

January 26, 2016

The regular meeting of the Otsego County Board of Commissioners was held at the Alpine Center, 800 Livingston Blvd, Multi-Purpose Room, Gaylord, Michigan. The meeting was called to order at 9:30 a.m. by Chairman Ken Borton. Invocation by Commissioner Julie Powers-Gehman, followed by the Pledge of Allegiance led by Paul Liss.

Roll Call:

Present: Julie Powers-Gehman, Paul Beachnau, Paul Liss, Robert Harkness, Ken Glasser, Doug Johnson, Ken Borton.

Excused: Erma Backenstose, Bruce Brown.

Motion by Commissioner Ken Glasser, seconded by Commissioner Paul Liss, to approve the Regular minutes of January 12, 2016 with attachments.

Commissioner Ken Glasser requests item B, number 2, FY 2016 Budget Amendment (Trailhead Grant) be removed from the consent agenda and placed under new business.

Consent Agenda:

Motion to approve the appointment of Brett Bowen to the Otsego County Emergency Medical Services Board to a term ending December 31, 2018. Ayes: Unanimous. Motion carried.

Motion to approve FY 2016 Budget amendment (Health Care Increase). Ayes: Unanimous. Motion carried. (see attached)

Motion to approve FY 2016 Budget amendment (Equipment). Ayes: Unanimous. Motion carried. (see attached)

Motion to approve FY 2016 Budget amendment (Capital Projects). Ayes: Unanimous. Motion carried. (see attached)

Motion to approve FY 2016 Budget amendment (Airport Capital Projects). Ayes: Unanimous. Motion carried. (see attached)

Motion to approve FY 2016 Budget amendment (Emergency Management). Ayes: Unanimous. Motion carried. (see attached)

Motion to adopt OCR 16-02 Elizabeth Haus Recognition.

Roll Call Vote:

Ayes: Julie Powers-Gehman, Paul Beachnau, Paul Liss, Robert Harkness, Ken Glasser, Doug Johnson, Ken Borton.

Nays: None.

Excused: Erma Backenstose, Bruce Brown.

Motion carried/Resolution adopted. (see attached)

Motion to adopt OCR 16-03 MERS Hybrid Plan Adoption.

Roll Call Vote:

Ayes: Julie Powers-Gehman, Paul Beachnau, Paul Liss, Robert Harkness, Ken Glasser, Doug Johnson, Ken Borton.

Nays: None.

Excused: Erma Backenstose, Bruce Brown.

Motion carried/Resolution adopted. (see attached)

Motion to approve MERS Hybrid Plan Agreement. Ayes: Unanimous. Motion carried. (see attached)

Administrator's Report:

John Burt reported on the Courthouse Plaza project, new website to be done end of the week.

Department Head Report:

Matt Barresi reported on the Airport.

City Liaison, Township and Village Representative:

Commissioner Julie Powers-Gehman reported on the City Council meeting, the City water system is tested and is fine.

Travis Hewitt reported on the chicken ordinance, the County need to take action because the City does not have governing control. Information to be supplied to John Burt.

Correspondence: None.

Rachel Frisch presented the November financial reports.

New Business:

Motion by Commissioner Paul Beachnau, seconded by Commissioner Julie Powers-Gehman, to approve the January 14, 2016 Special Warrant and the January 19, 2016 Warrant for a total amount of \$291,682.43 Ayes: Unanimous. Motion carried.

Motion by Commissioner Ken Glasser, seconded by Commissioner Robert Harkness, to approve the January 26, 2016 Warrant for a total amount of \$339,975.88. Ayes: Unanimous. Motion carried.

Motion by Commissioner Paul Liss to rescind the following motion, *Motion to amend the motion previously adopted at the December 15, 2015 meeting to read "Move to approve a budget amendment for 2016 to contribute \$50,000 to the Village of Vanderbilt for grant match for the Vanderbilt Trailhead Project and to provide \$5,000 to Corwith Township for plan development costs. The \$50,000 grants match to be returned by the Village in the event the project does not move forward."* seconded by Commissioner Paul Beachnau. Ayes: Unanimous. Motion carried.

