

# **Finance Agenda** **& Budget Work Session**

**Missaukee County Board of Commissioners**  
**Finance Committee**  
**Lake City, MI**  
**June 8, 2017 @ 2:00 PM**

- 2:00 PM    **Opening and Roll Call**  
**Public Comment\*\***
- 2:05 PM    Budget Work Session
- 4:00 PM    **Parks – Larry Richardson**  
a. Park Rates Increase
- 4:10 PM    **Treasurer-Lori Cox**  
a. Monthly Financial Reports  
b. Tax Foreclosures Update
- 4:20 PM    **Administrator – Precia Garland**  
a. BCBS – new 2017 pharmacy arrangement  
b. IT Services Provider Recommendation
- 4:30 PM    **Other Finance Items**  
a. Viking Energy Resolution Discussion  
b. Jury Board Appointment Recommendation

## **Public Comment\*\***

**\*\*Public Comment Rules authorized by the Missaukee County Board of Commissioners:** Each person recognized by the Chairman shall state their name for the record and will have a limit of 3 minutes to state an opinion. All opinions will be duly noted by the board & if requiring an answer will be addressed by the chairman first or his designee or in writing. The audience is asked not to interrupt at any time during public comment.

# County Parks

P.O.Box 800  
Lake City, MI. 49651  
park@missaukee.org

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Phone 231-839-4945  
Fax 231-839-7001

The Parks Commission has approved the following price changes starting with the 2018 camping season. They are as follows:

- **Electric sites;** Monthly from \$450.00 to \$475.00  
Seasonal from \$1525.00 to \$1575.00
- **Full hook-up sites ;** Monthly from \$525.00 to \$575.00  
Seasonal from \$1825.00 to \$1900.00
- **Rustic Cabins;** Per day from \$45.00 to \$50.00  
Per week from \$210.00 to \$250.00
- **Boat slips;** Monthly from \$150.00 to \$175.00  
Seasonal from \$425.00 to \$500.00
- **Pavilions;** Weekday from \$40.00 to \$50.00  
Weekend/Holiday from \$50.00 to \$60.00

Sites and Cabins are changes for **both** Crooked Lake and Missaukee Lake Parks.

This will result an increase in revenue to offset the cost of repairs and rising utilities.


The increase in Park revenues will be **\$7,000 to \$12,000.**

This requires the County Board to approve it to be finalised. We are trying to keep the costs of usage as low as possible for the supporters and county residents **Thank you.**

Larry Richardson  
Manager



June 8, 2017

To: Missaukee County Board of Commissioners  
From: Precia Garland, Administrator   
RE: Amendment to Service Agreement for Pharmacy Administrator Fees

Per the attached letter, Blue Cross Blue Shield (BCBS) has negotiated an improved rebate and inflation protection arrangement with Express Scripts, its pharmacy benefits manager. To implement this change for our employee health care plan, BCBS is requesting we approve, sign and return the attached amendment to Schedule A, Administrative Services Contract.

Through the amended agreement, Missaukee County will benefit from:

- Reduced prescription drug administrative fees (changing from up to 5.5% to 3.8%.)
- A revised prescription drug rebate approach beginning in 2018
- An inflation protection payment based on the plan's use of brand-name drugs.

Dan Deiss, our BCBS account management will be available next Tuesday, June 13 at the Board of Commissioners meeting to answer any questions you may have regarding this proposed contract amendment. The objective of this proposed contract amendment is to better assist Missaukee County in managing its health care plan costs.

So far, the county has received \$6,718.46 in year one (partial year) and \$34,903.15 in year two regarding prescription drug rebates. These rebates have played a key role in keeping the county's health care costs under control and just below the annual hard cap for health care plan spending limit mandated by the state of Michigan.

Requested Action

It is requested the Missaukee County Board of Commissioners approve the attached Schedule A amendment to the Administrative Services Contract regarding prescription drug administrator fees.

