

February 12, 2019

The regular meeting of the Otsego County Board of Commissioners was held in Room 100 of 225 West Main Street, Gaylord, Michigan. The meeting was called to order at 9:30 a.m. by Chairman Ken Borton. Invocation by Commissioner Ken Glasser, followed by the Pledge of Allegiance led by Sheriff Matt Nowicki.

Roll Call:

Present: Julie Powers, Henry Mason, Paul Liss, Duane Switalski, Rob Pallarito, Ken Glasser, Ken Borton, Bruce Brown.

Excused: Doug Johnson.

Commissioner Ken Glasser requested item C, Award Contract for GIS Maintenance Services to Amalgam LLC, be removed from the consent agenda and placed under new business.

Consent Agenda:

Motion by Commissioner Duane Switalski, seconded by Commissioner Paul Liss, to approve the Regular minutes of January 22, 2019 with attachments. Ayes: Unanimous. Motion carried.

Motion by Commissioner Duane Switalski, seconded by Commissioner Paul Liss, to approve OCR 19-04, amendment for the Teamsters Bus defined benefit MERS Program.

Roll Call Vote:

Ayes: Julie Powers, Henry Mason, Paul Liss, Duane Switalski, Rob Pallarito, Ken Glasser, Ken Borton, Bruce Brown.

Nays: None.

Excused: Doug Johnson.

Motion carried/Resolution adopted. (see attached)

Department Head Reports:

Sheriff Matt Nowicki reported on the jail; bookings down due to overcrowding; Union contract settled for Corrections; reported on the road patrol.

Committee Report: None.

Administrator's Report:

Rachel Frisch reported on our County website, there is a one stop shop of information for businesses; analysis of electric with use of the new Christmas lights, only went up \$90.00; Parks and Recreation received a grant for \$15,000.00 for Irontone Springs to create a mini trail for hiking; 100% funding for Groen Nature preserve entrance; Leadership of Otsego County is working with the City and DDA to do a sign on main street for the entrance of Claude Shannon park.

City Liaison, Township and Village Representative:

Alan Witt reported on the City Council meeting, City received 1.4 million grant for infrastructure street building.

Correspondence: None.

New Business:

Motion by Commissioner Paul Liss, seconded by Commissioner Julie Powers, to approve the January 23, 2019 Warrant in the amount of \$24,417.10. Ayes: Unanimous. Motion carried.

Motion by Commissioner Rob Pallarito, seconded by Commissioner Ken Glasser, to approve the January 29, 2019 Warrant in the amount of \$169,627.49. Ayes: Unanimous. Motion carried.

Motion by Commissioner Julie Powers, seconded by Commissioner Paul Liss, to approve the February 5, 2019 Warrant in the amount of \$146,377.42. Ayes: Unanimous. Motion carried.

Motion by Commissioner Duane Switalski, seconded by Commissioner Rob Pallarito, to approve the February 12, 2019 Warrant in the amount of \$873,468.19. Ayes: Unanimous. Motion carried.

Motion by Commissioner Ken Glasser, seconded by Commissioner Henry Mason, to award contract for GIS Maintenance Services to Amalgam LLC. Ayes: Unanimous. Motion carried.

Chairman Ken Borton opened up the meeting for public comment.

Board Remarks:

Commissioner Duane Switalski attended Charlton Township meeting; opted out of recreational marijuana; Chester Township meeting is tonight; short term rental complaints received.

Commissioner Julie Powers reported on the Health Department meeting; Radon testing; alcohol on the rivers.

Commissioner Henry Mason had no report.

Commissioner Rob Pallarito attended the Economic Alliance breakfast.

Commissioner Ken Glasser had no report.

Commissioner Bruce Brown had no report.

Commissioner Paul Liss attended Corwith Township meeting; MOA resolution passed; trailhead report, trail moving along.

Commissioner Ken Borton attended the Bagley Township meeting; Approved resolution for MOA, Bagley looking at a new Township hall; Hayes Township also passed the MOA resolution; heading to Lansing to attend the State of the State.

Meeting adjourned at 10:15 a.m.

