



CLARE COUNTY

ROAD COMMISSION



Commissioner Coker proposed the following resolution and moved for its' adoption.

WHEREAS, PA 202 of 2018, Form 5584, Protecting Local Government Retirement and Benefits Act, Application for Waiver and Plan: Retirement Health Benefits Systems.

WHEREAS, the Board of County Road Commissioners of the County of Clare, Michigan, does hereby certify the approval of Managing Director, Dewayne Rogers, to sign Form 5584 and for the form to be submitted.

WHEREAS, the Board of County Road Commissioners of the County of Clare, Michigan, does hereby certify, as provided in documentation, all non-union employees hired on or after February 6, 2013 will not receive any retiree health care and all union employees hired after September 1, 2014 shall be ineligible for health, dental and/or vision insurance at retirement.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Road Commissioners of the County of Clare, Michigan, approved Form 5584 and the application and waiver process and submitted all proper documentation as requested to Michigan Department of Treasury.

Resolution seconded by Commissioner Haskin and carried with two absent.

Roll Call:

Yeas: Coker, Haskin, and Simpson

Nays: none

Absent: Hulliberger and Schunk

I hereby certify that the foregoing is a true and correct copy of a resolution made and adopted at the regular meeting of the Board of Clare County Road Commissioners, of the County of Clare, on the 5th day of May, 2022.


Kayla Randle, Finance Director/Board Secretary

Protecting Local Government Retirement and Benefits Act

Application for Waiver:

Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

I. LOCAL GOVERNMENT INFORMATION

Local Government Name: Clare County Road Commission Six-Digit Muni Code: 180100

Retirement Health Benefit System Name: OPEB Health Care

Contact Name (Administrative Officer): Dewayne Rogers

Title if not Administrative Officer: Manager

Email: ccrc@clarecrc.com Telephone: (989) 539-2151

Fiscal Year: 2021

2. GENERAL INFORMATION

Application for Waiver: This Application for Waiver may be filed by any local government with at least one retirement health benefit system that has triggered a preliminary review of underfunded status. In accordance with Public Act 202 of 2017 (the Act), if the State Treasurer determines that the underfunded status is adequately being addressed by the local government, the State Treasurer shall issue a waiver of the determination of underfunded status. If requesting a waiver, you must submit a separate and unique application for each underfunded retirement system as determined by your most recent *Retirement System Annual Report (Form 5572)*.

Due Date: The local government has **45 days from the date of notification** to complete and file the Application for Waiver. Failure to file within 45 days will result in a determination of underfunded status for your local government as defined by the Act, and your local government will be required to submit a corrective action plan to the Municipal Stability Board for approval.

Filing: This Application for Waiver must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Application for Waiver and attach the documentation as a separate PDF document.** Failure to provide documentation that demonstrates approval from your governing body will automatically result in a disapproval of the waiver application.

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

The subject line of the email(s) should be in the following format: **Waiver-20XX, Local Government Name, Retirement System Name** (e.g. Waiver-2018, City of Lansing, Employees' Retirement System Healthcare Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Considerations for Waiver: A successful Application for Waiver will demonstrate what your local government has already done to adequately address its underfunded status. Prospective solutions will not be granted merit in determining the outcome of the waiver application (e.g. future amendments to collective bargaining agreements, upcoming millage proposals, potential budget changes, etc.). However, Treasury may consider additional ongoing funding dedicated to your retirement system if those commitments have been formally enacted by the governing body and can be documented. Section three of this waiver application allows the local government to enter a brief description of prior

actions that have already been implemented to adequately address its underfunded status. For purposes of Sec. 6.(1) of the Act, this application will also be considered the plan.

Underfunded status for a retirement health benefit system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local government is a city, village, township, or county, the actuarially determined contribution (ADC) for all of the retirement health systems of the local government is greater than 12% of the local government's annual governmental fund revenues, based on the most recent fiscal year.

