

# Gull Lake Sewer & Water Authority

1

7722 N. 37<sup>th</sup> Street  
Richland, Michigan 49083  
Phone: (269) 731-4595  
Fax: (269) 731-2596  
www.glswwa.org

## MINUTES OF THE APRIL 28, 2011 REGULAR BOARD MEETING

Authority Board Meeting

1:00 P.M.

**CALL TO ORDER/ ROLL CALL:** Chairman Bither called the meeting to order at 1:00 p.m. Commissioners present were Jeff Bither, Jackie Light, Jimmy Stoneburner and Wes Kahler. None absent. Also present were Director Rich Pierson and Administrative Assistant Anne Richmond.

**REVIEW AND SET THE AGENDA:** Stoneburner made the motion to accept the agenda as presented. Motion was seconded by Kahler. **Motion carried; all ayes.**

**MINUTES OF THE MARCH 24, 2011 REGULAR BOARD MEETING:** A motion was made by Kahler and seconded by Stoneburner to accept the regular meeting minutes as presented. **Motion carried; all ayes.**

**HEAR THOSE PRESENT (Non-Agenda Items):** None Present.

### **CORRESPONDENCE:**

To: Honorable Debbie Stabenow      Letter opposing auction of radio frequencies  
To: Honorable Fred Upton              Letter opposing auction of radio frequencies  
To: Honorable Carl Levin              Letter opposing auction of radio frequencies  
The Gull Lake Sewer & Water Authority, as a public provider of sewer and water services, utilizes radio frequencies (453.9875 MHz) to transmit data from our 36 wastewater pumping stations and other equipment to our base of operations east of Richland, Michigan. These frequencies are in danger of being compromised by a number of bills in the House and Senate. Rich Pierson wrote a letter to our Senators and Representative expressing our opposition to HR 607, Senate bills 3756 + 455, which would allow for the auction of 450 to 470 MHz bands that would compromise our own ability to monitor and control our infrastructure.

To: Home Inspection Service Companies      Letter on Sump Pumps  
A letter was sent to Home Inspection Service Companies requesting that they add 5 items related to sump pumps to their list of things to check when they do a home (or business) inspection in the Kalamazoo area in order to identify and disconnect any homes that are discharging ground or storm water into the public sewer in violation of the ordinance.

To: Tim Woodhams, PE, Fleis + VandenBrink      Gentry High Water Issue  
GLSWA was asked to review our files for information regarding the stormwater culvert placed under 30<sup>th</sup> Street during the construction of the public sewer by a private contractor/developer (Woolf/Seelye). The plans prepared by Gove Engineers do not show a culvert pre-existing, but we are 95% sure the culvert pre-existed and was replaced in-kind by the contractor. Records of the culvert replacement should exist; however, they have not yet been located. GLSWA restated our belief that the culvert replacement is unrelated to the ground water elevation that is, as we understand it, causing water in the Gentry's basement at 7873 N. 30<sup>th</sup> Street. Pierson informed the Board that he is keeping Attorney Sparks apprised of this issue.

To: Jay Garside, 4766 E.G.L.D.      Inquiry About Easement Across Property  
Mr. Garside asked for and was provided copies of the existing easement for public sewer that crosses his Gull Lake Property, its restrictions and whether the pipe can be relocated, and at what cost (estimate). The cost to relocate the pipe was estimated at just under \$40,000.

To: Mr. Michael Spezia      Gilmore Car Museum Potential Connection  
Mr. Spezia was provided information based on a number of assumptions to assist his organization in determining (i) whether to connect the Gilmore Car Museum to the public sewer, and (ii) if so, whether to connect to the Gull Lake Sewer Authority system (south) or to the Southwest Barry County Sewer Authority (SWBCSWA) system (north). Rich Pierson prepared a form that covers the options and allows for a side-by-side comparison with SWBCSWA. His initial analysis shows that it would be less expensive to connect to the Gull Lake system; however, SWBCSWA needs to complete their analysis and the two Authorities can then meet with Mr. Spezia for further discussion.

To: Kenneth Adkins      Richland Mobile Home Park Installing Water Meters  
Mr. Adkins recently called to advise GLSWA that he will be installing water meters on each of his tenant's property and asked us how to divide up the bills that he intends to send them. Mr. Adkins has 43 small pads for mobile home residences and 2 large pads for doublewides. Per ordinance, each of the small pads is equivalent to 75% of a residential unit and per policy each of the larger pads is equivalent to 1 residential unit, for a total of 34.25 billable units. It was agreed GLSWA would continue to send a monthly invoice for 35 residential equivalent units (\$758.45) to Mr. Adkins for his complex.

