

AUGUST 4, 2009

The Board of County Road Commissioners for Montcalm County held a meeting at its office located in Stanton, Michigan at 3:00 p.m. on August 4, 2009.

Present: Commissioners Robert Brundage and Donald McCracken; Randy Stearns, Managing Director; Mark Christensen, Superintendent and Karen Swan, Finance Director-Clerk. Absent: Dale Linton, Chairman.

Moved by McCracken, seconded by Brundage, to approve the minutes of July 22, 2009 as presented. Motion carried.

Moved by McCracken, seconded by Brundage, to approve the agenda as presented. Motion carried.

Jack Schmitz of Burnham & Flower Insurance Group came before the Board to present a plan to provide third-party administration of the Road Commission's health insurance plans along with providing oversight, administration and compliance with COBRA, HIPPA, GASB45 and PA106 mandates. Because Burnham & Flower provides services only to municipalities and governmental entities, they are better able to stay up to date on new laws and mandates that the Road Commission must comply with. Mr. Schmitz stated there would be no additional cost, because whatever the current agent is being paid by Blue Cross-Blue Shield will be the same amount paid to Burnham & Flower even though they will be able to provide additional services at no additional cost. The Board stated it was in agreement to change agents to Burnham & Flower.

Moved by McCracken, supported by Brundage, that based on the supplemental valuations provided by Gabriel, Roeder, Smith & Company for the Municipal Employees' Retirement System of Michigan, the Board hereby approves opening an early retirement window for Division 1 (General) and Division 10 (Salaried and Commissioners) for the period November 1, 2009 through April 30, 2010 with the following temporary changes during the open window period: upgrade Division 1 to B-4 with option F55/15, and upgrade Division 10 with option F55/15. Motion carried. Roll call: Yes-McCracken, Brundage.

Manager's Report

- Bids for the Stimulus Projects will be opened in Lansing on August 21st.
- The Federal Aid Project, which will complete the Condensery Road project started last year, is scheduled to be done next week.

Superintendent's Report

- Spoke with Kent County Road Commission about the cost to use crushed limestone gravel versus 23A gravel; the crushed limestone gravel costs \$30,000 per mile versus \$10,000 per mile for 23A gravel.
- At the May 5th board meeting, Drain Commissioner Don Cooper discussed concerns about an enclosed portion of the Weidbrauk Drain running along the west side of Mt. Hope Road in Crystal Township. I recently had a contractor run a camera through this part of the drain and found that about 30 feet from the north end of the tile was plugged; as soon as it was opened the water flowed through. The tile may need to be replaced.

Clerk's Report

- Good news for a change—August MTF is down only \$932 compared to August 2008.
- Regarding the early retirement window: Because we applied for the supplemental valuation before July 1, 2009, we are able to open a window this year; however, that has changed for the future. MERS has changed its rules regarding benefit upgrades, which include early retirement windows. In the past a municipality's pension plan had to be funded at least 50 percent in order to be allowed to make upgrades to its pension plan; a few years ago it was changed to 60 percent. In May 2009, the MERS Board planned to change the requirement to 70 percent; however, due to investment downturns and the economic outlook, they changed the funding level requirement to 80 percent effective July 1, 2009. The Road Commission's current funding level is 69.6 percent. According to MERS calculations, if we were to pay an extra \$85,000 a year on top of what we are already paying, based on current wages it will take us at least 15 years to get to the 80 percent level. We cannot afford to do that, and remember in addition to what the Road Commission is required to pay into the MERS plan each year, we already deposit the annual dividends we receive each year from the old John Hancock pension plan to help improve our plan's funding level. Over the past 12 years the dividends deposited into the

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MERS plan amounts to an extra \$1.6 million that has been deposited into the pension plan. We will continue to deposit the dividends from John Hancock into the MERS plan until such time that no retirees or their spouses are collecting retirement from the John Hancock plan and it can be closed and excess funds, if any, can be transferred to MERS.

Moved by McCracken, seconded by Brundage, to approve the 7/22/09 bills totaling \$364,293.44 and Payroll #15 totaling \$73,478.72.

There being no further business, the meeting adjourned at 5:00 p.m.

Chairman

Clerk