

Protecting Local Government Retirement and Benefits Act Corrective Action Plan: Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

I. MUNICIPALITY INFORMATION

Local Unit Name: Otsego County Road Commission Six-Digit Muni Code: 690100

Retirement Health Benefit System Name: Otsego County Road Commission

Contact Name (Administrative Officer): Finance Director

Title if not Administrative Officer: Finance Director

Email: jerryr@ocrc-mi.org Telephone: (989) 732-5202

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one retirement health benefit system that has been determined to have an underfunded status. Underfunded status for a retirement health system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annual required contribution (ARC) for all of the retirement health systems of the local unit of government is greater than 12% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board. The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of the Act, this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The submitted plan must demonstrate through distinct supporting documentation how and when the local unit will reach the 40% funded ratio. Or, if the local unit is a city, village, township, or county, the submitted plan may demonstrate how and when the ARC for all of the retirement healthcare systems will be less than 12% of annual governmental fund revenues, as defined by the Act. Supporting documentation for the funding ratio and/or ARC must include an actuarial projection, an actuarial valuation, or an internally developed analysis. The local unit must project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation.

The completed plan must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System OPEB

Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board (the Board) shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If a corrective action plan is approved, the Board will monitor the corrective action plan for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status, as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

- (i) Requiring cost sharing of premiums and sufficient copays.
- (ii) Capping employer costs.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the Act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

System Design Changes - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: *Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On January 1, 2017, the local unit entered into new collective bargaining agreements with the **Command Officers Association and Internal Association of Firefighters** that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page 12 of the attached actuarial analysis that indicates the system is **40% funded as of June 30, 2017.***

See attached.

Additional Funding – Additional funding may include the following: paying the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on **June 23, 2016**. The local unit of government has adopted a policy to change its funding methodology from *Pay-Go to full funding of the Annual Required Contribution (ARC)*. Additionally, the local unit has committed to contributing **\$500,000 annually, in addition to the ARC for the next five fiscal years**. The additional contributions will increase the retirement system's funded ratio to **40% by 2022**. Please see page 10 of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **\$500,000 for the next five years**.*

See attached.

Other Considerations – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from **2015**. Attached is an updated actuarial valuation for **2017** that shows our funded ratio has improved to **42%** as indicated on page 13.*

See attached.

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prospective actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement system as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

System Design Changes - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: *The local unit will seek to align benefit levels for the retired membership with each class of active employees. Beginning with **summer 2018** contract negotiations, the local unit will seek revised collective bargaining agreements with the **Command Officers Association and Internal Association of Firefighters** to increase employee co-payments and deductibles for healthcare. These coverage changes would result in an improvement to the retirement system's funded ratio. Please see **page 12** of the attached actuarial analysis that indicates the system would be **40% funded by fiscal year 2020** if these changes were adopted and implemented by fiscal year 2019.*

See attached.

Additional Funding – Additional funding may include the following: meeting the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit will create a qualified trust to receive, invest, and accumulate assets for retirement healthcare by **December 31, 2018**. The local unit of government will adopt a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC) by **December 31, 2018**. Additionally, beginning in fiscal year **2019**, the local unit will contribute **\$500,000** annually in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to **40%** by **2022**. Please see **page 10** of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **\$500,000** for the next five years.*

See attached.

Other Considerations – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the healthcare liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the health system to reach a funded status of **42%** by **2022** as shown in the attached actuarial analysis on **page 13**.*

See attached.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) Otsego Road Commission to make, at a minimum, the retiree premium payment, as well as the normal cost payments for all new hires (if applicable), for the retirement health benefit system according to your long-term budget forecast?

- Yes
 - No
- If No, Explain

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this corrective action plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention

- Attachment – 1
- Attachment – 1a
- Attachment – 2a

Type of Document

This Corrective Action Plan (Required)

Documentation from the governing body approving this Corrective Action Plan (Required)

An actuarial projection, an actuarial valuation, or an internally developed analysis, which illustrates how and when the local unit will reach the 40% funded ratio. Or, if the local unit is a city, village, township, or county, ARC will be less than 12% of governmental fund revenues, as defined by the Act. (Required)

Attachment – 3a
Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).

Attachment – 4a
Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)

Attachment – 5a
A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio

Attachment – 6a
Other documentation, not categorized above

7. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the four corrective action plan criteria listed below have been satisfied when submitting this document. Specific detail on corrective action plan criteria can be found in the Corrective Action Plan Development: Best Practices and Strategies document.

Corrective Action Plan Criteria	Description
<input checked="" type="checkbox"/> Underfunded Status	Is there a description and adequate supporting documentation of how and when the retirement system will reach the 40% funded ratio? Or, if your local unit is a city, village, township, or county, how and when the ARC of all retirement healthcare systems will be less than 12 percent of governmental fund revenues?
<input checked="" type="checkbox"/> Reasonable Timeframe	Do the corrective actions address the underfunded status in a reasonable timeframe (see <u>CAP criteria issued by the Board</u>)?
<input checked="" type="checkbox"/> Legal and Feasible	Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included? Are the actions listed feasible?
<input type="checkbox"/> Affordability	Do the corrective action(s) listed allow the local unit to make the retiree healthcare premium payment, as well as normal cost payment for new hires now and into the future without additional changes to this corrective action plan?

8. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I, Jason Melnacon, as the government's administrative officer (insert title) Manager (Ex: City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

- The Otsego County Road Commission (Insert Retirement Healthcare System Name) will achieve a funded status of at least 40% by Fiscal Year 2022 as demonstrated by required supporting documentation listed in section 6.

OR, if the local unit is a city, village, township, or county:

- The ARC for all of the retirement healthcare systems of _____ (Insert local unit name) will be less than 12% of the local unit of government's annual governmental fund revenues by Fiscal Year _____ as demonstrated by required supporting documentation listed in section 6.

Signature  Date December 20, 2018

Otsego County Road Commission Corrective Action Plan

3. Description of Prior Actions:

System Design Changes:

As reported in Otsego County Road Commission's December 31, 2014 Audit, the first healthcare actuarial was prepared in 2008 of which the unfunded balance was reported as \$13,237,628.00. The Road Commission provided healthcare benefits to retirees and their spouses for life which contributed largely to the large healthcare unfunded balance.

In 2011, the Road Commission negotiated with the union employees who are members of the AFSCME Council 25, Local 1534 in an effort to lower the unfunded healthcare balance. Those retirees who were hired prior to January 1, 2009 were limited to \$350.00 per month per retiree and per spouse in an effort to limit and/or reduce the employer's liability. There are currently only two retirees to which contribute to their healthcare costs. Two other retirees who are pre-65 will fall under this provision. It was also negotiated that any employee hired after 2009 would be ineligible to receive employer paid healthcare benefits at retirement, but would instead receive 1.5% of the previous year's base wage deposited into either a Health Savings Account, deferred compensation account, or an account as agreed to between the Union and the employer.

A worksheet with the new assumptions was prepared for the negotiation process using 2014 data was prepared and presented as a negotiation tool in 2015. With the proposed new assumptions, the unfunded healthcare liability would decrease to \$6,512,918. A Collective Bargaining Agreement was negotiated and approved at a Special Board meeting held on December 29, 2015. Changes to the employer's retiree health care provisions included those employees who were hired prior to 2009 would only receive full single healthcare coverage for the retiree only until they become Medicare eligible of which, at that time, all healthcare coverage would cease upon becoming Medicare eligible. These employees also received a one-time payment of \$20,000.00 into a Healthcare Savings Plan account to be paid within one year from the execution of said contract. Subsequently, \$20,000.00 was placed in a HCSP account with MERS for each of 21 employees. The new Collective Bargaining Agreement did not become effective until January 1, 2016.

In 2016, the Otsego County Road Commission subsequently requested an actuarial be prepared using data from the period of January 1, 2015 to December 31, 2015 which reported that the healthcare unfunded balance had decreased to \$8,148,256.02 (this actuarial did not include the newly negotiated changes to retirees' healthcare benefits which would not become effective until January 1, 2016).

Additional Funding:

At a Board meeting on October 19, 2017 the Board approved the establishment of a Retiree Health Care Fund Trust/OCRC Retiree Health Insurance Section 115 Trust/Retiree Health Insurance Administrative Service Agreement of which said trust would become effective January 1, 2018. A contribution of \$100,000.00 was approved on January 18, 2018. On May 24, 2018, the Board approved \$10,000.00 per month to be contributed to the Section 115 Trust Account. These contributions will be in addition to the Road Commission's normal costs.

The Otsego County Road Commission at its July 19, 2018 Board meeting approved the following proposal to replace its Board action of May 24, 2018 of contributing \$10,000.00 per month:

Otsego County Road Commission Proposal to Improve Unfunded Healthcare Assets

Year	Assets	Estimated Funding/Based Upon 4% Returns on Assets		
		Annual Cost to Fund the Plan	Plus Benefits Equal Normal Costs	Total cost
As of:	100,000	520,000	400,000	920,000
12/31/2018	624,000	400,000	420,000	820,000
12/31/2019	1,048,960	400,000	441,000	841,000
12/31/2020	1,490,918	400,000	463,050	863,050
12/31/2021	1,950,555	400,000	486,203	886,203
12/31/2022	6,000,000			40%

Please note we have based the numbers on new assumptions per the Collective Bargaining Agreement which became effective January 1, 2016 (worksheet attached) which eliminated spousal lifetime healthcare.

In addition to its normal costs, the Road Commission is proposing voluntary contributions in 2018 for the amount of \$620,000.00, and \$400,000.00 for subsequent years of 2019 through 2022. At that time, the Road Commission should be 40% funded. The Road Commission Board will closely monitor its assets with the Section 115 Trust Account and will re-evaluate its financial status on an annual basis to see if these contributions are impacting the unfunded balance of its OPEB liabilities, if payment amounts shall continue past December 31, 2022, or if they should be adjusted.

