



**AGENDA**  
**OTSEGO COUNTY BOARD OF ROAD COMMISSIONERS**  
**TUESDAY, JANUARY 17, 2023 – 9:00 A.M.**  
**669 W. MCCOY RD., GAYLORD, MI 49734**

**Organizational Meeting**

- Item 1 – Call to Order/Pledge of Allegiance**
- Item 2 – Roll Call**
- Item 3 – Nominations/Election of Chairman**
- Item 4 – Nomination/Election of Vice-Chairman**
- Item 5 – Appoint Secretary to the Board**
- Item 7 – Adopt 2023 Procedural Rules**
- Item 8 – Approve 2023 Meeting Schedule**

**Regular Meeting**

**Item 1 – Agenda Changes/Approval of Agenda**

**Item 2 – Consent Calendar**

- A. Minutes: The Board approves the Regular Meeting Minutes dated December 15, 2022, and the Capital Improvement Planning Workshop dated December 15, 2022.
- B. The Board approves Payroll: #25b (\$5,139.64) and #26 (\$80,076.96)
- C. The Board approves Accounts Payable: C/12-2 (\$92,908.38), and C/1-1 (\$283,180.94) and the Accounts Payable Check Register dated December 1, 2022, to December 31, 2022.

**Item 3 – Guest Speakers**

- A. Jason Clement, Otsego County Board Chairman
- B. Matthew Radulski, MDOT re: I-75 Bridges over Trowbridge Road

**Item 4 – Public Comment**

**Item 5 – Old Business/Unfinished Business**

- A. NONE

**Item 6 – New Business**

- A. 2023 Loader Purchase (voice vote)
- B. Engineer of Record RFP
- C. Seasonal Weight Restrictions Patrol Agreement (MSP)
- D. MERS Adoption Agreement Amendment
- E. MERS Supplemental Valuation Report

**Item 7 – Staff Reports**

- A. Managing Director, Finance Manager, Equipment-Facilities Supervisor, County Road Foreman, State Road Foreman

**Item 8 – Communications**

- A. Upcoming OCRC Board Meeting Date:
- B. Upcoming CRA Highway Conference & Road Show: March 21-23, 2023, in Lansing.

**Item 9 – Public Comment**

**Item 10 – Commissioner Comment**

**Item 11 – Adjournment**



# Otsego County Road Commission

## Agenda Item Report

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**FROM:** Rebecca Hilmert, Finance Manager/Board Secretary  
**MEETING DATE:** January 17, 2023  
**AGENDA ITEM:** Organizational  
**SUBJECT:** Nomination and Election of Officers

### **DESCRIPTION**

PA 283 (County Road Commission Act) requires the OCRC Board to appoint a member of its body to serve as chairperson for the OCRC Board annually. CRC boards also customarily select one of the members to serve as a vice-chair. The law directs the county clerk to serve as CRC clerk, but also permits a CRC to appoint a staff member to work as board secretary when the workload is too great. It is common to appoint a staff member to work as board secretary. Each CRC should, officially, adopt a set of board rules. *Robert's Rules of Order* have become the default mode for meetings; however, most organizations modify the rules to match the level of formality needed in its decision-making setting. Lastly, the OMA requires each board to set the dates, times, and places of the board's regular meetings for the coming year at the first meeting of the new year.

### **PROCESS**

- 1.) Board Secretary opens nominations for chair position.
- 2.) Any member may make a nomination (does not need a second); Board Secretary asks for other nominations and the process is continued until no further nominations are offered.
- 3.) A vote is then held for each nominee in the order nominated (roll call by Board Secretary) until a majority of the Board has voted in favor of a particular nominee, at which point the person is announced to be elected as chair and election is over. The board secretary turns the meeting over to the Chairperson for nominations of vice-chair.
- 4) Appoint Board Secretary.  
**Motion to appoint Rebecca Hilmert as Board Secretary.**
- 5) Adopt 2023 Procedural Rules.  
**Motion to adopt 2023 Procedural Rules as presented.**
- 6) Approve 2023 Meeting Schedule.  
**Motion to approve 2023 Meeting Schedule as presented.**

## CHAPTER 2

- **Appointed.** Most non-chartered counties have **appointed road commissioners**. County commissions that have chosen to appoint road commissioners usually invite interested individuals to apply. A county commissioner may also directly nominate a person for appointment to the road commission. The person receiving a majority of the votes cast by county commissioners will serve as the county road commissioner.

There are two exceptions to the election or appointment of road commissioners:

- **County Executive Form or Government.** First, Macomb and Wayne counties operate under charters that permit the county to assign road management responsibilities to a department under the county executive.
- **County Commission Assumption.** Second, there are counties where the Board of County Commissioners has assumed road commissioner duties.

### County Road Commission Officers

Annually, each CRC officially organizes itself in January with the election of a member to serve as **chair** at the pleasure of the board. Each road commission board has its own rules governing the election of the chair and the length of the term of office.

CRC boards also customarily select one of the members to serve as **vice chair**. That position, however, is not statutory. The law directs the county clerk to serve as CRC **clerk**, but it also permits a CRC to appoint a staff member to work as board secretary when the workload is too great. It is common to appoint a staff member to work as board secretary.

Other than saying “annually,” the law is not specific as to when the term of the board chair begins and ends. Thus, the time for electing the officer should be specified in the CRC Board Rules – ordinarily at the first or second meeting of the year.

While not stated in the law, the CRC should ask the board secretary to preside at the initial meeting until the chair is selected. (The County Board of Commissioners also follows this pattern.)

## CHAPTER 3

### Best Practices for Meetings

Each CRC should officially adopt a set of board rules. In the US, *Robert's Rules of Order* have become the default mode for all meetings. People pass motions, second those motions and vote 'yea' or 'nay.' Agendas include Old Business and New Business. All of this comes from *Robert's Rules*, which are very helpful in creating a consistent process for public boards.

Most organizations modify the rules to match the level of formality needed in its decision-making settings. A CRC board should periodically discuss how it will operate during meetings.

In addition, *Robert's Rules* allows for local rules to supersede its standards. *Robert's Rules* may serve as a guide for developing the full CRC rules. Having a specific CRC-set of rules will help CRC meetings be business-like and orderly. Written board rules practiced with integrity will help produce sound policy, resolve disputes that arise in meetings and create clearer accountability of the CAO for operational performance.

Which *Rules* will the board follow? Make a decision, then write them down as an administrative resolution and follow those rules.

- **8 Rules for Constructive Engagement.** The best road commission meetings are characterized by commissioner interactions that are...
  1. Relevant to the meeting purpose.
  2. Agreed to by all.
  3. Efficient.
  4. Fair and void of divisive comments concerning religion, race, color, national origin, age, sexual orientation, gender identity, height, weight, marital status or disability.
  5. Respectful of the public.
  6. Lawful and ethical.
  7. Conducted using your selected form of Parliamentary Procedure (e.g., Roberts Rules of Order).
  8. Transparent during the meeting.

\* See Legal Considerations, p. 21.

|   |                               |                  |                                       |                           |                                    |
|---|-------------------------------|------------------|---------------------------------------|---------------------------|------------------------------------|
| <b>OTSEGO COUNTY ROAD COMMISSION<br/>POLICY</b> | <b>GENERAL ADMINISTRATION</b> |                  |                                       |                           |                                    |
| <b>TITLE:</b> 2023 Procedure Policy             | <b>RESOLUTION<br/>NUMBER:</b> | <b>SUPERCEDE</b> | <b>EFFECTIVE<br/>DATE:</b><br>1-17-23 | <b>SUPERCEDE</b><br>P21-1 | <b>POLICY<br/>NUMBER:</b><br>P23-1 |

**2023 PROCEDURE POLICY  
OF THE  
OTSEGO COUNTY ROAD COMMISSION  
OTSEGO, MICHIGAN**

**ARTICLE I — RULES**

**Section A     PROCEDURE POLICY:**

The Commission shall incorporate Robert’s Rules of Order as meeting procedures and said Commission shall have the right to adopt and amend policies, by majority vote of the total board, governing their procedures. The policies shall not conflict with the terms of any statute.

**Section B     RULES OF ORDER:**

Any person disturbing a meeting shall be asked to be seated and remain quiet. Failing this, the Chairperson shall ask the person to leave; if he or she refuses, the Chairperson will call a brief recess. Final step to order would be asking the sheriff or deputy to remove the person.

The Open Meetings Act confirms the right of a public body to establish rules for addressing that body (PA 267 of 1976 as amended by PA 256 of 1978, Section 15.263(5)).

**NOW THEREFORE BE IT RESOLVED** that the following rules governing Public Input be adopted and enforced unless amended by a future County Road Commission Board:

1. Public input at the regular or special meetings of the Otsego County Board of Road Commissioners shall be welcomed.
2. During Public Input, those individuals wishing to speak shall raise their hand to be recognized by the Chairperson. Once recognized the individual shall state their name for the record.
3. Three-minute limit be allocated to each speaker.
  - a. No allocation may be for more than three minutes unless the Board grants additional time to the speaker.
  - b. The Chairperson shall recognize all persons who wish to speak during public comments per Section 3(a), 4(c), 4(d).

- c. Allocated time to persons recognized by the Chairperson may not be traded away to other members of the public either recognized or not.
- d. Allocated time to persons recognized by the Chairperson may speak 3 (three) minutes during first Public Comment and 3 (three) minutes during the second Public Comment for a total of 6 (six) minutes. (Adopted: 04/14/08)

**Section C QUORUM:**

A majority of members shall constitute a quorum for the ordinary business of the road commission. There is a required two-thirds roll call vote of the members of the public body elected or appointed and serving needed to go into Closed Session meetings pursuant to the Open Meetings Act 1976 PA 267, MCL 15.261.

**Section D ROLL CALL VOTES:**

The names and votes of members shall be recorded on all actions of the Board. Roll call votes may be called at the request of 1/3 of the members present.

**ARTICLE II — THE BOARD OF ROAD COMMISSIONERS**

**Section A BOARD MINUTES:**

The Clerk of the Board must record all the proceedings of the Board in a book provided for that purpose.

**Section B TERM OF OFFICE:**

Begins on January 1<sup>st</sup>, following the election/appointment. Oath of office and signing the Constitutional Oath of Office shall be done before the January 1<sup>st</sup> date.

**Section C VACANCIES ON BOARD OF ROAD COMMISSIONERS:**

Shall be filled according to statute by the County Board of Commissioners.

**Section D COMMISSION COMPENSATION AND MILEAGE:**

Commissioners shall receive a compensation and mileage reimbursement fixed by resolution of the County Board of Commissioners. Change in compensation shall become effective only when commissioners begin their term of office after appointment by the **County Board of Commissioners of Otsego County**. Mileage shall not exceed the standard amount per mile as set by the Internal Revenue Services.

**Section E COMMISSIONERS HAVING OTHER COUNTY EMPLOYMENT:**

Any person while a member of the Board shall not be eligible to be elected to any position that is within the jurisdiction of the County Board of Commissioners. Further, no member of the Board of Commissioners shall be eligible to fill the office of County Road Commissioner.

**Section F COMMISSIONERS CONFLICTS OF INTEREST AS TO CONTRACTS:**

A commissioner shall exercise his or her obligation to vote upon issues at hand unless a conflict of interest is present. He or she shall avoid being placed in a position of conflict of interest and refrain from using the Board position for personal or partisan gain.

**Section G SEALED BIDS:**

Sealed bids shall be requested on any item, equipment, or service, unless this requirement is specifically withheld from applying by action of the Board. Specifications will be submitted by the department head or elected official making the request. All requests for bids must contain the statement that: "The Board of Road Commissioners reserves the right to accept or reject any or all bids submitted, and to accept the bid that is in the best interest of the County Road Commission." All bids will be opened at the time and place stated in the bid request and acted on at a meeting of the Board of Road Commissioners (regular or special).

**Section H SIGNING OF DOCUMENTS:**

The Chairman of the Board of Road Commissioners and/or the Manager is authorized to sign all documents that have been approved by the Board of Road Commissioners, except when a resolution has been approved, all members shall sign.

**Section I PUBLIC MONIES:**

No public monies shall be used for funeral flowers, memorial contributions, coffee, plaques, etc.

**ARTICLE III-BOARD OFFICERS**

**Section A CHAIRPERSON:**

The Chairperson shall be selected by the majority of the Board at the first meeting of each year.

**Section B VICE CHAIRPERSON:**

The Vice Chairperson shall be chosen by the majority of the Board at the first meeting of each year.

**Section C CLERK/BOARD SECRETARY:**

The Clerk of the County shall be clerk of the Board of County Road Commissioners and shall keep the records and accounts of the Board. When the record keeping is of sufficient volume, the Board may appoint a secretary, with the consent of the County Board of Commissioners, who shall act as clerk of the board, and whose salary, together with the salaries of the members of the Board of County Road Commissioners, shall be paid by the Board of County Road Commissioners from county road funds.

**ARTICLE IV - BOARD MEETINGS**

**Section A ORGANIZATION:**

The organizational meeting shall be the first meeting of the year.

**Section B MEETINGS:**

All meetings of the Otsego County Road Commission shall be held in compliance with Act 267 of 1976, as amended, known, and cited as the "Open Meetings Act."

1. All meetings shall be open to the public and shall be held in a place available to the public.
2. All persons shall be permitted to attend any meeting except as otherwise provided in this act.
3. All decisions shall be made at a public meeting.
4. No person shall be required to register or otherwise provide his/her name or other information as a condition of attendance.

**Section C REGULAR/SPECIAL/CLOSED MEETING POSTINGS:**

The Road Commission shall designate an individual to be responsible for implementing the notice provisions of the "Open Meetings Act."

**1. REGULAR MEETINGS:**

- a. A notice of the schedule of regular meetings shall be posted within ten (10) days after the first meeting of the Otsego County Road Commission at which the schedule is adopted.
- b. The meeting schedule shall be posted at the office of the Otsego County Road Commission and at the office of the Otsego County Clerk.
- c. The notice shall contain the name of the public body, telephone number, and address.



d. If there is a change in the schedule of the regular meetings, there shall be posted within three (3) days after which the change is made, a public notice stating the new dates, times, and place of the regular meetings.

## **2. RESCHEDULED/RECESSED/SPECIAL MEETINGS**

a. If a Regular Meeting is rescheduled or recessed for more than thirty-six (36) hours, or if a Special Meeting is called, prior notice of at least eighteen (18) hours must be posted at the offices of the Otsego County Road Commission and the Otsego County Clerk.

b. A Special Meeting will be held at the "Call of the Chair" or upon written request of any two Road Commissioners.

c. The public notice shall contain the name and address of the Otsego County Road Commission, the date, time, place of meeting, phone number, the date, time, and name of person posting notice, time notice was removed and placed on file after special, recessed, rescheduled meeting.

d. The Road Commission may meet in an emergency session in the event of a severe and imminent threat to the health, safety, or welfare of the public when 2/3 of the members serving on the Road Commission decide that a delay would be detrimental to efforts to lessen or respond to the threat.

### **Section D - PUBLIC ATTENDANCE AT BOARD MEETINGS:**

All Road Commission meetings shall be open to the public except for those closed sessions as permitted by 15.268, Section 8:

1. To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of a public officer, employee, staff member, or individual agent, if the named person requests a closed hearing. A person requesting a closed hearing may rescind the request at any time, in which case the matter at issue shall be considered after the rescission only in open session.

2. For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement if negotiating party requests a closed hearing.

3. To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.

4. To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigating or settlement position of the public body.

5. To review and consider the contents of an application for employment or appointment to a public office if the candidate requests that the application remain confidential. However, all

interviews by a public body for employment or appointment to a public office shall be held in an open meeting.

6. To consider material exempt from discussion or disclosure by state or federal statute.

**ARTICLE V — INDEMNIFICATION**

*This section shall not conflict with the terms of any statute.* The Board of the Otsego County Road Commission shall abide by any applicable laws and/or statutes. The Road Commission shall also follow the standards and procedures set forth by the Road Commission Liability Insurance and Errors and Omissions Policies provided by the Road Commission insurance carrier, MCRCSIP. Any Commissioner operating within the authority of the Board shall be covered. Any Commissioner operating outside the authority of the Board will not be covered.

Adopted: January 17, 2023

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Troy Huff, Chairman  
Otsego County Road Commission

**2023 Meeting Schedule  
OTSEGO COUNTY ROAD COMMISSION  
669 West Mc Coy Road  
P.O. Box 537  
Gaylord, MI 49734-0537  
(989) 732-5202**

**Office Hours: Monday – Friday 7:30 a.m. – 4:00 p.m.**  
**Summer Hours: Monday – Thursday 6:00 a.m. – 4:30 p.m.**

The meeting schedules for the 2023 calendar year of the Otsego County Road Commission, held at the meeting room located at 669 W. McCoy Road, Gaylord, MI 49735, is as follows:

| <b>OCRC BOARD MEETINGS</b>   |                  |
|--|------------------|
| <b>Board Meetings are scheduled for the third Thursday of each month unless specified otherwise.</b> |                  |
| <b>01/17/2023</b>  | <b>9:00 a.m.</b> |
| <b>02/16/2023</b>  | <b>9:00 a.m.</b> |
| <b>03/16/2023</b>  | <b>9:00 a.m.</b> |
| <b>04/20/2023</b>  | <b>9:00 a.m.</b> |
| <b>05/18/2023</b>  | <b>9:00 a.m.</b> |
| <b>06/15/2023</b>  | <b>9:00 a.m.</b> |
| <b>07/20/2023</b>  | <b>9:00 a.m.</b> |
| <b>08/17/2023</b>  | <b>9:00 a.m.</b> |
| <b>09/21/2023</b>  | <b>9:00 a.m.</b> |
| <b>10/19/2023</b>  | <b>9:00 a.m.</b> |
| <b>11/16/2023</b>  | <b>9:00 a.m.</b> |
| <b>12/21/2023</b>  | <b>9:00 a.m.</b> |

**(Please note dates and/or times may be subject to change. Notification of such changes and/or revisions will be made available to the public)**

**Any other special meetings will be posted in accordance with the Open Meeting Act. For further information, please come in or call our office at (989) 732-5202.**

**Otsego County Road Commission Board**

*This notice is posted in compliance with Public Act 267 of 1976, as amended, the Open Meetings Act, MCL 41.72a, and the American with Disabilities Act. The Otsego County Board of Road Commissioners will provide necessary reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon 30 days' notice to the Otsego County Road Commission by writing or calling. See the contact information listed above.*

Change

**2023 Meeting Schedule  
OTSEGO COUNTY ROAD COMMISSION**

669 West Mc Coy Road  
P.O. Box 537  
Gaylord, MI 49734-0537  
(989) 732-5202

**Office Hours:** Monday – Friday 7:30 a.m. – 4:00 p.m.  
**Summer Hours:** Monday – Thursday 6:00 a.m. – 4:30 p.m.

The meeting schedules for the 2023 calendar year of the Otsego County Road Commission, held at the meeting room located at 669 W. McCoy Road, Gaylord, MI 49735, is as follows:

| <b>OCRC BOARD MEETINGS</b>  |           |
|---|-----------|
| Board Meetings are scheduled for the second Thursday of each month <i>unless specified otherwise.</i> |           |
| 01/17/2023  | 9:00 a.m. |
| 02/09/2023  | 9:00 a.m. |
| 03/09/2023  | 9:00 a.m. |
| 04/13/2023  | 9:00 a.m. |
| 05/11/2023  | 9:00 a.m. |
| 06/08/2023  | 9:00 a.m. |
| 07/13/2023  | 9:00 a.m. |
| 08/10/2023  | 9:00 a.m. |
| 09/14/2023  | 9:00 a.m. |
| 10/12/2023  | 9:00 a.m. |
| 11/09/2023  | 9:00 a.m. |
| 12/21/2023*   | 9:00 a.m. |

(Please note dates and/or times may be subject to change. Notification of such changes and/or revisions will be made available to the public)

Any other special meetings will be posted in accordance with the Open Meeting Act. For further information, please come in or call our office at (989) 732-5202.

