

**CHIPPEWA COUNTY
BOARD OF COMMISSIONERS**

Regular Session
March 13, 2017

The Chippewa County Board of Commissioners met in regular session on Monday, March 13, 2017 in the 91st District Courtroom of the Chippewa County Building.

Chairman Shackleton called the meeting to order at 5:30 p.m. The Pledge of Allegiance to the Flag of the United States of America was recited.

Present: Commissioners Egan, Martin, McLean, Savoie and Chairman Shackleton

Absent: None

Also Present: Scott Brand, Evening News, Sheriff Mike Bitnar, Lana Forrest, Karen Senkus, Brad Ormsbee, Jim Traynor, Maria Brown, Deputy Administrator Kelly Church, Administrator Jim German, and Cathy Maleport, Clerk.

ADDITIONS AND DELETIONS TO THE AGENDA

It was moved by Commissioner Savoie, seconded by Commissioner Martin, to approve the agenda as presented. On a voice vote, the motion carried.

APPROVAL OF COUNTY BOARD MINUTES

It was moved by Commissioner McLean, seconded by Commissioner Savoie, to approve the regular Board Meeting Minutes of February 13, 2017 as presented. On a voice vote, the motion carried.

CORRESPONDENCE RECEIVED IN THE CLERK'S OFFICE

It was moved by Commissioner Egan, seconded by Commissioner McLean, to acknowledge the correspondence received in the clerk's office and, if necessary, forward to the appropriate committee. On a voice vote, the motion carried.

PUBLIC COMMENTS

- No public comments were offered.

Administrator's Report – Jim German, given for informational purposes only – *no action items.*

NEW BUSINESS

A) Resolution 17-6 DB Plan Adoption Agreement – Define Day for Divisions 01 & 16

It was moved by Commissioner McLean, seconded by Commissioner Egan, to adopt Resolution 17-6.

(See attached Exhibit A)

A roll call vote was taken as follows:

Yeas: Commissioners Egan, Martin, McLean, Savoie and Chairman Shackleton

Nays: None

THE RESOLUTION WAS DECLARED ADOPTED.

B) Resolution 17-7 Hybrid Plan Adoption Agreement – Define Day for Division HF

It was moved by Commissioner Savoie, seconded by Commissioner Martin, to adopt Resolution 17-7.

(See attached Exhibit B)

A roll call vote was taken as follows:

Yeas: Commissioners Egan, Martin, McLean, Savoie and Chairman Shackleton

Nays: None

THE RESOLUTION WAS DECLARED ADOPTED.

C) Resolution 17-8 Special Recognition and Appointment

It was moved by Commissioner McLean, seconded by Commissioner Martin, to adopt Resolution 17-08 as follows:

**SPECIAL RECOGNITION
RESOLUTION
17-08**

Sherri Buckley

WHEREAS, *Sherri Buckley* was hired at the Chippewa County Health Department on February 12, 1990 as a clerk in the Personal & Family Health division and will be retiring as Senior Administrative Assistant in the Personal & Family Health division March 31, 2017; and

WHEREAS, *Sherri Buckley* dutifully served the residents of Chippewa County for over twenty seven years; and

WHEREAS, *Sherri Buckley* served the community through her hard work and her continual work with the Health Department programs ensured the Department successfully completed accreditation; and

WHEREAS, *Sherri Buckley* has selflessly served the citizens of Chippewa County, helping to ensure the health of its citizens during her tenure with the Chippewa County Health.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. That the Chippewa County Board of Commissioners respectfully dedicates this document to honor and thank ***Sherri Buckley*** for her many years of public service and particularly for her work in Personal & Family Health at the Chippewa County Health Department.
2. That the Chippewa County Board of Commissioners extends their best wishes to ***Sherri Buckley*** for many years of good health and enjoyment in her retirement.

A roll call vote was taken as follows:

Yeas: Commissioners Egan, Martin, McLean, Savoie and Chairman Shackleton

Nays: None

THE RESOLUTION WAS DECLARED ADOPTED.