Firm numbers of the revisions and/or changes will be recognized in our 2018 healthcare actuarial scheduled to be completed early in 2019. The Road Commission also recognizes retirement and

mortality assumptions could generate a liability significantly different from the amount assumed for this analysis.

Other Considerations:

The information provided on the Form 5597 and any attachments from the audit used actuarial data from 2015. A healthcare actuarial has already been commissioned to be prepared in 2019 using 2018 data which would include the establishment of the Section 115 Trust and the negotiated changes from the Collective Bargaining Agreement that became effective January 1, 2016. It is anticipated that the 2018 Healthcare Actuarial will show a significant decrease in our unfunded liability.

Prior to negotiations the Road Commission has and will continue to work with its employees to lower its unfunded healthcare liability. The Road Commission understands that new assumptions, laws and/or considerations will play a part in the healthcare actuarials new valuation.

In addition, the Road Commission and its employees have negotiated for healthcare coverage, set to begin on January 1, 2019, which lowers the Road Commission liability by increasing its deductible from \$500 to \$5000. In 2018, current employees contributed \$576.16 annually for a two-person policy, and \$876.20 annually for family coverage. The Otsego County Road Commission has been fortunate to see minimal increases to both the retiree and current employees' healthcare plan for the last few years and management will continue to closely monitor healthcare costs on an annual basis.

The Road Commission will continue to remit normal cost payments for retiree and current employees' healthcare coverage, in addition to the annual payments of \$400,000.00 for the years of 2018 through 2021.

4. Description of Prospective Actions:

The Road Commission is always reviewing its health care plan offerings and is considering amendments to both active plans and present retirees. In consultation with legal counsel we are reviewing the ability to implement changes which will reduce plan costs.

The Road Commission has negotiated with its employees to implement a higher deductible BCN HRA HMO Platinum \$5000 plan with the potential savings of 8.4% or approximately \$40,000.00 annually in 2019. Road Commission employees will continue to pay for vision coverage and/or have the option for annual opt-out payments.

System Design Changes: See response in 3. Description of Prior Actions. System Design Changes

Additional Funding: See response in 3. Description of Prior Actions. Additional Funding

Other Considerations: See response in 3. Description of Prior Actions. Other Considerations.

5. Confirmation of Funding:

Do the corrective actions listed in this plan allow for the Otsego County Road Commission to make, at a minimum, the retiree premium payment, as well as the normal cost payments for all new hires (if applicable), for the retirement health benefit system according to your long-term budget forecast?

Otsego County Road Commission answers in the affirmative.

The information provided on the Form 5597 and any attachments from the audit used actuarial data from 2015. A healthcare actuarial has already been commissioned to be prepared in 2019 using 2018 data which would include the establishment of the Section 115 Trust and the negotiated changes from the Collective Bargaining Agreement that became effective January 1, 2016. It is anticipated that the 2018 Healthcare Actuarial will show a significant decrease in our unfunded liability.

Prior to negotiations the Road Commission has and will continue to work with its employees to lower its unfunded healthcare liability. The Road Commission understands that new assumptions, laws and/or considerations will play a part in the healthcare actuarials new valuation.

In addition, the Road Commission and its employees have negotiated for healthcare coverage, set to begin on January 1, 2019, which lowers the Road Commission liability by increasing its deductible from \$500 to \$5000. In 2018, current employees contributed \$576.16 annually for a two-person policy, and \$876.20 annually for family coverage. The Otsego County Road Commission has been fortunate to see minimal increases to both the retiree and current employees' healthcare plan for the last few years and management will continue to closely monitor healthcare costs on an annual basis.

The Road Commission will continue to remit normal cost payments for retiree and current employees' healthcare coverage, in addition to the annual payments of \$400,000.00 for the years of 2018 through 2021.

6. Documentation Attached to this Corrective Action Plan:

1. Form 5597 Protecting Local Government and Benefits Act Corrective Action Plan:
Retirement Health Benefit Systems
2. Resolution Approving Corrective Action Plan
3. Unapproved Minutes dated December 20, 2018 documenting Board approval of
Resolution Approving Corrective Action Plan
4. 2015 OPEB Benefits Actuarial/Burnham & Flower

5. Supplemental Worksheet for Projection of proposed changes to Retiree Healthcare Benefits which were implemented in Collective Bargaining Agreement Effective January 1, 2016
6. Approved Minutes dated October 19, 2017 approving the establishment of a Retiree Health Care Fund 115 Trust to be effective January 1, 2018
7. Approved Minutes dated January 18, 2018 approving the payment of \$100,000.00 payment to the 115 Trust Account
8. Approved Minutes dated May 24, 2018 approving monthly payments in the amount of \$10,000.00 (Payment of \$10,000.00 was subsequently withdrawn and replaced with the payment amount of \$400,000.00 per year for the years 2018 through 2021)
9. Burnham & Flower Plan Group Comparison documenting current plan to plan proposal with an effective date of January 1, 2019

For e-mail transmission purposes, the Otsego County Road Commission has not attached all documentation referenced in this Attachment to its Corrective Action Plan. Should any of the documentation referenced above be needed in the determination of the Otsego County Road Commission Corrective Action Plan approval, please contact Rebecca Jerry at jerryr@ocrc-mi.org.

OTSEGO COUNTY ROAD COMMISSION	GENERAL ADMINISTRATION				
TITLE: Resolution Adopting the Corrective Action Plan for Retirement Health Benefit Systems	RESOLUTION NUMBER: R18-13	SUPERCEDE	EFFECTIVE DATE: 12-20-18	SUPERCEDE	POLICY NUMBER:

Resolution Adopting and Approving the Corrective Action Plan for Retirement Health Benefit Systems

WHEREAS the Board of County Road Commissioners for the County of Otsego acknowledges that its Retirement Health Benefits program is unfunded and that Public Act 202 of 2017 was signed into law addressing unfunded OPEB liabilities;

WHEREAS the Board of County Road Commissioners for the County of Otsego is committed to the funding of its OPEB liabilities and have made changes to their employees' retirement and current healthcare plans in an effort to lower its liability;

NOW THEREFORE BE IT RESOLVED, the Board of County Road hereby adopts the Corrective Action Plan as proposed in compliance with State of Michigan PA 202 of 2017.

BE IT FURTHER RESOLVED, the Board of County Road Commissioners for the County of Otsego believes these contributions will be sufficient to bring the Otsego County Road Commission's unfunded healthcare liability to being 40% funded by the year 2021.

THEREFORE, a Motion was made by Commissioner Huff, and seconded by Commissioner Holewinski to approve and adopt R18-13 Resolution Adopting the Corrective Action Plan for Retirement Health Benefit Systems. Roll call vote: Huff, yes; Holewinski, yes; Matelski, absent. Two ayes, no nays. Motion carried.

THEREFORE, BE IT RESOLVED, the Otsego County Road Commission Board, hereby adopts Resolution No.: R18-13 Resolution Adopting and Approving the Corrective Action Plan for Retirement Health Benefit Systems on this 20th day of December, 2018, at its Regularly Scheduled Board Meeting duly held at the Road Commission office.

RESOLUTION DECLARED ADOPTED

ABSENT

David C. Matelski, Chairman
Otsego County Road Commission

Troy W. Huff, Member
Otsego County Road Commission


William T. Holewinski, Jr., Vice Chairman
Otsego County Road Commission

RESOLUTION DECLARED ADOPTED

on this 20th day of December, 2018 by the Otsego County Road Commission Board.

I, Rebecca Jerry, Board Secretary, do hereby certify that the above is a true copy of R18-13 Resolution Adopting and Approving the Corrective Action Plan for Retirement Health Benefit Systems, of which was adopted at the December 20, 2018, regularly scheduled meeting of the Board of Road Commissioners for the County of Otsego.


Rebecca Jerry, Board Secretary

UNAPPROVED

MINUTES for the
REGULAR MEETING OF THE
OTSEGO COUNTY ROAD COMMISSION
HELD ON THURSDAY, DECEMBER 20, 2018 AT 9:00 A.M.
AT THE OFFICE LOCATED AT 669 MCCOY ROAD, GAYLORD, MICHIGAN

ITEM 1 - PLEDGE OF ALLEGIANCE

Meeting called to order by Vice Chair, Holewinski at 9:00 a.m. Pledge of Allegiance.

ITEM 2 - ROLL CALL

Upon roll call, the following Commissioners responded:

Holewinski, Present
Huff, Present
Matselski, Not Present

In addition, the following staff members were present: Jason Melancon, Manager; Becky Jerry, Board Secretary.

ITEM 3 – ADDITIONS TO AGENDA

Add to Consent Calendar: Payment of C/12-2 in the amount of \$17,052.19.

ITEM 4 – APPROVAL OF AGENDA

Motion by Huff, and seconded by Holewinski to approve the Agenda with revisions. Two ayes, no nays. Motion carried.

ITEM 5 - CONFLICT OF INTEREST

Do Commissioners or any Commissioners feel other Commissioners may have a conflict on any matter addressed on this Agenda? (Missed)

ITEM 6 – CONSENT CALENDAR

The purpose of the Consent Calendar is to expedite business by grouping non-controversial items together without discussion. Any member of the Commission, staff, or the public may ask that any item on the Consent Calendar be removed and placed elsewhere on the Agenda for full discussion. Such requests will be automatically respected.

