

# AGENDA

## BAY ARENAC BEHAVIORAL HEALTH BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

Wednesday, December 13, 2023 at 5:00 pm

William B. Cammin Clinic, Bay Room, 1010 N. Madison Avenue, Bay City, MI 48708

<b>Committee Members:</b>	<b>Present</b>	<b>Excused</b>	<b>Absent</b>		<b>Present</b>	<b>Excused</b>	<b>Absent</b>	
Ernie Krygier, Ch	_____	_____	_____	Patrick McFarland	_____	_____	_____	Others Present: BABH: Chris Pinter, Marci Rozek, and Sara McRae  Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
Sally Mrozinski, V Ch	_____	_____	_____	Robert Pawlak, Ex Off	_____	_____	_____	
Tim Banaszak	_____	_____	_____	Colleen Maillette, Ex Off	_____	_____	_____	
Jerome Crete	_____	_____	_____	Richard Byrne, Ex Off	_____	_____	_____	
Robert Luce	_____	_____	_____					

	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 3 Minutes)		
3.	Investment Earning Reports for Period Ending November 30, 2023		3) Consideration of motion to refer the investment earnings reports for period ending November 30, 2023 to the full Board for information
4.	Contracts 4.1) Finance December 2023 Contract List		4.1) Consideration of motion to refer the Finance December 2023 contract list to the full Board for approval
5.	Unfinished Business 5.1) None		
6.	New Business 6.1) Strategic Plan Review 2024  6.2) New Health Savings Account (HSA) for BABH Employees		6.1) No action necessary  6.2) No action necessary

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	6.3) Status of Bay Valley (Hope) & Crisis Residential Contracts (Hospital Psychiatry)  6.4) Dietary Services  6.5) Bay County Voluntary Employees' Beneficiary Association (VEBA) Policy/Procedure		6.3) No action necessary  6.4) No action necessary  6.5) No action necessary
7.	Adjournment	M -	S - pm MA

**Bay-Arenac Behavioral Health Authority**  
**Estimated Cash and Investment Balances November 30, 2023**

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Balance November 1, 2023	3,726,821.20
Balance November 30, 2023	8,992,467.86
Average Daily Balance	6,944,509.48
Estimated Actual/Accrued Interest November 2023	23,696.33
Effective Rate of Interest Earning November 2023	4.09%
Estimated Actual/Accrued Interest Fiscal Year to Date	35,610.97
Effective Rate of Interest Earning Fiscal Year to Date	4.08%

Note: The Cash and Investment Balances exclude Payroll and AP related Cash Accounts.

Cash Available - Operating Fund

	Rate	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Beg. Balance Operating Funds - Cash, Cash equivalents, Investments		6,996,077	6,239,568	5,801,955	5,531,567	4,929,028	4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926
Cash in		5,148,520	4,869,398	5,256,044	5,799,795	6,405,791	7,365,485	6,140,991	9,939,499	6,328,711	12,694,585	11,257,050	21,945,755
Cash out		(5,905,029)	(5,307,011)	(5,526,431)	(6,402,334)	(7,188,968)	(7,950,581)	(6,879,319)	(8,821,236)	(6,837,497)	(12,104,052)	(11,993,562)	(16,681,841)
Ending Balance Operating Fund		6,239,568	5,801,955	5,531,567	4,929,028	4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839
Investments													
Money Markets		6,239,568	5,801,955	5,531,567	4,929,028	4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839
90.00													
180.00													
180.00													
270.00													
270.00													
Total Operating Cash, Cash equivalents, Invested		6,239,568	5,801,955	5,531,567	4,929,028	4,145,850	3,560,754	2,822,426	3,940,689	3,431,903	4,022,437	3,285,926	8,549,839
Average Rate of Return General Funds		1.78%	1.86%	1.93%	2.03%	2.14%	2.25%	2.41%	2.51%	2.60%	2.69%	3.82%	3.96%
Average		2.08%	2.09%	2.24%	2.50%	2.81%	3.01%	3.66%	3.46%	3.51%	3.71%	3.82%	4.09%
Average		6,505,310	6,329,471	6,169,890	5,963,080	5,703,476	5,435,635	5,145,279	5,024,820	4,880,009	4,808,545	3,285,926	5,917,883

Cash Available - Other Restricted Funds

	Rate	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Beg. Balance-Other Restricted Funds - Cash, Cash equivalents, Investments		423,587	424,765	426,097	427,405	428,924	430,428	432,047	433,645	435,308	437,156	438,953	440,817
Cash in		1,178	1,332	1,308	1,519	1,504	1,619	1,598	1,663	1,849	1,797	1,864	1,812
Cash out													
Ending Balance Other Restricted Funds		424,765	426,097	427,405	428,924	430,428	432,047	433,645	435,308	437,156	438,953	440,817	442,629
Investments													
Money Market		424,765	426,097	427,405	428,924	430,428	432,047	433,645	435,308	437,156	438,953	440,817	442,629
91.00	0.70%												
91.00	1.10%												
91.00	1.15%												
91.00	1.35%												
90.00	1.70%												
91.00	2.05%												
90.00	2.15%	-	-	-	-	-	-	-	-	-	-	-	-
365.00	80.00%												
Total Other Restricted Funds		424,765	426,097	427,405	428,924	430,428	432,047	433,645	435,308	437,156	438,953	440,817	442,629
Average Rate of Return Other Restricted Funds		2.84%	2.98%	3.19%	3.32%	3.47%	3.58%	3.68%	3.76%	3.88%	3.97%	5.00%	5.00%
Average		3.41%	3.41%	4.00%	4.00%	4.35%	4.35%	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%
Average		423,636	424,251	424,882	425,556	426,252	426,976	427,717	428,476	429,265	430,073	440,817	441,723
Total - Bal excludes payroll related cash accounts		6,664,333	6,228,052	5,958,972	5,357,952	4,576,278	3,992,801	3,256,071	4,375,997	3,869,059	4,461,390	3,726,743	8,992,468
Total Average Rate of Return		1.83%	1.93%	1.99%	2.09%	2.17%	2.25%	2.34%	2.41%	2.51%	2.58%	4.04%	4.08%