To: Rolling Hills LLC      Potential Connection of Antique Car Garage  
A new 15,000 sq. ft. pole barn is being constructed on the same parcel as the single family home located at 6804 W. Sheffield Road. A septic tank-tile field is permissible since the proposed building is to be 360 feet north of Sheffield road; however, since this parcel was assessed for public sewer in 1981, the owner may choose to connect the new pole barn to the public sewer. A water meter would be required to measure the annual consumption of water from the barn—if less than 100 gallon per day

average from the pole barn, additional connection and user fees would not be applicable. Connection options were provided.

To: Frank Mortl III Greater Kalamazoo Area Realtors-Sump Pump Inspection  
 Rich Pierson had expressed our interest in pursuing, with GKAR, an addendum to the Kalamazoo area buy-sell agreement to find and eliminate groundwater sump pumps connected to the public sewer--necessitating an inspection and sign-off by a qualified person prior to sale. Frank Mortl, III, the CEO of the Greater Kalamazoo Association of Realtors, agreed to publish an educational bulletin in their monthly newsletter. At the last meeting, the Board authorized Pierson to send a letter stating that while GLSWA is appreciative of the education campaign, it is our belief that without point-of-sale inspections the issue will not be resolved long-term. In the near future, we will be determining the next steps with our legal counsel to require point-of-sale inspections in the Gull Lake area as a minimum, although our preference is that point-of-sale inspections would become the standard in the Kalamazoo area at-large.  
*Pierson to meet with Attorney Sparks on the sump pump issue and report back at the next meeting.*

## NEW BUSINESS

### Lawn Care – Vaccaro + McBain

After receiving quotations from Bob Vaccaro and Wayne McBain, Wayne McBain was chosen to provide lawn care service for GLSWA's main office.

### Personnel Policy – Proposed Revisions

Pierson reviewed the proposed revisions to the GLSWA personnel policy that were presented at the prior meeting for the Board's consideration. These include: work day changes (may differ between front office vs. field staff); retirement benefit; vacation roll over and accumulation policy; part-time holiday pay/medical insurance reimbursement; and the incentive pay policy--all proposed to reduce costs and/or increase efficiencies. Wes Kahler made a motion, seconded by Jackie Light, to initiate the revised personnel policy as presented. *Pierson to have Attorney Sparks review a final copy of the proposed policy.* **Motion carried, all ayes.**

### MERS Direct Contribution Retirement Plan

Stoneburner, seconded by Light made the motion to (i) authorize discontinuing the current Nationwide agreement and switch to the MERS DC plan per the MERS 2010 Resolution (attached), (ii) increase the Authority retirement contribution from 8% to 10% including a mandatory employee contribution of at least 2% (the employee has the option to contribute more up to the maximum allowed), and (iii) authorize Bither and/or Pierson to execute the required documents to implement the above changes.

**Motion carried; all ayes.**

#### Life Insurance + Disability Policy Change

Once we are represented by MERS in our DC retirement plan, GLSWA can receive the life insurance and disability insurance benefits from MERS (Standard Life) at a \$2,200 per year savings (>50%) from our current carrier Harleysville. A motion was made by Kahler and seconded by Light to authorize switching to MERS Disability and Life Insurance through Standard Insurance Corporation. **Motion carried; all ayes.**

#### MERS Health Savings Benefit Plan

Once we are represented by MERS, Pierson will request the Board consider an employee funded MERS Health Savings Plan for post-employment use. This will be discussed at a future meeting.

#### Employee Review and Wage Discussion

Pierson presented the annual employee review packet for review, discussion, and action—regarding employees, staffing, goals, objectives and wages.

Pierson anticipates we will need to hire a part-time, 2-day per week field employee December, 2011, and possibly bring on a 1-day per week office employee to work on transfer of files to our GIS system, subject to the Board's authorization at the time of formal recommendation.