If an item is not removed from the Consent Calendar, the action noted in parentheses on the Agenda is approved by a single Commission action adopting the Consent Calendar. The Manager recommends the following items be adopted:

- A. *Minutes:* The Board approves the Regular Meeting Minutes dated November 14, 2018.
- B. *Payroll:* The Board approves Payroll #24 (\$62,971.23), Payroll #25 (\$71,097.06), and Payroll Adm. Vacation Payout (\$11,862.55) respectfully.
- C. *Accounts Payable:* The Board approves Accounts Payable C/11-3 (\$72,498.22) to be paid through the General (201) account, C/12-2 (\$17,052.19) to be paid through the General (201) account, C/12-3 (\$79,121.80) to be paid through the General (201) account, C/12-4 (\$95,178.20) to be paid through the General (201) account, and C/12-5 (\$775,571.74) to be paid through the General (201) account, and the Accounts Payable Check Register dated 11/01/2018 to 11/30/2018.

Motion by Huff, and seconded by Holewinski to approve items on the Consent Calendar. Two ayes, no nays. Motion carried.

ITEM 8 – PUBLIC COMMENT

Ann Smith, caregiver for private landowner on The Ford Road, requested and/or voiced concerns over placement of gate. Discussion. Manager and Board both agreed that it would hinder the publics' access to the river and it would not be in the best interest of the public. Discussion of possible other options available.

UNAPPROVED

ITEM 7 – COUNTY UPDATE

Ken Glasser, Commissioner for Otsego County Board, updated Road Commission Board on County matters.

ITEM 9 – APPOINTMENTS

None.

ITEM 10 – UPCOMING MEETINGS

1. Board Meeting dates: Proposed Reorganizational Meeting Date, Monday, January 7, 2019 at 9:00 a.m. Reorganizational Meeting: **Motion by Huff, and seconded by Holewinski, to hold the Reorganizational Meeting on Monday, January 7, 2019 at 9:00 a.m. Two ayes, no nays. Motion carried.**

ITEM 11 – FINANCE REPORT/BUDGETS

1. 2018 2nd Amended General Appropriation Budget. **Motion by Huff, and seconded by Holewinski to approve the 2018 2nd Amended General Appropriation Budget. Two ayes, no nays. Motion carried.**
2. 2019 General Appropriation Budget. **Motion by Huff, and seconded by Holewinski to approve the 2019 Amended General Appropriation Budget. Two ayes, no nays. Motion carried.**
3. Road Project Escrow Account. **Motion by Huff, and seconded by Holewinski for the Road Commission to propose up to \$1,000,000.00 be set aside for 2019 road projects, to setup a Road Project Escrow Account, and for the transfer of \$500,000.00 into said account. Discussion. Two ayes, no nays. Motion carried.**
4. Balance of Vacation/Sick Escrow. Discussion. **Motion by Huff, and seconded by Holewinski to transfer balance of \$36,025.75 from the Vacation/Sick Escrow to the Equipment Escrow. Two ayes, no nays. Motion carried.**

ITEM 12 – OLD BUSINESS/UNFINISHED BUSINESS

1. Corrective Action Plan: Retirement Health Benefit Systems/Form 5597/R18-13 Resolution Adopting and Approving the Corrective Action Plan for Retirement Health Benefit Systems. **Motion by Huff, and seconded by Holewinski to approve the Corrective Action Plan: Retirement Health Benefit Systems and Form 5597. Two ayes, no nays. Motion carried.**

Motion by Huff, and seconded by Holewinski to adopt and approve R18-13 Resolution Adopting and Approving the Corrective Action Plan for Retirement Health Benefit Systems. Roll call vote: Huff, yes; Holewinski, yes. Two ayes, no nays. Motion carried.

2. Corrective Action Plan: Defined Benefit Pension Retirement Systems/Form 5598/R18-14 Resolution Adopting and Approving the Corrective Action Plan for Defined Benefit Pension Retirement Systems. **Motion by Huff, and seconded by Holewinski to approve the Corrective Action Plan: Defined Benefit Pension Retirement Systems and Form 5598. Two ayes, no nays. Motion carried.**

Motion by Huff, and seconded by Holewinski to adopt and approve R18-14 Resolution Adopting and Approving the Corrective Action Plan for Defined Benefit Pension Retirement Systems. Roll call vote: Huff, yes; Holewinski, yes. Two ayes, no nays. Motion carried.

ITEM 13 – NEW BUSINESS

None.

ITEM 14 – CORRESPONDENCE AND REPORTS

Manager discussed the following with the Board:

1. Obtaining road grader.
2. New employees.

ITEM 15 – MISCELLANEOUS AND OTHER

None.

UNAPPROVED

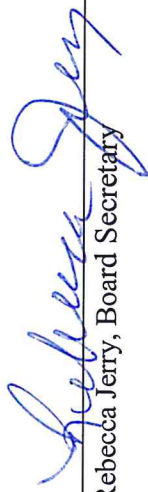
ITEM 16 – ADJOURNMENT

Motion by Huff, and seconded by Holewinski to adjourn meeting at 9:41 a.m. Two ayes, no nays. Motion carried.

William Holewinski, Vice Chair

Rebecca Jerry, Board Secretary

I, Rebecca Jerry, Board Secretary, do hereby certify that the above is a true copy of Unapproved Minutes for the Otsego County Road Commission's regularly scheduled meeting on December 20, 2018.



Rebecca Jerry, Board Secretary

**Otsego County Road Commission
OPEB BENEFITS**

**ACCOUNTING REPORT AND VALUATION
AS PROVIDED FOR UNDER THE ALTERNATE CALCULATION PROVISIONS OF
GASB STATEMENTS NO. 43 & 45**

*For the Period
January 1, 2015 to December 31, 2015*

Prepared by:

Burnham & Flower
I N S U R A N C E G R O U P

315 South Kalamazoo Mall
Kalamazoo, Michigan 49007
(800) 748-0554

INTRODUCTION

To the Board of the Otsego County Road Commission:

Burnham & Flower Group is a full-service insurance agency providing group benefits and benefits consulting to governmental entities. In addition, we provide benefits administration for health and retirement plans through our third-party administration (TPA) department.

An employer with fewer than 100 plan members has the option to use the simplified alternative calculation method under GASB 45 instead of obtaining an actuarial valuation. This report was prepared by Burnham & Flower TPA team members using the alternative calculation method with information provided by the employer. It is not an actuarial valuation.

Burnham & Flower's TPA staff have acquired knowledge of the alternate calculation method through training, research and work experience. These employees are not required to hold the certification of an Enrolled Actuary to complete the alternate calculation process.

The calculations summarized in this report require assumptions about future events. In all circumstances, we have endeavored to use assumptions that are reasonable and appropriate given the intended purpose of the report. However, there may be other assumptions that would also be both reasonable and appropriate and would return a different result.

Prepared by:

Burnham & Flower
INSURANCE GROUP

Otsego County Road Commission OPEB BENEFITS

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- Table 2 Expected Future Working Lifetimes of Employees, by Age—Default Values
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Otsego County Road Commission

OPEB BENEFITS

About GASB 45

Governmental Accounting Standards Board Statement No. 45 ("GASB 45") requires governmental entities to change the way the cost of Other Post-Employment Benefits (OPEBs) are reported. Currently, most governmental entities both finance and report OPEB costs as they are incurred. However, GASB believes that the cost of such benefits should be associated with the period in which those benefits are earned by the participant, rather than when the cost associated with providing those benefits are paid.

GASB 45 Effective Dates

The provisions of GASB will be phased in over a period of three years. Although GASB does encourage early implementation, the timetable for required compliance is as follows:

- Phase 1 governments (those with total annual revenue of more than \$100 million)
 - Statement is effective for periods beginning after December 15, 2006
- Phase 2 governments (total annual revenue between \$10 million and \$100 million)
 - Statement is effective for periods beginning after December 15, 2007
- Phase 3 governments (total annual revenue of less than \$10 million)
 - Statement is effective for periods beginning after December 15, 2008

About The Alternative Measurement Method

Under certain circumstances, a single employer that operates a Plan with less than 100 total members (including active employees, inactive employees who are not yet receiving benefits, retirees, and beneficiaries) may apply a simplified measurement method in lieu of obtaining an actuarial valuation. This alternate calculation requires the same broad measurement steps as would be necessary in the actuarial process, but allows an organization to utilize a set of predetermined assumptions that simplify the calculations necessary to determine the OPEB liability. This liability must be represented in the organization's financial statements in the same manner as the traditional actuarial valuation.

Some Important Notes on Funding:

- GASB 45 does not change the cost or any of the provisions that relate to providing OPEBs. Only the timing and method of recognizing these costs is addressed.
- GASB 45 does not require an organization to set aside assets to fund OPEBs. Employers may continue to fund the cost of benefits on a "pay as you go" basis. However, GASB 45 requires that an organization recognize any liability that results from the application of GASB 45 as an unfunded liability. Any pre-funding the employer accumulates in a separate trust will directly reduce the amount of unfunded liability the organization must recognize on its balance sheet.
- In addition, to the item above, there is yet another benefit to prefunding. GASB specifies a Discount Rate of 4% to be used in the Alternate Calculation. However, if assets are set aside, GASB allows the organization to increase the Discount Rate to one of the following: 1) The actual rate of return on the GASB Trust (if the ARC is fully funded each year) or 2) a blended rate (if the ARC is partially funded). An increase in the Discount Rate will in turn lower the ARC in the years following the initial funding.

