

## Administration and County Services Committee

David Heeres

Ed Boettcher, Chairman

Laura Stanek

### Minutes - March 3, 2016

Members present: Ed Boettcher, David Heeres, Laura Stanek  
Members absent: None  
Others present: Mike Crawford, Pete Garwood, Janet Koch, Patty Niepoth, Deb Haydell, Sheryl Guy, Judy Parliament, and Ian Holt

**1. Meeting was called to order at 9:00 a.m. by Chairman Ed Boettcher.**

**2. Public Comment**

None.

**3. Commission on Aging (COA) Proposal (attachment pgs. 4-6)**

Judy Parliament, COA Director, said the COA was currently without an Activities Coordinator. The position she was proposing would combine three positions; one part time position would be eliminated. Ms. Parliament said a current employee had indicated interest in the position. Ms. Parliament shared her belief that the interested employee who is presently an assistant cook would be a very good fit for the position. Pete Garwood, County Administrator, said the position would have to be posted for 5 days internally. If the interested employee (who is currently a full time assistant cook) is chosen for the job, Ms. Parliament will need the Board of Commissioner's to release the funds and authorize filling the assistant cook position. Ms. Parliament said her proposal had been approved by the COA board.

**Motion by Laura Stanek, seconded by Dave Heeres, to recommend the Board of Commissioners approve the reestablishment of the full-time Activities Coordinator position in the Commission on Aging (COA), release the funds and authorize the hiring process at a first year cost of \$31,976.54, to be paid for from the COA Fund #297000, and the necessary changes and budget amendments made to the Fund to accommodate the action. Motion carried – unanimous.**

**4. Sheriff Department Personnel**

Dispatcher Resignation / Corrections Officer Retirement

**Motion by Laura Stanek, seconded by Dave Heeres, to recommend the Board of Commissioners restore the funding for a Corrections Officer when vacated on March 27, 2016, and reinstate the funding for a vacant dispatcher position which will allow the Sheriff to engage in the hiring process for both positions. Motion carried – unanimous.**

**5. Performance Evaluations**

Mr. Garwood said he is still researching the topic and will bring information back to the Committee when it is complete.

**6. County Accountant Salary**

Mr. Garwood distributed the results of the Administration Department's research into the salaries of other county accountants in the 10-county region (**attachment pg. 7-9**). He told the Committee if a more in-depth analysis was desired, that it would be necessary to hire an outside consultant.

Deb Haydell, County Accountant, said she believed with appropriate policies and processes in place, she would not need to hire additional staffing for her department. She said additional training for the existing accounting software system and assistance from other departments was also helpful in reducing the need for additional staff.

A memo from Mr. Garwood to the Finance Committee for their December 7, 2015 meeting title Wage and Salary Increases was displayed and discussed (**attachment pg. 10**).

**Motion by Dave Heeres, seconded by Laura Stanek, to recommend the Finance Committee approve a 5% salary increase for the County Accountant (in addition to the 2% annual increase received by all employees), retroactive to January 1, 2016, calculated in the same manner as the other department head 2016 salary increases. Motion carried – unanimous.**

Mr. Garwood explained that even though the data showed that the Accountant position is almost 22% behind the average, the Board of Commissioners have already chosen to catch the position up over multiple years and has never initiated parity in one fell swoop.

Mr. Boettcher asked to have a discussion of the County Accountant's job title at the next Committee meeting.

**7. MERS Hybrid Agreement Amendment (attachment pgs. 11-16)**

Mr. Garwood had included a memo in the agenda packets regarding the agreement amendment. The amendment would result in a 60-day waiting period for all new hires.