D) Chippewa County EDC Resignation and Appointment

Chairman Shackleton noted that Leisa Mansfield has resigned from the EDC Board and thanked her for her service. He indicated that he appointed her to that position and unless the Board objects he would appoint Kevin White to fill her position.

A discussion followed resulting in the consensus of the Board to have a roll call vote, rather than this be a chair appointment

EDC Board – *to fill vacancy-6 year appointment to expire 2022*

Candidates: Bradley Ormsbee, Jim Raffaele, Kevin White

A roll call vote was taken as follows:

Commissioner Egan – Kevin White

Commissioner Martin – Kevin White
Commissioner McLean – Bradley Ormsbee
Commissioner Savoie – Bradley Ormsbee
Chairman Shackleton – Kevin White

Having received the majority, Kevin White was appointed to the EDC Board, for a term to expire 12-31-2022.

FINANCE, CLAIMS AND ACCOUNTS

Chair – Commissioner Martin

March 9, 2017

AGENDA ITEMS

Chippewa County Bid Summaries – Sheriff Department – Ford Utility Police Interceptor

The Committee received and reviewed the one bid to purchase (1) new Ford Utility Police Interceptor full-size 4X4 patrol unit for \$30,612. The bid from Soo Motors Inc., met bid specifications, with an 8 to 10 week delivery with fleet pricing.

It was moved by Commissioner Martin, seconded by Commissioner McLean, to approve the purchase of (1) new Ford Utility Police Interceptor from Soo Motors Inc. for \$30,612. On a voice vote, the motion carried.

Sheriff Department – Dodge Charger

The Committee received and reviewed the one bid to purchase (1) new Dodge Charger patrol unit for \$19,665 including (2) trade-ins (2-2010 Dodge Chargers VIN #7861 and #7860). The bid from O'Connor Chrysler Dodge Jeep Ram met bid specifications, with a 6 to 8 week delivery with fleet pricing, less the trade-in values of \$2,600 per vehicle. Base price before trade-ins \$24,915.

It was moved by Commissioner Martin, seconded by Commissioner Savoie, to approve the purchase of (1) new Dodge Charger Patrol Unit from O'Connor Chrysler Dodge Jeep Ram for a net price of \$19,665; including the trade-ins of (2) 2010 Dodge Chargers with trade-in values of \$2,600 each. On a voice vote, the motion carried.

Central Dispatch and Animal Shelter – V-6 Mid-size AWD SUV's

The Committee received and reviewed four bids that all met specifications to purchase (2) new V-6 Mid-size AWD SUV's for Central Dispatch/Emergency Services and for Animal Control, a breakdown of towing capacity, cargo area sizes, warranty and engine sizes was also provided. Administrator German recommended to the Committee, that the Grand Cherokee Laredo be chosen based on the information and needs of the two Departments. The bid from O'Connor Chrysler Dodge Jeep Ram base price for (2) Grand Cherokee Laredo's was \$57,500 before trading in (2) 2007 Ford F-150's (VIN #0248 and #0247), valued at \$2,900 per vehicle. Total due less trades will be \$51,700 or \$25,850 per vehicle. These vehicles have a 6 to 8 week delivery and included fleet pricing.

It was moved by Commissioner Martin, seconded by Commissioner Savoie, to approve the purchase of (2) new Grand Cherokee Laredo's from O'Connor Chrysler Dodge Jeep Ram for net price of \$51,700; including the trade-ins of (2) 2007 Ford F-150's with trade-in values of \$2,900 each. On a voice vote, the motion carried.

Administration

AT&T Completelink 2.0

The Committee received a copy of the AT&T contract for renewal, for standard services publication rates and terms, which is a two-year discount program for the County's phone services.

It was moved by Commissioner Martin, seconded by Commissioner Egan, to approve the AT&T Completelink 2.0 contract for two-years, to maintain the County's discount program for phone services. On a voice vote, the motion carried.

