

**BOARD OF HEALTH – FINANCE COMMITTEE**  
**Agenda for September 19, 2022 at 11:00 AM**

Meeting Location: Branch County Courthouse, Commissioner’s Meeting Room,  
31 Division St., Coldwater, MI

1. Call to Order
  - a. Roll Call
  
2. Public Comment
  
3. New Business
  - a. County Appropriations
  - b. MERS Pension Plan Extra Payment
  - c. Coldwater Building Lease
  - d. Unpaid Health Insurance – Small Claims Filing
  - e. Flu Shots
  
4. Public Comment
  
5. Adjournment

**Public Comment:**

A member of the public may address the Board after receiving recognition from the Chairperson. The speaker is requested, not required, to provide the Board with their name and subject to be discussed. Public comment shall be limited to a period set aside at each meeting for such purpose and each speaker shall have the floor for no longer than three (3) minutes, unless the Board grants an extension.

Board of Health By-laws, Article V, Section 3

## Public Health State/Local Cost Sharing

Based on the Michigan Public Health Code (P.A. 368 of 1978, as amended, 333.2475), there shall be a 50/50 cost share for the state mandated Essential Local Public Health Services.

BHSJ has routinely met the required Maintenance of Effort reporting requirement that has gone unchanged since the early 1990s; however, it is not meeting the required 50/50 cost share required by P.A. 368 of 1978. If the state updates the Maintenance of Effort number to reflect the current grant amounts, BHSJ would not be compliant as it does not receive enough local appropriations to cover the 50%.

I am requesting a \$0.15 increase to local appropriations, which will help inch the agency toward compliance; however, the proposed increase will not even raise the funding ratio by 1%. We should carefully consider all options that may address this funding imbalance and prepare a long-range plan to correct it.

### Current Funding

	ELPHS Funds	Local Appropriations
ELPHS Total FY23	\$1,061,220	\$773,139
Funding Percentage	57.85%	42.15%

### Proposed Increased Funding

	ELPHS Funds	Local Appropriations
ELPHS Total FY23	\$1,061,220	\$795,657
Funding Percentage	57.15%	42.85%

According to table 4 in, "A Review of the First Five Years" State/Local Cost Sharing in Michigan Report published in 1986 by the Michigan Department of Public Health, the counties of the district allocated 7.93% of the general fund revenue to the LHD in 1978, 8.19% in 1980, and 7.44% in 1983. Per the report, the per-capita rate was \$4.87 per person. Today that percentage of general fund revenue is only 1.79% and the per-capita rate is \$5.15 per person.

	1983	2009	2015	2021
General Fund		\$40,071,858.00	\$38,837,655.00	\$42,189,527.00
LHD Approp.		\$998,010.00	\$665,654.00	\$756,017.02
% of General Fund	7.44%	2.49%	1.71%	1.79%

The local Health Department (LHD) took devastating cuts between 2009 and 2013. These cuts equaled a 33.3% reduction in local appropriations. The LHD has never regained those losses, but has continued to operate all required program and has received the status of Accreditation with Commendations. The proposed increase of \$0.15 per person would increase the county appropriations by 2.9%, which will still leave the LHD funded at a level that is 20% lower than it received from the Counties in 2009.

### Appropriations History

Year	Rate	Total	% Increase/Decrease
2009		\$998,010	
2010		\$938,136	-6.00%
2011		\$857,158	-8.63%
2012	5.15	\$784,395	-8.49%
2013	4.42	\$665,654	-15.14%
2014	4.42	\$665,654	0.00%
2015	4.42	\$665,654	0.00%
2016	4.57	\$688,246	3.39%
2017	4.72	\$710,836	3.28%
2018	4.87	\$733,427	3.18%
2019	5.02	\$756,017	3.08%
2020	5.02	\$756,016	0.00%
2021	5.02	\$756,017	0.00%
2022	5.15	\$773,139	2.26%
2023	5.30	\$795,657	2.91%

Percentage Below 2009 rate: 

-20.15%
---------

The decrease in funding along with the inflation rates leave the LHD with significantly reduced purchasing power.

### Inflation Rates

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave
2022	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3					8.3
2021	1.4	1.7	2.6	4.2	5	5.4	5.4	5.3	5.4	6.2	6.8	7	4.7
2020	2.5	2.3	1.5	0.3	0.1	0.6	1	1.3	1.4	1.2	1.2	1.4	1.2
2019	1.6	1.5	1.9	2	1.8	1.6	1.8	1.7	1.7	1.8	2.1	2.3	1.8
2018	2.1	2.2	2.4	2.5	2.8	2.9	2.9	2.7	2.3	2.5	2.2	1.9	2.4
2017	2.5	2.7	2.4	2.2	1.9	1.6	1.7	1.9	2.2	2	2.2	2.1	2.1
2016	1.4	1	0.9	1.1	1	1	0.8	1.1	1.5	1.6	1.7	2.1	1.3
2015	-0.1	0	-0.1	-0.2	0	0.1	0.2	0.2	0	0.2	0.5	0.7	0.1
2014	1.6	1.1	1.5	2	2.1	2.1	2	1.7	1.7	1.7	1.3	0.8	1.6
2013	1.6	2	1.5	1.1	1.4	1.8	2	1.5	1.2	1	1.2	1.5	1.5
2012	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2	2.2	1.8	1.7	2.1
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3	3.2

Total Average Inflation since 2011: 30.3

In 2021 data was gathered from other LHDs to provide comparative data, on how other LHDs are funded per capita. The resulting information is shown in the table below.

