

*"Menominee – Where the best of Michigan Begins"*

## MENOMINEE COUNTY BOARD OF COMMISSIONERS

*Menominee County Courthouse  
839 10<sup>th</sup> Avenue  
Menominee, MI 49858*

*Jason Carviou—County Administrator  
Sherry DuPont – Administrative Assistant  
Telephone: (906) 863-7779 or 863-9648  
Fax: (906) 863-8839*

### **MENOMINEE COUNTY FINANCE COMMITTEE**

~A QUORUM OF THE BOARD MAYBE PRESENT~

**DATE:** March 22, 2019 – (Friday)  
**TIME:** 10:00 AM  
**PLACE:** Menominee County Administration Office  
Menominee, MI 906-863-7779

#### **\*\*\*\*\* AGENDA \*\*\*\*\***

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call (Coms. Hafeman, Schei, Gromala and Prestin)
4. Approval of Agenda
5. Approval of Previous Minutes – 1.25.19
6. Public Comment (limited to 5 minutes on agenda items only)
7. Department Head/Elected official comment (limited to 10 min.)
8. Business
  - a. Menominee County Fee Schedule – Equalization info. BS&A/GIS
  - b. CASA Grant – county match funds \$6,760
  - c. Budget Amendments
  - d. Friend of the Court – Cyber Security Audit
  - d. Veterans' Grant
  - e. MERS
9. Public Comment (limited to 5 minutes)
10. Commissioner Comment (limited to 5 minutes)
11. Adjournment

*David Prestin      Gerald Piche – Chairperson      William Cech – Vice Chairperson      Bernie Lang  
Larry Phelps      Steven Gromala      Larry Schei      Jan Hafeman      Larry Johnson Jr.*

Menominee County Finance Committee  
Minutes of Meeting  
1/25/2019

\*\*\*\*\***DRAFT**\*\*\*\*\*

The Finance Committee met on January 25, 2019 at 10:30 AM at the Menominee County Administration office.

**Call Meeting to order:** Com. Hafeman called the meeting to order at 10:30 A.M.

**Pledge of allegiance:** was recited by all.

**Roll Call:** Finance Commissioners present Hafeman, Gromala, Schei and Prestin.

**Approval of Agenda** motion by Com. Gromala and supported by Com. Schei to approve the agenda as written.  
Motion approved 4/0.

**Previous Meeting minutes: 9.18.18** – motion by Com. Gromala supported by Com. Hafeman to approve minutes as submitted. 4/0

**Public Comment:** None

**Department Head/Elected Official Reports:** Jason: Two items to discuss; Medical examiner budget for travel/education. The contract calls for \$5,500 for education for the duration of the four year contract. We only budgeted ¼ (\$1,375) of that amount for this year. He had a conference (Medical Review Officer) out of the area and went well over his budgeted amount for this year (\$2,651.65). After discussion, the Finance Committee recommends a budget amendment for this year and to have Jason send a letter to Dr. Zevitz letting him know that he overspent his budget for this year but we will allow payment. Spell out that he only gets \$5,500 for the “duration” of his contract for education/travel; and include the amount he’ll have left for the remaining years of his contract. We will only budget the remaining amount per the contract for future budgets; when that’s spent, that’s all there is for the remainder of the contract. Library Fund Balance: Jason: Also, we do have an issue with the Library budget. We budgeted a \$100,000 transfer in from their fund balance to balance their budget for the year. At the time of budgeting, the fund balance showed a balance of about \$130,000. What we were unaware of was that the amount from the bookmobile balance was carried over into the general fund balance to pay for the bookmobile (but hadn’t been paid yet). Needless to say we don’t have \$130,000 in there. There is about \$30,000 in there (including the Bookmobile fund balance). We will have a significant shortfall in the Library budget for the year. Hafeman: Can we budget this differently?? Schei: Hermansville branch was requested by the community. There is one person there that works part time. Jason: We’ll have to wait till the end of the year to update this situation.

**Business Items**

- a. **Standard Budget Reports (revenue/expenses):** Jason: This is a “tool” that the department heads and the Commissioners should watch for; line item budgets going over/under. I see that some may have issues. Jason went through some of the accounts that have gone over their budgeted line items. Some of them we will need to have budget amendments for in the future. MIDC has been corrected with the employee handling the grant paperwork. This is one of our budget amendments (below). 911 will need amendments within the FICA, FICA MED etc. Those lines were connected to the wrong totals in the spreadsheets, so we’ll need to make changes there. Also they have exceeded their overtime budget already. They have had people hired but they don’t stay. So it’s been a continual issue. When we don’t have enough employees, we have to pay the current ones OT to cover the shifts. With the “me too” in the contract, they’re receiving \$1.00/hr. per year for the next two years, their salaries are closer to those around us and will be a better incentive for them to possibly stay longer. Medical Marijuana Grant is no longer available for law enforcement, so this account will go away. No money has been paid or received for the grant. Discussion

continues with the DTRF account. Hafeman: This account may not be getting the excess foreclosure dollars in the future. There is a class action suit going on that "if won" would allow the home owner to receive any funds in excess of the taxes and dollars paid out for the foreclosure process. (Break for 10 minutes).

b. **Menominee County Fee Schedule – BS&A/GIS ~ Jason**: Kandace brought this to our attention, but wasn't able to be here for this meeting. Quick overview; now that we have the GIS up and running, a lot of people are asking for that information. We've been charging \$350 for this via BS&A, but Kandace feels that this should be making more revenue than that. She'd also like to add in a charge for land divisions (splits) throughout the county. Perhaps this money can be put into a pool and used to add additional layers to the GIS system. We should bring this back when Kandace is available to see what she has in mind for fees to charge. We'll bring this back to the Finance committee at a later date. I will have Kandace bring us some numbers for fees.

c. **2018/19 Budget amendments #1 ~ discussion of budget amendments 1-14 were discussed and is included with these minutes as "Attachment A"**. Com. Schei moves to recommend to the full board for approval, Com. Gromala supports. 4/0

d. **Long Term Strategic Plan ~ Hafeman**: I've been talking with Jason about long term strategic plans. We'll need to get with the departments to find out what their needs are and what they predict in their depts. for the next five or ten years. I don't want just a one year plan, I want something we can look at pushing for a goal in planning the future. They (dept. heads) would know more about things the state may be looking at for the future. Jason: a lot of it is going to be building maintenance, some of the larger technology purchases. Right now we're looking to have (a perfect example of a long term plan) our computer replacements on a five year plan. So one fifth of them will be replaced each year. Because that wasn't done in the past, we've run into a situation where they all need to be replaced or at least upgraded this year and next. Mostly because of Microsoft no longer supporting older versions. What can you do, we need the computers to run the County, and so we're going to have a large budget again next year for technology. Prestin: Are there any agencies that facilitate strategic planning? Jason: Yes I'm sure if you want to get real in depth with it, there are consultants. Prestin: I've been involved in this twice. Bringing in an outside facilitator to come up with a long term plan, in my experience has been very effective because it opens your eyes to things you're not necessarily looking at. Jason: I guess the first thing would be to research it and see what kind of services are out there. The hardest part of a strategic plan is the understanding that whatever is on the plan you have to be willing to offer up the money to do those things. Stick to the plan. It's great to have a plan, and spend money on a great plan, but if we're not going to follow through with it then we're just throwing money away; we don't want to go there. Gromala: I wouldn't want to see the plan much more than five years out. Because of the changes that come up from Lansing on a regular basis. Jason: you're going to get things that interrupt your plan, but there are things out there that we know. We know we're going to have to replace police vehicles every three years. We already have that rotation in place. Things like snow plow equipment, lawnmowers etc. you want to plan now to replace later. Some of that stuff is very expensive. Schei: You're looking at financial planning. Then you should be adding MERS to that plan too. All Coms agree. Jason: yes we would add that too. It's all of our major costs. A lot of your departments aren't going to have anything because they don't have capital improvements. Schei: Discussed the Airport's capital improvement plan. Jason: Yes, we'll have to continue to budget for the ACIP per the grant. Schei: I assume this is something that has to be in writing and published. Jason: If we hire a consultant, it's going to be a formal plan with a lot of wording. If we put one together ourselves, it may just be a laundry list of projects, estimated amounts and our goal date of completion. It can be as easy or complex as you want it to be. Either way it's better than nothing at all. Schei: then it would be up to the County board to approve the plan. Jason: Yes, but you can't expect future boards to commit to your plan. They could come in and scrap the whole plan, or they could accept it and continue to follow through. Hafeman: Well the new board would have to amend the current plan, and that's OK, a plan is made to be flexible. Jason: I'll do more research on it, bring back some options. Perhaps find a presentation, general overview, of what a strategic plan is, how you do it, why you do it. Schei: couldn't MAC, USDA, CUPPAD or some of the organizations we belong to do this? What about the Planning Commission, don't they do that? Gromala: I'm on the planning commission and right now we're going through the Menominee County Master Plan. We're recommended by the state to have one. The last one was done in 2012. I would recommend it be reviewed on a three year basis due to a lot of the businesses will look into your master

plan when it comes to economic development. Jason: So I'll look for more information to bring back for this committee to look at.

