

Work Session of the Board of County Road Commissioners for the County of St. Joseph, State of Michigan, was held in the Board Room at the St. Joseph County Road Commission, 20914 M-86, Centreville, Michigan at 8:00 a.m. via conference call

Present on the phone: Chairman Dave Allen, Vice Chairman Eric Shafer, Commissioner John Bippus
Commissioner Vince Mifsud, Commissioner Rodney Chupp, Clerk Julie
Mayuiers, Manager John Lindsey, Assistant Manager Garrett Myland

Visitors on phone: Elena Meadows, Sturgis Journal

Motion by Commissioner Bippus seconded by Commission Mifsud to approve the agenda as amended adding 1st Qtr. Safety Drawing under New Business. Motion carried.

Motion by Commissioner Mifsud seconded by Commissioner Chupp to approve the consent agenda with April 1, 2020 Board Meeting Minutes. Motion carried.

Motion by Commissioner Chupp seconded by Vice Chairman Shafer to approve the March Payroll vouchers in the amount of \$235,613.25. Roll Call Vote taken: Ayes: Bippus, Chupp, Mifsud, Shafer, Allen
Nays: None Absent: None Abstained: None Motion carried.

Motion by Vice Chairman Shafer seconded by Commissioner Chupp to approve the March A/P vouchers in the amount of \$347,062.53. Roll Call Vote taken: Chupp, Mifsud, Shafer, Bippus, Allen
Nays: None Absent: None Abstained: None Motion carried.

Resolution

Motion by Vice Chairman Shafer seconded by Commissioner Bippus authorizing the Commissioners to sign the OPEB Trust Agreement.

St. Joseph County Road Commission Retiree Healthcare Plan

This Trust Agreement is made April 15, 2020 between the St. Joseph County Road Commission acting through the members of the Board of County Road Commissioners (the "Trustees").

The Road Commission has established certain Other Post-Employment Benefits ("OPEB"), other than pensions, for eligible former employees.

The Road Commission wishes to establish an irrevocable trust (the "Trust") for the purpose of funding OPEB obligations as required to be reported under General Accounting Standards Board ("GASB") statements in relation to OPEB.

The Trust is established by the Road Commission with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and Regulations.

DEFINITIONS

- “Code” means the Internal Revenue Code of 1986, as amended from time to time.
- “GASB 74 and 75”, shall mean Government Accounting Standards Board, Statement No. 74 and Statement No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions.
- “Other post-employment benefits” or “OPEB,” shall mean post-employment benefits other than pensions as that term is defined in GASB 74 and 75.
- “Retired Employee” means those persons who have retired from employment and who are qualified to receive retirement benefits.
- “Trust” means the St. Joseph County Road Commission Retiree Healthcare Plan.
- “Trustee” means the duly serving members of the Board of County Road Commissioners.
- “Trust Fund” means all the money and property including principal and income, held by the Trustee under the Trust.

PURPOSE

The Trust is created for the sole purpose of providing funding for OPEB, as determined by the Road Commission or as required by collective bargaining agreement or by any other law providing for such benefits.

The Trust is provided for the exclusive benefit of Retired Employees and their eligible dependents.

The assets held in the Trust shall not be used for any other purpose, except as expressly provided herein.

ESTABLISHMENT OF TRUST

In order to implement and carry out the provisions of applicable State law, the Road Commission hereby establishes this Trust which shall be known as the “St. Joseph County Road Commission Retiree Healthcare Plan.”

The Trust shall be irrevocable. No Trust funds shall revert to the St. Joseph County Road Commission until benefits owed to Retired Employees have been satisfied or released.

The Trustees accept the duties imposed upon them by this Trust Agreement and agree to perform said duties as a fiduciary in accordance with this Trust Agreement.

Per the 2018 and 2019 actions of the Road Commission to accept the Corrective Action Plan (CAP) in compliance with the recently passed “Protecting Local Government Retirement and Benefits Act” (Sec. 8 (MCL38.2808) of Public Act 202 of 2017 (the Act) requiring St. Joseph County Road Commission to meet the 40% minimum funding levels for our underfunded OPEB Liability by 2029

and fully funding by 2043, an initial contribution of \$50,000.00 was made on February 1, 2019 and annual contributions of \$5,000.00 thereafter.

It is intended that the Trust will be a Section 115 Trust. As such, it is expected that there will be no income taxes owed by the Trust. To the extent that any taxes are imposed on the Trust, the Trustees shall use the assets of the Trust Fund to pay for any taxes owed.

All reasonable costs and expenses of managing and administering the Trust and the Trust Fund, including reimbursement for reasonable fees incurred through the use of third-party vendors, shall be paid from the Trust Fund unless the Road Commission chooses to pay the expenses directly.

TRUST FUNDING

The Trust Fund shall be credited with amounts contributed to the Trust for the purpose of meeting the current and future OPEB costs payable.

