

**A SPECIAL MEETING** of the Board of Chippewa County Road Commissioners was held in their office located at 3949 S. Mackinac Trail, Sault Sainte Marie, Michigan on September 29, 2016.

The meeting was called to order at 1:35 p.m.

**PRESENT:** Chairman Timmer, Commissioner Ormsbee, Commissioner Gagnon, Manager Laitinen, Office Manager Decker and Union President Hopper.

**GUESTS PRESENT:** Joleen Christine with Morgan Stanley Wealth

**PUBLIC COMMENTS** None

**PURPOSE:** Discussion of 457 Differed Compensation Plans

Ms. Joleen Christine was present from Morgan Stanley Wealth Mgmt. She began by introducing herself and talked about her firm. She stated that they are independent and not a retirement firm with their own fund structure. She then went on to discuss the liability to public entities after a 2008 court ruling. In February of 2008, a landmark Supreme Court ruling authorized an individual to take legal action against their plan sponsors. The result being a series of class action lawsuits against fiduciaries nationwide.

Many in the governmental sector have hired investment consultants as a pro-active measure to comply with tightening fiduciary standards. Ms. Christine went on to explain that they are independent consultants that do not sell or represent any financial products. They have access to all providers, including two of the three we currently have. With that access they are able to pick the best of class, offering completely unbiased advice.

Chairman Timmer asked about the MERS situation and the possible liability to the Road Commission. Discussion ensued.

Ms. Christine went on to explain who is a fiduciary. A fiduciary is a committee, Board or person who is involved in many of the actions involved in operating a plan. As the fiduciary for our Road Commission plans we bear 100% of the liability. As our retirement plan consultants they would share the liability with the Road Commission.

Superintendent Laitinen asked if there would be any liability to the Road Commission by making all employees change to the new company. She stated that no, as plan sponsors we can make the change. Usually after the education is given to the participants it's not a problem at all.

**PUBLIC COMMENTS** None

Chairman Timmer thanked Ms. Christine for her presentation.

**COMMISSIONER COMMENTS**

There being no further business to come before the Board, Chairman Timmer adjourned the meeting at 2:45 p.m.

---

Brian F. Decker  
Deputy Secretary

---

Richard B. Timmer  
Chairman of the Board