**Otsego County Road Commission
OPEB BENEFITS**

ASSUMPTIONS FOR OPEB COST

The following assumptions were used in the preparation of the alternate calculation and are considered to be reasonable for this plan:

FOR VALUATION OF THE ANNUAL REQUIRED CONTRIBUTION

ACTUARIAL COST METHOD: Entry Age Cost Method/Level Percentage of Payroll

DISCOUNT RATE: 4.00%

MORTALITY PRIOR TO RETIREMENT: None

TURNOVER PRIOR TO RETIREMENT: See Table 1

EXPECTED FUTURE WORKING LIFE: See Table 2

SALARY SCALE: 3.00%

POST RETIREMENT INTEREST RATE: 4.00%

POST RETIREMENT MORTALITY: See Table 3

HEALTH CARE INFLATION RATE: NATIONAL HEALTH EXPENDITURES
TABLE 3; Calendar Years 2005-2020

FOR DETERMINATION OF CURRENT LIABILITY

INTEREST ON NET OPEB OBLIGATION: 4.00%

**Otsego County Road Commission
OPEB BENEFITS**

NOTES TO EMPLOYER'S FINANCIAL STATEMENTS:

1. The Measurement Year for this Plan begins: January 1, 2015
The date of initial application of GASB 43/45 is: December 31, 2008
2. The demographic assumptions used (retirement and termination rates, and salary increases, if any) are as of: December 31, 2015
3. The Otsego County Road Commission Retiree Medical Plan is a single-employer Plan administered by the Road Commission and can be amended at its discretion.
4. At the time of this reporting, membership of the plan consisted of the following:

Active Plan Members	20
Retirees and beneficiaries receiving benefits	36
Total Plan Members	56
5. The Road Commission has the authority to establish the funding policy for the Plan, and to amend the obligations of both the Road Commission and members.
6. Active members are not obligated to make contributions to the Plan at this time.
7. As of the date of this reporting, the organization has not yet made contributions to the Trust that are in excess of the benefit payments due in the current year.

**Otsego County Road Commission
OPEB BENEFITS**

DETERMINATION OF ANNUAL REQUIRED CONTRIBUTION (ARC)

Using the Entry Age Cost Method and the UAAL Amortized as a Level Percentage of Payroll

Normal Cost Component		
Normal Cost	\$	63,118.34
Interest	\$	2,524.73
Total Normal Cost	\$	65,643.07
Amortization Component		
AAAL	\$	6,088,898.63
Less: Assets	\$	-
UAAL	\$	6,088,898.63
Divided by PV factor		26.1695
Amortization payment	\$	232,672.00
Interest	\$	9,307.00
Total Amortization Payment	\$	241,979.00
Annual Required Contribution	\$	307,622.07

**Otsego County Road Commission
OPEB BENEFITS**

ANNUAL COST FOR OTHER POST-EMPLOYMENT BENEFITS (OPEB)

This reconciliation must be disclosed in the footnotes
to the sponsor's financial statements.

1	Annual Required Contribution	<u>\$ 307,622.07</u>
2	Interest on Net OPEB Obligation	\$ 325,549.24
3	Adjustments to ARC	<u>\$ 314,020.00</u>
4	Annual OPEB Cost (Line 1 + Line 2 - Line 3)	\$ 319,151.31
5	Contributions Made *	<u>\$ 309,626.29</u>
6	Increase/Decrease in net OPEB Obligation (Line 4 - Line 5)	\$ 9,525.02
7	Net OPEB obligation (beginning of year) **	<u>\$ 8,138,731.00</u>
8	Net OPEB obligation (end of year) (Line 6 + Line 7)	\$ 8,148,256.02

* Anticipated annual benefit payments (premiums) on behalf of retired participants and qualified trust contributions.

**Otsego County Road Commission
OPEB BENEFITS**

SCHEDULE 1

ASSET (GAIN) OR LOSS

1 Fair value of Assets at end of year	\$ -
2 Actual Distributions	\$ -
3 Actual or Accrued contributions	\$ -
4 Fair value at beginning of year	\$ -
5 Actual return on Assets (Line 1 + Line 2 - Line 3 - Line 4)	\$ -
6 Expected return on Assets (Based on Interest Rate Assumption on Page II)	\$ -
7 Asset (gain) or loss = 6 - 5 (An asset gain is shown as a negative number)	\$ -

As of the date of this reporting, the Plan had no assets set aside in Trust.

Table 1—Probability of Remaining Employed until Assumed Retirement Age, by Age—Default Values

Age	Assumed Retirement Age					
	50 and over	49	48	47	46	45
20	0.296	0.300	0.304	0.309	0.314	0.319
21	0.321	0.326	0.330	0.335	0.340	0.346
22	0.349	0.354	0.359	0.364	0.370	0.376
23	0.379	0.384	0.389	0.395	0.401	0.408
24	0.410	0.416	0.421	0.428	0.434	0.441
25	0.440	0.446	0.453	0.460	0.467	0.474
26	0.472	0.478	0.485	0.493	0.500	0.508
27	0.503	0.510	0.517	0.525	0.533	0.542
28	0.534	0.541	0.549	0.558	0.566	0.575
29	0.564	0.572	0.580	0.589	0.598	0.607
30	0.593	0.602	0.610	0.620	0.629	0.639
31	0.622	0.631	0.640	0.650	0.660	0.670
32	0.650	0.659	0.669	0.679	0.689	0.700
33	0.677	0.687	0.696	0.707	0.718	0.730
34	0.703	0.713	0.723	0.734	0.745	0.758
35	0.729	0.739	0.749	0.761	0.772	0.785
36	0.753	0.764	0.775	0.787	0.799	0.812
37	0.777	0.788	0.799	0.811	0.824	0.837
38	0.799	0.811	0.822	0.835	0.847	0.861
39	0.821	0.832	0.844	0.857	0.870	0.884
40	0.841	0.853	0.865	0.878	0.891	0.906
41	0.860	0.873	0.885	0.899	0.912	0.927
42	0.879	0.891	0.904	0.918	0.932	0.947
43	0.896	0.909	0.922	0.936	0.950	0.965
44	0.912	0.925	0.938	0.953	0.967	0.983
45	0.928	0.941	0.955	0.969	0.984	1.000
46	0.943	0.957	0.970	0.985	1.000	1.000
47	0.958	0.971	0.985	1.000	1.000	1.000
48	0.972	0.986	1.000	1.000	1.000	1.000
49	0.986	1.000	1.000	1.000	1.000	1.000
50	1.000	1.000	1.000	1.000	1.000	1.000
51	1.000	1.000	1.000	1.000	1.000	1.000
52	1.000	1.000	1.000	1.000	1.000	1.000
53	1.000	1.000	1.000	1.000	1.000	1.000
54	1.000	1.000	1.000	1.000	1.000	1.000
55	1.000	1.000	1.000	1.000	1.000	1.000
56	1.000	1.000	1.000	1.000	1.000	1.000
57	1.000	1.000	1.000	1.000	1.000	1.000
58	1.000	1.000	1.000	1.000	1.000	1.000
59	1.000	1.000	1.000	1.000	1.000	1.000
60	1.000	1.000	1.000	1.000	1.000	1.000
61	1.000	1.000	1.000	1.000	1.000	1.000
62	1.000	1.000	1.000	1.000	1.000	1.000
63	1.000	1.000	1.000	1.000	1.000	1.000
64	1.000	1.000	1.000	1.000	1.000	1.000
65	1.000	1.000	1.000	1.000	1.000	1.000
66	1.000	1.000	1.000	1.000	1.000	1.000
67	1.000	1.000	1.000	1.000	1.000	1.000
68	1.000	1.000	1.000	1.000	1.000	1.000
69	1.000	1.000	1.000	1.000	1.000	1.000
70	1.000	1.000	1.000	1.000	1.000	1.000
71	1.000	1.000	1.000	1.000	1.000	1.000
72	1.000	1.000	1.000	1.000	1.000	1.000
73	1.000	1.000	1.000	1.000	1.000	1.000
74	1.000	1.000	1.000	1.000	1.000	1.000
75	1.000	1.000	1.000	1.000	1.000	1.000

Table 3—Mortality

United States Life Tables - 2007 version

	Males		Females	
	Rate	Age	Rate	Age
0-1	75.4	0	80.4	0
1-2	74.9	1	79.9	1
2-3	74.0	2	79.0	2
3-4	73.0	3	78.0	3
4-5	72.0	4	77.0	4
5-6	71.0	5	76.0	5
6-7	70.0	6	75.0	6
7-8	69.1	7	74.1	7
8-9	68.1	8	73.1	8
9-10	67.1	9	72.1	9
10-11	66.1	10	71.1	10
11-12	65.1	11	70.1	11
12-13	64.1	12	69.1	12
13-14	63.1	13	68.1	13
14-15	62.1	14	67.1	14
15-16	61.1	15	66.1	15
16-17	60.2	16	65.1	16
17-18	59.2	17	64.1	17
18-19	58.3	18	63.1	18
19-20	57.3	19	62.2	19
20-21	56.4	20	61.2	20
21-22	55.5	21	60.2	21
22-23	54.5	22	59.2	22
23-24	53.6	23	58.3	23
24-25	52.7	24	57.3	24
25-26	51.8	25	56.3	25
26-27	50.9	26	55.4	26
27-28	49.9	27	54.4	27
28-29	49.0	28	53.4	28
29-30	48.1	29	52.4	29
30-31	47.1	30	51.5	30
31-32	46.2	31	50.5	31
32-33	45.3	32	49.5	32
33-34	44.3	33	48.6	33
34-35	43.4	34	47.6	34
35-36	42.5	35	46.7	35
36-37	41.5	36	45.7	36
37-38	40.6	37	44.7	37
38-39	39.7	38	43.8	38
39-40	38.8	39	42.8	39
40-41	37.8	40	41.9	40
41-42	36.9	41	40.9	41
42-43	36.0	42	40	42
43-44	35.1	43	39.1	43
44-45	34.2	44	38.1	44
45-46	33.3	45	37.2	45
46-47	32.4	46	36.3	46
47-48	31.6	47	35.4	47
48-49	30.7	48	34.5	48
49-50	29.8	49	33.6	49
50-51	29.0	50	32.7	50
51-52	28.1	51	31.8	51
52-53	27.3	52	30.9	52
53-54	26.5	53	30	53

	Males		Females	
	Rate	Age	Rate	Age
80	80	80	80	80
81	81	81	81	81
82	82	82	82	82
83	83	83	83	83
84	84	84	84	84
85	85	85	85	85
86	86	86	86	86
87	87	87	87	87
88	88	88	88	88
89	89	89	89	89
90	90	90	90	90
91	91	91	91	91
92	92	92	92	92
93	93	93	93	93
94	94	94	94	94
95	95	95	95	95
96	96	96	96	96
97	97	97	97	97
98	98	98	98	98
99	99	99	99	99
100	100	100	100	100

Table 4

GASB Terms Defined

A brief glossary of terms commonly used by GASB practitioners, actuaries, and auditors.