Health Dept	Local Approp.	2020 Population	Per Capita
Branch-Hillsdale-StJ	\$ 773,138.60	150,124	\$ 5.15
Allegan	\$ 800,000.00	120,502	\$ 6.64
Barry/Eaton	\$ 1,261,324.00	171,598	\$ 7.35
Midland	\$ 658,282.00	83,494	\$ 7.88
Muskegon	\$ 1,774,392.00	175,824	\$ 10.09
Kent	\$ 9,472,113.00	657,974	\$ 14.40
Benzie-Leelanau	\$ 584,614.00	40,271	\$ 14.52
Grand Traverse	\$ 1,430,000.00	95,238	\$ 15.02

**Branch-Hillsdale-St.Joseph Community Health Agency  
Appropriations History**

Year	Per Capita - Based on Calendar Year	Branch	Hillsdale	St. Joseph	Total	Total Agency Budget	% to Budget	Prior Year Increase (Decrease)
2005		273,608	278,231	372,514	\$924,353	\$5,869,966	15.75%	\$ 11,411
2006		277,028	281,708	377,172	\$935,908	\$6,600,370	14.18%	\$ 11,555
2007		281,877	286,635	383,772	\$952,284	\$6,865,897	13.87%	\$ 16,376
2008		284,871	293,592	390,487	\$968,950	\$7,205,684	13.45%	\$ 16,666
2009		293,417	302,392	402,201	\$998,010	\$7,739,501	12.90%	\$ 29,060
2010		275,812	284,255	378,069	\$938,136	\$7,131,289	13.16%	\$ (59,874)
2011		248,241	268,655	340,262	\$857,158	\$7,210,148	11.89%	\$ (80,978)
2012	5.15	219,482	240,443	324,470	\$784,395	\$5,991,536	13.09%	\$ (72,763)
2013	4.42	188,371	206,360	270,923	*\$665,654	\$6,000,892	10.93%	\$ (128,741)
2014	4.42	188,371	206,360	270,923	*\$665,654	\$6,174,625	10.62%	\$ -
2015	4.42	188,371	206,360	270,923	*\$665,654	\$6,031,609	10.87%	\$ -
2016	4.57	194,764	213,364	280,118	\$688,246	\$5,926,003	11.61%	\$ 22,592
2017	4.72	201,157	220,367	289,312	\$710,836	\$6,052,032	11.75%	\$ 22,590
2018	4.87	207,550	227,371	298,506	\$733,427	\$6,081,668	12.06%	\$ 22,591
2019	5.02	213,943	234,374	307,700	\$756,017	\$7,020,445	10.77%	\$ 22,590
2020	5.02	213,942	234,374	307,700	\$756,016	\$7,765,083	9.74%	\$ -
2021	5.02	213,942	234,374	307,701	\$756,017	\$8,366,875	9.04%	\$ -
2022	5.15	223,711	235,592	313,836	\$773,139	\$8,309,241	9.30%	\$17,122
2023	5.30	230,227	242,454	322,977	\$795,657	\$8,372,787	9.50%	\$ 22,519

\* Maintenance of Effort (Minimum State Allowed set in FY92/93 is \$664,834)

\*\* If granted additional \$.15 per capita annually

+ Increase of \$22,590 must be spent on unfunded pension liability until pension plan is fully funded

**Proposed \$0.15 Per Capita Increases for 2023**

County	Population *Based on 2020 Census*	Current Per Capita	Current Allocation	Increase (Per Capita)	Increase (Total \$ Amount)	Proposed Allocation	Increase
Branch*	43,439	5.15	\$ 223,711	0.15	\$ 6,516	\$ 230,227	2.91%
Hillsdale	45,746	5.15	\$ 235,592	0.15	\$ 6,862	\$ 242,454	2.91%
St.Joseph	60,939	5.15	\$ 313,836	0.15	\$ 9,141	\$ 322,977	2.91%
<b>Total</b>	<b>150,124</b>		<b>\$ 773,139</b>		<b>\$ 22,519</b>	<b>\$ 795,657</b>	

\*Census Data adjusted to remove persons incarcerated in prison. (44,862 - 1,423 = 43,439)

## Proposal to Send Additional Dollars to MERS Underfunded Pension Plan and Increase Contributions to Capital Improvement Funds

As the Agency nears the end of the current fiscal year, we continue to monitor the financials to ensure that we are in compliance with all programmatic and financial rules/regulations. This year was another challenging year in budgeting and the Agency is currently 21.57% under the expected expenditures. These under expenditures are caused by a variety of factors including utilizing existing staff to cover COVID-19 work, staff turnover, the inability to find staff leaving positions vacant for long periods, two large capital improvement projects that have been pushed into next year, and other issues. These items combined leave the Agency in a position where we will not meet maintenance of effort without spending some of these dollars.

The proposed solution to this problem includes two financial transactions that are not in the current budget, but should not cause the Agency to have an issue with the single audit material finding or programmatic issues, as these are all local dollars and we will not be exceeding the total budget amount for the agency.

The Agency would like to increase the amount of money placed in the capital improvement accounts for both Hillsdale and Three Rivers by \$26,000 each. These are local dollars that were targeted to replace the parking lot in Hillsdale, and to cover the wood siding in Three Rivers. These funds can then be utilized next year toward those projects that were rolled over.

The second transaction would send up to an additional \$250,000 to the MERS underfunded pension liability. The exact amount that we send may be less than this because we currently do not know the total expenditures for the year. Once that number is known, we will send the amount of dollars necessary to meet the maintenance of effort to the underfunded pension plan, which is a qualifying way to spend the dollars to meet our grant obligations.

These two transactions will leave the Agency in a better financial position for the following year, as well as meet the maintenance of effort and our contractual obligations.

Following our research we discovered that there were **two bonds issued for two different projects**, see below.

1. Nearly Final Official Statement Dated **Nov. 19, 1999 in the amount of \$2,000,000.00.**  
Registrar, Transfer, and Paying Agent: Bank One Trust Company, NA.  
Maturity Schedule: Sep. 1, 2000 – Sep. 1, 2019.  
Project: Renovation of the 809 Marshall Rd. Building.
2. Nearly Final Official Statement Dated **Mar. 26, 1998 in the amount of \$2,550,000.00.**  
Maturity Schedule: Sep. 1, 1999 – Sep. 1, 2018.  
Project: Construction of the 388 Keith Wilhelm Dr. Building.

