



**BOARD COORDINATOR  
GENESEE COUNTY BOARD OF COMMISSIONERS**

1101 BEACH STREET, ROOM 312  
FLINT, MICHIGAN 48502

TELEPHONE: (810) 257-3020  
FAX: (810) 257-3008

JOSHUA M. FREEMAN  
COORDINATOR

**GOVERNMENTAL OPERATIONS COMMITTEE**

**Monday, July 17, 2017, 9:00 a.m.**

**AGENDA**

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. MINUTES – June 26, 2017**

**IV. PUBLIC COMMENT TO COMMITTEE**

**V. COMMUNICATIONS**

**VI. OLD BUSINESS**

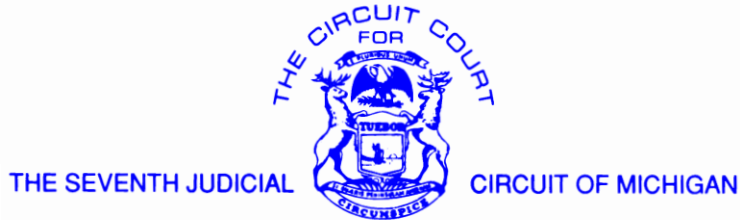
**VII. NEW BUSINESS**

- A. G071717VIA: Circuit Court: Request approval of the Amendment of Professional Services Contract with Clinicare Corporation for Residential Treatment Services – Attached
- B. G071717VIIB: Circuit Court: Request approval to submit a FY18 MCACA Arts Project mini-grant to support the Arts on Probation program -- Attached
- C. G071717VIIC: Circuit Court: Request approval to accept a 2017 United Way Community Impact Fund grant and to enter into the Organization/Agency Contract Agreement -- Attached
- D. G071717VIID: Prosecuting Attorney: Request approval of overnight travel for one (1) assistant prosecuting attorney to attend the 2017 Child Abuse Training Services Program Annual Conference for the period of July 24-26, 2017 in Grand Rapids, MI at a cost not to exceed \$500.00 – Attached **(ROLL CALL VOTE REQUESTED)**
- E. G071717VIIE: Prosecuting Attorney: Request approval of overnight travel for the Chief Assistant Prosecutor to attend the Violent Crime Reduction Strategic Development State and Local Government Working Group conference on August 2, 2017 in Long Beach, California at a cost not to exceed \$0.00 (all costs paid by the U.S. Department of Justice – Bureau of Justice Assistance) -- Attached **(ROLL CALL VOTE REQUESTED)**

- F. G071717VIIF: Prosecuting Attorney: Request approval of overnight travel for five senior managing staff members to attend the Prosecuting Attorneys Association of Michigan (PAAM) 2017 Annual Conference for the period August 24-27, 2017 on Mackinaw Island, MI at a cost not to exceed \$4,488.00 -- Attached **(ROLL CALL VOTE REQUESTED)**
- G. G071717VIIG: Treasurer: Request approval of overnight travel for three (3) staff members to attend the Michigan Association of County Treasurers 2017 Summer Conference for the period of August 6-9, 2017 in Harbor Springs, MI at a cost not to exceed \$2,710.00 – Attached
- H. G071717VIIH: Human Resources: Request approval of overnight travel for the HR Director to attend the 2017 Annual Training Conference presented by the Michigan Public Employer Labor Relations Association for the period of September 20-22, 2017 in Bellaire, MI at a cost not to exceed \$600.00 – Attached
- I. G071717VIII: Retirement Commission: Request approval of the Genesee County Employees' Retirement System 2016 Annual Report – Attached
- J. G071717VIIJ: IT Department: Request approval of the Amendment to Pricing Schedule for AT&T Switched Ethernet Service Provided Pursuant to Custom Terms – Attached **(ROLL CALL VOTE REQUESTED)**

**VIII. OTHER BUSINESS**

**IX. ADJOURNMENT**



**CRIMINAL/CIVIL DIVISION**

Honorable Joseph J. Farah  
Honorable Judith A. Fullerton  
Honorable Archie L. Hayman  
Honorable Geoffrey L. Neithercut  
Honorable Richard B. Yuille

900 SOUTH SAGINAW ST., FLINT, MICHIGAN 48502  
810-424-4355

RICHARD B. YUILLE - CHIEF JUDGE  
BARBARA A. MENEAR - COURT ADMINISTRATOR

**FAMILY DIVISION**

Honorable Duncan M. Beagle  
Honorable F. Kay Behm  
Honorable John A. Gadola  
Honorable David J. Newblatt  
Honorable Michael J. Theile

To: Commissioner Bryant Nolden  
Chairperson  
Governmental Operations Committee

From: Rhonda Ihm  
Juvenile Section Administrator

Re: Amendment of Professional Services Contract with Clinicare Corporation  
for residential treatment services

Date: July 17, 2017

The Court is seeking permission to amend the contract for residential services with Clinicare Corporation. The amendment will update the per diem rates, insurance requirements, and will be effective from July 1, 2017 – September 30, 2018.

No additional allocation is needed. The cost was previously approved in the FY 16/17 Child Care Fund Annual Plan and Budget. (Resolution No. 16-403).

A review of the matter is appreciated and will allow the matter to proceed to the full board meeting on July 24, 2017

The Court will be represented at the Governmental Operations Committee meeting.

## AMENDMENT TO PROFESSIONAL SERVICES CONTRACT

This Amendment is effective July 1, 2017 and is between Genesee County, Michigan, a Michigan municipal corporation whose principal place of business is located at 1101 Beach Street, Flint, Michigan 48502 (the "County"), and Clinicare Corporation, a Wisconsin Child Welfare Services Agency, whose principal place of business is located at 11919 West Bluemound Road, Wauwatosa, WI 53226, (the "Contractor") (the Contractor and the County together, the "Parties").

WHEREAS, the Parties executed a PROFESSIONAL SERVICES CONTRACT effective January 1, 2016 (the "Agreement"), pursuant to which the Contractor would provide residential treatment services for delinquent youth and

WHEREAS, the Genesee County Board of Commissioners authorized the original PROFESSIONAL SERVICES CONTRACT by Resolution #15-381; and

WHEREAS, the Parties wish to amend the Agreement to update the per diem rates;

NOW THEREFORE, the Parties agree as follows:

1. COMPENSATION: The provider shall be compensated at the State of Wisconsin established rates, plus \$5 for out-of-state clients. The State of Wisconsin established rates for 2017 are as follows, and any change in 2018 rates will be provided to Genesee County by November 30, 2017.

Eau Claire Academy Residential .....\$354.90/day

Eau Claire Academy S.T.O.P. Program...\$363.13/day

Eau Claire Academy Willow Program.....\$362.38/day

Eau Claire Academy Day School.....\$109.95/day

Eau Claire Academy Respite Care.....\$179.13/day

2. This agreement shall be effective from July 1, 2017 – September 30, 2018.
3. The Contractor agrees to obtain insurance coverage of the types and amounts required as set forth in the Insurance Checklist attached as Exhibit A and keep such insurance coverage in force throughout the life of this Contract
4. The remaining terms of the agreement remain unchanged and in full effect.

5. Execution of this Amendment is authorized by Resolution # \_\_\_\_\_  
issued by the Genesee County Board of Commissioners.

CLINICARE CORPORATION

COUNTY OF GENESEE

By: \_\_\_\_\_  
C.L. Albrant  
Executive Director

By: \_\_\_\_\_  
Mark Young, Chairperson  
Board of County Commissioners

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Office of the Prosecutor-Civil Division

EXHIBIT A

GENESEE COUNTY INSURANCE CHECKLIST

PROFESSIONAL SERVICES CONTRACT FOR: Residential Treatment Services for Delinquent Youth

Coverage Required	Limits (Figures denote minimums)
<input checked="" type="checkbox"/> 1. Workers' Compensation	Statutory limits of Michigan
<input checked="" type="checkbox"/> 2. Employers' Liability	\$100,000 accident/disease \$500,000 policy limit, disease Including Premises/operations
<input checked="" type="checkbox"/> 3. General Liability	\$1,000,000 per occurrence with \$2,000,000 aggregate Including Products/Completed Operations and Contractual Liability
<input checked="" type="checkbox"/> 4. Professional liability	\$1,000,000 per occurrence with \$2,000,000 aggregate Including errors and omissions
<input type="checkbox"/> 5. Medical Malpractice	\$200,000 per occurrence \$800,000 in aggregate
<input checked="" type="checkbox"/> 6. Automobile liability	\$1,000,000 combined single limit each accident- Owned, Hired, Non-owned
<input type="checkbox"/> 7. Umbrella liability/Excess Coverage	\$ 1,000,000 BI & PD and PI
<input checked="" type="checkbox"/> 8. Genesee County named as an additional insured on other than workers' compensation and professional liability via endorsement. A copy of the endorsement or evidence of blanket Additional Insured language in the policy must be included with the certificate.	
<input checked="" type="checkbox"/> 9. Other insurance requirements: A 30 day written notice of cancellation for all policies must be provided to the certificate holder.	
<input checked="" type="checkbox"/> 10. Best's rating: A VIII or better, or its equivalent (Retention Group Financial Statements)	
<input checked="" type="checkbox"/> 11. The certificate must state bid number and title	

**Insurance Agent's Statement**

I have reviewed the requirements with the bidder named below. In addition:

\_\_\_\_\_ The above required policies carry the following deductibles:

\_\_\_\_\_ Liability policies are **occurrence** \_\_\_\_\_ **claims made** \_\_\_\_\_

\_\_\_\_\_  
Insurance Agent Signature

**Prospective Contractor's Statement**

I understand the insurance requirements and will comply in full if awarded the contract.

\_\_\_\_\_  
Contractor Signature

Required general insurance provisions are provided in the checklist above. These are based on the contract and exposures of the work to be completed under the contract. Modifications to this checklist may occur at any time prior to signing of the contract. Any changes will require approval by the vendor/contractor, the department and County Risk Manager. To the degree possible, all changes will be made as soon as feasible.

## PROFESSIONAL SERVICES CONTRACT

This agreement, dated this 1st day of January 2016, is made and entered into between Clinicare Corporation, hereinafter called "Provider" with principal offices located at 11919 West Bluemound Road, Wauwatosa, WI 53226; and 7<sup>th</sup> Judicial Circuit Court, Family Division located at 900 South Saginaw Street in Genesee County, Flint, Michigan 48502, hereinafter called "Placement Agency".

Whereas Provider is licensed by the Wisconsin Department of Public Welfare to provide child welfare services for children and youth, and is desirous of making such Services available to the Placement Agency and,

Whereas Placement Agency has the authority and desires to enter into an agreement with provider to provide services,

Now, therefore, the parties intending to be legally bound hereby agree as follows:

### Section 1: TERM OF AGREEMENT

This agreement shall be effective from **January 1, 2016** through **December 31, 2017**.

### Section 2: COMPENSATION

Provider shall be compensated for services at the following unit rate: ~~\$340.52~~ per diem for regular residential treatment services; and ~~\$345.80~~ per diem for sex offender specific treatment services. Placement Agency agrees to provide quarterly visitation, including round-trip transportation, meals and lodging, of Placement Agency staff and Parent(s) and/or Primary Caregiver. No more than a total of four (4) visits, including staff and caregiver, annually will be supplied. Visitation shall occur after the youth's 90th day in residence.

Provider shall be compensated for the date of the youth's entry into the Provider's facility or program, but not for the date of youth's discharge.

Provider shall submit monthly invoices by the tenth (10th) of each month for services rendered the prior month. Invoice must include billing month, youth's full name, youth's admit and discharge date, number of days services provided for each youth, current per diem, the cost extension of each youth, and a total amount for the entire invoice.

Placement Agency shall issue payment within thirty (30) days from its receipt of Provider's invoice. Reimbursement for invoices shall be addressed to the person executing this Agreement. Payment for invoices shall be addressed to Clinicare Corporation, 11919 W. Bluemound Rd., Wauwatosa, WI 53226. Discrepancies respecting the invoice shall be documented, negotiated and settled within ninety (90) days from the original billing date. No invoices submitted for services rendered greater than 180 days will be honored.

### Section 3: SERVICES

Prior to the acceptance of a child or youth, Placement Agency shall present Provider a family summary, a social summary and a medical history. Related school information and a signed psychiatric evaluation, and a signed psychological evaluation, when available, shall also be sent to Provider.

Provider shall coordinate transportation for youth at admission and discharge and provide escort assistance if needed. Home visits may also be earned by the youth. The length of the home visit shall be mutually agreed upon by the Placement Agency and Provider. Costs associated with youth transportation for the purpose of admission, discharge and home visits are the responsibility of the Provider.

Upon acceptance Provider will furnish residential services, on site educational services, and clothing as needed. When Provider gives Placement Agency an official notice of acceptance, Placement Agency shall give Provider all medical and dental records and consent forms in its possession and a valid court order prior to or upon the date of placement.

Placement Agency and Provider shall together develop a "child service plan" outlining goals, anticipated length of stay, treatment objectives and plans for each child in placement. Initial "child service plan" shall be completed within 30 days of placement. Thereafter, treatment plans and progress reports must be received monthly. Progress reports shall present an evaluation of the child's current status and treatment goals accomplished, working on and/or failed. Provider shall also remain in telephone contact with the assigned probation officer.

Provider shall submit to Placement Agency a discharge summary within 10 working days following notification of discharge. Pursuant to the discharge, Provider shall give Placement Agency all of the child's important documents which are in the possession of Provider (i.e.: birth certificate, social security card, etc.)

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Provider agrees that if it is unable to furnish care for a child after said child is in placement, Provider will give Placement Agency immediate notice so that an alternative plan can be made for the reevaluation and removal of the child from Provider's care.

Provider must have the equipment and capability to perform video conferencing interviews with the Placement Agency, juvenile, therapist and any other staff working with juvenile.

Provider must track the expenditures related to Placement Agency Employee travel. Travel expenses, including airfare, meals and lodging, must not exceed local county travel reimbursement regulations listed below.

Provider must provide the Juvenile Section Administrator, Diane Melton, a copy of the Placement Agency Employee travel itinerary and lodging and meal receipts.



Current reimbursement regulations are as follows:

- Lodging maximum base room rate is \$199./night
- Breakfast reimbursement rate is \$6.00 + 15% gratuity
- Lunch reimbursement rate is \$9.00 + 15% gratuity
- Dinner reimbursement rate is \$15.00 + 15% gratuity
- Or, the maximum for meals will be \$30./day + 15% gratuity

It shall be unethical for any Placement Agency Employee to solicit, demand, accept, or agree to accept from the Provider a gratuity, an offer of employment, or anything else of value in connection with any decision to approve, disapprove, or recommend the placement at a particular service agency.

It shall be unethical for any Provider to offer, give, or agree to give to any Placement Agency Employee or its family members a gratuity, an offer of employment, or anything else of value in connection with any decision to approve, disapprove, or recommend the placement at a particular service agency.

It shall be unethical for any Placement Agency Employee who is participating directly or indirectly in placement recommendations to become or to be, while a Placement Agency Employee, the employee of the Provider.

Placement Agency Employee is subject to any one or more of the following sanctions for violations of the ethical standards:

1. oral or written warnings or reprimands;
2. suspension with or without pay for specified periods of time; or
3. termination of employment.

Provider is subject to any one or more of the following sanctions for violations of the ethical standards:

1. ~~written warnings or reprimands;~~
2. termination of contracts; or
3. debarment or suspension.

The value of anything transferred or received in breach of the ethical standards by the Placement Agency Employee or Provider employee may be recovered from both the Genesee County employee and the non-employee.

#### **Section 4: MEDICAL / DENTAL**

It is the responsibility of the Placement Agency to furnish to Provider in a timely manner the appropriate Medical Assistance card or third party medical insurance coverage and make every effort to ensure that the youth maintains status with Michigan Medicaid.

The Provider business office will submit all medical charges to insurance. Provider is financially responsible for all medical payments not covered by insurance. If emergency services are necessary, the Provider's staff will notify Placement Agency immediately.

#### **Section 5: ADMINISTRATIVE CONTACT/CONTRACT NEGOTIATIONS**

Provider shall contact the Juvenile Section Administrator, Diane Melton, with regard to contract negotiations and all other correspondence regarding this Agreement. This shall include notification of any critical incidents including alleged or actual child abuse occurring where Placement Agency has previously or currently placed Genesee County juveniles. Provider shall report what immediate steps have been taken to ensure the safety of all juveniles within the facility and provide a written incident report and/or police report for any Genesee County juvenile.

Provider shall provide notification to the Juvenile Section Administrator, Diane Melton, regarding access information to any public or governmental resources that will inform Placement Agency of any complaints, corrective action or critical events including the outcome of the investigation. **See Attachment A.**

All correspondence regarding this Agreement shall be sent to the designated Provider's representative at the Provider's business address as follows: Clinicare Corporation, 11919 W. Bluemound Rd., Wauwatosa, WI 53226.

#### **Section 6: RUNAWAY**

When a child voluntarily absents himself from the supervision of Provider for a period of at least twenty-four hours, he is considered a "runaway".

It is the responsibility of Provider to notify all appropriate parties, including Placement Agency and police, when a child runs away. Such notice shall be given orally to Placement Agency within twenty-four (24) hours, to be followed by written notice within seventy-two (72) hours. It is also the responsibility of Provider to give appropriate oral and written notice, as defined above, when a child is found or returned to Provider's custody.

When a child is a "runaway", Provider shall discontinue billing the Placement Agency. If the child returns to the facility and it is mutually agreeable that the child remain and services resume, the Placement Agency will resume billing effective the date of the child's return.

#### **Section 7: CONFIDENTIALITY**

Provider and Placement Agency and their agents and employees shall perform all respective obligations and duties under this agreement in such a manner as to ensure that all records, names and identities of person counseled, treated or rehabilitated shall

be and will remain confidential, except for such disclosures which are required and/or permitted by law.

#### **Section 8: INSURANCE**

Provider will at all times maintain sufficient insurance coverage to protect Placement Agency from reasonable loss by liability claims arising out of Provider's performance under this agreement. Provider will also carry necessary and responsible insurance coverage to protect its equipment, supplies and other insurable property from loss.

