

August 22, 2017

The regular meeting of the Otsego County Board of Commissioners was held at the County Building at 225 West Main Street, Room 100, Gaylord, Michigan. The meeting was called to order at 9:30 a.m. by Chairman Ken Borton. Invocation by Commissioner Ken Glasser, followed by the Pledge of Allegiance led by Cathy Landry.

Roll Call:

Present: Julie Powers, Paul Liss, Rob Pallarito, Ken Glasser, Doug Johnson, Ken Borton, Bruce Brown.

Excused: Paul Beachnau, Duane Switalski.

Consent Agenda:

Motion by Commissioner Doug Johnson, seconded by Commissioner Julie Powers, to approve the Regular Minutes of August 8, 2017 with attachments. Ayes: Unanimous. Motion carried.

Motion by Commissioner Doug Johnson, seconded by Commissioner Julie Powers, to approve the reappointment of James Schwandt to the Remonumentation Peer Review Group to a term expiring on June 12, 2020. Ayes: Unanimous. Motion carried.

Motion by Commissioner Doug Johnson, seconded by Commissioner Julie Powers, to approve the reappointment of Carl Robinson to the Remonumentation Peer Review Group to a term expiring on June 12, 2020. Ayes: Unanimous. Motion carried.

Motion by Commissioner Doug Johnson, seconded by Commissioner Julie Powers, to approve the reappointment of William Fury to the Otsego County Library Board of Trustees to a term expiring on August 31, 2022. Ayes: Unanimous. Motion carried.

Motion by Commissioner Doug Johnson, seconded by Commissioner Julie Powers, to approve Bid 2017-09 Alpine Center Boiler Replacement, submitted by Ballard's of Petoskey in the amount of \$103,786.00. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Doug Johnson, seconded by Commissioner Julie Powers, to approve the State of Michigan Ground Lease Renewal #11031-2017 and to authorize the County Administrator to sign all necessary documents. Ayes: Unanimous. Motion carried. (see attached)

Committee Reports:

Parks & Recreation Commission:

Motion by Commissioner Doug Johnson, seconded by Commissioner Rob Pallarito, to approve the \$35,000 budget amendment for a new pickup truck for the Parks Department. This amendment has been reviewed and approved by the Parks and Recreation Commission. Ayes: Unanimous. Motion carried. (see attached)

Commissioner Doug Johnson reported on the Parks and Recreation, Groen Nature Board meeting coming up; Campground full every weekend, cabins also renting; working on Libke Fields through a grant.

Administrator's Report:

Rachel Frisch reported on the July 2017 Financial reports; new finance director hired, Tim Hanley starting on September 5, 2017; meeting with the Groen Nature Preserve Board September 19, 2017.

Budget & Finance Committee:

Motion by Commissioner Ken Glasser, seconded by Commissioner Rob Pallarito, to approve the updated language for the Otsego County Credit Card Policy. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Julie Powers, to approve a short term cash advance loan to EMS for \$150,000.00. Ayes: Unanimous. Motion carried.

Motion by Commissioner Ken Glasser, seconded by Commissioner Rob Pallarito, to approve OCR-17-20 Deficit Elimination Plan Otsego County Bus System.

Roll Call Vote:

Ayes: Julie Powers, Paul Liss, Rob Pallarito, Ken Glasser, Doug Johnson, Ken Borton, Bruce Brown.

Nays: None.

Excused: Paul Beachnau, Duane Switalski.

Motion carried/Resolution adopted. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Paul Liss, to approve the Otsego County Fee Schedule to increase Hangar Rental Fees by \$50 at the Airport for new renters. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Rob Pallarito, to approve the Animal Control overtime budget by \$2,000 for 2017. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Bruce Brown, to approve the Animal Control budget amendment for construction of a garage for the animal shelter. Ayes: Unanimous. Motion carried. (see attached)

Special Presentations:

Lisa Peacock, Health Officer, reported on the Health Department of Northwest Michigan; 2016 annual report presented.

City Liaison, Township and Village Representative:

Mary Sanders announced new Trustee for Hayes Township, Lisa Daly; replaces Dan Wagar; Road Construction on Old Alba Road.

Michelle Noirot reported Gaylord Area Ambassador Fall Harvest dinner September 20, 2017 at 6:00 p.m.

Jon Deming reported on Labor Day, exit 282 will be shut down from 11:30 a.m. - 2:30 p.m. due to homeland security 50 mile radius.

Lisa MComb reported the completion of headwaters music is this weekend.

Correspondence: Thank you card from the Bunker family.

New Business:

Motion by Commissioner Ken Glasser, seconded by Commissioner Doug Johnson, to approve the August 7, 2017 Warrant in the amount of \$1,720.50. Ayes: Unanimous. Motion carried.

Motion by Commissioner Bruce Brown, seconded by Commissioner Paul Liss, to approve the August 15, 2017 Warrant in the amount of \$176,151.63. Ayes: Unanimous. Motion carried.

Motion by Commissioner Julie Powers, seconded by Commissioner Ken Glasser, to approve the August 22, 2017 Warrant in the amount of \$800,690.73. Ayes: Unanimous. Motion carried.

Chairman Ken Borton opened up the meeting for public comment.

Board Remarks:

Commissioner Rob Pallarito attended the Washington, D.C. Conference on August 8, 2017; VFW Holewinski ribbon cutting; Reported on the Otsego Lake Township Board meeting, supervisor wants to accept dispensary.

Commissioner Ken Glasser reported on the Conservation meeting, too many tires on disposal day. Will apply for additional grants and will be an annual event; attended the MAC regional meeting.

Commissioner Bruce Brown had no report.

Commissioner Paul Liss reported on buildings in Vanderbilt.

Commissioner Julie Powers reported on the Housing meeting; fairgrounds noise week of fair.

Commissioner Doug Johnson had no report.

Commissioner Ken Borton attended Washington, D.C. Conference.

Meeting adjourned at 10:57 a.m.

---

Ken Borton, Chairman

---

Lynn Branch, Chief Deputy Clerk



123 W. Main St. Suite 200  
Gaylord, MI 49735  
O: 989.732.8131  
www.c2ae.com

August 16, 2017

Ms. Rachel Frisch  
County Administrator  
Otsego County  
225 West Main St  
Gaylord, MI 49735

Re: **Alpine Boiler Replacement**

Dear Rachel:

Two (2) bids for the above project were opened on August 16, 2017; attached is a tabulation of the bids for your information. The low bid was submitted by Ballard's Plumbing and Heating (Ballard's) of Petoskey, MI in the amount of \$103,786.00. The second bid was by Haggard's Plumbing and Heating, Charlevoix, MI in the amount of \$119,900.00.

Both bids were within the County's allotted budget for the project, were close in price and were based on the same equipment. The low bid was 15% below the second low bidder.

We have previously worked with Ballard's on several projects and they have also previously completed work for Otsego County. Based on that work and other project references, it is our opinion that Ballard's is qualified and capable of completing this project.

Based on the bid price and contractor's qualifications in completing the work, we recommend the award of this project to Ballard's Plumbing and Heating, the low responsive, responsible bidder, in the amount of \$103,786.00.

Please call if you have any questions.

Very Truly Yours,

C2AE

A handwritten signature in black ink that reads "Larry Fox". The signature is written in a cursive style with a large, stylized 'L' and 'F'.

