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A Workshop Meeting of the Board of Delta County Road Commissioners was held on Tuesday, August 12, 2014 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 Bob Aschbacher, Commissioner Mike Larrabee, Commissioner Randy Bjork, and Commissioner Dennis Stanek . Also in attendance were Manager Jody Norman, Construction Superintendent Van Marenger, Finance Director Amy Reinhardt, and County Board Liaison Dave Rivard.

Terra Langham, Regional Manager and Tammy Marier, Benefit Plan Advisor, from MERS, were in attendance at the Board's request to review the December 31, 2013 Annual Actuarial Valuation Report. Information was also given regarding the 457 Supplemental Retirement Program.

The Administrative Update and Regular Meeting agenda items were reviewed and/or discussed and sealed bids were opened for the C.R. 521 paving project.

A Regular Meeting of the Board of Delta County Road Commissioners was held on Tuesday, August 12, 2014 at 5:15 p.m. at the Main Office, 3000 32nd Avenue North, Escanaba, Michigan.

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

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

ABSENT: None.

After asking if anyone present wished to be placed on the Agenda, Chairman Stropich moved to approve the Agenda as printed.

It was moved by Chairman Stropich to approve the Minutes of the July 29, 2014 Workshop and Regular Meetings as proposed with one spelling correction in the second to last paragraph on the first page – correction should read *corrected*.

The following Resolution was offered by Commissioner Aschbacher, seconded by Commissioner Bjork:

WHEREAS, State, County and Municipal roads are deteriorating at a record pace due to under funding for maintenance over the last 12 years; and

WHEREAS, the longer quality maintenance is deferred due to lack of funding, the more it will cost to bring our county and state road network back into quality condition; and

WHEREAS, our state and county are still suffering from the effects of the 2008 single worst economic downturn since the Great Depression, and business development is less likely to occur if our road and highway infrastructure is failing; and

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WHEREAS, investment in our road infrastructure will provide needed improvements and provide good paying jobs in our state and these wages will be spent in Delta County and the State of Michigan to further assist our economy; and

WHEREAS, the Delta County Road Commission has seen its Michigan Transportation Fund (MTF) road maintenance revenue decline over the last 10 years, and is projected by the Michigan Department of Transportation to increase by no more than 1% in 2014 and remain at that level into the foreseeable future; and

WHEREAS, the Delta County Road Commission has seen its costs for critical road maintenance materials and fuel rise; and

WHEREAS, the Delta County Road Commission has instituted agency-wide efficiencies to deal with the detrimental effect of revenue reductions and increasing costs, including a reduced work force through attrition of approximately 33%; and

WHEREAS, the Delta County Road Commission has also found it necessary to reduce services, including patching, mowing and paving gradually being reduced, and plowing on residential roads only done dependent upon conditions; and

WHEREAS, the Delta County Road Commission has many bridges with reduced legal load limits due to deterioration and a number of bridges with poor ratings that need major rehabilitation or replacement soon that cannot be funded under current conditions; and

WHEREAS, the state and other county road commissioners in the state have either laid people off, reduced employment by attrition, shut down operations, or restricted maintenance schedules such as limiting snow removal to weekdays; and

WHEREAS, when compared to other states, Michigan's state and local transportation funding has ranked 42nd or worse, for more than four decades (statistics derived from the County Road Association of Michigan); and

WHEREAS, gas tax revenues generated in 1999 were virtually the same as those in 2011, further verifying that road funding has not kept pace with material cost increases or inflation; and

WHEREAS, the current Governor Snyder Administration and past administrations have all concluded that Michigan is short in excess of \$2.1 billion a year to address highway and road issues in the state, and in addition, numerous newspapers, labor and trade associations, municipal and county associations, and chambers of commerce have also expressed that Michigan must invest more dollars into road maintenance.

NOW THEREFORE BE IT RESOLVED, that the Board of County Road Commissioners for the County of Delta, this 12th day of August, 2014 hereby requests that the Governor and the Michigan Legislature retain the current Income Tax Rate and direct the generated funding surplus to solely improve Michigan roads, bridges and highways, especially at the local Road Commission and Township level while working to develop a permanent, long-term funding solution for Michigan roads; and

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BE IT FURTHER RESOLVED that this Resolution be forwarded to Michigan Governor Rick Snyder, members of the State Legislature, the Delta County Board of Commissioners, and each of the 14 Townships in Delta County.