**Motion by Laura Stanek, seconded by Dave Heeres, to recommend the Board of Commissioners approve and authorize the Board Chairman to execute the Michigan Municipal Employees Retirement (MERS) Hybrid Plan Adoption Agreement to merge Division HA into Division HB providing all new employees of the Deputies/Dispatchers and Corrections/Cooks/Clerical bargaining units hired after January 1, 2016 with a 60-day waiting period to be effective January 1, 2016. Motion carried – unanimous.**

**8. Huron County Resolution**

The proposed resolution from Huron County was discussed (**attachment pgs. 17-18**). Mr. Garwood said the biggest concern about the proposed State of Michigan Health and Human Services Fiscal Year 2017 budget was that North Country Community Health would have decreased funding. Mr. Boettcher said at the recent Michigan Association of Counties (MAC) conference the Lieutenant Governor had said the proposed budget's intent had been to coordinate efforts, but there were issues with the methodology.

**Motion by Laura Stanek, seconded by Dave Heeres, to recommend the Board of Commissioners draft and approve a similar resolution to Huron County resolution 31C opposing Section 298 of the FY 2017 Executive Budget. Motion carried – unanimous.**

**9. IT Department Update**

Valerie Craft, IT Director, said she had 5 more computers and 1 tablet to order and install. She was also prepping the two new virtual servers; everything should be migrated by the end of the week.

Ms. Craft also said she would be ordering DSL (Digital Subscriber Line) internet connectivity for the Barnes Park Office and setting up a VPN (Virtual Private Network) connection allowing the Park Director to remotely enter receipt information into the BS&A software and possibly timesheet information in the near future. This will increase the phone bill by approximately \$7 per month.

The Automated Weather Observing System (AWOS) at the Airport has been replaced. Ms. Craft said the new system will allow the elimination of a dedicated phone line. In addition, a dedicated fax line that pilots had once used frequently is being eliminated. The airport's phone bill will be reduced by approximately \$75 per month.

Ms. Craft also said she will be prepping a server for the Sheriff Department for use with body cameras when they decide move forward.

## **10. Various Matters**

### **Worker's Compensation**

Mr. Garwood said he'd met with the County representative from Worker's Comp. He said the County had had a number of worker's compensation claims three years ago that had increased the County's cost. That increase is about to drop off. It was anticipated that in 2017 the County could pay \$50,000 less in premiums than in 2016. Mr. Garwood said the representative had suggested using some of those savings to do something for the employees that could assist with having reduced claims. A cost reduction for gym memberships was mentioned. Ms. Stanek said she would consider this only if the insurance company states that wellness programs reduce insurance premiums.

Mr. Boettcher said he was interested in finding ways to limit worker's compensation claims, asking if there was data available. Sheryl Guy, County Clerk, said she gets monthly reports. She added that reports from the Michigan Occupational Safety and Health Administration (MIOSHA) are available.

Mr. Garwood said the County has already taken many steps to reduce claims. Mr. Crawford commended Ms. Parliament for her efforts to protect the COA employees. Mr. Crawford said MAC had grants available for chairs and other equipment. Ms. Haydell said she was working on a grant application.

Mr. Garwood said the Committee would be provided with information regarding worker's comp in the next regular meeting packets.

### **Department of Health and Humans Services (DHHS) Lease**

Mr. Garwood said the lease proposal had been submitted, received, and was being processed. He'd been told that no other lease proposals had been submitted. His contact person was unable to provide a timeline for when a decision would be made. Mr. Garwood informed the Committee this would be a request to the Finance Committee to once again extend the DHHS lease agreement.

### **Communication Training**

Ms. Haydell asked that the cost of communication training be explored. Mr. Boettcher said it could be discussed at the strategic planning that was being planned for both the Board of Commissioners and the department heads. Ms. Guy said she'd explored the issue and hadn't had much success with finding training that could be done on-site.

## **11. Public Comment**

Mr. Heeres said he would be absent from the next Committee meeting.

Meeting adjourned at 10:15 a.m.



