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A Workshop Meeting of the Board of Delta County Road Commissioners was held on Tuesday, May 10, 2011 at 3:00 p.m. at the Main Office, 3000 32nd Avenue North, Escanaba, Michigan.

Present at the workshop were Chairman Pete Stropich, Vice Chairman Randy Bjork, Commissioner Mike Larrabee, Commissioner Rory Mattson (arrived late), and Commissioner Dennis Stanek. Also in attendance was County Board Liaison Dave Rivard.

The Regular Meeting agenda items were reviewed and/or discussed.

A Regular Meeting of the Board of Delta County Road Commissioners was held on Tuesday, May 10, 2011 at 5:15 p.m. at the Main Office, 3000 32nd Avenue North, Escanaba, Michigan.

The meeting was called to order at 5:15 by the Chairman, followed by the Pledge of Allegiance.

PRESENT: Chairman Pete Stropich, Vice Chairman Randy Bjork, Commissioner Dennis Stanek, Commissioner Mike Larrabee, and Commissioner Rory Mattson.

ABSENT: None.

As there was no one requesting to be added, Chairman Stropich moved to approve the Agenda as printed.

There being no corrections or changes to be made, Chairman Stropich moved to approve the minutes of the April 26, 2011 Regular Meeting as proposed.

It was moved by Commissioner Larrabee, seconded by Commissioner Bjork to approve Amendment No. 1 as proposed to the Fiscal Year Ending 9/30/2011 Budget. Detail of the amendment will follow these minutes.

Ayes – 5 Nays – 0

It was moved by Commissioner Larrabee, seconded by Commissioner Stanek to accept the Manager's Report as discussed during the workshop meeting.

Ayes – 5 Nays – 0

There was nothing new at this time regarding the County Parks Roads and the possibility of taking them into the county road system.

Managing Director Rob VanEffen explained that Tony Radjenovich from MERS was scheduled to be present this evening to discuss the funding liability and other MERS information, but that he was not able to come due to a family emergency. Mr. VanEffen will reschedule his attendance for another meeting. Commissioner Mattson asked that it be scheduled as soon as possible.

Tom Jordan from MERS was in attendance to answer any questions the Board may have regarding the Health Care Savings Program. Managing Director Rob VanEffen explained that Mr. Jordan had been present at the last regular meeting to discuss the program with the Board and any interested employees and that if the Board wishes to implement the program the first step needing to be taken is to adopt the *Health Care Savings Program Uniform Resolution*.

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The following resolution was offered by Commissioner Larrabee, and seconded by Commissioner Mattson;

WHEREAS, the Municipal Employees' Retirement System ("MERS") Plan Document of 1996, effective October 1, 1996, authorized the Municipal Employees' Retirement Board ("BOARD") to establish additional programs including but not limited to defined benefit and defined contribution program (MERS Plan Document Section 36(2)(a)); MCL 38.1536(2)(a));

WHEREAS, the Board has authorized MERS' establishment of the health care savings program ("HCSP" or "Program"), which a participating municipality or court, or another eligible public employer that is a political subdivision of the State which constitutes a "municipality" under MERS Plan Document Section 2B(4); MCL 38.1502b(2) ("Eligible Employer"), may adopt for its Eligible Employees;

WHEREAS, MERS has been determined by the Internal Revenue Service to be a tax-qualified "governmental plan" and trust under section 401(a) of the Internal Revenue Code of 1986, and all trust assets within MERS reserves are therefore exempt from taxation under Code section 501(a) (IRS Letter of Favorable Determination dated June 15, 2005).

WHEREAS, the Board has established a governmental trust (the "Trust Fund") to hold the assets of the HCSP, which Trust Fund shall be administered under the discretion of the Board as fiduciary, directly by (or through a combination of) MERS or MERS' duly-appointed Program Administrator;

WHEREAS, 1999 PA 149, the Public Employee Health Care Fund Investment Act, MCL 38.1211 et seq. ("PA 149") provides for the creation by a public corporation of a public employee health care fund, and its administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries;

WHEREAS, a separate MERS health care trust fund created under PA 149 also constitutes a governmental trust established by a public corporation ("municipality") as an Eligible Employer, provided that all such employers shall be the State of Michigan, its political subdivisions, and any public entity the income of which is excluded from gross income under Section 115 of the Internal Revenue Code; provided further, that the PA 149 trust shall not accept assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code;

WHEREAS, the Board acts as investment fiduciary for the pooled assets of each MERS participating municipality and court enrolled in MERS defined benefit programs, Health Care Savings Program, the Retiree Health Funding Vehicle, and the Investment Services Pool Program, on whose behalf MERS performs all plan administration and investment functions, and such participating municipalities and courts have full membership, representation and voting rights at the Annual Meeting as provided under Plan Section 45; MCL 38.1545.