General guidelines are listed below to help your local government decide whether to apply for a waiver. Ultimately, waiver approval or disapproval is at the discretion of the State Treasurer; however, waiver applications should generally demonstrate at least one of the following seven criteria. Please check all that apply:

- In general, local governments that were previously granted a waiver should demonstrate improvement in their underfunded status in the subsequent year. Improvement can be measured by an increase in the funded ratio and/or a decrease in the ADC as a percentage of governmental revenue;
- There was a mistake in the filing process and the local government is not actually underfunded;
- Using updated data, such as a more recent actuarial valuation, the local government is not underfunded;
- If a local government fails to calculate an ADC within their audited financial statement and triggers underfunded status, the local government may file a waiver application to Treasury that includes the calculated ADC;
- The local government demonstrates their underfunded status will be addressed within four years;
- The local government is a non-primary government (e.g. road commission, authority, etc.) and demonstrates their ADC for OPEB is less than 12% of governmental revenues;
- When adding enterprise fund revenues used specifically to pay retirement costs with governmental fund revenues, your ADC as a percentage of combined revenues is below 12%.

3. DESCRIPTION OF PRIOR ACTIONS

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

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

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

Category of Prior Actions:

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

Sample Statement: *Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On January 1, 2018, the local government entered into new collective bargaining agreements with the Command Officers Association and Internal Association of Firefighters that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page 12 of the attached actuarial analysis that indicates the system is 40% funded as of June 30, 2018.*

The Road Commission recognized the increasing potential liability of this plan and discontinued offering this benefit prospectively to new non-union and union employees hired after February 6th, 2013 and September 1, 2014, respectively. A copy of that resolution is attachment 7. The last calculated valuation in 2021 had a net liability of \$1,484,433. The plan is prospectively closed with the anticipation that the net liability will continually decline. The Road Commission does not anticipate creating a trust rather it will fund the liability each year until the liabilities are depleted. The attached graph reflects (attachment 3) the annual anticipated OPEB costs until the final liability is paid in 2055.

- Additional Funding** – Additional funding may include the following: voluntary contributions above the ADC, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local government created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on June 23, 2017. The local government has adopted a policy to change its funding methodology from Pay-Go to full funding of the ADC. Additionally, the local government has committed to contributing \$500,000 annually, in addition to the ADC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to 40% by 2022. Please see page 10 of the attached resolution from our governing body demonstrating the commitment to contribute the ADC and additional \$500,000 for the next five years.*

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

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from 2016. Attached is an updated actuarial valuation for 2018 that shows our funded ratio has improved to 42% as indicated on page 13.*

Sample Statement: *\$400,000 of expenditures are directly tied to expenses for retirement obligations from our water and sewer fund. The attached analysis shows that our revenue ratio (ADC / Combined Funds) would only be 11% when including applicable enterprise fund revenue within the calculation. Additionally, attached are two invoices from showing distributions to our health care trust fund from the enterprise fund totaling \$400,000. As a result, \$400,000 of our enterprise fund revenues should be combined with our governmental fund revenues to properly demonstrate total available funding.*

The 2021 Actuarially Determined Contribution for 2020 was \$115,485. This equates to 1.4% of the total revenues of the Road Commission. As stated above, with the plan being closed, it is anticipated the liability and expense will decline and ultimately end no later than the year 2055.

4. DOCUMENTATION ATTACHED TO THIS WAIVER APPLICATION

Documentation must be attached as a PDF to this waiver application. The documentation must demonstrate the prior actions that have already been implemented to adequately address the local government's underfunded status. Please ensure this documentation directly supports and highlights the systems funded ratio as entered in section three of the waiver application above. Please check all documents that are included as part of this application and attach in successive order as provided below:

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

Naming Convention:

Type of Document:

Attachment – 1

This waiver application (required);

Attachment – 2

Documentation from the governing body approving the waiver application (required);

Attachment – 3

Actuarial analysis (annual valuation, supplemental valuation, projection);

Attachment – 4

An internally developed study, in accordance with GASB and/or actuarial standards of practice, that projects assets and liabilities into the future;

Attachment – 5

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

Attachment – 6

Documentation of commitment to additional payments in future years (e.g. resolution, ordinance);

Attachment – 7

A plan that the local government has already approved to address its underfunded status, which includes documentation of prior actions and the positive impact on the system's funded ratio;

Attachment – 8

Enterprise fund revenues: Analysis of retirement costs paid using enterprise fund revenues, as well as applicable financial documents (e.g. proof of payment, invoices from retirement plan, bank transactions, general ledger reimbursement transactions);

Attachment – 9

Other documentation, not categorized above.