#### **Section 9: HOLD HARMLESS PROVISION**

Provider shall assume all risks and responsibilities for losses in connection with Provider service which can be attributed directly to Provider. Provider agrees to indemnify, defend and "hold harmless" Placement Agency for or on account of any damage or loss, including cost of litigation resulting from the actions of Provider in fulfilling the terms of this Agreement. Provider hereto shall not be held responsible for delay or failure to perform hereunder when such delay or failure is due to fire, flood, epidemic, strike, acts of God or the public enemy, unusually severe weather, legal acts of public authorities or delay or default which cannot be foreseen or provided against.

#### **Section 11: GENERAL PROVISION**

This contract is binding on both parties but may be terminated sooner by either party tendering a ten (10) day written notice to the other, via certified mail, return receipt requested, noting the termination date. In no event shall the termination date be sooner than 10 days from the date of the certified mail receipt unless a sooner date is mutually agreed upon.

It is agreed that this contract may be modified or amended by written consent of both parties.

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Provider agrees to comply with all the terms, provision, and requirements of Title VII of the Civil Rights Act of 1964, Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in U.S. Department of Labor regulations and any other Federal, State, local, or other equal employment opportunity act, law statute, regulation, or policy, along with all amendments and revisions of these laws, in the performance of this Contract.

Provider agrees to comply with all the terms, requirements, and provisions of Titles VI and VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, and any other Federal, State, Local, or other anti-discriminatory act, law, statute, regulation, or policy, along with all amendments and revisions of these laws, in the performance of this Contract, and will not discriminate against any child or youth, employee, client, or applicant for employment because of race, creed or religion, age, sex, color, national or

ethnic origin, handicap, marital status, sexual orientation or any other discriminatory basis or criteria.

Provider shall not assign any part of this contract without prior written approval of Placement Agency.

The above recitation is contingent upon all outstanding obligations between the parties being satisfied. Any litigation between the Parties arising out of this Agreement must be initiated within two years of the cause of action accruing and must be brought in a court of competent jurisdiction in Genesee County, Michigan.

This agreement is complete and when executed, supersedes any and all other similar agreements between the participants named above.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

PROVIDER:

Clinicare Corporation  
11919 W. Bluemound Rd.  
Wauwatosa, WI 53226

By: 

Date: 1-27-16

PLACEMENT AGENCY:

7th Judicial Circuit court of Michigan, Family Division  
Genesee County  
900 South Saginaw Street  
Flint, Michigan 48502

By: 

Honorable Richard B. Yuille  
Chief Judge

Date: 1/29/16

## RESOURCES FOR NOTIFICATION OF AGENCY COMPLAINTS

Please address here (See Section 5 for further explanation):

Alisha Woodford, Licensing Specialist  
Wisconsin Dept of Children and Families  
610 Gibson St., Suite 2  
Eau Claire, Wisconsin 54701  
(715) 836-3635 phone  
(715) 836-2516 fax  
[Alisha.woodford@wisconsin.gov](mailto:Alisha.woodford@wisconsin.gov)



a greater promise for life since 1967

EAU CLAIRE ACADEMY 

November 1, 2016

Thomas A. Smith  
Special Services & Financial Statements Section  
Bureau of Fiscal Services  
Division of Management & Technology  
P.O. Box 7850  
Madison, WI 53707-7850

Dear Mr. Smith,

Please be advised that as a result of our 2017 budget development process, the following daily rates have been established for Eau Claire programs. These rates will be effective January 1, 2017.

Eau Claire Academy Residential .....	\$354.90/day
Eau Claire Academy S.T.O.P. Program.....	\$363.13/day
Eau Claire Academy Willow Program.....	\$362.38/day
Eau Claire Academy Day School.....	\$109.95/day
Eau Claire Academy Respite Care.....	\$179.13/day

We are constantly working to keep costs down without compromising the quality and scope of services delivered to your clients.

Thank you for placing children with us. We look forward to serving you in 2017.

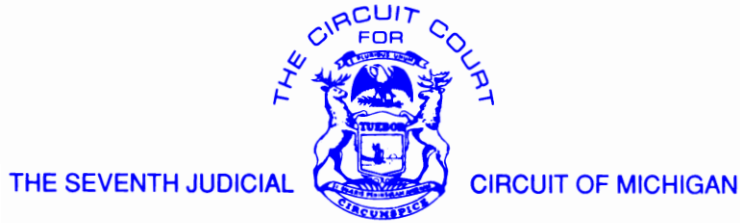
Sincerely,

David Fritsch  
President  
Clinicare Corporation

CAC  
Cc: WI human service agencies that have placed children with Clinicare

RESIDENTIAL TREATMENT  
Eau Claire Academy  
Milwaukee Academy  
Aurora Plains Academy

ALTERNATIVE SCHOOLS:  
New Frontier Alternative  
Crossroads Academy



**CRIMINAL/CIVIL DIVISION**

Honorable Joseph J. Farah  
Honorable Judith A. Fullerton  
Honorable Archie L. Hayman  
Honorable Geoffrey L. Neithercut  
Honorable Richard B. Yuille

900 SOUTH SAGINAW ST., FLINT, MICHIGAN 48502  
810-424-4355

RICHARD B. YUILLE - CHIEF JUDGE  
BARBARA A. MENEAR - COURT ADMINISTRATOR

**FAMILY DIVISION**

Honorable Duncan M. Beagle  
Honorable F. Kay Behm  
Honorable John A. Gadola  
Honorable David J. Newblatt  
Honorable Michael J. Theile

To: Commissioner Bryant Nolden  
Chairperson, Governmental Operations Committee

From: Rhonda Ihm  
Juvenile Section Administrator

Re: Fiscal Year 2018 Michigan Council for Arts & Cultural Affairs (MCACA) minigrant

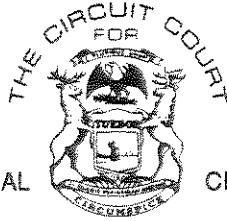
Date: July 17, 2017

Permission is being sought to submit a FY18 MCACA Arts Project mini-grant to support the Arts on Probation program.

The submission deadline is August 3, 2017 by 12:00pm and the anticipated dates of the program are October 1, 2017 through September 30, 2018.

The maximum request amount is \$4,000 for the grant period, and there is a 1:1 cash and/or in-kind match required from the County. The proposed budget match dollars will be in-kind funds and will not utilize a cash match.

Your review of the request is appreciated and the Court will be represented at the Governmental Operations meeting.



THE SEVENTH JUDICIAL CIRCUIT OF MICHIGAN

CRIMINAL/CIVIL DIVISION  
Honorable Joseph J. Farah  
Honorable Judith A. Fullerton  
Honorable Archie L. Hayman  
Honorable Geoffrey L. Neithercut  
Honorable Richard B. Yuille

900 SOUTH SAGINAW ST., FLINT, MICHIGAN 48502  
810-424-4355

RICHARD B. YUILLE - CHIEF JUDGE  
BARBARA A. MENEAR - COURT ADMINISTRATOR

FAMILY DIVISION  
Honorable Duncan M. Beagle  
Honorable F. Kay Behm  
Honorable John A. Gadola  
Honorable David J. Newblatt  
Honorable Michael J. Theile

To: Commissioner Bryant Nolden  
Chairperson, Governmental Operations Committee

From: Rhonda [Signature]  
Juvenile Section Administrator

Re: United Way Community Impact grant award acceptance and contract agreement

Date: July 17, 2017

Permission is being sought to accept the awarded 2017 United Way Community Impact Fund grant in the amount of \$25,000, and to enter into the required Organization/Agency Contract Agreement. The purpose of the grant is to support the Arts in Detention/Arts on Probation for the period of July 1, 2017 – June 30, 2018.

Permission to submit the grant application was granted through resolution #17-099 on April 3, 2017.

Your review of the request is appreciated and the Court will be represented at the Governmental Operations meeting.





United Way  
of Genesee County

June 13, 2017

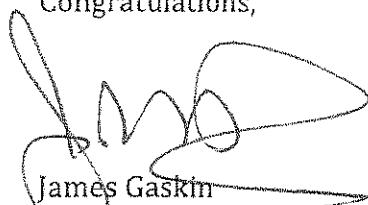
Rhonda Ihm  
7th Judicial Circuit Court - Family Division  
900 S. Saginaw St.  
Flint, MI 48502

Dear Rhonda:

The United Way of Genesee County (UWGC) is pleased to award 7th Judicial Circuit Court - Family Division with a Community Impact grant in the amount of \$25,000.00 for its Arts in Detention/Arts on Probation program. While the award amount may not be all 7th Judicial Circuit Court - Family Division requested, the UWGC's Board of Directors is excited about the outcomes proposed.

Enclosed you will find a contract for the grant year which will begin July 1, 2017. Please sign and return as directed in the contract. Should you have any questions or concerns please contact Jamie-Lee Venable, Community Impact Director, via email to [jvenable@unitedwaygenesee.org](mailto:jvenable@unitedwaygenesee.org).

Congratulations,

  
James Gaskin  
Chief Executive Officer

Jamie Gaskin  
Chief Executive Officer

**BOARD OF DIRECTORS**  
Randy Wise  
Chair  
Randy Wise Automotive Team

Tony Burks  
Vice-Chair  
Blue Hawk Distribution Cooperative

Greg Waller  
Treasurer  
Lewis & Knopf CPA's, PC

Ronny Medawar  
Secretary  
Owner, Medawar Jewelers

Lakay Avant  
Hurley Local 1603

Samuel Cox  
Owner/Operator, McDonalds

John Daly  
Genesee County Road Commission

Steve Dawes  
UAW Region 1D

Jeff Lamarche  
GM Flint Manufacturing Operations

Marcy Garcia  
Retiree, UAW Local 659

Gerald Kariem  
Honorary Member  
UAW Region 1D

Sam Muma  
Greater Flint AFL-CIO CLC

Laurie Prochazka  
McLaren Health Care

Larry Roehrig  
MI AFSCME Council 25

Phil Shultz  
Shultz Automation

Karen Toler  
GM CCA Davison Road Processing

Sabita Tummala  
ACSW

Greg Viener  
Huntington Bank

Adrian Walker  
Diplomat Pharmacy

Chris Wise  
Randy Wise Automotive Team

Mailing Address: P.O. Box 949 / Flint, MI 48501  
Main Line: 810.232.8121 Fax: 810.232.9370



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**LIVE UNITED**™  
[www.unitedwaygenesee.org](http://www.unitedwaygenesee.org)

## **ORGANIZATION/AGENCY CONTRACT AGREEMENT**

### **United Way of Genesee County – 2017-2018**

The purpose of this Contract Agreement is to outline the responsibilities and expectations of the partnership between United Way of Genesee County and 7<sup>th</sup> Judicial Circuit Court – Family Division hereinafter referred to as the agency. The relationship between the named entities is based on adherence to the Eligibility Criteria, Standards and Practices and Expectations, as outlined by the United Way of Genesee County.

To be eligible for United Way funds and/or continuation funding, the agency agrees that it will adhere to all terms and conditions as set forth in this Contract Agreement.

#### **Governance:**

The agency is recognized as a governmental agency within the Internal Revenue Code for a minimum of three (3) years; and will observe the non-discrimination policies of the laws, statutes and ordinances of all local, state and federal governmental jurisdictions. The agency will provide services to residents of Genesee County and will not proselytize or require adherence to religious beliefs or practices, nor a declaration of same, as a condition for service.

#### **Services and Solicitation:**

The agency will provide services as agreed upon with at least **85%** of these funds being dedicated to program services. The agency commits to quality through development of measurable outcome objectives and shall provide full disclosure and documentation of its annual outcome evaluation progress. The agency is expected to support the United Way campaign as a whole and refrain from soliciting self-directed designations. Additionally, the agency will provide a copy of their license to solicit charitable contributions or a letter of exemption from the need for a license.

#### **Dissemination of Project Results:**

The agency will provide a mid-year and final report, including promotional materials and, where appropriate, pictures of the activities described in the "Scope of Work" to the Community Impact Staff of the United Way of Genesee County. The Community Impact Staff will compile all reports from funded partners and submit reports to appropriate sources.

#### **Reporting Requirements:**

Agencies will be required to provide bi-annual financial reports to the United Way of Genesee County. The agency is to provide full disclosure of finances including current audit, or legal financial statements and IRS form 990, within six (6) months after the end of your fiscal year. A full 990 must be completed in order to calculate the overhead rate, management and general cost, and fundraising cost. The mid-year report will be due on January 31, 2018 and the final report is due on July 31, 2018. The Community Impact Staff will provide the agency with the report forms. These reports may include:

1. Financial accounting of grant expenditures providing original line items and clear explanation of any variances to actual expenditures.
2. Recommendations on any proposed changes to funded activities.
3. Current program statistics/data.

4. Updates on program evaluation and documentation efforts including any anecdotal information that may be available and appropriate, and progress toward achievement of the defined client outcomes and impact statement.
5. List of current collaborative relationships and unexpected or unanticipated outcomes.
6. Plans for sustaining the project beyond the initial grant period.
7. Pictures, press releases, news articles and events related to program services.
8. A copy of the evaluation instrument and an indication of how the instrument will be used to document client/consumer improvement.
9. A report of how United Way dollars are used to leverage additional dollars either via matching dollars or as actual leverage.
10. Compliance documentation regarding Anti-Terrorism and Counterterrorism Measures are required.
11. Provide annual programmatic updates to United Way's Community Impact Staff.

At the discretion of the Board of Trustees, all or part of unexpended funds may be required to be returned if the agency fails to adhere to the signed contractual agreement or demonstrate progress toward established outcomes.

Failure to adhere to mid-year reporting deadlines will result in a freeze of payments. Upon compliance funding may be resumed.

Agencies may be asked to provide United Way of Genesee County additional reports from time to time as reasonably requested. All reports should be submitted to Mary Bishop, Impact Coordinator, United Way of Genesee County, P.O. Box 949, Flint, MI 48501-0949.

#### **Scope of Work:**

The purpose of this grant is to support the implementation of the "Scope of Work" as defined by the 7<sup>th</sup> Judicial Circuit Court – Family Division original program proposal and amended program budget if one was noted in the award letter.

#### **Genesee Serves:**

The agency is required to make a profile and post volunteer opportunities on Genesee Serves throughout the contract year. If the organization does not have a need for external volunteers, donation needs may also be posted. Information can be found at [www.geneseeserves.org](http://www.geneseeserves.org) or by emailing Rachel Wenzlick at [rwenzlick@unitedwaygenesee.org](mailto:rwenzlick@unitedwaygenesee.org).

**Mutual Commitment:** United Way of Genesee County and the agency agree to:

- ✓ Keep each other informed on agency/program, community related issues and activities.
- ✓ Seek community input in the planning and decision-making process related to issues of concern and the development of future activities.
- ✓ **Co-market the partnership when submitting material to the media and display the United Way logo on all appropriate materials.** All communication relative to this funding award announcement should be submitted to United Way for prior approval. United Way will provide the agency with digital files of the United Way logo for display on print material and letterhead. For questions regarding correct usage of electronic versions of the logo or to update your information on the United Way website, please contact Jamie-Lee Venable, Director of Community Impact, via email [jvenable@unitedwaygenesee.org](mailto:jvenable@unitedwaygenesee.org) or phone at (810) 762-5826.

United Way of Genesee County agrees to provide funds for program services in the amount of \$25,000.00 from the Community Impact Fund for the Arts in Detention/Arts on Probation Program. You will receive your allocation from the United Way of Genesee County in four equal quarterly payments on or around the following dates; August 1<sup>st</sup>, October 31<sup>st</sup>, January 30<sup>th</sup>, and April 30<sup>th</sup>. The first payment commencing upon receipt of signed contract. Any questions regarding payments, please contact Michael Hart, Director of Finance and Human Resources, via email [michaelhart@unitedwaygenesee.org](mailto:michaelhart@unitedwaygenesee.org) or phone at (810) 762-5828.

**Compliance:**

Failure to adhere to the terms and conditions as set forth in this Contract Agreement may result in immediate withdrawal of funding.

**SIGNING THE CONTRACT AGREEMENT: by countersigning below, you indicate that you understand and agree to all terms and conditions set forth in this Contract Agreement. Retain a copy for your files and mail the original to Mary Bishop no later than June 30, 2017.**

**AGENCY and/or ORGANIZATION**

\_\_\_\_\_  
Board Chair (please print)

\_\_\_\_\_  
Board Chair Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Professional Officer (please print)

\_\_\_\_\_  
Chief Professional Officer Signature

\_\_\_\_\_  
Date

**UNITED WAY of GENESEE COUNTY**

Randy Wise  
\_\_\_\_\_  
Board Chair (please print)

\_\_\_\_\_  
Board Chair Signature

\_\_\_\_\_  
Date

James Gaskin  
\_\_\_\_\_  
Chief Executive Officer (please print)

\_\_\_\_\_  
Chief Executive Officer Signature

\_\_\_\_\_  
Date

ADMINISTRATION  
(810) 257-3210

FELONY TRIALS  
(810) 257-3232

DELINQUENCY/CHILD  
ABUSE & NEGLECT  
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CRIME VICTIM SERVICES  
CIRCUIT COURT  
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**DAVID S. LEYTON**  
PROSECUTING ATTORNEY

GENESEE COUNTY COURTHOUSE  
900 S. Saginaw Street  
Flint, Michigan 48502

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WARRANTS  
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SPECIAL CRIMES  
(810) 257-3506

APPEALS  
(810) 257-3248

CRIME VICTIM SERVICES  
DISTRICT COURT  
(810) 237-6136

**TO:** Hon. Bryant Nolden, Chair, Governmental Operations Committee  
**FROM:** David S. Leyton, Genesee County Prosecutor  
**DATE:** July 17, 2017  
**RE:** Prosecutor's Travel Request for Child Abuse Training Seminar

The Prosecutor's Office requests approval to register and send one Assistant Prosecuting Attorney to the 2017 Child Abuse Training Services Program Annual Conference in Grand Rapids, July 24 – 26th. This seminar is hosted by the Prosecuting Attorneys Association of Michigan and a complete agenda is attached for your review.

There is no cost for registration and materials. One meal will be provided as part of registration so other meals will be reimbursed according to the County's per diem travel policies. The total costs for three nights lodging at the Comfort Inn-Grand Rapids, meals, and mileage should not be more than \$500. Money is available in the training line item for our current fiscal year budget.