Larry M. Fox, P.E.  
Principal Owner | Project Manager

LMF/kb



123 W. Main St. Suite 200  
 Gaylord, MI 49735  
 O: 989.732.8131

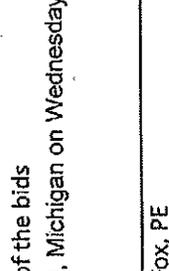
**BID TABULATION**

Otsego County Alpine Center Boiler Replacements  
 Otsego County

Gaylord, Otsego County, Michigan

Description	Ballards Plumbing and Heating	Haggards Plumbing and Heating
Boiler replacement, complete with all appurtenances, as specified on plans and in specifications.	Petoksey, MI \$103,486.00	Chaelevoix, MI \$119,900.00

I certify that this is a true and correct tabulation of the bids received by the County of Otsego County, Gaylord, Michigan on Wednesday, August 16 2017.

  
 Larry M Fox, PE  
 8/16/2017  
 Date



**GROUND LEASE**

State Lease #11031-2017

between

**COUNTY OF OTSEGO, as Lessor  
and**

**THE STATE OF MICHIGAN, as Lessee**

**ARTICLE I - DEFINITIONS**

- 1.1 A.N.S.I.
- 1.2 Cancellation
- 1.3 Construction
- 1.4 Executive
- 1.5 Maintenance
- 1.6 Occupancy
- 1.7 Reserved
- 1.8 Possession
- 1.9 Deleted, Not Applicable
- 1.10 Purpose
- 1.11 Deleted, Not Applicable
- 1.12 State Government Managed
- 1.13 State Government Owned
- 1.14 Deleted, Not Applicable
- 1.15 Tenantable
- 1.16 Deleted, Not Applicable

**ARTICLE II - POSSESSION**

- 2.1 Square footage Leased
- 2.2 Location of Leased premises
- 2.3 Deleted, Not Applicable
- 2.4 Initial term of possession
- 2.5 First renewal option
- 2.6 Deleted, Not Applicable
- 2.7 Deleted, Not Applicable
- 2.8 Deleted, Not Applicable
- 2.9 Ninety-day holdover
- 2.10 Assignment/sublet
- 2.11 Quiet enjoyment
- 2.12 Deleted, Not Applicable
- 2.13 Deleted, Not Applicable

**ARTICLE III - LESSOR OBLIGATIONS**

- 3.1 Lessor obligations
- 3.2 Deleted, Not Applicable
- 3.3 Toxic, hazardous, injurious substances
- 3.4 Deleted, Not Applicable
- 3.5 Deleted, Not Applicable
- 3.6 Deleted, Not Applicable
- 3.7 Deleted, Not Applicable
- 3.8 Deleted, Not Applicable
- 3.9 Deleted, Not Applicable
- 3.10 Deleted, Not Applicable
- 3.11 Deleted, Not Applicable
- 3.12 Discrimination prohibited
- 3.13 Deleted, Not Applicable
- 3.14 Notice of Ownership Transfer
- 3.15 Deleted, Not Applicable
- 3.16 Deleted, Not Applicable
- 3.17 Deleted, Not Applicable
- 3.18 Deleted, Not Applicable

**ARTICLE IV  
LESSEE OBLIGATIONS, DUTIES, AND  
OPTIONS**

- 4.1 Lessee obligations
- 4.2 Notification to maintain and repair
- 4.3 Lessee option to add/remove improvements
- 4.4 Quality of improvements by Lessee
- 4.5 Move-out condition
- 4.6 Payment for sign ordinance variances
- 4.7 Deleted, Not Applicable
- 4.8 Recording of lease
- 4.9 Deleted, Not Applicable
- 4.10 Deleted, Not Applicable

**ARTICLE V - RENT CONSIDERATION**

- 5.1 Deleted, Not Applicable
- 5.2 Deleted, Not Applicable
- 5.3 Rent during initial term
- 5.4 Deleted, Not Applicable
- 5.5 Rent during 1st renewal option
- 5.6 Deleted, Not Applicable
- 5.7 Deleted, Not Applicable
- 5.8 Deleted, Not Applicable
- 5.9 Deleted, Not Applicable
- 5.10 Deleted, Not Applicable
- 5.11 Deleted, Not Applicable
- 5.12 Deleted, Not Applicable
- 5.13 Reserved
- 5.14 Reserved
- 5.15 Deleted, Not Applicable
- 5.16 Deleted, Not Applicable
- 5.17 Deleted, Not Applicable
- 5.18 Deleted, Not Applicable

**ARTICLE VI - STATE OPTION TO PURCHASE**

- 6.0 - Deleted, Not Applicable

**ARTICLE VII  
EMINENT DOMAIN/CONDEMNATION**

- 7.1 Lessor to notify Lessee
- 7.2 Whole taking, rents prorated
- 7.3 Taking
- 7.4 Lessor option to terminate
- 7.5 Award of damages

**ARTICLE VIII - ESTOPPEL**

- 8.1 Timeliness, Lessee obligations

**ARTICLE IX  
MANAGEMENT AGREEMENT  
Reserved**

**ARTICLE X - LESSOR'S MORTGAGEE**

- 10.1 Identification of Lessor's mortgagee
- 10.2 Disclosure of mortgagees, nondisturbance
- 10.3 Mortgagee right to cure defaults
- 10.4 Attornment

**ARTICLE XI - CANCELLATION**

- 11.1 Cancellation by Lessee
- 11.2 Deleted, Not Applicable
- 11.3 Cancellation by Lessee
- 11.4 Cancellation by Lessor

**ARTICLE XII  
NOTICE, APPLICATION, AND APPROVALS**

- 12.1 Notice mailing addresses and delivery
- 12.2 Application of laws
- 12.3 Binding application
- 12.4 State government approvals required
- 12.5 Supercede and cancellation
- 12.6 Severability
- 12.7 Entire agreement and enclosures
- 12.8 Electronic Funds Transfer



**LEASE**

State Lease #11031-2017

**between**

**COUNTY OF OTSEGO, as Lessor  
A Municipality**

**and**

**THE STATE OF MICHIGAN, as Lessee**

THIS LEASE is entered into by the **County of Otsego**, as Lessor, whose address is **225 West Main, Gaylord, Michigan**, and the State of Michigan by the Department of Technology, Management & Budget for the Department of **Michigan State Police**, as Lessee.

The parties, for the considerations specified in this Lease, agree to the following terms, conditions, and covenants:

**WHEREAS, the Lessor owns land Leased to the State of Michigan which serves as the physical location of a shed owned and operated by the Michigan State Police and the Michigan Public Safety Communication System (radio) tower and supporting equipment operated by the Department of Technology, Management & Budget.**

**ARTICLE I - DEFINITIONS**

1.1 - A.N.S.I.: American National Standards Institute, Inc., a New York corporation that identifies public requirements for national standards and coordinates voluntary standardization activities. A.N.S.I. standards are used in calculating square footage used in this Lease.

1.2 - Cancellation: Ending all rights and obligations of the Lessor and Lessee, except for any rights and obligations that are due and owing.

1.3 - Construction: Assembling of foundation, structural, architectural, electrical, and mechanical systems, on the Leased **land**, where none existed prior.

1.4 - Executive: An Executive Order of the Governor pursuant to the Constitution 1963, Article 5, § 2 and 20, or a decision by the Director of the Department of Technology, Management & Budget in conjunction with the head of the principal State department or agency for whose use the Lease was entered.