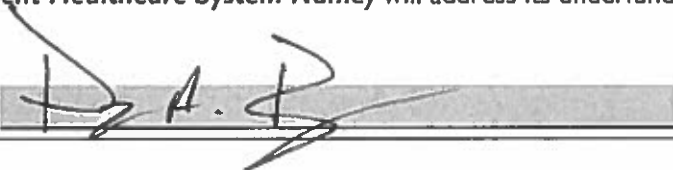
6. LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF WAIVER APPLICATION

I, Dwayne Rogers, as the government's administrative officer (Ex. City/Township Manager, Executive Director, Chief Executive Officer, etc.) (insert title) Manager approve this Application for Waiver. We are requesting a waiver of underfunded status because we have already implemented substantial changes to our retirement system as described above.

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

Using the waiver criteria checked in Section 2 of this application, the OPEB Health Care (Retirement Healthcare System Name) will address its underfunded status by fiscal year 2055.

Signature:



Date:

5/5/2022

ARTICLE 28 - WORKER'S DISABILITY COMPENSATION

The Employer will provide worker's disability compensation coverage. An employee who is receiving worker's disability compensation benefits from the Employer's coverage may supplement such benefits by requesting that the Employer deduct from his/her earned sick leave amounts sufficient to make up the difference between worker's compensation and his/her regular weekly income.

The Employer will continue to provide health and life insurance for a period of six (6) months from the date the work related disability began.

An employee who has returned to work following a workers' disability compensation leave and thereafter requires follow-up physical therapy and/or medical treatment related thereto will not have his/her earned sick leave bank charged for any such appointment that takes place one (1) hour or less prior to the end of the employee's regular work day.

ARTICLE 29 - INSURANCE

Section 1. Life Insurance and Sickness and Accident Benefits: The Employer will provide an opportunity for all employees to be covered by \$10,000 term life insurance and health and accident insurance providing for \$300.00 per week for a maximum period of twenty six (26) weeks, for absences caused by non-job related accident or illness.

Section 2. Hospitalization: The health plan will be Health Care Reform compliant. The Employer will contribute toward the cost of health coverage, including administrative fees and State and Federal taxes in amounts which do not exceed those authorized under PA 152.

Should the cost of health coverage be less than the maximum monthly Employer contributions, there will be no payment in lieu of such differential made to participating covered employees. Should the cost exceed the maximum employees will contribute through payroll deduction.

The Employer will contribute toward the cost of health insurance for the retiree and his/her spouse if either (a) he/she should retire between the ages of sixty (60) and sixty-five (65) or (b) he/she should retire with thirty (30) or more years of service. Contributions

will be made by the Employer only from the date of retirement until the first of the month in which the retiree becomes Medicare eligible or until five (5) years from the date of retirement, whichever date comes first. A surviving spouse's coverage will expire when the retiree's coverage would have ended had he/she survived. Retirees shall receive health insurance benefits equivalent to and no greater than those provided to active employees. Retirees shall be required to contribute \$100/single or \$200/2-person per month towards the cost of retiree health insurance. Retirees shall make their contributions by direct payment to the Employer on or before the premium due date each month. "Spouse" shall be defined as the spouse of the retiree on the date of his/her retirement from the Road Commission. Employees hired after September 1, 2014 shall be ineligible for health, dental and/or vision insurance at retirement.

The Employer will continue the IRS Section 125 plan for health, dental and optical benefits.

Section 3. Dental Insurance: The Employer will provide dental insurance for all employees, their spouses and children under 19 years of age.

Section 4. Non-Participation Election: Any employee who elects not to participate in the group plan under Blue Cross/Blue Shield or any substitute plan will receive reimbursement of forty percent (40%) of the Employer's maximum contribution to which an eligible employee would be entitled. Payment will be made during the last payroll period in December. Employees married to one another shall be ineligible for the Non-Participation Election.

