissions or bonuses.

1.9 **“Dependent”** generally means a Participant’s Spouse and any person who is a dependent of the Participant within the meaning of Code section 152, as modified by Code section 105(b) and section 106 and the regulations and other authority thereunder. For purposes of Sections 1.11 and 1.12 and Article 6, “Dependent” means any individual who is either a dependent of the Participant (who is a qualifying child within the meaning of Code section 152) who is under the age of 13, or a Participant’s spouse or dependent (as defined in Code section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B)) who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year. In circumstances of divorced or legally separated parents (or parents who live apart at all times during the last six months of the calendar year), a child as provided above and in Code section 152(e) and section 21(e)(5) will be the “Dependent” of the parent having custody for the greater portion of the calendar year. It is the intent of this provision to comply with the provisions of ERISA Section 609(c). Notwithstanding the foregoing, the Plan will provide benefits in accordance with the applicable requirements of any QMCSO, even if the child does not meet the definition of “Dependent.”

1.10 **“Dependent Care Assistance Account”** means the account described in Section 6.2.

1.11 **“Dependent Care Expenses”** are expenses that are considered to be employment-related expenses under Code section 21(b)(2), are incurred by a Participant for the care of a Dependent of the Participant or for related household services, are paid or payable to a Dependent Care Service Provider, and are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Dependents with respect to the Participant. Dependent Care Expenses shall not include expenses incurred for services outside the Participant’s household for the care of a Dependent, unless the Dependent is a Dependent as defined in Code section 152(a)(1) and is under the age of 13, or the Dependent regularly spends at least eight hours each day in the Participant’s household. Dependent Care Expenses do not include amounts payable to the Participant’s spouse, to the parent of the Participant’s Dependent

child under age 13, to an individual for whom the Participant or his or her spouse may claim an exemption under Code section 151(c), or to the Participant's child under the age of 19 at the end of the year in which Dependent Care Expenses are incurred. Dependent Care Expenses are incurred at the time the services to which the expense relates are rendered, regardless of when the Participant is charged for the services.

1.12 **“Dependent Care Service Provider”** means a person who provides care or other services for the care of a Dependent of the Participant and related household services, but shall not include a dependent care center (as defined in Code section 21(b)(2)(D)), unless the requirements of Code section 21(b)(2)(D) are satisfied and shall not include a related individual described in Code section 129(c), Code section 21 and the regulations thereunder.

1.13 **“Earned Income”** means earned income as defined in Code section 32(c) as modified by Code section 129.

1.14 **“Effective Date”** of this Plan is January 1, 1994. The effective date of this amendment and restatement is January 1, 2009.

1.15 **“Electronic Protected Health Information (EPHI)”** means individually identifiable health information that is transmitted by electronic media or maintained in electronic media.

1.16 **“Employee”** means any person employed by Employer, but does not include (a) leased employees, including individuals defined as leased employees in Code section 414(n), contract workers, independent contractors, temporary employees or casual employees for the period such individual is so classified, whether or not any such individual is on the Employer's W-2 payroll or is determined by the IRS or others to be a common-law employee of the Employer; (b) individuals who perform services for Employer but are paid by a temporary or other employment or staffing agency for the period during which such individuals are paid by such agency, whether or not such individual is determined by the IRS or others to be a common-law employee of the Employer; (c) self-employed individuals; (d) partners in a partnership; (e) non-employee directors; and (f) any more-than-2% shareholder in an S corporation. The term “Employee” does include “former Employees” for the limited purpose of allowing continued eligibility for benefits under the Plan where allowed by this Plan.

1.17 **“Employer”** means the County of Jackson and any Affiliate which elects to participate in the Plan and receives the consent of its Board of Directors to do so.

1.18 **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

1.19 **“FMLA”** means the Family and Medical Leave Act of 1993, as amended.

1.20 **“Group Health Plan”** means the County of Jackson Group Health Plan sponsored by the Employer for Employees.

1.21 **“Highly Compensated Employee”** means any person who is a “highly compensated participant” or “highly compensated individual” as defined in Code section 125(e) or a “highly compensated individual” as defined in Code section 105(h).

1.22 **“HIPAA”** means the Health Insurance Portability and Accountability Act of 1996, as amended.

1.23 **“Individually Identifiable Health Information”** means the information that is a subset of health information, including demographic information collected from an individual, and: (a) is created or received by a health care provider, health plan, employer or health care clearinghouse; and (b) relates to the past, present or future physical or mental health or condition, the provision of health care, or payment for the provision of health care to an individual and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

1.24 **“Key Employee”** means any person who is a Key Employee, as defined in Code section 416(i)(1), and the Treasury regulations thereunder.

1.25 **“Medical Expense Reimbursement Account”** means the account described in Section 7.2.

1.26 **“Named Fiduciary”** means the County of Jackson for the Medical Expense Reimbursement Plan for purposes of ERISA section 402(a).

1.27 **“Participant”** means any individual who has satisfied the eligibility requirements of Article 2 and who is participating in the Plan pursuant to the terms of the Plan or any continuation requirements of state or federal law.

1.28 **“Plan”** means the County of Jackson Second Amended and Restated Section 125 Cafeteria Plan set forth in this document and all subsequent amendments. The term “Plan” shall also mean the separate written Dependent Care Assistance Program which consists of several of the Articles of this document as set forth in the Preamble. The term “Plan” shall also mean the separate written Medical Expense Reimbursement Plan, which consists of several of the Articles of this document as set forth in the Preamble.

1.29 **“Plan Year”** means the 12-month period ending on each December 31.

1.30 **“Privacy Rules”** means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E, as amended from time to time.

1.31 **“Protected Health Information (PHI)”** means individually identifiable health information, except as provided below in this definition, that is transmitted by electronic media; maintained in electronic media; or transmitted or maintained in any other form or medium. Protected health information excludes individually identifiable health information in Education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; Records described at 20 U.S.C. 1232g(a)(4)(B)(iv); and employment records held by a covered entity in its role as employer.

1.32 **"QMCSO"** means a Qualified Medical Child Support Order, as defined in ERISA Section 609(a).

1.33 **"Qualified Beneficiary"** means the Participant's spouse and dependent children who are beneficiaries under the Plan on the day prior to the Qualifying Event and who are entitled to COBRA coverage under Article 8.

1.34 **"Qualified Reservist Distributions"** means a taxable distribution of amounts remaining in the Medical Expense Reimbursement Account for certain members of a reserve component as described in Section 7.5.

1.35 **"Qualifying Event"** means those events specified in Section 8.3.

1.36 **"Qualifying Medical Care Expenses"** means expenses incurred by a Participant, or by the spouse or Dependent of the Participant, for medical care as defined in Code section 213(d), including, without limitation, amounts paid for hospital bills and drugs, but only to the extent that the Participant or other persons incurring the expense are not reimbursed for the expense through insurance or otherwise. If only a portion of the Medical Care Expense has been reimbursed elsewhere, the Plan may reimburse the remaining portion of the expense if it otherwise meets this definition. Furthermore, a Participant may not be reimbursed for "qualified long-term care services" as defined in Code section 7702B(c). With the exception of advance payments for orthodontia, Qualifying Medical Care Expenses are incurred at the time the services to which the expense relates are rendered, regardless of when the Participant is charged for the services.

1.37 **"Retiree"** means an individual who has retired from the employment of Employer, is no longer an Employee, and is eligible to receive his or her pension benefit from the Employer.

1.38 **"Security Rules"** means the Security Standards and Implementation Specifications at 45 CFR Part 160 and Part 164, subpart C, as amended from time to time.

1.39 **"Spouse"** means an individual who is legally married to a Participant as determined under Michigan state law and who is treated as a spouse under the Code.

1.40 **"Summary Health Information (SHI)"** means information that may be individually identifiable health information, as defined by the HIPAA Privacy Regulations as amended from time to time, and (a) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom a plan sponsor has provided health benefits under a group health plan; and (b) from which names and geographic subdivisions smaller than a State has been deleted, except that such geographic information need only be aggregated to the level of a five-digit zip code.

Article 2

Eligibility and Participation

2.1 **Eligibility Requirements.** Each Employee or Retiree who meets one of the following requirements shall be eligible to participate in the Plan (a Retiree's participation in the Plan is limited to Article 4):

(a) The Employee is a non-union part-time or full-time Employee of Employer regularly scheduled to work at least 20 hours per week and will normally be scheduled to work more than six months during the Plan Year. This definition specifically includes Commissioners, Judges or Elected Officials.

(b) The Employee is included in a collective bargaining unit which bargained in good faith for employee benefits, and the collective bargaining agreement provides that the Employee shall be eligible to participate in the Plan. In such case, the Employee may only participate in the Plan to the extent that the collective bargaining agreement provides.

(c) A Retiree shall be eligible to participate in Article 4 of this Plan if the Retiree is eligible for the Employer's retiree health insurance.

2.2 **Commencement of Participation.** Unless otherwise provided in the collective bargaining agreement, an Employee or Retiree will become a Participant on the later of the Effective Date of this Plan or the date the Employee or Retiree becomes eligible to participate pursuant to Section 2.1. A Retiree's participation in the Plan is limited to Article 4. However, except as otherwise provided in a collective bargaining agreement, with regard to new Employees who are eligible as of their date of hire, participation in this Plan is retroactive to their date of hire if they make their election within thirty (30) days after their hire date. This provision does not apply to any Employee who terminates employment and is rehired within 30 days or to an Employee who returns from an unpaid leave of absence of less than 30 days. Moreover, the salary reduction amounts for retroactive coverage can only be made from compensation not yet available on the date of the election.

Although Dependents cannot participate in the Plan, they may benefit from the Participant's participation.

2.3 **Cessation of Participation.** Generally, a Participant will cease to be a Participant as of the earlier of the date the Plan terminates, the day the Employee ceases to be an Employee, the date the Employee ceases to meet the eligibility requirements, or the date the Participant revokes his or her election as permitted under the terms of this Plan. If the Participant does not choose to continue participation in the Plan, termination of participation will automatically revoke the Participant's elections and benefits as of the dates specified in the insurance or other benefit plans. Pursuant to COBRA, a former Participant-Employee (or his or her covered spouse or dependent children) may elect to continue the medical and/or medical expense reimbursement benefits provided under this Plan for a limited period of time by paying the cost of the benefits. To the extent required by COBRA or by any other state or federal law, a

former Participant-Employee or his/her Qualified Beneficiaries will be permitted to continue the medical and/or medical expense reimbursement benefits provided under this Plan.

2.4 Reinstatement of Former Participant. A former Participant who again satisfies the eligibility requirements of Section 2.1 shall become a Participant at the time provided in Section 2.2.