Actuarial Accrued Liability (AAL): The value of OPEB benefits already earned by each eligible employee for that employee's past service. Also, the Actuarial Present Value of Total Projected Benefits not provided for by future normal costs.

Annual OPEB Cost: An accrual-basis measure of an employer's periodic cost of offering OPEB. It is the current period's ARC, plus any interest on the previous period's Net OPEB obligation, minus any adjustments necessary to the ARC.

Annual Required Contribution (ARC): The level of employer contribution that would be required on an ongoing basis to reduce the employer's net OPEB obligation to zero. The ARC has two components: 1) The normal cost and 2) the amortized amount of the UAAL for both active employees and retirees. In other words, it is the amount needed to pay benefits as they come due, as well as to amortize additional liability over a specified period (which cannot be more than 30 years.)

Employer Contributions: Contributions made for OPEB in relation to the ARC. An employer has made a contribution in relation to the ARC if the employer has:

- ❖ Made a payment of benefits directly to or on behalf of a retiree or beneficiary;
- ❖ Made premium payments to an insurer; or
- ❖ Irrevocably transferred assets to a trust in which plan assets are dedicated to providing benefits to retirees and/or beneficiaries. Assets that employers merely set aside for future benefits do not qualify as contributions for purposes of GASB 45.

Net OPEB Obligation (or asset): The difference arrived at by subtracting all employer contributions from the annual OPEB cost. The net OPEB obligation is reported as a liability (or asset) in the accrual-basis financial statements.

Normal Cost: That portion of the Actuarial Present Value that is allocated to each valuation year by an actuarial cost method. Under most actuarial methods, Normal cost can be thought of as the cost for OPEB being earned by employees in exchange for current service. Any employer with at least one OPEB-eligible employee will have a Normal cost each year.

Pay-As-You-Go: A method of financing an OPEB under which the contributions to the plan are generally made at about the same time and are equal to the amount of retiree benefit payments and expenses coming due. Employers that finance benefits on a pay-as-you-go basis typically make payments directly to a provider.

Plan Assets: Financial resources that have been segregated into a trust for the payment of benefits in accordance with the terms of the plan. Employer contributions to the trust are irrevocable, and assets are dedicated to providing benefits to retirees and their beneficiaries. Plan assets are also legally protected from creditors of the employer. Assets set aside by employers for OPEB, but not deposited in a trust, are considered *employer assets* and not Plan assets.

Plan Liabilities: Obligations payable by the plan at the reporting date. These obligations include benefits and refunds due and payable to plan members and beneficiaries, and accrued investment and administrative expenses. Plan liabilities do not include actuarial accrued liabilities for benefits that are not due and payable at the reporting date.

Unfunded Actuarial Accrued Liability (UAAL): The portion of the AAL over and above the Actuarial Value of Plan Assets. The UAAL is determined by three things: unfunded past Normal costs, actuarial gains and losses (differences between actuarial assumptions and actual experience), and changes to the amount of promised benefits.

Date of Calculation ARC for FYE		2014 2015		Projected Future Benefit Payments for Year ending December 31,																														
Member	Status	DOB	Hire Date	Entry Age	Number of Years Employed	Assumed Retirement Age	Current Age	Remaining Life Expectancy	105.40%	111.09%	117.09%	123.41%	130.08%	137.10%	144.51%	152.31%	160.53%	169.20%	178.34%	187.97%	198.12%	208.82%	220.09%	231.98%	244.51%	257.71%	271.63%	286.29%	301.75%	318.05%	335.22%			
									2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037			
Borowiak, Joseph	Active	1960	1998	38	16	58	54	26																										
Boughner, Alan	Active	1972	2003	31	11	55	42	37																										
Collison, Thomas	Active	1954	1985	31	29	55	60	21	13,209	13,922	14,674	15,466	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400		
Coughlin, Thomas, Jr	Active	1981	2010	29	4	55	33	45																										
Dean, Tom	Active	1960	1997	37	17	57	54	26			7,016	7,395	7,794	8,215	8,659	9,126	9,619	10,139		4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200		
Dipzinski, Michael	Active	1970	1991	21	23	55	44	35													10,686	11,263	11,871	12,512	13,188	13,900	14,651	15,442	16,276	17,155	18,081	19,057	20,087	
Fox, David	Active	1976	1999	23	15	55	38	40																										
Hinton, Justin	Active	1975	2008	33	6	55	39	39																										
House, Kiel	Active	1963	1990	27	24	55	51	29				7,395	7,794	8,215	8,659	9,126	9,619	10,139	10,686	11,263	11,871	12,512	13,188	13,900	14,651	15,442	16,276	17,155	18,081	19,057	20,087			
Huff, Russell III	Active	1967	1993	26	21	55	47	32													9,126	9,619	10,139	10,686	11,263	11,871	12,512	13,188	13,900	14,651	15,442	16,276	17,155	18,081
Jaroneski, Steven	Active	1969	2002	33	12	55	45	34																										
Johnson, Timothy	Active	1963	2003	40	11	60	51	29																										
Koronka, Brian	Active	1967	1997	30	17	55	47	32													9,126	9,619	10,139	10,686	11,263	11,871	12,512	13,188	13,900	14,651	15,442	16,276	17,155	18,081
Kawapis, Earl	Active	1969	1999	30	15	55	45	34																										
Kawapis, Stanley	Active	1967	2001	34	13	55	47	32													9,126	9,619	10,139	10,686	11,263	11,871	12,512	13,188	13,900	14,651	15,442	16,276	17,155	18,081
McGinn, Kelly	Active	1965	2009	44	5	55	29	34																										
Mench, Steven	Active	1971	2003	32	11	55	43	36																										
Miller, Karen	Active	1956	1996	40	18	60	58	26			6,657	7,016	7,395	7,794	8,215	8,659	9,126	9,619	10,139	10,686	11,263	11,871	12,512	13,188	13,900	14,651	15,442	16,276	17,155	18,081	19,057	20,087		
Myers, Joe	Active	1966	2001	35	13	55	48	31																										
Murphy, Michael	Retired	1949	1990	41	24	61	65	18	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260	26,624					
Robinson, David	Retired	1954	1979	25	35	55	60	21	13,209	13,922	14,674	15,466	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260	26,624					
Roper, Michael	Retired	1949	1978	29	36	55	65	18	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260	26,624					
Rybicki, Louis	Active	1958	2010	52	4	62	56	24																										
Samkowiak, Charles	Retired	1952	1978	26	36	55	62	20	13,209	13,922	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260						
Samkowiak, Timothy	Active	1962	2002	40	12	60	52	28																										
Schaedig, Larry	Retired	1949	1977	28	37	55	65	18	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260						
Schmidt, Edward	Active	1955	1986	31	28	55	59	22	6,316	6,657	7,016	7,395	7,794	8,215	8,659	9,126	9,619	10,139	10,686	11,263	11,871	12,512	13,188	13,900	14,651	15,442	16,276	17,155	18,081	19,057	20,087			
Sewell, Dennis	Active	1968	2000	32	14	55	46	33																										
Slivinski, Steven	Active	1968	1997	29	17	55	46	33																										
Spencer, Thomas	Active	1959	1999	40	15	60	55	25																										
Techel, Greg	Active	1959	1985	26	29	55	25	25	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	
Kuznicki, Melanie	Active	1976	2000	24	14	55	38	44																										
Deming, John	Retired	1928	1989	61	25	82	86	5	4,200	4,200	4,200	4,200	4,200																					
Fleming, Eugene	Retired	1934	1981	47	33	67	80	8	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438																		
Holewinski, William	Retired	1948	1980	32	34	55	66	17	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260						
Bale, Duane	Retired	1934	1953	19	38	57	80	8	4,649	4,900	5,165	5,444	5,738	6,048	6,374	6,718	7,081	7,464	7,867	8,291	8,739	9,211	9,708	10,233	10,785	11,368	11,981	12,628	13,310	14,029				
Butcher, Duane	Retired	1946	1998	52	10	62	68	15	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	
Ciszewski, Rose (s)	Retired	1948	1948	0																														
Czarkowski, Kenneth	Retired	1949	1972	23	35	58	65	18	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260	26,624					
Duczowski, Leonard	Retired	1929	1960	31	29	60	85	6	4,649	4,900	5,165	5,444	5,738	6,048	6,374	6,718	7,081	7,464	7,867	8,291	8,739	9,211	9,708	10,233	10,785	11,368	11,981	12,628	13,310	14,029				
Dutcher, Bruce	Retired	1950	1969	19	38	57	64	18	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260						
Florenski, Richard	Retired	1938	1966	48	14	62	76	10	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260						
Gapinski, David	Retired	1934	1961	27	37	64	80	8	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260						
Hyde, John	Retired	1938	1977	39	21	60	76	10	4,649	4,900	5,165	5,444	5,738	6,048	6,374	6,718	7,081	7,464	7,867	8,291	8,739	9,211	9,708	10,233	10,785	11,368	11,981	12,628	13,310	14,029				
Koronka, Dorothy (S)	Retired	1939	1939	0																														
Mankowski, Thomas	Retired	1941	1965	24	35	59	73	12	9,299	9,802	10,331	10,889	11,477	12,097	12,750	13,438	14,164	14,929	15,735	16,585	17,480	18,424	19,419	20,468	21,573	22,738	23,966	25,260	26,624					
McCready, Kenneth	Retired	1941	1975	34	27	61	73	12	4,649	4,900	5,165	5,444	5,738	6,048	6,374	6,718	7,081	7,464	7,867</															

