

Chairman D. Brown called the Regular Meeting of the Cheboygan County Road Commission to order at 9:00 A.M.

Clerk D. Stempky took roll call and a quorum was present

Pledge of Allegiance was recited.

PRESENT: D. Brown, D. Brandt, R. LaHaie, H. Ginop, Engineer/Manager B. Shank and Clerk D. Stempky

ABSENT: K. Paquet

VISITORS: J. Moore, H. Koviak, F. Cribb, B. Hartwig and T. Horrocks

MOTION by D. Brandt seconded by H. Ginop to approve minutes of last regular meeting of 9/19/19 as mailed. 4 Yeas 1 Absent (Paquet) **CARRIED**

MOTION by D. Brandt seconded by R. LaHaie to approve for payment current payroll voucher #19-38-\$76,203.29 and accounts payable voucher #19-39-\$182,891.61. 4 Yeas 1 Absent (Paquet) **CARRIED**

MOTION by D. Brandt seconded by R. LaHaie to approve agenda as presented. 4 Yeas 1 Absent (Paquet) **CARRIED**

Clerk presented MERS Health Care Savings Program (HCSP) Uniform Resolution for adoption. Clerk noted last meeting the agreements were signed for the HCSP and was notified by MERS that a Resolution needed to be signed due to the past plan was for the Managing Director and has been terminated.

MOTION by D. Brandt seconded by R. LaHaie to adopt MERS Health Care Savings Program Uniform Resolution:

WHEREAS, the Municipal Employers Retirement Act authorized the Municipal Employees Retirement Board ("Board") to establish additional programs including but not limited to defined benefit and defined contribution program (MERS Plan Document Section 72; MCL 38.1536(2)(a)).

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

WHEREAS, MERS has been determined by the Internal Revenue Service to be a tax qualified "governmental plan" and trust under section 401(a) of the Internal Revenue Code of 1986, and all trust assets within MERS reserves are therefore exempt from taxation under Code section 501(a) (IRS Letter of Favorable Determination dated October 8, 2016).

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

WHEREAS, 1999 PA 149, the Public Employee Health Care Fund Investment Act, MCL 38.1211 et seq. ("PA 149") provides for the creation by a public corporation of a public employee health fund,

and its administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries.

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

WHEREAS, the Board acts as investment fiduciary for the pooled assets of each MERS participating municipality as defined by the MERS 401 (a) Plan Document, on whose behalf MERS performs all plan administration and investment functions, and such participating municipalities and courts have full membership, representation and voting rights at the Annual Meeting as provided under Plan Section 78; MCL 38.1545.

WHEREAS, the Board also acts as investment fiduciary for those participating employers who are non-MERS participating municipalities and courts that have adopted the MERS Health Care Savings Program, Retiree Health Funding Vehicle, or Investment Service Program, and such entities are not accorded membership, representation or voting rights provided to MERS participating municipalities and courts at the Annual meeting under Plan Document Section Document 78; MCL 38.1545.

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

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

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

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

SECTION 1. HCSP PARTICIPATION

EFFECTVIE June 20, 2019 the MERS HCSP is hereby adopted by the Cheboygan County Road Commission.

- (A) **CONTRIBUTIONS** shall be as allowed and specified in the MERS Health Care Savings Program Participation Agreement. Basic Employer Contribution, Mandatory Salary Reduction Contributions, Mandatory Leave Conversion Contributions, and Post Tax Employee Contributions, shall be remitted pursuant to MERS by the Eligible Employer, and credited to the Eligible Employer's separate fund within the MERS Trust Fund.
- (B) **INVESTMENT** of the funds accumulated and held in the Heath Care Savings Program Trust Fund shall be held in a separate reserve and invested on a pooled basis by MERS, subject to the Public Employee Retirement System Investment ACT ("PERSIA"), 1965 PA 314, as provided by MERS Plan Document Section 76; MCL 38.1539, and PA 149.
- (C) **THE ELIGIBLE EMPLOYER** shall abide by the terms of the HCSP, including the HCSP Plan Document, HCSP Trust Agreement, all investment, administration, and service agreements, and all applicable provisions of the Code of other law. It is affirmed that no assets from any defined benefit health account established under Section 401 (h) of the Internal Revenue Code shall be transferred to, or accepted by MERS.

