CHAIRPERSON
KARA HOPE

VICE-CHAIRPERSON
SARAH ANTHONY

VICE-CHAIRPERSON PRO-TEM
RANDY MAIVILLE

COUNTY SERVICES COMMITTEE
DEB NOLAN, CHAIR
CAROL KOENIG
VICTOR CELENTINO
REBECCA BAHAR-COOK
PENELOPE TSERNOGLOU
KARA HOPE
RANDY MAIVILLE

INGHAM COUNTY BOARD OF COMMISSIONERS

P.O. Box 319, Mason, Michigan 48854 Telephone (517) 676-7200 Fax (517) 676-7264

THE COUNTY SERVICES COMMITTEE WILL MEET ON TUESDAY, SEPTEMBER 20, 2016 AT 6:00 P.M., IN THE PERSONNEL CONFERENCE ROOM (D & E), HUMAN SERVICES BUILDING, 5303 S. CEDAR, LANSING.

Agenda

Call to Order
Approval of the August 30, 2016 Minutes
Additions to the Agenda
Limited Public Comment

1. Clerk's Office
   a. Resolution to Authorize Entering into a Three-Year Contract with the State of Michigan Department of Health and Human Services (MDHHS) for the Use of the Michigan Centralized Birth Certification System (MiCBCS) and Adding Applicable Fees to Established Certified Copy Fees to Cover the System-Access Cost
   b. Resolution Authorizing $10.00 Fee for Veteran Identification Cards to be Issued by the Ingham County Clerk

2. Economic Development - Resolution Setting a Final Public Hearing for Community Development Block Grant MSC 213045-EDJT Orchid Orthopedic Solutions, LLC Job Training Project

3. Equalization Office - Resolution Honoring Ron Helsel

4. Innovation and Technologies Department - Resolution to Approve the Purchase of Darktrace

5. Facilities Department
   a. Resolution Amending Resolution #16-267 to Add a Day Porter at Forest Community Health Center
   b. Resolution Authorizing Amending Resolution #16-267 for RNA Facilities Management Janitorial Services

6. Road Department
   a. Resolution Authorizing the Purchase of 2016-2017 Winter Season Supply of Plow/Grader Blade Cutting Edges for the Road Department
   b. Resolution to Approve Local Road Program Agreement with Delhi Township for the Ingham County Road Department
   c. Resolution to Amend Resolution #16-331 which Authorized a Second Party and Third-Party Agreements

d. Resolution to Approve the Special and Routine Permits for the Ingham County Road Department
e. Resolution Honoring Road Department Operations Director James Benjamin on the Event of His Retirement

7. Parks
   a. Resolution Approving the Application Form for the Trails and Parks Program Application
   b. Resolution Approving the Scoring/Ranking Criteria for the Trails and Parks Program Application

8. Register of Deeds - Resolution to Authorize an Extension of the Agreement with Fidlar Technologies for a Record Management Software System for the Register of Deeds Office

9. Human Resources
   a. Resolution Approving a Letter of Understanding with United Automobile Aerospace and Agricultural Implement Workers of America (UAW-TOPS) Regarding the Medical Assistant Classification
   b. MERS Service Transition (*Discussion*)

10. Controller
   a. Resolution to Proceed with Plans for Constructing, Equipping, and Financing a New County Animal Shelter Facility
   b. Resolution to Approve a Debt Financing Policy
   c. Authorization to Start a Managerial Employee Above Step 2
   d. Resolution to Terminate an Agreement between Ingham County and the Potter Park Zoological Society
   e. Potter Park Zoo Reorganization (*Discussion*)
   f. Rayner Park Lease Agreement (*Closed Session*)
   g. Jane Dickson Coffman Trust (*Closed Session*)
   h. ICEA Park Ranger Unit Settlement Resolution (*Closed Session*)

11. Board of Commissioners
   a. Resolution Approving Modifications to the 2016 Managerial and Confidential Employee Personnel Manual
   b. Resolution Recognizing Hispanic Heritage Month and Celebrating the Heritage and Culture of Latinos in Ingham County and Latinos in the United States

Announcements
Public Comment
Adjournment

PLEASE TURN OFF CELL PHONES OR OTHER ELECTRONIC DEVICES OR SET TO MUTE OR VIBRATE TO AVOID DISRUPTION DURING THE MEETING

The County of Ingham will provide necessary reasonable auxiliary aids and services, such as interpreters for the hearing impaired and audio tapes of printed materials being considered at the meeting for the visually impaired, for individuals with disabilities at the meeting upon five (5) working days notice to the County of Ingham. Individuals with disabilities requiring auxiliary aids or services should contact the County of Ingham in writing or by calling the following: Ingham County Board of Commissioners, P.O. Box 319, Mason, MI 48854 Phone: (517) 676-7200. A quorum of the Board of Commissioners may be in attendance at this meeting. Meeting information is also available on line at www.ingham.org.

COUNTY SERVICES COMMITTEE
August 30, 2016
Draft Minutes

Members Present: Nolan, Bahar-Cook, Hope, Maiville, and Tsernoglou

Members Absent: Celentino and Koenig

Others Present: Commissioner Teri Banas, Tim Dolehanty, Becky Bennett, Travis Parsons, Jill Rhode, Rick Terrill, Sandra Dargatz, Tim Morgan, Deb Fett, Jim Hudgins, Doug Stover, Peter Cohl, Cindy Wagner, Sandy Gower, Sheldon Lewis, Bill Conklin, Teri Morton, Robin Stites, Sam McNerney, and others

The meeting was called to order by Chairperson Nolan at 6:00 p.m.in the Personnel Conference Room "D&E" of the Human Services Building, 5303 S. Cedar Street, Lansing, Michigan.

Approval of the August 16, 2016 Minutes and Closed Session Minutes

MOVED BY COMM. TSERNOGLOU, SUPPORTED BY COMM. MAIVILLE, TO APPROVE THE OPEN AND CLOSED SESSION MINUTES OF THE AUGUST 16, 2016 MEETING.
The open session minutes were amended as follows:
MOVED BY COMM. CELENTINO, SUPPORTED BY COMM. KOENIG, AT ~~**6:33 P.M.**~~ **7:33 P.M.** TO MOVE THE MEETING INTO CLOSED SESSION FOR THE PURPOSE OF NEGOTIATION UPDATES.

MOVED BY COMM. CELENTINO, SUPPORTED BY COMM. BAHAR-COOK, AT ~~**6:46 P.M.**~~ **7:46 P.M.** TO MOVE THE MEETING BACK INTO OPEN SESSION.

This was considered a friendly amendment.

THE MOTION, AS AMENDED, CARRIED UNANIMOUSLY. Absent: Commissioners Celentino and Koenig.

Additions to the Agenda

None.

Limited Public Comment

None.

1. Budget Hearings

a. Advisory Boards
    i. Equal Opportunity Committee
    ii. Historical Commission
    iii. Women's Commission
b. Board of Commissioners
c. Controller
d. County Attorney
e. County Clerk
f. Drain Commissioner
g. Economic Development
h. Equalization
i. Facilities
j. Fair
k. Farmland and Open Space Preservation Millage
l. Financial Services
m. Hotel/Motel
n. Housing Commission
o. Human Resources
p. Innovation and Technology
q. Parks
r. Potter Park Zoo
s. Purchasing
t. Register of Deeds
u. Road Department
v. Treasurer
w. Tri-County Regional Planning

Chairperson Nolan asked those departments or affiliated entity representatives that were satisfied with their pieces of the Controller's Recommend Budget to stand and state their name.

The following representatives stated they were satisfied with their piece of the Controller's Recommended Budget:

Representative	**Department or Affiliated Entity**
Jill Rhode	Financial Services
Rick Terrill	Facilities
Sandra Dargatz	Fair
Tim Morgan	Parks
Deb Fett	Innovation and Technology
Jim Hudgins	Purchasing
Doug Stover	Equalization
Peter Cohl	County Attorney
Cindy Wagner	Potter Park Zoo
Sandy Gower	Economic Development
Sheldon Lewis	Drain Commissioner
Bill Conklin	Road Department

Becky Bennett	Board of Commissioner and Advisory Boards
Travis Parsons	Human Resources

Bill Conklin, Road Department Director, addressed the committee regarding the projected increased revenue next year for the Road Department.

2. Final Ranking

None.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MAIVILLE, TO APPROVE THE CONTROLLER'S RECOMMENDED BUDGET.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioners Celentino and Koenig.

Announcements

Tim Dolehanty, Controller, stated that he was very satisfied with the recommended budget.

Chairperson Nolan stated that she was disappointed that County did not have sufficient revenue to provide employees with raises or to allow Department Heads to hire additional staff. She listed several possible economic factors that had caused this shortfall.

Public Comment

None.

Adjournment

The meeting was adjourned at 6:08 p.m.

SEPTEMBER 20, 2016 COUNTY SERVICES AGENDA
STAFF REVIEW SUMMARY

AGENDA ITEMS:
The Controller/Administrator recommends approval of the following resolutions:

1a. **County Clerk –** *Resolution to Authorize Entering into a Three-Year Contract with the State of Michigan Department of Health and Human Services (MDHHS) for the Use of the Michigan Centralized Birth Certification System (MiCBCS) and Adding Applicable Fees to Established Certified Copy Fees to Cover the System-Access Cost*

The County Clerk seeks approval of a resolution that would authorize a three-year contract with the Michigan Department of Health and Human Services (MDHHS) granting access to the Michigan Centralized Birth Certificate System (MiCBCS). Access to MiCBCS would allow the Clerk's office to quickly verify and provide quality certified copies of birth records for persons born in Ingham County. MiCBCS fees, if applicable, would be added to the established fee schedule. Fees collected and transferred to the State would not exceed $8,000 in the first year; $8,800 in the second year and $9,680 in the third year

1b. **County Clerk –** *Resolution Authorizing $10.00 Fee for Veteran Identification Cards to be Issued by the Ingham County Clerk*

The County Clerk has proposed initiation of a veteran photo identification card program. Veterans could utilize their identification cards to take advantage of veteran discounts offered by many businesses instead of using bulky discharge certificates. Start-up costs for the program, approximately $300, would be drawn from the Clerk's budget. Under the resolution proposed by the Clerk, a fee of $10 would be charged to offset card production costs.

2. **Economic Development -** *Resolution Setting a Final Public Hearing for Community Development Block Grant MSC 213045-EDJT Orchid Orthopedic Solutions, LLC Job Training Project*

Ingham County was awarded a Community Development Block Grant (CDBG) in September, 2014 to create 35 new jobs and provide on the job training for those employees for Ortho Orthopedic Solutions, LLC. The grant term ended on June 30, 2014. Orchid created 20 new positions and provided training to those employees. They have been reimbursed in accordance with the grant agreement for that training. The Economic Development Director seeks approval of a resolution to set a public hearing date as required in order to complete the grant closeout process.

3. **Equalization Department –** *Resolution Honoring Ron Helsel*

A resolution is offered in honor of Ron Helsel in recognition of more than 20 years of dedicated service to Ingham County providing professional land survey services.

4. **Innovation and Technology Department –** *Resolution to Approve the Purchase of Darktrace*

The Information and Technology Department (IT) has been working to ensure not only that any known network weaknesses are addressed, but also to remain vigilant about any other vulnerabilities in our systems. To attain these goals, IT has been testing a new cybersecurity tool called Darktrace, a software product inspired by the self-learning intelligence of the human immune system. This new approach is delivered by cutting-edge technology capable of learning "self" within an organization in real time – enabling it to detect emerging threats that bypass other security controls. This self-learning process

makes it unique among the various cybersecurity devices and software out in the marketplace. The IT Department asks for authorization to purchase Darktrace at a cost not to exceed $59,998.

This sophisticated, proprietary and highly innovative security monitoring system would allow the IT Department to monitor for advanced persistent threats to internal computer and communications systems. Darktrace is uniquely qualified to provide this service as the only source that will satisfy the requirements of the IT Department and circumstances of the County network. For this reason, the IT Department recommends award of a contract to Darktrace without competition.

5a. **Facilities Department –** *Resolution Amending Resolution #16-267 to Add a Day Porter at Forest Community Health Center*

Resolution 16-267 approved on June 14, 2016 authorized awarding a contract to RNA Facilities Management to provide janitorial services for Forest Community Health Center for three years with a renewal option. The Community Health Center Supervisor and the Facilities Department propose to add a day porter to the contract to work from 12:00 p.m. until 5:00 p.m. Monday through Friday. This addition would add $27,720 to the current contract for the first year, with increased amounts in years two and three calculated to conform to the County's Living Wage Policy.

5b. **Facilities Department -** *Resolution Amending Resolution #16-267 for RNA Facilities Management Janitorial Services*

Resolution 16-267 approved on June 14, 2016 authorized awarding a contract to RNA Facilities Management to provide janitorial services for the Drain Commissioner's Office and 55th District Court for three years with a renewal option. The Facilities Department seeks to remove these locations from the janitorial contract, and instead continue with Facilities Department staff servicing these areas. This change would provide savings of $34,580 the first year as well as substantially higher savings amounts in the two years following.

6a. **Road Department -** *Resolution Authorizing the Purchase of 2016-2017 Winter Season Supply of Plow/Grader Blade Cutting Edges for the Road Department*

The Road Department and Purchasing Department request authorization purchase plow/grader blade cutting edges from Valk Manufacturing Company and to Chemung Supply Corporation as they both submitted bids that met County specifications. The Road Department seeks Board authorization to purchase blades from Chemung Supply Corporation should the Valk Manufacturing Company blades fail to meet expectations. The Road Department recommends that Valk Manufacturing Company, (second low bidder - $39,734.50), be awarded as the primary supplier and that Chemung Supply, (lowest bidder - $39,012.00), be awarded as secondary supplier, to be used in the event of inferior product or lack of supply from Valk Manufacturing Company.

6b. **Road Department -** *Resolution to Approve Local Road Program Agreement with Delhi Township for the Ingham County Road Department*

Resolution 16-299 approved on June 28, 2016 authorized an Agreement with Delhi Township for a local road project in the English Meadows subdivision to be funded through a special assessment imposed upon subdivision property owners. Delhi Township petitioned the Road Department to revise that Agreement to include an additional $15,000 needed to complete the project. The proposed resolution would allow utilization of funds otherwise designated for local road projects in Delhi Township. Road Department officials concur with the Township request.

6c. **Road Department** - *Resolution to Amend Resolution #16-331 which Authorized Second-Party and Third-Party Agreements*

Resolution 16-331 approved on July 26, 2016 authorized a third party agreement to construct township-requested sanitary sewer work along Park Lake Road, on behalf of Meridian Charter Township. Since that approval, the Township has requested additional sidewalk and utility work. The Road Department seeks to amend Resolution 16-331to increase the township funding component of the Agreement by $66,900, for a total estimated cost of $126,000. All other terms and conditions of Resolution 16-331 remain in effect.

6d. **Road Department** - *Resolution to Approve the Special and Routine Permits for the Ingham County Road Department*

The Board of Commissioners periodically approves special and routine permits submitted by the Road Department as necessary. The current list of permits includes 29 projects (see attachment).

6e. **Road Department** – *Resolution Honoring Road Department Operations Director James Benjamin on the Event of his Retirement*

A resolution is offered in honor of James Benjamin in recognition of 29 years of dedicated service to Ingham County.

7a. **Parks Department** - *Resolution Approving the Application Form for the Trails and Parks Program Application*

Resolution 16-106 approved on March 22, 2016 authorized a second round of applications for distribution of Trails and Parks Millage funds to be taken beginning October 1, 2016 that will address new construction as identified as regional priority corridors, and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects. The resolution stipulated that application forms would be reviewed and approved by the Board of Commissioners prior to the second round. The Parks Department developed an application form and has submitted the form for approval.

7b. **Parks Department** - *Resolution Approving the Scoring/Ranking Criteria for the Trails and Parks Program Application*

The Parks Department recommends approval of scoring/ranking criteria for use in evaluating Trails and Parks Program Applications for the second round of applications received by the deadline of October 1, 2016. Projects include new construction as identified as regional priority corridors in Figure 24 of the Ingham County Trails and Parks Comprehensive Report and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects.

8. **Register of Deeds** - *Resolution to Authorize an Extension of the Agreement with Fidlar Technologies for a Record Management Software System for the Register of Deeds Office*

Resolution 11-179 approved on June 14, 2011 authorized purchase of a record management system and associated maintenance agreement from Fildar Technologies to improve efficiency and accuracy of the office's workflow. The Register of Deeds requests approval of a resolution to renew the contract with Fildar Technologies through August 31, 2019 at a total annual cost not to exceed $90,000.

9a. **Human Resources Department** - *Resolution Approving a Letter of Understanding with United Automobile Aerospace and Agricultural Implement Workers of America (UAW-TOPS) regarding the Medical Assistant Classification*

The Health Department, specifically the Community Health Centers, recently evaluated the practice of allowing only Register Nurses (RN's) to perform medication administration. Department officials concluded this practice has limited RN's from performing at the top of their scope of work, impacts program sustainability and extends patient wait times. Medical Assistants (MA's) routinely perform this level of work at other Federal Qualified Health Centers and at private practices state-wide. Health Department managers and the Human Resources Department subsequently engaged the UAW to discuss the need for a change in the Medical Assistants job description. The UAW agreed to terms and conditions outlined in a proposed Letter of Understanding (LOU). The Human Resources Department seeks Board approval of the proposed LOU in order to allow MA's to perform medication administration.

9b. **Human Resources Department** - *MERS Service Transition* (Discussion)

The Human Resources Director will be present to discuss a MERS Service Transition request. Based on this discussion, a formal resolution may be developed for consideration at a future meeting.

10a. **Controller** – *Resolution to Proceed with Plans for Constructing, Equipping, and Financing a New County Animal Shelter Facility*

The projected cost of construction, equipment, and financing of a new animal control shelter was determined to be $7.14 million. Funds for this project will come from the recently approved the Animal Control Shelter Replacement and Operational Millage. Approval of the proposed resolution to allow the Building Authority to proceed with the financing and construction of the new shelter based on the preliminary plans and cost estimates.

10b. **Controller** – *Resolution to Approve a Debt Financing Policy*

Ingham County will be asked to consider projects in the future that will require debt financing which includes general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other County obligations permitted to be issued or incurred under Michigan law. Noting potential building projects, statements made in budget narratives, and promises made to rating agencies, the Controller proposes adoption of a Debt Financing Policy. The draft policy sets forth comprehensive guidelines for the financing of capital expenditures.

10c. **Controller** – *Authorization to Start a Managerial Employee above Step 2*

Section B.7 of the Managerial and Confidential Employee Personnel Manual allows that a new Manager or Confidential Employee may be started above Step 2 of the appropriate grade at the discretion of the County Services Committee. An internal candidate was determined to be best-qualified for appointment to the vacant Road Department Operations Director position. The candidate consistently earned overtime wages in his current capacity as Road Supervisor. When added to his base wage, total earnings in any given year were far above the starting rate for a Road Department Operations Director. Based on knowledge, skills and expertise of a recommended candidate, and in recognition of past compensation rates, the Controller recommends that the Committee allow a new Road Department Operations Director to start at Grade 7, Step 5 on the MCF Road Position scale.

10d. **Controller –** *Resolution to Terminate an Agreement between Ingham County and the Potter Park Zoological Society*

Resolution 14-503 approved on December 9, 2014 authorized a contract with the Potter Park Zoological Society for services at the Potter Park Zoo, under mutually agreeable terms and conditions to both parties, effective upon execution on January 27, 2015, for a five year term, unless terminated earlier. Section 5 of the Agreement reserves to the County the right to terminate the Agreement with or without cause upon 60 calendar days-prior written notice. A proposed new operations structure will require significant changes to the Agreement. A resolution to terminate the existing contract is offered, effective December 31, 2016.

10e. **Controller –** *Potter Park Zoo Reorganization* (Discussion)

Resolution 12-304 approved on September 24, 2012 authorized appointment of a Zoo Director as a special part time employee. The Potter Park Zoological Society was responsible for additional wages and benefits for the position. Since 2013, resolutions were approved each year to transfer funds from the County's Potter Park Zoo Fund to the Potter Park Zoological Society to reimburse Society expenses associated with seasonal workers, a marketing position, and "administrative support." Consistent with the Reorganization Procedure Policy, a proposal to assign all operations employees, including the Zoo Director, to County positions will be presented for discussion by the Committee.

10f. **Controller –** *Rayner Park Lease Agreement* (Closed Session)

On June 8, 2010 the Board of Commissioners approved Resolution 10-189 to authorize a lease to the City of Mason for real property commonly known as Rayner Park, together with all improvements, buildings, fixtures and facilities, subject to any easements, utilities, or restrictions or conditions of record. The Lease Term commenced on June 9, 2010 and shall in effect through December 31, 2016. Attorney Timothy Perrone of Cohl, Stoker and Tosky will be present to consult with Commissioners regarding Rayner Park. This discussion will be held in closed session as allowed under the Open Meetings Act (MCL 15.268(e)).

10g. **Controller –** *Jane Dickson Coffman Trust* (Closed Session)

On May 10, 2016 the Board of Commissioners approved Resolution 16-197 to authorize appointment of Fraser Trebilcock Davis & Dunlap, P.C. for purposes of handling litigation associated with the Jane Dickson Coffman Trust. Attorney Aaron L. Davis will be present to consult with Commissioners regarding settlement strategy in connection with Coffman Trust matter. This discussion will be held in closed session as allowed under the Open Meetings Act (MCL 15.268(e)).

10h. **Controller –** *ICEA Park Rangers Settlement Resolution* (Closed Session)

Attorney Mattis Njordford will be present to consult with Commissioners regarding settlement strategy in connection with the matter of ICEA Park Rangers vs. Ingham County. This discussion will be held in closed session as allowed under the Open Meetings Act (MCL 15.268(e)).

11a. **Board of Commissioners –** *Resolution Approving Modifications to the 2016 Managerial and Confidential Employee Personnel Manual*

Section B.2 of the *Managerial and Confidential Employee Personnel Manual* sets forth rules for application of step increases in compensation for employees subject to provisions of the *Manual*. Current language in the *Manual* requires that employees not at the top step of the salary range for their

classification may be considered for a step increase upon approval of an immediate supervisor. However, step increases for 10 cited positions are subject to approval of a presiding Judge or liaison committee Chairperson of the Board of Commissioners.

A resolution proposed by the Finance Committee at their regular meeting held on June 8 would change the approval process for step increases attributed to six of the 10 cited positions. The four positions subject to approval of a presiding Judge would continue to follow that procedure. Five positions where step increases are currently subject to approval of a liaison committee Chairperson would become subject to approval of the appropriate standing committee and the Finance Committee of the Board of Commissioners. Consideration of step increases for the Veterans Affairs Director would become subject to approval of the Veterans Affairs Committee.

Positions impacted by these proposed changes are as follows:

Position	Incumbent	Position Anniversary Date	Current Step
Controller/Administrator	Dolehanty	July 8, 2013	Step 4
Board Coordinator	Bennett	March 28, 2007	Step 5 (maximum)
Equalization Director	Stover	December 28, 2004	Step 5 (maximum)
Health Officer	Vail	April 7, 2014	Step 5 (maximum)
Managing Director – Road	Conklin	January 14, 2008	Step 6 (maximum)
Veterans Affairs Director	Blackstock	March , 2016	Step 1
Circuit Court Administrator	Dunnings	June 28, 2013	Step 5 (maximum)
Friend of the Court	Moxley	February 16, 2015	Step 3
Probate Court Administrator	Strander	January 21, 2003	Step 5 (maximum)
District Court Administrator	Dillon	August 1, 2008	Step 5 (maximum)

As proposed, the appropriate standing committee and the Finance Committee would presumably be charged with the task of determining whether a step increase should be granted. Committee members would be asked to make a determination at a public meeting without benefit of standard review criteria, and no provision is offered for situations when the committees disagree on a course of action. In the case of the Veterans Affairs Director, a committee independent of the Board of Commissioners would be asked to determine whether to grant a step increase also without benefit of standard review criteria.

In addition to challenges noted above, public reviews by the appropriate standing committee and the Finance Committee could potentially become subject to provisions of the Open Meetings Act. Evaluation of employee performance can take place in a closed session, but only if the named employee requests a closed hearing. An employee who initially requests a closed hearing may rescind the request at any time, in which case the matter at issue must be considered after the rescission only in open sessions (MCL 15.268(a)). Of course, employees subjected to this rule would have to be provided some sort of advance notice that such a hearing will take place.

Controller Recommendation. The following tasks should be completed before amendments to the MCF Manual are considered:

1. Standard review criteria to determine the outcome of a step increase question should be developed and adopted. These criteria would be referenced to guide committee deliberations and to avoid conflict with the Open Meetings Act.
2. A process to address conflicting committee decisions should be developed and adopted.
3. The proposed amendment, review standards and committee conflict procedure should be forwarded to Corporation Counsel for review and comment.

11b. **<u>Board of Commissioners</u> -** *Resolution Recognizing Hispanic Heritage Month and Celebrating the Heritage and Culture of Latinos in Ingham County and Latinos in the United States*

A resolution is offered to encourage Ingham County residents to celebrate Hispanic Heritage Month in Ingham County from September 15 to October 15, 2016.

