



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, February 28, 2018 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Brenda L. Stumbo, Michael Bodary, Jon R. Ichesco, Larry J. Doe, and Keith P. Jason.

Members Absent: None.

1. **CALL TO ORDER:** Ms. Stumbo called the meeting to order at 4:00 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Doe to receive and file the minutes of the December 20, 2017 (Closed Session) and January 24, 2018 (Open & Closed Sessions) meetings as presented. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve – Comprehensive Annual Financial Report (CAFR) For Fiscal Year 2016 – 2017 –** Dwayne Harrigan and Mark Kettner

Mr. Harrigan advised the Board that the audit is a requirement of state statute. He indicated that the Finance Committee met and reviewed the documents. Mr. Harrigan explained that Mark Kettner from Rehmann Robson was present to give a brief overview and answer any questions.

Mr. Kettner then proceeded to provide information to the Board.

YCUA attorney Thomas E. Daniels reminded the Board that WTUA's contributions to OPEB and pension are continuing after YCUA prevailed in arbitration several years ago.

Motion by Doe to Approve the Comprehensive Annual Financial Report (CAFR) For Fiscal Year 2016 – 2017. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

B. Request to Approve – Annual Officer and Committee Member Appointments – Jeff Castro

Mr. Castro advised the Board that February is the month that officers and committee appointments are selected by the YCUA Board. He indicated that, whether there are changes to be made to the current appointments or if they will remain the same, a motion should be made to that effect.

Motion by Bodary to Approve the Annual Officer and Committee Member Appointments. Support by Doe. In favor: All. Opposed: None. (Motion carried.)

C. Request to Approve – Authorization to Seek Construction Phase Engineering Proposal from OHM Advisors, Inc. (OHM) re: Harris Road Water Main Replacement (Restricted Funds Account No. 902-397) – Scott D. Westover

Motion by Jason to provide Authorization to Seek Construction Phase Engineering Proposal from OHM Advisors, Inc. (OHM) re: Harris Road Water Main Replacement (Restricted Funds Account No. 902-397). Support by Doe.

Mr. Westover advised the Board that this project was put out for bid by MDOT on behalf of the Washtenaw County Road Commission (WCRC) earlier this month and the total bid was slightly less than the estimate. He indicated, however, that the water main portion was 12% over. Mr. Westover explained that despite the higher than anticipated cost, he still recommends proceeding.

Ms. Stumbo inquired as to whether OHM is doing the road design. Mr. Westover responded affirmatively, adding that water main design was a collaborative effort between him and OHM staff. He pointed out that it has not been confirmed by the road commission what OHM's role will be, if any, on their portion of the construction phase. Mr. Westover also explained that he anticipates WCRC will do the inspection on the road improvements and OHM will have some survey roles. He further advised that he will know more after the pre-construction meeting the following week and he will report to the Board in March.

In favor: All. Opposed: None. (Motion carried.)

D. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.

E. Financial Report – Authority Net Assets – Dwayne Harrigan

Informational only; no motion from the Board required.

F. Usage Report – Consumption Report – Jeff Castro

Informational only; no motion from the Board required.

G. Attorney’s Report – Thomas E. Daniels

There was no Attorney’s Report for the month.

H. Director’s Report - Jeff Castro

Mr. Castro advised the Board that the high flows received after a sudden snow melt and two inches of rain on February 20 through 22 resulted in an historic event. He indicated that YCUA’s wastewater staff did an amazing job managing a flow of over 70 MGD into the wastewater treatment plant, which is only rated at 52 MGD with a peak flow rate of about 63 MGD. Mr. Castro explained that the wastewater operators avoided potential issues by careful observation and exceptional decisions and adjustments. He pointed out that the maintenance department’s diligent efforts managing the overwhelmed pump stations during these critical peak flows was amazing as well. Mr. Castro also explained that, as a result, there were no discharges into local waters. He further advised that the Service Center’s outstanding sewer preventative maintenance program paid dividends with only two homes experiencing basement back-ups. Mr. Castro stated that the Authority’s laboratory was superb with continuous sampling and analyzing of critical data. He acknowledged that the entire management team was unbelievable and staff exceeded all expectations.

Mr. Stumbo concurred that everyone did an excellent job.