Motion by Commissioner Paul Liss, seconded by Commissioner Paul Beachnau, to approve a budget amendment for 2016 to provide matching funds of \$50,000 to Corwith Township towards the Vanderbilt Trailhead project for them to provide \$5,000 to Corwith Township for trailhead plan development costs. The \$50,000 grant match to be returned by Corwith Township in the event the project does not move forward. Ayes: Julie Powers-Gehman, Paul Beachnau, Paul Liss, Robert Harkness, Doug Johnson, Ken Borton. Nays: Ken Glasser. Excused: Erma Backenstose, Bruce Brown. Motion carried.

Motion to approve FY 2016 budget amendment (Trailhead Grant). Ayes: Julie Powers-Gehman, Paul Beachnau, Paul Liss, Robert Harkness, Doug Johnson, Ken Borton. Nays: Ken Glasser. Excused: Erma Backenstose, Bruce Brown. Motion carried. (see attached)

Public Comment:

Chairman Ken Borton opened up the meeting for public comment.

Board Remarks:

Commissioner Paul Beachnau reported the Chamber of Commerce awards banquet is 2-9-16.

Commissioner Julie Powers-Gehman received the 2015 employment, occupation and skilled trades report.

Commissioner Robert Harkness reported on the Northern Michigan Veterans coalition.

Commissioner Paul Liss received a letter of understanding with Corwith Township and it was read to the Board.

Commissioner Ken Glasser reported on the Otsego Conservation District, received a donation of a 40 acre parcel and sold it in December; NEMCOG meeting.

Commissioner Doug Johnson had no report.

Commissioner Ken Borton reported on Senate Bill 571, now Public Act 269 discussing ballot proposals 60 days before the election; Tristan Cole has a town hall meeting 2-1-16 from 5:30 p.m.-7:00 p.m. at the School Board office.

Meeting adjourned at 10:45 a.m.

Kenneth C. Borton Chairman

Susan I. DeFeyter, Otsego County Clerk



OTSEGO COUNTY
BUDGET AMENDMENT

Page 1 of 5

FUND/DEPARTMENT: General, Internal service, Special Revenue Fds.

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)

DESCRIPTION Adjust 2016 Budget for updated healthcare Rates.

Account Number	Decrease	Increase
101.050.699.030 Tsf. 9w	\$	\$ 36,194
	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
Gen 101.101.704.110 Healthcare	\$ 10,127	\$
101.215 " "	\$ 3,578	\$
101.253. " "	\$ 4,040	\$
101.257. " "	\$	\$ 2,618
101.267. " "	\$ 1,879	\$
101.268. " "	\$	\$ 758
Total	\$	\$

Rachel Frisch 1/13/16
Department Head Signature Date

[Signature] 1/13/16
Administrator's Signature Date

1/27/16
Board Approval Date (if necessary)

Wash Foy
Budget Adjustment #

Finance Department	
Entered:	
By:	

Posting Number



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: _____

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)

DESCRIPTION

REVENUE

Account Number	Decrease	Increase
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
101.301.704.110 healthcare	\$ 15,319	\$
101.334. " "	\$	\$ 895
101.351. " "	\$ 13,941	\$
101.682. " "	\$ 548	\$
101.721. " "	\$ 5,538	\$
101.301.999.990. TSP OUT	\$	\$ 14,505
Total	\$	\$

Department Head Signature _____ Date _____

Administrator's Signature _____ Date _____

Finance Department
Entered:
By:

Board Approval Date (if necessary) _____ Budget Adjustment # _____ Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

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FUND/DEPARTMENT: _____

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)

DESCRIPTION

REVENUE

Account Number	Decrease	Increase
205.050.699.030 T&F gm	\$ 14,505	\$
208.050.400.001 Budgeted Use of	\$	\$ 1,236
212.050. " " " Fund-Bal.	\$	\$ 3,029
232.050 " " "	\$	\$ 1,409
Total	\$	\$

EXPENDITURE

work camp
parks rec
h.c.h.
Hous.