PC Specialist – Grade 12 Permanent change

Administrator German recommended a permanent change in the Grade level 12 for PC Specialist Jenny Pierce, based on the past three month trial period and the savings of 1FTE at the Health Department and with an approximate net savings of \$100,000. The Committee thanked Ms. Pierce for taking the lead in merging the Health Department duties to be covered with our current Information Systems Department. It was noted that this Grade change might be changed back in the future, based on the needs of the departments.

Commissioner Martin explained that they're going to save the tax payers approximately \$90,000 and have a very, very qualified person in that position.

It was moved by Commissioner Martin, seconded by Commissioner Savoie, to approve the Administrator's recommendation to change the PC Specialist position to Grade 12. On a voice vote, the motion carried.

Drug Court – Service Contract - Redwood Toxicology

The Committee reviewed a contract between Chippewa County 50th Circuit Court – Drug Court and Redwood Toxicology, an independent contractor who performs drug screening for the Drug Court program.

It was moved by Commissioner Martin, seconded by Commissioner Egan, to approve the Independent Contractor Agreement between Chippewa County 50th Circuit Court – Drug Court and Redwood Toxicology to perform drug screening from October 1, 2016 to September 30, 2017, as presented. On a voice vote, the motion carried.

Emergency Management FY2016 Operation Stonegarden LEPC Grant

The Committee received and reviewed the FY2016 Homeland Security Grant Program Operation Stonegarden Grant Agreement running from September 1, 2016 to July 31, 2019, in the amount of \$60,276, which provides funding that will be utilized to increase operational capabilities of law

enforcement.

The FY2016-17 Hazardous Materials Emergency Preparedness Planning Program Grant Agreement running from September 1, 2016 to September 30, 2017, in the amount of \$1,340, with a \$335 County match, which provides financial assistance to first responders (fire, law enforcement, emergency medical services, etc.) for allowable costs. These funds will be utilized for the local Emergency Planning Committee (LEPC).

It was moved by Commissioner Martin, seconded by Commissioner McLean, to accept, approve and authorize the FY2016 Homeland Security Grant Program Operation Stonegarden, grant amount \$60,276 and FY2016-17 Hazardous Materials Emergency Preparedness Planning Grant in the amount of \$1,340 with a match of \$335. The approval includes grant agreements, certifications regarding lobbying, standard assurances and audit certifications.

Commissioner McLean noted that not all counties are eligible for this, it is strictly because we're so close to the Border. On a voice vote, the motion carried.

Information Systems Supreme Court Video Project Upgrade – Electrical work needed in Circuit Court and Probate Courtrooms.

The Committee received notice that the State of Michigan will be updating the Courts video technology, there is no cost for equipment upgrade, except for the required electrical needs and to place backer boards in both the Probate and Circuit Courtrooms. Roy Electric has quoted the electrical work at \$1,325.00 The backer boards project is still being figured out, because of the recently installed sound enhancement in the Circuit Courtroom.

It was moved by Commissioner Martin, seconded by Commissioner Savoie, to approve the Supreme Courts _ Technology Upgrades for the Circuit, District and Probate Courtrooms and to authorize the proposal from Roy Electric in the amount of \$1325.00 to extend the electrical and provide raceway for the TV's in both the Circuit and Probate Court. On a voice vote, the motion carried.

Animal Control – Sailboat Donation and broker

The Committee reviewed a request from the Animal Shelter Manager Holly Henderson to accept a donation of a sailboat from Thomas Guy, and to have broker Tom Trautman, with the Irish Boat Shop in Harbor Springs sell the sailboat, for a 10% commission. The sailboat is tentatively valued at \$15,000; proceeds after commission to be a donation to the Animal Shelter. The sailboat will be returned at the end of 2017 summer to the owner, if not sold.