**Bay-Arenac Behavioral Health  
Finance Council Board Meeting  
Summary of Proposed Contracts  
December 13, 2023**

		Old Rate	New Rate	Term	Out Clause?	Performance Issues? (Y/N) Risk Assessment Rating (Poor/Fair/Good/Excellent)
<b>SECTION I. SERVICES PROVIDED BY OUTSIDE AGENCIES</b>						
Clinical Services						
1	M	<b>Bay Human Services, Inc.</b> Case specific reimbursement rate for staff training for continued success for an individual.	\$25.12/hour - maxium of 80 hours of training/staff	\$26.08/hour - maxium of 80 hours of training/staff	10/1/23 - 9/30/24	Y N
2	M	<b>Iris Telehealth</b> 3.2% rate increases to hourly rate for Dr. Exum	\$245/hour	\$252/hour	Effective 1/1/24	Y N
3	T	<b>Ann Raphael</b> Dietary services: Nutritional counseling Nutritional assessment Nutritional re-assessment Treatment plan Treatment plan monitoring	\$50/event \$30/unit \$30/unit \$149.10/event \$85.20/event	\$0	Terminated effective 11/16/23	Y N
4	N	<b>Opportunity Center</b> Transitional Employment, Janitorial Services	\$0	\$0	1/1/24 - 9/30/26	Y N
5	M	<b>Do-All, Inc.</b> Single Case Agreement - Do-Art Program for 1 individual (General Fund)	\$6.28/unit	\$8.21/unit	10/17/23-12/13/23	Y N
6	N	<b>Hope Network Southeast</b> Advance for Bay Valley Home start up costs, to be included with their cost settlement	\$0	\$13,000	12/21/23 - 9/30/24	Y N
7	M	<b>*Bay Human Services</b> Union Home - Per diem rate for 2 month extension	\$1,444.02/day	Same	1/1/24 - 2/29/24	Y N
8	M	<b>Superior Care of Michigan</b> Residential services to 1 BABHA consumer	\$264.90/day	\$297.40/day	10/1/23 - 1/24/24	Y N
9	R	<b>Superior Care of Michigan</b> Residential services to 1 BABHA consumer	\$297.40/day	Same	1/25/24 - 1/24/25	Y N
Admin/Other Services						
10	ES	<b>Clean Team</b> Janitorial services, Parish Road	\$2,902/month	Same	1/1/24-2/29/24	Y N
11	S	<b>Thryve/Dex YP</b> Yellow Pages listing in Arenac Iosco Ogemaw phonebook	\$72/month	Same	2/1/24-1/31/25	N/A N
12	N	<b>Wayne State University</b> Data use & non-disclosure agreement Bay County Stepping Up		\$0	12/22/23-TBD	Y N/A
13	N	<b>Netsource One</b> MRT Team Cloud Phone - set up - Microsoft 365 Teams Phone Standard (14 users) - remote administration & break-fix (14 users)		\$4,032 \$112/month \$42/month	12/22/23-12/31/24	Y N
14	R/M	<b>TelNet Worldwide</b> Phone services - SIP path - MRT SIP path (14 users) - phone numbers (679 reduced to 652 lines) - MRT phone numbers (14 lines) - Tollfree lines (11) - digital fax lines (25)	\$808/month \$170/month \$41/month \$199/month	Same \$168/month \$163/month \$4/month \$55/month Same	12/22/23-12/31/24	Y N
<b>SECTION II. SERVICES PROVIDED BY THE BOARD (REVENUE CONTRACTS)</b>						
15	N	<b>Bay Area Community Foundation</b> Grant to pay for ACT holiday party	\$1,000	\$1,500	12/13/2023	N/A N
<b>SECTION III. STATE OF MICHIGAN GRANT CONTRACTS</b>						
<b>SECTION IV. MISC PURCHASES REQUIRING BOARD APPROVAL</b>						
16	R	<b>Lighthouse Group/Travelers</b> Crime/employee dishonesty insurance	\$9,170	\$9,340	1/19/24-1/19/25	N/A N

R = Renewal with rate increase since previous contract  
D = Renewal with rate decrease since previous contract  
S = Renewal with same rate as previous contract  
ES = Extension

M = Modification  
N = New Contract/Provider  
NC = New Consumer  
T = Termination

**Footnotes:**

\* BHS is agreeable to a 2 month extention as long as staffing does not become an issue for them.

## Proposal

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### MRT Team Cloud Phone

Quote #: NSOQ34071

Prepared for  
Jesse Bellinger  
**Bay Arenac Behavioral Health**  
jbellinger@babha.org

Prepared by  
Trevor Shetler  
**NetSource One, Inc.**  
989-498-4534  
trevor.shetler@nsoit.com



**STATEMENT OF WORK**  
**MRT Team Cloud Phone**  
**SOW # NSOQ34071**

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SOW Issue Date: 9/15/2023	Services Provided By: NetSource One, Inc. 5454 Hampton Place Saginaw, MI 48604	Services Provided For: Bay Arenac Behavioral Health 909 Washington Ave. Bay City, MI 48708
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This SOW, effective as of the signatory date below, is entered into by and between NetSource One and customer and describes the requirements by the parties for the successful provisioning of the services.

**PROJECT DESCRIPTION AND SCOPE**

**Project Overview**

- Teams calling setup using Telnet Call2Teams service
- Includes monthly billed licensing for Transit and IT

**NSO Responsibilities**

- Design Services
- Project Management
- Add licensing to 365 tenant
- Assign licensing to users provided
- Add AD groups ON-Call Transit, and ON-Call IT
- Configure call routing in Teams
- Work with Telnet on Call2Teams integration
- Test and confirm operation
- Configure Call routes in Mitel to send calls to Teams users configured
- Setup ECC to utilize Teams users
- Work with IT Queue members on how to switch between Mitel phone and teams phone
- Provide basic admin training
- Attend to the following items as if managed by NetSource One:
  - Update client agreements
- Update NetSource One documentation of new device (configuration and support renewal status)
- Project close meeting

**Client Responsibilities**

- Sign updated Telnet agreement (see attachment pass summary page)
- Provide list of users
- Configuration of Teams on client devices
- End user training of Transit staff

**Assumptions**

- Services on-site only performed when necessary
- Installation to occur during business hours
- All users have a Microsoft Teams license, and Exchange online license
- All calls will not be done from VDI desktop

**Out-of-Scope**

- Upgrading 3<sup>rd</sup>-party software to a level compatible with a modern and supported Operating System
  - May involve software licensing, vendor support, and NSO professional services
- End user training on new systems (can be included at additional cost upon request)
- Assisting with Client Responsibilities
- Custom reports



## MRT Team Cloud Phone

Thank you for considering NetSource One for your technology needs. The details of your quote are below:

NOTICE: Due to volume, inclement weather, and Covid-19 impacts some of our vendor/carrier partners are experiencing shipping delays. There may be extended delivery time frames from time of quoting to placing order(s), therefore we cannot guarantee exact shipping/delivery dates. We appreciate your understanding and thank you so much for your business!

### Products

Description	Qty	Unit Price	Ext. Price
<i>**See attached Telnet Quote**</i>			
		<b>SubTotal</b>	<b>\$0.00</b>

### Professional Services (Fixed Fee)

Description	Qty	Unit Price	Ext. Price
Professional Services (Fixed Fee)			
- Labor is quoted as a fixed-fee per statement of work			
- Any item not outlined in the statement of work is not included and therefore may be subject to additional pricing at our standard T&M rates on a separate ticket			
		<b>SubTotal</b>	<b>\$4,032.00</b>

### Monthly Services

Description	Qty	Unit Price	Ext. Price
Premium Phones	14	\$3.00	\$42.00
- Remote administration & break-fix (during normal business hours)			
Microsoft 365 Teams Phone Standard without Calling (Annual term, billed monthly)	14	\$8.00	\$112.00
		<b>Monthly SubTotal</b>	<b>\$154.00</b>

### Annual Services

Description	Qty	Unit Price	Ext. Price
Microsoft Teams Phone Resource Account (billed annually)	1	\$0.00	\$0.00
		<b>Annual SubTotal</b>	<b>\$0.00</b>



# QUOTE

Quote No: NSOQ34071  
Delivery Date: 9/15/2023  
Expiration Date: 10/15/2023

## MRT Team Cloud Phone

Prepared For:  
**Bay Arenac Behavioral Health**  
909 Washington Ave.  
Suite #8  
Bay City, MI 48708  
Jesse Bellinger  
(989) 497-1311  
jbellinger@babha.org

Shipping to:  
**Brenda Boughner**  
5454 Hampton Place  
Saginaw, MI 48604-9282  
United States

Prepared By:  
**NetSource One, Inc.**  
5454 Hampton Pl  
Saginaw, MI 48604  
Trever Shetter  
989-498-4534  
trever.shetter@nsoit.com

## Summary

Description	Amount
Products	\$0.00
Professional Services (Fixed Fee)	\$4,032.00
Monthly Services	\$154.00
Annual Services	\$0.00
Subtotal:	\$4,186.00
Tax:	\$0.00
Shipping:	\$0.00
<b>Grand Total:</b>	<b>\$4,186.00</b>

Recurring Amounts:  
\$154.00 Billed Monthly

## Acceptance

I hereby agree to abide by the terms set forth in the Master Services Agreement and related Addendum(s) at the following link:  
<http://www.nsoit.com/legal>.