To: Precia Garland  
Subject: New 2017 Pharmacy Arrangement  
Attached: (Schedule A Amendment documents)

Dear Precia,

At Blue Cross, we're committed to delivering solutions that bring you value. As part of our ongoing effort to help manage pharmacy costs, we've negotiated an improved rebate and inflation protection arrangement with Express Scripts®, our pharmacy benefits manager.

Enclosed is an amended *Schedule A* for your contract, detailing this new arrangement for your 2017 Blue Cross health plan. Here are a few key points:

- **Different percentages:** Under the new arrangement with Express Scripts, a 3.8 percent claims processing and rebate administration fee will be charged as compared to the prior vendor's charge of up to 5.5 percent. Your specific rebates will depend on your organization's use of certain prescription drugs.
- **Rebate approach for 2017:** In recognition of your current and loyal pharmacy business with us, we'll pass through to you all rebates on your 2017 pharmacy spending, less the rebate administration fee. This aligns with our current pharmacy arrangement.
- **Revised rebate approach beginning in 2018:** As a result of the new Express Scripts arrangement, we're refining our approach for how we'll handle rebates in 2018 and beyond to follow market precedent. We'll provide more details to you as they are confirmed.
- **Inflation protection payments:** Our new arrangement with Express Scripts also includes inflation protection. You will receive an inflation protection payment based on your organization's use of brand-name drugs.

**Please sign and return the attached *Schedule A* amendment document.** After returning your signed amendment, you don't need to do anything to receive your pharmacy rebates this year. Please contact me if you have questions.

Sincerely,

Dan Deiss  
Account Manager  
Blue Cross Blue Shield of MI

**AMENDMENT TO SCHEDULE A TO ADMINISTRATIVE SERVICES CONTRACT REGARDING  
PRESCRIPTION DRUG ADMINISTRATOR FEES  
COUNTY OF MISSAUKEE**



189748

Whereas, pursuant to Group's Administrative Services Contract ("ASC") and Schedule A, BCBSM contracts with Express Scripts and Highmark to negotiate with and obtain prescription drug rebates from pharmaceutical manufacturers and/or perform claims processing services;

Whereas, Highmark retains a portion of the gross rebates collected from drug manufacturers as a rebate administration fee;

Whereas, Express Scripts charges a claim processing fee and retains a portion of the gross rebates collected from drug manufacturers as a rebate administration fee;

Whereas, BCBSM has negotiated a new arrangement with Express Scripts under which BCBSM will transition the administration of certain pharmacy benefit rebates from Highmark to Express Scripts. As a result of this transition, the rebate administration and claims processing fees will be modified, effective January 1, 2017;

Whereas, as part of the new arrangement with Express Scripts, BCBSM will receive a portion of inflation protection payments that Express Scripts receives under separate agreements with pharmaceutical manufacturers that BCBSM will pass on to Group;

Therefore, the terms in Group's applicable Schedule A(s) are amended effective January 1, 2017 as follows:

For prescription drug Claims incurred before January 1, 2017:

The rebate administration fee charged and retained by Express Scripts is \$0.25 per BCBSM clinical formulary Claim.

The rebate administration fee charged and retained by Highmark is up to 5.5% of gross rebates for BCBSM custom formulary, custom select formulary, Part D formulary, specialty drug and medical benefit drug Claims.

For prescription drug Claims incurred after December 31, 2016:

The rebate administration and claims processing fees charged and retained by Express Scripts are (i) 3.8% of gross rebates for BCBSM clinical formulary, custom formulary, custom select formulary, and specialty drug Claims and (ii) 8.2% of gross rebates for Part D formulary drug Claims, including Part D specialty drug Claims.



The rebate administration fee charged and retained by Highmark are up to 5.5% of gross rebates for medical benefit drug Claims.

Notwithstanding the foregoing, rebates for certain prescription drugs on the custom formulary, custom select formulary, Part D formulary and specialty drug list that are incurred after December 31, 2016 may continue to be administered by Highmark for the first half of 2017 during the transition from Highmark to Express Scripts at the rebate administration fee of up to 5.5% of gross rebates.