The Trustees shall have no duty to determine that the amounts contributed are adequate to provide the OPEB benefits.

Amounts in the Trust fund shall be held for the exclusive purpose of the payment of the costs for OPEB obligations and defraying reasonable expenses.

Amounts in the Trust Fund shall not be subject to the claims of the St. Joseph County Road Commission general creditors. The Trust Fund shall not be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of the Road Commission, or of retirees or dependents who are entitled to OPEB.

TRUSTEES / POWERS OF THE TRUSTEES

The Trust shall be administered by the Board of County Road Commissioners.

In the event a Trustee resigns, a Trustee shall be appointed to fill the vacancy in accordance with applicable law.

The Trustees shall have the power to manage the Trust Fund, enter into contracts, and exercise any and all rights and privileges as the Trustees deems necessary to administer the Trust Fund or to carry out the purposes of this Trust. In addition, the powers of the Trustees shall include, but not limited to, the following:

1. To receive, hold, manage, invest and reinvest all monies which at any time form part of the Trust, provided that the Trustees shall comply with applicable law and any investment policy adopted by the Trustees concerning the investment and management of the Trust Funds.
2. To Employ suitable advisors and counsel as the Trustees deem necessary for the efficient operation of the Trust and to delegate duties to such advisors and counsel, and to charge the expense to the Trust Fund.

3. To hire one or more consultants, actuaries, accountants, attorneys or other professionals to assist with the administration of the Trust Fund and to pay such amounts deemed to be reasonable.
4. To do all acts, whether expressly authorized herein, which the Trustees may deem necessary in connection with the administration of the Trust, although the power to do such acts is not specifically set forth herein.

LIMITATIONS OF TRUSTEE POWERS, DUTIES AND RESPONSIBILITIES

The Trustees shall have such rights, powers and duties as are provided to a named fiduciary for the investment of assets.

The Trustees shall invest and manage Trust assets as a prudent investor would, using the judgment that persons of prudence, discretion, and intelligence would exercise.

The Trustees will authorize and direct the investment of the Trust Fund consistent with the prudent investor rule, and as provided in the investment policy, if applicable.

The Trustees will appoint a custodian to maintain custody of the Trust Funds. All funds in the Trust Fund shall be accounted for separately from all other funds of the Road Commission.

TERMINATION OF TRUST

The Trust shall continue unless terminated pursuant to law or by an instrument in writing, provided that the continuance of the Trust shall not be deemed to be a contractual obligation of the Road Commission.

Upon termination, subject to the payment of all obligations and liabilities of the Trust, the net assets shall be transferred to the Road Commission to be used for providing OPEB to Retired Employees and their eligible dependents.

AMENDMENTS

The Road Commission may amend the Trust at any time necessary to comply with the requirements for tax exemption under Section 115 of the Code, to conform the Trust to applicable state law and to meet the standards set forth in GASB statements concerning OPEB Trust Funds.

ADOPTION

The Trust Agreement is adopted on April 15, 2020 by the St. Joseph County Road Commission Board of Road Commissioners whose signatures appear below:

David H. Allen, Chairman of the Board

Eric B. Shafer, Vice Chairman

John W. Bippus, Member

Rodney D. Chupp, Member

Vincent J. Mifsud, Member

A roll call vote was taken: Aye votes cast: Bippus, Chupp, Mifsud, Shafer, Allen
Nay votes cast: None Absent: None Motion carried. Resolution Adopted.

I, Julie A. Mayuiers, Clerk of the Board of County Road Commissioners of St. Joseph County, State of Michigan, hereby certify that the above is a true and correct copy as recorded in the minutes of the meeting of April 1, 2020.

Julie A. Mayuiers

Julie A. Mayuiers
Clerk of the Board

1st Qtr. Safety Drawing winners: Nate Taylor, Glen Borntreger, Garrett Myland, Fred Nystrom

Commissioners Comments:

Shafer: Congratulations and Thank you for purchasing the flashing stop signs to be installed on various locations within the county. Great job by Garrett on Farrand/Colon Road roundabout and the finding ways to get the project done in the best yet most economical way possible. SJCRC is getting ahead of the curve on this and other counties will soon be following. Thank you to Julie for noting to get the audit out early to the commissioners to review once it is ready.

Chupp: Same as Eric. He drove the roads in Calhoun County last week on essential business and anybody that complains about the roads in St. Joseph County needs to drive in Calhoun County. Credit goes to the workers, manager, previous manager for the great shape our roads are in.

Mifsud: Nothing

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Bippus: Nothing

Allen: Battle Creek roads are in poor shape also and SJ county does a fantastic job. We are leading the pack and ahead of the curve on road repairs. Staff should be very proud of the work they are doing.

Meeting adjourned at 9:05 am

David H. Allen, Vice Chairman

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Julie Mayuiers, Clerk of the Board