NetSource One, Inc.

Bay Arenac Behavioral Health

Signature: \_\_\_\_\_  
Name: Trever Shetter  
Date: 9/15/2023

Signature: \_\_\_\_\_  
Name: Jesse Bellinger  
Date: \_\_\_\_\_

## Quote Notes

Any services (if applicable) to be completed during normal business hours (unless otherwise indicated). Out of scope labor, travel & mileage will be billed at time & materials. A 50% down payment on product may be required at time of quote approval, prior to ordering.

If applicable, any leasing information provided is subject to credit approval. The proposal provides an approximate monthly payment for hardware, software and services based upon the contract type and term in months. Any change in the amount financed will change this information. Pricing valid 30 days from day quote is initiated, unless otherwise stated in quote. Taxes, shipping, handling and other fees may apply. Please do not pay from this quote, you will receive an invoice with the detailed charges. We reserve the right to cancel orders arising from pricing or other errors. Risk of loss and transfer of ownership is assigned to the purchaser at time of shipment from Manufacturer or Distributor.



TelNet Worldwide  
 31700 Research Park Drive  
 Madison Heights, MI 48071

# TelNet Service Agreement

<b>TelNet Worldwide Quote Prepared for BAY ARENAC BEHAVIORAL HEALTH - 5410 HAMPTON</b>		<b>Term: 36 Months</b>
Prepared on: September 13, 2023	Expires on: December 12, 2023 Payment terms: Net 20	

<b>Quote Prepared for:</b>	<b>Quote Prepared by:</b>
Jesse Bellinger 5410 HAMPTON PL KOCHVILLE TWP, MI 48604 P: 9894971311 jbellinger@babha.org	Arielle Files TelNet Worldwide  P: (248) 485-7086 afiles@telnetww.com

Microsoft Teams Direct Routing Bundle				
PRODUCT	UNIT PRICE	QTY	Monthly Total	Non Recurring Total
<b>MS Teams SIP Path</b>	\$12.00	14	\$168.00	\$0.00
<b>Unlimited Nationwide Calling</b>	\$0.00	14	\$0.00	\$0.00
<b>Telephone Number</b>	\$0.25	14	\$3.50	\$0.00
<b>Subtotal:</b>		<b>42</b>	<b>\$171.50</b>	<b>\$0.00</b>

Digital Fax Bundle				
PRODUCT	UNIT PRICE	QTY	Monthly Total	Non Recurring Total
<b>Digital Fax</b>	\$7.95	25	\$198.75	\$0.00
<b>Fax Number</b>	\$0.00	25	\$0.00	\$0.00
<b>Fax Pages</b>	\$0.00	25	\$0.00	\$0.00
<b>User Account</b>	\$0.00	25	\$0.00	\$0.00
<b>Subtotal:</b>		<b>100</b>	<b>\$198.75</b>	<b>\$0.00</b>

SIP Trunking Bundle				
PRODUCT	UNIT PRICE	QTY	Monthly Total	Non Recurring Total
<b>SIP Path</b>	\$8.00	101	\$808.00	\$0.00
<b>Telephone Number</b>	\$0.25	652	\$163.00	\$0.00
<b>Domestic LD Metered Rate Plan</b>	\$0.00	101	\$0.00	\$0.00



TelNet Worldwide  
 31700 Research Park Drive  
 Madison Heights, MI 48071

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<b>Subtotal:</b>	<b>854</b>	<b>\$971.00</b>	<b>\$0.00</b>
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**Toll Free Bundle**

Toll Free Bundle				
PRODUCT	UNIT PRICE	QTY	Monthly Total	Non Recurring Total
<b>Toll Free Number</b>	\$5.00	11	\$55.00	\$0.00
<b>Toll Free Rate Plan</b>	\$0.00	11	\$0.00	\$0.00
<b>Subtotal:</b>		<b>22</b>	<b>\$55.00</b>	<b>\$0.00</b>

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<b>MONTHLY TOTAL:</b>	<b>\$1,396.25</b>	<b>NON RECURRING TOTAL:</b>	<b>\$0.00</b>
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Rates will only apply to the services that have been purchased

<b>SIP Trunk Call Plan</b>	<b>Local</b>	<b>Intralata</b>	<b>Interstate</b>	<b>Intrastate</b>	<b>Toll Free</b>	<b>Intl</b>
Unlimited Nationwide Calling	0.00	0.00	0.00	0.00	0.022	Market Rate
International Calling	0.00	0.00	0.00	0.00	0.00	Market Rate
Domestic LD Rate Plan	0.00	0.00	0.019	0.019	0.022	Market Rate
High Capacity Rate Plan	0.00	0.00	0.0035	0.0035	0.022	Market Rate

<b>MS Teams Call Plan</b>	<b>Local</b>	<b>Intralata</b>	<b>Interstate</b>	<b>Intrastate</b>	<b>Toll Free</b>	<b>Intl</b>
Unlimited Nationwide Calling	0.00	0.00	0.00	0.00	0.022	Market Rate
International Calling	0.00	0.00	0.00	0.00	0.00	Market Rate
Domestic LD Rate Plan	0.00	0.00	0.019	0.019	0.022	Market Rate

<b>Digital Fax Call Plan</b>	<b>Local</b>	<b>Intralata</b>	<b>Interstate</b>	<b>Intrastate</b>	<b>Toll Free</b>	<b>Intl</b>
Unlimited Nationwide Calling	0.00	0.00	0.00	0.00	0.022	Market Rate



TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

Unless specified, prices do not include shipping charges, regulatory fees, applicable taxes, administrative/service fees, professional services, or other time and material charges. For additional terms and conditions go to [www.telnetww.com](http://www.telnetww.com).

Business POTS (Plain Old Telephone Service) is a no-term, month to month service; rates subject to change with prior notification. High volume broadcast faxing is prohibited on the Digital Fax service offering, if excessive use is detected, TelNet reserves the right, at its sole discretion, to change or modify the pricing structure. A \$1 E911 Enabled Fee may be charged per Telephone Number provisioned with E911 services.

With Mobile Client, features vary by device, settings and quality of signal. When Wi-Fi is not available or cellular usage is selected, phone plan roaming, data and voice usage charges apply. Mobile client calls may drop or lose quality when Wi-Fi or cellular signals are lost or weak. Firewall settings may also impact use. TelNet Worldwide ("TelNet") is not responsible for loss of call quality and/or dropped calls with Mobile Client or any provided wireless or Wi-Fi service.

TelNet Worldwide ("TelNet") will work with the vendor/customer to assist with the proper installation of their equipment by collecting and analyzing traces and log files for proper interoperability. In addition, test calls will be performed to ensure call routing is working properly. However, this support will not include device management, configuration changes, firmware upgrades, factory reset, and or replacement parts to any customer-owned device.

Please note: International calling service is available only when authorized by completing the TelNet International Calling Authorization Form.

Customer initial \_\_\_\_\_



TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

When the term "this Agreement" is used, the term refers to this TelNet Service Agreement and, as found on [www.telnetww.com](http://www.telnetww.com), TelNet's Terms and Conditions ("T&Cs") and all items incorporated in the T&Cs, including those in tariffs, rate guides, TelNet's Acceptable Use Policy, and TelNet's E911 Disclosure Notice and Acknowledgement ("911 Acknowledgement") as applicable. The term "this Agreement" also includes, any attachments, exhibits or appendices to this TelNet Service Agreement, and, if applicable, any Purchase Order Terms and Conditions; Equipment Rental Terms & Conditions and any attachments, exhibits or appendices to these documents. By executing this Agreement, the "Customer" (defined as the party signing below and made a party to this TelNet Service Agreement) is ordering the services set forth in this Agreement. Customer agrees to pay for all services ordered or otherwise used including: taxes, surcharges and fees charged by TelNet, including, but not limited to, applicable federal, state, local use, excise, sales, or privilege taxes, duties or similar liabilities, as further set forth in this Agreement.