If a Participant terminates his or her employment for any reason, including, but not limited to, disability, retirement, layoff or voluntary resignation, and then is rehired within 30 days or less of the date of a termination of employment, the Employee will be reinstated in this Plan. The Employee will not be allowed to make a new election. If an Employee, whether or not a Participant, terminates employment and is not rehired within 30 days or ceases to be an Eligible Employee for any other reason, including, but not limited to, a reduction in hours, the Employee must complete the eligibility requirements described in Section 2.1 before again becoming eligible to participate in the Plan.

2.5 Family and Medical Leave Act Leaves of Absence.

(a) **Health Benefits.** If the Employer is subject to the FMLA and a Participant takes a qualifying leave under that Act, then to the extent required by the FMLA, the Employer will continue to maintain the Participant's medical, dental, vision and prescription insurance and Medical Expense Reimbursement Plan coverage on the same terms and conditions as if the Participant were still an active Employee. That is, if the Participant elects to continue his or her coverage while on leave, the Employer will continue to pay its share of the premium.

An Employer may elect to continue all medical, dental, vision and prescription insurance and Medical Expense Reimbursement Plan coverage for Participants while they are on paid FMLA leave, provided Participants on non-FMLA paid leave are required to continue coverage. If so, the Participant's share of the premiums shall be paid by the method normally used during any paid leave, e.g., on a pre-tax salary reduction basis, if that was the method used before FMLA leave.

If the Employer requires all Participants to continue medical, dental, vision and prescription insurance and Medical Expense Reimbursement Plan coverage during an unpaid FMLA leave, the Participant may elect to discontinue payment of the Participant's required premiums until the Participant returns from leave. Upon returning from leave, the Participant will be required to repay the premiums not paid by the Participant during the leave. Payment shall be withheld from the Participant's Compensation either on a pre-tax or after-tax basis, as may be agreed upon by the Administrator and the Participant.

In the event of unpaid or paid FMLA leave where coverage is not required to be continued, a Participant may elect to continue his or her medical, dental, vision or prescription insurance and Medical Expense Reimbursement Plan coverage during the leave. If the Participant elects to continue coverage while on FMLA leave, then the Participant may pay his or her share of the premium in one of the following ways:

(1) with after-tax dollars, by sending monthly payments to the Employer by the due date established by the Employer;

(2) with pre-tax dollars, by having such amounts withheld from the Participant's ongoing compensation, if any, including unused sick days and vacation days, or pre-paying all or a portion of the premium for the expected duration of the leave on a pre-tax salary reduction basis out of pre-leave compensation. To pre-pay the premium, the Participant must make a special election to that effect prior to the date that such compensation would normally be made available (pre-tax dollars may not be used to fund coverage during the next Plan Year); or

(3) under another arrangement agreed upon between the Participant and the Administrator, e.g., the Administrator may fund coverage during the leave and withhold "catch-up" amounts on a pre-tax or after-tax basis from the Participant's compensation upon the Participant's return.

If a Participant's medical, dental, vision or prescription insurance or Medical Expense Reimbursement Plan coverage ceases while on FMLA leave, e.g., for revocation or nonpayment of required contributions, the Participant is entitled to re-enter the medical, dental, vision or prescription insurance or Medical Expense Reimbursement Plan, as applicable, upon return from such leave on the same basis as the Participant was participating in the Plan prior to the leave, or as otherwise required by the FMLA. Participants whose medical, dental, vision or prescription insurance or Medical Expense Reimbursement Plan coverage terminated during the leave are entitled to be automatically reinstated, provided that coverage for Employees on non-FMLA leave is automatically reinstated upon return from leave. Notwithstanding the preceding sentence, with regard to Medical Expense Reimbursement Plan coverage, a Participant whose coverage ceases will be entitled to elect whether to be reinstated in the Medical Expense Reimbursement Plan at the same coverage level as in effect before the FMLA leave (with increased contributions for the remaining period of coverage) or at a coverage level that is reduced pro-rata for the period of FMLA leave during which the Participant did not pay premiums. If a Participant elects a coverage level that is reduced pro-rata for the period of FMLA leave, the amount withheld from a Participant's Compensation on a payroll-by-payroll basis for the purpose of paying for reinstated Medical Expense Reimbursement Plan will be equal to the amount withheld prior to the period of FMLA leave.

(b) **Nonhealth Benefits.** If a Participant takes a qualifying leave under the FMLA, entitlement to nonhealth benefits (such as disability insurance benefits and Dependent Care Assistance Program benefits), is to be determined by the Employer's policy for providing such benefits when the Participant is on non-FMLA leave. If such policy permits a Participant to discontinue contributions while on leave, the Participant will, upon returning from leave, be required to repay the premiums not paid by the Participant during the leave. Payment shall be withheld from the Participant's Compensation either on a pre-tax or after-tax basis, as may be agreed upon by the Administrator and the Participant or as the Administrator otherwise deems appropriate.

2.6 Non-FMLA Leaves of Absence. If a Participant takes an unpaid leave of absence that does not affect eligibility, then the Participant will continue to participate in the Plan and the premium due for the Participant will be paid by pre-payment before going on leave, by after-tax contributions while on leave, or with catch-up contributions after the leave ends, as may be determined by the Administrator.

Article 3

Employer Contribution

3.1 **Employer Contribution.** Each year, the Employer shall provide each Participant with an Individualized Benefit Plan worksheet upon request designating the amount of the Employer Contribution, if any, for the eligibility class of Employees to which the Participant belongs. Participants can use the Employer Contribution (i.e., “Individualized Benefit Plan Dollars”) to purchase benefits, and can also voluntarily reduce their salaries to purchase the benefits available under the Plan pursuant to Article 5.

Article 4

Cash in Lieu of Medical Coverage

4.1 **Election to Waive Medical Coverage and Receive Cash.** Unless otherwise provided in a collective bargaining agreement, a Participant who is eligible to receive medical coverage from the Employer may elect to receive a cash payment in lieu of medical coverage under the Group Health Plan, subject to the following sentence. In order to elect to waive coverage, the Participant must provide a written waiver on a form provided by the Administrator and proof of alternative medical coverage from a medical insurance carrier or another group health plan providing basic medical coverage benefits, other than Medicare. Additionally, unless otherwise provided in a collective bargaining agreement, for Employees who are hired on or after January 1, 2007 and Retirees who retire on or after January 1, 2007, proof of alternative coverage cannot include Medicare or Employer health insurance provided to the Participant's spouse. If the Participant makes this election, the Participant shall be entitled to receive additional cash compensation from the Employer in an amount announced by the Employer in writing each Plan Year. Unless otherwise agreed, the cash payment shall be paid on a prorata basis per pay period.

4.2 **Revocation of Election Upon Loss of Other Medical Coverage.** A Participant who elects to waive medical coverage and who subsequently loses coverage from another source will be permitted to change an election pursuant to Article 9 of the Plan and, to the extent permitted under the Employer's Group Health Plan, to prospectively revoke his or her election by providing proof of the loss of alternative coverage and occurrence of a change in election event to the Administrator within 30 days after coverage was lost.

4.3 **Description of the Terms of the Group Health Plan.** The coverage referred to in Section 3.1 is the coverage that is provided by Employer's Group Health Plan. The medical benefits will not be provided by this Plan, but by the Group Health Plan and the insuring agreements entered into by Employer with the respective benefit providers. The types and amounts of benefits available, the participation requirements, and the other terms and conditions of coverage are as set forth in the Group Health Plan and any related insuring agreements. In the event of a conflict in terms between this Plan and the Group Health Plan, the terms of the Group Health Plan shall control.

4.4 Election Procedure. Prior to the beginning of the Plan Year, the Administrator shall provide one or more written election forms to each Participant and to each other Employee or Retiree who is expected to become a Participant at the beginning of the Plan Year. Each Participant who elects to waive medical coverage and receive a cash payment shall so specify on the election form. Each election form must be completed and returned to the Administrator on or before such date as the Administrator shall specify, which date shall be no later than the beginning of the Plan Year, except as otherwise provided in Section 4.5.

4.5 New Participants. As soon as practicable before an Employee or Retiree becomes a Participant under Sections 2.2 or 2.4, the Administrator shall provide the written election forms described in Section 4.4 to the Employee. If the Employee or Retiree desires to elect a cash payment pursuant to Section 4.1 for the balance of the Plan Year, he or she shall so specify on the election forms. The election forms must be completed and returned to the Administrator no later than the beginning of the first pay period for which the Participant's election will apply.

4.6 Failure to Elect. A new Participant who fails to provide a written election form and waiver of medical and dental coverage to the Administrator on or before the specified due date for each Plan Year shall not receive the cash payment discussed in Section 4.1. However, a Participant who fails to return a completed election form for a subsequent Plan Year changing the benefit election to the Administrator on or before the specified due date shall be deemed to have made the same election of benefits and mode of contribution in the subsequent Plan Year as was in effect with respect to that Participant for the prior Plan Year.

4.7 Changes by Administrator. If the Administrator determines, before or during any Plan Year, that the Plan may fail to satisfy any nondiscrimination requirement imposed by the Code or any limitation on benefits provided to Highly Compensated Employees or to Key Employees, the Administrator shall take appropriate action, under rules uniformly applicable to similarly-situated Participants. This action may include, without limitation, a modification of elections by Highly Compensated Employees or Key Employees with or without the Employee's consent.

4.8 Revocation of Election by the Participant During the Plan Year. Elections made or deemed to be made under Article 4 of the Plan shall be irrevocable by the Participant during the Plan Year, subject to the provisions of Article 9.

4.9 Automatic Termination of Election. Elections made under this Plan (or deemed to be made under this Article) shall automatically terminate on the date on which the Participant ceases to be a Participant in the Plan, subject to any medical care continuation coverage requirements of state or federal law and subject to the provisions of Articles 8 and 9 of this Plan. Additionally, a surviving spouse may continue receiving the benefits under this Article in the event of a Retiree-Participant's death.

4.10 Maximum Employer Contributions. The maximum amount of Employer contributions under this Article 4 of the Plan for any Participant shall be equal to the greater of the cash payment elected by the Participant or the Employer cost of the benefits under the Group

Health Plan which the Participant receives if the Participant does not elect to receive a cash payment.

4.11 Limitation on the Availability of Cash in Lieu of Nontaxable Benefits Payment. To the extent Employer's Group Health Plan contract requires a certain level of Employee participation, the election of the cash benefit available under this Article 4 shall be limited to a first-come-first-served basis. The Administrator, in its sole discretion, shall make the determinations regarding the application of this limitation.