Average Life Expectancy

Economic Assumptions	FYE	Rate
Premium Increases	2015	5.40%
	2016	5.40%
	2017	5.40%
	2018	5.40%
	2019	5.40%
	2020	5.40%
	2021	5.40%
	2022	5.40%
	2023	5.40%
	2024	5.40%
	2025 & later	5.40%

2014 Insurance Premiums - Employer Portion	Annual
55-65 (Non Medicare Eligible)	
Single	5992
Married	12532
Ages 65 and older (Medicare Eligible)	
Single	4411
Married	8823
Under new Union Contract	
Ages 65 and older (Medicare Eligible)	
Single	4200 \$350 per month max
Married	8400

Discount Rate 4.00%

Exempt from Insurance

Turn Age 65

Dates Eligible for retirement and Mortality calculated DOD

APPROVED

MINUTES for the
REGULAR MEETING OF THE
OTSEGO COUNTY ROAD COMMISSION
HELD ON THURSDAY, OCTOBER 19, 2017, AT 9:00 A.M.
AT THE OFFICE LOCATED AT 669 MCCOY ROAD, GAYLORD, MICHIGAN

ITEM 1 - PLEDGE OF ALLEGIANCE

Meeting called to order by Chair Matelski at 9:00 a.m. Pledge of Allegiance.

ITEM 2 - ROLL CALL

Upon roll call, the following Commissioners responded:

Hofewinski, Present

Huff, Present

Matelski, Present

In addition, the following staff members were present: Jason Melancon, Manager; Becky Jerry, Board Secretary.

ITEM 3 - ADDITIONS TO AGENDA

None.

ITEM 4 - APPROVAL OF AGENDA

Motion by Holewinski, and seconded by Huff to approve the Agenda as presented. Three ayes, no nays. Motion carried.

ITEM 5 - CONSENT CALENDAR

The purpose of the Consent Calendar is to expedite business by grouping non-controversial items together without discussion. Any member of the Commission, staff, or the public may ask that any item on the Consent Calendar be removed and placed elsewhere on the Agenda for full discussion. Such requests will be automatically respected.

If an item is not removed from the Consent Calendar, the action noted in parentheses on the Agenda is approved by a single Commission action adopting the Consent Calendar. The Manager recommends the following items be adopted:

- A. *Minutes:* The Board approves the Regular Meeting Minutes dated September 25, 2017.
- B. *Payroll:* The Board approves Payroll Q3 Health Ins. Opt-Out (\$6,632.52), Payroll #20 (\$65,718.54), and Payroll #21 (\$68,401.76), respectfully.
- C. *Accounts Payable:* The Board approves Accounts Payable C/10-1 (\$74,466.06) to be paid through the General (201) account, C/10-1 (\$1,297,367.05) with \$614,936.13 to be paid through the General (201) account and \$682,430.92 to be paid through the Millage (465) account, and the Accounts Payable Check Register dated 09/01/2017 to 09/30/2017.

Motion by Huff, and seconded by Holewinski to approve items on the Consent Calendar. Three ayes, no nays. Motion carried.

ITEM 6 - COUNTY UPDATE

Ken Glasser, Commissioner for Otsego County Board, updated Road Commission Board on County matters.

ITEM 7- APPOINTMENTS

None.

ITEM 8 - PUBLIC COMMENT

None.

APPROVED

ITEM 9 – UPCOMING MEETINGS

- A. Straits Area Council Meeting: November 7, 2017 (RSVP by October 27, 2017). (Holewinski, Huff, Melancon to attend)
- B. Regularly scheduled Board meetings: November 16, 2017 and December 21, 2017 (Need to schedule Budget Public Hearing for the December meeting) Board agreed to hold Budget Public Hearing on Thursday, December 21, 2017 at 10:00 a.m.
- C. Public Hearing for Revised Permit Fee Schedule: November 16, 2017 at 9:15 a.m.

ITEM 10 – FINANCE REPORTS/BUDGETS

Discussion on Finance Reports.

ITEM 11 – OLD BUSINESS/UNFINISHED BUSINESS

None.

ITEM 12 – NEW BUSINESS

1. R17-9 Resolution for the Establishment of Retiree Health Care Fund Trust/OCRC Retiree Health Insurance Section 115 Trust Agreement/Retiree Health Insurance Administrative Services Agreement. (attached as part of these minutes) **Motion by Huff, and seconded by Holewinski to approve R17-9 Resolution for the Establishment of Retiree Health Care Fund Trust, OCRC Retiree Health Insurance Section 115 Trust Agreement, and Retiree Health Insurance Administrative Services Agreement between OCRC and Burnham and Flower, and to authorize Manager to sign Section 115 Trust Agreement and the Administrative Service Agreement. Roll call vote: Huff, yes; Holewinski, yes; Matelski, yes. Three ayes, no nays. Motion carried.**
2. R17-10 Resolution for Signature Authorization and Acceptance of the MDOT Amendment. (attached as part of these minutes) **Motion by Huff, and seconded by Holewinski to approve R17-10 Resolution for Signature Authorization and Acceptance of the MDOT Amendment and to authorize Manager to sign said R17-10 Resolution. Roll call vote: Huff, yes; Holewinski, yes; Matelski, yes. Three ayes, no nays. Motion carried.**
3. P17-23 Waste Haulers Permit Policy/Seasonal Waste Haulers Application. **Motion by Huff, and seconded by Holewinski to approve the P17-23 Waste Haulers Permit Policy and Seasonal Waste Haulers Transportation Application. Three ayes, no nays. Motion carried.**
4. 2018 Healthcare Proposals/Burnham & Flower. **Motion by Huff, and seconded by Holewinski to approve BCN Healthcare Plan HMO Platinum 500 for current employees and HMO Platinum 500 Retirees BCN Plan for 2018. Three ayes, no nays. Motion carried.**

ITEM 13 – CORRESPONDENCE AND REPORTS

Manager went over Shop Foreman's equipment timelines. Discussion. Board discussed purchasing one truck every other year and two trucks the other every other year. Manager also reported on meeting with equipment committee; need for skid steer, chipper; grader (possibility of leasing). Manager to bid out for two tandem trucks and up to three pickups. Manager gave project updates; discussed 2018 Federal Projects (Murner (STP); N. Otsego (CAT F); 27 North (Small Urban); use of millage funds; Beckett Road (Safety Funds; should find out in December 2017).

A Motion was made at 10:05 a.m. by Huff, and seconded by Holewinski to postpone meeting until 11:00 a.m. Three ayes, no nays. Motion carried.

An error was made in scheduling for the Township – Call for Projects. **Chair Matelski Motioned to call the meeting back to order at 10:35 a.m., and was seconded by Huff. (Holewinski was absent until 10:38 a.m.) Two ayes, no nays. Motion carried.**

ITEM 14 – MISCELLANEOUS AND OTHER

None.

APPROVED

ITEM 15 – TOWNSHIP – CALL FOR PROJECTS (11:00 A.M.)

The Board met with the following Townships to discuss proposed road projects for the 2018 road construction season (meeting started at 10:35 a.m.):

1. Bagley Township
2. Elmira Township
3. Hayes Township
4. Chester Township
5. Charlton Township
6. Livingston Township
7. Otsego Lake Township
8. Dover Township

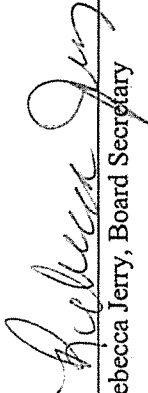
Motion by Huff, and seconded by Holewinski to approve the Township Agreement for Improvements on Local Roads between Charlton Township and the Otsego County Road Commission (17-02-01) for road improvements on Meridian Line Road Project #2. Three ayes, no nays. Motion carried.

ITEM 16 – ADJOURNMENT

Board called the meeting adjourned at 2:06 p.m.



David Matelski, Chairman



Rebecca Jerry, Board Secretary

APPROVED

MINUTES for the
REGULAR MEETING OF THE
OTSEGO COUNTY ROAD COMMISSION
HELD ON THURSDAY, JANUARY 18, 2018, AT 9:00 A.M.
AT THE OFFICE LOCATED AT 669 MCCOY ROAD, GAYLORD, MICHIGAN

ITEM 1 - PLEDGE OF ALLEGIANCE

Meeting called to order by Chair Matelski at 9:00 a.m. Pledge of Allegiance.

ITEM 2 - ROLL CALL

Upon roll call, the following Commissioners responded:

Holewinski, Present
Huff, Present
Matelski, Present

In addition, the following staff members were present: Jason Melancon, Manager; Becky Jerry, Board Secretary.

ITEM 3 – ADDITIONS TO AGENDA

None.

ITEM 4 – APPROVAL OF AGENDA

Motion by Huff, and seconded by Holewinski to approve the Agenda as presented. Three ayes, no nays. Motion carried.

ITEM 5 – CONSENT CALENDAR

The purpose of the Consent Calendar is to expedite business by grouping non-controversial items together without discussion. Any member of the Commission, staff, or the public may ask that any item on the Consent Calendar be removed and placed elsewhere on the Agenda for full discussion. Such requests will be automatically respected.