Customer authorizes TelNet to obtain any credit information and/or any customer proprietary network information necessary to provision services and to establish Customer's account, and hereby authorizes the release of such information by any and all third parties to TelNet. Customer understands that number assignments are not guaranteed and cannot be relied on before service is activated. Customer has provided TelNet with a valid Letter of Agency for all applicable services ordered. Customer is responsible for the identification and payment of any termination fees to any third party that may apply when switching to TelNetservices.

Customer has provided TelNet with a valid Letter of Agency for all applicable services ordered. Customer is responsible for the identification and payment of any termination fees to any third party that may apply when switching to TelNetservices.

### Term of Agreement

The effective date of this Agreement is the date signed by the last Party to sign this TelNet Service Agreement. However, the date of installation of all services shall determine the end date of the Initial Term of the Agreement. By way of example, if the obligations under this Agreement becomes effective on January 1, and installation is completed February 1, the Initial Term of a one year agreement, would end on January 31 of the following year.

After the expiration of the Initial Term, this Agreement shall automatically renew for successive one-year Renewal Terms, unless a written Notice of Termination is received by the other party at least 30 days prior to the expiration of the Initial Term or a Renewal Term. Auto renewal terms do not apply to locations that have special access, coax, T1-based services or third-party fiber connectivity arrangements.

### Firm Order Confirmation

A Firm Order Confirmation time-frame varies with each service. Requests other than standard intervals may be subject to an expedite fee. Please be advised that the installation of Fiber typically takes sixty (60) to one hundred twenty (120) days or longer.

### Order Cancellation

Cancellation by the Customer after the signature date and before the service available date will result in an Order Cancellation Fee to be paid by the Customer as described in applicable TelNet T&Cs which can be found at [www.telnetww.com](http://www.telnetww.com).

TelNet pricing under this Agreement may be budgetary and is subject to change. In those cases, and at TelNet or our access partners request, a site survey may be performed to verify rates and availability of service after an Order is submitted to our service partners. If TelNet determines that the rates must be adjusted due to additional requirements or expenses, including build-out costs, or that a service is not available, Customer will have the option to accept the adjusted rate or cancel the service without incurring an early termination penalty. If Customer fails to notify TelNet within 14 days of its request to cancel the service, TelNet shall proceed with the adjusted rate and Customer shall be liable for payment under the adjusted rate. In the case of cancellation, Customer will also be liable for any one-time fees assessed by our access partners if the cancellation request is received by TelNet after 30 calendar days of order submission.

### Termination

TelNet may terminate this Agreement and the services for Customer's non-payment in accordance with TelNet's general T&Cs, tariffs and rate guides. Upon termination of this Agreement by TelNet for non-payment the customer shall be liable for the payment of all services provided through the date of termination, plus any applicable Termination Fees. TelNet may terminate this Agreement without liability if TelNet determines that it is no longer able to offer a product or service, or the product or service is no longer offered, or in a TelNet tariff or rate guide, in which case the customer will not be liable for any Termination Fees. If Customer terminates this Agreement prior to the expiration of its initial term or renewal term, or if TelNet terminates this Agreement due to non-payment, Customer will owe TelNet the following Termination Fees per applicable service: the monthly recurring charge (MRC) times the remaining number of months of the contract period for the contracted services.

Customer initial \_\_\_\_\_



TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

**General Provisions**

This Agreement supersedes any previous Agreements for the same services between TelNet and Customer. Except as otherwise provided herein, any changes to this agreement must be agreed to in writing by the parties. Any changes to this Agreement by Customer without said written approval are null and void at TelNet's discretion. If the Customer wishes to assign this Agreement to a third party, it must first receive TelNet's written consent.

Business Type:  
Corporation  
Partnership  
Proprietorship

**Federal Tax ID:**

Tax Exempt Status (Select all that apply):  
None  
Federal Excise Exempt Form Signed Date:  
Federal FUSF Exempt Form Signed Date:  
State Exempt Form Signed Date:  
County Exempt Form Signed Date:  
Local Exempt Form Signed Date:

(Exemption forms must be provided if you are tax exempt)

By placing Customer's signature in the space provided, Customer agrees to the terms of this Agreement. If ordering Voice over IP ("VoIP") services, Customer furthermore acknowledges that Customer has received and understands the E911 Disclosure Notice and Acknowledgment.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title





TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

Company: BAY ARENAC BEHAVIORAL HEALTH - 5410 HAMPTON

\_\_\_\_\_  
Legal Company Name

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Address

**Headquarter/Parent Company Name (if different from above)**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Address

**Billing Contact**

\_\_\_\_\_  
Billing Contact Name (First and Last)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Email

\_\_\_\_\_  
Telephone

**Onsite Contact**

\_\_\_\_\_  
Onsite Contact Name (First and Last)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Email

\_\_\_\_\_  
Telephone

**Technical Contact (Data/voice vendor, if applicable)**

\_\_\_\_\_  
Technical Contact Name (First and Last)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Email

\_\_\_\_\_  
Telephone

**Please complete and return with your order, or fax to 248.485.1090.**





TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

## TelNet E911 Disclosure Notice and Acknowledgment

This E911 Disclosure Notice and Acknowledgment ("E911 Acknowledgment") is agreed, acknowledged and accepted by TelNet Worldwide Inc. ("TelNet") and its end user customer ("Customer" or "you") in connection with Customer's purchase and use of TelNet Service. All TelNet Service is governed by the Terms and Conditions found at <https://www.telnetww.com/legal> ("Terms and Conditions"). Any capitalized terms not otherwise defined in this E911 Acknowledgment shall have the meanings ascribed to such terms in the Terms and Conditions. In the event of any conflict between this E911 Acknowledgment and the Terms and Conditions, this E911 Acknowledgment shall control.

### Section 1 - Emergency Services – VoIP 911 Calling: Comparison with Traditional Landline 911 Services

TelNet provides E911 Service as a component of TelNet's Voice over Internet Protocol ("VoIP") service ("Service"). TelNet's E911 Service enables Customers to communicate with emergency services by dialing 911. When Customer dials 911, the 911 call is routed from TelNet's network to the Public Safety Answering Point ("PSAP") or local emergency service personnel designated for the physical address Customer provided to TelNet at the time of activation of Service (as may be updated by Customer).

However, VoIP E911 Service is different in important ways from traditional landline E911. The Federal Communications Commission ("FCC") requires all VoIP service providers, such as TelNet, to inform their customers of these differences. It is important that you understand how these differences affect your ability to access E911 services. Please carefully read this Notice.