**A ROLL CALL VOTE IS REQUESTED.** Thank you for your consideration.



**Child Abuse Training**

# **2017 Annual Conference**

**July 24-26, 2017**

**DoubleTree by Hilton Grand Rapids Airport  
Grand Rapids, MI**

## **Conference Information**

The Prosecuting Attorneys Association of Michigan, Child Abuse Training Services, in cooperation with the Prosecuting Attorneys Coordinating Council, and the Department of Health & Human Services (DHHS) is pleased to present a regional, cross-professional Specialized Child Abuse Conference.





# Child Abuse Training Services 2017 Annual Conference

## Registration (Free!)

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There is **no registration fee** or charge for materials for this conference for our target audience. This includes law enforcement, CPS /DHHS child abuse professionals, CAC forensic interviewers, prosecutors & APAs, & when space allows, those who are involved with child abuse investigations or prosecution. **Attendees are responsible for overnight accommodations, transportation, meals, and other incidental costs.**

Complete your registration online at [michiganprosecutor.org](http://michiganprosecutor.org) or by filling out the attached registration form and faxing it to the Prosecuting Attorneys Association of MI, Child Abuse Training Services office at 517-334-6787 by **July 11, 2017**.

# Conference Agenda

(subject to change)

## MONDAY, July 24, 2017 Ballroom

7:30 am - 8:30 am	Registration	
8:30 am - 9:00 am	Day 1	Welcome & Opening Remarks
9:00 am - 12:00 pm		
12:00 pm - 1:30 pm		Lunch Break - On own
1:30 pm - 4:00 pm		
4:00 pm - 5:00 pm		

## TUESDAY, July 25, 2017

8:30 am - 9:00 am	Morning Welcome	
9:00 am - 10:30 am	Day 2	Keynote Address: Matthew Sandusky, <i>Undaunted</i> (Ballroom)
10:45 am - 12:00 pm Breakout Sessions		Grooming Case Studies & the MDT (Salon) Wellness Room (Thornapple Rm)
12:00 pm - 1:00 pm		Lunch Break - On own
1:15 pm - 2:45 pm		Plenary Session: Panel: <i>Specialty Courts in MI</i> (Ballroom)
2:45 pm - 3:00 pm		Afternoon Break
3:00 pm - 4:30 pm Breakout Sessions		Improving the Law Enforcement Response to Sexual Assaults in Older Adolescents (Salon) Drug Trends Among Teens (Thornapple Rm)

## WEDNESDAY, July 26, 2017

8:00 am - 8:30 am	Morning Welcome	
8:30 am - 10:00 am	Day 3	
10:15 am - 11:45 pm		Plenary: Julie Brand, <i>Best Kept Secret: Mother Daughter</i> (Ballroom)
11:45 pm - 12:45 pm		Lunch Break - Provided
1:00 pm - 4:30 pm		
4:30 pm - 5:00 pm	Closing Remarks	



# Plenary Session Speakers



**Matthew Sandusky**, Founder and Executive Director of Peaceful Hearts Foundation, was a victim of childhood sexual abuse from the age of 8 to 17 at the hands of his adopted father, Jerry Sandusky. Matthew is working to turn his traumatic personal experience into a mechanism to prevent childhood sexual abuse and help other survivors heal.

Through his work with Peaceful Hearts, Matthew, raises awareness around child sexual abuse in local communities, supports the life-saving work of children's advocacy and sexual assault treatment centers, and advocates for legislative changes. Matthew works with researchers, clinicians, the media, politicians, social workers, and child protection professionals to raise

awareness and improve the quality and availability of services to survivors nationwide.

Matthew attended Penn State University, studying Business. He along with his wife and children currently reside in State College, PA. Through his work with Peaceful Hearts Foundation, Matthew Sandusky has moved from victim to survivor of child sexual abuse.



**Julie Brand** holds a Master's degree in Counseling and enjoyed a distinguished 25-year career as a school counselor. Now she uses her unique perspective as both counselor and survivor, to speak out about females who sexually abuse children. Since 2006, she has educated and enlightened audiences across the United States with her dynamic programs on maternal incest, female offenders in positions of trust and resiliency. In January, 2017, she testified as an expert witness in a successful criminal child sex abuse case in District Court in Colorado; the jury found the female offender guilty of 11 of 13 charges.

Julie's upbeat presentations focus on the power of resiliency and healing in all of our lives.

**Judge Mark McGinnis** was elected as State of Wisconsin Outagamie County Circuit Judge, Branch 1, in April 2005. Since then, he has presided over all types of cases, including felony cases, misdemeanor cases, and traffic cases. Judge McGinnis has instructed courses in the areas of constitutional law, criminal law, criminal procedure, evidence, traffic law, search and seizures, and administrative law for 12 years at Fox Valley Technical College, Concordia University, and several law enforcement academies. While in private practice, he was elected to the Board of Governors for the State Bar of Wisconsin and was an instructor at various continuing education seminars for attorneys, law enforcement, and other professionals. Judge McGinnis graduated cum laude from Marquette University (Milwaukee, WI) and the University of Minnesota Law School (Minneapolis, MN). He has participated in the National Judicial College's Search and Seizure course.

## *Fox Valley Technical College Presenters:*

Sergeant **Byron Fassett**, a nationally recognized expert in child sexual abuse and exploitation, has been with the Dallas Police Department for 36 years. He served as Patrol Officer and a Detective before moving to the Child Exploitation Squad in 1990 where he has specialized in conducting investigations involving the sexual abuse and exploitation of children for the past 25 years. The Child Exploitation Squad, which Sgt. Fassett is responsible for supervising, handles approximately 1,100 cases a year, consists of 15 detectives, and is divided into three teams; the Investigations Team, the High Risk Victims and Trafficking Team, (HRVT) and the Internet Crimes Against Children Team (ICAC). These teams investigate child abductions, child pornography, victimization of children through prostitution, sexual assaults of children by non-family members/strangers, Internet facilitated sexual abuse of children, and other forms of sexual abuse and exploitation of children.

Detective **Catherine De La Paz** graduated from the University of Southern Mississippi with a Bachelor of Science Degree in Criminal Justice with an emphasis in Juvenile Justice, before joining the Dallas Police Department. She is a 32-year veteran of the Dallas Police Department, assigned as a detective in the High Risk Victims and Trafficking Unit within the Child Exploitation Squad for the last sixteen years.

Detective De La Paz co-developed the nationally recognized High Risk Victims and Trafficking Unit, HRVT, which specializes in investigations involving the sexual abuse and exploitation of high-risk victims (chronic runaways, children involved in prostitution, and children who have had repeated reports of sexual victimization).

# Plenary Sessions & Breakouts

## Monday: Ballroom

9:00am – 4:30pm

### *Introduction to Child Sex Trafficking*

**Sgt. Byron Fassett & Det. Cathy DeLaPaz**

Recognize and understand the dynamics of child sex trafficking from a single system response to a full MDT response by focusing on the fundamentals.

This training will focus on the interaction between CPS, law enforcement, prosecution, and medical MDT team members, all of which are critical for a successful system response on behalf of the victim, and the successful prosecution of the offender.

## Tuesday: Ballroom

Plenary 9:00am – 10:30am

### *Keynote: Undaunted - Matthew Sandusky*

Matthew was a victim of childhood sexual abuse from the age of 8 to 17 at the hands of his adopted father, Jerry Sandusky. Matthew shares his personal and powerful story of overcoming sexual abuse as a child. This program will empower the audience with knowledge about the grooming process as well as telltale signs of abusers and those being abused.

#### **A. *Intersection of Intimate Partner Violence and Child Abuse* - Danielle Hagaman-Clark**

This session will focus on the intersectionality of intimate partner violence and co-occurring child maltreatment. Discussion will include what intimate partner violence is and that 65% of adults that abuse their partners also physically or sexually abuse their children – what this means for prosecutors and the allied professionals that work in the field.

#### **B. *Grooming, Case studies and the Multidisciplinary Team* – Liz Smith**

We will look at grooming as it relates to child sexual abuse and then see these behaviors in action with a review of 2 case studies including one with a female perpetrator. Finally we will explore ways in which professionals involved on a MDT can find, recognize and gather evidence which demonstrates grooming behaviors in a suspect. This workshop can help us highlight intent and premeditation sustained over a period of time by some suspects in child sexual abuse cases. The “Creep Factor.”

#### **C. *Inside Lansing – A Legislative Update* – Mike Pandy**

A legislative update on the happenings of the House, Senate and branches of government...and how the politics of politics intersect.

Plenary 1:15pm – 2:45pm

### *Specialty Courts in MI - Panel*

Judges Sue Dobrich (Cass), Patrick Bowler (Kent) & Geno Salomone (Wayne) share their expertise on specialty courts in MI – family, criminal, sobriety, mental health - what works & why.

## Tuesday: Continued

### **A. *Techniques for Eliciting Disclosures From Reluctant Child Witnesses* – Jason Dickinson**

This session will review the pros and cons associated with number of techniques designed to elicit disclosures from reluctant children, including the use of media and interviewing aids, extended forensic interviews, and presenting witnesses with evidence during interviews

### **B. *Improving the Law Enforcement Response to Sexual Assaults in Older Adolescents* – Dede Ford**

This presentation will highlight the legal obligations of law enforcement and the legal rights of the victim when there has been a "recent" sexual assault of an older adolescent who is not treated at a specialized children's trauma center.

### **C. *Compassion Fatigue & Healing* – Allie Phillips & Julie Knop**

### **D. *Drug Trends Among Teens* – Ken Stecker**

This presentation will focus on the explosive rise of meth production, new street drugs and their distribution methods, and how it will affect the children exposed to this danger. It will shed light on how agencies need to work together with their counterparts and know how their roles overlap.

## Wednesday: Ballroom

**8:30am – 10:00am**

### ***A Close-Up Look at Female Sex Offenders in Positions of Trust* Julie Brand**

We have been slow to acknowledge that some females, working in "positions of trust," sexually abuse children. This workshop examines recent cases of female teachers found guilty of child sexual abuse, explores the dynamics of their teacher-student relationships and looks at ways that the gender of the perpetrator impacts disclosure, public response and sentencing. An interview with a convicted female sex offender (conducted Oct. 2011) offers unique insights into the phenomenon of teacher-adolescent sexual abuse. Participants will learn proactive strategies for possible prevention and earlier intervention.

**10:15am – 12:00pm**

### ***The Best Kept Secret: Mother-Daughter Sexual Abuse* Julie Brand**

Our culture denies that mothers can be sexual abuse perpetrators. Mother-daughter sexual abuse is especially under-recognized, under-researched and under-reported. This dynamic workshop describes the complex mother-daughter incestuous relationship: the subtle violations of normal mother-child boundaries, covert and overt abuse and the psychological manipulations used to silence victims. Attendees will learn intervention and prevention strategies for including mothers as potential perpetrators. Six therapeutic issues for victim recovery will be discussed. The presenter is both an experienced school counselor and a resilient survivor of maternal abuse.

**1:00pm – 4:30pm**

### ***What Happens in Misguided Investigations: The Riley Fox Abduction* Judge Mark McGinnis**

This presentation will discuss what can occur in a misguided investigation using the Riley Fox abduction and murder as an example. This presentation will focus on law enforcement, prosecution, media and judicial action and/or inaction that resulted in the incarceration of Riley's father for eight months – while allowing the true murderer to remain in the community. Attendees will learn the facts of the case, analyze the investigation, and then develop a plan to be more prepared and better able to handle the next child abduction investigation.

ADMINISTRATION  
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PROSECUTING ATTORNEY

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DISTRICT COURT  
(810) 237-6136

**TO:** Hon. Bryant Nolden, Chair, Governmental Operations Committee  
**FROM:** David S. Leyton, Genesee County Prosecutor  
**DATE:** July 17, 2017  
**RE:** Prosecutor's Travel Request for Violence Reduction Network Conference

The Prosecutor's Office requests approval to register and send our Chief Assistant Prosecutor to the "Violent Crime Reduction Strategic Development, State and Local Government Working Group" one-day conference on August 2<sup>nd</sup> in Long Beach, California.

The U.S. Department of Justice - Bureau of Justice Assistance has requested that a member of the Prosecutor's Office attend along with two representatives from the City of Flint Police Department. Flint and Detroit are the only Michigan cities and two of only 15 communities across the nation selected by the Department of Justice to be members of the "Violence Reduction Network," a federal program designed to offer strategic and intensive training and technical assistance to some of the most violent communities in the nation.

This conference and all costs associated with attendance including airfare and any lodging is completely funded by the U.S. Department of Justice - Bureau of Justice Assistance. There will be no cost to the County and no need for advance payments and reimbursements. We are only requesting approval to attend pursuant to the County's travel policies which require Board approval for overnight travel.

**A ROLL CALL VOTE IS REQUESTED.** Thank you for your consideration.

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**TO:** Hon. Bryant Nolden, Chair, Governmental Operations Committee  
**FROM:** David S. Leyton, Genesee County Prosecutor  
**DATE:** July 17, 2017  
**RE:** Prosecutor's Travel Request for Prosecuting Attorney's Association Annual Meeting and Conference

The Prosecutor's Office requests approval to register and send five senior managing staff members to the Prosecuting Attorneys Association of Michigan (PAAM) 2017 Annual Conference August 24-27.

The PAAM Annual Conference is one of two major statewide prosecutor conferences which I specifically include in my training and travel budgets each year. This conference brings together prosecutors from around the state and is an integral part of our ongoing professional development and networking. The conference will be held at its regular location at the Grand Hotel on Mackinac Island at discounted conference room rates that fall within the County's adopted travel policies.

The total cost for registration and materials will be \$1,650. Lodging and allowable related expenses including all meals will be approximately \$3,923 total for all five attendees. As has been our past practice, mileage costs to and from the conference will be borne by each individual attendee and not reimbursed by the County. Our Title IV-D Child Support grant will cover \$1,085 for one attendee so that our final total cost will be \$4,488 which is already budgeted in our training and travel line items.

**REQUEST:**

**A ROLL CALL VOTE IS REQUESTED** to allow my office to register and send five members of the Prosecutor's Office to the Prosecuting Attorneys Association of Michigan 2017 Annual Conference on Mackinac Island August 24-27.



Prosecuting Attorneys Association of Michigan

**90<sup>th</sup> ANNUAL CONFERENCE**

August 24-27, 2017

Grand Hotel - Mackinac Island

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**AGENDA OUTLINE**

**THURSDAY, AUGUST 24**

- |                    |  |
|--------------------|--|
| 2:30 pm - 6:00 pm  | Registration                                       |
| 4:00 pm - 5:30 pm  | <b>HOT TOPICS IMPACTING MICHIGAN'S PROSECUTORS</b> |
| 6:30 pm            | Dinner   |
| 9:30 pm - 10:30 pm | President's Open House                             |

**FRIDAY, AUGUST 25**

- |                     |  |
|---------------------|--|
| 7:30 am - 8:45 am   | Breakfast  |
| 9:00 am - 10:15 am  | <b>HUMAN TRAFFICKING: OBTAINING JUSTICE</b>              |
| 10:15 am - 10:45 am | Exhibitors' Break  |
| 10:45 am - 12:00 pm | <b>STRATEGIES ON CHILD ABUSIVE HEAD TRAUMA CASES</b>     |
| 12:00 pm - 2:00 pm  | Complimentary Lunch Buffet for Grand Hotel Guests Only   |
| 2:00 pm - 3:00 pm   | <b>SUPREME COURT CASE LAW UPDATE WITH TIM BAUGHMAN</b>   |
| 3:00 pm - 3:15 pm   | Exhibitors' Break  |
| 3:15 pm - 4:00 pm   | <b>UNDERSTANDING CELL PHONE EVIDENCE AND GPS MAPPING</b> |
| 4:00 pm - 5:00 pm   | <b>SPECIALTY COURTS: HOW ARE THEY WORKING?</b>           |
| 6:00 pm - 7:00 pm   | Grand Reception on the Porch                             |
| 7:00 pm             | Dinner   |

**SATURDAY, AUGUST 26**

- |                    |   |
|--------------------|---|
| 7:30 am - 8:45 am  | Breakfast   |
| 9:00 am - 12:00 pm | <b>ASSOCIATION BUSINESS MEETING &amp; ELECTIONS</b> |
| 12:00 pm           | Lunch ~ On Your Own                                 |
| 2:00 pm - 4:00 pm  | <b>COMMITTEE MEETINGS AT THE CALL OF THE CHAIR</b>  |
| 5:30 pm - 6:30 pm  | Champagne Reception                                 |
| 6:30 pm            | Annual Banquet                                      |
| 9:00 pm            | Past Presidents' Hospitality                        |

**SUNDAY, AUGUST 27**

- |                    |                                    |
|--------------------|------------------------------------|
| 7:30 am - 9:00 am  | Breakfast                          |
| 9:30 am - 11:00 am | <b>BOARD OF DIRECTORS' MEETING</b> |
| 11:00 am           | Conference Concludes               |



**GENESEE COUNTY  
OFFICE OF THE TREASURER**

1101 Beach Street, Suite 144

Flint, Michigan 48502-1475

Telephone (810) 257-3054

Fax (810) 257-3885

**Deborah L. Cherry**

---

**TO:** Bryant Nolden, Chairperson  
Governmental Operations Committee  
Genesee County Board of Commissioners

**FROM:** Deborah Cherry, Treasurer

**DATE:** June 26, 2017

**SUBJECT:** Michigan Association of County Treasurers  
2017 Winter Conference

The Michigan Association of County Treasurers 2017 Summer Conference is being held August 6-9, 2017 in Harbor Springs, Michigan. I am requesting that three staff members attend. The total cost of registration and mileage will not exceed \$2710.00

Your favorable consideration in this matter is appreciated.

	Registration	Hotel	Mileage	Meals	Totals	
Carla	200	458.28	231.655	12.5 1 lunch	902.435	433 miles r
Deb	200	458.28	231.655	12.5 1 lunch	902.435	
Rhonda	200	458.28	231.655	12.5 1 lunch	902.435	
					2707.305	





1. Search Availability
2. Create Your Reservation
3. Book Your Reservation
4. Confirmation

Boyne Highlands » Main Lodge 1 King Hotel Room [Modify](#)


RESULTS [Show Filtering Options](#)

Select Your Room  
Dates: Tuesday, August 8, 2017 - Wednesday, August 9, 2017  
Guests: 2 16 y/o+ Adults ,0 9-15 y/o Juniors,0 3-8 y/o Children

Show  per page.