Article 5

Purchase of Benefits Through Salary Reduction

5.1 Benefit Options. This Plan allows Participants to make elections among permitted taxable benefits and qualified nontaxable benefits offered through the Plan for the Plan Year. Subject to the limitations set forth in this Plan, a Participant may elect to purchase the following benefits through salary reduction under this Plan:

(a) The Employee portion of the cost of the particular type of medical, dental, vision, prescription drug and short-term disability coverage elected by the Participant for the Participant and/or the Participant's Dependents, as described in the benefit booklets distributed with respect to each separate benefit plan. (Participants may also use Individualized Benefit Plan Dollars to purchase the medical, dental, vision, and prescription drug benefits). While the election to receive these optional benefits may be made under this Plan, the benefits will be provided by the separate plan or plans sponsored by the Employer offering the benefits described. The types and amounts of benefits available, the requirements for participating, and the other terms and conditions of coverage and benefits are set forth in those plans.

(b) Dependent Care Assistance benefits pursuant to Article 6.

(c) Medical Expense Reimbursement benefits pursuant to Article 7.

The Coverage Period for each of the above described benefits elected is the Plan Year, with the following exceptions: (a) for Employees who first become eligible to participate, it shall mean the portion of the Plan Year coinciding with and following the date participation commences, as described in Section 2.2; and (b) for Employees who terminate participation, it shall mean the portion of the Plan Year prior to and including the date participation terminates, as described in Section 2.3. A different Coverage Period may be established by the Administrator and communicated to Participants.

5.2 Method of Purchasing Benefits. Prior to the commencement of each Plan Year, the Administrator shall provide one or more written election forms and salary reduction agreements to each Participant and to each other Employee expected to become a Participant at the beginning of the Plan Year. Participants who desire to purchase one or more of the optional benefits described in Section 5.1 shall so specify on the appropriate election forms, which forms shall include a salary reduction agreement. Except as provided in Section 5.3 with respect to new Participants, elections to purchase benefits shall be effective on the first day of the Plan

Year. Each election form must be completed and returned to the Administrator on or before the date specified by the Administrator, which date shall be prior to the first day of the first pay period with respect to which the Participant's salary reduction agreements will apply.

5.3 New Participants. As soon as practicable before an Employee becomes a Participant under Section 2.2, the Administrator shall provide the written election forms and salary reduction agreements described in Section 5.2 to the Employee. If the Employee desires one or more optional benefit coverages described in Section 5.1 for the balance of the Plan Year, he or she shall so specify on the election forms and shall agree to a reduction in his or her compensation. The election forms must be completed and returned to the Administrator prior to the first day of the first pay period with respect to which the Participant's salary reduction agreement will become effective, as stated in the election form.

5.4 Failure to Make Timely Election. A new Participant who fails to return a completed election form to the Administrator on or before the specified due date shall be deemed not to participate in the Plan in the upcoming year and shall not be entitled to purchase any optional benefits through salary reduction for the Plan Year unless an event occurs as described in Article 9. A returning Participant who fails to return a completed election form to the Administrator on or before the specified due date for any subsequent Plan Year shall be deemed to have made the same election of benefits and mode of contributions as was in effect with respect to that Participant for the prior Plan Year. The Participant may not change this election unless an event occurs such as an event described in Article 9. The Participant shall also be deemed to have agreed to a reduction in his or her compensation for the subsequent Plan Year equal to the cost of the optional benefits the Participant is deemed to have elected for that Plan Year.

5.5 Modifications of Elections by Administrator. If the Administrator determines before or during any Plan Year that the Plan may fail to satisfy any nondiscrimination requirement imposed by the Code or any limitation on benefits provided to Highly Compensated Employees or Key Employees, the Administrator shall take appropriate action, under rules uniformly applicable to similarly-situated Participants. This action may include, without limitation, a modification of elections by Highly Compensated Employees or Key Employees, with or without the Employee's consent.

5.6 Revocation of Election by the Participant During the Plan Year. Elections made under the Plan shall be irrevocable by the Participant during the Plan Year, subject to the provisions of Article 9.

5.7 Automatic Termination of Election. Elections made under this Article (or deemed to be made) shall automatically terminate on the date on which the Participant ceases to be a Participant in the Plan, subject to any medical care continuation coverage requirements of state or federal law, and any provisions of this Plan which allow continuation of benefits.

5.8 Maximum Employer Contributions. The maximum amount of Employer contributions under this Article of the Plan for any Participant shall be the cost of benefits which the Participant may elect to receive pursuant to Sections 5.1, 6.1 and 7.1.

Article 6

Dependent Care Assistance Program Benefits

6.1 **Maximum Amount of Dependent Care Coverage.** The maximum amount of Dependent Care Assistance which a Participant may receive in any calendar year under this Plan shall be the lesser of (a) the Participant's Earned Income for the calendar year after all reductions in compensation, including the reduction related to Dependent Care Assistance, or (b) the actual or deemed Earned Income of the Participant's spouse for the Plan Year, or (c) \$5,000 (\$2,500 in the case of a separate return filed by a married person). In the case of a spouse who is a full-time student at an educational institution or is physically or mentally incapable of caring for himself, such spouse shall be deemed to have Earned Income of not less than \$250 per month if the Participant has one Dependent and \$500 per month if the Participant has two or more Dependents.

6.2 **Establishment of Dependent Care Assistance Accounts.** The Employer will establish and maintain on its books a Dependent Care Assistance Account for each Plan Year with respect to each Participant who has elected to receive dependent care assistance for the Plan Year, but will not create a separate fund or otherwise segregate assets for this purpose. The account will merely be a record keeping account with the purpose of keeping track of contributions and determining forfeitures.

6.3 **Crediting of Dependent Care Assistance Accounts.** There shall be credited to a Participant's Dependent Care Assistance Account for each Plan Year, as of each date compensation is paid to the Participant in such Plan Year, an amount equal to the reduction, if any, to be made in such compensation in accordance with the Participant's election and salary reduction agreement under Section 4.2 of the Plan. All amounts credited to each such Dependent Care Assistance Account shall be the property of the Employer until paid out as reimbursements.

6.4 **Debiting of Dependent Care Assistance Accounts.** A Participant's Dependent Care Assistance Account for each Plan Year shall be debited from time to time in the amount of any payment under Section 6.7 to or for the benefit of the Participant for Dependent Care Expenses incurred during such Plan Year. Amounts debited to each such Dependent Care Assistance Account shall be treated as payments of the earliest amounts credited to the Account and not yet treated as paid under this Section, under a "first-in/first-out" approach.

6.5 **Forfeiture of Dependent Care Assistance Accounts.** The amount credited to a Participant's Dependent Care Assistance Account for any Plan Year shall be used only to reimburse the Participant for Dependent Care Expenses incurred during the Plan Year, and only if the Participant applies for reimbursement on or before the 90th day following the earlier of the close of the Plan Year or the Participant's termination of participation. If any balance remains in the Participant's Dependent Care Assistance Account for any Plan Year after all reimbursements are made under this Plan, the balance shall not be carried over to reimburse the Participant for Dependent Care Expenses incurred during a subsequent Plan Year and shall not be available to the Participant in any other form or manner, but shall remain the property of the Employer to defray reasonable administrative expenses. Any remaining balance must be allocated among Participants on a reasonable and uniform basis. In addition, any unclaimed benefit payments at

the end of the Plan Year in which the Expense was incurred shall be forfeited and applied as above. Pursuant to this Section, the Participant shall forfeit all rights with respect to the balance of the Dependent Care Assistance Account.

6.6 Application for Payment of Dependent Care Expenses. A Participant who has elected to receive dependent care assistance for a Plan Year may apply to Employer for reimbursement of Dependent Care Expenses incurred by the Participant during the Plan Year by submitting an application in writing to the Employer, in such form as the Employer may prescribe, setting forth:

(a) the amount, date and nature of the expense with respect to which a benefit is requested;

(b) the name of the person, organization or entity to which the expense was or is to be paid and the taxpayer identification number (Social Security Number, if an individual);

(c) the name of the person on whose behalf Dependent Care Expenses have been incurred and the Dependent's relationship to the Participant;

(d) the amount recovered, or expected to be recovered, under any insurance arrangement or other plan, with respect to the expense.

The application shall be accompanied by bills, invoices, receipts, canceled checks or other statements showing the amounts of the expenses, together with any additional documentation which the Employer may request.

6.7 Reimbursement or Payment of Dependent Care Expenses. The Employer shall reimburse the Participant from the Participant's Dependent Care Assistance Account for Dependent Care Expenses incurred during the Plan Year for which the Participant submits documentation in accordance with Section 6.6. The Employer may, at its option, pay any such Dependent Care Expenses directly to the Dependent Care Service Provider in lieu of reimbursing the Participant. No reimbursement or payment under this Section of Expenses incurred during a Plan Year shall at any time exceed the balance of the Participant's Dependent Care Assistance Account for the Plan Year at the time of the reimbursement or payment. The amount of any Dependent Care Expense not reimbursed or paid as a result of the preceding sentence shall be carried over and reimbursed or paid only if and when the balance in such Account permits the reimbursement or payment within the same Plan Year.

6.8 Report to Participants on or before January 31 of each Year. On or before January 31 of each year, the Administrator shall furnish to each Participant who has received dependent care assistance during the prior calendar year a written statement showing the amount of such assistance paid during such year with respect to the Participant.

6.9 Termination of Participation. In the event that a Participant who has elected dependent care assistance ceases to be a Participant in this Plan for any reason, the Participant's salary reduction agreement relating to dependent care assistance shall terminate. The total amount credited to the former Participant's Dependent Care Assistance Account at the time of

termination of participation shall be available to the former Participant for reimbursements of Dependent Care Expenses incurred during the period of participation. However, the former Participant must apply for reimbursement on or before the 90th day after the date which termination of participation occurred. No such reimbursement shall exceed the remaining balance, if any, in the Participant's Dependent Care Assistance Account for the Plan Year.

Article 7

Medical Expense Reimbursement Plan Benefits

7.1 Maximum Amount of Medical Expense Reimbursement Benefits. The maximum amount of Medical Expense Reimbursement Benefits which a Participant may receive in the form of payments or reimbursements for Qualifying Medical Care Expenses in any Plan Year under this Plan shall be \$5,000.00.

7.2 Establishment of Medical Expense Reimbursement Accounts. The Employer will establish and maintain on its books a Medical Expense Reimbursement Account for each Plan Year with respect to each Participant who has elected to receive reimbursement of Qualifying Medical Care Expenses incurred during the Plan Year, but will not create a separate fund or otherwise segregate assets for this purpose. The Account will merely be a record keeping account with the purpose of keeping track of contributions and determining forfeitures.

7.3 Crediting of Medical Expense Reimbursement Accounts. At the beginning of each Plan Year (or for New Participants at the beginning of participation) there shall immediately be credited to a Participant's Medical Expense Reimbursement Account an amount equal to the total reduction, if any, to be made in the Participant's compensation for the Plan Year in accordance with the Participant's election and salary reduction agreement under Section 5.2 of the Plan. All amounts credited to each such Medical Expense Reimbursement Account shall be the property of the Employer until paid out as reimbursements.