Ayes – 5 Nays - 0

RESOLUTION DECLARED ADOPTED

It was moved by Commissioner Larrabee, seconded by Commissioner Bjork to approve Bills Payable Vouchers No. 2400 of 8/12/14 in the amount of \$390,368.97 and Payroll Voucher No. 68954 of 7/31/14 in the amount of \$55,009.33 as presented and reviewed.

Roll Call Vote:

Commissioner Stanek – Yes

Commissioner Larrabee – Yes

Commissioner Bjork - Yes

Vice Chairman Aschbacher - Yes

Chairman Stropich – Yes

The following resolution was offered by Commissioner Larrabee, and seconded by Commissioner Stanek:

BE IT RESOLVED, that the Delta County Road Commission authorizes Chairman Pete Stropich and Vice Chairman Bob Aschbacher to sign MDOT Contract # 2014-0876 for the completion of resurfacing 3.5 miles County Road 521 north of M-35.

Ayes - 5 Nays - 0

RESOLUTION DECLARED ADOPTED

It was moved by Commissioner Larrabee, seconded by Commissioner Aschbacher to award the bid for the C.R. 521 paving project, to be funded with PRIP Funds through MDOT, to the low bidder, Payne & Dolan, at a cost of \$563,778.00 as recommended by Manager Jody Norman.

Ayes – 5 Nays - 0

The following resolution was offered by Commissioner Larrabee, and seconded by Commissioner Bjork:

WHEREAS, the Municipal Employees Retirement Act of 1984, Section 36(2)(a), MCL 38.1536(2)(a) (MERS Plan Document (Section 36(2)(a)) authorizes the Municipal Employees' Retirement Board (the "Board") to "establish additional programs including but not limited to defined benefit, defined contribution, ancillary benefits, health and welfare benefits, and other postemployment benefit programs," and on November 8, 2011, the Municipal Employees' Retirement Board adopted the MERS 457 Deferred Compensation Plan.

WHEREAS, this Uniform Resolution has been approved by the Board under the authority of Section 36(2)(a), and the Board has authorized the MERS 457 Deferred Compensation Plan, which shall not be implemented unless in strict compliance with the terms and conditions of this Resolution.

WHEREAS, the Participating Employer, a participating "municipality" (as defined in Section 2b(2) in the Municipal Employees Retirement Act of 1984; MCL 38.1502b(2); Plan Document Section 2b(4)) or participating "court" (circuit, district or probate court as defined in Section 2a(4) – (6) of the Act,

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MCL 38.1502a(4) – (6); Plan Document Section 2a(4) – (6)) within the State of Michigan has determined that in the interest of attracting and retaining qualified employees, it wishes to offer a deferred compensation plan;

WHEREAS, the Participating Employer has also determined that it wishes to encourage employees' saving for retirement by offering salary reduction contributions;

WHEREAS, the Participating Employer has reviewed the MERS 457 Supplemental Retirement Program ("Plan");

WHEREAS, the Participating Employer wishes to participate in the Plan to provide certain benefits to its employees, reduce overall administrative costs, and afford attractive investment opportunities;

WHEREAS, the Participating Employer is an Employer as defined in the Plan;

WHEREAS, concurrent with this Resolution, and as a continuing obligation, this Governing Body has completed and approved, and submitted to MERS and the Board documents necessary for adoption and implementation of the Plan; and

WHEREAS, the Governing Body for and on behalf of the Participating Employer is authorized by law to adopt this Resolution approving the Participation Agreement on behalf of the Participating Employer. In the event any alteration of the terms or conditions stated in this Resolution is made or occurs, it is expressly recognized that MERS and the Retirement Board, as sole trustee and fiduciary of the Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty to continue to administer (or to have administered) the MERS 457 Supplemental Retirement Program for the Participating Employer.

NOW, THEREFORE, BE IT RESOLVED that the Governing Body adopts the MERS 457 Supplemental Retirement Program as provided below.

I. The Participating Employer adopts the Plan for its Employees.

II. The Participating Employer hereby adopts the terms of the Participation Agreement, which is attached hereto and made a part of this Resolution. The Participation Agreement sets forth the Employees to be covered by the Plan, the benefits to be provided by the Participating Employer under the Plan, and any conditions imposed by the Participating Employer with respect to, but not inconsistent with, the Plan. The Participating Employer reserves the right to amend its elections under the Participation Agreement, so long as the amendment is not inconsistent with the Plan or the Internal Revenue Code or other applicable law and is approved by the Board.