**Otsego County Road Commission Board**

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## Otsego County Road Commission Agenda Item Report

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**FROM:** Rebecca Hilmert, Finance Director  
**MEETING DATE:** January 17, 2023  
**AGENDA ITEM:** 2. A, B, C  
**SUBJECT:** Consent Calendar

### **DESCRIPTION**

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, all items listed are approved by a single Commission action approving the Consent Calendar. The Finance Director recommends the following items be approved:

- A. Minutes: The Board approved the Regular Meeting Minutes dated December 15, 2022, and the Capital Improvement Planning Workshop dated December 15, 2022.
- B. The Board approves Payroll: #25b (\$5,139.64) and #26 (\$80,076.96).
- C. The Board approved Accounts Payable: C/12-2 (\$92,908.38) and C/1-1 (\$283,180.94); and the Accounts Payable Check Register dated December 1, 2022, to December 31, 2022.

### **BUDGET ACTION REQUIRED**

N/A

### **LEGAL REVIEW**

N/A

### **SAMPLE MOTION:**

Motion to **approve/deny** the January 17, 2023, consent calendar as presented.

**DRAFT**

**MINUTES for the  
REGULAR MEETING OF THE  
OTSEGO COUNTY ROAD COMMISSION  
HELD ON THURSDAY, DECEMBER 15, 2022, AT 9:00 A.M.**

**ITEM 1 – CALL TO ORDER/PLEDGE OF ALLEGIANCE**

- Meeting called to order by Chairman Huff, at 9:00 a.m. and Pledge of Allegiance.

**ITEM 2 - ROLL CALL**

- Upon roll call, the following Commissioners responded:  
Dipzinski, Present  
Wagar, Present  
Gordon, Present  
Heinz, Present  
Huff, Present

The following staff members were present: Kirk Harrier, Managing Director; Rebecca Hilmert, Finance Manager/Board Secretary, and David Fox, Equipment/Facilities Supervisor.

**ITEM 3 – AGENDA CHANGES/APPROVAL OF AGENDA**

- Motion by Gordon and seconded by Wager to approve Agenda. Five ayes, no nays. Motion carried.

**ITEM 4 – CONSENT CALENDAR**

- A. Minutes: The Board approves the Regular Meeting Minutes dated November 3, 2022
- B. The Board approves Payroll: #22b (\$12,410.32), #23 (\$76,349.39), #24 (\$83,080.79) and #25 (\$75,320.66)
- C. The Board approves Accounts Payable: C/11-2 (\$912,828.44), and C/11-3 (\$381,806.89) and C/12-1 (726,043.44) and the Accounts Payable Check Register dated November 1, 2022, to November 30, 2022.
- Motion by Heinz and seconded by Dipzinski to approve items on the Consent Calendar. Five ayes, no nays. Motion carried.

**ITEM 5 – GUEST SPEAKERS**

- A. NONE

**ITEM 6 – PUBLIC COMMENT**

- NONE

**ITEM 7 – PUBLIC HEARINGS**

- Board Chairman Huff called hearing to order at 9:10 a.m. Supporting, opposing and general comments were solicited from audience and letters. None were presented. Public comment portion of hearing was closed at 9:12 a.m. Road commission board reviewed proposed FY 2023 budget. Hearing was closed by Board Chairman Huff at 9:15 a.m.

**ITEM 8 – OLD BUSINESS/UNFINISHED BUSINESS**

- NONE

**ITEM 9 – NEW BUSINESS**

- A. FY 2022 Year-End Budget Amendments
  - a. Motion by Wager to approve the fiscal year-end 2022 Otsego County Road Commission budget amendments as follows: Primary Road – Routine Maintenance: increase \$900,000.00, Primary Road – Winter Maintenance: increase \$300,000, Net Administrative Expense: increase \$300,000.00, seconded by Gordon. Discussion. Roll call vote: Wagar, aye; Gordan, aye; Dipzinski, aye; Heinz, ayes; Huff aye. Five ayes, no nays. Motion carried.
- B. Resolution No. R22-3 2023 General Appropriations Act

- a. **Motion by Gordon to approve Resolution No. R22-3 and adopt the OCRC General Appropriations Act as presented, seconded by Heinz. Discussion. Roll call vote: Gordon, aye; Heinz, aye; Dipzinski, aye; Wagar, aye; Huff, aye. Five ayes, no nays. Motion carried.**
- C. Resolution No. R22-4 (MDOT Contract 22-5398 Alba Road)
  - a. **Motion by Gordon to approve Resolution No. R22-4 as presented and authorize Managing Director Kirk Harrier to sign the contract, seconded by Dipzinski. Roll call vote: Gordon, aye; Dipzinski, aye; Wagar, aye; Heinz, yes; Huff, aye. Five ayes, no nays. Motion carried.**
- D. Equipment Purchase 2024 Western Star Single Axle Truck
  - a. **Motion by Dipzinski to approve the purchase of a 2024 Western Star 47X single axle truck chassis and necessary equipment for snowplowing in an amount not to exceed \$357,000.00, seconded by Heinz. Discussion. Roll call vote: Dipzinski, aye; Heinz, aye; Gordon, aye; Wagar, aye; Huff, yes. Five ayes, no nays. Motion carried.**
- E. Road Commission Board Appointment Recommendation
  - a. **Motion by Dipzinski to allow Commissioners Huff and Heinz abstain from voting on Item 10.E to avoid any potential appearance of a conflict of interest, seconded by Gordon. Three ayes, no nays. Motion carried.**
  - b. **Motion by Wagar to recommend the appointment of Huff and Heinz for 6-year terms to the Otsego County Board of Road Commissioners, seconded by Gordon. Roll Call vote: Wagar, aye; Gordon, aye; Dipzinski, aye. Three ayes, no nays. Motion carried.**

**ITEM 10 – STAFF REPORTS**

- A. Managing Director reported on employee health insurance renewal.
- B. Finance Manager gave a recap of November revenues and expenditures.
- C. Equipment/Facilities Supervisor updated the board on winter preparedness.

**ITEM 11 – COMMUNICATIONS**

- A. MTF Comparison  
**Received**
- B. Upcoming OCRC Board Meeting Dates: January 17, 2022
- C. Upcoming CRA Highway Conference & Road Show: March 21-23, 2023, in Lansing.

**ITEM 12– PUBLIC COMMENT**

- NONE

**ITEM 13– COMMISSIONER COMMENT**

- NONE

**ITEM 14– ADJOURNMENT**

- **Motion by Dipzinski and seconded by Gordon to adjourn meeting at 10:02 a.m. Five ayes, no nays. Motion carried.**

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Troy Huff, Chairman

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Rebecca Hilmert, Board Secretary

**DRAFT**

**MINUTES for the  
CAPITAL IMPROVEMENT PLANNING WORKSHOP OF THE  
OTSEGO COUNTY ROAD COMMISSION  
HELD ON THURSDAY, DECEMBER 15, 2022, AT 10:00 A.M.**

**ITEM 1 – CALL TO ORDER**

- Meeting called to order by Chairman Huff, at 10:15 a.m. and Pledge of Allegiance.

**ITEM 2 - ROLL CALL**

- Upon roll call, the following Commissioners responded:  
Dipzinski, Present  
Wagar, Present  
Gordon, Present  
Heinz, Present  
Huff, Present

The following staff members were present: Kirk Harrier, Managing Director and Rebecca Hilmert, Finance Manager/Board Secretary.

**ITEM 3 – PROJECT DISCUSSIONS WITH INDIVIDUAL TOWNSHIPS**

| TIME  | TOWNSHIP                            |
|-------|-------------------------------------|
| 10:00 | Bagley: Michelle Noirot             |
| 10:20 | Otsego Lake: Dave Matelski          |
| 10:40 | Chester: Bonny Miller, Katie Miller |
| 11:00 | Elmira: Diane Franckowiak           |
| 11:20 | Hayes: Mary Sanders                 |
| 11:40 | Charlton: Matt Nowak, Keith Huff    |
| 12:00 | Dover: Rudi Edel, Janet Kawpis      |
| 12:20 | Corwith: Vern Kassuba, Tom Kellogg  |
| 12:40 | Livingston: Richard Carlson         |

The board discussed potential projects and funding with township representatives.

**ITEM 4 – PUBLIC COMMENT**

- NONE

**ITEM 14- ADJOURNMENT**

- Motion by Gordon and seconded by Dipzinski to adjourn meeting at 1:23 p.m. Five ayes, no nays.  
Motion carried.

\_\_\_\_\_  
Troy Huff, Chairman

\_\_\_\_\_  
Rebecca Hilmert, Board Secretary



**Payroll Gross for P/R of 12/20/2022**

PR #25b

12/15/2022

12/16/2022 to 12/16/2022

| <b>Emp Nbr and Name</b>          | <b>Regular Hours</b> | <b>Total Hours</b> | <b>Gross Amt</b>  |
|----------------------------------|----------------------|--------------------|-------------------|
| 296 Johnson, Timothy             | 160.00               | 160.00             | \$4,774.40        |
| 903 BANK, HORIZON                | 0.00                 | 0.00               | \$365.24          |
| <b>Total of Employee checks:</b> | <b>160.00</b>        | <b>160.00</b>      | <b>\$5,139.64</b> |

**Gross Pay by Fund:**

|              | <b>Total</b>    |
|--------------|-----------------|
| 201          | 5,139.64        |
| <b>Total</b> | <b>5,139.64</b> |

Approved: January 19, 2023

\_\_\_\_\_  
Troy Huff, Chairman

**Payroll Gross for P/R of 12/29/2022**

PR #26

12/27/2022

12/10/2022 to 12/23/2022

| Emp Nbr and Name | Regular Hours                    | Total Hours     | Gross Amt       |                    |
|------------------|----------------------------------|-----------------|-----------------|--------------------|
| 085              | Collison,Thomas                  | 8.00            | 8.00            | \$186.24           |
| 264              | Huff III,Russell                 | 50.00           | 80.00           | \$1,866.40         |
| 269              | Koronka,Brian                    | 80.00           | 126.00          | \$3,786.43         |
| 271              | Slivinski,Steven                 | 78.00           | 80.00           | \$1,862.40         |
| 272              | Borowiak,Joseph                  | 80.00           | 124.50          | \$3,786.34         |
| 277              | Fox,David                        | 80.00           | 80.00           | \$2,694.40         |
| 280              | Kwapis,Earl                      | 40.50           | 80.00           | \$1,862.40         |
| 283              | Sewell,Dennis                    | 34.25           | 80.00           | \$1,862.40         |
| 284              | Kwapis Jr.,Stanley               | 28.00           | 80.00           | \$1,862.40         |
| 287              | Myers,Joseph                     | 73.50           | 80.00           | \$1,862.40         |
| 293              | Samkowiak,Timothy                | 35.13           | 91.13           | \$2,380.61         |
| 294              | Mench,Steven                     | 80.00           | 90.00           | \$3,215.00         |
| 295              | Boughner,Alan                    | 53.00           | 80.00           | \$1,862.40         |
| 296              | Johnson,Timothy                  | 80.00           | 102.00          | \$3,536.04         |
| 299              | Hinton,Justin                    | 80.00           | 89.00           | \$2,281.44         |
| 303              | Coughlin Jr.,Thomas              | 69.00           | 80.00           | \$1,862.40         |
| 307              | Stiles,William                   | 78.00           | 80.00           | \$1,862.40         |
| 308              | Wcisel,David                     | 54.50           | 80.00           | \$1,862.40         |
| 311              | Wiley,James                      | 53.50           | 80.00           | \$1,862.40         |
| 314              | Kucharek,Joseph                  | 75.00           | 80.00           | \$2,044.00         |
| 316              | Jones,Tianne                     | 80.00           | 80.00           | \$1,867.20         |
| 317              | Mitchell Jr.,Dennis              | 66.00           | 80.00           | \$1,862.40         |
| 319              | Prusakiewicz,Luke                | 35.00           | 80.00           | \$1,862.40         |
| 320              | Ozzello,Anthony                  | 57.00           | 80.00           | \$1,862.40         |
| 321              | Tracey,Benjamin                  | 72.50           | 80.00           | \$2,044.00         |
| 323              | Falkenhagen,Robert               | 35.00           | 80.00           | \$1,862.40         |
| 327              | Garlock,Cody                     | 59.00           | 80.00           | \$1,862.40         |
| 328              | Harrier,Kirk                     | 80.00           | 80.00           | \$3,750.40         |
| 331              | Boettner,Cary                    | 74.00           | 80.00           | \$1,964.00         |
| 332              | Huff,Cody                        | 62.50           | 80.00           | \$1,964.00         |
| 333              | Kwapis V,Stanley                 | 77.50           | 80.00           | \$1,862.40         |
| 334              | Jones,Samantha                   | 80.00           | 80.00           | \$1,543.21         |
| 335              | Pettis,Charles                   | 80.00           | 80.00           | \$1,676.00         |
| 336              | Hilmert,Rebecca                  | 80.00           | 80.00           | \$2,240.60         |
| 337              | Johnson,Zachary                  | 76.00           | 80.00           | \$1,814.40         |
| 903              | BANK,HORIZON                     | 0.00            | 0.00            | \$5,637.85         |
|                  | <b>Total of Employee checks:</b> | <b>2,224.88</b> | <b>2,870.63</b> | <b>\$80,076.96</b> |

**Gross Pay by Fund:**

|              | Total            |
|--------------|------------------|
| 201          | 80,076.96        |
| <b>Total</b> | <b>80,076.96</b> |

Approved: January 19, 2023

\_\_\_\_\_  
Troy Huff, Chairman

Accounts Payable Checks

C/12-2

Low And High Check Dates: 12/28/2022 - 12/28/2022

| Check Number                      | Vendor Name                 | Amount           | Invoice Description(s) |
|-----------------------------------|-----------------------------|------------------|------------------------|
| <b>Check Date:</b> 12/28/2022     |                             |                  |                        |
| <b>Check Type:</b> Regular Checks |                             |                  |                        |
| 618692                            | Alan Boughner               | 150.00           |                        |
| 618693                            | Blue Care Network of MI     | 64,795.12        |                        |
| 618694                            | City of Gaylord             | 48.22            |                        |
| 618695                            | Cody Huff                   | 150.00           | BOOTS                  |
| 618696                            | Consumers Energy            | 1,977.63         |                        |
| 618697                            | Great Lakes Energy          | 39.54            | LIGHT @KRYE & MCCOY    |
| 618698                            | Humana Insurance Co.        | 12,673.05        |                        |
| 618699                            | Joe Nedow                   | 3,135.00         | ACCOUNTING SUPPORT     |
| 618700                            | Mutual of Omaha             | 4,454.58         |                        |
| 618701                            | Otsego County Road Commissi | 5,335.24         | HRA REIMBURSEMENT      |
| 618702                            | Dave Wcisel                 | 150.00           |                        |
|                                   | <b>Payments/Checks</b>      | <b>Totaling:</b> | 92,908.38              |

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Troy Huff, Chairman  
Approved January 17, 2023

## Accounts Payable Prepay Report

| CheckNbr                           | InvoiceNbr            | InvoiceDate | Description | Amount             | Discount Taken | Amount To Pay      |
|------------------------------------|-----------------------|-------------|-------------|--------------------|----------------|--------------------|
| <b>Merchants Fleet</b>             |                       |             |             |                    |                |                    |
| -1                                 | 1026596i7             | 12/30/2022  |             | \$1,004.25         | \$0.00         | \$1,004.25         |
| <b>MERS of Michigan</b>            |                       |             |             |                    |                |                    |
| -1                                 | 00138581-7            | 12/31/2022  |             | \$87,349.52        | \$0.00         | \$87,349.52        |
|                                    |                       |             |             | <u>\$88,353.77</u> | <u>\$0.00</u>  | <u>\$88,353.77</u> |
| <b>Advance Electric</b>            |                       |             |             |                    |                |                    |
| 618703                             | 406645                | 3/11/2022   | Return      | (\$126.00)         | \$0.00         | (\$126.00)         |
| 618703                             | 407359                | 4/20/2022   | Shop Lights | \$77.94            | \$0.00         | \$77.94            |
| 618703                             | 412841                | 1/10/2023   | Shop Lights | \$306.68           | \$0.00         | \$306.68           |
|                                    |                       |             |             | <u>\$258.62</u>    | <u>\$0.00</u>  | <u>\$258.62</u>    |
| <b>AIRGAS USA, LLC</b>             |                       |             |             |                    |                |                    |
| 618704                             | 9132780294            | 12/7/2022   |             | \$585.32           | \$0.00         | \$585.32           |
| 618704                             | 9133146863            | 12/17/2022  |             | \$40.19            | \$0.00         | \$40.19            |
|                                    |                       |             |             | <u>\$625.51</u>    | <u>\$0.00</u>  | <u>\$625.51</u>    |
| <b>Alma Tire Service, Inc.</b>     |                       |             |             |                    |                |                    |
| 618705                             | 517011483             | 1/5/2023    |             | \$139.61           | \$0.00         | \$139.61           |
| 618705                             | 517011505             | 1/6/2023    |             | \$139.61           | \$0.00         | \$139.61           |
|                                    |                       |             |             | <u>\$279.22</u>    | <u>\$0.00</u>  | <u>\$279.22</u>    |
| <b>Alpena Supply Company</b>       |                       |             |             |                    |                |                    |
| 618706                             | S100470144.001        | 12/27/2022  | Saw Blades  | \$98.56            | \$0.00         | \$98.56            |
|                                    |                       |             |             | <u>\$98.56</u>     | <u>\$0.00</u>  | <u>\$98.56</u>     |
| <b>AT&amp;T Mobility</b>           |                       |             |             |                    |                |                    |
| 618707                             | 287318351177X11142022 | 11/6/2022   |             | \$852.40           | \$0.00         | \$852.40           |
| 618707                             | 287318351177X12142022 | 12/6/2022   |             | \$733.46           | \$0.00         | \$733.46           |
|                                    |                       |             |             | <u>\$1,585.86</u>  | <u>\$0.00</u>  | <u>\$1,585.86</u>  |
| <b>Baum Hydraulics Corporation</b> |                       |             |             |                    |                |                    |
| 618708                             | 2262363               | 12/28/2022  |             | \$2,604.78         | \$0.00         | \$2,604.78         |
|                                    |                       |             |             | <u>\$2,604.78</u>  | <u>\$0.00</u>  | <u>\$2,604.78</u>  |
| <b>BBC Distributing</b>            |                       |             |             |                    |                |                    |
| 618709                             | 305002                | 12/15/2022  |             | \$150.86           | \$0.00         | \$150.86           |
| 618709                             | 306017                | 12/29/2022  | Floor Clean | \$141.18           | \$0.00         | \$141.18           |
|                                    |                       |             |             | <u>\$292.04</u>    | <u>\$0.00</u>  | <u>\$292.04</u>    |
| <b>Ben Tracey</b>                  |                       |             |             |                    |                |                    |
| 618710                             | 122922b               | 12/29/2022  | Boots       | \$150.00           | \$0.00         | \$150.00           |
|                                    |                       |             |             | <u>\$150.00</u>    | <u>\$0.00</u>  | <u>\$150.00</u>    |
| <b>Bryce Seeley</b>                |                       |             |             |                    |                |                    |
| 618711                             | 01032356483           | 1/3/2023    | Pin Driver  | \$227.25           | \$0.00         | \$227.25           |
|                                    |                       |             |             | <u>\$227.25</u>    | <u>\$0.00</u>  | <u>\$227.25</u>    |