## *Memorandum Administration Office*

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February 25, 2016

TO: Administration Committee

FR: Peter Garwood  
County Administrator

RE: Commission on Aging (COA) Activities Coordinator Request

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Attached is a communication from Judy Parliament, COA Director, outlining her plan to restructure a few positions in order to better meet the current requirements for operating the COA. The most impactful request from Ms. Parliament is her desire to reestablish the Activities Coordinator position. She included a listing of the major duties that would be assigned. Also attached is a spreadsheet that illustrates the cost for the position. The top two sections of the spreadsheet represent the total cost for wage and benefits for the first year which is a partial year (includes the first two steps in the wage scale). The third or last section illustrates the annual wage and benefit cost at the top of the scale for a full year. This is what it will cost the County (in today's dollars) once the employee reaches the third step of the wage scale.

Ms. Parliament has indicated the irregular part-time position of Bellaire Site Coordinator would be eliminated, the value of which is \$14,560 in wages and \$1,114 for FICA per year at the top of the scale (\$15,674). Ms. Parliament has informed me the COA budget can cover the costs without requiring additional dollars from the General Fund.

The following motion is presented for your consideration:

Motion made by \_\_\_\_\_, seconded by \_\_\_\_\_ to recommend the Board of Commissioners approve the reestablishment of the full-time Activities Coordinator position in the Commission on Aging (COA), release the funds and authorize the hiring process at a first year cost of \$31,976.54, to be paid for from the COA Fund #297000, and the necessary changes and budget amendments made to the Fund to accommodate the action.

**ESTIMATED WAGE BENEFIT INFO for Activities Coordinator  
Commission on Aging**

<b>2016 - COA Activities Coordinator</b>				<b>CALCULATION EXPLANATIONS</b>
<b>STARTING WAGE (March 28)</b>				<b>BI-WEEKLY CALCULATION ESTIMATES</b>
Wages	10.37	75	777.75	WAGES: Hourly rate x 75(hours in two week pay period)
FICA	7.65%		59.50	FICA: Employer percentage x total taxable gross
Health Ins/Dental		1484	742.00	Health: \$1361.89 (family) /Dnt \$121.97 : Premium /2 to get estimated bi-weekly rate
Life & Dis		46.8	23.41	Life&Dis: Premium / 2 to get estimated bi-weekly rate
Work Comp	0.28	100	2.18	Work Comp: is \$0.28 x \$100 earned
<b>MERS</b>				<b>MERS: New FT employees receive DB and DC benefit</b>
DB Portion	5.55%		43.17	
DC Portion	2.45%		19.05	
<b>TOTAL-BI WEEKLY ESTIMATE</b>			<b>1,667.05</b>	
13 pays			21,671.66	

<b>2016 - COA Activities Coordinator</b>				<b>CALCULATION EXPLANATIONS</b>
<b>6-MONTH STEP WAGES (Sept 28)</b>				<b>BI-WEEKLY CALCULATION ESTIMATES</b>
Wages	10.95	75	821.25	WAGES: Hourly rate x 75(hours in two week pay period)
FICA	7.65%		62.83	FICA: Employer percentage x total taxable gross
Health Ins/Dental		1484	742.00	Health: \$1361.89 (family) /Dnt \$121.97 : Premium /2 to get estimated bi-weekly rate
Life & Dis		46.8	23.41	Life&Dis: Premium / 2 to get estimated bi-weekly rate
Work Comp	0.28	100	2.30	Work Comp: is \$0.28 x \$100 earned
<b>MERS</b>				<b>MERS: New FT employees receive DB and DC benefit</b>
DB Portion	5.55%		45.58	
DC Portion	2.45%		20.12	
<b>TOTAL-BI-WEEKLY ESTIMATE</b>			<b>1,717.48</b>	
6 Pays			10,304.88	