Pursuant to Express Scripts's Inflation Protection Program, Express Scripts contracts with pharmaceutical manufacturers for inflation protection payments ("IPP") to off-set increases to certain brand drugs. Express Scripts will pay a predetermined portion of the IPP that it receives to BCBSM as set forth in the contract between Express Scripts and BCBSM. Express Scripts contracts for IPP on its own behalf and may realize positive margin between amounts paid to BCBSM and amounts received from pharmaceutical manufacturers. BCBSM will distribute Group's share of the IPP that it receives from Express Scripts based on the total IPP received by BCBSM divided by the total number of brand drug claims multiplied by the number of Group's brand drug claims. IPPs will be distributed to Group through the Customer Savings Refund process.

Group acknowledges that it has had full opportunity to consult with such legal and financial advisors as it has deemed necessary or advisable in connection with its decision knowingly to enter into this Amendment. Group acknowledges that it has had any questions about this Amendment posed to BCBSM fully answered to Group's satisfaction.

**AGREED AND ACCEPTED.**

**BCBSM:**

**GROUP:**

|                           |                           |
|---------------------------|---------------------------|
| <b>By:</b><br>(Signature) | <b>By:</b><br>(Signature) |
| <b>Name:</b><br>(Print)   | <b>Name:</b><br>(Print)   |
| <b>Title:</b>             | <b>Title:</b>             |
| <b>Date:</b>              | <b>Date:</b>              |



|                           |                           |
|---------------------------|---------------------------|
| <b>By:</b><br>(Signature) | <b>By:</b><br>(Signature) |
| <b>Name:</b><br>(Print)   | <b>Name:</b><br>(Print)   |
| <b>Title:</b>             | <b>Title:</b>             |
| <b>Date:</b>              | <b>Date:</b>              |



June 9, 2017

To: Missaukee County Board of Commissioners  
 Precia Garland, Administrator *PG*

From:

RE: RFP for Information Technology (IT) Services

A Request for Proposals (RFP) was recently issued for IT Services to be provided to various county offices. A total of ten proposals were received and recently opened at the May Buildings & Grounds Meeting. The proposals were summarized as follows:

| Vendor Name             | Vendor Location   | Hourly-Remote Support | Hourly-Onsite Support | Hourly-After Hours | Travel    | Monthly Inclusive | Annual Inclusive | % Increase 2019 | % Increase 2020 | % Increase 2021 | % Increase 2022 | Notes                                     |
|-------------------------|-------------------|-----------------------|-----------------------|--------------------|-----------|-------------------|------------------|-----------------|-----------------|-----------------|-----------------|---|
| Dewpoint                | Lansing, MI       | n/a                   | n/a                   | \$143/hr           | \$ 120.00 | \$ 5,870.00       | n/a              | 3.0%            | 3.0%            | 3.0%            | 3.0%            |   |
| Layer 7 Data Solutions  | New York, NY      | \$ 125.00             | \$ 75.00              | \$ 145.00          | \$ 221.49 | \$ 21,702.49      | \$ 299,000       | 0.0%            | 0.0%            | 3.0%            | 0.0%            |   |
| NetSource One, Inc.     | Saginaw, MI       | \$ 95.00              | \$ 95.00              | \$ 142.50          | \$ 260.00 | \$ 3,999.00       | \$ 47,988        | 3.0%            | 3.0%            | 3.0%            | 3.0%            |   |
| PCMG, Inc.              | Dayton, OH        | n/a                   | n/a                   | n/a                | n/a       | \$ 3,379.62       | n/a              | 2.5%            | 2.5%            | 2.5%            | 2.5%            |   |
| Universal System Tech.  | Bingham Farms, MI | \$ 45.00              | \$ 60.00              | \$ 75.00           | **        | \$ 25,000.00      | \$ 275,000       | 5.0%            | 5.0%            | 5.0%            | 5.0%            | 5.0% helpdesk/desktop network/app support |
| IntelliBee              | Southfield, MI    | n/a                   | n/a                   | n/a                | n/a       | \$ 9,950.00       | n/a              | 0.0%            | 0.0%            | 5.0%            | 3.0%            |   |
| IT Right                | Bath, MI          | \$ 135.00             | \$ 135.00             | \$ 200.00          | \$ -      | \$ 2,125.00       | \$ 22,660        | 0.0%            | <5%             | <5%             | <5%             |   |
| Empiric Solutions, Inc. | Petoskey, MI      | n/a                   | n/a                   | n/a                | n/a       | \$ 3,651.00       | n/a              | CPI             | CPI             | CPI             | CPI             |   |
| Kaiser IT Group         | Grand Rapids, MI  | \$ 125.00             | \$ 125.00             | \$ 187.50          | \$ 160.00 | \$ 1,935.00       | n/a              | 0.0%            | 0.0%            | 0.0%            | 0.0%            | \$4000 one-time set-up fee                |
| Allpro Technology       | Lake City, MI     | \$ 65.00              | \$ 90.00              | \$ 115.00          | \$ -      | n/a               | n/a              | 0.0%            | 0.0%            | 0.0%            | 0.0%            | \$860.51 monthly remote monitoring & mgt  |