## Accounts Payable Prepay Report

| CheckNbr                            | InvoiceNbr       | InvoiceDate | Description                 | Amount             | Discount Taken | Amount To Pay      |
|-------------------------------------|------------------|-------------|-----------------------------|--------------------|----------------|--------------------|
| <b>Charter Communications</b>       |                  |             |                             |                    |                |                    |
| 618712                              | 0025556010223    | 1/2/2023    | Internet                    | \$369.94           | \$0.00         | \$369.94           |
|                                     |                  |             |                             | <u>\$369.94</u>    | <u>\$0.00</u>  | <u>\$369.94</u>    |
| <b>Cintas Corporation #729</b>      |                  |             |                             |                    |                |                    |
| 618713                              | 4142327153       | 1/4/2023    |                             | \$165.54           | \$0.00         | \$165.54           |
| 618713                              | 4140986459       | 12/20/2022  |                             | \$165.54           | \$0.00         | \$165.54           |
| 618713                              | 4141551552       | 12/27/2022  |                             | \$167.94           | \$0.00         | \$167.94           |
| 618713                              | 4143056563       | 1/10/2023   |                             | \$166.74           | \$0.00         | \$166.74           |
|                                     |                  |             |                             | <u>\$665.76</u>    | <u>\$0.00</u>  | <u>\$665.76</u>    |
| <b>Consumers Energy</b>             |                  |             |                             |                    |                |                    |
| 618714                              | 204478365182     | 1/2/2022    | Traffic Lights              | \$44.68            | \$0.00         | \$44.68            |
|                                     |                  |             |                             | <u>\$44.68</u>     | <u>\$0.00</u>  | <u>\$44.68</u>     |
| <b>Dale Dukes &amp; Sons, Inc.</b>  |                  |             |                             |                    |                |                    |
| 618715                              | 12182022         | 12/18/2022  | GR Install-Marlette Rd/I-75 | \$54,800.00        | \$0.00         | \$54,800.00        |
|                                     |                  |             |                             | <u>\$54,800.00</u> | <u>\$0.00</u>  | <u>\$54,800.00</u> |
| <b>Dennis Mitchell</b>              |                  |             |                             |                    |                |                    |
| 618716                              | 01132023         | 1/13/2023   | License Renewal             | \$30.00            | \$0.00         | \$30.00            |
|                                     |                  |             |                             | <u>\$30.00</u>     | <u>\$0.00</u>  | <u>\$30.00</u>     |
| <b>Dornbos Sign, Inc.</b>           |                  |             |                             |                    |                |                    |
| 618717                              | INV67267         | 1/6/2023    |                             | \$56.01            | \$0.00         | \$56.01            |
|                                     |                  |             |                             | <u>\$56.01</u>     | <u>\$0.00</u>  | <u>\$56.01</u>     |
| <b>DTE Energy</b>                   |                  |             |                             |                    |                |                    |
| 618718                              | 11/22-12/22/2022 | 12/29/2022  |                             | \$5,399.78         | \$0.00         | \$5,399.78         |
|                                     |                  |             |                             | <u>\$5,399.78</u>  | <u>\$0.00</u>  | <u>\$5,399.78</u>  |
| <b>Federal Fluid Power, Inc.</b>    |                  |             |                             |                    |                |                    |
| 618719                              | 92977            | 12/21/2022  |                             | \$275.92           | \$0.00         | \$275.92           |
| 618719                              | 93091            | 12/27/2022  | Hose                        | \$87.22            | \$0.00         | \$87.22            |
| 618719                              | 93484            | 1/9/2023    | Hoses                       | \$144.26           | \$0.00         | \$144.26           |
|                                     |                  |             |                             | <u>\$507.40</u>    | <u>\$0.00</u>  | <u>\$507.40</u>    |
| <b>First National Bank of Omaha</b> |                  |             |                             |                    |                |                    |
| 618720                              | 5477256105681408 | 12/28/2022  | Dave Fox                    | \$1,106.04         | \$0.00         | \$1,106.04         |
| 618720                              | 5477256107436348 | 12/28/2022  | Tim Johnson                 | \$246.12           | \$0.00         | \$246.12           |
| 618720                              | 5477256156773278 | 12/28/2022  | Kirk Harrier                | \$248.32           | \$0.00         | \$248.32           |
|                                     |                  |             |                             | <u>\$1,600.48</u>  | <u>\$0.00</u>  | <u>\$1,600.48</u>  |
| <b>GFL Environmental</b>            |                  |             |                             |                    |                |                    |
| 618721                              | 0059046968       | 12/31/2022  | Rest Area Trash Pickup      | \$190.47           | \$0.00         | \$190.47           |
| 618721                              | 0059046932       | 12/31/2022  | Trash Pickup                | \$135.00           | \$0.00         | \$135.00           |
|                                     |                  |             |                             | <u>\$325.47</u>    | <u>\$0.00</u>  | <u>\$325.47</u>    |

## Accounts Payable Prepay Report

| CheckNbr                                   | InvoiceNbr  | InvoiceDate | Description          | Amount             | Discount Taken | Amount To Pay      |
|--|-------------|-------------|----------------------|--------------------|----------------|--------------------|
| <b>GFL Environmental</b>                   |             |             |                      |                    |                |                    |
| 618722                                     | 119826      | 12/20/2022  | Waste Water Disposal | \$1,452.98         | \$0.00         | \$1,452.98         |
| 618722                                     | 119913      | 12/28/2022  | Waste Water Disposal | \$2,420.51         | \$0.00         | \$2,420.51         |
|  |             |             |                      | <u>\$3,873.49</u>  | <u>\$0.00</u>  | <u>\$3,873.49</u>  |
| <b>Grayling Occupational Medicine</b>      |             |             |                      |                    |                |                    |
| 618723                                     | 00204113-00 | 11/30/2022  | DOT Physical         | \$100.00           | \$0.00         | \$100.00           |
|  |             |             |                      | <u>\$100.00</u>    | <u>\$0.00</u>  | <u>\$100.00</u>    |
| <b>Grand Traverse Diesel Service, Inc.</b> |             |             |                      |                    |                |                    |
| 618725                                     | 01P22494    | 12/14/2022  |                      | \$469.89           | \$0.00         | \$469.89           |
| 618725                                     | 01P23827    | 12/21/2022  |                      | \$201.33           | \$0.00         | \$201.33           |
| 618725                                     | 01P23922    | 12/27/2022  |                      | \$862.69           | \$0.00         | \$862.69           |
| 618725                                     | 01P23989    | 12/28/2022  |                      | (\$210.00)         | \$0.00         | (\$210.00)         |
| 618725                                     | 01P23930    | 12/29/2022  |                      | \$89.41            | \$0.00         | \$89.41            |
| 618725                                     | 01P23412    | 12/29/2022  |                      | \$25.32            | \$0.00         | \$25.32            |
| 618725                                     | 01P23839    | 12/29/2022  |                      | \$79.65            | \$0.00         | \$79.65            |
|  |             |             |                      | <u>\$1,518.29</u>  | <u>\$0.00</u>  | <u>\$1,518.29</u>  |
| <b>Hutson, Inc.</b>                        |             |             |                      |                    |                |                    |
| 618726                                     | 9781411     | 12/19/2022  | BAR/CHAIN OIL        | \$324.74           | \$0.00         | \$324.74           |
|  |             |             |                      | <u>\$324.74</u>    | <u>\$0.00</u>  | <u>\$324.74</u>    |
| <b>Imperial Supplies LLC</b>               |             |             |                      |                    |                |                    |
| 618727                                     | I0015P9223  | 12/15/2022  | MISC. GAUGES         | \$404.12           | \$0.00         | \$404.12           |
|  |             |             |                      | <u>\$404.12</u>    | <u>\$0.00</u>  | <u>\$404.12</u>    |
| <b>Johnson Oil Company</b>                 |             |             |                      |                    |                |                    |
| 618728                                     | CP-008831   | 12/31/2022  |                      | \$65,930.12        | \$0.00         | \$65,930.12        |
|  |             |             |                      | <u>\$65,930.12</u> | <u>\$0.00</u>  | <u>\$65,930.12</u> |
| <b>Justin Hinton</b>                       |             |             |                      |                    |                |                    |
| 618729                                     | 12282022B   | 12/28/2022  | BOOTS                | \$143.10           | \$0.00         | \$143.10           |
|  |             |             |                      | <u>\$143.10</u>    | <u>\$0.00</u>  | <u>\$143.10</u>    |
| <b>JX Truck Center</b>                     |             |             |                      |                    |                |                    |
| 618730                                     | 3733817P    | 1/3/2023    |                      | \$677.95           | \$0.00         | \$677.95           |
|  |             |             |                      | <u>\$677.95</u>    | <u>\$0.00</u>  | <u>\$677.95</u>    |
| <b>Lawson Products, Inc.</b>               |             |             |                      |                    |                |                    |
| 618731                                     | 9310217077  | 12/27/2022  | Crimp Fittings       | \$449.26           | \$0.00         | \$449.26           |
| 618731                                     | 9310193759  | 12/15/2022  |                      | \$277.35           | \$0.00         | \$277.35           |
| 618731                                     | 9310165255  | 12/6/2022   | SHRINK TUBES         | \$286.00           | \$0.00         | \$286.00           |
| 618731                                     | 9310177883  | 12/9/2022   | FITTINGS             | \$127.10           | \$0.00         | \$127.10           |
|  |             |             |                      | <u>\$1,139.71</u>  | <u>\$0.00</u>  | <u>\$1,139.71</u>  |
| <b>Marcor Technologies, LLC</b>            |             |             |                      |                    |                |                    |
| 618732                                     | 59707       | 12/27/2022  |                      | \$864.00           | \$0.00         | \$864.00           |
|  |             |             |                      | <u>\$864.00</u>    | <u>\$0.00</u>  | <u>\$864.00</u>    |

Accounts Payable Prepay Report

| CheckNbr                                    | InvoiceNbr     | InvoiceDate | Description            | Amount             | Discount Taken | Amount To Pay      |
|---|----------------|-------------|------------------------|--------------------|----------------|--------------------|
| <b>McVeigh's Truck Springs</b>              |                |             |                        |                    |                |                    |
| 618733                                      | 024261         | 12/12/2022  | UNIT 720 SPRING        | \$1,680.82         | \$0.00         | \$1,680.82         |
| 618733                                      | 024299         | 12/19/2022  | BUSHINGS               | \$257.10           | \$0.00         | \$257.10           |
| 618733                                      | 024298         | 12/19/2022  | UNIT 719               | \$1,659.68         | \$0.00         | \$1,659.68         |
| 618733                                      | 023974         | 10/25/2022  | Misc. Truck Parts (CR) | (\$200.00)         | \$0.00         | (\$200.00)         |
|   |                |             |                        | <u>\$3,397.60</u>  | <u>\$0.00</u>  | <u>\$3,397.60</u>  |
| <b>Meekhof Tire Sales &amp; Service</b>     |                |             |                        |                    |                |                    |
| 618734                                      | 22-0123729-091 | 12/15/2022  | UNIT 944               | \$921.60           | \$0.00         | \$921.60           |
| 618734                                      | 22-0124968-094 | 12/9/2022   | Tires                  | \$9,432.45         | \$0.00         | \$9,432.45         |
|   |                |             |                        | <u>\$10,354.05</u> | <u>\$0.00</u>  | <u>\$10,354.05</u> |
| <b>Mid-State Bolt &amp; Screw Co.</b>       |                |             |                        |                    |                |                    |
| 618735                                      | 32351904       | 12/15/2022  | UNIT 720               | \$6.39             | \$0.00         | \$6.39             |
| 618735                                      | 32353371       | 12/19/2022  | NUTS/BOLTS             | \$13.29            | \$0.00         | \$13.29            |
| 618735                                      | 32353367       | 12/19/2022  | PINS/WASHERS           | \$75.19            | \$0.00         | \$75.19            |
| 618735                                      | 32358494       | 12/30/2022  | Washers, Cotter Pins   | \$50.76            | \$0.00         | \$50.76            |
| 618735                                      | 32363289       | 1/10/2023   | Bolts                  | \$10.64            | \$0.00         | \$10.64            |
| 618735                                      | 32364594       | 1/11/2023   | Bolts/Washers          | \$33.28            | \$0.00         | \$33.28            |
|   |                |             |                        | <u>\$189.55</u>    | <u>\$0.00</u>  | <u>\$189.55</u>    |
| <b>Michigan Kenworth, LLC</b>               |                |             |                        |                    |                |                    |
| 618736                                      | 022P162574     | 1/12/2023   | Hose Assembly          | \$113.36           | \$0.00         | \$113.36           |
| 618736                                      | 022S108406     | 12/19/2022  |                        | (\$268.01)         | \$0.00         | (\$268.01)         |
| 618736                                      | 022P162570     | 1/9/2023    | O-Rings/Seals          | \$363.32           | \$0.00         | \$363.32           |
| 618736                                      | 022P162287     | 12/30/2022  |                        | \$211.49           | \$0.00         | \$211.49           |
|   |                |             |                        | <u>\$420.16</u>    | <u>\$0.00</u>  | <u>\$420.16</u>    |
| <b>Northern Energy, Inc.</b>                |                |             |                        |                    |                |                    |
| 618737                                      | 77771          | 12/30/2022  | Bulk Motor Oil         | \$6,732.00         | \$0.00         | \$6,732.00         |
| 618737                                      | 85931          | 12/21/2022  |                        | \$363.36           | \$0.00         | \$363.36           |
| 618737                                      | 85937          | 12/22/2022  |                        | \$595.65           | \$0.00         | \$595.65           |
|   |                |             |                        | <u>\$7,691.01</u>  | <u>\$0.00</u>  | <u>\$7,691.01</u>  |
| <b>Otsego County Road Commission</b>        |                |             |                        |                    |                |                    |
| 618738                                      | 1/3/23-1/9/23  | 1/8/2023    |                        | \$890.48           | \$0.00         | \$890.48           |
|   |                |             |                        | <u>\$890.48</u>    | <u>\$0.00</u>  | <u>\$890.48</u>    |
| <b>Munson Healthcare OMH Medical Group</b>  |                |             |                        |                    |                |                    |
| 618739                                      | 60640          | 1/2/2023    | DOT Physical           | \$123.00           | \$0.00         | \$123.00           |
|   |                |             |                        | <u>\$123.00</u>    | <u>\$0.00</u>  | <u>\$123.00</u>    |
| <b>QUALITY PLUMBING AND MECHANICAL INC.</b> |                |             |                        |                    |                |                    |
| 618740                                      | 14690          | 1/4/2023    | HVAC Inspect.          | \$2,449.44         | \$0.00         | \$2,449.44         |
|   |                |             |                        | <u>\$2,449.44</u>  | <u>\$0.00</u>  | <u>\$2,449.44</u>  |
| <b>RONS AUTO &amp; WRECKER</b>              |                |             |                        |                    |                |                    |
| 618741                                      | 150994         | 12/24/2022  |                        | \$346.50           | \$0.00         | \$346.50           |
| 618741                                      | 150992         | 12/24/2022  |                        | \$353.00           | \$0.00         | \$353.00           |