**1st Year - ESTIMATED ANNUAL TOTAL WAGES & BENEFITS 31,976.54**

<b>2016 - COA Activities Coordinat</b>				<b>CALCULATION EXPLANATIONS</b>
<b>STEP 3 WAGE - FULL YEAR</b>				<b>BI-WEEKLY CALCULATION ESTIMATES</b>
Wages	12.75	75	956.25	WAGES: Hourly rate x 75(hours in two week pay period)
FICA	7.65%		73.15	FICA: Employer percentage x total taxable gross
Health Ins/Dental		1484	742.00	Health: \$1361.89 (family) /Dnt \$121.97 : Premium /2 to get estimated bi-weekly rate
Life & Dis		46.8	23.41	Life&Dis: Premium / 2 to get estimated bi-weekly rate
Work Comp	0.28	100	2.68	Work Comp: is \$0.28 x \$100 earned
<b>MERS</b>				<b>MERS: New FT employees receive DB and DC benefit</b>
DB Portion	5.55%		53.07	
DC Portion	2.45%		23.43	
<b>TOTAL-BI WEEKLY ESTIMATE</b>			<b>1,873.99</b>	
26 pays			48,723.63	

**Step 3, Full Year - ESTIMATED ANNUAL TOTAL WAGES & BENEFITS 48,723.63**

## PROPOSAL TO COUNTY ADMINISTRATIVE BOARD MARCH 2016

1. Annette Fales turns in 9 hours per pay period at a rate of 12.31 per hour. \$110.79 per pay/\$2881 per yr. Due to the nature of the work that Annette is now doing, I am renaming her irregular part-time (non-union) position from Events Coordinator to MMAP Coordinator with no change to her pay rate. The responsibilities she has taken on as a MMAP counselor leaves no time for events preparation or scheduling. However, we feel the Medicare Medicaid Assistance Program (MMAP) work is very important and should be given priority.
2. Bellaire Site Coordinator (Irregular, part-time) is currently vacant. Wage range between \$9.20 & \$11.20 per hour. \$460 & \$560 per pay / **\$11,960 & \$14,560 annually.**
3. Full-Time Activities Coordinator position has been vacant for several years.
4. Beth Lacy is a Full-Time Assistant Cook making \$12.58 per hour. \$943.50 per pay/\$24,531 per yr. plus benefit package. She opts for the in lieu of payment for insurance.
5. The Nutrition Program Standards provided through Area Agency on Aging, requires documentation of all nutritional values in every recipe used for our senior meals. We are in need of a position that incorporates that responsibility and it will need to be filled by someone experienced in a kitchen and familiar with proper recipe portions.

I propose that we re-open the Full-Time Activities Coordinator position and incorporate the duties of the Bellaire Site Coordinator and Activities Coordinator with the addition of the Nutritional Value Input. That (Activities Coordinator) position is currently included in the General Unit – 2016 Wage Scale. The hours would be from 7:30 a.m. to 3:30 p.m. with ½ hour lunch period. The wage range is from \$10.37 per hour to \$12.75 per hour (**\$20,222 to \$24,856 annually**). This position would include, but not be restricted to the following job responsibilities:

- Coordinate and Schedule speakers, entertainment and activities
- Attend all COA special activities held at the Bellaire Senior Center
- All current Bellaire Site Coordinator duties including maintaining schedule of daily site activities
- Coordinates traveling Wii league
- Computer Input of all nutritional recipe information as required by AAANM
- Maintains a clean and orderly meal site (Bellaire)
- Organizes Craft and Decorations Storage Areas of Bellaire Senior Center
- Schedule Special Nutrition Program Pick-Ups such as Manna Food Project and Hillshire Pies
- Cover for absence of off-site meal site coordinators, as directed by Food Service Coordinator (Head Cook)

If these position changes are approved, we can suspend the Irregular Part-time Bellaire Site Coordinator position (50 hours per pay) and the Irregular Part-time Events Coordinator position (10 hours per pay).

Beth Lacy has submitted a letter to me requesting consideration for this combined position and I would support that transition. She would be excellent in the above outlined position. Additionally, she is having some physical difficulties with the current job she is in. I have informed her that we will need to post the position, internally, for 5 days. In the scenario that she would move to this position, we would need to post and hire, immediately, for a full-time Assistant Cook to replace her in the C.O.A. kitchen.

I have attached a draft of my (2016) payroll worksheet indicating what the annual wage costs would be with the incorporation of these changes included. It is, understandably, difficult to follow because of the manual journal entries that take place to accomplish clear separation of program spending for our state and federal funding through AAANM. I would be happy to try and explain/clarify either during or prior to your committee meeting.