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Barb Byrum
INGHAM COUNTY CLERK

BRANCH OFFICE
Veterans Memorial Courthouse
Lansing, MI 48933
inghamclerk@ingham.org
www.ingham.org

MEMORANDUM

TO: County Services and Finance Committees

FROM: Ingham County Clerk Barb Byrum

DATE: September 6, 2016

RE: Resolution authorizing entering into a three-year contract with the State of Michigan Department of Health and Human Services (MDHHS) for the use of the Michigan Centralized Birth Certification System (MiCBCS) and adding applicable fees to established certified copy fees to cover the system-access cost

It is requested that the Board of Commissioners approve the attached resolution which, if approved, would authorize the County Clerk to access the Michigan Centralized Birth Certification System (MiCBCS).

My office only has birth records on file for individuals who were born in Ingham County. Therefore, my office contacts and/or refers customers to the State of Michigan at least twenty times per week to obtain a certified copy of a birth record.

There are three reasons why a record would be sealed and only accessible through MiCBCS: 1) Adoption; 2) Name Change; or 3) Record prior to 1980 and the parents were unwed at the time of birth.

In addition, birth records dating 1948-1958 in my office are black documents with white script that are often be illegible when transposing the document for certification purposes. My office would be able to access legible birth records for this time period by using MiCBCS. This is very important as many people who were born during this time are requesting certified copies of their birth records for retirement purposes.

There are no additional costs anticipated to utilize MiCBCS as searching, viewing, printing file copies, corrections or updates are free. Additional fees, if applicable, would be added to the already-established fees set forth in my office to the customer if the record was retrieved from MiCBCS, as outlined below:

	County Clerk's Fee	State's Fee	**Customer's Cost**
1st Copy – Clerk Paper	$20.00	$4.00	**$24.00**
Additional Copies - Clerk Paper	$10.00	$1.00	**$11.00 (each additional copy)**
1st Copy – State Paper (State-record only)	N/A	$34.00	**$34.00**
1st Copy – State Paper (State-record only) *Senior Citizen*	N/A	$14.00	**$14.00**
Additional Copies – State Paper (State-record only)	N/A	$16.00	**$16.00 (each additional copy, regardless if senior)**

Contingent upon the adoption of this resolution, the two-phase system training for MiCBCS can begin for my staff.

Please feel free to contact me with any questions or concerns you may have.

Agenda Item 1a

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO AUTHORIZE ENTERING INTO A THREE-YEAR CONTRACT WITH THE STATE OF MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES (MDHHS) FOR THE USE OF THE MICHIGAN CENTRALIZED BIRTH CERTIFICATION SYSTEM (MiCBCS) AND ADDING APPLICABLE FEES TO ESTABLISHED CERTIFED COPY FEES TO COVER THE SYSTEM-ACCESS COST

WHEREAS, the Ingham County Clerk has determined that contracting with MDHHS for the use of the MiCBCS is the best solution to be able to quickly access, verify, and provide quality certified copies of birth records for those individuals born in Ingham County; and

WHEREAS, the County Clerk has met with State Registrar Glenn Copeland who advised that other county clerks were currently accessing the MiCBCS and encouraged the Ingham County Clerk to do the same; and

WHEREAS, the fees for using the MiCBCS are as follows: non-state-only records are $4 for the first copy and $1 for each additional copy; state-only records are $34 for the first copy and $16 for each additional copy; and state-only senior citizen records are $14 for the first copy and $16 for each additional copy; and

WHEREAS, the MiCBCS fees, if applicable, would be added to the already-established fees set by the Board of Commissioners; and

WHEREAS, it has been determined that it is prudent to implement access immediately to the MiCBCS, so that Ingham County Clerk's Office staff may begin training on MiCBCS; and

WHEREAS, the MDHHS shall provide quarterly reports and invoices to the Ingham County Clerk's Office for reimbursement for MiCBCS services used that are outlined in the fee schedule.

THEREFORE BE IT RESOLVED, that the Board of Commissioners, in conjunction with the Ingham County Clerk, hereby authorizes entering into a three-year contract with the MDHHS for the access to and usage of the MiCBCS.

BE IT FURTHER RESOLVED, the Board of Commissioners authorize the collection of fees for using the MiCBCS by the Ingham County Clerk in the amounts contemplated in Attachment 1 over and above the current fee schedule the Ingham County Clerk is authorized to collect.

BE IT FURTHER RESOLVED, collected MiCBCS fees shall be transferred to the MDHHS pursuant to the agreement.

BE IT FURTHER RESOLVED, that the Ingham County Controller/Administrator is hereby authorized to make any transfers or adjustments to the 2016, 2017, 2018 and 2019 budgets necessary to properly budget and account for these revenues, expenditures, and transfers.

BE IT FURTHER RESOLVED, that the applicable MiCBCS fees to be collected and transferred shall not exceed $8,000 for the first year; $8,800 for the second year and $9,680 for the third year.

BE IT FURTHER RESOLVED, that the Chairperson of the Board of Commissioners is hereby authorized to sign any necessary documents on behalf of the County after approval as to form by the County Attorney.

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Barb Byrum
INGHAM COUNTY CLERK

BRANCH OFFICE
Veterans Memorial Courthouse
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www.ingham.org

MEMORANDUM

September 1, 2016

TO: County Services and Finance Committees

FROM: Ingham County Clerk Barb Byrum

RE: Resolution authorizing $10.00 Fee for Veteran ID Cards to be issued by the Ingham County Clerk

It is requested that the Board of Commissioners approve the attached resolution which, if approved, would authorize the County Clerk to charge $10.00 to issue a Veteran Photo ID card.

Public Act 83 of 1867, as amended, (Sec. 35.32) authorizes county clerks to record military discharge records that are presented to them for recording. There is no charge for recording.

A Veteran's ID Card would allow veterans to take advantage of veteran discounts offered by businesses. The military discharge certificates (DD-214) are too bulky to be carried around easily. Many counties throughout Michigan issue Veteran ID Cards for a fee of $10.00, including Livingston and Washtenaw Counties. With the Veteran ID card, veterans can easily provide proof of their service in order to receive these discounts.

A $10 fee would cover the cost of the card and printing them.

Start-up costs would be minimal, approximately $300, and would be drawn from the Clerk's budget. I plan to utilize the camera and Identiphoto software used for Concealed Pistol Licenses to process the Veteran photo ID cards.

Contingent upon the adoption of this resolution, this service can be offered as soon as the card layout is designed.

The Clerk's Office is not expecting a high volume of requests based on the number of military discharge certificates currently recorded.

Please feel free to contact me with any questions or concerns you may have.

Agenda Item 1b

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION AUTHORIZING $10.00 FEE FOR VETERAN IDENTIFICATION CARDS TO BE ISSUED BY THE INGHAM COUNTY CLERK

WHEREAS, Public Act 83 of 1867, as amended, (Sec. 35.32) authorizes Michigan county clerks to record military discharge certificates (e.g., DD-214 forms) that are presented to them; and

WHEREAS, the Ingham County Clerk's Office records military discharge certificates from military veterans; and

WHEREAS, to obtain a Veteran Identification Card (Veteran ID Card), a veteran would visit the County Clerk's Office in the Mason Historical Courthouse, present original military discharge papers for recording or already have their military discharge papers recorded, present valid government issued identification with a current Ingham County address, pay the a fee, and have their photograph taken; and

WHEREAS, there is currently no charge for the recording of military discharge certificates, a fee of $10.00 would be necessary to cover the cost of issuing Veteran ID Cards; and

WHEREAS, the majority of other Michigan counties that provide Veteran ID Cards charge $10.00 for this service; and

WHEREAS, the Veteran ID Cards can be used by veterans to obtain discounts at many businesses with ease and convenience.

THEREFORE BE IT RESOLVED, that the Board of Commissioners hereby authorizes the assessment and collection of a $10.00 fee for the County Clerk to issue Veteran ID Cards.

BE IT FURTHER RESOLVED, that the Board of Commissioners hereby authorizes that the funds collected by this fee be deposited in the general fund.

BE IT FURTHER RESOLVED, that the Controller/Administrator is authorized to make any necessary budget adjustments.

Agenda Item 2

TO: Board of Commissioners County Services Committee

FROM: Sandra Gower Economic Development Coordinator

DATE: September 2, 2016

SUBJECT: Set Public Hearing for Orchid Orthopedic CDBG Grant
For the meeting agenda of September 20, 2016

Background

In September 2014 Ingham County was awarded a CDBG grant for Ortho Orthopedic Solutions, LLC to create 35 new jobs and provide on the job training for those employees. The grant term ended on June 30, 2014. Orchid has created 20 new positions and provided training to those employees. They have been reimbursed in accordance with the grant agreement for that training. A public hearing is required as part of the grant closeout process.

Recommendation

I respectfully recommend approval of the attached resolution setting a public hearing for October 10, 2016.

Agenda Item 2

Introduced by the County Services Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION SETTING A FINAL PUBLIC HEARING FOR COMMUNITY DEVELOPMENT BLOCK GRANT MSC 213045-EDJT ORCHID ORTHOPEDIC SOLUTIONS, LLC JOB TRAINING PROJECT

WHEREAS, the Ingham County Board of Commissioners on July 22, 2014 adopted Resolution #14-285 to apply for a Community Development Block Grant from the Michigan Economic Development Corporation for the training of new employees at Orchid Orthopedic Solutions; and

WHEREAS, on September 2, 2014 the Community Development Block Grant was awarded by the Michigan Economic Development Corporation and accepted by County of Ingham; and

WHEREAS, on September 11, 2014 an agreement was executed between the County of Ingham and Orchid Orthopedic Solutions, LLC; and

WHEREAS, the project is now complete and per the requirements of the grant agreement a public hearing must be held to hear any interested parties on the outcomes of the grant.

THEREFORE BE IT RESOLVED, a public hearing shall be set for October 10, 2016, before the Board of Commissioners at 6:30 p.m. in the Board of Commissioners' Room, Ingham County Courthouse, Mason, Michigan to hear any interested persons on the closeout of the Community Development Block Grant.

BE IT FURTHER RESOLVED, that notice of the public hearing shall be published in a newspaper of general circulation in the County as required by the Grant Agreement before the date set for the public hearing.

Agenda Item 3

Introduced by the County Services Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION HONORING RON HELSEL

WHEREAS, Ron Helsel spent his entire professional career in Ingham County performing professional land survey services; and

WHEREAS, he earned the respect of his fellow professionals, clients and residents of Ingham County; and

WHEREAS, Ron participated in the reestablishment of the original government survey of Ingham County for over 20 years; and

WHEREAS, he shared his experience, knowledge, and education with all his peers in the restoration of the original government corners in Ingham County for over 20 years; and

WHEREAS, Ron mentored many young surveyors in the nuances and art of surveying; and

WHEREAS, Ron led a quiet and honorable life perpetuating the history and landmarks of the County; and

WHEREAS, Ron left an indelible mark on the community and the surveying profession.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby honors Ron Helsel for his many years of service to the public and the surveying profession.

Agenda Item 4

TO: Board of Commissioners, County Services Committee, and Finance Committee

FROM: Deb Fett, CIO

DATE: 9/06/2016

SUBJECT: Resolution – Darktrace Cybersecurity Appliance Purchase
For the meeting agendas of 9/20/2016, 9/21/2016 and 9/27/2016

BACKGROUND

FedScoop Media put it best: "As the value of data – from consumer health and financial records to sensitive government and proprietary corporate information – continues to rise, so does the incentive for hackers to find new ways to exploit network vulnerabilities and gain access to this information."

ITD has been working to ensure not only that any weaknesses we know about are patched, but also that we learn about any other vulnerabilities in our systems. To increase our oversight of our systems and to pinpoint any vulnerabilities, we have been testing a new cybersecurity tool called Darktrace. It is described as being inspired by the self-learning intelligence of the human immune system, this new approach is delivered by cutting-edge technology that is capable of learning 'self' within an organization in real time – enabling it to detect emerging threats that bypass other security controls. This self-learning process makes it unique among the various cybersecurity devices and software out in the marketplace.

ALTERNATIVES

Other vendors rely on a library of known threats, so their threat-detection capability is limited by the completeness and accuracy of the information in their library. Rather than relying on a static library of known threats, the Darktrace tool learns the behavior of our network and then provides alerting on any activity that appears to be abnormal. This allows the system to provide highly accurate data and identify potential threats rapidly.

FINANCIAL IMPACT

The funding for the $59,998.00 total for the appliance and 2 years of service will come from the County's Innovation and Technology Department's Network Fund #636-25810-932034.

OTHER CONSIDERATIONS

It is currently in use at Livingston County, who recommended it to us after it found some potentially dangerous issues there. In fact, during our testing here in Ingham County Darktrace immediately contacted us about an issue that could have proven disastrous had our team not be diligent about best practices. As is, it showed us a vulnerability that we have quickly mitigated.

RECOMMENDATION

Based on the information presented, I respectfully recommend approval of the attached quote for Darktrace Cyber Intelligence Platform.

Agenda Item 4

Introduced by County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO APPROVE THE PURCHASE OF DARKTRACE

WHEREAS, Ingham County needs protect our data and our network from cyber threats; and

WHEREAS, Darktrace Cyber Intelligence Platform identifies indicators of potential compromise, alerting staff to take the appropriate actions to mitigate the perceived threats; and

WHEREAS, Darktrace is unique among providers of network monitoring tools, in that it offers a machine-learning, behavior-based model to identify potential threats; and

WHEREAS, the purchase price of said appliance and service will be $29,999.00 per year for 2 years.

THEREFORE BE IT RESOLVED, that the Board of Commissioners do hereby authorize the purchase of Darktrace in the amount not to exceed $59,998.00.

BE IT FURTHER RESOLVED, that the total cost will be paid out of the county's Network Fund #63625810-932034.

BE IT FURTHER RESOLVED, that the Controller is authorized to make any necessary budget adjustments.

BE IT FURTHER RESOLVED, that the Chairperson of the Ingham County Board of Commissioners is authorized to sign any contract documents consistent with this resolution and approved as to form by the County Attorney.

Chantelle LaPorte
Cyber Security Account Executive
Darktrace
32nd Floor
437 Madison Avenue
New York, NY 10021

September 6, 2016

RE: Competitive Bidding Exception for Purchase of the Darktrace Enterprise Immune System

Darktrace's Enterprise Immune System is a sophisticated, proprietary and highly innovative security monitoring system that allows the Information Technologies Department to monitor for advanced persistent threats (APTs) to internal computer and communications systems. This advanced system provides an elevated level of protection to critical infrastructure unlike any other tool.

Through the use of an exclusive behavioral analysis algorithm, unsupervised machine learning, and by identification of anomalous activity in various network traffic types, Darktrace is able to identify indicators of potential compromise, alerting staff to take the appropriate actions to mitigate the perceived threats.

Darktrace is unique among providers of network monitoring tools in that we offer a comprehensive machine-learning, behavior-based model to identify potential threats. Other vendors rely on a library of known threats, so their threat-detection capability is limited by the completeness and accuracy of the information in their library. Rather than relying on a static library of known threats, the Darktrace tool learns the unique behavior of every user, device and network as a whole and then provides alerting on any activity that appears to be abnormal. This allows the system to provide highly accurate data and identify potential threats rapidly.

Several factors differentiate Darktrace from other network monitoring providers, making it unique:

- Darktrace is a leader in Enterprise Immune System technology, which is a new category of cyber security technology solutions. It is based on Bayesian mathematics developed at the University of Cambridge.
- Darktrace has a very unique management team. Our experts have decades of experience in cyber defense for national security in the US, UK and Canada.
- Darktrace is offering an attractive pricing model in order to gain a presence in Ingham County.
- Our data capture architecture is agnostic to data format type and can serve in traditional IT as well as operational technology (OT) environments. This means Darktrace can be used for both business networks as well as SCADA networks.

I hope this information helps and will follow up. In the interim, if you have any questions, please feel to reach me at 929-213-6079.

Regards,

Chantelle LaPorte

Darktrace Limited
VAT No. 187 3066 85
3rd Floor, Broers Building
21 JJ Thomson Avenue
Cambridge
CB3 0FA
United Kingdom

Product Order Form

Ship To: Ingham County ("Customer")
Attn: Deb Fett
Email: dfett@ingham.org
Site Address(es): 5303 South Cedar St., Building 2, 2nd floor Suite 2102, Lansing, MI

Bill To: Ingham County
Attn: Deb Fett
Email: dfett@ingham.org
Address: 5303 South Cedar St., Building 2, 2nd floor Suite 2102, Lansing, MI 48911

Quotation Details					Quote Date	9/5/16
Quote Number: 05092016-INGHAM-CLP					Quote Expires	9/30/16

Line Item	Product Description	Product Code	QTY	Term (months)	Customer Price (per annum) (USD)	Extended Customer price (USD)
1	Darktrace Cyber Intelligence Platform Appliance(s)	DCIP-X2	1	24	$ 29,999.00	$ 59,998.00
	Includes:					
	Term license commencing on signing ("Commencement Date") (subject to the Opt Out (see note 4)).					
	- Installation Services					
	-Bronze Support Services (including Threat Intelligence Reports for the Term)					
2	Threat Visualiser Essentials Training	TR-TV-ESS	1		bundled	
	- Threat Visualiser familiarisation and admin training for up to 7 employees					

Terms and Conditions:

1. By signing this Product Order Form ("Schedule"), issuing a purchase order referencing this Schedule or otherwise accessing or using the Offering , Customer use of the Offering shall be subject to the Darktrace Master Customer Agreement included in the Appliance ("Agreement"). Installation and Support Services shall be provided in accordance with the Darktrace Services Datasheets.

2. The Appliance(s) are for use with respect to the Customer's current network size and the applicable bandwidth throughput, number of connected devices and connections per minute as set out in the applicable Product Datasheet.

3. Fees are exclusive of any applicable sales, goods and services, VAT or withholding tax. Fees will be invoiced ANNUALLY in advance from the Commencement Date. Payment terms Net 30

4. Customer shall have the one time right to terminate this Schedule for convenience with 10 days advance written notice prior the first anniversary of the Commencement Date sent to fingroup@darktrace.com ("Opt Out"). Notwithstanding anything to the contrary in the Agreement, title to the Appliance shall remain with Darktrace until the Opt Out has passed. Upon termination prior to the Opt Out, Customer shall return the Appliance to Darktrace. Customer is required to (a) clearly designate the Appliance as Darktrace's property; (b) hold the Appliance on a fiduciary basis as Darktrace's bailee; (c) store and use the Appliance in a proper manner in conditions which adequately protect and preserve the Appliance; (d) insure the Appliance against all risks to its full replacement value; and (e) not sell, charge, pledge, mortgage or otherwise dispose of the Appliance or any part of it or permit any lien to arise over the Appliance (or part thereof) and shall keep the Appliance free from distress, execution and other legal process.

5. If Customer requires a purchase order, and Customer's purchase order is not received on acceptance of this Quotation, Darktrace shall be entitled to invoice without it.

6. Acceptance of this Schedule is expressly limited to the terms of Darktrace's offer. Once accepted, these terms and conditions will be the complete and exclusive statement of the agreement. Any modifications proposed by Customer are expressly rejected by Darktrace and shall not become part of the agreement in the absence of Darktrace's written acceptance.

7. This Schedule may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement. Transmission of the executed counterpart of this Schedule by (a) fax or (b) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Schedule.

Accepted by Customer:

By:
Title:
Date:

Accepted by Darktrace:

By:
Title:
Effective Date:

EXHIBIT A

DARKTRACE MASTER CUSTOMER AGREEMENT

IMPORTANT - READ CAREFULLY:

THIS DARKTRACE CUSTOMER AGREEMENT ("AGREEMENT") IS BETWEEN YOU OR, IF YOU REPRESENT AN ENTITY OR OTHER ORGANIZATION, THAT ENTITY OR ORGANIZATION ("CUSTOMER" OR "YOU") AND DARKTRACE LIMITED, A COMPANY REGISTERED IN ENGLAND AND WALES, OR OF ANY OF ITS SUBSIDIARIES ("DARKTRACE"). THE AGREEMENT FORMS A LEGALLY BINDING AGREEMENT BETWEEN YOU AND DARKTRACE AND IT IS IMPORTANT THAT YOU TAKE THE TIME TO READ IT CAREFULLY. BY INSTALLING, USING, OR ACCESSING THE DARKTRACE PRODUCTS OR RELATED SERVICES OR ANY PART THEREOF, YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTOOD THIS AGREEMENT AND YOU THAT YOU CONFIRM (ON YOUR OWN BEHALF AND, IF YOU REPRESENT AN ENTITY OR OTHER ORGANIZATION, ON BEHALF OF THAT ENTITY OR ORGANIZATION AND ANY OTHER INDIVIDUALS WITHIN THAT ENTITY OR ORGANIZATION USING OR ACCESSING THE DARKTRACE PRODUCTS) THAT YOU HAVE FULL POWER AND AUTHORITY TO ENTER INTO THIS AGREEMENT AND WILL BE BOUND BY THE AGREEMENT AS OF THE DATE ON WHICH YOU FIRST INSTALL, USE, OR ACCESS THE DARKTRACE PRODUCTS (SUCH DATE, THE "EFFECTIVE DATE"). IF YOU DO NOT AGREE TO THE TERMS, DARKTRACE WILL NOT GRANT YOU ACCESS TO THE DARKTRACE PRODUCTS, AND YOU SHOULD DISCONTINUE THE INSTALLATION OR USE PROCESS FOR THE DARKTRACE PRODUCTS.

Darktrace and Customer may be collectively referred to as "Parties" and/or individually as "Party".

Whereas, Darktrace is the supplier of the Products which is more fully described in the applicable ordering document or pricing schedule ("Schedule") to this Agreement.

Whereas, the Customer is interested in using the Products for its internal use and Darktrace has agreed to license the use of the Products on the terms of this Agreement.

Now therefore, in consideration of the mutual covenants and the payment of Fees described herein, the Parties agree as follows:

1. DEFINITIONS

The defined terms are as set forth in Appendix 1 to this Agreement.

2. SALE OF THE PRODUCTS; ORDER PROCESS

2.1. Subject to these terms and conditions, Darktrace agrees to sell to the Customer and Customer agrees to purchase from Darktrace: (i) the number of Products listed on the Schedule; (ii) the Support Services; and (iii) the Professional Services, if any; as set out in a Schedule. All Schedules must be in writing and reference this Agreement to be valid. All Schedules shall be governed by this Agreement and any different or additional terms presented with or in any communication, including but not limited to, the Customer's purchase order, are deemed null and void and of no effect unless the additional terms are agreed upon by the Parties in writing prior to acceptance of that Schedule.

3. TERM

3.1. Evaluation. Customer may use the Products for evaluation purposes for a maximum period of 4 weeks from the delivery of the Product in the Customer's Site(s) or such other duration as agreed in the Schedule ("Evaluation Period"). The Products is provided "AS IS" during such Evaluation Period and Clause 10 (Warranties) below does not apply to such evaluation. The Term (as defined in Clause 3.2), shall automatically continue unless either Party notifies the other in writing ten (10) days prior to the end of the Evaluation Period that it wishes to terminate, in which case, this Agreement will terminate.

3.2. License Term. This Agreement is effective from the Effective Date and shall remain in force until: expiry of the Evaluation Period in accordance with Clause 3.1 above (if applicable), or (ii) the end of the Term specified in a Schedule, or (iii) upon renewal of the Term, the expiry date of Customer's renewed Term as set out in a further executed Schedule agreed upon by the Parties ("Term").

4. HARDWARE

4.1. Hardware Products. Subject to Clause 7, Darktrace shall sell to the Customer, and Customer shall purchase from Darktrace, the Hardware, subject to and in accordance with the terms of this Agreement. Customer acknowledges that the Hardware provided hereunder solely as the medium for delivery and operation of the Software and, unless otherwise agreed by the Parties in writing, Darktrace at its option may provide Hardware that is either new or refurbished. Customer acknowledges and agrees that Customer owns only the Hardware (or media, if applicable) on which the Software is installed and that Darktrace licenses, and does not sell, any Software. Customer shall be granted a license to the Software pursuant to Clause 5 below to use the Software solely in conjunction with such Hardware (and not separately or apart from the Hardware) and in accordance with the applicable Documentation.

5. LICENSE GRANTS; RESTRICTIONS

5.1. License Grant for the Products. Darktrace grants to Customer a non-exclusive, non-transferable license for the Term to: (i) install and use the Product in Customer's Site or an Outsource Provider's Site(s) for Customer's or its Affiliate's internal business purpose (provided that neither Customer nor its Affiliates may use the Product or the Services as a commercial product or for the benefit of an unaffiliated

third party), relating specifically to the integrity of Customer's information technology and any other restrictions identified in a Schedule; (ii) use the Documentation to support the use of the Services; (iii) make a commercially reasonable number of copies of the Documentation; provided, however, that Customer reproduces and includes all of Darktrace's and its suppliers' copyright notices and proprietary legends on each such copy; and (iv) use Alerts and Threat Intelligence Reports ("TIRs"), and reproduce and distribute those Alerts and TIRs, internally solely for Customer's or its Affiliate's own business purposes. The Software may not be installed on any equipment or servers other than the Hardware provided by Darktrace unless otherwise agreed in writing by Darktrace. Customer acknowledges that the Hardware provided hereunder solely as the medium for delivery and operation of the Services and, unless otherwise agreed by the Parties in writing, Darktrace at its option may provide Hardware that is either new or refurbished.

