

December 17, 2013

The Regular meeting of the Otsego County Board of Commissioners was held in the County Building at 225 West Main Street, Room 100. The meeting was called to order at 9:30 a.m. by Chairman Lee Olsen. Invocation by Commissioner Ken Borton, followed by the Pledge of Allegiance led by Commissioner Paul Liss

Roll call:

Present: Tammy LaBouef, Paul Beachnau, Paul Liss, Lee Olsen, Erma Backenstose, Richard Sumerix, Doug Johnson, Ken Borton.

Excused: Bruce Brown.

Motion by Commissioner Doug Johnson, to approve the regular minutes of November 26, 2013 with attachments Ayes: Unanimous. Motion carried.

Consent Agenda:

Motion to approve the reappointment of Bill Muzyl to the Airport Advisory Committee with the term to expire December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Donna Stubenvoll to the Airport Advisory Committee with the term to expire December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Bradley Butcher to the Construction Board of Appeals with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Carl(Butch) Mankowski to the Construction Board of Appeals with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Bill Touroo to the Construction Board of Appeals with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Tom Johnson to the Parks and Recreation Commission with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Christa Bono to the Zoning Board of Appeals with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Willard Brown to the Planning Commissioner with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Gary Hendershot to the Planning Commissioner with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Motion to approve the reappointment of Randy Stults to the Planning Commissioner with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried

Motion to approve the reappointment of Michael McCarthy to the Zoning Board of Appeals with the term to expire on December 31, 2016. Ayes: Unanimous. Motion carried.

Administrator's Report:

John Burt reported on the gypsy moth spray; 9-1-1 dispatchers; Groen Committee; Ice rink on the Courthouse lawn; recycling site lighting;

Administrator John Burt left at 9:45 a.m.

Commissioner Bruce Brown arrived at 9:50 a.m.

Department Head Report:

Mike Rola updated the Board on the Prosecutor's office.

Committee Reports:

Motion by Commissioner Paul Beachnau, to loan \$20,000 from the Budget stabilization Fund(fund 257) to the Friend of the Court Fund (fund 215) increasing the long-term loans to Fund 215 to \$30,000 to be repaid when the fund balance for Fund 215 is sufficient to allow repayment. Ayes: Unanimous. Motion carried.

Motion by Commissioner Paul Beachnau, to approve the agreement with E Three for the Courthouse insulation project along with the associated budget amendment in the amount of \$24,300. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Paul Beachnau, to approve a budget amendment in the amount of \$10,000 from the Animal Control (fund 212) Fund balance. Ayes: Unanimous. Motion carried (see attached)

Motion by Commissioner Paul Beachnau, to approve the updated budget amendment in the amount of \$17,000 from the General Fund Contingency Fund (fund 101-141) to the Capital Projects Fund (fund 499) for renovations to the Information Center building. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Paul Beachnau, to approve the MERS adoption agreement to continue the Court union employees, at their current levels, as part of the transition to Non-Union employees. Ayes: Unanimous. Motion carried. (see attached)

City Liaison, Township and Village Representatives- None

Correspondence:

Chairman Lee Olsen received a letter from James Flint.

New Business:

Motion by Commissioner Richard Sumerix, to approve the December 3, 2013 Warrant in the amount of \$43,499.37 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Erma Backenstose, to approve the December 10, 2013 Warrant in the amount of \$118,377.02 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Paul Liss, to approve the December 17, 2013 Warrant in the amount of \$265,602.71 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Ken Borton to approve the lease agreement with the American National Red Cross. Ayes: Unanimous. Motion carried.

Public Comment:

Chairman Lee Olsen opened up the meeting for public comment.

Board Remarks:

Commissioner Tammy LaBouef reported on the City Council meeting.

Commissioner Richard Sumerix reported on the Health department.

Commissioner Ken Borton reported on the Planning Commission.

Meeting adjourned at 10:43.

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Lee F. Olsen, Chairman

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Susan I. DeFeyer, Otsego County Clerk







**Defined Benefit Adoption Agreement**  
(For the MERS Defined Benefit Plan)



1131 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711 [www.mersolmich.com](http://www.mersolmich.com)

The Employer, a participating municipality or participating court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit 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 Co Municipality #: 6902

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 \_\_\_\_\_, 20\_\_\_\_.

Link this new division to division number \_\_\_\_\_ for purposes of determining contributions (Unless otherwise specified, the standard transfer/rehire rules apply)

Service credit rendered prior to the Initial MERS effective date by each eligible employee shall be credited as provided as follows (choose one):

- All prior service from date of hire
- Prior service proportional to assets transferred; all service used for vesting
- Prior service and vesting service proportional to assets transferred
- No prior service but grant vesting credit
- No prior service or vesting credit

B.  If this is an amendment of an existing Adoption Agreement (division number 14), the effective date shall be the first day of January, 2014. Please note: You only need to mark *changes* to your plan throughout the remainder of this Agreement.

