

September 23, 2008

The Regular meeting of the Otsego County Board of Commissioners was held in the Multi-Purpose Room of the J. Richard Yuill Alpine Center. The meeting was called to order at 9:33 a.m. by Chairman Glasser. Invocation by Chairman Glasser, followed by the Pledge of Allegiance led by Commissioner Bates.

Roll call:

Present: Backenstose, Bates, Beachnau, Liss, Olsen, Glasser, Johnson, Hyde, Bentz.

The Regular meeting minutes of September 9, 2008 with attachments were approved as corrected. The minutes were corrected to state Colleen Jozwiak addressed the Board regarding the gravel mining operation.

The agenda was amended to add under Committee Reports item A) 1) Bus system fees; 2) Bus controlled substance and alcohol policy update; under new business item B) Court legal fees.

Consent Agenda:

Motion to approve the Municipal Land Use Services Agreement of Bagley Township. Motion approved via unanimous consent. (see attached)

Motion to approve the Municipal Land Use Services Agreement of Chester Township. Motion approved via unanimous consent. (see attached)

Motion to approve the Municipal Land Use Services Agreement of Corwith Township. Motion approved via unanimous consent. (see attached)

Motion to approve the Municipal Land Use Services Agreement of Dover Township. Motion approved via unanimous consent. (see attached)

Motion to approve the Municipal Land Use Services Agreement of Elmira Township. Motion approved via unanimous consent. (see attached)

Motion to approve the Municipal Land Use Services Agreement of Hayes Township. Motion approved via unanimous consent. (see attached)

Administrator's Report:

John Burt reported on the removal of trees on the Courthouse lawn; Roof truss; Alpine wood work repair; Courthouse parking; Building Department fee concerns.

Chuck Klee addressed the Board regarding his concerns with the Building Department fees.

Dan Ellison addressed the Board regarding his concerns with the Building Department fees.

Bill Current addressed the Board regarding his concerns with the Building Department fees.

The issue is referred back to the Land Use committee.

Motion by Commissioner Hyde, to approve setting the Bus System fee for hourly vehicle maintenance to \$45.00 per hour and set the fee for lube, oil and filter changes to \$28.00. Ayes: Unanimous. Motion carried.

Motion by Commissioner Beachnau, to approve the Otsego County Bus Controlled Substance and Alcohol Policy as presented. Ayes: Backenstose, Bates, Beachnau, Liss, Olsen, Glasser, Johnson, Hyde. Nays: Bentz. Motion carried. (see attached)

Motion by Commissioner Backenstose, to approve the 2009 Empiric Solutions Contract as presented. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Olsen, to approve the Soil Erosion Permit Fees with the following fees: Residential- \$150.00 and Commercial-\$300.00 first acre and \$50.00 each additional acre. Ayes: Unanimous. Motion carried.

Motion by Commissioner Bentz, to approve the bid (bid 2008-12) by Schenkel Schultz to conduct the Otsego County Jail Cost Study. Funds to come from the Jail cost study fund. Ayes: Unanimous. Motion carried.

Motion by Commissioner Bates, to adopt Resolution OCR-08-24 authorizing submittal of an application for a Michigan State Housing Development Authority 2008 Housing Resource Fund Rental Rehabilitation Community Development Block Grant in the amount of \$300,000.

Roll Call Vote:

Ayes: Backenstose, Bates, Beachnau, Liss, Olsen, Glasser, Johnson, Hyde, Bentz.

Nays: None.

Motion carried/Resolution adopted. (see attached)

Diann Axford gave the Board her quarterly report.

Marlene Hopp gave the Board the Veterans and Housing annual report.

Elizabeth Haus reminded the Board that the Village will host the Gaylord Herald Times first forum on September 23rd at 7:00 p.m. at the Village Hall.

Correspondence:

The Chairman received oil and gas lease auction for October 27 & 28th, September listing of the air quality permits pending; Letter from Representative Elsenheimer regarding letter sent to the tax tribunal regarding Treetops.

New Business:

Motion by Commissioner Liss, to approve Warrant B2008-38 in the amount of \$269,612.89 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Johnson, to approve Warrant B2008-39 in the amount of \$136,491.71 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Backenstose, to approve the payment of \$140,920.68 to the firm of Keinbaum, Opperwall, Hardy & Pelton, LLC for legal services on behalf of the Otsego County Division of the 46th Circuit Trial Court to be paid out of the Legal Defense Fund (fund 260). Ayes: Backenstose, Bates, Beachnau, Liss, Olsen, Glasser, Johnson, Hyde. Nays: Bentz. Motion carried.

Public Comment:

Don Tober addressed the Board regarding the Land Use Services regarding the enforcement of special use permits.

Board Remarks:

Commissioner Johnson: Workers Compensation fund dividend.

Commissioner Olsen: State level fees for builders.

Meeting adjourned at 10:47 a.m at the call of the Chair.

Kenneth R. Glasser, Chairman

Susan I. DeFeyer, County Clerk

CONTRACT FOR MUNICIPAL LAND USE SERVICES ADMINISTRATION
(LAND USE PLANNING, ZONING, ZONING ADMINISTRATION AND
BUILDING CODE COMPLIANCE)

WHEREAS, Otsego County (the County) and Bagley Township (the Township) agree that it is in the interest of the Citizens of the County and the Township and the overall development of the County and the Township to centralize administration of Land Use Services, and

WHEREAS, the County and the Township agree that Land Use Services includes Land Use Planning, Zoning and Zoning Administration and Enforcement and Building Code administration inspections and enforcement, and

WHEREAS, the County and the Township agree that because the County's offices are centrally located and because the County can provide professional and administrative personnel, and office space to the Township so that the land use within the Township can be developed uniformly with joint cooperation and with one location for citizens to go for more efficient service with one set of rules.

Agreements

The County and the Township hereby enter in to this Contract for services. This contract shall be in effect for a period of two (2) years beginning April 1, 2009 and continuing in effect until March 31, 2011.

The County and the Township hereby agree that beginning April 1, 2009 that meetings and negotiations shall begin regarding renewal of the contract to insure that time is provided for the Township to adopt their own ordinances and regulations in the event that this contract is not renewed.

The County and the Township hereby agree that if agreements on a new contract are not reached by September 30, 2010, that the Township may still review and negotiate this contract during the remaining six months of the contract however, the Township shall also take all steps necessary pursuant to State Statute to insure that the Township will be able to assume the services being provided by the County at the expiration of this contract.

Responsibilities of the County

1. The County shall provide full and complete professional Land Use Planning, to include adoption of a County wide Master Land Use Plan and Future Land Use Map that has been adopted pursuant to the Statutes of the State of Michigan, which Plan shall be the basis for a Zoning Ordinance that the County shall adopt pursuant to the Statutes of the State of Michigan.
2. The County shall provide professional planning personnel on staff to assist Township officials from all Townships within Otsego County, officials from the

- City of Gaylord, the Village of Vanderbilt, citizens, land owners and developers with Land Use Planning questions and procedures and municipal cooperation.
3. The County shall maintain digital maps for zoning and land use planning purposes.
 4. The County shall appoint and operate a County Planning Commission for the purposes of administering the County Plan and the County Zoning Ordinance
 5. The County shall appoint and operate a County Zoning Board of Appeals for the purposes of interpreting and ruling on requests involving administration of the Zoning Ordinance.
 6. The County shall insure that the Township is informed and advised of any proposed land use changes or proposed ordinance text changes or special land use requests or other similar requests presented to the Planning Commission and any requests presented to the Zoning Board of Appeals involving land within the Township.
 7. The County shall provide professional personnel on staff to administer and enforce the zoning ordinance regulations and all other land use regulations.
 8. The County shall provide professional and administrative staff to administer, inspect and enforce the Michigan State Construction Code and all other codes and regulations related to residential and commercial construction
 9. The County shall provide an annual report to the Township at the last Township Association meeting each year. The report shall include but is not limited to a financial report showing the expenses of the Planning & Zoning Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received; a financial report showing the expenses of the Building Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received.

The County and the Township agree that State Statutes require that the Building Department be operated and funded solely by the fees collected for construction permits.

The County and the Township agree that any funds received in excess of the expenses needed for operation of the building department will be maintained within a Building Department fund balance account as required by State Statute.

The County and the Township agree that in the event that this contract is not renewed and the Township takes the necessary steps pursuant to State Statute to operate their own Building Departments, that any Building Department Fund Balance held by the County will be refunded to the Township on a percentage basis determined by the number of parcels in the Township.

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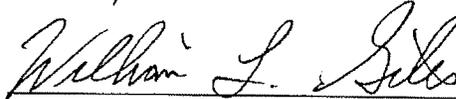
Responsibilities of the Township

1. Bagley Township has been designated as a "Large" Township within Otsego County based on Planning and Zoning activity. As one of the five "Small" Townships within Otsego County, Bagley Township agrees to provide a total of \$3,800 per year to assist in covering the costs of operation and staffing of the Planning & Zoning Department
2. The Township will pay the annual contribution amount as noted above by May 1st of each year of this contract.