## Accounts Payable Prepay Report

| CheckNbr                             | InvoiceNbr | InvoiceDate | Description          | Amount             | Discount Taken | Amount To Pay      |
|--------------------------------------|------------|-------------|----------------------|--------------------|----------------|--------------------|
|                                      |            |             |                      | <u>\$699.50</u>    | <u>\$0.00</u>  | <u>\$699.50</u>    |
| <b>SCIENTIFIC BRAKE &amp; EQUIP.</b> |            |             |                      |                    |                |                    |
| 618744                               | 020299143  | 12/21/2022  |                      | \$330.96           | \$0.00         | \$330.96           |
| 618744                               | 020299216  | 12/22/2022  |                      | \$17.60            | \$0.00         | \$17.60            |
| 618744                               | 020299166  | 12/22/2022  |                      | \$170.86           | \$0.00         | \$170.86           |
| 618744                               | 020299177  | 12/22/2022  |                      | \$54.00            | \$0.00         | \$54.00            |
| 618744                               | 020299222  | 12/22/2022  |                      | \$26.02            | \$0.00         | \$26.02            |
| 618744                               | 020298736  | 12/27/2022  |                      | \$14.18            | \$0.00         | \$14.18            |
| 618744                               | 020299454  | 12/29/2022  |                      | \$212.35           | \$0.00         | \$212.35           |
| 618744                               | 020298693  | 12/14/2022  |                      | \$67.38            | \$0.00         | \$67.38            |
| 618744                               | 020298737  | 12/19/2022  | INVENTORY            | \$21.27            | \$0.00         | \$21.27            |
| 618744                               | 020298732  | 12/14/2022  | INVENTORY LIGHTS     | \$66.84            | \$0.00         | \$66.84            |
| 618744                               | 020296381  | 12/13/2022  | UNIT 628             | \$15.08            | \$0.00         | \$15.08            |
| 618744                               | 0202100027 | 1/11/2023   | Receiver Tube        | \$32.41            | \$0.00         | \$32.41            |
| 618744                               | 020299679  | 1/2/2023    |                      | \$90.32            | \$0.00         | \$90.32            |
| 618744                               | 020299598  | 1/4/2023    |                      | \$26.02            | \$0.00         | \$26.02            |
| 618744                               | 020299715  | 1/4/2023    |                      | (\$30.80)          | \$0.00         | (\$30.80)          |
| 618744                               | 020299637  | 1/9/2023    |                      | \$73.85            | \$0.00         | \$73.85            |
|                                      |            |             |                      | <u>\$1,188.34</u>  | <u>\$0.00</u>  | <u>\$1,188.34</u>  |
| <b>Howard L. Shifman, P.C.</b>       |            |             |                      |                    |                |                    |
| 618745                               | 15111      | 1/9/2023    | Legal Fees           | \$30.00            | \$0.00         | \$30.00            |
|                                      |            |             |                      | <u>\$30.00</u>     | <u>\$0.00</u>  | <u>\$30.00</u>     |
| <b>Shine Cleaning Service Inc.</b>   |            |             |                      |                    |                |                    |
| 618746                               | 0000288    | 12/30/2022  |                      | \$11,479.15        | \$0.00         | \$11,479.15        |
|                                      |            |             |                      | <u>\$11,479.15</u> | <u>\$0.00</u>  | <u>\$11,479.15</u> |
| <b>Snethkamp</b>                     |            |             |                      |                    |                |                    |
| 618747                               | 6375244/1  | 12/15/2022  | UNIT 635             | \$100.00           | \$0.00         | \$100.00           |
| 618747                               | 6375201/1  | 12/13/2022  | UNIT 730             | \$100.00           | \$0.00         | \$100.00           |
|                                      |            |             |                      | <u>\$200.00</u>    | <u>\$0.00</u>  | <u>\$200.00</u>    |
| <b>Staples</b>                       |            |             |                      |                    |                |                    |
| 618748                               | 8068731194 | 12/29/2022  | Envelopes            | \$67.32            | \$0.00         | \$67.32            |
| 618748                               | 3522624340 | 11/5/2022   | Wall Calendar        | \$39.98            | \$0.00         | \$39.98            |
|                                      |            |             |                      | <u>\$107.30</u>    | <u>\$0.00</u>  | <u>\$107.30</u>    |
| <b>SYLVESTERS</b>                    |            |             |                      |                    |                |                    |
| 618749                               | 00028956   | 12/9/2022   | COAT                 | \$220.00           | \$0.00         | \$220.00           |
|                                      |            |             |                      | <u>\$220.00</u>    | <u>\$0.00</u>  | <u>\$220.00</u>    |
| <b>TERMINAL SUPPLY CO.</b>           |            |             |                      |                    |                |                    |
| 618750                               | 97532-00   | 12/22/2022  | Heavy Duty Cable Tie | \$231.70           | \$0.00         | \$231.70           |
|                                      |            |             |                      | <u>\$231.70</u>    | <u>\$0.00</u>  | <u>\$231.70</u>    |



## Accounts Payable Prepay Report

| CheckNbr                               | InvoiceNbr | InvoiceDate | Description                     | Amount            | Discount Taken | Amount To Pay     |
|--|------------|-------------|---------------------------------|-------------------|----------------|-------------------|
| <b>TRUCK &amp; TRAILER SPECIALTIES</b> |            |             |                                 |                   |                |                   |
| 618751                                 | BSO019291  | 12/23/2022  |                                 | \$415.20          | \$0.00         | \$415.20          |
| 618751                                 | BSO019344  | 12/30/2022  |                                 | \$1,759.89        | \$0.00         | \$1,759.89        |
| 618751                                 | BSO019151  | 12/29/2022  |                                 | \$1,148.10        | \$0.00         | \$1,148.10        |
| 618751                                 | BSO019356  | 12/29/2022  |                                 | \$1,722.98        | \$0.00         | \$1,722.98        |
| 618751                                 | BSO019523  | 1/10/2023   | Plow Lights                     | \$817.44          | \$0.00         | \$817.44          |
|  |            |             |                                 | <u>\$5,863.61</u> | <u>\$0.00</u>  | <u>\$5,863.61</u> |
| <b>US Bank Equipment Finance</b>       |            |             |                                 |                   |                |                   |
| 618752                                 | 490793593  | 12/30/2022  | Printer Copies/Service Contract | \$324.03          | \$0.00         | \$324.03          |
|  |            |             |                                 | <u>\$324.03</u>   | <u>\$0.00</u>  | <u>\$324.03</u>   |
| <b>VALLEY TRUCK PARTS, INC.</b>        |            |             |                                 |                   |                |                   |
| 618753                                 | 3-1221739  | 1/10/2023   | U-Joint                         | \$23.08           | \$0.00         | \$23.08           |
| 618753                                 | 3-1221711  | 1/5/2023    |                                 | \$470.70          | \$0.00         | \$470.70          |
| 618753                                 | 3-1221761  | 1/12/2023   | Center Bearing                  | \$75.45           | \$0.00         | \$75.45           |
|  |            |             |                                 | <u>\$569.23</u>   | <u>\$0.00</u>  | <u>\$569.23</u>   |
| <b>VERIZON WIRELESS</b>                |            |             |                                 |                   |                |                   |
| 618754                                 | CREDIT     | 1/5/2023    | Refund Credit                   | \$65.48           | \$0.00         | \$65.48           |
| 618754                                 | 9920591461 | 11/14/2022  | Telephone (CR)                  | (\$65.48)         | \$0.00         | (\$65.48)         |
|  |            |             |                                 | <u>\$0.00</u>     | <u>\$0.00</u>  | <u>\$0.00</u>     |
| <b>WEX Bank</b>                        |            |             |                                 |                   |                |                   |
| 618755                                 | 86338016   | 1/6/2023    |                                 | \$1,308.64        | \$0.00         | \$1,308.64        |
| 618755                                 | 85640517   | 12/6/2022   |                                 | \$132.16          | \$0.00         | \$132.16          |
|  |            |             |                                 | <u>\$1,440.80</u> | <u>\$0.00</u>  | <u>\$1,440.80</u> |
| <b>WILBER AUTOMOTIVE</b>               |            |             |                                 |                   |                |                   |
| 618758                                 | 283372     | 1/3/2023    |                                 | \$22.12           | \$0.00         | \$22.12           |
| 618758                                 | 283704     | 1/6/2023    |                                 | \$15.28           | \$0.00         | \$15.28           |
| 618758                                 | 284140     | 1/11/2023   | Hitch Extension                 | \$98.97           | \$0.00         | \$98.97           |
| 618758                                 | 283997     | 1/10/2023   | Power Steering Fluid            | \$73.47           | \$0.00         | \$73.47           |
| 618758                                 | 284139     | 1/11/2023   | Battery/Fuse Holder             | \$119.44          | \$0.00         | \$119.44          |
| 618758                                 | 256883     | 4/18/2022   | Air Filters                     | \$20.84           | \$0.00         | \$20.84           |
| 618758                                 | 256875     | 4/18/2022   | Misc. Filters                   | \$177.09          | \$0.00         | \$177.09          |
| 618758                                 | 284338     | 1/13/2023   | Battery                         | \$103.77          | \$0.00         | \$103.77          |
| 618758                                 | 283122     | 12/30/2022  | Spreader/Hardener               | \$21.78           | \$0.00         | \$21.78           |
| 618758                                 | 283049     | 12/29/2022  | Core Deposit                    | (\$111.12)        | \$0.00         | (\$111.12)        |
| 618758                                 | 283102     | 12/30/2022  | Hardener                        | \$22.52           | \$0.00         | \$22.52           |
| 618758                                 | 283041     | 12/29/2022  | Tensioner                       | \$179.34          | \$0.00         | \$179.34          |
| 618758                                 | 282666     | 12/26/2022  |                                 | \$69.15           | \$0.00         | \$69.15           |
| 618758                                 | 282667     | 12/26/2022  |                                 | \$397.66          | \$0.00         | \$397.66          |
| 618758                                 | 281683     | 12/14/2022  | ROCKER SWITCH                   | \$46.10           | \$0.00         | \$46.10           |
| 618758                                 | 282020     | 12/19/2022  | OIL FILTERS                     | \$51.48           | \$0.00         | \$51.48           |
| 618758                                 | 282044     | 12/19/2022  | BRAKE HOSE                      | \$40.32           | \$0.00         | \$40.32           |
| 618758                                 | 282076     | 12/19/2022  | BRAKES                          | \$248.11          | \$0.00         | \$248.11          |
|  |            |             |                                 | <u>\$1,596.32</u> | <u>\$0.00</u>  | <u>\$1,596.32</u> |
| <b>Wonderland Tire Company, Inc.</b>   |            |             |                                 |                   |                |                   |
| 618759                                 | 0040012795 | 12/28/2022  |                                 | \$169.00          | \$0.00         | \$169.00          |

Accounts Payable Prepay Report

| CheckNbr                       | InvoiceNbr | InvoiceDate | Description         | Amount                     | Discount Taken       | Amount To Pay              |
|--------------------------------|------------|-------------|---------------------|----------------------------|----------------------|----------------------------|
|                                |            |             |                     | <u>\$169.00</u>            | <u>\$0.00</u>        | <u>\$169.00</u>            |
| <b>ZAREMBA EQUIPMENT, INC.</b> |            |             |                     |                            |                      |                            |
| 618760                         | 171169S    | 1/5/2023    |                     | <u>\$296.02</u>            | <u>\$0.00</u>        | <u>\$296.02</u>            |
|                                |            |             |                     | <u>\$296.02</u>            | <u>\$0.00</u>        | <u>\$296.02</u>            |
|                                |            |             | <b>Grand Total:</b> | <u><u>\$283,180.94</u></u> | <u><u>\$0.00</u></u> | <u><u>\$283,180.94</u></u> |

55 Checks to Print

**This report was created with the following parameters**

Report Executed on: 1/16/2023 11:05:05 AM

## Accounts Payable Check Register

12/1/2022 to 12/31/2022

| CheckNbr              | Vendor Name                          | Check Date | Part Amount | Amount     |
|-----------------------|--------------------------------------|------------|-------------|------------|
| 618633                | AIRGAS USA, LLC                      | 12/15/2022 |             | 157.63     |
| 618634                | Alma Tire Service, Inc.              | 12/15/2022 |             | 341.50     |
| 618635                | Alta Construction Equipment          | 12/15/2022 |             | 1,082.16   |
| 618636                | Base Sand and Gravel                 | 12/15/2022 |             | 72,138.86  |
| 618637                | BBC Distributing                     | 12/15/2022 |             | 142.15     |
| 618638                | Blair Spray Foam Insulation          | 12/15/2022 |             | 10,450.00  |
| 618639                | Bryce Seeley                         | 12/15/2022 |             | 239.00     |
| 618640                | Charter Communications               | 12/15/2022 |             | 369.94     |
| 618641                | Chuck's Electric of Gaylord, INC.    | 12/15/2022 |             | 1,866.00   |
| 618642                | Cintas Corporation #729              | 12/15/2022 |             | 663.36     |
| 618643                | The Cisco Companies                  | 12/15/2022 |             | 54.87      |
| 618644                | Consumers Energy                     | 12/15/2022 |             | 45.57      |
| 618645                | County Road Association              | 12/15/2022 |             | 12,549.77  |
| 618646                | CRASIF                               | 12/15/2022 |             | 8,426.00   |
| 618647                | Delta Dental                         | 12/15/2022 |             | 3,652.58   |
| 618648                | Dennis Mitchell                      | 12/15/2022 |             | 150.00     |
| 618649                | Dornbos Sign, Inc.                   | 12/15/2022 |             | 487.35     |
| 618650                | Federal Fluid Power, Inc.            | 12/15/2022 |             | 66.06      |
| 618651                | First National Bank of Omaha         | 12/15/2022 |             | 1,837.72   |
| 618652                | Gaylord Machine & Fabrication, LLC   | 12/15/2022 |             | 176.64     |
| 618653                | GFL Environmental                    | 12/15/2022 |             | 330.47     |
| 618654                | GFL Environmental                    | 12/15/2022 |             | 3,755.06   |
| 618655                | Give Em A Brake Safety               | 12/15/2022 |             | 756.00     |
| 618656                | Grand Traverse Diesel Service, Inc.  | 12/15/2022 |             | 18,592.78  |
| 618657                | Hotsy of Mid-Michigan                | 12/15/2022 |             | 239.50     |
| 618658                | Hutson, Inc.                         | 12/15/2022 |             | 330.23     |
| 618659                | Joe Nedow                            | 12/15/2022 |             | 2,565.00   |
| 618660                | Johnson Oil Company                  | 12/15/2022 |             | 45,410.26  |
| 618661                | Lawson Products, Inc.                | 12/15/2022 |             | 433.70     |
| 618662                | MacAllister Rentals                  | 12/15/2022 |             | 2,900.00   |
| 618663                | Marcor Technologies, LLC             | 12/15/2022 |             | 216.00     |
| 618664                | Meekhof Tire Sales & Service         | 12/15/2022 |             | 4,501.74   |
| 618665                | Mid-State Bolt & Screw Co.           | 12/15/2022 |             | 3,303.12   |
| 618666                | Michigan Kenworth, LLC               | 12/15/2022 |             | 2,271.70   |
| 618667                | Northern Energy, Inc.                | 12/15/2022 |             | 4,521.38   |
| 618668                | NXKEM PRODUCTS                       | 12/15/2022 |             | 247.58     |
| 618669                | Otsego County Road Commission        | 12/15/2022 |             | 728.58     |
| 618670                | ODS THE DOOR SPECIALISTS             | 12/15/2022 |             | 250.00     |
| 618671                | Munson Healthcare OMH Medical Group  | 12/15/2022 |             | 148.00     |
| 618672                | PAYNE & DOLAN, INC.                  | 12/15/2022 |             | 373,618.52 |
| 618673                | QUALITY PLUMBING AND MECHANICAL INC. | 12/15/2022 |             | 210.00     |
| 618674                | RIETH-RILEY CONSTRUCTION CO., INC.   | 12/15/2022 |             | 1,791.36   |
| 618675                | RONS AUTO & WRECKER                  | 12/15/2022 |             | 376.50     |
| 618676                | ROWLEYS WHOLESALE                    | 12/15/2022 |             | 37.04      |
| 618677 part of 618678 | SCIENTIFIC BRAKE & EQUIP.            | 12/15/2022 | 1,633.53    |            |
| 618678                | SCIENTIFIC BRAKE & EQUIP.            | 12/15/2022 | 158.24      |            |
|                       | Total of multi-part check 618678     |            |             | 1,791.77   |
| 618679                | Shine Cleaning Service Inc.          | 12/15/2022 |             | 11,479.15  |
| 618680                | Snethkamp                            | 12/15/2022 |             | 1,148.15   |
| 618681                | STANDARD ELECTRIC CO.                | 12/15/2022 |             | 75.60      |
| 618682                | Staples                              | 12/15/2022 |             | 48.22      |
| 618683                | State of Michigan MDOT               | 12/15/2022 |             | 34,672.26  |
| 618684                | STATE OF MICHIGAN-MiDeal             | 12/15/2022 |             | 230.00     |
| 618685                | TED FESTERLING LLC                   | 12/15/2022 |             | 1,287.84   |
| 618686                | TRUCK & TRAILER SPECIALTIES          | 12/15/2022 |             | 14,574.94  |
| 618687                | VALLEY TRUCK PARTS, INC.             | 12/15/2022 |             | 516.73     |
| 618688                | VESCO OIL CORPORATION                | 12/15/2022 |             | 100.25     |
| 618689                | WILBER AUTOMOTIVE                    | 12/15/2022 |             | 128.38     |
| 618690                | ZAREMBA EQUIPMENT, INC.              | 12/15/2022 |             | 1,687.15   |
| 618692                | Alan Boughner                        | 12/28/2022 |             | 150.00     |
| 618693                | Blue Care Network of MI              | 12/28/2022 |             | 64,795.12  |
| 618694                | City of Gaylord                      | 12/28/2022 |             | 48.22      |

**Accounts Payable Check Register**

12/1/2022 to 12/31/2022

| CheckNbr | Vendor Name                   | Check Date | Part Amount | Amount    |
|----------|-------------------------------|------------|-------------|-----------|
| 618695   | Cody Huff                     | 12/28/2022 |             | 150.00    |
| 618696   | Consumers Energy              | 12/28/2022 |             | 1,977.63  |
| 618697   | Great Lakes Energy            | 12/28/2022 |             | 39.54     |
| 618698   | Humana Insurance Co.          | 12/28/2022 |             | 12,673.05 |
| 618699   | Joe Nedow                     | 12/28/2022 |             | 3,135.00  |
| 618700   | Mutual of Omaha               | 12/28/2022 |             | 4,454.58  |
| 618701   | Otsego County Road Commission | 12/28/2022 |             | 5,335.24  |
| 618702   | Dave Wcisel                   | 12/28/2022 |             | 150.00    |
| EFTP     | Merchants Fleet               | 12/15/2022 |             | 1,004.25  |
| EFTP     | Merchants Fleet               | 12/15/2022 |             | 944.24    |
| EFTP     | Merchants Fleet               | 12/15/2022 |             | 944.24    |
| EFTP     | Merchants Fleet               | 12/15/2022 |             | 343.36    |
| EFTP     | Merchants Fleet               | 12/15/2022 |             | 686.72    |
| EFTP     | Merchants Fleet               | 12/15/2022 |             | 643.65    |
| EFTP     | MERS of Michigan              | 12/15/2022 |             | 71,304.86 |

70 Checks Listed

818,951.82

**Account Summary by Transaction Type**

|                     | PAY               | Total             |
|---------------------|-------------------|-------------------|
| 201-0-202-202-0-0-0 | 818,951.82        | 818,951.82        |
| <b>Total</b>        | <b>818,951.82</b> | <b>818,951.82</b> |

**This report was created with the following parameters**

- Enter Low and High Dates  
12/1/2022 Thru 12/31/2022
- Enter Fund(s) to Report On
- Enter range of specific checks
- Enter Acct2 Range
- Enter Acct3 Range
- Enter Acct4 Range

Report Executed on: 1/5/2023 2:16:56 PM



# Otsego County Road Commission Agenda Item Report

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**FROM:** Kirk Harrier, Managing Director  
**MEETING DATE:** January 17, 2023  
**AGENDA ITEM:** 6.A  
**SUBJECT:** Equipment Purchase – 2023 Volvo L110H Loader

## **DESCRIPTION**

Staff is recommending the purchase of a 2023 Volvo L110H Loader. This will add a third loader into OCRC service.