Account Number	Increase	Decrease
205.301.704.110 healthcare	\$	\$ 14,505
208.751. " "	\$ 618	\$
208.752. " "	\$ 618	\$
212.430. " "	\$ 3,029	\$
232.690. " "	\$ 759	\$
232.690.704.700 Amts in lieu of INSUR.	\$ 850	\$
Total	\$	\$

Department Head Signature _____

Date _____

Administrator's Signature _____

Date _____

Finance Department	
Entered:	_____
By:	_____

Board Approval Date (if necessary) _____

Budget Adjustment # _____

Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

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FUND/DEPARTMENT: _____

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)

DESCRIPTION

REVENUE

Account Number	Decrease	Increase
249.050.400.001 Budgeted Use of	\$	\$ 4461
281.050. " " " " Fund Bal.	\$	\$ 6515
516.050 " " " "	\$	\$ 3153
645.125.026.075 TSA. 2W	\$	\$ 4261
Total	\$	\$

EXPENDITURE

*Use
Airt
Delqtx
Admin*

Account Number	Increase	Decrease
249.371.704.110 healthcare	\$ 4461	\$
281.537. " " " "	\$ 6515	\$
516.253. " " " "	\$ 3153	\$
645.172 " " " "	\$ 2282	\$
645.201 " " " "	\$	\$ 106
645.270. " " " "	\$ 1894	\$
Total	\$	\$

Department Head Signature _____

Date _____

Administrator's Signature _____

Date _____

Finance Department
Entered: _____
By: _____

Board Approval Date (if necessary) _____

Budget Adjustment # _____

Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

Page 5 of 5

FUND/DEPARTMENT: _____

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)

DESCRIPTION

REVENUE

Account Number	Decrease	Increase
617-250-400-001 Budgeted Use	\$	\$ 3153
of Fund Bal.	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
645-202-704-110 healthcare	\$ 191	\$
617-253 " " "	\$ 3153	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

TX Fred

Department Head Signature _____ Date _____

Administrator's Signature _____ Date _____

Finance Department
Entered:
By:

Board Approval Date (if necessary) _____ Budget Adjustment # _____ Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: Equipment Fund

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)

DESCRIPTION To transfer residual 2015 Budget Dollars into 2016,

REVENUE For equipment purchases that were not completed by 12/31/15.

Account Number	Decrease	Increase
266-050-400-001 Budgeted	\$	\$ 62,220 -
Use of Fund Balance	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
266-901-970-450 Website	\$ 5450	\$
" " 970-435 Phone System	\$ 56,770 -	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total	\$ 62,220 -	\$

Rachel Trisch _____ 1/19/16
 Department Head Signature Date

[Signature] _____ 1/19/16
 Administrator's Signature Date

1/26/16
 Board Approval Date (if necessary)

 Budget Adjustment # Posting Number

Finance Department	
Entered:	
By:	



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: Capital Projects Fund

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)

DESCRIPTION To transfer residual 2015 Budget Dollars into 2016,

REVENUE for projects that were not completed by 12/31/15.

Account Number	Decrease	Increase
499.050.400.001 Budgeted	\$	\$ 90,629-
Use of Fund	\$	\$
Balance	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
499.901.970.300 Community Center	\$ 6,764-	\$
" " County Lawn	\$ 59,861-	\$
" " Medical Examiner Bldg.	\$ 5,004-	\$
" " Wellness Room	\$ 2,500-	\$
" " Admin Remodel	\$ 3,000-	\$
" " Trail	\$ 13,500	\$
Total	\$ 90,629-	\$

Rachel Frisch _____ 1/19/16
Department Head Signature Date

[Signature] _____ 1/19/16
Administrator's Signature Date

1/26/16 _____
Board Approval Date (if necessary)

Finance Department
Entered:
By:

_____ Budget Adjustment # Posting Number



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: 911 Fund

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)

DESCRIPTION Purchase of Emergency Management Command Center

REVENUE

Account Number	Decrease	Increase
<u>2601-050-400-001 Budgeted</u>	\$	\$ <u>35,000-</u>
<u>Use of Fund Bal.</u>	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
<u>2601-901-910-435 Equipment</u>	\$ <u>35,000-</u>	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

Rachel Frisch _____ 1/15/16
 Department Head Signature Date

[Signature] _____ 1/15/16
 Administrator's Signature Date

Finance Department
Entered:
By:

Board Approval Date (if necessary) _____ Budget Adjustment # _____ Posting Number _____

OCR 16-02
Elizabeth Haus
20 Year Service Recognition
Otsego County Board of Commissioners
January 26, 2016

WHEREAS, Elizabeth Haus has served the Village of Vanderbilt for over 20 years; and

WHEREAS, over the last 20 years Elizabeth has donned many hats in the Village as President; Treasurer; Clerk and Village Manager; and