Mr. Castro thanked the Board for approving the upgrades to the McGregor pump station. He indicated that improvements made a couple of years ago to the Snow Road and Factory Street pump stations were crucial in managing the high flows. Mr. Castro explained that had those improvements not been made, surely there would have been an overflow into the river. He pointed out that the McGregor pump station is rated at about 65 MGD and it handled flows close to 79 MGD during the storm. Mr. Castro also explained that this is all thanks to the support of the Board and the diligent work of the YCUA staff.

Mr. Castro advised the Board that the Ypsilanti District Library is celebrating their 150th anniversary this year and is requesting a private tour of the historical stone tower for a silent auction gala at the Freight House on June 8th. He indicated that YCUA management has no issue with their request as long as the Board concurs. Mr. Castro explained that Authority staff will draw up a set of rules and set a maximum number of participants.

Motion by Jason to approve the request of the Ypsilanti District Library.
Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

4. **OLD BUSINESS:** There was no Old Business for the month.
5. **OTHER BUSINESS:** There was no Other Business for the month.
6. **STATEMENTS AND CHECKS:** Motion by Ichesco to pay the current month's bills in the amount of \$2,861,057.10. Support by Doe. In favor: All. Opposed: None. (Motion carried.)
7. **PUBLIC COMMENTS:** There were no Public Comments for the month.
8. **CLOSED SESSION:** Ms. Stumbo recommended adjourning the open session and calling to order a closed session in order to discuss union and non-union contracts. Motion by Jason to accept the recommendation for adjourning the open session and calling to order a closed session. Support by Doe. By roll call vote: Ayes: Brenda L. Stumbo, Michael Bodary, Jon R. Ichesco, Larry J. Doe, and Keith P. Jason. Nays: None. (Motion carried.)

(Board then met in closed session.)

9. **RETURN TO OPEN SESSION AND ADJOURNMENT:** Motion by Jason to add the AFSCME and Non-Union contracts and a MERS resolution to the agenda. Support Bodary. In favor: All. Opposed: None. (Motion carried.)

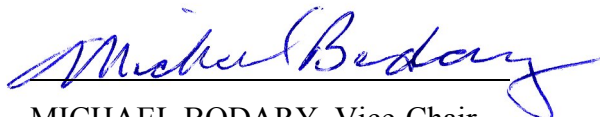
Motion by Doe to approve the AFSCME contract for 2018 – 2021 as negotiated. Support by Jason. In favor: All. Opposed: None. (Motion carried.)

Motion by Doe to approve the Non-Union contracts. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

Motion by Bodary to approve the MERS resolution changing the AFSCME pension contribution effective January 1, 2018 from 3% to 5%. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

Motion by Jason to adjourn the meeting at 4:58 p.m. Support by Doe. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,



MICHAEL BODARY, Vice-Chair



Defined Benefit Plan Adoption Agreement



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

www.mersofmich.com

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

I. Employer Name _____ **Municipality #:** _____

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

II. Effective Date

Check one:

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

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

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

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

B. If this is an **amendment** of an existing Adoption Agreement (Defined Benefit division number _____), the effective date shall be the first day of _____, 20___. *Please note:* You only need to mark **changes** to your plan throughout the remainder of this Agreement.

C. If this is a **temporary benefit** that lasts 2-6 months, the effective dates of this temporary benefit are from ___/01/___ through ___/___/___ for Defined Benefit division number _____.
Last day of month
Please note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

D. If this is to **separate employees from an existing Defined Benefit division** (existing division number(s) _____) into a new division, the effective date shall be the first day of _____, 20__.

E. If this is to merge division(s) _____ into division(s) _____, the effective date shall be the first of _____, 20__.

Defined Benefit Plan Adoption Agreement

III. Eligible Employees

Only those Employees eligible for MERS membership may participate in the MERS Defined Benefit Plan. A copy of ALL employee enrollment forms must be submitted to MERS. The following groups of employees are eligible to participate:

(Name of Defined Benefit division – e.g. All Full Time Employees, or General after 7/01/13)

Only retirees will be in this division.

These employees are (check one or both):

In a collective bargaining unit (attach cover page, retirement section, signature page)

Subject to the same personnel policy

To receive one month of service credit (check one):

An employee shall work 10 _____ hour days.

An employee shall work _____ hours in a month.

All employees as classified under eligible employees, whether full or part time, who meet this criteria must be reported to MERS. If you change your current day of work definition to be more restrictive, the new definition only applies to employees hired after the effective date.