The loader purchase is through Sourcewell (Contract 032119-VCE). Sourcewell is a competitively bid program. The Sourcewell program represents a discount from MSRP for governmental units in the program. The list price for the loader is \$465,493. Sourcewell contract price is \$265,797 which represents a 42.9% adjusted discount (\$200,696).

Staff is requesting the Board approve the purchase in an amount of \$299,438. That includes the loader, forks, and snow tires.

## **BUDGET ACTION REQUIRED**

N/A

## **LEGAL REVIEW**

N/A

## **SAMPLE MOTION**

Motion to **approve/deny** the purchase of a 2023 Volvo L110H with forks for the amount of \$299,438.00.



## Quote Valid Until February 1, 2023

**Contract:**  
 032119-  
 VCE

**Date:** 1/16/2023

|                        |            |                     |                         |
|------------------------|------------|---------------------|-------------------------|
| <b>Buying Agency:</b>  | Otsego CRC | <b>Dealership:</b>  | ALTA EQUIPMENT          |
| <b>Contact Person:</b> |            | <b>Prepared By:</b> | Paul Daugharty          |
| <b>Phone:</b>          |            | <b>Phone:</b>       | 989-413-2754            |
| <b>Email:</b>          |            | <b>Email:</b>       | PAUL.DAUGHARTY@ALTG.COM |

**Sourcewell Product Code** D - Volvo Pricing Catalog: Wheel Loaders Large

## A. Catalog / Price Sheet Items being purchased

| Quan                             |   | Unit Pr   | Total     |
|----------------------------------|---|-----------|-----------|
| 1                                | L110H - EQ0278994   | \$265,797 | \$265,797 |
|                                  | See next page for machine specs at List Price, Contract Discount, Machine Price |           |           |
|                                  | TOTAL Purchase Price at Bottom of this Page                                     |           |           |
| <b>Sourcewell Machine Price:</b> |   |           | \$265,797 |
| <b>Additional Discount:</b>      |   |           | -\$7,000  |
| <b>Subtotal A:</b>               |   |           | \$258,797 |

## B. Sourced and/or Non-Contracted Items

| Quan               | Description            | Unit Pr  | Total    |
|--------------------|------------------------|----------|----------|
| 1                  | FORKS, 84x84 - SOURCED | \$13,175 | \$13,175 |
| <b>Subtotal B:</b> |                        |          | \$13,175 |

## C. Freight / Installation / Ext Warranty / Trade-Ins / Other Allowances/ Miscellaneous Charges

|  |          |
|--|----------|
| <b>Freight</b>                                     | \$1,000  |
| <b>PDI</b>   | \$1,000  |
| <b>TIRE SWAP</b>                                   | \$19,481 |
| <b>5 YEAR/3,000 HOUR COMPLETE MACHINE WARRANTY</b> | \$5,985  |
| <b>Subtotal C:</b>                                 | \$27,466 |

**Delivery Date:** 
**D. TOTAL PURCHASE PRICE (A+B+C):**
**\$299,438**

## Version 19

| Description  | Article | Price(USD) |
|--|---------|------------|
| Volvo L110H Wheel Loader   | L110H   | 352,331.00 |
| 4 - Rims (3pc) for 23.5-25 Tires   | WL21012 | 7,905.00   |
| Full coverage fenders rear for standard tires                                  | WL22004 | 950.00     |
| Full coverage fenders, steel front for standard tires                          | WL22014 | 950.00     |
| Mudflaps for full fenders for standard tires                                   | WL23003 | 773.00     |
| Engine D8J T4F Lockup US   | WL32035 | 0.00       |
| Fuel fill strainer   | WL30007 | 0.00       |
| Delayed Engine Shutdown  | WL30024 | 195.00     |
| Reversible cooling fan   | WL37001 | 0.00       |
| Optishift w lockup, RBB  | WL39004 | 0.00       |
| Rimpull  | WL39501 | 0.00       |
| Volvo Airsusp, Heated, 2pt, 3" belt  | WL41010 | 3,300.00   |
| Air conditioning with ACC (automatic climate control)                          | WL42001 | 7,151.00   |
| Steering knob  | WL45001 | 163.00     |
| Sliding window in door   | WL45003 | 0.00       |
| ACC Fahrenheit decal only  | WL45004 | 0.00       |
| Universal key  | WL45005 | 0.00       |
| Secondary steering, electric   | WL45019 | 0.00       |
| Lunch box holder   | WL45023 | 135.00     |
| Anchorage manual   | WL45027 | 0.00       |
| Co-pilot incl Camera   | WL45057 | 0.00       |
| Operator Coaching Basic  | WL88201 | 0.00       |
| LOTO, Lock out tag out   | WL53009 | 0.00       |
| Back up alarm  | WL54001 | 0.00       |
| Max Boom Height  | WL65013 | 0.00       |
| Oil sampling ports   | WL71002 | 312.00     |
| Footsteps front frame  | WL71005 | 435.00     |
| Boom Suspension System (" Ride Control" . Includes single acting lift system.) | WL80001 | 7,339.00   |
| Decals, English/Spanish  | WL83004 | 0.00       |
| Cover plates, rear frame   | WL86013 | 0.00       |
| Guardrail rear fender right  | WL86031 | 0.00       |
| Guardrail rear fender left   | WL86032 | 0.00       |
| Frame, life time warranty  | WL86041 | 615.00     |
| Year of manufact.plate   | WL87004 | 0.00       |
| CareTrack Connectivity 4 yr Subscription                                       | WL88010 | 0.00       |
| CareTrack, GSM/Satellite   | WL88018 | 0.00       |
| De-activate SAT  | WL88020 | 0.00       |
| 23,5R25* Michelin XHA2 L3  | WL20082 | 27,577.00  |
| Max. fan speed, hot climate  | WL30002 | 172.00     |
| Engine auto shutdown   | WL30011 | 734.00     |
| Engine block heater, 120 V   | WL33002 | 955.00     |
| Radio BlueTooth/USB/AUX no CD  | WL43004 | 1,041.00   |

|  |                |           |
|--|----------------|-----------|
| LH Radio mounting kit including 20 amp converter, speakers & 12v outlet                        | WL44002        | 1,095.00  |
| Cab ladder, rubber suspended   | WL45006        | 573.00    |
| Left hand armrest for Volvo Airsusp. seats. Incompatible w/CDC (comfort drive control)         | WL45040        | 218.00    |
| Single lever control for 3rd hyd. function (hydraulics & detent function are included)         | WL47002        | 8,533.00  |
| Rearview mirrors,el.adj& heat.   | WL45201        | 459.00    |
| Headlights LED   | WL50020        | 1,513.00  |
| LED Economy Package (must select WL50020)  | <u>WL50022</u> | 3,074.00  |
| Warning Beacon, LED  | WL51003        | 890.00    |
| Separate attachment locking, std. boom   | WL64001        | 3,260.00  |
| Counterweight, rehandling (can't be ordered from Arvika w/ solid tires or wooden protect rims) | WL82004        | 3,855.00  |
| Tow Hitch  | WL82005        | 476.00    |
| Bracket for Fire extinguisher  | WL86034        | 261.00    |
| Attachment bracket (Must select Hook-on attachments)   | WLA85346       | 6,793.00  |
| 118" 4.2 yd hook-on rehandling bucket  | WLA86731       | 18,870.00 |
| 118" 3-piece bolt-on edge kit, straight-edge bucket  | WLA80577       | 2,590.00  |

|                                 |                  |
|---------------------------------|------------------|
| <b>Total List Price</b>         | <b>\$465,493</b> |
| <b>Sourcewell % off List</b>    | <b>42.9%</b>     |
| <b>Sourcewell Machine Price</b> | <b>\$265,797</b> |

*See Front Page of Quote for Total Purchase Price*





## Otsego County Road Commission Agenda Item Report

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**FROM:** Rebecca Hilmert, Finance Manager  
**MEETING DATE:** January 17, 2023  
**AGENDA ITEM:** 6.B  
**SUBJECT:** Engineering Services RFP

### **DESCRIPTION**

Attached is a draft request for proposal for engineering services for Board review/discussion. Public entities, from time-to-time, will often solicit proposals for professional services such as engineering, accounting, and legal services. The purpose of this exercise is to ensure the most efficient use of public monies for services. It also allows the policy-making body an opportunity to discuss with staff the current and future needs of the organization.

### **BUDGET ACTION REQUIRED**

N/A

### **LEGAL REVIEW**

N/A

### **SAMPLE MOTION:**

N/A

# Otsego County Road Commission

Troy W. Huff, Commissioner  
Kathy M. Heinz, Commissioner  
Michael D. Dipzinski, Commissioner  
Lukas A. Gordon, Commissioner  
Thomas H. Wagar, Commissioner

Kirk R. Harrier, Managing Director  
Rebecca Hilmert, Finance Mgr./Board Sec.

## REQUEST FOR PROPOSAL

The Otsego County Road Commission is seeking proposals for an Engineer of Record to provide engineering services as an independent contractor for the road commission.

The Otsego County Road Commission will receive sealed proposal in their Office at 669 West McCoy Road, PO Box 537, Gaylord, Michigan, 49734 until

Request for Proposal and Specifications may be obtained in the office or on the Otsego County Road Commission website at [www.orsegocrc.org](http://www.orsegocrc.org) under the Information Tab/Bid Information.

If mailed through the postal service, bids must arrive at the Gaylord Post Office Box by 12:00 noon on  
Mail to: Otsego County Road Commission  
PO Box 537  
Gaylord, MI 49734

If delivered, bids must arrive at the physical address of the Otsego County Road Commission by 2:00 p.m. on (closed noon-12:30 p.m. for lunch):  
Deliver to: Otsego County Road Commission  
669 West McCoy Road  
Gaylord, MI 49735

Bids will be opened and publicly read aloud at 2:00 p.m. on. Further information and specifications may be obtained at the Otsego County Road Commission office or by calling (989)732-5202.

All proposals must be in sealed envelopes, plainly marked **ENGINEER OF RECORD** and the name of the bidder. All unmarked proposals will be rejected.

The board reserves the right to accept or reject all bids, to waive any irregularities in the bids and to award the bid in a manner deemed in the best interests of Otsego County.

By agreement of both parties, these bids may be extended by additional years.

*The Otsego County Road Commission is an Equal Opportunity Provider and Employer*

669 W. McCoy Road • P.O. Box 537 • Gaylord, MI 49734-0537  
Telephone (989) 732-5202 • Facsimile (989) 732-6775 • [www.otsegocrc.org](http://www.otsegocrc.org)

# Otsego County Road Commission

## SCOPE OF SERVICES:

The following statement of work describes the on-going services that the engineering firm shall provide to the Otsego County Road Commission. These services are contracted on an on-call basis. The road commission will compensate the Engineer of Record for general engineering services based on standard hourly rates and a fee schedule. It is expected that the Engineer of Record will be available daily for consultation.

The scope of services for the Engineer of Record may include, but not be limited, to the following:

- Assist with budgeting, planning, and rate studies.
- Assist with GPS/GIS data gathering and information compilation relating to existing infrastructure.
- Work with road commission staff, organizations, and funding agencies to help develop competitive and complete grant applications or funding proposals.
- Work with road commission staff to review or complete federal or state permits, applications, or agency notification.
- Act as the road commission's representative with other state, federal, or local governmental agencies.
- Provide detailed design and construction specifications for successful bidding and construction coordination of county road infrastructure improvement and maintenance projects.
- Attend pre-application, construction, or other meetings as requested.
- Provide various construction services for selected construction projects, e.g., project management, engineering design, pre-qualification, preparation of bid documents, solicitation, procurement, and construction observation.
- Perform final construction observations and punch lists for completion, including review of as-built drawings, testing results, as-built certification, project closeout and initiation of the required construction warranty period.
- Perform additional basic engineering and special services which cannot be fully described at this time, as requested by the road commission.

For special projects, the Engineer of Record shall provide a cost estimate upon written request from the road commission. The cost estimate shall include a detailed proposal, scope of work and schedule.

## QUALIFICATIONS

All submissions should include the capability and willingness of the Engineer of Record to provide design and inspection services by providing the following items:

- Name, classification, and qualifications of key personnel to be assigned to the projects. Resumes should be included.
- Address proposer's familiarity with laws and regulations governing transportation systems, including operations, construction, and maintenance of the Otsego County Road Commission's current infrastructure system.
- A detailed fee structure based on personnel, scope of services, and reimbursables.
- Explanation of proposer's workload capacity and level of experience commensurate with the level of service required by the Otsego County Road Commission.
- A list of at least three (3) references from government clients of similar size for whom similar

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# Otsego County Road Commission

services have recently been provided.

- Proof of professional liability insurance and comprehensive and auto insurance. Proof of coverage by Workers' Compensation Insurance or exemption.

## SERVICES AND RESPONSIBILITIES OF ENGINEER

1. Services shall be provided pursuant to road commission work task requests or as otherwise requested by the road commission in writing. When authorized by the road commission, the specific services with the Engineer shall furnish will generally consist of, but not be limited to, the following itemized services:
  - a. Engineering services for infrastructure systems including studies, designs, and construction administration.
  - b. Consultation with the road commission administration and staff members on specific problems related to the County's infrastructure.
  - c. Attend meetings, when requested by the road commission, or when necessitated by project work underway.
  - d. Project review, construction observation, and field surveying services.
  - e. Miscellaneous technical services requested by the road commission.
  - f. Preparation of Federal and State Funding applications, as authorized by the road commission.
  - g. Plan review.
  - h. Feasibility studies and plans.
  - i. Apprise the road commission of applicable changes in state or federal law regarding engineering or design services where such changes in state and federal law directly affect the Engineer's work the road commission's projects.
2. Basic engineering services. When authorized by the road commission, Engineer will provide engineering services for improvement projects. These will generally consist of, but not be limited to, the following itemized services:
  - a. Preparation of plans and specifications ready for a call for bids.
  - b. Tabulation of bids at bid opening, report same to the road commission, and assist in awarding Contracts for Construction.
  - c. General observation of the work by observation trips to the job site on a periodic basis, as agreed with the road commission.
  - d. Preparation and submittal of proposed contract change orders.
  - e. Preparation of payments to the Contractor.
  - f. Final review of the project by the Engineer.
  - g. Final acceptance of the project by the Engineer and recommendations according to the road commission.
  - h. Submission to the road commission of final quantities and costs.
  - i. Furnish a set of "record" reproducible mylars, or other mutually agreed format suitable for long term preservation and storage.
3. Special Services. In addition to the basic services provided under Section 2 above, special services of varying types may be required upon the road commission's written request. Included in these services, but not limited to, are:
  - a. Resident observation – Provide the services of an observer, acceptable to the road commission, as requested when contracts have been let by the road commission for construction. The Observer shall keep a daily diary of work progress. The Observer shall check and approve all construction work, prepare record drawings of the construction work, and prepare the payment to the Contractor. As used in this document, the term "record drawings" means a set of documents consisting of record specifications and record

# Otsego County Road Commission

drawings showing the reported location of the work. Record drawings are based on information provided by persons other than the Engineer, and the Engineer does not warrant their accuracy.

- b. Redesigns – As ordered by the road commission after final plans have been completed.
- c. Appearances before courts or boards on matters of litigation related to a project.
- d. Preparation of operation and maintenance manuals and cost of duplication.
- e. Printing of plans and specifications.
- f. Preparation of planning studies or reports, including costs of duplication.
- g. Coordinating and obtaining permits and arranging agency reviews. Fees for permits or agency review are excluded from Engineer's services and will be paid by the road commission.
- h. Miscellaneous other technical services as may be assigned and for which Engineer has qualifications and/or expertise.
- i. Consultant Services – Various technical services for which the road commission required Engineer to manage, monitor or direct:
  - i. Field Engineering – Survey crew to stakeout construction work, provide preliminary design surveys and design land surveys. Survey crew shall furnish all necessary equipment, instruments, transportation, stakes, and subsistence required for field engineering.
  - ii. Soils investigations – including test borings, related analysis, and recommendations by the Engineer.
  - iii. Laboratory tests, well tests, borings, specialized geological, or other studies recommended by the Engineer.
  - iv. Other consultant services requested by the road commission, such as wetland, permitting and cost estimation services.



# Otsego County Road Commission Agenda Item Report

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**FROM:** Kirk Harrier, Managing Director  
**MEETING DATE:** January 17, 2023  
**AGENDA ITEM:** 6.C  
**SUBJECT:** Contractual Services Agreement MSP Seasonal Weight Restrictions Road Patrol

## DESCRIPTION

Overweight vehicles are a primary cause of damage to road infrastructure in Otsego County. This damage is exacerbated in the spring, during weight restrictions, when the winter thaw is occurring. The OCRC Board has in the past entered into an agreement with the Michigan State Police (MSP) in order for the MSP to provide additional law enforcement services to the OCRC in connection with seasonal weight restrictions road patrol not to exceed 10 hours per week and 60 hours total for the duration of the seasonal restrictions. MSP estimates a per hour rate of \$91.31. Total contact not to exceed price \$5,478.60. The proposed 2023 agreement sets forth the terms, conditions, and obligations of the parties.

| 2021 OTSEGO COUNTY<br>MSP FROST LAW ENFORCEMENT |            |
|---|------------|
| Total Stops                                     | 19         |
| Total Vehicle Weighs                            | 6          |
| Total Citations                                 | 2          |
| Max Weight Fine                                 | 0          |
| Total Vehicle Inspections                       | 17         |
| OCRC Cost for Enforcement                       | \$3,047.16 |

| 2022 OTSEGO COUNTY<br>MSP FROST LAW ENFORCEMENT |            |
|---|------------|
| Total Stops                                     | 50         |
| Total Vehicle Weighs                            | 12         |
| Total Citations                                 | 10         |
| Max Weight Fine                                 | \$15,777   |
| Total Vehicle Inspections                       | 41         |
| OCRC Cost for Enforcement                       | \$4,324.68 |

**BUDGET ACTION REQUIRED**

N/A

**LEGAL REVIEW**

N/A

**SAMPLE MOTION:**

Motion to **approve/deny** the 2023 contractual services agreement between the Michigan State Police and the Otsego County Road Commission for additional weight restriction road patrol as presented.

**CONTRACTUAL SERVICES AGREEMENT**  
between the  
**THE MICHIGAN DEPARTMENT OF STATE POLICE**  
and  
Otsego County Road Commission

This Agreement is entered into this 1st day of February, 2023, by and between the Michigan Department of State Police ("the MSP") and the Otsego County Road Commission ("OCRC"). The MSP and OCRC are collectively referred to as "the Parties."

The Parties desire to enter into a contract for the purpose of the MSP providing law enforcement services to OCRC in connection with seasonal weight restrictions road patrol (not to exceed 10 hours per week and 60 hours total for the duration of seasonal restrictions) and to set forth the terms, conditions, and obligations of the Parties.