WHEREAS, before settling in Vanderbilt, Elizabeth started her career working for the City of Pontiac in the Building & Safety department as an account clerk, then working in the City Treasurer's office as head cashier, and finally back as Supervisor in the Community Development Office, which oversees the Building & Safety department; and

WHEREAS, Elizabeth has been in a supervisory capacity for most of her work life which made her transition into the many offices held in the Village of Vanderbilt second nature; and

WHEREAS, Elizabeth and her husband Al have been married for over 55 years; and

WHEREAS, together they have worked in the planning and beautification of the Village and it's not uncommon to see them planting flowers in the several planters throughout the village during the spring and summer; and

WHEREAS, Elizabeth has taken a special interest in Village zoning, having created a zoning position for the community during her time as Village Administrator; and

WHEREAS, Elizabeth has announced resignation as Village Manager effective December 31, 2015; and

WHEREAS, Elizabeth has agreed to continue on the Village Planning Board helping to continue to guide the community well into the future; and

WHEREAS, together the County of Otsego recognizes that one of its greatest assets is the strength, diversity and commitment of its community members; now, therefore, be it

RESOLVED, that the Otsego County Board of Commissioners, hereby recognizes and honors the 20 years of commitment that Elizabeth Haus has made to the Village of Vanderbilt and the entire county by inspiring others with her dedication to the community.

Resolution Adopting the MERS Hybrid Plan



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711 www.mersofmichigan.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

WHEREAS, the participating entity desires to adopt the MERS Hybrid Plan for its designated employees;

WHEREAS, the participating entity has furnished MERS with required data regarding each eligible employee and retiree, and, for employees, MERS' actuary has computed the liabilities for benefits payable and which may become payable (on account of service already, and to be, rendered) with respect to the defined benefit portion of the MERS Hybrid Plan, and the participating entity has furnished MERS with required data regarding each eligible employee and retiree with respect to the defined contribution portion of the MERS Hybrid Plan;

WHEREAS, as a condition of MERS membership, and pursuant to the MERS Retirement Board's power as plan administrator and trustee under Plan Document Section 71 and MCL 38.1536, as each may be amended, it is appropriate and necessary to enter into a binding agreement providing for the administration of the Hybrid Plan, the reporting of wages, and the payment of the required contributions of a participating entity and withholding of employee contributions; now, therefore,

IT IS HEREBY RESOLVED:

- 1. On behalf of the participating entity, the governing body of Otsego County adopts the MERS Hybrid Plan in accordance with Plan Section 4 for its eligible employees as described in the MERS Hybrid Adoption Agreement, subject to the MERS Plan Document and as authorized by 1996 PA 220, as both may be amended;
2. The governing body agrees to the terms of and authorizes (title) Chair, Board of Commissioners to execute the initial MERS Hybrid Adoption Agreement, a copy of which is attached hereto and which is hereby incorporated by reference; and

I hereby certify that the above is a true copy of the Hybrid Resolution adopted at the official meeting held by the governing body of this municipality:

Dated: January 26, 2016. (Signature of Authorized Official)

This Resolution shall have no legal effect under the MERS Plan Document until a certified copy of this adopting Resolution is filed with MERS, MERS determines that all necessary requirements under the Plan Document, the Adoption Agreement, and this Resolution have been met, and MERS certifies the Resolution below.

Received and Approved by the Municipal Employees' Retirement System of Michigan:

Dated: , 20. (Authorized MERS Signatory)

MERS Hybrid Plan Adoption Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711

www.mers-michigan.com

The Employer, a participating municipality or participating court within the State of Michigan that has adopted MERS coverage, hereby establishes the following MERS Hybrid Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220 in accordance with the MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Employer Name Otsego County **Municipality #:** 6901

If new to MERS, please provide your municipality's fiscal year: _____ through _____.
(Month) (Month)

II. Effective Date

Check one:

A. If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of January 1, 2016.

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible participant shall be credited as follows (choose one):

Vesting credit from date of hire

No vesting credit

This division is currently in the MERS Defined Benefit Plan or Defined Contribution Plan and meets the applicable funding level requirements to adopt MERS Hybrid, as set forth in Plan Document Section 46. Unless otherwise specified, the standard transfer/rehire rules will apply.

This division is for new hires, rehires, and transfers of current Defined Benefit division # _____ and/or current Defined Contribution division # _____

We elect to offer a one-time conversion from the existing plan into the new MERS Hybrid Plan (see attached MERS Hybrid Conversion Addendum incorporated herein by reference).