CHA - 22,420 sq. ft.

Renovation Cost Estimate - \$89.20 sq. ft.

DHHS – 13,358 sq. ft.

New Construction Estimate - \$190.90 sq. ft.

Portion used by CHA - .73.

Payment.

\$3,270,071.88

CHA Portion - \$2,387,152.48

Annual Amount - \$68,331.36 X 20 = \$1,366,627.20.

Balance = \$2,387,152.48 - \$1,366,627.20 = \$1,020,525.28.

Balance = 15 years.

Beginning in 2024 and continuing for the remainder of the lease term the County will transfer \$2,000.00 of the monthly installment of \$5,694.28 and retain that amount in a Capital Improvement Fund (CIF). The CIF will be capped at \$74,000.00. If funds are used then they will be replenished up to the cap. The usage of these funds will be determined by the Lessor based on input from the Lessee. At the end of the lease term, or any extension thereof, the funds in the CIF become the unrestricted property of the Lessor.



**LEASE CONTRACT**

THIS LEASE between the County of Branch, hereinafter called the Lessor, and the Branch-Hillsdale-St. Joseph Community Health Agency (P.A. 367), hereinafter called the Lessee, witnesseth that: the parties hereto for the considerations hereinafter mentioned covenant and agree as follows:

**Location**

1. The Lessor hereby leases to the Lessee and the Lessee hereby rents from the Lessor the premises described as Human Service Building, 570 Marshall Road, located at Coldwater, Michigan, for the term of years beginning on May 1, 2000, and ending on April 30, 2020. It is understood by both parties that the Lessee will occupy 60% of said premises.

**Rent**

2. The Lessee agrees to pay to the Lessor as rent for said premises the total sum of \$68,331.36 annually in monthly installments of \$5,694.28. All other charges and sums accruing to the Lessor hereunder shall be construed as rent.

3. The Lessor agrees to pay the cost of maintenance of said premises. Maintenance costs shall include, by way of example, but shall not be limited to, all costs of preventative maintenance including such items as ballasts, filters, bulbs, lubrication of equipment per manufacturers specifications, etc., snow removal from the parking lots and sidewalks upon the accumulation of two inches or more by the morning after the snow, grounds maintenance including grass cutting, leaf raking, landscaping, and reasonable litter removal, structural repairs not covered by any fire and casualty insurance coverage including new roofing, etc. as needed to maintain said premises in as good a condition of repair as when Lessee took possession of said premises, and any other items of repair or maintenance not specifically mentioned herein. The cost of maintenance shall include, but shall not be limited to, the actual cost of all materials, hired contractors or laborers, the labor costs for the County Complex Supervisor and staff attributable to maintenance of the premises described herein, and the pro rata portion of costs of equipment attributable to employment in the maintenance of said premises. Sixty (60%) percent of costs of said maintenance attributable to said premises shall be paid to the Lessor by the Lessee.

4. The Lessor agrees to maintain property, fire, and casualty insurance and premises liability insurance on said premises, and shall identify Lessee as a named insured on said policy, as part of the general insurance of Lessor. Sixty (60%) percent of costs of said insurance attributable to said premises shall be paid to the Lessor by the Lessee.

**Description of Premises**

5. The Lessee agrees that said premises shall be used as an office and clinic for Lessee's business, and for no other purpose; and that said premises shall be used and occupied in

a careful, safe and proper manner; that no use, trade or occupation which is known in insurance as extra or especially hazardous shall be permitted therein; that no waste shall be committed or permitted upon nor any damage be done to said premises and building or by reason of the business conducted in said premises by the Lessee; and the Lessee will, at its own expense, during the continuance of this Lease, and any renewal thereof, keep the said premises and every part thereof in as good repair, and at the expiration of the term, yield and deliver up the same in like condition as when taken reasonable wear and use thereof alone excepted.

#### **Unlawful Use**

6. The Lessee shall not conduct or permit to be conducted on said premises any business nor permit any act which is contrary to or in violation of the laws of the United States of America or of the State of Michigan or of the ordinances of the said city, nor of the laws, rules and regulations of any governmental authority, and the Lessee agrees that in the use and occupancy of the premises the Lessee will comply with all the provisions of the Building Code and the ordinances of the said city, and the laws of the State of Michigan, pertaining to such use and occupancy. If the Lessor shall elect (and it is expressly given the right so to do) to declare a forfeiture of this Lease by reason of a default on the part of the Lessee in any of the Lessee's covenants in this paragraph, the Lessee agrees to indemnify and save harmless the Lessor and said premises against all cost, damages and expenses, including all loss of rental or other loss suffered by the Lessor on account thereof and incurred in connection with the defense of any suits or actions arising directly or indirectly from any violation of said laws or ordinances now in force or hereinafter enacted.

#### **Alterations**

7. The Lessee shall make no alterations in or additions or improvement to said premises without first obtaining the written consent of the Lessor and all additions and improvements made by the Lessee (except only movable office furniture and fixtures) shall become the property of the Lessor on the termination of the Lease or the occupancy of the premises.

#### **Subletting and Assignments**

8. The Lessee agrees that neither said premises nor any part thereof shall be sublet nor shall this lease be assigned without the prior written consent of the Lessor first having been obtained. No assignment for the benefit of creditors or by operation of law shall be effective to transfer any rights to the said assignee without the written consent of the Lessor first having been obtained. If the Lessee shall be declared insolvent or bankrupt, or if any assignment of the property of the Lessee shall be made for the benefit of credits or otherwise, or if the Lessee's leasehold interest herein shall be levied upon under execution, or seized by virtue of any writ of any court of law, or if a petition be filed to declare the Lessee bankrupt or a Trustee in bankruptcy or a Receiver be appointed for the Lessee, whether under the operation of the State or of the Federal statutes, then the Lessor may at its option immediately and without notice to the Lessee or any assignee, transferee, receiver, trustee or any other person or persons, terminate this lease and immediately repossess said premises, using such force as may be necessary without being deemed guilty of any manner of trespass or forcible entry or detainer. The Lessee expressly waives the service notice of intention to terminate this lease or repossess said premises,

2

or of any demand for payment of rent or any other notice or demand prescribed by any law of the State of Michigan, and agrees that the simple breach of any of the covenants herein shall of itself constitute a wrongful detainer of said premises by the Lessee within the meaning of the statutes of the State of Michigan governing forcible entry and detainer.