**I. In consideration of the above information and as set forth below, the Parties agree as follows:**

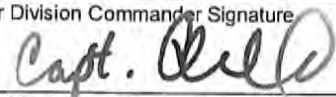
1. The MSP will provide law enforcement services in connection with seasonal weight restrictions road patrol (not to exceed 10 hours per week and 60 hours total for the duration of seasonal restrictions).
2. OCRC shall pay the MSP for all costs incurred in providing law enforcement services in connection with seasonal weight restrictions road patrol (not to exceed 10 hours per week and 60 hours total for the duration of seasonal restrictions) for the period beginning when seasonal weight restrictions are put on and ending when seasonal weight restrictions are lifted. All costs include, but are not limited to, personnel overtime wages, retirement costs per hour per officer, command officer, or support staff. In addition, OCRC shall pay for any and all patrol car mileage incurred at the actual mileage rate as approved by the Vehicle and Travel Services Division of the Michigan Department of Technology, Management and Budget at the time of service. Use of MSP Aircraft (if any) shall be reimbursed at a fixed rate at the time of service.
3. Except as provided in this Agreement, OCRC shall not be obligated to contribute any money toward the expense of MSP officers, command officers, or support staff for services provided under this Agreement.
4. The MSP agrees to provide such law enforcement services as are mutually agreeable to the Parties, except that, the Commercial Vehicle Enforcement Division Commander or his or her representative shall have the right to withdraw some or all MSP personnel from this assignment in case of an emergency. OCRC shall not be responsible for compensating the MSP for the costs of MSP personnel for the time they are withdrawn from the assignment described in this Agreement.
5. The MSP is obligated to provide law enforcement services in connection with this Agreement only to the extent that personnel resources are reasonably available to work the assignment.
6. MSP personnel shall not be, nor deemed to be, employees or agents of OCRC for any purpose whatsoever OCRC personnel shall not be, nor deemed to be, employees or agents of the MSP for any purpose whatsoever. Any and all liability for acts or omissions of each party's personnel will be the sole responsibility of the person and the party involved. The Parties do not expressly or impliedly assume any liability for the acts or omissions of the other party or the other party's personnel.
7. The Parties will hold special conferences upon the request of either party for the purposes of resolving any mutual problems that may arise in the enforcement of this Agreement. Any portion of this Agreement that may be subject to interpretation will be addressed at said special conferences.



8. The terms for this Agreement may be renegotiated at any time upon the written request of either party. This Agreement may only be amended by a written document signed by the Parties, by and through their duly authorized representatives.
9. Either party may terminate this Agreement for any reason, provided that at least 10 days advance written notice of termination is given to the non-terminating party by the terminating party.
10. This Agreement is the complete and exclusive statement of the agreement between the Parties with respect to the subject matter thereof, and supersedes all prior negotiations, representations, proposals, and other communications between the Parties either oral or written.
11. This Agreement is legally binding and will be enforced according to the laws of the State of Michigan.
12. This Agreement does not create any right in any third party to bring any action under this Agreement or any action to enforce this Agreement.
13. This Agreement is effective when signed by the Parties, by and through their duly authorized representatives, in Section III below.

**II. MSP Chain of Command Routing**


|  |  |                 |
|--|--|-----------------|
| Work Site Commander Signature<br> | Work Site:<br>Seventh District<br>Headquarters | Date<br>11-2-22 |
| Printed or Typed Name<br>MC Lt. Chris Keller   |  |                 |

|  |   |                 |
|--|---|-----------------|
| District or Division Commander Signature<br> | District or Division:<br>Commercial Vehicle<br>Enforcement Division | Date<br>11/4/22 |
| Printed or Typed Name<br>Capt. Richard Arnold  |   |                 |

Submit the Agreement via the chain of command to the Bureau Commander once the agent for the organization's signature has been obtained.

**III. Approval and Execution of Agreement**

**Michigan Department of State Police:**

|   |  |      |
|---|--|------|
| Bureau Commander Signature<br> | Digitally signed by Maj. Ryan Pennell<br>Date: 2023.01.03 11:04:58 -05'00' | Date |
| Printed or Typed Name<br>Maj. Ryan Pennell  |  |      |

**Otsego County Road Commission**

|  |             |   |   |
|--|-------------|---|---|
| Address<br>PO box 537                    |             |   |   |
| City<br>Gaylord                          | State<br>MI | Zip<br>49735  | General Phone Number with Area Code<br>989-732-5202         |
| Billing Contact Name<br>Kirk Harrier     |             | Billing Contact Email Address<br>harrierk@ocrc-mi.org | Billing Contact Phone Number with Area Code<br>989-732-5202 |
| Signature of Organization Representative |             | Title<br>Manager                                      | Date  |

Printed or Typed Name of Organization Representative  
Kirk Harrier



## Otsego County Road Commission Agenda Item Report

---

**FROM:** Kirk Harrier, Managing Director  
**MEETING DATE:** January 17, 2023  
**AGENDA ITEM:** 6.D  
**SUBJECT:** MERS Defined Benefit Adoption Agreement Amendment

### DESCRIPTION

The OCRC's MERS employee retirement plan has an employee percentage contribution amount identified. In 2019 the employee contribution was 5% of gross income. The amount increased to 6% in 2020, 7% in 2021 and 8% in 2022. The Road Commission Board is authorized to set the employee contribution rate for the plan with MERS and amend it as necessary.

Public Act 202, passed by the Michigan Legislature in 2017, defined "underfunded status" as a unit of government that is less than 60% funded in its pension retirement plan. On December 31, 2017, the Road Commission's liability was 57% funded which triggered a Corrective Action Plan per the Act. Many units of government across the state were in similar positions; primarily due to the financial collapse in 2008. Changes were made to the Road Commission's retirement plan to lower liability and become compliant with PA 202. An employee contribution went into effect and additional payments were made towards the unfunded liability to become compliant with Act 202.

As of the last audit, the Road Commission is 81% funded compared to 56% in 2015. The Road Commission has completed the terms of the Corrective Action Plan.

The attached MERS amendment document would set the required employee contribution at 8% gross income. No other changes to the plan would occur with the approval of this amendment.

### BUDGET ACTION REQUIRED

N/A

### LEGAL REVIEW

N/A

### SAMPLE MOTION:

Motion to **approve/deny** MERS Defined Benefit Agreement Amendment and set the employee required contribution to 8% of gross income.

# Defined Benefit Plan Adoption Agreement



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

www.mersofmich.com

The Employer, a participating municipality or participating court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with the MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

**I. Employer Name** Otsego CRC **Municipality #:** 6901

If new to MERS, please provide your municipality's fiscal year: \_\_\_\_\_ through \_\_\_\_\_.  
Month Month

## II. Effective Date

Check one:

A.  If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of \_\_\_\_\_, 20\_\_.

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited as follows (choose one):

- All prior service from date of hire
- Prior service proportional to assets transferred; all service used for vesting
- Prior service and vesting service proportional to assets transferred
- No prior service but grant vesting credit
- No prior service or vesting credit

Link this new division to division number \_\_\_\_\_ for purposes of determining contributions (Unless otherwise specified, the standard transfer/rehire rules apply)

For divisions that are closing or freezing with or without conversion, the Employer must complete the *Addendum for Plan Freeze, Closure and Conversions*

B.  If this is an **amendment** of an existing Adoption Agreement (Defined Benefit division number 1, 10, 11), the effective date shall be the first day of 01/2023 (mm/yy). *Please note:* You only need to mark **changes** to your plan throughout the remainder of this Agreement.

C.  If this is a **temporary benefit** (Defined Benefit division number(s) \_\_\_\_\_), select one of the following:

This is a **temporary Benefit Window** with a duration of 2-6 months. Effective dates are from \_\_\_/01/\_\_\_ through the last day of \_\_\_/20\_\_\_ (mm/yy). Complete provisions as applicable under Section IV of this form.

This is a **temporary Lump Sum Buyout Program** for terminated vested participants with a duration of 6-24 months. Effective dates are from \_\_\_/01/\_\_\_ through the last day of \_\_\_/20\_\_\_ (mm/yy). Payout will reflect \_\_\_% (1-100%) of the participant's present value of accrued benefit. For example, if 40% is used, the payout will be 40% of the present value of the benefit. This percentage cannot be changed once adopted.

# Defined Benefit Plan Adoption Agreement

- D.  If this is to **separate employees from an existing Defined Benefit division** (existing division number(s) \_\_\_\_\_) into a new division, the effective date shall be the first day of \_\_\_\_\_, 20\_\_\_\_.
- E.  If this is to merge division(s) \_\_\_\_\_ into division(s) \_\_\_\_\_, the effective date shall be the first of \_\_\_\_\_, 20\_\_\_\_.
- F.  If this is an amendment to close Defined Benefit division(s) # \_\_\_\_\_, with new hires, rehires, and transfers going into an **existing** Defined Benefit division # \_\_\_\_\_, the effective date shall be \_\_\_\_\_ (month/year).

**Note: Closing this Defined Benefit division(s) will change future invoices to a flat dollar amount instead of a percentage of payroll, as provided in your most recent annual actuarial valuation.**

(The amount may be adjusted for any benefit modifications that may have taken place since then).

### III. Plan Eligibility

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

Only those employees eligible for MERS membership may participate in the MERS Defined Benefit Plan. If an employee classification is **included** in the plan, then employees that meet this definition will receive service credit if they work the required number of hours to meet the service credit qualification defined below. All eligible employees must be reported to MERS. Please describe the specific classifications that are eligible for MERS within this division:

(For example: e.g., Full-time employees, Clerical staff, Union Employees participating in XXXX union)

This Division includes **public safety employees** (this information is used for actuarial purposes only. It does not relate to the additional tax for early distribution):  Yes  No

To further define eligibility (select all that apply):

| Employee Classification   | Included                 | Excluded                 | Not Employed             |
|---|--------------------------|--------------------------|--------------------------|
| <b>Temporary Employees:</b> Those who will work for the municipality fewer than _____ months in total | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Part-Time Employees:</b> Those who regularly work fewer than _____ per _____                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Seasonal Employees:</b> Those who are employed for tasks that occur at specific times of the year  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Voter-Elected Officials</b>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Appointed Officials:</b> An official appointed to a voter-elected office                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Contract Employees</b>   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Other:</b> _____   | <input type="checkbox"/> | <input type="checkbox"/> |                          |
| <b>Other 2:</b> _____   | <input type="checkbox"/> | <input type="checkbox"/> |                          |

# Defined Benefit Plan Adoption Agreement

## Probationary Periods (select one):

- Service will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, the employer will not report or provide service. Service will begin to accrue and contributions must be reported when the Probationary Period ends.

The probationary period will be \_\_\_\_\_ month(s).

Comments:

- Service will begin with the employee's date of hire (no Probationary Period). Effective with the date of hire, wages paid and any associated contributions must be submitted to MERS.

## IV. Provisions

### 1. Service Credit Qualification

To clarify how eligible employees earn service credit, please indicate how many hours per month an eligible employee needs to work. For example, if you require 10 eight-hour days, this would be 80 hours per month. If an *hours and days* has been previously defined (like 10 seven-hour days), stating "70 hours" will be required. Employees must meet the definition of Plan Eligibility in order to earn service credit under the plan.

To receive one month of service credit, an employee shall work (or be paid for as if working) \_\_\_\_\_ hours in a month.

### 2. Leaves of Absence

Indicate by checking the boxes below, whether the potential for service credit will be allowed if an eligible employee is on one of the following types of leave, regardless of meeting the service credit qualification criteria.

Regardless whether an eligible employee is awarded service credit while on the selected type(s) of leave:

- MERS will skip over these months when determining the FAC amount for benefit calculations.
- Third-party wages **are not** reported for leaves of absence.
- Employers **are not** required to remit employer contributions based on leaves of absence when no wages are paid by the employer.
- For **contributory divisions**, employee contributions are required where service credit is granted and due at the time of monthly wage and contribution reporting. Employers may use the following formula to calculate employee contributions: the employee's current hourly rate (prior to leave), multiplied by service credit qualification (hours) multiplied by employee contribution. For example, if employees' hourly rate is \$20, the division requires 120 hours to obtain service credit, and employee contributions are 5%, the calculation will look like:  $\$20/\text{hour} \times 120 \times .05 = \$120$  in employee contribution for that leave month. Employers may use another internal formula, if they choose and MERS will make note of it.

If an alternative formula is going to be used, please describe that here:

# Defined Benefit Plan Adoption Agreement

| Type of Leave   | Service Credit Granted   | Service Credit Excluded  |
|---|--------------------------|--------------------------|
| Short-Term Disability   | <input type="checkbox"/> | <input type="checkbox"/> |
| Long-Term Disability  | <input type="checkbox"/> | <input type="checkbox"/> |
| Workers' Compensation   | <input type="checkbox"/> | <input type="checkbox"/> |
| Unpaid Family Medical Leave Act (FMLA)  | <input type="checkbox"/> | <input type="checkbox"/> |
| Other: _____<br>For example, sick and accident, administrative, educational, sabbatical, etc. | <input type="checkbox"/> | <input type="checkbox"/> |
| Other 2: _____<br>Additional leave types as above   | <input type="checkbox"/> | <input type="checkbox"/> |

Leaves of absence due to military service are governed by the Federal *Uniformed Services Employment and Reemployment Rights Act* of 1994 (USERRA), IRC 414(u), effective January 1, 2007, IRC 401(a)(37). Military reporting requires historical wage and contribution reporting for Defined Benefit as applicable.

### 3. Definition of Compensation

The Definition of Compensation is used to calculate a participant's final average compensation and is used in determining both employer and employee contributions. Wages paid to employees, calculated using the elected definition, must be reported to MERS.

Select your Definition of Compensation:

- Base Wages   
  Box 1 Wages of W-2   
  Gross Wages   
  Custom Definition

[Click here to view details of Base, Box 1, and Gross Wages](#)

(To customize your definition, please complete the [Custom Definition of Compensation Addendum](#).)

### V. Valuation-Required Provisions

Valuation Date: \_\_\_\_\_, 20\_\_\_\_

#### 1. Review the valuation results

It is recommended that your MERS representative presents and explains the valuation results to your municipality before adopting. Please choose one:

- Our MERS representative presented and explained the valuation results to the \_\_\_\_\_ on \_\_\_\_\_.  
 (Board, Finance Cmte, etc.) (mm/dd/yyyy)
- As an authorized representative of this municipality, I \_\_\_\_\_ (Name)  
 \_\_\_\_\_ (Title) waive the right for a presentation of the results.

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

Annually, the MERS actuary will conduct an actuarial valuation to determine the employers' contribution rates. Employers are responsible for payment of said contributions at the rate, in the form and at the time that MERS determines.

# Defined Benefit Plan Adoption Agreement

2. **Benefit Multiplier** (1%-2.5%, increments of 0.05%) \_\_\_\_\_ % (max 80% for multipliers over 2.25%)

Check here if multiplier will be effective for existing active members' future service only (Bridged Benefit as of effective date on page 1)

If checked, select one below:

Termination Final Average Compensation (calculated over the members entire wage history)

Frozen Final Average Compensation (FAC is calculated twice, once for the timeframe that matches the original multiplier, and once for the new multiplier)

3. **Final Average Compensation** (Min 3 yr, increments of 1 yr) \_\_\_\_\_ years

4. **Vesting** (5 -10 yrs, increments of 1 yr) \_\_\_\_\_ years

5. **Normal Retirement Age** will be the later of: \_\_\_\_\_ (any age from 60-70), or the vesting provision selected above (#4).

6. **Required employee contribution** (Increments of 0.01%) \_\_\_\_\_ %

7. **Unreduced Early Retirement/Service Requirements:**

Age 50 – 54 \_\_\_\_\_ Service between 25 and 30 years \_\_\_\_\_

Age 55 – 65 \_\_\_\_\_ Service between 15 and 30 years \_\_\_\_\_

Service only (must be any number from 20 – 30 years accrued service): \_\_\_\_\_

Age + Service Points (total must be from 70 – 90): \_\_\_\_\_ points

8. **Other**

Surviving Spouse will receive 50% of Straight Life benefit without a reduction to the employees' benefit (also known as an RS50)

Duty death or disability enhancement (add up to additional 10 years of service credit not to exceed 30 years of service)

Deferred Retirement Option Program (DROP) – If selected, complete the following:

• Credited interest rate: \_\_\_\_\_% (please select either 0 or 3%)

• The employer, if selected, will delay a Cost of Living Adjustment (COLA) during the DROP period (skip if not applicable):  Yes  No

• Credited payment percentage will be: \_\_\_\_\_% (enter a number from 10-100% in increments of 10%) throughout the duration of the DROP period.



# Defined Benefit Plan Adoption Agreement

- Annuity Withdrawal Program (AWP)

Calculation of the actuarial equivalent of the lump sum distribution made under AWP will be done using:

- Interest rate for employee contributions as determined by the Retirement Board, or  
 MERS' assumed rate of return as of the date of the distribution.

## 9. Cost-of-Living Adjustment

|   |   |
|---|---|
| <input type="checkbox"/> All <b>current</b> retirees as of effective date<br><input type="checkbox"/> Retirees who retire <b>between</b><br>____/01/____ and ____/01/____ | <input type="checkbox"/> <b>Future</b> retirees who retire after effective date                 |
| Increase of ____% or \$____ per month   | Increase of ____% or \$____ per month   |
| Select one:<br><input type="checkbox"/> Annual automatic increase<br><input type="checkbox"/> One-time increase   | <input type="checkbox"/> Annual automatic increase  |
| Select one:<br><input type="checkbox"/> Compounding<br><input type="checkbox"/> Non-compounding   | Select one:<br><input type="checkbox"/> Compounding<br><input type="checkbox"/> Non-compounding |
| Employees must be retired ____ months (6-12 months, increments of 1 month)  | Employees must be retired ____ months (6-12 months, increments of 1 month)                      |

- Check here if the existing COLA will be bridged for active participants as of the effective date selected on this form. Benefits accrued for service after the effective date will have no COLA increase applied.

## 10. Service Credit Purchase Estimates are:

- Not permitted  
 Permitted

## VI. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Benefit Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Benefit Plan Adoption Agreement, the provisions of the Plan Document control.

## VII. Modification Of The Terms Of The Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of the new Agreement is not effective until approved by MERS.