PNC Bank submitted a proposal to GLSWA to provide us a check scanner for auto-deposit; plus provide us the ability to do ACH (auto-debit) from a customer's account for \$0.35 - \$0.50 per customer per transaction. The ACH feature will allow us to provide more payment flexibility for our customers. The transaction fees and the fees for the check scanner and the ACH ability will be partially offset by the postage savings and monthly account fees historically paid to Fifth Third. A motion was made by Stoneburner and seconded by Light to authorize moving our checking account to PNC and initiating check scanning/auto-deposit and ACH ability with the ACH fees absorbed by GLSWA. **Motion carried; all ayes.**

The Board discussed the current Employee Incentive Fund. Light made the motion to modify the personnel policy to reduce the Employee Incentive Fund set-aside from 20% to 10% of the 1% of surplus revenue margin over expenses (up to 6% ceiling). Motion was seconded by Kahler. **Motion carried; all ayes.** *Richmond to set aside \$7,103 in wage expense for FYE '11 based on estimated surplus user revenues over system expenses, net of depreciation.*

Pierson discussed annual employee reviews with the Board and made his recommendation for changes to employee compensation. Kahler made the motion to approve the compensation changes as recommended by Pierson to be effective May 2, 2011. Motion was seconded by Stoneburner. **Motion carried; all ayes.**

#### Director's Contract

The Director's Contract and proposed revisions were presented at the last meeting for the Board's consideration. Pierson noted it is traditionally 'automatically' renewed year-after-year with a 2% pay increase, subject to a satisfactory review by the Board.



He asked for renewal of the Director's contract with additional vacation time in exchange for a reduced salary increase. The proposed contract also contained other revisions-clarifications for the Board's consideration. A motion was made by Kahler and seconded by Light to approve the Director's contract as submitted by Pierson.

**Motion carried; all ayes.** *Pierson will forward to Sparks for final review prior to execution.*

Pierson thanked the Board for their continued support of our utility enterprise and their support of our staff and policies.

#### 2011-2012 Budget

Handouts of the completed budget packet as approved at the last meeting were handed out to the Board.

#### **PROJECT UPDATE:**

##### Sump Pump Elimination Tracking

##### Additional Discussion

Pierson reviewed the current status of the clean water elimination tracker. We are making progress on the original B-dry list after second and third attempts to contact customers and we are continuing to find other sump pumps illegally connected to the public sewer. At the February 24, 2011 Board Meeting, the Board adopted a policy to pay 50% of the cost of alterations up to \$1,000 to disconnect sump pumps from the public sewer-provided the disconnect is completed timely—including final inspection by our office and the right for occasional re-inspection in the future.

Pierson recommended further clarification to this policy as reviewed in a draft letter to Mr. Ron Harvath at 5250 N. 20<sup>th</sup> Street: (i) the reimbursement should apply to interior work only (allowing up to 10 ft outside of the house perimeter) and (ii) GLSWA will participate in the fix if it is done within 90 days of official notification by our office. Light made the motion to send the letter to Mr. Ron Harvath and initiate the policy as outlined in the letter: if a customer complies with the 90-day time frame for disconnection/alteration of the groundwater from the public sewer after official written notice, upon submittal of appropriate receipts for interior work only (10 ft perimeter), the Authority will reimburse 50% of the cost of the interior work, up to \$1,000 maximum. Motion was seconded by Stoneburner. **Motion carried; all ayes.**

##### Manhole Inspection/Inflow/Infiltration

##### Preparing Summary of Work Tasks

225 manholes / 1224 (1130 GL + 94); not including 96 cleanouts + 34 air release. Pierson has summarized his findings and estimated the repair work to be done based on the manhole inspections to date. He is using this to prepare a summary of work tasks and estimates of cost with Tom Wheat -- to bid out the repair work in the spring/summer. Manhole checks that were scheduled to resume in the spring will be postponed until 7/1/2011 +/- so that we can focus on implementing a work order system.

Chemical Treatment of Forcemain      Electronic Testing of Ductile Iron Forcemain  
Electronic testing of the forcemain showed no degradation after 28 years of service, therefore, GLSWA will discontinue chemical treatment and fight odor complaints one-by-one with charcoal filters.

#### Office Remodel & Improvements

Budget Update: There has been no change from the last meeting.

The final payment to FCC in the amount of \$2,000 is still on hold pending resolution of the lighting issue. Additional lamps have been purchased, but need to be tested at night. Pierson is getting quotes for the purchase of an iron removal system for the irrigation system and we are reviewing sign designs and flagpole options as the last items of the office reconstruction project.