5.2. License Restrictions. All Software is licensed, not sold. The restrictions in this Agreement represent conditions of the Customer's license. Customer specifically agrees not to (i) sub-license, rent, sell, lease, distribute or otherwise transfer the Products or any part thereof, or use the Products, or allow the Products to be used, for timesharing or service bureau purposes or otherwise use or allow others to use for the benefit of any third party (other than Affiliates of the Customer); (ii) attempt to reverse engineer, decompile, disassemble, or attempt to derive the source code or underlying ideas or algorithms of the Software and/or Third Party Software or any portion thereof, except as required to be permitted by applicable law; (iii) modify, port, translate, localize or create derivative works of the Software, the Third Party Software, the Documentation and/or Alerts; (iv) use the Products: (a) in violation of any law, statute, ordinance or regulation applicable to the Customer (including but not limited to the laws and regulations governing publicity or privacy, export/import control, federal, state and local laws and regulations governing the use of network scanners and related software in all jurisdictions in which systems are scanned or scanning is controlled, and/or anti-discrimination, in each case that are applicable to the Customer); or (b) negligently or intentionally or wilfully propagate any virus, worms, Trojan horses or other programming routine intended to damage any system or data; (v) transmit or provide access to the Products save as provided in this Agreement; (vi) remove or modify any acknowledgements, credits or legal notices contained on the Products or any part thereof; (vii) install and/or run on the Hardware any software applications other than the Software and Third Party Software installed by Darktrace on such Hardware; (viii) collect any information from or through the Products using any automated means, including without limitation any script, spider, "screen scraping," or "database scraping" application or gain or attempt to gain unpermitted access by any means to any Darktrace computer system, network, or database; and/or (ix) file copyright or patent applications that include the Products or any portion thereof. Prior to the disposal of any media or Hardware containing the Software, Customer shall permanently erase the Software contained therein.

5.3. Outsource Provider. In the event that the Customer has contracted or does contract with any third party service provider(s) (such as an outsourcer, hosting or collocation service provider or other information technology service provider) for the performance of information technology functions (each, an "Outsource Provider"), the Customer may permit such Outsource Providers to exercise all or any portion of the rights granted in Clause 5.1 above solely on Customer's or its Affiliates' behalf, provided that (i) the Outsource Provider shall only use and/or operate the Products for the Customer's Use subject to terms and conditions that are consistent with the rights and limitations set forth in this Agreement; and (ii) Customer shall remain liable for the acts and omissions of the Outsource Provider under this Agreement.

5.4. Open Source Software. The Customer acknowledges that the Software may contain or be accompanied by certain third party hardware and software products or components ("Third Party Products") including Open Source Software. Open Source Software is copyrighted and licensed under the GPL/LGPL and other OSS licenses. Copies of, or references to, those licenses may be set forth in a Schedule, the Third Party Product packaging and/or in a text file, installation file or folder accompanying the Software ("Third Party Notices"). If delivery of source code is required by the applicable license, Customer may obtain the complete corresponding Open Source Software source code for a period of three years after Darktrace's last shipment of the Software, by sending a request to: Legal Department - Open Source Software Request, Darktrace Limited, 3rd Floor, Broers Building, 21 JJ Thomson Avenue, Cambridge CB3 0FA, United Kingdom.

6. SERVICES.

6.1. Delivery and Installation. Darktrace will use all commercially reasonable efforts to deliver the Product in a timely manner in accordance with the estimated delivery date described in the Schedule. Darktrace shall conduct its standard installation and test procedures to confirm completion of the installation of the Product on the Customer's or it service provider's Site ("Installation").

6.2. Support Services. If Support Services are included as part of the Products (as agreed in a Schedule), Darktrace's support services will be described in the supporting material, which cover the description of Darktrace's Support Services offering, eligibility requirements, service limitations and Customer responsibilities, as well as the Customer systems.

6.3. Threat Intelligence Reporting. For the duration of any period as agreed by the Parties in a Schedule (if any), Darktrace cyber analysts work with the Customer's nominated security personnel in operating the Darktrace Threat Visualizer, and provide remote analysis support of Alerts and periodic TIRs.

6.4. Call Home. Call Home is critical for certain Services, including Support Services and Threat Intelligence analytics. Darktrace will limit its access solely to the extent relevant to Darktrace's provision of the Services, and such remote access shall be subject to Customer's applicable policies and procedures provided to Darktrace in writing in advance. The Call-Home connection remains within Customer's complete control and is initiated by the on-site Product. It can be initiated, terminated and audited at any time.

6.5. Other Services. Darktrace will deliver any ordered Services as described in the applicable Schedule. Darktrace's ability to deliver Services will depend on Customer's reasonable and timely cooperation and the accuracy and completeness of any information from Customer needed to deliver the Services. The acceptance process (if any) will be described in the applicable Schedule, will apply only to the

deliverables provided in connection with the specific Professional Services as described in the Schedule subject to the acceptance process, and shall not apply to other products or services to be provided by Darktrace.

6.6. DISCLAIMER. FOR THE AVOIDANCE OF DOUBT, UNLESS EXPRESSLY AGREED, THE SERVICES DO NOT INCLUDE THE MONITORING, INTERPRETATION AND / OR CORRECTIVE ACTION WITH RESPECT TO ANY ALERTS GENERATED BY THE PRODUCTS. NO ADVICE, ALERT, OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY CUSTOMER FROM DARKTRACE OR THROUGH OR FROM THE SERVICES SHALL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THIS AGREEMENT. CUSTOMER UNDERSTANDS THAT (A) ANY OUTCOME OF THE SERVICES INVOLVING SECURITY ASSESSMENT IS LIMITED TO A POINT-IN-TIME EXAMINATION OF CUSTOMER SECURITY STATUS, AND (B) THE SERVICES DO NOT CONSTITUTE ANY FORM OF REPRESENTATION, WARRANTY OR GUARANTEE THAT CUSTOMER'S SYSTEMS ARE SECURE FROM EVERY FORM OF ATTACK, EVEN IF FULLY IMPLEMENTED. THE CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT ALL ANOMALIES / INTRUSIONS MAY NOT BE REPORTED.

7. TITLE AND RISK OF LOSS; INSPECTION; RETURN OF PRODUCTS

7.1. Title and Risk of Loss. All shipments from Darktrace are made F.C.A. (Incoterms 2010) Customer's site, and subject to Clause 7.2, Darktrace's title to the Hardware and the risk of loss of or damage to the Products ordered by the Customer shall pass to Customer at the time of delivery of the Products to Customer. Customer must provide written notice to Darktrace or its authorized reseller within five business (5) days of delivery of the Products of any non-conformity with the Schedule. Title to the Software remains with Darktrace at all times.

7.2. Return of Products. In the event the Customer terminates the Agreement prior to the end of the Evaluation Period or upon termination by Darktrace in accordance with Clause 14.3, "Termination and Suspension", within 10 days of the end of the effective date of such termination, Customer is required to return the Product, in the condition Customer received it, free of any damage (reasonable wear and tear excepted), to Darktrace or its authorized reseller's designated carrier, as applicable. Upon retrieval by Darktrace's or delivery by Customer to the authorized reseller's designated carrier, as applicable, risk of loss and title in the Hardware will revert to Darktrace. Darktrace will pay for the return shipment of the Product to Darktrace. Should Customer fail to comply with this Clause 7.2, Darktrace or its authorized reseller, as applicable, shall issue an invoice to Customer for the additional and applicable monthly fees based on Darktrace's then-current list prices). If Customer fails to pay the applicable fees, Darktrace or its authorized reseller, as applicable, will be entitled to enter Customer's premises after providing Customer reasonable advance written notice to repossess the Products. If title to the Hardware has passed to the Customer, Customer shall not be required to return the Hardware but Darktrace or its authorized reseller, as applicable, shall be allowed, after providing Customer reasonable advance written notice, limited entry to Customer's Site as necessary to access the Application, or allowed remote access to the Product in order to remove or disable the Software, subject to Customer's applicable policies and procedures, and in addition to any other remedies arising under this Agreement, Darktrace may charge for Customer's additional usage beyond the authorized period. DARKTRACE SHALL NOT BE RESPONSIBLE FOR MAINTAINING OR PROTECTING ANY CONFIGURATION SETTINGS OR DATA FOUND ON THE RETURNED HARDWARE OR COMPONENT PART OF THE HARDWARE AND IT IS CUSTOMER'S SOLE RESPONSIBILITY TO DELETE ANY SUCH INFORMATION PRIOR TO RETURN. Darktrace shall notify Customer if it finds any configuration settings or data on returned Hardware and permit Customer, at its sole cost and expense, to remove or make arrangements to remove such configurations settings and/or data from the Hardware.

8. FEES, PAYMENT AND TAXES.

8.1. Fees. Fees will be as quoted in writing by Darktrace in the Schedule. No refunds will be made except as provided in Clause 10 "Warranties" and Clause 11.3 "Intellectual Property Rights Infringement" set forth below. Prices are exclusive of sales and use taxes assessed by a taxing authority in the jurisdiction in which Customer is physically located and takes delivery of the Products, and is exclusive of duties and shipping and handling fees, unless otherwise quoted, which will be the responsibility of the Customer. For any additional Services ordered by the Customer which are not listed in the Schedule, Darktrace will be entitled to charge separately for reasonable out-of-pocket expenses, such as travel expenses incurred in providing such Services and hardware replacement costs not provided under the Support Services, which are pre-approved in writing by Customer.

8.2. Invoices and Payment. The Customer will be invoiced the Fees in accordance with the schedule set out in the Schedule. Unless otherwise agreed in a Schedule, Fees will be invoiced on the first delivery date. Any other charges (including, without limitation, Professional Services fees and out of pocket expenses) will be invoiced monthly in arrears. Invoicing will occur via email. Unless otherwise agreed in a Schedule, Customer agrees to pay all undisputed amounts within 30 days of Customer's receipt of the applicable invoice by direct bank / wire transfer in accordance with the instructions on the invoice, and any bank charges assessed on Customer by Customer's bank. FOR THE AVOIDANCE OF DOUBT, UNLESS PAYMENTS ARE MADE BY WIRE TRANSFER THAT THEY MUST BE MADE ANNUALLY IN ADVANCE. Darktrace may suspend or cancel performance of open orders or Services if Customer fails to make payments when due, reserving all other rights and remedies as may be provided by law. Darktrace may impose late charges on overdue payments at a rate equal to the lesser of two percent (2%) per month or the highest rate permitted by law, calculated from the date payment was due until the date payment is made and all expenses incurred in collection, including reasonable attorneys' fees.

8.3. Lapsed Fees. If Customer has lapsed, during the Term, in the payment of Fees due hereunder, then all such payments must be paid in full prior to recommencement of the Services by Darktrace, and in such case, Customer will be responsible for paying all fees associated with the Products from the date that such Service was stopped through to the then-current date.

9. INTELLECTUAL PROPERTY; OWNERSHIP

9.1. Intellectual Property. Except as expressly set forth herein, this Agreement does not grant either Party any rights, implied or otherwise, to the other's Intellectual Property and Darktrace and/or its suppliers retain all right, title and interest to the Products, related Documentation and Alerts and reserve all right, title, and interest in and to the Software (excluding any Third Party Software), the Documentation, the Alerts and all copies thereof including all enhancements, error correction, new releases, updates, derivations, and modifications thereto including, but not limited to, ownership of all Intellectual Property rights, not expressly granted to Customer (collectively, "Darktrace Intellectual Property"). Customer agrees to inform Darktrace promptly of any infringement or other improper action with respect to the Darktrace Intellectual Property that comes to Customer's attention. Customer waives its right to contest the validity and/or ownership of such Darktrace Intellectual Property.

10. WARRANTIES

10.1. Hardware Warranty. Darktrace warrants to Customer that during the one (1) year period following the delivery of the Product, the Hardware shall perform in accordance with the applicable Documentation.

10.2. Software Warranty. Darktrace warrants to Customer that during a period of ninety (90) days from the delivery of the Product, the Software will perform materially in accordance with the applicable Documentation.

10.3. Exceptions. The warranties contained in Clause 10.1 "Hardware Warranty" and Clause 10.2 "Software Warranty" of this Agreement shall not apply if: (i) Customer's use of the Products is not in accordance with this Agreement; (ii) Customer fails to follow Darktrace's environmental, installation, operation or maintenance instructions or procedures in the Documentation; (iii) such Product has been subject to Customer (or its agent's) abuse, negligence, improper storage, servicing or operation of the Product (including without limitation use with incompatible equipment), reasonable wear and tear excepted; (iv) the Products have been modified, repaired or improperly installed other than by Darktrace or any contractor or subcontractor of Darktrace; (v) Customer (or its agent) has failed to implement, or to allow Darktrace or its agents to implement, any corrections or modifications to the Product made available to Customer by Darktrace; or (vi) Customer (or its agent) has combined the Product with other software, services, or products that are not provided, by Darktrace or not otherwise specified in the Documentation, , and, but for such combination, the breach of warranty would have been avoided.

10.4. Remedies. If during the applicable warranty period contained in Clause 10.1 "Hardware Warranty" or Clause 10.2 "Software Warranty": (i) Darktrace is notified promptly in writing upon discovery of an error in a Product, including a detailed description of such alleged error; and (ii) the Darktrace inspections and tests determine that the Product contains errors and has not been subjected to any of the conditions set forth in Clause 10.3, then, as Darktrace's entire liability and Customer's sole remedy for such breach of warranty, Darktrace shall (at Darktrace's option and sole expense) correct, repair or replace the Product, within a reasonable time or provide or authorize a refund of the Fees paid for the Products following the return of the Product to Darktrace and the Agreement will terminate. Any items provided as replacement under the terms of this warranty will be warranted for the remainder of the original warranty period. Darktrace will pay for, and will bear all risk of loss of or damage to, the return shipment of the product to Darktrace and the shipment of repaired or replaced products to Customer.

10.5. DISCLAIMER. DARKTRACE DOES NOT PROVIDE ANY WARRANTIES AND / OR ANY SUPPORT SERVICES WITH RESPECT TO THIRD PARTY PRODUCTS SUCH AS TAPS AND NETWORK AGGREGATORS WHICH ARE NOT INTEGRAL TO THE PRODUCT AND PROVIDES ANY SUCH HARDWARE STRICTLY ON AN "AS IS" BASIS. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, NEITHER DARKTRACE NOR ANY OF ITS THIRD-PARTY LICENSORS AND SUPPLIERS MAKE ANY WARRANTIES, CONDITIONS, UNDERTAKINGS OR REPRESENTATIONS OF ANY KIND, EITHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE IN RELATION TO ANY SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR ARISING FROM COURSE OF PERFORMANCE, DEALING, USAGE OR TRADE. DARKTRACE MAKES NO WARRANTY AS TO THE ACCURACY, COMPLETENESS OR RELIABILITY OF ANY ALERTS OR INFORMATION AVAILABLE THROUGH THE PRODUCTS. CUSTOMER IS RESPONSIBLE FOR VERIFYING ANY INFORMATION BEFORE RELYING ON IT. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO A PARTY AND SUCH PARTY MAY HAVE OTHER LEGAL RIGHTS THAT VARY FROM STATE TO STATE OR BY JURISDICTIONS. DARKTRACE DOES NOT WARRANT THAT THE OPERATION OF THE PRODUCTS WILL BE ERROR-FREE OR UNINTERRUPTED.

11. INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT INDEMNITY.

11.1. Darktrace Indemnity. Darktrace will indemnify, and defend and hold Customer, Customer's Affiliates, and their respective officers, directors, employees, agents and representatives (and any successors and assigns of the foregoing) (collectively, the "Customer Indemnitees") harmless from and against all liabilities, damages, and costs (including settlement costs and reasonable attorneys' fees) arising out of a third party claim that the Products or any other intellectual property provided or made available by Darktrace under this Agreement (or any portion thereof), or its receipt, possession or use by any Customer Indemnitee, infringes or misappropriates any Intellectual Property Right(s) of any third party. The indemnification obligations of Darktrace shall be subject to the Customer: (i) notifying Darktrace within twenty (20) days of receiving notice of any threat or claim in writing of such action; (ii) giving Darktrace exclusive control and authority over the defense or settlement of such action (provided that the settlement does not entail an admission of fault or guilt by any Customer Indemnitee, (B) the sole relief provided is monetary damages that are paid by Darktrace consistent with the limitations of liability herein, and (C) the settlement includes, as an unconditional term, the claimant's or the plaintiff's release of the Customer Indemnitees from all liability in respect of the claim); (iii) not entering into any settlement or compromise of any such action without Darktrace's prior written consent; and (iv) providing reasonable assistance requested by Darktrace at Darktrace's expense. The

Customer may join in the defence with its own counsel at its own expense. The Customer shall be obliged to mitigate its losses insofar as is reasonable in the circumstances.

11.2. Exclusions. The obligations set forth in Clause 11.1 do not apply to the extent that a third party claim is caused by, or results from: (a) Customer's combination or use of the Products or other intellectual property that is the subject of the claim with other software, services, or products that are not provided by Darktrace, if the claim would have been avoided by the non-combined or independent use of the Products or other intellectual property that is the subject of the claim; (b) modification of the Products or other intellectual property that is the subject of the claim by anyone other than Darktrace or any contractor or subcontractor of Darktrace, if the third party claim would have been avoided by use of the unmodified Products or other intellectual property that is the subject of the claim; (c) Customer's continued allegedly infringing activity after being notified thereof and being provided with modifications that would have avoided the alleged infringement (which Darktrace shall use commercially reasonable efforts to have substantially preserve the utility and functionality of the Products or other intellectual property that is the subject of the claim); (d) Customer's use of the Products or other intellectual property that is the subject of the claim in a manner not in accordance with this Agreement or the Documentation; or (e) use of other than Darktrace's most current release of the Products or other intellectual property that is the subject of the claim if the third party claim would have been avoided by use of the most current release or revision release or revision.

11.3. Remedies. If Darktrace reasonably believes the Products infringes a third party's intellectual property rights, then Darktrace will, at no additional cost to the Customer: (a) procure for Customer the right to continue to use the Products; (b) replace the Products; or (c) modify the Products to avoid the alleged infringement. If none of the options in the previous sentence are commercially reasonable, Darktrace may terminate the license for the allegedly infringing Products and refund a percentage of the Fees paid by Customer through the date a third party claim occurs for the allegedly infringing Products, per Clause 11.1, less depreciation for use assuming straight line depreciation over the Term whereupon this Agreement shall automatically terminate.

THIS CLAUSE 11 IS A COMPLETE STATEMENT OF THE CUSTOMER'S REMEDIES FOR THIRD PARTY CLAIMS FOR INFRINGEMENT AS DESCRIBED IN CLAUSE 11.1.

12. CUSTOMER DATA; CUSTOMER UNDERTAKINGS AND INDEMNITY.

12.1. Customer Data; License Grant. Any Customer data stored by the Software (which for the avoidance of doubt includes information about network traffic on Customer's network (metrics), log/metadata collection, as well as the raw packet capture data from Customer's network (together, "Customer Data"), will be stored in the Products. Customer grants to Darktrace a limited, non-exclusive and non-transferable license to use the Customer Data only to the extent necessary for Darktrace to perform the Services. In the event that Darktrace needs to access the Customer Data to provide TIRs, respond to any technical problems, queries, or requests from Customer, Customer shall ensure, subject to Darktrace's compliance with the confidentiality, data protections and other requirements in this Agreement, that it is permitted to do so in accordance with applicable laws, regulations and international accords, treaties, or accords including, without limitation, applicable Data Privacy Laws. Customer and all of its users shall be bound by and comply with this Agreement, and Customer is solely responsible for the activities of its users and for the accuracy, integrity, legality, reliability, and appropriateness of all Customer Data. Darktrace and its Affiliates do not provide backup services for Customer Data, and Darktrace and its Affiliates may, without notice, delete any of Customer Data that may remain in its/their possession or control. For the avoidance of doubt, Darktrace may utilise the details of any cyber-related threats occurring in Customer's network to develop the Products, provided that Darktrace ensures that any Customer Confidential Information is removed and Darktrace's use of such information does not in any way identify Customer or its employees as the source.

12.2. Customer Security Obligations. In using the Products or authorizing its Outsource Provider and third parties to use it on Customer's behalf, Customer (and not Darktrace) shall be responsible for establishing, monitoring, and implementing security practices to control the physical access to and use of the Products and all Customer Data therein (including Regulated Data) in accordance with Customer's own security policies and procedures.

12.3. DATA DISCLAIMER; INDEMNITY. CUSTOMER EXPRESSLY RECOGNIZES THAT DARKTRACE DOES NOT CREATE OR ENDORSE ANY CUSTOMER DATA PROCESSED BY OR USED IN CONJUNCTION WITH THE PRODUCTS PROVIDED HEREUNDER. CUSTOMER FURTHER ACKNOWLEDGES AND UNDERTAKES THAT IT SHALL BE SOLELY RESPONSIBLE FOR BACK-UP OF ALL CUSTOMER DATA. Customer shall, at Customer's own expense, indemnify, defend and hold Darktrace, its Affiliates, and their respective officers, directors, employees, agents and representatives ("Darktrace Indemnitees") harmless from and against all liabilities, damages, and costs (including settlement costs and reasonable attorneys' fees) incurred by reason of Darktrace's strict compliance with the express instructions of Customer with respect to the ownership, custody, processing or disposition of the Customer Data stored in the Products or accessible by Darktrace, as applicable.

13. LIMITATION OF LIABILITY.

13.1. LIMITATION OF LIABILITY.

13.1.1. SUBJECT TO THE SUB-CLAUSES OF THIS CLAUSE 13, EACH PARTY'S MAXIMUM LIABILITY TO THE OTHER PARTY FOR ANY AND ALL LOSS AND/OR DAMAGE (IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF STATUTORY DUTY, OR OTHERWISE) FOR ANY REASON ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED, IN THE AGGREGATE, THE TOTAL AMOUNT OF ALL FEES PAID OR PAYABLE TO DARKTRACE FOR THE PRODUCTS DURING THE THEN APPLICABLE TERM, EXCEPT THAT IN RESPECT OF: (i) A BREACH BY EITHER PARTY OF CLAUSE 15 (CONFIDENTIALITY; DATA SECURITY); SUCH LIABILITY SHALL NOT EXCEED, IN THE AGGREGATE, THE

GREATER OF (I) THREE TIMES (3X) TOTAL FEES PAID OR PAYABLE TO DARKTRACE FOR THE PRODUCTS DURING THE THEN APPLICABLE TERM, OR (II) TWO HUNDRED AND FIFTY THOUSAND UNITED STATES DOLLARS (US$250,000).

13.2. EXCLUSION OF CONSEQUENTIAL DAMAGES.

13.2.1. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, BREACH OF STATUTORY DUTY OR OTHERWISE DUE TO, UNDER AND/OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT TO THE EXTENT SUCH LOSS OR DAMAGE IS CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE, WHETHER OR NOT IT HAD BEEN ADVISED OF THE LIKELIHOOD OF ANY SUCH LOSS OR DAMAGE.

13.2.2. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, DARKTRACE SHALL NOT BE LIABLE TO CUSTOMER IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, BREACH OF STATUTORY DUTY OR OTHERWISE DUE TO, UNDER AND/OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT IF AND TO THE EXTENT THAT THE LOSS OR DAMAGE IN RESPECT OF WHICH SUCH LIABILITY ARISES OR IS CLAIMED TO ARISE FALLS WITHIN ANY OF THE FOLLOWING CATEGORIES: LOSS OF PROFITS; LOSS OF REVENUE OR BUSINESS; LOSS OF GOODWILL OR REPUTATION; LOSS OF OR CORRUPTION OR DAMAGE TO DATA; LOSS OF MANAGEMENT TIME, OR OTHER COMMERCIAL DAMAGES OR LOSSES, WHETHER OR NOT DARKTRACE HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, CORRUPTION OR DAMAGE.

13.3. ESSENTIAL PURPOSE. THE LIMITATION OF LIABILITY AND EXCLUSION OF CERTAIN DAMAGES STATED HEREIN SHALL APPLY REGARDLESS OF THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY. BOTH PARTIES HEREUNDER SPECIFICALLY ACKNOWLEDGE THAT THESE LIMITATIONS OF LIABILITY ARE REFLECTED IN THE PRICING AND THE TERMS ACCEPTED HEREUNDER.

13.4. Exclusions from Limitation of Liability. Nothing will exclude or limit either Party's liability for death or personal injury arising from that Party's wilful misconduct or gross negligence, liability arising from a Party's fraudulent misrepresentation, violations of a Party's Intellectual Property Rights, or for any other matter in respect of which liability cannot lawfully be limited or excluded.

14. TERM; TERMINATION.

14.1. Expiration of the Term. Notwithstanding any provision of this Clause 14, Customer's right to use, and Customer's access to, the Software will automatically terminate on expiry of the Term unless and until Customer renews its license for the Software.

14.2. Termination for Breach. Either Party may terminate this Agreement if: (i) the other Party is in material breach of the Agreement and fails to cure that breach within 30 days after receipt of written notice; or (ii) the other Party ceases its business operations or becomes subject to insolvency proceedings and the proceedings are not dismissed within 30 days.

14.3. Termination or Suspension by Darktrace. In addition to a termination under Clause 14.1, Darktrace may terminate and/or suspend Customer's license grant and/or suspend, terminate or limit any of Customer's use of the Products without liability if a court or other governmental authority having jurisdiction issues an order prohibiting Darktrace from furnishing the Products to Customer. Additionally, Darktrace may suspend or limit any of Customer's use of the Products without liability if Darktrace provides Customer with written notice that Customer is using the Products (i) in breach of Clause 5.2, "License Grant and Restrictions"; or (ii) in a manner that is otherwise unlawful and Customer does not cure the condition identified in such notice within five (5) business days. In the event the Products is suspended pursuant to this Clause 14.3, Darktrace shall inform Customer of the reasons for the suspension and shall work with Customer to resolve such issues and re-instate the Products.