### By signing this Notice, you are acknowledging that you understand the following differences associated with VoIP 911 Service:

- A. VoIP E911 service will not function during a power outage or disruption. If there is an interruption in your power or a power surge, when power is restored, your VoIP equipment may need to be reset to reinitiate your VoIP service, including your VoIP 911 and E911 services.
- B. VoIP E911 service will not function if your broadband connection is terminated, interrupted or degraded.
- C. If you disable or damage your VoIP device or equipment, VoIP E911 service calls may not complete.
- D. Unless correctly registered, if your phone number is a phone number typically associated with a geographic area different than the area in which you are using your VoIP device, your 911 call may be routed to an incorrect PSAP and emergency personnel may not be dispatched to the correct location.
- E. If your 911 call cannot be completed, is dropped or disconnected and/or if your VoIP E911 Service is not operational for any reason, and/or if the caller is unable to speak, the PSAP and emergency personnel may not be able to identify your phone number in order to call you back.
- F. If billing issues arise due to delinquent or unpaid invoices or other reasons that result in the suspension or termination of your TelNet VoIP services, the ability to make 911 calls will cease.
- G. Due to technical constraints, there is a greater possibility of network congestion and/or reduced speed in the routing of a 911 call made utilizing VoIP equipment as compared to traditional 911 dialing over traditional public switched telephone networks.
- H. VoIP E911 Service will not work if you move your VoIP device to a location outside the United States.
- I. If you move your VoIP device to a new location, as explained below, you must register your new location. However, please be advised that it may take a few days for the change in address to be processed. If you move your VoIP device before your new registered location can be processed, your 911 call may be routed to the incorrect local emergency service provider and emergency personnel being dispatched to the incorrect location. Please register your new location several days in advance of any move and include the date on which the move will occur.



## Section 2 - Registration of New Locations and other Customer Obligations

### A. Registered Location Required

All Customers are required to register the intended physical location(s) of each of their VoIP devices when placing a Sales Order with TelNet. If you move any registered VoIP device, you must immediately update the Registered Address with the new physical location of the device(s). Calling 911 from an improperly registered number may subject you to a \$100 per call pass-through fee from the 911 administrator.

### B. How to update Registered Location(s)

Please use the E911 tab on the TelNet Portal (<https://portal.telnetww.com>) to input the new location of each moved VoIP device. If you are unable to update your E911 location designations via the TelNet Portal, please Download the 911 Update form (<http://telnetww.com/infosource/911updateform.xls>), which is in Excel format and follow the directions on the form. You should only use the Excel 911 Update Form if you are unable to make the change via the TelNet Portal. If you are not able to update your registration by using either TelNet's Portal or the 911 Update Form, you may call 1-800-508-1254 and provide the update information.

### C. Importance of Updating Location of VoIP devices

If you do not update the Registered Address, any 911 calls made from the device may be sent to the wrong emergency response center and will not transmit your current location information to emergency responders, delaying emergency assistance to you. Customers are solely responsible for ensuring that an accurate and up-to-date Registered Address is maintained for each VoIP device.

Please note: It may take a few days for the address update to take effect.

### D. Customer's Obligation to Inform Users of Customer's VoIP devices

In addition, it is Customer's obligation to inform others at its premises who use Customer's VoIP service of the above VoIP 911 limitations. By signing this Notice, Customer acknowledges and agrees to perform this obligation.

### E. Placement of stickers on Customer's VoIP devices

TelNet will provide to Customer a set of stickers explaining when VoIP 911 Service may not be available. Customer hereby agrees to place the stickers on or near Customer's VoIP devices.

### F. Obligation to Make any Needed Equipment Changes

You are also responsible for any equipment changes required to ensure compliance. (Example: You may need to have your equipment vendor update your phone system's outpulsed phone numbers to ensure proper identification of 911 calls.)

## Section 3 - Limitation of Liability and Indemnification

Customer acknowledges and agrees that it is solely responsible for ensuring that an accurate and up-to-date registered address is maintained for each of customer's voip devices. Customer acknowledges that it understands that TelNet disclaims any and all liability for any service outage or inability to complete emergency 911 calls from any customer line or customer premises or to access emergency service personnel. Customer shall protect, defend, indemnify, and hold harmless TelNet, its officers, directors, employees, affiliates, contractors, and agents and any other service provider that furnishes services to customer in connection with the service, from any and all claims, lawsuits, losses, damages, liability, fines, penalties, costs, and expenses including, without limitation, attorney's fees and costs, arising from, or related to, any absence, failure, or outage of the service, including, without limitation, emergency 911 calling and/or inability of customer or any customer employee, third person or party, or user of TelNet's service to be able to call 911 or to access emergency service personnel. In no event shall TelNet be liable to customer or any third party for incidental, indirect, consequential, exemplary, punitive, or special damages related to customer's (or any customer employee, agent, or contractor, or third person or third party or user of TelNet's service) use of or inability to use e911 services.

## Section 4 - Acknowledgment of Understanding of Contents of this Notice

The FCC's rules require us to keep a record on file showing that you have received and understood this 911 and E911 Notice. By signing, you certify that you have received and understood this 911 and E911 Notice.

**BAY ARENAC BEHAVIORAL HEALTH - 5410**

**HAMPTON**



TelNet Worldwide  
31700 Research Park Drive  
Madison Heights, MI 48071

Customer Signature

Account

## Finance Committee

### Environmental Scan: Management of Internal Operations and Provider Network within BABHA Annual Budget

Lead Team Member: Marci Rozek Status: Revised for 2023

#### Impact on Ability to Accomplish Mission:

- It is important to make strategic decisions while maintaining competitive business operations and a strong Provider Network in a manner that is consistent with organizational values
- As resources are impacted, service arrays, provider networks, staffing, and supporting infrastructure are also changed

#### Opportunities/Threats:

- ~~State-wide reallocation of General Fund appropriation through 2023~~
- Annual Performance Improvement Bonus Incentive Payment
- An increasing fund balance
- State and federal grant opportunities for integration and staff retention
- ~~Time frame and funding of mandated direct care wage increase through capitated rates out the pandemic~~
- ~~Threat to Network Provider financial stability when non-urgent/non-emergent services decline as State pandemic risk level rises~~
- ~~Costs associated with COVID positive consumers requiring 24-hour services~~
- MSHN Network Provider Stabilization Plan developed to assist Providers with lost revenue and unusual expenditures during the pandemic has ended.
- MSHN Network Provider Crisis Staffing Plan developed to assist Providers with staff recruitment and retention efforts has ended and funding is no longer available. It is at each CMHSP discretion to approve such efforts within their annual subcontract budget.
- Threat to public services posed by financial integration strategies
- Autism funding not sufficient to meet volume of services provided
- Demand for outpatient and autism services greater than internal and external capacity
- ~~—~~
- Lack of services for people without Medicaid (source: community/ stakeholder needs assessment)
- ~~Demand for autism services greater than internal and external capacity~~
- Maintaining a stable Provider Network crucial. Staff recruitment and retention increasingly becoming still a concern even after during the pandemic.
- Long term financial viability of residential contracts
- ~~Increase transfers to competitive employment from vocational services; Individual Placement and Support Evidence Based Model movement to Evaluation/monitoring of outcomes based vocational contracts~~
- Vocational opportunities with Michigan Rehabilitation Services
- Expansion of Mobil Response Team to second shift with financial assistance from grant funds and MSHN
- Pervasiveness of need in some areas, such as SUD services in Arenac County
- Home and community-based waiver financial impact being monitored, anticipate rise in community living support services
- Potential for changes to or elimination of the Affordable Care Act and traditional Medicaid
- Post COVID labor market increasing all provider expenses.
- Lower cost crisis residential unit to divert higher cost inpatient hospitalizations
- Expansion of CCBHC site in the MSHN region consuming excess Medicaid funding/savings

#### Strengths/Weaknesses:

- Board aware of budget status and supportive of investments in provider systems
- Zero-based budgeting not performed periodically
- Scale of MSHN region allows opportunity to fund additional budget requests annually when MSHN's Medicaid savings and ISF allows
- Lack of accounting for current utilization trends affects the MDHHS rate setting process
- MSHN supportive of Provider Stabilization efforts within each CMHSP budget
- Efficient use of EHR.
- Large continuum of services still available
- Lack of consistent information to community – i.e., services available before a crisis arises
- Increasing Still high inpatient hospital (utilization)
- High turn-over rate and over-time costs with Network Providers of direct care services
- MDHHS eligibility specialist and staff critical to monitoring Medicaid benefits
- MDHHS phasing out CMHSP local match drawdown commitments