# Defined Benefit Plan Adoption Agreement

## VIII. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired, and prohibits the use of the Employer's required current service funding to finance unfunded accrued liabilities.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. In accordance with the Constitution and this Agreement, if at any time the balance standing to the Employer's credit in the reserve for employer contributions and benefit payments is insufficient to pay all service benefits due and payable to the entity's retirees and beneficiaries, the Employer agrees and covenants to promptly remit to MERS the amount of such deficiency as determined by the Retirement Board within thirty (30) days notice of such deficiency.
4. The Employer acknowledges that wage and service reports are due monthly, and the employee contributions (if any) and Employer contributions are due and payable monthly, and must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference.
5. Should the Employer fail to make its required contribution(s) when due, the retirement benefits due and payable by MERS on behalf of the entity to its retirees and beneficiaries may be suspended until the delinquent payment is received by MERS. MERS may implement any applicable interest charges and penalties pursuant to the MERS Enforcement Procedure for Prompt Reporting and Payment and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. The Employer acknowledges that changes to the Employer's MERS Defined Benefit Plan must be made in accordance with the MERS Plan Document and applicable law, and agrees that MERS will not administer any such changes unless the MERS Plan Document and applicable law permit same, and MERS is capable of administering same.

## IX. Execution

### Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by \_\_\_\_\_ on  
the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. (Name of Approving Employer)

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

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

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

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



# Otsego County Road Commission Agenda Item Report

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**FROM:** Kirk Harrier, Managing Director  
**MEETING DATE:** January 17, 2023  
**AGENDA ITEM:** 6.E  
**SUBJECT:** MERS Supplemental Valuation Report

**DESCRIPTION**

This item is presented to the Board for discussion purposes. The purpose of this report is to show the financial implications to the employer of different retirement plan design options.

**BUDGET ACTION REQUIRED**

N/A

**LEGAL REVIEW**

N/A

**SAMPLE MOTION:**

N/A

# Municipal Employees' Retirement System of Michigan

Otsego CRC (6901) – Divisions 01, 10, and 11  
Retirement Plan Options





September 29, 2022

In care of:  
Municipal Employees' Retirement System of Michigan  
1134 Municipal Way  
Lansing, Michigan 48917

The purpose of this report is to show the financial implications to the employer of different retirement plan design options for Otsego CRC (6901) – Divisions 01, 10, and 11. This report is based on the annual actuarial valuation as of December 31, 2021 and consists of separate sections that correspond to the different plan options under consideration. Each section contains the following additional detail:

- An executive summary that describes the plan provisions and provides a brief explanation of the results.
- Exhibits showing the long-term contribution impact of the current and proposed plans.
- Graphs showing the projected funded ratio and employer contribution under both the current and proposed plans.

This report was prepared at the request of MERS on behalf of the municipality and is intended for use by the municipality and those designated or approved by the municipality. **The report may be provided to parties other than the municipality only in its entirety.** GRS is not responsible for unauthorized use of this report.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The valuation was based upon information furnished by MERS staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the municipality and MERS staff.

This report reflects the impact of COVID-19 experience through December 31, 2021. It does not reflect the ongoing impact of COVID-19, which is likely to influence demographic and economic experience, at least in the short-term. We will continue to monitor these developments and their impact on the MERS Defined Benefit and Hybrid plans. Actual future experience will be reflected in each subsequent annual valuation, as experience emerges.

The Plan Document Article VI sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the actuary. A description of these assumptions and methods can be found as follows:

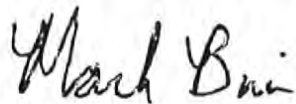
- Plan Document, v02172022,
- Actuarial Policy, DOC 8062 (2022-02-17), and
- 2021 Appendix to the Annual Actuarial Valuation Report.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the municipality as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

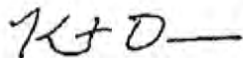
Mark Buis and Kurt Dosson are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Sincerely,  
Gabriel, Roeder, Smith & Company



Mark Buis, FSA, EA, FCA, MAAA



Kurt Dosson, ASA, FCA, MAAA



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## Executive Summary

The purpose of this report is to show the financial implications to the employer of different retirement plan design options for Otsego CRC (6901) – Divisions 01, 10, and 11. The following plan design has been considered:

| Option   | Division  | Description  |
|----------|---|--|
| Baseline | General (01)  | Division Type: Defined Benefit (DB)<br>Division Status: Closed<br>Link Status: Linked to 10  |
|          | General after 10/16/2012 (10)   | Division Type: Defined Benefit (DB)<br>Division Status: Open<br>Link Status: Linked to 01  |
|          | Non-Union employees (11)  | Division Type: Defined Benefit (DB)<br>Division Status: Open<br>Link Status: Not Linked  |
| 1        | General (01),<br>General after 10/16/2012 (10),<br>Non-Union employees (11) | <u>Existing Participants:</u><br>Current DB Provisions<br>Division Status: Closed<br>Link Status: Not Linked<br><br><u>New Hire Division Benefits:</u><br>Division Type: Defined Contribution (DC)<br>Employer Contribution to DC Plan: 8.00%                    |
| 2        | General (01),<br>General after 10/16/2012 (10),<br>Non-Union employees (11) | <u>Existing Participants:</u><br>Current DB Provisions<br>Division Status: Closed<br>Link Status: Not Linked<br>Conversion: All<br><br><u>New Hire Division Benefits:</u><br>Division Type: Defined Contribution (DC)<br>Employer Contribution to DC Plan: 8.00% |

Throughout the report the descriptions are understood to be as follows:

- **Baseline:** This is the current DB plan.
- **Option 1:** Close divisions 10 and 11 as of September 30, 2022. New hires from the closed divisions are expected to join an 8.00% employer contribution, DC plan.
- **Option 2:** Close divisions 10 and 11 as of September 30, 2022. Current actives and new hires are expected to join an 8.00% employer contribution DC plan. Current actives are assumed to convert their accrued DB benefit to a present value lump sum deposit in the DC plan on October 1, 2022.



The results of our calculations are shown in the following section:

- The long-term impact section includes projections to illustrate the potential financial impact of each option. Included in this section is a comparison under the baseline option and the alternate option as follows:
  - Tabular and Graphical displays of the projected pattern of contributions (shown in total, DB + DC).
  - Tabular displays of the projected Actuarial Accrued Liability (AAL), Valuation Assets (VA), and Funded Ratio (shown for the DB plan only).
  - Graphical displays of the projected funded ratio (shown for the DB plan only).

Comments regarding the calculations:

- The proposed plan changes illustrated in this report are valued as if they occur on the valuation date, December 31, 2021. The results should not be used for short-term budgeting purposes. These projections illustrate the long-term pattern of employer contributions for the purpose of comparing the financial implications of each plan design. A projection is not a prediction. Future costs will be determined by future actuarial valuations and may change based upon actual experience.
- The proposed change may affect the risk profile of the Plan. At this time, we do not believe additional risk assessment is necessary.
- Please note the following regarding divisions that become closed to new hires (with new hires entering the DC plan):
  - In general, if members are not covered by Social Security, the minimum social security replacement benefit for Defined Contribution Plans is 7.5% of compensation, as described in IRS Reg. 31.3121(b)(7)-(2)(e)(2)(iii).
  - The different sources of Unfunded Actuarial Accrued Liabilities (UAAL) are amortized over separate closed amortization periods as shown in the 2021 Appendix to the Annual Actuarial Valuation Report, unless the remaining period on the Initial UAAL is longer in which case the longer period is used.
  - This funding policy was adopted by the MERS Retirement Board with the goal of accumulating enough assets to pay the benefits promised.
  - Assets cannot be shared between the closed DB division and the DC plan, even if the employees are part of the same employee classification (bargaining unit). This is because in a DC plan, the assets represent individual account balances and are only payable to that member or the beneficiary. In comparison, in a DB plan the assets are comingled and can be used to pay the benefits for any member in that division, with the exception of member account balances. Member account balances can only be paid to the member or the beneficiary.
- Option 2
  - According to the actuarial policy, if the employer adopts a plan change that includes a conversion option, the employer must maintain the DB or Hybrid Plan's most recently determined funded level (up to 100%) as a minimum funding requirement. Additionally, according to the actuarial policy, under a conversion option, if the employee division's funded level is less than the level that the employer has selected as the conversion percentage, the employer must contribute to the employee division of the DB Plan or Hybrid Plan DB component for each member electing the conversion option. The amount to be contributed is the difference between the amount required to maintain the

employee division's funded level and the amount to be transferred to the Hybrid Plan DC component, the DC Plan, or a non-MERS DC money purchase plan. The division's funded level for this purpose is as of the most recent Annual Actuarial Valuation date (up to 100%) and subject to adjustment for other subsequent plan changes and assumption changes at the discretion of MERS. The funded level is determined based on the division's market value of assets as of the valuation date, and the liability of the division based on the full actuarial present value of accrued benefits (PVAB) for all active members eligible for conversion as set forth in Section V(4)(f), and includes the accrued liability of all other division members based on the actuarial assumptions adopted by the Board for valuation purposes, as applicable. Once a total PVAB funded level has been determined, the asset transfer is established. A summary of these calculations is shown in the table on the following page. For purposes of this study:

- A total PVAB has been estimated by MERS, as shown in column (4), using:
  - Valuation data;
  - An illustrative conversion date of December 31, 2021, and
  - Assumptions and Methods as described in the Actuarial Policy.
- We reviewed the PVAB calculations for reasonability.
  - Note that a final PVAB calculation and transfer amount will be prepared by MERS staff following the conversion date, including the use of updated data as of the conversion date. Final PVAB calculation may vary considerably from results in this study.
  - The following assumptions, as provided by MERS, were used to confirm the reasonability of the PVAB:
    - Unisex mortality of a 70/30 mixture of PubG-2010 unblended sex distinct mortality tables, with ages 0-17 from the Juvenile Rates, ages 18-49 from the PubG-2010 Employee Rates, and ages 50-120 from the PubG-2010 Healthy Retiree Rates,
    - An interest rate of 7.00%,
    - The inclusion of COLAs, if applicable, and
    - The exclusion of RS forms of payment and annuity withdrawal impact, if applicable.
  - Please note, the assumptions in the bullet above are used for current active members. All other PVAB shown in the table, as it relates to inactive members, is based on funding valuation assumptions.
- A total PVAB funded level has been estimated as shown in column (6), using:
  - Total PVAB funded level = December 31, 2021 MVA / total PVAB
- An assumed asset transfer has been estimated as shown in column (10), as of December 31, 2021.
  - The total PVAB funding level for conversion is:
    - A percentage selected by the governing body in the DC Plan adoption agreement (which may not be less than the division's actual funded level as determined in the actuarial study nor greater than 100%).

| Division | Development of PVAB and PVAB Funded Level |             |                 |                        |                         | Required Employer Lump Sum* | Development of DC Asset Transfer |                                   |   |
|----------|---|-------------|-----------------|------------------------|-------------------------|-----------------------------|----------------------------------|-----------------------------------|---|
|          | Active                                    | Inactive    | Total           | Market Value of Assets | Total PVAB Funded Level |                             | PVAB (for those Converting)      | PVAB Funding Level for Conversion | DC Asset Transfer                             |
| (1)      | (2)                                       | (3)         | (4) = (2) + (3) | (5)                    | (6) = (5) / (4)         | (7)                         | (8), w/ min AC balance by person | (9)                               | (10) = (8) x (9), w/ min AC balance by person |
| 01       | \$3,230,000                               | \$5,690,000 | \$8,920,000     | \$5,470,000            | 61.3%                   | \$0                         | \$3,230,000                      | 61.3%                             | \$1,980,000                                   |
| 10       | \$130,000                                 | \$0         | \$130,000       | \$315,000              | 241.7%                  | \$0                         | \$130,000                        | 100.0%                            | \$130,000                                     |
| 11       | \$656,000                                 | \$3,650,000 | \$4,310,000     | \$2,740,000            | 63.5%                   | \$41,200                    | \$656,000                        | 63.5%                             | \$458,000                                     |

^ Results shown above may not add due to rounding.

\* Applicable in the instance of PVAB Funded Level for Conversion below the level that the employer has selected as the conversion percentage or for a member impacted by Accumulated Contribution (AC) balance minimum. The lump sum amounts were assumed to come from funds outside of the DB Plan.

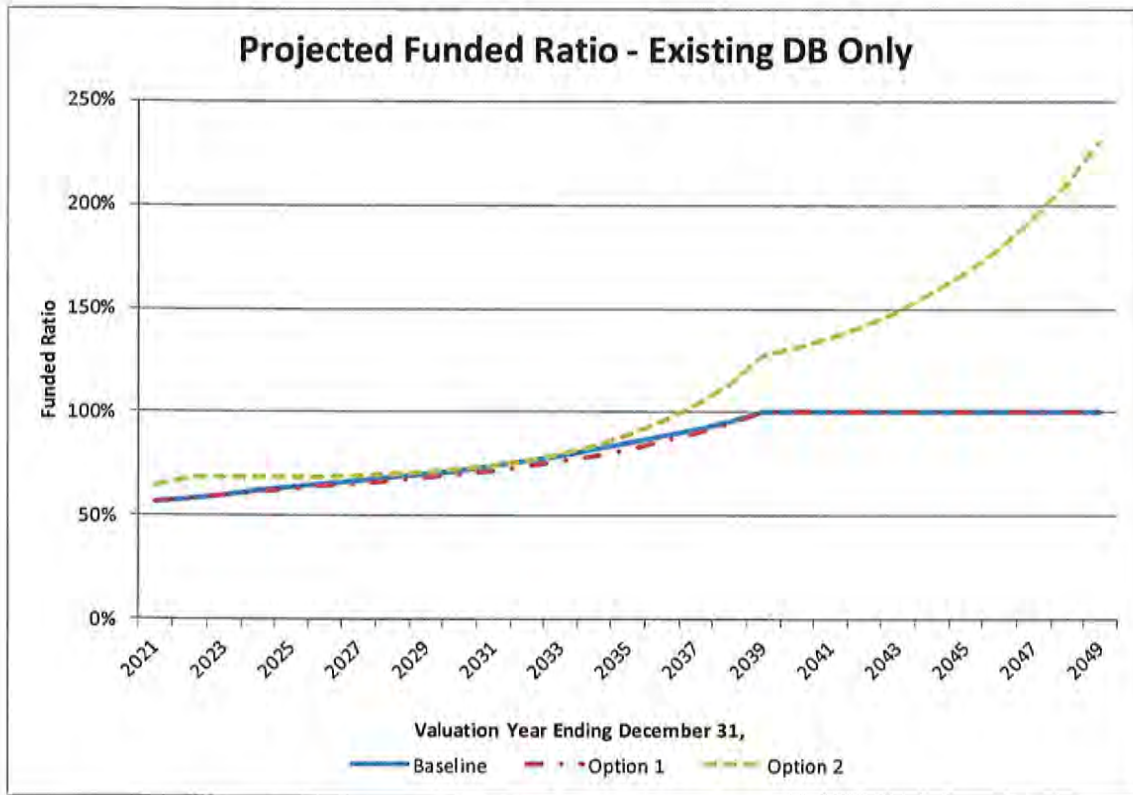
- In order to make a valid comparison of the current and proposed plans, the employer cost of benefits for new employees must be added to the cost from the closed DB division, refer to the comparison of long-term plan costs, columns (5) and (6), shown in the following table.
  - Baseline: The Employer Normal Cost is the cost to provide defined benefit plan benefits accrued each year. If all the actuarial assumptions are met in the future, the employer contribution is expected to converge to the Employer Normal Cost, in the long run. If the baseline plan includes a DC component, in the case of a Hybrid division, it is in addition to the DB component. As such, the long-term total employer contribution is expected to converge to the sum of the DB plus applicable DC components (column 5).
  - Options 1 and 2: The proposed employer contribution is expected to converge to the employer contribution rate to the DC plan (column 6). This will occur over an extended period of time, as participants are no longer covered by the baseline plan and new hires join the DC plan.

| Long Term Plan Cost |                       |                            |                                  |  |   |                                 |
|---------------------|-----------------------|----------------------------|----------------------------------|--|---|---------------------------------|
| Division            | Baseline              |                            |                                  |  |   | Option 1 & 2                    |
|                     | Defined Benefit (DB)  |                            |                                  |  |   | Defined Contribution (DC)       |
|                     | Total Normal Cost (1) | Employee Contributions (2) | Employer Normal Cost (3)=(1)-(2) | Employer Contribution to the DC Component (4)* | Long Term Total Employer Contribution (5)=(3)+(4) | Total Employer Contribution (6) |
| 01                  | 13.24%                | 8.00%                      | 5.24%                            | N/A  | 5.24%   | 8.00%                           |
| 10                  | 10.47%                | 8.00%                      | 2.47%                            | N/A  | 2.47%   | 8.00%                           |
| 11                  | 15.43%                | 8.00%                      | 7.43%                            | N/A  | 7.43%   | 8.00%                           |

\* Applicable only in the instance of a Hybrid Plan Design.