B. If this is an **amendment** of an existing Adoption Agreement (Hybrid division # _____), the effective date shall be the first day of _____, 20____. *Please note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.*

C. If this is to **separate employees** from an existing Hybrid division

(existing division number(s) _____)

into a new Hybrid division, the effective date shall be the first day of _____, 20____.

MERS Hybrid Plan Adoption Agreement

III. Eligible Employees

Only those Employees eligible for MERS membership may participate in the MERS Hybrid Plan. A copy of ALL employee enrollment forms must be submitted to MERS. The following groups of employees are eligible to participate:

All Eligible Full Time POLC New Hires on or after 1/1/2016

(Name of Hybrid division – e.g. All Full Time Employees, or General after 7/10/13)

These employees are (check one or both):

- In a collective bargaining unit (attach cover page, retirement section, and signature page)
 Subject to the same personnel policy

To receive one month of service credit (check one):

- An employee shall work 10 _____ hour days
 An employee shall work 100 hours in a month.
All employees classified under eligible employees, whether full or part time, who meet this criteria must be reported to MERS. If you change your current day of work definition to be more restrictive, the new definition only applies to employees hired after the effective date.

To further define eligibility, check all that apply:

- Probationary periods** are allowed in one-month increments, no longer than 12 months. During this introductory period the Employer will not report or make contributions for this period, including retroactively. Service will begin after the probationary period has been satisfied. The probationary period will be _____ month(s).
- Temporary employees** in a position normally requiring less than a total of 12 whole months of work in the position may be *excluded* from membership. These employees must be notified in writing by the participating municipality that they are excluded from membership within 10 business days of date of hire or execution of this Agreement.
The temporary exclusion period will be _____ month(s).

IV. Provisions

Hybrid – Defined Benefit Component Provisions

The Defined Benefit Provisions, once adopted, are irrevocable and shall not be later changed except for definition of compensation.

Valuation Date: _____, 20____

1. This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary or normal cost calculation created by MERS that sets contribution rates.
2. Annually, the MERS actuary will conduct an actuarial valuation to determine the employers' contribution rates for the Defined Benefit portion of Hybrid. Employers are responsible for payment of said contributions at the rate, in the form and at the time that MERS determines.

MERS Hybrid Plan Adoption Agreement

3. Benefit Multiplier

The multiplier shall be one of the following dependent upon the division's Social Security status:

Social Security Coverage

- 1.00%
- 1.25%
- 1.50%

No Social Security Coverage

- 1.00%
- 1.25%
- 1.50%
- 1.75%
- 2.00%

4. Final Average Compensation (FAC) shall be based on 3 years
5. Vesting shall be 6 years
6. The DB component shall be exclusively funded by the employer, with no member contributions permitted, unless the employer elects to cap annual employer contributions to a fixed percentage of compensation to the extent required to comply with a state statute that places restrictions on employer contributions to retirement plans.

Employer hereby elects to cap annual employer contributions to ____% of compensation

7. Compensation, for the Defined Benefit portion of Hybrid, is defined as base wages and all of the following. Check applicable boxes to *exclude* these types from your MERS reported wages:

- Longevity pay
- Overtime pay
- Shift differentials
- Pay for periods of absence from work by reason of vacation, holiday, and sickness
- Workers' compensation weekly benefits (if reported and are higher than regular earnings)
- A member's pre-tax contributions to a plan established under Section 125 of the IRC
- Transcript fees paid to a court reporter
- A taxable car allowance
- Short term or long term disability payments
- Payments for achievement of established annual (or similar period) performance goals
- Payment for attainment of educational degrees from accredited colleges, universities, or for acquisition of job-related certifications
- Lump sum payments attributable to the member's personal service rendered during the FAC period
- Other: _____
- Other 2: _____

MERS Hybrid Plan Adoption Agreement

- 8. Normal Retirement will be age 60 with 6 years of service
- 9. Early Normal Retirement with unreduced benefits
 - F55/25

Hybrid – Defined Contribution Component Provisions

- 1. Vesting (Check one):
 - Immediate
 - Cliff Vesting (fully vested after below number years of service)
 - 1 year 2 years 3 years 4 years 5 years
 - Graded Vesting
 - _____ % after 1 year of service
 - _____ % after 2 years of service
 - 25 % after 3 years of service (min 25%)
 - 50 % after 4 years of service (min 50%)
 - 75 % after 5 years of service (min 75%)
 - 100 % after 6 years of service

In the event of disability or death, a participant's (or his/her beneficiary's) entire employer contribution account shall be 100% vested, to the extent that the balance of such account has not previously been forfeited.