#### Lift Station #42-Plugging Pumps Issue      New Pump/Converter Ordered

One half of the station will be upgraded to three phase and 1 new pump will be purchased to run in the lead position at an estimated cost of \$7,500. The new pump has been shipped and installation is scheduled for next week. We continue to have plugging/electrical problems with the existing pumps.

#### D Avenue West Project

Spring 2011-Village reimb. if no grant

If there is no grant or if the grant is rejected for this project, Richland Village will reimburse GLSWA \$6,000 in the spring of 2011. At the February Board meeting, Engineer Wheat stated that there will not be a grant for the project at this time, but the project will be ready if there is an opportunity in the future. GLSWA will request reimbursement from the Village in May.

#### 30<sup>th</sup> Street South Gravity Design

Easement Pursuit

Easement pursuit to be accomplished by Pierson.

### **OLD BUSINESS: ACTIVE**

Comstock Township Sewer + Water      Update on Rates: Begin Cost-Benefit Analysis  
Pierson has received customer information from Comstock and expects to complete a preliminary review of the Comstock information to share at a future meeting.

#### Charleston Township Sewer

Update on Rates: Begin Cost-Benefit Analysis

Pierson has received customer information from Charleston and will review it at a future meeting.

#### Kalamazoo Regional Water + Wastewater Comm.      Update

The Commission is moving forward on the rate and other issues. We have budgeted approximately \$10,000 for this year's dues (Ross, Richland Townships + Richland Village) and we expect dues at this level or greater for the ensuing year as well.

Easement for Jim Newman-above EGL Drive      Hinchman "No"  
 An easement has been requested from Marglen Tanner that, with a second easement from Kevin Miller, would allow a sewer connection to be made to Mr. Newman's home.

Tammy England      Home is for Sale  
 Lien filed per Authority Board direction.

## **OLD BUSINESS: STATUS UNCHANGED**

CMOM-Collection System Requirements Pending / Self Assessment: On-Going  
 CMOM stands for "Capacity, Management, Operations, and Maintenance" and is a framework for municipalities to utilize widely-accepted wastewater industry practices to better manage sewer collection systems. Self Assessment is on-going.

Gentry-High Ground Water Table Issues      30<sup>th</sup> Street – Legal Action Pending?  
 Tennie Gentry of 7873 N. 30<sup>th</sup> Street in Richland Township asked GLSWA and we provided information on historic water table levels. Pierson indicated the Gentry's mentioned they are considering some type of legal action against the plat and that there is the potential GLSWA could be indirectly involved.

Purchase of Consumers Energy Property      No Further Action  
 Pierson contacted Sandra Wigent of Consumers Energy about potentially purchasing Consumers Energy property lying adjacent to M-89, providing Consumer's (and METC) keep an easement over the entire property for electric and gas transmission. Pierson received a response that it is unlikely that GLSWA can purchase this property as METC has first refusal rights. *Pierson will continue discussions with Consumers about the possibility of eliminating the billboard on the property as a minimum.*

Water Connection Fee Issues      Ongoing Project  
 On-going project to review and establish appropriate fees in Township/Village. Plan to be developed for administering water connections for Richland Township and Richland Village in order to cost-average short-side and long-side taps to the water main, preventing one side of the road paying more than the other side (where the water main is located). Also, need to establish adequate connection fees to provide for the replacement of watermain in the future.

Easement Releases      Ongoing Project-coordinate w/ scanning files to GIS.

Sewer Connection Fee Issues      No response; \$8,900 Eng Fees not Paid

There has been no response from Attorney Ken Sparks letter to Attorney Swenarton as of yet. In addition, Rosenberger still owes GLSWA engineering fees of approximately \$8,900.

Manholes on Pattiwood + Macywood                      Completed-Invoices Sent  
Tustin's lowered the manholes on Pattiwood at a cost of \$1,800. In addition, Tustin's repaired two manholes in the Village bike path along M-43: South of McDonald's (at a cost of \$675) and North of McDonald's (at a cost of \$735). The Village has paid for ½ of the total cost. Pierson sent a letter and invoice to Dave Woodhouse requesting reimbursement of the Pattiwood manhole repair cost. There has been no response.

