

October 23, 2007

The Regular meeting of the Otsego County Board of Commissioners was held at the Multi-Purpose room of the J. Richard Yuill Alpine Center. The meeting was called to order at 9:30 a.m. by Chairman Glasser. Invocation by Commissioner Beachnau, followed by the Pledge of Allegiance led by Administrator Burt.

Roll call:

Present: Backenstose, Beachnau, Liss, Olsen, Glasser, Hyde, Bentz.

Excused: Bates, Johnson.

The Regular meeting minutes of October 9, 2007 with attachments were approved as presented.

The agenda was amended to move up special presentations MSU Extension under Committee reports.

Consent Agenda:

Motion to approve MERS asset allocation agreement as presented. Motion carried via unanimous. (see attached)

Motion to adopt OCR-07-42 Mortgage discharge to Kevin and Jennifer Jones.

Roll Call Vote:

Ayes: Unanimous.

Nays: None.

Excused: Bates, Johnson.

Motion carried/Resolution adopted. (see attached)

Motion to approve the Park 2008 Budget amendment. Motion carried via unanimous consent. (see attached)

Administrator's report:

John Burt reported on the Alpine Center construction.

Special Presentation:

Patrick Cudney and Linda Cronk from the MSU Extension, requested Commissioners to serve on a search committee to replace Phil Alexander.

Mary Jorgenson has a certificate from Representative Elsenheimer, Senator Stamas and Governor Granholm for Phil Alexander congratulating him on his retirement.

Chairman Glasser appointed John Burt and Doug Johnson to the MSU Extension search committee.

Bill Kerr presented to the Board the 2007 Apportionment report.

Motion by Commissioner Liss, to approve the 2007 Apportionment report. Ayes: Unanimous.
Excused: Bates, Johnson. Motion carried.

Rachel introduced Holly Barresi the new part time employee in the Treasurer's office.

Rachel Frisch presented the September quarterly financial reports.

Correspondence:

Chairman Glasser received a flyer that a consumer forum is scheduled for November 5, 2007 at 6:00 p.m. at the City-County Building.

New Business:

Motion by Commissioner Hyde, to approve Warrant B2007-42 in the amount of \$116,179.34 with prepaids in the amount of \$9,562.57 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Backenstose, to approve Warrant B2007-43 in the amount of \$195,332.96 with prepaids in the amount of \$39,254.16 as presented. Ayes: Unanimous. Motion carried.

Board Remarks:

Commissioner Beachnau: Attended the City-Council meeting.
 Attended the Livingston Township meeting.

Commissioner Backenstose: Planning Commission meeting.
 Business Community in Waters.

Meeting adjourned at 10:00 a.m. at the call of the Chair.

Kenneth R. Glasser, Chairman

Susan I. DeFeyter, County Clerk

**JOINT AGREEMENT ON TRANSFER OF MERS PENSION ASSETS AND
LIABILITIES FOR ALL 46TH CIRCUIT TRIAL COURT
ACTIVE EMPLOYEES, RETIREES, DEFERRED VESTED
AND TERMINATED NONVESTED MEMBERS**

PREAMBLE: At all relevant times, each County has been a participating municipality in the Municipal Employees' Retirement System of Michigan (MERS). Effective January 1, 2001, all Trial Court employees became covered under the Otsego County MERS plan: Otsego County was the designated Trial Court Control Unit, and the Otsego County Board of Commissioners and the Trial Court approved coverage of Trial Court employees under the Otsego MERS plan with enhanced MERS benefits. The Trial Court employees were placed in Otsego County MERS division 14 (including Trial Court employees originally placed in divisions 13 and 15). The MERS benefits in effect for Trial Court Division 14 commencing in 2001 were: benefit multiplier B-4 (2.50% multiplier), V-10 (10 year vesting), F55/20, FAC-5, 0% (zero) member contribution, with all prior service credited.