Sort by Room Type

Sort by Total Price



**Main Lodge 1 King Hotel Room** **\$152.76**

**MI Assn Cnty Treasurers**

MACT Winter Conference  
Rates are lodging only.  
Quoted rates include all taxes/resort fee.  
Regular deposit and cancellation policies apply.

[Click For Room Description and Photo Tour](#)

SELECT

Viewing 1 - 1 of 1 results

STAY DETAILS

Check-In   
TUESDAY, AUGUST 08, 2017

Check-Out   
WEDNESDAY, AUGUST 09, 2017

Total Nights: 1

# Rooms

Guests

16 Y/O+ ADULTS

9-15 Y/O JUNIORS

3-8 Y/O CHILDREN

Special Codes

GROUP CODE

PROMO/CORPORATE CODE

IATA NUMBER

START OVER

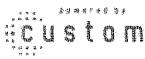
SEARCH AVAILABILITY

YOUR RESERVATION

You have not added any items to your reservation yet.

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## MACT Event Registration

# 2017 Summer Conference



August 6-9, 2017

Boyne Highlands

Harbor Springs, MI

» [Map](#)

» [Hotel Reservations](#): **Reserve hotel by Thursday, July 6th.** Cost is \$129-\$201/night depending on type of accommodations, special rate promotion code is 10Q3ZH.

» [Hotel Room Descriptions](#)

## Registration Fees

	Early (Opens June 1st)	Late (After 5pm July 17th)	Last Minute* (After 8am July 31st)
Registration	\$175	\$200	\$225
	\$75	\$75	\$75

## Conference Sponsorship

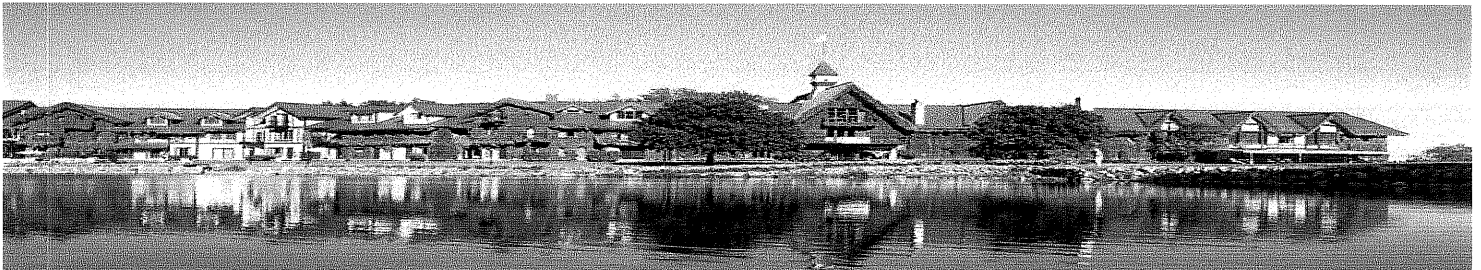
**Diamond Education Sponsorship – \$7,500**  
*(includes 4 conference registrations)*

**Platinum Education Sponsorship – \$5,000**



**AGENDA**  
**MICHIGAN ASSOCIATION OF COUNTY TREASURERS**  
**2017 SUMMER CONFERENCE**  
**AUGUST 6, 2017 - AUGUST 9, 2017**  
**BOYNE HIGHLANDS, HARBOR SPRINGS**

SUNDAY, AUGUST 6, 2017		CONFERENCE ROOMS
4:00 PM - 6:00 PM	REGISTRATION	
8:00 PM - 10:00 PM	DISPLAY TABLE/BOOTH SETUP	
4:00 PM - 6:00 PM	BOARD OF DIRECTORS MEETING	
6:00 PM - 9:00 PM	PRESIDENT'S RECEPTION	
9:00 PM - 12:00 AM	HOSPITALITY ROOM	
MONDAY, AUGUST 7, 2017		
6:00 AM - 7:30 AM	DISPLAY TABLE/BOOTH SETUP	
7:00 AM - 9:00 AM	BREAKFAST	
8:00 AM - 9:00 AM	REGISTRATION	
9:00 AM - 9:30 AM	OPENING SESSION	
	INVOCATION	
	PLEDGE OF ALLEGIANCE	
	ROLL CALL -	
	WELCOME	
9:30 AM - 10:30 AM	EDUCATIONAL SESSION - STATE PANEL SPEAKERS: SARAH RUSNELL - MICHIGAN TREASURY - ONLINE MODERATORS:	
10:30 AM - 10:45 AM	NETWORKING BREAK	
10:45 AM - 12:15 PM	EDUCATIONAL SESSION - STATE PANEL CONTINUED SPEAKER: HOWARD HEIDEMAN - DEPARTMENT OF TREASURY SPEAKER: HEATHER FRICK - STATE TAX COMMISSION MODERATORS:	
12:15 PM - 1:00 PM	LUNCHEON	
1:00 PM - 3:00 PM	EDUCATIONAL SESSION - ATTORNEY'S PANEL SPEAKER: PETER GOODSTEIN SPEAKER: CHARLES LAWLEER MODERATORS:	
	EDUCATIONAL SESSION - ATTORNEY'S PANEL CONT. SPEAKER: KEVIN SMITH SPEAKER: LUKE MIDDLETON MODERATORS: MARILYN COUSINEAU AND TRUDY NICOL	
3:00 PM - 3:15 PM	NETWORKING BREAK	
3:15 PM - 4:30 PM	EDUCATIONAL SESSION - MUNICIPAL BONDING PANEL SPEAKER: MODERATORS:	
3:00 PM - 5:00 PM	ASSOCIATES MEETING	
5:30 PM - 6:30 PM	RECEPTION AND SOCIAL HOUR INVOCATION -	
6:30 PM - 8:00 PM	DINNER	
7:30 PM - 9:30 PM		
10:00 PM - 12:00 AM	HOSPITALITY ROOM	



Hotel \$129.00

<b>TUESDAY, AUGUST 8, 2017</b>		
7:00 AM - 9:00 AM	BREAKFAST	
9:00 AM - 9:15 AM	CALL TO ORDER AND ANNOUNCEMENTS	
9:15 AM - 10:15 AM	EDUCATIONAL SESSION - SPEAKER TREASURER'S PANEL MODERATOR'S	
10:15 AM - 10:30 AM	NETWORKING BREAK	
10:30 AM - 12:00 PM	EDUCATIONAL SESSION - SPEAKER TREASURER'S PANEL CONTINUED	
12:00 PM - 5:00 PM	LUNCH ON YOUR OWN AND FREE TIME	
2:00 PM - 5:00 PM	GOLF	
5:30 PM - 6:30 PM	SOCIAL HOUR	
	INVOCATION	
6:30 PM - 8:00 PM	DINNER	
8:00 PM - 12:00 AM	HOSPITALITY ROOM	
<b>WEDNESDAY, AUGUST 9, 2017</b>		
7:00 AM - 9:00 AM	BREAKFAST - Associate Members/Guest	
8:00 AM - 9:30 AM		
9:30 AM - 11:30 AM	CLOSED SESSION - COUNTY TREASURER'S & DEPUTY TREASURER ONLY	
11:30 AM - 12:00 PM	BOARD OF DIRECTORS EXECUTIVE COMMITTEE MEETING	

**PLEASE REMEMBER TO FILL OUT YOUR CONFERENCE SESSION EVALUATIONS!!!!!!**

UPCOMING MEETINGS:

JANUARY 28 - 31, 2018  
AUGUST 5 - 8, 2018

WINTER CONFERENCE - SHANTY CREEK RESORT - BELLAIRE  
SUMMER CONFERENCE - DOUBLE TREE HOTEL - BAY CITY

# *Genesee County*

## Human Resources and Labor Relations



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*Moving Genesee County Forward*

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**Date:** July 17, 2017

**To:** Bryant Nolden, Chairperson  
Governmental Operations Committee

**From:** Anita Galajda, Director *AG*

**Re:** **Conference Approval**

Request for the Director to attend the 2017 Annual Training Conference presented by the Michigan Public Employer Labor Relations Association. Conference dates September 20 – 22, 2017; Location Bellaire, MI. Conference agenda attached. Cost not to exceed \$600.

1101 Beach St., Flint, MI 48502-1454  
Ph: 810 257 3034 Fx: 810 768 7097  
[www.gc4me.com](http://www.gc4me.com)



# The MPELRA Herald

Proudly Serving 48 Years

MPELRA Annual Training Conference

June 26, 2017 Edition

## MPELRA Annual Training Conference Registration Now Open!

### Message from the President

Greetings!

On behalf of the Board of Directors of the Michigan Public Employer Labor Relations Association, it is my distinct pleasure to invite you to MPELRA's 48th Annual Training Conference at the Cedar River Village at Shanty Creek Resort on September 20 – 22, 2017.

This year's conference is designed to address topics that are of particular interest to practitioners in the field of Labor Relations/Human Resources, and those who specialize in employment and labor law. We invite you to join us for "Breaking News, Expert Views and Tactical How-to's" as speakers provide insights on core LR/HR topics. This will include their perspective on pending legislation and expected challenges that are likely to influence our profession in the future.

When you review the attached agenda, we're sure you'll agree that we have created a compelling program that you won't want to miss. The conference sessions are timely, informative and thought-provoking, making it well worth the modest registration fee. Plus, all sessions have been submitted for approval towards recertification credit hours through the Human Resource Certification Institute (HRCI) and the Society for Human Resource Management (SHRM). Networking events provide opportunities for more relaxed discussion, information sharing and meeting new people. And of course, Northern Lower Michigan provides the perfect setting for refreshing your senses and your outlook.

Be sure to register for the conference and book your room at Cedar River Village with Shanty Creek by **August 19, 2017** to take advantage of the early conference registration fee and special lodging rate. And, for those of you that enjoy golf, you won't want to miss the President's Golf Outing at The Legend on Wednesday, September 20, 2017. You are encouraged to sign up for golf by August 31, 2017 to ensure your spot. Registration forms for the conference, hotel, and golf outing are enclosed.

All members and associates are encouraged to attend, as well as colleagues who are not current members, but are interested in the program.

We look forward to seeing you in September!

Sincerely,

Travis Parsons  
MPELRA President

### 48th Annual MPELRA Training Conference

**September 20 through 22, 2017**  
**Cedar River Village at**  
**Shanty Creek Resorts**  
**Bellaire MI**

#### Index

Conference Program Agenda.....	2
Conference Registration Fees.....	4
Conference Registration Form.....	5
HRCI & SHRM Credits.....	4
Lodging Reservation Form.....	7
MPELRA Conference Cancellation Policy.....	5
Notice of Annual Business Meeting .....	4
President's Golf Outing Registration Form.....	6

**Annual Business Meeting Notice**  
See Official Notice, Page 4



# The MPELRA Herald

Proudly Serving 48 Years

MPELRA Annual Training Conference Program Agenda

Page 2

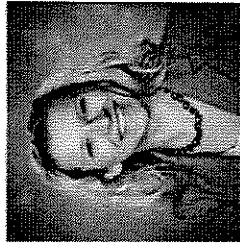
## Breaking News, Expert Views and Tactical How-to's!

Wednesday, 9.20.17

8:00am Golf outing at the Legend  
2-3:00pm Conference Registration  
3-3:15pm President's Welcome

Wednesday, 9.20.17, 3:15 - 4:30pm

### FLSA Updates and Traps for the Unwary



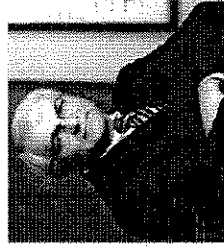
Helen "Lizzie" Mills  
Public Sector Labor &  
Employment Attorney  
Fahey Schultz Burzych  
Rhodes PLC

Employers across the country are watching and waiting for a final decision on the legal challenges to the revised white collar overtime salary rules under the FLSA. Take advantage of the regulatory pause to confer with fellow professionals about how to prepare for the implementation (or non-implementation!) of those new rules and to ensure FLSA compliance more generally. Attend this seminar to learn more detail on the most common (and avoidable!) FLSA compliance issues: from minimum wage, to hours worked, and beyond.

Wednesday, 9.20.17, 4:45 - 5:45pm

### Negotiation of Collective Bargaining Agreements in Units with Act 312 Eligible Employees:

*Reflections on Best Practices to Achieve Voluntary Settlements and to Prevail in Act 312 Arbitrations when Voluntary Agreements are not possible*



John H. Gretzinger  
Attorney  
Mika Meyers

This presentation will address the unique considerations involved in collective bargaining in units with Act 312 eligible employees. The discussion will involve reflections on the presenter's almost forty years of experience in negotiating contracts with Act 312 eligible units and will focus on how proper negotiation planning results in more voluntary settlements and successful Act 312 awards. Topics to be discussed will include structuring and presenting issues in the collective bargaining process, identification and use of comparable community data, preliminary procedures prior to the Act 312 hearing, effective presentation of Act 312 hearing information and post hearing strategy.

Wednesday, 9.20.17

6-6:45pm President's Reception

Thursday, 9.21.17

8-9:00am Conference Registration  
8-9:00am MPELRA Buffet Breakfast

Thursday, 9.21.17, 9 - 10:15am

### What's New with Wellbeing? And Practical Next Steps for Michigan Public Employers

Chadd Hodkinson, Area Vice President,  
Dean Clune, Area Executive Vice President,  
Retirement Plan Consulting, and  
Emily Wert Brainerd, Wellbeing and  
Engagement Consultant  
Arthur J. Gallagher & Co.

Public sector employers continue to see an increase in employee interest around the topic of wellbeing. This session will review foundational wellbeing concepts as well as new and creative approaches being used by public sector employers to address the five essential areas of wellbeing: physical, social/emotional, financial, community and career. Attendees will leave with practical takeaways that can be considered and implemented within their organization.

## Breaking News, Expert Views and Tactical How-to's! continued from Page 2

**Thursday, 9.21.17, 10:30 - 11:45am**  
**Managing Labor Disputes**



**Aaron D. Graves**  
Attorney  
Bodman PLC

Labor disputes are inevitable in any collective bargaining relationship. Effective management of disputes requires credibility, communications, preparation and a thorough understanding of the dispute resolution process. Attendees will be provided with a practical and legal framework for managing labor disputes in the arenas they most frequently occur:

- Grievance/arbitration,
- Collective bargaining, and
- Economic action.

**Thursday, 9.21.17**  
**12 Noon MPELRA Luncheon**

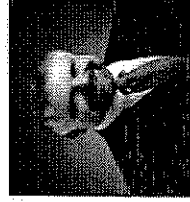
**Thursday, 9.21.17, 1:15 - 2:30pm**  
**Conducting Effective Investigations**



**Danielle C. Lester**  
Senior Associate, Bodman PLC

The objective of an internal investigation is to discover information and evidence to make appropriate and legal decisions. When done properly, effective investigations can be viable defenses in litigation and can also serve to remedy workplace issues and to keep them from recurring in the future. Conversely, an ineffective investigation could result in flawed decision-making and could expose the employer to significant liability. This unique, interactive presentation will provide participants with a framework of legal and best practice knowledge and will give them the techniques needed to properly conduct an effective investigation.

**Thursday, 9.21.17, 2:45 - 4:15pm**  
**Basics of Employee Discipline**



**Richard W. Fanning, Jr.**  
Partner, Keller Thoma

This presentation will review the fundamental steps and procedures in issuing discipline to public sector employees in Michigan. We will discuss concepts important to public employers, such as elements of just cause and due process. There will also be a focus on practical steps and a "news you can use" approach.

**Thursday, 9.21.17**

**5:30pm Reception**

**6:30pm Banquet & President's Farewell**

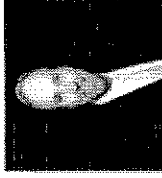
**8:00pm An Evening of Entertainment**

**Friday, 9.22.17**

**8:00am Annual Business Meeting & Breakfast**

**Friday, 9.22.17, 9 - 10:15am**

**Building Your Talent Pipeline:  
Ten Practical Tools**



**Jim Bitterle**  
Managing Partner, EDSI  
Consulting

The talent war has escalated to new heights. Organizations are finding it increasingly difficult to attract, retain, and develop the talent they require. In many cases, organizations simply can't afford the talent they need. This session will provide you with insights, practical approaches, and real world tools to help you win the war for talent.

**Friday, 9.22.17, 10:30 - 11:45am**  
**Legislative Update**



**Deena Bosworth**  
Director of Governmental  
Affairs, Michigan Association  
of Counties

What's happening in the Michigan legislature now? We'll discuss where the Michigan economy currently stands; the status of state finances and local government financing trends, including liabilities for retirees; and the legislative priorities on the horizon.





## Genesee County Employees' Retirement System

1101 Beach Street • Flint, Michigan 48502-1453

Phone: (810) 257-2626 or (800) 949-2627 • Fax: (810) 257-3560  
E-mail: [retirement@co.genesee.mi.us](mailto:retirement@co.genesee.mi.us) • Website: [www.gc4me.com](http://www.gc4me.com)

### MEMORANDUM

**DATE:** July 13, 2017

**TO:** Commissioner Bryant Nolden, Chairperson  
Governmental Operations Committee

**FROM:** Tracy Khan, Retirement Services Administrator

**RE:** Genesee County Employees' Retirement System  
2016 Annual Report

TK

Attached for your review and acceptance is the 2016 Annual Report of the Genesee County Employees' Retirement System. The report has been reviewed and accepted by the Retirement Commission and Retirement System auditor, Plante & Moran, PLLC.

If you have any questions or concerns, please don't hesitate to contact me.

Encl.