It was moved by Commissioner Martin, seconded by Commissioner Egan, to authorize the Chippewa County Animal Shelter to receive a donation of a sailboat, and authorize boat broker, Irish Boat Shop to sell the sailboat with 10% commission, and net proceeds of the sales to the CCACS donations fund. On a voice vote, the motion carried.

Health Department

Hospice Policy

Home Health & Hospice Policy 8.03.005 – clarification #9, under Admission Criteria

The Committee reviewed a new uninsured hospice client policy, which establishes standards and a process by which a patient without insurance can be evaluated and accepted for admission into hospice care. The Committee was asked to clarify Home Health & Hospice 8.03.005; under Admission Criteria #9 – Patients who are without insurance must reside in Chippewa County for a minimum of six months.

It was moved by Commissioner Martin, seconded by Commissioner Egan, to approve the new Hospice Policy for Uninsured clients – to establish standards and a process by which a patient without insurance can be evaluated and accepted for admission into hospice care; and to clarify Policy 8.03.005, Admission Criteria #9 – to clarify the residency requirement of six months, is for patients who are without insurance. On a voice vote, the motion carried.

Environmental Health

On-site Sewage Disposal Program: Septic Installer Continuing Education Policy (Rescind)

Low Risk Temporary Food Policy: change fee structure from \$74.00 to \$30.00 without onsite visit.

The Committee received recommendations from the Health Officer and the Environmental Health Supervisor, the Committee was asked to rescind the On-site Sewage Disposal Program: Septic Installer Continuing Education Policy: as installers are required to be registered and have current licensure, per the Superior Code; the continuing education credits (CEC) have been an additional requirement placed upon local installers by CCHD, the Septic Conference is a costly event to host, with regards to staff time to plan and host.

The Committee also reviewed the Low Risk Temporary food Policy, following Michigan Food Law as amended by Act 142 of PA2015, effective January 11, 2016, to allow temporary food establishments (TFE) licenses to be issued without an on-site inspection if they are determined by the local health department to be serving only low risk food. Changing the policy to allow for these low risk TFE's would be a cost savings not only for the consumers but also to CCHD. Based on FY16 licenses the estimated savings would have been 8 to 11 hours of staff time and up to 300 miles in travel. The CCHD proposed the new temporary food license for low risk; office consultation at \$30.00, the cost reflects a half hour of sanitarian hourly rate for the time needed for reviewing, conducting the office consultation and issuing the temporary food license.

It was moved by Commissioner Martin, seconded by Commissioner Savoie, to approve as recommended to rescind the On-Site Sewage Disposal Program: Septic Installer Continuing Education Policy, effective March 13, 2017; and to amend the Low Risk Temporary Food Policy to include, to allow temporary food establishments (TFE) licenses to be issued without an on-site inspection if they are determined by the local health department at a cost of \$30.00. On a voice vote, the motion carried.

Organ and Tissue Procurement Agreement between the Gift of Life Michigan and Eversight Michigan and Chippewa County.

The Committee reviewed the contract Organ and Tissue Procurement Agreement between the Gift of Life Michigan and Eversight Michigan and Chippewa County; the recital appoints the medical

examiner to enter into an agreement with Gift of Life and Eversight Michigan that coordinate the recovery and allocation of anatomical donation opportunities that are identified by medical examiners. The parties enter into Agreement pursuant to P.A. 176, to provide a single, coordinated organ and tissue recovery program to support all the organ transplantation programs that serve residents of Michigan.

It was moved by Commissioner Martin, seconded by Commissioner McLean, to approve Organ and Tissue Procurement Agreement between the Gift of Life Michigan and Eversight Michigan and Chippewa County, as presented. On a voice vote, the motion carried.

2% Funding Request – EUP Hospice Services

The Committee reviewed and discussed 2% Funding Request received in the amount of \$10,000 for cycle of Sault Ste. Marie Tribe of Chippewa Indians gaming revenue. The monies will be used to provide sufficient revenue to allow Hospice of the EUP to pay for their many services.