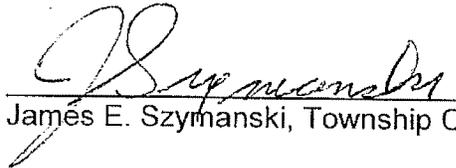
Otsego County and
Entered into this ____ day of _____ 2008 between Otsego County
and Bagley Township

Witness

Bagley Township



William L. Giles, Supervisor



James E. Szymanski, Township Clerk

Witness

John Burt, County Administrator

Suzy DeFeyter, County Clerk

Township Contribution based on Planning & Zoning activity

Township	Large or Small
Charlton	Small
Chester	Small
Corwith (minus Vanderbilt)	Small
Dover	Small
Elmira	Small
Bagley	Large
Hayes	Large
Livingston	Large
Otsego Lake	Large

4 Large = total contribution of \$15,200 or \$3,800 each

5 Small = total contribution of \$8,800 or \$1760 each

CONTRACT FOR MUNICIPAL LAND USE SERVICES ADMINISTRATION
(LAND USE PLANNING, ZONING, ZONING ADMINISTRATION AND
BUILDING CODE COMPLIANCE)

WHEREAS, Otsego County (the County) and Chester Township (the Township) agree that it is in the interest of the Citizens of the County and the Township and the overall development of the County and the Township to centralize administration of Land Use Services, and

WHEREAS, the County and the Township agree that Land Use Services includes Land Use Planning, Zoning and Zoning Administration and Enforcement and Building Code administration inspections and enforcement, and

WHEREAS, the County and the Township agree that because the County's offices are centrally located and because the County can provide professional and administrative personnel, and office space to the Township so that the land use within the Township can be developed uniformly with joint cooperation and with one location for citizens to go for more efficient service with one set of rules.

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Responsibilities of the County

1. The County shall provide full and complete professional Land Use Planning, to include adoption of a County wide Master Land Use Plan and Future Land Use Map that has been adopted pursuant to the Statutes of the State of Michigan, which Plan shall be the basis for a Zoning Ordinance that the County shall adopt pursuant to the Statutes of the State of Michigan.
2. The County shall provide professional planning personnel on staff to assist Township officials from all Townships within Otsego County, officials from the

- City of Gaylord, the Village of Vanderbilt, citizens, land owners and developers with Land Use Planning questions and procedures and municipal cooperation.
3. The County shall maintain digital maps for zoning and land use planning purposes.
 4. The County shall appoint and operate a County Planning Commission for the purposes of administering the County Plan and the County Zoning Ordinance
 5. The County shall appoint and operate a County Zoning Board of Appeals for the purposes of interpreting and ruling on requests involving administration of the Zoning Ordinance.
 6. The County shall insure that the Township is informed and advised of any proposed land use changes or proposed ordinance text changes or special land use requests or other similar requests presented to the Planning Commission and any requests presented to the Zoning Board of Appeals involving land within the Township.
 7. The County shall provide professional personnel on staff to administer and enforce the zoning ordinance regulations and all other land use regulations.
 8. The County shall provide professional and administrative staff to administer, inspect and enforce the Michigan State Construction Code and all other codes and regulations related to residential and commercial construction
 9. The County shall provide an annual report to the Township at the last Township Association meeting each year. The report shall include but is not limited to a financial report showing the expenses of the Planning & Zoning Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received; a financial report showing the expenses of the Building Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received.

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The County and the Township agree that in the event that this contract is not renewed and the Township takes the necessary steps pursuant to State Statute to operate their own Building Departments that the Township will at their own expense take custody and control of all Building Department files and records that apply to the Township.

Responsibilities of the Township

1. Chester Township has been designated as a "Small" Township within Otsego County based on Planning and Zoning activity. As one of the five "Small" Townships within Otsego County, Chester Township agrees to provide a total of \$1,760 per year to assist in covering the costs of operation and staffing of the Planning & Zoning Department
2. The Township will pay the annual contribution amount as noted above by May 1st of each year of this contract.

Otsego County and
Entered into this ____ day of _____ 2008 between Otsego County
and Chester Township

Witness

Jean Nowicki

Chester Township

Robert H. Harkness
Robert H. Harkness, Supervisor

Barbara J. Kowandanski

Melissa L. Szymanski
Melissa L. Szymanski, Township Clerk

Witness

John Burt, County Administrator

Suzy DeFeyter, County Clerk

Township Contribution based on Planning & Zoning activity

Township	Large or Small
Charlton	Small
Chester	Small
Corwith (minus Vanderbilt)	Small
Dover	Small
Elmira	Small
Bagley	Large
Hayes	Large
Livingston	Large
Otsego Lake	Large

4 Large = total contribution of \$15,200 or \$3,800 each

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CONTRACT FOR MUNICIPAL LAND USE SERVICES ADMINISTRATION
(LAND USE PLANNING, ZONING, ZONING ADMINISTRATION AND
BUILDING CODE COMPLIANCE)

WHEREAS, Otsego County (the County) and Corwith Township (the Township) agree that it is in the interest of the Citizens of the County and the Township and the overall development of the County and the Township to centralize administration of Land Use Services, and

WHEREAS, the County and the Township agree that Land Use Services includes Land Use Planning, Zoning and Zoning Administration and Enforcement and Building Code administration inspections and enforcement, and

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Responsibilities of the County

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 8. The County shall provide professional and administrative staff to administer, inspect and enforce the Michigan State Construction Code and all other codes and regulations related to residential and commercial construction
 9. The County shall provide an annual report to the Township at the last Township Association meeting each year. The report shall include but is not limited to a financial report showing the expenses of the Planning & Zoning Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received; a financial report showing the expenses of the Building Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received.

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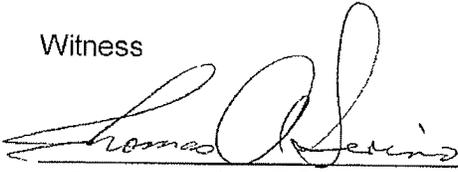
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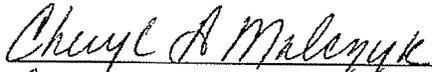
Responsibilities of the Township

1. Corwith Township has been designated as a "Small" Township within Otsego County based on Planning and Zoning activity. As one of the five "Small" Townships within Otsego County, Corwith Township agrees to provide a total of \$1,760 per year to assist in covering the costs of operation and staffing of the Planning & Zoning Department
2. The Township will pay the annual contribution amount as noted above by May 1st of each year of this contract.

Otsego County and
Entered into this 3rd day of September 2008 between Otsego County
and Corwith Township

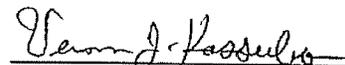
Witness


THOMAS A. SERINO


CHERYL A. MALEZYK

Witness

Corwith Township


Vernon Kassuba, Supervisor


Debbie Whitman, Township Clerk

John Burt, County Administrator

Suzy DeFeyter, County Clerk

Township Contribution based on Planning & Zoning activity

Township	Large or Small
Charlton	Small
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Corwith (minus Vanderbilt)	Small
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Livingston	Large
Otsego Lake	Large

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CONTRACT FOR MUNICIPAL LAND USE SERVICES ADMINISTRATION
(LAND USE PLANNING, ZONING, ZONING ADMINISTRATION AND
BUILDING CODE COMPLIANCE)

WHEREAS, Otsego County (the County) and Dover Township (the Township) agree that it is in the interest of the Citizens of the County and the Township and the overall development of the County and the Township to centralize administration of Land Use Services, and

WHEREAS, the County and the Township agree that Land Use Services includes Land Use Planning, Zoning and Zoning Administration and Enforcement and Building Code administration inspections and enforcement, and

WHEREAS, the County and the Township agree that because the County's offices are centrally located and because the County can provide professional and administrative personnel, and office space to the Township so that the land use within the Township can be developed uniformly with joint cooperation and with one location for citizens to go for more efficient service with one set of rules.

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Responsibilities of the County

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- City of Gaylord, the Village of Vanderbilt, citizens, land owners and developers with Land Use Planning questions and procedures and municipal cooperation.
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Responsibilities of the Township

1. Dover Township has been designated as a "Small" Township within Otsego County based on Planning and Zoning activity. As one of the five "Small" Townships within Otsego County, Dover Township agrees to provide a total of \$1,760 per year to assist in covering the costs of operation and staffing of the Planning & Zoning Department
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Otsego County and
Entered into this 10th day of September 2008 between Otsego County
and Dover Township

Witness

Diane M. House
Diane M. House
Rebecca Howe

Witness

Dover Township

Thomas Murphy
Thomas Murphy, Supervisor
Janet Kwapis
Janet Kwapis, Township Clerk

John Burt, County Administrator

Suzy DeFeyter, County Clerk

Township Contribution based on Planning & Zoning activity

Township	Large or Small
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CONTRACT FOR MUNICIPAL LAND USE SERVICES ADMINISTRATION
(LAND USE PLANNING, ZONING, ZONING ADMINISTRATION AND
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WHEREAS, Otsego County (the County) and Elmira Township (the Township) agree that it is in the interest of the Citizens of the County and the Township and the overall development of the County and the Township to centralize administration of Land Use Services, and

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The County and the Township agree that any funds received in excess of the expenses needed for operation of the building department will be maintained within a Building Department fund balance account as required by State Statute.

The County and the Township agree that in the event that this contract is not renewed and the Township takes the necessary steps pursuant to State Statute to operate their own Building Departments, that any Building Department Fund Balance held by the County will be refunded to the Township on a percentage basis determined by the number of parcels in the Township.

The County and the Township agree that in the event that this contract is not renewed and the Township takes the necessary steps pursuant to State Statute to operate their own Building Departments that the Township will at their own expense take custody and control of all Building Department files and records that apply to the Township.