## **GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM ANNUAL REPORT**

For the Year Ended  
December 31, 2016

### **RETIREMENT COMMISSION MEMBERS**

Mark Young, Chairperson	Ex-Officio Commissioner
Jeffrey Cyphert, Vice-Chairperson	Elected Retiree Representative
Kristie Primeau	Ex-Officio Commissioner
John Mandelaris	Ex-Officio Commissioner
John Northrup	Ex-Officio Commissioner
Dan Russell	Ex-Officio Commissioner
William Brandon III	Elected Employee Representative
Vickie Hall	Elected Employee Representative
Warren Vyvyan	Elected Employee Representative

#### **WHERE TO WRITE FOR INFORMATION:**

Genesee County Employees' Retirement System  
Retirement Services Administrator  
1101 Beach Street  
Flint, MI 48502  
Telephone: (810) 257-2626 or (800) 949-2627  
Fax: (810) 257-3560  
Email: [retirement@co.genesee.mi.us](mailto:retirement@co.genesee.mi.us)  
Web site: [www.gc4me.com](http://www.gc4me.com)

**INDEPENDENT AUDITORS**

Plante & Moran, PLLC

**ACTUARY**

Rodwan Consulting Company

**INVESTMENT MANAGERS**

AEW Value Investors, LP  
Alidade Capital  
All Blue, LP  
Barings Real Estate Advisers  
BlackRock  
Bloomfield Capital  
Cube Global  
EARNEST Partners  
First Eagle Investment Management  
JCR Capital Investment Company, LLC  
MacKay Shields, LLC  
Mitsubishi UFJ Fund Services  
Phoenix Capital Partners, LTD  
Prudential Investments (PRISA)  
Star Navigator  
World Asset Management

**COMMISSION RECAPTURE FIRMS**

BNY-Convergex  
Russell Implementation Services

**CONSULTING SERVICES/EVALUATIONS/MANAGER SEARCHES**

AndCo Consulting, Inc.

**CUSTODIAL BANK & SECURITIES LENDING AGENT**

Comerica Bank

**ATTORNEYS**

VanOverbeke, Michaud & Timmony, PC  
Labaton Sucharow, LLP  
Faruqi & Faruqi, LLP  
Robbins, Geller, Rudman & Dowd, LLP

**MEDICAL DIRECTOR**

Consulting Physicians, P.C.

## TABLE OF CONTENTS

<b>I.</b>	<b>Introductory Section</b>	<b>Page</b>
	Secretary's Letter.....	2-7
	Exhibit I – Organizational Chart.....	4
	Sources and Disbursements of Revenue.....	5-6
	Summary of Benefits.....	8-10
<b>II.</b>	<b>Financial Section</b>	
	Management's Statement of Responsibility For Financial Statements.....	12
	Report of Plante & Moran PLLC, Independent Auditors.....	13-14
	Management's Discussion and Analysis.....	15-17
	Financial Statements.....	18-19
	Notes to Financial Statements.....	20-29
<b>III.</b>	<b>Investment Section</b>	
	Investment Goal and Policy.....	31-32
	Investment Portfolio Distribution.....	32
	Return on Investment.....	33
	Investment Performance Analysis.....	33
<b>IV.</b>	<b>Actuarial Section</b>	
	Actuarial Principles.....	35-36
	Present Actuarial Status.....	37-39
	Member Statistics.....	40-41
	Employer Computed Contributions.....	41
<b>V.</b>	<b>Glossary of Key Investment and Actuarial Terms.....</b>	<b>43</b>

# **I. INTRODUCTORY SECTION**

**The Introductory Section Contains:**

- **Secretary's Letter**
- **Organization Chart**
- **Sources and Disbursements of Revenue**
- **Summary of Benefits**



## **Genesee County Employees' Retirement System Secretary's Letter**

Retirement System Members and Interested Citizens  
Genesee County, Flint, Michigan

We are pleased to submit the 38th Annual Report of the Genesee County Employees' Retirement System (also referred to as GCERS or the System) for the year ended December 31, 2016.

The annual report is presented in four sections: (1) the Introductory Section which provides information of a general nature regarding the System; (2) the Financial Section consisting of the audited financial statements and the accompanying notes to the Financial Statements; (3) the Investment Section with information on the System's investment performance; and (4) the Actuarial Section which summarizes the results of the annual actuarial report as of December 31, 2016.

### **ORGANIZATION**

The GCERS was organized pursuant to Section 12 (a) of Act #156, Public Acts of 1851 (MSA 5.333(1); MCLA 46.12 (a) as amended, State of Michigan. The GCERS was established in 1946, beginning with the General Unit and the County Road Commission. Water and Waste joined the System in 1956, Genesee Health Systems in 1966, City of Mt. Morris in 1969, and the Genesee District Library in 1980.

The GCERS is regulated under the Genesee County Employees' Retirement System Ordinance and individual union/management collectively-bargained contracts. This Ordinance has been approved by the Genesee County Board of Commissioners.

### **ADMINISTRATION OF SYSTEM**

The administration and responsibility for the proper operation of the System is vested in the Genesee County Retirement Commission (the Commission), which is comprised of the following representatives as defined by Ordinance:

- a. Three employee representatives elected by the System membership for three-year staggered terms, which results in the election of one employee Commissioner yearly.
- b. The Chairperson of the Genesee County Board of Commissioners by virtue of his or her election to that office, or other County Commissioner designated by the Chairperson as his or her designee during the Chairperson's term.

Genesee County Employees' Retirement System  
Secretary's Letter (continued)

- c. The Chairperson of the Genesee County Finance Committee by virtue of his or her appointment to that office.
- d. The Chairperson of the Board of County Road Commissioners by virtue of his or her election to that office, or other Road Commissioner designated by the Chairperson of the Board of County Road Commissioners as his or her designee during the Chairperson's term.
- e. The Executive Director of the Genesee Health Systems by virtue of his or her appointment to that office.
- f. The Genesee County Controller by virtue of his or her appointment to that position.
- g. A Retiree Representative elected by the retirees to a two-year term of office.

The following describes the Departments and outside firms that assist the Commission in carrying out its fiduciary responsibilities. The Organization Chart, Exhibit I, also illustrates these responsibilities.

#### PROFESSIONAL SERVICES

The Retirement Commission has a fiduciary responsibility for the proper management of the System, and as such obtains the services of various professionals to aid it in its management. These professionals are:

The **Controller** serves as Secretary to the Retirement Commission and as the Administrative Officer.

The **Retirement Services Administrator** serves as a staff aide to the Retirement Commission and as the Plan Administrator.

The Commission has hired **Independent Legal Counsel** as advisors to the Retirement Commission.

The respective **Employer Human Resources Departments** provide services regarding their employee members, as well as administering their retirees' health and life insurance plans.

The Commission appoints an **Actuary** who prepares an annual actuarial valuation to determine the adequacy of the funding of retirement benefit liabilities accrued by System members.

The Commission hires an outside **Professional Investment Consultant** to evaluate investment manager performance, review the asset allocation mix, and perform investment manager searches.

An outside **Auditor** is engaged on an annual basis to ensure that the financial statements accurately reflect the financial position of the System and that the results of its yearly operations conform to generally accepted accounting principles.

Genesee County Employees' Retirement System  
Secretary's Letter (continued)

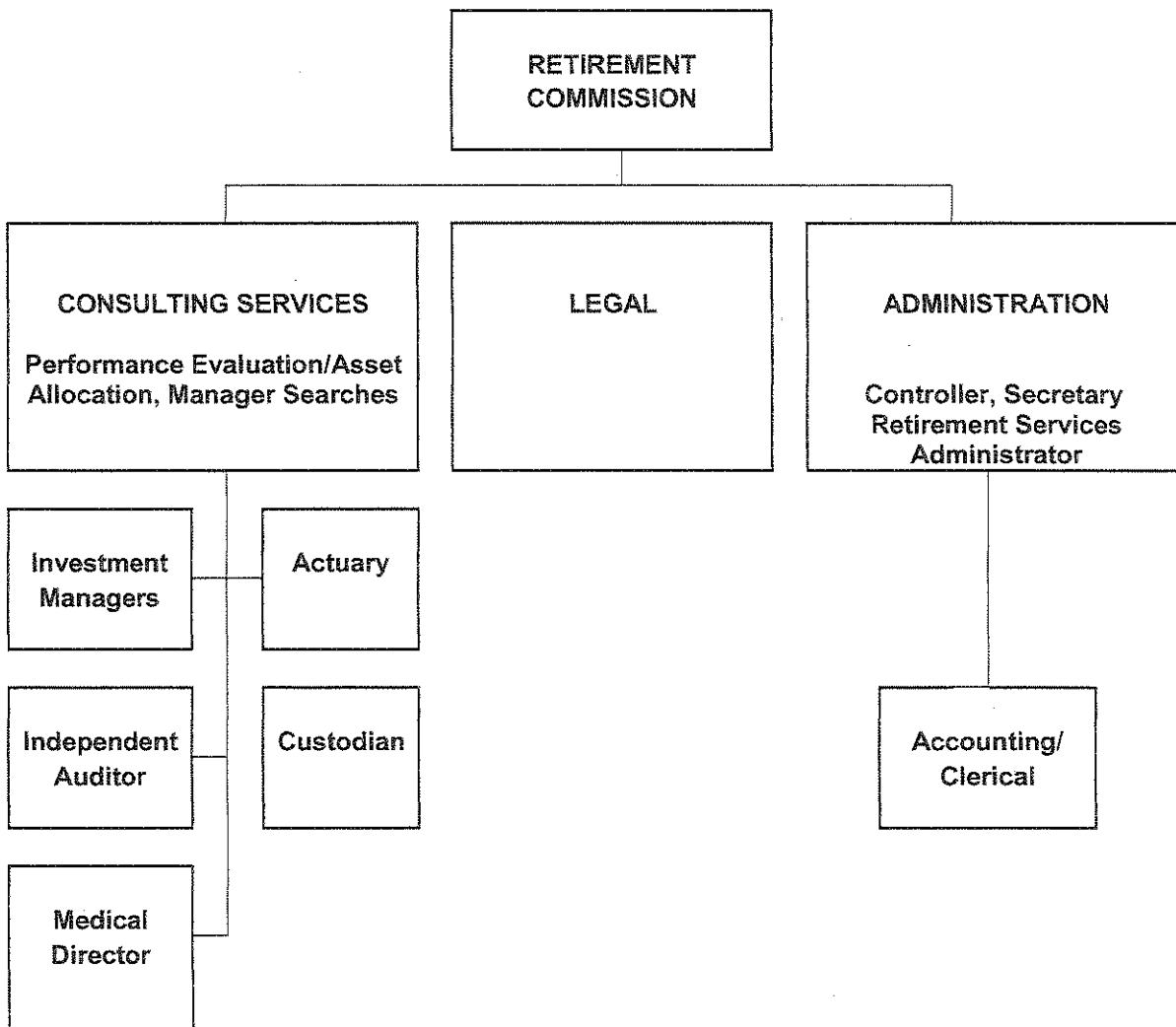
A **Medical Director** is appointed by the Commission to review and evaluate medical evidence and propose recommendations regarding applications for disability retirements.

**Investment Managers** are hired to invest the System's assets consistent with the objectives and direction of the Commission. The System's investment performance is monitored externally by an independent evaluation service. The Retirement Commission has also retained two firms to recapture fees paid in commissions on the purchase and sale of assets.

The **Custodian** is hired by the Commission to handle the cash transactions due to the buying and selling of securities. The Custodian follows through on the Investment Managers' decisions on investments.

The Commission retains the services of **Special Counsel** for the purposes of monitoring securities litigation.

**Exhibit I – Organization Chart**





## ACCOUNTING SYSTEM AND REPORTS

The accounting records of the GCERS are maintained on an accrual basis and all System costs and expenses are borne by the System.

Annually, as required by the Retirement Ordinance, the Retirement Commission submits an Actuarial Valuation Report, a Statement of Plan Net Position, and a Statement of Changes in Plan Net Position to the Genesee County Board of Commissioners.

## HOW THE FUND OPERATES

The revenues essential to the sound funding of the System are derived from three sources. The chart on page six identifies the percentage of revenues and distribution of revenues by source.

**Contributions by Members:** Employee contributions are calculated on all monetary compensation as defined by the Retirement Ordinance. The member contribution rates vary by employer and the respective collective bargaining agreements and/or personnel policies. These rates range from 1.0% to 9.5%. The employee deposits are posted to individual accounts for each member. The accumulated amount in each account is used for the member's benefit if he or she remains in service. Members leaving service may withdraw the amount of their accumulated contributions together with interest that was credited to the individual account. Certain employee groups have a deferred retirement benefit that varies by employer, respective collective bargaining agreements and/or personnel policy, and employment starting dates. This benefit varies between 8 and 15 years of credited service, and allows an employee to leave employment after satisfying the required service period and commence a pension benefit when that employee would normally have met the age and service requirements had the employee not left employment. If a deferred member dies before retirement and no other death benefits are payable, his or her beneficiary or estate will receive his or her contributions. Employee contributions accounted for 4.61% of total income for 2016.

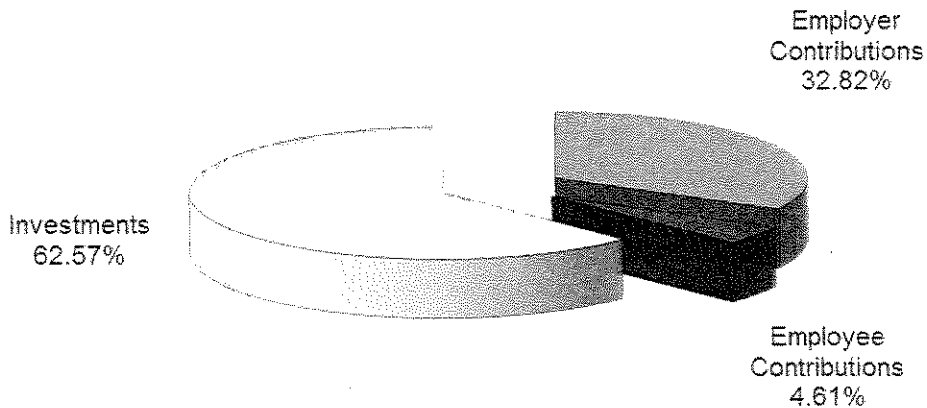
**Contributions by Employer:** While members are paying toward their retirement, the employer groups are depositing contributions on behalf of members employed by them. The GCERS provides for payment of required employer contributions, which rates vary among the employer groups and from year-to-year. The employer contribution rates are determined on the basis of the annual actuarial valuation, which indicates the needed revenues, in addition to the members' contributions and assumed investment income, to fund the allowances promised by the System. Employer contributions accounted for 32.82% of total income for 2016.

**Investment Income:** Investment income is the third source of System revenues and must be regarded as both a vital and major contributor to the GCERS. This income assists the governmental employer groups in controlling costs and protects the future security of System members. The investment income for 2016 accounted for 62.57% of the total income.

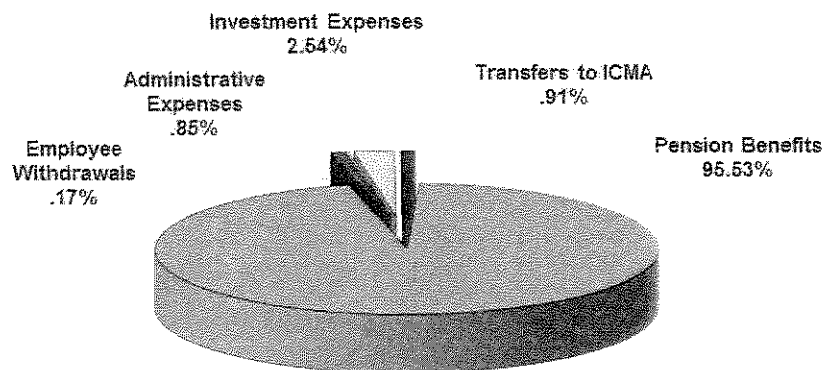
Genesee County Employees' Retirement System  
Secretary's Letter (continued)

**Expenditures of System:** The cost of all benefits, services, and operations are borne by the System. This totaled \$47,246,796 for 2016. The allocation of this cost was 95.53% for retiree pension benefits, 2.54% for investment-related fees, 0.17% for employee withdrawal of contributions, .91% for conversions to a defined contribution plan, and .85% for administrative expenses.

**SOURCES OF REVENUES - 2016**



**ALLOCATION/USE OF REVENUES & RESERVES - 2016**



## HIGHLIGHTS

For the calendar year 2016, the GCERS portfolio had an overall return of almost 9%, again ranking near the top 10% among all U.S. public pension funds.

This strong investment result for Genesee County corresponds with a good year for the U.S. economy (about 2% growth) and good returns for U.S. stock, bond, and real estate investments as well. The unemployment rate fell below 5.0% and inflation remained subdued, averaging 2% for the year.

The United States (S&P 500) stock market finished the year up 12% while international stocks were positive but lagged far behind the U.S. stocks. Despite increasing short-term interest rates throughout the year, the U.S. bond market provided a 2.6% return to investors.

Commercial real estate was among the best performing asset class in 2016. Favorable low interest rates and investor appetite for income yield benefitted investors. Commercial real estate indices were up over 9% for the year.

## ACKNOWLEDGEMENTS

The compilation of this report reflects the combined effort of the Retirement Services Administrator and the Genesee County Controller's Office staff and is designed to provide the County Board of Commissioners, members of the System, and the public with detailed investment, financial, and actuarial information regarding the GCERS' operations.

I hope that this year's report will be of interest to you and will be useful in understanding, evaluating, and assuring the continued success of the System.

Respectfully submitted,

Kristie Primeau  
Secretary

## **SUMMARY OF BENEFITS – December 31, 2016**

(Subject to contractual or management changes – See matrix and applicable union contract for specific benefit provisions)

### **DESCRIPTION OF THE SYSTEM**

The Genesee County Employees' Retirement System is a contributory defined benefit plan that provides for pension and disability benefits for employee members. Because the Retirement System is a multi-employer retirement fund, each employer has the ability to negotiate and/or establish through personnel policy retirement benefits with their respective employees. Subsequently, the employers and employees assume the related cost liabilities. The System requires contributions that will provide assets sufficient to meet the future benefits to be paid to members.

The following is a description of the benefits of the Genesee County Employees' Retirement System. Complete details of the benefits and other aspects of the program may be found in the law and in the rules and regulations of the Retirement Commission.

Final Average Compensation (FAC) is a frequently used term describing Genesee County Employees' Retirement System benefits. It means the average of the highest two, three, or five years of earnings contained within the period of service being considered, usually, but not necessarily the last years of employment, depending upon the labor agreement and individual employer personnel policies.