WHEREAS, the Board also acts as investment fiduciary for those participating employers who are non-MERS participating municipalities and courts that have adopted the MERS Health Care Savings Program, Retiree Health Funding Vehicle, or Investment Service Pool Program, and such entities are not accorded membership, representation or voting rights provided to MERS participating municipalities and courts at the Annual meeting under Plan Section 45; MCL 38.1545.

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WHEREAS, adoption of this Uniform Resolution and Participation Agreement (the "Uniform Resolution") by each Eligible Employer is necessary and required in order that the benefits available under the MERS HCSP may be extended;

- It is expressly agreed and understood as an integral and nonseverable part of extension or continuation of coverage under this HCSP Resolution that Section 43B of the MERS Plan Document shall not apply to this Uniform Resolution Adopting MERS HCSP, the Participation Agreement, the Trust Plan Document, the Trust Agreement, and their administration or interpretation.
- In the event any alteration of the language, terms or conditions stated in this Uniform Resolution Adopting MERS HCSP is made or occurs, under MERS Plan Document Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty; to administer (or to have administered) the Trust; or to continue administration by the Program Administrator or by MERS directly.

WHEREAS, concurrent with this HCSP Uniform Resolution, and as a continuing obligation, this governing body has completed, approved, and submitted to MERS documents necessary for participation in and implementation of the HCSP. This obligation applies to any documents deemed necessary to the operation of the Trust by the Program Administrator.

NOW, THEREFORE, BE IT RESOLVED that the governing body adopts (or readopts) the MERS HCSP as provided.

Ayes – 5 Nays – 0

RESOLUTION DECLARED ADOPTED

Managing Director Rob VanEffen discussed the status of complaints about C.R. E-9 and Truax Road in Cornell Township. The Township Supervisor was at the last regular meeting at which Mr. VanEffen was not in attendance but the complaints were passed on and are being addressed.

It was moved by Commissioner Mattson, seconded by Commissioner Bjork to hire between 7-10 summer seasonal employees at the rate of \$8.30 per hour for the 2011 Summer Season.

Ayes – 5 Nays – 0

It was moved by Commissioner Mattson, seconded by Commissioner Stanek to have Managing Director Rob VanEffen serve as an alternate to Jim Iwanicki on the CRAM General Policy Committee.

Ayes – 5 Nays – 0

John Valiquette inquired about where things stood with the C.R. A-5 issue. Managing Director Rob VanEffen explained that the property owners had agreed to give 33 foot easement (16 ½ feet on each side of existing centerline) to allow access to the property at the end of the road. Mr. Valiquette asked what would be done with the fence which is located on the east side of the road within the proposed 16 ½ foot easement? Mr. VanEffen explained that the agreement calls for the fence to be left as-is until such time that it would need to be replaced, at which time it would need to be moved to outside of the easement area. Mr. Valiquette felt that there should be a time limit

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– he suggested three years – to move the fence otherwise it could be repaired and left where it is indefinitely. Mr. VanEffen stated that he will see if the property owners will agree to that stipulation.

Information was received from CRASIF regarding a MIOSHA requirement to have a Field Safety Accident Prevention Plan in place. Managing Director Rob VanEffen is in the process of meeting with Safety Coordinator Dave Berg to look at sample plans and draft a proposed plan.

It was moved by Commissioner Larrabee, seconded by Commissioner Stanek to approve out of county travel for Dave Berg and/or Rob VanEffen to attend the U.P. Traffic Safety Committee meeting on May 25, 2011 in Marquette.

Ayes – 5 Nays – 0

Chairman Stropich stated that Policies No. 41 & No. 29 are still under review.

It was moved by Commissioner Larrabee, seconded by Commissioner Mattson to accept and place on file the following items of correspondence: 1) Memo – MERS Benefit Education Specialist; 2) Timberland Engineering – Tom Creten retiring; 3) Asset Management Workshop.