\*\* airfare + lodging + meals + incidentals

Following a review of these proposals, the field of vendors was narrowed to several finalists based on pricing and qualifications. After conducting detailed follow-up questions and reference checks, it is recommended that Allpro Technology be awarded a five-year agreement to provide IT Services to Missaukee County to include monthly remote monitoring and remote/on-site support as specified in the Allpro Technology proposal. Funds have been budgeted to cover these services in 101-228-801.01 Computer Professional Services.

Requested Action

It is requested the Missaukee County Board of Commissioners approve the IT proposal provided by Allpro Technology, in accordance with the attached services agreement.





**MISSAUKEE COUNTY  
SERVICES AGREEMENT – Computer Network and  
Information Technology Support Services**

THIS AGREEMENT made this 14th day of June, 2017, by and between the MISSAUKEE COUNTY, a Michigan municipal corporation, of 111 S Canal Street, Lake City, Michigan, 49651, (the "County"), and AllPro Technology, a Michigan Limited Liability Corporation of 2425 S. Blodgett Rd, Lake City MI 49651, (the "Consultant");

WHEREAS, the County desires to engage the services of the Contractor to furnish technical and professional assistance concerning the project which is described as:

*Network support services, including but not limited to all services detailed in the AllPro Technology response to the Missaukee County Request for Computer Network and Information Technology Support Services, dated May 15, 2017, including monthly remote monitoring and management services.*

and the Contractor wishes to furnish such technical and professional service to the County and has represented that the Contractor has the education, expertise, capability and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

1. Agreement Documents. The following shall be deemed to be a part of this Agreement and incorporated herein.
  - A. Request for Proposals/Bids
  - B. Contractor's Proposal/Bid
  - C. Schedule of Payments
  - D. Timetable for Activities
2. Scope of Services. The Contractor shall provide services in accordance with and as set forth in the Agreement documents.
3. Compensation and Method of Payment. The County shall pay to the Contractor and the Contractor agrees to accept as full compensation for services under this Agreement the sum of \$65 per hour for remote IT Support Services, \$90 per hour for onsite IT Support Services, and \$860.51 per month for remote monitoring in accordance with AllPro Technology's proposal.
4. Period of Performance. The services to be rendered under this Agreement shall commence within five working days of execution hereof. The Agreement shall be valid for a five (5) year term, renewed annually on the anniversary of its 2017 execution date, unless terminated in accordance with section 22 of this agreement.
5. Independent Contractor. The relationship of the Contractor to the County is that of an independent contractor and in accordance therewith, the Contractor covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers or agents will claim to be an officer, employee or agent of the County or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including but not limited to worker's

compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. The parties do not intend the services provided by the Contractor to be a joint venture.