e. MERS: Jason: The board budgeted an additional \$500,000 to put into MERS this year. So it'll be up to the board on whether to put it into MERS or not. If we do, what divisions do we put it toward and when?  
Schei: I thought we said we were going to give it to MERS. We don't have to decide if we're giving it to MERS we have to decide how we're going to disburse it. Jason: That's one way to look at it. I would argue that when the board approves projects, then we should just be able to spend the money and do the project, but that's not the way it works here. So the board has to approve to give it to MERS again. Schei: So we're going to keep on saying we're going to do it and actually never do it. Jason: That's the same with all of our projects. Hafeman: Part of the problem we've got is its \$500,000. We do have it in our general fund; however it's considerably more than what we're bringing in. Schei: That doesn't matter, we said we had x amount of dollars in the general fund, we agreed as a board to pay it. Gromala: I agree we transferring that portion, but this will never completely address the MERS issue of being underfunded. If we put in an additional amount each month, it would speed it along. That was in addition to the 500,000. I'd like to talk to Diane to see how painful it would be if we were to add an additional small amount, so we can see how the growing pains would be. Jason: I understand what you're saying but what I'm talking about is, we can't send that money to MERS without board approval. That's just the way Menominee County does any large projects or dollar amounts. Schei: We did this years ago, transferred money to MERS. Are you saying this transfer didn't happen? Sherry: The transfer's did happen, but for example, Road Patrol sent an extra 500,000 to MERS but it was for the Road Patrol division. If we send money to MERS we have to determine what divisions we want that money to go to. MERS requires that. We can't just throw money into a pot and let MERS make that decision, they won't. Gromala: I would look at the one that is most underfunded and try to bring it up. In the future we can specify disbursement if necessary. Jason: MERS also has a separate "holding" account that can be used "overall" to verify our level of underfunding but eventually we will have to separate that holding fund to specific divisions. So basically it's no different than putting it in a savings account. Hafeman: It is a savings account in fact however, when you get your monthly statement from MERS saying you have to pay x amount, it is not included in the amount owed if we pay additional money. So you won't see that on the monthly statements; At the end of the year is where you'll see that. Schei: So the 71% that they say we're funded, you can't reduce (means increase) that % by putting money into the account. It has to be distributed across all of the divisions and then we still don't know if it'll increase that ratio. Jason: Oh no, it will bring that % up. Schei: So who is going to make that decision on where the money will be spent, how it's disbursed. You have to come back to this committee with a plan on how that money will be distributed first. Jason: My plan would be DON'T put money into MERS. You look at the stock market...Schei: So how are you going to reverse the board decision. The board will have to approve you not doing it. You can't go against the board decision. Jason: This isn't going against the board, I don't understand why we're getting off track here saying we're doing something the board doesn't want us to do. The only thing the board approved was to put \$500,000 in the budget to give to MERS extra. The board was still going to have to approve it. The board needs to discuss how this is going to be distributed. When are we sending the money and where are we sending it. Schei: we've got a lot of work to do and you're going to have to come back to this committee with a big plan. Jason: I need the board to tell me how they want to do it. Schei: Well we need to figure out how to give MERS \$500,000 more than what they're expecting. Jason: Right now the monthly payment to MERS is \$81,068. That's within a 15 year amortization. So in 15 years you're expected to be 100% funded. If you want to accelerate that to 10 years, you'd have to bump that payment to \$110,586/month. That would mean for this year you would need to have \$354,480 to do that. That would take you from a 15 year to 10 year amortization, but you have to do that each year, and each year the initial costs go up. I don't know that I'd recommend giving the money to MERS right now. Prestin: agrees, the bottom could fall out. (stock market) Schei: Why don't you put that on the agenda for the county board to discuss. Tell the full board the options and your opinion, you can't make this decision yourself. Jason: I want this committee to make the recommendation. I think we need to do more research, talk to MERS and the auditors. Every year they tell you the same thing. They would not advise us to put more money into MERS. Get MERS here and ask them the questions you're asking me. Prestin: we shouldn't move on with business as usual until everyone is up to speed. He agrees, we need to invite MERS here. Jason: All I'm saying is my caution on the investment strategy of this is, MERS recommends putting additional money in, if you can. I agree with that 100%. What I'm saying is they tell us if we put money in that will catch up us faster, it can also go the other way though like in 2008,

you can lose 25% of your portfolio. Gromala agrees. What about committing ourselves one year at a time. We may find it advantageous to withhold and only put in the recommended amounts. Prestin: agrees, it's called dollar cost averaging and it's the most effective way to invest your money. You obviously have a strategy in the back of your head, what is that? Jason: I'm very strong and supportive of actuarials. The reason they are actuarials is because they look at things we don't even think of. There is a plan for the County to be caught up in 15 years; I don't think the county is in a position that it can afford more than what they're telling us to pay. Revenues are not meeting our expenses. We'll be looking at cutting something from the budget next year or raising revenue in a different way. Our budgets do have a surplus every year that's because of items or projects that are budgeted and then the board decides we don't have to do. Prestin: I have to ask, how funded do you want to be? Do you want to be at 100%? I wouldn't want to be 100%. Schei: I was always in favor of Steve's plan to add more money each month. All I'm saying is if that's what we want to do then we should recommend that to the board. Prestin: Have you looked back on the trends? Jason: Yes, they do have decent returns, they have the smoothing. They're not losing money. They're right around that 6-7%. Prestin: so within a reasonable realm. Jason/Hafeman: Yes. Hafeman: If we make a monthly payment and we see things going haywire, we can always stop making those payments. Jason: In 2008 the average person lost 40-50%, MERS lost 25%. There are things that concern me about MERS; The fact that their fees are secretive. But on a general investment standpoint, I don't think MERS is a horrible company to invest in. Schei: I think we give them a little more each month. Prestin: I don't think we should give them a dime more than what we need to. Jason is to bring back more information. Bring MERS in to discuss more.

**Public Comment:** Marc Kleiman: Com. Piche wanted to thank everyone for a productive meeting but he had to leave. A couple things regarding the actuarials, we're not getting the return that they were projecting, but also they are projecting a 3% increase in salaries and you're not giving out 3% salaries, so it goes both ways. 71% funded, look at what other counties are throughout the state. 71% is pretty healthy. I know there was a commissioner who is not here anymore, was crying that the sky is dropping, but it's not as bad as people think. I would talk to the Delta County Administrator. A couple of years ago they put together a plan to have all surplus dollars go toward MERS. Get some feedback from them, see if it's working.

**Commissioner Comment:** None

**Adjournment:** Moved by Com. Schei, supported by Com. Gromala to adjourn the meeting at 12:51 PM. Motion approved 4/0.

Budget Amendment Summary 2018-19

Budget Amendment #1

<u>Number</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Account</u>
1	10/23/2018	Tree Stump Removal at Shakey From Park's Fund Balance	\$ 3,151.00	208-751-970.00
			\$ (3,151.00)	208-000-390.00
2	10/15/2018	Due to doing the full 2017/18 GF appropriation to 911 - per Jason Carviou, change the appropriation amount for the 2018/19 BY and add an entry to take the same amount out of the 911 designated fund balance.	\$ (281,000.00)	101-999-999.15
			\$ (281,000.00)	266-000-699.03
			\$ 281,000.00	266-000-999.02
3	11/14/2018	Hannahville Grant received for EMS. Night Lock Safety Security Project	\$ 5,000.00	101-000-441.04
			\$ 5,000.00	101-426-934.02
4	11/14/2018	Hannahville Grant received for 911 Infastrucure	\$ 20,000.00	266-000-441.00
			\$ 20,000.00	266-325-728.02
5	11/13/2018	2% Hannahville Grant received for Water Rescue Portable Radios, New Tahoe, Laptop for Remote Fingerprinting	\$ 2,975.00	101-000-441.02
			\$ 2,975.00	101-301-934.03
			\$ 12,000.00	205-000-441.00
			\$ 12,000.00	205-315-934.03
			\$ 2,597.00	101-000-441.02
			\$ 2,597.00	101-301-934.03
6	11/14/2018	MIDC Accounts approved by State Grant	\$ 10,978.89	260-266-706.00
			\$ 2.60	260-266-713.00
			\$ 680.69	260-266-715.00
			\$ 159.19	260-266-715.01
			\$ 5,000.00	260-266-718.01
			\$ (10,400.00)	260-266-801.01
			\$ (15,600.00)	260-266-801.02
			\$ 9,884.72	260-266-801.03
			\$ 4,500.00	260-266-801.05
			\$ (5,206.09)	260-266-830.00
			7	12/10/2018
\$ 5,000.00	101-172-934.03			
8	11/26/2018	Medical marijuana Grant no longer available to county law enforcement offices.	\$ (7,300.00)	286-000-539.00
			\$ (6,639.00)	286-301-706.00
			\$ (461.00)	286-301-715.00
			\$ (200.00)	286-301-715.01
9	12/3/2018	Purchase Electronic Export Programming from BS&A (1/2 paid by ROD & 1/2 paid for by PA123)	\$ 3,000.00	517-252-801.00
10	12/14/2018	Sale of 2 Squads - Proceeds to be used in equipping new vehicles	\$ 4,392.00	205-000-673.00
			\$ 4,392.00	205-315-934.02
11	1/1/2019	Insurance Opt Out instead of taking Health Insurance (Admin)	\$ 3,600.00	101-172-712.00
			\$ 201.00	101-172-715.00
			\$ 47.00	101-172-715.01
12	1/1/2019	Bookmobile Garage Expansion - From Fund Balance	\$ 4,975.00	271-790-970.00
13	1/1/2019	Circuit Court Show Cause & Appellate Legal Fees	\$ 12,000.00	101-131-807.00
			\$ 5,000.00	101-131-807.01
14	1/23/2019	Purchase of Two Ovens for Jail Kitchen From Inmate Canteen Fund	\$ 4,530.23	280-362-755.00

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Brian R. Bousley - County Administrator  
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## MENOMINEE COUNTY RESOLUTION

2015-10

### Establishing the Fee Structure for Public Record Requests

BE IT RESOLVED, that the Menominee County Board does hereby adopt the following fee schedule for establishing the proper charge for public records under Public Act 442 of 1976, Freedom of Information Act. (MCL 15.234)

For complete Menominee County FOIA procedures and guidelines, go to [www.menomineecounty.com / forms & documents](http://www.menomineecounty.com/forms&documents). Search under the Letter F, for FOIA.

#### I. Duplication

- A. Photo Copies and Electronic copies of documents:
  - \$ .10 per page - letter sized copy (8 1/2 x 11)
  - \$ .10 per page - legal sized copy (8 1/2 x 14)
  - \$ .20 per page - ledger sized copy (11 x 17)
- B. Telefaxed/scanned copies:
  - \$ .10 per page for incoming & outgoing faxes/scans
- C. Certified copies:
  - \$1.00 per page plus department specific fees for certification
- D. Recording fees:
  - \$2.00 per CD/Cassette tape
  - \$350 Electronic Database Disc (Equalization)
- E. Mailing Fees:
  - If copies are mailed, actual mailing costs will be added
- F. Subscription Fees: (Subscriptions are valid for up to 6 months)
  - \$ .10 per page - letter size copy (8 1/2 x 11)
  - \$ .10 per page - legal sized copy (8 1/2 x 14)
  - \$ .20 per page - ledger sized copy (11 x 17)

*GIS - shape files?*

#### II. Labor Fees

Labor charges incurred to make copies or create other digital media; labor incurred to search for and locate public records; labor incurred to separate and delete exempt from non-exempt materials; calculated in 15 min increments.

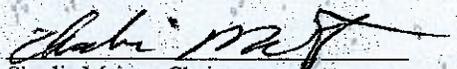
#### III. Deposit

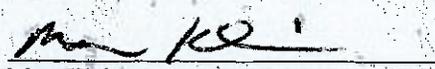
If the anticipated charges for a request record will exceed \$50, a good faith deposit of one-half of the total anticipated charges shall be required.

#### IV. Waiver of Fees

If an individual submits an affidavit stating that he or she is receiving public assistance or is able to state facts showing inability to pay fees because of indigence, a copy of a public record shall be furnished without charge for the first \$20 of the fee for each request.

Motion by Commissioner Furlong, supported by Commissioner Nelson to adopt above resolution at a regular meeting of the Menominee County Board of Commissioners, this 23rd day of June, 2015.

  
Charlie Meintz, Chairperson  
Menominee County Board of Commissioners

  
Marc Kleiman  
Menominee County Clerk

Bernie Lang    Charlie Meintz - Chairperson    Larry Schei - Vice Chairperson    James Furlong  
Raymond Williams    John Nelson    William Cech    Gerald Piche    Jan Hafeman

# Delta County Equalization

Name and Address of Owners of Property.  
Current Assessed Equalized Value of property.