It was moved by Commissioner Martin, seconded by Commissioner McLean, to approve the 2% Funding Request from the Chippewa County Health Department for the Hospice of the EUP, to request \$10,000.00 from the current Sault Ste. Marie Tribe of Chippewa Indians 2% Gaming Funding cycle. A discussion followed which included thanking the Tribe for their support for Hospice. On a voice vote, the motion carried.

FINANCE - Claims and Accounts

It was moved by Commissioner Martin, seconded by Commissioner Savoie, to recommend the approval of February bills and payroll as follows: the general claims totaling \$199,809.31, other fund claims of \$495,479.17, payroll of \$452,353.54, Health Department claims of \$280,506.05 and Health Department payroll of \$236,285.84; for total claims of \$1,664,433.91 and vouchers H-1 through H-268. On a voice vote, the motion carried.

Health Department – Write-off \$41,472.85

The Committee was asked to approve a write-off in the amount of \$41,472.85 from November 2013 through September 2014 from Medicare Plus Blue insurance, any recoveries from this write-off will be treated as a recovery of bad debt. The Health Department also received \$40,585.85 of the home health & hospice write-offs posted for FY2016 have been recovered through 2/28/2017.

It was moved by Commissioner Martin, seconded by Commissioner Egan, to authorize the write-off of \$41,472.85 from claims dating back from November 2013 through September 2014 from Medicare Plus Blue insurance. On a voice vote, the motion carried.

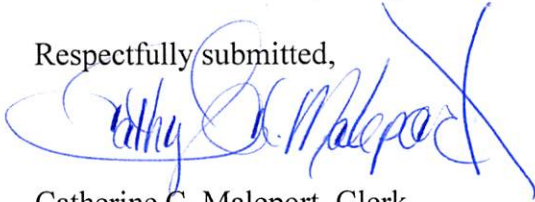
It was moved by Commissioner Martin, seconded by Commissioner Savoie, to accept the March 9, 2017 Finance, Claims and Accounts Committee Meeting Minutes as presented. On a voice vote, the motion carried.

COMMISSIONERS REPORT ON MEETINGS AS BOARD REPRESENTATIVE AND
GENERAL COMMENTS

- Commissioner McLean announced that as Chairman of the EDC, Leisa Mansfield did an excellent job on the Board.
- Commissioner Savoie thanked Commissioner Martin for getting through the Finance Minutes so quickly.
- Commissioner Egan noted that he was able to attend a School Board meeting for the DeTour Area Schools and learned that they are facing challenges due to unforeseen costs from special education. He communicated that this is something the Board needs to keep an eye on as when they start to have trouble, it is a further sign of other places that are shortly going to follow.

Having completed the agenda items, it was moved by Commissioner Savoie, seconded by Commissioner Martin, to adjourn. The Board adjourned at 6:07 p.m.

Respectfully submitted,



Catherine C. Maleport, Clerk



Scott Shackleton, Chairman

Defined Benefit Plan Adoption Agreement



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

www.mersofmich.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 Chippewa County Municipality #: 1703

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 participant 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 _____), the effective date shall be the first day of April, 2017. *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____.

Defined Benefit Plan Adoption Agreement

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 160 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: _____, 20____

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

_____ on _____
(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

2. This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary that sets contribution rates.
3. 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.
4. 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)

5. Final Average Compensation (Min 3 yr, increments of 1 yr) _____ years
6. Vesting (5 -10 yrs, increments of 1 yr) _____ years
7. Required employee contribution (Max 10%, increments of 0.01%) _____ %
8. 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 Plan Adoption Agreement

9. Early Normal Retirement with unreduced benefits

- | | |
|--|--|
| ☐ Age 50 with 25 years of service | ☐ Age 50 with 30 years of service |
| ☐ Age 55 with 15 years of service | ☐ Age 55 with 20 years of service |
| ☐ Age 55 with 25 years of service | ☐ Age 55 with 30 years of service |
| ☐ Any age with (20-30 yrs, in 1 yr increments) _____ years of service | |
| ☐ _____ | |

10. Other

- ☐ Surviving Spouse will receive _____% of Straight Life benefit without a reduction to the participant'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.