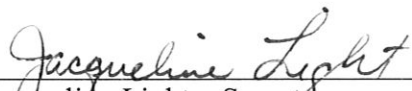
### **FINANCIAL REVIEW/ PAY BILLS**

A motion was made by Kahler and seconded by Light to file the financial reports as presented, approve the standard bills paid, and pay the Prein & Newhof bill. **Motion carried; all ayes.**

### **CLOSING COMMENTS**

ADJOURN. NEXT MEETING THURSDAY MAY 26, 2011 at 10:00 a.m.  
Chairman Bither adjourned the meeting at 2:50 p.m.

Submitted for approval

  
\_\_\_\_\_  
Jacqueline Light – Secretary



# MERS 2010 Restated Uniform Defined Contribution Program Resolution



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711

[www.mersofmich.com](http://www.mersofmich.com)

This Resolution, together with Section 19A of the MERS Plan Document and the MERS Defined Contribution Plan Adoption Agreement, constitute the entire Benefit Program DC ("MERS Defined Contribution Plan") Plan Document.

**WHEREAS**, the MERS Plan Document of 1996, effective October 1, 1996, authorized a defined contribution option (Section 19A, Benefit Program DC) as a new benefit program that a participating municipality or participating court ("court") may adopt for MERS members to be administered under the discretion of the Municipal Employees' Retirement Board as trustee and fiduciary, directly by (or through a combination of) MERS or MERS' duly-appointed third-party administrator.

**WHEREAS**, as a new provision, Section 19A, along with the remainder of the Plan, received from the Internal Revenue Service a Letter of Favorable Determination (dated July 8, 1997, with most current Letter dated June 15, 2005) that the Plan is a qualified Plan under Section 401(a) of the Internal Revenue Code, and an exempt trust under Section 501(a).

**WHEREAS**, Benefit Program DC became operational in August 1997, following the July 8, 1997, Letter of Favorable Determination.

**WHEREAS**, this Restated Uniform Resolution has been approved by the Board under the authority of 2004 PA 490 (amending 1996 PA 220), Section 36(2)(a); MCL 38.1536(2)(a), declaring that the Retirement Board "shall determine . . . and establish" all provisions of the retirement system. Under this authority, the Board authorized Section 19A, the Benefit Program DC, which shall not be implemented unless in strict compliance with the terms and conditions of this Restated Resolution.

- It is expressly agreed and understood as an integral and nonseverable part of this Restated Resolution that Section 43B of the Plan Document shall not apply to this Restated Uniform Resolution and its administration or interpretation.
- As provided in Plan Document Section 19A(2), in the event any alteration of the terms or conditions stated in this Restated Uniform Resolution is made or occurs, under Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Retirement Board, as sole trustee and 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 Benefit Program DC; to authorize the transfer of any defined benefit assets to the Benefit Program DC; or to continue administration by MERS (or any duly-appointed third-party administrator).

**WHEREAS**, concurrent with this 2010 Restated Resolution, and as a continuing obligation, this governing body has completed and approved, and submitted to MERS documents necessary for adoption and implementation of the MERS Benefit Program DC.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body adopts MERS Benefit Program DC as provided below.

## MERS 2010 Restated Uniform Defined Contribution Program Resolution

### I. NEW EMPLOYEES (Plan Sec 19A(4) – (10))

AVAILABLE FOR ADOPTION SO LONG AS THE TOTAL FUNDED PERCENT OF AGGREGATE ACCRUED LIABILITIES AND VALUATION ASSETS OF ALL RESERVES SPECIFIED IN TABLE 13 (OR SUCCESSOR TABLE) FOR THE PARTICIPATING MUNICIPALITY OR COURT, AND FOR THE AFFECTED MERS BENEFIT PROGRAM CLASSIFICATION(S) OF THE MOST RECENT MERS ANNUAL ACTUARIAL VALUATION REPORT IS AT LEAST EIGHTY PERCENT (80%).

Effective the first day of June, 2011, (to be known as the **ADOPTION DATE**),

the Gull Lake Sewer + Water Authority hereby adopts Benefit Program  
(MERS municipality/court)

DC for All Regular Employees

(specify division #s)

first hired or rehired to the division at any time on and after the Adoption Date, and optional participation for any employee or officer of this municipality otherwise eligible to participate in MERS under Section 2B(3)(a) of the Plan Document who has previously elected to not participate in MERS. The employer shall establish the transfer rule for transferred employees in the Employer Resolution Establishing a Uniform Transfer Provision. **ONLY THOSE EMPLOYEES ELIGIBLE FOR MERS MEMBERSHIP (SECTIONS 2B(3) AND 3 OF THE PLAN DOCUMENT) SHALL BE ELIGIBLE TO PARTICIPATE.**