Breakthrough Initiatives:	Resources:
1. Monitor Long Term (3-5 year) Financial Plan based on revenue trends	Chris Pinter;; Joelin Hahn; Heather Beson
2. Monitor Medicaid and General Fund expenses in every programmatic, personnel and financial consideration; continually monitor fiscal year revenue projections	“
3. Monitor financial stability of Network Providers; Monitor staff retention and impact of recent CLS and provider rate adjustments <a href="#">related to the DCW mandate</a>	“
4. Monitor financial impact of Individual Placement and Support (IPS) Evidence Based Model, related vocational service, Outcome-Based Contracts and community living support services in response to home and community-based waiver.	“
5. Monitor health care reform; <del>Develop plan to sunset Healthy Michigan funding and its consumer base pending results of action taken on Affordable Care Act;</del> Prepare for possible changes to Medicaid funding	“
6. Manage revised productivity and compliance at individual service and staff level	“
7. Monitor utilization trends <del>for inpatient care, outpatient services and autism services by population and service line for service areas which may be under funded</del> as compared to <a href="#">community</a> demand (i.e., autism benefit (ABA services), <a href="#">availability of crisis residential services</a> , and <a href="#">expansion of outpatient services</a> ., <del>Inpatient Psychiatric stays and diversions, and community living support (CLS)</del> )	“
8. Evaluate the financial impact of MDHHS ABA reimbursement rates against the actual cost of related services	
9. Continually monitor HMP and autism benefit costs not being fully covered by the benefit	
10. Address any <a href="#">post</a> -pandemic related cost/revenue challenges, including utilization trends and positioning services to survive financially in the changing environment.	

## CORPORATION COUNSEL



## BAY COUNTY

Amber Davis-Johnson, Corporation Counsel  
johnsona@baycounty.net

JAMES A. BARCIA  
County Executive

Heather Brady Pitcher, Assistant Corporation Counsel  
pitcherh@baycounty.net

Tel: (989) 895-4131  
Fax: (989) 895-2094

**TO:** Steve Gray, Chair of the Bay County VEBA Board  
**FROM:** Heather Brady Pitcher, Assistant Corporation Counsel  
**RE:** Adoption of the VEBA Policy/Procedure  
**DATE:** December 6, 2023

Bay County along with the Department of Water and Sewer, Bay County Road Commission, Bay County Library System, Bay Arenac Behavioral Health, and the Bay Medical Care Facility (collectively, Component Units) provide qualified retired employees with Retiree Medical Benefits.

In 2001, Bay County and the Component Units adopted the VEBA Trust to prefund Retiree Medical Benefits and reduce their unfunded liability. In 2021, the VEBA Board hired outside legal counsel, Samantha Kopacz from Miller Canfield, to review and amend the VEBA Trust. The VEBA Trust updates were necessary due to significant legislation changes in Michigan. In January 2023, the updated Amended VEBA Trust was approved by the VEBA Board, the Bay County Board of Commissioner and adopted by all the Component Units.

Section 3.6(b) of the Amended VEBA Trust provides that "at such time as the assets held within the Employer Account meet the *Funding Threshold*, such assets may be utilized to fund Employer's Retiree Health Benefits to pay for up to 100% of the cost Retiree Health Benefits". The *Funding Threshold* means a funded ratio of at least 60% as determined by the Trust's actuary.

On May 9, 2023, GRS, the VEBA Trust actuary, presented the 2021 Actuary Report for Bay County and the Component Units to the VEBA Board. The Funding Ratio in the 2021 Actuary Report for Bay County and many of the component units exceeded the Funding Threshold set forth in the Amended Trust.

On June 13, 2023, the VEBA Board approved a resolution to continue its work with Ms. Kopacz to create a policy to streamline the process for accessing funds from the VEBA Trust to pay for retiree healthcare costs. Ms. Kopacz will present the Bay County's VEBA Board of Trustees Rules and Regulation Related to Use of Trust Assets (VEBA Policy) and corresponding forms at the December 2023 VEBA Board Meeting.

### RECOMMENDATION:

THAT THIS BOARD ADOPT THE VEBA POLICY AND CORRESPONDING FORMS

**BAY COUNTY VEBA BOARD OF TRUSTEES  
RULES AND REGULATIONS  
RELATED TO USE OF TRUST ASSETS**

**WHEREAS**, under Article IV of the Bay County Voluntary Employees' Beneficiary Association Trust Agreement, as amended and restated effective September 20, 2022 ("Trust Agreement"), the Bay County VEBA Board of Trustees ("Board") has certain authority and discretion to manage and control the assets of the Bay County Voluntary Employees' Beneficiary Association ("Trust");

**WHEREAS**, Trust Agreement §3.6 governs the terms and conditions surrounding use of Trust assets to pay for retiree health benefits and other benefits;

**WHEREAS**, Trust Agreement §5.11 provides the Board with the power to promulgate rules and regulations related to the management and operation of the Trust; and

**WHEREAS**, the Board desires to exercise its power to promulgate rules and regulations related to the implementation of use of assets within an Employer Account under Trust Agreement §3.6.

**NOW THEREFORE**, pursuant to the authority granted to the Board in Trust Agreement §5.11, the Board adopts the following rules and regulations related to utilization of assets held within an Employer Account, effective January 1, 2024:

R1. **Definitions.** Capitalized terms not otherwise defined within these Rules and Regulations Related to Use of Trust Assets shall have the meaning prescribed within the Trust Agreement. Additionally, for purposes of these Rules and Regulations Related to Use of Trust Assets, the following terms shall have the following meanings:

(a) "Actuarial Report" means a written determination from the Trust's actuary (meeting the requirements of Trust Agreement §3.6(d)), as adopted by the Board, setting forth the funding ratio as of the end of a given Fiscal Year. A given Actuarial Report shall control for purposes of these Rules and Regulations Related to Use of Trust Assets until the Board adopts a new Actuarial Report associated with the end of a subsequent given Fiscal Year.

(b) "Approved Payment" has the meaning set forth in R5(c).

(c) "Payment Officer" means the Board's Secretary (or the Board's Chairperson in the event of the Board Secretary's absence).

(d) "Payment Request" has the meaning set forth in R5(a).

(c) "Retiree Health Benefit Costs" means up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the Retirees under the Plan, if any).

R2. **Obtainment of Employer's Funding Threshold (Trust Agreement §3.6(b)).**



(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Funding Threshold, the Board's Chairperson shall, in writing, annually request written direction from the applicable Employer regarding whether the applicable Employer desires to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R2(a) within 60 days of receipt of such notice. The Employer's response shall be reviewed for approval by the Board at its next Board meeting. If the Employer directs the Board to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs (and such request is approved by the Board), then the provisions of R5 shall apply. An Employer's response provided under this R2(b) shall remain in force and effect until (1) the Employer provides a subsequent response to the Board in accordance with this R2(b); (2) the Employer provides a response to the Board after receiving notice from the Board under R2(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Reduced Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R2(a).

**R3. Obtainment of Employer's Super Funding Threshold (Trust Agreement §3.6(c)).**

(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Super Funding Threshold, the Board's Chairperson shall contact the applicable Employer annually in writing to inform the Employer that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs, unless the Employer provides compelling reasons to the Board to not utilize such funds.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R3(a) within 60 days of receipt of such notice. The Employer's response shall either acknowledge that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs or object to use of the Trust assets by providing compelling reasons to the Board to not utilize such funds.