If an item is not removed from the Consent Calendar, the action noted in parentheses on the Agenda is approved by a single Commission action adopting the Consent Calendar. The Manager recommends the following items be adopted:

- A. *Minutes:* The Board approves the Regular Meeting Minutes dated December 21, 2017 and the Reorganizational Minutes.
- B. *Payroll:* The Board approves Payroll #26 (\$75,768.47), Payroll Q4th Health Insurance Opt Out (\$6,632.52), Payroll Vacation Payout (\$22,842.26), Payroll Vacation Payout Correction (\$4,546.48), Payroll Gross Wages Hired After 2009 (\$21,487.28) and Payroll #1 (\$90,286.72), respectively.
- C. *Accounts Payable:* The Board approves Accounts Payable C/12-3 (\$157.63) to be paid through the General (201) account, C/12-31-17(1) (\$11,456.99) to be paid through the General (201) account, C/12-31-17(2) (\$178,963.19) to be paid through the General (201) account, C/1-1 (\$20,263.54) to be paid through the General (201) account, and the Accounts Payable Check Register dated 12/01/2017 to 12/31/2017.

Motion by Huff, and seconded by Holewinski to approve items on the Consent Calendar. Three ayes, no nays. Motion carried.

ITEM 6 – COUNTY UPDATE

Ken Glasser, Commissioner for Otsego County Board, updated Road Commission Board on County matters.

ITEM 7- APPOINTMENTS

Lisha Ramsdell from Huron Pines updated the Board on the Pigeon River/Ford Lake Road Bridge project set for 2019 which would replace tubes with a timber bridge.

APPROVED

ITEM 8 – PUBLIC COMMENT

None.

ITEM 9 – UPCOMING MEETINGS

- A. Board Meeting dates: February 15, 2018 and March 15, 2018. Board meeting scheduled for March will be rescheduled to Friday, March 16, 2018 due to CRA 2018 Highway Conference and Road Show.
- B. CRA 2018 Highway Conference and Road Show; March 13-15 in Lansing

ITEM 10 – FINANCE REPORTS/BUDGETS

- A. Contributions to Healthcare 115 Trust account and MERS Surplus Account. Motion by Huff, and seconded by Holewinski to contribute \$100,000.00 to the MERS Surplus account, and \$100,000.00 to the Healthcare 115 Trust account. Discussion. Three ayes, no nays. Motion carried.

ITEM 11 – OLD BUSINESS/UNFINISHED BUSINESS

None.

ITEM 12 – NEW BUSINESS

- A. Disposal of Equipment 596.1/FA681 (light bar for equipment 596). Motion by Huff, and seconded by Holewinski to approve the disposal of Equipment 596.1/FA681. Three ayes, no nays. Motion carried.
- B. CRA Board of Directors Vote. Motion by Huff, and seconded by Holewinski to vote Douglas Robidoux as CRA Board of Director on behalf of the Northern Michigan Association of Road Commissions. Three ayes, no nays. Motion carried.
- C. MDOT Contract North Otsego Lake Drive/R18-1 Resolution for Signature Authorization and Approval of the 2018 North Otsego Lake Drive Project Contract. Motion by Huff, and seconded by Holewinski to approve Resolution R18-1 Resolution for Signature Authorization and Approval of the 2018 North Otsego Lake Drive Project Contract (Contract Number 17-5562) with MDOT. Roll call vote: Huff, yes; Holewinski, yes; Matelski, yes. Three ayes, no nays. Motion carried.

ITEM 13 – CORRESPONDENCE AND REPORTS

Manager updated the Board on the following:

- A. Category F funding projects.
- B. Murner Road project.
- C. Meeting with the County Health Department regarding Road Commission permits.

ITEM 14 – MISCELLANEOUS AND OTHER

None.

ITEM 15 – ADJOURNMENT

Motion by Huff, and seconded by Holewinski to adjourn the Board meeting at 9:47 a.m. Three ayes, no nays. Motion carried.



David Matelski, Chairman



Rebecca Jerry, Board Secretary

APPROVED

MINUTES for the
REGULAR MEETING OF THE
OTSEGO COUNTY ROAD COMMISSION
HELD ON THURSDAY, MAY 24, 2018, AT 9:00 A.M.
AT THE OFFICE LOCATED AT 669 MCCOY ROAD, GAYLORD, MICHIGAN

ITEM 1 - PLEDGE OF ALLEGIANCE

Meeting called to order by Chair Matelski at 9:00 a.m. Pledge of Allegiance.

ITEM 2 - ROLL CALL

Upon roll call, the following Commissioners responded:

Holewinski, Present
Huff, Present
Matelski, Present

In addition, the following staff members were present: Jason Melancon, Manager; Becky Jerry, Board Secretary.

ITEM 3 – ADDITIONS TO AGENDA

1. Add to NEW BUSINESS: Township Agreement/Otsego Lake Township/Old 27 South

ITEM 4 – APPROVAL OF AGENDA

Motion by Huff, and seconded by Holewinski to approve the Agenda with revisions. Three ayes, no nays. Motion carried.

ITEM 5 – CONSENT CALENDAR

The purpose of the Consent Calendar is to expedite business by grouping non-controversial items together without discussion. Any member of the Commission, staff, or the public may ask that any item on the Consent Calendar be removed and placed elsewhere on the Agenda for full discussion. Such requests will be automatically respected.

If an item is not removed from the Consent Calendar, the action noted in parentheses on the Agenda is approved by a single Commission action adopting the Consent Calendar. The Manager recommends the following items be adopted:

- A. *Minutes*: The Board approves the Regular Meeting Minutes dated April 19, 2018.
- B. *Payroll*: The Board approves Payroll #9 (\$96,370.63), and Payroll #10 (\$65,305.66), respectfully.
- C. *Accounts Payable*: The Board approves Accounts Payable C/4-3 (\$9,095.92) to be paid through the General (201) account, C/5-1 (\$32,437.43) to be paid through the General (201) account, C/5-2 (\$315,860.83) with \$305,810.61 to be paid through the General (201) account and \$10,050.22 to be paid through the Millage (465) account, and the Accounts Payable Check Register dated 04/01/2018 to 04/30/2018.

Motion by Huff, and seconded by Holewinski to approve items on the Consent Calendar. Three ayes, no nays. Motion carried.

ITEM 8 – COUNTY UPDATE

Ken Glasser, Commissioner for Otsego County Board, updated Road Commission Board on County matters.

ITEM 6 – PUBLIC HEARING/9:05 A.M./PERMIT FEE SCHEDULE

Motion by Huff, and seconded by Holewinski to open the Public Hearing at 9:05 a.m. to review/discuss the revisions to the proposed OCRC Permit Fee Schedule. Three ayes, no nays. Motion carried.

Objections and/or concerns to the proposed OCRC Permit Fee Schedule pertaining to permit fees for Non-Public Utilities for Private Use Permit were heard by Joe Burgdorf, Chuck Edwards from the Health Department, and Cari Samalik. Discussion.

APPROVED

Motion by Huff, and seconded by Holewinski to close the Public Hearing and return to the open meeting. Three ayes, no nays. Motion carried.

Motion by Huff, and seconded by Holewinski to postpone the Public Hearing regarding the Permit Fee Schedule revision to the Thursday, June 21, 2018 regularly scheduled Board meeting. Three ayes, no nays. Motion carried.

ITEM 7 – APPOINTMENTS

Phil Wolf, Auditor from Anderson, Tackman & Company. Mr. Wolf presented and went over 2017 Audit with Board members. Motion by Huff, and seconded by Holewinski to accept and approve the Otsego County Road Commission 2017 Audit Report as presented.

ITEM 9 – PUBLIC COMMENT

Randy Stultz, Otsego Lake Township, commented on Road Commission representation and presence at the Otsego Lake Township meetings.

ITEM 10 – UPCOMING MEETINGS

- A. Board Meeting dates: June 21, 2018 and July 19, 2018
- B. MCRCSIP Annual Meeting: July 18-19, 2018; Board and Manager will attend July 18, 2018 only.

ITEM 11 – FINANCE REPORTS/BUDGETS

None.

ITEM 12 – OLD BUSINESS/UNFINISHED BUSINESS

None.

ITEM 13 – NEW BUSINESS

- A. Revised OCRC Public Notice/Mailbox Policy. Motion by Holewinski, and seconded by Huff to approve the Revised Otsego County Road Commission Public Notice. Three ayes, no nays. Motion carried.
- B. MERS HCSP Participation Agreement Amendment/Shop Foreman. Motion by Huff, and seconded by Holewinski to approve the MERS HCSP Participation Agreement Amendment for Division Number 300443. Three ayes, no nays. Motion carried.
- C. Bid Tabulations/Old Alba Road. Motion by Huff, and seconded by Holewinski to accept the Old Alba Road bid proposal received from Payne and Dolan, Inc., which has been deemed by the Manager to be in the best interest of the Road Commission. Three ayes, no nays. Motion carried.
- D. Contract Between OCRC/Payne and Dolan, Inc./Old Alba Road. Motion by Huff, and seconded by Holewinski to approve the Contract Agreement between the OCRC and Payne and Dolan, Inc. for improvements on Old Alba Road in Hayes Township and to authorize the Manager to execute said Agreement. Three ayes, no nays. Motion carried.
- E. Township Agreement for Improvement on Local Roads /Bagley Township/Old 27 South. Motion by Huff, and seconded by Holewinski to approve the Township Agreement for Improvements on Local Roads between the OCRC and Bagley Township for improvements on Old 27 South with the Township contribution estimated to be in the amount of \$100,000.00. Three ayes, no nays. Motion carried.
- F. Township Agreement for Improvement on Local Roads/Bagley Township/North Otsego Lake Drive. Motion by Huff, and seconded by Holewinski to approve the Township Agreement for Improvements on Local Roads between the OCRC and Bagley Township for improvements on

APPROVED

North Otsego Lake Drive with the Township contribution estimated to be in the amount of \$65,000.00. Discussion. Three ayes, no nays. Motion carried.