**Long Term Impact – Divisions 01 and 10**  
**Projections of Actuarial Accrued Liability, Valuation Assets, and Funded Ratios**



| Valuation Year<br>Ending<br>December 31, | Baseline                          |                     |                 | Option 1                          |                     |                 | Option 2                          |                     |                 |
|--|-----------------------------------|---------------------|-----------------|-----------------------------------|---------------------|-----------------|-----------------------------------|---------------------|-----------------|
|  | Actuarial<br>Accrued<br>Liability | Valuation<br>Assets | Funded<br>Ratio | Actuarial<br>Accrued<br>Liability | Valuation<br>Assets | Funded<br>Ratio | Actuarial<br>Accrued<br>Liability | Valuation<br>Assets | Funded<br>Ratio |
| 2021                                     | \$10,200,000                      | \$5,770,000         | 57%             | \$10,200,000                      | \$5,770,000         | 57%             | \$5,690,000                       | \$3,670,000         | 64%             |
| 2022                                     | 10,500,000                        | 6,140,000           | 59%             | 10,500,000                        | 6,140,000           | 59%             | 5,540,000                         | 3,800,000           | 69%             |
| 2023                                     | 10,800,000                        | 6,490,000           | 60%             | 10,700,000                        | 6,460,000           | 60%             | 5,380,000                         | 3,690,000           | 69%             |
| 2024                                     | 11,000,000                        | 6,840,000           | 62%             | 11,000,000                        | 6,760,000           | 62%             | 5,230,000                         | 3,590,000           | 69%             |
| 2025                                     | 11,300,000                        | 7,150,000           | 63%             | 11,100,000                        | 7,020,000           | 63%             | 5,040,000                         | 3,460,000           | 69%             |
| 2026                                     | 11,500,000                        | 7,470,000           | 65%             | 11,300,000                        | 7,260,000           | 64%             | 4,860,000                         | 3,340,000           | 69%             |
| 2027                                     | 11,700,000                        | 7,790,000           | 67%             | 11,400,000                        | 7,480,000           | 66%             | 4,680,000                         | 3,240,000           | 69%             |
| 2028                                     | 11,900,000                        | 8,110,000           | 68%             | 11,400,000                        | 7,680,000           | 67%             | 4,500,000                         | 3,150,000           | 70%             |
| 2029                                     | 12,000,000                        | 8,410,000           | 70%             | 11,400,000                        | 7,840,000           | 69%             | 4,310,000                         | 3,060,000           | 71%             |
| 2030                                     | 12,100,000                        | 8,730,000           | 72%             | 11,400,000                        | 7,990,000           | 70%             | 4,120,000                         | 2,980,000           | 72%             |
| 2031                                     | 12,200,000                        | 9,070,000           | 74%             | 11,300,000                        | 8,140,000           | 72%             | 3,920,000                         | 2,910,000           | 74%             |

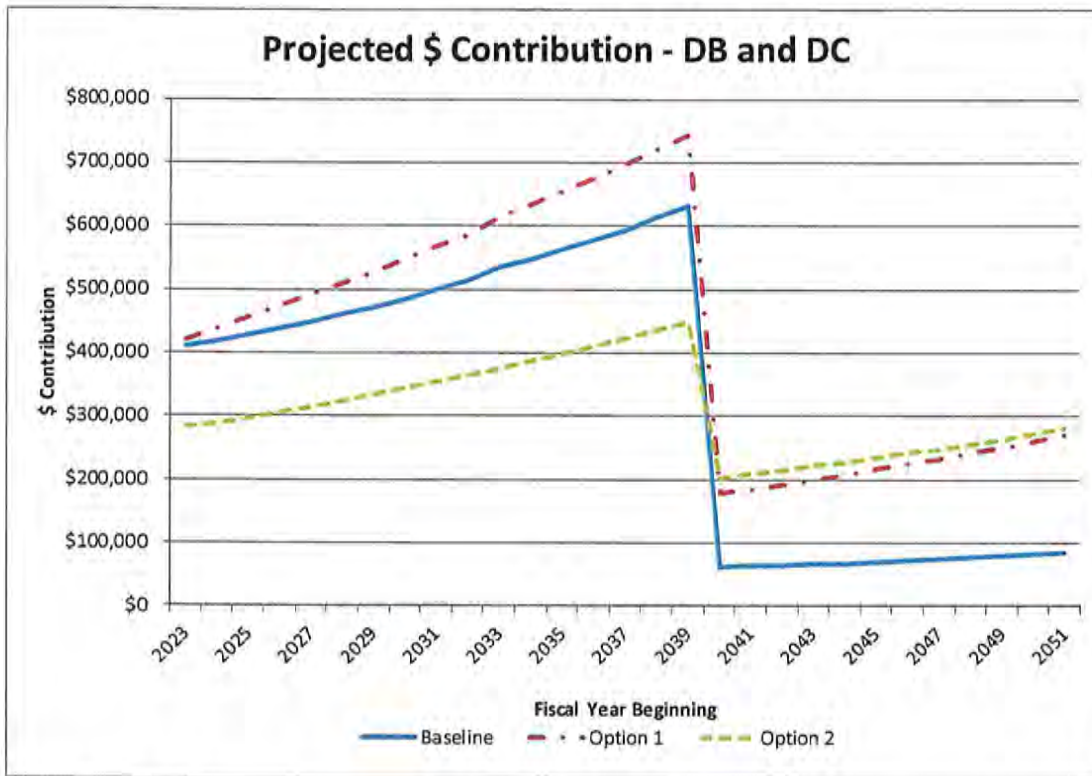
Notes:

- (1) The results shown above are based on the December 31, 2021 assumptions without any phase-in.
- (2) The exhibit above shows a comparison of defined benefit plans. This means the new hires under Option 1 and all actives under Option 2 move into a DC plan and are excluded from this exhibit.
- (3) A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.

**This report may be provided to parties other than the municipality only in its entirety.**



## Long Term Impact – Divisions 01 and 10 Projection of Employer Contributions



| Fiscal Year Beginning January 1, | Baseline                    | Option 1             |                              |                             | Option 2             |  |                             |
|----------------------------------|-----------------------------|----------------------|------------------------------|-----------------------------|----------------------|--|-----------------------------|
|                                  | Total Employer Contribution | For Existing DB Plan | For Emerging New Hires to DC | Total Employer Contribution | For Existing DB Plan | For Converted Actives and Emerging New Hires to DC | Total Employer Contribution |
| 2023                             | \$409,000                   | \$403,000            | \$18,000                     | \$421,000                   | \$161,000            | \$122,000  | \$283,000                   |
| 2024                             | 418,000                     | 408,000              | 29,500                       | 437,500                     | 162,000              | 126,000  | 288,000                     |
| 2025                             | 428,000                     | 415,000              | 40,200                       | 455,200                     | 167,000              | 130,000  | 297,000                     |
| 2026                             | 438,000                     | 422,000              | 50,700                       | 472,700                     | 172,000              | 134,000  | 306,000                     |
| 2027                             | 449,000                     | 429,000              | 61,400                       | 490,400                     | 177,000              | 138,000  | 315,000                     |
| 2028                             | 460,000                     | 437,000              | 72,400                       | 509,400                     | 182,000              | 142,000  | 324,000                     |
| 2029                             | 472,000                     | 445,000              | 82,900                       | 527,900                     | 188,000              | 146,000  | 334,000                     |
| 2030                             | 484,000                     | 455,000              | 91,900                       | 546,900                     | 193,000              | 150,000  | 343,000                     |
| 2031                             | 499,000                     | 467,000              | 99,800                       | 566,800                     | 199,000              | 155,000  | 354,000                     |
| 2032                             | 513,000                     | 479,000              | 107,000                      | 586,000                     | 205,000              | 160,000  | 365,000                     |
| 2033                             | 533,000                     | 498,000              | 114,000                      | 612,000                     | 211,000              | 164,000  | 375,000                     |

**Notes:**

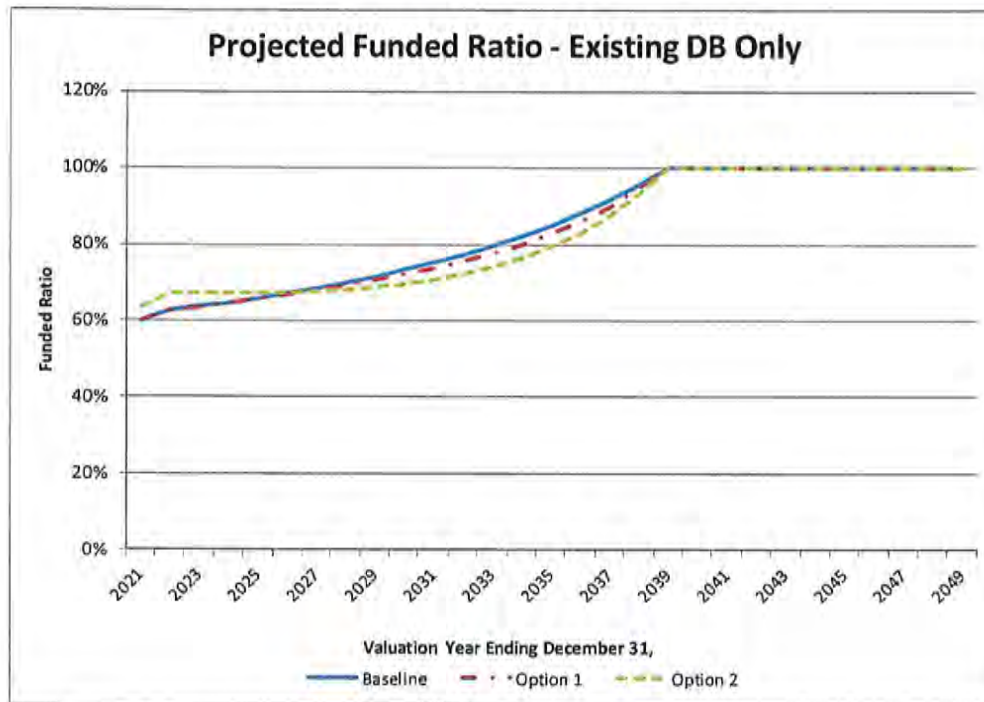
- (1) The results shown above are based on the December 31, 2021 assumptions without any phase-in.
- (2) The graph above shows the total employer contribution to the combined DB plus DC plan. Future annual actuarial valuations will show results for only the DB portion of the Plan.
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## Long Term Impact – Division 11

### Projections of Actuarial Accrued Liability, Valuation Assets, and Funded Ratios



| Valuation Year Ending December 31, | Baseline                    |                  |              | Option 1                    |                  |              | Option 2                    |                  |              |
|------------------------------------|-----------------------------|------------------|--------------|-----------------------------|------------------|--------------|-----------------------------|------------------|--------------|
|                                    | Actuarial Accrued Liability | Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Valuation Assets | Funded Ratio |
| 2021                               | \$4,550,000                 | \$2,730,000      | 60%          | \$4,550,000                 | \$2,730,000      | 60%          | \$3,650,000                 | \$2,320,000      | 63%          |
| 2022                               | 4,630,000                   | 2,900,000        | 63%          | 4,630,000                   | 2,900,000        | 63%          | 3,620,000                   | 2,430,000        | 67%          |
| 2023                               | 4,680,000                   | 2,980,000        | 64%          | 4,680,000                   | 2,970,000        | 64%          | 3,560,000                   | 2,390,000        | 67%          |
| 2024                               | 4,740,000                   | 3,060,000        | 65%          | 4,720,000                   | 3,050,000        | 65%          | 3,490,000                   | 2,340,000        | 67%          |
| 2025                               | 4,790,000                   | 3,150,000        | 66%          | 4,760,000                   | 3,130,000        | 66%          | 3,420,000                   | 2,300,000        | 67%          |
| 2026                               | 4,830,000                   | 3,240,000        | 67%          | 4,790,000                   | 3,190,000        | 67%          | 3,340,000                   | 2,250,000        | 67%          |
| 2027                               | 4,880,000                   | 3,340,000        | 68%          | 4,800,000                   | 3,260,000        | 68%          | 3,260,000                   | 2,210,000        | 68%          |
| 2028                               | 4,910,000                   | 3,430,000        | 70%          | 4,800,000                   | 3,320,000        | 69%          | 3,180,000                   | 2,160,000        | 68%          |
| 2029                               | 4,940,000                   | 3,530,000        | 71%          | 4,790,000                   | 3,380,000        | 71%          | 3,090,000                   | 2,120,000        | 69%          |
| 2030                               | 4,970,000                   | 3,640,000        | 73%          | 4,770,000                   | 3,440,000        | 72%          | 3,000,000                   | 2,080,000        | 69%          |
| 2031                               | 4,990,000                   | 3,750,000        | 75%          | 4,730,000                   | 3,490,000        | 74%          | 2,900,000                   | 2,050,000        | 71%          |

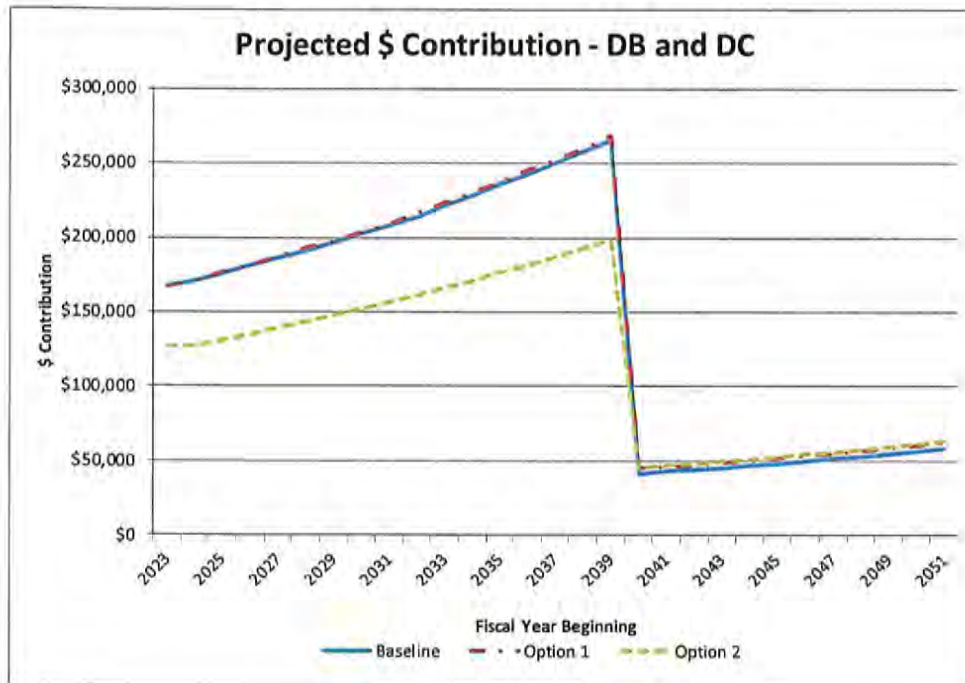
**Notes:**

- (1) The results shown above are based on the December 31, 2021 assumptions without any phase-in.
- (2) The exhibit above shows a comparison of defined benefit plans. This means the new hires under Option 1 and all actives under Option 2 move into a DC plan and are excluded from this exhibit.
- (3) A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.

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## Long Term Impact – Division 11 Projection of Employer Contributions



| Fiscal Year Beginning January 1, | Baseline                    | Option 1             |                              |                             | Option 2             |  |                             |
|----------------------------------|-----------------------------|----------------------|------------------------------|-----------------------------|----------------------|--|-----------------------------|
|                                  | Total Employer Contribution | For Existing DB Plan | For Emerging New Hires to DC | Total Employer Contribution | For Existing DB Plan | For Converted Actives and Emerging New Hires to DC | Total Employer Contribution |
| 2023                             | \$167,000                   | \$165,000            | \$2,300                      | \$167,300                   | \$99,900             | \$27,500   | \$127,400                   |
| 2024                             | 171,000                     | 167,000              | 4,400                        | 171,400                     | 99,000               | 28,400   | 127,400                     |
| 2025                             | 176,000                     | 170,000              | 6,400                        | 176,400                     | 102,000              | 29,200   | 131,200                     |
| 2026                             | 181,000                     | 173,000              | 8,800                        | 181,800                     | 105,000              | 30,100   | 135,100                     |
| 2027                             | 186,000                     | 176,000              | 11,700                       | 187,700                     | 108,000              | 31,000   | 139,000                     |
| 2028                             | 191,000                     | 178,000              | 14,400                       | 192,400                     | 111,000              | 31,900   | 142,900                     |
| 2029                             | 197,000                     | 181,000              | 17,100                       | 198,100                     | 115,000              | 32,900   | 147,900                     |
| 2030                             | 202,000                     | 184,000              | 19,500                       | 203,500                     | 118,000              | 33,900   | 151,900                     |
| 2031                             | 208,000                     | 187,000              | 22,500                       | 209,500                     | 122,000              | 34,900   | 156,900                     |
| 2032                             | 214,000                     | 190,000              | 26,100                       | 216,100                     | 125,000              | 35,900   | 160,900                     |
| 2033                             | 221,000                     | 194,000              | 29,100                       | 223,100                     | 129,000              | 37,000   | 166,000                     |

**Notes:**

- (1) The results shown above are based on the December 31, 2021 assumptions without any phase-in.
- (2) The graph above shows the total employer contribution to the combined DB plus DC plan. Future annual actuarial valuations will show results for only the DB portion of the Plan.
- (3) A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.

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## Important Comments

1. The liabilities were calculated using the actuarial assumptions and methods adopted by the MERS Retirement Board and do not assume 100% retirement when first eligible. Actuarial assumptions and methods do not determine the cost of the benefits provided; they only impact the pattern of employer contributions. If future experience is unfavorable compared to the assumptions used, employer contribution rates will increase in future years, and vice versa. For example, if members retire when first eligible, the actual liabilities would be higher than calculated resulting in higher employer contributions.
2. The actuarial value of assets used to determine both the funded ratio and the required employer contribution is based on a smoothed value of assets. Only a portion of each year's investment market gain or loss is recognized in the current actuarial value of assets; the remaining portions of gains and losses will be reflected in future years' actuarial value of assets. This reduces the asset volatility impact on the determined required employer contribution and funded ratio. The smoothed actuarial rate of return for 2021 was 17.04%.

As of December 31, 2021, the actuarial value of assets is just below 100% of market value due to asset smoothing and dedicated gains. This means that the rate of return on the actuarial value of assets should exceed the actuarial assumption in the next few years provided that the annual market returns meet or exceed the 7.00% investment return assumption. When all assumptions are met, contribution rates are expected to stay approximately level as a percent of payroll (dollar amounts are expected to increase with wage inflation of 3.0% each year).

3. Unless otherwise indicated, a funded status measurement is based upon the actuarial accrued liability and the actuarial value of assets. The measurement is:
  - a. Inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.
  - b. Inappropriate for assessing benefit security for the membership.
  - c. Dependent upon the actuarial cost method which, in combination with the amortization policy and asset valuation method, affects the timing and amounts of future contributions. The amounts of future contributions will differ from those assumed in this report due to future actual experience differing from assumed.

A funded status measurement of 100% is not synonymous with no required future contributions. If the funded status were 100%, the Plan would still require future normal cost contributions (i.e., the cost of the active membership accruing an additional year of service credit).

4. This report describes the financial effect of the proposed benefit plan. No statement contained within is a recommendation in favor of or in opposition to the proposed benefit plan.
5. The funded status shows the relationship of the assets to the amount needed to fund past service benefits, the actuarial accrued liability, under valuation assumptions.



## Important Comments (Continued)

6. Contribution requirements take into consideration prior service with other MERS entities (for eligibility service only), reflected in the difference between benefit and vesting service. If members have service not reflected on the results page (e.g., prior MERS or Act 88 service, if applicable), the unfunded liabilities and employer contributions may be understated.
7. The actuaries' understanding of the default invoicing procedure is that a percent of pay employer contribution is applied for open divisions and a dollar amount is applied for closed divisions.
8. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).
9. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.
10. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.
11. Valuation results are developed through the use of multiple models.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Financial results were prepared using our financing and projection model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

## Important Comments (Concluded)

12. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800-767-MERS if you believe that:
  - a. The assumptions are unreasonable,
  - b. The plan provisions are missing or incorrectly described,
  - c. Conditions have changed since the calculations were made,
  - d. The information provided in this report is inaccurate or is in any way incomplete, or
  - e. You need further information to make an informed decision.
  
13. The following information, assumptions and funding methods were used in the projections under the various options:
  - a. Demographic, financial information and benefit provisions provided by MERS for the December 31, 2021 annual valuation, except where noted otherwise.
  - b. The assumptions and methods used in the December 31, 2021 annual valuation, except where noted otherwise.
  - c. All demographic assumptions will be met during the projection period.
  - d. If new hires are included in the valuation, the active population is assumed to remain stable during the projection period.
  - e. Demographic assumptions under the DC plan are unchanged from those of the DB plan, if applicable.
  - f. The Market Value of Assets will earn the assumed investment return each year during the projection period.
  - g. There will be no benefit changes during the projection period.
  - h. The employer contributions through December 31, 2022 are not affected, and are based on previous annual actuarial valuations.