Service (prices effective June 21, 2017)	Price
Computerized Maps to scale	\$15.00ea.
Simple Maps (copied from book)	\$2.00ea.
Computer Time (per Administration)	\$75.00/hr.
Minimum Charge (Computer Time)	\$25.00
Database Copies	\$1.00/per page
Current Year Assessment Roll can be emailed, save to flash or CD	<u>\$1,500.00</u>
Equalization Report	\$5.00
Apportionment Report (millage rates)	\$15.00
Top Taxpayers List per school district or township	\$15.00
Misc. Totals & Statistics	\$25.00
Taxable Value by school district or township	\$15.00

*BS+PA*

## Contact Us

(906) 789-5109  
email

## Links

State of Michigan Plat Maps opens in a new window  
General Land Office Plats opens in a new window  
State Tax Commission opens in a new window

*Dickinson  
charges  
\$100/unit  
BS+PA*

## Florence County Land Information Digital Data Request Form

Send completed request form, signed Disclaimer Agreement, and appropriate fee to:  
Florence County Land Information Office, PO Box 410 -- Courthouse, Florence, WI 54121

Payment must be received before data is distributed. Please make check payable to Florence County.

Requested by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Mailing Address: \_\_\_\_\_  
 City/State/Zip Code: \_\_\_\_\_  
 Email Address: \_\_\_\_\_ Telephone number: \_\_\_\_\_

<u>Parcel Map Layers</u>	
___ Tax Parcels with basic attributes	\$100
___ Tax Parcels with tax bill attributes	\$200
___ Cadastral, Planimetric, & Monuments	\$50
<u>County Treasurer's Office (tax database only)</u>	
___ Database for whole county	\$250
___ Database for single town	\$35
<u>Orthophotography</u>	
___ 2005 flight (18" resolution color)	\$300
___ 2010 flight (12" resolution color)	\$300
<u>Boundary Layers Bundle</u>	
___ County Boundary, Municipalities, & Sections	\$100
<u>Recreational Activity Layers Bundle</u>	
___ MFL Land Open to Hunting	\$100
___ DNR property	
<u>Natural Resources Layers Bundle</u>	
___ Streams, Lakes, & Ponds	\$100
___ Soils & Soil Attribute Tables	
___ Watershed & Sub-watershed Boundaries	
<u>Road Data Layers Bundle</u>	
___ DOT Roads & State Highways	\$100
___ County Roads & Local Roads	

**TOTAL AMOUNT DUE:**                      \$ \_\_\_\_\_

All data reproduced will be for the entire county unless otherwise noted. All GIS data reproduced will be in Florence County Coordinate System; map units=feet. All GIS data will be distributed via email whenever possible. Email address required above.

The Michigan Department of Health and Human Services through the Child Care Fund awarded a grant to help fund CASA, Court Appointed Special Advocate.

CASA is a national organization and Menominee County has the only CASA in the Upper Peninsula. CASA is currently funded by donations. The current CASA budget is \$42,050.00.

CASA volunteers provide advocacy for abused and neglected children in Menominee County. These volunteers meet with the children and families and appear in court to provide the court with information regarding the progress of the court case.

CASA is independent of the other agencies involved in neglect cases.

To obtain the grant, Menominee County must match one-half of the grant amount.

On behalf of CASA, the court is asking Menominee County to allocate \$6,760.00 to match the Child Care Fund grant.

Judge Hass



CASA of Menominee County  
P.O. Box 456  
Menominee, MI 49858  
(715) 923.7250

[casamenominee@gmail.com](mailto:casamenominee@gmail.com)  
[www.menomineecasa.com](http://www.menomineecasa.com)

MAR 12 2019

March 7, 2019

Menominee County Finance Committee  
Office of the County Administrator  
Menominee County Courthouse  
839 10<sup>th</sup> Ave.  
Menominee, MI 49858

**RE: CASA of Menominee County Matching Grant**

Dear Menominee County Board Members:

The CASA of Menominee County Board of Directors has passed a resolution to reaffirm our intention to continue fundraising for CASA. The resolution serves as assurance to the Menominee County Board that should the matching grant put forth for your consideration be approved, it will not curtail our fundraising efforts. Please find a copy of the resolution enclosed.

The funding assistance requested in the form of a matching grant, will help CASA maintain staffing vital to the recruitment, training and ongoing support of volunteers who will advocate for neglected and abused children and provide valuable information to the family court. Reports from CASA volunteers help the court ensure decisions made for a child's welfare are made with a complete picture and are in the best interests of the child. As Judge Hass affirmed, reports completed for the court by CASA volunteers provide vital information used by the Judge and are an important component in his decision making process.

As Judge Hass described to the Menominee County Board, there are social workers and lawyers assigned to children in family court, however, those resources are stretched, and do not have the same commitment as a CASA volunteer, who is a constant and consistent advocate for the child. These children may live in multiple homes or be represented by multiple lawyers until situated in a permanent home. The advocacy provided by a CASA volunteer gives a child a voice and instills value, which institutional assignments cannot, because a CASA will stay with the child and follow him or her as they move from home to home, while others in their lives may come and go.

It is our unwavering belief that the service provided by CASA has an invaluable positive impact on our local community and on future generations overall.

CASA is a national organization, and as a Michigan Chapter, receives robust training curriculum and access to software to track cases and maintain records, however, the cost of instructing and supporting volunteers and maintaining files are solely the responsibility of CASA of Menominee County. National CASA provides no funding whatsoever. It is a constant challenge to raise money to support CASA in a community where there is a lot of need and monetary resources are stretched. We appreciate your consideration of our funding request.

Please feel free to contact me, or any of our board members, to answer any questions you have regarding CASA and its operations.

Sincerely,

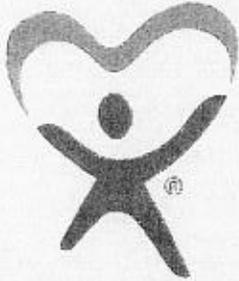
Gloria Anderson  
Treasurer

CASA of Menominee, Board of Directors

cc: Vola Bleile, President, CASA Board of Directors  
Judge Daniel E. Hass, Menominee County Probate Judge

MAR 12 2019

*[Handwritten mark]*



**CASA**

Court Appointed Special Advocates  
FOR CHILDREN

**MENOMINEE COUNTY**

## **BOARD RESOLUTION**

At a special meeting of the Board of Directors of CASA for Menominee County, held via virtual attendance, on March 4, 2019, the following resolution was proposed and approved by the board:

### **Resolved:**

WHEREAS the fundraising activities of the CASA of Menominee organization will continue unabated regardless of monetary contributions provided by Menominee County. Fundraising activities may include but are not limited to: Large annual fundraiser (golf outing/gala), Packer Volunteer Program, Jack's Fresh Market grocery bagging, applications for grants;

WHEREAS CASA of Menominee County supports the mission of CASA; and the CASA of Menominee County Board is in full support of this resolution.

Certified and Signed by CASA of Menominee Board President:

*Vola Bleile*

Vola Bleile, President

Dated: *5 March 2019*

## STATEMENT OF SUPPORT FOR CASA

I was asked a simple question, "What does CASA mean to me". The answer is simple. They are my eyes and ears in child abuse cases, they are my boots on the ground. Let me elaborate. I am a practicing Attorney with four decades of experience in handling abuse/neglect cases.

These cases are challenging in so many respects. Whether I represent a parent or I am serving as Guardian Ad Litem for a child, I see a family in distress. It doesn't matter to me why the family is in distress. The question is how do we move forward and solve the problem. I understand the limitations of my practice. I can't be everywhere all the time. That is where CASA is integral to what I do. The CASA volunteers are well trained, they are dedicated, they are conscientious, and they maintain confidentiality. These are key to me because I can trust them and work with them.

The CASA program is a benefit to any community and in a community like ours with many families experiencing high levels of dysfunction they are a godsend.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randall J. Philipps".

Randall J. Philipps

# Budget Amendment #2

15	3.12.19	Road Patrol Secondary Grant - Increase Secondary RP - Other Operating	\$	13,000.00	205-000-543.00
			\$	13,000.00	205-316-755.00
16	3.12.19	Sale of property - Vehicle Vehicle Maint -	\$	3,286.00	205-000-673.00
			\$	3,286.00	205-315-934.02
17	3.12.19	Medical Examiner travel General Fund - Fund Balance	\$	3,821.04	101-648-860.00
			\$	(3,821.04)	101-000-390.00
18	3.12.19	CASA Grant - Fund Balance - <i>General Fund</i> General Fund appropriation	\$	(6,760.00)	101-000-390.00
			\$	6,760.00	101-997-999.33
		MDHHS Grant funds	\$	6,760.00	292-000-544.01
		Transfer in from General Fund appropriation	\$	6,760.00	292-000-699.00
		Contracted Services	\$	13,520.00	292-669-801.00
19	3.12.19	FEMA - flood disaster reimbursements FEMA - Flood expenses	\$	6,648.56	101-000-672.00
			\$	6,648.56	101-426-934.04

**Menominee County**  
Request for Budget Amendment

Budget Year: 2018/2019

Please Increase  
Revenue Account

<u>205-000-543.00</u>	by	<u>\$13,000.00</u>
<i>Secondary Grant</i>		
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____

Please Increase  
Expenditure Account

<u>205-316-755.00</u>	by	<u>\$13,000.00</u>
<i>Secondary Other Op.</i>		
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____

Date of Request 1.24.19

Justification Increase of \$13,000 for grant per State of MI - Road Patrol - Secondary

Requesting Department Sheriff Office

Elected Official/Dept. Head Ken Marks *Ken Marks*

Chief Fiscal Officer's Approval *[Signature]*

Date Posted to General Ledger \_\_\_\_\_

Posted by: \_\_\_\_\_

**Menominee County**  
Request for Budget Amendment

Budget Year: 2018/2019

Please Increase

Revenue Account

205-000-673.00

by

\$3,286.00

Sale of Property

Please Increase

Expenditure Account

205-315-934.02

by

\$3,286.00

Vehicle Maint.