14.4. Effect of Termination. Upon termination in accordance with the above, and, in addition to Clause 7.2, "Return of Products": (i) the Term and all other rights and licenses granted by one Party to the other, or any services provided by Darktrace to Customer, will cease immediately; (ii) upon request, each Party will promptly return or destroy all Confidential Information (including Software and Regulated Data) of the other Party; provided, however, that such Party shall not be obligated to return or destroy such Confidential Information that is stored on its automated backup systems until the same would be destroyed according to such Party's normal document retention schedule or such information that must be retained for compliance with applicable laws, rules or regulations until the obligation to retain such information has lapsed; provided further that all information so retained shall be subject to the provisions of Clause 15, Confidentiality until the same is returned or destroyed; (iii) all undisputed Fees owed by Customer to Darktrace at the date on which termination takes effect will become due and payable; and (iv) Customer must immediately permanently destroy media or Hardware containing the Software, or Darktrace shall be allowed, after providing Customer reasonable advance written notice, limited entry to the Customer's site as necessary to access the Product (or allowed remote access to the Product), to remove or disable the Software, subject to Customer's applicable policies and procedures. If the Agreement terminates, all Schedules will co-terminate.

14.5. Survival. The following provisions shall survive any termination of this Agreement: Clauses 2, "License Grant & Restrictions"; Clause 6.1, "Intellectual Property; Ownership"; Clause 11, "Intellectual Property Rights Indemnification"; Clause 10.5, "Disclaimer of Warranties"; Clause 13, "Limitation of Liability"; Clause 14.4, "Effect of Termination"; Clause 15, "Confidentiality; Data Security"; Clause 16, "General Provisions."

15. CONFIDENTIALITY; DATA SECURITY.

15.1. Information exchanged under this Agreement will be treated as confidential if identified as such at disclosure or if the subject matter or circumstances of disclosure would reasonably indicate such treatment and shall include, without limitation, the Customer Data and Regulated Data ("Confidential Information"). Confidential Information may only be used for the purpose of fulfilling obligations or exercising rights under this Agreement, and shared with employees, agents or contractors with a need to know such information to support that purpose. Confidential information will be protected using a reasonable degree of care to prevent unauthorized use or

disclosure for 5 years from the date of receipt or (if longer) for such period as the information remains confidential. These obligations do not cover information that: (i) was known or becomes known to the receiving Party without obligation of confidentiality, provided that (A) such recipient has no knowledge that such information is subject to a confidentiality agreement and (B) such information is not of a type or character that a reasonable person would have regarded it as confidential; (ii) is independently developed by the receiving without violating the disclosing Party's rights; (iii) is or becomes publicly known (other than through unauthorized disclosure by or through a Party); (iv) is disclosed by the owner of such information to a third party free of any obligation of confidentiality; or (v) where disclosure is required by law or a governmental agency provided that, to the extent lawful so to do, the receiving Party shall notify the disclosing Party of the request giving it reasonable opportunity to respond, and cooperate with the disclosing Party's reasonable, lawful efforts to resist, limit or delay disclosure at the disclosing Party's expense, and provided that except for making such required disclosure, such information shall otherwise continue to be Confidential Information. Additionally, without limiting Customer's obligation to maintain the confidentiality of Darktrace's Intellectual Property, these obligations do not require Customer to treat as confidential information a TIR or any other information specifically about Customer's Data or Customer network systems, including any threats thereto or analysis thereof.

15.2. If a Party discovers an actual and verified loss or theft, actual unauthorized access, disclosure, copying, use or modification, of any of the other Party's Confidential Information in its possession or control, then in each case the first Party will:

15.2.1. within twenty-four (24) hours of verifying the same, notify the other Party, to the extent known, of the date and circumstances of such event, the nature and content of the Confidential Information so affected (including, if the event involves any Regulated Data, the number of persons affected and, to the extent possible, the identities of the affected persons), and the steps the first Party has taken to investigate the event, mitigate potential harm and prevent further loss or theft, or further unauthorized access, disclosure, copying, use or modification of, the Confidential Information so affected;

15.2.2. assemble and preserve pertinent information with respect to the event;

15.2.3. conduct a root-cause analysis to determine the cause(s) of the event, and provide the other Party with a detailed report indicating the cause(s) of the event and the plan to address the event;

15.2.4. document actions taken in response to the event in sufficient detail to meet reasonable expectations of forensic admissibility, and conduct a post-incident review of all events and actions taken, if any, with a view to making any needed modifications in business practices relating to the protection of the other Party's Confidential Information;

15.2.5. as requested by the other Party, advise the other Party of the status of remedial efforts being undertaken with respect to the event;

15.2.6. cooperate with any investigation relating to the event that is carried out at the direction of any governmental authority;

15.2.7. cooperate with the other Party in all reasonable and lawful efforts to investigate, prevent the recurrence of, mitigate and rectify the event;

15.2.8. minimize the impact of and correct any problems and incidents that contributed to the event; and

15.2.9. take appropriate preventive measures so that such problems and incidents do not recur, including implementing new security measures to the extent reasonably requested by the other Party.

15.3. The Parties acknowledge that the Products may be used to process information regulated by applicable privacy or data protection laws. Solely to the extent relevant to Darktrace's provision of Services, Darktrace shall act only on the instructions of Customer in processing Regulated Data as a data processor. Customer hereby instructs Darktrace to take such steps in the processing of Regulated Data as are reasonably necessary to the performance of Darktrace's obligations under this Agreement, and agrees that such instructions constitute its full and complete instructions as to the means by which Regulated Data shall be processed by Darktrace. Each party agrees that it shall comply with the Data Privacy Laws in exercising its rights and performing its obligations under this Agreement.

15.4. Darktrace agrees that:

15.4.1. it shall not use Regulated Data save for the purposes of delivering the Products and Services as instructed by this Agreement;

15.4.2. upon termination of this Agreement, it shall return Regulated Data to the Customer or destroy such Regulated Data in accordance with Customer's written instructions;

15.4.3. implement and maintain appropriate administrative, physical, technical and organisational measures to protect any Regulated Data accessed or processed by it against unauthorized or unlawful processing or accidental loss, destruction, damage or disclosure which are at least equal to the most stringent of the following: (a) those set out in Darktrace's Information Security Standards, and (b) any higher standard required by law or regulation applicable to Darktrace;

15.4.4. it shall take reasonable steps to ensure the reliability of its agents and employees who have access to any Regulated Data;

15.4.5. it shall require that any of its subcontractors who process Regulated Data are bound by contractual obligations equivalent to those in this Clause 15;

15.4.6. it shall document disclosures to third parties of Regulated Data and information related to such disclosures as would be required for Customer to respond to a request by an individual for an accounting of disclosures of their Regulated Data;

15.4.7. it shall securely and permanently erase or destroy, in each case in accordance with then-current industry standards that are generally accepted by well-managed operations performing similar services, any Regulated Data stored by Darktrace; and

15.4.8. it shall provide reasonable support to Customer in complying with any legally mandated request for access to or correction of any Regulated Data by any individual, or access or demand made by any court or governmental authority responsible for enforcing privacy or data protection laws, and where such request or demand is submitted to Darktrace, promptly notify the Customer of it.

Darktrace may, without requiring Customer's consent, communicate with law enforcement personnel, service providers, insurance providers, and other relevant personnel required to immediately take action to resolve or address any unauthorized disclosure of Regulated Data in its possession, but will not issue communications to affected individuals without prior notification to and approval of Customer (unless prohibited by law). Customer will not make any public statement or issue any public communication regarding any incident described in this Section, without Darktrace's prior written consent, except as strictly required by law or regulation. Upon any loss or theft, or unauthorized access, disclosure, copying, use or modification of, any Regulated Data that is in Darktrace's possession or control, except as otherwise required by law, Customer, in its sole discretion, may determine whether and when notice of any such event will be provided to any affected persons or governmental authorities pursuant to applicable laws and regulations. Customer will have final editorial control over the content of any legally required filings, communications to affected individuals (excluding any public communications about Darktrace) related to any such event.

15.5. To the extent there are changes to the Data Privacy Laws which affect the costs or risk profile of a Party, the Parties will meet in good faith to discuss any changes to this Agreement.

16. GENERAL PROVISIONS.

16.1. Entire Agreement; Integration. This Agreement, the Appendices, and any Schedules hereto represent the entire agreement between the Parties on the subject matter hereof and supersede all prior discussions, agreements and understandings of every kind and nature between the Parties. No modification of this Agreement shall be effective unless in writing and signed by both Parties. Each of the Parties acknowledges and agrees that it has not been induced to enter into the Agreement in reliance upon, and in connection with the Agreement does not have any remedy in respect of, any representation or other promise of any nature whatsoever other than as expressly set out in this Agreement. Each party signing this Agreement acknowledges that it has had the opportunity to review this Agreement with legal counsel of its choice, and there will be no presumption that ambiguities will be construed or interpreted against the drafter.

16.2. Severability. The illegality or unenforceability of any provision of this Agreement shall not affect the validity and enforceability of any legal and enforceable provisions hereof. If any illegal or unenforceable provision of this Agreement substantially affects or alters the commercial basis of this Agreement the Parties shall negotiate in good faith to amend and modify the provisions and terms of this Agreement as may be necessary or desirable in the circumstances.

16.3. Force Majeure. Neither Party shall be liable for any failure or delay in performing services or any other obligation under this Agreement, nor for any damages suffered by the other or an end user by reason of such failure or delay, which is, indirectly or directly, caused by an event beyond such Party's reasonable control, riots, natural catastrophes, terrorist acts, governmental intervention, refusal of licenses by the government or other government agencies, or other acts of God (each, a "Force Majeure Event"), and such non-performance, hindrance or delay could not have been avoided by the non-performing Party through commercially reasonable precautions, and cannot be overcome by the non-performing Party through commercially reasonable substitute services, alternate sources, workarounds or other means. During the continuation of a Force Majeure Event, the non-performing Party will use commercially reasonable efforts to overcome the Force Majeure Event, and to the extent it is able, continue to perform its obligations under the Agreement. Either Party shall inform the other within five (5) days of any Force Majeure Event coming to its knowledge and affecting performance under this Agreement and supply satisfactory evidence thereof. Should any such Force Majeure Event occur, the Parties may opt to terminate the Agreement if the other Party is unable to perform its obligations for a period in excess of ten (10) days after the date of the occurrence of the Force Majeure Event without either Party incurring any liability for any loss or damage of whatsoever nature howsoever arising thereby occasioned.

16.4. Notices. All notices relating to this Agreement shall be in writing and shall be notice will be deemed given: (a) when verified by written receipt if sent by personal courier, overnight courier, or mail; or (b) when verified by automated receipt or electronic logs if sent by facsimile or email. Any notices required to be given in writing to Darktrace or any questions concerning this Agreement should be addressed to the General Counsel, Darktrace Limited, 3rd Floor, Broers Building, 21 JJ Thomson Avenue, Cambridge CB3 0FA, United Kingdom.

16.5. Rights of Third Parties. This Agreement does not create any rights for any person who is not a party to it and no person who is not a Party to this Agreement may enforce any of its terms or rely on any exclusion or limitation contained herein.

16.6. Audit. During the Term of this Agreement, Customer shall maintain records reasonably required to verify its compliance with this Agreement and all applicable Schedules, and will provide copies of those records to Darktrace on reasonable request.

16.7. Independent Contractors. The Parties are independent contractors. Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between the Parties.

16.8. Assignment. This Agreement may not be assigned by either Party without the written consent of the other Party, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, consent of the other Party shall not be required for a transfer to an Affiliate of a Party or if a Party undertakes an initial public offering, a sale of all or substantially all of its shares or assigns all or substantially all of its business and assets to another entity that is not a direct competitor of the non-assigning party. Any attempt to assign this Agreement in violation of the foregoing shall be null and void. This Agreement binds the Parties, their respective participating subsidiaries, affiliates, successors and permitted assigns.

16.9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware and the courts having within their jurisdiction Delaware shall have exclusive jurisdiction to determine any disputes, which may arise out of, under, or in connection with this Agreement. Customer and Darktrace agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply.

16.10. United States Government End-User Notice. Government Purposes (applicable to United States government customers only). The Products is commercial within the meaning of the applicable civilian and military Federal acquisition regulations and any supplements thereto. If the user of the Product is an agency, department, employee, or other entity of the United States Government, the use, duplication, reproduction, release, modification, disclosure, or transfer of the Product, including technical data or manuals, is governed by the terms, conditions and covenants contained in the Darktrace standard commercial license agreement, as contained herein.

16.11. Export Compliance. The Products provided under these terms is for Customer's internal use and not for further commercialization. The Customer acknowledges that the Products may be classified and controlled as encryption items under the United Kingdom's Export Regulations, the United States Export Administration Regulations and other national regulations. Each party will comply with all applicable laws regarding export-controlled items, and will not export, re-export or import, directly or indirectly, any export-controlled items, or any direct product of them, nor undertake any transaction hereunder in violation of any applicable export laws (including any local laws and the Export Administration Regulations (15 C.F.R. Parts 730-774) (including the anti-boycott and embargo regulations and guidelines issued thereunder), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), the Export Administration Act of 1979 (50 U.S.C. App. 2401-2420), the Arms Export Control Act of 1976 (22 U.S.C. 2751), the International Emergency Economic Powers Act (50 U.S.C. 1701-1707), Executive Order 13222 and all sanctions programs implemented by the Office of Foreign Assets Control of the U.S. Department of the Treasury) without first obtaining any necessary export authorizations, licenses or other approvals from applicable government authorities. Customer will indemnify, defend, and hold harmless Darktrace from and against any claim, loss, liability, or damage suffered by Darktrace related to Customer's breach of this provision.

16.12. ITAR/EAR. Customer understands that employees of Darktrace and/or its suppliers may have access to native data to perform the Support Services herein and represents that none of this data requires protection from access by foreign persons because it contains technical information regarding defense articles or defense services within the meaning of the United States International Traffic in Arms Regulations (22 CFR 120) or technical data within the meaning of the United States Export Administration Regulations (15 CFR 730-774). If any of this data does contain any such information, Customer will either lock down access to any such data and/or identify any folders containing such data as export controlled information and acknowledges that special service rates may apply thereto.

16.13. Waiver. Each Party agrees that the failure of the other Party at any time to require performance by such Party of any of the provisions herein shall not operate as a waiver of the rights of such Party to request strict performance of the same or like provisions, or any other provisions hereof, at a later time.

16.14. Headings. All headings used herein are for convenience of reference only and shall not in any way affect the interpretation of this Agreement.

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1. Defined Terms.

1.1. Terms defined in this Appendix 1 shall have the meanings given below. Defined terms may be used in the singular or plural depending on the context.

"Affiliate" means any corporation or other business entity that directly or indirectly controls, is controlled by or is under common control with a party. Control means direct or indirect ownership of or other beneficial interest in fifty percent (50%) or more of the voting stock, other vesting interest, or income of a corporation or other business entity.
"Alerts" means features of the Products which may generate alerts of suspected malicious activity on a Customer's network;
"Appliance" means the combined Hardware and Software elements of the Products;
"Call Home" means the secure and encrypted channel which connects the Appliance to Darktrace central management;
"Confidential Information" is as defined in Clause 15, "Confidentiality";
"Customer Data" means all data and information provided by Customer to Darktrace under this Agreement in connection with the performance by Darktrace of the Services;
"Data Privacy Laws" means the Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003, and laws of similar purpose or effect in any relevant jurisdiction, in each case as amended, updated, re-enacted or replaced from time to time;
"Documentation" means user manuals for the Product consisting of the applicable installation guides, service descriptions, technical specifications, and online help files provided by Darktrace or available on Darktrace's online portal;
"Evaluation Period" is as defined in Clause 3.1, "Term";
"Fees" means all applicable fees as set forth in the Schedule (payable to Darktrace, or its authorized reseller, as applicable);
"Hardware" means any hardware device (including embedded firmware) shipped and installed as part of the Products;
"Hardware Fee" means the cost price to Darktrace of the Hardware or such other amount described as "Hardware Fee" in a Schedule. For the avoidance of doubt, if additional Hardware is required after the initial Installation (i.e., after the Evaluation Period), the costs of any additional Hardware shall be identified to Customer and such costs will be passed on to Customer by Darktrace or its authorized reseller;
"Information Security Standards" means Darktrace's information security code of conduct, as amended from time to time in Darktrace's sole discretion and available upon request;
"Installation" is as defined in Clause 6.1;
"Intellectual Property" means patents, trademarks, service marks, rights (registered or unregistered) in any designs, applications for any of the foregoing, trade or business names, copyright (including rights in computer software) and topography rights, know-how, secret formulae and processes, and other proprietary knowledge and information, internet domain names, rights protecting goodwill and reputation, database rights (including rights of extraction) and all rights and forms of protection of a similar nature to any of the foregoing or having equivalent effect anywhere in the world and all rights under licences and consents in respect of any of the rights and forms of protection mentioned in this definition (and "Intellectual Property Rights" shall be construed accordingly);
"Licensed Products" means all or each (as the context so allows) of those software programs which are installed on the Hardware, together with the Documentation and any of the Upgrades and Updates to those software programs;
"Open Source Software" means third party software that Darktrace distributes with the Software pursuant to a license that requires, as a condition of use, modification and/or distribution of such software, that the software or other software combined and/or distributed with it be (i) disclosed or distributed in source code form; (ii) licensed for the purpose of making derivative works; (iii) redistributable at no charge; or (iv) redistributable but subject to other limitations;
"Products" means the Appliances, Licensed Products and Services which may be supplied by Darktrace to Partner, as listed herein, as such may be amended by Darktrace from time to time, together with applicable Documentation, Upgrades and Updates;
"Professional Services" means services and/or training services performed by Darktrace's personnel and/or agents for the benefit of Customer as agreed in a Schedule (if applicable);
"Regulated Data" means, generally, information relating to an identified or identifiable natural person, or other regulated data types, as defined by applicable privacy or data protections laws;
"Schedule" means either the pricing schedule or quotation prepared by Darktrace or its authorized reseller, as applicable, or other ordering document prepared by the Customer and accepted by Darktrace, which identifies the products and any services ordered by Customer from Darktrace or its authorized reseller, the Term, the quantity, the applicable fees and any other restrictions (if any);

"Service" means collectively or individually, the Support Services and/or Professional Services, as set forth in the applicable Schedule;
"Shipment Date" means the earliest calendar day in which Darktrace: (i) initially ships to Customer the Products via a reputable overnight courier; (ii) allows Customer to access the Products via a file transfer protocol (FTP) site;
"Site(s)" means the Customer's business location or its datacentre at the locations described in a Schedule;
"Software" means the Darktrace or its licensor's proprietary software (in object code form) delivered to Customer as part of the Products or on a standalone basis, together with all enhancements, error corrections, and/or updates which are generally made available by Darktrace as part of the Products. The term Software does include Third Party Software, where applicable. The term "Software" does not include Open Source Software;
"Support Services" means the support and maintenance services provided as part of the Products as described in a Schedule (if applicable);
"Term" is as defined in Clause 3, "Term";
"Third Party Licensors" means the suppliers of the Third Party Software to Darktrace;
"Third Party Software" means (i) any software or other technology that is licensed to Darktrace from Third Party Licensors which is not proprietary to Darktrace, but which Darktrace has the necessary rights to license to Customer; and (ii) Open Source Software;
"Threat Intelligence Reports" or "TIRs" is as defined in Clause 6.3;
"Updates**"** means collectively all error correction(s), minor enhancement(s), major enhancement(s) and new releases, provided under Support Services in connection with Software licensed to Partner or an End-User, as applicable;
"Upgrades**"** means any enhancement, feature or improvement to the functionality of the Software (excluding Updates), which are made commercially available by Darktrace as part of Support Services at its sole discretion from time to time and the associated Documentation;
"Use" is as defined in Clause 5.1 "Licence Grant and Restrictions".

1.2. Construction and Precedence. In this Agreement (except where the context otherwise requires):-

1.2.1. any reference to a clause or schedule is to the relevant clause or schedule of or to this Agreement and any reference to a paragraph is to the relevant paragraph of the clause or schedule in which it appears;

1.2.2. the index and clause headings are included for convenience only and shall not affect the interpretation of this Agreement;

1.2.3. use of the singular shall include the plural and vice versa;

1.2.4. use of any gender shall include the other gender;

1.2.5. any reference to persons includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trust (in each case whether or not having separate legal personality);

1.2.6. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

1.2.7. any reference to any other document is a reference to that other document as amended, varied, supplemented, or novated (in each case, other than in breach of the provisions of this Agreement) at any time.

1.3. The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules. Unless as otherwise specifically agreed to in a writing signed by each of the parties, if there is any conflict or inconsistency between this Agreement, exhibit or annex hereto, any Schedule issued hereunder, and or any document incorporated by reference, such conflict or inconsistency will be resolved by giving precedence: (a) first, to this Agreement; (b) second, to an Schedule; (c) third, to an addendum; and (d) fourth, to any documents incorporated by reference; provided, however that any Schedule or addenda may precede and control over the Agreement if mutually agreed upon by the parties and expressly stated solely with respect to the Products in the Schedule or addendum.

[End of Agreement]

DARKTRACE PRODUCT SUPPORT AND ANALYTICS SERVICES

overview	
service overview	Darktrace Support Service and Analytics team provides remote assistance support for the Darktrace Enterprise Immune System Appliance ("Appliance"). The Darktrace Support and Analytics Service gives you the flexibility to choose between different service packages with predefined service levels or to address your specific support needs by configuring optional service features and choosing from additional response time and coverage window alternatives.
service highlights (depending on services tier)	• Telephone and email helpdesk • Remote problem diagnosis and support • Error corrections and software updates • Hardware support and firmware updates • Replacement parts and materials • Cyber threat monitoring by experienced analysts • Flexible coverage windows
Support Helpdesk Numbers / Email	Refer to the Darktrace Support Guide

service plans					
Not all service level options are available on all products. The service level option you have chosen will be specified in your contract documentation.					
	Base Appliance	**Bronze[1]**	**Silver[1]**	**Gold[1]**	**Platinum[1]**
Helpdesk / Remote problem diagnosis and support	√	√	√	√	√
Hardware Support Return to Base	√	√	√	√	√
Weekly Threat Intelligence Reporting (TIR)		√	√	√	√
Health checks and diagnostics		√	√	√	√
Ticket-based Analyst Support (Incident Management) (Mon-Fri 9am-5pm)			√	√	√
Same Day Threat Notification				√	√
Phone-based On Demand Analyst Support (Incident Management) (Mon-Fri 9am-5pm)				√	√
24/7 On Demand Analyst Support (Incident Management)					√

[1] *Each of these Services Levels requires access via Call Home.*

specifications	
Service coverage, including availability of specific service levels, geographic limitations, response times, coverage windows, may vary from country to country and must be checked at the time of purchase.	
feature	**delivery specifications**
Helpdesk / Remote problem diagnosis and support	Telephone Hotline Support. Darktrace provides telephone assistance from its technical support personnel during the coverage hours. Telephone support will be available in the English language. Email Support. Darktrace will provide email support from its technical support personnel during the coverage hours. Telephone support will be available in the English language.