7.4 Debiting of Medical Expense Reimbursement Accounts. A Participant's Medical Expense Reimbursement Account for each Plan Year shall be debited from time to time in the amount of any payment or reimbursement under Section 7.7 to or for the benefit of the Participant for Qualifying Medical Care Expenses incurred during the Plan Year. Amounts debited to each Medical Expense Reimbursement Account shall be treated as payments of the earliest amounts credited to the Account and not yet paid under a "first-in/first-out" approach.

7.5 Forfeiture of Medical Expense Reimbursement Accounts. The amount credited to a Participant's Medical Expense Reimbursement Account for any Plan Year shall be used only to reimburse the Participant for Qualifying Medical Care Expenses incurred during the period of his or her participation in the Plan Year and only if the Participant applies for reimbursement on or before the earlier of: (a) the 90th day following the date the Participant terminates participation in the Plan (unless he or she continues to participate in the relevant Plan, pursuant to its terms or COBRA, as of the last day of the Plan Year); or (b) the 90th day following the close of the Plan Year. If any balance remains in the Participant's Medical Expense Reimbursement Account for a Plan Year after all reimbursements have been paid, the balance shall not be carried over to reimburse the Participant for Qualifying Medical Care

Expenses incurred during a subsequent Plan Year and shall not be available to the Participant in any other form or manner. The balance instead shall remain the property of the Employer to defray reasonable administrative expenses. Any remaining balance must be allocated among Participants on a reasonable and uniform basis. In addition, any unclaimed benefit payments at the end of the Plan Year in which the Expense was incurred shall be forfeited and applied as above. Pursuant to this Section, the Participant shall forfeit all rights with respect to the balance of the Medical Expense Reimbursement Account.

IMPORTANT EXCEPTION REGARDING QUALIFIED RESERVIST DISTRIBUTIONS: If, however, the Participant is a member of a reserve component (as defined in section 101 of title 37, United States Code) and is ordered or called to active duty for a period in excess of 179 days or for an indefinite period, then the Participant may take a Qualified Reservist Distribution in cash. A “Qualified Reservist Distribution” is a taxable distribution of the unused amounts remaining in the Medical Expense Reimbursement Account (ie, actual payroll deductions minus year-to-date reimbursements) and must be made during the period beginning on the date of such order or call to active duty and ending on the last day of the Plan Year. A Participant who takes a Qualified Reservist Distribution will automatically terminate participation in the Medical Expense Reimbursement Account and may only regain participation status by meeting the eligibility and participation requirements set forth in Sections 2.1 and 2.2.

7.6 Application for Payment of Medical Expense Reimbursements. A Participant who has elected to receive medical care expense reimbursements for a Plan Year may apply to Employer for reimbursement of Qualifying Medical Care Expenses incurred by the Participant during the Plan Year by submitting an application in writing to the Employer, in such form as the Employer may prescribe, setting forth:

- (a) the amount, date and nature of the expense with respect to which a benefit is requested;
- (b) the name of the person, organization or entity to which the expense was or is to be paid and the taxpayer identification number (or Social Security Number, if an individual);
- (c) the name of the person for whom the expense was incurred and, if such person is not the Participant requesting the benefit, the relationship of such person to the Participant; and
- (d) the amount recovered or expected to be recovered, under any insurance arrangement or other plan, with respect to the expense.

Such application shall be accompanied by bills, invoices, receipts, canceled checks or other statements showing the amounts of such expenses, together with any additional documentation which the Administrator may request.

7.7 Reimbursement or Payment of Qualifying Medical Care Expenses. The Employer shall reimburse the Participant from the Participant’s Medical Expense Reimbursement Account for Qualifying Medical Care Expenses incurred during the Plan Year for which the Participant submits a written application and documentation in accordance with

Section 7.6. The Employer may, at its option, pay any such Qualifying Medical Care Expenses directly to the person providing or supplying medical care in lieu of reimbursing the Participant. Reimbursements shall be made available to the Participant throughout the Plan Year without regard to the amount of salary reductions allocated to the Participant's Medical Expense Reimbursement Account at any point in time. No reimbursement or payment under this Section of expenses incurred during a Plan Year shall at any time exceed the total balance of the Participant's Medical Expense Reimbursement Account for the Plan Year.

7.8 **Report to Participants on or Before January 31 of Each Year.** On or before January 31 of each year, the Administrator shall furnish to each Participant who has received medical care expense reimbursements during the prior calendar year a written statement showing the amount of Qualifying Medical Care Expenses which were paid or reimbursed during the Plan Year with respect to each Participant.

7.9 **Termination of Participation.** In the event that a Participant who has elected medical expense reimbursement ceases to be a Participant in this Plan for any reason, the Participant's salary reduction agreement relating to medical expense reimbursements and election to receive reimbursements shall terminate. The total amount remaining in the Medical Expense Reimbursement Account shall be available to the former Participant for reimbursement of Qualifying Medical Care Expenses incurred prior to the termination of participation. (Only expenses incurred during the period of participation in the Plan may be reimbursed.) However, the former Participant must apply for reimbursement on or before the 90th day after the Participant's termination of participation. No such reimbursement shall exceed the remaining balance, if any, in the Participant's Medical Expense Reimbursement Account for the Plan Year in which the expenses were incurred. However, former Participants and Qualified Beneficiaries may be able to continue coverage under the Medical Expense Reimbursement Program pursuant to COBRA.

7.10 **Pediatric Vaccine Reimbursements.** This Plan will not reduce or in any way be amended to limit the reimbursement for pediatric vaccines below the level provided by this Plan as of May 1, 1993. This provision is intended to comply with ERISA Section 609(d) as added by the Omnibus Budget Reconciliation Act of 1993 and shall be interpreted in a manner which is consistent with that provision of federal law.

7.11 **Coordination of Benefits.** Medical Expense Reimbursement Benefits are intended to pay benefits solely for Qualifying Medical Care Expenses for which Participants have not been previously reimbursed and will not seek reimbursement elsewhere. The Medical Expense Reimbursement Account will not be considered a group health plan for coordination of benefits purpose and such benefits shall not be taken into account when determining benefits payable under any other plan.

Article 8

COBRA Continuation of Coverage

8.1 **In General.** The following provisions may apply to benefits provided to eligible Participants and their Qualified Beneficiaries under the Plan, but only to the extent that

the benefits selected pertain to health care and medical coverage pursuant to the provisions of the COBRA. However, with regard to COBRA's application to a Medical Expense Reimbursement Plan, see Section 8.11.

8.2 Continuation of Coverage. To the extent required by Section 8.1 above, a covered Employee or Qualified Beneficiary who would lose coverage under this Plan as a result of a Qualifying Event is entitled to elect continuation coverage within the election period under this Plan. Coverage provided under this provision is on a contributory basis. No evidence of good health will be required.

Except as otherwise specified in an election, any election by a covered Employee or Qualified Beneficiary who is a spouse of the covered Employee will be deemed to include an election for continuation coverage under this provision on behalf of any other Qualified Beneficiary who would lose coverage by reason of a Qualifying Event.

If this Plan provides a choice among the types of coverage under this Plan, each Qualified Beneficiary is entitled to make a separate selection among such types of coverage.

8.3 Qualifying Event. The term "Qualifying Event" means any of the following events which, but for COBRA continuation coverage, would result in the loss of coverage of a covered Employee or Qualified Beneficiary:

- (a) death of the eligible Employee;
- (b) termination (other than by reason of such Employee's gross misconduct) or reduction of hours of the eligible Employee's employment;
- (c) divorce or legal separation of the eligible Employee from the Employee's spouse (or loss of coverage caused by the Employee in anticipation of a divorce or legal separation which later occurs);
- (d) eligible Employee becoming entitled to benefits under Title XVIII of the Social Security Act (Medicare); or
- (e) a dependent child ceasing to be a dependent child under the generally applicable requirements of the Plan.

An event described above is only a Qualifying Event if it causes a loss of coverage under the group health plan.

8.4 Type of Coverage. Continuation coverage under this provision is coverage which is identical to the coverage provided to similarly-situated beneficiaries under the group health plan with respect to whom a Qualifying Event has not occurred as of the time coverage is being provided. If coverage under the plan is modified for any group of similarly-situated beneficiaries, the coverage shall also be modified in the same manner for all Qualified Beneficiaries under the plan in connection with such group.

8.5 Duration of Coverage. The coverage under this provision will extend for at least the period beginning on the date of a Qualifying Event listed below (unless otherwise provided) and ending not earlier than the earliest of the following:

(a) In the case of a terminated covered Employee (except for termination for gross misconduct) or a covered Employee whose hours have been reduced, and his or her Qualified Beneficiaries, the date which is 18 months after the Qualifying Event;

(b) In the case of any Qualifying Event except as described in Section 8.5(a), for the Qualified Beneficiaries, the date which is 36 months after the date of the Qualifying Event;

(c) In the case of a covered Employee or Qualified Beneficiary who is disabled at some point before the 61st day after the Qualifying Event as described in Section 8.5(a) and the disability lasts until the end of the 18 month period, the date which is 29 months after the Qualifying Event, provided the Administrator is given notice of the Social Security disability determination within 18 months of the Qualifying Event and within 60 days of the later of (i) the disability determination; (ii) the Qualifying Event; or (iii) the date coverage was lost as a result of the Qualifying Event;

(d) In the case of a second Qualifying Event (must be an event described in Section 8.5(b)) which occurs during the 18 months after the first Qualifying Event described in Section 8.5(a), for the Qualified Beneficiaries, the date which is 36 months after the date of the first Qualifying Event;

(e) In the case of a loss of coverage due to termination (except for gross misconduct) or reduction in hours of a covered Employee which occurs within 18 months after the Employee's entitlement to Medicare, for the Qualified Beneficiaries, the date which is 36 months from date of entitlement to Medicare;

(f) The date on which the participating Employer ceases to provide any group health plan to any Employee;

(g) The date on which coverage ceases under the Plan by reason of failure to make timely payment of the required contribution pursuant to this provision;

(h) The date on which the covered Employee or Qualified Beneficiary first becomes, after the date of the election, covered under any other group health plan (as an employee or otherwise), or becomes entitled to benefits under Title XVIII of the Social Security Act (Medicare). However, if the other group health plan has a preexisting condition limitation, coverage under the plan will not cease while such preexisting condition limitation under the other group plan remains in effect, subject to the maximum period of coverage limitations set forth in this Section;

(i) The first day of the month beginning more than 30 days after the date on which the disabled covered Employee or Qualified Beneficiary is determined by the Social Security Administration to be no longer disabled;

(j) In the case of coverage under the Medical Expense Reimbursement plan, the last day of the Plan Year within which the Qualifying Event occurred; or

(k) COBRA may be terminated for any reason the plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).