Date of Request

2/17/2019

Justification

Sale of 1 squad and misc equip - proceeds of funds to be used in equipping new vehicles (funds deposited 1/11/19)

Requesting Department

Sheriff

Elected Official/Dept. Head

[Signature]

Chief Fiscal Officer's Approval

Date Posted to General Ledger

Posted by:

**Menominee County**  
Request for Budget Amendment

Budget Year: 2018/19

Please Increase  
Revenue Account

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by

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Please Increase  
Expense Account

101-648-860.00  
Medical Examiner

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by

\$3,821.04

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Date of Request

3.11.19

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Justification

Full 4 year contract amount to be carried in budget for travel

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Requesting Department

Administration

---

Elected Official/Dept. Head

Jason Carviou

---

Chief Fiscal Officer's Approval

---

Date Posted to General Ledger

---

Posted by:

---

*"Menominee – Where the best of Michigan Begins"*

## MENOMINEE COUNTY BOARD OF COMMISSIONERS

*Menominee County Courthouse  
839 10<sup>th</sup> Avenue  
Menominee, MI 49858  
www.menomineecounty.com*

*Jason Carviou – County Administrator  
Sherry DuPont – Administrative Assistant  
Telephone: (906) 863-7779 or 863-9648  
Fax: (906) 863-8839*

February 8, 2019

Dr. Michael E. Zevitz  
415 Hwy US 2, Ste. 2  
Norway, MI 49870

### **RE: Medical Examiner Education Expenses**

Dr. Zevitz,

Enclosed you will find a check for \$2,583.25 for reimbursement of the seminar you attended in December, 2018.

Your contract with Menominee County provides for \$5,500 over the period of the contract, which is from April 1, 2018 to April 1, 2022. With this reimbursement, you have used \$2,947.21 of the allotted \$5,500, which leaves a remaining \$2,552.79 for the remaining 3 years and 2 months of this contract.

If you have any questions regarding the remaining balances in your contract, please contact the Menominee County Administrator's Office at (906) 863-7779.

Sincerely,

Jason Carviou  
County Administrator  
Menominee County



**MDHHS Grant - CASA Court Appointed Special Advocate - revenues**

**Fund: Special Revenue (292)**

**Activity: State Special Child Care (000)**

<u>Account Number</u>	<u>Account Title</u>		<b>2018/19 Budget</b>
544.01	MDHHS CASA Grant	-	6,760
699.00	General Fund Appropriation		6,760
	<b>Total</b>		<b>13,520</b>

**MDHHS Grant - CASA Court Appointed Special Advocate - expenses**

**Fund: Special Revenue (292)**

**Activity: State Special Child Care (669)**

<u>Account Number</u>	<u>Account Title</u>		<b>2018/19 Budget</b>
801.00	Contractual Services		13,520
	<b>Total</b>		<b>13,520</b>

**Fund: General (101)**  
**Activity: Appropriations - Payout (997)**

<u>Account Number</u>	<u>Account Title</u>	<u>2016/17 Budget</u>	<u>2016/17 Actual</u>	<u>2017/18 Budget</u>	<u>2018/19 Budget</u>
999.02	Airport - Capital Outlay-ACIP		-	155,000	50,000
999.03	Delta Menominee Health Dept	144,160	144,160	144,160	144,160
999.04	Fair Board	6,000	6,000	6,000	6,000
999.05	Rescue Squads	7,500	7,500	6,500	6,500
999.06	M.C. Historical Society	3,000	3,000	3,000	3,000
999.11	Rainbow House	1,500	1,500	1,500	1,500
999.21	IXL Museum	1,000	1,000	1,000	1,000
999.25	Bailey Property Preservation Soc	1,000	1,000	1,000	1,500
999.26	Northpointe - Mental Health	99,608	99,608	99,608	99,608
999.27	Menominee Animal Shelter	2,000	2,000	2,000	2,000
999.28	Disabled American Veterans	2,614	2,614	2,614	2,614
999.29	Menominee Conservation Dist.	3,000	3,000	3,000	3,000
999.31	Three Way Road Program	67,000	67,000	67,000	67,000
999.32	M.C. Fair Manager Contract	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
999.33	CASA Grant match fund				<b>6,760</b>
	<b>Total</b>	<b>\$ 342,382</b>	<b>\$ 342,382</b>	<b>\$ 496,382</b>	<b>\$ 398,642</b>



Notice: This is not an official check or EFT notification. It may not be used as a substitute for the original document received.

STATE OF MICHIGAN  
REMITTANCE ADVICE

Check/EFT No: 3011226264  
Check/EFT Date: 3/5/2019

Vendor Code: CV5045142  
Vendor Name: COUNTY OF MENOMINEE  
Alias DBA:  
Assignee Name:  
Assignee Alias/DBA:

Document ID #: EFT 571 190000353032  
Check/EFT Amount: 6048.56  
Amount includes freight and/or is net of discount

DEPARTMENT NAME	INVOICE DATE	VENDOR INV #	INVOICE AMOUNT	LINE AMOUNT	CHECK/EFT DESCRIPTION
State Police		1944592	6,048.56	6,048.56	4381 DRMI PUBLIC ASSISTANCE

101-000-672.00  
misc. AD.  
101-426-934.04  
FEMA Exp.  
FEMA Reimb.

316

<b>Michigan Veterans Affairs Agency</b>				
<b>County Veteran Service Fund Grant Change Notice Project/Budget Amendment</b>				
<b>Grant No:</b>	<b>Grantee:</b>	<b>Budget Period:</b>	<b>Project Director:</b>	<b>Email Address:</b>
190000001239	Menominee County	October 1, 2018 – September 30, 2019	Jason Carviou, County Administrator	JCarviou@menomineeco.com
<b>SIGMA Vendor Code:</b>				
CV0048192				

This form is required for requesting any changes to grant activities that differ from those outlined in the signed grant agreement. Activities include, but are not limited to, focus areas, budget items, staffing, etc. Activities that differ from those stated in the signed agreement will not be covered under the grant agreement until the change form has been submitted, signed, and returned to the Grantee by the Michigan Veterans Affairs Agency Program Manager.

Complete all questions below as thoroughly as possible. If necessary, submit any supporting documentation that may support your change request.

1. Describe, in detail, the area of your grant agreement you are requesting to change.  
Change in Monitoring Plan:

Menominee County is proposing major revisions to our submitted budget due to the increased award amount and the delayed passage of House Bill No. 6403, 2018 Public Act No. 214. The overall long-term goal of increasing the existing hours dedicated to Veterans Service operations in the county remains the same. However, the additional funds and timing provides an opportunity to address some other issues in our Veterans Service Office to help veterans in Menominee County.

First, we are requesting that the budgeted amount for salaries be adjusted from \$22, 945.95 to \$13,125.00. As the grant agreement was not finalized until February 1, 2019, the County was not able to start the process of hiring a part-time Veterans Service Officer until February 2019. We did hire an extremely qualified candidate with 7 years of military experience in the Marines; however, she was offered an internship in her field of study (social work) shortly thereafter and she left for that position. It is difficult to find qualified individuals for this position, but we hope we can find someone by April 1, 2019. However, given these circumstances, we do not need the full amount originally budgeted for the remainder of this grant year. We do hope to be able to fund this part-time position with continued grant money in the coming years.

Second, we are requesting that the travel/training portion of the budget be increased from \$4,613 to \$14,300. If we are able to hire an individual in time, we would like to send them to the national conference in Cleveland, OH for accreditation. We have also included money in the budget for membership and training costs for both our part-time and full-time Veterans Service Officers. We have increased the mileage part of the budget to reflect the updated 2019 IRS rate for mileage and increased the number of miles the grant provides from 5,137 to 10,000. This allows for greater access to veterans throughout Menominee County (it takes more than an hour to travel from the south end of the county to the north end) and allows our Veteran Service officers to travel to veterans instead of veterans always traveling to Menominee.

Third, we are requesting an increase in our equipment/supplies line items primarily to reflect the purchase of new laptops and associated equipment. Our original budget of \$1,200 included only a new

computer for our new position; however, it was noted that our services to veterans could be greatly increased if all of our Veterans Service Officers had laptops and the capability to scan/email/print documents for veterans in the county in a mobile format. This increase will allow Menominee County to upgrade all of the computer infrastructure and software in the Veterans Service Office and provide faster and more efficient service to our veterans both in the office and on the road. It also includes costs for supplies and misc. operating expenses necessary for the Veterans Service Officers to perform their job duties.

Lastly, we have included a capital outlay item for \$25,000. With the additional funds made available, we were able to look back and examine the greatest needs and struggles currently in our Veterans Service Office. The ability (and financial resources) to travel to other locations in Menominee County and meet with veterans is at the top of the list. As we have mentioned, Menominee County is a very large county geographically, and our current limited budgets for travel prevent our Veterans Service Officers from traveling as much as they would like to other locations in the county.

Currently, Menominee County reimburses our Veterans Service Officers for using their personal vehicles at the IRS rate of .58 per mile. We are requesting a \$25,000 capital outlay expense for the purchase of a vehicle for the Veterans Service Officer. Menominee County will maintain the vehicle and provide insurance; however, it is much cheaper to pay just for fuel instead of the IRS rate. This would allow our Veterans Service Officers for many years to be able to have greater access to veterans in Menominee County. We feel this expenditure is the best use of the funds to have a long-lasting impact for our Veterans Service Office, and provides the largest increase to services and accessibility for the funds available.

Menominee County would like to thank you for the grant assistance you have provided for 2018/2019. We are hopeful that with continued support we may be able to increase our part-time Veterans Service Officer to a full-time position, and provide additional outreach to veterans in our community. This grant is helping increase the level of services we are able to provide in Menominee County to our veterans.

2. Provide an updated budget for your request(s).

ATTACHED.

---

Project Director Signature (Grantee) Date

---

Project Director Signature (Grantee) Date

---

Christine Apostol, Chief Financial Officer Date  
Department of Military & Veterans Affairs

## 2018/2019 Budget - Amended

### SALARY

Position	FT/PT	Hourly Wage	Hours per Week	Annual Salary	Longevity	Health Insurance	Life Insurance	FICA	FICA-MED	Workers Compensation	Retirement	Total
Veterans Service Officer	P/T	\$ 17.00	24	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 800.00	\$ 200.00	\$ 125.00	\$ -	\$13,125.00
<b>TOTAL</b>												<b>13,125.00</b>

### TRAVEL/TRAINING

	Rate	Miles	Total
Mileage	\$ 0.580	10,000	\$ 5,800.00
VSO Accreditation			\$ 5,000.00
Memberships			\$ 1,000.00
Training			\$ 2,500.00
<b>TOTAL</b>			<b>14,300</b>

### EQUIPMENT/SUPPLIES

Description	Price	Quantity	Total
Laptops	\$ 800.00	2	\$ 1,600.00
Microsoft Office 2019	\$ 250.00	2	\$ 500.00
Docking Stations	\$ 250.00	2	\$ 500.00
Monitors	\$ 125.00	4	\$ 500.00
Wireless Keyboard & Mouse	\$ 50.00	2	\$ 100.00
IT Support & Setup	\$ 70.00	6	\$ 420.00
Printer	\$ 350.00	2	\$ 700.00
Office Supplies	\$ 750.00	\$	\$ 750.00
Misc. Operating	\$ 422.00	\$	\$ 422.00
<b>TOTAL</b>			<b>5,492.00</b>

### CAPITAL OUTLAY

Description	Total
Vehicle	\$ 25,000.00
<b>TOTAL</b>	<b>25,000.00</b>
<b>GRAND TOTAL</b>	<b>57,917.00</b>

## Jason Carviou

---

**From:** Jodie Barrette  
**Sent:** Friday, January 25, 2019 10:58 AM  
**To:** Sherry DuPont; Jason Carviou; Derick Robinette  
**Subject:** FW: IT Security Audit  
**Attachments:** Menominee Cyber Security Agreement 1-16-2019.pdf

**Importance:** High

CyberSecurity Proposal and Contract.