(c) Board Meeting Upon Receipt of Objection by Employer. If the Board receives an objection described in R3(b), the Board shall meet (either at a regularly scheduled meeting or a special meeting) to discuss the Employer's request to not use the Employer Account assets to pay for Retiree Health Benefit Costs. The Board shall thereafter provide a written response to the applicable Employer setting forth its determination. Unless the Board determines that the Employer has provided a compelling reason not to utilize the assets held within the Employer Account for Retiree Health Benefit Cost, the provisions of R5 shall apply. Assets held within the Employer Account shall continue to be utilized to pay for Retiree Health Benefit Costs until (1) the Employer provides a subsequent response to the Board in accordance with R3(b) which provides a compelling reason not to utilize assets held within the applicable Employer

Account to pay for Retiree Health Benefit Costs which is approved by the Board under this R3(c); (2) the Employer provides a response to the Board after receiving notice from the Board under R3(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Super Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R3(a).

**R4. Requests for Use of Employee Account Assets under Trust Agreement §3.6(f).**

An Employer may request, in the form and format required by the Board, that its applicable Employer Account be utilized for Retiree Health Benefit Costs sooner or later than the timing set forth in R2 and R3, or in an amount other than prescribed, by submitting an application to the Board. However, such request shall only be approved by the Board if the use of the assets held within the Employer Account does not put the P.A. 202 Reporting Unit associated with such Employer Account into Underfunded Status. The Board shall review any such requests received on at least a quarterly basis at a regularly scheduled Board meeting.

**R5. Substantiation and Payment of Retiree Health Benefit Costs from Trust.**

(a) An Employer utilizing assets within its Employer Account pursuant to R2, R3, or R4, shall request payment of Retiree Health Benefit Costs no later than 30 days after the end of each quarter of the calendar year in which the Retiree Health Benefit Costs were incurred ("Payment Request").

(b) Such Payment Request shall be directed to the Payment Officer and made in the format and format required by the Board providing information sufficient for the Board to substantiate that the expenses relate Retiree Health Benefits and otherwise constitute expenses payable under Code §501(c)(9).

(c) Upon receipt of a Payment Request, the Payment Officer shall review the request to ensure that the expenses relate to Retiree Health Benefit Costs incurred in the immediately preceding quarter of the calendar year and otherwise constitute expenses payable under Code §501(c)(9). Upon such substantiation, the Payment Officer shall direct the custodian to transfer funds from the Trust account as soon as administratively feasible to pay for the substantiated Retiree Health Benefit Costs in the amount indicated in the Payment Request (to the extent substantiated) ("Approved Payment").

(d) The Payment Officer shall provide a written report to the Board quarterly at a regularly scheduled meeting about all Payment Requests and Approved Payments occurring during the prior quarter. Such report shall be listed as an agenda item for the applicable Board meeting. After review and discussion of the Payment Officer's written report, a motion shall be made by the Board to ratify the actions taken by the Payment Officer with respect to the Approved Payments.

**BAY COUNTY VEBA BOARD OF TRUSTEES  
RULES AND REGULATIONS  
RELATED TO USE OF TRUST ASSETS**

**WHEREAS**, under Article IV of the Bay County Voluntary Employees' Beneficiary Association Trust Agreement, as amended and restated effective September 20, 2022 ("Trust Agreement"), the Bay County VEBA Board of Trustees ("Board") has certain authority and discretion to manage and control the assets of the Bay County Voluntary Employees' Beneficiary Association ("Trust");

**WHEREAS**, Trust Agreement §3.6 governs the terms and conditions surrounding use of Trust assets to pay for retiree health benefits and other benefits;

**WHEREAS**, Trust Agreement §5.11 provides the Board with the power to promulgate rules and regulations related to the management and operation of the Trust; and

**WHEREAS**, the Board desires to exercise its power to promulgate rules and regulations related to the implementation of use of assets within an Employer Account under Trust Agreement §3.6.

**NOW THEREFORE**, pursuant to the authority granted to the Board in Trust Agreement §5.11, the Board adopts the following rules and regulations related to utilization of assets held within an Employer Account, effective January 1, 2024:

R1. **Definitions.** Capitalized terms not otherwise defined within these Rules and Regulations Related to Use of Trust Assets shall have the meaning prescribed within the Trust Agreement. Additionally, for purposes of these Rules and Regulations Related to Use of Trust Assets, the following terms shall have the following meanings:

(a) "Actuarial Report" means a written determination from the Trust's actuary (meeting the requirements of Trust Agreement §3.6(d)), as adopted by the Board, setting forth the funding ratio as of the end of a given Fiscal Year. A given Actuarial Report shall control for purposes of these Rules and Regulations Related to Use of Trust Assets until the Board adopts a new Actuarial Report associated with the end of a subsequent given Fiscal Year.

(b) "Approved Payment" has the meaning set forth in R5(c).

(c) "Payment Officer" means the Board's Secretary (or the Board's Chairperson in the event of the Board Secretary's absence).

(d) "Payment Request" has the meaning set forth in R5(a).

(e) "Retiree Health Benefit Costs" means up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the Retirees under the Plan, if any).

**R2. Obtainment of Employer's Funding Threshold (Trust Agreement §3.6(b)).**

(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Funding Threshold, the Board's Chairperson shall, in writing, annually request written direction from the applicable Employer regarding whether the applicable Employer desires to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R2(a) within 60 days of receipt of such notice. The Employer's response shall be reviewed for approval by the Board at its next Board meeting. If the Employer directs the Board to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs (and such request is approved by the Board), then the provisions of R5 shall apply. An Employer's response provided under this R2(b) shall remain in force and effect until (1) the Employer provides a subsequent response to the Board in accordance with this R2(b); (2) the Employer provides a response to the Board after receiving notice from the Board under R2(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Reduced Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R2(a).

**R3. Obtainment of Employer's Super Funding Threshold (Trust Agreement §3.6(c)).**

(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Super Funding Threshold, the Board's Chairperson shall contact the applicable Employer annually in writing to inform the Employer that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs, unless the Employer provides compelling reasons to the Board to not utilize such funds.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R3(a) within 60 days of receipt of such notice. The Employer's response shall either acknowledge that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs or object to use of the Trust assets by providing compelling reasons to the Board to not utilize such funds.

(c) Board Meeting Upon Receipt of Objection by Employer. If the Board receives an objection described in R3(b), the Board shall meet (either at a regularly scheduled meeting or a special meeting) to discuss the Employer's request to not use the Employer Account assets to pay for Retiree Health Benefit Costs. The Board shall thereafter provide a written response to the applicable Employer setting forth its determination. Unless the Board determines that the Employer has provided a compelling reason not to utilize the assets held within the Employer Account for Retiree Health Benefit Cost, the provisions of R5 shall apply. Assets held within the Employer Account shall continue to be utilized to pay for Retiree Health Benefit Costs until (1) the Employer provides a subsequent response to the Board in accordance with R3(b)

which provides a compelling reason not to utilize assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs which is approved by the Board under this R3(c); (2) the Employer provides a response to the Board after receiving notice from the Board under R3(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Super Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R3(a).

**R4. Requests for Use of Employee Account Assets under Trust Agreement §3.6(f).**

An Employer may request, in the form and format required by the Board, that its applicable Employer Account be utilized for Retiree Health Benefit Costs sooner or later than the timing set forth in R2 and R3, or in an amount other than prescribed, by submitting an application to the Board. However, such request shall only be approved by the Board if the use of the assets held within the Employer Account does not put the P.A. 202 Reporting Unit associated with such Employer Account into Underfunded Status. The Board shall review any such requests received on at least a quarterly basis at a regularly scheduled Board meeting.

**R5. Substantiation and Payment of Retiree Health Benefit Costs from Trust.**

(a) An Employer utilizing assets within its Employer Account pursuant to R2, R3, or R4, shall request payment of Retiree Health Benefit Costs no later than 30 days after the end of each quarter of the calendar year in which the Retiree Health Benefit Costs were incurred ("Payment Request").