### **BENEFIT PROVISIONS**

Eligible employees may become members of GCERS and are required to deposit from 1.0% to 9.5% of all monetary compensation that is defined as pensionable compensation in the Ordinance, or the applicable collective bargaining agreements. Deposits are accumulated in individual accounts for each member remaining in service. If a member leaves service, he or she may withdraw his or her accumulated contributions together with the interest credited to his or her account, or members with eight or ten years of service may elect a deferred annuity providing a lifetime benefit. Several employers have negotiated a fifteen-year service provision for the deferred annuity for employees, each with a different effective date. The requirements for regular retirement vary by bargaining group from a 20 to 25 year anniversary date of employment or age 60 with the required years of credited service based upon collective bargaining agreement or personnel policy. Full retirement benefits vary by bargaining unit. Benefit computations also vary, but generally are computed at final average compensation times the sum of 2.0-2.5% for the first 25 years of service plus 1% for years of service in excess of 25 years. Some contracts allow 2.4% or 2.5% for all years of service.

#### **Duty Disability Retirement**

**Eligibility:** No age or service requirements. Must be in receipt of workers' compensation.

Genesee County Employees' Retirement System  
Summary of Benefits (continued)

**Annual Amount:** Computed as a regular retirement with additional service credit granted from date of retirement to date regular retirement age would have been attained. Prior to age 65, maximum benefit is 90% of FAC (increased by 2.5% for each year of retirement) less worker's compensation payments and/or other remuneration.

**Groups Covered:** All.

**Non-Duty Disability Retirement**

**Eligibility:** Generally 10 or more years of credited service. Water and Waste employees require 15 years of credited service.

**Annual Amount:** Computed as a regular retirement. Prior to age 65, maximum benefit is 90% of FAC (increased by 2.5% for each year of retirement) less long-term disability benefits and/or other remuneration.

**Groups Covered:** All.

**Duty Death Before Retirement**

**Eligibility:** No age or service requirements. Must be in receipt of workers' compensation.

**Annual Amount:** Refund of accumulated contributions. Upon termination of workers' compensation the same amount is paid by the Retirement System to the surviving spouse for life or until remarriage, to unmarried children under 18 and to dependent parents.

**Groups Covered:** All.

**Non-Duty Death Before Retirement**

**Eligibility:** 15 or more years of credited service or age 60 with 10 or more years of service.

**Annual Amount:** Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election (Option A).

**Groups Covered:** All.

Nothing contained in this retirement Annual Report is intended, or shall be construed, as in any way creating or establishing any right or entitlement, for any purposes or in any manner whatsoever, for the applicant, until approved by the Actuary and the Retirement Commission.

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1. The first step is to identify the problem. In this case, the problem is that the system is not working properly.

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## **II. FINANCIAL SECTION**

**The Financial Section Contains:**

- **Management's Statement of Responsibility**
- **Auditor's Report**
- **Management's Discussion and Analysis**
- **Audited Financial Statements**
- **Notes to Financial Statements**
- **Supplemental Data**

## **MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The following financial statements and related notes of the Genesee County Employees' Retirement System were prepared by management in accordance with generally accepted accounting principles. The Board of Commissioners through the Audit Subcommittee of the Finance Committee (composed of Commissioners) is responsible for assuring that management fulfills its responsibilities in the preparation of the financial statements.

Management is responsible for the integrity and objectivity of the financial statements that are presented in accordance with generally accepted methods of accounting. Established accounting procedures are designed to provide books, records, and accounts that fairly reflect the transactions of the System.

The training of qualified personnel and the assignment of duties are intended to provide adequate internal controls. This provides reasonable assurances that transactions are executed in accordance with management's authorization and that adequate accountability of System assets is maintained.

Plante & Moran, PLLC, independent public accountants, with direct access to the Retirement Commission, have examined the financial statements prepared by the System and their report follows.



## Independent Auditor's Report

To the Board of Commissioners  
Genesee County Employees' Retirement System

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of Genesee County Employees' Retirement System (the "System") as of and for the year ended December 31, 2016 and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Commissioners  
Genesee County Employees' Retirement System

**Opinion**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the related financial position of the Genesee County Employees' Retirement System as of December 31, 2016 and the related changes in plan net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As explained in Note C, the financial statements include investments valued at \$162,196,212 (38 percent of net position) at December 31, 2016 whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by fund managers and the partnership general partners.

**Other Matter**

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of investment returns identified in the table of contents are to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The introductory section, investment section, actuarial section, and management's statement of responsibility are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The introductory section, investment section, actuarial section, and management's statement of responsibility have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Plante & Moran, PLLC*

June 19, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED December 31, 2016**

As the administrators of the Genesee County Employees' Retirement System, the Genesee County Retirement Commission and its management offer readers of the System's Annual Report and incorporated financial statements this narrative overview and analysis of the financial activities of the system.

### **Financial Highlights**

- The Retirement System's Net Position held in trust for pension benefits increased by \$8,505,868; from \$423,186,229 at December 31, 2015, to \$431,692,097 at December 31, 2016.
- During the year, deductions representing the cost of all benefits, services and operations borne by the System totaled \$47,246,796. The allocation of this cost was 95.53% for retiree pension benefits, 2.54% for investment-related fees, 0.17% for employee withdrawal of contributions, .91% for conversions to a Defined Contribution Plan and .85% for administrative expenses.
- In 2016 the total additions to the system, including employer and employee contributions and investment income, totaled \$55,752,664. The source of this revenue was 32.82% in employer contributions, 4.61% in employee contributions and 62.57% in realized and unrealized investment income.

### **Using This Annual Report**

This annual report consists of the financial statements, notes to the financial statements and required supplementary information for the Genesee County Employees' Retirement System. The financial statements, related note disclosures and supplementary tables provide financial information about assets held in trust for six separate employers' pension plans.

### **Overview of the Financial Statements**

The Statement of Plan Net Position (on page 18) and the Statement of Changes in Plan Net Position (on page 19) report the retirement system's net position and the changes therein. The retirement system's net position – the difference between assets and liabilities – is one way to measure the system's financial health or financial position. Over time, increases or decreases in the system's net position are one indicator of whether its financial health is improving or deteriorating. Also taken into consideration are other non-financial factors, such as favorable or unfavorable economic and demographic actuarial experience, as well as actuarial funding progress and current funded status in order to assess the overall health of the system.

**Genesee County Employees' Retirement System  
Management's Discussion & Analysis (continued)**

Genesee County is the trustee, or fiduciary, for its own and five other separate employers' pension plans. Fiduciary funds are used to account for resources held in trust for the benefit of parties outside the government. The retirement system's assets are held in trust for the sole purpose of the fund, its participants and beneficiaries. Fiduciary funds are not reflected in Genesee County's government-wide financial statement because the resources of those funds are not available to support Genesee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found following the Management's Discussion & Analysis Section of this Annual Report.

A comparison of plan net position and the changes in plan assets from 2015 to 2016 is contained in the following tables:

**Plan Net Position  
(in Thousands)**

	Pension Trust Fund 12/31	
	2016	2015
Cash, Short-Term Cash Investments and Receivables	\$ 14,354	\$ 20,103
Investments, at Fair Value	417,623	411,706
Cash and Investment Held as Collateral for Securities Lending	11,218	4,967
<b>Total Assets</b>	<b>443,195</b>	<b>436,776</b>
Amounts due to broker under securities lending agreement	11,218	4,967
Other Liabilities	285	8,623
<b>Total Liabilities</b>	<b>11,503</b>	<b>13,590</b>
<b>Total Net Position Held in Trust for Pension Benefits</b>	<b>\$431,692</b>	<b>\$423,186</b>

**Changes in Plan Net Position  
(in Thousands)**

	Pension Trust Fund 12/31	
	2016	2015
Net Investment Income	\$ 33,632	\$ 6,995
Net Securities Lending Income	82	45
Contributions:		
Employee	2,569	2,551
Employer	18,270	17,113
<b>Total Contributions</b>	<b>20,839</b>	<b>19,664</b>
Benefits Paid to Retirees and Beneficiaries	45,134	44,528
Refunds to Terminated Employees	81	360
Other Expenses	832	3,250
<b>Net Increase (Decrease) in Net Position</b>	<b>\$ 8,506</b>	<b>\$ (21,434)</b>

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes can be found on pages 20 through 29 of this Annual report.

### **Economic Factors and Next Year's Employer Contribution Rates**

Overall recognized experience of the Retirement System for the year ended December 31, 2016 produced results which were less favorable than expected based on the long-term assumptions. This loss is spread over 4 years for purpose of the funding value of assets. Salary increases, which were less than assumed, partially offset the unfavorable experience.

Established employer contribution rates, as a percentage of payroll, for January 1, 2018 to December 31, 2018 are computed to be General and Sheriff's 94.93%, Water and Waste 19.15%, District Library 23.98%, Genesee Health Systems 35.25%, Road Commission 32.78%, and City of Mt. Morris 14.15%.

**GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENT OF PLAN NET POSITION – December 31, 2016**

**ASSETS:**

Cash and Short-Term Cash Investments	\$ 10,669,289
Prepaid Expenses	5,637

Receivables:

Contributions Receivable	1,863,511
Accrued Interest, Dividends and Other	848,202
Accounts Receivable-Pending Trades	<u>967,437</u>

Total Receivables	<u>3,679,150</u>
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Investments, at Fair Value:

U.S. Government Securities	50,185,049
Foreign Governments & Agencies	1,077,913
Corporate Bonds	40,832,083
Foreign Equity	106,285,358
Common Stock	124,725,581
Mutual Funds	304,736
Real Estate	93,189,575
Hedge Fund-of-Funds	<u>1,022,949</u>

Total Investments	<u>417,623,244</u>
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Cash and Investments Held as Collateral for Securities Lending:

Money Market and Mutual Funds	11,011,084
U.K. Corporate Floating Rate Note	<u>206,930</u>

Total Cash and Investments Held as Collateral for Securities Lending	<u>11,218,014</u>
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Total Assets	443,195,334
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**LIABILITIES:**

Accounts Payable	144,492
Amounts Due Broker under Securities Lending Agreement	11,218,014
Accounts Payable-Pending Trades	<u>140,731</u>

Total Liabilities	<u>11,503,237</u>
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Net Position held in Trust for Pension Benefits	<u>\$431,692,097</u>
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(A schedule of funding progress is presented on Page 37)  
The accompanying notes are an integral part of the financial statements.

**GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**FOR THE YEAR ENDED – December 31, 2016**

**ADDITIONS:**

Contributions

Employee Contributions	\$ 2,569,114
Employer Contributions	<u>18,269,647</u>

Total Contributions	<u>20,838,761</u>
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Investment Income

Net Appreciation in Fair Value of Investments	27,759,362
Interest on U.S. Government Securities	1,102,840
Interest on Corporate Bonds	2,026,529
Dividend Income	<u>3,942,917</u>
	34,831,648
Less Investment Expense	<u>1,199,876</u>
Net Investment Gain	<u>33,631,772</u>

Securities Lending Income

Interest and Fees	12,549
Borrower Rebates and Bank Fees	<u>69,706</u>

Net Securities Lending Income	<u>82,255</u>
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Total Additions	54,552,788
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**DEDUCTIONS:**

Benefits Paid to Retirees and Beneficiaries	45,134,255
Refunds to Terminated Employees	80,955
Administrative Expenses	401,572
Rollover to Other Pension Plan	<u>430,138</u>

Total Deductions	<u>46,046,920</u>
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Net Increase	8,505,868
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**Net Position Held in Trust for Pension Benefits:**

Beginning of Year	<u>423,186,229</u>
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End of Year	<u>\$ 431,692,097</u>
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*The accompanying notes are an integral part of the financial statements.*

**GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM  
NOTES TO FINANCIAL STATEMENTS**

**Note A – Plan Description, Administration, Provisions, and Reporting Entity**

The Genesee County Employees' Retirement System (also known as GCERS or the "System") is a contributory agent multi-employer defined benefit pension plan. The GCERS's current-year payroll for all covered employees was \$39,466,036.

The plan covers employees who are paid by a GCERS employer more than 50% of all compensation received by them for personal services, unless they are a member of a defined contribution plan. Exemptions to the 50% rule include the County Board of Commissioners, Judges and County Juvenile Officers who are paid partially by the County and partially by the State. All new-hire General County and certain Genesee Health Systems new-hire employee groups may only join a defined contribution plan. Current membership in the GCERS is comprised of the following:

<u>Group</u>	<u>December 31, 2016</u>
Retirees and beneficiaries	
Currently receiving benefits	1,734
Vested terminated employees	78
Active employees:	
Fully vested	414
Non-vested	213
Number of participating employers	6

The GCERS was organized pursuant to Section 12a Act #156, Public Acts of 1851 (MSA 5.333(I); MCLA 46.12a as amended, State of Michigan. The GCERS was established in 1946, beginning with the General Unit and the County Road Commission. Water and Waste joined the System in 1956, Genesee Health Systems in 1966, City of Mt. Morris in 1969, and the Genesee District Library in 1980. The GCERS is regulated under the Genesee County Employees' Retirement System Ordinance, the sections of which have been approved by the Genesee County Board of Commissioners.

The administration and responsibility for the proper operation of the System is vested in the Genesee County Retirement Commission (the Commission), which is comprised of the following representatives as defined by Ordinance:

- a. Three employee representatives elected by the System membership for three-year staggered terms, which results in the election of one employee Commissioner yearly.
- b. The Chairperson of the Genesee County Board of Commissioners by virtue of his or her election to that office, or other County Commissioner designated by the Chairperson as his or her designee during the Chairperson's term.
- c. The Chairperson of the Genesee County Finance Committee by virtue of his or her appointment to that office.



**Genesee County Employees' Retirement System**  
**Notes to Financial Statements (continued)**

- d. The Chairperson of the Board of County Road Commissioners by virtue of his or her election to that office, or other Road Commissioner designated by the Chairperson of the Board of County Road Commissioners as his or her designee during the Chairperson's term.
- e. The Executive Director of the Genesee Health Systems by virtue of his or her appointment to that office.
- f. The Genesee County Controller by virtue of his or her appointment to that position.
- g. A Retiree Representative elected by the retirees to a two-year term of office.

Eligible employee members of GCERS are required to deposit from 1.0% to 9.5% of eligible monetary compensation. Deposits are accumulated in individual accounts for each member remaining in service. Members leaving service may withdraw their accumulated contributions together with the interest credited to their account. Employers allow members with 8 to 15 years of service to elect a deferred annuity providing a lifetime benefit which varies by employer and bargaining unit. The requirements for regular retirement vary by bargaining group from a 20 to 25 year anniversary date of employment, or age 60 with a minimum of 8 to 15 years of service. Full retirement benefits vary by bargaining unit. Benefit computations also vary, but generally are computed at final average compensation times the sum of 2.0-2.5% for the first 25 years of service, plus 1% for years of service in excess of 25 years. Some contracts allow 2.4% or 2.5% for all years of service.

The GCERS employers are required by the Retirement System Ordinance to make adequate contributions to fund the retirement allowances provided by the System. Because the Retirement System is a multi-employer retirement fund, each employer has the ability to negotiate and/or establish through personnel policy retirement benefits with their respective employees. The contribution rates are determined by an annual actuarial valuation based on certain assumptions along with consideration of members' contributions and assumed investment income.

Reporting entity – The financial statements of the System are also included in the financial statements of Genesee County as a Pension Trust Fund.

**Note B – Summary of Significant Accounting Policies and Plan Asset Matters**

The pension fund financial statements are reflected on the accrual basis of accounting; revenues are recorded when earned and expenses are recorded as incurred. Employer and employee contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable. The System follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

**Genesee County Employees' Retirement System**  
**Notes to Financial Statements (continued)**

The System's investment assets, which are trustee by Comerica Bank of Detroit, are stated at fair value (as prescribed by the Michigan Public Employee Retirement Act) as determined and certified by the Trustee. Short-term investments are reported at cost, which approximates fair value.

Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The plan held no investment of more than 5% of the outstanding stock of any one corporation, nor invested more than 5% of the system's assets in the stock of any one corporation.

There were no loans outstanding to GCERS employers at December 31, 2016. Retirement investments are subject to a number of restrictions as to the type, quality and concentration of investments made, including limiting common stock to no more than 70% (market) of the portfolio and foreign equities to 20% of the portfolio as stated in Public Act 307 of 2000, and the Amendments to Public Act 347 of 2012.

**Note C – Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The System is also authorized by Michigan Public Act 347 of 2012, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles. The investment policy adopted by the Commission is in accordance with Public Act 196 of 1997 and has authorized the investments according to Michigan Public Act 347. The System's deposits and investment policies are in accordance with statutory authority.

The System's cash and investments are subject to several types of risk, which are examined in more detail below:

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, The System's deposits may not be returned.

**Genesee County Employees' Retirement System**  
**Notes to Financial Statements (continued)**

The System does not have a deposit policy for custodial credit risk. At year end, the System did not have any bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The System believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

As a result, the System evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution only; only those institutions with an acceptable estimated risk level are used as depositories.