---

**From:** Donna Smigiel <DSmigiel@mgtconsulting.com>  
**Sent:** Friday, January 25, 2019 10:39 AM  
**To:** Jodie Barrette <JBarrette@Menomineeco.com>  
**Subject:** IT Security Audit  
**Importance:** High

Jodie: Attached please find our proposal and contract for the IT Security Audit for the FOC and PA. The total cost would be \$17,020 – this amount can now be direct billed through the CRP with 66% federal funding making the net cost to the county approximately \$6,500.

Pursuant to your CRP contract, the deadline for having this audit completed is September 2019 and every three years after.

We look forward to working with you on this project.

Please feel free to reach out with any concerns or questions.

Have a nice weekend!

**Donna J. Smigiel**

Manager

2343 Delta Road | Bay City, MI 48706

P 989.316.2220 | C 989.450.7701

[dsmigiel@mgtconsulting.com](mailto:dsmigiel@mgtconsulting.com)

[www.mgtconsulting.com](http://www.mgtconsulting.com)



## CONSULTING SERVICES AGREEMENT

By and Between  
Menominee County, Michigan  
and  
MGT of America Consulting, LLC

**THIS AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_ 2019, by and between Menominee County, Michigan ("Client"), and MGT of America Consulting, LLC, a Florida company ("MGT").

In consideration of the mutual covenants set forth in this Agreement, the parties agree as follows:

### 1. Description of Services.

MGT shall, as an independent contractor, provide the services specified in section 1.1 below ("the Services").

#### 1.1 Scope of Services

MGT shall provide a cyber security assessment in accordance with the proposal submitted to the Client dated 1-15-2019 which has been incorporated into this agreement as Exhibit A.

### 2. Compensation.

For its work under this Agreement, MGT shall be paid the following fixed fees as set out in Exhibit A:

- \$ 17,020 for the Cyber Security Risk Assessment Report
- \$ 1,200 not to exceed amount for Travel Expenses

#### 2.1 Invoicing

MGT will render to Client one invoice for \$ 17,020, plus travel expenses, upon delivery of the Security Risk Assessment Report.

Invoice payment will be due thirty (30) days after submission.

### 3. Additional Services.

Additional services may be provided to the Client as requested by the Client. Any request for additional services will be made in writing, will include a detailed scope of work, will be signed by each party, and will be included as an amendment to this agreement.

Additional services will be billed at an hourly rate of \$ 185.00 per hour. MGT will invoice client monthly for any additional services, with payment due 30 days after each submission unless otherwise identified in the mutually agreeable scope of work.

#### **4. Term and Termination.**

This agreement shall become effective upon its execution and delivery by the parties and shall remain in effect until completion of, and full payment for, the Services. This contract may be terminated prior to completion of the Services at the option of either party, upon delivery of written notice by the terminating party to the other party. In the event of early termination by Client, MGT shall be paid, upon invoicing in accordance with this Agreement, the agreed compensation (or if, due to termination, there is no agreed value for the services performed to date, MGT's standard hourly rates) for Services performed, plus expenses incurred, prior to termination.

#### **5. Independent Contractor Status**

The relationship of MGT to Client is that of an independent contractor, and nothing in this Agreement shall be construed as creating any other relationship. As an independent contractor, MGT shall comply with all laws relating to federal and state income taxes, associated payroll and business taxes, licenses and fees, workers compensation insurance, and all other applicable state and federal laws and regulations. Neither MGT nor anyone employed or subcontracted by MGT shall be, represent, act, purport to act, or be deemed to be an agent, representative, employee or servant to Client.

#### **6. Project Managers**

**Tony Martinez** shall serve as Principal in Charge for point of contact and overseeing quality control for MGT under this Agreement.

**Jodie Barrette**, shall serve as Project Managers and point of contact for Client under this Agreement.

By written notice to the other party, either party may change the identity of its project manager during the term of this Agreement.

#### **7. Miscellaneous**

##### **7.1. No Continuing Waiver**

The failure or forbearance by either party in exercising any remedy available to it upon a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or continuing breach by either party.

##### **7.2. Entire Agreement.**

This written Agreement represents the entire agreement of the parties, and neither party is relying upon any negotiation, representation, warranty, promise, or covenant not set forth in this Agreement. This Agreement may not be modified or amended except by a written instrument for that purpose duly executed by both parties.

##### **7.3. Subcontracting and Assignment.**

MGT may use subcontractors in performing the Services, but MGT shall remain responsible to Client for performance under this Agreement. This contract shall be binding upon and inure to the benefit of both Client and MGT and their respective successors and assigns, if any, and legal representatives.

##### **7.4. Interpretation, Venue, and Severability.**

This agreement shall be construed, interpreted, and enforced in accordance with Michigan law without regard to conflicts of laws principles. Should any provision of this Agreement be held invalid or unenforceable by final judgment of a court of competent jurisdiction, it is the parties' intention that the remainder of this Agreement shall nevertheless be given effect as written. Any action arising out of or relating to this Agreement may be brought in the Michigan state court having jurisdiction.

**7.5. Prior Performance.**

Services performed by MGT pursuant to Client's authorization, but before execution of this Agreement, shall be considered as having been performed pursuant to the terms and conditions of this Agreement.

**7.6. Notices.**

All written notices, demands or requests pursuant to this Agreement may be served (as an alternate to personal service) by registered or certified mail or air freight services that provide proof of delivery, with postage and fees thereon fully prepaid, and addressed to the parties so to be served as follows

If to MGT:

MGT of America Consulting, LLC.  
Attn: Tony Martinez  
2343 Delta Road  
Bay City, Michigan 48706

If to Client:

Menominee County Friend of the Court  
Attn: Jodie Barrette  
839 10<sup>th</sup> Ave.  
Menominee, MI 49858

Service of any such notice or demand so made by mail shall be deemed complete on the day of actual delivery as shown by the addressee's registry or certification receipt. Either party hereto may, from time to time, by written notice served upon the other as aforesaid, designate a different mailing address, or (a) different or additional person(s) to which or to whom all such notices or demands are thereafter to be addressed. Persons named to receive copies of notices are listed for accommodation only and are not required to be personally served to comply with service of notice on a party.

**IN WITNESS WHEREOF**, this agreement has been executed and delivered by Client and MGT on the date first written above.

**MENOMINEE COUNTY, MICHIGAN**

**MGT of AMERICA CONSULTING, LLC**

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

By: 

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

Name: J. Bradley Burgess

As its: \_\_\_\_\_

As its: Executive Vice President

Address: \_\_\_\_\_

Address: 2343 Delta Road

City/State/Zip: \_\_\_\_\_

City/State/Zip: Bay City, MI 48706

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

Date: 1-16-2019

**EXHIBIT A – INDEPENDENT SECURITY AUDIT PROPOSAL**

ORIGINAL

1/15/2019



SUBMITTED BY:

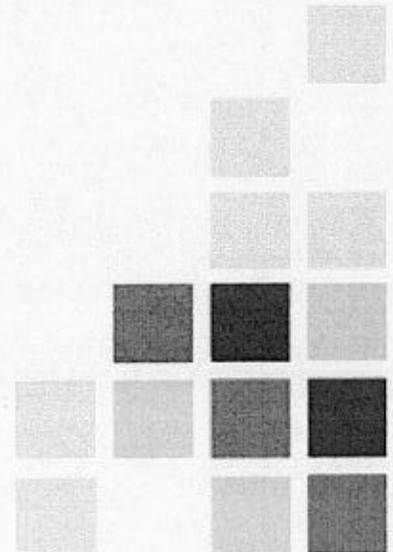
MR. TONY MARTINEZ  
VP, CYBER SECURITY SERVICES

813.454.8386

[tmartinez@mgtconsulting.com](mailto:tmartinez@mgtconsulting.com)

## MENOMINEE COUNTY INDEPENDENT SECURITY AUDIT:

- NIST 800-53
- OCSE SECURITY AGREEMENT
- IRS PUBLICATION 1075,
- DTMB TECHNICAL POLICIES, STANDARDS,  
& PROCEDURES, AND
- MDHHS-OCS SECURITY &  
CONFIDENTIALITY POLICIES



**TABLE OF CONTENTS**

1. INTRODUCTION .....	1
2. RESPONSE TO GENERAL REQUIREMENTS.....	2
REQUIREMENT INDEPENDENT SECURITY AUDIT .....	2
3. RISK ASSESSMENT SCOPE.....	<b>ERROR! BOOKMARK NOT DEFINED.</b>
3. PROJECT TIME REQUIREMENTS.....	8
3. MGT BACKGROUND & QUALIFICATIONS.....	9
4. COST PROPOSAL.....	10

## I. INTRODUCTION

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MGT Consulting Group (MGT) is pleased to present this proposal to provide Independent Information Security Audit Services for the entire County as well as in accordance with the requirements presented in the IV-D MEMORANDUM 2017-011 issued to all Prosecuting Attorney (PA) Office Directors and all Friend of the Court (FOC) Office Directors.

With a cyber security team bringing 18+ years of experience to our clients, we are confident this proposal delivers all key components required for an engagement of these characteristics, the critical project management back bone to ensure a successful delivery in a complex project scenario, and the strategic expertise to help the County meet, and surpass, compliance requirements as well as harden their overall security posture.

With a focus on evaluating overall security posture for FOC and PA through a comprehensive NIST-based security risk assessment including vulnerability scanning on their information environment, we will be optimizing this engagement to account for specific compliance requirements that must be addressed for specific departments within the county. These include:

- FOC and PA must meet the requirements set forth in the IV-D MEMORANDUM 2017-011, MGT's security team will follow defined industry best practices in order to perform a comprehensive independent security audit and provide the deliverables required by the OCS and MDHHS as well as IRS p 1075 (if applicable).

## 2. RESPONSE TO GENERAL REQUIREMENTS

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### REQUIREMENT SPECIFIC TO FOC AND PA INDEPENDENT SECURITY AUDIT

All FOC and PA Offices are required to perform an independent security audit to remain in compliance with Section 4.33(b) of the current (FY 2017) CRP agreement:

*At least once every three years, the Grantee must obtain an independent security audit that evaluates its compliance with the management, operational, and technical controls required by the OCSE Security Agreement, Internal Revenue Service (IRS) Publication 1075, DTMB Technical Policies, Standards, and Procedures, and MDHHS-OCS security and confidentiality policies. The audit must be conducted by an unbiased, independent entity. The entity must issue an audit report that includes detailed findings and recommendations to improve the Grantee's procedures, practices and systems in order to meet the control requirements. The Grantee must provide the report to MDHHS.*

#### SOLUTION:

MGT Consulting will provide an Information Security Risk Assessment and determine the degree to which information system security controls are correctly implemented, whether they are operating as intended, and whether they are producing the desired level of security.