Crawford County (and subsequently, Kalkaska County) did not agree to the MERS benefit coverage selected, and litigation ensued. On July 28, 2006, the Michigan Supreme Court (Docket # 128882) ruled that, in the absence of formal agreement of all three counties as the collective funding source, the enhanced MERS benefit coverage for Trial Court employees was not contractually binding. In order to implement the Supreme Court decision, the Counties and the Trial Court, with MERS' assistance, have negotiated the MERS benefit issues and **HAVE JOINTLY AGREED AS FOLLOWS:**

1. **ACTIVE TRIAL COURT EMPLOYEES.** Beginning October 1, 2006, all actively working Trial Court employees have been claimed and reported to MERS by the County served by that employee, and the claiming County has remitted employer contributions to MERS. Each employee has been placed by the claiming County in the pension division (and with the division's specific MERS benefit package) where the employee would have been assigned and reported prior to January 1, 2001, subject to reassignment to any new or substitute division now or in the future utilized by each claiming County.
 - a) All MERS actuarial accrued liability and assets attributable to each employee designated by the claiming County in Attachment 1, which is part of this Agreement, as adjusted by MERS as of the actual date of transfer, shall be transferred by MERS from Otsego County Division 14 to the specific claiming County in the County division in which the employee is being officially reported to MERS by the claiming County, with the exception of those Otsego county claimed employees which Otsego county reports in Division 14.
 - b) Following the MERS transfer, the claiming County shall be responsible for all MERS benefit liabilities and related assets for the active Court employees (and those hired in the future), and the claiming County shall be liable to pay all ongoing MERS contributions, including those for all prior service, and for any future service rendered as Trial Court employees. Non-claiming Counties shall not be liable for any future payments following such transfer.

2. **TRIAL COURT RETIREES (AND BENEFICIARIES) RECEIVING A MERS PENSION BENEFIT; DEFERRED VESTED MEMBERS; AND NONVESTED TERMINATED MEMBERS:** Effective October 1, 2006, all Trial Court employees (other than Active Employees subject to section 1) have been claimed and reported to MERS by the County served (see Attachment 2, which is part of this Agreement).

a) For each Trial Court retiree (or beneficiary) in receipt of a MERS pension whose benefit payments first began:

- before November 30, 2006, no change shall be made to the pension amount;
- on or after December 1, 2006, the pension amount shall be based upon the benefits in effect in the claiming County's designated MERS division.

b) For each Deferred Vested Member and Nonvested Terminated Member, the person shall be placed by MERS in the claiming County's designated MERS division, and the future MERS pension paid (if any) shall be based upon the benefits in effect in the designated division at the time of termination of employment, excluding any enhancements rescinded as a result of the referenced Michigan Supreme Court decision of July 28, 2006. Each claiming County may, if it chooses, reassign at its sole expense a "claimed" Deferred Vested Member to a division with higher benefits (which shall not exceed those MERS benefits in effect for Trial Court Division 14 commencing in 2001) by means of a subsequent resolution and compliance with MERS standard requirements.

3. All related MERS actuarial accrued liabilities, and assets (as adjusted by MERS as of the actual date of transfer), shall be transferred by MERS from Otsego County Division 14 to the specific claiming County, to the County division designated in Attachments 1 and 2. Following the MERS transfer, the claiming County shall be responsible for all liabilities and credited with assets attributable to the transferred member, and the non-claiming counties shall not be.

4. The Counties having agreed that during the period of dispute Crawford and Kalkaska Counties made contributions to MERS amounting to 27.5% each of the total, and Otsego 45%, MERS Finance Department (using data of the MERS actuary) has calculated that, as of December 31, 2006, reflecting deposits during the time frame February 1, 2002 through December 31, 2006, each county should be credited with the following amounts to be transferred to their respective MERS accounts for court personnel:

Crawford	\$1,341,435.87
Kalkaska	\$ 818,451.01
Otsego	\$1,890,367.42
Total:	\$4,050,254.30

It is stipulated and agreed that such amounts shall be transferred by MERS as an intra_MERS plan transfer, with such pro rata investment gains and losses and interest accumulations during calendar 2007 to the date of transfer as MERS' Finance Department calculates according to MERS' standard pro ration methodology. The MERS' Finance Department shall also make adjustments for pension benefits paid out in Calendar Year 2007.

It is noted with approval that during 2007 MERS segregated each county's contribution and the 2007 contributions accordingly will be added to each county's respective MERS account.