**2015 Salary/Wage Survey  
Unrepresented Employees (Non-Comparables) - County Accountant**

NON COMPARABLE	AVERAGE	%	<i>ANTRIM</i>	<i>BENZIE</i>	<i>CHARLEVOIX</i>	<i>CHEBOYGAN</i>	<i>EMMET</i>	<i>LEELANAU</i>	<i>MANISTEE</i>	<i>MASON</i>	<i>OCEANA</i>	<i>OTSEGO</i>
			2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate	2016 Salary or Hrly Rate
Accountant	75,407.58	-35.38%	48,730.31			85,800.00	77,190.00		70,060.00			89,910.00
<b>Chief Administrative Officer</b>			Accountant		Chair of the Board	No on designated	County Administrator	County Administrator		County Administrator	County Administrator	
<b>NOTES</b>			1950 hrs/yr. Salary. Non-Union	No position	County Clerk receives \$10,400 stipend as the Fiscal Officer	2080 hrs/yr. Salary. Non-Union. Title: Finance Director/Assistant Administrator	2080 hrs/yr. Salary. Non-Union. Title: Finance Director	1820 hrs/yr. Hourly. Union	Title: Finance Officer. No one currently in this position			County Administrator. Current employee is a CPA with 20+ years of public accounting and municipal financial & management experience.

UPDATED: 1-27-2016

## ACCOUNTANT SALARY

### PROCESS:

- The 10 County Region was surveyed and there were not enough comparables.
- Added the same counties we normally add when we don't have enough comparables.
- The spread was identified between the county administrator and the finance director in each of the surveyed counties on a percentage basis.
- That percentage spread was applied to Antrim County.

### RESULT:

- The pure numbers result is an average of \$75,407.58
- This average clearly doesn't work for Antrim County as it doesn't mesh well with the current scales of other department heads and elected officials

### INFLUENCING FACTORS:

- For two of the counties, the finance directors are CPA's. Antrim's Accountant is NOT.
- In two of the counties, the finance director is also the deputy administrator. This is not the case in Antrim County.
- Cheboygan and Otsego Counties have a higher salary scale for administrative positions than Antrim County. Because of this, the average for the position is skewed higher. Therefore, I cannot recommend going with the straight average.

### FINANCE DIRECTOR AS A PERCENTAGE OF THE ADMINISTRATOR SALARY

Cheboygan	\$ 66,668
Emmet	\$ 56,518
Manistee	\$ 61,208
Otsego	\$ <u>53,365</u>
	\$237,759

AVERAGE = \$59,440

Antrim Accountant Salary = \$48,730

\$59,440 - \$48,730 = \$10,710 (21.98% behind)

**Cheboygan County**

Administrator	\$ 98,940
Finance Director/ Assistant Administrator	\$ 85,800 (86.7% of Administrator)

**Antrim County**

Administrator	\$ 76,895
Accountant	\$ 66,668 (86.7% of Administrator)

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**Otsego County**

Administrator	\$121,345
Finance Director	\$ 84,169 (69.4% of Administrator)

**Antrim County**

Administrator	\$ 76,895
Accountant	\$ 53,365 (69.4% of Administrator)

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**Emmet County**

Administrator	\$105,000
Finance Director	\$ 77,190 (73.5% of Administrator)

**Antrim County**

Administrator	\$ 76,895
Finance Director	\$ 56,518 (73.5% of Administrator)

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**Manistee County**

Administrator	\$ 87,976
Finance Director	\$ 70,060 (79.6% of Administrator)

**Antrim County**

Administrator	\$ 76,895
Accountant	\$ 61,208 (79.6% of Administrator)

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## *Memorandum Administration Office*

December 2, 2015

TO: Finance Committee

FR: Peter Garwood  
County Administrator

RE: Wage and Salary Increases

In the Administration Committee minutes, you will see motions by the Committee recommending across the board wage and salary increases for the elected officials, the unrepresented groups and part-time/seasonal employees. Additionally, you will see recommendations to give additional increases for certain positions in order to get them closer to parity with the average of their counterparts in other counties listed in the wage and salary survey.