8.6 Payment of Premium.

(a) A covered Employee or Qualified Beneficiary shall only be entitled to continuation coverage provided the Qualified Beneficiary or covered Employee pays the applicable premium required by the Employer in full and in advance, except as provided in (b) below. Such premium shall not exceed the requirements of applicable federal law. A Qualified Beneficiary or covered Employee may elect to pay such premium in monthly installments.

(b) Except as provided in (c) below, the payment of any premium shall be considered to be timely if made within 30 days after the date due, or within such longer period of time as applies to or under this Plan.

(c) Notwithstanding (a) and (b) above, if an election is made after a Qualifying Event during the election period, this Plan will permit payment of the required premium for continuation coverage during the period preceding the election to be made within 45 days of the date of the election.

8.7 Qualified Beneficiary Must Notify Plan Administrator of Certain Qualifying Events.

(a) It is the responsibility of the covered Employees and Qualified Beneficiaries to provide the following notices to the Plan Administrator:

(1) Notice of the occurrence of a Qualifying Event that is a divorce or legal separation of a covered Employee from his or her spouse;

(2) Notice of the occurrence of a Qualifying Event that is a Qualified Beneficiary ceasing to be covered under the Plan as a dependent child;

(3) Notice of the occurrence of a second Qualifying Event after a Qualified Beneficiary has become entitled to continuation coverage with a maximum duration of 18 (or 29) months;

(4) Notice that a covered Employee or Qualified Beneficiary entitled to receive continuation coverage with a maximum duration of 18 months has been determined by the Social Security Administration, under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq. or 1381 et seq.) (SSA), to be disabled at any time during the first 60 days of continuation coverage; and

(5) Notice that a covered Employee or Qualified Beneficiary: (i) with respect to whom a notice described in paragraph (a)(4) of this Section has been provided, has subsequently been determined by the Social Security Administration, under title II or XVI of

the SSA to no longer be disabled, or (ii) subsequently becomes entitled to Medicare or becomes covered under other group health coverage (but only after any preexisting condition exclusions of the other plan have been exhausted or satisfied).

(b) Notice to the Plan Administrator must be made in writing and must be mailed or hand-delivered to:

Human Resources Department
County of Jackson
120 West Michigan Avenue
Jackson, Michigan 49201

Oral notice or electronic notice (by e-mail or facsimile) is not acceptable. If mailed, the notice must be postmarked no later than the deadline described below. If hand-delivered, notice must be received by the individual at the address above no later than the deadline described below.

(c) **Required Contents of Notice.** The notice must at a minimum contain the following information:

- (1) the name of the Plan;
- (2) the name and address of the Employee or former Employee who is or was covered under the Plan;
- (3) the nature of the Qualifying Event, and, if applicable, the nature of the initial Qualifying Event that started the COBRA coverage, including any verifying documentation which may be required by the Plan Administrator;
- (4) the date of this Qualifying Event, and, if applicable, the initial Qualifying Event;
- (5) the name(s) and address(es) of all Qualified Beneficiary(ies) who lost coverage due to the Qualifying Event or initial Qualifying Event, and, if applicable, whether those individuals are receiving COBRA coverage at the time of this notice;
- (6) if the notice is for a disability extension, the name and address of the disabled covered Employee or Qualified Beneficiary;
- (7) if the notice is for a disability extension, the date that the covered Employee or Qualified Beneficiary became disabled;
- (8) if the notice is for a disability extension, the date that the Social Security Administration made its determination of disability. Additionally, a copy of the Social Security Administration's disability determination letter must be attached;

(9) if the notice is regarding (a) the Social Security Administration subsequently determining that the covered Employee or Qualified Beneficiary is no longer disabled or (b) subsequent entitlement of Medicare or coverage under another group health plan, the initial Qualifying Event and the subsequent event terminating coverage and the dates they occurred; and

(10) the signature, name, and contact information of the individual sending the notice.

Any notice that does not contain all of the information required by the Plan must be supplemented in writing within 15 business days with the additional information necessary to meet the Plan's reasonable content requirements for such notice in order for the notice to be deemed to have been provided in accordance with this Section.

(d) **Time Periods To Provide Notice.** If written notice is not provided within the time periods provided below, the covered Employee and Qualified Beneficiaries will lose the right to elect COBRA.

(1) Time limits for notices of Qualifying Events. The notice described in Section 8.7(a)(1), (2), or (3) must be furnished within 60 days after the latest of:

(A) the date on which the relevant Qualifying Event occurs;
or

(B) the date on which the covered Employee or Qualified Beneficiary loses (or would lose) coverage under the plan as a result of the Qualifying Event.

(2) Time limits for notice of disability determination. A notice described in Section 8.7(a)(4) must be furnished before the end of the first 18 months of continuation coverage and within 60 days after the latest of:

(A) the date of the disability determination by the Social Security Administration;

(B) the date on which the Qualifying Event occurs; or

(C) the date on which the covered Employee or Qualified Beneficiary loses (or would lose) coverage under the plan as a result of the Qualifying Event.

(3) Time limits for notice of change in disability status, subsequent Medicare entitlement or coverage under another group health plan. The notice described in Section 8.7(a)(5) must be furnished within 30 days after the date of the final determination by the Social Security Administration, under title II or XVI of the SSA, that the covered Employee or Qualified Beneficiary is no longer disabled or the date the covered Employee or Qualified Beneficiary becomes entitled to Medicare or covered under other group health coverage.

(e) **Person to Provide Notice.** With respect to each of the notice requirements of this Section, any individual who is either the covered Employee, a Qualified Beneficiary with respect to the Qualifying Event, or any representative acting on behalf of the covered Employee or Qualified Beneficiary may provide the notice, and the provision of notice by one individual shall satisfy any responsibility to provide notice on behalf of all related Qualified Beneficiaries with respect to the Qualifying Event.

8.8 **Notification to Qualified Beneficiary.**

(a) The plan administrator shall provide written notice to each covered Employee and spouse of such covered Employee of his/her right to continuation coverage under this provision as required by federal law.

(b) The plan administrator shall notify any Qualified Beneficiary of the right to elect continuation coverage under this provision as required by federal law. If the Qualifying Event is the divorce or legal separation of the covered Employee from the covered Employee's spouse or a dependent child ceasing to be a dependent under the terms of this Plan, the plan administrator shall only be required to notify a covered Employee or Qualified Beneficiary of his/her right to elect continuation coverage if the covered Employee or the Qualified Beneficiary notifies the Employer of such Qualifying Event as previously stated. Additionally, the right to extend COBRA coverage may only be provided upon the plan administrator receiving proper notice.

(c) Notification of the requirements of this provision to a Qualified Beneficiary who is the spouse of a covered Employee shall be treated as notification to all other Qualified Beneficiaries residing with such spouse at the time notification is made.

8.9 **Special Election Period.** Special COBRA rights apply to certain Employees and former Employees who are eligible for federal trade adjustment assistance (TAA) or alternative trade adjustment assistance (ATAA). These individuals are entitled to a second opportunity to elect COBRA for themselves and certain family members (if they did not already elect COBRA) during a special second election period. This special second election period lasts for 60 days or less. It is the 60-day period beginning on the first day of the month in which an eligible Employee or former Employee becomes eligible for TAA or ATAA, but only if the election is made within the six months immediately after the individual's group health plan coverage ended. If the Employee qualifies for TAA or ATAA, he/she must contact the Employer promptly or the Employee will lose the right to elect COBRA during a special second election period.

8.10 **Interaction with FMLA.** If the Employer is subject to the Family and Medical Leave Act and the Employee does not return to work from the FMLA leave, the Employee and Qualified Beneficiaries may be entitled to continuation coverage under COBRA. A Qualifying Event under COBRA will occur if:

(a) the Employee and Qualified Beneficiaries are covered under the Employer's group health plan on the day before the first day of FMLA leave;

(b) the Employee does not return to work with the Employer at the end of the FMLA leave, and

(c) the Employee and Qualified Beneficiaries would, in the absence of COBRA, lose coverage under the group health plan before the end of the maximum coverage period.

The Qualifying Event would occur on the last day of the FMLA leave. The last day of FMLA leave may be the date the Employee notifies the Employer that the Employee will not be returning to work, if the notification was given before the FMLA was set to expire.

8.11 Application of COBRA to the Medical Expense Reimbursement Plan. COBRA coverage under the Medical Expense Reimbursement Plan (also known as a health flexible spending account) will be offered only to covered Employees or Qualified Beneficiaries losing coverage who have underspent accounts. An account is underspent if the annual limit elected by the covered Employee, reduced by reimbursements up to the time of the Qualifying Event, is equal to or more than the amount of the premiums for Medical Expense Reimbursement Plan COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the Medical Expense Reimbursement Plan coverage in force at the time of the Qualifying Event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the Qualifying Event). The use or lose rule will continue to apply, so any unused amounts will be forfeited at the end of the Plan Year, and COBRA coverage will terminate at the end of the Plan Year. Unless otherwise elected, all Qualified Beneficiaries and covered Employees who were covered under the Medical Expense Reimbursement Plan will be covered together for Medical Expense Reimbursement Plan COBRA coverage. Qualified Beneficiaries and covered Employees may not enroll in the Medical Expense Reimbursement Plan at open enrollment.

Article 9

Change in Election by the Participant During the Plan Year

9.1 Change in Status. Generally, a Participant's Benefit Election is irrevocable during a Plan Year; however, a Participant may revoke a benefit election for the balance of a Plan Year and file a new election if both the revocation and the new election are on account of and consistent with a change in status acceptable under the rules and regulations of the Department of the Treasury and Code section 125, as determined by the Administrator. The Participant must make an election change within 30 days of the "change in status" event.

Any new election under this Section shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form explaining the change in family status is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations that affect eligibility for coverage:

(a) **Legal Marital Status:** events that change a Participant's legal marital status, including marriage, divorce, death of a spouse, legal separation or annulment;

(b) **Number of Dependents:** events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;

(c) **Employment Status:** any of the following events that change the employment status of the Participant, spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer or of the Participant, spouse, or Dependent depend on the employment status of that individual and there is a change in the individual's employment status with the consequence that the individual becomes or ceases to be eligible under the plan, then that change constitutes a change in employment under this subsection;

(d) **Dependent satisfies or ceases to satisfy the eligibility requirements:** An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(e) **Residency:** a change in the place of residence of the Participant, spouse or Dependent.

9.2 **Modifications of the Change in Status Rules.**

(a) For the Dependent Care Assistance Program, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code section 21(b) shall also qualify as a change in status.

(b) In general, a change in election is not consistent with the change in status if the change in status is the Participant's divorce, annulment or legal separation from a spouse, the death of a spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, spouse or Dependent gains eligibility for coverage under a family member plan as a result of a change in marital status or a change in employment status, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan. The Administrator may rely on a Participant's certification of other coverage unless there is reason to believe the Participant's certification is incorrect.