**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The System's investment policy does not restrict investment maturities. At year end, the average maturities of investments broken down by years are as follows:

	<u>Fair Value</u>	<u>Less than 5</u>	<u>6 – 10</u>	<u>&gt;10</u>
U.S. Gov Mortgage Backed	\$ 13,895,171	\$ -	\$ 4,897	\$ 13,890,274
U.S. Gov CMO	3,620,008	-	588,238	3,031,770
U.S. Gov Treas, Notes & Bonds	30,268,870	19,055,840	11,213,030	-
Foreign Bonds				
Foreign Corporate	\$ 1,077,913	\$ -	\$ 1,077,913	-
Municipal	4,514,188	833,203	861,991	2,818,994
Corporate Bonds				
Asset Backed	\$ 2,840,885	\$ 1,818,538	\$ 532,693	\$ 489,654
Corporate – CMO	2,400,999	-	370,433	2,030,566
Corporate – Bonds	29,364,807	11,569,844	16,406,086	1,388,877
Private Placement	4,112,204	1,408,465	2,703,739	-

**Credit Risk**

State law does not limit investments in commercial paper for pension plans to certain quality ratings. Additionally, the System has no investment policy that would further limit its investment choices. As of year-end, the credit quality ratings of debt securities are as follows:

<u>Investment and S&amp;P Rating</u>	<u>Fair Value (in \$000's)</u>
Asset Backed – AA	\$ 277
Asset Backed – A	1,058
Asset Backed – BBB	213
Asset Backed – N/R	1,292
Corporate Bonds – AAA	601
Corporate Bonds – AA	5,026
Corporate Bonds – A	12,498
Corporate Bonds – BBB	10,943
Corporate Bonds – N/R	296

**Genesee County Employees' Retirement System**  
**Notes to Financial Statements (continued)**

Corporate CMO – AAA	239
Corporate CMO – AA	195
Corporate CMO – N/R	1,967
Private Placement – AA	491
Private Placement – A	588
Private Placement – BBB	2,523
Private Placement – N/R	511
Foreign Bonds – BBB	1,078
Municipal – AAA	516
Municipal – AA	1,343
Municipal – A	257
Municipal – NR	2,399
U.S. Government – CMO – NR	3,620
U.S. Government – Mortgage Backed – N/R	13,895
U.S. Government – Treasuries, Notes & Bonds – N/R	30,269

**Foreign Currency Risk**

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The Retirement System does not restrict the amount of investments in foreign currency. At December 31, 2016, the System did not hold any securities that are subject to foreign currency risk.

**Securities Lending**

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the System lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to not less than 100 percent of the market value of the loaned securities. During the year ended December 31, 2016, only United States currency was received as collateral.

The System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. The System presently owns \$206,930 of Sigma Finance Medium Term Note which is a defaulted investment. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year.

**Genesee County Employees' Retirement System  
Notes to Financial Statements (continued)**

The Genesee County Employees' Retirement System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of the investments in the cash collateral pool are deemed to mature on the cash collateral pool's next business day as per the Reinvestment Guidelines, with the exception of the Sigma Medium Term Note (Impaired). Because the loans are terminable on demand, maturity of the investments does not exceed the loan duration. The collateral, based on cost and the fair market value of the underlying securities on loan for the System, as of December 31, 2016 was \$11,218,014 and \$10,938,965, respectively, which consisted of short-term money market mutual funds and Sigma Finance Term Note.

**Note D – Contributions Required and Contributions Made**

The GCERS's funding policy provides for periodic employer contributions at actuarially determined rates that are expressed as percentages of annual covered payroll, which are designed to accumulate sufficient assets to pay benefits when due. The System has received the required employer contributions for the year covered in the Summary Annual Report. Employee contributions range from 1.0% to 9.5% of annual compensation and the remaining required contributions are paid by the employer. The normal cost is determined using an attained age actuarial funding method. Unfunded actuarial accrued liabilities were amortized as a level dollar amount over 25 years for General County and Genesee Health Systems, and added to the computed normal costs. Unfunded actuarial accrued liabilities were amortized as a level percent-of-payroll over 25 years in all other employers, and added to the computed normal costs. Administrative costs are financed via investment earnings and employer contributions.

Established employer contribution rates, as a percentage of payroll, for January 1, 2018 to December 31, 2018 are computed to be General and Sheriff's 94.93%, Water and Waste 19.15%, District Library 23.98%, Genesee Health Systems 35.25%, Road Commission 32.78%, and City of Mt. Morris 14.15%.

**Note E – Postretirement Benefits Contributions**

Each employer pays directly to the group providers for their retirees' health and life insurance, with some including dental and optical.

**Note F – Pension Plan Reserves**

In accordance with State Law, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

**Genesee County Employees' Retirement System**  
**Notes to Financial Statements (continued)**

The **employee reserve** is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 3.0 percent. For any employee who terminates before vesting in the pension plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The **employer reserve account** is used to account for the residual net position balance in the pension plan after funding the above two reserves.

As of December 31, 2016, the System's reserves (except for certain employer reserves; General -\$64,306,590, Water & Waste -\$1,710,453, Roads -\$6,414,558, City of Mt. Morris -\$4,308,311, Genesee Health Systems -\$5,639,444) had been fully funded as follows:

	<u>Required Reserve</u>	<u>Amount Funded</u>
Reserved for employee contributions	\$ 28,139,474	\$ 28,139,474
Reserved for retired employees	453,963,634	431,692,342

**Note G – Pension Plan**

**Pension Plan Investments - Policy and Rate of Return**

**Investment Policy** - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of 12/31/2016:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Equities Active or Passive	37%
Non-U.S. Equities	18%
Domestic Fixed Income	25%
Commercial Real Estate	18%
Alternative Investment Hedge Funds	0%
Cash Equivalents	<u>2%</u>
Total Fund	100%

**Concentrations** - At December 31, 2016 the plan held approximately 37.95% of its investment portfolio in U.S. equities.

Genesee County Employees' Retirement System  
Notes to Financial Statements (continued)

**Note H – Change in Accounting**

During the year, the System adopted GASB Statement No. 72, *Fair Value Measurement and Application*. As a result, the notes to the financial statements now include enhanced disclosures about fair value measurement, the level of fair value hierarchy, and valuation techniques.

**Note I – Fair Value Measurement**

The Genesee County Employees' Retirement System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. GCERS's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

GCERS has the following recurring fair value measurements as of December 31, 2016:

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

		<u>Fair Value Measurements Using</u>		
	Balance at 12/31/16	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level:</b>				
Debt Securities				
U.S. government	\$ 50,185,049	\$ 30,268,870	\$18,861,534	\$1,054,645
Corporate bonds	40,832,083		40,183,913	648,170
Foreign governments	<u>1,077,913</u>		<u>1,077,913</u>	
Total debt securities	92,095,045	30,268,870	60,123,360	1,702,815
Equity Securities				
Mutual funds	11,522,750	11,522,750		
Common stock	<u>124,725,581</u>	<u>124,725,581</u>		
Total equity securities	136,248,331	136,248,331		
Commercial Real Estate				
Real estate investment trusts	<u>61,929,948</u>		<u>6,143,859</u>	<u>55,786,089</u>
Total real estate securities	61,929,948		6,143,859	55,786,089
Total investments by fair value level		<u>\$166,517,201</u>	<u>\$66,267,219</u>	<u>\$57,488,904</u>
<b>Investments measured at net asset value (NAV)</b>				
Foreign equity		106,285,358		
Real estate investment trusts		31,259,627		
Partnerships alt. investments		<u>1,022,949</u>		
Total investments measured at NAV		<u>138,567,934</u>		
Total inv. measured at fair value including securities lending		<u>\$428,841,258</u>		

**Genesee County Employees' Retirement System**  
**Notes to Financial Statements (continued)**

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of debt securities and real estate investment trusts at December 31, 2016 was determined primarily based on Level 2 inputs. The System estimates the fair value of these investments using prices quoted in active market for those securities and other inputs that are observable, such as interest rates and yield curves that are observable at commonly quoted intervals.

The fair value of closely held commercial real estate funds at December 31, 2016 was determined primarily based on Level 3 inputs. The System estimates the fair value of these investments using investment manager's estimates calculated from pricing models, discounted cash flow methodologies or similar techniques taking into account the characteristics of the asset.

**Investments in Entities that Calculate Net Asset Value per Share**

The System holds shares or interests in investment companies where the fair values of the investments are measured on a recurring basis using net asset value per share (or its equivalent) as a practical expedient.

At the year ended December 31, 2016, the fair value, unfunded commitments and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Foreign equity	\$106,285,358	-	Monthly	30 days
Real estate investment trusts	31,259,627	-	Quarterly	90 days
Partnerships alt. investments	<u>1,022,949</u>	<u>-</u>	Annually	60 – 90 days
Total investments measured at NAV	<u>\$138,567,934</u>	<u>-</u>		

The foreign equity funds class includes investments in funds that invest predominantly in equity securities of non-U.S. companies. The funds invest in developed and emerging market countries and utilize investments across the capitalization spectrum from large to small companies. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The real estate investment trust funds class includes investments in funds whose objective is to operate a core portfolio of real estate investments predominately located in the U.S. The funds acquire ownership in underlying investments either through direct real estate ownership or ownership in real estate companies or the equity of real estate investment trusts. The funds predominantly target purchases in office, industrial, retail, or multifamily real estate classes. The fair value of the investments in this class have been estimated using the net asset value per share of the investments.



**Disclosures Regarding Redemption and Liquidation**

The investments in the partnerships in alternative investment funds listed above have been redeemed in 2016 and the cash held back is expected to be returned in 2017.

**Disclosures Regarding Planned Sales**

GCERS did not have any investments planned to be sold. However, it is assumed that when investments are sold, they will be sold at the market value.

**Note J – Upcoming Accounting Pronouncements**

The Governmental Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This standard improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The focus of the criteria generally is on (1) whether government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom the fiduciary relationship exists. The provisions of this statement are effective for the System's financial statements for the year ending December 31, 2019. The applicability of this standard is currently being reviewed by management of the System.

### **III. INVESTMENT SECTION**

**The Investment Section Contains:**

- **Investment Goal**
- **Investment Policy**
- **Investment Portfolio Distribution**
- **Return on Investment**
- **Investment Performance**

## **GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM INVESTMENT POLICY**

### **GOAL**

The objective of the Genesee County Employees' Retirement System is to provide present and future retirement or survivor benefits for its members. To achieve this goal, the fund targets an average, annual return of 8.0% over periods greater than five years. Achievement of this target return will likely ensure the System's ability to pay benefits and result in stable contribution rates.

### **INVESTMENT POLICY**

The fund is long-term in nature and the selection of investments is regulated by (1) statutory limitations, (2) limits of acceptable risk and (3) the objective of a maximized total rate of return.

Investment decisions shall be made within the framework of the goals established for the rate of return, limits of acceptable risk and fund objectives. At any point in time, certain types of investments have greater relative attractiveness than others. To maximize the realized rate of return, it is necessary to determine the relative values ascribed to differing types of investments within a given investment environment.

The System believes that individual holdings should stand alone on merit as well as complement the entire group of holdings.

Diversification shall be considered as part of the effort to minimize liquidity risks, maximize total rate of return and limit exposure to unanticipated business risks. Since the portfolio is long-term in nature and is constructed to avoid the necessity of liquidating holdings to meet benefit payments, liquidity is not a first consideration; however, every reasonable effort will be made to provide protection for the portfolio in future deteriorating markets.

No holding will be considered a "permanent" part of the portfolio. Any security can be sold at any time either to maximize gains or to minimize losses. The portfolio shall be continuously monitored in order to identify such instruments as overvalued stocks or low yield bonds in order to take appropriate action.

In making decisions, the Commission shall avail itself of the highest caliber advice obtainable, both internally and externally. The Commission has retained the services of a professional investment consultant to monitor investments, returns, and peer performance of the investment managers. Investment managers are hired to invest the System's assets on a daily basis in a variety of asset classes to maximize returns at a lower overall risk to the plan.

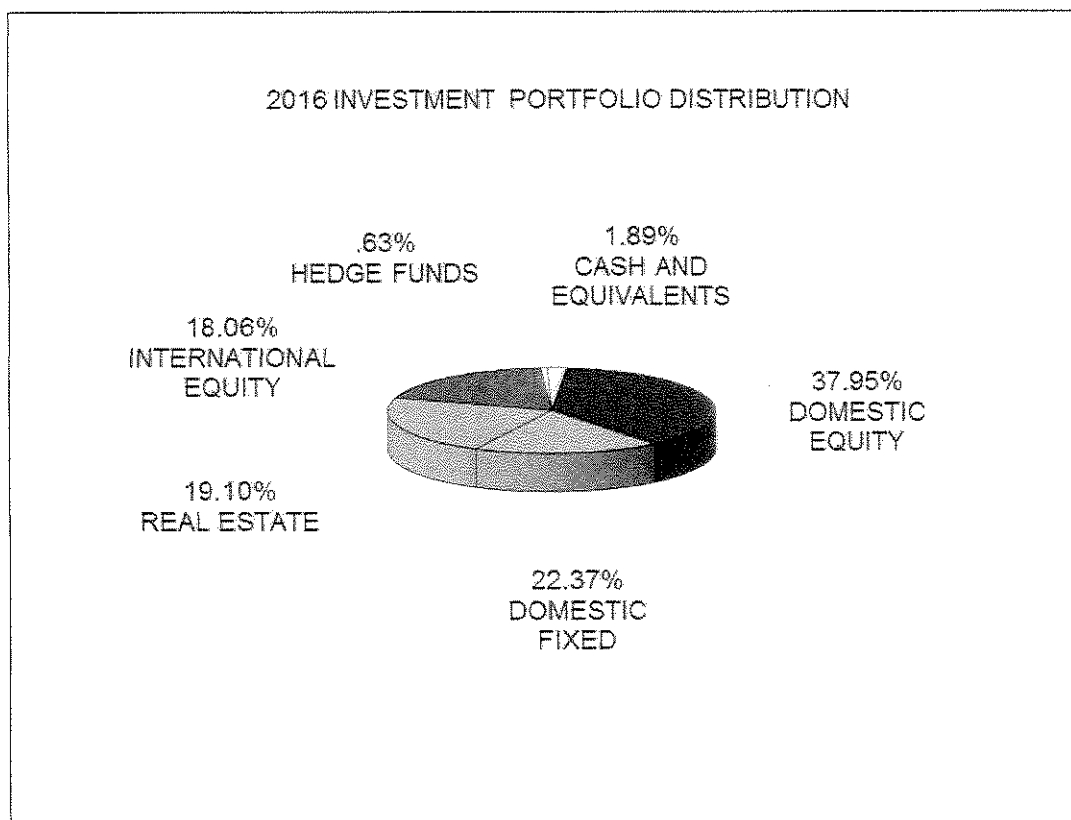
The Governmental Accounting Standards Board Statement Number 5 will be followed in accounting for the portfolio. Securities will be recorded at market values and will be reported to the Commission monthly. The firm engaged for the annual audit shall be consulted when questions concerning accounting procedures arise.

**Genesee County Employees' Retirement System  
Investment Policy (continued)**

A quarterly evaluation of the System's portfolio will be conducted to monitor the investment performance by each of the Investment Managers. In addition, the annual external audit and the annual actuarial valuation shall be reviewed in conjunction with the evaluation of investment performance. All evaluations will be related to the Commission's stated goals. Because these goals are long-term, cumulative performance results will be considered as more important than performance in any single year.

**INVESTMENT PORTFOLIO DISTRIBUTION**

The State of Michigan charges the Retirement Commission with the responsibility of investing the System's portfolio in a prudent manner and in a fiduciary capacity. On December 31, 2016, the market value of the portfolio distribution of investments was as follows: 37.95% in domestic equities, 18.06% in international equities, 22.37% in domestic fixed income securities, 19.10% in real estate, .63% in hedge fund-of-funds and 1.89% in cash and equivalents (receivables and accruals).



**Genesee County Employees' Retirement System  
Investment Policy (continued)**

**RETURN ON INVESTMENT**

The return on investments, which is defined as the income plus or minus the appreciation or depreciation in value, is analyzed each quarter. The Genesee County Employees' Retirement System's investment performance is compared with the results within a universe of other public funds. The investment performance of the System is continually monitored through the use of a number of different methods. The performance of the domestic equity, international equity, fixed income, and real estate portfolios is monitored by a highly respected portfolio evaluation service and consultant in the United States. A hedge fund-of-fund manager is employed to select and monitor the best performing funds.

- The return for 2016 was 8.98%. The three, five and ten year total returns were 5.95%, 8.82% and 5.07%, respectively.

## **IV. ACTUARIAL SECTION**

**The Actuarial Section Contains:**

- **Actuarial Principles**
- **Present Actuarial Status**
- **Member Statistics**
- **Employer Computed Contributions**

## GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM ACTUARIAL PRINCIPLES

Promises Made, and Eventually Paid – As each year is completed, the Genesee County Employees' Retirement System in effect hands an "IOU" to each member then acquiring a year of service credit – the "IOU" says: "The Genesee County Employees' Retirement System owes you a retirement benefit, payments to be made in cash commencing when you qualify for retirement."

The principal related financial question is: "When shall the money required to cover the "IOU" be contributed?" The year when the benefit of the member's service is received, or some future year when the "IOU" becomes a cash demand?

The Constitution of the State of Michigan is directed to the question:

*"Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities."*

The majority of public employers meet this constitutional requirement by level percent-of-payroll contributions.

Translated into actuarial terminology, a level percent-of-payroll contribution objective means that the contribution rate must be at least:

Normal Cost – (the present value of benefits likely to be paid on account of members' service being rendered in the current year).

### **...PLUS**

The Financing of Unfunded Actuarial Accrued Liabilities – (unfunded actuarial accrued liabilities are the difference between (1) the actuarial accrued liability and (2) the valuation assets of the retirement program).

A byproduct of a level percent-of-payroll contribution objective is the accumulation on invested assets of varying periods of time. Invested assets are a byproduct of level percent-of-payroll contributions, not the objective. Investment income becomes the third major contributor to the retirement program, and the amount is directly related to the amount of contributions and investment performance.

If contributions to the retirement program are less than the preceding amount, the difference plus investment earnings not realized thereon will have to be contributed at some later time or benefits will have to be reduced to satisfy the fundamental fiscal equation under which all retirement programs must operate; that is:

The aggregate amount of benefit payments to any group of members and their beneficiaries cannot exceed the sum of:

**Genesee County Employees' Retirement System**  
**Actuarial Principles (continued)**

The aggregate amount of contributions received on behalf of the group

**...PLUS**

Investment earnings on contributions received and not required for immediate cash payments of benefits

**...MINUS**

The expenses of operating the program.

There are retirement programs designed to defer the bulk of contributions far into the future. Lured by artificially low present contributions, the inevitable consequence of a relentlessly increasing contribution rate – to a level that may be greatly in excess of the level percent-of-payroll rate – is ignored.

This method of financing is prohibited in Michigan by the State Constitution.

**COMPUTED CONTRIBUTION RATE NEEDED TO FINANCE BENEFITS**

The actuary calculates the contribution requirements and benefit values of the fund by applying actuarial assumptions to the benefit provisions and people information furnished, using the actuarial cost methods described on the previous page.