To further define eligibility, check all that apply:

Probationary Periods are allowed in one-month increments, no longer than 12 months. During this introductory period, the Employer will not report or provide service time for this period, including retroactively. Service will begin after the probationary period has been satisfied.

The probationary period will be _____ month(s).

Temporary employees in a position normally requiring less than a total of 12 whole months of work in the position may be *excluded* from membership. These employees must be notified in writing by the participating municipality that they are excluded from membership within 10 business days of date of hire or execution of this Agreement.

The temporary exclusion period will be _____ month(s).

IV. Provisions

Valuation Date: _____, 20____

1. Review the valuation results

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

Our MERS representative presented and explained the valuation results to the

_____ on _____.
(Board, Finance Cmte, etc.) (mm/dd/yyyy)

As an authorized representative of this municipality, I _____
(Name)

_____ waive the right for a presentation of the results.
(Title)

Defined Benefit Plan Adoption Agreement

2. This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary that sets contribution rates.
3. Annually, the MERS actuary will conduct an actuarial valuation to determine the employers' contribution rates. Employers are responsible for payment of said contributions at the rate, in the form and at the time that MERS determines.
4. Benefit Multiplier (1%-2.5%, increments of 0.05%) _____ % (max 80% for multipliers over 2.25%)

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

If checked, select one below:

- Termination Final Average Compensation (calculated over the members entire wage history)
- Frozen Final Average Compensation (FAC is calculated twice, once for the timeframe that matches the original multiplier, and once for the new multiplier)

5. Final Average Compensation (Min 3 yr, increments of 1 yr) _____ years
6. Vesting (5 -10 yrs, increments of 1 yr) _____ years
7. Required employee contribution (Max 10%, increments of 0.01%) _____ %
8. Compensation, for retirement purposes, is defined as base wages and all of the following. Check applicable boxes to *exclude* these types from your MERS reported wages:
 - Longevity pay
 - Overtime pay
 - Shift differentials
 - Pay for periods of absence from work by reason of vacation, holiday, and sickness
 - Workers' compensation weekly benefits (if reported and are higher than regular earnings)
 - A member's pre-tax contributions to a plan established under Section 125 of the IRC
 - Transcript fees paid to a court reporter
 - A taxable car allowance
 - Short term or long term disability payments
 - Payments for achievement of established annual (or similar period) performance goals
 - Payment for attainment of educational degrees from accredited colleges, universities, or for acquisition of job-related certifications
 - Lump sum payments attributable to the member's personal service rendered during the FAC period
 - Other: _____
 - Other 2: _____

Defined Benefit Plan Adoption Agreement

9. Early Normal Retirement with unreduced benefits

- | | |
|--|--|
| <input type="checkbox"/> Age 50 with 25 years of service | <input type="checkbox"/> Age 50 with 30 years of service |
| <input type="checkbox"/> Age 55 with 15 years of service | <input type="checkbox"/> Age 55 with 20 years of service |
| <input type="checkbox"/> Age 55 with 25 years of service | <input type="checkbox"/> Age 55 with 30 years of service |
| <input type="checkbox"/> Any age with (20-30 yrs, in 1 yr increments) _____ years of service | |
| <input type="checkbox"/> _____ | |

10. Other

- Surviving Spouse will receive _____% of Straight Life benefit without a reduction to the participant's benefit
- Duty death or disability enhancement (add up to additional 10 years of service credit not to exceed 30 years of service)
- Deferred Retirement Option Program (DROP)
- Annuity Withdrawal Program (AWP)
 - Calculation of the actuarial equivalent of the lump sum distribution made under AWP will be done using:
 - Interest rate for employee contributions as determined by the Retirement Board, or
 - MERS' assumed rate of return as of the date of the distribution.

11. Cost-of-Living Adjustment

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

V. Appointing MERS as the Plan Administrator

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

Defined Benefit Plan Adoption Agreement

VI. Modification Of The Terms Of The Adoption Agreement

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

VII. Enforcement

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

Defined Benefit Plan Adoption Agreement

VIII. Execution

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

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

Authorized signature: Deirda L. Strunk

Title: _____

Witness signature: Kevin M. Welch Kevin M. Welch

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

Dated: _____, 20____ Signature: _____
(Authorized MERS Signatory)