After the Committee meeting, the members of the Committee individually expressed concern regarding how the recommended increases were handled and were interested in having a recommendation drafted to cover all employees in the aforementioned groups that were behind the average of their counterparts by ten (10) percent or greater. The Committee's stated goal from the meeting is that over a few years' time with regular compensation adjustments each of the positions that are behind their counterparts would be brought closer to a wage or salary to within two (2) percent of the average of those counterparts.

Recommended action:

**Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, to recommend the Finance Committee approve parity increases to the 2016 salaries of any position in the Elected Officials (who are department heads) Group, members of the General Unrepresented Group, the Probate Court Unrepresented Group, and the Prosecuting Attorneys Unrepresented Group as follows:**

<b>10% to 14.99% behind</b>	<b>3% increase</b>
<b>15% to 19.9% behind</b>	<b>4% increase</b>
<b>20% to 24.9% behind</b>	<b>5% increase</b>
<b>25% and over</b>	<b>6.5% increase</b>

**The parity adjustments will be made in addition to a 2% increase recommended for all employees in the aforementioned employee groups. The parity increase does not apply to the position of Drain Commissioner. The adjustments shall be made with the corresponding budget amendment.**

The above motion supposes a four (4) year period with similar increases each year for the positions in each of the categories. It is understood that future year parity increases will be made annually and that the four (4) year parity goal depends on future Boards following through with similar adjustments.

# 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 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** Antrim County **Municipality #:** 0502

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\_\_.

<input type="checkbox"/> This municipality or division is new to MERS, so vesting credit prior to the <b>initial</b> MERS effective date by each eligible participant shall be credited as follows (choose one): <ul style="list-style-type: none"> <li><input type="checkbox"/> Vesting credit from date of hire</li> <li><input type="checkbox"/> No vesting credit</li> </ul>
<input type="checkbox"/> This division is currently in the MERS Defined Benefit Plan or Defined Contribution Plan and meets the applicable funding level requirements to adopt MERS Hybrid, as set forth in Plan Document Section 46. Unless otherwise specified, the standard transfer/rehire rules will apply. <ul style="list-style-type: none"> <li><input type="checkbox"/> This division is for new hires, rehires, and transfers of current Defined Benefit division # _____ and/or current Defined Contribution division # _____</li> <li><input type="checkbox"/> We elect to offer a one-time conversion from the existing plan into the new MERS Hybrid Plan (see attached MERS Hybrid Conversion Addendum incorporated herein by reference).</li> </ul>

B.  If this is an **amendment** of an existing Adoption Agreement (Hybrid division # \_\_\_\_\_), the effective date shall be the first day of \_\_\_\_\_, 20\_\_\_. *Please note:* You only need to mark **changes** to your plan throughout the remainder of this Agreement.

C.  If this is to merge **division(s)** HA into division(s) HB, the effective date shall be the first of January, 20 2016.

## MERS Hybrid Plan Adoption Agreement

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### 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:

#### Merging Hybrid divisions HA and HB

(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 100 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 60 days.
- 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 12 month(s).

### IV. Provisions

#### Employer Caps

Employer hereby elects to cap the total annual contribution to 8 % 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 8 % of compensation

## MERS Hybrid Plan Adoption Agreement

### 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: N/A, 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: \_\_\_\_\_

## MERS Hybrid Plan Adoption Agreement

- 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
  - 0   % after 1 year of service
  - 0   % after 2 years of service
  - 25  % after 3 years of service (min 25%)
  - 50  % after 4 years of service (min 50%)
  - 75  % 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 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	1-5%					
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

\* 8% minus normal cost of DB portion of Hybrid.