- G. MCRCSIP Board of Directors Election. Motion by Holewinski, and seconded by Huff to vote for John Rogers for the MCRCSIP Board of Directors At-Large Representative. Three ayes, no nays. Motion carried.
- H. R18-4 Resolution for Signature Authorization and Approval of the 2018 Murner Road Project Contract. Motion by Huff, and seconded by Holewinski to approve Resolution R18-4 Resolution for Signature Authorization and Approval of the 2018 Murner Road Project Contract (Contract Number 18-5211) with MDOT. Roll call vote: Huff, yes; Holewinski, yes; Matelski, yes. Three ayes, no nays. Motion carried.
- I. Township Agreement for Improvement on Local Roads/Otsego Lake Township/Old 27 South. Motion by Huff, and seconded by Holewinski to approve the Township Agreement for Improvements on Local Roads between the OCRC and Otsego Lake Township for improvements on Old 27 South with the Township contribution estimated to be in the amount of \$80,000.00. Discussion. Three ayes, no nays. Motion carried.

ITEM 14 – CORRESPONDENCE AND REPORTS

Manager and Board discussed the following:


- A. Lease of loader.
- B. Employee picnic.

ITEM 15 – MISCELLANEOUS AND OTHER

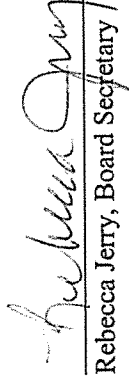
OPEB liability. Motion by Huff, and seconded by Holewinski to contribute \$10,000.00 per month to the Healthcare 115 Trust account, of which said contributions will be reviewed in twelve months. Discussion. Three ayes, no nays. Motion carried.

ITEM 16 – ADJOURNMENT

Motion by Huff, and seconded by Holewinski to adjourn the Board meeting at 10:44 a.m. Three ayes, no nays. Motion carried.



David Matelski, Chairman



Rebecca Jerry, Board Secretary

Medical Plan Group

Current
\$ 523,655⁸⁸

Proposed
Mapped Renewal
\$ 519,921⁹⁶ -0.7%

Medical Plan Design

	Blue Care Network HMO Platinum \$500		Blue Care Network HMO Platinum \$500 Retirees		Blue Care Network HMO Platinum \$500/0% (2019)		Blue Care Network HMO Platinum \$500/0% (2019)	
	Single	Family	Single	Family	Single	Family	Single	Family
Deductible	\$ 500	\$ 1,000	\$ 500	\$ 1,000	\$ 500	\$ 1,000	\$ 500	\$ 1,000
Employee Coinsurance	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Out-of-Pocket Max	\$ 1,000	\$ 2,000	\$ 1,000	\$ 2,000	\$ 1,500	\$ 3,000	\$ 1,500	\$ 3,000
Employer Funding	\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0	\$ - 0
Net Out-of-Pocket Max	\$ 1,000	\$ 2,000	\$ 1,000	\$ 2,000	\$ 1,500	\$ 3,000	\$ 1,500	\$ 3,000
Employee Annual Prem	\$ + 0	\$ + 0	\$ + 0	\$ + 0	\$ + 0	\$ + 0	\$ + 0	\$ + 0
Employee Max Ann. Cost	\$ 1,000	\$ 2,000	\$ 1,000	\$ 2,000	\$ ▲1,500	\$ ▲3,000	\$ ▲1,500	\$ ▲3,000
Medical Copays	Copay		Copay		Copay		Copay	
Primary Care	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
Specialty Care	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
Urgent Care	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35
Emergency	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
Out-Patient Hospital	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
In-Patient Hospital	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Rx	No Deductible		No Deductible		No Deductible		No Deductible	
Tiers	\$4, \$15, \$40, \$80		\$4, \$15, \$40, \$80		\$4, \$15, \$40, \$80		\$4, \$15, \$40, \$80	
Enrollment	26	Prem	ER	EE	5	Prem	ER	EE
Employee Only	0	\$ 0 ⁰⁰	100 %	\$ 0 ⁰⁰	1	\$ 834 ⁹⁴	100 %	\$ 0 ⁰⁰
Employee + Spouse	8	\$ 1,222 ⁵⁵	100 %	\$ 0 ⁰⁰	4	\$ 1,753 ³⁸	100 %	\$ 0 ⁰⁰
Family	18	\$ 1,444 ⁹⁵	100 %	\$ 0 ⁰⁰	0	\$ 0 ⁰⁰	100 %	\$ 0 ⁰⁰
Ann. Insurance Premium	\$ 429,474 ³⁶				\$ 94,181 ⁵²			
Employer Prem Contribution	\$ 429,474 ³⁶				\$ 94,181 ⁵²			
Budgeted HRA + HSA	\$ + 0 ⁰⁰ + 0 ⁰⁰				\$ + 0 ⁰⁰ + 0 ⁰⁰			
Employer Ann. Cost	\$ 429,474 ³⁶				\$ 94,181 ⁵²			
	\$ 426,297 ⁴⁸ ▼				\$ 93,624 ⁴⁸ ▼			
	\$ 426,297 ⁴⁸				\$ 93,624 ⁴⁸			
	\$ + 0 ⁰⁰ + 0 ⁰⁰				\$ + 0 ⁰⁰ + 0 ⁰⁰			
	\$ ▼426,297 ⁴⁸				\$ ▼93,624 ⁴⁸			

Medical Plan Group

Proposed
BCN HRA HMO Platinum \$5000
\$ 479,711⁷⁶ - 8.4%

Medical Plan Design

	Blue Care Network HRA HMO Platinum \$5000		Blue Care Network Copy of HRA HMO Platinum \$5000	
	Single	Family	Single	Family
Deductible	\$ 5,000	\$ 10,000	\$ 5,000	\$ 10,000
Employee Coinsurance	20 %	20 %	20 %	20 %
Out-of-Pocket Max	\$ 6,350	\$ 12,700	\$ 6,350	\$ 12,700
Employer Funding	\$ - 4,500	\$ - 9,000	\$ - 4,500	\$ - 9,000
Net Out-of-Pocket Max	\$ 1,850	\$ 3,700	\$ 1,850	\$ 3,700
Employee Annual Prem	\$ + 0	\$ + 0	\$ + 0	\$ + 0
Employee Max Ann. Cost	\$ ▲1,850	\$ ▲3,700	\$ ▲1,850	\$ ▲3,700

Medical Copays

	Blue Care Network HRA HMO Platinum \$5000	Blue Care Network Copy of HRA HMO Platinum \$5000
Copay		
Primary Care	\$ 20	\$ 20
Specialty Care	\$ 40	\$ 40
Urgent Care	\$ 50	\$ 50
Emergency	\$ 150	\$ 150
Out-Patient Hospital	\$ --	\$ --
In-Patient Hospital	\$ --	\$ --
Rx	No Deductible	No Deductible
Tiers	\$6, \$25, \$50, \$80	\$6, \$25, \$50, \$80

Enrollment

	26	Prem	ER	EE	5	Prem	ER	EE
Employee Only	0	\$ 0 ⁰⁰	100 %	\$ 0 ⁰⁰	1	\$ 632 ³³	100 %	\$ 0 ⁰⁰
Employee + Spouse	8	\$ 932 ¹⁷	100 %	\$ 0 ⁰⁰	4	\$ 1,327 ⁹⁰	100 %	\$ 0 ⁰⁰
Family	18	\$ 1,094 ⁹⁹	100 %	\$ 0 ⁰⁰	0	\$ 1,770 ⁵⁴	100 %	\$ 0 ⁰⁰

Ann. Insurance Premium

\$ 326,034⁶⁰ ▼ \$ 71,327¹⁶ ▼

Employer Prem Contribution

\$ 326,034⁶⁰ \$ 71,327¹⁶

Budgeted HRA + HSA

\$ + 70,200⁰⁰ + 0⁰⁰ \$ + 12,150⁰⁰ + 0⁰⁰

Employer Ann. Cost

\$ ▼396,234⁶⁰ \$ ▼83,477¹⁶

Becky Jerry

From: LocalRetirementReporting <LocalRetirementReporting@michigan.gov>
Sent: Friday, December 21, 2018 12:12 PM
To: Becky Jerry
Subject: Automatic Reply: Local Retirement Reporting

Thank you for contacting the Michigan Department of Treasury regarding local retirement reporting and Public Act 202, the Protecting Local Government Retirement and Benefits Act. If you have attached your Retirement System Annual Report (Form 5572), Waiver Application(s) (Form 5583/Form 5584), Corrective Action Plan(s) (Form 5597/Form 5598), or other correspondence, this email serves as confirmation and acknowledgment that we have received your form(s). No additional confirmation will be sent to your local unit.

If you are simply submitting your form(s), we will contact you if any further information is required.

If you are contacting us with an inquiry, it will be forwarded to our team for review. Once our team has reviewed your inquiry, a response will be developed and emailed to you. Our goal is to respond within three business days.

If you have any questions regarding your status, please visit Michigan.gov/LocalRetirementReporting for our summary report, step-by-step instructions, and helpful FAQs, or email our office at LocalRetirementReporting@michigan.gov. If you would prefer to speak with a member of our team, please schedule a phone call appointment using the [Local Retirement Calendar](#). A team member will contact you via the phone number you provide at your scheduled time.

Sincerely,

Michigan Department of Treasury
Local Retirement Reporting Team