If the rent at any time shall not be paid when due, then that part of the rental sum covenanted to be paid by the Lessee under Section 2 hereof, which has not been paid to the Lessor, shall immediately become due and payable at the election of the Lessor without notice to the Lessee and in case the said Lessee is declared bankrupt or voluntarily offers to creditors terms of composition, or in case a receiver is appointed to take charge of and conduct the affairs of the Lessee, such claim for unpaid rent so due and payable under this Lease shall be considered liquidated damages and shall constitute a debt provable in bankruptcy or receivership.

### **Default**

9. If the Lessee shall abandon or vacate said premises before the end of the term of this Lease, or if default shall be made by the Lessee in the payment of said rent or any installment or part thereof, or if the Lessee shall fail to observe or perform any of the Lessee's agreements in this Lease, then and in each and every instance of such abandonment, vacation, or default, the Lessee's right to enter said premises shall be suspended, and the Lessor may at its option and without notice enter said premises, change the locks on the doors of said leased premises, and may remove and exclude the Lessee from the said building (the Lessee hereby expressly agreeing not to enter in or upon said premises while in default in any respect hereunder), or the Lessor may at its option and without notice, enter said premises, remove any signs of said Lessee therefrom, and re-let the same as it may see fit, and that for the purpose of such re-letting the said Lessor is authorized to make any repairs, changes, alterations or additions in and to said leased premises as may be necessary in the sole opinion of the Lessor for the purpose of such re-letting. If a sufficient sum shall not be realized from such re-letting to cover the rent remaining unpaid by the Lessee, and the cost of expenses of repairs, changes, alterations or additions, and the expense of such re-letting, and the cost of collecting the rent accruing therefrom, then the Lessee will pay such deficiency upon demand. Any action taken by the Lessor under the provisions of this paragraph shall not be construed as an eviction of the Lessee, nor as a termination of this Lease, nor as a waiver of any claims for damages which the Lessors might have by reason of the Lessee's default. The Lessor may at its option in the event of default cancel this Lease, and avail itself of all privileges of entry mentioned above, as well as any other privileges of entry, and from and after due notice of such cancellation, all estate, rights, title and interest of the Lessee in said premises shall cease, anything herein contained to the contrary notwithstanding, without, however, waiving in any way any claims for damages which the Lessor might have against the Lessee by reason of such default.

### **Damage to Lessee's Property**

10. All personal property of any kind or description whatsoever upon or in the said premises shall be at the Lessee's sole risk, and the Lessor shall not be liable for any damage either to person or property sustained by the Lessee or other persons, or for damage or loss suffered by the business or occupation of the Lessee due to the building or any part thereof becoming out of repair or arising from any acts or neglect of co-Lessees or other occupants of the building, or of other employees or the employees of Lessor or of other persons, or from

bursting, overflowing or leaking of water, sewer or steam pipes or from the heating or plumbing fixtures, or from electric wires, or from gas, or odors, or caused in any other manner whatsoever except in the case of willful neglect on the part of the Lessor.

### **Payments After Termination**

11. No payment of money by the Lessee to the Lessor after the termination of this Lease, in any manner, or after the giving of any notice by the Lessor to the Lessee, shall reinstate, continue or extend the terms of this Lease or affect any notice given to that Lessee prior to the payment of such money, it being agreed that after the service of notice of the commencement of a suit or after final judgment granting the Lessor possession of said premises, the Lessor may receive and collect any sums of rent due or any other sums of money due under the terms of this Lease, and the payment of such money, whether as rent or otherwise, shall not waive said notice or in any manner affect any pending suit or any judgment theretofore obtained. If the Lessee shall fail to remove all effects from said premises upon termination of this Lease for any cause whatsoever, the Lessor may, at its option, remove the same in any manner that the Lessor shall choose, and store said effects without liability to the Lessee for loss thereof, and the Lessee agrees to pay the Lessor on demand any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time the same shall be in the Lessor's possession, or the Lessor may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as the Lessor may obtain and without legal process, for such price as the Lessor may obtain and apply with proceeds of such sale upon any amounts, due under this Lease, from the Lessee to the Lessor and upon the expense incident to the removal and sale of said effects.

### **Renewal**

12. If either party to this Lease shall fail to serve written notice upon the other party at least sixty (60) days prior to the end of the term set forth in Section 1 hereof, then this Lease shall be renewed on a month-to-month basis from such date; and, the rental to be paid by the Lessee during such renewal period shall be at the same monthly rate as last stipulated in Section 2 hereof, and all other terms and conditions herein set forth shall apply during such renewal period; and in like manner, this Lease shall be renewed from month to month until terminated by either party by written notice served upon the other party not less than thirty (30) days prior to the end of any such renewal period; provided, however, that should the aforesaid notice be so served by either party upon the other, in time to be effective as of the date aforesaid in Section 1 hereof, or should such notice be so served to be effective at the end of any renewal period hereof, then the Lessee agrees to deliver up and surrender to the Lessor possession of said premises at such termination.