6. The Contractor's Responsibility. The Contractor shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. The Contractor shall be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property.

7. Recovery of Money. Whenever, under this Agreement, any sum of money shall be recoverable from or payable by the Contractor to the County, the same amount may be deducted from any sum due to the Contractor under this Agreement or under any other contract between the Contractor and the County. The rights of the County are in addition and without prejudice to any other right the County may have to claim the amount of any loss or damage suffered by the County on account of the acts or omissions of the Contractor.

8. Indemnity. The Contractor shall indemnify and save harmless the County, its officers, agents and employees from and against any and all claims, liabilities, losses, damages, actual attorney fees and settlement expenses arising from bodily injury or death of any persons and damage or loss of any property resulting or arising out of or in connection with the willful or negligent acts, omissions, or errors of the Contractor or its employees, agents, servants and subcontractors. Losses include damages the County may sustain as a result of the failure of the Contractor to comply with the provisions of this Agreement. The Contractor shall not be obligated to indemnify the County for the County's own negligence. This indemnification provision shall not be limited by reason of insurance coverage of any type. This provision is not intended to waive the defense of governmental immunity that may be asserted by the County in an action against them.

The County hereby reserves the right to select its own counsel, in defense of any matter arising hereunder, and no payment or acknowledgment of liability, loss, fine, penalty or charge shall be made against the County without its express written consent. This indemnity shall survive the expiration and termination of this Agreement. However, this survival shall be no longer than the expiration of the applicable statute of limitation.

The Contractor expressly acknowledges and agrees that this indemnification provision is intended to be as broad and inclusive as is permitted by law and that if any portion thereof is held invalid, it is agreed that the balance shall, notwithstanding, continue in full legal force and effect. This provision shall survive the termination of this Agreement.

9. Insurance. The Contractor agrees not to change and agrees to maintain the following insurance throughout the period of performance of this Agreement. The Contractor will upon execution of this Agreement provide a certificate of insurance to the County Administrator. The policy shall contain endorsements stating that at least a 10-day notice will be given to the County prior to termination or any change in the policy. Should any required insurance be cancelled, materially reduced or expired, all activities under this Agreement shall immediately cease until substitute insurance in compliance with all requirements hereof has been procured and evidence thereof presented to the County.

A. Commercial General Liability. The Contractor shall acquire and maintain commercial general liability insurance coverage in the amount of \$1,000,000 per occurrence with the County being named as additional insured for all claims arising out of the Contractor's work, including completed operations coverage (if required in the Request for Proposals/Bids).

B. Professional Liability. The Contractor shall also acquire and maintain professional liability insurance coverage in the amount of \$1,000,000 minimum per occurrence or, if per occurrence is unavailable to the Contractor, on a claims made basis with a three (3) year reporting period; or in the alternative, the Contractor must continuously maintain the required Professional Liability coverage on a claims made basis for the duration of the project plus three years after project completion. If the Contractor's Professional Liability policy is canceled or not renewed and replacement coverage without an equivalent retro date is not procured, then the Contractor must purchase a three-year Extended Reporting Period at the Contractor's expense (if required in the Request for Proposals/Bids).

C. Automobile Liability. The Contractor shall acquire and maintain during the life of this Agreement, automobile liability insurance, including applicable "no-fault" coverage, combined single limit bodily injury and property damage and shall include all owned vehicles, all non-owned vehicles and all hired vehicles.

D. Workers Compensation. The parties shall maintain suitable workers compensation insurance pursuant to Michigan law and the Contractor shall provide a certificate of insurance or copy of state approval for self insurance to the County Administrator upon execution of this Agreement.

10. Compliance with Regulations. The Contractor shall comply with all applicable statutes, rules and regulations of all federal, state and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

11. Standard of Conduct. The Contractor shall render all services under this Agreement according to generally accepted professional practices for the intended use of the work or project.