1.5 - Maintenance: That effort, including repair, replacement, or removal, required to keep the Leased **land** and the appearance of said Leased **land** functioning or operating as originally designed, constructed, or installed, including but not limited to mechanical, electrical, architectural, or civil systems, **within** the Leased **land**, or those systems otherwise attached thereto.

1.6 - Occupancy: Actual physical presence by the Lessee **on** the Leased **land**.

1.7 - Reserved

1.8 - Possession: Lawful availability and physical access to install the Lessee's furnishings and compliance with paragraphs 4.3.

1.9 – Deleted, Not Applicable

1.10 - Purpose: The purpose for this Land Lease is to allow the Lessee to maintain and operate its radio tower, shed, and parking space including the tower on said Land.

1.11 - Deleted, Not Applicable

1.12 - State Government Managed: Property management tasks and responsibilities provided or contracted for and managed by a) the State of Michigan; b) any of the several departments, boards, commissions, offices, or agencies of the executive, legislative or judicial branches of state government; c) any institution of higher learning funded in whole or in part by the State of Michigan; or d) any entity created by act of the Legislature as an instrumentality of Michigan State government.

1.13 - State Government Managed: Property management tasks and responsibilities provided by a) the State of Michigan; b) any of the several departments, boards, commissions, offices, or agencies of the executive, legislative or judicial branches of state government; c) the State Building Authority; d) any institution of higher learning funded in whole or in part by the State of Michigan; or e) any entity created by act of the Legislature as an instrumentality of Michigan State government.

1.14 - Deleted, Not Applicable

1.15 -Tenantable: Habitable for the effective conduct of the Lessee's intended business.

1.16 -Tenant Improvements: Remodeling, attachment of fixtures, erection of additions, partitions, structures or signs by the Lessee in and upon the Leased land after the Lessee has acquired possession.

## ARTICLE II - POSSESSION

2.1 - The Lessor leases to the Lessee **one acre of land upon which the State-owned shed and tower are situated**, referred to as the "Leased premises", which is outlined on a plan attached as Enclosure "A". This square footage is based upon the A.N.S.I. Z65.1 - 1996 method for calculating space.

2.2 - The Leased land, is the property described in Enclosure "B" (legal description--**only the South One Half portion of Parcel #2**), also known as **580 South Otsego Avenue (Old US 27)**, in the City of Gaylord, County of Otsego, State of Michigan. (**Property Code #101-104-000-395-00**)

2.3 - Deleted, Not Applicable

2.4 - The Lessor shall furnish the Leased land with its appurtenances to the Lessee for a **ten-years** term of possession at 12:01 a.m. on **October 1, 2015**, and ending at 11:59 p.m. on **September 30 2025**.

2.5 - This Lease may, at the option of the Lessee, be extended for a **ten-year** term beginning at 12:01 a.m. on **October 1, 2025**, and ending at 11:59 p.m. on **September 30, 2035**, provided notice be given in writing to the Lessor **thirty (30)** days before this Lease or extension expires.

**2.6 - Deleted, Not Applicable**

**2.7 - Deleted, Not Applicable**

**2.8 - Deleted, Not Applicable**

2.9 - The Lessee may, upon written notice to the Lessor, at least thirty (30) days prior to termination of this Lease or any extension, remain in possession of the Leased **land** for the period specified in the notice, not to exceed three months.

2.10 - The Lessee may assign this Lease or may sublet the Leased **land** in whole or in part, with prior written consent of the Lessor, which shall not be unreasonably withheld. The Lessee, through its Department of Technology, Management & Budget may assign or reassign any or all of the Leased **land** to any branch, department, board, agency, commission or other instrumentality of State government without the necessity of obtaining consent of the Lessor.

2.11 - The Lessee, upon payment of the rental consideration specified in Article V and upon performing all covenants, shall and may peacefully and quietly have, hold, and enjoy the Leased **land** for the term of this Lease or any extension.

**2.12 - Deleted, Not Applicable**

**2.13 - Deleted, Not Applicable**

### **ARTICLE III - LESSOR OBLIGATIONS**

3.1 - The Lessor shall furnish to the Lessee and pay the cost of the following:

a) **Deleted, Not Applicable**

b) **Deleted, Not Applicable**

c) **Deleted, Not Applicable**

d) **Deleted, Not Applicable**

e) **Deleted, Not Applicable**

f) **Deleted, Not Applicable**

g) **Deleted, Not Applicable**

h) **Deleted, Not Applicable**

i) **Deleted, Not Applicable**

j) **Deleted, Not Applicable**

- k) Deleted, Not Applicable
- l) Deleted, Not Applicable
- m) Deleted, Not Applicable
- n) Deleted, Not Applicable
- o) Deleted, Not Applicable
- p) Deleted, Not Applicable
- q) Deleted, Not Applicable
- r) Deleted, Not Applicable
- s) Deleted, Not Applicable
- t) Deleted, Not Applicable
- u) Deleted, Not Applicable

v) General premises liability insurance for the Leased **land** identified in paragraphs 2.1 and 2.2, which provides full coverage for the Lessor, the Lessee, and their respective agents and employees and which protects against all claims, demands, actions, suits, or causes of action, and judgments, settlements or recoveries, for bodily injury or property damage arising out of a condition of the Leased **land**. The Lessor agrees to maintain minimum policy limits in the amount of \$500,000.00 per occurrence for property damage, and \$1,000,000.00 per occurrence for bodily injury, with a \$2,000,000.00 aggregate. The Lessor shall provide to the Lessee a certificate of insurance listing the Lessee, its several departments, boards, agencies, commissions, officers, and employees as additional insureds, within thirty (30) calendar days following execution and delivery of this Lease to the Lessor, and every year thereafter. The insurance policy shall provide that it may not be modified, cancelled, or allowed to expire without thirty (30) days prior written notice given to the Lessee.

w) Deleted, Not Applicable

x) A legible photocopy of the recorded **Quit Claim deed**, or other instrument conveying current legal possession or title, with right to lease or sublease the Leased **land**, as found in paragraphs 2.1 and 2.2, to the Lessor; and copies of all other documents limiting or restricting the use of the Leased **land** or affecting title to the **land**.

y) **A certified resolution from the Otsego County Board of Commissioners authorizing this Lease. The resolution** shall include signature authorizations indicating the signatory of this Lease is authorized to act on behalf of the **Lessor** in this real estate transaction.

z) Deleted, Not Applicable

3.2 - Deleted, Not Applicable

3.3 -a) - Deleted, Not Applicable

b) The Lessor covenants that in the event a release or the threat of a release of a hazardous substance is discovered after execution of the Lease, to exist on, in or below the Leased **land**, the Lessor shall:

1) Promptly notify both the State, as the Lessee, and the Michigan Department of Environmental Quality (DEQ) of the release or threatened release.

2) Report, investigate, remediate, and take all other actions consistent with Federal, State and local laws and regulations including, without limitation, Part 201 of the Natural Resources and Environmental Protection Act (NREPA), MCL 324.20101, et seq.

3) Inform the Lessee, the DEQ, and all other parties required to be notified under Federal, State or local law, of all actions taken under (2) above.

4) Provide the Lessee, the DEQ, and all other parties required to be notified under Federal, State or local law, with all reports, data, analyses and other documents and information related in any way to the investigation, remediation or other steps taken under (2) above.

