BONDING AND ADMINISTRATIVE FEE SCHEDULE

ACT 185, 1957 BOARD OF PUBLIC WORKS PROJECTS

POLICY: When it is in the best interests of the County of Cass, the Board of Public Works, and local units of Government to pursue financing of various public works projects under the provisions of Act 185, PA 1957 as amended, thereby using the credit rating of the County and the full faith and credit pledge of the County, the following rules, regulations, and administrative fee schedule shall be used.

I. Project Acceptance:

A. If the Board of Public Works decides to undertake a project, the following requirements shall be completed in writing before any further action is initiated.

1. There shall be a letter of understanding that the ownership and operation of said project shall be in accordance with the provisions of Act 185 of 1957, as amended.

2. All costs of each project shall be the responsibility of the contracting municipality and not of Cass County.

3. The requesting municipality shall agree that in the event of default in any payment by the municipality that the Board of Public Works shall be authorized to utilize all procedures provided by law or by agreement including, but not limited to deduction of tax monies due to the municipality or the ordering of the municipality to levy upon its next tax role an amount sufficient to pay the amount in default, subject to all applicable constitutional, statutory or character limitations.

4. The municipality requesting the project shall have deposited with Cass County an amount of funds as determined by the Board of Public Works either in advance or upon sale and delivery of bond proceeds. If bond proceeds and/or grant funds are received for a project, the municipality shall be reimbursed in the amount for which expenses and costs incurred can be legally and properly deducted from the bond proceeds and/or grant funds.

5. The amount paid to the County shall be subject to adjustment upon completion of the project and final audit.

6. The processing of a project will be progressively clarified by a project resolution, an appropriate project contract and a final bonding contract.

7. The Board of Public Works may determine that the municipality not be required to advance funds as provided in Section I.4. if other satisfactory arrangements are made whereby all necessary project expenses can be promptly paid from another source of funds.

8. In the case of projects which are either not funded or are otherwise not completed, the municipality shall remain responsible for all project expenses which have been incurred.

II. County Administrative Fees

A. The Cass County Board of Public Works project service fees are designed to provide a reasonable fee for expenses and liability incurred by the County on behalf of local units of government. The following schedule of fees has been calculated to assure that uniform and equitable fees are levied on each project. The municipality shall be responsible for costs after the completion of a project including, but not limited to, audit expenses, payment for Treasurer's bonds and other expenses.

B. Project Service charges shall be calculated on total "as built" project costs and shall be deposited with the Treasurer. The total project cost is defined as the cost for the project in the Michigan Department of Treasury

Form F3301 (page 4), Exhibit A.

C. The following fee shall be charged for projects:

$10,000 base fee plus
$.004375 for each dollar of the bond issue

D. The following are services to be provided by the County, the Board of Public Works, and its employees.

1. Preparation of the Bond Issue:

   (a) Coordination by Staff, County Legal Counsel and others of those legal matters involved in working with the Financial Consultant, Bond Counsel, Engineers, Local Attorney, etc.

   (b) Coordination by the Treasurer and others with the Financial Consultant, Bond Counsel, and Engineers regarding the scheduling, information gathering, etc. of the bond issue.

2. Approval of the Bond Issue:

   (a) Coordination with County Legal Counsel.

   (b) Coordination with Treasurer.

   (c) Activity of the Board of Public Works and Staff.

   (d) Activity of the County Board of Commissioners.

   (e) Resolutions, minute taking, etc.

3. Sale and Delivery of the Bond Issue:

   (a) Coordination of the County Treasurer and Clerk. (resolutions, printing, public notices, bond ratings, information gathering, etc.)

   (b) Chairman of the Board of Public Works.

   (c) Involvement of the Equalization Office in gathering information for prospectus preparation.

4. Bidding:

   (a) Board of Public Works bid review with Engineer.

   (b) Staff review of bids.

   (c) Board of Public Works recommendation and approval of contractor agreements.

   (d) Resolutions, minute taking, etc.

5. Contractor Approval:

   (a) Board of Public Works and Staff Involvement.

   (b) Board of Commissioners Involvement.

   (c) Resolutions, minute taking, etc.

6. Bond Proceeds:

   (a) Investments by the County Treasurer relating to contractor payment timing.

(b) Board of Public Works, Staff and Treasurer's coordination of payment processing and contractor invoices.

(c) Board of Public Works, Staff and Treasurer's maintenance of financial records for the bond proceeds, construction fund, debt retirement fund and grant financial administration, if applicable.

(d) Resolutions, minute taking, etc.

7. Subsequent Year's Efforts:

(a) County Treasurer's debt retirement fund, coordination of payments from the proposing unit of government for the payment of annual and semi annual interest payments and principal payments and coordination with necessary banking institutions. Payment processing and financial record keeping through the life of the bonds is included.

(b) Board of Public Works Staff involvement with financial record keeping and communications with grant agencies, if applicable, through the life of the bonds.

(c) Involvement of both the Treasurer and Board of Public Works Staff in state, federal and independent auditing processes and the maintenance of necessary records and files until audits can be completed.

(d) County Legal Counsel's involvement in continued legal matters, potential litigation, contract interpretation, etc.

B. Use of the County's Credit Rating and Legal Bonding Capacity:

(a) The resultant savings in interest expense by virtue of the bond issue being County sponsored.

E. It is the Board of Commissioner's policy that no such bond issue be approved unless the appropriate fee, according to the above schedule, is incorporated within the budget of any project.

Adopted: 07/24/1990

Revised: 05/02/1991