DARKTRACE PRODUCT SUPPORT AND ANALYTICS SERVICES

		For reported problems, Darktrace may initiate and perform remote diagnostics using electronic remote support tools, where available, to access your equipment or other means available to facilitate remote problem resolution. Error Correction. Darktrace shall use reasonable endeavours to correct verifiable and reproducible errors based on standard reproducible test case methodology when reported to Darktrace by Customer and acknowledged by Darktrace. Where a verifiable error exists i.e. that which constitutes unexpected or deviant code execution from baseline standard, the error correction, when completed, may be provided in the form of a software patch and or workaround. The Customer acknowledges that all reported errors may not be corrected but Darktrace shall use reasonable endeavours to do so. Customer will implement temporary procedures or workarounds provided by Darktrace while Darktrace works on a permanent solution. If Customer fails to implement any temporary procedures, resulting in the failure of the Supplies, Darktrace shall have no liability under this agreement for such failure.
Hardware support (return to base)		Darktrace provides all parts and materials necessary to maintain your covered hardware product in good operating condition other than racking, data-feeds and third party products (such as taps and network aggregators), including parts and materials subject to submitting a Return to Manufacturer Authorization request through the Help Desk. Upon discovery of any failure of the Hardware and/or any component parts, Darktrace will ship replacement Hardware and/or component part(s) which may be an equivalent or a later revision (the "Advance Replacement Hardware"). While Darktrace will endeavour to ship Advance Replacement Hardware within a reasonable period, the Customer acknowledges and agrees that transport delays, import and export requirements, and other factors outside of Darktrace's control may affect delivery timescales. Customer is responsible for performing the following functions prior to return shipping a failed product to Darktrace: a) perform all steps for self-test and trouble-shooting specified in the operating manual for the product; b) provide, in writing, the model number, serial number, current failure symptoms, pertinent failure history and ship-to address (if applicable); c) unless the Darktrace product will be delivered and picked up in person by Darktrace, Customer is responsible for packaging the failed Darktrace product carefully in the original or Darktrace provided shipping container, or a shipping container that prevents the Darktrace product from being damaged while in transit to Darktrace; and d) all parts original shipped must be returned (including rails, transceivers and power cables). Darktrace shall not be responsible for maintaining or protecting any configuration settings or data found on the returned Hardware or component part(s). Replacement parts provided under Hardware support may be whole unit replacements, or be new or functionally equivalent to new in performance and reliability and warranted as new. Replaced parts of Hardware, once returned to Darktrace, become the property of Darktrace, unless Darktrace agrees otherwise. Should (i) the Hardware or component parts returned by Customer be deemed not to be defective or 'no fault found', or (ii) a returned Appliance be missing any Hardware or component parts, or (iii) Customer fail to return allegedly defective Hardware or any component parts requested by Darktrace within the time limit required, Darktrace will invoice and Customer agrees to pay the cost of the Hardware and/or component parts, as applicable. For components that are discontinued, an upgrade path may be required. Darktrace will work with you to recommend a replacement part. For the avoidance of doubt, the Support Services do not include replacement of end-of-life Hardware.
Daily Systems checks and periodic Software updates		Darktrace undertakes regular health checks to ensure Appliances are functioning correctly. The health checks are collected every four hours, and includes the following types of metrics: • CPU performance

DARKTRACE PRODUCT SUPPORT AND ANALYTICS SERVICES

	• Memory utilization • Appliance load • Number of unique devices seen on network (numeric value) • Number of MAC addresses seen on network (numeric value) • Model breach metrics (numeric values) • Bandwidth per interface • Errors on interface • Connections per minute • Disk utilization Additionally, if any diagnostic troubleshooting is required, a Darktrace engineer can run diagnostic tools via Call-Home to determine the cause of any issues. Darktrace shall make available to Customer, for no additional charge, a copy of each Update. "Update" means new releases of the Offering containing error corrections, enhancements, updates which are made commercially available by Darktrace as part of maintenance and any corrections and updates to the associated Documentation. Updates may be made available electronically or by on-site support, at Darktrace's sole discretion.
Weekly Threat Intelligence Reporting	Darktrace will provide weekly summaries of the most prominent security incidents identified by the Darktrace cyber analysts of suspected malicious activity on a Customer's network.
Ticket-based Analyst Support (Incident Management)	Customer can enter ticket requests for assistance from an expert Darktrace cyber analyst (eg, interpretation) up to four times per month with respect to confirmed incident management of alerts produced by the Appliance.
Same Day Threat Notification	Darktrace will alert Customer's named operators if Darktrace cyber analysts have discovered any Priority 5 alert (from Darktrace's models) which has been confirmed by a Darktrace cyber analyst and deemed to be a board advisory level threat.
Phone-based On Demand Analyst Support (Incident Management)	Customer can make telephone support requests for assistance from an expert Darktrace cyber analyst (eg, interpretation) up to four times per month with respect to confirmed incident management of alerts produced by the Appliance.
Coverage window	The coverage window specifies the coverage hours during which your calls may be logged and service is delivered remotely or onsite (as applicable). Calls received and answered outside this window will be logged the next business day for which you have a coverage window. • Standard business hours, standard business days: Service is available between 9:00 am and 5:00 pm in the agreed time zone, Monday through Friday, excluding locally observed public holidays. • 24x7: Service is available 24 hours per day, Monday through Sunday, excluding public holidays.

Assumptions	
duration	The Service coverage period starts on the original purchase date of the covered product and continues for the period of time agreed in the applicable contractual documentation. Darktrace shall only be liable to provide Support Services provided the customer is current with its payment of fees in respect of the Support Services. If Customer does not renew a Support Services term, but continues to access the Support Services, Darktrace shall be entitled to invoice Customer for any period of Support Services provided.
Call Home	Darktrace Appliances can be configured to connect to Darktrace Central Management over a secure and encrypted channel to receive patches and updates. For certain of the Service Plans, the remote analysis support is dependent on the granting of Call Home access for the analysts to be able to interact with the Appliance. A Darktrace appliance operating Call-Home will attempt to establish a

	secure SSH channel with the Darktrace central management infrastructure. Each Darktrace installation will have a unique hostname pre-set in the configuration, resolving to a single Darktrace central management IP address. To enable Call-Home to function, the Darktrace appliance must be permitted to contact the Darktrace central management IP address over TCP port 22. At Darktrace's discretion, service may also be provided using remote diagnosis and support, onsite service or other service delivery methods, or a combination of them. For onsite support, any applicable travel fees will be charged separately per event.
customer responsibilities	Upon Darktrace's request, you are responsible to assist Darktrace in resolving the problem remotely in providing all information necessary for Darktrace to deliver timely and professional remote support or to enable Darktrace to determine the level of support eligibility, including; • starting self-tests and/or other diagnostic tools and programs; and • Install customer-installable firmware updates and patches • performing other reasonable activities to help Darktrace identify and resolve the problem. Darktrace may also provide you with self-installable parts or unit, to be installed by you following written instructions from Darktrace. Customer must maintain a separate backup system or procedure for its network data that is not dependent on the Offering. Customer will notify Darktrace if it uses the Offering in an environment that poses a potential health or safety hazard to Darktrace employees or subcontractors. Darktrace may require Customer maintains the Offering under Darktrace supervision and may postpone service until such hazards are remedied.
General	Darktrace will not be liable to provide Support Services with respect to an Appliance which is faulty on the basis of: (i) improper use, site preparation, or site or environmental conditions or other non-compliance with applicable Documentation or these terms, as applicable; (ii) failure or functional limitations of any non-Darktrace software or product impacting systems receiving Darktrace Hardware Support Services; (iii) malware (e.g. virus, worm, etc.) introduced by Customer; or (iv) modifications or improper system maintenance or calibration not performed by Darktrace or authorized in writing by Darktrace; (v) fire damage, water damage, accident, electrical disturbances, transportation by Customer, or other causes beyond Darktrace's control. NO ADVICE, ALERT, OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY CUSTOMER FROM DARKTRACE OR THROUGH OR FROM THE SUPPORT SERVICES SHALL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THIS AGREEMENT. DARKTRACE SHALL NOT BE LIABLE FOR ANY ERRORS OR DELAYS IN THE CONTENT OR ALERTS AVAILABLE THROUGH THE SUPPORT SERVICES, OR FOR ANY ACTIONS TAKEN IN RELIANCE THEREON. THE CUSTOMER UNDERSTANDS AND ACKNOWLEDGES THAT ALL ANOMALIES / INTRUSIONS MAY NOT BE REPORTED. Darktrace may discontinue support for products and specific support services no longer included in Darktrace's Offering upon six (6) months' prior written notice, unless otherwise agreed in writing. If Darktrace cancels prepaid support pursuant to this paragraph or Customer otherwise cancels prepaid support, Darktrace shall refund Customer a pro-rata amount for the unused prepaid support. Additional services performed by Darktrace at Customer's request, and that are not included in the Support Services, will be chargeable at the applicable published service rates for the country where the service is performed.

DARKTRACE

DATA SHEET

Darktrace Hardware Data Sheet: DCIP-X2-11G

Darktrace appliances are highly tuned, high performance pieces of hardware that host the Darktrace platform. There are multiple types of Darktrace appliance, with different throughput capacities and options for data ingestion. Darktrace's technical experts will help you decide which type of appliance you need based on the organization's bandwidth and the number of internal devices present.

The Darktrace DCIP-X series appliances are capable of ingesting data from multiple sources over different types of cable media. The X series is suitable for deployment in higher capacity environments and can operate as a master or probe as part of a distributed Darktrace deployment, or can function as a standalone device. The X series can be further expanded by additional network interface modules to provide further flexibility in deployment configuration.

Form factor	2U rack mountable
Dimensions	16.93" W x 3.44" H x 27.95" L
Weight	69 lbs / 32 Kg
Racking	Fits 19" rack
Interface admin ports	1 x 10/100/1000 BASE-T
Remote management ports	1 x 10/100/1000 BASE-T
Copper monitoring ports	3 x 10/100/1000 BASE-T
SFP+ monitoring ports	2 x 10Gbe/1Gbe SFP+
Average sustained throughput	Up to 5Gbps
Maximum unique internal devices	Up to 36,000 devices analyzed
Maximum connections per minute	100,000
Power supply	Dual 750W IEC 13C 120/240V
Power consumption	Idle: 128 W - 436 BTU/hr 85%: 365 W - 1245 BTU/hr Maximum: 426 W - 1453 BTU/hr
Safety certification	UL 60950-CSA 60950, EN 60950, IEC 60950 CB Certificate & Report, IEC 60950
EMI Certification	FCC Part 15, Class A (CFR 47) (USA), ICES-003 Class A

Average sustained throughput, maximum unique internal devices and maximum connections per minute are dependent on the type of traffic analyzed, the behavior of the devices and the application of software features. The values in this table have been derived from real-world corporate networks, and refer to a sustained rate, allowing for traffic peaks. Every network is different and so these metrics should be used as a guide only. In addition, the exact throughput capacity of any metric is dependent on the type and nature of the traffic seen by Darktrace.

DARKTRACE

Supported expansion modules

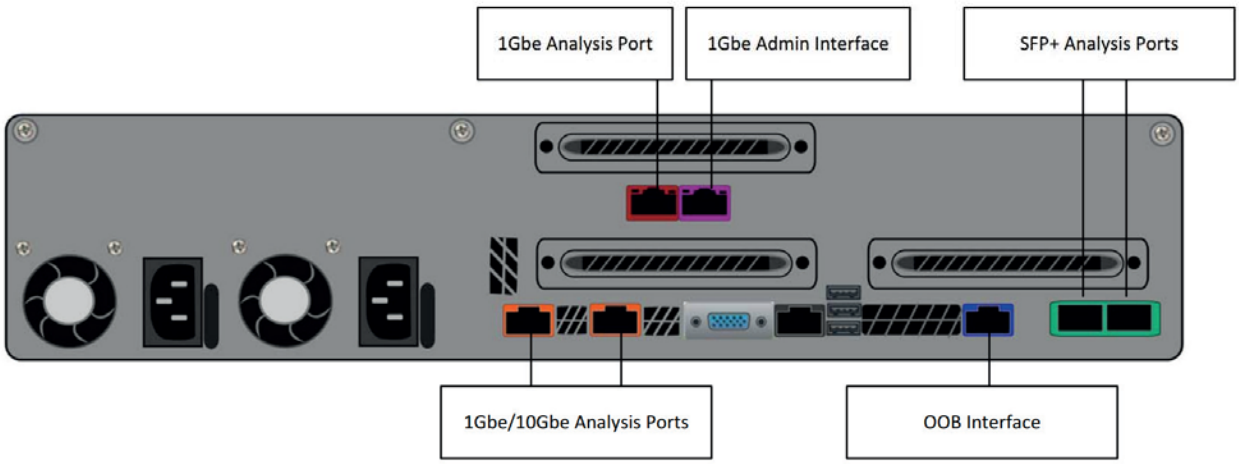
The DCIP-X2-11G appliance supports the following expansion modules:

- 2-port 10G/1G SFP+
- 4-port 1G RJ45 1000 BASE-T

Connecting the appliance to a network

The DCIP-X2 appliance contains the following physical ports, shown in the diagram below.

- 1 x 1Gbe admin interface
- 1 x out of band interface
- 1 x 1Gbe analysis port
- 2 x 1Gbe / 10Gbe analysis ports
- 2 x SFP+ analysis ports



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Agenda Item 5a

TO: Board of Commissioners, Human Services, County Services and Finance Committees

FROM: Rick Terrill, Facilities Director

DATE: September 6, 2016

SUBJECT: Amend Resolution #16-267 to add a day porter at Forest Community Health Center

For the meeting agendas of: September 19, 20 and 21

BACKGROUND

Resolution #16-267 approved a contract with RNA Facilities Management for janitorial services in several county buildings. Forest Community Health Center does not currently have a day porter. Both the Community Health Center Supervisor and the Facilities Department would like to add one day porter scheduled to work 12:00 pm-5:00 pm Monday through Friday.

ALTERNATIVES

There are no alternatives for this project.

FINANCIAL IMPACT

Adding a day porter five hours per day Monday through Friday will add an additional cost of $27,720.00 for the first year. Years two and three will also increase, according to Living Wage.

Funds for the additional cost are available in the appropriate Forest Community Health Center contractual line item.

OTHER CONSIDERATIONS

Adding a day porter will provide the clean environment needed for patient care.

RECOMMENDATION

Based on the information presented, I respectfully recommend approval of the attached resolution amendment to support adding a day porter at Forest Community Health Center from 12:00 pm – 5:00 pm Monday through Friday.

Agenda Item 5a

Introduced by the Human Services, County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION AMENDING RESOLUTION #16-267 TO ADD A DAY PORTER AT FOREST COMMUNITY HEALTH CENTER

WHEREAS, Resolution #16-267 approved a contract with RNA Facilities Management for janitorial services in several county buildings; and

WHEREAS, Forest Community Health Center does not currently have a day porter; and

WHEREAS, both the Community Health Center Supervisor and the Facilities Department would like to add one day porter scheduled to work from 12:00 pm – 5:00 pm Monday through Friday; and

WHEREAS, adding a day porter will provide the clean environment needed for patient care; and

WHEREAS, adding a day porter five hours per day Monday through Friday will add an additional cost of $27,720 for the first year; and

WHEREAS, years two and three will increase according to Living Wage; and

WHEREAS, funds for the additional cost are available in the appropriate Forest Community Health Center contractual line item.

THEREFORE BE IT RESOLVED, the Ingham County Board of Commissioners hereby authorizes amending Resolution #16-267 with RNA Facilities Management, 4722 S. State Road, Ann Arbor, Michigan, 48108, to provide a day porter at Forest Community Health Center from 12:00 pm – 5:00 pm Monday through Friday.

BE IT FURTHER RESOLVED, adding a day porter from 12:00 pm – 5:00 pm Monday through Friday will add an additional first year cost of $27,720, with years two and three increasing according to Living Wage.

BE IT FURTHER RESOLVED, the Ingham County Board of Commissioners authorizes the Board Chairperson to sign any necessary documents that are consistent with this resolution and approved as to form by the County Attorney.

Agenda Item 5b

TO: Board of Commissioners, Human Services, County Services and Finance Committees

FROM: Rick Terrill, Facilities Director

DATE: September 6, 2016

SUBJECT: Amend Resolution #16-267, RNA Facilities Management for janitorial services
For the meeting agendas of: September 19, 20 and 21

BACKGROUND

Resolution #16-267 for janitorial services includes the Drain Office and 55th District Court. The Facilities Department would like to remove these locations from the janitorial contract continuing with Facilities Department staff servicing these areas, as they have in the past.

ALTERNATIVES

There are no alternatives for this project.

FINANCIAL IMPACT

Removing the Drain Office and 55th District Court from the contract will provide a savings of $34,580.00 the first year as well as substantially higher savings amounts in the two years following.

OTHER CONSIDERATIONS

There are no other considerations for this project.

RECOMMENDATION

Based on the information presented, I respectfully recommend amending Resolution #16-267 to remove the Drain Office and 55th District Court from the janitorial contract; continuing to have Facilities Department staff service these areas in lieu of RNA Facilities Management.

Agenda Item 5b

Introduced by the Human Services, County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION AUTHORIZING AMENDING RESOLUTION #16-267 FOR RNA FACILITIES MANAGEMENT JANITORIAL SERVICES

WHEREAS, resolution #16-267 for janitorial services includes the Drain Office and 55th District Court; and

WHEREAS, the Facilities Department would like to remove these locations from the janitorial contract continuing with Facilities Department staff servicing these areas as they have in the past; and

WHEREAS, removing the Drain Office and 55th District Court from the contract will provide a savings of $34,580 for the first year as well as substantially higher savings amounts in the two years following.

THEREFORE BE IT RESOLVED, the Ingham County Board of Commissioners hereby authorizes amending Resolution #16-267 to remove the Drain Office and 55th District Court from the janitorial contract; continuing to have Facilities Department staff service these areas in lieu of RNA Facilities Management.

BE IT FURTHER RESOLVED, the Ingham County Board of Commissioners authorizes the Board Chairperson to sign any necessary documents that are consistent with this resolution and approved as to form by the County Attorney.

Agenda Item 6a

Memorandum

To: Ingham County Board of Commissioners

From: James M. Benjamin, Director of Operations, Ingham County Road Department

Date: 8/25/2016

Re: ITB #141-16

This memo is to support the Resolution requesting approval to purchase grader blades and wing plow blades for the Road Department.

The RD has been using tungsten insert grader blades for road maintenance in all seasons for over 20 years. Junior wing plows have been equipped on all RD new truck purchases since 2012 and are used for snow removal only.

On August 25, 2016, sealed bids from ITB 141-16 were opened for the 2016/2017 supply of tungsten insert grader blades and carbon steel junior wing plow blades needed by the Road Department, (RD). There were nine bids received. The two lowest bids were from Chemung Supply Corporation, who is a vendor for Bucyrus brand blades with a bid of $39,012.00 and Valk Manufacturing Company, who is the manufacturer of Valk brand blades with a bid of $39,734.50.

The RD has purchased and used both Bucyrus and Valk blades in the past and found that although both brands are acceptable, Valk blades have better fitting qualities, (which reduces changing time), and better wear characteristics, (which reduces changing frequency), than Bucyrus blades.

It is therefore recommended that Valk Manufacturing Company, (second low bidder), be awarded as the primary supplier and that Chemung Supply, (lowest bidder), be awarded as secondary supplier, to be used in the event of inferior product or lack of supply from Valk Manufacturing Company.

Agenda Item 6a

TO: Jim Benjamin, Road Department

FROM: James Hudgins, Director of Purchasing
jhudgins@ingham.org

DATE: August 25, 2016

RE: Memo of performance for ITB No. 141-16: Single Tungsten Carbide Insert Grader Blades and Jr Wing Plow Blades

---

Per your request, the Purchasing Department sought bids for the purchase of its 2016/17 seasonal requirements of single tungsten carbide grader blades and junior wing plow blades for the Ingham County Road Department.

The RFP was advertised in the Lansing State Journal and posted on the following sites: Michigan Infrastructure and Transportation Association Disadvantaged Business Enterprises (MITADBE); County Road Association of Michigan (CRA of MI); and Ingham County Purchasing Department.

The Purchasing Department can confirm the following:

Function	Overall Number of Vendors	Number of Local Vendors
Vendor invited to propose	19	2
Vendors responding	09	0

Bidders not bidding: Grand Equipment Company, Hudsonville, MI. We probably cannot fill your needs at a competitive price on this product at this time.

The following grid is summary of the vendors' costs:

Vendor Name	Local Pref.	Single Tungsten Carbide Insert Grader Blade (Per Blade)	Single Tungsten Carbide Insert Grader Blade (Total Price 250)	Junior Wing Plow Blades (Per Blade)	Junior Wing Plow Blades (Total Price 50)	Total Purchase Price of all Blades for 2016-2017 Winter Season
Chemung Supply Corporation	No, NY	$141.89	$35,472.50	$70.79	$3,539.50	$39,012.00
Valk Manufacturing Company	No, PA	$142.96	$35,740.00	$79.89	$3,994.50	$39,734.50
Truck & Trailer Specialties Inc.	No, Dutton MI	$158.62	$39,655.00	$82.54	$4,127.00	$43,782.20
Castlebar Corporation	No, OH	$164.09	$41,021.50	$77.19	$3,859.50	$44,881.00
Alta Equipment Company	No, Eaton County MI	$166.33	$41,582.50	$86.31	$4,315.50	$45,898.00
Shults Equipment Inc.	No, Ithaca MI	$173.00	$43,250.00	$90.75	$4,537.50	$47,787.50
St. Regis Culvert Inc.	No, Eaton County MI	$204.00	$51,000.00	$105.00	$5,250.00	$56,250.00
Michigan CAT	No, Eaton County MI	$182.09	$45,522.50	na	na	$45,522.50/na
Winter Equipment Company	No, OH	$295.20	$73,800.00	na	na	$73,800.00/na

You are now ready to complete the final steps in the process: 1) Evaluate the submissions based on the criteria established in the ITB; 2) confirm funds are available; 3) submit evaluation to the Purchasing Department with your recommendation; 4) write a memo of explanation; and, 5) prepare a resolution for Board approval.

This Memorandum is to be included with your memo and resolution submission to the "resolutions group" as acknowledgement of the Purchasing Department's participation in the proposal process.

If I can be of further assistance, please email jhudgins@ingham.org

Agenda Item 6a

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION AUTHORIZING THE PURCHASE OF 2016-2017 WINTER SEASON SUPPLY OF PLOW/GRADER BLADE CUTTING EDGES FOR THE ROAD DEPARTMENT

WHEREAS, the Road Department periodically needs to replace the cutting edges of the snow plow blades on its plow trucks for winter and gravel road maintenance; and

WHEREAS, the Road Department adopted 2016/2017 budgets include expenditure funds for this purchase; and

WHEREAS, Bids were solicited by the Purchasing Department through ITB #141-16 for tungsten insert grader blades and carbon steel, junior wing plow blades needed by the Road Department for the coming 2016/2017 winter season; and

WHEREAS, it is the recommendation of the Road Department to award this bid to Valk Manufacturing Company as the primary supplier, and secondly to Chemung Supply Corporation, to be utilized in the event of inferior product or lack of supply from the primary provider.

THEREFORE BE IT RESOLVED, the Board of Commissioners accepts the bids, and authorizes the purchase of the Road Department's 2016/2017 supply of tungsten insert grader blades and carbon steel, junior wing plow blades from Valk Manufacturing Company and to Chemung Supply Corporation as an alternate vendor.

BE IT FURTHER RESOLVED, that the Road Department and Purchasing Department are hereby authorized to execute purchase orders with Valk Manufacturing Company and Chemung Supply Corporation, to purchase grader blades as needed and budgeted.

Agenda Item 6b

MEMORANDUM

To: County Services & Finance Committees

From: William Conklin, Managing Director
Ingham County Road Department

Date: August 31, 2016

RE: Revised Resolution for 2016 Local Road Program Agreement with Delhi Township

Per resolution 16-299 adopted by the Board of Commissioners June 28, 2016, an agreement with Delhi Township was authorized for a local road project in the English Meadows subdivision in Delhi Township to be funded by the subdivision residents per a special assessment.

As the estimated cost of the project, $260,000 exceeds the Township Board's previously approved special assessment total amount for this project, $245,000, Delhi Township wishes to revise the above mentioned agreement to use available local road program match funds designated for Delhi Township's local roads in the road department county road fund budget equally matched by township funds to fund the difference—estimated to be $15,000, or actual final difference, or $7,500 each—road fund and township match. The Road Department agrees with this request.

Approval of the attached, proposed resolution is thus recommended for a revised agreement or agreement amendment to this effect.

Agenda Item 6b

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO APPROVE LOCAL ROAD PROGRAM AGREEMENT WITH DELHI TOWNSHIP FOR THE INGHAM COUNTY ROAD DEPARTMENT

WHEREAS, Per resolution 16-299 adopted by the Board of Commissioners June 28, 2016, an agreement with Delhi Township was authorized for a local road resurfacing project in the English Meadows subdivision in Delhi Township to be funded by the subdivision residents per a special assessment, at a total estimated cost of $260,000.00; and

WHEREAS, the estimated cost of the project, $260,000 exceeds the Township Board's previously approved special assessment total amount for this project, $245,000; and

WHEREAS, Delhi Township thus wishes to revise the above mentioned agreement to use available local road program match funds designated for Delhi Township's local roads in the road department county road fund budget equally matched by township funds to fund the difference—estimated to be $15,000, or actual final difference, or $7,500 each—road fund and township match.; and

WHEREAS, For 2016 the County on behalf of the Road Department has allocated to Delhi Township's local roads, a maximum annual sum of $66,000 plus carry-over from prior years of $41,152.56, for a total available in 2016 of $107,152.56 from the County Road Fund; and

WHEREAS, The Road Department agrees with this request.

THEREFORE BE IT RESOLVED, that for 2016 the County on behalf of the Road Department has allocated to Delhi Township's local roads, a maximum annual sum of $66,000 plus carry-over from prior years of $41,152.56, for a total available in 2016 of $107,152.56 from the County Road Fund, which shall be matched equally by the Township to the extent used.

BE IT FURTHER RESOLVED, the County on behalf of the Road Department agrees to contribute one half of the difference between the final cost of the above-mentioned English Meadows subdivision street resurfacing project and the above-mentioned special assessment amount for this project of $245,000, estimated to be $7,500, up to a maximum of $107,152.56, from the County Road Fund.

BE IT FURTHER RESOLVED, that the Ingham County Board of Commissioners authorizes revising or amending the above mentioned agreement with Delhi Township approved per resolution 16-299 adopted by the Board of Commissioners June 28, 2016 as provided above.

BE IT FURTHER RESOLVED that the Ingham County Board of Commissioners authorizes the Board Chairperson to sign any necessary agreement that is consistent with this resolution and approved as to form by the County Attorney.

Agenda Item 6c

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO AMEND RESOLUTION #16-331 WHICH AUTHORIZED A SECOND PARTY AND THIRD-PARTY AGREEMENTS

WHEREAS, the Ingham Board of Commissioners, in Resolution No. 16-331, authorized entering into a third party agreement with the Charter Township of Meridian to construct township requested sanitary sewer work along Park Lake Road, on behalf of the Charter Township of Meridian; and

WHEREAS, an additional $66,900 (estimated) of township sidewalk and utility work has been requested, which adds to the amount of funds to be paid by the Charter Township of Meridian stated in Resolution No. 16-331; and

WHEREAS, it is necessary to amend Resolution #16-331 to include this information, which changes the funding amounts as illustrated below:

	Original	Amended
Federal STP Urban Funding	$ 532,100	$ 532,100
Federal CMAQ Funding	$ 285,474	$ 285,474
MDEQ Scrap Tire Grant:	$ 180,000	$ 180,000
Township Requested Work:	$ 59,100	$ 126,000
Road Department Match:	$ 188,264	$ 188,264
	$1,244,938	$1,311,838

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby amends Resolution No. 16-331, which authorizes entering into a third party agreement with the Charter Township of Meridian by increasing the township participation by $66,900 for a total estimated cost of $126,000 in Charter Township of Meridian funds.