(c) If the change in status is a change in the Participant's marital status or a change in employment status of the Participant's spouse or covered Dependents, an election to increase or decrease disability coverage corresponds with that change in status.

9.3 **COBRA Benefits.** Regardless of the consistency requirement, if the Employee or the Employee's spouse or Dependent becomes eligible for continuation coverage under the Employer's Group Health Plan as provided in Code section 4980B or any similar state law, then the individual may elect to increase salary reduction contributions under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

9.4 **HIPAA Special Enrollment.** The Participant may revoke an election for group health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code section 9801(f). In general, such change shall take place on a prospective basis. As required by HIPAA, a special enrollment right will arise if:

(a) The Employee declined enrollment because he and/or his dependents were covered under another group health plan or had other health insurance coverage and the other coverage was lost due to either: (1) if the other coverage was COBRA continuation coverage, that coverage has been exhausted; or (2) if the other coverage was not COBRA continuation coverage, either the coverage was terminated as a result of loss of eligibility for the coverage (including as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment), or employer contributions towards such coverage were terminated; or

(b) A new dependent is acquired as a result of marriage, birth, or adoption or placement for adoption, and the group health plan makes coverage available with respect to a dependent of an Employee eligible to participate under that plan. Subject to the provisions of the underlying group health plan, such an election shall be effective: (1) in the case of marriage, not later than the first day of the first month beginning after the date the completed request for enrollment is received, (2) in the case of a dependent's birth, as of the date of such birth, or (3) in the case of a dependent's adoption or placement for adoption, the date of such adoption or placement for adoption. The prospective increased salary reduction is permitted to reflect the cost of the retroactive coverage under the group health plan from the date of birth, adoption, or placement for adoption. An election to add previously eligible dependents as a result of the acquisition of a new spouse or dependent child under this Plan is consistent with the special enrollment right.

9.5 **Court Order.** In the event of a judgment, decree, or order ("order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in ERISA Section 609) which requires accident or health coverage for a Participant's child:

(a) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(b) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former spouse to provide coverage for such child, under that individual's plan, and such coverage is actually provided.

9.6 **Entitlement to Medicare/Medicaid.** A Participant may change elections to cancel health coverage for the Participant or the Participant's spouse or Dependent if the Participant or the Participant's spouse or Dependent is enrolled in the Employer's accident or health coverage and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses

eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

9.7 Change in Benefit Cost. If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the elections of all affected Participants for such Benefit. If the cost of a benefit package option increases or decreases significantly, the Administrator shall permit the affected Participants to make corresponding change in elections under the Plan. A change for a significant decrease in cost includes commencing participation in the Plan. A change for a significant increase in cost allows Participants to revoke their elections and, in lieu thereof, receive coverage under another benefit package option with similar coverage on a prospective basis or drop coverage prospectively if there is no benefit package option with similar coverage. A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from action taken by the Participants or action taken by the Employer. Similar coverage means coverage for the same category of benefits for the same individuals.

9.8 Significant Curtailment of Benefits. If the coverage under a Benefit is significantly curtailed during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive, on a prospective basis, coverage under another Benefit package with similar coverage. If the coverage under a Benefit is significantly curtailed and coverage is lost during a Plan Year, affected Participants may revoke their elections of such Benefit, and, in lieu thereof, elect to receive, on a prospective basis, coverage under another benefit package providing similar coverage or to drop coverage prospectively if no similar coverage is offered. Significantly curtailed means an overall reduction in coverage under the Plan that constitutes reduced coverage generally.

9.9 Change in Coverage Options. If during the period of coverage a new benefit package option or other coverage option is added or an existing benefit package option is significantly improved, then the affected Participants may elect the newly-added option prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Employees eligible to participate pursuant to Article 2 who are not participating in the Plan may elect to become Participants and elect the new or newly-improved benefit package option.

9.10 Change in Dependent Care Provider. A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the Dependent Care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Assistance Program only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code section 152(a)(1) through (8).

9.11 Change in Another Employer's Plan. A Participant may make a prospective election change that is on account of and corresponds with a change made under another employer plan (including a plan of the same employer or of another employer) if (1) the other cafeteria plan or qualified benefits plan permits its participants to make an election change that

would be permitted under the final regulations; or (2) the period of coverage under this Plan is different from the period of coverage under the other cafeteria plan or qualified benefits plan. However, no change is permitted under the Medical Expense Reimbursement Program. A Participant may make a prospective election change to add Group Health coverage for the Participant, the Participant's spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool or a foreign government group health plan.

9.12 **FMLA Leave.** A Participant taking leave under FMLA may revoke an existing election of coverage and make a prospective election for the remaining period of coverage as provided under FMLA. Such Participant may also have the right to be reinstated in the same group health plan coverage upon returning from FMLA leave.

9.13 **Medical Expense Reimbursement Plan.** A Participant shall not be permitted to change an election to the Medical Expense Reimbursement Plan as a result of a cost or coverage change.

Article 10

Administration

10.1 **Designation of the Administrator.** The Administrator shall be designated by the Board of Directors and shall carry out the duties assigned to the Administrator under the Plan.

10.2 **Powers of the Administrator.** The administration of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan without discrimination among them. The Administrator will have full power and discretion to administer the Plan in all of its details, subject to applicable requirements of law. For this purpose, the Administrator's powers will include, but will not be limited to, the following authority, in addition to all other powers provided by this Plan:

(a) To make and enforce rules and regulations necessary or proper for the efficient administration of the Plan, including the establishment of any claims procedures that may be required by applicable provisions of law;

(b) To interpret the Plan, (the Administrator's discretionary interpretation of the Plan in good faith shall be final and conclusive on all persons claiming benefits under the Plan);

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) To appoint agents, counsel, accountants, consultants and other persons to assist in administering the Plan; and

(e) To allocate and delegate its responsibilities under the Plan and to designate other persons to carry out any of its responsibilities in writing.

10.3 Examination of Records. The Administrator will make records available to each Participant for examination at reasonable times during normal business hours.

10.4 Reliance on Tables, Etc. In administering the Plan, the Administrator will be entitled to the extent permitted by law to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by, or in accordance with the instructions of accountants, counsel or other experts employed or engaged by the Administrator.

10.5 Nondiscriminatory Exercise of Authority. Whenever, in the administration of the Plan, any discretionary action by the Administrator is required, the Administrator shall exercise its authority in a nondiscriminatory manner so that all persons similarly situated will receive substantially the same treatment.

10.6 Indemnification of Administrator. The Employer agrees to indemnify and to defend, to the fullest extent permitted by law, any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who formerly served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission in connection with the Plan, if such act or omission is in good faith.

10.7 Records. The Administrator shall keep records containing all relevant data pertaining to the administration of the Plan.

10.8 Assurance of Receipt of Benefits. The Administrator shall take all necessary action to ensure that Participants receive the benefits to which they are entitled under the Plan.

10.9 Conflict of Interest. The Administrator may not decide any matter relating solely to the Administrator's rights or benefits under the Plan; these decisions shall be made by an individual appointed by the Board of Directors.

10.10 Exercise of Discretion on a Uniform Basis. In those instances where the Administrator is granted discretion in making its determinations, and the decision of the Administrator affects the benefits, rights or privileges of Participants, such discretion shall be exercised uniformly so that all Participants similarly situated are similarly treated.

10.11 Timely Filing of Reports. The Administrator shall cause to have prepared and filed or furnished, as the case may be, in a timely fashion, such information and reports as are required by applicable law and regulations to be filed or furnished by the Plan.

10.12 Employment of Agents. The Administrator has the right to employ agents and advisors to assist the Administrator in the performance of its duties.

10.13 **Reliance Upon Information and Advice.** The Administrator may rely upon the written information, opinions or certificates supplied by any agent, counsel, actuary, investment manager, physician or fiduciary.

10.14 **Administration of Claims.** The Administrator shall administer all claims procedures under the Plan.

10.15 **Compensation of Administrator.** The Administrator, if it is not an Employee of Employer, shall be paid a reasonable compensation for its services on behalf of the Plan as may be agreed upon from time to time by Employer and the Administrator.

10.16 **Liability Limitations.** The Administrator is not liable or responsible for the acts or omissions of another fiduciary, unless:

(a) the Administrator knowingly participated or knowingly attempted to conceal the act or omission of another fiduciary and the Administrator knew the act or omission was a breach of fiduciary responsibility by the other fiduciary,

(b) the Administrator had knowledge of a breach by the other fiduciary and did not make reasonable efforts to remedy the breach, or

(c) the Administrator's breach of the Administrator's fiduciary responsibility permitted the other fiduciary to commit a breach.

10.17 **Resignation of Administrator.** The Administrator may resign by giving written notice to Employer not less than fifteen days before the effective date of the resignation.

10.18 **Removal of Administrator; Filling Vacancy.** The Administrator may be removed at any time, without cause, by the Board of Directors. In such case, the Board of Directors shall fill the vacancy as soon as reasonably possible after the vacancy occurs. Until a new Administrator is appointed, the Board of Directors has full authority to act as the Administrator.

Article 11

HIPAA Privacy and Security for Medical Expense Reimbursement

11.1 **Permitted and Required Uses and Disclosures of Summary Health Information.** Unless otherwise permitted by law, the Plan may disclose SHI to the Plan sponsor, provided the Plan sponsor uses or discloses such SHI only for the following purposes:

(a) Obtaining premium bids from health plans for providing health insurance coverage under the Plan.

(b) Modifying, amending or terminating the Plan.

11.2 Permitted and Required Uses and Disclosure of Protected Health Information. Unless otherwise permitted by law, the Plan may disclose PHI to the Plan sponsor, provided the Plan sponsor uses or discloses such PHI only for the purpose of performing Plan administration functions.

11.3 Permitted Disclosure of Enrollment/Disenrollment Information. Unless otherwise permitted by law, the Plan may disclose information to the Plan sponsor, provided the Plan sponsor uses or discloses such PHI only for the purpose of determining whether the individual is participating in the Plan, or is enrolled in or has disenrolled from a health insurance issuer or HMO offered by the Plan.

11.4 Obligations of Plan Sponsor. The Plan sponsor agrees that with respect to any PHI and EPHI, as applicable, disclosed to it by the Plan or any other covered entity, the Plan sponsor shall:

(a) Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law.

(b) Ensure that any agents, including a subcontractor, to whom it provides PHI or EPHI received from the Plan agree to the same restrictions and conditions that apply to the Plan sponsor with respect to such information.

(c) Not use or disclose the information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Plan sponsor.

(d) Report to the Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which it becomes aware.

(e) Make PHI available to the individual in accordance with the disclosure and timing requirements of the Privacy Rules.

(f) Make PHI available for amendment by the individual and incorporate any amendments to PHI in accordance with the Privacy Rules.