Section 5. Safety Glasses: The Employer agrees to pay up to a maximum of \$200.00 every other year per employee for safety glasses as necessary.

Section 6. Vision Plan:

A vision care plan will be provided to eligible bargaining unit employees, their spouse and eligible dependents. Pediatric coverage is separate and distinct and covered under the health insurance provisions.

ARTICLE 43 - EMERGENCY MANAGER

Pursuant to the Local Financial Stability and Choice Act, PA 438 of 2012, an Emergency Manager may act in the capacity and with the powers as outlined in such Act or any amendment(s) thereto.

ARTICLE 44 - PAYROLL



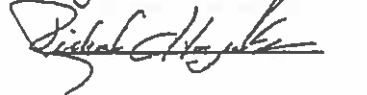
Payroll will be completely done electronically by direct deposit. Each employee shall provide to the Employer appropriate banking information for electronic deposits.

ARTICLE 45 - DURATION



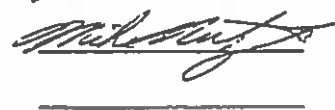
This Agreement shall become effective on the date of signing by both parties, and shall remain in full force and effect to and including August 31, 2019. The party desiring the change or modification must notify the other party to the Agreement in writing not less than sixty (60) days prior to the expiration date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives as of the 1st Day of September, 2016.

CLARE COUNTY
ROAD COMMISSION

MICHIGAN AFSCME, COUNCIL #25
AFL-CIO:

CLARE COUNTY ROAD COMMISSION

Minutes of the regular meeting of the Board of County Road Commissioners of Clare County, Michigan, hereinafter referred to as the Board, held at its office at 3900 East Mannsiding Road, Harrison, Michigan on February 6, 2013.

The meeting was called to order at 9:00 a.m. by Chairman Richard Haynak with Commissioner Eddy Garver in attendance. Staff present was Ron Bushong, Manager; Kim Kimmel, Finance Director; and John Krchmar, Road Maintenance Supervisor. Commissioner Michael Duggan was not in attendance.

Pledge of Allegiance

The minutes of the January 16, 2013 regular Board meeting were read and approved as read.

The fund balance report was presented and discussed and bills were reviewed. On a motion by Commissioner Haynak, seconded by Commissioner Garver and carried unanimously, it was moved to approve for payment payroll ending 01/20/2013 (checks 49656-49682), check for FICA, and AP checks 65129 thru 65188 totaling \$159,702.48.

Manager Ron Bushong informed the Board we will be accepting resumes for the Engineer-Technician position until March 8, 2013.

The pros and cons of establishing truck routes in Clare County were discussed. Further discussion will take place when all Board members are present.

Manager Ron Bushong discussed weight limits on the county roads, including whether we should consider changing our local blacktop roads from "designated" to "non-designated" and whether we should restrict our gravel roads during the frost law period. It was the consensus of the Board to leave the status of our county roads as they are now.

At 9:30 a.m. sealed bids for a boom mower assembly was opened and read as follows:

Bidder
Flint New Holland
3266 E. Bristol Rd.
Burton, MI 48529

As read bid
\$52,500.00

Another bid was received from Grand Equipment, Hudsonville, Michigan. The bid did not meet specifications. Therefore, on a motion by Commissioner Haynak, seconded by Commissioner Garver and carried unanimously it was moved to purchase the boom mower assembly from Flint New Holland.

The Act 51 Financial Report for fiscal year 2012 was presented and discussed. On a motion by Commissioner Garver, seconded by Commissioner Haynak and carried unanimously, it was moved to transfer \$ 1,049,456.29 from the primary road fund to the local road fund and to authorize Chairman Richard Haynak to sign said report. Finance Director Kimmel will submit the financial report to the Michigan Department of Transportation via the internet and deliver a paper copy of the same to the Clare County Clerk, and Treasurer. Township boards will receive an abbreviated version prescribed under section 15 of Act 51 of 1951.