In order to meet compliance requirements, we will leverage the security controls found in IRS publication 1075 (as needed), DTMB policies, standards and procedures, as well as the security and confidentiality policies provided by MDHHS-OCS.

#### KEY COMPONENTS OF THE INFORMATION SECURITY RISK ASSESSMENT PROCESS:

- **Project Initiation**
  - o Define project rules of engagement
  - o Review project schedule
  - o Define key project tasks and milestones
  - o Define project communications between MGT and County
- **Security Assessment Categories and Framework**

## 2. RESPONSE TO GENERAL REQUIREMENTS

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- (if applicable) IRS p 1075 security controls as stipulated in (“**Publication 1075 Tax Information Security Guidelines For Federal, State and Local Agencies. Safeguards for Protecting Federal Tax Returns and Return Information**”)
- DTMB Policies, Standards and Procedures
- MDHHS-OCS Security and Confidentiality Policies
- NIST SP 800-53 (as needed)
- **Data Gathering/Information Discovery**
  - Review of security assessment scope
  - Gathering of all security policy and procedure documentation as applicable to the security controls being assessed.
- **Management Controls Review**
  - Review of all managerial security controls per security standard
- **Operational Controls Review**
  - Review of all operational/administrative security controls per security standard
- **Technical Controls Review**
  - Review of all technical security controls per security standard
  - May include full penetration test if vulnerability scan brings up critical findings
- **Risk assessment Report Development & Submission**
  - Completion of assessment report with all relevant findings

### RISK ASSESSMENT REPORT: WHAT TO EXPECT?

- A documented list of in-scope inventory, listing all system components and establishing the system boundary for the purposes of the Report;
- Documentation of the system's policies and procedures, and details of its operation;
- List of threat / vulnerability pairs, with severity of impact and likelihood of occurrence;
- List of safeguards for controlling these threats and vulnerabilities and outcomes of control review;
- List of recommended changes, with approximate levels of effort for each;
- The level of residual risk that would remain after the recommended changes are implemented.
- Attestation of compliance and narrative regarding current state.



### VULNERABILITY ASSESSMENT OVERVIEW (FOR REFERENCE):

Due to the importance of the vulnerability assessment task within a comprehensive risk assessment, we are including a detailed breakdown of this process for reference.

#### Best Practices Implementation

Our team utilizes a number of recognized Information Security best practices and standards while providing services to our clients. Some of the main standards include:

- IEC/ISO 27000 Series (Security Management and Control).
- National Institute of Standards and Technology (NIST) – Computer Security Standards.
- SANS Institute Guidance – Testing Methodologies and Approaches.
- Open Web Application Security Project (OWASP) – Web Application Testing and Assessment.
- Open Source Security Testing Methodology Manual (OSSTMM) – Methodology for performing security tests and metrics.
- Payment Card Industry Data Security Standard (PCI-DSS).
- Information Systems Security Assessment Framework (ISSAF) – Methodology for information system security assessments.
- Penetration Testing Framework v0.58 – Community updated penetration testing framework.

#### Actions / Approach

Our assessments are conducted with the use of both non-intrusive and robust commercial scanning tools and manual tests by our team of experts who will provide comprehensive infrastructure reports of active IP systems. When necessary, open-source tools are used to validate certain checks to remove any false positives.

#### Software / Tools

Our choice of tools and techniques will enable us to identify and map network devices, to determine if the IT infrastructure services implement sufficient security measures to protect sensitive corporate information. Our choice of VA scanning tools combined with the knowledge of our expert Penetration Testers and risk assessors will help to determine the level of security and evaluate how vulnerable the identified systems are to potential system attacks, penetration, and information loss due to external hacker threats or internal malicious/curious network usage.

We conduct our testing using recognized frameworks such as OSSTMM<sup>1</sup>, PTES<sup>2</sup>, and NIST<sup>3</sup>. Our consultants are authorized, trained, and licensed to use the following commercial packages as well as other popular solutions, all driven by project requirements:

- SAINT Scanner/Exploit ([www.saintcorporation.com](http://www.saintcorporation.com)).

<sup>1</sup> Open Source Security Testing Methodology Manual (<http://www.isecom.org/research/osstmm.html>)

<sup>2</sup> Penetration Testing Execution Standard ([http://www.pentest-standard.org/index.php/Main\\_Page](http://www.pentest-standard.org/index.php/Main_Page))

<sup>3</sup> National Institute of Standards and Technology (<http://csrc.nist.gov/publications/nistpubs/800-115/SP800-115.pdf>)

## 2. RESPONSE TO GENERAL REQUIREMENTS

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- BurpSuite Pro (<http://portswigger.net/burp/>).
- Nessus ([www.nessus.org](http://www.nessus.org)).
- Cobalt Strike ([www.advancedpentest.com](http://www.advancedpentest.com)).
- Acunetix Web Application Security ([www.acunetix.com](http://www.acunetix.com)).

In addition to the commercial software, the following open source tools/distributions will be used, as required:

- **Kali 1.x** – Linux distribution aimed at penetration testing and digital forensics. These toolkits include a wide range of software to aid a tester in testing networks and applications for vulnerabilities and using the results to penetrate a network. Kali contains a wide variety of open source tools for use during penetration testing including:
  - MetaSploit Framework.
  - BurpSuite.
  - w3af – open source web application security scanner.
  - nmap.
  - CSRFTester.
  - WebScarab
- **Samurai** – a live Linux environment that has been pre-configured to function as a web pen-testing environment. While similar to the BackTrack distribution, this framework focuses on Web Application testing.

### **Methodology and Approach (manual penetration testing components only if scan finds critical vulnerabilities)**

- Our approach consists of several defined phases with key subtasks below them:
  1. Kick-Off, Scheduling, and Deliverables.
  2. Vulnerability scanning.
  3. Penetration testing plan.
  4. Definition of penetration testing tools
  5. Schedule review external vs internal tests.
  6. Penetration testing plan execution.
  7. Analysis and recommendations: Remediation and Guidance.
  8. Reporting.
  9. Complimentary re-scanning.
    - 1) **Kick-Off, Scheduling, and Deliverables**
      - Definition of stakeholders
      - Scheduling of primary tasks and data gathering
      - Confirm communication guidelines
      - Deliverable schedule
    - 2) **Vulnerability Scanning**

## 2. RESPONSE TO GENERAL REQUIREMENTS



- Initial scan of environment according to client sample of IPs/overall IS environment

### 3) Penetration Testing Plan

- Define penetration test schedule. Primarily define internal vs external plans and define valid sample-to-test system.

### 4) Definition of Penetration Testing Tools

- We use a combination of commercial and open source tools. The advantage to using open source tools is they are often designed for a specific purpose and therefore have a narrow focus, and they are also the tools most likely to be used by hackers and malicious users. Commercial tools will be used to provide a higher level of assurance in scanning results, and to confirm results from open source tools.

### 5) Schedule Review External vs. Internal Tests

- We understand this is a delicate process and often it becomes challenging to keep management in the loop. Project management and transparency are critical in our process making sure you are aware of our activities resulting in no unwanted surprises.

### 6) Penetration Testing Plan Execution

- Reconnaissance.
- Enumeration.
- Vulnerability Assessment.
- Penetration Test (network and web applications) Internal and External.

### 7) Analysis and Recommendations: Remediation and Guidance

- Overall findings
- External and Internal testing results

#### Key Penetration Test Phases (Deep Dive)

- Definition of External Test Conditions (Black Box/Grey Box/White Box).
- Surveying and Discovery.
  - Definition of digital foot print or sample IP list provided by the County POC (IP search, social, crawls, etc.).
  - Network mapping and discovery.
  - Available services mapping.
  - Topology.
- Enumeration and Target Identification.
  - Define service functions and their purpose.
  - Tools and techniques based on findings.

## 2. RESPONSE TO GENERAL REQUIREMENTS



- Definition of targets based on criticality.
- Vulnerability Scanning and Assessment
  - Execute vulnerability scanning.
  - Execute secondary scans using additional scanning tool.
  - Manual tasks according to scan results.
- Penetration test, Exploitation, and Verification.
  - (As requested by client) Manual exploitation of critical services, systems, or applications.
  - Verification of critical findings.
  - Elimination of false positives and error mitigation.

### KEY MILESTONES:

- Discovery and Data Gathering
- Interview and Questionnaires with key Stakeholders within IT
- Interview and Questionnaires with Key Stakeholders within County Departments
- Onsite Visit
- Complete Review of Security Controls per NIST Standards
- Penetration Testing: External and Internal Network, Web Apps, Wireless
- Initial Remediation Guidance and Knowledge for Critical Findings
- Report Development
- Report Submission and De-brief
- Complimentary Re-Testing After Remediation

### 3. PROJECT TIME REQUIREMENTS

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Per the County's request, we will be providing time requirements for an FOC and PA Assessment, only.

MGT anticipates the following timeline for the completion of the work:

- FOC and PA Security Risk Assessment:
  - o Deliverable: Risk Assessment Report following IRS p 1075 standards (if applicable), DTMB Technical Policies, Standards, and Procedures, and MDHHS-OCS security and confidentiality policies.
  - o Time for Completion: **92 hours**



### 3. MGT BACKGROUND & QUALIFICATIONS

MGT was established in 1974 by a group of former public sector employees to provide management consulting services to assist state and local governments clients operate more efficiently, effectively, and with more accountability to the communities they serve. For over 42 years, MGT has provided high quality management consulting services to government agencies nationwide and is dedicated to providing the most creative yet practical solutions to the challenges faced by public organizations and entities.

Since its founding in Tallahassee, Florida, MGT has grown to include offices around the country as evidenced below.

**FLORIDA**

Tallahassee | Tampa

**CALIFORNIA**

Sacramento | Pasadena

**COLORADO**

Centennial

**KANSAS**

Wichita

**MICHIGAN**

Bay City

**TEXAS**

Austin

**WASHINGTON**

Olympia



MGT offers an impartial perspective of the outcomes and findings. As an independent entity, our only vested interest is that of the clients; therefore, we apply our extensive experience to generating objective independent solutions to assist our client needs.

MGT understands lasting and meaningful changes require innovative and bold thinking, and we do not shy away from questioning everything from organizational structures and work processes to the very statutes and ordinances that create and guide the work of an agency or institution. MGT is committed to offering useful recommendations that achieve real results and is ever mindful of the practical and political realities an organization may face.

Our information security and compliance solutions are centered on helping public and private organizations build and optimize a security and risk management program, harden their overall information systems, meet regulatory compliance across all industries, and more effectively and efficiently achieve their goals and serve constituents (using security as an organizational tool). Our team of certified information security experts is committed to helping our clients make cyber security a core competency.