The principal areas of financial risk which require assumptions about future experiences are:

- a. Long-term rates of investment return to be generated by the assets of the fund.
- b. Rates of mortality among members, retirees, and beneficiaries.
- c. Patterns of actual retirements.
- d. The age patterns of actual retirements.
- e. Rates of withdrawal of active members (without entitlement to a retirement benefit).
- f. Rates of disability among members.

In making a valuation, the actuary calculates the monetary effect of each assumption for as long as a present covered person survives – a period of time which can be as long as a century.

Actual experience of the fund will not coincide with assumed experience, regardless of the wisdom of the assumptions, or the skill of the actuary and the precision of the many calculations made. Each valuation provides a complete recalculation of assumed future experience and takes in account all past differences between assumed and actual experience. The result is a continual series of adjustments (usually small) to the computed contribution rate.

From time to time it becomes appropriate to modify one or more of the assumptions to reflect experience trends (but not random year-to-year fluctuations).



## GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM ACTUARIAL STATUS

Overall recognized experience of the Retirement System for the year ended December 31, 2016 produced results which were less favorable than expected based on the long-term assumptions. This loss is spread over 4 years for purpose of the funding value of assets. Salary increases, which were less than assumed, partially offset the unfavorable experience.

In all divisions, the computed retiree liabilities were greater than the Reserve for Retirement Benefit Payments as of December 31, 2016. Transfers were recommended to be made to the Reserve for Retired Benefit Payments so that it equals the retired life liabilities as of December 31, 2016.

The ratio of the funding value of accrued assets to accrued liabilities was 69.6%.

### FUNDING PROGRESS INDICATORS

There is no single all-encompassing indicator that measures a retirement system's funding progress and current funded status.

A traditional measure has been the relationship of valuation assets to actuarial accrued liability – a measure that is influenced by the choice of actuarial cost method. This relationship is as follows:

#### GCERS Unfunded Actuarial Accrued Liability As of December 31, 2016 By Divisions (\$ in thousands)

	General & Sheriffs	Water & Waste	District Library	Mental Health	Road Commission	City of Mt. Morris	TOTALS
Actuarial Accrued Liability & Reserves:	\$328,123	\$58,037	\$16,860	\$111,523	\$78,275	\$ 5,977	\$598,795
Assets Allocated to Funding:	\$222,562	\$40,663	\$12,153	\$ 82,209	\$53,666	\$ 5,670	\$416,923
Unfunded Actuarial Accrued Liability:	\$105,562	\$17,374	\$ 4,707	\$ 29,314	\$24,608	\$ 307	\$181,872
Funded Ratio:	67.8%	70.1%	72.1%	73.7%	68.6%	94.9%	69.6%
Funded Ratio: Prior Year	72.0%	75.5%	79.9%	76.8%	77.1%	96.8%	74.3%

Genesee County Employees' Retirement System  
Actuarial Status (continued)

We believe an understanding of short-term funding progress and status can be achieved using the following indicators:

- (1) **The ratio of the unfunded actuarial accrued liability to participant payroll.** In a soundly financed retirement system, the amount of the unfunded actuarial accrued liability will be controlled and prevented from increasing in the absence of benefit improvements. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts that are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease over time, but the basic trend may be interrupted by benefit improvements.
- (2) **The ratio of the funding value of assets to the actuarial accrued liability.** The ratio is expected to increase over time, but the basic trend may be interrupted by benefit improvements.
- (3) **The actuarial present value of gains or losses realized in the operation of the retirement system.** Gains and losses are expected to cancel each other over a period of years, but sizable year-to-year fluctuations are common.

**Summary of Benefit Provision Changes in December 31, 2016 Valuation**

**General Unit:**

AFSCME 496-00 Ratified 3/14/2016; 496-01 Ratified 12/7/2015; 496-03 and PCOA Ratified 1/19/2016; Judicial Admin. Secretaries Ratified 10/10/16; Teamsters Local 214-Parks Ratified 7/20/15

AFSCME 496-00:

Retirement Employee Contribution Rate:

- Retirement employee contribution rate was changed to 9.5%, effective March 14, 2016.

AFSCME 496-01:

Retirement Employee Contribution Rate:

- Retirement employee contribution rate was changed to 9.5%, effective October 1, 2016.

AFSCME 496-03:

Retirement Employee Contribution Rate:

- Retirement employee contribution rate was changed to 11%, effective January 1, 2016.

PCOA:

Retirement Employee Contribution Rate:

- Retirement employee contribution rate was changed to 9.5%, effective January 1, 2016.

**Genesee County Employees' Retirement System  
Actuarial Status (continued)**

Judicial Admin. Secretaries:

**Retirement Employee Contribution Rate:**

- Retirement employee contribution rate was changed to 9.5%, effective October 10, 2016.

Teamsters Local 214-Parks:

**Retirement Employee Contribution Rate:**

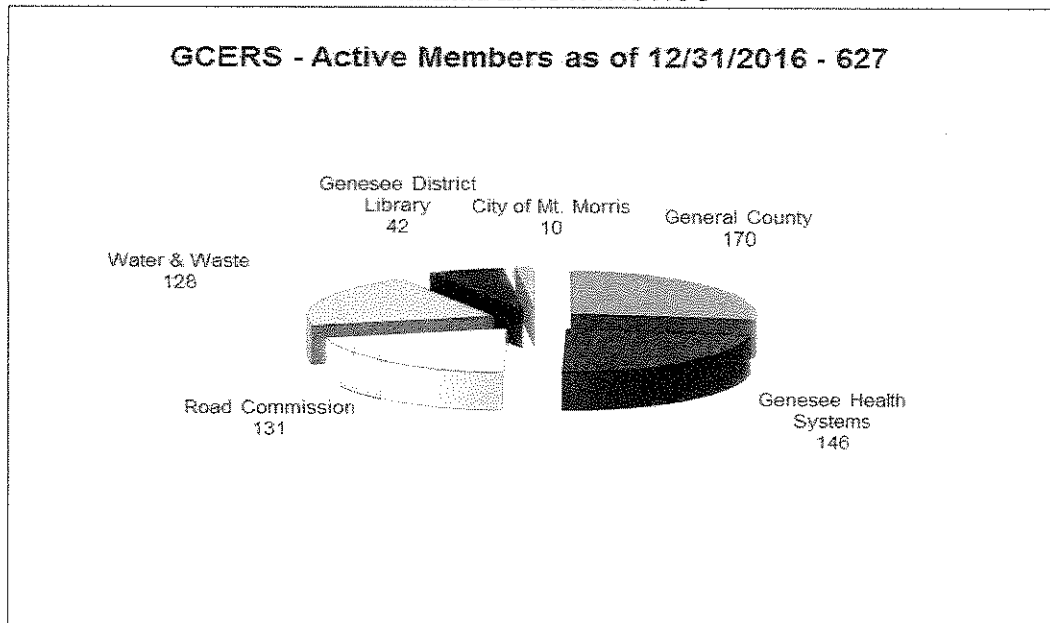
- Retirement employee contribution rate was changed to 9%, effective January 1, 2016.

**ACTUARIAL CONCLUSION**

The Retirement System is financing benefits as they accrue in accordance with a sound level percent-of-payroll funding objective.

**CERTIFICATION:** Rodwan Consulting Company certified that the December 31, 2016 actuarial valuation has been conducted in accordance with generally accepted actuarial principles and practices. Data concerning active members, retirees, beneficiaries and assets was provided by the County. This data has been reviewed for reasonableness, but no attempt has been made to audit such information. The valuation was based on the provisions of the Retirement System as amended through December 31, 2016. The actuarial assumptions used in this valuation are reasonably related to past experience of the System and produce results which we believe are reasonable.

**GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM  
MEMBER STATISTICS**



**Genesee County Employees' Retirement System**  
**Member Statistics (continued)**

**COMPARATIVE SCHEDULE**

Valuation Date Dec 31	Total Active Members	Valuation Payroll*	Average Age	Average Service	Average Annual Pay	% Increase
1998	1,502	\$ 62,421	42.8	10.4	\$ 41,558	1.7
1999	1,521	64,378	42.7	9.9	42,326	1.8
2000	1,474	63,781	42.8	10.4	43,271	2.2
2001	1,447	65,765	42.8	10.2	45,449	4.8
2002	1,481	68,667	43.5	10.2	46,365	2.0
2003	1,450	70,143	43.7	10.6	48,374	4.3
2004	1,395	71,274	43.8	10.8	51,092	5.3
2005	1,399	70,433	44.1	10.8	50,346	(1.5)
2006	1,346	70,205	44.6	11.2	52,115	3.5
2007	1,261	68,341	45.2	12.0	54,196	4.0
2008	1,205	67,721	45.8	12.4	56,200	3.6
2009	1,151	65,511	46.3	12.9	56,917	1.3
2010	1,002	57,795	46.3	13.0	57,679	1.3
2011	902	52,237	46.7	13.3	57,912	0.4
2012	840	49,737	47.2	13.6	59,210	2.2
2013	793	47,628	47.6	14.2	60,060	1.4
2014	713	43,724	48.3	14.7	61,324	2.1
2015	671	41,687	48.6	15.1	62,167	1.4
2016	627	39,466	48.5	15.7	62,944	1.3

*\*in thousands*

**Genesee County Employees' Retirement System  
Member Statistics (continued)**

**EMPLOYER COMPUTED CONTRIBUTIONS-COMPARABLE SCHEDULE**

Valuation Date Dec.	General & Sheriffs	Water & Waste	District Library	Mental Health	Road Commission	City of Mt. Morris	Valuation Payroll*
1986	6.04%	4.99%	7.22%	6.54%	9.63%	4.34%	\$46,136
1987 (a)	11.40	4.79	5.72	6.44	9.07	3.35	50,282
1988 (a)	12.51	2.32	4.67	10.43	9.12	2.72	50,342
1989 (a)	15.66	0.45	4.42	9.14	6.54	1.24	50,694
1990 (a)	16.21	6.82	4.15	9.12	9.31	1.62	53,332
1991	17.03	6.19	8.27	8.97	15.98	0.58	53,167
1992	21.09	7.98	6.63	9.41	19.89	0.62	57,807
1993	23.34	13.41	6.36	10.67	19.91	0.23	60,516
1994	22.53	14.19	4.50	10.34	20.66	0.23	65,137
1995	18.44	9.99	.69	7.17	23.34	0.00	69,200
1996	20.19	3.22	0.00	4.69	26.04	3.78	66,206
1997	17.32	10.88	0.00	5.68	19.33	3.76	61,108
1998	11.09	4.14	0.00	1.89	13.78	0.00	62,421
1999	10.29	2.08	0.00	1.20	10.95	0.00	64,378
2000	10.70	3.02	0.00	8.97	12.02	0.00	63,781
2001	10.39	4.71	0.00	8.09	16.93	5.22	65,765
2002	15.52**	14.00**	0.56**	9.44**	16.42**	11.56**	68,667
2003	19.27	15.94	5.40	11.47	18.19	14.96	70,143
2004	22.31	17.11	8.95	13.61	19.57	18.47	71,274
2005	24.28	17.58	12.68	12.80	18.18	18.76	70,433
2006	23.48	15.94	11.20	11.49	16.00	18.21	70,205
2007	25.38	16.49	8.58	11.63	16.60	20.56	68,341
2008	29.33	17.76	11.64	13.96	18.34	20.40	67,721
2009	31.74	18.81	12.00	15.16	19.46	21.46	65,511
2010	40.58	16.62	12.85	16.65	19.89	26.74	57,795
2011	53.48	20.30	16.87	21.09	25.18	28.43	52,237
2012	52.70	20.35	15.93	19.58	25.15	24.34	49,737
2013	54.36	18.41	14.34	20.02	23.29	16.45	47,628
2014	64.38	16.20	17.65	26.11	23.67	12.52	43,724
2015	71.59	15.94	19.53	29.19	24.34	11.15	41,687
2016	94.93	19.15	23.98	35.25	32.78	14.15	39,466

\* \$ In Thousands

\*\* Rate represents those adopted by Retirement Commission on 6/16/2003.

## **V. GLOSSARY OF KEY INVESTMENT AND ACTUARIAL TERMS**

## **Glossary of Key Investment and Actuarial Terms:**

### **ACTUARIAL ACCRUED LIABILITY-**

The difference between the actuarial present value of system benefits and the actuarial value of future normal costs. Sometimes referred to as "accrued liability".

### **ACTUARIAL ASSUMPTIONS-**

Estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover, and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.

### **ACTUARIAL RESERVE-**

A fund for the purpose of paying benefits which will not be paid in the very near future but which have already been earned. An actuarial reserve retirement fund sets aside money for benefits earned before the benefits will actually have to be paid.

### **ACTUARIAL VALUATION-**

An examination by an actuary of a group of people, with regard to certain characteristics of the people in that group. Some of the characteristics are age, service, salary and rate of turnover by death or termination. The actuary can then determine whether contributions are sufficient to fund liabilities earned. An annual actuarial valuation of active and retired members is conducted by Rodwan Consulting Company, the actuary for the Genesee County Employees' Retirement System.

### **AMORTIZE-**

To pay off an interest-discounted amount with periodic payments of interest and principal as opposed to paying off with a lump-sum payment.

### **AUDIT-**

An examination by someone or some firm outside an organization of accounting records developed by the staff of the organization. Recommendations and suggestions for better recordkeeping and management are often part of an audit. An annual audit is conducted by Plante & Moran, PLLC, independent auditors for the Genesee County Employees' Retirement System.

### **CORPORATE OBLIGATION-**

An investment in a corporation with specified payments of principal and interest over a definite period of time.

### **DIVERSIFICATION-**

The practice of investing in several different investment areas in order to minimize total portfolio risks.

### **LEVEL-COST FINANCING-**

A method of financing a retirement system in which contributions, as a percentage of payroll, remain level from generation to generation, if benefit provisions are not changed.



## **Genesee County Information Technology**

1101 Beach Street, 2<sup>nd</sup> Floor

Flint MI 48502

Christopher A. Newell, CIO

Phone: (810) 237-6103 Fax: (810) 257-3380

To: Bryant Nolden, Chairperson – Government Operations Committee

From: Christopher Newell, CIO

Date: July 13, 2017

Attached is a contract amendment to our existing agreement with ATT for network services connecting our outlying locations. The amendment reflects the addition of a connection to the new Medical Examiner's suite.

When implemented, this circuit will provide the site with direct connection to County data networks, phone system, and Internet services.

This reflects previously negotiated pricing under the MiDeal (State of Michigan) cooperative.

A roll call vote would be appreciated regarding this matter.

Thank you for your consideration and action on this matter.





**AMENDMENT TO PRICING SCHEDULE FOR  
AT&T SWITCHED ETHERNET SERVICE  
PROVIDED PURSUANT TO CUSTOM TERMS**

AT&T MA Reference No.: 1001216UA  
Pricing Schedule being amended (Contract ID No.): ASEBLCHSX  
AT&T Amendment Ref. No. ASEN0L7JB

<b>Customer ("Customer")</b>	<b>AT&amp;T ("AT&amp;T")</b>
Genesee County	The applicable AT&T Service-Providing Affiliate(s)

This is an Amendment to the above referenced Pricing Schedule, last signed on November 3, 2015, and is effective on the date on which the last party signs this Amendment. The parties agree to modify the terms and conditions of the Pricing Schedule as specified herein. This Amendment is Customer's order for any new Services described herein.

Except as modified herein, all rates, terms and conditions of the Pricing Schedule remain in full force and effect.

**This Amendment is valid only if executed by both parties prior to expiration of the existing Pricing Schedule Term.**

<b>Customer (by its authorized representative)</b>	<b>AT&amp;T (by its authorized representative)</b>
By:	By:
Printed or Typed Name:	Printed or Typed Name:
Title:	Title:
Date:	Date:

WK# - TCAL and ILEC Intrastate -TBD  Please sign by January 3, 2018	For AT&T Administrative Use Only Pricing Schedule No. _____ Original Effective Date: November 3, 2015 Effective Date of Amendment: _____
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**Amendment to Pricing Schedule for AT&T Switched Ethernet Service  
Provided Pursuant To Custom Terms**

1. **MINIMUM PAYMENT PERIOD.** The Minimum Payment Period for Service Components in this Amendment is until the end of the Pricing Schedule Term.
2. Service Components ordered under this Amendment: See Attachment(s) A.



**ATTACHMENT A**  
**RATES and CHARGES; SERVICE COMPONENTS, SITE and SERVICE CONFIGURATION**  
**Genesee County**

**A-1 Rates and Charges; Quantities**

Service Components / USOC	Qty New	Billed Monthly Recurring Rate (MRR), per unit	Total Billed Monthly Recurring Rate (Qty x MRR)	Standard Non-recurring Charge (NRC)*, (New Service Components only), per unit	Billed Non-recurring Charge (NRC)*, (New Service Components only), per unit	Total Billed Non-recurring Charge (Qty New x Billed NRC)
Customer Port Connection - 100 Mbps / PPCoS / EYQLX / Retail - GEM	1	\$ 241.50	\$ 241.50	\$ 1,925.00	\$ 0.00	\$ 0.00
50Mb CIR / MultiMedia Standard - PPCoS Only / R6EHX / Retail - GEM	1	\$ 428.75	\$ 428.75	\$ 150.00	\$ 0.00	\$ 0.00
<b>TOTAL billed MRR and NRC for Service Components and Quantities listed above:</b>			<b>\$ 670.25</b>			<b>\$ 0.00</b>
*Any difference between the standard NRC and the billed NRC has been waived. Charges for special construction, if needed, may also apply.						

**A-2 Customer Sites for Service Components ordered under this Amendment**

**Table 1 - Complete a line for each Customer Port Connection.**

Port ID #	Street Address	City	State
1	4800 S SAGINAW	FLINT	MI

**Table 2 – Service Components associated with Customer Port Connections identified above.**

Port ID #	Customer Port Connection Speed	CIR Speed/Tier	Class of Service / Package	Regenerator
1	100 Mbps Per Packet Class of Service	50 Mbps	Multimedia Standard	[Select]

**Table 3 – Features associated with Customer Port Connections identified above.**

Port ID #	Add'l MAC Addresses	Alternate Serving Switch	Diverse Access	Advanced Access Failover	Enhanced Multicast
1	[Select]	[Select]	[Select]	[Select]	[Select]

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