- (A) **CONTRIBUTIONS** shall be as allowed and specified in the MERS Defined Contribution Program Adoption Agreement (Attachment 2, completed and approved and a certified copy submitted to MERS concurrent with and incorporated by reference in this Resolution) **subject to the provisions of the Plan Document. A member is immediately vested 100% in any employee contributions (Section 19A(5)), and is vested in employer contributions under the employer vesting schedule (Section 19A(6)).**
- (B) **EARNINGS** under the Adoption Agreement shall be defined as "Compensation" under Section 2A(6) of the MERS Plan Document, being the Medicare taxable wages reported on the member's W-2 statement.
- (C) **VESTING** shall be as allowed and specified under:
  - (1) Plan Section 19A(6); and
  - (2) the Adoption Agreement.

**STOP**

If covering new employees only, skip II and go to III on page 5.

**STOP**



## MERS 2010 Restated Uniform Defined Contribution Program Resolution

### II. OPTIONAL PROVISION FOR CURRENT MERS DEFINED BENEFIT MEMBERS WHERE BENEFIT PROGRAM DC FOR NEW EMPLOYEES ESTABLISHED (Plan Sec 19A(18)-(21))

THIS OPTIONAL PROVISION SHALL ONLY BE SELECTED WHERE THE TOTAL FUNDED PERCENT OF AGGREGATE ACCRUED LIABILITIES AND VALUATION ASSETS OF ALL RESERVES SPECIFIED IN TABLE 13 (OR SUCCESSOR TABLE) FOR THE PARTICIPATING MUNICIPALITY OR COURT, AND FOR THE AFFECTED MERS BENEFIT PROGRAM CLASSIFICATION(S) OF THE MOST RECENT MERS ANNUAL ACTUARIAL VALUATION REPORT IS AT LEAST EIGHTY PERCENT (80%).

IT IS ADDITIONALLY RESOLVED, as provided in each of the following paragraphs:

- (A) Effective on the **Adoption Date**, pursuant to Plan Section 19A(18) all current **MERS defined benefit** members who are members of the same employee classification described in Section I above on the **Adoption Date** shall:

**THE GOVERNING BODY SHALL SELECT ONLY ONE OF THE FOLLOWING:**

- ☐ where vested under this municipality's applicable MERS vesting program (10, 8, or 6 years)
- ☐ where the employee has at least the following number of years of credited service for this municipality on **Adoption Date**: \_\_\_\_\_ (insert whole number less than vesting program)
- ☐ without regard to vesting

be offered the opportunity to irrevocably elect coverage under Benefit Program DC, under the detailed procedures provided in Plan Section 19A(19)-(21).

Section 19A(19) specifies an employee's written election to participate shall be filed with MERS: (a) not earlier than the last day of the third month after this Resolution is adopted and received by MERS; and (b) not later than the first day of the first calendar month that is at least six months after MERS receives this Resolution. This means each eligible employee will have about 90 days to make the decision.

After MERS receives this Resolution, this governing body's authorized official and eligible employees will be advised by MERS of the election window timelines and other information to consider in making the irrevocable decision whether to participate in Benefit Program DC.

Participation for those electing coverage shall be effective the first day of the first calendar month at least six (6) months after MERS' receipt of the Resolution, here designated as being the month of \_\_\_\_\_, 20\_\_\_\_, (insert month and year) which shall be known as the **"CONVERSION DATE."**

## MERS 2010 Restated Uniform Defined Contribution Program Resolution

The opportunity for current employees on the Adoption Date to participate in the Benefit Program DC shall (select one of the following two choices):

- ☐ apply to all employees who separate from or terminate employment with this municipality after the **Adoption Date** and before the **Conversion Date**, so long as the employee does not receive a retirement allowance (including distributions from Benefit Programs DC or H) from MERS based on service for this municipality.
- ☐ not apply to any employee who separates from or terminates employment with this municipality after the **Adoption Date**.