Responsibilities of the Township

1. Elmira Township has been designated as a "Small" Township within Otsego County based on Planning and Zoning activity. As one of the five "Small" Townships within Otsego County, Elmira Township agrees to provide a total of \$1,760 per year to assist in covering the costs of operation and staffing of the Planning & Zoning Department
2. The Township will pay the annual contribution amount as noted above by May 1st of each year of this contract.

Otsego County and
Entered into this 11 day of Sept. 2008 between Otsego County
and Elmira Township

Witness

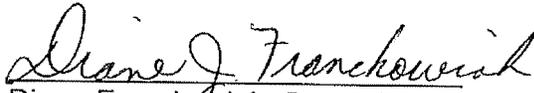




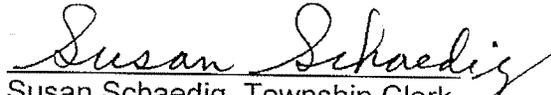
Witness



Elmira Township



Diane Franckowiak, Supervisor



Susan Schaedig, Township Clerk

John Burt, County Administrator

Suzy DeFeyter, County Clerk

Township Contribution based on Planning & Zoning activity

Township	Large or Small
Charlton	Small
Chester	Small
Corwith (minus Vanderbilt)	Small
Dover	Small
Elmira	Small
Bagley	Large
Hayes	Large
Livingston	Large
Otsego Lake	Large

4 Large = total contribution of \$15,200 or \$3,800 each

5 Small = total contribution of \$8,800 or \$1760 each

CONTRACT FOR MUNICIPAL LAND USE SERVICES ADMINISTRATION
(LAND USE PLANNING, ZONING, ZONING ADMINISTRATION AND
BUILDING CODE COMPLIANCE)

WHEREAS, Otsego County (the County) and Hayes Township (the Township) agree that it is in the interest of the Citizens of the County and the Township and the overall development of the County and the Township to centralize administration of Land Use Services, and

WHEREAS, the County and the Township agree that Land Use Services includes Land Use Planning, Zoning and Zoning Administration and Enforcement and Building Code administration inspections and enforcement, and

WHEREAS, the County and the Township agree that because the County's offices are centrally located and because the County can provide professional and administrative personnel, and office space to the Township so that the land use within the Township can be developed uniformly with joint cooperation and with one location for citizens to go for more efficient service with one set of rules.

Agreements

The County and the Township hereby enter in to this Contract for services. This contract shall be in effect for a period of two (2) years beginning April 1, 2009 and continuing in effect until March 31, 2011.

The County and the Township hereby agree that beginning April 1, 2009 that meetings and negotiations shall begin regarding renewal of the contract to insure that time is provided for the Township to adopt their own ordinances and regulations in the event that this contract is not renewed.

The County and the Township hereby agree that if agreements on a new contract are not reached by September 30, 2010, that the Township may still review and negotiate this contract during the remaining six months of the contract however, the Township shall also take all steps necessary pursuant to State Statute to insure that the Township will be able to assume the services being provided by the County at the expiration of this contract.

Responsibilities of the County

1. The County shall provide full and complete professional Land Use Planning, to include adoption of a County wide Master Land Use Plan and Future Land Use Map that has been adopted pursuant to the Statutes of the State of Michigan, which Plan shall be the basis for a Zoning Ordinance that the County shall adopt pursuant to the Statutes of the State of Michigan.
2. The County shall provide professional planning personnel on staff to assist Township officials from all Townships within Otsego County, officials from the

- City of Gaylord, the Village of Vanderbilt, citizens, land owners and developers with Land Use Planning questions and procedures and municipal cooperation.
3. The County shall maintain digital maps for zoning and land use planning purposes.
 4. The County shall appoint and operate a County Planning Commission for the purposes of administering the County Plan and the County Zoning Ordinance
 5. The County shall appoint and operate a County Zoning Board of Appeals for the purposes of interpreting and ruling on requests involving administration of the Zoning Ordinance.
 6. The County shall insure that the Township is informed and advised of any proposed land use changes or proposed ordinance text changes or special land use requests or other similar requests presented to the Planning Commission and any requests presented to the Zoning Board of Appeals involving land within the Township.
 7. The County shall provide professional personnel on staff to administer and enforce the zoning ordinance regulations and all other land use regulations.
 8. The County shall provide professional and administrative staff to administer, inspect and enforce the Michigan State Construction Code and all other codes and regulations related to residential and commercial construction
 9. The County shall provide an annual report to the Township at the last Township Association meeting each year. The report shall include but is not limited to a financial report showing the expenses of the Planning & Zoning Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received; a financial report showing the expenses of the Building Department, the fee schedule for permits issued, the number and type of permits issued and the revenue received.

The County and the Township agree that State Statutes require that the Building Department be operated and funded solely by the fees collected for construction permits.

The County and the Township agree that any funds received in excess of the expenses needed for operation of the building department will be maintained within a Building Department fund balance account as required by State Statute.

The County and the Township agree that in the event that this contract is not renewed and the Township takes the necessary steps pursuant to State Statute to operate their own Building Departments, that any Building Department Fund Balance held by the County will be refunded to the Township on a percentage basis determined by the number of parcels in the Township.

The County and the Township agree that in the event that this contract is not renewed and the Township takes the necessary steps pursuant to State Statute to operate their own Building Departments that the Township will at their own expense take custody and control of all Building Department files and records that apply to the Township.

Responsibilities of the Township

1. Hayes Township has been designated as a "Large" Township within Otsego County based on Planning and Zoning activity. As one of the five "Large" Townships within Otsego County, Hayes Township agrees to provide a total of \$3,800 per year to assist in covering the costs of operation and staffing of the Planning & Zoning Department
2. The Township will pay the annual contribution amount as noted above by May 1st of each year of this contract.

Otsego County and
Entered into this 9th day of September 2008 between Otsego County
and Hayes Township

Witness

Judith Costello

Wayne E. Tyler

Hayes Township

Mary Sanders
Mary Sanders, Supervisor

Richard B. Ross
Richard B. Ross, Township Clerk

Witness

John Burt, County Administrator

Suzy DeFeyter, County Clerk

Township Contribution based on Planning & Zoning activity

Township	Large or Small
Charlton	Small
Chester	Small
Corwith (minus Vanderbilt)	Small
Dover	Small
Elmira	Small
Bagley	Large
Hayes	Large
Livingston	Large
Otsego Lake	Large

4 Large = total contribution of \$15,200 or \$3,800 each
5 Small = total contribution of \$8,800 or \$1760 each

OTSEGO COUNTY BUS SYSTEM

Controlled Substances and Alcohol Policy

I. PURPOSE

Otsego County Bus System (OCBS) Controlled Substances and Alcohol Policy (the "Policy") was approved and adopted on September 23, 2008 by the Otsego County Board of Commissioners and is established to comply with the United States Department of Transportation (DOT) Regulations, specifically 49 CFR Parts 40, and 655(FTA). This policy is not intended to supersede any collective bargaining agreement except where Federal and State law takes precedence. In the absence of any Federal or State law, collective bargaining agreement or other legal requirement, this policy is to maintain a safe, healthful and efficient working environment for our employees, to protect OCBS property, equipment and operations, and to protect the motoring public from the negative effects of alcohol and drugs taken for medical and non-medical purposes.

The use and effects of controlled substances and alcohol pose very serious problems. This is particularly true in the transportation industry, which is subject to extensive government regulation. Not only can the use and/or abuse of drugs or alcohol jeopardize the health, safety and well being of the individual user and all of our employees, it can also endanger the safety of the general public, jeopardize the safety of the highways and cause serious accidents and casualties. In view of these problems, OCBS wants to clearly state its policy to accurately detect and to deter the use of drugs and alcohol in our transportation and work environment, either through testing, cessation of use, or termination of employment.

Regulatory Requirements:

All employees who perform safety-sensitive functions, as defined in DOT Regulation 49 CFR Part 655.4, are subject to the FTA's drug and alcohol regulations in 49 CFR Part 655.

Items in italics are based on the independent authority of OCBS and are in addition to the provisions mandated by FTA regulations.

Designated Company Representative (DER) Trisha M. Adam

Policy approved and adopted by the Otsego County Board of Commissioners on September 23, 2008

Chairman, Board of Commissioners: Kenneth R. Glasser

This policy will take effect on September 23, 2008.

OCBS Policy is as follows:

II. Application:

The Policy applies to all OCBS employees (full- or part-time) who perform safety sensitive functions, on or off company premises, while conducting any transit related business. All activities listed below are considered safety sensitive.

- 1) Operating a revenue service vehicle, including when not in revenue service;
- 2) Operating a non-revenue service vehicle, when required to be operated by a holder of a Commercial Driver's License;
- 3) Controlling dispatch or movement of a revenue service vehicle;
- 4) Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service.
- 5) Carrying a firearm for security purposes.

For purposes of this policy the following DOT definitions are used.

- Accident means an occurrence associated with the operation of a vehicle, if as a result:
 - (1) An individual dies; or
 - (2) An individual suffers bodily injury and immediately receives medical treatment away from the scene of the accident; or
 - (3) With respect to an occurrence in which the mass transit vehicle involved is a bus, electric bus, van, or automobile, one or more vehicles (including non-FTA funded vehicles) incurs disabling damage as the result of the occurrence and such vehicle or vehicles are transported away from the scene by a tow truck or other vehicle; or
 - (4) With respect to an occurrence in which the mass transit vehicle involved is a rail car, trolley car, trolley bus, or vessel, the mass transit vehicle is removed from operation.
- Adulterated specimen means a specimen that contains a substance that is not expected to be present in human urine, or contains a substance expected to be present but is at a concentration so high that is it not consistent with human urine.
- Alcohol means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols contained in any beverage, mixture, mouthwash, candy, food, preparation or medication.
- Alcohol Concentration is expressed in terms of grams of alcohol per 210 liters of breath as measured by an evidential breath testing device.