(g) Make information available to the individual to provide an accounting of disclosures in accordance with the Privacy Rules.

(h) Make its internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Rules.

(i) If feasible, return or destroy all PHI received from the Plan that the Plan sponsor still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible.

(j) Ensure that the adequate separation required by the Privacy Rules and Security Rules is established.

(k) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that it creates, receives, maintains, or transmits on behalf of the Plan; and

(l) Report to the Plan any security incident, as defined by the HIPAA Security Rules, of which it becomes aware.

11.5 Adequate Separation. The Plan sponsor shall only allow employees with specific classifications/designations access to PHI and EPHI. The Plan sponsor shall designate these employees from time to time. These specified employees shall only have access to and use PHI and EPHI to the extent necessary to perform Plan administration functions that the Plan sponsor performs for the Plan. In the event that any of these specified employees do not comply with the provisions of this Article, that employee shall be subject to disciplinary action by the Plan sponsor for noncompliance pursuant to the discipline and termination procedures of the Plan sponsor.

11.6 Certification of Plan Sponsor. The Plan (or health insurance issuers or HMO with respect to the Plan) shall disclose PHI to the Plan sponsor only upon receipt of a certification by the Plan sponsor that the Plan has been amended to incorporate the provisions of Section 164.504(f)(2)(ii) of the Privacy Rules and that the Plan sponsor agrees to the conditions of the disclosures set forth in this Article.

11.7 Miscellaneous Interpretive Provision. The following provisions apply to limit and further define the operation of HIPAA to the Plan:

(a) Notwithstanding the provisions of this Plan to the contrary, in no event shall the Plan sponsor be permitted to use or disclose health information in a manner that is inconsistent with HIPAA. Any ambiguity in this Article shall be resolved in favor of a meaning that permits the Plan and Plan sponsor to comply with HIPAA. Additionally, under no circumstances does this Section extend the rights and obligations of HIPAA to benefits that would otherwise be outside the scope of HIPAA. This Section does not create any contractual rights or obligations between the Plan and other parties to Plan benefits that would otherwise be outside the scope of HIPAA. This Article does not extend application of HIPAA to create any obligations for the Plan (or any part or component within the Plan) or the Plan sponsor that they would not otherwise have under HIPAA.

(b) This Article does not apply and has no legal effect on the Plan if the Plan does not meet the definition of “Health Plan” or “Group Health Plan” as defined by 45 CFR 160.103. Under HIPAA, a “Group Health Plan” is defined as an employee welfare benefit plan including insured and self-insured plans, to the extent that the plan provides medical care including items and services paid for as medical care, to employees or their dependents directly or through insurance, reimbursement, or otherwise, that: (1) has 50 or more participants; or (2) is administered by an entity other than the employer that established and maintains the plan.

(c) When permitted, it is the intention of the Plan (or any part or component within the Plan) to qualify as an exempted group health plan under 45 CFR 164.520(a)(2) and 164.530(k), or qualify under any exemption of any requirement under HIPAA.

11.8 Effective Date and Applicability of this Article. The requirements of the Privacy Rules within this Article shall be effective as of April 14, 2003, and the requirements of the Security Rules within this Article shall be effective as of April 20, 2005, and shall only apply to benefits provided and information received which pertain to health care and medical coverage. However, if this Plan should qualify as a “small plan” under HIPAA, the Privacy Rules aspects of this Article will instead become effective on April 14, 2004, and the Security Rules aspects of this Article will instead become effective on April 20, 2006. In no event will this Article become effective prior to the Effective Date of this Plan.

Article 12

Claims Procedure and Appeal

12.1 Application for Benefits. A claimant shall make a claim for benefits by making a request pursuant to the procedures specified for each benefit in the various articles of this Plan. A claim for reimbursement should be made during the Plan Year, but in no event later than the earlier of: (a) 90 days after the claimant's termination of participation (unless he or she continues to participate in the relevant Plan, pursuant to its terms or COBRA as of the last day of the Plan Year); or (b) 90 days following the close of the Plan Year. Any claims submitted after that time will not be considered. Unless otherwise provided for in this Plan, claims for benefits that are insured or are provided by another plan will be reviewed in accordance with the procedures contained in the insurance policies or the other plans. Unless otherwise provided for in this Plan, if a Claimant fails to follow the Plan's procedures for filing a claim, the Claimant shall be notified of the failure and informed of the proper procedures to be followed in filing a claim for benefits within five days following the failure.

12.2 Timing of Notification of Initial Benefit Determination.

(a) **General Rule For Benefits Other Than Group Health Benefits.** The Administrator, with respect to benefits other than group health benefits, shall notify the Claimant of the benefit determination within 90 days after receipt of a claim by the Plan, unless the Administrator determines that special circumstances require an extension of time up to an additional 90 days for processing the claim. If an extension is necessary, the Administrator will provide the Claimant with written notice of the extension, before the end of the initial 90-day period, explaining the reason for the extension and the date the Administrator expects to make a decision. The extension will not exceed 90 days from the end of the initial 90-day period. Unless otherwise provided for within this Plan, if the Claimant fails to provide the Administrator with sufficient information to make a determination, the Administrator shall notify the Claimant of the specific information necessary to complete the claim and the Claimant shall be afforded 45 days to provide the specified information.

(b) **Pre-service Determinations.** In the case of pre-service determinations, the Administrator shall notify the Claimant of the Plan's benefit determination within a reasonable time, but no later than 15 days after receipt of the claim by the Plan if no further information is required. This period may be extended one time for 15 additional days if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan. The Administrator will provide the Claimant with written notice of the extension before the end of the initial 15-day period, explaining the reason for the extension and the date the Administrator expects to make a decision. If the Claimant fails to provide sufficient information to determine whether, or to what extent, benefits are covered or payable under the Plan, but communicates at least the name of the Claimant, a specific medical condition or symptom, and a specific treatment, service or product for which prior approval is requested, the Administrator will provide oral notice (and in writing if requested) of the failure and the proper procedure to complete the claim, within five days of the failure. If the extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension will describe the required information and the Claimant shall have 45 days to provide the information. Failure to respond in a timely and complete manner will result in a benefit denial.

(c) **Post-service Decisions.** In the case of post-service claims, the Administrator shall notify the Claimant of the Plan's adverse benefit determination within a reasonable time, but no later than 30 days after receipt of the claim by the Plan if no further information is required. This period may be extended one time for 15 additional days if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan and the Administrator notifies the Claimant prior to expiration of the initial 30-day period of the reasons for the extension of time and the date by which the Administrator expects to render a decision. If the extension is necessary due to a failure of the Claimant to submit the information necessary to decide the claim, the notice of extension will describe the required information and the Claimant shall have at least 45 days to provide the information. Failure to respond in a timely and complete manner will result in the denial of benefit payment.

(d) **Concurrent Care Decisions.**

(1) In the case of a reduction or termination of an ongoing course of treatment which the Administrator had previously approved, the Administrator shall notify the Claimant of the Plan's benefit determination within a reasonable time sufficiently in advance of the reduction or termination to allow the Claimant to appeal and obtain a determination on review before the benefit is reduced or terminated.

(2) In the case of a request of a Claimant to extend the course of treatment which the Administrator had previously approved, the Administrator shall notify the Claimant of the Plan's benefit determination within 24 hours after receipt of the claim by the Plan, provided the claim is made at least 24 hours before the expiration of the period of time or number of treatments.

(e) **Urgent Care Decisions.** In the case of urgent care claims, the Administrator shall notify the Claimant of the Plan's benefit determination as soon as possible, but not later than 72 hours after receipt of the claim by the Plan. However, if the Claimant fails

to provide sufficient information to determine whether, or to what extent, benefits are covered or payable under the Plan, but communicates at least the name of the Claimant, a specific medical condition or symptom, and a specific treatment, service or product for which prior approval is requested, the Administrator will provide notice of the failure and the proper procedure to complete the claim as soon as possible, but not later than 24 hours of the failure. The Claimant shall be afforded at least 48 hours to provide the specified information. The Administrator will notify the Claimant of the benefit determination as soon as possible, but not later than 48 hours of the earlier of receipt of the specified information or the end of the period in which the Claimant must provide the additional information.

(f) **Disability Claims Decisions.** In the case of a claim for disability benefits, the Administrator shall notify the Claimant of the Plan's benefit determination within 45 days after receipt of the claim by the Plan, unless the Claimant fails to provide sufficient information to determine whether, or to what extent, benefits are covered or payable under the Plan. This period may initially be extended for 30 days if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan and notifies the Claimant, before the end of the initial 45-day period, of the reason for the extension of time and the date the Administrator expects to render a decision. If necessary and before the expiration of the first 30-day extension, the decision period may be extended for a second 30-day period if the Administrator determines that such an extension is necessary due to matters beyond the control of the Plan, provided the Administrator notifies the Claimant before the end of the first 30-day extension of the reason for the second extension and the date the Administrator expects to render a decision. The notice of extension must explain the standards on which entitlement to benefit is based, the unresolved issues preventing a decision on the claim, and the additional information needed to resolve those issues. The Claimant will have at least 45 days to provide the specified information.

12.3 **Content of Notification of Initial Benefit Determination.** A notice of benefit determination will be sent to the Claimant in written or electronic format in a manner calculated to be understood by the Claimant. In the case of urgent care decisions, the Claimant may be informed orally and will be sent a written or electronic notification within three days of the oral notification. The notification to the Claimant of an adverse determination will generally include:

- (a) the specific reason or reasons for the adverse determination;
- (b) reference to the specific Plan provisions on which the determination is based;
- (c) a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation of why such material or information is necessary;
- (d) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review;

(e) If the claim involves a decision by a group health plan or plan providing disability benefits:

(1) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either a copy of the specific rule, guideline, protocol or other similar criteria, or a statement that such was relied upon in making the adverse benefit determination, will be provided free of charge to the Claimant upon request; and

(2) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination applying the terms of the Plan to the Claimant's medical circumstances, or a statement of such explanation, will be provided free of charge upon request.

(f) if the claim involves an urgent care decision, a description of the expedited review process for such claims.

12.4 Appeal of Adverse Benefits Determinations.

(a) Appealing Adverse Determination not Pertaining to Group Health Plan Benefits.

(1) A Claimant shall have 60 days following receipt of a notification of an adverse benefit determination not pertaining to group health plan benefits within which to appeal the determination to the appropriate named fiduciary of the plan.

(2) A Claimant may submit written comments, documents, records and other information relating to the claim for benefits.

(3) A Claimant shall be provided, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the Claimant's claim for benefits.

(4) The review will take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(b) Appealing Adverse Determination Pertaining to Group Health Plan Benefits.

(1) A Claimant shall have 180 days following receipt of a notification of an adverse benefit determination pertaining to group health plan benefits within which to appeal the determination to the appropriate named fiduciary of the plan.