### **Damage by Fire**

13. In case said premises shall be so damaged by fire or other casualty (not caused by the act or negligence of the Lessee or any of its servants, agents or employees) as to be rendered untenable, and shall not be repaired by the Lessor and put in tenantable condition within sixty (60) days from the time the Lessee gives the Lessor full and complete possession of the premises so damaged for the purpose of making such repairs, it shall be optional with either party to terminate this Lease by a written notice to the other at the end of such time, in which case such

rent as shall be due from the Lessee to the Lessor up to the date of the fire or other casualty if the Lessee wholly vacates the premises at the time or up to such date thereafter that the Lessee wholly vacates and ceases to use said premises, shall be paid by the Lessee to the Lessor at the rate herein provided. In case such damage is repaired and the premises made tenantable within such sixty (60) days provided herein, no right to terminate this lease for such cause shall exist, but the rent shall abate for the period during which the premises remained untenable and unused in any way by the Lessee.

### **Alterations Required By Authorities**

14. If the Lessor shall be required by the municipality, or by any order or decree of any court or of any other governmental authority or for any other reason, to repair, alter, remove, reconstruct or improve any part of the leased premises or of the said building, then such work may be done by and at the expense of the Lessor, and the Lessee hereby waives all claims for damages because of such work. The Lessor will take steps to minimize disruption of Lessee operations during said alterations.

### **Waivers**

15. No waiver of any condition in this Lease shall be implied from the Lessor's omission to declare a forfeiture on account of its violation if such violation be continued or repeated, and no express waiver shall affect any other than the condition specified and that only as specifically stated, and the same shall not be deemed to imply or constitute a subsequent waiver of such condition or covenant.

16. All rights and remedies of the Lessor shall be cumulative, and none shall be exclusive of any other rights or remedies allowed by law or by the terms of this Lease.

17. If more than one joins in the execution hereof as Lessee, or if the Lessee be a person or a firm or a corporation or an association of any sort, the pronouns and relative words herein used shall be read as if written in the plural, the masculine, the feminine, or the neuter respectively, as the case may be.

### **Rules and Regulations**

#### **Janitors**

18. Any person employed by the Lessee, with the Lessor's consent, to do janitor work, shall, while in said building and outside of said premises, be subject to, and under the control and direction of the County Complex Supervisor of said building (but not as agent or servant of said supervisor or of the Lessor).

#### **Pass Key**

19. The Lessor may retain a pass key to the leased premises and be allowed admittance thereto at all times to inspect the premises, and to do such other things as are necessary and proper in connection with management or maintenance of such premises.

### **Alterations and Repairs**

20. The Lessor may enter the said premises at all reasonable hours for the purpose of exhibiting the same, or making any repairs, alterations, or additions which the Lessor shall deem necessary for the safety, preservation, or improvement of said premises or of said building, and the Lessor shall be allowed to take all materials into and upon said premises that may be required to make such repairs, improvements and additions or any alterations for the benefit of the Lessee without in any way being deemed or held guilty of an eviction of the Lessee; and the rent stipulated to be paid shall in no wise abate while said repairs, alterations or additions are being made; nor shall the Lessee be entitled to maintain a set-off or counterclaim for damages against the Lessor by reason of loss or interruption to the business of the Lessee because of the doing of any such work. All such work shall be done during ordinary working hours, or if any such work is, at the request of the Lessee, to be done during any other hours, the Lease Lessee shall pay for any extra cost occurring because of such request.

### **Electric Lamps**

21. The first installation of electric light lamps in the premises will be made by the Lessor in the manner and of the style and voltage customary in said building. Thereafter the Lessee shall replace and maintain such installation of electric light lamps and shall notify the Lessor through a County Complex work order. The Lessee shall be responsible for the replacement costs.

### **Locks and Keys**

22. No additional locks shall be placed upon the doors of the premises. The Lessee upon termination of this Lease shall surrender and deliver to the Lessor all keys to said premises which are in the possession of the Lessee or its agents, employees or others permitted to occupy said premises by the Lessee.

### **Additional Rules**

23. The Lessor reserves the right to make such other further and reasonable rules and regulations as in its judgment may from time to time be necessary or desirable for the safety, care, appearance and cleanliness of the premises and for the preservation of good order and prestige therein.

24. All of the terms, conditions and covenants to be observed and performed by the parties hereto shall be applicable to and binding upon their several heirs, executors, administrators, successors, legal representatives and assigns, as the case may be.

25. The leased premises contains approximately 13,800 square feet and shall be established as sixty percent of the building at 570 Marshall Road.

### **Utilities**

26. The Lessee is responsible for 60% of all utilities – electrical, sewer and water on said premises.

**Trash Removal**

- 27. Lessee is responsible for removal of trash from the Lease premises.
- 28. Lessee to carry own contents insurance.
- 29. Lessee may, upon 90 days written notice, terminate this lease if the funding for Branch-Hillsdale-St. Joseph Community Health Agency from all funding sources combined falls more than 10% below the funding levels as existed the effective date of this Lease, provided that Lessee vacates said premises upon the effective date of such termination of Lease.

IN WITNESS WHEREOF the parties to this lease have subscribed their names hereto this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

THE BRANCH-HILLSDALE-ST. JOSEPH  
COMMUNITY HEALTH AGENCY

Agent for the Lessee

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

*[Handwritten Signature]*  
Title

Witnesses:

*Maurice S. Petzler*

\_\_\_\_\_ Title

*Deena K. Holcomb*

\_\_\_\_\_ Title

COUNTY OF BRANCH

Witnesses:

*W. [unclear]*

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

*[Handwritten Signature]*  
Chairperson, Board of Commissioners

\_\_\_\_\_ Clerk

## LEASE CONTRACT

Between

**County of Branch and Branch-Hillsdale-St. Joseph Community Health Agency**

THIS LEASE between the County of Branch, hereinafter called the Lessor, and the Branch-Hillsdale-St. Joseph Community Health Agency (P.A. 367), hereinafter called the Lessee, witnesseth that: the parties hereto for the considerations hereinafter mentioned covenant and agree as follows:

### **Location**

1. The Lessor hereby leases to the Lessee and the Lessee hereby rents from the Lessor the premises described as Human Service Building, 570 Marshall Road, located at Coldwater, Michigan, for the term of years beginning on May 1, 2020, and ending on April 30, 2040. It is understood by both parties that the Lessee will occupy 60% of said premises.