11. Cost-of-Living Adjustment

☐ All current retirees as of effective date ☐ Retirees who retire between _____/01/_____ and _____/01/_____ (one time increase only)	☐ Future retirees who retire after effective date
Increase of _____% or \$_____ per month	Increase of _____% or \$_____ per month
Select one: ☐ Annual automatic increase ☐ One-time increase	☐ Annual automatic increase
Select one: ☐ Compounding ☐ Non-compounding	Select one: ☐ Compounding ☐ 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 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 any conflict between MERS Plan Document and the MERS Defined Benefit Plan, the provisions of the Plan Document control.

Defined Benefit Plan Adoption Agreement

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 Chippewa County Board of Commissioners on
the 13th day of March, 2017
(Name of Approving Employer)

Authorized signature: _____

Title: Chippewa County Board of Commissioners, Chairman

Witness signature: _____

Kelley J Church

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

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

MERS Hybrid Plan Adoption Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.6377 | Fax 517.703.9707

www.mersofmich.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 MERS 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 Chippewa County Municipality #: 1703

If new to MERS, provide your municipality's/court'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 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 or Defined Contribution Plan and meets the applicable funding level requirements to adopt the MERS Hybrid Plan, 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 # _____
- ☐ Employees will have a one-time opportunity to convert from the existing plan into the new MERS Hybrid Plan (see attached MERS Hybrid Conversion Addendum incorporated herein by reference).
- ☐ The existing Defined Benefit Plan will be frozen (see attached Frozen Defined Benefit Addendum).

B. ☒ If this is an **amendment** of an existing Adoption Agreement (Hybrid division # HF), the effective date shall be the first day of April, 2017. 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:

(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 current contract 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 160 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 probationary period the Employer will not report or make contributions, and none will be due on behalf of the new employee 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

Employer Caps

Employer hereby elects to cap the total annual contribution to _____% of payroll (cap is defined as a total of both Defined Benefit and Defined Contribution portions).

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

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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.

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 the highest consecutive 3 years

5. Vesting shall be 6 years

6. 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 (all items NOT checked will be considered INCLUDED):

☐ 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: _____

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7. Normal Retirement will be age 60 with 6 years of service

8. 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

_____ % after 3 years of service (min 25%)

_____ % after 4 years of service (min 50%)

_____ % after 5 years of service (min 75%)

_____ 100 % after 6 years of service

Vesting will be credited using (check one):

☐ Elapsed time method – Participants will be credited with one vesting year for each 12 months of continuous employment from the date of hire.

☐ Hours reported method – Participants will be credited with one vesting year for each calendar year in which _____ hours are worked

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, his/her entire employer contribution balance 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							
Employer Contribution							

☐ Direct mandatory employee contributions as pre-tax.

NOTE: If a cap is requested under Section IV, the employer contribution in the Defined Contribution component is subject to reduction to the extent the total employer cap is met.

c. Voluntary employee contributions may be made after-tax, subject to the Section 415(c) limitations of the Internal Revenue Code

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3. Compensation:

Employers may designate the definition of compensation per division participating in Defined Contribution pursuant to section 49 of the MERS Plan Document (check one):

- ☐ Medicare taxable wages reported in Box 5 of Form W-2
- ☐ All income subject to income tax reported in Box 1 of Form W-2, plus elective deferrals.

NOTE: In either of the above elections, an employee's compensation shall not exceed the annual limit under section 401(a)(17) of the Internal Revenue Code.

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 as set forth in the Hybrid Plan 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;

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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;
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 Chippewa County Board of Commissioners on the 13th day of March, 2017 (Name of Approving Employer)

Authorized signature: _____

Title: Chippewa County Board of Commissioners, Chairman

Witness signature: _____

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

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