BE IT FURTHER RESOLVED, that all other terms and conditions of Resolution No. 16-331 shall remain the same.

Agenda Item 6d

Introduced by the County Services Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO APPROVE THE SPECIAL AND ROUTINE PERMITS FOR THE INGHAM COUNTY ROAD DEPARTMENT

WHEREAS, as of July 23, 2013, the Ingham County Department of Transportation and Roads became the Ingham County Road Department per Resolution #13-289; and

WHEREAS, the Ingham County Road Commission periodically approved Special and Routine permits as part of the their roles and responsibilities; and

WHEREAS, this is now the responsibility of the Board of Commissioners to approve these permits as necessary.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners approves the attached list of Special and Routine Permits dated September 6, 2016 as submitted.

INGHAM COUNTY ROAD DEPARTMENT

DATE: September 6, 2016

LIST OF CURRENT PERMITS ISSUED

R/W PERMIT#	R/W APPLICANT /CONTRACTOR	R/W WORK	R/W LOCATION	R/W CITY/TWP.	R/W SECTION
2016-494	CONSUMERS ENERGY	GAS	OKEMOS RD & HOLT RD	ALAIEDON	1
2016-496	MOORE-TROSPER CONST.	MISCELLANEOUS	CHESTER RD & WOODRUFF AVE	LANSING	11
2016-497	PARAMOUNT PICTURES	DETOUR	HOWELL RD & DEITZ RD	WHITE OAK	
2016-498	DELHI TOWNSHIP	SPECIAL EVENT	VARIOUS	DELHI	
2016-499	DELHI TOWNSHIP	SPECIAL EVENT	VARIOUS	DELHI	
2016-501	MERIDIAN TOWNSHIP	SPECIAL EVENT	VARIOUS	MERIDIAN	
2016-502	MERIDIAN TOWNSHIP	SPECIAL EVENT	BENNETT RD & HULETT RD	MERIDIAN	32
2016-506	CITY OF LANSING	SANITARY	ANDRUS AVE & MACON AVE	LANSING	7
2016-512	ACD.NET	CABLE / UG	JARCO DR & KELLER RD	DELHI	14
2016-514	AT & T	CABLE / UG	EYDE PKWY & HAGADORN RD	MERIDIAN	20
2016-515	COMCAST	CABLE / OH & UG	OLD LANSING RD & PACKARD AVE	LANSING	19
2016-522	WIELAND	COMM DRIVE/STORM	WILLOUGHBY RD & PINE TREE RD	DELHI	14
2016-526	COMCAST	CABLE OH/UG	POWELL RD & KALORAMA WAY	MERIDIAN	23, 14
2016-527	COMSUMERS ENERGY	GAS	BISHOP RD & M-99	DELHI	7
2016-528	COMSUMERS ENERGY	GAS	DELL RD & PINE TREE RD	DELHI	21
2016-529	CENTRAL MICHIGAN INNS	COMM DRIVE, WATERMAIN	JOLLY OAK RD & JOLLY RD	MERIDIAN	33
2016-531	MERIDIAN TOWNSHIP	SPECIAL EVENT	VARIOUS	MERIDIAN	
2016-532	MERIDIAN TOWNSHIP	SPECIAL EVENT	JOLLY RD & HULETT RD	MERIDIAN	32
2016-536	CONSUMERS ENERGY	ELECTRIC / GAS	HOGSBACK RD & HARPER RD	DELHI	25

2016-538	CONSUMERS ENERGY	GAS	HOLT RD & DARLING RD	ALAIEDON	8
2016-539	FRONTIER	CABLE / UG	COLUMBIA RD & SEARLS RD	WHITE OAK	11
2016-541	RANDY WIGGINTON	LAND DIVISION	OSBORNE RD	WHITE OAK	30
2016-550	CONSUMERS ENERGY	GAS	ZIMMER RD & JOANN LN	WILLIAMSTOWN	27
2016-551	MERIDIAN TOWNSHIP	SPECIAL EVENT	VARIOUS	MERIDIAN	
2016-552	GABRIEL IEREMIAS	LAND DIVISION	KALAMAZOO ST & CLARE ST	LANSING	18
2016-555	COMCAST	CABLE / UG	AURELIUS RD & NORWOOD AVE	DELHI	14
2016-557	ACE SUMBAL	SANITARY	LAKE LANSING RD & PARK LAKE	MERIDIAN	5
2016-558	SHARI FOREMAN	LAND DIVISION	WALDO RD & BURKLEY RD	WHEATFIELD	28
2016-559	JANINE MISNER	LAND DIVISION	BOND RD& PLAINS RD	AURELIUS	34

MANAGING DIRECTOR: _____

Agenda Item 6e

MEMORANDUM

To: County Services Committee

From: William Conklin, Managing Director
Road Department

Date: August 31, 2016

RE: Proposed resolution honoring Road Department Operations Director Jim Benjamin upon his planned retirement September 16, 2016.

Jim Benjamin, currently Road Department Operations Director, will be retiring from his 29 years of service in various capacities to the road department on September 16, 2016.

As suggested by Commissioner Maiville, the attached, proposed resolution to honor Jim on this occasion is submitted for the Board's consideration and recommended approval.

Agenda Item 6e

Introduced by the County Services Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION HONORING ROAD DEPARTMENT OPERATIONS DIRECTOR JAMES BENJAMIN ON THE EVENT OF HIS RETIREMENT

WHEREAS, Ingham County Road Department Operations Director James Benjamin plans to retire September 16, 2016 after 29 years of service with the Road Department; and

WHEREAS, Jim was hired into the former Ingham County Road Commission, now Road Department, on September 6, 1987, and was assigned as a Highway Worker to the Metro Service District; and

WHEREAS, in 1988 he was transferred to the Equipment Repair Shop as a Mechanic; and

WHEREAS, in 1991 Jim was transferred to the Eastern Service District working as a Highway Worker; and

WHEREAS, he served as a Crew Leader and Equipment Operator in the Eastern Service District from 1992 to 1999; and

WHEREAS, Jim served as a Crew Leader, Equipment Operator, and Construction Foreman in the Western Service District from 1999 to 2005; and

WHEREAS, Jim served as an Assistant Supervisor and Construction Supervisor from 2005 to 2009; and

WHEREAS, Jim has served as Operations Director from 2009 to the present; and

WHEREAS, his knowledge and dedicated service has contributed greatly to the maintenance and improvement of Ingham County's roads and to the smooth and efficient operation of the Road Department; and

WHEREAS, on many occasions he worked many hours past the minimum required to accomplish jobs and goals at hand in the interest of county road maintenance; and

WHEREAS, his outstanding work in maintaining the Ingham County road system has been recognized by many citizens, Township Officials, his peers as well as others.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby honors Jim Benjamin on the event of his retirement and extends its sincere appreciation to Jim for his 29 years of dedicated service and commitment to the County of Ingham and its citizens.

BE IT FURTHER RESOLVED, that the Board wishes him continued success in all of his future endeavors.

Agenda Item 7a

TO: Board of Commissioners County Services & Finance Committees

FROM: Tim Morgan, Parks Director

DATE: September 6, 2016

SUBJECT: Application Form for the Trails and Parks Program
For the meeting agenda of 9/20/16 County Services and 9/21/16 Finance

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BACKGROUND

Board of Commissioners Resolution 16-106 declared that a second round of applications would be taken beginning October 1, 2016 that would address new construction as identified as regional priority corridors in figure 24 of the Ingham County Trails and Parks Comprehensive Report, and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects.

Board of Commissioners Resolution 16-106 stated the Application form would be reviewed and approved by the Board of Commissioners prior to the second round.
Input was sought from local entities and changes have been made to the Application as noted in Exhibit A.

ALTERNATIVES

The Park Commission Executive Committee met to review and incorporate the input from the local entities that was received after the first round of applications as well incorporated staff's input from an administrative perspective after review the first round applications. The results were refined to produce the most viable and acceptable approach to Trails & Parks Application and Scoring and Ranking for the applications. This process will be repeated annually with the review by the Park Commission moving forward with the Trails & Parks Millage to ensure that the application and scoring criteria stay current and are in line with the needs of the program.

FINANCIAL IMPACT

There are no financial impacts.

OTHER CONSIDERATIONS

This resolution is running concurrent with the Park Commission.

RECOMMENDATION

Based on the information presented, I respectfully recommend approval of the resolution authorizing the edits to the Trails and Parks Program Application.

Exhibit A:

Ingham County Trails and Parks Program Application 10-01-16

Ingham County
Parks and Recreation Commission
P.O. Box 178
121 E. Maple Street, Suite 102
Mason, MI 48854

Trails and Parks Program Application

In November 2014, Ingham County voters approved a 0.5 mill tax millage to support the development of a countywide regional trails and parks system through 2020. The overall goal of the Ingham County Regional Trails and Parks Millage Fund is to create and maintain a sustainable countywide system of recreation trails and adjacent parks within Ingham County.

These funds must be matched by the local community with their own funds, or in-kind services, or funds obtained from other sources, i.e., state, federal or other allocations. Applications for County Trails and Parks Program funding must include a ***resolution (s) of support*** for the project from the governing body (ies) of the community where the trail project or blueways project is proposed. Eligible projects must fit the following categories: **New Construction; Repair, Rehabilitation, or Long-Term Maintenance; and Special Project(s), (including blueways).**

Project applications must be received by 5pm November 28th, 2016 for funding consideration in the following year. Projects deemed worthy of funding may be approved at the February or March 2017 Ingham County Board of Commissioners meeting. The following information will be used by the Ingham County Parks and Recreation Commission in determining and recommending which projects should be funded by the Board of Commissioners.

If applying for multiple projects, applications must be ranked and prioritized from highest to lowest priority by the applicant.

APPLICANT			
Agencies (each project should have its own individual application):			
Lead Contact Person:			
Address:			
City:		State:	ZIP Code:
Phone:	Fax:	Email:	

PROJECT SUMMARY		
☐ New Construction	Repair, Rehabilitation, Long-term Maintenance ☐	☐ Special Project
Project Title		
Project Description *Provide a brief description of your proposed project. Include, as applicable, the type of project (**new construction; repair/rehabilitation/long-term maintenance; special project**), property ownership, and if applicable, the rights in land to be purchased (fee simple, development rights only, etc., minimum of 20 years), the acreage to be acquired, the acreage/length of the existing project and the features of the site.*		
Project Region-Wide Significance and Benefit to County Residents		

PROJECT INFORMATION & DETAILED DESCRIPTION *(as applicable)*

1. Discuss how the project is improving regional connectivity.

   Your discussion should address how the project provides, supports and relates to the Ingham County regional priority corridors as depicted on Figure 24 of the Ingham County Regional Trails and Parks Network either as an existing trail repair/rehabilitation/long-term maintenance, new regional trail construction or new local trail access to the regional network (including enabling water trail access); improves access to Ingham County Parks; improves access to major regional destinations such as commercial and employment centers as well as community facilities, schools, colleges and universities; expands transportation options; provides for recreation; increases access to sites of natural, scenic or historic interest; and any other related information.

2. Describe how the project responds to public demand and has public support.

Your discussion should address how the project is based on public demand; has been prioritized in adopted plans; has volunteer and/or partner organization support; is a community interest project that supports partnerships, shared resources or coincides with other planning and development activities; has the support of multiple jurisdictions and/or stakeholders; and any other related information.

3. Explain how the project meets acceptable design standards and is the best design solution.

You must have on staff, or hire a Michigan licensed professional engineer, and all construction (new or rehab) must be according to current MDOT standard and specifications for construction of trails, bridges, and boardwalks and any other support facilities. Your description should address how the project is physically separated from streets and roadways where possible; provides a variety of experiences that can be enjoyed by a diversity of users, including people of all ages and abilities; meets or exceeds the minimum accessibility requirements of the ADA; design alternatives to the project have been examined to minimize impact on the environment; meets AASHTO guidelines for alignment, grade, width, vertical clearance, and loading intersection and crossing design (deviation from AASHTO guidelines need to be stated and explained); considers low impact development techniques that protect and enhance significant natural features; and any other related information.

4. Explain how the project is feasible and ready for implementation or development.

Your discussion should address whether your project area is under public ownership or is currently accessible for public use; does not require complex or lengthy acquisition process; does not require a complex or lengthy permitting process; is within an existing corridor such as a transmission line and railroad corridor where it may be feasible to negotiate public access without needing to acquire land; there is an imminent threat to lose the project opportunity; demonstrates cost efficiency; and/or is appropriate and in line with available funds.

5. Discuss how the project supports equitable opportunities.

Your discussion should address how your project increases or improves access and provides low cost transportation and recreation options for low income populations; is located in a high use area; is located in an underserved area; and/or contributes to an equitable geographical distribution of the millage funds.

6. Describe in detail any other available funders and partners.

Your discussion should address whether your project has funding available through grants or partner contributions; has funding available through donations or in-kind services; and/or has funding available through local community match and what total percent of the project these all account for. This should be detailed on the Estimated Costs/Budget sheet also. Local agencies are required to list Ingham County Parks as a contact in TAP applications that propose Ingham County Parks Millage funding as part of their match.

7. Maintenance Commitment & Plan

Describe your operation and maintenance plan (with budget costs) detailing the amount of money needed to operate and maintain the trail after it is completed, and identify who will be responsible for the work. Describe in detail how the trail will be managed. Include discussion on season length, hours of operation, enforcement provisions, and scheduling.

DESIGN/SCOPE OF THE PROJECT-(Attachments as needed)

Provide a detailed description of the project you are proposing, with reference to specific scope items. Describe the features of the project and all factors that affected your design or program. Describe how your design was chosen, and why it is appropriate for the proposed project. Use this opportunity to explain why you chose the type and placement of particular scope and design elements. Explain how your project design meets or exceeds standards. (If your project addresses a clearly identified item from the Ingham County Trails and Parks Comprehensive Report, please identify that with a reference to the report – page #, table #, or identifying marker (ie. Bridge # CL-01-SCT-SC)).

ESTIMATED COSTS/BUDGET

Provide each scope/budget item and how the budgeted amount was calculated, List amounts requested from local sources, state or federal grants as well as amounts from foundations, corporations, and other funding sources (in-kind support or other). Engineering amount generally not to exceed 15% of total project expenses. Contingency amount not to exceed 10%.

EXPENSES

Scope Item(s):	**Quantity**	**Amount**
1-Acquisition/Right-of-Way/Easement/Permits		
2-Design Engineering		
3-Construction		
4-Construction Engineering		
5-Contingency		
6-Other		
7-Other		
Other Fees (i.e., Permitting, etc…)		
Total Project Expenses		**$**

APPLICANT FUNDS

Amount

Local Contribution $ _____

Other Grant Contributions

Name of Grantor(s) Amount

_____ $ _____

_____ $ _____

Name of Partner(s) Amount

_____ $ _____

_____ $ _____

Name of Donor(s) Amount

_____ $ _____

_____ $ _____

In-Kind Support

Name of Organization Description Value

_____ _____ $ _____

_____ _____ $ _____

Other Amount

_____ $_____

Total Applicant Funds $_____

*Millage Funds REQUESTED (does not count as match) $_____

*This amount (Millage Funds Request) plus the Total Applicant Funds must equal Total Project Expenses

Total % of matching Funds %_____Match

ATTACHMENTS - REQUIREMENTS
1. Project Location Map & Photos. *Attach a project location map and site photographs (clearly identify photos and locations in correlation with your location map).*
2. Site Plan. *The site plan must show the entire site to be improved/developed, and should delineate and label the location and type of all existing and proposed uses. Features such as wooded areas, wetlands, water bodies, overhead utility lines, and all existing uses, including buildings and other development, need to be identified. The placement of all scope items proposed in the application should be depicted on the site plan. Indicate on your site plan the destinations to which the proposed trail project will connect. Provide a map of the trail network (existing or proposed) to which your project will link.*
3. Documentation of Other Funding Sources. *You must provide documentation for all the funding sources you indicated on your application form, as follows: If any portion of the match is to be made up of funds from other grant funding sources. If any portion of the match is to be made up of cash, labor, or material donations; include a letter from each donor committing to their donation. If the donor is an adjacent community contributing to the match, include a resolution from their governing body that supports the application and commits to their portion of the match.*
4. Certified Resolution. *The governing body of the local unit of government must pass a resolution. The resolution should list and commit to the amount of the local match in terms of dollar amount or percentage of total project cost, and all source(s) of match as specified in the application. (This may be obtained and submitted after submission of the application if timing is an issue, but must be before the date of the award by the BOC).*
5. After the award, and during construction, entities must display temporary millage recognition signage on site of projects provided by the County. Once complete, must display a permanent recognition plaque on site also provided by the County.

CERTIFICATION	
Signature of Applicant:	Date:

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Agenda Item 7a

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION APPROVING THE APPLICATION FORM FOR THE TRAILS AND PARKS PROGRAM APPLICATION

WHEREAS, Board of Commissioners Resolution 16-106 declared that a second round of applications would be taken beginning October 1, 2016 that would address new construction as identified as regional priority corridors in figure 24 of the Ingham County Trails and Parks Comprehensive Report, and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects; and

WHEREAS, Board of Commissioners Resolution 16-106 stated the Application form would be reviewed and approved by the Board of Commissioners prior to the second round; and

WHEREAS, the Application is attached in Exhibit A.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners authorizes the application in Exhibit A to be used for the Trails and Parks Program Applications for the second round of applications to be taken beginning October 1, 2016 that will address new construction as identified as regional priority corridors in figure 24 of the Ingham County Trails and Parks Comprehensive Report, and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects.

Agenda Item 7b

TO: Board of Commissioners County Services & Finance Committees

FROM: Tim Morgan, Parks Director

DATE: September 6, 2016

SUBJECT: Scoring/Ranking Criteria for the Trails and Parks Program Application
For the meeting agenda of 9/20/16 County Services and 9/21/16 Finance

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BACKGROUND

The scoring/ranking criteria in Exhibit A will be used to evaluate the Trails and Parks Program Applications for the second round of applications to be taken beginning October 1, 2016 that will address new construction as identified as regional priority corridors in figure 24 of the Ingham County Trails and Parks Comprehensive Report, and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects.

ALTERNATIVES

The Park Commission Executive Committee met to review and incorporate the input from the local entities that was received after the first round of applications as well incorporated staff's input from an administrative perspective after review the first round applications. The results were refined to produce the most viable and acceptable approach to Trails & Parks Application and Scoring and Ranking for the applications. This process will be repeated annually with the review by the Park Commission moving forward with the Trails & Parks Millage to ensure that the application and scoring criteria stay current and are in line with the needs of the program.

FINANCIAL IMPACT

There are no financial impacts.

OTHER CONSIDERATIONS

This resolution is running concurrent with the Park Commission.

RECOMMENDATION

Based on the information presented, I respectfully recommend approval of the resolution authorizing scoring/ranking criteria for the Trails And Parks Program Application.

Exhibit A

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The following criteria will be used to evaluate and select projects. They will be scored from 0 to 5 with 0 being the least desirable and 5 the most positive response. The project's final score will be based on the sum of all the scores. Criteria to be scored are as follows:

1. **How the project improves regional connectivity.**
   Score 0-5; 0= does not meet criteria 5=strongly meets the criteria _____pts
   Improves Regional Connectivity: Projects that improve regional connectivity and access throughout Ingham County will receive a higher priority. To determine whether a project improves regional connectivity or access, the project should address the following:
   □ Provides, supports and relates to the Ingham County regional priority corridors as depicted on Figure 24 either as existing trail reconstruction, new regional trail gap construction or new local trail access to the regional network (including enabling water trail access);
   □ Improves access to Ingham County Parks;
   □ Improves access to major regional destinations such as commercial and employment centers as well as community facilities, schools, colleges and universities;
   □ Expands transportation options as well as provide for recreation; and
   □ Increases access to sites of natural, scenic or historic interest.

2. **How the project responds to public demand and support.**
   Score 0-5; 0= does not meet criteria 5=strongly meets the criteria _____pts
   Responds to Public Demand and Support: Projects that have significant support and meet the needs of the region should be scored and ranked positively. Projects strengthening new or existing partnerships and including the support of volunteers should receive a high priority. To determine whether a project has support, the project should address the following:
   □ Is based on public demand;
   □ Has been prioritized in adopted plans;
   □ Has volunteer and/or partner organization support;
   □ Is a community interest project that supports partnerships, shared resources or coincides with other planning and development activities; and
   □ Has the support of multiple jurisdictions and/or stakeholders.

3. **How the project meets acceptable design guidelines and is the best design solution, including AASHTO Guidelines when appropriate.**
   Score 0-5; 0= does not meet criteria 5=strongly meets the criteria _____pts
   Meets or Exceeds Design Standards and Is the Best Design Solution: Projects should be able to meet minimum design guidelines and all other design alternatives should be considered. To determine whether a project meets minimum design standards and is the best option, a project should address the following:
   - Is physically separated from streets and roadways where possible;
   - Provides a variety of experiences that can be enjoyed by a diversity of users, including people of all ages and abilities – projects must meet or exceed the minimum accessibility requirements of the Americans with Disabilities Act (ADA);
   - Design alternatives to the project have been examined to minimize impact on the environment;
   - Meets minimum standards for grade, width, vertical clearance, intersection and crossing design; and
   - Considers low impact development techniques that protect and enhance significant natural features.

4. **How the project is feasible and ready for development or repair, rehabilitation, or long-term maintenance.**
   Score 0-5; 0= does not meet criteria 5=strongly meets the criteria _____pts
   Is Feasible and Ready for Development: Projects that are feasible and ready to implement will receive a higher priority. To determine whether a project is ready and feasible, the project should address the following:
   - Is under public ownership or is currently accessible for public use;
   - Does not require a complex or lengthy acquisition process;
   - Does not require a complex or lengthy permitting process;
   - Is within an existing corridor such as a transmission line or a railroad corridor where it may be feasible to negotiate public access without needing to acquire land;
   - There is an imminent threat to lose the project opportunity;
   - Demonstrates cost efficiency, is appropriate and in line with available funds.

5. **How the project supports equitable opportunities.**
   Score 0-5; 0= does not meet criteria 5=strongly meets the criteria _____pts
   Supports Equitable Opportunities: Projects that improve equity will receive a higher priority. A project that demonstrates equity should address the following:
   - Increases access and provides low cost transportation and recreation options for low income populations;
   - Is located in a high use area;
   - Is located in an underserved area; and
   - Contributes to an equitable geographical distribution of the millage funds.

6. **How the project provides for other available funders and partners.**
   Score 0-5; 0= does not meet criteria 5=strongly meets the criteria _____pts
   Has Potential Available Funds: Projects that have the potential to be funded through state or federal grants, donations, partner contributions or other funding sources will receive a higher priority than projects without other identified funding opportunities. To determine whether a project has leveraged potential available funds, a project should address the following matching % to receive points, *match = what total percent of the project all matching dollars account for*:

0%=	**0 pts**
1-10%=	**1 pts**
11-20%=	**2 pts**
21-30%=	**3 pts**
31-40%=	**4 pts**
41& higher%=	**5 pts**

7. **How the project provides for a maintenance commitment.**
   Score 0-5; 0= does not meet criteria 5=strongly meets the criteria _____pts
   Maintenance Commitment: Describe the degree of commitment to continue operation and maintenance of the project. Include an operation and maintenance plan detailing the amount of money needed to operate and maintain the trail after it is completed and identify who will be responsible for the work. Describe in detail how the trail will be managed. Include discussion on season length, hours of operation, limitation on use, enforcement provisions, and scheduling.
   - Recipients must be willing to commit to continue the maintenance and operation of the project and provide a realistic operation and maintenance plan/budget (show letter of commitment for funding); and
   - This criteria may be fulfilled in cases where applicants demonstrate innovative measures for trail maintenance, such as adopt-a-trail programs supported by volunteer organizations under a nonprofit status.
   - Preference given to year-round access and maintenance.

Agenda Item 7b

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION APPROVING THE SCORING/RANKING CRITERIA FOR THE TRAILS AND PARKS PROGRAM APPLICATION

WHEREAS, Board of Commissioners Resolution 16-106 declared that a second round of applications will be taken beginning October 1, 2016 that will address new construction as identified as regional priority corridors in figure 24 of the Ingham County Trails and Parks Comprehensive Report, and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects; and

WHEREAS, the scoring/ranking criteria is attached in Exhibit A.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners authorizes the scoring/ranking criteria in Exhibit A to be used to evaluate the Trails and Parks Program Applications for the second round of applications to be taken beginning October 1, 2016 that will address new construction as identified as regional priority corridors in figure 24 of the Ingham County Trails and Parks Comprehensive Report, and special projects (including blue ways) as well as repairs, rehabilitation, and long-term maintenance projects.

Agenda Item 8

MEMORANDUM

TO: County Services and Finance Committees

FROM: Derrick Quinney, Register of Deeds

DATE: September 6, 2016

SUBJECT: Resolution to Authorize an Extension of the Agreement with Fidlar Technologies for a Record Management Software System for the Register of Deeds Office

For the meeting agendas of September 20 and September 21

BACKGROUND

In 2011, the Register of Deeds requested approval for a new records management system to improve the efficiency and accuracy of the office's workflow. Resolution #11-179 authorized a five-year agreement with Fidlar Technologies for this system.

ALTERNATIVES

None.