## MERS Hybrid Plan Adoption Agreement

### 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;

# MERS Hybrid Plan Adoption Agreement

- 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 \_\_\_\_\_ on  
the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. (Name of Approving Employer)

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

Title: \_\_\_\_\_

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

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

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

No. 16- 31C

**RESOLUTION**

To: The Honorable Board of Commissioners  
Huron County  
Michigan

WE, the LEGISLATIVE COMMITTEE, respectfully beg leave to submit the following resolution for your consideration:

WHEREAS, Huron Behavioral Health has served for 45 years as the public mental health and developmental disabilities services provider for this community, serving the 3,000 residents of Huron County each year; and

WHEREAS, Huron Behavioral Health was created by the Huron County Board of Commissioners as duly authorized under 330.1205 of the Michigan Mental Health Code; and

WHEREAS, Huron Behavioral Health and 11 other community mental health service programs representing 21 counties created a regional entity to manage Medicaid specialty services as duly authorized under 330.1204b of the Michigan Mental Health Code; and

WHEREAS, Huron Behavioral Health includes persons and family members of persons receiving mental health and disability services on the Board of Directors as required under 330.1222 of the Michigan Mental Health Code; and

WHEREAS, Huron Behavioral Health and 11 other community mental health service programs representing 21 counties have required representation from local communities and persons and/or family members of persons receiving mental health and disability services be included on the regional entity Board of Directors managing Medicaid specialty services; and

WHEREAS, Section 298 of the Executive Budget recommendation for FY 2017 effectively nullifies the duly authorized actions taken by Huron Behavioral Health and the 11 other community mental health service programs to create a regional entity under section 330.204b of the Michigan Mental Health Code; and

WHEREAS, Section 298 of the Executive Budget recommendation for FY 2017 transfers all Medicaid and Healthy Michigan funding for specialty services to private entities with no accountability to the Huron County Boards of Commissioners nor to persons and/or family members of persons receiving mental health and disability services from Huron Behavioral Health; and

WHEREAS, Section 298 of the Executive Budget recommendation for FY 2017 will result in the elimination of specialty mental health services that are accountable to the communities of persons residing in Huron County; now

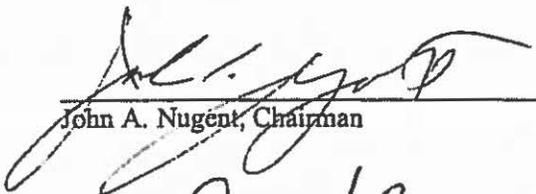
THEREFORE, BE IT RESOLVED that the Huron County Board of Commissioners opposes Section 298 of the Executive Budget recommendation for FY 2017 and encourages the Governor, State Senate, and State House of Representatives to prevent it from becoming law; and

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to all Michigan counties, Senator Phil Pavlov, Representative Ed Canfield, Governor Rick Snyder, and the Michigan Association of Counties.

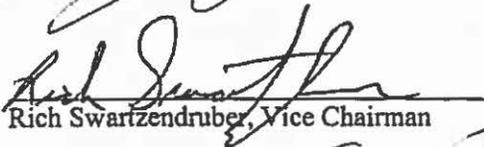
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Respectfully submitted,

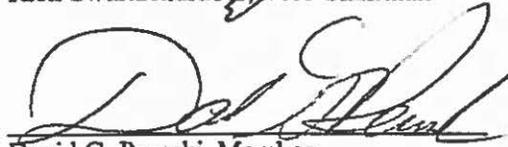
LEGISLATIVE COMMITTEE



John A. Nugent, Chairman



Rich Swartzendruber, Vice Chairman



David G. Peruski, Member

Dated: February 23, 2016

VOICE / ROLL CALL VOTE:

COMMISSIONER	YES	NO	ABSENT	COMMISSIONER	YES	NO	ABSENT
SAMI KHOURY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	JOHN L. BODIS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DAVID G. PERUSKI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RON WRUBLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CLARK ELFTMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	JOHN A. NUGENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RICH SWARTZENDRUBER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

RESOLUTION:  ADOPTED       DEFEATED       TABLED