(2) The Plan must comply with items (2) through (4) under "Appealing Adverse Determination not Pertaining to Group Health Plan Benefits."

(3) The review will not give deference to the original determination and will be conducted by an appropriate named fiduciary of the plan who is neither the person who made the original determination subject to appeal, nor the subordinate of such individual.

(4) If the determination was based on medical judgment, including determinations of whether a particular drug or other item is experimental, investigational or not medically necessary or appropriate, the appropriate named fiduciary shall consult with an appropriate health care professional who has the appropriate training and experience in the field of medicine involved in the medical judgment.

(5) Medical or vocational experts consulted on behalf of the Plan in connection with the determination must be identified, whether or not the advice was relied upon in the determination.

(6) The health care professional consulted under (4) shall be an individual not consulted for the original determination, nor the subordinate of such individual.

(7) If the claim involves urgent care, an expedited review will occur, which may be requested orally or in writing by the Claimant and all necessary information, including the determination on review, shall be transmitted between the Administrator and the Claimant by telephone, facsimile or other available similarly expeditious method.

(c) A Plan that provides for disability benefits must comply with (2) through (4) of “Appealing Adverse Determination not Pertaining to Group Health Plan Benefits” and (1) through (6) of “Appealing Adverse Determination Pertaining to Group Health Plans.”

12.5 **Timing of Notification of Benefits Determination on Review.**

(a) **Generally.** Unless otherwise provided for within this Plan, the Administrator shall notify the Claimant of the benefit determination on review within 60 days after receipt of Claimant’s request of review, unless the Administrator determines that special circumstances require an extension of time up to an additional 60 days for processing the claim. If the Administrator determines an extension is necessary, written notice will be provided to the Claimant before the end of the initial 60-day period. The notice shall indicate the reasons for the extension and the date by which the Administrator expects to render a decision.

(b) **Pre-service Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning pre-service determinations within 30 days after receipt of Claimant’s request of review.

(c) **Post-service Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning post-service determinations within 60 days after receipt of Claimant’s request of review.

(d) **Urgent Care Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning urgent care determinations within 72 hours after receipt of Claimant’s request of review.

(e) **Disability Claim Decisions.** The Administrator shall notify the Claimant of the benefit determination on review concerning post-service determinations within 45 days after receipt of Claimant's request of review.

12.6 **Content of Notification of Benefit Determination on Review.** A notice of benefit determination on review will be sent to the Claimant in written or electronic format in a manner calculated to be understood by the Claimant. The notification to the Claimant will generally include:

- (a) the specific reason or reasons for the adverse determination;
- (b) reference to the specific Plan provisions on which the benefit determination is based;
- (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the Claimant's claim for benefits;
- (d) if any voluntary appeal right exist, a statement describing any voluntary appeal procedures offered by the plan and the Claimant's right to obtain the information about such procedures and a statement of the Claimant's right to bring an action under ERISA Section 502(a);
- (e) if the claim involves a decision by a group health plan or a plan providing disability benefits:
 - (1) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination, either a copy of the specific rule, guideline, protocol or other similar criterion, or a statement that such was relied upon in making the determination, will be provided free of charge to the Claimant upon request;
 - (2) if the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination applying the terms of the Plan to the Claimant's medical circumstances, or a statement of such explanation, will be provided free of charge upon request.
- (f) A statement of the Claimant's other voluntary alternative dispute resolution options, if any.

Article 13

Amendment and Termination of the Plan

13.1 **Amendment and Termination.** Although Employer intends to maintain this Plan indefinitely, it reserves the right to amend or terminate the Plan at any time. The amendment or termination shall be made by a written instrument and shall be communicated to

all Participants. Any decision to amend or terminate the Plan and any and all benefits provided under the Plan shall be made either by the Board of Directors of the Employer or by any person or persons authorized by the Board of Directors to take such action.

Coverage upon termination will be governed by the terms of the Plan; provided, however, that the rights of Participants and their Dependents upon termination of the Plan are limited to expenses incurred before termination.

Article 14

Miscellaneous Provisions

14.1 Gender and Number. Except where otherwise indicated by the context, as used in this agreement the masculine gender includes the feminine and neuter, and words used in the singular include the plural.

14.2 Headings. The headings contained in the Plan are for reference only and do not in any manner limit or expand the terms and provisions of the Plan.

14.3 Controlling Law. The construction, validity and administration of the Plan shall be governed by the laws of the State of Michigan, to the extent such laws are not preempted by federal law.

14.4 Participation in Plan Not Contract of Employment. The establishment of the Plan, the creation of any account or the payment of any benefit does not create in any Employee, Participant, or other party a right to continuing employment with Employer.

14.5 Information to be Furnished by Participants. Participants shall provide the Employer and Administrator with information and evidence, and shall sign documents, as may be reasonably requested from time to time for the purpose of administration of the Plan.

14.6 Assignment or Alienation of Benefits. No benefits under this Plan may be voluntarily or involuntarily assigned or alienated, except pursuant to the terms of this Plan.

14.7 Qualified Medical Child Support Orders. The Administrator shall adhere to the terms of any medical child support order that satisfies the requirements of this Section. A medical child support order is any judgment, decree or order (including a court-approved property settlement agreement) issued by a court of competent jurisdiction which (i) relates to the provision of child support with respect to the child of a Participant under a group health plan (including this Plan) or provides for health benefit coverage to such a child, is made pursuant to a state domestic relations law (including a community property law), and relates to medical benefits under the Plan, or (ii) enforces a law relating to medical child support described in Section 1908 of the Social Security Act (as added by Section 13623 of the Omnibus Budget Reconciliation Act of 1993) with respect to the Plan, and which creates or recognizes the existence of an alternate recipient's right to, or assigns to an alternate recipient the right to receive benefits payable with respect to a Participant or beneficiary under the Plan. For purposes of this Section, an "alternate recipient" shall mean any child of a Participant who is recognized

by a medical child support order as having a right to enrollment under this Plan with respect to the Participant.

A Qualified Medical Child Support Order must clearly specify: (i) the name and last known mailing address of the Participant and the name and mailing address of each alternate recipient covered by the order; (ii) a reasonable description of the type of coverage to be provided under the Plan to each such alternate recipient, or the manner in which such type of coverage is to be determined; (iii) the period to which such order applies; and (iv) each plan to which such order applies.

Any Qualified Medical Child Support Order shall not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan, except to the extent necessary to meet the requirements of a law relating to medical child support described in Section 1908 of the Social Security Act (as added by Section 13623 of the Omnibus Budget Reconciliation Act of 1993).

The Administrator shall promptly notify the Participant and each alternate recipient of the receipt of a medical child support order by the Plan and the Plan's procedures for determining the "qualified" status of medical child support orders. Within a reasonable period after receipt of a medical child support order, the Administrator shall determine whether the order is a Qualified Medical Child Support Order and shall notify the Participant and each alternate recipient of this determination. If the Participant or any affected alternate recipient disagrees with the determinations of the Administrator, the disagreeing party shall be treated as a Claimant and the claims procedure of the Plan shall be followed. The Administrator may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by the Plan.

Alternate recipients of a Qualified Medical Child Support Order shall be treated as beneficiaries under the Plan.

Payments under this Plan pursuant to a Qualified Medical Child Support Order in reimbursement for expenses paid by the alternate recipient or the alternate recipient's custodial parent or legal guardian shall be made to the alternate recipient or the alternate recipient's custodial parent or legal guardian.

14.8 State Recovery of Medicaid Payments. Notwithstanding any other provision of this Plan to the contrary, if this Plan provides benefit payments on behalf of a covered person who is also covered by a state's Medicaid program, the Plan shall be subject to the state's right to reimbursement for benefits the state has paid on behalf of the covered person, provided that the state has an assignment of rights made by or on behalf of the covered person, or the covered person's beneficiary, as may be required by the state medical assistance plan.

14.9 Coordination with Medicaid. Notwithstanding any other provisions of this Plan to the contrary, this Plan shall not take into account, with respect to Plan enrollment or the payment of benefits to a covered person or covered person's beneficiary, that such covered person or covered person's beneficiary qualifies for medical assistance under a state Medicaid plan.

14.10 **Honor of State Subrogation Rights.** Notwithstanding any other provision of this Plan to the contrary, the Plan will honor any subrogation rights that a state may have gained from a Medicare-eligible beneficiary covered by the Plan by virtue of the state's having paid Medicare benefits, provided that the Plan has a legal liability for coverage.

14.11 **Exclusive Benefit.** This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

14.12 **Action by the Employer.** Whenever the Employer, under the terms of the Plan, is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

14.13 **No Guarantee of Tax Consequences.** Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

14.14 **Indemnification of Employer by Participants.** If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security or other tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax, plus any penalties, that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any Social Security or other tax that would have been paid on such compensation, less any such additional income and taxes actually paid by the Participant.

14.15 **Funding.** Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

14.16 **Continuation of Coverage.** Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code section 4980B becomes available, each Participant will be entitled to continuation coverage as prescribed in Code section 4980B.

14.17 **Family and Medical Leave Act.** Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Treasury Regulation section 1.125-3.

14.18 **Health Insurance Portability and Accountability Act (HIPAA).** Notwithstanding anything in this Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Health Insurance Portability and Accountability Act, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

14.19 **Uniform Services Employment and Reemployment Rights Act (USERRA).** Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with USERRA and the regulations thereunder.

14.20 **Severability.** If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

Executed this _____ day of _____, 2008.

County of Jackson

By: _____
Randall W. Treacher
County Administrator/Controller

County of Jackson
Second Amended and Restated Section 125 Cafeteria Plan
Drafted By:

Elizabeth H. Latchana, Esq.
Fraser Trebilcock Davis & Dunlap, P.C.
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Lansing, Michigan 48933
(517) 482-5800

COUNTY OF JACKSON

**RESOLUTION (11-08.38)
ADOPTING JACKSON COUNTY SECOND AMENDED AND
RESTATED SECTION 125 CAFETERIA PLAN**

A Meeting of the Board of Commissioners of the County of Jackson (the "Company") was held on _____, 2008. Sufficient members were present to constitute a quorum of the Commissioners. Following a reading of the Plan and an extensive discussion concerning the provisions, the following resolutions were, upon motion duly made, unanimously adopted:

RESOLVED, that the County of Jackson Second Amended and Restated Section 125 Cafeteria Plan ("Plan") is adopted in the attached form, effective as of the dates contained therein.

RESOLVED FURTHER, that Randall W. Treacher, County Administrator/Controller, is authorized and directed on behalf of the Company to execute all documents that are necessary for the formal adoption of the Plan.

I certify that the above is a true and complete record of action taken by the Board of Commissioners of the County of Jackson on the ____ day of _____, 2008.

By: _____
Amanda Riska

Its: _____
County Clerk