5. By individual resolution of any of the three County Boards of Commissioners, as the governing body for MERS purposes for its specific MERS plan, acting with the concurrence of the Chief Judge of the Trial Court, a County may approve MERS benefit changes for Trial Court active employees, retirees (beneficiaries), deferred vested and nonvested terminated members within the individual County's plan, pursuant to MERS benefit change requirements, including MERS mandatory actuarial valuation procedures reflecting the future contributions impact of any such benefit change .
6. This mutual Agreement is expressly acknowledged as binding and enforceable, as the consensual implementation of the MERS benefit coverage aspects in implementation of the July 28, 2006 Michigan Supreme Court decision in settlement of contested issues, to be subsumed within an order by the assigned trial judge disposing of the pending motion by Crawford and Kalkaska Counties for restitution as to enhanced pension benefits.
7. After formal approval by the Boards of Commissioners of the respective Counties and concurrence by the Chief Judge of the Trial Court, and MERS' receipt of a fully-executed original Joint Agreement approved and incorporated in an order of the assigned trial judge in the referenced litigation, the transfers that have been agreed to shall be completed by MERS within 28 calendar days of receipt. After all transfers under this Agreement have been completed, MERS Actuary will then issue for each County Revised December 31, 2006 Annual Actuarial Valuations reflecting all such transfers, and determining the post-transfer contribution requirements for each division in each County plan affected by the transfers, and the revised employer contribution rates shall be effective for the respective county's fiscal year, beginning January 1, 2008 for Kalkaska County and Otsego County, and October 1, 2008 for Crawford County.

This Joint Agreement may be executed and approved by each party in counterparts.

46TH JUDICIAL TRIAL COURT

Approved by Administrative
Order # ___ of the 46th Trial Court

Hon. _____
Chief Judge

KALKASKA COUNTY

Approved by Resolution of the Kalkaska
County Board of Commissioners at its
regular meeting held on the _____ day

CRAWFORD COUNTY

Approved by Resolution of the Crawford
County Board of Commissioners at its
regular meeting held on the _____ day
of _____, 2007.

By: _____
Title: _____
Dated: _____, 2007

OTSEGO COUNTY

Approved by Resolution of the Otsego
County Board of Commissioners at its
regular meeting held on the _____ day

of _____, 2007.

By: _____

Title: _____

Dated: _____, 2007

of _____, 2007.

By: _____

Title: _____

Dated: _____, 2007

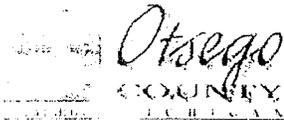
RESOLUTION NO. OCR 07-42
AUTHORIZING RESOLUTION
OTSEGO COUNTY BOARD OF COMMISSIONERS
October 23, 2007

WHEREAS, the Otsego County Board of Commissioners is the owner of a property located at 1275 Knoch Road, Gaylord, Michigan 49735 and has a mortgage recorded in Liber 1027, Pages 614-627 in the name of Kevin and Jennifer Jones, husband and wife and as joint tenants with full rights of survivorship and

WHEREAS, said Mortgage has been paid in full; now, therefore, be it

RESOLVED, that Otsego County hereby issues a DISCHARGE OF MORTGAGE to Kevin and Jennifer Jones, husband and wife, as joint tenants with full rights of survivorship and be it further

RESOLVED, that the Otsego County Administrator, on behalf of the Otsego County Board of Commissioners, be authorized to sign said document.



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: PARKS

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

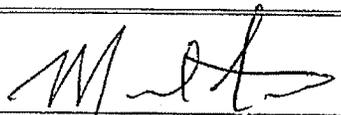
Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

Account Number	Decrease	Increase
Fund Balance	\$ 19,500.00	\$
- -	\$	\$
- -	\$	\$
- -	\$	\$
Total		\$

EXPENDITURE

Account Number	Increase	Decrease
208E - 751 - 970420	\$ 6,000.00	\$ F.B.
208E - 752 - 703030	\$ 7,000.00	\$ F.B.
208E - 752 - 726050 ⁹³⁰⁵⁰⁰	\$ 1,500.00	\$ F.B.
208E - 752 - 726050	\$ 5,000.00	\$ F.B.
208E - 751 - 703030	\$	\$ 3,000.00
208E - 751 - 703070	\$ 3,000.00	\$
Total	\$	\$


Department Head Signature

10-8-7
Date

Finance Department	
Entered:	/
By:	

Administrator's Signature

Date

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number