III. The Participating Employer shall abide by the terms of the Plan, including amendments to the Plan made by the Board, all investment, administrative, and other service agreements of the Plan and the Trust, and all applicable provisions of the Internal Revenue Code and other applicable law.

IV. The Participating Employer acknowledges that the Board is only responsible for the Plan and any other plans of the Employer administered by MERS and that the Board has no responsibility for other employee benefit plans maintained by the Employer that are not part of MERS.

V. The Participating Employer accepts the administrative services to be provided by MERS and any services provided by a Service Manager as delegated by the Board. The Participating Employer acknowledges that fees will be imposed with respect to the services provided and that such fees may be deducted from the Participants' accounts.

VII. The Participating Employer acknowledges that the Plan contains provisions for involuntary Plan termination.

VIII. The Participating Employer acknowledges that all assets held in connection with the Plan, including all contributions to the Plan, all property and rights acquired or purchased with such

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amounts and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan. All amounts of compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights held as part of the Plan, shall be transferred to the Board to be held, managed, invested and distributed as part of the Trust Fund in accordance with the provisions of the Plan. All contributions to the Plan must be transferred by the Participating Employer to the Trust Fund. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to the Plan.

IX. This Resolution and the Participation Agreement shall be submitted to the Board for its approval. The Board shall determine whether the Resolution complies with the Plan, and, if it does, shall provide appropriate forms to the Participating Employer to implement participation in the Plan. The Board may refuse to approve a Participation Agreement by an Employer that does not possess State statutory authority to participate in the Plan. The Governing Body hereby acknowledges that it is responsible to assure that this Resolution and the Participation Agreement are adopted and executed in accordance with the requirements of applicable law.

BE IT FINALLY RESOLVED: This Resolution shall have no legal effect under the Plan until a certified copy of this adopting Resolution is filed with MERS, and MERS determines that all necessary requirements under the 457 Supplemental Retirement Program Plan and Trust, the Participation Agreement, and this Resolution have been met. All dates for implementation of the Plan shall be determined by MERS from the date of filing with MERS of this Resolution in proper form and content. Upon MERS determination that all necessary documents have been submitted to MERS, MERS shall record its formal approval upon this Resolution, and return a copy to the Employer.

In the event an amendatory Resolution or other action by the municipality is required, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred by this Governing Body and MERS (and a third-party administrator, if applicable and necessary). The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

Ayes - 5 Nays - 0

RESOLUTION DECLARED ADOPTED

It was moved by Commissioner Larrabee, seconded by Commissioner Bjork to approve and authorize signature of a Township Project Agreements for Maple Ridge Township as presented by Manager Jody Norman.

Ayes – 5 Nays – 0

Under Public Comments, County Board Liaison Dave Rivard informed the Board of several activities being held in conjunction with the Governor's visit to the U.P. State Fair and Brian Kleiman asked about funding for the C.R. 521 project & requested a copy of the bids for summer materials.

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It was moved by Commissioner Larrabee, seconded by Commissioner Stanek to enter into Closed Session at 5:40 p.m. to discuss upcoming union negotiations. Roll Call Vote:

Commissioner Larrabee – Yes

Commissioner Bjork - Yes

Commissioner Stanek – Yes

Vice Chairman Aschbacher - Yes

Chairman Stropich – Yes

It was moved by Commissioner Aschbacher, seconded by Commissioner Bjork to reconvene the Regular Meeting at 7:52 p.m. No decisions were made during Closed Session.

Roll Call Vote:

Commissioner Stanek – Yes

Commissioner Bjork - Yes

Commissioner Larrabee – Yes

Vice Chairman Aschbacher - Yes

Chairman Stropich – Yes

Under Road Commissioners' Comments Commissioner Larrabee expressed his thoughts that there was too much information gone over in too short a time period during today's meetings and feels that when there are extra issues to discuss or guest with special purposes the meetings should start at an earlier time. Commissioner Stanek questioned the other members about the process of reviewing the bills payables. Commissioner Bjork recognized the time and effort put into analysis for negotiation purposes by the Manager and Finance Director.

There being no further business to come before the board at this time, Chairman Stropich moved to adjourn the meeting at 8:00 p.m.

Peter J. Stropich, Chairman

Amy J. Reinhardt, Deputy County Clerk