**c) Deleted, Not Applicable**

d) The Lessor agrees to take no administrative or judicial action against the Lessee including, without limitation, any action for damages, contribution, cost recovery, or injunctive relief to compel the Lessee to investigate or take remedial action, declaratory relief, or any action associated with the Lessor's obligations to comply with Federal, State or local law as a result of asbestos or the release or threat of release of any hazardous substance on, in or below the Leased **land**, except if the release or threatened release is caused solely by the Lessee.

e) The Lessor and Lessee mutually agree that they shall not release on, in, or below the Leased **land** any hazardous substance. The Lessee assumes responsibility, to the extent provided by law, for a release or threatened release of a hazardous substance caused by the Lessee. The Lessor need not indemnify or defend the Lessee if the release or threatened release is caused solely by the Lessee.

3.4 - The Lessor is responsible for defending the Lessee against any claim whether meritorious or frivolous, by any person challenging the Lessor's right to Lease the Leased **land**, and shall at its sole expense satisfy any judgment against the Lessee.

**3.5 – Deleted, Not Applicable**

**3.6 - Deleted, Not Applicable**

**3.7 - Deleted, Not Applicable**

**3.8 - Deleted, Not Applicable**

**3.9 - Deleted, Not Applicable**

**3.10 - Deleted, Not Applicable**

**3.11 - Deleted, Not Applicable**

3.12 - The Lessor shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 et seq, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 et seq, and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this real estate contract, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Lessor agrees to include in every subcontract entered into for the performance of this real estate contract this covenant not to discriminate in employment. A breach of this covenant is a material breach of this real estate contract. This covenant is cross referenced in Article XI.

**3.13 - Deleted, Not Applicable**

3.14 - The Lessor shall, within forty-five (45) days after transfer of its ownership interest in the Leased premises, provide notice to the Lessee of said transfer and identify the new owner.

3.15 – Deleted, Not Applicable

**3.16 – Deleted, Not Applicable**

**3.17 – Deleted, Not Applicable**

**3.18 – Deleted, Not Applicable**

#### **ARTICLE IV - LESSEE OBLIGATIONS, DUTIES, and OPTIONS**

4.1 - The Lessee shall furnish:

a) Lessee will pay for all tower lights, and bulb replacement.

b) Lessee will provide lawn mowing and snow removal as required by local ordinance.

c) Deleted, Not Applicable

d) Deleted, Not Applicable

e) Lessee will provide the snow removal necessary for access to its tower and building.

f) Deleted, Not Applicable

**g) Deleted, Not Applicable**

**h) Deleted, Not Applicable**

j) Deleted, Not Applicable

k) Deleted, Not Applicable

**4.2 - Deleted, Not Applicable**

4.3 - The Lessee shall have the option to add tenant improvements to **its building and the tower during this Lease or any extension at the Lessee's expense. Lessee shall maintain the State owned shed, tower and property unless paragraph 4.5 applies.**

4.4 - All tenant improvements by the Lessee, made pursuant to paragraph 4.3, shall be performed in a manner customarily accepted by the skilled trades, and in accordance with all federal, state, and local rules, ordinances, laws, codes, or nationally recognized standards of good construction practice.

**4.5 – Otsego County Dispatch operations are co-located with the Michigan State Police operations which has moved and relocated from this location to 931 South Otsego (Old US 27), Gaylord, Michigan.**

**The Michigan Department of Information Technology, Management & Budget will continue to provide service and maintenance for the shed and tower.**

4.6 - The Lessee shall be responsible to request and obtain any local government sign ordinance variances and the payment of any related fees.

**4.7 - Deleted, Not Applicable**

4.8 - If the Lessee records this Lease with the county register of deeds, the Lessee shall record a discharge or notice of cancellation or termination of Lease within thirty (30) days after the cancellation or termination of this Lease is effective. The discharge from the public record shall include any recorded amendments to this Lease.

**4.9 - Deleted, Not Applicable**

**4.10 - Deleted, Not Applicable**

#### **ARTICLE V - RENT CONSIDERATION**

**5.1 - Deleted, Not Applicable**

**5.2 - Deleted, Not Applicable**

**5.3 – Deleted, Not Applicable**

**5.4 - Deleted, Not Applicable**

5.5 - In the event the Lessee exercises the renewal option pursuant to Article II, paragraph 2.5, the Lessee shall pay to the Lessor as rent consideration for the Leased land from 12:01 a.m. **October 1, 2025**, through 11:59 p.m. **September 30, 2035. In consideration for the mutually agreed upon quid-pro-quo of the Lessor's Emergency 911-Dispatch Support.**

**5.6 - Deleted, Not Applicable**

**5.7 - Deleted, Not Applicable**

**5.8 - Deleted, Not Applicable**

**5.9 - Deleted, Not Applicable**

5.10 – Deleted, Not Applicable

5.11 - Deleted, Not Applicable

5.12 - Deleted, Not Applicable

5.13 - Reserved

5.14 - Reserved

5.15 - Deleted, Not Applicable

5.16 - Deleted, Not Applicable

5.17 - Deleted, Not Applicable

5.18 - Deleted, Not Applicable

#### **ARTICLE VI - Deleted, Not Applicable**

#### **ARTICLE VII - EMINENT DOMAIN/CONDEMNATION**

7.1 - The Lessor shall notify the Lessee within ten (10) days of the commencement of eminent domain/condemnation proceedings against the Leased land described in paragraphs 2.1 and 2.2 by a public agency authorized by law to condemn property. The Lessor shall timely notify the Lessee of the Lessor's intent to contest eminent domain/condemnation proceedings. The Lessor shall notify the Lessee within ten (10) days of acquisition by eminent domain/condemnation of the Leased land described in paragraphs 2.1 and 2.2 by a public agency.

7.2 - If a total taking of the Leased land by any public authority under the power of eminent domain/condemnation occurs, then the term of this Lease shall cease as of the day of possession and the rent shall be paid up to that day with a proportionate refund by the Lessor of such rent as may have been paid in advance for a period subsequent to the date of the taking. This covenant is cross referenced in Article XI.

7.3 - If a partial taking of the Leased land by any public authority under eminent domain/condemnation occurs, the Lessee shall have the right either to terminate this Lease and declare same null and void, or, subject to the Lessor's right of termination as set forth below, to continue in possession of the remainder of the Leased land, and shall notify the Lessor in writing within ten (10) days after such taking of the Lessee's intention. In the event the Lessee elects to remain in possession, all of the terms herein provided shall continue in effect.

7.4 - If more than fifty (50%) percent of the Leased land are taken under the power of eminent domain/condemnation, the Lessor may, by written notice to the Lessee delivered on or before the date of surrendering possession to the public authority, terminate this Lease.

7.5 - All damages awarded for either a total or partial taking under the power of eminent domain/condemnation, of the Leased land, including fee title, described in paragraphs 2.1 and 2.2 shall belong to and be the property of the Lessor, except damages awarded as compensation for diminution in value to the leasehold interest which shall belong to and be the property of the Lessee. The Lessee shall be entitled to all damages and costs flowing from its loss of the leasehold interest including, but

not limited to, loss of the value of the remaining terms of the Lease, the economic value of the Lease, depreciation and cost of removal of the Lessee's supplies and fixtures, and relocation cost.