(b) Such Payment Request shall be directed to the Payment Officer and made in the format and format required by the Board providing information sufficient for the Board to substantiate that the expenses relate Retiree Health Benefits and otherwise constitute expenses payable under Code §501(c)(9).

(c) Upon receipt of a Payment Request, the Payment Officer shall review the request to ensure that the expenses relate to Retiree Health Benefit Costs incurred in the immediately preceding quarter of the calendar year and otherwise constitute expenses payable under Code §501(c)(9). Upon such substantiation, the Payment Officer shall direct the custodian to transfer funds from the Trust account as soon as administratively feasible to pay for the substantiated Retiree Health Benefit Costs in the amount indicated in the Payment Request (to the extent substantiated) ("Approved Payment").

(d) The Payment Officer shall provide a written report to the Board quarterly at a regularly scheduled meeting about all Payment Requests and Approved Payments occurring during the prior quarter. Such report shall be listed as an agenda item for the applicable Board meeting. After review and discussion of the Payment Officer's written report, a motion shall be made by the Board to ratify the actions taken by the Payment Officer with respect to the Approved Payments.



**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Employer Mandatory use of Funds**

Pursuant to §R3 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are receiving this form from the Bay County VEBA Board of Trustees ("Board") on behalf of the Bay County Voluntary Employees' Beneficiary Association ("Trust") because the Trust's most recent Actuarial Report determined that your Employer Account met the Super Funding Threshold (i.e., has a funded ratio of at least 120%). Since the Super Funding Threshold has been met, the assets held within your Employer Account shall be utilized to pay for certain Retiree Health Benefit Costs (i.e., up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the retirees under the plan, if any) unless you object and can provide a compelling reason to the Board why this should not happen. *You must complete this form in its entirety and return it within 60 days of the date that you receive it to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or [davenportj@baycounty.net](mailto:davenportj@baycounty.net).*

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

Employer Contact Person: \_\_\_\_\_  
(Name) (Phone) (Email)

Do you acknowledge that assets held within your Employer Account will be utilized to pay for Retiree Health Benefit Costs? \_\_\_\_\_ Yes \_\_\_\_\_ No

Do you object to use of assets held within your Employer Account to pay for Retiree Health Benefit Costs? \_\_\_\_\_ Yes \_\_\_\_\_ No. If "yes", you must attach supplemental pages explaining in detail your compelling reason objecting to the use of the assets held within your Employer Account to pay for Retiree Health Benefit Costs. The Board will review your objection and documentation at a meeting and will thereafter make a determination regarding whether you have provided a compelling reason not to utilize the assets held within your Employer Account for Retiree Health Benefit Costs. The Board will thereafter notify you of its determination. If the Board determines that you have not provided a compelling reason not to utilize the assets held within your Employer Account for Retiree Health Benefit Costs, the assets held within your Employer Account shall be utilized to pay for Retiree Health Benefit Costs.

You acknowledge and affirm that:

- You are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code §501(c)(9) and its related regulations; and
- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account.

This form shall remain in force and effect until the earliest of the following to occur:

- You provide a subsequent form to the Board providing a compelling reason not to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs, which is approved by the Board;
- You provide a new form to the Board after the Board receives a subsequent Actuarial Report; or
- Your Employer Account drops below the Super Funding Threshold (i.e., a funded ratio of at least 120%).

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Employer Request to use Funds**

Pursuant to §R4 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are submitting this form to the Bay County VEBA Board of Trustees ("Board") on behalf of the Bay County Voluntary Employees' Beneficiary Association ("Trust") to request that assets held within your Employer Account be utilized to pay for certain Retiree Health Benefit Costs (i.e., up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the retirees under the plan, if any). The Trust's most recent Actuarial Report determined that your Employer Account did not meet the Funding Threshold (i.e., has a funded ratio of at least 60%) or the Super Funding Threshold (i.e., has a funded ratio of at least 120%). Nonetheless, you may request that the Board approve this request to utilize assets held within your Employer Account. *You must complete this form in its entirety and return it to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or davenportj@baycounty.net.*

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

Employer Contact Person: \_\_\_\_\_  
(Name) (Phone) (Email)

The Employer hereby requests that the Board review this request to use assets held within the Employer Account to pay for eligible Retiree Health Benefit Costs.

Please attach separately the following information and documentation which will assist the Board in reviewing and assessing your request:

- Type of Retiree Health Benefit to be paid (e.g. medical; dental; vision; prescription; life insurance)
- Current carrier or administrator for the Retiree Health Benefit
- Projected quarterly cost of providing the Retiree Health Benefit
- Number of participants (retirees, spouses, and dependents)
- Reason for requesting use of assets held within the Employer Account

You acknowledge and affirm that:

- The Board will only approve your request if it determines, in its sole discretion, that the use of the assets held within your Employer Account will not put the P.A. 202 Reporting Unit associated with your Employer Account into Underfunded Status (as defined in P.A. 202);
- If the Board approves your request, you are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code §501(c)(9) and its related regulations; and
- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account.

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title



**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Retiree Health Benefit Costs Substantiation Form**

Pursuant to §R5 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are submitting this form to the Bay County VEBA Board of Trustees ("Board") on behalf of the Bay County Voluntary Employees' Beneficiary Association ("Trust") directing payment from assets held within your Employer Account for eligible Retiree Health Benefit Costs. *You must complete this form in its entirety and return it (and all required documentation) within 30 days after the end of the calendar year quarter in which the Retiree Health Care Costs were incurred to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or [davenportj@baycounty.net](mailto:davenportj@baycounty.net).*

In order to substantiate your request for payment of Retiree Health Benefit Costs, please respond to the following:

The quarter that this request relates to:

\_\_\_ 1<sup>st</sup> Quarter (January – March) \_\_\_ 2<sup>nd</sup> Quarter (April – June)

\_\_\_ 3<sup>rd</sup> Quarter (July – September) \_\_\_ 4<sup>th</sup> Quarter (October – December)

Year: 20\_\_\_\_\_

What is the total amount of Retiree Health Benefit Costs for which you are seeking payment? \_\_\_\_\_

How many participants (retirees, spouses, and dependents) do the Retiree Health Benefit Costs relate to? \_\_\_\_\_

Please answer the following with respect to the Retiree Health Benefit Costs for which you are seeking payment (you may attach separate pages):

- A description of the type of Retiree Health Benefits (e.g. retiree medical; retiree dental; retiree vision; retiree prescription; and/or retiree life insurance), including the carrier/administrator that provides the benefit.
- Spreadsheet showing the following:
  - Name of each participant to which an expense for Retiree Health Benefit Costs relates
  - Notation of whether such participant is a retiree, spouse, or dependent
  - Confirmation that such participant was enrolled in and met eligibility requirements of the plan during the period to which the expense for Retiree Health Benefit Costs relates
- The invoice, pay statement, or other documentation from the carrier / administrator substantiating that:
  - The expense request only relates to the specific type of Retiree Health Benefits being requested for processing
  - The expense request only relates to eligible participants
  - The breakdown of cost per enrolled participant

*\*The invoice, statement, or other documentation from the carrier / administrator must indicate that the cost per participant x the number of enrolled participants = the total dollar amount reflected on the invoice / statement. The receipts or invoices you attach must add up to the total expenses you are requesting processing for. Expenses that do not have a receipt or invoice will not be processed.*

You acknowledge and affirm that:

- You are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code § 501(c)(9) and its related regulations;

- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account;
- The Board reserves the right to request additional information if it deems, in its sole discretion, that further substantiation is needed; and
- The Board will deny requests that relate to a time period that is not the immediately preceding calendar quarter.

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title