Commissioner Haynak proposed the following resolution and moved for its' adoption:

The Board of Clare County Road Commissioners of the Clare County Road Commission, whose fiscal year is October 1st to September 30th, desires to make available to its eligible employees (as defined below) benefits provided by the Municipal Employees' Retirement System of Michigan (MERS), as authorized by 1996 PA 220. Benefits available are those provided under the Plan Document of 1996.

It is resolved that pursuant to the Initial Actuarial Valuation by MERS' actuary, MERS Defined Benefit B-2 with no riders and 5% required employee contribution is to be provided to the Union 10 - General - Non-Union division employees hired on or after February 6, 2013.

Resolution seconded by Commissioner Garver and carried unanimously. The Secretary was instructed to forward a certified copy of the resolution to the Michigan Municipal Employees Retirement System (MERS).

On a motion by Commissioner Haynak, seconded by Commissioner Garver and carried unanimously it was moved that all non-union employees hired on or after February 6, 2013 will not receive any retiree health care.

Due to a meeting conflict with the CRAM Highway Conference in March, the board meeting held on March 6, 2013 at 9:00 a.m. will be changed to Tuesday, March 5, 2013 at 9:00 a.m. The Secretary will post notice in the road commission lobby and on the CCRC website.

Commissioner Haynak proposed the following resolution for the Pine Road Bridge and moved for its' adoption:

WHEREAS, the Michigan Department of Transportation and the Clare County Road Commission are mutually agreeable to entering into a contract for the rehabilitation work the structure B01 of 18-16-14 (#1774), which carries Pine Road over the Muskegon River, Section 34, T20N, R6W, Winterfield Township, Clare county, Michigan; including hot mix asphalt overlay, joint replacement, substructure repair, pier extension, guardrail, and approach work; and all together with necessary related work, and

WHEREAS, federal and/or state funds have been allocated to undertake the work identified as Contract 12-5605, Project BHO 1318(004), Federal Item No. RR 8297, Control Section BHO 18016, Job Number 112197, CFDA Number 20.205,

NOW, THEREFORE, BE IT RESOLVED that the Board of County Road Commissioners of Clare County, Michigan, authorizes Richard Haynak, Chairman, and Eddy Garver, Vice-Chairman to sign the required contracts.

Resolution seconded by Commissioner Garver and carried unanimously.

Commissioner Garver proposed the following resolution for Clare Avenue and moved for its' adoption:

WHEREAS, the Michigan Department of Transportation and the Clare County Road Commission are mutually agreeable to entering into a contract for the reconstruction work along Clare Avenue from Mannsiding Road northerly to Gladwin Road (Highway M-61); including pavement removal, profile improvement, peat excavation, swamp backfill, turn lane, hot mix asphalt paving, drainage, and slope restoration work; and all together with necessary related work, and

WHEREAS, federal and/or state funds have been allocated to undertake the work identified as Contract 12-5625, Project STP 1218(012) Federal Item No. RR 8264, Control Section EDDF 18555, Job Number 113151, CFDA Number 20.205,

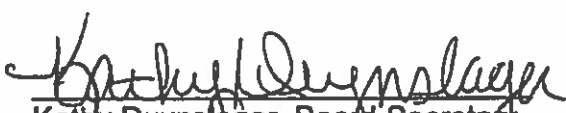
NOW, THEREFORE, BE IT RESOLVED that the Board of County Road Commissioners of Clare County, Michigan, authorizes Richard Haynak, Chairman, and Eddy Garver, Vice-Chairman to sign the required contracts.

Resolution seconded by Commissioner Haynak and carried unanimously.

It was the consensus of the Board to vote for Tim O'Rourke, Roscommon County, for CRAM Board of Directors, 3-year term. Board Secretary Duynslager will mail the official ballot.

Road Maintenance Foreman, John Krchmar, gave an update on road maintenance . We need to consider updating our brine storage.

There being no further business to come before the Board, the meeting was adjourned at 10:51 a.m.


Kathy Duynslager, Board Secretary


Richard F. Haynak, Chair

Clare County Road Commission Projected Future OPEB Benefits