#### **ARTICLE VIII - ESTOPPEL**

8.1 - The Lessee shall, within fourteen (14) days of receipt of a request by the Lessor, pursuant to paragraph 12.1, certify, to the extent the Lessee believes the information to be true and deliver to the Lessor an executed estoppel certificate (Enclosure "D"). The Lessee's failure to deliver such statement shall be conclusive upon the Lessee that:

a) This Lease is in full force and effect without modification except as may be represented by the Lessor,

b) There are no uncured defaults in the Lessor's performance,

#### **ARTICLE IX - Deleted, Not Applicable**

#### **ARTICLE X - LESSOR'S MORTGAGEE**

10.1 - For purposes of this Article, the term "Lessor's mortgagee" means any party of record holding a mortgage or deed of trust on the Leased **land** described in paragraphs 2.1 and 2.2, or any part thereof. The Lessor shall give the Lessee written notice that such party holds such lien or deed of trust, and written evidence of the date the mortgage or deed of trust was executed, together with notice of the address of Lessor's mortgagee. A lien held by a Lessor's mortgagee on the Leased **land**, or any portion thereof, is herein referred to as a "Lessor's mortgage".

10.2 - Pursuant to paragraph 10.1, the Lessor has disclosed all mortgages or deeds of trust affecting the Leased **land** set forth in paragraphs 2.1 and 2.2 which exist as of the execution date of this Lease. If a mortgage or deed of trust exists or existed, as of the execution date of the original Lease, the Lessor shall cause each mortgagee to execute in favor of the Lessee the Nondisturbance Agreement, attached as Enclosure "E", whereby said mortgagee agrees that it will not disturb the Lessee's tenancy in the event of foreclosure or other succession to the interest of the Lessor. Enclosure "E" shall be executed before this Lease becomes effective. Any mortgage is to be subordinate to this Lease, and any future amendment thereto unless specifically provided otherwise in writing.

10.3 - If the Leased **land** is at any time during the term of this Lease subject to a Lessor's mortgage, then, whenever the Lessee gives notice to the Lessor alleging default by the Lessor in performance of any covenant or obligation under this Lease, the Lessee shall simultaneously give a copy of such notice to the Lessor's mortgagee (at the address of the Lessor's mortgagee provided pursuant to paragraph 10.1). Lessor's mortgagee shall have the right (but not the obligation) to cure or remedy Lessor's default during the same time period that is permitted to the Lessor hereunder for the remedying or curing of such default. Lessee will accept such curative or remedial action taken by a Lessor's mortgagee with the same effect as if such action had been taken by the Lessor. Any claims for damages by the Lessee shall not be waived by the Lessor's mortgagee's corrective or remedial action.

10.4 - In the event that the Lessor's mortgagee of record (or any other party) shall acquire title to the Leased **land** or shall succeed to the Lessor's interest in this Lease, whether through foreclosure of the Lessor's mortgage, conveyance in lieu of foreclosure, or otherwise (collectively, a "foreclosure"), the Lessor's mortgagee (or other such party) shall thereupon, and without the necessity of attornment or other act or agreement, be substituted as the Lessee's landlord under this Lease, and shall be

subject to the obligations thereof. The rights acquired by the Lessor's mortgagee are subordinate to this Lease and all of the Lessee's rights under the Lease continue undisturbed.

#### ARTICLE XI - CANCELLATION

11.1 - This Lease may be cancelled by the Lessee during any period of possession if the Lessor is notified in writing at least **ninety (90)** days prior to the effective date of cancellation.

**11.2 – Deleted, Not Applicable**

11.3 - This Lease may be cancelled by the Lessee provided the Lessor is notified in writing at least **thirty (30)** days prior to the effective date of cancellation and any one of the following occur:

a) The Lessor or any subcontractor, manufacturer or supplier of the Lessor appears in the register compiled by the **State of Michigan** pursuant to 1980 PA 278, as amended, MCL 423.321 et seq. (Employers Engaging in Unfair Labor Practices Act).

b) The Lessor or any subcontractor, manufacturer or supplier of the Lessor is found guilty of discrimination, pursuant to 1976 PA 453, as amended, MCL 37.2101 et seq. (Elliott-Larsen Civil Rights Act); or 1976 PA 220, as amended, MCL 37.1101 et seq. (Persons with Disabilities Civil Rights Act). This covenant is cross referenced in Article III.

**c) Deleted, Not Applicable**

d) The Leased **land is** taken for a public purpose by eminent domain/condemnation proceedings by a governmental unit. This covenant is cross referenced in Article VII.

e) The Lessee's use of the Leased **land is** in violation of local adopted ordinance, or recorded deed restrictions.

f) The Lessee acquires fee title to the Leased land in paragraphs 2.1 and 2.2. This covenant is cross referenced in Article VI.

g) The Lessor fails to maintain the Leased **land in** a tenantable condition, described in and subject to the notice provision in paragraph 3.1(s). The Lessee shall provide detailed written notice to the Lessor, of not less than thirty (30) days, to correct defaults. **Additional time to cure any defects may be allowed at the Lessee's sole discretion, if the Lessor proceeds with due diligence both during and after such thirty (30) day period.**

h) The Lessor fails to repair or restore the Leased **land** for damage.

**i) Deleted, Not Applicable**

j) Damage or destruction is **so extensive as to constitute a total destruction of the Leased land or State structures upon the land.**

11.4 - This Lease may be cancelled by the Lessor if the Lessee is notified in writing at least **sixty (60)** days prior to the effective date of cancellation and any one of the following occur:

a) **The Leased land is taken by eminent domain/condemnation proceedings, as referenced in Article VII.**

## ARTICLE XII - NOTICE, APPLICATION, AND APPROVALS

12.1 - Any notice to Lessee required by this Lease shall be complete if submitted in writing and transmitted by personal delivery (with signed delivery receipt), or certified or registered mail return receipt request, or by a nationally recognized overnight delivery service. Unless either party notifies the other in writing of a different mailing address, notice to the Lessor and/or Lessee shall be transmitted to:

Lessor	Lessee
Mr. John M. Burt, County Administrator	Robert M. Burns, Director, Real Estate Division
County of Otsego	Michigan Department of Technology, Management & Budget
225 West Main	
Gaylord, Michigan 49735	<u>For private carrier delivery:</u>
	3111 W. St. Joseph Street
	Lansing, MI 48917
	<u>For U.S. Postal service delivery:</u>
	P.O. Box 30026
	Lansing, MI 48909
E-mail: <a href="mailto:jburt@otsegocountymi.gov">jburt@otsegocountymi.gov</a>	<b>Copy to Michigan State Police</b>
Telephone: 989-731-7520	Kathleen Fay
Fax:	Department Services Division
	Management Services
	P.O. Box 30634
	Lansing, MI 48909
	<b>Copy to Department of Technology, Management &amp; Budget</b>
	Troy Spitzley, Facilities Specialist
	3111 W. St. Joseph Street
	Lansing, MI 48917

The notice shall be deemed effective as of Noon, Eastern Time on either (i) the third business day following the date of mailing, if transmitted by mail or (ii) the date on which the noticed party receives or refuses receipt of the notice, if transmitted by personal delivery, or a nationally recognized overnight delivery service. Business day is defined as any day other than a Saturday, Sunday, legal holiday, or day preceding a legal holiday. A receipt from a U.S. Postal Service, or successor agency, performing such function shall be conclusive evidence of the date of mailing.

12.2 - This Lease shall be interpreted in accordance with the laws of the State of Michigan.

12.3 - This Lease shall be binding upon and to the benefit of the heirs, executors, administrators, and assigns of the Lessor; and upon and to the benefit of the assignees and sublessees of the Lessee.