### **Rent**

2. The Lessee agrees to pay to the Lessor as rent for said premises the total sum of \$68,331.36 annually in monthly installments of \$5,694.28. All other charges and sums accruing to the Lessor hereunder shall be construed as rent.

3. The Lessor agrees to pay the cost of maintenance of said premises. Maintenance costs shall include, by way of example, but shall not be limited to, all costs of preventative maintenance including such items as ballasts, filters, bulbs, lubrication of equipment per manufacturers specifications, etc., snow removal from the parking lots and sidewalks upon the accumulation of two inches or more by the morning after the snow, grounds maintenance including grass cutting, leaf raking, landscaping, and reasonable litter removal, structural repairs not covered by any fire and casualty insurance coverage including new roofing, etc. as needed to maintain said premises in as good a condition of repair as when Lessee took possession of said premises, and any other items of repair or maintenance not specifically mentioned herein. The cost of maintenance shall include, but shall not be limited to, the actual cost of all materials, hired contractors or laborers, the labor costs for the County Complex Supervisor and staff attributable to maintenance of the premises described herein, and the pro rata portion of costs of equipment attributable to employment in the maintenance of said premises. Sixty (60%) percent of costs of said maintenance attributable to said premises shall be paid to the Lessor by the Lessee.

4. The Lessor agrees to maintain property, fire, and casualty insurance and premises liability insurance on said premises, and shall identify Lessee as a named insured on said policy, as part of the general insurance of Lessor. Sixty (60%) percent of costs of said insurance attributable to said premises shall be paid to the Lessor by the Lessee.

5. Beginning in 2024 and continuing for the remainder of the lease term the County will transfer \$2,000.00 of the monthly installment of \$5,694.28 and retain that amount in a Capital



Improvement Fund (CIF). The CIF will be capped at \$74,000.00. If funds are used then they will be replenished up to the cap. The usage of these funds will be determined by the Lessor based on input from the Lessee. At the end of the lease term, or any extension thereof, the funds in the CIF become the unrestricted property of the Lessor.

### **Description of Premises**

6. The Lessee agrees that said premises shall be used as an office and clinic for Lessee's business, and for no other purpose; and that said premises shall be used and occupied in a careful, safe and proper manner; that no use, trade, or occupation which is known in insurance as extra or especially hazardous shall be permitted therein; that no waste shall be committed or permitted upon nor any damage be done to said premises and building or by reason of the business conducted in said premises by the Lessee; and the Lessee will, at its own expense, during the continuance of this Lease, and any renewal thereof, keep the said premises and every part thereof in as good repair, and at the expiration of the term, yield and deliver up the same in like condition as when taken reasonable wear and use thereof alone excepted.

### **Unlawful Use**

7. The Lessee shall not conduct or permit to be conducted on said premises any business nor permit any act which is contrary to or in violation of the laws of the United States of America or of the State of Michigan or of the ordinances of the said city, nor of the laws, rules and regulations of any governmental authority, and the Lessee agrees that in the use and occupancy of the premises the Lessee will comply with all the provisions of the Building Code and the ordinances of the said city, and the laws of the State of Michigan, pertaining to such use and occupancy. If the Lessor shall elect (and it is expressly given the right so to do) to declare a forfeiture of this Lease by reason of a default on the party of the Lessee in any of the Lessee's covenants in this paragraph, the Lessee agrees to indemnify and save harmless the Lessor and said premises against all cost, damages and expenses, including all loss of rental or other loss suffered by the Lessor on account thereof and incurred in connection with the defense of any suits or actions arising directly or indirectly from any violation of said laws or ordinances now in force or hereinafter enacted.

### **Alterations**

8. The Lessee shall make no alterations in or additions or improvement to said premises without first obtaining the written consent of the Lessor and all additions and improvements made by the Lessee (except only movable office furniture and fixtures) shall become the property of the Lessor on the termination of the Lease or the occupancy of the premises.

### **Subletting and Assignments**

9. The Lessee agrees that neither said premises nor any part thereof shall be sublet nor shall this lease be assigned without the prior written consent of the Lessor first having been obtained. No assignment for the benefit of creditors or by operation of law shall be effective to transfer any rights to the said assignee without the written consent of the Lessor first having been obtained. If the Lessee shall be declared insolvent or bankrupt, or if any assignment of the property of the Lessee shall be made for the benefit of credits or otherwise, or if the Lessee's leasehold interest

herein shall be levied upon under execution, or seized by virtue of any writ of any court of law, or if a petition be filed to declare the Lessee bankrupt or a Trustee in bankruptcy or a Receiver be appointed for the Lessee, whether under the operation of the State or of the Federal statutes, then the Lessor may at its option immediately and without notice to the Lessee or any assignee, transferee, receiver, trustee or any other person or persons, terminate this lease and immediately repossess said premises, using such force as may be necessary without being deemed guilty of any manner of trespass or forcible entry or detainer. The Lessee expressly waives the service notice of intention to terminate this lease or repossess said premises, or of any demand for payment of rent or any other notice or demand prescribed by any law of the State of Michigan, and agrees that the simple breach of any of the covenants herein shall of itself constitute a wrongful detainer of said premises by the Lessee within the meaning of the statutes of the State of Michigan governing forcible entry and detainer.

If the rent at any time shall not be paid when due, then that part of the rental sum covenanted to be paid by the Lessee under Section 2, hereof, which has not been paid to the Lessor, shall immediately become due and payable at the election of the Lessor without notice to terms of composition, or in case a receiver is appointed to take charge of and conduct the affairs of the Lessee, such claim for unpaid rent so due and payable under this Lease shall be considered liquidated damages and shall constitute a debt provable in bankruptcy or receivership.