**Team Certifications:**

**CISSP, GPEN, GWAPT, QSA, C|EH, GICSP, GMOB, GCIH, GCFE, OPST.**

#### 4. COST PROPOSAL

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## 4. COST PROPOSAL

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Below is a breakdown of the time allocations for each key task within the independent security risk assessment:

Key Task	FOC/PA Time
- Risk Assessment Questionnaires (key personnel)	10
- Risk Assessment Interview (key personnel)	24
- Policy and Procedure Review	8
- External Scan	14
- Internal Scan/Penetration Test	14
- Web Apps Penetration Test	0
- Wireless Access Point Test	0
- Report Development	12
Total	92 hours

	FOC/PA Cost
TOTAL COST: SECURITY RISK ASSESSMENT	\$17,020

Travel Expenses:

- NOT to exceed \$1,200.



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**Statement of Fiduciary Net Position  
For the Year Ending 12/31/2018**

Customer Number: 550201

Bargaining Unit	Reserve for Employee Contributions					Balance as of 12/31/2018
	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	
55020110	\$35,177.97	\$0.00	\$0.00	\$0.00	\$925.17	\$36,103.14
55020115	\$5,870.17	\$0.00	(\$5,870.17)	\$0.00	\$0.00	\$0.00
55020116	\$184,702.28	\$17,294.02	(\$28,886.52)	\$0.00	\$4,127.33	\$177,237.11
55020120	\$296,868.68	\$19,133.60	(\$15,341.52)	\$0.00	\$7,423.12	\$308,083.88
55020123	\$227,470.69	\$13,668.48	\$0.00	\$0.00	\$5,982.48	\$247,121.65
<b>Total</b>	<b>\$750,089.79</b>	<b>\$50,096.10</b>	<b>(\$50,098.21)</b>	<b>\$0.00</b>	<b>\$18,458.10</b>	<b>\$768,545.78</b>

**Reserve for Employer Contributions and Benefit Payments**

Bargaining Unit	Reserve for Employer Contributions and Benefit Payments					Balance as of 12/31/2018
	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	
55020101	\$756,474.59	\$6,123.00	\$0.00	(\$56,949.76)	(\$28,097.28)	\$676,118.31
55020102	\$234,471.95	\$1,212.00	\$0.00	(\$41,017.56)	(\$7,698.14)	\$186,544.00
55020110	\$4,256,494.97	\$99,891.00	\$0.00	(\$294,395.57)	(\$164,670.58)	\$3,889,090.61
55020115	\$248,801.23	\$756.00	\$5,870.17	(\$2,882.94)	(\$10,110.14)	\$241,933.50
55020116	\$5,423,772.69	\$306,456.00	\$28,886.52	(\$451,367.88)	(\$221,952.94)	\$5,074,955.51
55020117	\$121,246.05	\$97,115.00	\$38,992.66	(\$70,751.88)	(\$7,692.52)	\$178,606.12
55020118	\$975,803.21	\$68,880.00	\$0.00	(\$68,312.89)	(\$38,849.37)	\$935,614.95
55020120	\$4,147,592.63	\$264,495.00	\$15,341.52	(\$356,731.02)	(\$181,225.93)	\$3,880,861.70
55020123	\$2,114,138.15	\$97,782.00	\$0.00	\$0.00	(\$104,092.39)	\$2,103,137.11
550201HA	\$36,726.03	\$2,140.00	(\$38,992.66)	\$0.00	\$158.54	\$0.00
<b>Total</b>	<b>\$18,315,521.50</b>	<b>\$944,850.00</b>	<b>\$50,098.21</b>	<b>(\$1,342,409.50)</b>	<b>(\$764,230.75)</b>	<b>\$17,166,861.81</b>

**Combined Reserves**

Balance as of 12/31/2017	Combined Reserves			Balance as of 12/31/2018
	Invoiced & Other Contributions	Transfers	Benefits Paid	
\$19,065,611.29	\$994,946.10	\$0.00	(\$1,342,409.50)	\$17,935,407.59

Outstanding Accounts Receivable at 12/31/2018: \$75,330.49



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**Statement of Fiduciary Net Position  
For the Quarter Ended 03/31/2018**

Customer Number: 550201

Bargaining Unit	Reserve for Employee Contributions					Balance as of 3/31/2018
	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	
55020110	\$35,177.97	\$0.00	\$0.00	\$0.00	\$0.00	\$35,177.97
55020115	\$5,870.17	\$0.00	\$0.00	\$0.00	\$0.00	\$5,870.17
55020116	\$184,702.28	\$4,815.20	\$0.00	\$0.00	\$0.00	\$189,517.48
55020120	\$296,868.68	\$5,264.76	\$0.00	\$0.00	\$0.00	\$302,133.44
55020123	\$227,470.69	\$3,630.01	\$0.00	\$0.00	\$0.00	\$231,100.70
<b>Total</b>	<b>\$750,089.79</b>	<b>\$13,709.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$763,799.76</b>

**Reserve for Employer Contributions and Benefit Payments**

Bargaining Unit	Reserve for Employer Contributions and Benefit Payments					Balance as of 3/31/2018
	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	
55020101	\$756,474.59	\$1,545.00	\$0.00	(\$14,589.46)	\$3,258.49	\$746,282.10
55020102	\$234,471.95	\$0.00	\$0.00	(\$10,254.39)	\$1,010.32	\$225,099.68
55020110	\$4,256,494.97	\$30,408.00	\$0.00	(\$71,231.70)	\$18,486.86	\$4,231,848.40
55020115	\$248,801.23	\$42.00	\$0.00	\$0.00	\$1,097.54	\$249,800.34
55020116	\$5,423,772.69	\$73,593.00	\$0.00	(\$104,518.92)	\$24,159.91	\$5,413,983.10
55020117	\$121,246.05	\$26,751.00	\$0.00	(\$17,687.97)	\$522.24	\$130,766.32
55020118	\$975,803.21	\$17,334.00	\$0.00	(\$15,456.70)	\$4,203.60	\$981,357.47
55020120	\$4,147,592.63	\$65,511.00	\$0.00	(\$87,179.49)	\$19,145.83	\$4,142,672.68
55020123	\$2,114,138.15	\$27,453.00	\$0.00	\$0.00	\$10,088.92	\$2,150,405.70
550201HA	\$36,726.03	\$1,284.00	\$0.00	\$0.00	\$158.25	\$38,148.18
<b>Total</b>	<b>\$18,315,521.50</b>	<b>\$243,921.00</b>	<b>\$0.00</b>	<b>(\$320,918.63)</b>	<b>\$82,131.96</b>	<b>\$18,310,363.97</b>

**Combined Reserves**

Total	Combined Reserves			Balance as of 3/31/2018
	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers	
	\$19,065,611.29	\$257,630.97	\$0.00	\$19,074,163.73

Outstanding Accounts Receivable at 3/31/2018: \$87,102.63



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**Statement of Fiduciary Net Position  
For the Quarter Ended 06/30/2018**

Customer Number: 550201

**Reserve for Employee Contributions**

Bargaining Unit	Balance as of 3/31/2018	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 6/30/2018
55020110	\$35,177.97	\$0.00	\$0.00	\$0.00	\$0.00	\$35,177.97
55020115	\$5,870.17	\$0.00	\$0.00	\$0.00	\$0.00	\$5,870.17
55020116	\$189,517.48	\$4,420.45	(\$28,394.80)	\$0.00	\$0.00	\$165,543.13
55020120	\$302,133.44	\$4,633.92	(\$15,162.26)	\$0.00	\$0.00	\$291,605.10
55020123	\$231,100.70	\$3,006.88	\$0.00	\$0.00	\$0.00	\$234,107.58
<b>Total</b>	<b>\$763,799.76</b>	<b>\$12,061.25</b>	<b>(\$43,557.06)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$732,303.95</b>

**Reserve for Employer Contributions and Benefit Payments**

Bargaining Unit	Balance as of 3/31/2018	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 6/30/2018
55020101	\$746,282.10	\$1,545.00	\$0.00	(\$14,439.21)	\$8.54	(\$338.51)	\$733,057.92
55020102	\$225,099.68	\$0.00	\$0.00	(\$10,254.39)	\$2.54	(\$100.75)	\$214,747.08
55020110	\$4,231,848.40	\$30,408.00	\$0.00	(\$72,865.20)	\$49.02	(\$1,940.44)	\$4,187,499.78
55020115	\$249,800.34	\$42.00	\$0.00	\$0.00	\$2.96	(\$116.99)	\$249,728.31
55020116	\$5,413,983.10	\$73,593.00	\$28,394.80	(\$104,518.92)	\$64.46	(\$2,551.22)	\$5,408,965.22
55020117	\$130,786.32	\$27,179.00	\$38,992.66	(\$17,687.97)	\$1.86	(\$65.28)	\$179,186.39
55020118	\$981,357.47	\$17,334.00	\$0.00	(\$17,618.73)	\$11.30	(\$447.44)	\$980,636.60
55020120	\$4,142,672.68	\$65,511.00	\$15,162.26	(\$87,179.49)	\$51.14	(\$2,023.83)	\$4,134,193.76
55020123	\$2,150,405.70	\$27,453.00	\$0.00	\$0.00	\$27.64	(\$1,093.68)	\$2,176,792.66
550201HA	\$38,148.18	\$856.00	(\$38,992.66)	\$0.00	\$0.29	(\$11.81)	\$0.00
<b>Total</b>	<b>\$18,310,363.97</b>	<b>\$243,921.00</b>	<b>\$43,557.06</b>	<b>(\$324,563.91)</b>	<b>\$219.55</b>	<b>(\$8,689.95)</b>	<b>\$18,264,807.72</b>

**Combined Reserves**

	Balance as of 3/31/2018	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 6/30/2018
<b>Total</b>	<b>\$19,074,163.73</b>	<b>\$255,982.25</b>	<b>\$0.00</b>	<b>(\$324,563.91)</b>	<b>\$219.55</b>	<b>(\$8,689.95)</b>	<b>\$18,997,111.67</b>

Outstanding Accounts Receivable at 6/30/2018: \$85,592.17



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**Statement of Fiduciary Net Position**  
For the Quarter Ended 09/30/2018

Customer Number: 550201

Reserve for Employee Contributions						
Bargaining Unit	Balance as of 6/30/2018	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 9/30/2018
55020110	\$35,177.97	\$0.00	\$0.00	\$0.00	\$0.00	\$35,177.97
55020115	\$5,870.17	\$0.00	(\$5,870.17)	\$0.00	\$0.00	\$0.00
55020116	\$165,543.13	\$4,280.36	(\$491.72)	\$0.00	\$0.00	\$169,331.77
55020120	\$291,605.10	\$4,700.28	(\$179.26)	\$0.00	\$0.00	\$296,126.12
55020123	\$234,107.58	\$3,688.87	\$0.00	\$0.00	\$0.00	\$237,796.45
<b>Total</b>	<b>\$732,303.95</b>	<b>\$12,669.51</b>	<b>(\$6,541.15)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$738,432.31</b>