- Cancelled Test means a drug test that has been declared invalid by a Medical Review Officer. A cancelled test is neither positive or negative.
- Covered employee means a person, including an applicant or transferee, who performs or will perform a safety-sensitive function for an entity subject to this part. A volunteer is a covered employee if:
 - (1) The volunteer is required to hold a commercial driver's license to operate the vehicle; or
 - (2) The volunteer performs a safety-sensitive function for an entity subject to this part and receives remuneration in excess of his or her actual expenses incurred while engaged in the volunteer activity.
- Designated Employer Representative (DER) means an employee authorized by the employer to take immediate action to remove employees from safety-sensitive duties and to make required decisions in testing. The DER also receives test results and other communications for the employer, consistent with the requirements of 49 CFR Parts 40 and 655.
- Dilute specimen means a specimen with creatinine and specific gravity values that are lower than expected for human urine.
- Disabling damage means damage that precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs.
 - (1) Inclusion. Damage to a motor vehicle, where the vehicle could have been driven, but would have been further damaged if so driven.
 - (2) Exclusions. (i) Damage that can be remedied temporarily at the scene of the accident without special tools or parts.
 - (ii) Tire disablement without other damage even if no spare tire is available.
 - (iii) Headlamp or tail light damage.
 - (iv) Damage to turn signals, horn, or windshield wipers, which makes the vehicle inoperable.
- DOT or The Department means the United States Department of Transportation.
- DOT agency means an agency (or "operating administration") of the United States Department of Transportation administering regulations requiring drug and alcohol testing.
- Evidentiary Breath Testing Device (EBT) means a device approved by the NHTSA for the evidential testing of breath at the 0.02 and the 0.04 alcohol concentrations. Approved devices are listed on the National Highway Traffic Safety Administration (NHTSA) conforming products list.
- Employer means a recipient or other entity that provides mass transportation service or which performs a safety-sensitive function for such recipient or other entity. This term includes subrecipients, operators, and contractors.
- FTA means the Federal Transit Administration, an agency of the U.S. Department of Transportation.
- Medical Review Officer (MRO) A person who is a licensed physician and who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug test results.

- Negative Dilute means a drug test result which is negative for the five drug/drug metabolites but has a specific gravity value lower than expected for human urine.
- Negative test result means a verified presence of the identified drug or its metabolite below the minimum levels specified in 49 CFR Part 40, as amended. An alcohol concentration of less than 0.02 BAC is a negative test result.
- Non-negative test result means a test result found to be adulterated, substitute, invalid, or positive for drug/drug metabolites.
- Performing (a safety-sensitive function) means a covered employee is considered to be performing a safety-sensitive function and includes any period in which he or she is actually performing, ready to perform, or immediately available to perform such functions.
- Positive test result means a verified presence of the identified drug or metabolite at or above the minimum levels specified in 49 CFR Part 40, as amended. A positive alcohol test result means a confirmed alcohol concentration of 0.04 BAC or greater.
- Prohibited drug means marijuana, cocaine, opiates, amphetamines, or phencyclidine at levels above the minimum thresholds specified in 49 CFR Part 40, as amended.
- Refuse to submit means any circumstance outlined in 49 CFR 40.191 and 40.261.
- Revenue Service Vehicles are all transit vehicles that are used for passenger transportation service or that require a CDL to operate. Includes all ancillary vehicles used in support of the transit system.
- Safety-sensitive function means any of the following duties, when performed by employees of recipients, subrecipients, operators, or contractors:
 - (1) Operating a revenue service vehicle, including when not in revenue service;
 - (2) Operating a nonrevenue service vehicle, when required to be operated by a holder of a Commercial Driver's License;
 - (3) Controlling dispatch or movement of a revenue service vehicle;
 - (4) Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service. This section does not apply to the following: an employer who receives funding under 49 U.S.C. 5307 or 5309, is in an area less than 200,000 in population, and contracts out such services; or an employer who receives funding under 49 U.S.C. 5311 and contracts out such services;
 - (5) Carrying a firearm for security purposes.
- Substance Abuse Professional (SAP) A person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare.
- Vehicle means a bus, electric bus, van, automobile, rail car, trolley car, trolley bus, or vessel. A mass transit vehicle is a vehicle used for mass transportation or for ancillary services.

III. PROHIBITIONS

1. ***Use, possession, sales, or distribution of illegal drugs, unauthorized prescriptive drugs, controlled substances, and alcohol on OCBS premises or while working for OCBS is prohibited.***
2. Covered employees are prohibited from using alcohol
 - 1) 4 (four) hours prior to performing safety-sensitive functions.
 - 2) 8 (eight) hours following an accident or until a post-accident alcohol test is performed.
3. On-call employees are prohibited from the consumption of alcohol for the specified on-call hours of each covered employee who is on-call.

The on-call employee will be given the opportunity to:

 - a) Acknowledge the use of alcohol at the time he or she is called to report to duty and the inability to perform his or her safety-sensitive function.
 - b) Take an alcohol test, if the covered employee has acknowledged the use of alcohol, but claims ability to perform his or her safety-sensitive function.
4. ***Being under the influence, impaired, or having detectable amounts, above the cut-off levels established by DHHS, of illegal drugs, controlled substances, or alcoholic beverages in your system, while on OCBS premises, while working for the OCBS, or while operating or in physical control of an OCBS vehicle, is prohibited.***
5. Consumption of the following 5 drugs is prohibited at all times. Employees can be tested anytime while on duty for these specified drugs.
 - 1) Marijuana;
 - 2) Cocaine;
 - 3) Opiates;
 - 4) Amphetamines;
 - 5) Phencyclidine.
6. Employees holding a CDL (Commercial Drivers License) are prohibited from committing a disqualifying offense as defined by CFR 49 Part 383.51
This includes but is not limited to:

If a driver operates a motor vehicle and is convicted of:

 - 1) Being under the influence of alcohol as prescribed by State law.
 - 2) Being under the influence of a controlled substance.
 - 3) Having an alcohol concentration of 0.04 or greater while operating a CMV.
 - 4) Refusing to take an alcohol test as required by a State or jurisdiction under its implied consent laws or regulations as defined in § 383.72 of this part.
 - 5) Using the vehicle in the commission of a felony involving manufacturing, distributing, or dispensing a controlled substance.

A copy of the full regulation is available from the DER.

7. *Covered employees are prohibited from using prescription medication, without verification by a licensed physician, in writing, to OCBS that the medication poses no hazard to the individual or to others, and that it will not interfere with the safe performance of required duties.*

IV. REQUIREMENTS

A. REPORTING REQUIREMENTS FOR COMMERCIAL DRIVER'S LICENSES.

1. *Persons with commercial drivers licenses must notify OCBS within thirty (30) calendar days of any conviction for a traffic violation (other than a parking violation). The notification must be in writing and contain the following information:*
 - *Driver's license number.*
 - *Date of conviction.*
 - *The specific offenses and violations relating to motor vehicle control and any suspension, revocation, or cancellation of driving privileges.*
 - *Indication of whether the violation was in a commercial motor vehicle.*
 - *Location of offense.*
 - *Driver's signature.*
2. *Each employee who has a drivers license suspended, revoked or cancelled or loses the right to operate a commercial motor vehicle for any period must notify OCBS before the end of the business day following the receipt of notice of any suspension, revocation, cancellation, lost privilege or disqualification.*

B. PRESCRIPTION DRUGS.

Anyone taking medication by a physician's order must have this verified, in writing, to OCBS by a licensed physician who must also verify that the medication poses no hazard to the individual or to others. Violation of this policy may result in disciplinary action, up to and including discharge.

C. CIRCUMSTANCES OF DRUG AND ALCOHOL TESTING

Following are the specific circumstances under which a covered employee is required to be tested per FTA regulations.

1. PRE-EMPLOYMENT TESTING: Drug Only
 - Applicants for safety sensitive positions will be required to have a negative drug test result before their 1st performance of a safety sensitive function. If the test is canceled, the employee

must retake and pass the test before being hired. An employee being transferred into a safety sensitive position must provide a verified negative result prior to performing a safety sensitive function; or

- A covered employee or applicant who has previously failed or refused a DOT pre-employment drug test must provide evidence that they have completed a referral, evaluation, and treatment plan and have a verified negative result before returning to safety-sensitive duties; or
- If a covered employee who has not performed a safety sensitive function for 90 consecutive days or more and has not been in the employer's random selection pool shall take a pre-employment drug test with a verified negative result before returning to safety sensitive duties.

2. RANDOM TESTING – Drug and Alcohol

- The number of employees randomly selected for drug/alcohol testing during the calendar year shall be not less than the percentage rates established by Federal regulations for those safety-sensitive employees subject to random testing by Federal regulations. The current random testing rate for drugs established by FTA equals twenty-five (25%) percent of the number of covered employees in the pool and the random testing rate for alcohol established by FTA equals ten (10%) percent of the number of covered employees in the pool.
- All covered employees have an equal chance of being selected for random testing each time the selections are made throughout the year. Selections will be made quarterly.
- The selection is by a scientifically valid, computer based random number generator used by our C/TPA – OMS Compliance Services, Inc.
- The random tests will be conducted throughout the year and could be conducted on all days and hours during which OCBS is in operation.
- The random tests will be unannounced and employees are required to proceed to the test site immediately.
- A covered employee will only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions; just before the employee is to perform safety-sensitive functions; or just after the employee has ceased performing such functions. A covered employee may be randomly tested for prohibited drug use anytime while on duty.