Normal Retirement Age (presumed to be age 60 unless otherwise specified) _____
If an employee is still employed with the municipality at the age specified here, their entire employer contribution will become 100% vested regardless of years of service.

2. Contributions

- a. Will be remitted
 - Weekly Bi-Weekly Monthly
- b. Employee/Employer contribution structure (subject to limitations of Section 415(c) of the Internal Revenue Code)

	Enter % or \$ for contribution amounts					
Employee Contribution	1%	2%	3%			
Employer Contribution	1%	2%	3%			

- Direct mandatory employee contributions as pre-tax
 - c. Voluntary employee contributions may be made after-tax, subject to the Section 415(c) limitations of the Internal Revenue Code
3. Compensation *includable* wages, up to the 401(a)(17) limits published every year by the IRS are:
- Wages as reported on box 5 of the employees W2. This includes bonuses, sick/vacation time payments, back pay, and compensation that would have been earned while an employee was in qualified military service, and contributions to plans like 457 deferred compensation plans.
 - Any amounts contributed to a 125 cafeteria plan, Health Care Savings Program, simplified employee pension, simple retirement account and a 457 deferred compensation plan.
- Note: Items excluded from compensation include items such as taxable meal reimbursements; taxable group term life; clothing, food, or gun allowances*

MERS Hybrid Plan Adoption Agreement

4. **Loans:** shall be permitted shall not be permitted
If Loans are elected, please complete and attach the *MERS Hybrid Loan Addendum*.
5. Rollovers from qualified plans are permitted and the plan will account separately for pre-tax and post-tax contributions and earnings thereon.

V. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Hybrid Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event any conflict between MERS Plan Document and the MERS Hybrid Plan, the provisions of the Plan Document control.

VI. Modification of the terms of the Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of the new Agreement is not effective until approved by MERS.

VII. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired, and prohibits the use of the Employer's required current service funding to finance unfunded accrued liabilities.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. In accordance with the Constitution and this Agreement, if at any time the balance standing to the Employer's credit in the reserve for employer contributions and DB benefit payments is insufficient to pay all service benefits due and payable to the entity's retirees and beneficiaries, the Employer agrees and covenants to promptly remit to MERS the amount of such deficiency as determined by the Retirement Board within thirty (30) days notice of such deficiency;
4. The Employer acknowledges that the DB wage and service reports are due monthly, and the employee contributions (if any) and Employer contributions are due and payable monthly, and must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference;
5. The Employer acknowledges that employee contributions (if any) and employer contributions must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference;
6. The Employer acknowledges that late or missed contributions will be required to be made up, including any applicable gains for the Defined Contribution portion of Hybrid, pursuant to the Internal Revenue Code;
7. Should the Employer fail to make its required contribution(s) when due, the retirement benefits due and payable by MERS on behalf of the entity to its retirees and beneficiaries may be suspended until the delinquent payment is received by MERS. MERS may implement any applicable interest charges and penalties pursuant to the MERS Enforcement Procedure for Prompt Reporting and Payment and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended;

MERS Hybrid Plan Adoption Agreement

8. It is expressly agreed and understood as an integral and non-severable part of this Agreement that Section 43 of the Plan Document shall not apply to this Agreement and its administration or interpretation. In the event any alteration of the terms or conditions of this Agreement is made or occurs, under Section 43 or other plan provision or law, MERS and the Retirement Board, as sole trustee and fiduciary of the MERS plan and its trust reserves, and whose authority is non-delegable, shall have no obligation or duty to administer (or to have administered) the Hybrid Plan, to authorize the transfer of any assets to the Hybrid Plan, or to continue administration by MERS or any third-party administrator of the Hybrid Plan.

VIII. Execution

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by Otsego County on
the 26 day of January, 2016.
(Name of Approving Employer)

Authorized signature: _____

Title: Chair, Otsego County Board of Commissioners

Witness signature: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ Signature: _____
(Authorized MERS Signatory)