Reserve for Employer Contributions and Benefit Payments							
Bargaining Unit	Balance as of 6/30/2018	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 9/30/2018
55020101	\$733,057.92	\$1,545.00	\$0.00	(\$14,439.21)	\$8,033.89	(\$327.53)	\$727,870.07
55020102	\$214,747.08	\$0.00	\$0.00	(\$10,254.39)	\$2,320.18	(\$94.59)	\$206,718.28
55020110	\$4,187,499.78	\$30,408.00	\$0.00	(\$72,476.74)	\$46,392.11	(\$1,891.39)	\$4,189,931.76
55020115	\$249,728.31	\$42.00	\$5,870.17	\$0.00	\$2,826.70	(\$115.24)	\$258,351.94
55020116	\$5,408,965.22	\$73,593.00	\$491.72	(\$121,165.02)	\$61,210.03	(\$2,495.48)	\$5,420,599.47
55020117	\$179,186.39	\$28,035.00	\$0.00	(\$17,687.97)	\$1,962.58	(\$80.00)	\$191,416.00
55020118	\$980,636.60	\$17,334.00	\$0.00	(\$17,618.73)	\$10,797.22	(\$440.20)	\$990,708.89
55020120	\$4,134,193.76	\$65,511.00	\$179.26	(\$91,186.02)	\$48,646.48	(\$1,983.28)	\$4,155,361.20
55020123	\$2,176,792.66	\$27,453.00	\$0.00	\$0.00	\$26,745.18	(\$1,090.38)	\$2,229,900.46
550201HA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$18,264,807.72</b>	<b>\$243,921.00</b>	<b>\$6,541.15</b>	<b>(\$344,828.08)</b>	<b>\$208,934.37</b>	<b>(\$8,518.09)</b>	<b>\$18,370,858.07</b>

Combined Reserves							
	Balance as of 6/30/2018	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 9/30/2018
<b>Total</b>	<b>\$18,997,111.67</b>	<b>\$256,590.51</b>	<b>\$0.00</b>	<b>(\$344,828.08)</b>	<b>\$208,934.37</b>	<b>(\$8,518.09)</b>	<b>\$19,109,290.38</b>

Outstanding Accounts Receivable at 9/30/2018: \$84,957.31



1134 Municipal Way  
Lansing, MI 48917  
(800) 767-6377

Joann Klumb  
Menominee County  
839 10th Ave.  
Menominee, MI 49858

Customer Number: 550201 **Statement of Fiduciary Net Position**  
**For the Quarter Ended 12/31/2018**

Reserve for Employee Contributions						
Bargaining Unit	Balance as of 9/30/2018	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 12/31/2018
55020110	\$35,177.97	\$0.00	\$0.00	\$0.00	\$925.17	\$36,103.14
55020115	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
55020116	\$169,331.77	\$3,778.01	\$0.00	\$0.00	\$4,127.33	\$177,237.11
55020120	\$296,126.12	\$4,534.64	\$0.00	\$0.00	\$7,423.12	\$308,083.88
55020123	\$237,796.45	\$3,342.72	\$0.00	\$0.00	\$5,982.48	\$247,121.65
<b>Total</b>	<b>\$738,432.31</b>	<b>\$11,655.37</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$18,458.10</b>	<b>\$768,545.78</b>

Reserve for Employer Contributions and Benefit Payments							
Bargaining Unit	Balance as of 9/30/2018	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2018
55020101	\$727,870.07	\$1,488.00	\$0.00	(\$13,481.88)	(\$39,398.20)	(\$359.68)	\$676,118.31
55020102	\$206,718.28	\$1,212.00	\$0.00	(\$10,254.39)	(\$11,031.18)	(\$100.71)	\$186,544.00
55020110	\$4,189,931.76	\$8,667.00	\$0.00	(\$77,821.93)	(\$229,598.57)	(\$2,087.65)	\$3,889,090.61
55020115	\$258,351.94	\$630.00	\$0.00	(\$2,882.94)	(\$14,037.34)	(\$128.16)	\$241,933.50
55020116	\$5,420,599.47	\$85,877.00	\$0.00	(\$121,165.02)	(\$307,387.34)	(\$2,768.60)	\$5,074,955.51
55020117	\$191,416.00	\$15,150.00	\$0.00	(\$17,887.97)	(\$10,179.00)	(\$92.91)	\$178,606.12
55020118	\$990,708.89	\$16,878.00	\$0.00	(\$17,618.73)	(\$53,861.49)	(\$491.72)	\$935,614.95
55020120	\$4,155,361.20	\$67,982.00	\$0.00	(\$91,186.02)	(\$249,069.38)	(\$2,206.10)	\$3,880,861.70
55020123	\$2,229,900.46	\$15,423.00	\$0.00	\$0.00	(\$140,954.13)	(\$1,232.22)	\$2,103,137.11
550201HA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$18,370,858.07</b>	<b>\$213,087.00</b>	<b>\$0.00</b>	<b>(\$352,098.88)</b>	<b>(\$1,055,516.63)</b>	<b>(\$9,467.75)</b>	<b>\$17,186,861.81</b>

Combined Reserves							
	Balance as of 9/30/2018	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2018
<b>Total</b>	<b>\$19,109,290.38</b>	<b>\$224,742.37</b>	<b>\$0.00</b>	<b>(\$352,098.88)</b>	<b>(\$1,037,058.53)</b>	<b>(\$9,467.75)</b>	<b>\$17,935,407.59</b>

Outstanding Accounts Receivable at 12/31/2018: \$75,330.49

# Defined Benefit Plan Surplus Division Adoption Addendum



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

The Municipal Employees' Retirement System of Michigan ("MERS")

and \_\_\_\_\_, # \_\_\_\_\_  
(Municipality name) (Municipality number)

entered into an Adoption Agreement effective \_\_\_\_\_; and  
(Month, Year)

Employer may elect to remit Contributions to its reserve account with MERS in excess of the annual required Employer Contributions as determined by MERS' actuary, or in excess of the amount currently due from Employer, without such amounts being immediately attributable to the reserve of its employee divisions ("Surplus Contributions"). MERS has advised Employer that in order to accomplish this, MERS must establish a Surplus Division to account such Surplus Contributions.

To establish the Surplus Division(s) and memorialize the terms and conditions agreed to by MERS and Employer concerning their establishment, Employer and MERS hereby enter into this Surplus Contribution Addendum to Employer's Adoption Agreement ("Addendum"), to be effective as of the date set out above.

**I MERS Establishment of Surplus Division:** Commencing on the effective date of this Addendum, MERS shall establish the following Surplus Division(s) for Employer:

Associated Surplus Divisions:

- a) Surplus Division \_\_\_\_\_, to be associated with \_\_\_\_\_.
- b) Surplus Division \_\_\_\_\_, to be associated with \_\_\_\_\_.
- c) Surplus Division \_\_\_\_\_, to be associated with \_\_\_\_\_.

Unassociated Surplus Divisions:

- d) Surplus Division \_\_\_\_\_, to be unassociated with any Employee Division.
- e) Surplus Division \_\_\_\_\_, to be unassociated with any Employee Division.
- f) Surplus Division \_\_\_\_\_, to be unassociated with any Employee Division.

**II Employer Remittance of Surplus Contributions:** At Employer's sole and exclusive discretion (which shall include Employer's obligations under terms agreed to by Employer in the course of collective bargaining, if any), Employer may remit contributions to MERS that Employer expressly designates as Surplus Contributions, specifying the appropriate Surplus Division to which they are to be credited. It is understood by Employer that, once remitted to MERS, Surplus Contributions are not and shall never be refundable to Employer, nor used for any purpose other than the funding of its obligations for MERS benefits accrued by employees of Employer.

# Defined Benefit Plan Surplus Division Adoption Addendum

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**III MERS' Crediting of Surplus Contributions:** Upon receipt from Employer of Employer Contributions designated as Surplus Contributions, MERS shall credit such amounts to the Surplus Division designated by Employer.

**IV Treatment of Surplus Contributions for Actuarial Purposes:** Surplus Contributions reflected in one or more Surplus Division established by MERS as directed by Employer shall be treated as follows for actuarial purposes:

- a) They shall not be included in the determination of the annual Employer Contributions requirement for any Employee Division, and
- b) They shall be included in the determination of the Employer's overall funded status.

**V Employer Use of Surplus Contributions:** At any time, upon 30 days' advance written notice to MERS, Employer may direct MERS to use the Surplus Contributions currently reflected in one or more established Surplus Division(s) be used by Employer as follows:

- a) Employer may transfer Surplus Contributions reflected in an Unassociated Surplus Division to one or more Employee Division(s).
- b) Employer may transfer Surplus Contributions reflected in an Assigned Surplus Division to such Employee Division.
- c) Employer may redesignate any Surplus Division (whether Associated or Unassociated) to either an Associated Surplus Division or to an Unassociated Surplus Division, as applicable.

Employer is solely responsible for any decision(s) it makes under Section V, and Employer agrees that by entering into this Addendum, it shall indemnify and hold MERS harmless from any claim, challenge, or litigation arising from its actions under Section V, including costs and attorneys' fees.

Once Surplus Contributions are transferred to an Employee Division, they may not thereafter be recharacterized as Surplus Contributions or transferred back to a Surplus Division.

**VI Recharacterization of Contributions:** By written notice to MERS, Employer may make a one-time election to transfer Employer Contributions it remitted prior to the effective date of this Addendum that were in excess of the amount then due from Employer from an Employer Division to one or more Surplus Division(s) established by this Addendum, and recharacterize those amounts as Surplus Contributions. Employer may make the election described herein only once.

**VII Rights of MERS:** At any time following the occurrence of any or all of the following, MERS reserves the right to transfer some or all of the Surplus Contributions reflected in an Employer's Reserves to one or more Employee Division(s) of such Employer:

- a) Employer has defaulted on some or all of its contribution obligations to MERS.
- b) Employer has filed for or is otherwise subject to bankruptcy protection or receivership.
- c) An emergency manager or similar oversight authority has been appointed to conduct Employer's financial affairs.

# Defined Benefit Plan Surplus Division Adoption Addendum

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**VIII Continuation of Adoption Agreement:** Except for the terms and conditions of this Addendum, all other terms and conditions of the Adoption Agreement, as it may be or may have been amended from time to time, shall continue unchanged.

IN WITNESS WHEREOF, this Addendum is entered into by MERS and Employer by signature of the authorized parties below:

## Employer Approving Authority

Signature: \_\_\_\_\_ on \_\_\_\_\_  
(Name of approving representative) (Date)

Employer Printed Name: \_\_\_\_\_

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

## MERS Approving Authority

Signature: \_\_\_\_\_ on \_\_\_\_\_  
(Date)

MERS Printed Name: \_\_\_\_\_

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