3. POST-ACCIDENT – Drug and Alcohol

- Drug and Alcohol testing will be required after any accident that meets the FTA threshold (see Accident definition above) and;

- i. Involves the loss of human life requires testing all surviving employees operating the mass transit vehicle and all other covered employees whose performance could have contributed to the accident.
 - ii. Does not involve the loss of human life requires the testing of all covered employees operating the mass transit vehicle unless their performance can be completely discounted as a contributing factor based on the best information available at the time of the decision. All other covered employees whose performance could have contributed to the accident also must be tested.
- Drug testing must be completed as soon as possible, but not longer than 32 hours following the accident.
 - Alcohol testing must be completed as soon as practicable and within 2 hours of the accident; and
 - If not able to obtain a specimen within 2 hours, employer must file a report why not able and continue attempts to obtain a specimen; and
 - If not able to obtain a specimen in 8 hours, cease attempts to obtain a specimen and update the two-hour written report.
 - A covered employee subject to post-accident testing must remain readily available for such testing. Testing will be stayed while the employee assists in the resolution of the accident or receives medical attention following the accident.
 - An employee subject to post accident testing who fails to remain readily available, including notifying OCBS or it's representative of his or her location if he or she leaves prior to the submission to such test, may be deemed by OCBS to have refused to submit to testing.

4. REASONABLE SUSPICION – Drug and Alcohol

- Drug and or Alcohol testing will be required when one or more trained supervisors or company officials can articulate and substantiate physical, behavioral, and performance indicators of probable drug use or alcohol misuse by personally observing the appearance, behavior, speech, or body odors of the covered employee.
- The employee may be directed to undergo reasonable suspicion alcohol testing only while the employee is performing, just prior to performing, or just after performing safety sensitive functions.
- Drug testing may be performed at any time the covered employee is on duty.
- The employee shall not be permitted to perform safety sensitive functions until a verified negative drug test result and an alcohol test with an alcohol concentration level of less than 0.02% is received by OCBS.

- The supervisor and/or company official shall file a signed, written record of the observations leading to the reasonable suspicion test within twenty-four (24) hours of the observed behavior or before the results of the test s are released, whichever is earlier.
- In the interest of safety, OCBS will arrange for someone to take the employee to and from the collection site.

5. RETURN-TO-DUTY & FOLLOW-UP TEST

- An employee, who is receiving assistance in resolving problems associated with alcohol misuse and/or use of controlled substances from a qualified Substance Abuse Professional (SAP), will be required to have a verified negative drug test and/or an alcohol test with a concentration level of less than 0.02% before being permitted to perform safety sensitive functions.
- Follow-up tests will be unannounced and will meet the requirements, as determined by the SAP, and will consist of no less than six (6) tests within the first twelve (12) months of the employees return to duty.
- Return to duty and Follow-up testing will be conducted in accordance with 49 CFR 40, subpart O, including requiring an observed specimen collection.

D. DRUG AND ALCOHOL TESTING PROCEDURES

- All drug and alcohol testing will be conducted in accordance with DOT regulation 49 CFR Part 40.
- This ensures the protection of the employee and the integrity of the testing process;
- Safeguards the validity of the test results; and
- Ensures that test results are attributed to the correct employee.
- A copy of regulation 49 CFR Part 40 is available for review by any employee, when requested from the DER.

E. REQUIREMENT TO SUBMIT TO DRUG AND ALCOHOL TESTING

- All covered employees are required to submit to drug tests, as defined in C) Circumstances of drug and alcohol testing, administered in accordance to Part 655.
- All covered employees are required to submit to alcohol tests, as defined in C) Circumstances of drug and alcohol testing, administered in accordance to Part 655.

F. DILUTE NEGATIVE POLICY

- Employees who produce dilute negative specimens, as reported by the MRO, shall be required to submit another specimen immediately, per 49CFR Part 40, under non-observed conditions.
- The result of the second test becomes the test of record, on which the employer will rely for purposes of this policy.
- An applicant or employee with a dilute negative result, having a Creatinine level greater than 2mg/dL, but less than 5mg/dL will be directed to take another test immediately under direct observation in accordance with the directions of the MRO, as authorized under 49 CFR Part 40. No third collection is authorized if the second collection is dilute; it becomes the test of record.

G. REFUSAL TO TEST

Refusal to take a required drug or alcohol test constitutes a violation of OCBS Controlled Substances and Alcohol Policy, and is treated the same as a positive result under DOT regulations. This section explains the situations that are considered to constitute a refusal to test per DOT regulation 49 CFR Part 655.

REFUSAL – DRUG AND ALCOHOL TEST

1. You have refused to test if you fail to appear in a reasonable time, except for a pre-employment test. Upon notification of a required test, you must immediately stop performing any safety sensitive function and proceed directly to the collection site.
2. You have refused to test if you fail to remain at the testing site until the testing process is complete. An employee who leaves the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test.
3. You have refused to test if you fail to provide a breath or urine specimen for any drug or alcohol test required by DOT agency regulations.
4. You have refused to test if you fail to provide a sufficient specimen, with no medical explanation, for any drug or alcohol test required by DOT agency regulations.
5. You have refused to test if you fail to undergo a medical examination or evaluation, as directed by the MRO or DER, as part of the verification process.
6. You have refused to test if you fail to cooperate with any part of the testing process, for example, refusing to empty pockets when directed by the collector, or behaving in a confrontational way that disrupts the process.
7. You have refused a test if you are a covered employee who leaves the scene of an accident without legitimate explanation prior to submission to drug/alcohol tests.

REFUSAL - DRUG TESTING

1. Failure to permit monitoring or direct observation, as directed by the DER, Collector, or MRO, is a refusal to take a drug test.
2. Failure to take a second test as directed by the DER or Collector is a refusal to take a drug test.
3. If the specimen provided is verified as adulterated or substituted, by the MRO that constitutes a refusal to test.

REFUSAL - ALCOHOL TESTING

1. Refusal to sign the certification at Step 2 of the alcohol testing form constitutes a refusal to test.
2. A covered employee who consumes alcohol within eight (8) hours following involvement in an accident without first having submitted to post-accident drug/alcohol tests."

Note: for pre-employment purposes, the following do not constitute a refusal: 1) Failure to appear; 2) Failure to remain at the collection site prior to the commencement of the test; or 3) Aborting a collection before the test commences. In addition, for DOT purposes, a refusal to take a company non-DOT test does not constitute a refusal to take a DOT test.

V. CONSEQUENCES FOR VIOLATION OF OCBS CONTROLLED SUBSTANCES AND ALCOHOL POLICY

1. Immediately after receiving written notice from the MRO or a consortium/third party administrator (C/TPA) that a covered employee has a verified positive drug test result, or refused to submit to a drug test, OCBS shall require the employee to cease performing safety sensitive functions.
2. Any employee who has a confirmed positive drug test will be medically unqualified to perform safety sensitive functions until they complete an approved substance abuse program, have a negative Return to Duty drug test and have agreed to Follow-Up testing as prescribed by the substance abuse professional (SAP).
3. Immediately after receiving written notice of a positive confirmed alcohol test or an employee refuses to submit to an alcohol test, the employer shall require the employee to cease performing safety sensitive functions.
4. Any employee who has a confirmed positive alcohol test (0.04% concentration or greater) will be medically unqualified to perform safety sensitive functions until they complete an approved substance abuse program, have a negative Return to Duty alcohol test and have agreed to Follow-Up testing as prescribed by the substance abuse professional (SAP).
5. Any employee who tests between 0.02% but less than 0.04% will be asked to stand down from safety-sensitive duties for eight hours or until their alcohol level is below 0.02%.

6. *In addition to the penalties imposed by the Department of Transportation, the Company reserves the right to impose disciplinary action, up to and including discharge, for any violation of the Company's Substance Abuse Policy.*
7. *Any driver who is disqualified from driving because of a motor vehicle violation or who has their CDL suspended, revoked, or cancelled will be subject to disciplinary action, up to and including discharge.*
8. *Depending on the circumstances involved, OCBS may, at its sole discretion, offer employees who voluntarily request help with a drug or alcohol problem, the option of rehabilitation in lieu of discharge. Employees offered this option will be referred to a qualified professional or employee assistance program. The employee will be expected, as a condition of continued employment, to sign a return to work agreement, to follow the counselor's advice or any recommended program of rehabilitation, and to agree to follow up testing. Failure to do so, or any positive test result within a period of up to 60 months after the completion of the rehabilitation program, will result in disciplinary action, up to and including discharge.*
9. *Any prospective employee who refuses to submit to pre-employment drug testing or who receives a verified positive test result will not be hired.*

VI. CONDITION OF EMPLOYMENT

Compliance with OCBS Controlled Substances and Alcohol Policy is a condition of employment. Failure or refusal of an employee to cooperate fully or submit to any inspection or drug test as provided will be grounds for termination.