C.  If this is a temporary benefit that lasts 2-6 months, the effective dates of this temporary benefit are from \_\_\_/01/\_\_\_ through \_\_\_/\_\_\_/\_\_\_ for division number \_\_\_\_\_. Please note: You only need to mark *changes* to your plan throughout the remainder of this Agreement.  
Last day of month

D.  If this is to separate employees from an existing division (existing division number(s) \_\_\_\_\_) into a new division, the effective date shall be the first day of \_\_\_\_\_, 20\_\_\_\_.

## Defined Benefit Adoption Agreement (For the MERS Defined Benefit Plan)

### III. Eligible Employees

Only those Employees eligible for MERS membership may participate in the MERS Defined Benefit Plan. A copy of ALL employee enrollment forms must be submitted to MERS. The following group of employees are eligible to participate: 46th Trial Court

Only retirees will be in this division.

**These employees are (check one or both):**

- In a collective bargaining unit (attach cover page, retirement section, 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 \_\_\_\_\_ hours in a month.

All employees as 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 provide service time for this period, including retroactively. Service will begin after the probationary period has been satisfied. The probationary period will be \_\_\_\_\_ months.
- 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 \_\_\_\_\_ months.

### IV. Provisions

Valuation Date: \_\_\_\_\_, 20\_\_\_\_

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

# Defined Benefit Adoption Agreement (For the MERS Defined Benefit Plan)

3. Benefit Multiplier (1%-2.5%, Increments of 0.05%) \_\_\_\_\_ % (max 80% for multipliers over 2.25%)

Check here if multiplier will be effective for existing active members' future service only (Bridged Benefit as of effective date on page 1)

If checked, select one below:

Termination Final Average Compensation (calculated over the members entire wage history)

Frozen Final Average Compensation (FAC is calculated twice, once for the timeframe that matches the original multiplier, and once for the new multiplier)

4. Final Average Compensation (Min 3 yr, Increments of 1 yr) \_\_\_\_\_ years

5. Vesting (5 -10 yrs, Increments of 1 yr) \_\_\_\_\_ years

6. Required employee contribution (Max 10%, Increments of 0.1%) 0.00 %

7. Compensation, for retirement purposes, 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: \_\_\_\_\_

## Defined Benefit Adoption Agreement (For the MERS Defined Benefit Plan)

### 8. Early Normal Retirement

- |   |  |
|---|--|
| <input type="checkbox"/> Age 50 with 25 years of service                                    | <input type="checkbox"/> Age 50 with 30 years of service |
| <input type="checkbox"/> Age 55 with 15 years of service                                    | <input type="checkbox"/> Age 55 with 20 years of service |
| <input type="checkbox"/> Age 55 with 25 years of service                                    | <input type="checkbox"/> Age 55 with 30 years of service |
| <input type="checkbox"/> Any age with 20-30 yrs (In 1 yr increments) _____ years of service |  |
| <input type="checkbox"/> _____  |  |

### 9. Other

- Surviving Spouse benefit – receive RS \_\_\_\_\_% of Straight Life benefit
- Duty death or disability enhancement (add up to additional 10 years of service credit not to exceed 30 years of service)
- DROP + with \_\_\_\_\_%

### 10. Cost-of-Living Adjustment

<input type="checkbox"/> All current retirees as of effective date <input type="checkbox"/> Retirees who retire between _____/01/ and _____/01/ (one time increase only)	<input type="checkbox"/> Future retirees who retire after effective date
Increase of _____% or \$_____ per month	Increase of _____% or \$_____ per month
Select one: <input type="checkbox"/> Annual automatic increase <input type="checkbox"/> One-time increase	<input type="checkbox"/> Annual automatic increase
Select one: <input type="checkbox"/> Compounding <input type="checkbox"/> Non-compounding	Select one: <input type="checkbox"/> Compounding <input type="checkbox"/> Non-compounding
Employees must be retired _____ months (6-12 months, increments of 1 month)	Employees must be retired _____ months (6-12 months, increments of 1 month)

### V. Appointing MERS As The Plan Administrator

The Employer hereby agrees to the provisions of the MERS Plan Document and this Defined Benefit Adoption Agreement, and appoints MERS as the Plan Administrator. The Employer also agrees that in the event any conflict between the MERS Plan Document and the MERS Defined Benefit Plan exists, the provisions of the Plan Document control.

## **Defined Benefit Adoption Agreement (For the MERS Defined Benefit Plan)**

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### **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 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 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 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. 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 45A(3), 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.
6. The Employer acknowledges that changes to the Employer's MERS Defined Benefit Plan must be made in accordance with the MERS Plan Document and applicable law, and agrees that MERS will not administer any such changes unless the MERS Plan Document and applicable law permit same, and MERS is capable of administering same.

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**VIII. Execution**

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

The foregoing Adoption Agreement is hereby approved by \_\_\_\_\_  
on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. (Name of Approving Employer)

Authorized signature: \_\_\_\_\_

Title: Court Administrator

Witness signature: \_\_\_\_\_

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

Dated: \_\_\_\_\_, 20\_\_\_\_ Signature: \_\_\_\_\_  
(Authorized MERS Signatory)