### **Default**

10. If the Lessee shall abandon or vacate said premises before the end of the term of this Lease, or if default shall be made by the Lessee in the payment of said rent or any installment or part thereof, or if the Lessee shall fail to observe or perform any of the Lessee's agreements in this Lease, then and in each and every instance of such abandonment, vacation, or default, the Lessee's right to enter said premises shall be suspended, and the Lessor may at its option and without notice enter said premises, change the locks on the doors of said leased premises, and may remove and exclude the Lessee from the said building (the Lessee hereby expressly agreeing not to enter in or upon said premises while in default in any respect hereunder), or the Lessor may at its option and without notice, enter said premises, remove any signs of said Lessee therefrom, and re-let the same as it may see fit, and that for the purpose of such re-letting the said Lessor is authorized to make any repairs, changes, alterations or additions in and to said leased premises as may be necessary in the sole opinion of the Lessor for the purpose of such re-letting. If a sufficient sum shall not be realized from such re-letting to cover the rent remaining unpaid by the Lessee, and the cost of expenses of repairs, changes, alterations or additions, and the expense of such re-letting, and the cost of collecting the rent accruing therefrom, then the Lessee will pay such deficiency upon demand. Any action taken by the Lessor under the provisions of this paragraph shall not be construed as an eviction of the Lessee, nor as a termination of this Lease, nor as a waiver of any claims for damages which the Lessors might have by reason of the Lessee's default. The Lessor may at its option in the event of default cancel this Lease, and avail itself of all privileges of entry mentioned above, as well as any other privileges of entry, and from and after due notice of such cancellation, all estate, rights, title and interest of the Lessee in said premises shall cause, anything herein contained to the contrary notwithstanding, without, however, waiving in any way any claims for damages which the Lessor might have against the Lessee by reason of such default.

### **Damage to Lessee's Property**

11. All personal property of any kind or description whatsoever upon or in the said premises shall be at the Lessee's sole risk, and the Lessor shall not be liable for any damage either to person or property sustained by the Lessee or other persons, or for damage or loss suffered by the business or occupation of the Lessee due to the building or any part thereof becoming out of repair or arising from any acts or neglect of co-Lessees or other occupants of the building, or of other employees or the employees of Lessor or of other persons, or from bursting, overflowing or leaking of water, sewer or steam pipes or from the heating or plumbing fixtures, or from electric wires, or from gas, or odors, or caused in any other manner whatsoever except in the case of willful neglect on the part of the Lessor.

### **Payments After Termination**

12. No payment of money by the Lessee to the Lessor after the termination of this Lease, in any manner, or after the giving of any notice by the Lessor to the Lessee, shall reinstate, continue or extend the terms of this Lease or affect any notice given to that Lessee prior to the payment of such money, it being agreed that after the service of notice of the commencement of a suit or after final judgment granting the Lessor possession of said premises, the Lessor may receive and collect any sums of rent due or any other sums of money due under the terms of this Lease, and the payment of such money, whether as rent or otherwise, shall not waive said notice or in any manner affect any pending suit or any judgment theretofore obtained. If the Lessee shall fail to remove all effects from said premises upon termination of this Lease for any cause whatsoever, the Lessor may, at its option, remove the same in any manner that the Lessor shall choose, and store said effects without liability to the Lessee for loss thereof, and the Lessee agrees to pay the Lessor on demand any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time the same shall be in the Lessor's possession, or the Lessor may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as the Lessor may obtain and without legal process, for such price as the Lessor may obtain and apply with proceeds of such sale upon any amounts, due under this Lease, from the Lessee to the Lessor and upon the expense incident to the removal and sale of said effects.

### **Renewal**

13. If either party to this Lease shall fail to serve written notice upon the other party at least sixty (60) days prior to the end of the term set forth in Section 1 hereof, then this Lease shall be renewed on a month-to-month basis from such date; and, the rental to be paid by the Lessee during such renewal period shall be at the same monthly rate as last stipulated in Section 2 hereof, and all other terms and conditions herein set forth shall apply during such renewal period; and in like manner, this Lease shall be renewed from month to month until terminated by either party by written notice served upon the other party not less than thirty (30) days prior to the end of any such renewal period; provided, however, that should the aforesaid notice be so served by either party upon the other, in time to be effective as of the date aforesaid in Section 1 hereof, or should such notice be so served to be effective at the end of any renewal period hereof, then the Lessee agrees to deliver up and surrender to the Lessor possession of said premises at such termination.

### **Damage by Fire**

14. In case said premises shall be so damaged by fire or other casualty (not caused by the act or negligence of the Lessee or any of its servants, agents or employees) as to be rendered untenable, and shall not be repaired by the Lessor and put in tenable condition within sixty (60) days from the time the Lessee gives the Lessor full and complete possession of the premises so damaged for the purpose of making such repairs, it shall be optional with either party to terminate this Lease by a written notice to the other at the end of such time, in which case such rent as shall be due from the Lessee to the Lessor up to the date of the fire or other casualty if the Lessee wholly vacates the premises at the time or up to such date thereafter that the Lessee wholly vacates and ceases to use said premises, shall be paid by the Lessee to the Lessor at the rate herein provided. In case such damage is repaired and the premises made tenable within such sixty (60) days provided herein, no right to terminate this lease for such cause shall exist, but the rent shall abate for the period during which the premises remained untenable and unused in any way by the Lessee.

### **Alterations Required by Authorities**

15. If the Lessor shall be required by the municipality, or by any order or decree of any court or of any other governmental authority or for any other reason, to repair, alter, remove, reconstruct or improve any part of the leased premises or of the said building, then such work may be done by and at the expense of the Lessor, and the Lessee hereby waives all claims for damages because of such work. The Lessor will take steps to minimize disruption of Lessee operations during said alterations.