Kenneth C. Borton, Chairman

Susan I. DeFeyter, Otsego County Clerk

2-12-19

OCR 19-04

Defined Benefit Plan Adoption Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersretirement.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__.

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited 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

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

B. If this is an **amendment** of an existing Adoption Agreement (Defined Benefit division number 10), the effective date shall be the first day of January, 2019. 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 Defined Benefit division number _____.
Last day of month

Please note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

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

E. If this is to merge division(s) _____ into division(s) _____, the effective date shall be the first of _____, 20__.

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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 groups of employees are eligible to participate:

(Name of Defined Benefit division – e.g. All Full Time Employees, or General after 7/01/13)

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 _____ 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

Valuation Date: January 23 _____, 20 19

1. Review the valuation results

It is recommended that your MERS representative presents and explains the valuation results to your municipality before adopting. Please choose one:

Our MERS representative presented and explained the valuation results to the

Human Resources on 01/30/2019
(Board, Finance Cmte, etc.) (mm/dd/yyyy)

As an authorized representative of this municipality, I _____
(Name)

_____ waive the right for a presentation of the results.
(Title)

Defined Benefit Plan Adoption Agreement

This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary that sets contribution rates.

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.

2. Benefit Multiplier (1%-2.5%, increments of 0.05%) 1.5 % (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)

3. Final Average Compensation (Min 3 yr, increments of 1 yr) 5 years

4. Vesting (5 -10 yrs, increments of 1 yr) 10 years

5. Normal Retirement Age will be the later of: 60 (any age from 60-70), or the vesting provision selected above (#4).

6. Required employee contribution (Max 10%, increments of 0.01%) 1 %

7. Compensation for the Defined Benefit Plan means the salary or wages paid to an employee for personal services rendered while a member of MERS. Compensation and any applicable employee contributions must be reported to MERS on a monthly basis.

Employers shall define compensation using the following options (choose one):

Compensation including all items as allowed in the MERS Plan Document (Section 14).

If anything varies, specify here:

Included: _____

Excluded: _____

Base wages only.

If any items should be included, specify here:

Included: _____

Medicare taxable wages as reported on W2.

Wages plus amounts otherwise not reported as gross compensation, such as elected amounts for Section 125(a) or 457(b) deferrals.

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8. Unreduced Early Retirement/Service Requirements:

<input type="checkbox"/> Age 50 – 54 _____ Service of either <input type="checkbox"/> 25 or <input type="checkbox"/> 30 years
<input type="checkbox"/> Age 55 – 65 _____ Service between 15 and 30 years _____
<input type="checkbox"/> Service only (must be any number from 20 – 30 years accrued service); _____
<input type="checkbox"/> Age + Service Points (total must be from 70 – 90): _____ points

9. Other

- Surviving Spouse will receive _____% of Straight Life benefit without a reduction to the employee's benefit
- Duty death or disability enhancement (add up to additional 10 years of service credit not to exceed 30 years of service)
- Deferred Retirement Option Program (DROP)
- Annuity Withdrawal Program (AWP)
 - Calculation of the actuarial equivalent of the lump sum distribution made under AWP will be done using:
 - Interest rate for employee contributions as determined by the Retirement Board, or
 - MERS' assumed rate of return as of the date of the distribution.

10. Cost-of-Living Adjustment

<input type="checkbox"/> All current retirees as of effective date	<input type="checkbox"/> Future retirees who retire after effective date
<input type="checkbox"/> Retirees who retire between _____/01/____ and _____/01/____	
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)

- Check here if the existing COLA will be bridged for active participants as of the effective date selected on this form. Benefits accrued for service after the effective date will have no COLA increase applied.

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11. Service Credit Purchase Estimates are:

- Not permitted
- Permitted

V. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Benefit 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 of any conflict between the MERS Plan Document and the MERS Defined Benefit Plan Adoption Agreement, 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 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 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.
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.

Defined Benefit Plan Adoption Agreement

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 12 day of February, 2019.
(Name of Approving Employer)

Authorized signature: _____

Title: Chair, Board of Commissioners

Witness signature: _____

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

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