SECTION 2. IMPLEMENTATION DIRECTIONS FOR MERS

- (A) The governing body of this Eligible Employer desires that all assets placed in its MERS HCSP Trust Fund (as a sub-fund within all pooled HCSP trust funds with MERS) be administered by MERS, which shall act as investment fiduciary with all powers provided under PERSIA, pursuant to PA 149, all applicable provisions of the Internal Revenue Code and other relevant law.
- (B) The governing body desires, and MERS upon its approval of this Resolution agrees, that all funds accumulated and held in the MERS HCSP Trust Fund shall be invested and managed by MERS within the collective and commingled investment of all HCSP funds held in trust for all Eligible Employers.
- (C) All monies in the MERS HCSP Trust Fund (and all earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of "Eligible Employees" who shall constitute "qualified persons" who have retired or separated from employment with the Eligible Employer, and for any expenses of administration, and shall not be used for any other purpose, and shall not be distributed to the State.
- (D) The Eligible Employer will fund a defined contribution, individual account, basis its MERS HCSP Trust sub-fund to provide funds for health care benefits for "Eligible Employees" who shall constitute "qualified persons" under the Internal Revenue Code. Participation in and any coverage under HCSP shall not constitute nor be construed to constitute an "accrued financial benefit" under Article 9 Section 24 of the Michigan Constitution of 1963.
- (E) The Eligible Employer designates and incorporates as "Eligible Employees" who shall constitute "qualified persons" under this HCSP Resolution those who are "Eligible Employees" as defined in the HCSP Participation Agreement under this HCSP.
- (F) The Eligible Employer may designate employer contacts who shall receive necessary reports, notices, etc. and shall act on behalf of the Eligible Employer

SECTION 3. EFFECTIVENESS OF THIS HCSP UNFORM RESOLUTION

This Resolution shall have no legal effect until an executed copy of this adopting Resolution is filed with MERS, and MERS determines that all necessary requirements under MERS Plan Document Section 72, PA 149 and other relevant laws, and this Resolution have been met. Upon MERS' determination that all necessary documents have been submitted, MERS shall execute this Resolution, and return a copy to the Eligible Employer's designated primary contact.

In the event an amendatory resolution or other action by the Eligible Employer is require by MERS, such Resolution or action may be deemed effective as the date of the Initial Resolution or action where concurred in by this governing body and MERS (and the Program Administrator is necessary). Section 86 of the MERS Plan Document shall apply to this Resolution and all acts performs under MERS' authority. The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling. 4 Yeas 1 Absent (Paquet) **CARRIED**

MOTION by D. Brandt seconded by H. Ginop to set dates for Annual Township Meetings as follows, Wednesday, November 20, 2019 at 8:30 A.M. and following Regular Meeting on Thursday, November 21, 2019 at 10:00 A.M. 4 Yeas 1 Absent (Paquet) **CARRIED**

MOTION by D. Brandt seconded by H. Ginop to authorize Engineer Manger B. Shank to sign the agreement with Huron Pines for culvert replacement on Alpena State Road. 4 Yeas 1 Absent (Paquet) **CARRIED**

MOTION by H. Ginop seconded by R. LaHaie to receive and file the following correspondence: Township Meeting Minutes: Aloha 8/12/19, Burt 9/5/19, Grant 8/13/19 and Inverness 9/3/19. 4 Yeas 1 Absent (Paquet) **CARRIED**

Engineer/Manager Shank

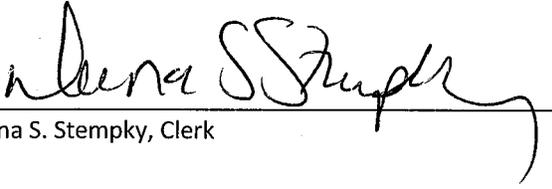
- October 18, Task Force, Montmorency County, 10:00 A.M., will be approving the current list, no changes
- Will be hiring 5 temporary employees for the winter and we have 3 returning from past year.

Travis Horrocks-Construction Update:

- S. Straits Hwy in progress
- Reams/Park Road started
- Mann Road-should be close to completion, guardrail by end of next week
- Maxon Road staking October 8 proposed start date
- Long Lake Road staking next week
- Wurm Road already staked and ready
- Sturgeon Bay Road dirt work done needs paving
- Peters Road will be replacing some culverts and ditching with our crew
- Parrots Point still on list to complete for 2019

Chairman D. Brown adjourned regular meeting at 9:30 A.M. being no further business to come before the Board.


David D. Brown, Chairman


Dana S. Stempky, Clerk