VII. System Contacts:

Medical Review Officer (MRO):

John G. Cametas, M.D.
Pembroke Occupational Health
2307 N. Parham Road
Richmond, VA 23229
Phone: (804) 346-1010
Fax: (804) 346-5050

Substance Abuse Professional:

Catholic Human Services
1165 Elkview Drive
Gaylord, MI 49735
(989) 732-6761

HHS Certified Laboratory Primary Speciman

Medtox Laboratories
PO Box 120119
Saint Paul, MN 55112-0012

HHS Certified Laboratory Split Speciman

The MRO will advise the employee or applicant that they have the right to have their split specimen tested at a HHS certified laboratory of their choice. Some of the certified laboratories choices are listed below:

Labcorp of America
Quest Diagnostics
Kroll Laboratory Specialists

VIII. Employee's Acknowledgement of OCBS Controlled Substances and Alcohol Policy

I acknowledge that I have been provided a copy of OCBS Controlled Substances and Alcohol policy.

I acknowledge that policy items in italics are based on the independent authority of OCBS and are in addition to the provisions mandated by FTA regulations.

I acknowledge that I understand the policy and that the following information was included in the materials.

1. The name of the person designated by the employer (DER) to answer employee questions about the policy.
2. The categories of employees who are subject to the provisions of Part 655;
3. Sufficient information about the safety sensitive functions performed by those employees to make clear what period of the day the driver is required to be in compliance with Part 655;
4. Specific information concerning employee behavior and conduct that is prohibited;
5. The circumstances under which an employee will be tested for prohibited drugs or alcohol misuse under Part 655;
6. The procedures that will be used to test for the presence of alcohol and drugs, protect the driver and the integrity of the testing processes, safeguard the validity of the test results, and ensure that those results are attributed to the correct driver.
7. The requirement that an employee submit to alcohol and drug tests administered in accordance with Part 655;
8. An explanation of what constitutes a refusal to submit to a controlled substances or alcohol test and the consequences of refusal;
9. The consequences of violation of this policy, including the mandatory requirement to remove covered employees from performing safety sensitive functions when they have a verified drug test result or confirmed alcohol concentrations of 0.04%, and the consequences for an employee who is found to have an alcohol concentration of 0.02% or greater but less than 0.04%.

Employee's Printed Name: _____

Employee's Signature: _____

Date: _____

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IX. EMPLOYEE ASSISTANCE PROGRAM

Otsego County Bus System supports Employee Assistance Programs. This policy supports the treatment of employees for controlled substances and alcohol abuse. Depending on the circumstances involved, OCBS may, in its sole discretion, offer employees who voluntarily request help with a controlled substance or alcohol problem the option of rehabilitation in lieu of termination.

- a) The DER will supply employees of OCBS with information about treatment programs on a timely basis.**
- b) Employees offered this option will be referred to a qualified professional or employee assistance program. The employee is responsible for the cost of all rehabilitation treatment, return to duty tests, and follow-up testing.**
- c) As a condition of continued employment, the employee is required:**
 - 1. To sign a return to work agreement;**
 - 2. To follow the counselor's advice and/or any recommended program of rehabilitation; and**
 - 3. To agree to follow up testing.**
- d) Failure to follow the program, or any positive test result within a period up to 60 months after the completion of the rehabilitation program will result in discipline action, up to and including termination.**

I acknowledge that I have been provided a copy of the OCBS Employee Assistance Program, and that I understand the policy and the consequences for violating the policy.

Employee's Printed Name: _____

Employee's Signature: _____

Date: _____

Covered Job Classifications:

Bus Driver
Dispatcher
Chief Dispatcher
Mechanic
Lead Mechanic
Driver/Dispatcher
Lead Driver
General Maintenance
Bus Aid

EMPIRIC SOLUTIONS, INC.
COMPASS MANAGEMENT SERVICE AGREEMENT

This Agreement is made and entered into this 1st day of January 2009, (hereinafter referred to as "Effective Date") by and between EMPIRIC SOLUTIONS, INC., a Michigan corporation, of 932 Spring Street, Ste 202, P.O. Box 58, Petoskey, Michigan 49770-0058 (hereinafter referred to as "ESI") and OTSEGO COUNTY, a Michigan county government of 225 West Main Street, Gaylord, Michigan 49735 (hereinafter referred to as "Client").

WITNESSETH THAT:

WHEREAS, Client desires to engage ESI to provide the Services; and

WHEREAS, ESI is interested in providing such Services; and

WHEREAS, Client and ESI mutually desire to set forth the terms applicable to such Services.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

TERM

1. The term of Agreement shall commence on the Effective Date hereof and shall continue for a period of twelve (12) months (hereinafter referred to as "Term"). Agreement with all terms and conditions set forth herein shall at the end of Term **not** automatically renew. Agreement may be terminated prior to end of Term without penalty upon written consent by both parties. Either party may terminate this agreement without penalty by providing the other party written notice of the intent to terminate no less than 90 days prior to the effective date of termination.

SERVICES

2. ESI shall provide Client with technology management services. ESI will provide onsite and remote technology support staff and perform network monitoring to receive advanced notification of issues related to network operational status. In general terms, ESI will provide Client with labor, expertise, and technology services sufficient to maintain the Client's technology in an effort to reduce downtime, maintain network performance and provide a technology infrastructure sufficient for the Client's daily operations. Details of Services are contained in Exhibit "A" Services - Compass Management (hereinafter referred to as "Services").
3. Unless otherwise specified in this Agreement, all equipment and software required to provide Services, whether at ESI's premises or at Client's premises and whether owned by ESI ("ESI's Technology") or Client, shall be configured and managed by ESI during the Term of Agreement. Any of ESI's Technology which is located at Client's premises during the Term of Agreement shall be returned within 15 days of the end of Term or any termination of agreement or ESI may invoice Client for the reasonable then current value of ESI's Technology.
4. ESI shall not be responsible for monitoring, supporting or maintaining technology purchased, installed or modified by Client or any third party unless ESI is involved in the technology's purchase, installation or modification to insure compatibility with Services. Furthermore, Client shall make reasonable efforts to involve ESI in all technology related decisions which directly or indirectly affect Services. Failure to involve ESI in decisions which affect Services may be considered breach of this agreement.
5. ESI shall not be responsible for any incidental costs incurred by Client as a result of Services. ESI does not guarantee continuous or uninterrupted service. Routine maintenance and periodic system repairs, upgrades, and reconfigurations, public emergency or necessity, force majeure, restrictions imposed by law, acts of God, labor disputes, and other situations, including mechanical or electronic breakdowns may result in temporary impairment or interruption of Services.

ESI Initials: _____

Client Initials: _____

- 6. ESI shall not be responsible for monitoring, supporting or maintaining technology which is not compatible with Services.

COMPENSATION

- 7. ESI will invoice Client two fees for Services:

Base Management Fee: **\$3180/month†**

Client requested fixed cost fees to be itemized as follows:
Fixed Cost – 51% Otsego County
Fixed Cost – 49% Otsego Court

Hourly Fee: **\$100/hour ***
After Hours Response: Two hours minimum charge.**

† ESI reserves the right to adjust the Base Management Fee prior to the end of the Term in the event there are substantial Client approved technology changes including but not limited to: increasing or decreasing quantity of servers, replacing servers, substantial change in number of desktop systems, new or substantial changes in existing software, and new or substantial changes in physical department locations which require infrastructure changes. ESI must notify Client of new Base Management Fee before Client approved upgrades are implemented. ESI will not be permitted to adjust fees for technology changes performed by ESI without Client approval.

*ESI's standard hourly fee is \$140/hour. However, ESI provides a discounted Hourly Fee to Compass Management clients.

** ESI's normal business hours are Monday through Friday, 08:30 to 17:00 Eastern Time, excluding ESI holidays.

- 8. During the Term, Client will pay the Base Management Fee by the first day of each Month in advance of the Month in which Services are provided.
- 9. ESI shall provide, and Client agrees to pay, monthly invoices for the Base Management Fee, Hourly Work, and materials consumed while supporting Services. Invoices shall include a reasonable description of all accumulated charges including department codes for Hourly Work. Client agrees to pay to ESI, all federal, state, and local taxes that may be imposed on Services.
- 10. Client agrees to pay ESI according to the Net 30 terms stated on each invoice. ESI may assess a late fee of 1.5 percent per month on past due balances. Any balance greater than 30 days past due may result in suspension of Services. In the event that ESI shall hire legal counsel to collect (or attempt to collect) any amount due under Agreement, Client shall be required to reimburse ESI for reasonable attorney fees and costs of collection.
- 11. If Agreement is breached by Client, ESI shall stop providing Services and ESI shall be entitled to immediate payment for all Hourly Work.