12.4 - This Lease shall not be binding or effective on either party until approved (and notarized as necessary) by the Lessor, Lessee, Department of the Attorney General, Department of Technology, Management & Budget, Building Committee of the State Administrative Board, and the State Administrative Board. If this Lease or any subsequent amendments to it fall within the requirements of 1984 PA 431, as amended, MCL 18.1101 et seq. (Management and Budget Act), this Lease and any subsequent amendments to it shall also require approval of the Joint Capital Outlay Subcommittee of the Legislature.

12.5 - This Lease supersedes and cancels a Lease between Lessor and Lessee, which was approved by the State Administrative Board, Item #10, on **September 27, 2005**, between **Otsego County**, as Lessor, and the State of Michigan, Department of **Michigan State Police**, as Lessee, for a **Land Lease** located at **580 South Otsego Avenue (Old US 27), Gaylord, Michigan**, consisting of **approximately One Half (½) acre of land**, which is a part of the Leased premises herein described, which said Lease shall be null and void when this Lease becomes effective.

12.6 - Should any provision of this Lease or any addenda thereto be found to be illegal or otherwise unenforceable by a court of law, such provision shall be severed from the remainder of the Lease, and such action shall not affect the enforceability of the remaining provisions of the Lease.

12.7 - This Lease, with all enclosures and attachments as listed below, constitutes the entire agreement between the parties with regard to this transaction and may be amended only in writing and executed in the same manner as this Lease was originally executed, as under paragraph 12.4.

12.8 - Electronic Funds Transfer (EFT): Public Act 533 of 2004 requires that payments under this Lease be processed by electronic funds transfer (EFT). Lessor is required to register to receive payments by EFT at the Contract & Payment Express website ([www.mi.gov/cpexpress](http://www.mi.gov/cpexpress)).

\*\*\*\*\*

Enclosure "A" - 1 page, site plan

Enclosure "B" - 3 pages, legal description

Enclosure "C" - Deleted, Not Applicable

Enclosure "D" - 1 page, estoppel

Enclosure "E" - 2 pages, Nondisturbance Agreement

IN WITNESS WHEREOF, the parties to this Lease subscribe their names on the date set forth below:

Lessor:

\_\_\_\_\_ Date: \_\_\_\_\_  
Signature

Print Name:

Title:

State of Michigan, County of \_\_\_\_\_.

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_,

2017, by \_\_\_\_\_,  
Type or print name(s) of person(s) signing this document

the \_\_\_\_\_ for the \_\_\_\_\_,

of \_\_\_\_\_, Michigan Municipal Corporation.

\_\_\_\_\_, Notary Public in the County of \_\_\_\_\_.

Acting in the County of \_\_\_\_\_, State of Michigan.

My commission expires \_\_\_\_\_.

IN WITNESS WHEREOF, the parties to this Lease subscribe their names on the date set forth below:

Lessee: Michigan State Police

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

Print Name:  
Title:

State of Michigan, County of \_\_\_\_\_.

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_,

2017, by \_\_\_\_\_,  
Type or print name(s) of person(s) signing this document

the \_\_\_\_\_, for the Michigan State Police.

\_\_\_\_\_, Notary Public in the County of \_\_\_\_\_.

Acting in the County of \_\_\_\_\_, State of Michigan.

My commission expires \_\_\_\_\_.

IN WITNESS WHEREOF, the parties to this Lease subscribe their names on the date set forth below:

Lessee: Department of Technology, Management & Budget

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

Print Name:  
Title:

State of Michigan, County of \_\_\_\_\_.

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_,

2017, by \_\_\_\_\_  
Type or print name(s) of person(s) signing this document

the \_\_\_\_\_, for the Michigan Department of Technology,  
Management & Budget.

\_\_\_\_\_, Notary Public in the County of \_\_\_\_\_.

Acting in the County of \_\_\_\_\_, State of Michigan.

My commission expires \_\_\_\_\_.

IN WITNESS WHEREOF, the parties to this Lease subscribe their names on the date set forth below:

Lessee:

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

Robert M. Burns  
Director, Real Estate Division  
Department of Technology, Management & Budget

State of Michigan, County of \_\_\_\_\_

The foregoing instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2017, by Robert M. Burns, Director of the Real Estate Division of the Michigan Department of Technology, Management & Budget.

\_\_\_\_\_, Notary Public in the County of \_\_\_\_\_.

Acting in the County of \_\_\_\_\_, State of Michigan.

My commission expires \_\_\_\_\_.

This Lease has been approved as to legal form by the Michigan Attorney General \_\_\_\_\_

This Lease was approved by the Michigan State Administrative Board on

Item #

Form Updated: 10-22-2015

Enclosure "D" to Lease #11031-2017 by and between County of Otsego, and the State of Michigan for the Department of Michigan State Police.

SAMPLE ESTOPPEL CERTIFICATE

Date

Lessor Name/Mailing Address

Attn: Name of Lessor

Subject: Department of XXXXXXXXXXXX, Located at 1445 XXXXXXXXXXXX Avenue, Anytown, Michigan (#1234)

A review of the lease between XXXXXXXXXXXXXXXXXXXX and the State of Michigan for the above facility has been requested. Information obtained from this review might be used in negotiations for a possible change in ownership or financing of the facility.

The undersigned [is/is not] in possession as a tenant of certain rental space situated at [address of premises], Michigan, consisting of x,xxx square feet of [office/ warehouse/ residential/ (other)] space with a monthly rental of \$xx,xxx.xx. In connection therewith, the undersigned represents as follows:

The Leased premises [are/ will be] occupied pursuant to a certain written Lease dated [month/ day/ year] between the State of Michigan, as Lessee and [Lessor's name], a [corporation/ partnership/ trust/ estate etc.] as Lessor. Such Lease is presently in full force and effect [and has been amended "x" times].

The term of possession provided in the Lease [commenced/ commences] on [month/ day/ year] and expires on [month/ day/ year]. Renewal options are provided which can be exercised to extend possession to [month/ day/ year]. [Actual possession took place on [month/ day/ year] at which time rental payments started]. [An agreement [was/ was not] written to change the Lease dates to coincide with the date of possession].

This Lease [may] contain(s) a [lump-sum/ rental rate] adjustment clause for [liability insurance/ real property taxes/ other].

The undersigned [has/ has not] accepted possession of the Leased premises. Obligations or improvements required by the terms of said Lease, to be furnished or made by the Lessor to the premises, have been completed to date to the satisfaction of the undersigned with the exception of the following items:

1. [items listed here], 2. etc., and 3., etc.

The most recent rent paid to the Lessor or Lessor's agent was for the month of XXXXX; no rent has been paid more than thirty days in advance of its due date. There is no security deposit. The last payment of its proportionate share of real property taxes and insurance was made by the undersigned to the Lessor on [month/ day/ year] as a part of the regular monthly rental payment; no such payment has been made more than thirty days in advance of its due date.

The State [pays utilities directly with the exception of water and sewer service; proportional payment for water and sewer service made directly to the Lessor upon presentation of a billing document from the city. Common area expenses are paid as a part of the monthly rental].

The undersigned knows of no default or breach of the Lease by either the Lessor or State except obligations or improvements listed above - if any. The Lessor holds no deposit or other property of the State. There are no offsets, claims, or rent deductions except those which might be made by the State by its Department of XXXXXXXXXXXX. The Lessor should contact [name of State agency contact person] for information about rent deductions. The Lease (as amended) represents the entire agreement between the parties as to the Leased premises.

Sincerely,  
Robert M. Burns  
Director, Real Estate Division

XXX:xxx cc: Department contact person

Enclosure "E" to Lease #11031-2017 by and between County of Otsego, as Lessor and the State of Michigan for the Department of Michigan State Police.