- (B) **CONTRIBUTIONS** shall be as provided in Section I (A) above.
- (C) **EARNINGS** shall be as provided in Section I (B) above.
- (D) **VESTING** shall be as provided in Section I (C) above, and participants shall be credited, on participant written request and MERS verification of such service, with all eligible service, if any, specified in Plan Section 19A(3):

Where a member has previously acquired in the employ of any participating municipality or court:

- (a) not less than one year of defined benefit service (including Benefit Program H, Hybrid) in force with any participating municipality or court;
- (b) eligible credited service where the participating municipality or court has adopted the Reciprocal Retirement Act, 1961 PA 88;
- (c) at least 12 months in which employer contributions by a participating municipality or court have been made on behalf of the member under Benefit Program DC or Benefit Program H,

such service shall be applied toward satisfying the vesting schedule for employer contributions.

- (E) For each employee irrevocably electing to participate in Benefit Program DC, then under Plan Section 19A(21), MERS shall transfer to the member's credit (as adjusted through MERS' records to the Conversion Date) the greater of:
  - (1) The member's accumulated contributions in the reserve for employee contributions; or
  - (2) The actuarial present value (as determined in Paragraph (F) below).

The transfer shall be made approximately 30 calendar days after the **Conversion Date**, and the transfer amount shall include pro-rated regular interest at the regular Board-established rate for crediting of interest on member's accumulated contribution in the defined benefit program, measured from the **Conversion Date** to the actual transfer date.



## MERS 2010 Restated Uniform Defined Contribution Program Resolution

- (F) Per Plan Section 19A(21)(b)(i), the MERS Retirement Board has established the assumptions for calculation of the actuarial present value of a member's accrued benefit that may be transferred. The assumptions are:
- (1) **The interest rate in effect as of the Adoption Date, to determine actuarial present value, shall be the Board-established investment earnings rate assumption (currently eight percent (8.00%)).**
  - (2) **The funded level for the member's specific MERS division** (total funded percentage of the present value of accrued benefits which shall be determined using Termination Liability under Table 12 or successor table and valuation assets of all reserves using Table 13) **as of the Adoption Date** from the most recent MERS annual actuarial valuation report data provided by MERS' actuary. In the APV calculation, the funded level used shall be:

### THE GOVERNING BODY SHALL SELECT ONLY ONE OF THE FOLLOWING:

- ☐ Table 12 Termination Liability funded level for the division (not less than 80% nor exceeding 100% funded level).
- ☐ If greater than the division's funded level but not more than 100% funded level, then MERS is directed to compute the funded percentage for the transfer calculation on \_\_\_\_\_% funded basis (insert number greater than the division's Table 12 Termination Liability funded level percentage but not more than 100%). Where less than 100% funded level exists, this governing body recognizes that such direction shall increase its pension funding liability. MERS shall not implement such direction unless the governing body forwards to MERS sufficient cash up to the funded level selected for all members prior to the Conversion Date; if sufficient cash is not forwarded, then the governing body expressly covenants with MERS and directs, as a condition of this selection, to MERS billing and the governing body remitting to MERS all contributions necessary to fund the unfunded liability occasioned by the aggregate transfer of the difference between the actual funded level for the division and funded level directed above over a period of four (4) years.

### III. EFFECTIVENESS OF THIS RESTATED RESOLUTION

**BE IT FINALLY RESOLVED:** This Resolution shall have no legal effect under the MERS Plan Document until a certified copy of this adopting Resolution shall be filed with MERS, and MERS determines that all necessary requirements under Plan Document Section 19A, the Adoption Agreement, and this Resolution have been met. All dates for implementation of Benefit Program DC under Section 19A shall be determined by MERS from the date of filing with MERS of this 2010 Restated Resolution in proper form and content. Upon MERS determination that all necessary documents have been submitted to MERS, MERS shall record its formal approval upon this Resolution, and return a copy to the Employer's designated primary contact.



## MERS 2010 Restated Uniform Defined Contribution Program Resolution

In the event an amendatory Resolution or other action by the municipality is required, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred in by this governing body and MERS (and any third-party administrator selected by MERS, if applicable and necessary). Section 54 of the Plan Document shall apply to this Resolution and all acts performed under its authority. The terms and conditions of this Restated Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

I hereby certify that the above is a true copy of a Resolution adopted at the official meeting held on  
April 28th, 2011. [Signature]  
(Signature of authorized official)

Please send MERS fully executed copy of:

- MERS 2010 Restated Uniform Defined Contribution Program Resolution (this form, MD-069)
- MERS Restated Defined Contribution Plan Adoption Agreement (MD-070)
- Certified minutes stating governing body approval, and/or union contract language

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

Dated: \_\_\_\_\_, 20\_\_\_\_  
(Authorized MERS signatory)