FINANCIAL IMPACT

2011-2015 Annual LifeCycle Payment	$82,000/year
2011-2015 AVA – county website search portal hosting	$8,000/year
2016-2019 Annual LifeCycle Payment	$84,000/year
2016-2019 Direct Search (replaces AVA) – county website search portal	$6,000/year

Total contracted yearly amount will essentially be the same as in the previous contract. Funding will come from the Register of Deeds Automation Fund. The new contract will be effective from September 1, 2016 through August 31, 2019.

OTHER CONSIDERATIONS

None.

RECOMMENDATION

Based on the information presented, I respectfully recommend approval of the attached resolution.

Agenda Item 8

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO AUTHORIZE AN EXTENSION OF THE AGREEMENT WITH FIDLAR TECHNOLOGIES FOR A RECORD MANAGEMENT SOFTWARE SYSTEM FOR THE REGISTER OF DEEDS OFFICE

WHEREAS, in 2011 the Register of Deeds needed a new system to improve accuracy and speed of work flow in his office; and

WHEREAS, the Register of Deeds required a new system to comply with State of Michigan laws, particularly dealing with the order in which documents are put on record; and

WHEREAS, the Register of Deeds needed to capture more data on each document to help protect citizens from fraud; and

WHEREAS, the Register of Deeds determined a new system was needed to ensure the protection of online data; and

WHEREAS, Resolution #11-179 authorized a five year agreement with Fidlar Technologies for a new record management software system; and

WHEREAS, the Register of Deeds is recommending an extension of that agreement for another three years.

THEREFORE BE IT RESOLVED, the Board of Commissioners authorizes a three year extension of the agreement with Fidlar Technologies from the Register of Deeds Automation Fund for a record management system, effective September 1, 2016 through August 31, 2019.

BE IT FURTHER RESOLVED, that Board of Commissioners authorizes an amount not to exceed $84,000 annually for the AVID program and not to exceed $6,000 annually for the Direct Search function from the Register of Deeds Automation Fund.

BE IT FURTHER RESOLVED, that the Controller/Administrator is authorized to make any necessary budget adjustments.

BE IT FURTHER RESOLVED, that the Chairperson of the Ingham County Board of Commissioners is authorized to sign any contract documents consistent with this resolution and approved as to form by the County Attorney.

Agenda Item 9a

TO: Board of Commissioners Human Services Committee, County Services Committee and Finance Committee

FROM: Travis Parsons, Human Resources Director
Linda Vail, Public Health Officer

DATE: September 1, 2016

SUBJECT: LOU – UAW-TOPS for Human Services Agenda - September 19th, County Services Agenda - September 20th and Finance Agenda - September 21st

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BACKGROUND

The Ingham County Health Department, specifically the Ingham Community Health Centers, have evaluated the current practice of only allowing RN's to perform medication administration. This practice has limited RN's from performing at the top of their scope of work, impacts program sustainability and extends patient wait times.

Medication administration is not currently part of the job description for Ingham County Medical Assistants but is part of the standard scope for Medical Assistants currently being trained to enter this field. Medical Assistants routinely perform this level of work at other Federal Qualified Health Centers and at private practices state-wide.

Medical Assistants currently employed by the Ingham County Health Department will be assessed for their current knowledge and skill level related to medical administration and will be provided refresher training based upon their level need, based upon previous training and comfort with current requirements. After successfully demonstrating competency, Medical Assistants will be able to perform medication administration duties. Some Medical Assistants may require additional employer paid training and this will be provided as required to allow all Medical Assistants to begin to perform these duties and demonstrate proficiency.

The Employer engaged the UAW to discuss the need for the change in the Medical Assistants job description. The UAW agreed to the conditions outlined in the attached Letter of Understanding (LOU).

ALTERNATIVES

Maintaining the current model increases allocated costs and is not sustainable.

FINANCIAL IMPACT

Limiting medication administration to RN's will eventually effect the ability to offer programs within the established budget. Future program expansion will require the utilization of the most cost effective options possible to deliver care.

Upon demonstrating proficiency, the Medical Assistants will be paid a one-time lump sum of $1000, less applicable withholdings.

OTHER CONSIDERATIONS

Future program expansion will require utilization of the most cost effective options possible to deliver care. By changing the model of care, RN's will start doing care that only they can perform, including Care Management and oversight of clinical operations at each location.

Through the meet and confer process, the Employer and the UAW reached agreement and captured the agreement in the attached LOU.

RECOMMENDATION

Based on the information presented, we respectfully recommend approval of the attached resolution authorizing the Letter of Understanding between the Employer and UAW regarding the change in duties to the Medical Assistant Classification.

Agenda Item 9a

Introduced by the Human Services Committee, County Services Committee and Finance Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION APPROVING A LETTER OF UNDERSTANDING WITH UNITED AUTOMOBILE AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW-TOPS) REGARDING THE MEDICAL ASSISTANT CLASSIFICATION

WHEREAS, the County of Ingham (Employer) and the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) have entered into a collective bargaining agreement with a term running from January 1, 2015 through December 31, 2017; and

WHEREAS, the Employer recognized a need to assign medication administration duties to the Medical Assistant classification, represented by UAW; and

WHEREAS, the Employer and the UAW-TOPS, Local 2256 are agreeable to the change to the duties of the classification, as reflected in the attached Letter of Understanding between the parties; and

WHEREAS, the provisions of the Letter of Understanding have been approved by the Human Services Committee, County Services Committee and Finance Committee regarding the addition of medication administration to the classification.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby approves the attached Letter of Understanding.

BE IT FURTHER RESOLVED, that the Chairperson of the Board of Commissioners is authorized to sign the Letter of Understanding on behalf of the County, subject to the approval as to form by the County Attorney.

LETTER OF UNDERSTANDING
BETWEEN
COUNTY OF INGHAM (Employer)
AND
UNITED AUTOMOBILE AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW) INGHAM COUNTY UNIT LOCAL #2256 (Union)

WHEREAS, the Employer and the Union have entered a collective bargaining agreement that covers the Medical Assistant classification ("MA"), extending through December 31, 2017; and

WHEREAS, the Employer seeks to assign medication administration duties to the MAs; and

WHEREAS, those MAs who complete the necessary training or are currently certified to perform medication administration and demonstrate proficiency will assume those job duties and responsibilities set out in the new position description; and

WHEREAS, the Employer recognizes that the addition of medication administration duties for current MAs justifies additional compensation in the form a one-time lump sum payment; and

WHEREAS, the Employer and the Union agree to add medication administration duties for those MAs that demonstrate proficiency.

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. Those MAs that are employed by the Employer on the date this LOU is executed by both parties will be required to attend training, paid for by the Employer, for medication administration. For those MAs that are currently certified for medication administration, they may begin performing these duties as soon as they have demonstrated proficiency to the Employer's satisfaction, with or without completing the training.

2. Upon completion of the training, 80% of the total number of MAs that are employed by the Employer on the date this LOU is executed must demonstrate proficiency to the Employer's satisfaction and be willing and able to perform medication administration. In the event a current MA does not demonstrate proficiency or is unwilling and unable to perform medication administration, they may continue to be employed under the previous position description (that does not include medication administration) or reassigned.

3. The revised MA position description that includes medication administration is attached as Exhibit 1.

4. Upon demonstrating proficiency in medication administration to the Employer's satisfaction, those MAs that are employed by the Employer on the date this LOU is executed by both parties will be paid on a one-time basis the gross sum of $1,000.00 by separate payroll check, less applicable withholdings.

5. In the event the ability of the MAs to perform medication administration is challenged before MERC, the Employer may suspend or discontinue this LOU upon 30 days written notice to the Union.

6. It is expressly understood and agreed by the parties that because of the particular set of factual circumstances, this LOU is without precedence or prejudice as to any other cases.

7. All the other terms and condition specified in the parties' collective bargaining agreement shall remain in full force and effect.

COUNTY OF INGHAM

_____

Kara Hope, Chairperson Date
Ingham County Board of Commissioners

_____

Date

UAW LOCAL 2256

_____

Sally Auer, Chairperson Date

_____

Date

APPROVED AS TO FORM
FOR THE COUNTY OF INGHAM:
COHL, STOKER & TOSKEY, P.C.

_____

Mattis Nordfjord

Agenda Item 10a

TO: Law & Courts, County Services, and Finance Committees

FROM: John Neilsen, Chief Deputy Controller

DATE: September 5, 2016

SUBJECT: Resolution to Proceed with Plans for Constructing, Equipping, and Financing a New County Animal Shelter Facility

For the meeting agendas of LC September 15, 2016, CS on September 20, 2016 and Finance September 21, 2016

BACKGROUND

The resolution authorizes the Ingham County Building Authority to proceed with the constructing, equipping, and financing a new county animal shelter which would replace the existing facility based on the preliminary plans and cost estimates provided to the Law & Courts Committee on September 15, 2016, County Services on September 20, 2016 and to the Finance Committee on September 21, 2016.

ALTERNATIVES

This follows the customary practice of using the Ingham County Building Authority for this type of significant building project.

FINANCIAL IMPACT

The projected cost of construction, equipment, and financing plus fees, is not to exceed $ 7.14 million for this new replacement Animal Control Shelter Facility. Funds will come from the recently approved the Animal Control Shelter Replacement and Operational Millage

Approved Millage: Up to .24/100 (0.24) of one (1) mill, $0.24 per thousand dollars of state taxable valuation, for a period of six (6) years (2016-2021). First year of millage would raise approximately $1,638,500.

$ 6,800,000 million estimate for construction and other project costs
$ 200,000 construction cost contingency fund
$ 140,000 estimated bond financing costs
$ 7,140,000 Estimated Total Project Costs
Total Project Cost is estimated to be $7,777,704

$7,140,000 6 years, 2.5%, Payment $1,296,000

Year	Principal	Interest	Total	Balance
				7,140,000
1	1,117,500	178,500	1,296,000	6,022,500
2	1,145,438	150,563	1,296,000	4,877,063
3	1,174,073	121,927	1,296,000	3,702,989
4	1,203,425	92,575	1,296,000	2,499,564
5	1,233,511	62,489	1,296,000	1,266,053
6	1,266,053	31,651	1,297,704	0
	$ 7,140,000	$ 637,704	$ 7,777,704	

OTHER CONSIDERATION

There are no other considerations for this project.

RECOMMENDATION

Based on the information presented, I recommend approval of the attached resolution

Agenda Item 10a

Introduced by the Law & Courts, County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO PROCEED WITH PLANS FOR CONSTRUCTING, EQUIPPING, AND FINANCING A NEW COUNTY ANIMAL SHELTER FACILITY

WHEREAS, on August 2 the electorate of Ingham County approved the Animal Control Shelter Replacement and Operational Millage; and

WHEREAS, the Architectural/Engineering Firm of Hobbs and Black have completed preliminary plans and budgets for a new replacement Animal Control Shelter Facility; and

WHEREAS, the new county animal shelter which would replace the existing facility will be more sanitary, humane, and efficient to meet the needs of the Shelter animals, staff and the public.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby authorizes the Ingham County Building Authority to proceed with the constructing, equipping, and financing a new county animal shelter which would replace the existing facility based on the preliminary plans and cost estimates provided to the Law & Courts Committee on September 15, 2016, County Services on September 20, 2016 and to the Finance Committee on September 21, 2016.

BE IT FURTHER RESOLVED, that the projected cost of construction, equipment, financing plus fees and borrowing costs, is not to exceed a total project cost of $7,777,704.

BE IT FURTHER RESOLVED, that any and all costs incurred by the County and the Ingham County Building Authority with respect to this project shall be reimbursed by the Animal Control Shelter Replacement and Operational Millage.

BE IT FURTHER RESOLVED, that the Board Chairperson is hereby authorized to sign any necessary documents consistent with this Resolution and upon approval as to form by the County Attorney.

Agenda Item 10b

TO: Board of Commissioners County Services Committee

FROM: Timothy J. Dolehanty, Controller/Administrator

DATE: September 8, 2016

SUBJECT: Proposed Debt Financing Policy

For the County Services Committee and Finance Committee

BACKGROUND

Given the potential number of bond projects in our future, statements made in budget narratives, and promises made to rating agencies, the attached draft Debt Financing Policy is presented for Board consideration. The draft policy sets forth comprehensive guidelines for the financing of capital expenditures.

Debt financing, which includes general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other County obligations permitted to be issued or incurred under Michigan law, would only be used to purchase capital assets that cannot be acquired from either available current revenues or fund balances. Under this proposal, the useful life of the asset or project must exceed the payout schedule of any debt the County assumes.

This proposal states the County is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning in order to enhance creditworthiness and prudent financial management. Evidence of this commitment to capital planning would be demonstrated through adoption and periodic adjustment of the County's Capital Improvement Plan (CIP) identifying the benefits, costs and method of funding each capital improvement planned for the succeeding five years.

ALTERNATIVES

No Constitutional or statutory mandate requires adoption of a debt financing policy. However, adoption of such a policy and a commitment to adhere to its provisions will help to assure the financial stability of Ingham County.

FINANCIAL IMPACT

Adoption of the proposed policy will not have a direct impact on the current budget.

OTHER CONSIDERATIONS

This draft policy was presented for discussion by the County Services Committee on May 17 and August 16.

RECOMMENDATION

Following discussion by the County Services Committee, I recommend that a final draft be submitted for consideration to the County Services Committee on September 20, Finance Committee on September 21, and to the Board of Commissioners on September 27.

Agenda Item 10b

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO APPROVE A DEBT FINANCING POLICY

WHEREAS, the Ingham County Board of Commissioners will be asked to consider projects in the future that will require debt financing which includes general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other County obligations permitted to be issued or incurred under Michigan law; and

WHEREAS, Ingham County is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning in order to enhance creditworthiness and prudent financial management; and

WHEREAS, evidence of a commitment to capital planning would be demonstrated through adoption and periodic adjustment of the County's Capital Improvement Plan (CIP) identifying the benefits, costs and method of funding each capital improvement planned for the succeeding five years; and

WHEREAS, adoption of a debt financing policy and a commitment to adhere to its provisions will help to assure the financial stability of Ingham County.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby adopts the attached Debt Financing Policy.

BE IT FURTHER RESOLVED, that the Ingham County Board of Commissioners directs that all departments and agencies under the jurisdiction of the Board of Commissioners shall be bound by this financial policy.

Financial Policy No. 409	**Debt Financing Policy**

Approved: **DRAFT**
Resolution No. **DRAFT**

The Debt Financing Policy sets forth comprehensive guidelines for the financing of capital expenditures. Objectives of the policy are as follows:

1. The County shall obtain financing only when necessary.
2. The process for identifying the timing and amount of debt or other financing shall be as efficient as possible.
3. That the most favorable interest rate and other related costs shall be obtained.
4. When appropriate, future financial flexibility shall be maintained.

Debt financing, which includes general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and other County obligations permitted to be issued or incurred under Michigan law, shall only be used to purchase capital assets that cannot be acquired from either available current revenues or fund balances. The useful life of the asset or project shall exceed the payout schedule of any debt the County assumes.

To enhance creditworthiness and prudent financial management, the County is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to capital planning will be demonstrated through adoption and periodic adjustment of the County's Capital Improvement Plan (CIP) identifying the benefits, costs and method of funding each capital improvement planned for the succeeding five years.

A. **Definitions.** Terms and phrases used in this policy shall have meanings as follows:

Advance Refunding refers to bonds sold to refinance outstanding bonds 90 or more days prior to their maturities and prior to call dates established in the bond indenture of the outstanding bonds.

Arbitrage refers to the rebate or penalty amount due to the Internal Revenue Service where funds received from the issuance of tax-exempt debt have been invested and excess interest earnings have occurred, or where tax-exempt bond proceeds are not spent for their intended purposes within the times permitted by federal regulation. As used in this policy, 'excess interest earnings' means interest earned at a rate in excess of the arbitrage permitted yield on any individual bond issue.

Building Authority Bonds are bonds issued by the Ingham County Building Authority that are secured by lease revenues paid to the Building Authority by the governmental entity for which the bonds were issued. The Building Authority is authorized to finance, build and/or operate facilities that serve a public purpose when asked to do so by the County or another governmental entity. The requesting government enters into a lease agreement with the Building Authority for the right to occupy the facility, and the lease payments are equal to the annual debt service and operating costs of the Building Authority. Building Authority bonds are revenue bonds because they are secured solely by the lease agreement.

Building Authority leases executed by the County are general obligations of the County because they are backed by the full faith and credit of the County.

Current Refunding means Bonds sold to refinance outstanding bonds prior to their maturities but after or shortly before call dates established in the bond indenture of the outstanding bonds. A current refunding can take place no earlier than three months before the 'call' and any time after the call. Payment of the outstanding bonds must occur within 90 days of selling the current refunding bonds.

Derivatives means securities the value of which depends on or is derived from one or more separate indices of asset values. Derivative products issued by local governments may include floaters / inverse floaters, collateralized mortgage obligations (CMOs), forwards, futures, and options.

General Obligation Bonds means bonds backed by the full faith and credit of the County. Bondholders have the power to compel the County to levy property taxes to repay the bonds if necessary.

Lease/Purchase Agreements occur when the County enters into a lease agreement with another party (typically a third-party vendor) to lease an asset over a defined period of time at a prearranged annual payment. Lease payments are made primarily from operating fund revenues. The legislative body appropriates annual lease payments unless it chooses not to appropriate under the Michigan cash basis law. If lease payments are not appropriated, ownership of the leased property reverts to the lessor. At the conclusion of the lease term, the County receives unencumbered ownership of the property.

Revenue Bonds are bonds secured by revenues generated by the facility from dedicated user fees, or by one or more non-ad valorem revenue sources. Planning for such issues generally is more complex because future costs and revenues directly affect each other. Credit enhancements (e.g., insurance or letter of credit) may be needed because of the limited source of debt service payments that may be available in outlying years.

Special Assessment Bond refers to bonds issued to develop facilities and basic infrastructure for the benefit of properties within the assessment district. Assessments are levied on properties benefited by the project. The issuer's recourse for nonpayment is foreclosure and the remaining debt becomes the County's direct obligation, repaid from property taxes.

Temporary Notes are notes are issued to provide temporary financing, to be repaid by long-term financing. This type of bridge financing has a maximum maturity of four years under Michigan law.

B. Responsibility for Policy

1. Primary responsibility for developing debt financing recommendations rests with the Controller / Administrator. In developing such recommendations, the Controller / Administrator shall be assisted by the Financial Services Director and the Budget Director, the three of whom shall comprise the Debt Management Committee. The responsibilities of this Committee shall be to:

    a. meet at least semi-annually to consider the need for debt financing and assess progress on the current Capital Improvement Program and any other program/improvement deemed necessary;

b. meet at least semi-annually to test adherence to this policy statement and to review applicable debt ratios serving as benchmarks;

c. review changes in federal and state legislation that affect the County's ability to issue debt and report such findings to the Finance Committee as appropriate;

d. review annually the provisions of resolutions authorizing issuance of general obligation bonds of the County;

e. review semi-annually the opportunities for refinancing current debts; and

f. review annually the services provided by the County's financial advisor, bond counsel, paying agents and other debt financing service providers.

2. Prior to each meeting, the Budget Director shall prepare a written report on the financial status of the County's current Capital Improvement Program. The report shall be based in part on information collected from department heads for the County and shall include a projection of near term financing needs compared to available resources, an analysis of the impact of contemplated financings on the property tax rate and user charges, and a final financing recommendation. In developing financing recommendations, the Debt Management Committee shall consider:

a. the length of time proceeds of obligations are expected to remain on hand and their related carrying costs;

b. the options for interim financing including short term and inter-fund borrowing, taking into consideration federal and state reimbursements;

c. the effect of proposed actions on the tax rate and user charges;

d. trends in bond markets;

e. trends in interest rates; and,

f. other factors as deemed appropriate.

C. Use of Debt Financing

1. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The County will use debt financing only for one-time capital improvement projects and unusual equipment purchases, and only under the following circumstances:

a. When the project is included in the County's Capital Improvement Program; or

b. When the project involves acquisition of equipment that cannot be purchased outright without causing an unacceptable spike in the property tax rate; or

c. When the project is the result of growth-related activities within the community that require unanticipated and unplanned infrastructure or capital improvements by the County; and

d. When the useful life of a project, or the projected service life of the equipment, will be equal to or exceed the term of the financing; and

e. When there are designated revenues sufficient to service a debt, whether from project revenues, other specified and reserved resources, or infrastructure cost sharing revenues.

2. The following criteria will be used to evaluate pay-as-you-go versus debt financing in funding capital improvements:

a. Factors which favor pay-as-you-go financing include circumstances where:

i. The project can be adequately funded from available current revenues and fund balances;

ii. The project can be completed in an acceptable timeframe given the available revenues;

iii. Additional debt levels could adversely affect the County's credit rating or repayment sources; or

iv. Market conditions are unstable or suggest difficulties in marketing a debt.

b. Factors which favor long-term debt financing include circumstances where:

i. Revenues available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;

ii. Market conditions present favorable interest rates and demand for County debt financing;

iii. A project is immediately required to meet or relieve capacity needs and existing undesignated cash reserves are insufficient to pay project costs; or

iv. The life of the project or asset financed is five years or longer.

D. Maximum Amounts of Debt Financing

1. The County will not engage in debt financing unless the proposed obligation, when combined with all existing debts, will result in debt ratios throughout the life of the proposed obligation that are less than at least three of the following benchmarks.

a. Per capita direct debt will not exceed $500.

b. Per capita direct, overlapping and underlying debt will not exceed $3,000.

c. Direct debt as a percentage of estimated assessed valuation will not exceed 10%[1].

d. Direct, overlapping and underlying debt as a percentage of estimated full market value will not exceed 15%.

e. Annual debt service will not exceed 20% of budgeted expenditures

2. The computation of these ratios will use the following variables.

a. Per capita measures will be based on the most recent annual estimate of County population reported by the United State Census Bureau for the year in question.

b. Direct debt will be the total of all then outstanding General Obligation, special assessment, and Building Authority bonded debt plus all authorized but unissued bonded debt plus the amount of debt financing being proposed.

c. Direct, overlapping and underlying debt will be the total of direct debt plus all General Obligation bonded debt and Building Authority debt of each city, township, school district, and special purpose governmental district located within Ingham County as of the most recent December 31, but will exclude bonds backed solely by a dedicated non-ad valorem revenue, industrial revenue bonds and mortgage revenue bonds.

d. Estimated full market value will be the total appraised value of all real and personal property located within Ingham County for the year in question as estimated by the Ingham County Equalization Department.

e. Annual debt service will be the total principal and interest payments due on direct debt in the year in question plus the estimated maximum annual principal and interest payment on the proposed long term obligation.

f. Budgeted expenditure will be the total original adopted budget of the General Fund and debt service fund for the year in question.

E. Structure and Term of Debt Financing

1. General. County debt will be structured to achieve the lowest possible net interest cost to the County given market conditions, the urgency of the capital project, and the nature and type of any security provided. County debt will be structured in ways that will not compromise the future flexibility to fund projects. Moreover, to the extent possible, the County will design the repayment of its overall debt issues so as to rapidly recapture its credit capacity for future use. As a benchmark, the County shall strive to repay at least 30% of the principal amount of its bonded debt within five years and at least 60% within ten years.

[1] Constitution of Michigan, Article VII, Section 11

2. General Obligation and Building Authority Revenue Bonds. The County shall use an objective analytical approach to determine whether it can afford to issue new bonds for county facilities beyond what it retires each year (see Section E.5, Assumption of Additional Debts, below). Generally, this process will compare a variety of measures of debt benchmarks relative to key demographic data of the County.

   The decision on whether or not to assume new general obligation or Building Authority bonds shall, in part, be based on the following considerations:

   a. Costs and benefits
   b. Current conditions of the municipal bond market
   c. The County's ability to assume new general obligation bonds

3. Revenue Bonds. The County may issue bonds secured solely by dedicated non ad-valorem revenue streams if doing so will yield clearly identifiable advantages. For the County to issue revenue bonds, a primary objective will be to minimize risk through the use of adequate coverage requirements while remaining in compliance with overall debt management policy objectives. The County will adhere and where necessary take actions to ensure compliance with all outstanding revenue bond covenants.

4. Special Assessment Bonds. The County shall maintain a watchful attitude over the issuance of special assessment bonds for benefit district improvements. While the County's share of any benefit district project may fluctuate, the County will not pay more than 50% of any proposed costs related to a benefit district. Further, it will be the responsibility of the Debt Management Committee to analyze each special assessment bond issue for indications that future special assessments will equal or exceed the annual principal and interest payments of such bonds. A report on the findings of the Debt Management Committee will be submitted to the Finance Committee prior to consideration of any special assessment bond issue by the Board of Commissioners.

5. Assumption of Additional Debts. The County shall not assume more debt than it retires each year without conducting an objective analysis of the community's ability to assume and support additional debt service payments and of the probable impact of the additional debt on the County's bond ratings.

6. Asset Life. The County will consider debt financing for the acquisition, replacement, or expansion of physical assets (including land) only if a capital project has a useful life longer than the term of the bond issue supporting it. Debt will be used only to finance capital projects and equipment, except in case of unforeseen emergencies. Debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.

7. Length of Debts. County debts will be amortized for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users, and in keeping with other related provisions of this policy. The County normally shall issue bonds with a maximum life of 20 years or fewer for general obligation bonds, Building Authority bonds, and revenue bonds, and 15 years or fewer for special assessment bonds. Unless specific compelling reasons exist, there shall be no "balloon" bond repayment schedules which consist of low annual payments and one large payment of the balance due at the end of the term. There shall always be at least interest

paid in the first fiscal year after a bond sale and principal repayment starting no later than the second fiscal year after the bond issue.