SAMPLE NONDISTURBANCE AGREEMENT

This Agreement between \_\_\_\_\_, hereinafter called "Mortgagee," the State of Michigan by the Department of Technology, Management & Budget for the Department of \_\_\_\_\_, hereinafter called "Lessee," and \_\_\_\_\_ hereinafter called "Lessor," which terms "Lessor," "Lessee," and "Mortgagee" shall include the successors and assigns of the respective parties.

THE FOLLOWING is a recital of facts underlying this Agreement:

By State Lease #\*\*\*\*\*, [as amended], which is by reference made a part of this Agreement (hereinafter the Lease), Lessor in consideration of the rents reserved therein, and of the terms, covenants, conditions, and agreements set forth in the Lease, has demised and let to Lessee, and Lessee has leased from Lessor, certain premises described in Lease paragraphs 2.1 and 2.2, located in \_\_\_\_\_, for an original term extending until (date), and for any exercised extensions.

Mortgagee is the holder of a mortgage made by (name of Lessor), dated \_\_\_\_\_ which mortgage covers the real property described in Lease paragraphs 2.1 and 2.2 and buildings thereon, and other property, rights, franchises and privileges more particularly described in the Mortgage (which collectively are herein called the "Mortgaged Property").

Lessor is the owner and holder of title to the Mortgaged Property.

Mortgagee shall recognize Lessee's rights under the Lease in the event of a foreclosure of Mortgagee's lien.

The parties agree as follow:

So long as Lessee is not in default (beyond any period given Lessee to cure such default) in the payment of rent or additional rent, or the performance of any other terms, covenants, or conditions of the Lease, Lessee's possession under the Lease and Lessee's rights and privileges thereunder, or under any extensions or renewals thereof that may be affected in accordance with any option contained in the Lease, shall not be diminished or interfered with by Mortgagee. (The term "Mortgagee" shall include any purchaser at a foreclosure sale). Lessee's occupancy shall not be disturbed by Mortgagee during the term of this Lease or any extensions or renewals thereof.

As indicated in Lease Article X, when Mortgagee is substituted as the Lessee's Lessor, Mortgagee is subject to the obligation of the Lease including any amendments to the Lease. It is the intention of the parties hereto to incorporate the Lease into this Agreement by reference with the same force and effect as if set forth fully verbatim herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Lessee: State of Michigan

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*State of Michigan, County of \_\_\_\_\_.

Acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_, State of Michigan.

\* \_\_\_\_\_, Notary Public in the County of \_\_\_\_\_.

| Notary signature

\* Acting in the County of \_\_\_\_\_, State of Michigan. My Commission expires: \_\_\_\_\_.

Lessor:  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\*State of Michigan, County of \_\_\_\_\_.  
\*  
\* Acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by \_\_\_\_\_  
| \_\_\_\_\_ Name of Lessor  
| the \_\_\_\_\_ of \_\_\_\_\_,  
\*  
\* \_\_\_\_\_, Notary Public in the County of \_\_\_\_\_,  
\* Notary signature  
\* Acting in the County of \_\_\_\_\_, State of Michigan.  
| My Commission expires: \_\_\_\_\_.

Mortgagee: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\*State of Michigan, County of \_\_\_\_\_.  
\*  
\* Acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by \_\_\_\_\_  
| \_\_\_\_\_ Name of Mortgagee  
| the \_\_\_\_\_ of \_\_\_\_\_,  
\*  
\* \_\_\_\_\_, Notary Public in the County of \_\_\_\_\_,  
\* Notary signature  
\* Acting in the County of \_\_\_\_\_, State of Michigan.  
| My Commission expires: \_\_\_\_\_.





## County Credit Card Account Management Program

### County Board Approval:

- A. Background. Credit card accounts exist for the use in purchasing goods and services for the County.
- B. Otsego County Credit Card Account Management Policy.
1. The County Credit Card Account Manager and Custodians are listed as follows:
    - Administration Credit Card – County Administrator
    - Treasurer’s Office Credit Card – County Treasurer
    - Sheriff’s Office Credit Card – County Sheriff
  2. Upon the termination of employment of a County Credit Card Account Manager, all cards and account records will be turned over to the successor in that position or to the Board Chair in the event that there is no immediate successor in that position.
  3. Management of a County credit card account.
    - a. Credit card issuance and control: each card will be logged in and out by signature in a locally prepared custody log book or folder.
    - b. A County credit card may be used only by a County employee unless specifically approved by the Administrator prior to use.
    - c. County credit cards may be used only for the purchase of goods and services in conjunction with official County business.
    - d. Specific limitations on County credit card accounts and credit card use:
      - 1.) County credit card accounts are normally to be utilized by County employees to pay for travel expenses (lodging, meals, transportation, etc.) in conjunction with official County business and travel.
      - 2.) County credit cards may be utilized to purchase goods and services in as much as the single line item purchase price of goods or services may not exceed \$500 without prior written approval of the County Administrator.
    - e. The following additional procedures and requirements apply:
      - 1.) Employees entrusted with County credit cards are responsible for protection and custody of the card and will immediately notify the account manager if the card is lost or stolen.

- 2.) Employees shall NOT write down the credit card number. Further, the credit card shall NOT be authorized for use unless the card has been signed out and the appropriate paperwork completed prior to use.
  - 3.) Prior to using the credit card, the employee must verify that sufficient budget dollars are available for the intended purchase, and those budget dollars are in the appropriate line item.
  - 4.) Not later than the first business day following the purchase of goods/services or the return from official travel, the user of the credit card will return the credit card to the account manager.
  - 5.) At the same time the credit card is returned, an itemized Otsego County Credit Card Expense Voucher with original itemized receipts for all purchases attached is to be turned in to the account manager.
  - 6.) Attachment (1) is the Otsego County Credit Card Expense Voucher for use in documenting official County credit card expenditures.
- f. Upon receipt of the itemized voucher, the account manager will:
- 1.) Authenticate each expense listed on the voucher.
  - 2.) Verify that an original itemized receipt is included for each expense.
  - 3.) Determine the appropriate budget line item that the payment for each item on this voucher is to be charged to and so indicate in the space provided.
  - 4.) Reconcile and validate approved departmental vouchers against the monthly credit card account statement when received.
  - 5.) Forward the validated monthly credit card account statement (with budget line item delineated for each charge) and the associated and reconciled/validated departmental credit card expense vouchers for payment.
- g. Upon receipt of the validated monthly credit card account statement from appropriate departments, monthly credit card bills will be paid immediately so as to avoid interest payments necessitated by overdue account balances. Any late fees incurred shall be charged to the department that cause the late fees.
- h. The cognizant County oversight authority for credit card account management is the standing Finance Committee. Periodic review of individual and departmental management of these accounts will occur to ensure conformance with approved County policy.
- i. Disciplinary measures consistent with existing County policies and practices will be taken in the event that County credit cards are used inappropriately or not in consonance with this policy.
- j. An officer or employee issued a credit card shall return the credit card upon the termination of his or her employment or service in office with the local unit.