It was moved by Commissioner Larrabee, seconded by Commissioner Mattson to agree to host an Asset Management Workshop in our board room and to recruit attendees from the area.

Ayes – 5 Nays – 0

It was moved by Commissioner Stanek, seconded by Commissioner Bjork to approve Bills Payable Voucher No. 2320 of 5/20/11 in the amount of \$22,989.96 (for bills payables totaling \$159,980.03 – a reduction was made to correct the transfer of Voucher #2316 in the amount of \$136,990.07 being incorrectly posted twice), and Payroll Voucher No. 68869 of 4/28/11 in the amount of \$54,423.87, as presented and reviewed. Roll Call Vote:

Commissioner Larrabee – Yes

Commissioner Stanek - Yes

Vice Chairman Bjork - Yes

Commissioner Mattson - Yes

Chairman Stropich – Yes

It was moved by Commissioner Stanek, seconded by Commissioner Larrabee to approve an agreement with Ensign Township for the grading and application of dust control on Schaawe Lake Road which is a private road – all costs including fringe benefits and overhead will be billed to the township and there will be no cost to the road commission.

Ayes – 5 Nays – 0

It was moved by Commissioner Larrabee, seconded by Commissioner Mattson to approve and authorize the signature of Township Project Agreements for Ensign, Bark River, Baldwin and Wells Townships.

Ayes – 5 Nays – 0

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It was moved by Commissioner Larrabee, seconded by Commissioner Stanek to authorize Chairman Stropich to sign Modification No. 3 to USFS Contracts No. 015 & 088 for the C.R. 513 Project and the upcoming Box Culvert Replacement Project – for the purpose of incorporating Office of the Inspector General recommended provisions into the agreements.

Ayes – 5 Nays – 0

It was moved by Commissioner Larrabee, seconded by Commissioner Stropich to enter into a contractual agreement with the Department of Treasury Local Audit & Finance Division to provide auditing services for the Fiscal Year Ending September 30, 2011. Under discussion Commissioner Mattson expressed his feeling that a department of the state charges too much for any services and that we should solicit bids from local auditing firms to try to secure a better price and keep the money in the local area.

Ayes – 4 Nays – 1

Information was received regarding the MCRCSIP Annual Meeting to be held in Mt. Pleasant on July 20-21, 2011. Managing Director Rob VanEffen asked board members to let the office know if they wish to attend.

It was moved by Commissioner Stropich, seconded by Commissioner Bjork to enter into an agreement with Michael R. Kluck & Associates for professional services.

Ayes – 5 Nays – 0

It was moved by Commissioner Mattson, seconded by Commissioner Bjork to enter into Closed Session as requested by the Union to discuss a grievance at 5:54 p.m.

Roll Call Vote:

Commissioner Mattson – Yes

Commissioner Stanek – Yes

Vice Chairman Bjork – Yes

Commissioner Larrabee – No

Chairman Stropich – Yes

It was moved by Commissioner Stropich, seconded by Commissioner Mattson to reconvene the Regular Meeting at 6:58 p.m.

Commissioner Larrabee – Yes

Vice Chairman Bjork – Yes

Commissioner Mattson – Yes

Commissioner Stanek – Yes

Chairman Stropich – Yes

Under Public Comment, employee Dave Karl asked that a policy be implemented to keep the summer workers off their cell phones during working hours as there has been a problem with this in the past.

Under Road Commissioners' Comments, Commissioner Mattson stated that while he doesn't feel an employer should have to set policies for every little thing, it is up to the Board to set policy and the Managing Director is to make sure the policies are carried out and to do the hiring and firing.

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It was moved by Commissioner Mattson, seconded by Mike Larrabee to have Managing Director Rob VanEffen, if he feels the need to, sit down with the employee who was terminated, the Union Steward, the Foreman and the Superintendent and go over everything one more time and then make his decision whether or not to reverse the termination.

Roll Call Vote:

Commissioner Mattson – Yes

Commissioner Larrabee – Yes

Commissioner Stanek – Yes

Vice Chairman Bjork – Yes

Chairman Stropich - Yes

There being no further business to come before the board at this time, Chairman Stropich moved to adjourn the meeting at 7:08 p.m.

Pete Stropich, Chairman

Amy J. Reinhardt, Deputy County Clerk