ESI Initials: _____

Client Initials: _____

CONFIDENTIALITY AND NON-COMPETITION

12. Both parties acknowledge that, in order for ESI to provide Services, ESI will have access to private, confidential and non-public Client information. ESI agrees that it will not, during or at any time after ESI ceases to provide services, use for itself or others, or disclose or divulge to others, private, confidential and non-public Client information, or any other proprietary Client information without the express written permission of Client, except as required by law or court order or as necessary to provide Services under Agreement or information which is now, or becomes in the future, public knowledge other than through acts or omissions of ESI.
13. Both parties acknowledge that, in order for Client to receive Services, Client will have access to private, confidential and non-public ESI information consisting of but not necessarily limited to: methods, processes, formulae, systems, techniques, inventions, machines, computer programs, unlisted telephone numbers, ESI passwords, encryption codes, and password change schedules. Client agrees that it will not, during or at any time after Client ceases to receive services, use for itself or others, or disclose or divulge to others, private, confidential and non-public information, or any other proprietary ESI information without the express written permission of ESI, except as required by law or court order or information which is now, or becomes in the future, public knowledge other than through acts or omissions of Client.
14. Client acknowledges that upon discontinuance of services from ESI, Client shall return to ESI all documents and property of ESI, including but not necessarily limited to: drawings, reports, manuals, correspondence, computer software, computer hardware, and all other materials and all copies thereof relating in any way to ESI's confidential business practices, or in any way obtained by Client during the course of receiving services from ESI. Client further agrees that they shall not retain copies, notes or abstracts of the foregoing.
15. ESI acknowledges that upon discontinuance of services to Client, ESI shall return to Client all documents and property of Client, including but not necessarily limited to: drawings, reports, manuals, correspondence, computer software, computer hardware, and all other materials and all copies thereof relating in any way to Client's confidential business practices, or in any way obtained by ESI during the course of providing services to Client. ESI further agrees that they shall not retain copies, notes or abstracts of the foregoing.
16. ESI will be entitled to obtain an injunction to prevent threatened or continued violation of Section 14 and 15, but failure to enforce these Sections will not be deemed a waiver of this Agreement.
17. ESI may list Client in ESI promotional materials and on ESI's web site and shall be free to engage in an agreement with, and provide services to, any other client.
18. Client shall not attempt to solicit for employment (or hire) or contract services directly from any employee of ESI during the term of Agreement (or for 6 months thereafter) without the express written consent of ESI. ESI shall not attempt to solicit for employment (or hire) or contract services from any employee of Client during the term of Agreement (or for 6 months thereafter) without the express written consent of Client.

CONDITIONS OF USE

19. ESI reserves the right to monitor Client's use of Services for the purpose of ensuring security of ESI's systems, managing resources of ESI's network, and compliance with terms of Agreement.
20. Client acknowledges that ESI's staff is authorized for unsupervised access to Client facilities and systems for the purposes of providing Services.
21. ESI acknowledges that ESI's use of Client technology is limited to providing Services to Client and accessing ESI systems for business purposes.
22. ESI will follow strict hiring guidelines to help ensure ESI staff are ethical and trustworthy. ESI will keep employee fingerprints on file.

ESI Initials: _____

Client Initials: _____

ACCEPTABLE USE

- 23. Client agrees not to knowingly engage in any activity that would constitute a threat to the security or performance of ESI's systems or services.
- 24. Client acknowledges their sole responsibility to maintain proper software licenses for all software installed on Client's systems. ESI will notify Client of any detected software license violations and provide technical assistance to Client in their efforts to correct any violation. Client acknowledges that failure to comply with software licenses may result in the immediate termination of Services provided by ESI.
- 25. Client may not transfer or sublease any Service, or portion thereof, provided under Agreement unless stipulated otherwise in attachments hereto.

WARRANTY

- 26. Client agrees that there are no express or implied warranties relating to delivery of Services, nor warranties of merchantability or fitness for any particular purpose of those Services, nor any warranty extended to equipment associated with those Services unless stipulated otherwise herein or in attachments hereto. In the event of any breach of warranty stipulated in attachments hereto, damages shall be limited to the price paid by Client to ESI for those specific Services.

EXCLUSIONS

- 27. ESI shall not be responsible for loss or recovery of any Client data, loss of profits, loss of business or goodwill, loss of use of data, interruption of business, or for any special or incidental damages, whether for breach of warranty, breach of contract, tort, negligence, failure to perform, or otherwise, even if ESI has been advised of the possibility of such loss or damage unless ESI is found grossly negligent in providing Services.

MISCELLANEOUS

- 28. Neither party may assign its rights and responsibilities under Agreement without the written consent of the other party.
- 29. The waiver of any breach or default under Agreement shall not constitute the waiver of any subsequent breach or default.
- 30. The headings used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the Agreement or the intent of any provision thereof.
- 31. Client represents to ESI that the Client's Representative executing Agreement on behalf of Client is duly authorized to do so, and that Agreement will be a valid and binding obligation of Client upon acceptance by ESI. Agreement shall not be binding upon ESI until it has been duly executed by ESI's Representative and Initial Payment is received by ESI.
- 32. Client shall indemnify ESI, its affiliates, officers, directors, licensees and licensors from any and all claims and expenses, including, without limitation, reasonable attorney's fees, arising from Client's breach of any provision of Agreement.
- 33. ESI shall indemnify Client, its boards, officials, employees, and agents from any and all claims and expenses, including, without limitation, reasonable attorney's fees, arising from ESI's breach of any provision of Agreement.

ESI Initials: _____

Client Initials: _____

- 34. Michigan law shall control in the interpretation of Agreement. In the event that any of the provisions of this Agreement are found by a court or legal authority of competent jurisdiction to be illegal or invalid, said provisions shall be limited or eliminated to the minimum extent possible so that this Agreement shall otherwise remain in full force and effect.
- 35. The terms and conditions of Agreement shall prevail notwithstanding any inconsistent terms and conditions that may be contained in any purchase order or other document submitted by Client to ESI.
- 36. Neither party to Agreement shall be responsible to the other party or any third party for failure to fulfill or delay in fulfilling its obligations under Agreement due to causes beyond reasonable control.

IN WITNESS WHEREOF, the parties hereto have hereunto caused Agreement to be signed and delivered by their duly authorized agents, all as of the Effective Date stated above.

ESI: Empiric Solutions, Inc.

Client: Otsego County

X. _____

X. _____

By: Eric D. Seelye

By: _____

Title: President

Title: _____

Date: _____

Date: _____

ESI Initials: _____

Client Initials: _____

EXHIBIT "A"
SERVICES - COMPASS MANAGEMENT

In 1998, Empiric Solutions, Inc. began developing and testing a unique service called "Compass Management". With most clients facing increased technology dependency and the ensuing increased support costs, proactive management became fundamental for success. After several years of development, Compass Management emerged as an affordable solution, providing stability, security, scalability, and reliability. Consisting of four levels or "compass points", each point builds upon the previous. North provides basic services for small businesses while West provides for fully customized solutions. Compass Management aims at eliminating emergencies, minimizing downtime, decreasing problem resolution time, reducing costs, managing assets, and optimizing network performance. Utilizing a sophisticated array of technology and a focused, proactive business model, Compass Management enables highly efficient network support and effectively bridges the gap between cost and technology dependency. From basic technology management to complex monitoring and tracking solutions, the following is an overview of services provided through Compass Management.

Hourly Fee Services

ESI offers a discounted hourly fee for Compass Management clients (see Compensation section). Some tasks may be invoiced on an hourly basis ("Hourly Work") and unless otherwise noted, hourly fees apply to labor associated with each service. Hourly Work is typically less regular in nature and therefore will be logged and billed on detailed monthly invoice. This work may stem from approved upgrades requested by departments, driven by industry technology changes, notifications from remote network monitoring, or increased workload requiring Network Administrators to perform Network Technician tasks in order to meet deadlines. Due to the sophistication of the Client's network and the dynamic nature of supporting the network, Client authorizes ESI to perform Hourly Work in a self-directed and self-managed manner, provided the work is reasonable, in the best interest of the Client, and consistent with ESI billing practices. It is expected that the Client and ESI will work cooperatively to minimize excessive Hourly Work.

Network Administration Services

ESI designs, installs, and maintains mission critical systems such as servers, switches, routers, firewalls and security, working closely with clients to establish technology plans, define goals, and ensure goals are compatible with client budgets. ESI Administrators are highly proficient in: LAN/WAN Design, DNS, DHCP, TCP/IP, all Windows flavors, AS/400 operations, Cisco Management and Design, Firewall Management, Content Filtering, VPN, Encryption, Security, and CJIS/MSP Security.

Strategic Planning Meetings – Included in Base Management Fee except as noted herein

ESI will participate in department or strategic planning meetings. Hourly fees will be waived for up to three meetings per month. Meetings shall not exceed two hours in length. ESI encourages regular communication with Client, building relationships and ensuring technology goals and challenges are addressed. These meetings present an opportunity for departments to discuss ideas, technology challenges, and receive preliminary designs to help them plan technology upgrades in their respective departments, insuring compatibility with overall network design.

24/7 Remote Network Monitoring – Included in Base Management Fee except as noted herein

ESI's remote network monitoring is a proven system that automatically monitors Client network health and status. ESI will perform tests on critical network systems at regular intervals according to Client and system requirements. Failed tests will be classified as warnings or alerts and appropriate notifications sent to ESI staff. After-hours notifications will only be sent if Client has selected an after-hours response option. Creation of tests and responses to notifications may be classified as Hourly Work. ESI is continually adding new tests as improved testing methods become available. While monitoring may not eliminate network downtime, it drastically reduces that downtime. ESI will make reasonable efforts to insure adequate monitoring and notifications are in place to alert of known and suspected vulnerabilities. Additional fees may also apply for after-hours response to detected issues.

Backup Monitoring and Remediation – Included in Base Management Fee except as noted herein

ESI will perform daily analysis of backup system performance and reliability, monitor backup systems, receive notification of errors and performs regular onsite inspections. Maintenance which is beyond regular remediation may be

ESI Initials: _____

Client Initials: _____

classified as Hourly Work. For example, if a new software/hardware solution is implemented requiring a restructuring of the backup system, this labor may be considered Hourly Work.