**OCR 17-20**  
**OCBS Deficit Elimination Plan**  
 Otsego County Board of Commissioners  
 August 22, 2017

WHEREAS, Otsego County's Bus System has a \$351,142 deficit fund balance on December 31, 2016; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury, now, therefore, be it

RESOLVED that the County's legislative body adopts the following as the Bus System fund Deficit Elimination Plan:

Fund Balance (Deficit) January 1	Actual 2015	Actual 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
<b>Operating revenues</b>							
Charges for services (1)	336,031	341,872	348,709	353,580	391,252	399,077	407,059
<b>Operating expenses</b>							
Salaries and fringes (2)	1,265,053	1,450,700	1,395,000	1,079,000	1,079,000	1,079,000	1,079,000
Depreciation (3)	208,421	165,226	158,818	143,118	38,810	38,807	38,807
Other	381,931	338,841	338,841	338,841	338,841	338,841	338,841
<b>Total operating expenses</b>	<u>1,850,405</u>	<u>1,954,767</u>	<u>1,892,659</u>	<u>1,560,954</u>	<u>1,456,651</u>	<u>1,456,648</u>	<u>1,456,648</u>
Operating (loss) gain	(1,514,374)	(1,612,895)	(1,543,950)	(1,177,374)	(1,065,399)	(1,057,571)	(1,049,589)
<b>Nonoperating revenues (expenses)</b>							
State operating grants	596,545	618,595	618,595	618,595	618,595	618,595	618,595
Federal operating grants	269,951	318,587	318,587	318,587	318,587	318,587	318,587
Property taxes levied (4)	285,647	284,610	284,610	303,110	309,272	316,355	321,662
Gain on disposal of capital assets	11,905	-	-	-	-	-	-
Other revenues	35,537	8,954	8,954	8,954	8,954	8,954	8,954
<b>Total nonoperating revenues (expenses)</b>	<u>1,199,585</u>	<u>1,230,746</u>	<u>1,230,746</u>	<u>1,249,246</u>	<u>1,255,308</u>	<u>1,261,491</u>	<u>1,267,298</u>
Income (loss) before transfers	(314,789)	(382,149)	(313,204)	71,872	189,909	203,920	218,209
Transfers in	-	13,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Change in net position	(314,789)	(369,149)	(313,204)	71,872	189,909	203,920	218,209
Net position, beginning of year	926,144	611,355	242,206	(70,998)	874	190,783	394,704
Net position, end of year	611,355	242,206	(70,998)	874	190,783	394,704	612,913
<b>Statement of Net Position</b>							
Investment in capital assets	750,527	593,348	434,930	291,418	252,608	213,801	174,995
Unrestricted (deficit)	(139,172)	(351,142)	(505,528)	(290,544)	(61,825)	180,903	437,918
<b>Total net position</b>	<u>\$ 611,355</u>	<u>\$ 242,206</u>	<u>\$ (70,998)</u>	<u>\$ 874</u>	<u>\$ 190,783</u>	<u>\$ 394,704</u>	<u>\$ 612,913</u>

(1) Charges for services is comprised of contracts with local organizations for transportation. These contracts are being evaluated and the customers will be charged a higher rate to ensure the cost of providing the service is fully covered by the income received.

(2) There is a planned staff reduction of a combination of part-time and full-time employees that will equate to a reduction of 4 FTEs, plus streamlining of bus routes. Additionally, a lower cost health insurance plan will be implemented and an increased contribution to the MERS retirement plan.

(3) This reflects the actual depreciation schedule of the Bus System.

(4) Property taxes have been adjusted each year to reflect anticipated growth in taxable value in Otsego County.

## Otsego County Fee Schedule

Updated: ~~October 4, 2016~~ August 22, 2017

### AIRPORT

Landing Fees (waived with minimum fuel purchase):

Commercial	Minimum Fuel	
Single Piston	20 Gallons	\$20.00
Single Turbine	40 Gallons	\$25.00
Twin Piston	40 Gallons	\$25.00
Turbo Prop/Light Jets	80 Gallons	\$50.00
Jets Over 20,000 lbs.	160 Gallons	\$80.00

Other Fees:

Cold Hangar	\$50.00
Additional Night	\$25.00
Heated Hangar Nightly	\$85.00
Forklift	\$50.00
De-Ice	\$40.00 plus \$13.00 a Gallon
Parking light Aircraft	\$5.00
Parking Turbine/Jets	\$25.00
After Hours / First Hour	\$125.00
Additional Hour	\$100.00
Miscellaneous Charge, Requiring Manpower. Example: AC plug in	\$25.00
Ground Power Unit	\$40.00 plug in \$20.00 an hour
Off Airport Service	\$250.00
Off Airport Service additional hour	\$100.00
Off Airport Service Weekend/Holiday	\$350.00
Off Airport Service Weekend/Holiday additional hour	\$150.00

Hangar Rentals:

Range from ~~\$166 to \$220~~ \$215 to \$270 a month depending on hangar size/conditions and amenities. (Increase applies to NEW renters; not existing renters as of 8/22/17)  
 Example: Does the door open manually or with automatic opener.

Fuel

Amount based on the market.

Note: Otsego County does not charge Recreational Flyers for landing. The only charge is for parking.

Note: We do not charge Emergency Service Aircraft like "Life Flight" for landing or parking.

Special Event Fees (Non-aviation related events)

Tier 1: Event requires very little or no support from Airport staff.	\$100.00
Tier 2: Event requires some airport staff participation and facility alteration.	\$250.00
Tier 3: Event requires full involvement of airport facilities, staff, and coordination with outside agencies or companies.	Negotiated based on costs incurred



**OTSEGO COUNTY  
BUDGET AMENDMENT**

**FUND/DEPARTMENT: 212-430 /Animal Control**

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type:  General  Special Revenue  Debt Service  Capital Project  Business-Type (Enterprise or Internal Svc)

**DESCRIPTION** Overtime line item

**REVENUE**

Account Number	Decrease	Increase
	\$	\$
	\$	\$
	\$	\$
	\$	\$
<b>Total</b>	\$	\$

**EXPENDITURE**

Account Number	Increase	Decrease
212-430-703.070	\$ 2000.00	\$
212-430-704.400	\$	\$ 600.00
212-901-970.440	\$	\$ 275.00
212-901-970.450	\$	\$ 650.00
212-430-930.500	\$	\$ 475.00
	\$	\$
<b>Total</b>	\$ 2000.00	\$ 2000.00

M. Fitzgerald Aug. 2, 2017  
 Department Head Signature Date

\_\_\_\_\_  
 Administrator's Signature Date

<b>Finance Department</b>
Entered:
By:

\_\_\_\_\_  
 Board Approval Date (if necessary) Budget Adjustment # Posting Number



**OTSEGO COUNTY  
BUDGET AMENDMENT**

FUND/DEPARTMENT: Animal Control

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type:  General  Special Revenue  Debt Service  Capital Project  Business-Type (Enterprise or Internal Svc)

DESCRIPTION To construct a garage for the animal shelter

**REVENUE**

Account Number	Decrease	Increase
212-050-400.001-Budgeted Use of Fund Balance	\$	\$ 50,000
	\$	\$
	\$	\$
	\$	\$
<b>Total</b>	\$	\$

**EXPENDITURE**

Account Number	Increase	Decrease
212-901-970.200-Property-Buildings	\$ 50,000	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
<b>Total</b>	\$ 50,000	\$ 50,000

Department Head Signature \_\_\_\_\_ Date \_\_\_\_\_

Administrator's Signature \_\_\_\_\_ Date \_\_\_\_\_

<b>Finance Department</b>
Entered:
By:

8/22/17  
Board Approval Date (if necessary)

Budget Adjustment # \_\_\_\_\_

Posting Number \_\_\_\_\_