12. The County's Obligation. The County shall provide the Contractor with all information currently available to the County upon request of the Contractor. The County Administrator shall designate a County employee to be the County's representative for purposes of this Agreement.

13. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this covenant may be regarded as a material breach of this Agreement.

14. Prohibition Against Assignment. This Agreement is intended to secure the service of the Contractor because of its ability and reputation and none of the Contractor's duties under this Agreement shall be assigned, subcontracted, or transferred without the prior written consent of the County Manager. Any assignment, subcontract or transfer of the Contractor's duties under this Agreement must be in writing.

15. Third Party Participation. The Contractor agrees that despite any subcontract entered into by the Contractor for execution of activities or provision of services related to the completion of this project, the Contractor shall be solely responsible for carrying out the project pursuant to this Agreement. The Contractor shall specify in any such subcontract that the subcontractor shall be bound by this Agreement and any other requirements applicable to the Contractor in the conduct of the project unless the County Administrator and the Contractor agree to modification in a particular case. The Contractor shall not subcontract unless agreed upon in writing by the County.

16. Third Party Beneficiaries. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.

17. Interest of the Contractor. The Contractor represents that its officers and employees have no interest and covenant that they will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of the Contractor's services and duties hereunder. The Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed. The Contractor further covenants that neither it nor any of its principals are in default to the County.

18. Covenant Against Contingent Fees. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, the County shall have the right to annul this Agreement without liability, or in its discretion, to deduct from this Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

19. Qualifications of the Contractor. The Contractor specifically represents and agrees that its officers, employees, agents and contractors have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

20. Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in this Agreement, or at such other address as either party may, from time to time, designate by written notice to the other.

21. Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

22. Termination.

A. For Fault. If the County Administrator determines that the Contractor has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, the County Administrator may terminate or suspend this Agreement in whole or in part upon written notice to the Contractor specifying the portions of this Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the notice, during which time the Contractor shall correct the violations referred to in the notice. If the Contractor does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Contractor at time of termination may be adjusted to cover any additional costs occasioned the County by reason of the termination. This provision for termination shall not limit or modify any other right to the County to proceed against the Contractor at law or under the terms of this Agreement.

B. Not for Fault. Whenever the County Administrator determines that termination of this Agreement in whole or in part is in the best interest of the County or in the event that termination is required by any state or federal agency, the County Administrator may terminate this Agreement by written notice to the Contractor specifying the services terminated and the effective date of such termination. Upon termination, the Contractor shall be entitled to and the County shall pay the costs actually incurred in compliance with this Agreement until the date of such termination.

23. Force Majeure. If because of force majeure, either party is unable to carry out any of its obligations under this Agreement (other than obligations of such party to pay or expend money for or in connection with the performance of this Agreement), and if such party promptly gives to the other party concerned written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of public enemy, acts of the federal government, acts of another party to this Agreement, fire, flood, inclement weather, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, legislation, referendum, orders or acts of civil or military authority, injunctions, or other causes of a similar nature which wholly or substantially prevent performance. If the suspension of work lasts for more than 30 days, the County may terminate this Agreement.

24. Delay. If the Contractor is delayed in the completion of the work due to force majeure or otherwise, the time for completion may be extended for a period determined by the County in its sole discretion to be equivalent to the time of such delay. The County may terminate this Agreement if the delay lasts for more than 30 days. Upon termination by the County, the Contractor shall be entitled to the costs actually incurred in compliance with this Agreement less any costs incurred by the County as a result of the delay until the date of such termination, but not more than the maximum Agreement amount.

25. Interpretation. This Agreement shall be governed by the laws of the State of Michigan, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of the Contractor, or if a person of masculine or feminine gender joins in this Agreement on behalf of the Contractor, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires. In the event that any term, clause or provision of this Agreement conflicts with any term, clause, or provision contained in any attachments to this Agreement, this Agreement's terms shall prevail.

26. Venue. Any and all suits for any and every breach of this Agreement may be instituted and maintained in any court of competent jurisdiction in the County of Missaukee, State of Michigan.

27. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree as follows:

A. Mediation. If they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.

B. Arbitration. If they are unable to resolve the dispute through mediation, it may be decided by final and binding arbitration according to the rules and procedures of Arbitration Services of Northern Michigan or a similar agreed to organization. Judgment upon the award rendered by the arbitrator may be entered in Circuit Court.

C. Venue. All meetings, hearings and actions to resolve the dispute shall be in Missaukee County.

D. Notice. Written notice of a claim shall be given to the other party not later than 90 days after the occurrence giving rise to the dispute becomes known or should have become known.

Negotiations and mediation shall occur within 60 days after such notice. Unless a longer time is agreed upon, arbitration must be demanded within 120 days after such notice and, if not, the claim is deemed waived. Arbitration must be demanded within this time limit even if negotiation or mediation has not occurred, but the arbitrator must direct the parties to mediation before issuing an award.

28. Reuse of Documents. All documents and electronic files delivered to the County are instruments of service in respect of the project. Nevertheless, all documents and electronic files delivered to the County shall become property of the County upon completion of the work and payment in full of all monies due the Contractor. Copies of the County-furnished data that may be relied upon by the Contractor are limited to the printed copies (also known as hard copies) that are delivered to the Contractor. Files on electronic media of text, data or graphics or of other types that are furnished by the County to the Contractor are only for convenience of the Contractor. Any conclusion of information obtained or derived from such electronic files will be at the user's sole risk. Economic benefit to the County for having these files is predicated on the files being media form, software release number and hardware operating system number as utilized by the Contractor. Copies of documents that may be relied upon by the County are limited to the printed copies (also known as hard copies) that are signed or sealed by the Contractor. Files on electronic media of text, data or graphics or of other types that are furnished by the Contractor to the County shall be in a compatible software format for use by the County. Any conclusions or information obtained or derived from such electronic files will be at the user's sole risk. Electronic file copies of drawings will not contain the Contractor's seal or the identification of the Contractor in the title block.

29. Freedom of Information Act. The Contractor acknowledges that the County may be required from time to time to release records in its possession by law. The Contractor hereby acknowledges that the County must release any records or materials received by the County that qualify for release, as requested and required by the Freedom of Information Act, MCL 15.231 *et seq.* Provided, however, that the Contractor shall not be held liable for any reuse of the documents prepared by the Contractor under this Agreement for purposes other than anticipated herein.

30. Digital Signatures. The parties hereto acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, *et seq.* that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the parties hereto.

31. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

32. No Waiver. No waiver by any party of any default by another party in the performance of any portion of this Agreement shall operate or be construed as a waiver of any future default, whether like or different in character.

33. Entire Agreement. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings which are not contained herein. It is understood that should the Contractor recommend further work concerning the project, the County is under no obligation to engage the Consultant in such work.

34. Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to this Agreement.

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

MISSAUKEE COUNTY

By \_\_\_\_\_  
Frank Vanderwal, Chairman

CONTRACTOR

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (print or type)

**Missaukee County Board of Commissioners  
Lake City, Michigan  
Special Board Meeting  
Commissioner's Room  
September 10, 2015 @ 5:00 PM**

Meeting Called to Order by Chairman Rogers.

Roll Call of Districts: All present except Commissioner Bridson and District 3 (vacant).

Motion by Vivian, supported by Zuiderveen, to approve the agenda with the following additions: County Commissioner District #3 replacement and probation and parole window approval.

Motion by Cairy, supported by Zuiderveen, to adopt a Declaration of Support Resolution for Viking Energy of McBain LLC. Carried.