Network Technician Services – Included in Base Management Fee except as noted herein

ESI will provide Client with onsite Network Technician(s) whose responsibilities include addressing typical daily issues related to desktop, user, printer and basic network server issues. The Network Technician(s) will be readily available ensuring Client has rapid access to the support they need. Additionally, the Network Technician(s) provide ESI's Network Administrators with daily activity reports and provide a front-line view of the Client's technology needs.

Network Technician(s) will provide onsite and remote technology related support for the following types of technology systems:

- Desktop/Laptop computers
- Locally attached printers
- Desktop software applications
- Backup tapes (Changing, cleaning and reviewing logs)
- Network user accounts (Add/Delete/Modify)
- Network printers (physical installation only – see below)

Network Technician(s) will not be responsible for the following types of systems:*

- Network Server setup or maintenance (Except monitoring backup systems)
- Network infrastructure and security (e.g. Cabling, Managed Hubs/Switches/Routers/Firewalls)
- Server side configuration of network printers

Network Technician(s) may also perform any other task as assigned by Network Administrators. Work performed which is outside the scope of the above assigned duties or beyond 120 hours per month may be classified as Hourly Work. If Client has selected an after-hours response option, Network Technician(s) may be assigned to handle after-hours responses. Client may be billed for after-hours work according to the hourly rates specified in this Agreement.

** These systems require more highly trained personnel and will be handled on a time and material basis by qualified ESI staff or through a separate agreement with other contractors.*

LEIN/LGNET Services:

ESI will manage the LEIN/LGNET systems which provide services to Otsego, Crawford, and Kalkaska Court Sheriff and County personnel. ESI is the primary point of contact for the LGNET PoP located at Gaylord 225 West Main Street. Since this LGNET connection is utilized by additional agencies, Hourly Work performed specifically for non-Client agencies will be invoiced directly to those respective agencies and will not be included on Client invoices.

Biometric Authentication Systems Management:

ESI will manage the Court Biometric Network Authentication System.

Network Documentation

ESI will maintain network documentation as part of its regular work on client networks. Accurate and thorough network documentation (physical and logical) is imperative and provides a reference for network upgrades, problem avoidance, and disaster recovery.

Purchase Management

In order to maintain a non-biased perspective, ESI does NOT sell hardware or software.

ESI will act as a purchasing coordinator to obtain quotes and manage technology purchases. Client may be required to issue purchase orders or provide final approval on credit card purchases initiated by ESI. ESI's purchase management service will help ensure correct products are acquired, applicable discounts are utilized (i.e. Non-Profit, Governmental or Educational pricing), and punctual deliveries are made to proper locations. In addition, ESI will coordinate staff and equipment arrival, allowing for expedited installations.

ESI Initials: _____

Client Initials: _____

Software Assessment & Evaluation

ESI, with client input, will maintain a list of approved software applications by which software licensing is more easily tracked, network stability is increased, and software violations eliminated. ESI recommends all software applications go through a two part approval process before purchasing:

1. Technology Approval: Is the software compatible with the existing systems? Are there "hidden" costs associated with the software (e.g. backup considerations or increased Internet bandwidth requirements?)
2. Administrative Approval: The software should be approved by non-technology personnel to ensure it meets Client needs and goals.

Hardware Assessment & Evaluation

ESI, with client input, will maintain a list of approved hardware standards by which network stability and security is increased, inventories are more easily tracked, compatibility issues are eliminated, and network efficiency is maintained. ESI recommends all hardware go through a two part approval process before purchasing.

1. Technology Approval: Is the hardware compatible with the existing systems? Are there "hidden" costs associated with the hardware (e.g. additional network jacks, consumable costs, maintenance costs)
2. Administrative Approval: The hardware should be approved by non-technology personnel to ensure it meets Client needs and goals.

24/7 Response

Included: Not Included: ESI will respond to after-hours emergencies as detected through monitoring or Client request. Additional fees and service minimums may apply (See Compensation section).

Network Inspection

Regular physical inspection of network systems is also necessary to ensure a reliable network operating environment. While many of these inspections will be performed by Network Technician(s) some inspections must be performed by Network Administrators.

Miscellaneous

ESI staff will perform and/or coordinate with third party vendors/contractors to ensure Client technology is properly maintained, upgraded, and performing reasonably for Client.

Methods

Real-Time Remote Management

ESI has developed a highly layered, secure, remote access and management system, allowing ESI staff to monitor, diagnose, and resolve issues from basically anywhere in the world. Remote Management is also utilized within the Client's onsite network, reducing response times and travel between buildings. Whether utilized by onsite staff or a remote network administrator, ESI's remote management system provides rapid response to Client needs.

Security Assessment

ESI performs every technology management task with an underlying security assessment. Each upgrade, modification, and adjustment is cross-referenced with Client specific security requirements. The 46th Circuit Trial Court has strict security requirements in order to remain compliant with CJIS, MSP and LEIN regulations. ESI is well versed in these regulations and will continue to work with State security officers to keep the Client's network in compliance.

Technical Support/Helpdesk Services

ESI provides reliable methods to *request* support, which is equally important to *providing* support. ESI has a structured Helpdesk and issue tracking system by which requests are promptly and accurately completed. Clients may submit help requests by email, web, phone, or in-person. Additionally, phone calls are answered by a real-person during normal working hours and, during off-hours, forwarded to an on-call Network Administrator. Critical issues are usually addressed immediately and all tasks are cataloged and addressed in a timely manner based on severity of the request.

- Limitations may apply due to compatibility. Client may need to purchase additional products to fully benefit from each service item.
- Unless an after-hours response option is selected, labor associated with Services shall be provided during ESI's normal business hours (M-F 08:30 to 17:00, excluding ESI holidays)

ESI Initials: _____

Client Initials: _____

EXHIBIT "B"
DEFINITIONS

When used in Agreement, the capitalized terms listed in shall have the following meanings:

"Client's Representative" – individual identified by Client on Agreement to be responsible for receiving all notices under Agreement and for all administrative matters such as invoices, payments, and amendments.

"ESI's Representative" – individual identified by ESI on Agreement to be responsible for receiving all notices under Agreement.

"Server" – A computer which provides some service for other computers connected to it via a network. The most common examples are a file server which has a local disk and services requests from remote clients to read and write files on that disk, a web server which provides http/web access to information via a web browser such as Internet Explorer, and an email server which handles the sending and receiving of email on behalf of other computers on a network.

"Base Management Fee" – The base fee to provide Services. This fee is based on the sophistication of the Client network and may change if there are changes to the Client network.

Notes

Limitations may apply due to compatibility. Client may need to purchase additional products to fully benefit from each service item.

Unless an after-hours response option is selected, labor associated with Services shall be provided during ESI's normal business hours (M-F 08:30 to 17:00 Eastern Time, excluding ESI holidays).

ESI Holidays are:

- Two Days at New Years
- 1/2 Day Good Friday
- Memorial Day
- July 4th
- Labor Day
- Thanksgiving
- Friday after Thanksgiving
- Two Days at Christmas

ESI Initials: _____

Client Initials: _____

**EXHIBIT "C"
REPRESENTATIVES**

The following designated Representatives shall be responsible for receiving all notices under Agreement and for all administrative matters such as invoices, payments, and amendments or other authoritative communications. Client may change the name of (and all information pertaining to) Client's Representative and ESI may change the name of (and all information pertaining to) ESI's Representative upon written notice being given to the other party.

Client's Representative shall be:

Name: _____
Company: _____
Address: _____

Phone: _____
FAX: _____
E-Mail: _____

ESI's Representative shall be:

Name: Eric D. Seelye
Company: Empiric Solutions, Inc.
Address: 932 Sprint Street, Ste 202
PO Box 58
Petoskey, MI 49770-0058
Phone: 231.348.1035
FAX: 231.348.1044
E-Mail: seelye@empiricsolutions.com

EMERGENCY CONTACTS

In the event ESI needs to contact the Client during an after-hours emergency situation the client requests at least one of the following persons to be contacted by ESI. Client may change the following contact information upon written notice being given to ESI.

Client Emergency Contacts shall be:

Please provide: Full name, phone 1, phone 2, and email address, preferred times of day (e.g. 8am to 11pm)

Primary: _____
Alternate 1: _____
Alternate 2: _____

ESI Initials: _____

Client Initials: _____

RESOLUTION NO. OCR 08-24
AUTHORIZING RESOLUTION
OTSEGO COUNTY BOARD OF COMMISSIONERS
September 23, 2008

WHEREAS, the County of Otsego is interested in the continuing effort to rehabilitate rental housing conditions for its low income residents; and

WHEREAS, The County has demonstrated a need for this assistance with data outlined in the application; and

WHEREAS, The County intends to meet this need by submission of an application to Michigan State Housing Development Authority (MSHDA) 2008 Housing Resource Fund (HRF) Rental Rehabilitation Community Development Block Grant and by funds leveraged with Landlords, MSHDA Property Improvement Program (PIP) and local lenders thus meeting more needs; and

WHEREAS, The County Board of Commissioners accepts the recommendation of the Housing Committee to apply for \$300,000; now, therefore, be it

RESOLVED, that the Otsego County Administrator, on behalf of the Otsego County Board of Commissioners, John M. Burt be the Authorized Official to sign and submit said MSHDA's HRF Application and Marlene K. Hopp, Director of the Otsego County Housing Committee be the Agency Administrator to prepare the grant and submit other documents as required.