### **Waivers**

16. No waiver of any condition in this Lease shall be implied from the Lessor's omission to declare a forfeiture on account of its violation if such violation be continued or repeated, and no express waiver shall affect any other than the condition specified and that only as specifically stated, and the same shall not be deemed to imply or constitute a subsequent waiver of such condition or covenant.

17. All rights and remedies of the Lessor shall be cumulative, and none shall be exclusive of any other rights or remedies allowed by law or by the terms of this Lease.

18. If more than one joins in the execution hereof as Lessee, or if the Lessee be a person or a firm or a corporation or an association of any sort, the pronouns and relative words herein used shall be read as if written in the plural, the masculine, the feminine, or the neuter respectively, as the case may be.

## **RULES AND REGULATIONS**

### **Janitors**

19. Any person employed by the Lessee, with the Lessor's consent, to do janitor work, shall, while in said building and outside of said premises, be subject to, and under the control and direction of the County Complex Supervisor of said building (but not as agent or servant of said supervisor or of the Lessor).

### **Pass Key**

20. The Lessor may retain a pass key to the leased premises and be allowed admittance thereto at all times to inspect the premises, and to do such other things as are necessary and proper in connection with management or maintenance of such premises.

### **Alterations and Repairs**

21. The Lessor may enter the said premises at all reasonable hours for the purpose of exhibiting the same, or making any repairs, alterations, or additions which the Lessor shall deem necessary for the safety, preservation, or improvement of said premises or of said building, and the Lessor shall be allowed to take all materials into and upon said premises that may be required to make such repairs, improvements and additions or any alterations for the benefit of the Lessee without in any way being deemed or held guilty of an eviction of the Lessee; and the rent stipulated to be paid shall in no way abate while said repairs, alterations or additions are being made; nor shall the Lessee be entitled to maintain a set-off or counterclaim for damages against the Lessor by reason of loss or interruption to the business of the Lessee because of the doing of any such work. All such work shall be done during ordinary working hours, or if any such work is, at the request of the Lessee, to be done during any other hours, the Lease Lessee shall pay for any extra cost occurring because of such request.

### **Electric Lamps**

22. The first installation of electric light lamps in the premises will be made by the Lessor in the manner and of the style and voltage customary in said building. Thereafter the Lessee shall replace and maintain such installation of electric light lamps and shall notify the Lessor through a County Complex work order. The Lessee shall be responsible for the replacement costs.

### **Locks and Keys**

23. No additional locks shall be placed upon the doors of the premises. The Lessee upon termination of this Lease shall surrender and deliver to the Lessor all keys to said premises which are in the possession of the Lessee or its agents, employees or others permitted to occupy said premises by the Lessee.

### **Additional Rules**

24. The Lessor reserves the right to make such other further and reasonable rules and regulations as in its judgment may from time to time be necessary or desirable for the safety, care, appearance and cleanliness of the premises and for the preservation of good order and prestige therein.

25. All of the terms, conditions and covenants to be observed and performed by the parties hereto shall be applicable to and binding upon their several heirs, executors, administrators, successors, legal representatives and assigns, as the case may be.

26. The leased premise contains approximately 13,800 square feet and shall be established as sixty percent (60%) of the building at 570 Marshall Road.

**Utilities**

27. The Lessee is responsible for 60% of all utilities – electrical, sewer and water on said premises.

**Trash Removal**

28. Lessee is responsible for removal of trash from the Lease premises.

29. Lessee to carry own contents insurance.

30. Lessee may, upon 90 days written notice, terminate this lease if the funding for Branch-Hillsdale-St. Joseph Community Health Agency from all funding sources combined falls more than 10% below the funding levels as existed the effective date of this Lease, provided that Lessee vacates said premises upon the effective date of such termination of Lease.

IN WITNESS WHEREOF the parties to the lease have subscribed their names hereto this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

THE BRANCH-HILLSDALE-ST. JOSEPH  
COMMUNITY HEALTH AGENCY  
Agent for the Lessee

Witnesses:

By: \_\_\_\_\_  
Rebecca Burns, Health Officer

\_\_\_\_\_  
Name Title

\_\_\_\_\_  
Name Title

COUNTY OF BRANCH

Witnesses:

By: \_\_\_\_\_  
Ted Gordon, Chairperson  
Board of Commissioners

\_\_\_\_\_  
Name Title

\_\_\_\_\_  
Name Title

**Branch-Hillsdale-St. Joseph  
Community Health Agency**

**INVOICE**

570 N. Marshall Road  
Coldwater, MI. 49036  
517-933-3018 Fax 517-279-1830

DATE: November 30, 2021  
INVOICE # 126  
FOR: Blue Cross Premium

Employee Name and Address  
Redacted

DESCRIPTION	AMOUNT
Beginning Balance	\$ 2,102.60
Consisting of:	
March 19 - \$210.26 - paid by April 23rd deduction	
April 2 - \$210.26 - Due by May 2, 2021	
April 16 - \$210.26 - Due by May 16, 2021	
April 23 Deduction - (\$210.26)	
April 30 - \$210.26 - Due by May 30, 2021	
May 14 - \$210.26 - Due by June 14, 2021	
May 28 - \$210.26 - Due by June 28, 2021	
June 11 - \$210.26 - Due by July 11, 2021	
June 25 - \$210.26 - Due by July 25, 2021	
July 9 - \$210.26 - Due by August 9, 2021	
July 23 - \$210.26 - Due by August 23, 2021	
Aug 6 - \$210.26 - Due by September 6, 2021	
Payments not made by due date, may result in cancellation. If you would like to make payment arrangements, please contact Chris Ash.	
<b>TOTAL</b>	<b>\$ 2,102.60</b>

Current	Past Due 1-30 Days	Past Due 31-60 Days	Past Due 61+ Days
\$ -	\$ -	\$ -	\$ 2,102.60

Make all checks payable to **Branch-Hillsdale-St. Joseph Community Health Agency**