**RESOLUTION 2015-11**

**Declaration of Support  
by County of Missaukee, Michigan  
for Viking Energy of McBain, LLC**

**WHEREAS**, Viking Energy has provided valuable, renewable energy services to the City of McBain and Missaukee County for over thirty years, and

**WHEREAS**, Viking Energy is an important employer in the county, providing twenty-one direct jobs and one hundred indirect job over the past thirty years, and

**WHEREAS**, Viking Energy provides significant direct tax revenues to the City of McBain and indirectly to Missaukee County and has done so for over thirty years; and

**WHEREAS**, Viking Energy's continued, successful operation depends upon the sale of power from its plant; and

**WHEREAS**, Viking Energy's Power Purchase Agreement ("PPA") with the Consumers Energy Company ("Consumers Energy") will expire on December 31, 2018; and

**WHEREAS**, Consumers Energy has a legal obligation to abide by the requirements of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), 16 U.S.C. § 2601 *et seq.*, and the rules promulgated thereunder (18 CFR Part 292, *et seq.*), including its mandatory purchase obligation, for Michigan's small power production and cogeneration facilities; and

**WHEREAS**, Viking Energy's McBain plant is a "Qualifying Facility" subject to the PURPA requirements; and

**WHEREAS**, Consumers Energy has received a waiver from the Federal Energy Regulatory Commission ("FERC") of PURPA obligations with respect to Qualifying Facilities with a net capacity larger than 20 MW, but was denied its request for a waiver for Qualifying Facilities of 1 MW or smaller; and

**WHEREAS**, Consumers Energy retains its PURPA obligations for facilities with capacity of less than 20 MW; and

**WHEREAS**, the Viking Energy McBain plant has a capacity of 16.3 MW, thereby requiring Consumers Energy to fulfill its PURPA obligations with respect to this plant; and

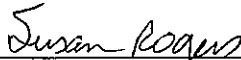
**WHEREAS**, as of this date, Consumers Energy has not renegotiated or renewed the Viking Energy McBain plant's PPA and is not currently engaged in good faith negotiations to do the same with Viking Energy; and



**WHEREAS**, it is in the best interest of the County of Missaukee and its residents that the Viking Energy McBain plant remain operational.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the County of Missaukee, Michigan hereby memorializes its support for the Viking Energy plant and encourages Consumers Energy to negotiate in good faith for a new PPA with the McBain plant in a timely manner.

**ADOPTED** by full action of the duly-elected County Board of Commissioners of the County of Missaukee, Michigan at its special board meeting held on the 10<sup>th</sup> day of September, 2015.

  
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Susan Rogers, Chairman

  
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Jessica Nielsen, County Clerk

Motion by Vivian, supported by Vanderwal to appoint Pamela Niebrzydowski as County Commissioner District #3, to be sworn in at the next board meeting. Roll Call Vote: 5 Yeas (Vanderwal, Rogers, Vivian, Hughston, Zuiderveen) 0 Nays 2 Absent (Bridson, District 3). Carried.

Motion by Zuiderveen, supported by Vivian, to allow a window with portal be put in the probation and parole office for better security. Carried.

The board discussed the County Administrator position. Rogers stated that Precia Garland has agreed to take the position of County Administrator. The yearly salary will be \$42,000 for three days per week. She said Garland has asked to belong to two different associations, and allowed \$50 per month cell phone per diem. The board all agreed it would be a work in progress determining how many hours the job will require.

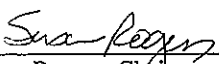
Motion by Vivian, supported by Vanderwal, to hire Precia Garland as the part-time County Administrator, pending the completion of all county pre-employment requirements. Roll Call Vote: 5 Yeas (Vanderwal, Rogers, Vivian, Hughston, Zuiderveen) 0 Nays 2 Absent (Bridson, District 3 vacant) Carried.

Hancock asked if this is a part-time position with benefits. Rogers said benefits would be in line with the other part time positions of the county.

**Public Comment:**

- Richard Renner asked for the names of those who have applied for County Commissioner District #3, and if the board was considering anyone that had not applied. Chairman Rogers said only one application was received, and the Board was not considering anyone that hadn't applied.

Meeting adjourned until Wednesday, September 16<sup>th</sup>, 2015 or Call of the Chair.

  
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Susan Rogers, Chairman

  
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Jessica Nielsen, County Clerk