8. Call Provisions. Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the County. Unless specific compelling reasons exist all bonds shall be callable only at par.

9. Debt Structuring. At a minimum, the County will seek to amortize general obligation bonds with level principal and interest costs over the life of the issue. Pushing higher costs to future years in order to reduce short-term budget liabilities will be considered only when natural disasters or extraordinary or unanticipated external factors make the short-term cost of general obligation bonds prohibitive.

10. Variable Rate Debts. The County may choose to issue bonds that pay a rate of interest that varies according to predetermined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of preexisting bonds, and depending on market conditions.

11. Derivatives. The County will exercise extreme caution in the issuance and sale of derivative instruments, and will consider their utilization only when sufficient understanding of the products and sufficient expertise for their appropriate use has been developed.

F. Debt Administration and Financing

1. Financing Proposals. Any capital financing proposal of a County department, agency, or utility involving the pledge or other extension of the County's credit through sale of bonds, execution of loans or leases, or otherwise involving directly or indirectly the lending or pledging of the County's credit, shall be referred to the Controller/ Administrator for review before such pledge is considered by the Board of Commissioners.

2. Bond Fund. All payment of general obligation bonds and special assessment bonds shall be from the County's Bond and Interest Fund. The fund balance in the Bond and Interest Fund will be maintained at a level equal to or greater than the total principal and interest payable from that Fund for the upcoming debt service payment. Furthermore, the fund balance will be managed to eliminate or minimize arbitrage rebate liability.

3. Bond Counsel. The County will utilize external bond counsel for all debt issues. All debts issued by the County will include a written opinion by Bond Counsel affirming that the County is authorized to issue the debt, stating that the County has met all Federal and State constitutional and statutory requirements necessary for issuance, and determining the federal income tax status of the debt.

4. Underwriter's Counsel. County payments for Underwriters Counsel will be authorized for negotiated sales by the Controller/Administrator on a case-by-case basis depending on the nature and complexity of the transaction and the needs expressed by the underwriters.

5. Financial Advisor. The County will retain an external financial advisor selected for a term of up to three years through a competitive process administered by the Controller/ Administrator.

Utilization of the financial advisor for each debt issuance will be at the discretion of the Controller/Administrator, Treasurer, and/or Drain Commissioner on a case-by-case basis. For each County bond sale the financial advisor will provide the County with information on pricing and underwriting fees for comparable sales by other issuers.

6. Temporary Notes. Use of short-term borrowing, such as temporary notes, will be undertaken only if the transaction costs plus interest on a debt are less than the cost of internal financing, or available cash or reserves are insufficient to meet both project needs and current obligations. This standard does not apply to Delinquent Tax Anticipation Notes (DTANs).

7. Credit Enhancements. Credit enhancement (letters of credit, bond insurance, etc.) may be used if the costs of such enhancements will reduce the net debt service payments on the bonds or provide other significant financial benefits to the County.

8. Lease/Purchase Agreements. The use of lease/purchase agreements in the acquisition of vehicles, equipment and other capital assets shall be considered carefully relative to any other financing option or a "pay-as-you-go" basis. The lifetime cost of a lease typically will be higher than other financing options or cash purchases. Nevertheless, lease/purchase agreements may be used by the County as funding options for capital acquisitions if operational or cash-flow considerations preclude the use of other financing techniques.

9. Competitive Sale of Debts. The County, as a matter of policy, shall seek to issue its general or revenue bond obligations in a competitive sale unless it is determined by the Controller/Administrator that such a sale method will not produce the best results for the County. In such instances where the County, through a competitive bidding for its bonds, deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the Controller/Administrator, enter into negotiation for sale of the bonds.

10. Negotiated Sale of Debts. Where a negotiated sale process is determined to be in the best interests of the County, the County will use a competitive process to select its investment banking team.

G. Refunding of Debts

Periodic reviews of all outstanding debts will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants essential to operations and management. County staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debts. As a general rule, current refunding will be undertaken only if the present value savings of a particular refunding will exceed 3% of the refunded principal. As a general rule, advance refunding will be undertaken only if the present value savings of a particular refunding will exceed 4% of the refunded principal. Refunding issues that produce a net present value savings of less than targeted amounts may be considered on a case-by-case basis. Refunding issues with negative savings will not be considered unless a compelling public policy objective is served by the refunding.

H. Conduit Financings

The County may sponsor conduit financings in the form of Revenue Bonds for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the County's overall service and policy objectives as determined by the Board of Commissioners. All conduit financings must insulate the County completely from any credit risk or exposure and must first be approved by the Economic Development Director and Controller/Administrator before being submitted to the Board of County Commissioners for consideration.

I. Arbitrage Liability Management

It is the County's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law.

1. General. Federal arbitrage legislation is intended to discourage entities from issuing tax-exempt obligations unnecessarily. In compliance with the spirit of this legislation, the County will not issue obligations except for identifiable projects with very good prospects of timely initiation. Temporary notes and subsequent long-term bonds will be issued timely as project contracts are awarded so that debt issues will be spent quickly.

2. Responsibility. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the advice of Bond Counsel and other qualified experts will be sought whenever questions about arbitrage rebate regulations arise.

J. Credit Ratings

1. Rating Agency Relationships. The Controller/Administrator shall be responsible for maintaining relationships with the rating agencies that currently assign ratings to the County's various debts. This effort shall include providing periodic updates on the County's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

2. Use of Rating Agencies. The Controller/Administrator shall be responsible for determining whether or not a rating shall be requested on a particular financing and which of the major rating agencies shall be asked to provide such a rating.

3. Minimum Long-Term Rating Requirements. The County's minimum rating requirement for its direct, long-term, debt obligations is a rating of "AA" or higher. If a given debt cannot meet this requirement based on its underlying credit strength, then credit enhancement may be sought to ensure that the minimum rating is achieved. If credit enhancement is unavailable or is determined by the Controller/Administrator to be uneconomical, then the obligations may be issued without a rating.

4. Rating Agency Presentations. Full disclosure of operations and open lines of communication shall be provided to rating agencies used by the County. The staff of the Financial Services Department, with assistance of the County's Financial Advisor, shall prepare the necessary materials and presentation to the rating agencies.

5. Financial Disclosure. The County is committed to full and complete primary and secondary financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, County departments and agencies, other levels of government, and the general public to share clear, understandable, and accurate financial information. The County is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

   Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuous disclosure statements will meet (at a minimum), the standards articulated by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, the Securities and Exchange Commission (SEC), and Generally Accepted Accounting Principles (GAAP). The Controller/Administrator shall be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.

Agenda Item 10d

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION TO TERMINATE AN AGREEMENT BETWEEN INGHAM COUNTY AND THE POTTER PARK ZOOLOGICAL SOCIETY

WHEREAS, on December 9, 2014 the Ingham County Board of Commissioners authorized a contract with the Potter Park Zoological Society for services at the Potter Park Zoo, under mutually agreeable terms and conditions to both parties, effective upon execution of the contract, for a five year term, unless terminated earlier; and

WHEREAS, a proposed new operations structure result in numerous significant changes to the operational structure at Potter Park Zoo; and

WHEREAS, Section 5 of the Agreement reserves to the County the right to terminate the Agreement with or without cause upon 60 calendar days-prior written notice.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby terminates the contract with the Potter Park Zoological Society for services at the Potter Park Zoo, effective December 31, 2016.

Agenda Item 10e

MEMORANDUM

TO: County Board of Commissioners

FROM: Timothy J. Dolehanty, Controller Administrator

DATE: September 2, 2016

SUBJECT: Potter Park Zoo Operational Assessment and Recommendations

In the time since Sherrie Graham's resignation as Potter Park Zoo Director on April 28, I have taken the opportunity to conduct a comprehensive review of operational management practices at the Zoo. As you know, the County has operated the Zoo in conjunction with the non-profit Potter Park Zoological Society for many years. The advocacy and fundraising role of the Zoological Society was expanded in recent years to include many day-to-day functions. Some of these changes resulted in disparate application of policies, liability questions and confusion over fiscal responsibility.

The attached Operational Assessment provides an overview of Zoo management and a series of recommended actions to improve operational efficiencies. The general public and most employees will not notice any differences as the recommended changes are timed to cause minimal disruption. I was able to meet with the County Zoo Board and members of the Zoological Society yesterday to review the proposed changes. Their collective reaction was generally favorable, although many details have yet to be worked out.

It is hoped that the new administrative structure can be fully implemented by January 1, 2017. In order to achieve this goal, a resolution will be presented to the County Services and Finance Committees in September to terminate the existing agreement with the Zoological Society as of December 31, 2016. County Attorney Peter Cohl has been briefed, and a new agreement reflective of desired changes will be presented at a future meeting. The County Services Committee will also be asked to consider the following suggestions as part of a departmental reorganization proposal.

Please take a few minutes to review the attached assessment and recommendations. As always, please do not hesitate to contact me if you have any questions.

Attachment

Potter Park Zoo Operational Assessment and Recommendations

September 2, 2016

A comprehensive review of operational management practices at Potter Park Zoo was recently undertaken in the wake of the Zoo Director's resignation on April 28. Ingham County has operated Potter Park Zoo in conjunction with the non-profit Potter Park Zoological Society for many years. The advocacy and fundraising role of the Zoological Society was expanded in recent years to include oversight of many day-to-day operational activities. Some functional reassignments resulted in disparate application of County policies, liability questions and confusion over fiscal responsibility.

This report provides an overview of Zoo operations and a series of recommended actions intended to improve operational efficiencies. Recommendations in this report are intended to provide a starting-point for discussion. The general public and most employees will not notice any differences as the recommended changes are timed to cause minimal disruption. It is hoped that a new administrative and operational structure can be fully implemented by January 1, 2017.

Roles and Responsibilities

A review of roles and responsibilities of various organizations and personnel is necessary for prospective. Each of these groups and individuals play an important role in management of Potter Park Zoo.

Ingham County Board of Commissioners

The Board of Commissioners is the governing body and major policy approval center for Ingham County government agencies including Potter Park Zoo. County policies largely deal with budget, appropriations, personnel, capital improvements, county services and other operational matters. Michigan county law allows county boards to arrange for the coordination of administrative staff functions through appointed officials (VerBurg, 2007). For purposes of Association of Zoos and Aquariums (AZA) accreditation, the Board of Commissioners retains its role as the authority for governing the operations of Potter Park Zoo (AZA, 2016).

Controller/Administrator

The Controller/Administrator, as the chief fiscal and administrative officer for Ingham County, directs the central administrative functions of County government and is liaison on behalf of the Board of Commissioners between county officers, department heads, and the general public. It is the responsibility of the Controller/Administrator to hire, supervise, evaluate and monitor the performance of the directors of the County's central administrative functions not within the jurisdiction of a County-wide elected official, including the Zoo Director. The Controller/Administrator provides direct supervision for the Zoo Director and may discipline or terminate as appropriate (Human Resources, 2012).

Zoo Director

Under supervision of the Controller/Administrator, the Zoo Director is responsible for the upkeep and condition of Potter Park Zoo through implementation of Zoo policies, goals, objectives and procedures to maintain AZA accreditation (Human Resources, 2012).

Potter Park Zoo Board

Members of the Potter Park Zoo Board, appointed by the Board of Commissioners, are responsible for reviewing Zoo operations in order to provide advice and recommendations to the Board of Commissioners. The Zoo Board reviews and offers input on the annual operations budget, capital improvements budget, and development of Zoo policies and procedures (Resolution 07-103).

Potter Park Zoological Society Board of Directors

Members of the Potter Park Zoological Society Board of Directors, appointed by majority vote of Zoological Society Board of Directors, was formed to provide a better and more extensive Zoological Park (Friends of the Zoo Society, 1969). The Society is a non-profit corporation organized for the purposes of the support, maintenance, advancement and improvement of the Potter Park Zoo. The Society fosters programs of an educational and scientific nature (Potter Park Zoological Society, unk.).

AZA accreditation standards require that the Zoological Society, as a support organization, recognize the overall authority of the governing agency and Zoo Director for management of the Zoo and its programs. A formal agreement must be in place that delineates the roles and responsibilities of the Zoological Society (AZA, 2016). **An amended formal agreement will be proposed for adoption incorporating recommendations provided in this report.**

Director Recruitment and Compensation

As directed by the Controller/Administrator, the Human Resources Department has begun recruitment of a new Zoo Director following standard protocol. In response to a national recruitment effort, 18 candidates submitted applications as of the published closing date (Friday, August 26). Of those candidates, nine met the minimum qualifications established in the job description.

The Controller/Administrator will appoint a Candidate Selection Advisory Committee (Committee) to assist in choosing the candidate best suited for the position. The Committee will consist of the Controller/Administrator, Human Resources Director, and two members each from the Zoo Board and Zoological Society. Committee members will determine the number of candidates selected for interviews, schedule interviews, and then deliberate on selection of the new director. The entire process should be completed by October 31.

In order to maintain standing with the AZA, the governing authority (Board of Commissioners) must have responsibility for policy matters and oversight of Potter Park Zoo. The Zoo Director must be responsible for the day-to-day management of the Zoo, including staff, programs and animal acquisitions, transfers, and transitions. Lines of communication between the Zoo Director and the governing authority must be clearly defined. The Director should also be available to the County and Potter Park Zoo on a full-time basis and have the opportunity to attend meetings that would affect Zoo operations (AZA, 2016). **In order to wholly fulfill the intent and spirit of AZA accreditation requirements, employment of the Zoo Director should be the sole responsibility of the governing authority.**

The Zoo Director position is assigned to pay grade 14 on the Managerial and Confidential Employee compensation schedule. Compensation rates range from $81,532 to $97,862 as of January 1, 2016 (Human Resources, 2016). AZA reported the median base salary for Executive Director/CEO of a Midwest zoo as $93,250, with an average tenure of 10.2 years (AZA, 2014). In order to comply with AZA accreditation standards, staff compensation should be competitive with other similar organizations in the local/regional/national market, as appropriate (AZA, 2016). The County pay scale for Zoo Director approved by the Board of Commissioners is consistent with results reported in the most recent AZA nation-wide compensation survey.

Financial Condition

On average, Ingham County provided 80.8% of all operational revenue from 2011 to 2014, primarily through a special millage approved by County voters (Budget Office, 2016). The non-profit Zoological Society provided 19.2% of all revenue mostly through its memberships, fundraising efforts and educational programs over the same period (Zoological Society, 2012-2014). Zoological Society financial data for 2015 is not currently available and therefore not included in this report.

Capital improvement decisions over the past two years have caused depletion of financial reserves from both the County Zoo Fund and Zoological Society. Total combined Zoo expenditures exceeded revenue by nearly $1.7 million from 2011 to 2014 (see Figure 1, below). Recent settlement of an estate claim and elimination of an annual administrative supplement (see below) will provide some fiscal relief. **However, budget administrators may be required to consider some expenditure reductions for fiscal year 2017 in order to replenish financial reserves and to assure overall financial solvency for the Zoological Society.**

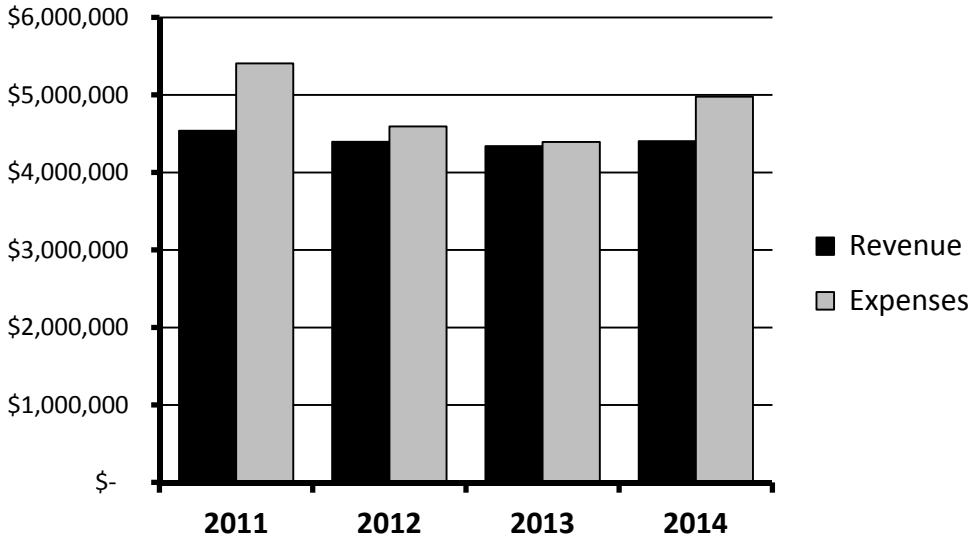

Figure 1: Combined Ingham County and Potter Park Zoological Society operational revenue and expenditures (2011 - 2014).

Fund Transfers for Seasonal Employees

Various resolutions approved between 2013 and 2015 authorized transfers of funds to the Zoological Society to provide for management of seasonal employees. Amounts transferred each year are provided in Table 1, below.

Table 1: Seasonal worker management funding (2013 - 2016)

	2013	2014	2015	2016	Total
Resolution number	13-094	14-024	14-431	15-403	
Amount transferred	$ 131,000	$ 131,000	$ 141,000	$ 141,000	$ 544,000

Authors of the resolutions sought to combine County and Society resources in key customer service areas by having all seasonal staff be hired, trained, supervised and paid by the Potter Park Zoological Society (Resolution No. 15-403). In practice, these resolutions allowed the Zoo Director to make personnel decisions independent of County policies and Human Resources Department procedures. This approach resulted in disparate personnel management practices and administrative inefficiencies. **Beginning in 2017, seasonal workers should be hired as County employees and managed through to the existing, professionally**

staffed County Human Resources Department. This change will negate the need for future seasonal worker fund transfers and will assure consistent personnel management practices.

Fund Transfers for Administrative Support

Resolutions were adopted to transfer funds from Ingham County to the Zoological Society each year from 2013 through 2015 to reimburse certain administrative support costs to the Society. Amounts transferred each year are provided in Table 2, below.

Table 2: Administrative support cost reimbursements (2013 - 2015)

	2013	2014	2015	Total
Resolution number	13-435	14-430	15-401	
Amount transferred	$ 108,922	$ 102,020	$ 88,471	$ 299,413

The stated purpose of the fund transfers was "to provide equity between the two entities" (Ingham County and Zoological Society) because the "Society has assumed the responsibility of the majority of the administrative and financial services expense" (Resolution No. 13-435, 14-430 and 15-401).

Beginning in 2017, all administrative support should be assigned to existing, professionally-staffed central service departments of Ingham County. This change will negate the need for an administrative support supplemental fund transfer and assure that administrative and financial service expenses paid are consistent with policies and procedures formally approved by the Board of Commissioners.

Operational Continuity

Day-to-day operations at Potter Park Zoo are subject to policies and procedures of the Board of Commissioners. The dual County/Zoological Society approach to operations management has resulted in confusion and, once again, disparate application of rules. Different standards for employee travel, contract administration, fee schedules and financial management have resulted in unnecessary and generally avoidable inefficiencies. **In order to assure operational continuity at Potter Park Zoo, Ingham County should assume operational control of all animal encounter service contracts, food concessions, the Zoo gift shop, and scheduling of all Zoo facilities. All contracts for activities scheduled to occur on Zoo grounds or on behalf of Potter Park Zoo should be approved as to form by the County Attorney and approved by the Board of Commissioners.**

Educators, Docents, Volunteers and Special Event Fundraisers

The Zoological Society mission of Zoo advocacy, education and fundraising has led to a number of employees and volunteers being assigned to tasks in fulfillment of Zoological Society goals. The Zoological Society, in coordination with the Zoo Director, should continue oversee Zoo advocacy programs and fundraising.

SOURCES:

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Ingham County Human Resources Department (2012) *Job Description – Controller/Administrator* (2). Mason, MI: Ingham County Board of Commissioners.

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Potter Park Zoological Society (unk.). *Constitution and Bylaws of the Potter Park Zoological Society.* Lansing, MI: Potter Park Zoological Society.

Potter Park Zoological Society (2012). *Return or Organization Exempt from Income Tax* (1, 7-11). Washington, DC: U.S. Internal Revenue Service.

Potter Park Zoological Society (2013). *Return or Organization Exempt from Income Tax* (1, 7-11). Washington, DC: U.S. Internal Revenue Service.

Potter Park Zoological Society (2014). *Return or Organization Exempt from Income Tax* (1, 7-11). Washington, DC: U.S. Internal Revenue Service.

Potter Park Zoological Society (2016, August 30). *Potter Park Zoological Society Management Services Allocation 2015.* Unpublished raw data.

Resolution No. 07-103 (2007). *Resolution Authorizing Creation of a Potter Park Zoo Board* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 12-066 (2012). *Resolution Authorizing a Transfer of Funds and Authorization for the Potter Park Zoological Society to Provide Seasonal Workers for Customer Service Related Positions* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 13-094 (2013). *Resolution Authorizing a Transfer of Funds and Authorization for the Potter Park Zoological Society to Provide Seasonal Workers for Customer Service Related Positions* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 13-435 (2013). *Resolution Recommending Potter Park Zoological Society Reimbursement for Administrative Support* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 14-430 (2014). *Resolution Authorizing Reimbursement to the Potter Park Zoological Society for Administrative Support* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 15-401 (2015). *Resolution Authorizing Potter Park Zoological Society Reimbursement for 2015 Administrative Support* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 14-024 (2014). *Resolution Authorizing a Contract for the Potter Park Zoological Society to Provide the Management of Seasonal Workers* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 14-431 (2014). *Resolution Authorizing a Transfer of Funds and Authorization for the Potter Park Zoological Society to Provide Seasonal Workers for Customer Service Related Positions* (1). Mason, MI: Ingham County Board of Commissioners.

Resolution No. 15-403 (2015). *Resolution Authorizing a Contract with Potter Park Zoological Society to Provide the 2016 Management of Seasonal Workers* (1). Mason, MI: Ingham County Board of Commissioners.

VerBurg, Kenneth (2007). *Guide to Michigan County Government* (19, 44) 4. East Lansing, MI: Michigan State University Extension.

Agenda Item 11a

JUNE 28, 2016
AGENDA ITEM NO. 32

Introduced by the Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION APPROVING MODIFICATIONS TO THE 2016 MANAGERIAL AND CONFIDENTIAL EMPLOYEE PERSONNEL MANUAL

RESOLUTION # 16 –

WHEREAS, the Board approved the 2016 Managerial and Confidential Employee Personnel Manual per resolution #15-469; and

WHEREAS, it is necessary to amend the 2016 Managerial/Confidential Employee Personnel Manual; and

THEREFORE BE IT RESOLVED, the Ingham Board of Commissioners hereby approves the following amendment to the 2016 Managerial and Confidential Employee Personnel Manual:

Change in the language under B. Compensation Plan: 2. Employees not at the top step of the salary range for their classification may be considered for a step increase to the next appropriate step as of their anniversary date, or hire date as defined. Step increases will be subject only to the approval of the immediate supervisor with the exception of those positions reporting directly either to the Board of Commissioners or to the Judges. Positions reporting directly to the Board of Commissioners include but may not be limited to the Health Officer, Equalization Director, Managing Director of the Road Department, Board Coordinator and the Controller/Administrator**.** Step increases for positions reporting directly to the Board of Commissioners must be approved by the appropriate standing committee and the Finance Committee of the Board of Commissioners. Positions reporting directly to the Judges include but may not be limited to Friend of the Court, Circuit Court Administrator, District Court Administrator and Magistrate, and Probate Court Administrator. Step increases for positions reporting directly to the Judges must be approved by the appropriate presiding Judge. Step increases for the Veterans Affairs Director shall be approved by the Veterans Affairs Committee.

BE IT FURTHER RESOLVED, that the amendment to the Managerial and Confidential Employee Personnel Manual will be effective immediately upon approval of this resolution by the Board of Commissioners.

FINANCE: Yeas: Bahar-Cook, Tennis, Crenshaw, Schafer

Nays: McGrain **Absent:** Anthony, Case Naeyaert **Approved 6/22/2016**

Agenda Item 11b

Introduced by the County Services Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION RECOGNIZING HISPANIC HERITAGE MONTH AND CELEBRATING THE HERITAGE AND CULTURE OF LATINOS IN INGHAM COUNTY AND LATINOS IN THE UNITED STATES

WHEREAS, from September 15, 2016 through October 15, 2016, the United States celebrates Hispanic Heritage Month; and

WHEREAS, the Census Bureau estimates the Hispanic population in the United States at over 53,000,000 people, making Hispanic Americans the largest racial or ethnic minority group in the United States overall and in 21 individual states; and

WHEREAS, according to the US Census, Hispanics represent approximately 7.6% of Ingham County residents; and

WHEREAS, individuals such as Maria R. Velasquez and Manuel Delgado, Sr. are examples of individuals who have paved the way for Hispanics to become active in their communities and provide for positive role models; and

WHEREAS, Hispanic/Latinos culture and faith are evident by events such as the Annual Cesar E. Chavez Tejano Festival and the Cristo Rey Church Annual Fiesta, where many from all backgrounds come to enjoy and live in the Hispanic culture; and

WHEREAS, the Ingham County Board of Commissioners recognizes the importance of Hispanics in Ingham County and how they have contributed to making Ingham County one of the most diverse counties within the State of Michigan.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners encourages Ingham County residents to celebrate Hispanic Heritage Month in Ingham County from September 15 - October 15, 2016.

BE IT FURTHER RESOLVED, that copies of this resolution be made available to members of the Hispanic community as a tribute to their work and dedication to making Ingham County what it is today.