

A SPECIAL MEETING of the Board of Chippewa County Road Commissioners was held in their offices located at 3949 S. Mackinac Trail, Sault Ste. Marie, Michigan on April 5, 2018.

The meeting was called to order at 1:00 P.M.

PRESENT: Chairman Timmer, Commissioner Ormsbee, Manager Laitinen, Office Manager Decker and Clerk Price

PURPOSE: OPEB Liability Funding Proposal and 2017 Audit Review

Manager Laitinen opened the meeting by introducing Jessica Fitzgerald and Damian Lockhart from Morgan Stanley Wealth Management.

Manager Laitinen inquired on how commonly used 115 Trusts are by other Road Agencies. Chairman Timmer asked is the fund is dissolvable and if it can be used for both active and retiree benefit funding.

Ms. Fitzgerald explained that 115 Trusts have been used for years and years. Yes, the fund is dissolvable but it must be used for employee health benefit funding. In 2017 PA #202 stated that OPEB (Other Post Employment Benefits) must meet a 40% funding level. By establishing this trust, adding yearly and letting it grow this goal is obtainable. The Morgan Stanley Representatives then discussed the details of the Trust, how funds are chosen and monitored and how communication with CCRC would be moving forward.

MOTION by Commissioner Ormsbee **SUPPORTED** by Chairman Timmer to approve the Morgan Stanley Resolution authorizing them to receive Road Commission Contributions.

MOTION PASSED BY UNANIMOUS ROLL CALL VOTE

MOTION by Commissioner Ormsbee **SUPPORTED** by Chairman Timmer to approve the Morgan Stanley Investment Policy.

MOTIO CARRIED

Chairman Timmer thanked Jessica Fitzgerald and Damian Lockhart from Morgan Stanley Wealth Management for an excellent presentation.

Mr. Wolf presented the 2017 bound audit report, letter of Communication with Those Charged with Governance and various comparison graphs.

He reviewed the Independent Auditor's Report, which describes management's and auditor's responsibilities for completing the auditing process.

Mr. Wolf presented and discussed in detail graphs which included comparative statements with other Road Commissions, which

included net position, revenue comparison and administrative and preservation as of December 31, 2017. Discussion ensued.

Mr. Wolf reviewed Letter of Communication With Those Charged with Governance. This letter describes compliance guidelines with government auditing standards.

MOTION by Commissioner Ormsbee **SECONDED** by Chairman Timmer to approve the 2017 Financial Audit.

MOTION CARRIED

With no further business to come before the Board, the meeting adjourned at 3:30 P.M.

Amy L. Price
Deputy Clerk

Richard B. Timmer
Chairman